

The CEO Perspective: CEO Expectations from Marketing

– Jim Perdue, Chairman and CEO, Perdue Farms

As consultants, we at Max Brand Equity have the privilege of contributing to the success of many of the most respected business organizations in the world. In addition, we are provided the opportunity to see and experience ‘what works’ and ‘what doesn’t work’ in the marketplace across a broad range of industries and business models. We bring this breadth and depth of knowledge and experiences to each of our clients each and every day and, in doing so, we have the added opportunity of meeting and working closely with many of the best and the brightest CEOs and CMOs in business today.

This article is the second in a series which proactively solicits and shares the views of several successful CEOs and CMOs on important business topics, providing you, our readers, with varying and unique perspectives across a wide range of industries. For this second issue, we are pleased to have had the opportunity to speak with and solicit the views of Jim Perdue, Chairman of Perdue Farms.



Perdue Farms was founded in 1920 by Arthur Perdue. It is now one of the leading poultry processors and marketers in the US. In the 1960s and 1970s, his son, Frank Perdue, leveraging clear product differentiation and superiority, built the Perdue brand and company into a major powerhouse throughout the Northeastern and mid-Atlantic states. Jim Perdue took over as Chairman and CEO in 1995 (?) from his father Frank Perdue. Prior to this Jim had worked in most of the functions of the company for many years. More recently, under Jim Perdue, the brand has expanded to the Mid-West and into more and more added-value products.

We asked Jim Perdue his expectations of the Marketing function.

“First and foremost, they are the keepers of the brand’s health,” he said, “to the extent of the factors it controls. The health of the brand is critical to the success of the company. In

addition,” he went on, “Marketing is responsible for new products. It works with R&D and Sales to develop innovative new products.”

The strategic role of the Marketing function within Perdue Farms is apparent from the above initial statements from Mr. Perdue.

First, the health of the Perdue brand is recognized as an important asset of the company that needs to be nurtured. Doing so within the context of significant industry commodity pressures is no small accomplishment. In pure commodity-driven businesses, such as oil and gas, the Marketing function often has a purely tactical role as there is typically little perceived need for Marketing. Perdue Farms, in the 60s and 70s, reshaped what had been a commodity business into a consumer-driven business, driven by a consciously focused effort to build the Perdue brand. (Other examples of effectively differentiating essentially commodity products in the food business include Uncle Ben’s rice, Chiquita bananas, and Tropicana orange juice.) Maintaining this focus and expecting the Marketing function to continue driving product innovation and differentiation is no small task long-term...many companies lose their lead when they lose this commitment to differentiation, allowing the category to be re-commoditized.

Secondly, Perdue Farms views an additional strategic role of Marketing function to be sensing, responding to, and even getting ahead of the changing marketplace to maintain a differentiating distance between Perdue Farms products and those of its competitors’. Innovation has been a historical hallmark of the Perdue brand. [Richard: mention Perdue Done-It and/or other value-added products Perdue has led the industry with which you’re more familiar with than I am.] “As the market changes, Marketing has an obligation to update our USP to ensure that we maintain differentiation and superiority”, adds Mr. Perdue.

Importantly, Perdue Farms believes identifying and adjusting to marketplace changes is only half the job of the Marketing function. “We must also keep up with the way in which society is changing and adjust our approach to the greater social consciousness of today’s consumer.” However, Mr. Perdue adds, “It is important that we not only do the right thing, but are seen to be doing it.”

As such, a third important expectation of the Marketing function within Perdue Farms is communication of the differentiating elements of the Perdue Farms brand proposition. Arguably, this commitment to establishing a competitively differentiating position in the marketplace over the years has been the single most important factor explaining the long-term building of value in the Perdue brand and, in turn, the success of the company.

Further, Marketing expenditures at Perdue Farms are not viewed simply as an expense but rather as an investment requiring a measurable rate of return. Admittedly, “Marketing investment is difficult to measure short-term. But while we do believe in making

investments, we expect long-term payback.”, says Mr. Perdue. “We expect the initiative for both spending and measurement to come from Marketing.”

Without a doubt, the company has grown due to substantial investment in the brand over the years. Importantly, however, this investment in communications has historically been supported by genuine product differentiation and superiority, with advertising informing the consumer about the real, competitively differentiating benefits of the company’s products.

We see four important ‘success principles’ emerge from our discussion with Jim Perdue:

1. The Strategic Role of the Perdue Brand

Operating in an industry with significant commodity pressures, Perdue Farms has successfully and meaningfully established long-term value in the Perdue brand. Continuing to build the brand further continues to be a strategically important, foundational principle for the Marketing function and the company.

2. The Strategic Role of the Marketing function

Mr. Perdue expects the Marketing function to leverage its knowledge and understanding of the constantly changing marketplace to enable and guide development of innovative new products which continue to differentiate Perdue Farms, the company, and the Perdue brand.

3. The Strategic Role of Communications

As Mr. Perdue indicates, doing the ‘right things’, while extremely important, is not enough...Consumers and Customers need to also “see” the company is doing the ‘right things’.

4. The Need to Achieve a Positive Return on Marketing Investment

While believing in the importance of communications, Mr. Perdue also believes in the importance of a positive long-term return on the company’s investment in communications. While admittedly a difficult goal to measure, the formal expectation of a positive return from this investment represents an important, underlying principle explaining Perdue Farms’ historical success.

Summary Conclusion

At Perdue Farms, the Marketing function plays a hugely important role in successfully maintaining a differentiating marketplace position for the company while operating within a difficult industry environment with significant commodity pressures. The principles espoused by Jim Perdue, however, provide the company with clear guidance encouraging and enabling the continued building of both the Perdue brand and the Perdue Farms company.