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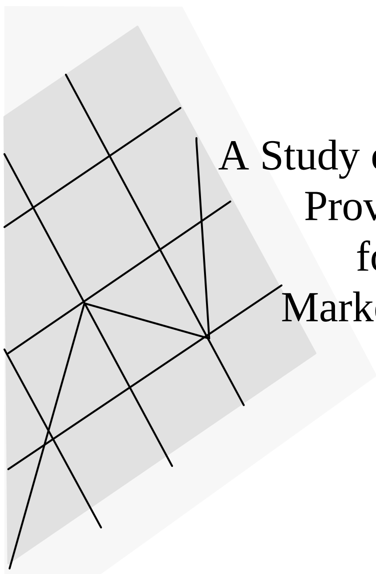
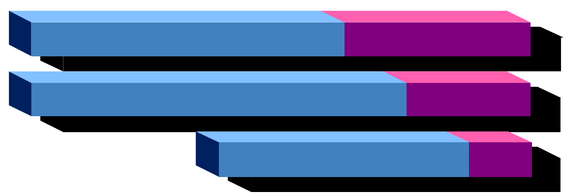
Agricultural Marketing & Agribusiness Studies



A Study of Evaluation Methods Used by State/ Province Departments of Agriculture for Measuring Effectiveness of Marketing/Promotion Programs, *SP98-07*



by

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Executive Summary

Background:

This study examines methods used by State/Province Departments of Agriculture to measure the effectiveness of their marketing/promotion programs, as reported in a 1998 mail survey. The study identifies users of the effectiveness measures, program beneficiaries, and the different measures used for specific program activities. Based on the survey results, summary recommendations regarding evaluation methods and measures are made in the final section of this paper.

Study Highlights:

- Evaluations for reporting to a Commissioner's/Minister's office and for internal purposes are high priorities.
- Client feedback is a critical source of information.
- Most often reported program beneficiaries are farmer/ranchers and processors/ manufacturers. New exporter status is important in defining a client base, followed by new business start-ups.
- Specific activity effectiveness measures include:

Trade shows	leads generated, actual/projected sales changes, employment changes, signing agents/brokers, information requests, consumer impressions, number of participating firms, repeat participation.
Trade missions	leads generated, actual/projected sales changes, signing agents/brokers, scope of agreements, firm return trips, number of firms represented, number of meetings, referrals to suppliers, contacts made.
Publications	sales of firms listed in publication, consumer feedback about helpfulness/ quality of publication, circulation/distribution, revenue from sales/ advertisements, number of requests.
Seminars	speaker ratings, participation/repeat participation, participant feedback, cost recovery.
Advertising campaigns	reach and frequency of media buy, information requests during campaign, value of sales before, during, and after campaign, consumer awareness and attitudes about campaign.
One-on-one consultation	participation/repeat participation, client follow-through of recommended action points, frequency of unsolicited contact, number of new start-ups, client satisfaction.
Export	actual/projected export sales changes, exporter numbers changes, entry into
development	new markets, international contacts; industry participation/repeat participation, unsolicited client contact.

Summary Recommendations: Mission statements and program objectives provide the basis for program activities and help in setting performance benchmarks/goals. Client feedback is key information. Qualitative information will likely need to be quantified through surveys/evaluations. The economic and administrative context in which program activities are conducted should be described.

A Study of Evaluation Methods Used by State/Province Departments of Agriculture for Measuring Effectiveness of Marketing/Promotion Programs

Study Background

This study examines methods of self-evaluation used by State/Province Departments of Agriculture in measuring the effectiveness of their marketing and promotion programs. The study results are from a 1998 mail survey of U.S. State Departments of Agriculture and Canadian Province Departments of Agriculture and from supplemental evaluation and reporting materials provided by the departments. The objectives of the study are to ascertain how states or provinces measure and report the effectiveness of their marketing and promotion programs, users of the effectiveness measures, program beneficiaries, and methods used for collecting client feedback and other measures of effectiveness of specific program activities. Based upon the survey results, summary recommendations regarding evaluation methods and measures are made in the final section of this paper.

Data to conduct the analysis were collected using a mail survey. A mail survey was sent by the Tennessee Department of Agriculture, Market Development and Promotions Group, to all marketing and promotions groups of U.S. and Canadian State/Province Departments of Agriculture enclosed with the December 1997 issue of the North American Agricultural Marketing Officials (NAAMO) Newsletter. A second follow up survey was sent in January 1998. The survey results were tabulated and summarized by researchers in the Department of Agricultural Economics and Rural Sociology at the University of Tennessee. Respondents from a total of 30 state and province departments of agriculture completed and returned the mail survey. A copy of the survey instrument is included in Appendix 1 at the back of this paper.

The survey contained questions regarding users of evaluation information, quantifiable methods used in measuring program effectiveness, program beneficiaries, and means for measuring effectiveness of specific program activities. Respondents also provided sample survey forms, reports, or guidelines used by their departments in measuring program activity effectiveness. Samples of survey information contained in the documents provided by the departments are displayed in boxes through out the main text of this paper. These include samples of types of measures reported and sample client survey questions.

The departments of agriculture were asked whether they formally evaluated and reported on promotion programs on a regular basis. Of the 29 respondents to the question, 76 percent indicated that they evaluated their programs and reported on a regular basis.

Recipients of Program Evaluation Information

In order to measure the importance of providing the program evaluation information to various governmental offices and other recipients, the respondents were asked to rank the importance of providing evaluation information to certain recipients. If it was considered most important that a particular recipient receive the information, then the recipient was given a ranking of ‘one’. The average rankings are displayed in Table 1. Twenty-nine of the departments answered the question regarding recipients of program evaluation information.

Table 1. Priority of Importance of Recipients Receiving Program Evaluation Information

Recipients of Program Evaluation Information	Percent Indicating As Recipients	Average of Rankings (1=most important, 2=second, ...)	Overall Ranking
Commissioner's/Minister's Office	86.2	1.8	1
Internal use for our unit	89.7	2.2	2
State/Province Legislature	75.9	2.5	3
Finance and Administration Office	55.2	3.6	4
Other	37.9	1.7	5

As suggested by the results in Table 1, the most common recipients of program evaluation were the departments themselves and also their Commissioner's or Minister's office. For about 86 percent of the departments, their respective Commissioner's or Minister's Office received the information. Of the potential recipients, departments gave the Commissioner's or Minister's Office the greatest number of 'most important' rankings. The average value of rankings was 1.8. Nearly 90 percent of the departments used program evaluation information internally. The average importance ranking among those that used the information internally was 2.2. About 76 percent of the departments provided program evaluation materials to their State's or Province's legislature. Providing the information to the legislature received an average importance ranking of 2.5. About 55.2 percent of the departments provided program evaluation information to their State's or Province's finance and administration office. The average importance ranking for providing the information to these offices was 3.6. Nearly 38 percent of the departments indicated that they provided their program evaluation information to other recipients. The other recipients included the industry or commodity groups, the media or public, specific legislative committees, state agricultural commissions, and agencies from which the departments received funding. While less than 40 percent of the departments provided program evaluation information to these other recipients, for those providing the information to these recipients, it was considered very important, receiving an average ranking value of 1.7.

Measures of Program Effectiveness

The departments were asked to indicate quantifiable methods used to measure overall program effectiveness. Several possible measures were presented in the survey and respondents were asked to indicate whether the measures were used. Respondents were also asked to list other methods used to quantify program effectiveness. Twenty-eight departments responded to the questions regarding quantifiable measures.

Nearly all of the departments used feedback from clientele or constituency regarding their programs' effectiveness, including client satisfaction and industry participation. Over 80 percent of the departments used the number of activities, such as trade shows, trade missions, publications, advertising campaigns, or seminars as measures of program effectiveness. Most departments did not use secondary measures, such as changes in farm cash receipts, employment, market share, or value-added, to evaluate effectiveness. Box 1 contains an example of both quantitative measures and qualitative measures to be quantified by responding departments of agriculture.

Quantitative measures:	Qualitative measures which can be measured quantitatively:
■ Market share ■ Sales (volume and value) ■ Shipment data ■ Rank as a supplier ■ Number of markets where product is sold ■ Frequency of purchase ■ Average purchase quantity ■ Per capita consumption ■ Number of firms receiving newsletter, technical information	■ Product awareness ■ U.S. origin awareness ■ Perceived attitude ■ Advertising awareness ■ Key product characteristics

Box 1. Sample Quantifiable Benchmarks and Goals

While most departments did not use secondary measures in evaluating effectiveness, those that did most commonly used cash farm receipts generated by NASS/Statistics Canada. However, when asked about usefulness of the information, the departments using secondary measures believed that estimates of value of exports were most useful. Other secondary measures used included Department of Commerce/Statistics Canada value-added or employment measures, data generated by in-state international trade centers, data from independent auditors, the USDA/FAS BICO data, FAPRI data, and the MISER data.

Program Beneficiaries and Clients

The departments of agriculture were asked to indicate who were beneficiaries of their programs and were asked to rank the primary beneficiaries of their marketing/promotion programs. If a group was considered to be a primary beneficiary it was given a ranking on “one”. Groups that were considered lesser beneficiaries were ranked with higher numbers. The average rankings for each of the potential beneficiary groups are presented in Table 2.

Table 2. Beneficiaries of Marketing/Promotion Programs

Potential Beneficiary	Percent Citing as Beneficiary	Average Ranking (1=greatest beneficiary, 2=second greatest, ...)	Overall Ranking
Farmer/Rancher	100.0	1.4	1
Processor/Manufacturer	93.3	1.6	2
Wholesaler/Trader	86.7	3.0	3
Retailer	83.3	3.8	4
Trading Company	83.3	3.9	5

All of the departments had farmers/ranchers as the beneficiaries of their marketing programs. Over 93 percent of the departments believed processors/manufacturers were beneficiaries of their programs. Just under 87 percent of the departments believed that wholesaler/traders were program beneficiaries. About 83.3 percent cited trading companies and retailers as beneficiaries. The farmer/rancher received the highest average rankings, followed closely by processors/manufacturers. Wholesalers, retailers, and trading companies followed in rankings as beneficiaries. Two departments also added the category of consumers as important beneficiaries of their programs.

In order to ascertain the importance that firm characteristics might play in defining who are clients for programs, the departments were asked to rate how important certain firm characteristics were in defining the client base. These were firm size, new business startup, and new exporters. If a characteristic was not perceived to be important in defining the client base, it was given a rating of “1". If a characteristic was perceived to be very important, then it was given a rating of “5". The average ratings of importance for the firm characteristics are shown in

Figure 1. Twenty-six departments responded to the questions regarding importance of client firm characteristics.

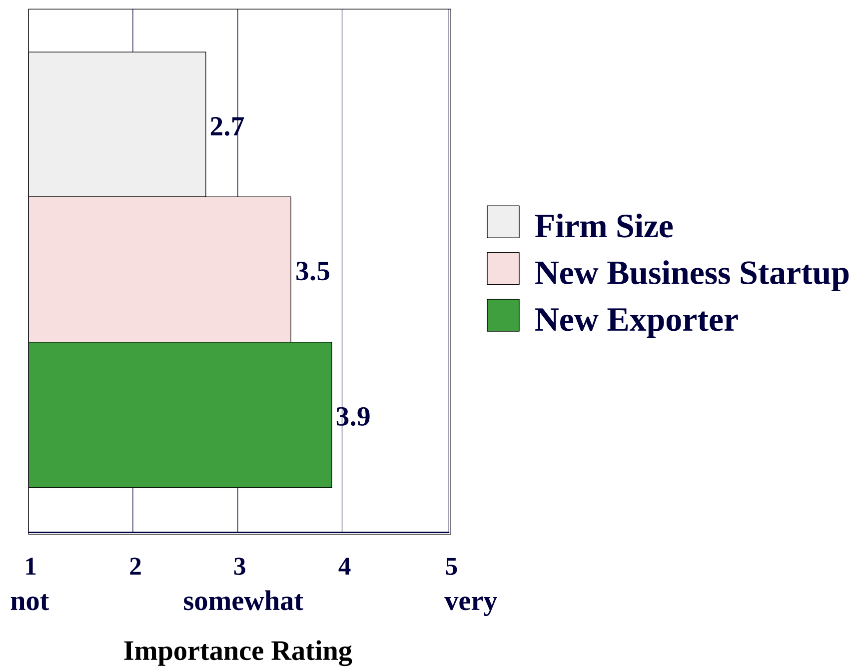

Figure 1. Importance of Firm Characteristics in Defining the Client Base for Marketing/Promotion Programs.

The results in Figure 1 show that firm size is only slightly to somewhat important in defining the client base for a department's programs. However, new business startup was somewhat important to important. The characteristic that received the highest rating of importance in defining the client base was whether the firm was a new exporter. The characteristic was considered important in defining the client base. The sample in Box 2 shows a question asked by a department regarding export status.

Which of the following best describes your company?
_____ New-to-export
_____ Have exported in the past, not now
_____ New-to-market, expanding export markets
_____ Currently exporting

Box 2. Sample Client Firm Characteristics Questions.

Methods of Measuring Effectiveness of Selected Program Activities

The departments were asked to indicate how they measured effectiveness of selected program activities. These activities included trade shows, trade missions, publications, seminars, advertising campaigns, one-on-one consultation, and export development activities. The methods are summarized below. The individual responses of the departments are provided in Appendix 2 of this paper.

<u>Trade shows</u>

Twenty-four of the 30 departments listed methods for measuring or quantifying trade show effectiveness. Several departments stated that they established trade show objectives in advance, then measured achievement of the objectives. Measures used included:

- number of firms participating in the show or industry support
- leads generated
- contacts made
- information requests
- immediate sales generated
- projections of longer-term sales generated
- company expansion/hiring of new employees
- clients signing agents/brokers

- firms' willingness to participate in future events
- and consumer impressions.

Measures of impacts of trade show participation were often obtained by follow-up phone or mail surveys of the trade show participants. Time frames for follow-up surveys ranged from 3 months after the show to up to one year after the show. An example of post-trade show participant survey questions is displayed in Box 3.

- How many solid leads did you establish at the show?
- How many leads have you been able to follow through and establish possible business contacts?
- Has your sales increased at all through leads established at the show, and by how much (in percentage terms please)?
- Would you anticipate your sales increasing 6 months from now through leads from the show and estimate how much (%)?

Box 3. Sample Post-Trade Show Participant Survey Questions

Trade missions

Twenty-two departments provided information about effectiveness measures of trade missions. Measures of effectiveness of trade missions were:

- number of firms represented in mission
- leads generated
- contacts made
- referrals to suppliers and follow-up with suppliers
- information requests
- immediate sales generated
- projections of longer-term sales generated and re-orders
- clients signing agents/brokers
- scope of agreements
- number of return trips to the market by the company
- consumer impressions
- and number of meetings held.

These measures were obtained through reports of the trade specialists involved, reports from the participants post-mission, and through contacts with suppliers provided with contacts or leads. A sample set of post-mission questions for participants is shown in Box 4.

What objectives did you set prior to the visit for your participation? (Please rank in order of importance).

- Obtain sales leads
- Establish a relationship with a potential distributor/agent/buyer
- Learn about the market
- Discuss sales contracts for specific products

Box 4. Sample Post-Mission Questions for Participants

Publications

Twenty departments provided information about how they measure publication effectiveness. The measures of publication effectiveness listed by the departments were:

- circulation or distribution
- revenue from sales or advertisements
- number of requests
- seller feedback
- and consumer feedback.

Feedback from sellers was obtained either through a formal mail or phone survey or through more informal verbal feedback. Methods for receiving consumer feedback included surveys of the publication recipients or comment cards included in the back of the publication. A set of sample questions provided by a responding department is displayed in Box 5.

	Poor	Fair	Good	Very Good	Excellent
Organization of booklet	1	2	3	4	5
Content of booklet	1	2	3	4	5
Accuracy of information	1	2	3	4	5
Distribution/Availability of booklet	1	2	3	4	5

Box 5. Sample Publication Recipient Survey Questions

Seminars

The departments stated several measures of seminar effectiveness (22 departments). The measures were:

- speaker ratings
- participation rates
- repeat participation
- participant feedback
- and cost recovery.

Feedback from participants was either obtained through an evaluation form distributed after the seminar or a follow-up survey. (Sample shown in Box 6). Some departments that charged fees for the seminar also examined cost recovery for the seminar.

Please rank the following subjects covered in the presentation with regard to the value to your company. Please mark using the scale.

	Excellent				Poor
Determining Company's Export Readiness	1	2	3	4	5
Determining Product Potential	1	2	3	4	5
Targeting High Potential Markets	1	2	3	4	5
Market Research & Developing a Market Entry Plan	1	2	3	4	5

Box 6. Sample Post-Seminar Evaluation Questions

<u>Advertising campaigns</u>

Thirteen of the departments provided information about measuring effectiveness of advertising campaigns. Several of the departments indicated that they currently did not conduct advertising campaigns. The effectiveness measures cited as being used were:

- client feedback
- reach and frequency of media buy

- anecdotal coverage reports
- samples of other media generated
- requests for information, such as phone calls during campaign
- consumer awareness and attitudes
- and value of sales before, during, and after campaign.

Measures of advertising campaign effectiveness included those obtained from surveys of both clients and consumers. Clients were interviewed by phone or surveyed by mail regarding effectiveness of the campaign. Sales before, during, and after the campaign were used as measures of effectiveness. Consumers' awareness of or attitudes about the advertising campaigns were collected through surveys.

<u>One-on-one consultation</u>

The measures of effectiveness of one-on-one consultations tended to be more informal than for other types of activities. A number of the departments indicated that they did not use any formal methods of evaluating the effectiveness of one-on-one consultation. Of the thirteen departments that provided information, the effectiveness measures included:

- program participation
- review of action points recommended at consultation and client follow-through
- frequency of unsolicited client contact
- repeat client contact
- client feedback and satisfaction
- and number of new start-ups.

Both program participation and repeat participation were used as measures. Surveys or follow-up contact with consultation clients were used as measures. Clients were asked about follow-through with action points recommended during their consultation. The number of new start-ups as the result of consultations was also used as a measure. A set of sample client evaluation questions used after a one-on-one consultation are shown in Box 7.

	Not Useful		Average		Very Helpful
How useful was the market plan?	1	2	3	4	5
How helpful was the consultant?	1	2	3	4	5
Was the program valuable?	1	2	3	4	5

Box 7. Sample Client Evaluation Questions for One-on-one Consulting

Export development activities

A variety of measures of export development activities' effectiveness were used by the departments (22 responses). The measures listed included:

- increases in export sales
- projected export sales
- increase in market penetration or market share in target markets
- increase in exporter numbers
- new markets being served by exporters
- international contacts
- number of companies participating
- repeat participation
- frequency of unsolicited client contact
- meeting of company's goals for a market
- and tracking of technical assistance needs.

Increases in export sales, as well as projected export sales, were used as measures of export development activities' effectiveness. Also, the extent to which the product(s) showed increased penetration or market share in the target

Have your international sales increased as a result of a contact through your participation?
International Sales_____Yes _____No
If yes, please list an estimated or actual dollar amount of sales made.
International Sales
Estimated dollar sales _________________
Actual dollar sales____________________

Box 8. Sample Export Development Activity Participant Survey Question.

markets were used as measures. Increase in international contacts was also used as a measure. Increase in exporter numbers and new markets being served by exporters were measures. Activity participation, repeat participation, and surveys or evaluations measuring client satisfaction were also used. Box 8 contains some sample questions asked of participants after an export development activity.

Recommendations and Conclusions

Defining the Purpose of an Evaluation

Before any evaluation plan is considered program managers and staff should understand the purpose of the evaluation. Purposes of programs evaluation may include redefining programs, modifying program objectives, or re-formulating strategies to achieve the program objectives. Evaluation of specific program activities may be for the purposes of modifying a particular program activity, augmenting activities to achieve a program objective, or ceasing program activities that are no longer needed to achieve a program's objectives. Because evaluation may be used to modify ongoing programs or activities, it may be helpful to develop evaluation measures during the planning phase of the programs or activities. Evaluation results may be used internally for improving how well programs meet the department's mission and how well activities meet a specific program's objectives. Many departments believed that internal reporting was a high priority for effectiveness measures.

Evaluation results may also used for external estimates of programs accountability, such as to the Commissioner's or Minister's Office, or to a State's or Province's Legislature. While accountability measures will likely include some measures of client feedback used in evaluation of specific activities, accountability measures may also include how well overall program objectives coordinate with wider government policy objectives and programs.

Anticipating Evaluation Difficulties

A number of problems will likely be encountered in attempting measure and evaluate marketing and promotion programs' effectiveness. Not all program or activity outcomes are quantifiable or can be objectively measured. The impacts of a marketing activity may be both direct and indirect. For example, a one-on-one consultation with a firm to develop a marketing plan may also cause the firm to reassess its overall mission and improve management of its resources. There may also be a fair amount of uncertainty surrounding the assessment of the outcome. Outcomes are a combination of the impacts of a program's activities and a myriad of other factors that are internal and external to the service provider and or the client, such as a firm's stage of business development, economic conditions, the institutional environment, and biological production factors impacting yields and or quality.

It is unlikely that a single measure can gauge effectiveness of a particular activity or that measuring effectiveness of a particular activity provides or nullifies justification for a program. Among the responding departments, a variety of measures are used in conjunction to measure effectiveness of individual activities, level of activity, and how well the program's objectives are being met through the activities. By using a variety of measures and setting benchmarks and goals, the departments are able assess not only overall effectiveness, but also areas of strength and weakness in their programs.

Given increasingly limited budgets and scarce resources for conducting marketing and promotion programs, care must be given to focus on program outcomes, as well as the allocation of program inputs. Many departments use quantifiable measures of outcomes, such as number of trade leads or estimated value of sales generated.

Description of the Context for Conducting and Measuring Programs

Measures of effectiveness must also be made and interpreted in the context in which programs are conducted. Description of the context in which a program is conducted may include:

1) An overview of the agency's mission and its internal structure. A statement of the department's mission provides evidence of the initiative for conducting the program. Information about internal structure may include the organizational structure, number of staff, staff assignments, overall departmental budget level, program and activity budgets, and resources available to the agency;

2) A description of the business environment in which the services are provided and analysis of potential impacts on program outcomes. Variations in crop levels, quality, macroeconomic factors, trade opportunities and pressures, industry concentration, legal and regulatory issues, the capacity of recipients to utilize services, and existence of complementary services through other public and private service providers may all impact program outcomes.

3) A statement of how the measure relates to agency/departmental service benchmarks and goals. Usefulness of a measure is limited if the measure is not clearly linked to a stated goal for a service outcome. For example, if measures are based on inputs and costs, then the links to the agency's anticipated service outcomes are limited. For a number of the responding departments, setting benchmarks and goals are part of their effectiveness

measurements. In some cases, the departments work with clients in setting goals for a program activity and then measure how well the goals were met after the activity was completed.

Selecting Measures

The identification of outcomes that are to be measured and the description of how those outcomes will be measured provide evaluation discipline and explicit assessment.

1) A mission statement should provide the impetus for marketing and promotion programs. Program objectives then provide the framework for conducting specific service activities to achieve the program objectives. Evaluation of effectiveness of specific activities should occur within the context of clearly stated program objectives and departmental mission. A clearly defined mission helps prioritize importance of programs and in turn program activities (Figure 2).

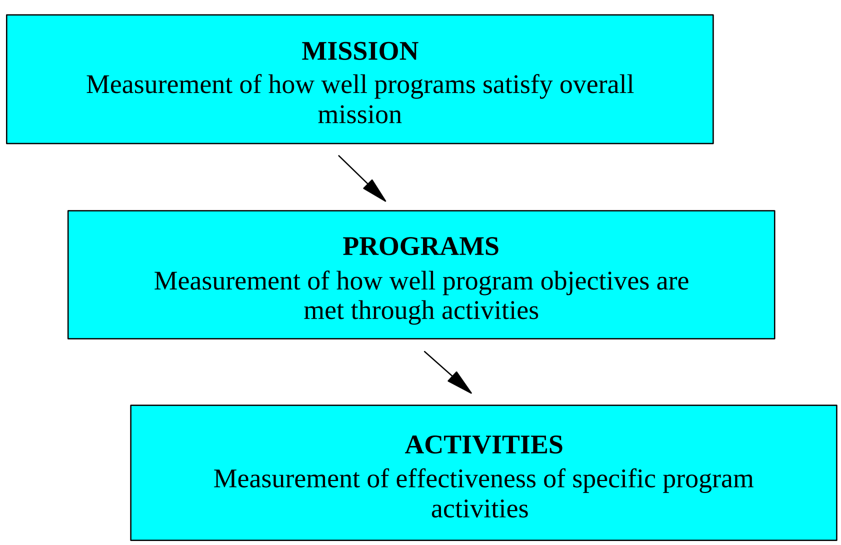

Figure 2. Role of Mission and Program Objectives in Determining Effectiveness Measures.

2) The types of measures used will depend on whether the measures are for overall programs evaluation or for evaluation of specific activities. Pre-defined benchmarks and goals for outcomes are helpful at both levels. However, outcomes may be more difficult to measure at the program level than the activity level, due to the potential for external factors to influence overall program outcomes.

3) Because the full impacts of an activity are unlikely to occur at one point in time, a single event evaluation may not provide an adequate measure of an activity's effectiveness. For example, asking seminar or trade show participants to complete questionnaires at the end of the event may yield different insights than when participants are asked more informal questions as the event occurs. Also, activity impacts may be longer term. For example, sales leads may take time to evolve into actual sales. Therefore, some longer-term follow-up with client firms may be needed. A number of departments follow up with clients at varying intervals after an activity, such as six months to a year after participation.

4) Use of secondary external measures as indicators of program effectiveness in isolation may unfairly expose a program's viability to the full risk of the market and environmental conditions. For example, information about changes in export sales of a product at an aggregate level can be coupled with feedback from clients about how participation in the program influenced their firm's export sales along with information about client participation. Even though overall exports may have fallen, client feedback may demonstrate that their exports would have fallen even further without program participation. The fact that most of the responding departments did not use secondary measures reflects the potential concerns associated with using these measures.

5) At the level of activity evaluation, client feedback can provide not only measures of activity impacts, but also input regarding modification or expansion of activities. Most departments used structured evaluation instruments, such as follow-up surveys to obtain information from clients about effectiveness of specific activities.

6) Evaluations should measure the quality of staff decisions within the framework of the program objectives. If the program objectives are faulty or unattainable given the context in which the program is conducted, then ineffectiveness of program activities may be an inevitable result.

7) Evaluation results should enhance program and activity decision making and motivate staff to effectively pursue the program's objectives.

An evaluation may utilize several measures. Evaluations may include measures of direct economic value contributed by activities, indirect economic effects of activities, level of activities, costs of activities, and productivity of resources used in activities (Figure 3). Actual outcomes may be compared with pre-defined benchmarks and goals.

Examples of measures of direct economic value include sales generated, exports generated, employment added, or value-added. Client feedback from participation in a specific activity may include questions about direct economic value from a specific activity. A good knowledge of the client base and its characteristics enables a better assessment of whether the responding firms are representative of participating clients and or the pool of potential clients. Generalization from responding clients to the wider client base relies on responses from a set of representative clients. Direct economic value from multi-activity programs will also entail some aggregation of direct economic values from all program activities.

Indirect economic value is even more difficult to objectively measure and quantify than direct economic value, because measures may include subjective assessments, such as knowledge obtained by clients or their ability to remain competitive as result of participation in an activity. In some cases evidence that firms may change their marketing plans or seek additional services from commercial providers because they participated in a particular activity should be included as a measure of indirect economic value. Other examples of measures of indirect value might include indirect impacts of an advertising or promotion program. For example, the direct economic value might be reflected in additional sales generated, while the indirect economic value could be measured as increased sales of goods or services that complement the product(s) being advertised or promoted. Evidence of interest in agency programs from firms that were not participants in previous programs is another indirect measure.

While direct and indirect economic value may measure the impact of an activity, the level of the activity should also be measured. Frequency of the activity and client participation are useful indicators of the reach of the activity. Many departments use activity levels measures as part of their program reporting. Examples of activity levels measures include number of trade shows conducted, number of trade missions, number of publications, and number of one-on-one consultations.

PROGRAMS

Measurement of how well program objectives are met through activities

Measures:

- Level of coordination of activities within program
  - Frequency of activities-*number of trade shows, number of publications, number of advertising spots, number of publications*
  - Industry participation-*number of participants and repeat participants, participation by identified client base*
- Impacts-Direct and indirect economic value
  - Summaries of client/consumer awareness, use, and perceived value of a program-*sales or employment generated by program participation, helpfulness to marketing efforts, knowledge building*
  - Summaries of client/consumer feedback about program needs
- Resource Costs/Productivity-*Staff time allocated to a program, overall program costs, number of activities/staff hours, estimated value of sales/program costs*

ACTIVITIES

Measurement of effectiveness of specific program activities

Measures:

- Activity levels
  - Participation and repeat participation in activity-*number of firms or consumers participating*
- Impacts-Direct and indirect economic value
  - Client and/or consumer reaction to a given activity-*changes in firm sales, changes in firm employment, information gained by a client from an activity, consumer awareness generated by an activity*
  - Unsolicited requests for a given activity
  - Feedback about need for additional activities
- Resource Costs/Productivity-*staff time for an activity, activity costs, estimated value of sales generated/activity costs*

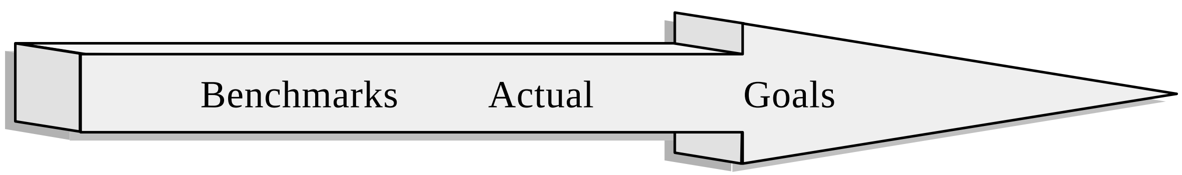

Figure 3. Types of Programs and Activities Effectiveness Measures.

Resource costs to conduct an activity and productivity measures of the resources used are also very useful measures of effectiveness. While outcomes or impacts of activities are part of the effectiveness picture, so are resource levels to conduct an activity and their associated costs. Some departments include staff time and associated costs as indicators of resource use for a particular activity. Other departments examine activity levels divided by staff time as measures of productivity. Productivity measures may be of two types, measuring activity level over a level of a resource used or economic value generated over the cost of resources used.

Conclusions

Evaluating effectiveness of marketing and promotion programs is a complex and dynamic process. The results from this study indicate that most departments view the process as multidimensional and requiring a number of different types of measures obtained from a variety of sources. However, despite the variety of measures used, the importance of obtaining adequate client feedback about effectiveness is critical. The evaluation of most programs and activities is best measured within a more complete assessment of the marketing opportunities and the environment in which the target firms operate.

APPENDIX 1

Survey Instrument

Study of Program Evaluation Methods Used by State/Province Departments of Agriculture to Measure Effectiveness of Marketing/Promotion Programs

The purpose of this study is to develop a better understanding of self-evaluation methods used by State/Province Departments of Agriculture in measuring the effectiveness of their marketing/promotion programs. Response is completely voluntary and constitutes permission for your response to be included in the study. Results will be compiled in a summary document and sent to you, so you may compare your State/Province Department of Agriculture's methods with those from other states. The study will be based on two sets of materials. ***First, we would ask you to send us copies of any client surveys, reports, guidelines, or other materials your department uses in self-evaluation. Second, we also ask that you complete this questionnaire. This questionnaire should take approximately 15 minutes to complete. Please return your materials to the address listed at the end of this questionnaire. Thank you for your help.***

Please indicate State/Province ________________________________

1. Does your State/Province Department of Agriculture formally **evaluate and report** on its marketing and promotion programs on a **regular** basis?

   _____Yes _____No

2. Please prioritize the importance of providing your program evaluation information to the following recipients: (1=most important, 2=second in importance, ...,)

   _____ Internal use for our unit
   _____ Commissioner's/Minister's Office
   _____ Finance and Administration Office
   _____ State/Province Legislature
   _____ Governor's/Premier's Office
   _____ Other (Please describe:______________________________
   ____
   ____)

3. What types of quantifiable methods do you use to measure program effectiveness? (Please circle the correct answers). **Note: For those items you select, please enclose sample survey forms, reports, or guidelines used.**

a) Number of activities completed (trade shows, trade missions, publications, advertising campaigns, seminars, etc.)

b) Feedback from clientele or constituency regarding programs' effectiveness (ex: client satisfaction, industry participation)

c) Secondary measures, such as external estimates of changes in cash farm receipts or employment, market share, value added.

d) Other (Please describe:___________________________________
____
____
)

4. Circle each of the following data your department uses as secondary measures of program effectiveness. If your department uses the measure, indicate how useful the data are in measuring program effectiveness

Measures Used (Circle each used)		Rate Usefulness (1=not useful, 2=slightly useful, 3=somewhat useful, 4=useful, 5=highly useful)
a)	National Agricultural Statistics Service(NASS)/ Statistics Canada estimates of cash farm receipts	_____
b)	Department of Commerce/Statistics Canada estimates of value-added and employment	_____
c)	Department of Commerce/Statistics Canada estimates of value of exports	_____
d)	Other	_____

(Please describe: ____
____
____)

5. Who do you consider to be the primary beneficiaries of your marketing/promotion programs? (1=most important...)

	Rank order
Farmer/Rancher	_____
Processor/Manufacturer	_____
Wholesaler/Handler	_____
Trading Company	_____
Retailer	_____

6. How important are the following criteria in defining program's client base?

Firm Characteristic	Importance in defining client base (1=not important, 2=slightly important, 3=somewhat important, 4=important, 5=very important)
Firm size (Sales revenue, number of employees)	_____
New business startup	_____
New exporter	_____

7. Do you use computer programs or computerized databases in your programs evaluation?

_____No _____Yes (Please list or describe: ______________________________
____
____
)

8. Please describe how you measure and quantify the effectiveness of the following program activities: **Note: Please enclose sample survey forms, reports, or guidelines used.**

a) Trade shows

b) Trade missions

c) Publications

d) Seminars

e) Advertising campaigns

f) One-on-one consultation

g) Export development activities

9. a) What was your State/Province's 1996 cash farm receipts (National Agricultural Statistics Service/Statistics Canada estimates. Note: Canadian respondents use Canadian currency)

$____________________

b) How many full-time staff does your marketing group employ?

______ Domestic Marketing ______ International ______Other--Please describe:

APPENDIX 2

Individual State/Province Responses Regarding
Program Activities Effectiveness Measures

Question: Please describe how you measure and quantify the effectiveness of the following program activities.

a) Trade Shows

No response or not applicable-Six states/provinces

- Establish objectives in advance; measure achievement in objectives, e.g., leads, sales, market information, contacts, participation level.
- Questionnaires - sales estimates.
- Consumer impressions; advertising value; projected sales; industry support.
- Number of firms participating; sales generated by the show.
- Number of trade leads recorded and amount of direct sales generated.
- Surveys; trade leads.
- Number of leads generated; number of information requests resulting from the contact at event; dollars of product moved as a result of mission/show.
- Evaluate questionnaires after show.
- Surveys and participation.
- Surveys; participant reports
- Follow-up phone calls are made at 3, 12, and 24 month periods to the companies who have participated in the state/province pavilion only. Sales figures as a result of that show are the primary information requested.
- Survey of participants.
- Number of leads and interest expressed during the show.
- Numbers; participation rates by companies; assessment survey of participants; client progress in sales, trades, signing agents/brokers, alliances.
- Survey after shows - measure number of leads provided with legitimate possibilities.

- Exhibitor survey of show's effectiveness; follow-up sales; inquiries from contacts; client interest in other shows and willingness to participate in future events.
- Post show survey - 6 months and 1 year.
- Number of leads collected; Number of new contacts made; sales/estimated sales; if company goals were met.
- USDA surveys from their sponsored shows; phone: best source of accurate information (if done by person executing the activity).
- Contacts, both now and renewal of old contacts, referrals to suppliers and follow up, both with contacts and suppliers.
- Number of trade leads; sales at show; anticipated sales within 6 months.
- On-site sales and sales resulting from participation.
- Number of leads; revenue generated.
- Surveys are sent to participating state/province companies approximately 3-6 months after the show. The survey (sample food show, livestock show and reverse buyers mission surveys attached) asks questions relating to: success in reaching objectives set prior to show/mission; number of contacts for potential buyers from show/mission; immediate sales; projected long-term sales; company expansion/hiring of new employees as a result of sales from show; department/staff assistance (we are in the process of reviewing our trade show evaluation system).

b) Trade Missions

No response or not applicable- Seven states/provinces

- Questionnaires - sales estimates.
- Consumer impressions; projected sales; industry support.
- Number of firms participating; number of contacts made.
- Same as above (Number of trade leads recorded and amount of direct sales generated.
- Surveys; trade leads.

- Number of leads generated; number of information requests resulting from the contact at event; dollars of product moved as a result of mission/show.

- Same as above.

- Resulting business for in-state/province companies.

- Reports.

- These are currently handled in another department of state government.

- Report the major findings of the mission.

- Numbers; participation rates by companies; assessment survey of participants; client progress in sales, trades, signing agents/brokers, alliances
  Survey after show - report of trade specialist published after every single mission.

- Quality of people involved in terms of their representation of the industry. Sales, although hard to determine feedback from participants. Information gained from individual market...any follow-up that occurs.

- Report from participants post-mission; estimates of initial sales; follow-up in subsequent months regarding re-orders and other new business from contracts.

- All missions done in conjunction with our state regional trade group. We require a consultant's evaluation of each activity.

- Number of meetings held; number of agent/distributors appointed; if company goals for participating were met; number of return trips to the market by the company.

- Some.

- Contacts made, follow up and referral to possible suppliers. Follow up with suppliers to see if sales are made.

- Number of companies involved; sales as a result.

- Number of leads/contacts; scope of agreements.

- Same as #1 above.

c) Publications

No response or not applicable-Ten states/provinces

- Circulation; survey of readers.

- Questionnaire in back.

- Consumer impressions; revenue from sales or advertisements; distribution.

- Feedback from recipients.

- Trade leads.

- For our catalog, dollars of product sold is important. Ease of access to information is important in general publications. Customer feedback guides print/web development. We quantify distribution and analyze who gets info and acts upon it.

- Feedback from consumers and the agricultural community - Number of requests.

- U-pick and farm market directory - reader response card comments back to us.

- Survey of recipients.

- Maintain a database, mailing list, etc. of subscribers and requests.

- Number and type per year.

- We code ads, coupons, and number of responses by using zip codes by respondents through computerization.

- E.g. bi-monthly market report - periodic client satisfaction surveys; demand for publication and need to reprint; requests to be listed from within to unknown companies.

- Verbal feedback.

- Feed back by consumers and trade people.

- Supply brochures, news releases, other information deemed useful - these are supplied to industry at their request and through local releases.

- Number distributed; we have surveyed a representative sample of listed sellers to gauge economic activity generated then expanded this number to represent all sellers.

- Very important advertisements.

- Number of clients reached; response to advertisement, articles.

- We keep track of the number of brochures/publications sent out from our office each quarter. This measure needs to be developed further (i.e. number of publications distributed at in-state seminars, conferences, expos, etc.). Currently, a database is kept with the name, address and number and type of brochures requested by phone, fax or mail from the office.

d) Seminars

No response or not applicable-Eight states/provinces

- Evaluation forms; speaker ratings; participation; cost recovery.

- Questionnaires.

- Consumer impressions; participants.

- Attendance; feed back from attendees.

- Number of participants and general feedback.

- Surveys.

- Attendee feedback; number of new projects initiated by staff and attendees.

- Questionnaire evaluation.

- Number of attendees and follow-up surveys.

- Survey, participant reports.

- Written evaluations given to all attendees.

- Duplicated and unduplicated counts of attendees.

- Report on major ideas and interest.

- Numbers and participation rate (export readiness, food industry management and quality assurance; assessment surveys).

- Measured on number of attendees and actual use of data presented.

- Marketing seminars - participant evaluations; attendance; participation in subsequent seminars after first one.

- Number of attendees; feedback of attendees.

- Verbal feedback and at times w/survey.

- Feedback received by attendees of seminar and number of people that take part.

- Number participating.

- Very important for getting new to export companies involved.

- Number attending; evaluation of procedures.

e) Advertising Campaigns

No response or not applicable-Seventeen states/provinces

- Establish objectives (benchmark); annual assessment - phone survey, intercepts, client interviews; measures - awareness levels, opinion trends.

- Consumer impressions; advertising value.

- Dollars expended, reach and frequency of media buy, anecdotal coverage reports, samples of other media generated. To the extent direct response can be measured (requests for information, phone calls, etc.) We try to log these as well.

- Activity here is very limited; utilize surveys of stakeholders.

- Measured on increased tonnage of items promoted - usually supplied by retailers.

- Periodic independent surveys are commissioned by department to measure consumer attitudes and awareness of state’s promotional efforts as well as industry perceptions and usage of product.

- Consumer awareness levels; tie-in campaigns by trade; consumer satisfaction levels with the “product”.

- Number of calls to our 800 number during time period after advertisement was run; Sometimes we ask them to do something (i.e: fill out entry blank for contest, or a survey) so we know from the number of these received.

- Increased sales of items that campaign focused on , response from trade people.

- We have limited advertising campaign.

- Budget concerns.

- Amount sold before, during and after campaign.

- We measure the value of the media generated by promotional/advertising campaigns.

f) One-on-one Consultation

No response or not applicable- Seventeen states

- Program participation.

- Satisfaction of the participant.

- Reports.

- “How are we doing”.

- Follow-up letter and survey.

- Review action points that were recommended at consultation. Most of our programs reflect one year, 3 year and 5 year marketing plans. Evaluate how client follows through with recommendations.

- Client adaption of counseling services and industry data; frequency of unsolicited client re-contact.

- If company maintains contact with us if they begin to participate in our programs and services, if they respond to mailings, trade leads, etc.

- Anecdotal.

- Supply info, follow up to assist in actual business transactions - again more follow up to deal is completed.

- Effective method to get companies involved and made aware of opportunities.

- Number of new startups; number of satisfied customers; number of dissatisfied customers.

- Our international consultants track their one-on one meetings with state/province companies (see sample chart attached).

g) Export Development Activities

No response or not applicable-Eight states/provinces

- Sales - Exports.

- Consumer impressions; projected sales.

- Increase in export sales; increase in market penetration.

- We place a great deal on building commercial relationships which are quantitatively difficult to measure in standards, but critical in international trade.

- Follow-up with active companies to determine sales conducted thanks to our assistance. Also track technical assistance to quantify and qualify what issues require most assistance.

- Level of participation from in-state/province companies and their feedback.

- Surveys.

- Telephone surveys; written program evaluations; estimated sales figures.

- Trade leads survey.

- Report on main interest generated.

- Change in export figures; change in number of exporters; new markets being serviced by state/province firms.

- Measure number of companies participating from year to year and how many are repeaters. Analyze market share by category in target markets.

- Via recruitment at various trade shows and any subsequent trade missions or other activities that may arise.

- Client adaption of counseling services and industry data; frequency of unsolicited client re-contact; plus client initiated activities.

- See B above. (All missions done in conjunction with our state regional trade group. We require a consultant's evaluation of each activity).

- If company begins to participate in our export programs; if company's goals for a market are met.

- Sales results.

- Increased export demand for product.

- Contacts through trade shows, mission info supplied to industry - follow up with contacts and industry.

- Sales results; effectiveness of the activity.

- Number of companies participating; value of business.

- Our international consultants track the market-specific inquiries they get (see sample chart attached).

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