



# Study on the promotion of the consumption of olive oil and table olives in Russia

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by

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# Índex

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Promotion activities under way

# Promotion by institutions

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After analyzing the market for these products in Russia and acquiring a better media perspective, it seems important to conduct a research of the promotional campaigns for these two products, both on going or recently developed in Russia.

As we have seen, these products are imported and, therefore, are foreign to the cultural and culinary Russian tradition. This requires a particular promotion for the products, which can either originate in the exporting countries, their foreign trade organizations or established business associations, as well as from the industries which promote their brands in this market. We shall look into the promotions undertaken by Russian importers and distributors in order to foster the sale of these products.

Current promotional campaigns have been researched in the course of the study undertaken by this project for the COI. For this purpose, interviews were held with the representatives of the official foreign trade organizations of the countries producing olive oil and table olives.

## 1. Spain

As we seen in United Nations statistics, Spain is the main exporter of table olives and olive oil to the Russian Federation. This top position is also evident in the promotional campaigns of these products in Russia.

The Spanish foreign trade promotion has been entrusted to the ICEX, Institute of Spanish Foreign Trade, ([www.icex.es](http://www.icex.es)). This organization, as stated in its presentation, provides its services to Spanish enterprises in order to promote and expedite their international projections. For this purpose it relies on its own financial, material and human resources.

The Institute develops its activities in the following areas:

- Designs and carries out commercial promotional programs in foreign markets.
- Prepares and distributes information about proposed Spanish products, as well as about international markets.
- Provides technical coaching for the staff of the enterprise, and trains foreign trade professionals.
- Promotes investment projects, industrial implantation or managerial cooperation in foreign markets.

In order to efficiently achieve its objectives, ICEX undertakes its foreign activities through the network of Economic and Commercial Offices of Spanish embassies. In Spain, this is carried out through the Regional and Territorial Commerce Boards.

The Spanish government has implemented various Integral Marketing Development Plans for the purpose of promoting economic and commercial relations with several countries which have been classified as top priority. At present, nine plans have been put into effect: Brazil, China, Russia, Mexico, United States, India, Algiers, Morocco, and Japan. Therefore, Russia is one of the top priority markets for Spanish trade.

These plans, labeled PIDM, strive to strengthen overseas the identity of Spanish products and business establishments, and also to try to increase tourism from these nations to Spain, which provides an additional source of income for our country. Additionally, they seek to obtain the participation of Spanish companies in the Energy, Information Technologies or Transportation markets in these countries, as well as the macrosectors of Agricultural food industry and commodities.

The sectors of priority Spanish trade assigned to Plan Russia (2008-2010) of ICEX are as follows:

- Agricultural food industry products (oil, olives and wine)
- Habitat (furniture, ceramics)
- Fashion (shoes, textile manufacture, leather articles, cosmetics)
- Technological field: transportation infrastructure, naval sector, agricultural machinery, surgical equipment, renewable energy.

As is evident, Russia is a strategic market for Spanish exports, and both products which promote this study are included in the Spanish plan for development in the Russian market. The objectives of this plan are:

- To strengthen our economic and commercial presence in the Russian market.
- To improve and refine the identity of Spain and our products in Russia.
- To redirect the efforts of our promotion toward sectors of high aggregate value
- To promote relations between our governments
- To promote Russian tourism toward Spain

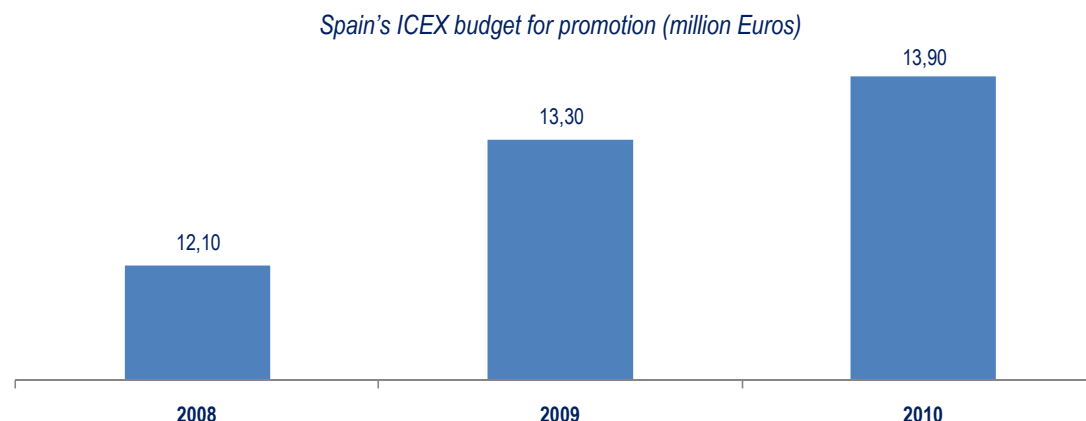
The defining lines of this plan with regards to commerce support are:

- Access into the market. Progressive elimination of custom tariffs.
- Promotion and identity. Position Agricultural food industry products in the top quality segment.
- Financial support: co-financing of campaigns and presence in fairs.

With regards to commercial campaigns and identity of Agricultural food industry products, the procedures are as follows:

- Official Pavilion in PRODEXO FAIR (Moscow, February)
- Spanish Wine and Gourmet Products Salon
- Press and Purchasers Mission to ALIMENTARIA 2008
- Invitation to opinion makers to MADRID-FUSION 2008
- Sherry Brandy Promotion Plan
- Olive oil and table olives sectorial campaign

The tools employed are those in standard use for commercial promotion in foreign markets: presence in the top food fair in Spain, a specific event for the promotion of the most important Spanish products; a mission of journalists and importers to the top food fair in Spain, as well as an event for gourmets, and specific promotion plans for the most important products. For these promotional and commercial activities, the ICEX budget is as follows:



We can thereby assert that Spain has the definite political intention of regarding the Russian market as a top priority. There is a concrete plan, with objectives, lines of action, and financial resources to improve business conditions for Spanish products and investments. And, specifically, in what pertains to our study, we stress that there is a direct specific promotion plan for Spanish olive oil and table olives.

In addition to these promotion campaigns and to generic information about the Russian Federation and its economy, the ICEX has pursued other information activities about the Russian market for these products. Its web page provides Spanish business establishments with commercial researches about the Russian market for these products conducted by the Economic and Commercial Office of the Spanish Embassy in Moscow. These are:

- Agricultural food industry distribution in Russia, ICEX, Moscow, March 2009 (market survey)
- The olive oil market in the Federation, ICEX, Moscow, April 2008 (sectorial note)
- The table olive market in the Russian Federation, ICEX, Moscow, April 2008, (sectorial note)

### Olive oil

Normally, ICEX promotional politics are undertaken jointly with the productive sector. Already in 2007, ICEX began a timid campaign to promote olive oil with Asoliva.

Asoliva is the Spanish Olive Oil Industrial and Exporter Association, a private, non profit organization, made up of 59 Spanish olive oil exporting enterprises from several Spanish provinces, particularly Andalucía and Cataluña, whose sales outside the Spanish territory represent more than 95% of the national export of packaged and between 50 to 70% of exports in bulk, according to the campaigns.

This first campaign had a budget of 80.000 euros per year and it was repeated in 2008. This small promotion plan, in 2007 and 2008, jointly financed by both organizations, included the following activities:

- Insertion of articles and advertising modules in gastronomic magazines.
- Reverse opinion makers mission (November 2007)
- Four olive oil seminars in Moscow and St. Petersburg
- Translation into Russian of Asoliva DVD and brochure, and distribution in Russia

As may be observed, this was a very modest campaign, with very limited objectives due to tight budgeting. Nevertheless, it must have fostered positive elements because a budget of 300.000 euros was approved in 2009 for the promotion of olive oil in Russia. In addition to the budget increase, there has also been an increase in the number of members, so that the campaign approved for this project will be financed in equal parts by four organizations: the already mentioned two, ICEX and Asoliva, and two new ones, Extenda (Andalusian regional agency for foreign promotion) and the Olive Oil Interprofessional Association.

The plan of action contemplated for 2009 campaign is as follows:

- Trip of a television crew to film a program about olive oil
- Creation of a thematic web page in Russian
- Ads in women's interests magazines
- Advertising Spanish olive oil in the oil shelves of points of sales
- Sponsoring a cookbook centered in olive oil
- Production of promotional and marketing material to support olive oil importers
- Campaign Presentation Event for press, distributors, importers, and other agents of interest.

As we shall see, there are two shared actions in the campaign for table olives. These are the trip to Spain by a television crew in order to film a program, and insertion of cooking recipes in one of the gastronomic magazines.

In addition to the interview with the Chief Counselor and the Department Chief, responsible for the promotion of Agricultural food industry products of the Spanish Embassy Economic and Commercial Office in Moscow, as members of the Agerón International research team we met with the advertising agency responsible for this campaign in their Moscow offices. Our purpose was to expand the knowledge of the contents of this olive oil promotion.

#### PRODUCT

- Olive oil produced in Spain.
- More than a dozen brands.

#### TARGET AUDIENCE

- Consumers: Women, between 20 and 55, medium and high incomes, urban dwelling.
- Professionals: Men, between 25 and 55, trade and HoReCa employees.

#### AMOUNT

- 300,000 Euros approx.
- Jointly financed by: ICEX, EXTENDA, ASOLIVA, INTERPROFESIONAL DEL ACEITE DE OLIVA

#### TERRITORY

- Russian Federation, urban territories.



#### DURATION

- September 2009 to April 2010

#### COMPLETE CAMPAIGN

- Combines ATL (advertisement media), BTL (direct techniques) and PR (public relations) techniques.
- Techniques: Press advertisements, Public Relations, Events and Internet Promotion.

#### CENTRAL IDEA OF THE CAMPAIGN

- It is based on the publication of a Spanish cook book with recipes that include olive oil.
- All the other activities are around the book.

#### TOOLS

- **BOOK** The centre of the campaign is the publishing of a LIBRO DE COCINA ESPAÑOLA (Spanish cook book).
  - Published by the GASTRONOM magazine, 256 PAGES, 15,000 COPIES.
  - Will be launched in spring 2010
  - Aimed at consumers
  - To give out at events and sell in bookshops
  - Spanish makers can buy the package and personalise the 2nd page.
  
- **PR. Support of Public Relations**
  - Event for presentation of the campaign
    - Master class for reporters/distributors/Horeca
    - Spanish cuisine secrets and olive oil tasting, 3-4 hours
    - In the "Cipollino" Italian restaurant, with Spanish chef Adrián Quetglas
  - Trip for Press: 4 persons from the TV programme Domáis, report done in Spain (Jointly with the Olives campaign)
  - Editorials (about the presentation)
  - TV coverage (about the presentation)
  - Classes in Cuisine Schools (Moscow and San Petersburg) CANCELLED ACTIVITIES
  
- **ADVERTISEMENT** Campaign advertisements
  - Advertisements in Magazines
  - Positioning in gastronomy, health and lifestyle magazines
    - Gastronom, (recipes) B2B, B2C
    - Shkola Gastronoma (recipes) B2B, B2C
    - Kolletsia receptov (recipes) B2B, B2C (Jointly with Olives campaign)
    - Dobrye soveti. Lyublyu Gotovit (recipes) B2B, B2C
    - Lisa Priyatnogo Appetita (Glossy, wellness) B2C
    - Imperia Vkusa (Glossy, wellness) B2C
    - Afisha Eda (Horeca) B2B
    - Shape-menu (Horeca) B2B
    - Samaya Culinariy Practicum (recipes) B2C

- POS - POSM:
  - Indoor advertisements in Supermarkets and Hypermarkets:
    - Shelf-banners (2 per establishment, in medium high price oil lines)
    - Stickers (1 per establishment, on floor in front of line)
  - Promotional aprons
  - Wall and table calendars
  - Information leaflets on olive oil bottle necks
    - Small 16 page booklet, with olive shaped silhouette.
    - The importer has to order the amount he needs
    - The orders are made through the website



- Internet
  - Website: www.oliveoilfromspain.ru
  - Sections:
    - All about olive oil: History, regulations, etc.
    - Calendar of events
    - Advertisement of the book release. Orders for distributors and partners
    - It has a section for medium-high brand positioning
  - Aimed at both consumers and professionals
  - Index of the foreseen sections of the Spanish Olive Oil website:
    - All about olive oil:
      - History
      - Varieties
      - Degrees
      - Regulation
      - Recipes
        - Forum
    - Brands
      - General information
      - Promotion
    - Characteristics
      - Celebrity
        - Blog
      - Book
        - Forum
    - Events / promotion
    - Goodies
      - Multimedia
      - Interactive



The first conclusion that arises upon comparing the first campaign (2007-2008) and the second one (2009) is that the budget increased almost four times. Additionally, we can look into two projected budgets and discover that it is possible to promote olive oil in Russia with 80.000 euros and also with 300.000 euros. As we have stated, the first campaign was an approximation to the market, while in the second one there is a clear intention of promoting the product.

In the 2009 campaign, actions were clearly directed to the two great consumer groups for this product: women, who do the shopping in most homes, and men who work in this sector (Trade and HoReCa). Promotion tools have been increased in 2009, using such techniques as public relations, internet, ads in magazines, advertising and materials for points of sale (POS), marketing (POSM), a publication.

This means that there are tools available for information and demonstration purposes, focusing on promotion and sales. PUSH Techniques are directed towards the Trade channel, such as PULL, focusing on the consumer.

2007-2008	2009
BUDGET: 80,000 € / year	BUDGET: 300,000 € / year
Co-financed by: ICEX & ASOLIVA	Co-financed by: ICEX, EXTENDA, ASOLIVA, INTERPROFESIONAL DEL ACEITE DE OLIVA
PR TRADE Inverse Trade Mission (1) For trade experts	X
PR EVENTS Olive Oil Seminars (4) For opinion formers Moscow & St. Petersburg	PR EVENTS Campaign launch event For Press, Importers & Distributors Spanish chef in Italian restaurant ( <i>Cipollino</i> , Moscow)
SPECIALIZED PRESS Gastronomy magazines Articles Module Adverts	PR PRESS Press Trip in Spain (4 pax) Report about Olive Oil & Table Olives Program in <i>Domashny TV</i> SPECIALIZED PRESS Sponsorship of Spanish cuisine Book Edited by <i>Gastronom</i> magazine (256 pages) Focus on Consumers 15.000 copies (free in events & for editorial sale)
POS-POSM Translation promo material to Russian language DVD, from Asoliva Leaflet, from Asoliva	POS-POSM Promotion material on 232 points of sale Shelf banners (2) and Floor stickers (1) in each POS Neck hanger (small booklet) for Olive oil bottles (5.000)
X	ADVERTISING Feminine & cooking magazines Adverts in 9 magazines
X	INTERNET Thematic web page in Russian language <a href="http://www.oliveoilfromspain.ru">www.oliveoilfromspain.ru</a> Focus on Consumers & Professionals

Source: Trade Commission of Spain in Moscow

### Table olives

One immediate conclusion from the Spanish perspective is that the promotion of olive oil and the promotion for table olives require distinct and separate campaigns in order to succeed in the Russian market.

Spanish promotional campaigns for table olives in Russia date from three years back and have, therefore, gathered more experience. Additionally, the promotion began in a more determined and defined manner, the initial one with a larger budget which is still in effect.

These are campaigns which are also held in other countries besides Russia. For instance, in 2009: Australia, France, Mexico, Poland, United Kingdom, Czech Republic, Ukraine. In each country the strategy is different, but they share some elements, such as the symbol which identifies the Spanish table olive.



The promotion in Russia is as follows:

- 365,000 Euros approx.
- Jointly financed by: ICEX (33%), EXTENDA (33%) and INTERACEITUNA (33%)

#### TERRITORY

- Russian Federation 6 cities: Moscow, St. Petersburg, Novosibirsk, Nizhnii Novgorod, Yekaterimburg and Samara

#### DURATION

- September to December 2009

#### TOOLS

- ADVERTISING Campaign ads (September-December 09)
- Magazine ads (11 insertions)
- Placement in women's magazines
  - Lisa 750.000 copies 2 insertions
  - Samaya 360.000 copies 2 insertions
  - Domashnii Ochag 280.000 copies 1 insertion
  - Marie Claire 185.000 copies 2 insertions
  - Samaya Kulinarnii Prakticum 180.000 copies 2 insertions

- Zhenskoe Zdorov'e 160.000 copies 2 insertions
- Placement in gastronomic magazines
  - Gastronom 1 insertion
  - Kollektzia Receptov (Sponsorship: joint action with olive oil campaign: 3 recipes for table olives and 3 recipes for olive oil)

#### OUTDOOR

- Posters in bus stops (455 posters in 6 cities: Moscow, St. Petersburg, Novosibirsk, Nizhnii Novgorod, Yekaterinburg, and Samara)
- Stickers in Metro, buses and trolleys (1.478 stickers in 6 cities: Moscow, St. Petersburg, Novosibirsk, Nizhnii Novgorod, Yekaterinburg, and Samara)

#### PUBLIC RELATIONS SUPPORT

- Press trip: crew of four, TV Domais program, Spanish report (together with olive oil campaign)

#### INTERNET

- Internet site: [www.olivesfromspain.ru](http://www.olivesfromspain.ru)
- Development of web site during the four month campaign
- Monthly newsletters to subscribers during the four month campaign

#### MARKET SURVEY in the seven main Russian cities

#### EXECUTIVE VIDEO

Obviously, this campaign is very different from the one for olive oil. It is much more focused toward the table olive final consumers, that is women who have the definite choice in home purchases. Advertising is targeted toward then in women's and gastronomic magazines, as well as the Outdoor campaign conducted in public transportation. An internet page has also been planned (separate from the olive oil one), as well as an executive video.

Not to be overlooked is the fact that the market study covered 7 cities. In fact, the 2007 campaign began with a market study which provided information about the specifics of the Russian table olives consumer in order to direct the campaign toward his preferences. The campaign which shall be described later was the result of that study. Two years later, we are now embarking on a new study in order to perceive how the table olive consumer has evolved, what is the present popularity of this product, how effective have been the campaigns undertaken during these years, and how we may profit from them for the following ones.

The table olives promotion campaign shares two activities with the campaign for olive oil: the one in Public Relations (which consists of the trip of a TV crew to Spain in order to film a program about olive oil and table olives), and a magazine sponsorship to insert recipes: three for olive oil and three for table olives.

Let us now compare the different campaigns which Spain has undertaken for the promotion of table olives in the Russian Federation in 2007, 2008, and 2009.

2007	2008	2009
<b>MARKET RESEARCH (QUANT. + QUAL.)</b> 600 phone interviews	X	<b>MARKET RESEARCH</b> 7 major cities during 4 months
<b>FM RADIO</b> 1 month x 3 stations	<b>FM RADIO</b> 2 months x 6 stations	X
<b>POPULAR PRESS</b> 4 major circulation newspapers Articles & Inserts	<b>POPULAR PRESS</b> 4 major circulation newspapers Articles & Inserts	X
<b>OUTDOOR: METRO STICKERS</b>  3 cities: MC, SP, NVSB	<b>OUTDOOR: BUS STOPS</b>  6 cities: MC, SP, NVSBK, YEK, SAM, ROS	<b>OUTDOOR: BUS STOPS + METRO &amp; BUS STICKERS</b>  6 cities: MC, SP, NVSBK, YEK, SAM, NVGRD
<b>PR</b>  Campaign Launch Event  150 Press, Importers & Distributors	X	<b>PR</b>  Press trip to Spain for TV Domán program, 4 pax  Report about Olive Oil & Table Olives
<b>SPECIALIZED PRESS</b> <b>Gastronom</b> <b>100,000 leaflets recipe books</b>	<b>SPECIALIZED PRESS</b> Gastronom: 1 inserts Kolleksia Receptov: Recipes	<b>SPECIALIZED PRESS</b> Gastronom: 1 insert Kolleksia Receptov: Sponsorship (3 Table Olive + 3 Olive Oil recipes)
X	<b>FEMENINE PRESS</b> Lisa, Samaya, Domasnii Ochag, Marie Claire, Samaya Kulinarnii Praktikum, Zhenskoe Zdorov'e 10 inserts in 6 magazines	<b>FEMENINE PRESS</b> Lisa, Samaya, Domasnii Ochag, Marie Claire, Samaya Kulinarnii Praktikum, Zhenskoe Zdorov'e 11 inserts in 6 magazines
X	X	<b>INTERNET</b> <a href="http://www.olivesfromspain.ru">Web site: www.olivesfromspain.ru</a> , 4 months
		Monthly Newsletter during 4 months
X	X	<b>VIDEO</b> Executive video

As we have already stated, the promotion campaign proves from the beginning to be very professional and market savvy. For good reason, the first campaign of 2007 starts, as indicated, with a market study. This allows a much better consumer promotion focus.

It also seems that those responsible for this promotion have learnt from the campaigns, in order to tune up and adjust the tools and the targets every year.

Let us consider some of the actions undertaken in the different campaigns.

## 2007

One of the strategies included in the three table olive promotion campaigns pertains to OUTDOOR ads.

Table olive ads in Metro cars in Moscow, 2007 campaign. Another important activity of the 2007 campaign was the production of a divulgement booklet with recipes including olives, prepared by a local chef, to inform Russian housewives about the health benefits of this product.

The edition consisted of 100.000 copies which were distributed enclosed in Gastronom magazine, although not in the whole edition (180.000 copies)



## 2008

The 2008 campaign continued some of the 2007 activities. New graphics were approved for magazine and gastronomic ads, as well as for outdoor posters. The chosen slogan for these ads was “Spain: olives country”, stressing the origin of the advertised table olive.

The graphics for outdoor ads also included “Viva Oliva!”. As we have previously indicated, a very significant portion of consumers of this product do not know the origin of the table olive and do not think it is relevant in order to make a purchase.



Graphics for magazine ads and two for outdoor ads

In addition to women’s magazines, the campaign included two gastronomic orientation magazines, which are usually included in all agri-food products. They are: Gastronom, which has already been mentioned, and Kollektzia Receptov. An important feature was the inclusion of a collection of recipes in the latter magazine.

Infomercials were also included in popular publications. This is one of the actions undertaken in 2008 which was not continued in 2009, and we surmise that it did not meet the desired objectives.



Perhaps it was concluded that it was better to focus exclusively the feminine public through its more specific supports. One of the actions continued between 2007 and 2008 was FM Radio advertising. In fact, the first one month three station campaign (2007) was turned into a six station campaign during six months (2008). Nevertheless, the account managers for this ICEX campaign have acknowledged that radio is not an effective media for the promotion of table olives and it has not been included in the 2009 campaign.

Outdoor advertising has been the most widely employed media in the three campaigns. As we have already indicated, it is the least costly media and has the most popular reach. The campaign has been undertaken in six cities, using as support the lighted boxes in bus stops (more than 400). The cost for the 1.000 impacts of this campaign has been 0,15 euros, which amounted one third of the total campaign cost, that is between 100 and 120.000 euros. On the lower left corner of this page we may see the summary of this campaign, with the name of the magazine, the number of copies, publication month (all at the last quarter), number of ads for 2008 and 2009.

**2009**

It must be pointed out that these campaigns have always been undertaken in the last trimester of the year, between September-October and December. As has already been mentioned, it is a saturation period in the media, although it is also the time of higher consumption of these products, and the time when the consumer pays more attention to communications.

As we have indicated, the 2009 campaign reinforced the 2008 actions: insertions in the same feminine and gastronomic magazines, outdoor presence in bus stops and metro stations, creating a web page and forwarding newsletters, production of an executive video, conducting a new market study, and the joint action to send a TV crew to film a report in Spain. Radio and popular press were discarded. Comparatively speaking, magazine ads seem to indicate the account managers' satisfaction.



ANUNCIOS EN REVISTAS	2008			2009		
	Revista	Tirada	Mes de publicación	Cantidad	Mes de publicación	Cantidad
Liza	750.000 copias.		Noviembre	1	Noviembre y Diciembre	2
Domashnii Ochag	280.000 copias.		Noviembre	1	Noviembre	1
Samaya	360.000 copias.		Octubre /Diciembre	2	Octubre /Diciembre	2
Samaya Kulinarinii Praktikum	180.000 copias.		Septiembre/Noviembre	2	Septiembre/Noviembre	2
Zhenskoe Zdorove	160.000 copias.		Septiembre/Diciembre	2	Septiembre/Diciembre	2
Marie Claire	185.000 copias.		Septiembre/Octubre	2	Septiembre/Octubre	2
<b>TOTAL</b>				<b>10</b>		<b>11</b>
<i>Fuente: Interaceituna</i>						



## 2. Italy

The ICE is the National Institute for Foreign Trade of the Italian Republic ([www.ice.it](http://www.ice.it)) Its mission is to develop economic and commercial Italian promotion in other countries. In collaboration with the Ministry for Economic Development it prepares the Program for Promotional Activities, assuming the initiative and directing its application.

According to the ICE, the Italian Food and Beverage sector has not taken advantage of its magnificent identity to achieve a competitive capacity in the global market, remaining below its potential with regards to the great communitarian competitors, such as France, Germany and Spain. From the point of view of the ICE, the “Made in Italy” food slogan needs a new strategic promotion and a special effort. For this purpose, it has decided to continue the promotion of “Made in Italy” agro-food products in three strategic markets, where the business establishments are already partly introduced, and where the dynamics are not altogether unknown, although they need to be better supported and better identified. These markets are: South Korea, China, and Russia.

The third edition of “Sapori d’Italia nel mondo” has been launched. The project will continue its promotion in the three markets mentioned before, all of which hold great interest for the concerned business establishments.

The objectives of the project are:

- Reinforce and develop existing commercial relations .between Italian businesses from the agro-food sector and the distributors and operators pertaining to this sector in the country to which the initiative is directed. This initiative to be carried out by means of promotional events (wine tasting, other conducted tastings, organizing bilateral business meetings).
- Promote Italian agro-food products in local restaurants by organizing demonstrations of Italian food and beverages, within restaurant and hotel chains, or through participation in fairs of this sector with the “Made in Italy” promotion in the ICE pavilion (tasting typical products and wine).

### Olive oil

Participation in the PRODEXO fair (Moscow, February 2009)

- Preparatory Seminar in Italy, in the Chambers’ headquarters, or through video conference, to announce the operative aspects of the mission, and to deepen knowledge about all matters pertaining to export processes, shipping merchandise, custom practices, distribution systems, labeling, etc.
- Communication actions promoting the presence of the businesses which will participate in the Prodexpro fair.
- Participation of a group of Italian business enterprises in the Prodexpro fair, with the lease by ICE of an Italian pavilion, subdivided into the various participating enterprises, with an assigned locale for product and wine tastings, as well as other promotional events.

The Prodexpo fair is holding its 15th edition, and it is the largest meeting point between the major market operators, not only Russian, but also of the additional CEI countries, as well as the other republics of the late URSS. In the fair there is a growing presence of the markets from Baltic republics (Estonia, Latvia and Lithuania), from the Ukraine, Georgia, as well as other states, distant but very interesting and with great potential, such as Kazakhstan.

Another promotional event has been scheduled to be held outside of this fair, and to be repeated in the Shanghai fair. This will be a tasting party followed by a gala banquet for operators and distributors. Another event took place in St. Petersburg, where the winner of the prestigious Ercole Olivario Prize ([www.ercoleolivario.org](http://www.ercoleolivario.org)), for which Italian producers compete was presented to the press.



Article about the winner of the Ercole Olivario award in Imperia Vuksa, September 2009

This promotion and the participation in the Prodexpo fair are directed to the following sectors: wine, distilled alcohol, olive oil, cheese, pasta, and other products, as well as typical products of the regions which participate in the project and are commercially compatible with the Russian market.

Concepto	Sistema cameral	ICE	Terceros	TOTAL
<b>EVENTO EN RUSIA</b>	<b>90.000</b>	<b>95.000</b>	<b>30.000</b>	<b>215.000</b>
Alquiler del espacio de la Feria (se incluye la preparación de base y la personalización del área "Sapori d'Italia")	50.000	60.000	20.000	130.000
Actividades de publicaciones del evento (impresión de invitaciones, impresión de la conferencia, campaña publicitaria, predisposición del catálogo)		15.000		15.000
Flete frigorífico y otros elementos necesarios para el almacén común de Unioncamere y personal de asistencia en lugar de destino	10.000			10.000
Expedición de materiales, muestras de las empresas y otro material de promoción	10.000		10.000	20.000
Organización del evento colateral a la feria	20.000	20.000		40.000
<b>Total Presupuesto de los 3 eventos (Corea del Sur, China y Rusia)</b>	<b>340.000</b>	<b>345.000</b>	<b>90.000</b>	<b>775.000</b>

It is evident that the strategic Italian promotion focuses on:

- Exploiting the synergy of the country's good image and the quality of its agro-food products
- Focusing on the three countries where its potentiality has not been satisfied
- Profiting from the fair as an opportunity to develop relations with the market and, particularly, with the Trade channel.

A significant amount of capital has been invested in this action: 215.000 euros for its presence in the most important agro-food fair in Russia, namely Prodexpo, which is also pivotal in the Spanish promotion strategy. As we shall also see, it is employed by Greece as well, so that it is undoubtedly fundamental for the three European Union countries which provide Russia with olive oil.

### 3. Greece

HEPO, the Hellenic Foreign Trade Board ([www.hepo.gr](http://www.hepo.gr)) is the Greek council for foreign trade, and is responsible for export policies in Greece. The main objectives of this organization are focused on:

- Designing and coordinating activities pertaining to Greek initiatives for foreign expansion.
- Promoting better export practices, according to national policies.
- Developing and applying specific know-how to export policy matters
- Developing alliances with foreign markets, and searching meeting opportunities for Greek enterprises with foreign markets
- Promoting and assisting the entrance of Pymes in international markets

As a strategic partner in Greek exporting enterprises, HEPO aspires to:

- Contribute to increase the perceived value of Greek exports, and to improve their market quota around the world
- Increase the volume and variety of exportable goods, emphasizing products with high added value
- Strengthen the presence of Greek products in foreign markets

Other important HEPO activities are:

- Promoting and heading commercial missions between Greece and other countries
- Fostering the installation of foreign companies in Greece
- Organizing tasting and presentation sessions of Greek products
- Organizing visits to the Greek market by foreign partners
- Coordinating work sessions and presentations for foreign purchasers and journalists
- Developing other marketing actions, in the press and on line, for Greek products and services
- Creating promotion point of sale campaigns
- Coordinating conferences, conventions and other informative events

As part of these activities, HEPO funds the presence of the Greek pavilion in the following food and beverage fairs in the Russian Federation:

PRODEXPO 2009 Moscow, February 9 to 13, 2009

WORLD FOOD 2009 Moscow, September 15 to 18, 2009

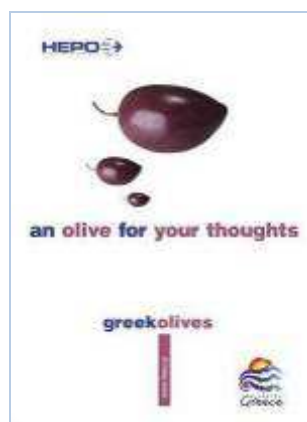
Spain and Italy did not attend the World Food fair, as they believe that it is second rate. The presence of Agerón Internacional at this fair served to reinforce this perception, and to confirm that in the sector of our interest the presence was centered in Greek and Turkish producers who were seeking entrance in the market and trying to meet olive oil importers.

Nevertheless, through research and field work in Moscow, Agerón was able to learn of an intent by HEPO to promote Greek olive oils. This campaign was not achieved, although a certain agency prepared the proposal for a promotional campaign. The tool which this agency proposed for the initial presentation of Greek olive oil focused Public Relations. This proposal was based on:

- An event to be held in Moscow for 150 leading personalities (Trade purchasers, journalists, nutritionists, and opinion makers)
- Prepare a data base of leading personalities, influential restaurant owners, nutritionists, journalists, and media suitable for this campaign

The campaign tied together the natural, ecologic and health elements of olive oil with the history, myths and culinary Greek tradition, the quality of the Mediterranean diet and the good will ties between Russia and Greece.

For this purpose, it planned to hold an event in a Mediterranean restaurant, which would start with a master class conducted by a Greek chef and a nutritionist, accompanied by direct live music, to be followed by entertainment and cocktails. The decoration, videos, and promotional materials would correspond to the Mediterranean image and way of life.



EDOEE is the interprofesional Greek Olive Oil and Table Olive Organization. EDOEE, together with the Ministry of Rural Development and Nutrition of Greece, and the European Union, has developed a promotion program for Russia (2008-2010) funded with 850.000 euros for a total of three projects. This program comprises the following promotional activities in the Russian Federation:

- Presence in fairs: Prodexpo and World Food
- Event in Moscow. Entrepreneur meetings with importers. Gala Banquet.
- Reverse missions with Russian importers in Greece.
- Magazine ads.
- POS: promotions in points of sale.
- Marketing materials in Russian: booklets, aprons, coasters, maps.

## 4. Tunisia

CEPEX is the Center for the Promotion of Tunisian Exports ([www.cepex.nat.tn](http://www.cepex.nat.tn)). It is a state organization which depends on the Ministry of Commerce and Handcraft Industry. Its activity pertains to public support for the private sector, within the national objectives for export promotion.

CEPEX's role in the agro-food sector is limited to a presence in the following fairs:

- |                     |               |
|---------------------|---------------|
| ▪ Winter Fancy Food | San Francisco |
| ▪ Gulfood           | Dubai         |
| ▪ Foodex Japan      | Japan         |
| ▪ SIAL Montreal     | Montreal      |
| ▪ SIAL China        | Shanghai      |
| ▪ INDAGRA FOOD      | Bucharest     |
| ▪ AGRO LYBIA        | Tripoli       |
| ▪ ANUGA             | Köln          |

CEPEX foresees business opportunities for Tunisian oil in Italy, according to the commercial office of Tunisia in this country (October 2007) Additionally, APIA (the Agency for the Promotion of Agricultural Investments of Tunis) has been present during 2009 to:

- International Olive Oil Salon EXPOLIVA, in Jaén, Spain.
- International Olive Oil Salon OLIVEX, in Damas, Syria.

Finally, another institution, FIPA, Foreign Investment Promotion Agency, which promotes foreign investment, was present in 2009 in the following agro-food fairs:

- Agricultural and Agro-food Industrial Salon BIOFCH, in Nuremburg, Germany
- Agricultural and Agro-food Industrial Salon SIA, in Paris, France.
- Agro-food Industry Salon SERBOTEL ATLANTIQUE, France
- Agro-food Industry Salon SEAFOOD, in Brussels, Belgium.
- Agricultural and Agro-food Industry Salon MACFRUT, in Cesena, Italy.
- Agro-food Industry Salon ANUGA, in Köln, Germany.

As is obvious, there is no Tunisian institutional promotion in Russia.

## 5. Turkey

The organization responsible for foreign promotion of Turkey is IGEME ([www.igeme.org.tr](http://www.igeme.org.tr)), attached to the Under-Secretariat of the Prime Minister for Foreign Trade. Its field of expertise lies in helping foreign enterprises to conduct business in Turkey, as well as providing support for Turkish enterprises to increase their exports.

Shortly put: to increase the presence of Turkey in foreign trade. In order to fulfill this objective, it maintains offices both in the country and abroad.

Its main activities are:

- Researching and developing foreign markets
- Training for foreign trade
- Advertising and Promotion
- Market information
- Coordination and cooperation

It does not plan to participate in Prodexpo, the most important fair in Russia, but World Food has been included in its strategy.

Basically, Turkey's foreign promotion of olive oil is aimed toward its main export markets, especially the United States, followed by Canada and Japan. It also intends to target the great emerging Asian markets, China and India in particular. The promotion in Russia is undertaken directly by the respective enterprises.

# Promotion by private operators

After analyzing the institutions and national organizations of olive oil and table olive producing countries, we shall analyze the promotional campaigns which have been conducted by the enterprises connected to these products, whether the producers on their own, the importers on their part, or the distributing chains on theirs.

We shall study the media campaigns to determine how they were used by the brands. To start with, let us consider the advertising budget for mass media for olive oil and table olives. National TV has the largest share of the advertising cost (85%).

Advertisement Spend in Russian Media					
Sum of Cost			Year		
Category	Media type	Brands	2008		
Olive Oil	TV Nat		\$ 6.203.848	89%	84%
	TV Reg		\$ 555.028	8%	8%
	Press		\$ 212.451	3%	3%
<b>Total Olive Oil</b>			<b>\$ 6.971.327</b>	<b>100%</b>	<b>95%</b>
Olive Oil, Table Olives	TV Nat			0%	0%
	TV Reg			0%	0%
	Press		\$ 90.317	100%	1%
<b>Total Olive Oil, Table Olives</b>			<b>\$ 90.317</b>	<b>100%</b>	<b>1%</b>
Table Olives	TV Nat		\$ 14.577	5%	0%
	TV Reg		\$ 142.624	51%	2%
	Press		\$ 123.668	44%	2%
<b>Total Table Olives</b>			<b>\$ 280.869</b>	<b>100%</b>	<b>4%</b>
General	TV Nat		\$ 6.218.425	85%	85%
	TV Reg		\$ 697.652	10%	10%
	Press		\$ 426.436	6%	6%
<b>TOTAL GENERAL</b>			<b>\$ 7.342.513</b>	<b>100%</b>	<b>100%</b>
<i>Source: BBDO and own preparation</i>					

The first significant fact is that the largest expense corresponds to olive oil (95%). Table olives are practically no promoted in national TV, and the largest portion of its budget goes into press. National TV takes up the largest portion of advertising cost (85%).

Let us see how this cost is shared by the advertisers, with regards to TV.



## 1. Television

TV is the most profitable and effective media in order to reach consumers in the Russian Federation. Nevertheless, this product does not yet have sufficient weight in this country so that any one of the leading businesses can undertake a national TV campaign. Promotional actions are mainly developed in the regional TV.

In National TV there is only one important role player, the Rollton brand. However, it must be noted that this huge advertising budget is not centered on olive oil as such, but rather in their bouillon cubes with olive oil. Therefore, it will not be taken into consideration for our study, although it is definitely underlying in the creativity of the spot.

TV spot for Rollon using its olive oil image for the promotion of their bouillon cubes, which include olive oil. Oleina Verdes sunflower oil with Italian style design and graphics showing olives and an olive-green hued pallet.

Many Russian food products claim that they include olive oil to give the impression of emphasizing the idea that they are healthier and more beneficial. In addition to the bouillon cubes we have found blends of sunflower oil in cosmetics and other products.

The chart also confirms the cost of a campaign in national TV for a mass consumption product: about six million dollars, as we have already seen. No one else, within this sector, uses this media, insofar as advertising is considered. For its information value, we have included some advertisers who did not invest in 2008 because it indicates that they have partaken in other fiscal periods.

Various enterprises have a larger presence in regional TV directly related to olive oil, to the amount of over half a million dollars in investments. Among them we find two market leaders: ITLV (Borges) and Monini, which combine 50% of the investment in regional TV.

Other Spanish and Italian brands with an important investment are: Coopoliva, Trasimeno, and Basso, with investments of 80 to 50.000 dollars. With less than 20.000 dollars there are other local brands, such as Rollton, Milora and Oleina, as well as Spanish and Turkish ones, such as Rafael Delgado, Ybarra, Dos Olivas, and Milas Olio. Kids Olio and Sofos did not invest in 2008.

With regards to table olives, we only find two brands on TV. Maestro de Oliva (produced by Olive Line), which leads the market, has in investment of 14.000 dollars on National TV. This seems such a small amount that we conclude that it must consist of a one time and specific action in one channel, such as sponsoring an event or appearing in a cuisine program. Another of the major importers, Coopoliva, has a ten times larger investment, 140.000 dollars, but in regional TV. Other advertisers, although not investing in 2008, are Spar and Ibérica jointly, and Ibérica on its own.

Sum of Cost			Year				
Category	Media type	Brands	2008				
Olive Oil	TV Nat	ROLLTON	\$6.185.708	100%	92%	89%	
		MILORA	\$18.140	0%	0%	0%	
		BORGES	\$0	0%	0%	0%	
	<b>Total TV Nat</b>			<b>\$6.203.848</b>	<b>100%</b>	<b>92%</b>	<b>90%</b>
	TV Reg	ITLV	\$186.253	34%	3%	3%	
		MONINI	\$100.625	18%	1%	1%	
		COOPOLIVA	\$83.056	15%	1%	1%	
		TRASIMENO	\$60.656	11%	1%	1%	
		BASSO	\$51.499	9%	1%	1%	
		RAFAEL SALGADO	\$19.328	3%	0%	0%	
		ROLLTON	\$19.157	3%	0%	0%	
		OLEINA	\$12.980	2%	0%	0%	
		YBARRA	\$9.431	2%	0%	0%	
		DOS OLIVAS	\$6.652	1%	0%	0%	
MILAS OLIO		\$4.825	1%	0%	0%		
MILORA	\$566	0%	0%	0%			
KIDS OLIO		0%	0%	0%			
SOFOS		0%	0%	0%			
<b>Total TV Reg</b>			<b>\$555.028</b>	<b>100%</b>	<b>8%</b>	<b>8%</b>	
<b>Total Olive Oil</b>			<b>\$6.758.876</b>		<b>100%</b>	<b>98%</b>	
Table Olives	TV Nat	MAESTRO DE OLIVA	\$14.577		9%	0%	
		<b>Total TV Nat</b>			<b>\$14.577</b>	<b>9%</b>	<b>0%</b>
	TV Reg	COOPOLIVA	\$142.624		91%	2%	
		SPAR, IBERICA			0%	0%	
		IBERICA			0%	0%	
<b>Total TV Reg</b>			<b>\$142.624</b>	<b>91%</b>	<b>2%</b>		
<b>Total Table Olives</b>			<b>\$157.201</b>		<b>100%</b>	<b>2%</b>	
General	TV Nat		\$6.218.425			90%	
	TV Reg		\$697.652			10%	
<b>Total TV GENERAL</b>			<b>\$6.916.077</b>			<b>100%</b>	
<i>Source: BBDO and own preparation</i>							

## 2. Press

The press is a much more attainable media for olive oil and table olive brands. Additionally, this media very successfully segments the publics targeted by these brands: women and professionals (Trade and Horeca).

The principal olive oil advertisers are ITLV and Monini, both within the major providers for the Russian markets. ITLV does almost all its promotion combining its oils and table olives. Monini only advertises olive oil. Between the two, they amount to an almost 40% of the investment in press promotions. Maestro de Oliva (Olive Line), which is the second provider of olive oil, and the first in table olives, does all its promotion separately, with the heavier load going into olive oil. Also promoted, although with a smaller investment, is its second brand, Fernando Girón. For table olives, the main advertiser is Olivas de España (La Española), with 96% of the table oil investment in this media.

The press media support accomplished by these investments are present in:

- Feminine Press: fashion, life style, etc.
- Gastronomic Press: directed to the consumer as well as to the restaurant owner
- Professional Press: directed to the Trade Channel

The type of promotion accorded with the publication usually consists of one page advertisements, followed by recipes and other editorial columns where olive oil or table olives of the advertised brand are recommended. Let's see an example of this in the campaign developed by Monini, the leading brand.



Press Advertisement Spend in Russian Media					
Sum of Cost			Year		
Category	Media type	Brands	2008		
Olive Oil	Press	MONINI	\$70.525	33%	17%
		IDEAL	\$62.815	30%	15%
		MAESTRO DE OLIVA	\$43.919	21%	10%
		FERNANDO GIRÓN	\$15.188	7%	4%
		DE CECCO	\$7.020	3%	2%
		YBARRA	\$5.302	2%	1%
		TRASIMENO	\$4.138	2%	1%
		BASSO	\$3.544	2%	1%
		FILIPPO BERIO		0%	0%
<b>Total Olive Oil</b>			<b>\$212.451</b>	<b>100%</b>	<b>50%</b>
Olive Oil, Table Olives	Press	ITLV	\$90.317		21%
<b>Total Olive Oil, Table Olives</b>			<b>\$90.317</b>		<b>21%</b>
Table Olives	Press	OLIVAS DE ESPAÑA	\$118.591	96%	28%
		ITLV	\$2.662	2%	1%
		MAESTRO DE OLIVA	\$2.415	2%	1%
<b>Total Table Olives</b>			<b>\$123.668</b>	<b>100%</b>	<b>29%</b>
<b>Total GENERAL</b>			<b>\$426.436</b>		<b>100%</b>

Source: BBDO and own preparation



In most occasions, the promotional investment is made by the importer in the name of the brand it represents. According to some of the principal importers interviewed, the amount provided by the producers for promotion ranges from 25 to a maximum of 30.000 euros per year, depending on the importer's sales volume for that brand.

There are, of course, other types of press promotions, as for instance the announcements of sales by the various chains of distribution. In these occasions, the importers offer products, sales discounts, and contributions toward the total cost of the promotion. Let's see some actions taken by Maestro de Oliva:

Advertising page for the Perekrestok chain, with participating Maestro de Oliva oil, in its 7Dnei issue of March 2007.

Advertising module of Maestro de Oliva oil in the TV program of the 7Dnei issue, December 2008. In addition to the actions directed to the daily consumer, Maestro de Oliva undertakes other actions focused on the professional channel, Trade and Horeca.



### 3. Radio

According to the research performed, radio does not seem a highly valued media for olive oil and table olives promotion. As we already mentioned, the promotional campaign for Spanish table olives used this media during two seasons.

In the interviews conducted by Agerón, both the developers of the campaign and the advertising agencies, as well as some importers, pointed out that radio did not prove to be an efficient media for the promotion of these products. From our perspective, this statement could be parsed, although in the case of very limited budgets there must be other much more profitable and efficient media than radio to promote olive oil and table olives.

The six stations used in the programming of the campaign 2008 of the Spanish Table Olives promotion, with 5,660 minutes on air, were: those shown on the chart.

<b>Spanish table olive radio ad campaign</b>		
<i>(October 15 - November 16, 2008)</i>		
<b>Radio Station</b>	<b>Air time</b>	<b>%</b>
Russkoie radio	120	2%
Radio "Monte-Carlo"	1460	26%
Russkaya sluzhba novostei	1680	30%
Serebriany dozhd'	960	17%
CityFM	960	17%
Radio "Jazz"	480	8%
<b>Total air time</b>	<b>5660</b>	<b>100%</b>
<i>Source: Interaceituna</i>		

Nevertheless, we have also found an importer, King Food ([www.kingfood.ru](http://www.kingfood.ru)) that has made radio campaigns for some of the products it represents. Below are the texts of the radio ads.

XXL Miladji (Black Olives)

"XXL more than only black olives. The product of the company Miladji".



Olive oil Exclusive

"With olive oil Exclusive any meal is more useful on three vitamins. E, D, A. Exclusive use with taste."



Vegetable preservation Suzanna

"Suzanna again shows faultless taste. The richest colours in a new collection of Suzanna  
Fresh ideas, a secret of success of Suzanna Any party does not do without Suzanna.  
Suzanna: a sign on faultless taste."



*Olive oil Muza*

"My kind señoras! Take faster tomatoes, and cheese, and a paprika without dispute.  
Olives put for a décor, and in the end to it product, is necessary refuelling without a doubt.  
It's necessary as Paris to the Frenchman. Olive oil, the Muza. Muza: in a rhyme of your dish".



#### **4. Internet producers' and institutional websites**

There is an important development of Olive Oil and Table Olives promotion in internet. It constitutes a fundamental relation channel of communication for the Trade, Importers and Distributors. It is also a very interesting vehicle for reaching the consumer of Olive Oil and Table Olives, which consists mainly of urbanites, with medium to high income, higher education and access to new technologies. In Moscow, for example, Internet's penetration reaches 68% among the 12 to 54 population, in the rest of the large cities it is 44% and generally speaking in Russia it is 31% of the entire population above 16.

It is interested to take note of images, concepts and colours used on the pages, like:

- Mystifying the product's history
- Mediterranean life, icons and myths
- Mediterranean diet and healthier products.
- Healthier life style
- Beauty and cosmetics
- Elaboration technology
- Production education
- Tricks and recipes
- Varieties and ranges

##### Institutional webs

Spanish institutional campaigns foresee the creation and publication in Russia of two independent websites, one for Olive Oil and the other for Table Olives, as we have already mentioned. As of today (Sept. 2009) only the cover page of the Olive Oil website is published. The Spanish and Greek Olive Interprofessional sites are also included, the first being more centred on promotion -national and international- and the second more oriented to statistics, regulations and standards.



[www.oliveoilfromspain.ru](http://www.oliveoilfromspain.ru)



[www.interaceituna.com](http://www.interaceituna.com)



[www.edoee.gr](http://www.edoee.gr) (Greek Interprofessional of the olive)

Regarding the producers' websites, there is much to be said. They mostly delegate all the promotional activity to their importers who don't even bother translating the sites, not even to English which is striking to say the least.



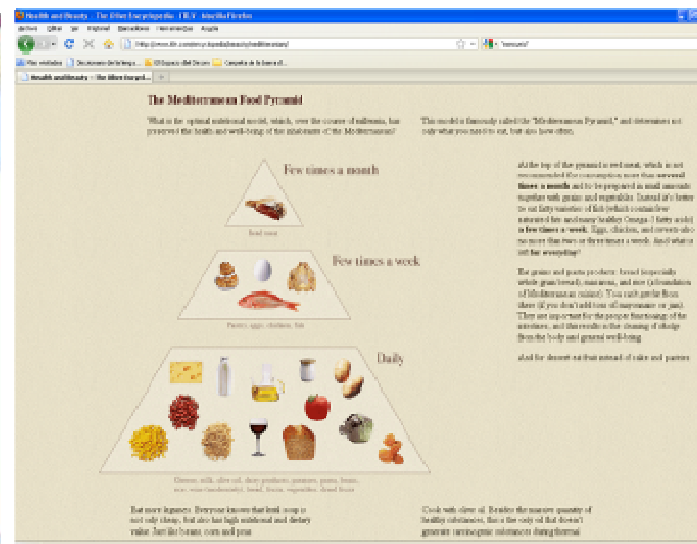
[www.borges.es](http://www.borges.es) (aimed at the local Spanish market)



The market leader for Olive Oil, Borges, delegates its website promotion to ITLV, probably the best website in Russia about this product.



www.itlv.com (Cover, Mediterranean life style)



www.itlv.com (Health and Beauty)



www.oliveline.ru (Maestro de Oliva, directed at the Russian market, Russian and English) www.oliveline.ru (Cosmetic products with Olive Oil)



www.torresyribelles.com (Aimed at the local Spanish market)



www.monini.com (In Italian and English)



www.milasolio.ru (website for the Russian market in Russian of this Turkish producer)



www.kidsolio.ru (website for the Russian olive oil market for children, in bottles and in sachets, form the Turkish producer Milas Olio)

We want to include here one of the leading producers of Sunflower Oil's website, in order to compare the colour range and product presentation. Our attention is drawn to the corporate image of the brand, recently renovated, that is entirely and unconsciously associated with the Italian flag ("quality oil"). This is a producer that markets a very successful Sunflower and Olive Oil mixture (Oleina Olives).



www.oleina.ru (website of the Sunflower Oil producer Oleina)

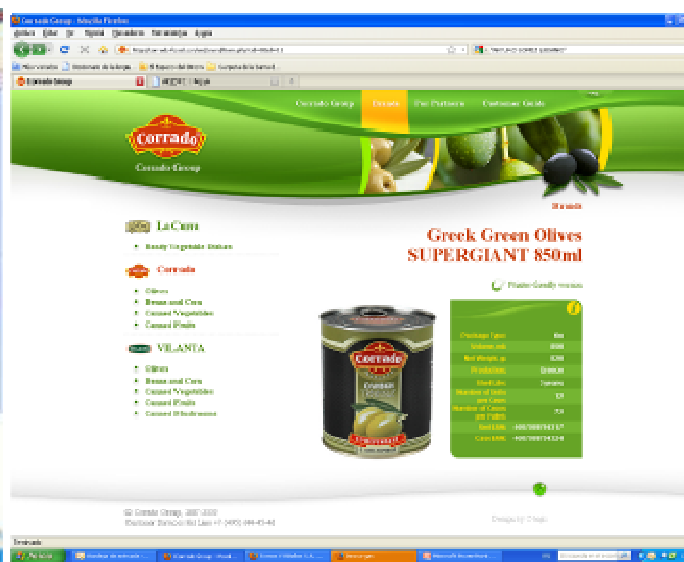
Generally speaking importers websites differ from those of the producers their goal is radically different, as they are directed to market and inform about products, references, qualities, ranges and prices. Nevertheless there are importers that use the traditional iconography of Olive Oil and Table Olives.



www.ameria.ru (importer of Monini, Ibérica, etc.)



www.acorsa-corona.ru



www.corrado-food.com



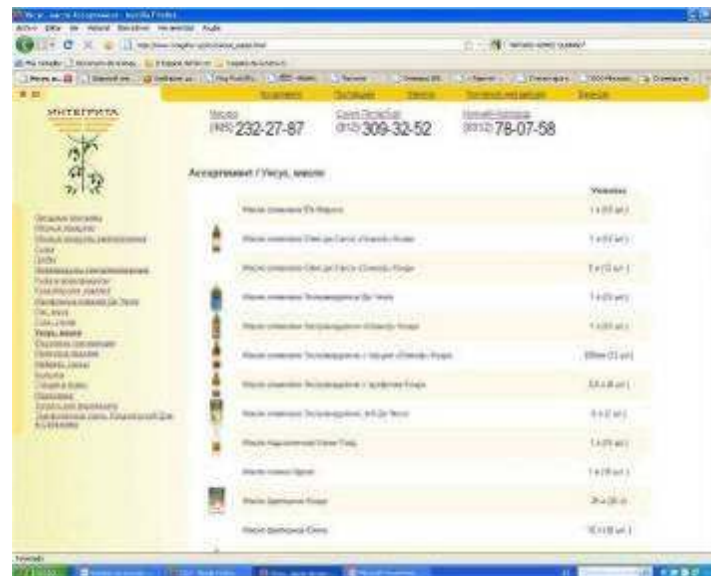
www.fwv.ru



www.molkonserv.ru



www.kompo.ru



www.integrita.ru



www.globalfoods.ru





www.kingfood.ru



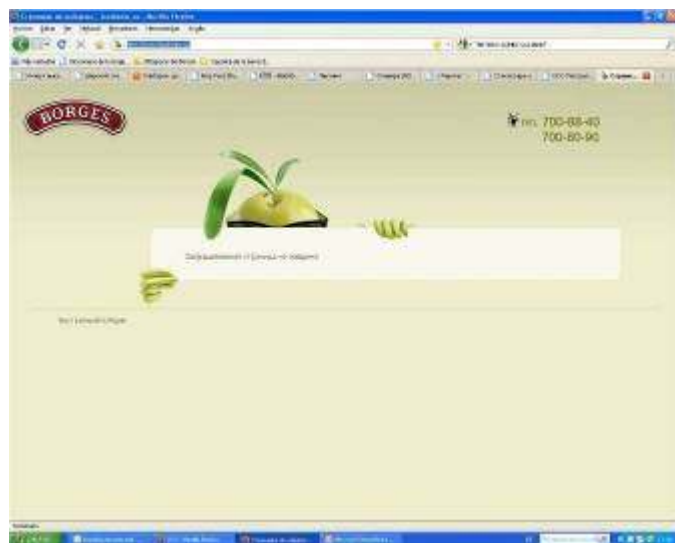
www.lakoniya.ru



www.olivera2000.ru



www.tkmistral.ru



www.baskonia.ru

We wanted to finish with this last website of the importer Baskonia, responsible for importing Borges. The website only has the logo of Borges, the telephone numbers of Baskonia and the image of the promotional campaign's mascot. Leadership sometimes allows this lack of information.

As we have seen, generally speaking, importers websites rest mostly in the images of the brands they represent and the specific products they distribute. These are "sales" websites where they offer a lot of information to the market about ranges, sizes, packaging, qualities and many time even prices.

Agencies

# Introduction

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The advertisement agency and communications sector in Russia is very young. The first experiences date from the nineties; therefore, the oldest and more influential companies have less than a twenty years experience.

This has to be taken into account when analyzing and evaluating different agencies. This characteristic of the Russian agencies market favoured the rapid implantation of the main worldwide communication groups, after the opening of the Russian Federation to foreign services and products.

After doing field research in Russia in September of 2009, we can affirm that in Russia we can find the same advertisement and communication services that in other capital of the developed world, with the same levels of quality and professionalism.

In order to search and locate advertisement and communication agencies, we have gathered information two main business associations in the field:

- RACA, the Russian Association of Communication Agencies (formerly Russian Association of Advertising Agencies) was founded in 1993, and has now 168 members between the most relevant advertising and marketing communications companies.
- AKOS, the Russian Communications Consultancies Organization, is the first Russian professional public relations consultancies association and ICCO (International Communications Consultancy Organization) member. It was founded in 1999, and has 27 members between the independent PR companies of Russia, that holds more than 50% of PR market share in Russia.

Between the two associations we have located 116 interesting agencies, 10% of which we have interviewed already, looking for representatives in each one of the different kinds of advertisement services. We believe that with future campaigns for promoting Olive Oil and Table Olives in Russia in mind, we need to include both advertisement actions as well as public relations activities.

Before commenting on the results of Agerón Internacional's research, we will see the characteristics of each one of these business associations, and how they define themselves in their own corporate websites.

# Advertisement agencies

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The Russian Association of Communication Agencies, RACA (formerly Russian Association of Advertising Agencies) was founded in 1993.  
 16, bld. 5, Office 1100, Sushchevskiy Val St., Moscow, Russia.  
 Tel/Fax: +7(495) 662-39-88,  
 E-mail: akar@akarussia.ru Web page: www.akarussia.ru.

The RACA is a non-profit making organization uniting 168 member advertising and marketing communications companies offering:

- |   |   |
|---|---|
| <ul style="list-style-type: none"> <li>▪ Media Planning</li> <li>▪ Media Buying</li> <li>▪ Strategic Planning</li> <li>▪ Creative</li> <li>▪ Internet Advertising</li> <li>▪ Outdoor Advertising</li> <li>▪ Sales Promotion</li> <li>▪ Trade Promotion</li> <li>▪ Consumer Promotion</li> </ul> | <ul style="list-style-type: none"> <li>▪ Branding</li> <li>▪ Direct Marketing</li> <li>▪ Sponsorship</li> <li>▪ Public Relations</li> <li>▪ Marketing and Advertising Research</li> <li>▪ Event Marketing</li> <li>▪ Design, Packaging</li> <li>▪ In-Store Advertising</li> <li>▪ Other services</li> </ul> |
|---|---|

Member companies of RACA account for the lion's share of the country's advertising spending.

The RACA's headquarters are in Moscow, it has a branch office in St. Petersburg and several member companies in other regions of the country. RACA is a member of the Russian Federation Chamber of the Commerce and Industry, and represents Russia in the European Association of Communication Agencies (EACA).

The RACA is governed by the Annual Conference, Council, President and Executive Director. The RACA's President - Sergey Piskarev, Director General, LLC "Gazprom-Media"; Executive Director - Valentin Smolyakov.

The RACA through its 6 Commissions and 5 Committees is active in the industry media and marketing research, development and implementation of industry standards, pitch and tender regulations, agency remuneration, professional education and training, advertising festivals, professional ratings, GR, advertising expenditure measurement.

The goals of the RACA are to advocate advertising and its contribution to the economy and society, co-ordinate activities of the member companies, assist them to maintain high professional standards, protect, lobby and present their interests to the Parliament and Government of the Russian Federation and its relevant bodies.

Description	National members AKA RUSSIA
Full-service agency	A.R.M.I.
Full-service agency	ACG (Art Communication Group)
Full-service agency	APR Eurasia
Full-service agency	Art-Com/Worldwide Partners
Full-service agency	AVRORA / Аврора
Full-service agency	BBDO Moscow
Full-service agency	Blick Communications
Full-service agency	BUSINESS LINK / БизнесЛинк Реклама
Full-service agency	Cabrio
Full-service agency	Contact Group
Full-service agency	DDB Russia
Full-service agency	EuroPublicity
Full-service agency	FCB MA (Foote, Cone & Belding)
Full-service agency	GN Interpartners
Full-service agency	Grey Worldwide Moscow
Full-service agency	GROUP M / ГруппЭм
Full-service agency	LBL Media
Full-service agency	Leo Burnett Moscow
Full-service agency	Lowe Adventa
Full-service agency	MAGIC BOX Communication Agency
Full-service agency	MAXIMA / Максима
Full-service agency	MEGA PRO / Мера Про
Full-service agency	MOVIE / МУВИ
Full-service agency	NFQ
Full-service agency	OMD Media Direction
Full-service agency	PK Рекламный картель
Full-service agency	PRIOR
Full-service agency	Pro Media
Full-service agency	PUBLICIS UNITED
Full-service agency	RAVI / РАВИ (РА ?Видео Интернэшнл?)
Full-service agency	RELIZ / Релиз
Full-service agency	SmartCommunications
Full-service agency	Sorec-Media
Full-service agency	Starcom MediaVest Group
Full-service agency	Terralife Communication
Full-service agency	ТМК Трансконтинентальная МедиаКомпания
Full-service agency	TWIGA
Full-service agency	Universal McCann-Erickson Russia
Full-service agency	VIZEUM / Визеум
Full-service agency	Young & Rubicam Europe
Full-service agency	Алькасар
Full-service agency	АМК "Знаменка"
Full-service agency	Артамс
Full-service agency	БрендНью
Full-service agency	ГК "Гэллэри"
Full-service agency	ГРАММОФОН
Full-service agency	ДМБ энд Б
Full-service agency	Железнодорожное рекламное агентство "ЛАЙСА"
Full-service agency	Издательство ИМА-ПРЕСС
Full-service agency	Иммедиа Холдинг
Full-service agency	ОСТ-Р
Full-service agency	Портер Новелли
Full-service agency	Стронг Реклама

Description	National members AKA RUSSIA
Media-buying agency	Carat
Media-buying agency	GRAM (Группа Арт-Медиа)
Media-buying agency	ОПТИМУМ MEDIA OMD GROUP
Media-buying agency	Видео Интернешнл ТРЭНД
Outdoor advertising	News Outdoor
Outdoor advertising	Outdoor Media International
Outdoor advertising	А.Р.К.-Медиа
Outdoor advertising	БигБорд
Outdoor advertising	Прайм
Outdoor advertising	Праймсайт
Outdoor advertising	ЭСПАР-Аналитик
Advertising & marketing communication	M-LINER / М-Лайнер
BTL-service agency	Modus Communication group
Communication agency	Face2Face Communication Agency
Creative agency	Saatchi & Saatchi Russia
Direct Marketing agency	Конмарк-ДМ
P.O.S.-system, CMYK, Outdoor advertising	VA VITRINA A / Витрина А
TV, campaign	Video International / Группа компаний
No description	Advance group
No description	Aegis Media CS Communication group
No description	Кино Медиа
No description	Мастер Эд
No description	Медиа Вейс
No description	Медиа Плэннинг Групп
No description	МедиаВест
No description	МЕДИАЛЕКТ
No description	МИЛК
No description	Новое поколение
No description	НТВ Медиа
No description	Пи Ар Промоушн
No description	Пи Эйч Ди
No description	Постер Уан
No description	Проксимити
No description	Рипаблик
No description	Родная Речь
No description	Эм-Си-2

# Public relations agencies

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AKOS is the first Russian professional public relations consultancies association and ICCO (International Communications Consultancy Organisation) member, and also partner of RACA (Russian Association of Communication Agencies).

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This PR association became first of the new kind in the Russian market. It was founded on March 16, 1999 and encompassed the most competent independent PR companies of Russia. Russia's ICCO membership enables Russian PR agencies with the opportunity to enjoy all advantages that come with international system for exchanging experience and marketing research results. In addition, clients of Russian AKOS member agencies' clients enjoy the complete range of PR services abroad. ICCO membership provides Russian PR professionals with the opportunity to enter the new level of development and consequently to gain permanent recognition on international PR market. In this way, in April 2001 AKOS organized ICCO Board meeting hosted in Moscow. From professional standpoint cooperation between AKOS and ICCO will result in broadening the area of implementations for worldwide public relations regulations and principles and introducing PR specialists' activity quality standards that will be uniform throughout Russia.

AKOS sets numerous goals and objectives:

- Increasing PR business activity potential
- Contributing to raising the professional level in the Russian PR market
- Introduction of international quality standards concerning client service in the Russian PR market
- Protection and promotion of PR agencies and consultations' overall business interests.

AKOS international goals are as follows:

- Development of international contacts and connecting of Russian PR agencies
- Team work of the Association members enjoying high level of professionalism and the entire scope of modern PR tools and methods with their foreign partners - ICCO members (activity aimed at improving perceptions of Russia and its business community by foreign organizations)
- Participation in large international programs

Today AKOS members are 27 largest and professional companies working in the Russian PR market with aggregate market share of 50% and combines annual income of \$20 million. All of the 27 AKOS member companies employ the total of 1,500 staff members. Association member agencies provide their clients in the Russian market the entire scope of PR services including mass media relations, professional relations, social and government relations, corporate image building services, marketing communications services, crisis management, election campaigns and public opinion research. \*ICCO (International Communications Consultancy Organization) - is the largest professional organization that includes national associations. It was founded in 1986 by national PR companies associations of a number of European countries in order to coordinate professional activity in the international market and achieve the highest possible level of PR services efficiency and quality. Presently 25 national associations are ICCO members. The ICCO has prepared an overview presentation which provides some more detailed background about our structure; principal activities and benefits of membership.



Description	AKOS members status
3.14R	Full members
AGT	Full members
CROS	Full members
FD	Full members
Fleishman-Hillard Vanguard	Full members
ImadgeLand Edelman PR	Full members
ICCG (Image-Contact Consulting Gr	Full members
Imh consulting	Full members
Insiders	Full members
Maslov PR	Full members
Mikhailov & Partners PR Agency	Full members
Mmd	Full members
NEWTON.PR&COMMUNICATIONS	Full members
Niccolo M	Full members
Point Passat	Full members
PR Inc.	Full members
Primum Mobile	Full members
PROpaganda	Full members
PRO-Vision	Full members
Sokur & Partners	Full members
SPN Ogilvy	Full members
Tainyi Sovetnik	Full members
BC Communications	Associated members
Eventum Premo	Associated members
Gurov PR	Associated members
Kaibanov&Associates	Associated members
R&I Group	Associated members

# Some specific agencies

## Summary

The research undertaken in Moscow on September 2009 has tried to include the complete spectrum of available agencies in the Russian market. In order to achieve this, we have fundamentally interviewed both advertisement agencies as public relations ones, as these are considered to be the best two types of techniques to the promote Olive Oil and Table Olives in Russia. We have also tried to interview as many local independent agencies as possible, as well as agencies belonging to big Russian communication groups and affiliates of large multinational groups of the sector. We have also taken into account those agencies that, being local, are associated to international communication network groups, something common in this sector. This way, they keep their local identity, but they benefit from the synergies of international groups.

We also interviewed a media purchasing agency and a promotional actions agency. Lastly, as a model of innovative relation an interview was held with an advertisement projects consulting.

AGENCY TYPE	FOREIGN GROUP	AFFILIATE INT'L GROUP	INDEPENDENT OR RUSSIAN GROUP
ADVERTISING AGENCIES	BBDO MOSCOW		MARKETING COMMUNICATIONS INFORMEXPRESS FORA PROFIT
PR AGENCIES	MMD	MASLOW PR PRAVDA PR	CROS PA & PR
MEDIA AGENCIES		STARLINK	
CONSULTING			LMH CONSULTING
PROMO ACTION, POS	OGILVY ACTION		

*Source: Own preparation*

The people at those agencies have given their opinion about how they see this market and how would they promote this product. The range of activities include sponsoring TV cuisine programmes, TV advertisement, Outdoor and Magazines, Events for prescribers, reporters and Trade channel, Promotion and Merchandising in points of sales (POS, POSm). The range of initial investment is between the 300,000 Euros of the 2009 Spanish Olive Oil campaign (for 3-4 months) and the 2,000,000 Euros minimum for a possible campaign on National TV.

The main ideas we have obtained are: establishing the communication strategy, defining the promotion targets well, clearly differentiating between messages and educational actions about Oil and of the promotional actions about Olives, choosing the most adequate media for reaching the different publics and not losing sight of the competitor/substitute that the Sunflower Oil means.

The conclusions are already covered at the beginning of this chapter. There is a professional, complete and varied market of advertisement agencies and communication groups, capable of carrying out a promotion campaign in Russia for Olive Oil and Table Olives. with all types of guarantees.

The advertising business is, more and more, a financial business. A large part of communication strategy is being set by the media agencies, previously known and media centres. These are those agencies that buy space in the media for third parties, advertising agencies or large companies. This function was partly previously, of the advertising agencies, but the complex growth of the media, its multiplication, fragmentation of the audiences and the large contracting volumes has favoured the development of these centres that have become authentic financial giants. To have an idea of the volume, the first group in Russia, Vivaki, in 2007 managed alone 11.3% of all the purchasing of media in Russia, more than 1,000 million dollars.

Owner groups	Rank 2007	Market Share 2007	Organization Groups Media networks incl. Brands	RECMA Buying Billings US\$m (Based on the Top 300 advertisers + Out of 10p)			Growth rates 07 vs. 06
				definitive 2007	definitive 2006	definitive 2005	
<i>Publicis SA</i>	1	11,4%	<i>VivaKi</i>	1 017	858	349	+19%
	1	8,7%	Starcom MediaVest SMG	780	683	328	+14%
	6	2,6%	ZenithOptimedia	237	175	21	+35%
<i>WPP plc</i>	2	10,2%	<i>GroupM</i>	910	727	489	+25%
	8	2,4%	MAXUS	218	175	107	+25%
	9	2,4%	MediaCom incl. MC2	213	177	81	+20%
	3	3,2%	Mediaedge:cia	283	210	162	+35%
	10	2,2%	MindShare	196	165	139	+19%
<i>Omnicom Inc</i>	3	8,4%	<i>Omnicom Media Group</i>	749	610	410	+23%
	2	7,5%	Optimum Media OMD Group incl. Optimum Media OMD, OMD Media Direction, APR Media Services, Rapp Collins Media Team, TBWA Mediaplan	675	553	382	+21%
	13	0,8%	PHD	74	57	28	+30%
<i>Interpublic Inc</i>	4	4,3%	<i>Interpublic</i>	385	398	333	-3%
	7	2,8%	Initiative	248	248	171	=
	11	1,5%	Universal McCann	137	150	162	-9%
<i>Aegis plc</i>	5	3,9%	<i>Aegis Media</i>	352	252	160	+40%
	12	1,1%	Carat	98	87	79	+13%
	5	2,8%	Vizeum	254	165	81	+54%
<i>Havas</i>	6	3,0%	<i>Havas Media</i>	265	123	94	x2
	/	/	Arena Media not launched yet	/	/	/	/
	4	3,0%	MPG Media Planning	265	123	94	x2
	A	41%	Total 6 Groups / 13 networks	3 678	2 968	1 835	+24%
	B	59%	Non-part of the networks / Independents / In-house	5 279	3 686	3 195	+43%
	A+B	100%	Total RUSSIA Buying billings	8 957	6 654	5 030	+35%

# Mmd|

This is a multinational group of PR agencies that was established in London in 1985 and in Moscow in 1999, where there are 25 employees. The MMD group has 200 employees in 20 offices in 19 markets. It is part of Huntsworth Plc group (since October 2006). It is going to fusion with other companies and will become the 3rd worldwide PR group. In other words, a multinational of this business.

We interviewed Ursula Colgan the Country Manager. Ursula is Irish from Belfast, but she does not speak Russian. Her second-in-charge, vice-president, Adam Robinson is also British. They have two clients with product profiles very similar to the possible IOOC campaign: pistachio from California and the Kaki Persimon fruit from a Spanish producer. Two campaign that are very much in the information and education line of the product.

Our conclusions: PR is a good way of reaching consumers, as long as these are urban and follow a certain lifestyle. It seems that one of the recommendations should be that the management team of the agency should be local; to the contrary you are leaving the campaign in the hands of multinational executives that could lose the tendency, which is fundamental in Russian communication. The procedures could be standard, but the campaign executives should be mainly a local team.



Local agency associated to a multinational Media chain

ARMY was founded in 1991, a advertising agency of complete services. Therefore, originally it was one of the pioneer agencies. The ARMI group of companies was created in 2002, and includes Media Ways, a media agency. In 2006, Media Ways reached an affiliation agreement with Starcom Mediavest Group (SMG), in turn part of Publicis holding. Since then Media Ways is known as Starlink (affiliate brand to SMG) and has becomes the third agency of the group, after Starcom and MediaVest.

The three executives that received us were, the general director, the commercial director, and the customer service director, all three were Russian. The General Director practically did not know English and the other two were better. It is the largest advertising in Russia; it belongs to Publicis, one of the largest in the world. Really it is a media planning and purchasing centre. They do not have a creative or PR agencies in the group. What they offer to the campaign is that they purchase the media spaces very well, but they do not offer ideas.

One of the campaigns they have handled has some very interesting elements. They have handled a TV cuisine programme for Russian Sea, a fish transformer. McCann Ericsson did the strategy and creativity. Starlink bought the TV spaces, at approximately the cost of one million dollars. They have contracted these programmes all round the country, nationally and local, and have included in the programme the contents and products of their client, with advertisements, new recipes and sponsoring spaces. With so good results that even today many people remember that campaign. They had included a prescriber: a very peculiar and ingenious fish expert: a Chef Cat. He knows more about fish, with a refined and exquisite taste. The story

worked and it is very well executed in the different TV spots. They had created an expert that did not get paid -it was a cartoon- and it could work 24 hours and was good for supermarkets, leaflets, advertisements, Christmas and New Year greetings, POS, POSm...



208 TV spots campaign, of fish products from Russian Food

Our conclusions: A good option for a campaign is a TV cuisine programme, of which, it seems there are many and with high credibility and influence, to be able to teach about olive oil and olives. There is also a question of communication between client and agency: it should be a requirement that the agency interlocutor speaks fluid English with the client. Another idea is to generate an icon that allows connecting and linking all the campaign activities. In a general campaign this is even more important, as there is not any brand and advertising needs a brand to work well. Therefore an icon, brand, campaign logo, is needed, to which in a second step the products to be sold on the Russian market can be adhered.



Local and independent Full Service Advertising Agency

The first that we have to say about Informespress, is that it is probably the first advertising agency in Moscow, or at least, the oldest of those that still exist today. It was established in 1988 in Moscow. As they state, during this period they have handled more than one hundred thousand projects for twenty-five thousand clients. They have 12 divisions where 120 employees work.

They have the classic services of traditional advertising agency and some more:

- Marketing studies
- Mediaplanning
- Branding
- Advertising in the press
- TV and radio advertisement
- Outdoor advertisement
- Internet advertisement
- Exhibition stands arrangement
- Creative and copywriting
- Corporate design
- Polygraphy services
- Patenting

Therefore they have, experience, skill and profound knowledge of the Russian reality and of what their clients need. They have clearly been developing services in the measure that their clients have been growing in what was an unknown market in Russia. That way they have developed a branding service, and also the complementary service of registering patents, with more than 1,000 trademarks to their credit.

The director of the office is a lady that does not speak English. She says that with the crisis, the clients are reducing the budgets for magazines and placing them in television and internet, looking for higher efficiency of their investments. She shows us a campaign for Italian pasta, of which they did everything from designing the package, packaging and usage ideas, etc. The media they prepared –the campaign finally was not launched because the client closed- were: Advertisements on TV for the regions, website, billboards near supermarkets and promotions and advertising at point of sales: information screens in the hypermarket, Etc. it is an agency that can handle all areas: media advertising, promotion in shops, corporate image, branding, Internet. The director suggested that we should separate the two products (Olive Oil and Olives) at the time of carrying out the campaign and also separate Moscow from the regions, they are different and have to be treated differently. In the regions it has to be done by advertisements in TV channels. In Moscow there are more options: cuisine programmes, more stress can be made on health and nutritional aspects in Moscow... Also to take into account what is target public, fundamentally women and that the Russian woman is a good reader and there is an infinity of feminine magazines in Russia.

Our conclusions: It is convenient to analyse whether it is good to separate the two products Table Olives / Olive Oil and also to separate two areas: Moscow and Saint Petersburg / Regions. It is also interesting to know which regions can be better reached by TV. The necessity of having interlocutors in the agency that speak English.



Local Public Affairs and Public Relations Agency

The CROS PA & PR Company was established in 1997 and is a local holding of Public Affairs, Public Relations, Press Clipping companies, etc. It has 400 employees and currently it is moving to some self owned offices where it can unite the whole group of companies.

It is one of the most influential actors on the Russian public relations market, partially thanks to the government positions during the nineties decade of its founder, Sergey Zverev and its participation in many of the development projects of the Russian economy. As he stated in the meeting he attended, he wanted to establish a PA & PR agency after the style of the western agencies that he knows and admires how they work.

Therefore he maintains, the agency, stable long-term relations with many of the public institutions and business corporations in Russia. It is an agency that can be very helpful in public matters of certain complexity. Since 1977 it has assessed more than 500 Russian and foreign companies and institutions. In CROS they currently speak 11 languages, which shows the different clients and tasks in which they are involved. The meeting took place in three languages, English, Spanish and Russian. One of its successes is having taken President Putin to inaugurate the Toyota factory in Saint Petersburg.

They think that promotion of Olive Oil is at a very initial moment, in a phase of influence, where emphasis should be given on informing and educating and in achieving that some politician says that it is good for the children at school that olive oil is included in the diet. And some sportsperson and a recognised mother. This agency believes that we should go from less to more

and that a large initial campaign would be counter-productive. We have to take into account against whom we are competing in Russia and the strength of the Sunflower lobby is enormous. The campaign should be between 300 and 500,000 Euros, no more, in accord to it being subscribed to Moscow and Saint Petersburg or it is increased to eight cities. "It is not what can be done with little money, it is that it has to be done with little money" If we immediately make a lot of smoke right at the beginning, they will squash and destroy us. Here you cannot stand out. You cannot face up to the sunflower oil lobby that are very powerful, they have a very strong positioning and much presence: they have more than 90% of the oil market". Do not undervalue their reaction.

They also talk about realist objectives. If you want to increase the share from 1% to 3%, alright. If you want to go directly to 10%, that is impossible.

The president says that "it should be an intelligent campaign, indirect, with a soft start, with coverage, with the umbrella of subjects that people worry about: health, cholesterol and end up talking about how olive oil can help you. The vice president says that olive oil from the viewpoint has a very good position for a campaign. It has a strong point of support. To explain and teach the product, that people may know something, but very little about the oil and explain the differences: what is refined, what is extra virgin.

This is a general campaign and therefore of Public Relations, of influencing, at least at a first stage. To make advertising, to do television, you need to be known. "You can make general promotion of olive oil, but at the end what people find in the lines and buy is a brand". This is a difficult point to resolve. To influence we only need two things: a sportsman (or two will be better), a woman, a recognized family mother and a celebrity from the culture world. This is a purely educational programme and initially it is an advantage to not have brands.

It would be good to make and see statistics, market research, competitors, and interviews with experts... Another important thing they want to establish is that the level of representation with the client is Vice-president and President. They will not leave the relation with the client to an executive. It will always be at high representation level.

Our conclusions: The way at the first stage, at least for Olive Oil, is to educate, inform, influence. It is for PR techniques. To go from less to more. Start with low and progressive budgets, initially without making any noise and being aware to the reaction of the sunflower lobby, which is very powerful. Also a clear idea is that the interlocution level should be with the maximum levels of the company.



FORA PROFIT (Local and independent Full Service Advertising Agency)

Full service advertising agency, established in 1999 and that has 50 employees. It has some very important accounts in the foodstuffs world, like the leading manufacturer of Oleina Sunflower Oil, that includes Olein Olives and that are the creators of the Italianizing image of the Olein logo and of the label with olive oil iconography. They have all the departments they need: media, printing of leaflets and for the POS, Internet and even PR with some partners they have had for 10 years. They also have the Russian account of Lactalis, for all the products, dairy products with the President brand.

Completing the vision of the market in crisis, and from the most modern point of the traditional agency, they say that the client is moving from TV to Promotion: it is more economic and more effective. At the end, you can make a lot of advertising, but you have to have magnificent distribution (be in all places) and a very good positioning on the lines (that you are seen well,

quickly and comfortably). They also say that “the TV needs a strong brand”. Borges is doing promotion on a national cuisine TV programme (“cooking at home”) by a famous woman, wife of a famous film director that bought the franchise of this North American programme for Russia: teaching what is olive oil, differences, etc.

They say that there is a tradition in Russia of making preserves, of peppers, of gherkins, and they have to be conserved in oil and vinegar. But people do not use olive oil, but rather sunflower. Here is an opportunity for the product to connect with a Russian tradition and increase consumption. Another tradition is that when there is a celebration in Russia, there are always two or three tins of olives. Even in office celebrations: there are always olives. It seems that it is good these are associated to the party, but this habit could become too defined and seasonal and part of the mission of communication strategy should be to promote moving towards a daily habit.

We also talk about recipe books to increase knowledge of how to use the product. Also Internet, as a source of information. Many things can be done: promotion, POS, but the most important is the cost: olive oil is very expensive and in the end the people buy sunflower because it is very economic.

The sunflower manufacturer (their client), has just developed a product that is sunflower oil with a mixture of olive oil. The label is also designed by them: Elegant, more a gourmet style, with good a photograph of a sunflower and black olives with the “sublimely” Italian flag. The Sunflower is a stagnant product, a commodity, that cannot grow more in its share and which they want to position above its own product, and achieve a higher added value by means of the appealing to the qualities of Olive Oil. It is interesting to verify the substitute product they have developed. It means they used the properties that communication of the olive oil should have and benefit from it as they can see that olive oil will finally become established and is taking positions on the market. in the mixture they state "extra virgen", but I believe they do not state the origin on the labels. Here is where we miss the hole in the Russian legislation. On the rear they have a Mediterranean pyramid with the oil and olives that have taken every day. They say that strength of the sunflower oil presence on the Russian market is not normal, that is not only due to being a local product, but the reason lies in the price: it is a very economic and accessible product.

Our conclusions: The main holdback for consumption is the cost of Olive Oil. One litre can be around 400 RB, not accessible to the majority of Russian consumers. Connect with the local use and a tradition, the one about preserves is very interesting. Neutralize and attack the “Olives are for parties”, probably by taking support from the message itself and trying to take it to day-to-day consumption. Attention to the movements of the Sunflower Oil leader, product and media tactics and strategies, Learn for the strategies of the Borges Olive Oil leader, that as an agency of the competitor for Sunflower Oil, they would have studied.







Marketing Communications (General Services Advertising Agency within a complete local communication group)

Marketing Communications is a advertising agency that forms part of a local communication group, called Market Group. It also has companies in all activities: advertising, public relations and public affairs, PR for the health sector, Promotion, Call-Center, Internet, etc. Practically all the activities except media purchasing.

It seems to be a powerful group with large clients that have been growing with them and giving service so they have been creating companies. The executive that received us were Russian, and at least the new business director speaks English well. It is an agency that has worked for many years with the Spanish Commercial Office, both for Jerez Brandy campaigns, as for Olive Oil campaigns, they recently won the bidding for the 2009 campaign.

The campaign is based on a book of Spanish cuisine recipes with olive oil, published by Gastronom. The book is given at events that are done during campaign, like one for reporters and for the Trade sector; and it will be also sold in bookshops. One of the inconsistencies of the campaign is that this event for VIPs is held in an Italian restaurant managed by a Spanish chef. It seems to be an inconsistency of the campaign that, at least, leads to confusion. They have also bid for the campaign of wines from Extremadura (region in the south of Spain), which will be decided in November.

The Olive Oil campaign, with which they won the bidding, is directed at an objective public target, of a woman between 20 and 55, with medium to high income, of urban habits. It is planned as a complete campaign, or as it is now called "Through the line", that is to say with ATL techniques (mass media), BTL (direct media) and Pr (public relations). There was also an activity with cuisine schools in Moscow and Saint Petersburg, but that was finally cancelled, probably due to lack of budget and to be the less effective action at short term.

The originals of the advertisements to be published in feminine and gastronomic press are full page and in colour. They combine colour with black and white. The creative idea is that oil, when seasoning the salad gives it colour, or in other words life. The three dishes are: Salad, paella and pil-pil codfish. Among the gastronomy Spanish cuisine has been chosen, which is coherent with the idea of publishing a book of recipes of Spanish cuisine and making that the centre of the campaign. As the ICEX is the official promotion and foreign commerce body, it is logical that it promotes Spanish culture. Another thing would be if it was not more pertinent to educate how to use olive oil in the traditional and modern Russia. It is another campaign option that could have been adopted.

Regarding the actions in Internet, the planned website for the Olive Oil campaign is independent of the Olive campaign website, also promoted by the ICEX and simultaneous to this campaign. It would also have been an option to possibly host the two websites in one common domain that could handle both portals. The part of the Olive Oil booklet with the shape of an olive for the neck of the olive oil bottles is original and attractive. As we previously commented this is an action with a very complex logistics, As it requires actions between the agency, the advertiser, the manufacturers, importers and distributors. The booklet does not make any graphic reference to Spain, only to the olive.

Our conclusions: The visit to this agency serves to identify a advertising agency used to working with general promotional campaigns of agri-foodstuffs in Russia. Currently it has won the bidding for the promotion campaign of Spanish Olive Oil in Russia. We are able to deeply consider this campaign, seeing some inconsistencies and verifying that the promotion of this product can be done with a 300,000 Euros budget.



MASLOW PR /KETCHUM (Local Public Relations Agency, affiliated to the network of international agencies)

Maslow is one of the pioneer Public Relations Agencies in Russia. It was established in 1993 and in 2004 it was the first to affiliate to an international communication network, which is Ketchum. It operates in three areas: branding, corporate communication and special events. In turn it has partners in different key cities in the regions of the Russian Federation and in CIS countries.

It has a very modern, innovative and technological approach. The interview is interesting as they have made some very interesting and sophisticated PR campaigns. They had the request of a Greek foreign commerce body to promote olive oil, but finally the campaign was not carried out. The proposal that Maslow gave, following part of the petitions of the client, included the following actions:

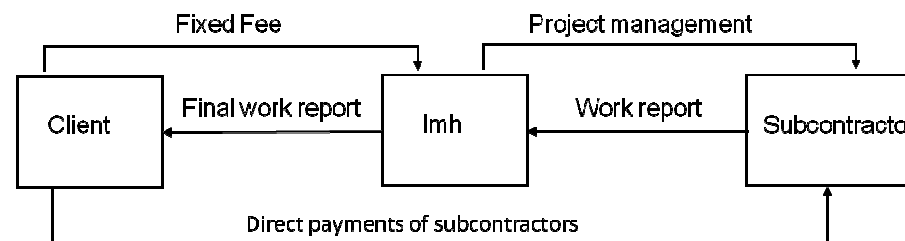
- A presentation event in Moscow for prescribers
- Localization of a database of possible prescribers: caterers, nutritionists and reporters
- Study of olive oil perception in Russia

Our conclusions: Maslow is an agency that is defined as very professional and progressive. One of the most demanded activities is to convert itself into the corporate communication of large multinationals that do not have any branch in Russia, among them several brands of foreign cars. They are used to working with the media, with a very high quality treatment. It is very interesting, although the campaign was not finally done, its similarity to the promotion of Greek olive oil in Russia.



LMH CONSULTING (Advertising Projects Consulting)

This was founded in 1994 as a advertising agency, Pilot Media. It is a company with a very innovative approach in the advertising sector. It is a project consulting, and activity that fundamentally comes from the world of real estate promotions, where an external company supervises for the client all the project from start to finish. It is situated in the middle, between the promoter and the builder, carrying out the complete quality control of the project.



It is not an advertising agency and there are no hidden commissions over the total cost of the project. LMH consulting charges a fixed price and the client pays directly to the media and to all those they decide to contract in the campaign, without LMH obtaining a percentage of these expenses. Besides the innovative business model, the LMH company has a very good creativity. In the director and decision taking levels of the company there is a lot of knowledge about this sector and exactly what has to be told to the audiences and how it should be told so that the advertisement works. It is a company that is used to working to objectives and that its campaigns reach them.

Our conclusions: One of the most interesting ideas is how they work with different consumers. They always differentiate between the heavy user and the light user of the products. Different things have to be done with each one of them, and usually, the heavy users are the prescribers of the light users, and they try to achieve that it is really so. Some are the ones that read a lot: labels, articles, recommendations, etc..., and the others do what their prescribers recommend. celebrities, sportspeople, etc. It is also a very interesting and innovative work for the advertising and communication campaigns.

The truth is that this interview was not destined to happen, but in the end we managed it. When I came out of the previous one, I had 56 lost calls in the Check&Berry I really thought that something bad had happened in Spain. But no, it was this agency that wanted to advise me that the appointment had been cancelled: the directors could not receive us and the woman did not want or did not know what was happening. We told her that we were already there and we had this rare interview that came out of nothing: They have a website that says that are not interested in having a website and says nothing else. Down to earth, because it is late. These are very good if what you want is to make an intelligent advertisement that commercially works. It is a strange agency full of women and one creative director that knows exactly what to say to people and how to say it. And he converts it into a TV advertisement with excellent sales results.

It has given us a very interesting idea that we should return to our market research of the Russian consumers: It is about knowing who they are, and what the HEAVY users of the product (Hard) do, those that know it and consume it daily and for what reasons and the LIGHT users (soft) those that occasionally consume it and are very influential, precisely by the heavy users that have to be used as prescribers. Some read a lot and know about the properties, benefits and advantages of the product and the others listen to the TV advertisements and to celebrities.

OGILVY ACTION (POS promotional activity Agency of a multinational communication group)

Ogilvy is one of the pioneers in modern advertising. It forms part of WPP which is one of the largest advertising groups in the world. It is the largest agency of this group, present in Russia, it is among the first 5 agencies of this country and has 230 employees. It works completely with the different communication solutions:

- Classical Media
- Activation in Retail
- Implementation/Merchandising
- CRM
- Digital
- Digital Media Planning and Buying
- Healthcare Marketing
- PR
- Events
- Design/Package
- Production Studio Services

The approach of Ogilvy Action is very interesting. According to them they work to convert attitudes into actions and transform consumers into shoppers and shoppers into buyers. Their work space is what they call The Last Mile, the last metres before the purchase, and they do it by means of Through the line -TTL techniques. That is to say, how to convert knowledge of the consumer into sales in shops. Its clients are fundamentally large consumer agri-foodstuff sector companies.

Our conclusions: This last part of the communication toward the consumers is very important, as many campaigns forget this last stage and, after making great effort in communicating up to now, finally they see that the sales go elsewhere. A general campaign like the one that is planned for Olive Oil and for Table Olives is very interesting for the distributor, but it does not oblige him to buy a determined brand, but rather the general campaign –without brands- also serves for the brands he already buys. This is an interesting point: one has to think how a possible campaign to distributors would affect them.



PRAVDA PR (local Public Relations agency)

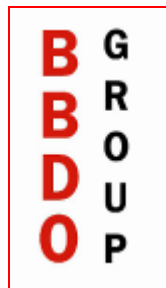
This is a small local public relations agency, established by an Englishman that has been in Russia for over eighteen years, and it fully integrated into Muscovite life. He speaks perfect Russian and established this agency over ten years ago. His strength is in relations with the media and with reporters, on which he bases the development of the campaigns of his clients. There is a work and creativity atmosphere.

They have worked for large companies making creative events for direct consumers. Recently they had carried out an event for a multinational, associating the product -glass recipients for cooking- with French cuisine. The idea behind was that is French cuisine uses this type of recipient, it means that the products are good. To do that they built a giant Eiffel Tower with the recipients and made a family event during a whole weekend, in the open air, in October.

They had everything, orchestra concert, clowns and product demonstrations. Everybody wanted to have a photo taken beside the Eiffel Tower that was later sent by Internet, etc. It was very successful and had much coverage by the media. The event was cost-effective although the company decided, due to the economic crisis to not repeat it in other important cities. In this same campaign actions were carried out with gastronomy schools and cuisine, where they sued the recipients. These actions continue having effect in media for the promotion that they make with the normal use of the products.

Another one of its work lines is to produce their own radio and TV programmes for their clients whom they later sell to cable TV channels and other stations. With their own production they perfectly control the message of their client: images, concepts, texts, etc.

Our conclusions: This is a small agency, like a boutique, specialist in PR strategies, in carrying out special events and taking care of reporters and clients. The size of the company is always an important variable when deciding which agency. It is a large agency with capacity and all types of media, where the client is small, better? Is it better to be a large client for a small agency? These are difficult choices, but they are variables that, without doubt, have to consider at the time of choosing.



BBDO (Advertising Agency of a multinational group)

BBDO belongs to OMNICOM, which is one of the largest advertising and communications groups of the world. It was established in Moscow in 1989 as a creative agency (BBDO Moscow) and currently are the leading group in Russia with twelve communication companies and more than 550 employees. They are present in all the fields of commercial communication: advertising, internet, public relations, CRM, creativity, investigation and media purchasing.

For BBDO, at the end creativity is most important. Their experience of more than 20 years in Russia tells them which is the most accessible channel and that is the TV. The campaign would have to be included in the existing project that is to say into the gastronomic programmes that currently exist on TV. The actions are referred to as seasonal events: parties, celebrations and festivities, etc., are the most effective. The most fundamental is clearly identifying the target consumer. Advertising has to be made and actions directed straight at the target consumer. The budget should not be less than 2,000,000 Euros. Small independent actions are not effective.

Conclusions

# Campaign promoters

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In the Russian Federation there is a considerable amount of promotion activities, both by institutions, and by individual operators. Spain, as the first exporting country of the two products is the first institutional advertiser, with independent and separate campaigns, with different partners (professional and regional) in each one.

- The Spanish Olive Oil campaign amounts to 300,000 € (450,000 \$) and is based on the publication of a book of cooking recipes with Olive Oil, campaign presentation event, press trip with a TV channel, a website, point of sale promotional material and advertisements in women and gastronomy press.
  - The Spanish Table Olives campaign amounts to 365,000 € (around US\$ 550,000) and was based on a market investigation in seven cities. It consisted mainly on an outdoor advertisement campaign, paid ads at women and gastronomy press, invitation to Spain for a Fam-Trip for a TV programme team, website and executive video.
  - Italy and Greece focused their promotional campaigns towards participation in trade fairs and organizing tailor-made events. Greece received economic support from the European Union.
- The first advertiser of the product is Rollton, with more than 6 million dollars expense in TV for 2008, but it is for stock cubes “of Olive Oil” (from its own brand as well).
  - The Olive Oil brands invested in Russian TV in 2008, nearly 600,000 \$. The Table Olives, nearly 160,000 \$. As we have previously mentioned, there is a thoroughly detailed annex of the same.
  - Among the advertisers we can highlight Borges (Borges and ITLV), recognized by all as the market leader for Olive Oil. Its main advertisement investment radiates in the sponsorship of a TV cuisine programme, with an approximate investment of 400,000 \$ for 52 programmes.
  - The rest of the Olive Oil brands invested more than 260,000 \$ in Russian Press, in 2008, without including Borges or Rollton

# Media

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## 1. “ATL” mass media

Throughout the project, we have compiled information from advertisement agencies, from public relations agencies and from communication experts, as well as from detailed studies about advertisement and the media in the Russian Federation. Below we present a summary of our conclusions:

- TV seems to be the most profitable and efficient media to cover the Russian Federation with advertisements. The use of the media has been for advertisement, traditional advertisements, as incursions in the contents, cuisine programs.
- The Radio has very good coverage in all of Russia, but very little advertisement penetration. Those who have used it, like the Spanish in two campaigns, recommend not using it because of its reduced efficiency.
- The Press is a media with great penetration in Russia and important investment, particularly the specialized theme magazines. We have to highlight that Russians generally read a lot and particularly women. It seems that the feminine and gastronomy press is a good support for the products object of this study.
- That is why we have collected a study (which we consider very professional) About the standing and penetration, in each of the magazines, according to Sex, age level, buying power etc.
- Nevertheless, the general press has been cast aside by those who have used it in some campaigns.
  - The Outdoor media, billboards and other urban supports are a good support for the public that live in those cities. It is the support that was used in the three Table Olive campaigns in Russia. It allows segmenting cities and neighborhoods.
  - Internet, as a commercial information and promotion media, has an acceptable penetration in the large cities, especially in determined younger layers of the population, but it is scarce in more rural areas and among the population with less culture and buying power. Therefore, we consider it indispensable, for the medium-high and high class public, with a higher education, and above all, for the Trade and Horeca Channel.
  - The Cinema also allows segmenting by cities and circuits, but it is not a profitable media for this type of campaign



## 2. “BTL” direct media

- Perhaps among the direct media, the one most used has been the Point of Sale (POS) advertisement and merchandising or promotional materials (POSm) handed out at the point of sale. Both in the case of Olive Oil, as in the Table Olives case, line banners have been used in supermarkets, stickers of the floor next to these lines and promotion material such as aprons, calendars, magnets, etc., as well as special or additional stickers on the product itself.
- Public Relations have also been a widely used media in the promotion of these products. Made to measure events; fundamentally presentations to prescribers (importers and retailers, chefs and caterers, specialized journalists) of the campaigns and of the products, as well as other direct actions toward this public, like tastings, samples, sampling, etc.
- On the contrary, and as a difference with other markets like the North American, the scientific part of the support of the products from a health point of view has not been developed, and it is one of the fields in which the IOOC should have a more active role.
- The presence in Trade Fairs is normal, as we have already mentioned in the case of Italy and Greece, and also of Spain, both in Prodexpo as in World Food Moscow. Nevertheless, we believe that there is not much sense in the IOOC dedicating efforts and budget in this point.
- Internet is also a media which has an important presence as a promotion media, both with brands, producers, importers, and retailers like other intermediates. We believe it is important for two reasons: because it reaches a very similar public to that of the potential consumers and because of its excellent cost/efficiency ratio.
- Another important media used in the campaigns of these products has been the Market Investigation, fundamentally of the Table Olive. This relevant information has allowed more efficient orienting of the promotional campaigns. We hope that all the data recompiled in the present study serves to better focus the promotion and that effect and impact studies are carried out.
- Lastly, Video was also used as a promotional media in presentations.

# Olive oil and table olives perception

A survey on the perception of Olive Oil in Russia was carried out in 2008 by an important Russian Public Relations Agency using different sources like: TV, the Radio, business newspapers and general interest magazines. The aim of this study was analyzing which themes are associated with Olive Oil in the publications in the main Russian media. The sample is big enough as to be taken into account, as it is of more than 1,000 articles and other parts published in Russian Federation media.

The analyzed publications are distributed as follows:

Media analyzed	Quantity of publications	%
Magazine	749	70%
Newspapers	182	17%
TV, Radio	132	12%
<b>TOTAL</b>	<b>1.063</b>	<b>100%</b>

*Source: Maslow PR, from www.integrum.ru*

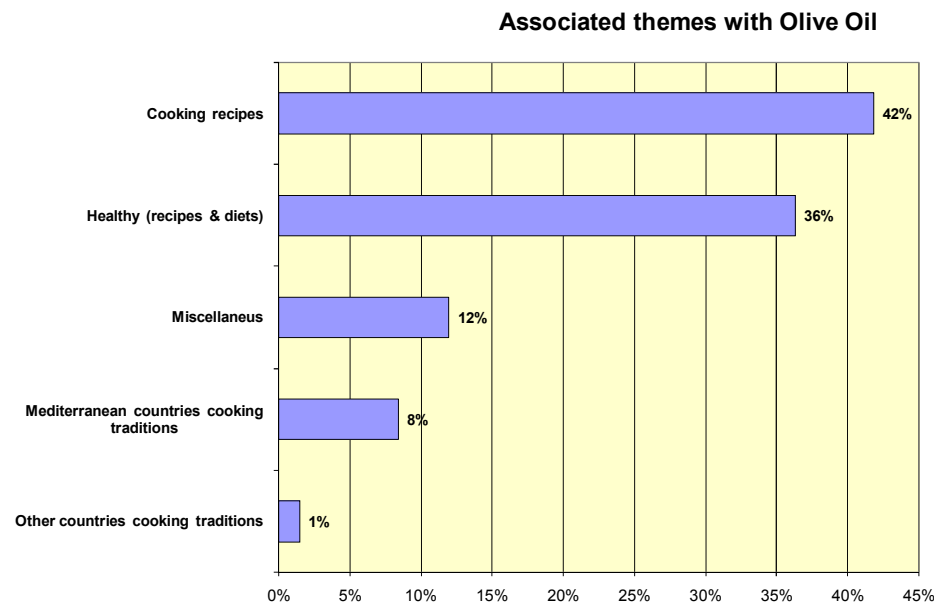
Associated Theme	Quantity of publications	%
Cooking recipes	447	42%
Healthy (recipes & diets)	388	36%
Miscellaneous	128	12%
Mediterranean countries cooking traditions	90	8%
Other countries cooking traditions	16	1%
<b>TOTAL</b>	<b>1.069</b>	<b>100%</b>

*Source: Maslow PR, from www.integrum.ru*

42% of the publications mentioned Olive Oil, as one the ingredients of Cuisine Recipes. This is the main reference to this product, as an ingredient for cooking in a series of recipes.

Beyond the association as a cooking ingredient, the first theme with which it is really associated is that of Health, in more than a third of the publications (36%). In the mentioned recipes and diets, Olive Oil is named as a healthy and wholesome product. This detail is important, as other qualitative investigations have also reached the opinion that this is the most important and remarkable attribute of the product for a good part of the consumers, prescribers and actors related to Olive Oil in Russia.

The other references are much less important, as they are a mixture of themes and attributes (12%), or they are related with cuisine of other Mediterranean basin countries (8%) or with cuisine of other European or Asian countries (1%).



Source: Maslow PR, from search engine [www.integrum.ru](http://www.integrum.ru)

Lastly, in conclusion, the main perceptions related to Olive Oil are:

- Its consumption is healthy.
- It is part of the Mediterranean Diet.

# Target audiences

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TRADE

- Olive oil and table Olive Importers and Retailers.
- Purchases managers of food retailing groups

FOOD SERVICE

- Owners of restaurant chains and fashionable urban restaurants
- Mediterranean cuisine chefs

MEDIA

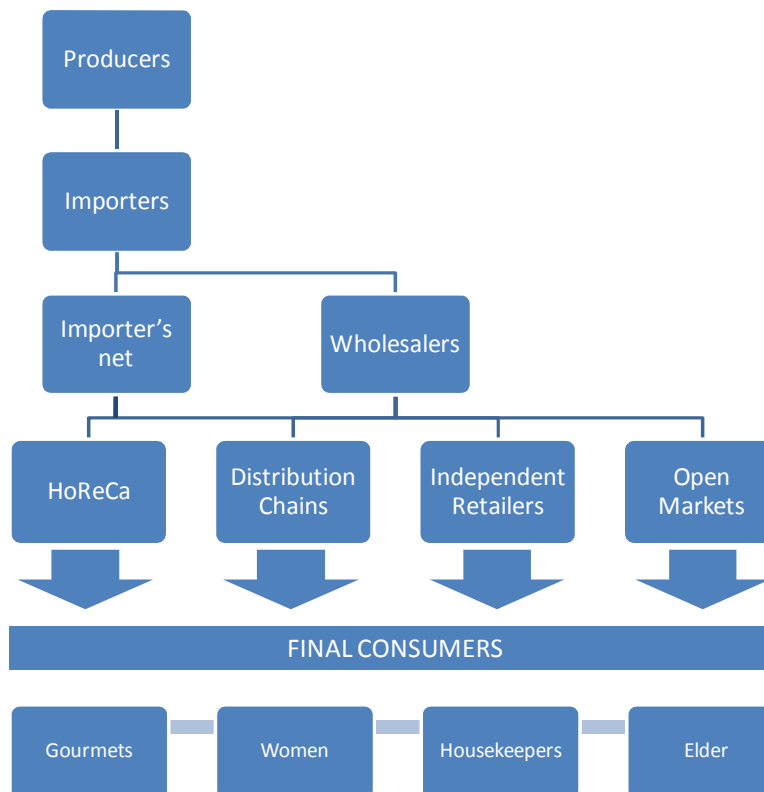
- Gastronomy and Feminine Magazine Journalists: for Fashion, Health and Life Style.
- TV and Radio programme Directors, and Gastronomy and Feminine Magazines.
- Celebrities: sportspersons, housewives, models

AUTHORITIES

- Health Authorities  
Doctors: pediatrics and geriatrics  
Nutritionists
- Public Administration Authorities: Ministries of Agriculture, Education, Health.

CONSUMERS

- Primary  
Women from 20-55, medium and high class, urban
- Secondary  
Men from 25-50, medium and high class, urban  
University students, medium class, urban



# Tools available to reach targets

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# Advertisement and communication agencies

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The present research shows that Russia is already a mature market in terms of communication. It has grown very rapidly in only 20 years and now can be compared in many aspects to any other “western style” market. There is a large number of communication companies and professionals covering all fields: design, creativity, advertising, public relations, sales marketing, events, etc.

And there is a considerable amount of different media, public owned and private, that cover the whole country.

As it happens in other markets, the globalization has driven the sector to a growing concentration, where big communication companies belong or are members of larger multinational groups with affiliates in many different countries. There is an evident know-how transfer has been produced by means of fusions and acquisitions and also by means of affiliations to large international communication groups.

Therefore, the IOC should not find it difficult to find an adequate communication company in Russia to design and implement a promotion campaign for olive oil and table olives.

Recomendations



# Foreword

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Agerón Internacional is not a communications agency and our work, as far as the present research is concerned, has had as main objective putting forward a complete and detailed view of the Russian market with regard to the olive oil and the table olives.

Out of the research, the analysis, the interviews with many different actors and operators, the storecheck, the questionnaires to end consumers and all our experience in previous agro food market research (with special emphasis on olive oil) and managing promotion campaigns of food products worldwide, we can offer to the IOC some general recommendations and draft guidelines for what we consider more adequate, in terms of promotion, for the Russian market.

We do not pretend to conclude a very detailed promotion operational plan but to offer a wide and solid basis from which the IOC and any communication agency working for it in the future could build and implement promotion activities in Russia as to reach the objectives already established.

Our recommendations should then be taken as general guidelines with approximate budget orientations. Those budgets, although they are adequate to the Russian Federation, may vary depending on multiple factors like scope, content, objectives, tools, resources, etc.

# 2 products, 2 campaigns

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## Why different campaigns?

Russia cannot be considered as a “New” market for olive oil and table olives. There are more than 100 brands for olive oil and more than 60 brands for olives, already present at the sales points. There is a considerable awareness of both products among Russian consumers albeit a lot can still be done in order to market them better and reach a bigger share of the population with the adequate promotion messages and tools.

But the two products are different and have a different positioning in the Russian market. Olive oil is quite an expensive product, far more expensive than olives and that the rest of the vegetable oils (including sunflower). The majority of the olive oil currently sold in Russia is virgin or extra virgin and thus the high prices and the reduced share of consumers that can afford it.

At the same time, due to a severe economic crisis that is affecting wages and purchasing power of consumers, operators (producers and distributors) are trying to benefit from the good image of olive oil at lower prices, which is being done by means of blends with other cheaper oils. This is a clear threat that should be tackled adequately in 2 ways: legislating about standards and a clear promotional message to communicate the beneficial properties of the real olive oil.

Olive oil needs a deeper communication effort. It could be said that, though big efforts have already been made in the right direction from the promotional point of view, it still remains in the dawn of a long term promotion strategy that could position it in the way to spread awareness and increase consumption.

Certainly, prices will play an important role when the country is going through an economic crisis. Although there are many different brands in the market, competition has not been driven to a price war and. On the contrary, prices are being increased constantly. This will probably deter many consumers from buying olive oil in the near future and any promotional campaign should take this fact into account when designing messages and actions.

What the present research has found is that the stakeholders think that there is still a big lack of information about olive oil: history, production methods, varieties, origins, denominations, nutritional properties, culinary uses, etc. There is a general knowledge among consumers about the beneficial properties of the olive oil but there are many misunderstandings and erroneous points of view.

That is why we are recommending that the olive oil promotion campaign should be more focused in information and education.

With regard to table olives, the situation is different. Olives are already more popular among consumers because they are cheaper and because they have been progressively introduced in the habits of the Russians as a snack (and less as an ingredient). Russians are big consumers of vegetable preserves and table olives have been incorporated to the range of products Russians consume with some drinks like beer, wine or vodka.

Therefore it could be said that table olives have reached a further and more mature stage. The strategy should thus be oriented not only at informing and educating but to increase the purchasing and consuming frequency and reaching almost all levels and niches of population.

Regarding prices, in the case of table olives, the competition is tougher. Table olives are not considered an specialty anymore and as there is a wide offer from many brands (yet mainly Spanish), prices have reached quite a “popular” level, what fosters its consumption.

In both cases, any promotion strategy to be undertaken in the future should consider very seriously the progress and development of the retail market in Russia. Retailers are bigger and bigger, more concentrated and with more influence in prices. As in many other countries, the big retailing supermarket chains will have a big word to say in the marketing of olive oil and table olives.

Product	Price	Sales Channel	Consumer	Habitat	Media	Prescribers	Image
<b>Olive Oil</b>	Very expensive	Super & Hyper	High Income, Urban	Big cities +1 mill. Inhab.	TV, Press, POS, POSm	HoReCa, Celebrities, Nutritionists, Journalists	Premium Healthy Quality
<b>Table Olives</b>	Affordable	All	All	All Russia	TV, Press, Outdoor, Indoor, POS, POSm	Retailers, TV Cooking presenters, Authorities	Popular Tasty Party

Source: Own preparation

### Recommendation

Olive oil and table olives are differently positioned; they have different price levels and reach different niches of the Russian population. They face different opportunities and threats. Therefore, the future campaign should be divided in 2: 2 objectives, 2 types of actions.

# Objectives

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The objectives of each one of the campaigns should be very different:

## Olive oil

### INFORMATION AND EDUCATION

- Informing about its properties: Healthy product, Natural and tasty
- Educate in its consumption: That people get to know the product, its characteristics, types, varieties...

## Table olives

### INCREASING CONSUMPTION

- Increasing the use of olives as an ingredient in the Russian diet
- Promoting new uses and applications
  - In the Food Service sector channel (example: as an aperitif)
  - New recipes
- Reminding its healthy properties
- Recommending its consumption along the year and not only at celebrations and special events

# Other clues for future campaigns

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DIFFERENTIATION	Each product should have its own an independent promotion strategy.
COORDINATION	Duality should not mean a lack of coordination. Avoiding duplicity is essential and therefore a single agency should manage and develop both campaigns in search of coordination and synergies.
SYNERGIES	Both strategies should have some common points and actions, what will bring economy and more efficiency.
GENERIC	According to IOC objectives, regardless of origin producers and brands, promotion activities should always be totally generic and neutral.
UMBRELLA	The campaigns must be useful for producing countries, for manufacturers and their brands, for importers and retailers. All stakeholders would be welcomed to operate in coordination with the IOC and benefit from its campaigns. Tenderers should consider what has already been done by different operator in the market. This will bring transparency, trust and efficiency.
COMPLEMENTARY	All actions from any operator are important and useful. IOC strategy will take into account what others are already doing, namely the national foreign trade promotion boards, federations and associations alike, as well as exporters and distributors.
PROGRESSIVE	Due to market nature, its huge size and complexity, a progressive promotion strategy is desirable. Starting point should have a higher profile and then be reduced along the years (objectives, awareness and budget).
ASYMMETRIC	Promoting olive oil will require a deeper-long term effort. Therefore a bigger budget should be allocated for the olive oil campaign.
LONG TERM	Increasing awareness and consumption in any market and especially in one of the size of Russia will not be easy. Only a progressive and long term strategy aimed at the adequate targets will bring results. A starting campaign should not be shorter than 3 years.
FLEXIBLE	Out of the experience of the campaigns already under way carried out by exporters, it seems adequate that all actions and results should be revised every year in order to correct deviations and to adapt messages to a changing environment.
CONVERGENT	It is recommended that two campaigns should different during year 1 and year 2 (albeit sharing certain actions) but converge in year 3.
OBJECTIVES	Tenderers should establish desirable measurable objectives in terms of awareness to be hit at the end of the campaign, as well as the
CONTROL	The campaigns should include control procedures as to measure the level of implementation of activities and objectives as the promotion takes place.

# Main axis

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## Olive oil

We recommend 3 main aspects to build the promotion strategy:

- **Health**
- **Natural**
- **Taste**

The message will then be used to clearly mark a difference between olive oil and other vegetable oils.

Olive oil and table olives are:

- A source of Health (widely admitted worldwide and necessarily backed by a possibly backed by a prestigious Russia scientific institution.
- Naturally and traditionally elaborated
- Essential part of the Mediterranean diet and way of life

### **Recommendation:**

The axis of the Olive Oil campaign should be "Consuming Olive Oil is Health" or a similar slogan

## Table olives

Table olives promotion message should also be in line with the healthy aspects of the product as the original source of olive oil. These beneficial properties should be constantly reminded along the campaign.

Yet table olives, with a already relatively extended consumption in the Russian market, need different positioning and marketing tools. We recommend a strategy based more in quantity and repetition than in quality.

Assuming that olives are already more popular among Russian consumers than olive oil, the axis of its campaign should be based on a message like **"Include Olives your the daily diet"** Housewives, chefs or cuisine school students could be very suitable vectors to spread the message and generate more awareness and increase popularity

### **Recommendation:**

The axis of the Table Olives campaign should be "Include the table Olive as a common ingredient in your diet" or a similar slogan

# Actions in common

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There are evident synergies between the Olive Oil promotion and that of the Table Olives. We recommend some joint actions:

- Common corporate image
- One website to promote both products at the same time.
- “Kick off” Meeting with producers & importers.
- Start up meeting in Russia, before launching the campaign. At this meeting the IOC and the agency will present its content and calendar to exporters and importers/distributors
- Selected opinion leaders and celebrities “working” for both products as ambassadors
- More research with local scientific prestigious institutions to reinforce the knowledge of the healthy properties of Olive Oil and Olives.
- Popular recipes contests
- Events to present the results of scientific research to the end consumers and the results of the recipes contests
- TV cooking shows



# Specific recommendations for the promotion

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## Olive oil

We recommend that most promotion activities should be carried out on a public relations basis where health must be the key message

### RESEARCH > COMMUNICATION BY SEGMENTS > MASS COMMUNICATION

- Research by Russian prestigious scientists and institutions prior to the launching of the campaign will reinforce a message based on Health
- Meetings with stakeholders of producing countries (governments and exporters) are desirable to align and design lobby actions with regard to quality standards legislation and common promotion strategies.
- Selection and appointment of Olive Oil Ambassadors with the adequate profile as to serve as real opinion leaders
- Communication actions to present the conclusions from the research about the healthy properties of the Olive Oil.
- Ads in women and lifestyle magazines and cooking TV shows

## Table olives

In this case the key element as starting point would not be scientific research project but a below the line strategy

### CONTESTS OF RECIPES > COMMUNICATION BY SEGMENTS > MASS COMMUNICATION

Some of the recommended actions are:

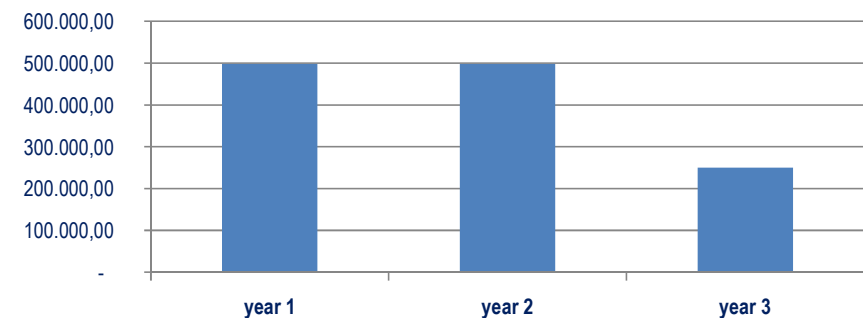
- Recipe contests for different targets:
  - Aperitifs with Olive for Chefs
  - Traditional Russian recipes with Olives for Housewives.
  - New Cuisine with Olives for Cooking Schools
- Communication of the contests by:
  - Ads in women and lifestyle magazines
  - Ads in professional Food Service and Trade magazines
  - Promotional material for retailers
- Attractive prizes related to the product
- Selection and appointment of Olive Oil Ambassadors
- Events to communicate the results of the recipes contests, with the participation of the winners and the Olive Ambassadors, by cities, segments, etc.
- TV cooking show that includes the presence of Olive Oil Ambassadors and the Health message for Olive Oil, with recipes using Olive Oil as an ingredient.

# Summary

This table summarizes the recommendations proposed in both campaigns with axes and different techniques, separate initially but converging eventually, with specific actions and common actions with multiple synergies.

	First Year (2010)	Second Year (2011)	Optional Third Year (2012)
<b>Olive Oil</b>	<ul style="list-style-type: none"> <li>•Scientific Study</li> <li>•PR &amp; Advertising of Research Conclusions:                             <ul style="list-style-type: none"> <li>• Press and Media</li> <li>• Distribution</li> </ul> </li> <li>• Events</li> </ul>	<p><i>• Consume Olive Oil is Health</i></p> <ul style="list-style-type: none"> <li>• TV Cooking Show (2/3):                             <ul style="list-style-type: none"> <li>• Health</li> <li>• New Recipes</li> <li>• Ambassadors</li> </ul> </li> <li>• Advertising:                             <ul style="list-style-type: none"> <li>• Women Press</li> <li>• Trade Press</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• TV Cooking Show (1/3):                             <ul style="list-style-type: none"> <li>• Health</li> <li>• New Recipes</li> <li>• Ambassadors</li> </ul> </li> <li>• Advertising:                             <ul style="list-style-type: none"> <li>• Women Press</li> <li>• Trade Press</li> </ul> </li> </ul>
<b>Common</b>	<ul style="list-style-type: none"> <li>•PR "Kick off meeting":                             <ul style="list-style-type: none"> <li>• Producers</li> <li>• Authorities</li> </ul> </li> <li>•Corporate Identity:                             <ul style="list-style-type: none"> <li>• Logo &amp; Web</li> </ul> </li> <li>•Ambassadors</li> </ul>		
<b>Table Olives</b>	<ul style="list-style-type: none"> <li>• Press Advertising</li> <li>• New Recipes Contest</li> <li>• Jury selection &amp; meeting</li> <li>• Print &amp; Circulation of Recipes Leaflet and booklets</li> <li>• Events at Moscow &amp; Regions</li> </ul> <p><i>• Incorporate Table Olives in daily diet</i></p>		
	40% Budget / Mid profile	40% Budget / High profile	20% Budget / High profile

Approximate recommended budget (Euros)



Approximate recommended budget (Euros)

year 1			year 2			year 3		
	min. (€)	max. (€)		min. (€)	max. (€)		min. (€)	max. (€)
PR agency fee	100.000,00	150.000,00	PR agency fee	100.000,00	150.000,00	PR agency fee	60.000,00	90.000,00
corporate image & website	10.000,00	12.000,00	Ambassadors fees	30.000,00	50.000,00	Ambassadors fees	90.000,00	135.000,00
Scientific research project	25.000,00	40.000,00	TV shows and their communication (2/3)	180.000,00	270.000,00	TV shows and their communication (1/3)	30.000,00	45.000,00
Presentation Kick off meeting	15.000,00	20.000,00	5-10 events in Moscow adn regions	50.000,00	70.000,00	Adevertising (1/3)	20.000,00	30.000,00
Advertisements for recipes contests	40.000,00	60.000,00	Adevertising (2/3)	40.000,00	60.000,00			
Jurors for contests	5.000,00	8.000,00						
Edition, print & circulation recipes leaflet	75.000,00	110.000,00						
Ambassadors fees	30.000,00	50.000,00						
5-10 events in Moscow adn regions	100.000,00	150.000,00						
<b>TOTAL year 1</b>	<b>400.000,00</b>	<b>600.000,00</b>	<b>TOTAL year 2</b>	<b>400.000,00</b>	<b>600.000,00</b>	<b>TOTAL year 3</b>	<b>200.000,00</b>	<b>300.000,00</b>
% of the 3 year campaign	40%	40%	% of the 3 year campaign	40%	40%	% of the 3 year campaign	20%	20%

# Year 1

year 1		
	min. (€)	max. (€)
PR agency fee	100.000,00	150.000,00
corporate image & website	10.000,00	12.000,00
Scientific research project	25.000,00	40.000,00
Presentation Kick off meeting	15.000,00	20.000,00
Advertisements for recipes contests	40.000,00	60.000,00
Jurors for contests	5.000,00	8.000,00
Edition, print & circulation recipes leaflet	75.000,00	110.000,00
Ambassadors fees	30.000,00	50.000,00
5-10 events in Moscow adn regions	100.000,00	150.000,00
<b>TOTAL year 1</b>	<b>400.000,00</b>	<b>600.000,00</b>
% of the 3 year campaign	40%	40%

(\*) Public Relations Agency fee includes all their services and expenses, including press office services, communication and special events planning and execution.

## Common actions

### CORPORATE IMAGE

The campaign should have its own corporate image, which could be used both for the campaign of the Olive Oil and Table Olives.

This corporate image might also be available to producers, traders, importers, dealers and retailers. It should have the following basic elements: the oil and the olive color palette, graphic icon of the olive oil and table olives, slogan of the campaign and corporate image, or reference to the IOC.

### WEBSITE

It will include, at least the following sections:

- Health proprieties
- Recipes with olive oil and table olive
- Properties of beauty
- Scientific research
- Mediterranean diet
- History of products
- Contests and promotional actions in progress
- Promotional material
- About of the IOC
- Links

## Olive oil

### SCIENTIFIC RESEARCH

We recommend that the axis of the Olive Oil campaign consists of linking olive oil consumption with obtaining health benefits. The participation of a national prestigious Scientific Research Institute will be of paramount importance.

### PUBLIC RELATIONS CAMPAIGN

#### “KICK OFF” MEETING WITH PRODUCERS AND IMPORTERS AND DISTRIBUTORS

Meetings with stakeholders of producing countries (governments and exporters) are desirable to align and design lobby actions with regard to quality standards legislation and common promotion strategies.

#### LOBBYING

Fostering institutional relations with the local authorities would be particularly interesting.

- To create a positive predisposition towards communication actions of the olive oil as a healthy product
- To establish an observatory to control quality standards and avoid fraud.

## "AMBASSADORS" OF OLIVE OIL

Ambassadors' profiles could be:

- Sports people (for olive oil is health), positive and skills of communication, clean and successful sporting career, life and healthy behavior person.
- Person in the world of communication, television or cinema Preferably a prestigious woman
- Health Authority (for Olive Oil is health), positive person and communication skills, prestige career and healthy life

## AMBASSADORS SELECTION

Opinion leaders will be selected for begin their promotion work

## COMMUNICATION OF THE RESULTS OF THE SCIENTIFIC RESEARCH

We recommend a specific presentation to the press. The media that should attend should be:

- Lifestyle
- Women
- Professional (Trade, Food service and retail)
- Gastronomy
- Beauty, health

## PRESENTATION OF THE SCIENTIFIC RESEARCH

It should be the key and central element of the campaign and the basis from which all messages and communication actions should be built.. To this event must assist those responsible for the IOC, health and food authorities, researchers, the ambassadors of the olive oil (to be submitted at that time in society), producers, traders, importers and major retailers, specialized and general press, as well as other VIP.

## Table olives

### CONTESTS OF OLIVE OIL AND TABLE OLIVES RECIPES

New recipes and traditional recipes incorporating the table olives in the daily and regular diet of Russian consumers. Three different contests could be organised:

- HOUSEWIVES: Russian traditional recipes
- CHEFS : Snacks
- STUDENTS COOKING SCHOOLS: Nouvelle cuisine

### COMMUNICATION OF THE RECIPES CONTESTS

Contests would be announced in the gastronomic sections of major women magazines and gastronomic magazines; in the professional press (Foodservice)

### **THE WEBSITE AS A MARKETING TOOL**

It would be interesting to incorporate the bases the sending of a photograph of the plate to assess your presentation. This action will be aimed at editing the Russian recipe book with olives.

### **SELECTION AND COMMITMENT OF THE TABLE OLIVES AMBASSADORS**

#### **DATABASES**

Database of authors & recipes, by using e-mail, where appropriate, to keep them informed of developments in the contest and other promotional items.

#### **AMBASSADORS SELECTION**

Opinion leaders will be selected for begin their promotion work

#### **SELECTION OF THE MEMBERS OF THE JURY OF THE RECIPES CONTESTS**

Jurors should be recruited among prestigious professionals and opinion leader from different sectors. prescribers that choice approach towards the success of both campaigns. At least three sessions for the 3 contests will be necessary

#### **EDITING AND PRINTING OF THE RECIPE BOOKLET**

With the winning recipes using table olives, a booklet should be print and distribute.

#### **EVENTS FOR THE PRESENTATION OF THE RESULTS OF THE CONTESTS**

The results of each of the contests should be presented

#### **MASS COMMUNICATION TO THE PRESS OF THE RESULTS OF THE CONTESTS**

As with the olive oil research study results, these should be presented to the press



# Year 2

year 2		
	min. (€)	max. (€)
PR agency fee	100.000,00	150.000,00
Ambassadors fees	30.000,00	50.000,00
TV shows and their communication (2/3)	180.000,00	270.000,00
5-10 events in Moscow and regions	50.000,00	70.000,00
Advertising (2/3)	40.000,00	60.000,00
<b>TOTAL year 2</b>	<b>400.000,00</b>	<b>600.000,00</b>
% of the 3 year campaign	40%	40%

(\*) Public Relations Agency fee includes all their services and expenses, including press office services, communication and special events planning and execution.

## Common actions

### **PUBLIC RELATIONS**

The Public relations campaign will go on.

### **AMBASSADORS CONTINUOUS PROMOTION**

Opinion leaders will continue their promotion work

### **EVENTS FOR THE PRESENTATION OF THE RESULTS OF THE CONTESTS**

The results of each of the contests should be presented

### **MASS COMMUNICATION TO THE PRESS OF THE RESULTS OF THE CONTESTS**

As with the olive oil research study results, these should be presented to the press.

### **COOKING TV SHOW**

The main action of the three year promotion campaigns, will be a unique participation in major Russian cooking television show. It should show the cooking show in national and regional stations with relevant audiences. The olive oil would be present in recipes, but with great emphasis on taste, and its unique properties demonstrated in the scientific research carried out, health and beauty. It would for example, be highly desirable the participation of one of the winners of the recipes contests, as they would be the best prescribers, as they are common people, closer to the audience. Ambassadors may also take part on them.

### **ADVERTISING SUPPORT FOR THESE PROGRAMS**

Presence in self-promotion programs of the TV chain should be negotiated. It should be desirable to insert some small adverts in the most effective magazine, announcing the recipes contest winners participation in TV cooking programs, and some budget should be allocated for these.

### **COMMUNICATION TO THE PRESS OF THE PARTICIPATION ON TV COOKING PROGRAMS**

The participation of the recipes contest winners in TV cooking shows should be announced to the media.

# Year 3

year 3		
	min. (€)	max. (€)
PR agency fee	60.000,00	90.000,00
Ambassadors fees	90.000,00	135.000,00
TV shows and their communication (1/3)	30.000,00	45.000,00
Advertising (1/3)	20.000,00	30.000,00
<b>TOTAL year 3</b>	<b>200.000,00</b>	<b>300.000,00</b>
% of the 3 year campaign	20%	20%

(\*) Public Relations Agency fee includes all their services and expenses, including press office services, communication and special events planning and execution.

## **Common actions**

### **PUBLIC RELATIONS**

The Public relations campaign will go on.

### **AMBASSADORS CONTINUOUS PROMOTION**

Opinion leaders will continue their promotion work

### **COOKING TV SHOW**

This action continues from the second year, with the participation in major Russian cooking television show. It should show the cooking show in national and regional stations with relevant audiences. The olive oil would be present in recipes, but with great emphasis on taste, and its unique properties demonstrated in the scientific research carried out, health and beauty. It would for example, be highly desirable the participation of one of the winners of the recipes contests, as they would be the best prescribers, as they are common people, closer to the audience. Ambassadors may also take part on them.

### **ADVERTISING SUPPORT FOR THESE PROGRAMS**

Presence in self-promotion programs of the TV chain should be negotiated. It should be desirable to insert some small adverts in the most effective magazine, announcing the recipes contest winners participation in TV cooking programs, and some budget should be allocated for these.

### **COMMUNICATION TO THE PRESS OF THE PARTICIPATION ON TV COOKING PROGRAMS**

The participation of the recipes contest winners in TV cooking shows should be announced to the media.