

An Evaluation of the GO TEXAN Marketing Program: Results of the 2002-2003 Member Survey

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ABSTRACT

Essential to the survival of any agricultural firm is its ability to market products and not simply sell them. Support for such an initiative and leadership from the state's department of agriculture is crucial in today's economy. Launched by Susan Combs, Texas Department of Agriculture Commissioner, the GO TEXAN program is an innovative marketing approach for Texas' agricultural products. The campaign uses an easily recognizable trademark – a glowing brand in the shape of Texas – to promote agricultural products produced in Texas. Evaluating such programs enables the lead organization to successful elements and those needing revision. This study assessed methods used by GO TEXAN producers to market their products. The study also focused on the level of success experienced by producers and the degree to which that success could be attributed to the program. The study found that producers experienced success directly linked to their involvement in the GO TEXAN program. These results are providing the programs' management personnel with insight into its effectiveness and opportunities for even greater results.

KEYWORDS: GO TEXAN, Agricultural marketing, Texas Department of Agriculture

With the Agricultural Marketing Act of 1946, Congress declared a sound, efficient, and privately-operated system for distributing and marketing agricultural products. The act identified that this system is essential to insure a prosperous agriculture and is indispensable to the maintenance of full employment and to the welfare, prosperity, and health of the nation (Caswell 1997).

GO TEXAN, launched by Commissioner Susan Combs, adds a new dimension to the Texas Department of Agriculture (TDA) in marketing Texas agriculture. The campaign promotes all Texas agricultural products – food, fiber, wine and horticulture – under one easily recognized trademark: a glowing brand in the shape of Texas. GO TEXAN taps into Texas loyalty, working to persuade 19 million Texas consumers to choose the state's agricultural bounty when they shop.

Support programs have been created to enhance the campaign's effectiveness. One example is the GO TEXAN Partner Program (GOTEPP), a matching grant program that doubles funds available to promote Texas agriculture. Another example is TDA's International Marketing staff recruitment of Texas companies to apply for export funding through the federal Market Access Program (MAP), a matching funds reimbursement program to develop export opportunities for branded products.

National celebrities also lend their prestige to promote Texas agriculture. Pitching great Nolan Ryan and actor Tommy Lee Jones donated time and talent to star in public service television announcements telling folks nothing beats a Texas product.

A similar agricultural marketing program is the Jersey Fresh Program established by the New Jersey Department of Agriculture. This state's sponsored program was implemented to promote locally grown fruits and vegetables with the intention of increasing the profitability of New Jersey farms and the viability of local agriculture (Govindasamy, Italia, and Thatch 1998). A study of this program reported that over 87% of people surveyed said they would prefer to purchase produce grown locally, while 75% said they would even be willing to pay a premium for the Jersey Fresh produce (Govindasamy, Italia, and Thatch 1999).

There are many potential reasons why a state marketing program may work. Researchers at Rutgers University (Adelaja, Brumfield and Lininger 1990) identified a growing interest among states to assist in marketing agricultural commodities. According to Holloran and Martin (1989), policymakers typically seek to promote (a) products that have certain state characteristics, (b) promote unique products, and (c) attempt to gain economic returns, which, according to the authors, is the most difficult to assess.

The purposes for evaluating marketing programs may include redefining program objectives and reformulating strategies to achieve those objectives. Results from these evaluations may then be used to prove how well activities meet the program objectives (Jensen and Pompelli 1998).

Little research has been conducted to analyze the factors that contribute to the awareness of state-sponsored marketing programs, thus giving the need for further investigation of the effectiveness of such programs (Govindasamy, Italia, and Thatch 1998). In this regard, the purpose of this study was to evaluate the success of the GO TEXAN program and its initiatives. The study focused on evaluating the effectiveness of GO TEXAN marketing-related activities. The objectives of this study were to determine the GO TEXAN members' demographic characteristics, participation level in various GO TEXAN programs, methods of participation in various GO TEXAN programs, and success due to participation in GO TEXAN programs.

MATERIALS AND METHODS

To evaluate the effectiveness of GO TEXAN marketing-related activities, a survey was developed and distributed to GO TEXAN members. This survey was used to capture data regarding the demographic characteristics of GO TEXAN members, selected business practices of these members, participation patterns in program events, perceptions regarding benefits associated with membership, usage of the GO TEXAN logo, media contacts made as a result of program participation, and the types of assistance obtained from TDA marketing activities. Additionally, respondents were provided an opportunity to make general statements, both pro and con, regarding the program. Results of the GO TEXAN member survey are contained herein.

To determine descriptive characteristics, these data were analyzed using frequencies, percentages, means, and cross tabulation statistics. Additional insight was gleaned through calculating correlations among the variables using the Pearson Correlation Coefficient, a measure of linear association between two variables. Values of the correlation coefficient range from -1 to 1.

The sign of the coefficient indicates the direction of the relationship, and its absolute value indicates the strength, with larger absolute values indicating stronger relationships. These correlations were used to identify relationships among the data that can assist GO TEXAN management in determining which areas of GO TEXAN assistance are best benefiting the members. All correlations used an alpha value of either .01 or .05, which identifies a confidence value of 99% or 95% respectively. These Pearson Correlations are denoted by the symbol “r” in the tables contained herein.

RESULTS

Demographic Characteristics. There were approximately 1,400 surveys mailed to the population of members. Responding members sent in 342 usable responses (25% response rate). The response rate fell below the researchers’ expectations, but according to research methods, a sample size of 300 allows the research to be descriptive to a population of approximately 1500 (Krejcie and Morgan 1970). Using Krejcie and Morgan (1970), the number of responses exceeded the needed amount for statistical reliability.

Of the total respondents, 14% identified themselves as sellers of products outside Texas, while 85% sell products within the state’s borders (1% non-responding). Nearly 52% of members have between one and five employees, which are considered a small business for this study. GO TEXAN members also seem to be represented largely by the wholesale (36%) and retail (32%) sales sectors. Firms reported an average sales level of \$850,000 during their 2002-2003 membership.

Approximately 74% of GO TEXAN members identified that GO TEXAN marketing program impacted, at least to some degree, their marketing efforts. These members on average utilized the logo in more than one way, such as in an advertisement and in their packaging.

Respondents in the agricultural sector can be described by the way they do business. Figure 1 provides an outline of the agricultural sectors that members represent. The members are largely represented by the production sector (Food/Fiber-21% and Horticulture-21%) with nearly equal representation in the processing sector (31%). Complete results are listed in Figure 1.

How members participate in offered events may provide insight into which events bring successful business results. A look into each aspect of the program and how members are viewing the program will identify strengths and weaknesses that can be managed to continue program growth.

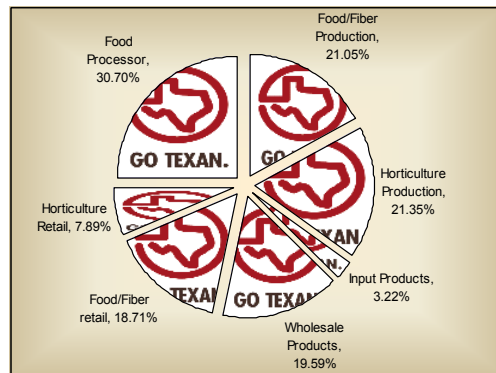


Figure 1. Member firms business involvement by agriculture sector.

Sales Increases From TDA Events. In the survey, a question was developed to discover the impact GO TEXAN membership had on a member’s sales dollars, which was identified by members estimating how much their involvement in GO TEXAN events affected their sales increases. As previously stated, 74% of GO TEXAN members identified marketing benefits from membership, but more important is the level members feel GO TEXAN marketing efforts assisted them in increasing their sales. An illustration of these results is listed in Figure 2.

Figure 2 illustrates almost three-fourths (71.85%) of GO TEXAN members identified some increase in their sales directly related to their involvement in GO TEXAN marketing activities. The most widely recognized benefits were in the “5 to 10%” category and an average sale from all members was nine percent. Differences in revenue increases and perceived benefits may be that some firms are non-profit while others actually have sales. In any case, these values derived from separate questions provide a crucial consistency value that assists in developing further confidence in these results.

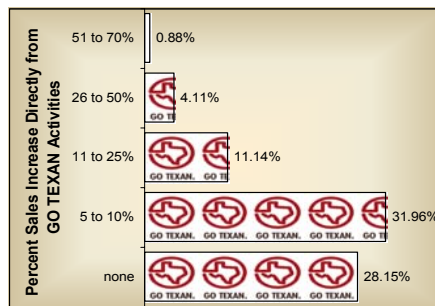


Figure 2. Percent of members that can identify direct sales increases from GO TEXAN marketing activities.

Participation in GO TEXAN Events. Approximately 15% of GO TEXAN members actually participated in a variety of GO TEXAN events. The most popular type of event, by percentage of members participating, was the domestic tradeshow (22%). This was closely followed by participation in state fairs and festivals (both 13%). Additional GO TEXAN events and the percent of members that participated in those events are illustrated in Figure 3. Involvement levels vary from using the logo on their product to using the TDA website for business contacts, but participating in events is another aspect of involvement.

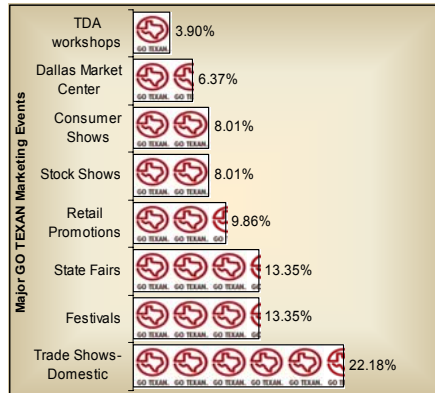


Figure 3. Percent Involvement in Major GO TEXAN Events.

A more important question other than just being involved in activities is: Did members that participated in GO TEXAN events experience sales increases? To answer this question, correlations were calculated (using a .01 significance level) to discover relationships between members' participation in GO TEXAN events and those members that reported sales increases.

The results from this analysis indicated that there were significant positive correlations (Pearson Correlation Coefficient $r=.278$) between the number of GO TEXAN events participated in and reported increases in sales as a result of membership (Figure 4). In short, members who participate in GO TEXAN events realized increases in sales more often than those members not participating in GO TEXAN events.

Six specific GO TEXAN events had positive significant correlations (.01 level of significance) to sales increases. Members that identified participating in these six events were more likely to experience sales increases than members who did not participate. The six events that had significant correlations to sales are illustrated in Figure 4.

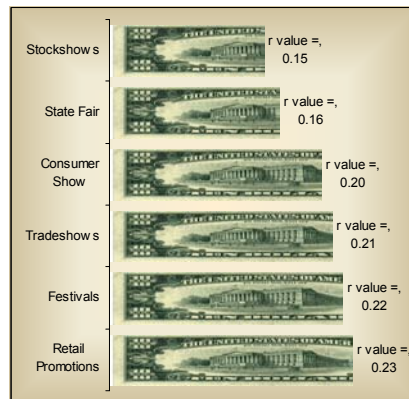


Figure 4. GO TEXAN Marketing Events that were correlated to Members that Recognized Sales Increases.

Usage of GO TEXAN Logo. Logo usage is an additional area of marketing activity that potentially increases sales for members. The logo provides a “brand recognition” value

that creates additional market value and demand, which may positively impact those that use the logo in their marketing efforts.

The concept that a state-branded product may increase income was the premise used by the Jersey Fresh program. A study from that program indicated that consumers said they were more likely to purchase a product that they could associate with a logo (Govindasamy, Italia, and Thatch 1999). The most popular use (33% of members) of the GO TEXAN logo was on product packaging and labeling. Members indicated that many buyers were impressed with the logo and that they preferred the logo to appear somewhere on the product or display. Almost one-fourth (24%) of members also used the GO TEXAN logo on various brochures and literature highlighting their products and their business. Members used the logo in other marketing areas as listed in Figure 5.

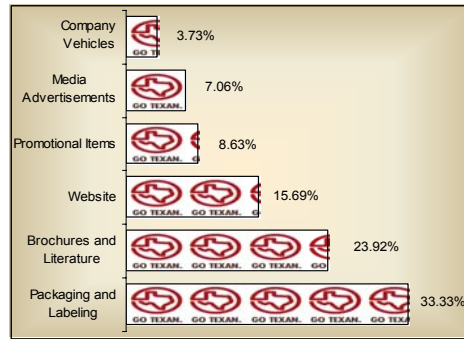


Figure 5. Percentage Uses of the GO TEXAN Logo.

Pearson correlations were calculated to discover if there were any relationships between using the GO TEXAN logo and increased sales. There was a positive correlation (at the .01 significance level) between the number of ways members used the GO TEXAN logo and their respective sales increases ($r = .236$). That is, those that utilized the logo more often reported higher increases in sales than firms which utilized the logo less frequently.

The correlations also illustrated that certain uses of the logo had stronger correlations to sales increases than other uses. There were three uses of the GO TEXAN logo that were found to be positively correlated to increases in sales. These were the GO TEXAN logo use in packaging, on brochure advertisements, and on promotional items (.05 level of significance). These uses of the logo and their associated Pearson correlations (r) are listed in Figure 6.

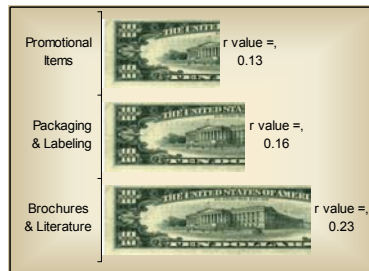


Figure 6. Uses of the GO TEXAN logo that were significantly correlated to sales increases.

CONCLUSIONS

In examining benefits of GO TEXAN membership, which included participating in GO TEXAN events or using the GO TEXAN logo, it was clear that those participating received benefits in the form of increased firm-level sales. GO TEXAN members are primarily selling their products in Texas, largely employing 1 to 5 Texans, and an overwhelming 74% of these businesses identify that the GO TEXAN marketing program is positively impacting their business. Using the average sales level from members (\$850,000) and the average sales increases from membership (9%), it is estimated that an average member may associate \$76,500 in sales increases from membership. Additional insight for future reporting will include a question for each member to report sales increases they directly attribute from membership.

Programmatic aspects of the GO TEXAN marketing program include events and utilizing the logo. Both areas of program participation identified a significant relationship between participation and sales increases.

This second annual reporting of GO TEXAN members resulting from participation in GO TEXAN marketing programs has yielded consistent results from the previous year's initial report. The results from this report begin to provide some management insight into the effectiveness of current GO TEXAN programs for members and which GO TEXAN activities are providing the greatest economic benefit.

RECOMMENDATIONS

Other states with marketing programs should do annual assessments to measure their program results and use the information for program management. The GO TEXAN program should utilize any of these assessments that may further permit better evaluation of its own program, as well as its improvement.

Continued reporting should be maintained to monitor results, provide greater comparisons to annual trends, and develop benchmarks that can guide future program alterations. Consideration must be given to economic factors that may affect reported results, such as those seen in the aftermath of the 9/11 attacks.

Successes of the program should be showcased to Texas legislatures as a means for securing more funding to expand and improve the program. Many untapped markets exist for Texas agricultural products, yet these markets may never be realized without continued support for the program.

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