

# Technology Rarely Sells Itself: *Taking Bio-Based Mainstream*

Stephen A. Halsey  
Gibbs & Soell Inc.  
August 29, 2005

# The Million Dollar Question

The Bio-Based Field of Dreams

If you build it ...

Will they come?

# Who We Are

A Quick Overview of Gibbs & Soell

# Core Market Experience



**Agribusiness**



**Industrial**



**Consumer Lifestyle**



**Financial Services**



**Healthcare**



**Technology**



**Home and  
Building  
Products**

# General Overview

---

- Independent, full-service PR firm
  - *Top 10 among independent firms in U.S.*
  - *34 years in business*
- #1 ranked agricultural PR firm by ***AgriMarketing***
- One of the leading industrial market PR firms
- Accomplished technology PR firm
- Working with biotech and bio-based since the mid-1990s
- Launched PLA to the global market and are actively working with clients to build bio-based markets

# Taking Bio-Based Mainstream

## THE WALL STREET JOURNAL.

"All the News That's Fit to Print"

# The New York Times

**Late Edition**  
New York: Today, cloudy, brighter late, high 63. Tonight, more humid, fog, low 57. Tomorrow, more sun, clouds late, high 73. Yesterday, high 56, low 48. Weather map, Page D6.

VOL. CLII . . . No. 52,475 Copyright © 2005 The New York Times NEW YORK, TUESDAY, MAY 4, 2005 ONE DOLLAR



Economist.com

paulharvey



# Surveying the Field

Looking at the Macro Trends With a Critical Eye



# Breaking Down the Buzz

- **Foreign Oil** ... Oil prices reach record highs, gasoline at \$3.00 per gallon, Congress passes Energy Bill, "Big Oil" is even communicating that available oil is running out, ongoing war in Iraq, China's growing energy use, "buy American" popular again.
- **Corporate America** ... Companies desperately trying to figure out how to stay profitable in an era of the unrelenting cost of oil.
- **Manufacturing** ... Greenspan tells Congress that "innovation," not widgets, creates value for U.S. companies, China coming on like a tiger.
- **Clean Tech** ... Hybrid car sales soaring, wind and solar gaining steam, investors flocking to green stocks, retailers continue to see strong category growth in "natural."

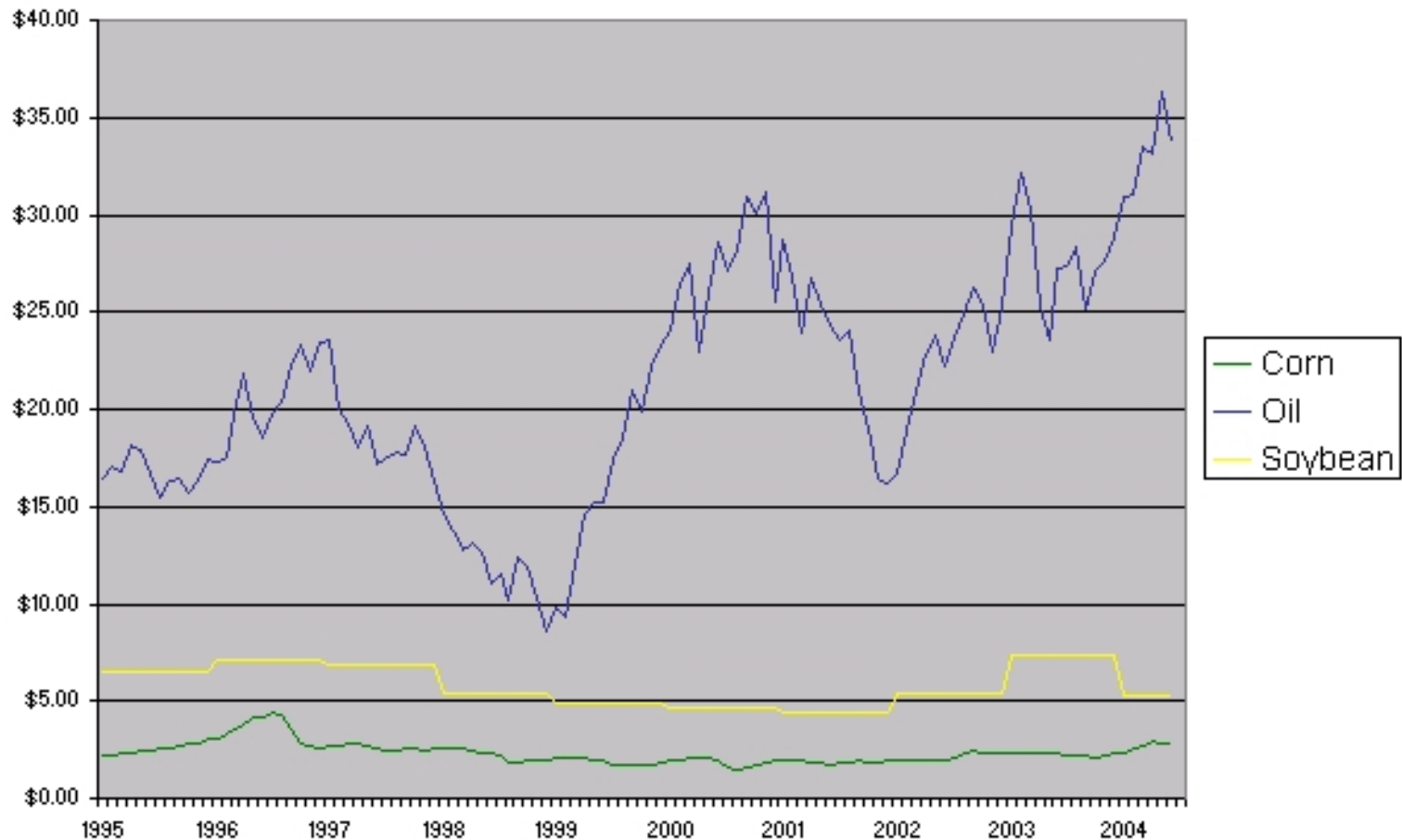
# Renewable vs. Non-renewable

---

- Corn and soybean costs fairly stable over the long term
- Oil is at record highs of more than \$68/barrel
- Consumers facing reality with \$3.00/gallon gasoline
  - *Bringing the issue of oil dependence to bear*
- Bio-based is finding success in the marketplace

# Bushels vs. Barrels

Historical Price Fluctuations for Soybeans, Corn and Crude



Note: Source for cost of oil per barrel, WTRG Economics (March 2005). Source for cost of maize per bushel, USDA (March 2005). Source for soybeans prices per bushel, [www.agmanager.info](http://www.agmanager.info), Kansas State Univ., (March 2005)

# The Petroleum Dilemma

---

- **BUT** ... a majority of existing processes, products, systems and specifications are based on petroleum
  - *Decades of experience, regulations and reliance*
  - *About as optimized as you can get*
  - *About as ingrained and integrated as you can get*
  - *Most consumers don't equate everyday products with petroleum dependence*
- Consumers are fickle and tend to pull toward what they know and trust
  - *Consumer behavior is not always rational*
  - *Consumer behavior is often short-sighted*
  - *Think about how you buy two similar products side-by-side on the retail shelf*

## Beware the “Ghosts of Bio-based’s Past”

- Misperceptions that bio-based is:
  - *Cost prohibitive*
  - *A poor performer*
  - *A niche product*
  - *Requires heavy subsidies*
  - *“Green washing”*
  - *For environmentalists, not mainstream consumers*
- Often lumped in with other areas of biotechnology
  - *Crop protection*
  - *Medical and pharmaceutical*
- Don’t assume environmentalists and government will automatically embrace all things bio-based

# There is a market

- Will consumers pay more for “green” packaging?\*
  - *Yes, research suggests ...*
    - More than 40 percent find the concept highly desirable
    - Seventy-four percent of those who rated it highly desirable said they would pay 5 cents more per package
- When consumers are educated, inspired or scared, they will embrace and drive change
  - *It is our collective opportunity and obligation to make it a positive one*

\* Source: *Brand Packaging*, July-August 2003

# Taking the Field

Putting on Our Marketing Caps



# Thought for today

---

It is not the facts that are of chief importance, but the light thrown upon them, the meaning in which they are dressed, the conclusions which are drawn from them, and the judgments delivered upon them.

- *Mark Twain*

# Science vs. Emotion

---

## Public Perception Formula: Acceptance of New Technology

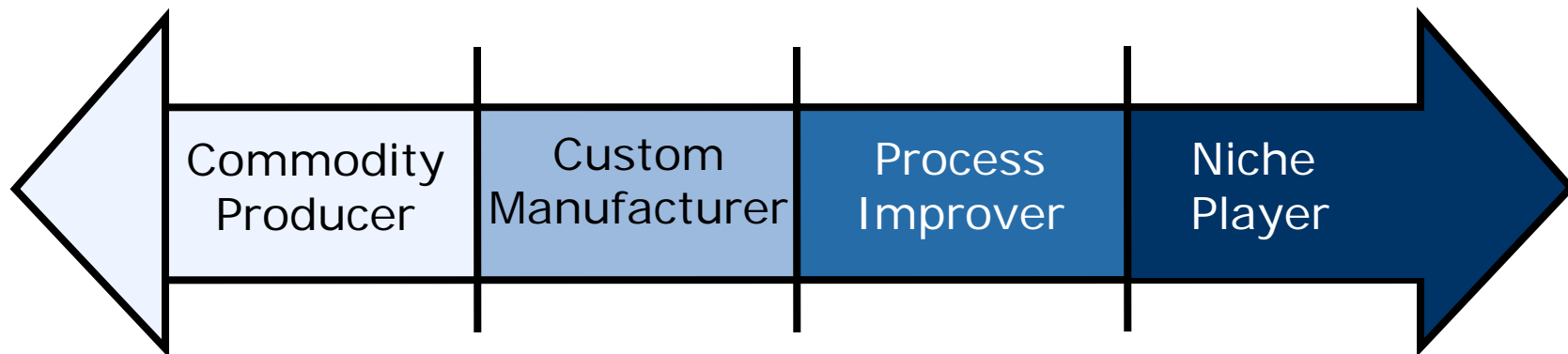
Worth of potential benefits

- (Rational worries, potential costs and implications)
- (Irrational, unfounded worries)
- + (Knowledge about new technology)
- +/- (Other factors such as bias, beliefs, background, etc.)

**Net support/opposition of the new technology**

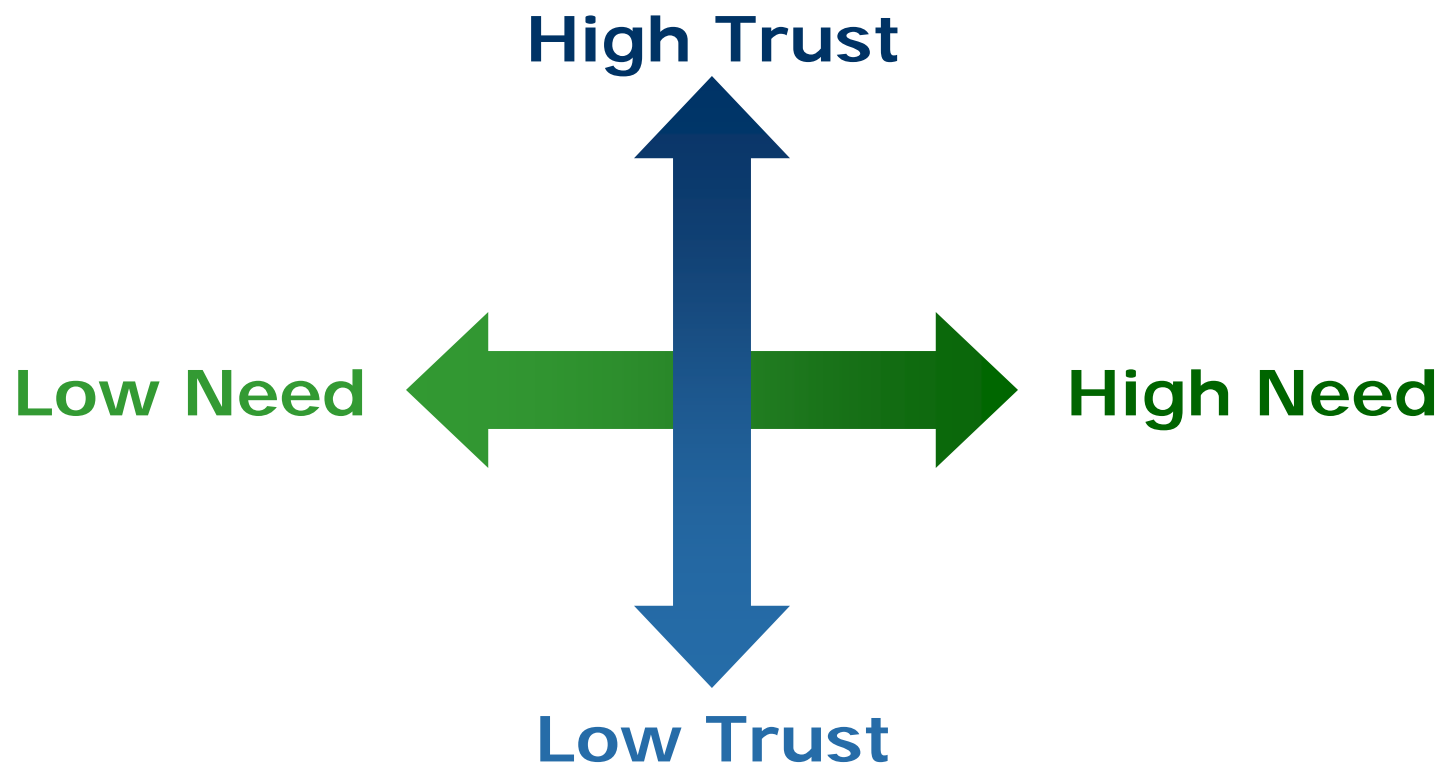
# Where Do You Sit?

## The Manufacturing Continuum

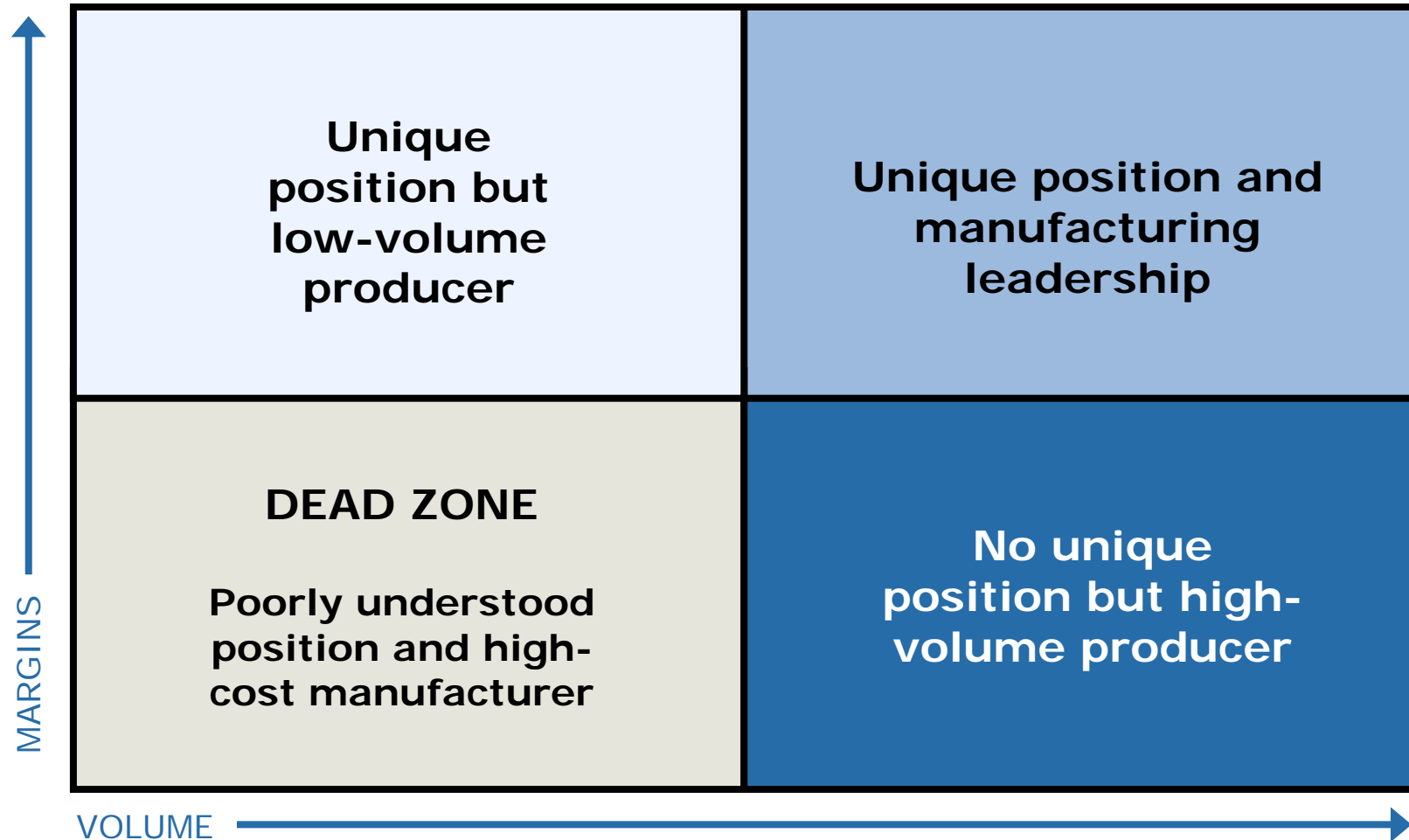


# Where Will You Stand?

## Trust/Need Scale

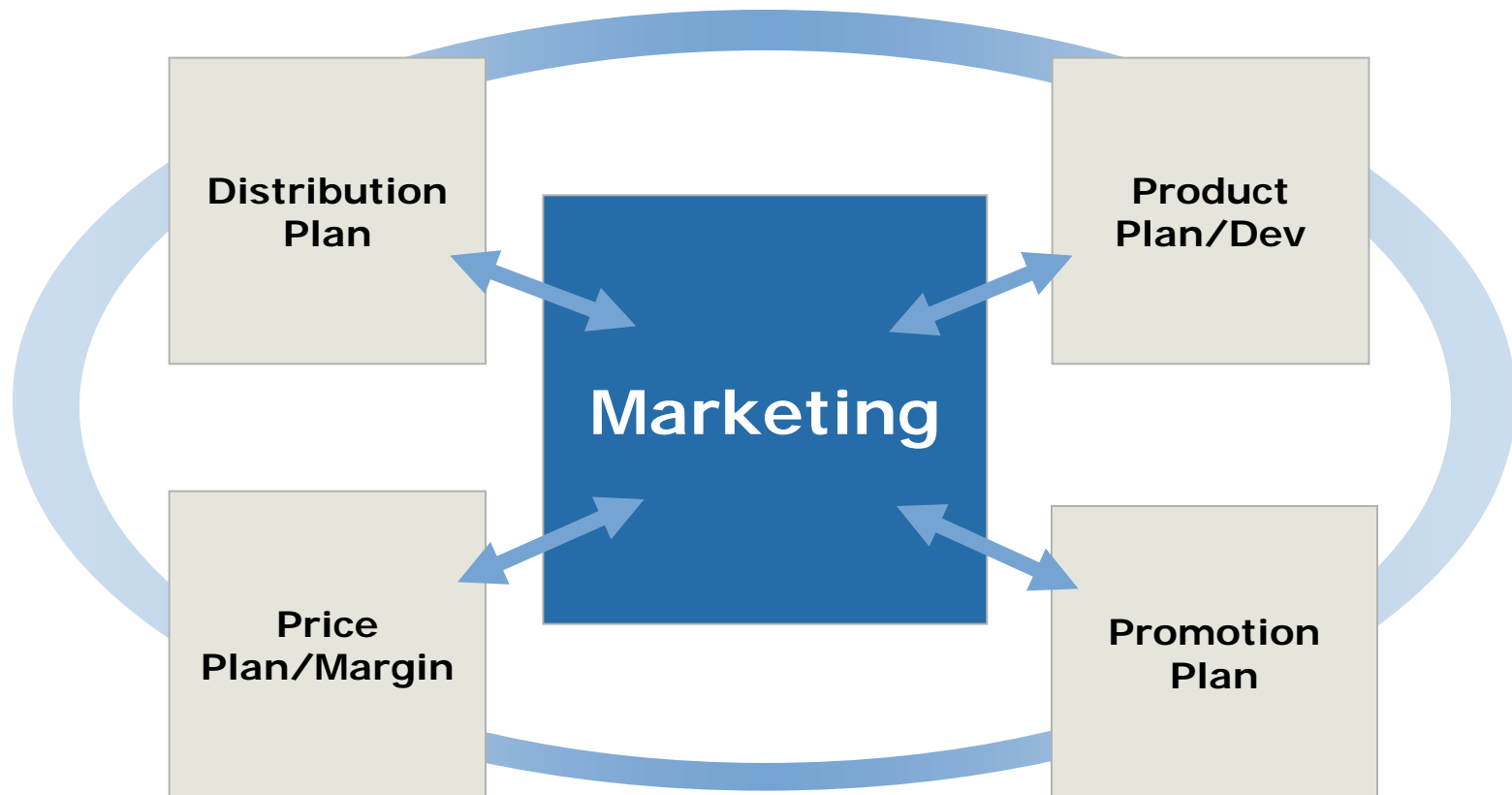


# Where Would You Like to Go?

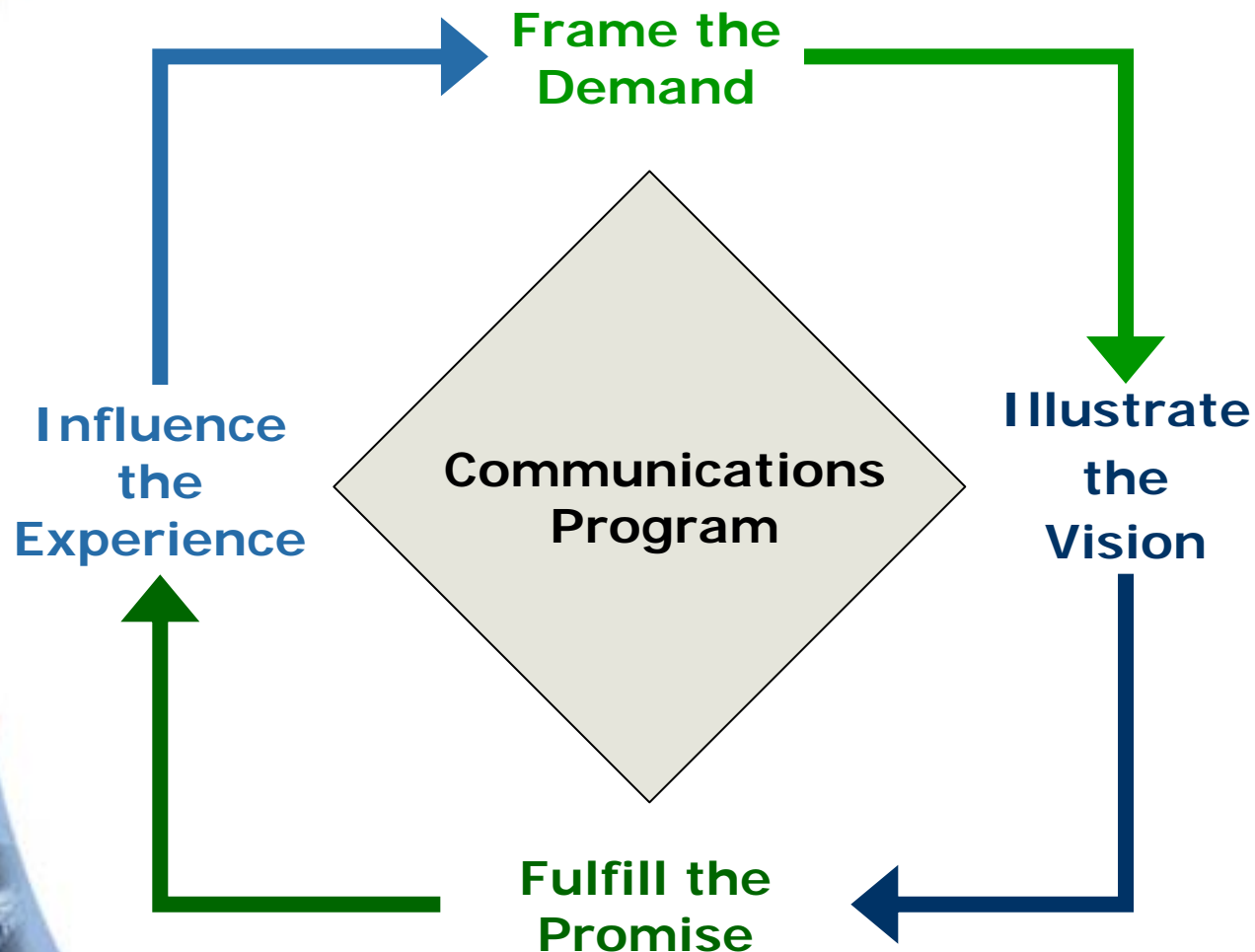


Note: adapted from University of Michigan

# Elements of a Marketing Plan



# Setting the "Top" in Motion



*Control your own information, messaging and brand*

*Credibility in everything you do since it reflects the values, vision and vitality of your brand*

# Framing the Demand

*Getting Consumers and Government Out of  
Their Comfort Zones*



# The Time is Now

---

- An unprecedented confluence of factors has created an ideal window for making bio-based mainstream
  - *Market opportunities are ripe for the picking*
  - *Need to determine which are most relevant to your business plan and market appropriately*
- But, just being different does not guarantee market success
  - *Remember the dot.com days*

# Show the Value

- We need to always frame bio-based in a context that the public and potential customers can relate to:
  - *It works just like ...*
  - *It has similar performance to ...*
  - *It features improved ...*
  - *You'll benefit from ...*



# Illustrating the Vision

It's Time to Think Outside the Barrel



# Being "Green"

- Saying you're better because your product or technology is bio-based is not good enough ... you must prove it



Source: Forbes, March, 28 2005

# You Must Sell the Vision

---

- Retailers and brand owners want a sure thing
  - *Need to demonstrate that there is a viable market*
  - *Need to demonstrate it is relevant to their format, product mix and customers*
  - *Need to demonstrate it will work for them*
- Anticipate the hurdles and plan accordingly
  - *Don't assume everyone else shares your vision*
    - Change is hard
    - Change is risky
    - Change carries a competitive response
- Vision and reality must be communicated in unison
  - *"I may embrace a vision, but I can buy a reality"*

# Fulfilling the Promise

Bio-based is a Long-term Solution for  
The Current “Turm-OIL”

# Think Source +

- Source is interesting, but not everything
- Performance and price matter
- Being "on shelf" (proof) is critical
- Successful marketing of bio-based products requires:

**Performance  
+ Price  
+ Proof  
Success**

Technology • Small Business • Media & Marketing • Career Journal • Corporate Focus

## MARKETPLACE

[THE WALL STREET JOURNAL]

© 2004 Dow Jones & Company. All Rights Reserved. THURSDAY, OCTOBER 14, 2004

### IN THE LEAD

BY CAROL ROSENBLITZ

#### Managers Err if They Limit Their Hiring To People Like Them

**THE MESSAGE** is a two-dimensional one when it comes to hiring. Managers who limit their hiring to people like themselves are likely to miss out on the best talent. The research shows that companies that hire people like themselves are more likely to miss out on the best talent. The research shows that companies that hire people like themselves are more likely to miss out on the best talent.



**WHEN IT COMES TO hiring**, managers often err. They limit their hiring to people like themselves. This is a mistake. The research shows that companies that hire people like themselves are more likely to miss out on the best talent. The research shows that companies that hire people like themselves are more likely to miss out on the best talent.

### Companies Look Past Chicken Egg to Produce Flu Vaccine

By Tom Ichniowski

#### A flu vaccine produced using cell-culture techniques is several years away, industry experts say.

**AS A DEVELOPING** means of producing vaccines, cell-culture techniques are several years away from widespread use. The research shows that companies that use cell-culture techniques are more likely to miss out on the best talent.

**THE MESSAGE** is a two-dimensional one when it comes to hiring. Managers who limit their hiring to people like themselves are likely to miss out on the best talent. The research shows that companies that hire people like themselves are more likely to miss out on the best talent.

#### Managers Err if They Limit Their Hiring To People Like Them

**THE MESSAGE** is a two-dimensional one when it comes to hiring. Managers who limit their hiring to people like themselves are likely to miss out on the best talent. The research shows that companies that hire people like themselves are more likely to miss out on the best talent.



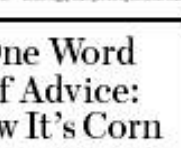
**WHEN IT COMES TO hiring**, managers often err. They limit their hiring to people like themselves. This is a mistake. The research shows that companies that hire people like themselves are more likely to miss out on the best talent. The research shows that companies that hire people like themselves are more likely to miss out on the best talent.

### One Word Of Advice: Now It's Corn

By Tom Ichniowski

#### Plastic Manufactured From the Plant Gets More Appealing Amid Soaring Oil Prices

**AS OIL PRICES** soar, plastic manufacturers are looking for ways to reduce their dependence on fossil fuels. The research shows that companies that use plant-based plastics are more likely to miss out on the best talent.



**AS OIL PRICES** soar, plastic manufacturers are looking for ways to reduce their dependence on fossil fuels. The research shows that companies that use plant-based plastics are more likely to miss out on the best talent. The research shows that companies that use plant-based plastics are more likely to miss out on the best talent.

### Folksy No More, Blogger Firm Taps Big Clients

By Tom Ichniowski

#### Lowly Bloggers Are Now Being Sought After by Big Brands

**AS BRANDS** look for ways to reach their customers, they are turning to bloggers. The research shows that companies that use bloggers are more likely to miss out on the best talent.



**AS BRANDS** look for ways to reach their customers, they are turning to bloggers. The research shows that companies that use bloggers are more likely to miss out on the best talent. The research shows that companies that use bloggers are more likely to miss out on the best talent.

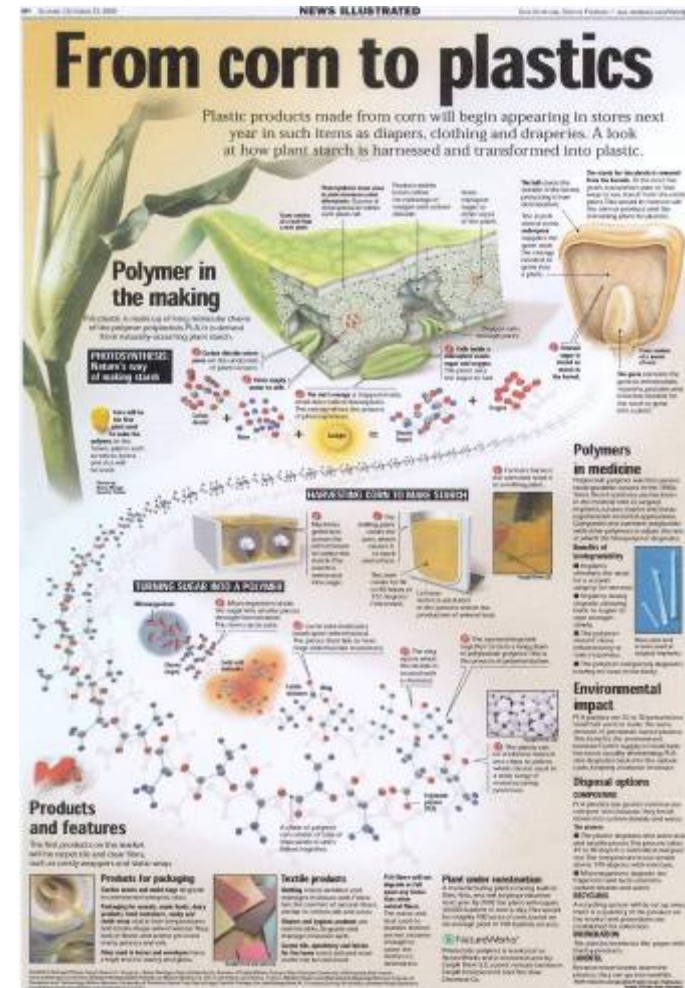
Source: Wall Street Journal, Oct. 12, 2004

# Influencing the Experience

Go for the *\$\$-Green-\$\$*

# Education is Essential

- Making bio-based mainstream requires ongoing customer and consumer education
- Make it relevant
- Keep it simple
- Be intuitive
- Have fun with it



Source: *Orlando Sun-Sentinel*, Oct. 22, 2000

# Boom or Bust?

Back to the Million Dollar Question



## Back to the Million Dollar Question

If you build it ... will they come?

Do you:

- Meet a market need
- Offer a price and performance benefit
- Have a sound business and marketing plan

# Back to the Million Dollar Question

If so then ...

Absolutely

# Thank You

Stephen A. Halsey  
[Shalsey@gibbs-soell.com](mailto:Shalsey@gibbs-soell.com)  
(847) 519-9150  
[www.gibbs-soell.com](http://www.gibbs-soell.com)