

Case 2: Guthrie Gourmet Foods

A Media Planning Case

As the new product manager for Guthrie Gourmet Foods, you have been given the assignment to allocate the initial budget of \$50,000 for print media.

Guthrie Gourmet Foods is the leading producer of Gazpacho Soup. Gazpacho (cold vegetable soup) has been a popular gourmet soup since World War II. It's popularity has decreased over the past ten years due to the nation-wide trend to fast food meals or meals requiring little preparation.

It is your objective to maximize consumer awareness through media campaigns. Guthrie Gourmet Foods wants to begin the marketing re-awareness campaign with periodical advertisement aimed at long-time Gazpacho fans.

Marketing research surveys indicate the top four print media selections which focus on our target market are the following:

*Bon Appetit *Reader's Digest

*Life *Better Homes and Gardens

Your assignment as the product brand manager for Gazpacho soup is to determine the optimal insertions in each of these media to obtain maximum exposure and increase sales.

Given our budget constraint of \$50,000, you have been furnished with the following information.

A. Company policy restricts the number of insertions to no more than one per issue. (This is with the exception of Bon Appetit which is restricted to eight months over the summer months. This magazine will carry a new holiday product media push for the winter months. The brand product director of marketing feels that the Gazpacho will cannibalize the holiday product's sales.)

B.

1. POPULATION SEGMENTS:

*BETTER HOMES AND GARDENS 60,000

*READER'S DIGEST 50,000

*LIFE 35,000

*BON APPETIT 40,000

2. PROBABILITY OF EXPOSURE & % OF SEGMENT IN AUDIENCE:

*BETTER HOMES AND GARDENS 70% 80%

*READER'S DIGEST 60% 80%

*LIFE 60% 50%

*BON APPETIT 30% 40%

3. SEASONALITY FACTOR: 60%

4. VALUE OF EXPOSURES AND AVERAGE SALES PER CAPITA:

*BETTER HOMES AND GARDENS 75% \$15.00

*READER'S DIGEST 55% \$12.00

*LIFE 55% \$11.00

*BON APPETIT 75% \$9.00

5. COST PER INSERTION:

*BETTER HOMES AND GARDENS \$2000.00

*READER'S DIGEST \$1750.00

*LIFE \$2000.00

*BON APPETIT \$3500.00