## Lancaster Farming, Saturday, January 6, 1973-27



Referendum

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was Willis Greazer, a dairyman who sits on the executive committee for Interstate Milk Producers. Graezer substituted for Lancaster County's own Daniel Martin who had been scheduled to participate, but who fell ill at the last moment. Dr. Willis Johnstone, Penn State, was the neutral party. He is a well-known extension dairy marketing specialist.

The call took place Wednesday afternoon of this week, and is reproduced here. The initials before each bit of dialog indicate the speaker WJ is for William Johnstone, WG stands for Willis Greazer, AT is for Arden Tewksbury, and RW stands for Richard Wanner, editor of LANCASTER FARMING.

RW - Dr. Johnstone, do we have any way of knowing how effective a milk advertising program would be?

WJ - It costs so much to tie it down completely that as in most advertising and promotion decisions, you're-going to have to take some of it on intuition. It's a creative process, and an art. I doubt whether you can ever get an exact cost and effect relationship. In direct mail campaigns, it's fairly easy to determine results. But this becomes extremely difficult with mass media. I'm not saying that advertising doesn't work, I'm just trying to point out the difficulty in separating advertising effect from other factors that work in the market. I think producers that are participating in this would have to recognize. that there aren't any clear-cut answers.

AT - I agree with you Bill, but then again, I think if a particular dealer increases his own brand advertising, and he sees results, then I guess he's happy with his advertising program. We've seen this up in this area, where one or two dealers have taken sales away from other dealers. But as for increasing the sale of milk in a particular market, I don't think that's happened. One dealer gains, but another one loses.

WJ - From my own personal standpoint, I look at some of the results, and I have to be more optimistic than I was, for example, about the last campaign. This is not scientific, it's intuition on my part. Some of the publicity that I've read shows dramatic results from advertising programs. I'd have to leave the door open to change my mind. but I'd be more optimistic now than I was just at the end of the six-market study. There seems to be some momentum here. I think anybody who looks at the publications has to think there's something going on here. You can't measure it, but at least it's more than what was occurring three years ago Sure, you can affect sales by reducing price, but I prefer to give a little bit more emphasis and effort to promotion.

RW - I get the impression that milk sales aren't really very responsive to price reductions.

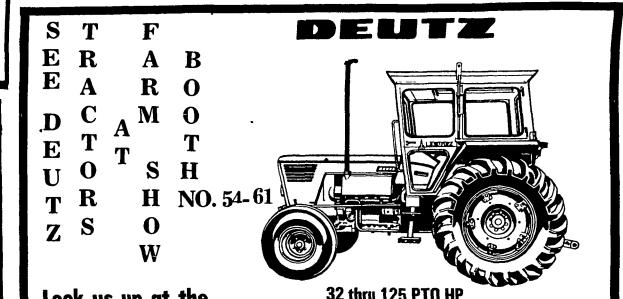
WJ - That's right. And what you're really doing is reducing the price five cents with a checkoff program But I suspect that spending that money on promotion will have more effect on sales that the traditional way of handling it.

AT - Bill, we've experienced some situations here in the Scranton market. A particular handler had ignored the milk marketing board's price. He lowered his price, but I don't think he increased sales in the whole market. He just increased his own sales.

WJ - It takes a mighty big decrease in price to increase sales. Could you apply the same logic to another sales factor? That is, advertising. You might argue that it takes a pretty substantial advertising effort to make an impact on sales.

AT - I think it would have to be a very high figure to make a substantial impact, yes. I think another way to more sales is to

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