



EDITORIAL

DO THOSE MILK ADS WORK?

FOR THE BETTER PART of 40 years we have heard a steady chorus of voices urging the music products industry to adopt a generic advertising campaign extolling the benefits of playing an instrument. In our letters columns, at various industry gatherings, and late at night in the bars at trade show time, the rallying cry is, "If only we could mount an ad campaign like the Dairy Council, or the Beef Growers Association, or the Pork Industry Council, or the Florida Orange Growers Association, or whoever else is running a flight of ads at the moment, we could really expand this two-bit industry."

Huge consumer ad programs like those mounted by the milk industry with celebrities and their milk mustaches, or the beef industry's "Beef, real food for real people" campaign, to cite just a few, are certainly appealing on face value. They're dynamic, they have wit and style, and they get a lot of national attention. But the unanswered question is: Do they work? In an effort to help resolve the issue of "industry advertising," we decided to try to find out.

The effectiveness of advertising can be judged in a lot of ways, but the most basic is to look at the direction of the sales curve. Taking annual sales levels of milk, beef, and pork, and analyzing them against industry promotional efforts offers some interesting insights into both the power and the limits of advertising.

For the past three years the Dairy Council has spent approximately \$200.0 million annually to run ads presenting milk as sexy, stylish, and healthy. The U.S. Department of Agriculture reports that during the same time period milk consumption declined in each year, from 25.4 gallons per capita in 1994 to 24.3 gallons per capita in 1996. This decline reflects a long-term trend. Ten years ago annual per capita consumption was 26.7 gallons.

Between 1990 and 1994 the Beef Growers ran their "Real Food for Real People" campaign, at an annual cost of approximately \$36.0 million. The ads may have been appealing, but they didn't seem to have much of an effect on consumer purchasing patterns. During the years the ads ran, beef consumption declined from 64 pounds a year per capita to 61.2 pounds a year per capita. Like milk, the decline in beef consumption was the continuation of a two-decade downward trend.

So, did the industry ads help or hurt? Critics could point to the sales decline and make a reasonable case

that the industry ads actually had a negative effect on the milk and beef business. Supporters could retort that the ads were a stunning success because business would have been much worse without them.

In the case of the effort of the milk industry, the dairy farmers of Wisconsin and California are suing the National Dairy Board in an effort to opt out of contributing to the advertising program. John Kinsman, a Wisconsin farmer who is leading the legal action, argues, "Milk consumption continues to drop while the milk boards and their advertising agencies lie, squander money, and misquote results." Mike Gallo, a California dairy farmer and a relation of wine maker Ernest Gallo, is equally scathing in his criticisms. "Generic advertising is an irresponsible waste of money. Agencies get fat fees and awards, but the dairy farmers have nothing to show for it."

The conclusion that we come away with is that influencing consumer purchasing patterns is an infinitely difficult process and that those who believe that industry ad campaigns are a surefire way to achieve growth are a bit naive. If the best that can be said for multi-million-dollar milk and beef advertising campaigns is that they modestly slowed a sales decline, is it realistic to believe that a much more modestly funded music industry campaign would take our business to a much higher plane?

Whether it's moving automobiles, computers, toothpaste, or music and sound products, the most effective advertising is that which is integrated into a comprehensive sales and marketing campaign. By contrast, "industry-wide" advertising campaigns are almost by definition separate and distinct from the activities of the companies doing business within the industry. Throw in the fact that they are also typically created by committee, and it's no wonder they seem to have only limited effectiveness.

Would an industry-wide advertising campaign actually stimulate the sales of music and sound products? We don't have any definite answers, but a closer look at the experience of the milk and beef industries suggests that expectations should be reined in.

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