Oliver Seed Company:
A Midwest Hybrid Corn Company

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INTRODUCTION – THE CHALLENGE

Approximately 70% of hybrid seed corn sales in the U.S. are controlled by four major seed companies (DuPont/Pioneer, Monsanto, Syngenta, Mycogen/Dow AgroSciences), which leaves all other seed firms competing for the remaining 30% of the total market. As in most industries, competition is intense and marketing plays an important role in product positioning. In a challenging market where seed firms are vying for market share, companies rely on product performance data, marketing communication strategies, and personal customer relationships to communicate the value of their products and services. At the heart of any marketing communication strategy is a brand vision that is built on a set of core values that should become second nature to every part of the company – from the mail room to management offices – and affect every touch point with the customer. Reflecting the brand vision is a brand vision statement – a message that succinctly conveys the company’s promise, the possibilities, and what the customer can expect from the firm’s offer.

Because growers are bombarded with messages about every one of their input supply purchases, seed choices today have become more complex. A seed firm must carefully define who they are, as well as their value proposition, in a way that differentiates their offer from that of other companies. One way of accomplishing this is through the image/perception created by an effective brand vision, and perhaps more importantly, all of very tangible activities which make this brand vision a reality to the grower. Crafting a brand vision that is truly effective requires deep knowledge of the customer base, understanding of the marketplace, creativity, and a willingness of everyone in the company to live by, and deliver on, the brand vision and its values. A seed firm competing for their share of the hybrid seed corn market must be innovative in pursuing ways to differentiate themselves and become top-of-mind to current and prospective customers.

BACKGROUND – OLIVER SEED COMPANY

Oliver Seed Company is an established, family-owned seed company selling primarily corn and alfalfa seed to Midwest farmers. Melissa is a third generation Oliver actively involved in the family business. After pursuing a career with a consulting firm, she returned to the family business and worked hard to build her credibility as an Oliver employee. While there had always been a plan for Melissa to take over the reigns at the head of the company, she followed wise counsel by first getting experience in several areas of the company before becoming its CEO. The experience was invalu-
able as Melissa gained a great perspective on the company, its position in the marketplace, and the
customers it served.

The fact that her family-owned company is grounded in many traditions and values is a real strength
in Melissa’s mind. Like many family-owned companies, their community roots ran very deep. Her
grandfather had been visionary with his emphasis on serving local farmers with high performing
seed as well as a high level of service. This focus on the customer – all customers in their market –
has remained strong through the generations.

Competition is part of doing business and Oliver’s owners have always taken the competition seri-
ously, while not letting it run the Oliver business. Competition takes many forms, and over the years
several competitors have grown very large, bringing a much deeper pool of resources to the market-
place. From Melissa’s perspective, Oliver Seed Company continues to do an excellent job in sourc-
ing technology and responding to change – whether their customers are dealing with weather condi-
tions, farm policy shifts, disease problems, or the emerging biofuels industry, among other issues.
She feels the company is well-positioned to respond to changes within their control and that their
customers recognize their responsiveness. No customer request is too small.

Melissa strongly believes in a culture that was founded on quality products and high levels of service
to the customer. However, it has become clear to Melissa after taking on her role as CEO that there
are some characteristics of the company that have not changed over the three generations, despite
huge changes in the industry and the customer base. The physical facilities look the same as they did
when she was growing up. The logo, signage, brochures, fliers, packaging, and customer communi-
cations pieces all look dated. Another significant realization is that the company is financially
healthy, but not growing. When looking at the sales history data, it is apparent that sales volume fig-
ures are flat. Digging deeper, she discovers that Oliver does not seem to be attracting new custom-
ers. Working side-by-side with key company staff has allowed her to get a sense of their current
marketing communication strategy. When Melissa thinks about how she would describe their cur-
rent situation, she is not too excited about the answer: Oliver has a well-intentioned marketing
communication strategy, but unfortunately the realized strategy – what was really hitting the market
– is disjointed, inconsistent, and not properly targeted to priority market segments.
In a positive step, a recent, formal strategic planning session has resulted in the definition of a new vision and mission statement. As Melissa thinks about how these statements are reflected in the business, she and the management team realize they haven’t been very clear internally. And if their vision was not clear internally, there is not much chance that it could be communicated externally. In addition, she believes that her family company needs to grow in order to remain profitable. It is time for change.

**Research Results Lead to Decisions**

Melissa and the marketing head’s first decision is to hire an advertising agency to conduct a brand audit. Before making any major decisions, Melissa feels that they need marketing research that targets both customers and dealers in order to better understand brand recognition, product loyalty, and why customers chose to do business with Oliver Seed Company. The brand audit reveals definite product loyalty among current customers, with strong customer belief in Oliver’s solid portfolio of products and the firm’s high level of service. However, the results also indicate a lack of brand recognition. The broader market, beyond current Oliver customers, sees Oliver as just another family seed business – really no better or no worse than any of the other regional family-owned providers of seed corn.

Recently, with the help of the Purdue University Large Commercial Producer Survey, the management team has more clearly defined the Oliver Seed Company target market. Target customer characteristics include:

1. farm size of 1,500 to 3,000 acres;
2. corn production that accounts for 50% of total farm crop production; and
3. a value price point estimated and described as ‘middle of the road.’

The agency recommends a plan to re-identify the company in the minds of customers and create increased levels of brand recognition among prospects. It is suggested that this could be accomplished by developing a new logo, brand vision statement, website, and brochures. All of these would be developed within the context of a well-planned marketing communication strategy, which includes the firm’s sales force. Melissa knows it is important to step back and think carefully about the needed changes, as well as the process by which those changes would be implemented.
**Defining a Plan**

Melissa and the marketing manager are very positive about pursuing a strategy to redefine their brand in an effort to clearly position Oliver Seed Company in the minds of prospective customers. At the same time, they do not want to undermine the brand equity established with their core group of long-time customers. There are so many variables to consider that they decide to organize their thoughts on paper.

- Melissa and the head of marketing can make the decision to move forward with a totally new marketing communication strategy, but they must involve key staff from sales, production/operations, and administration, as well as family shareholders.

- Based on lack of internal capabilities in the area, the advertising agency will need to be highly involved in creating a new logo and the crafting of a brand vision statement. At the same time, it will be important to allow staff to have input. The cost of agency fees is a factor for consideration. An efficient process for gathering staff input will be critical to using the agency time cost effectively. A core task force could include Melissa, as well as the heads of marketing, research, production, human resources, and the business office. Each task force member could bring input from their employees (if they have direct reports).

- The current logo is a real issue, as it was created by family members of another generation. There are strong emotional ties to the logo and the history and tradition it represents. The strong ties to the old logo are felt by long-time employees as well as family members. Melissa is pretty sure current customers like the logo as well and is wondering if changing the logo is a legitimate recommendation, and whether she has the conviction to champion such a change.

- Timing is a real issue, although Melissa realizes there will never be an optimal time. A new company logo and brand vision statement creates a string of changes that affect all parts of the business from field signs, to packaging, to stationery… and the list goes on.

- Changing stationery and invoices constitute one level of transition. However, the cost of new signage for the company buildings and vehicles, field signs, and packaging requires more significant resources. Packaging in particular is an issue because of a large inventory of seed bags. The firm would incur substantial costs if the current inventory of old bags is not used. However, selling seed in what could be perceived as ‘old’ packaging has the potential to send the wrong message to customers.
Melissa strongly believes that the current lack of brand recognition comes from not having a well-defined and intentionally-communicated brand vision – both inside and outside the organization. To creatively develop a fresh, new identity she also knows they will have to keep their current target market top of mind.

Creating and implementing a totally new marketing communication strategy is of critical importance to the long-term profitability and success of the company, and yet as Melissa looks around there are all of the urgent, daily challenges that need to be addressed. In short, Melissa has a lot in her mind, a lot of questions, and not many clear answers. She needs additional advice about how to reposition the company’s identity, how to involve the employees in the thinking process, and how to formulate and articulate a brand vision statement. Melissa also realizes that all of this work will be for naught if there is not a clear plan for launching a new identity for Oliver Seed Company that will successfully introduce and reach the customer base of farmer dealers, growers and prospects being targeted.
DISCUSSION QUESTIONS

1. How is Oliver creating difference in the marketplace? Based on what you know about the firm’s customers and prospects, what gaps do you see in their offer? What changes (if any) do you suggest here? Does segmentation affect your response?

2. Develop a brand vision statement which defines the position Oliver wants to be known for in the marketplace. What key points should be included in the brand vision based on the company goals to serve their customer base, product characteristics, and company culture?

3. How should Melissa proceed?
   a. When should she change the brand vision (remember she still has an inventory of bags with the old logo)?
   b. What about the logo? Should Melissa change the logo? If yes, should she change it at the same time as the brand vision? What kind of logo should she create?
   c. What about the market? How should she communicate her (new) brand vision and point of difference? How should she manage the transition with customers and prospects?
   d. What are they key internal issues she needs to keep in mind? What needs to be managed here? Consider employees and family stakeholders.