

Q&A with Jeff Manning (California Milk Processor Board)



MarketingNPV (MNPV): What is the mission of the Milk Processor Board?

Jeff Manning: Sell more milk. That's what it was when we started 10 years ago. That's what it still is today. What sets us apart from other commodity boards, like potatoes or raisins or beef, is that we have a business objective, not a "feel-good" objective. We're not satisfied with making people "feel good" about milk; we want them drinking more of it every day.

We manage milk like a brand with an unambiguous, clear objective. That's revolutionary in the world of commodity marketing boards because we're accountable for growing the business and our ass is on the line. If we had set the objective as "improve trade relations," how could we really measure the value of that? But say "sell more milk," and the mission is clear. There is nowhere to hide. We live this accountability every day.

Of course setting this objective goes hand in hand with the size of our budget. Small budgets tend to translate into softer goals. Beef, for instance, is probably a \$10 billion category. You can't move the sales needle with a \$5 million budget. It's not a realistic expectation. We spend a lot of money in a relatively small place, geographically speaking.

MNPV: What are the metrics that you look at most in gauging success?

Manning: There must be 1,000 variables that effect the consumption of milk in any one area. It wouldn't be possible to measure all of them.

There was the benchmark research in the dairy industry in 1993 when we started. They had massive amounts of attitudinal research. The old advertising ("milk does a body good") was getting great scores and people loved it, but the consumption trends were still downward: loved the advertising; thought the product was great; were drinking less. We have set attitudinal research aside and not done any of it in the past 10 years.

Instead, we have a fairly comprehensive usage study which we've updated about 30 times in the past 10 years where we measure not just how many glasses people drink each day, but how much total milk they consume by day part, by demographic, by food group, and by occasion. When we adopted a sales objective, we committed ourselves to comprehensive tracking of all milk consumption so we could spot trends quickly and shift our message execution if necessary. Only 25% of the liquid milk consumed today is from a glass. The rest is in cereal bowls, coffee, sauces, desserts, etc. So we can tell you what has happened to afternoon milk consumption with cookies among kids under 12 in the past two years and if it's down, we can discover for example, that it's related to afterschool child care. Then we can develop programs to target those child-care facilities. So we get a very comprehensive picture of consumption. That's our first line of accountability.

We don't use any econometrics at all. Many commodity boards do, but it's difficult to see how those approaches factor in more than price and marketing spending. Those approaches can't take into account the quality of the advertising or the effectiveness of the message strategy. They just measure price and spending.

MNPV: Surely there is a price elasticity model somewhere that shows exactly how much consumption goes down when prices go up?

Manning: I'm sure there is. But we don't use it because we have to sell more milk when the price is going up as well as when it's going down. We can't pick and choose when we're accountable. Price isn't a lever that we have control of, so it's not a good measure of effectiveness. Besides, as a regulated commodity board, we can't talk about price.

MNPV: Many brand marketers need the econometric approach to keep the trust and confidence of their CEO or their board. But you don't. Why?

Manning: It may not be a matter of "trust." It may be that they aren't comfortable using sales as the driving metric and need to look to other things. As soon as you get away from using sales as the definition of ultimate accountability, you need to replace it with something. So it may be lack of trust from the board, or it may be lack of confidence in themselves and their ability to truly drive sales.

MNPV: What are some of the things that you personally have done to continue to maintain the trust and confidence of your board over 10 years?

Manning: Accountability is first. I tell my board that I want to be accountable and my actions support that.

Second, putting measures into place like our tracking study, which are not theoretical in any way, but hard numbers that tell us what people are doing that takes some of the subjectivity out of things.

The third is to try to develop programs that are well grounded in the practical realities of the market at the time. Recommending strategies that are aligned with the business objectives.

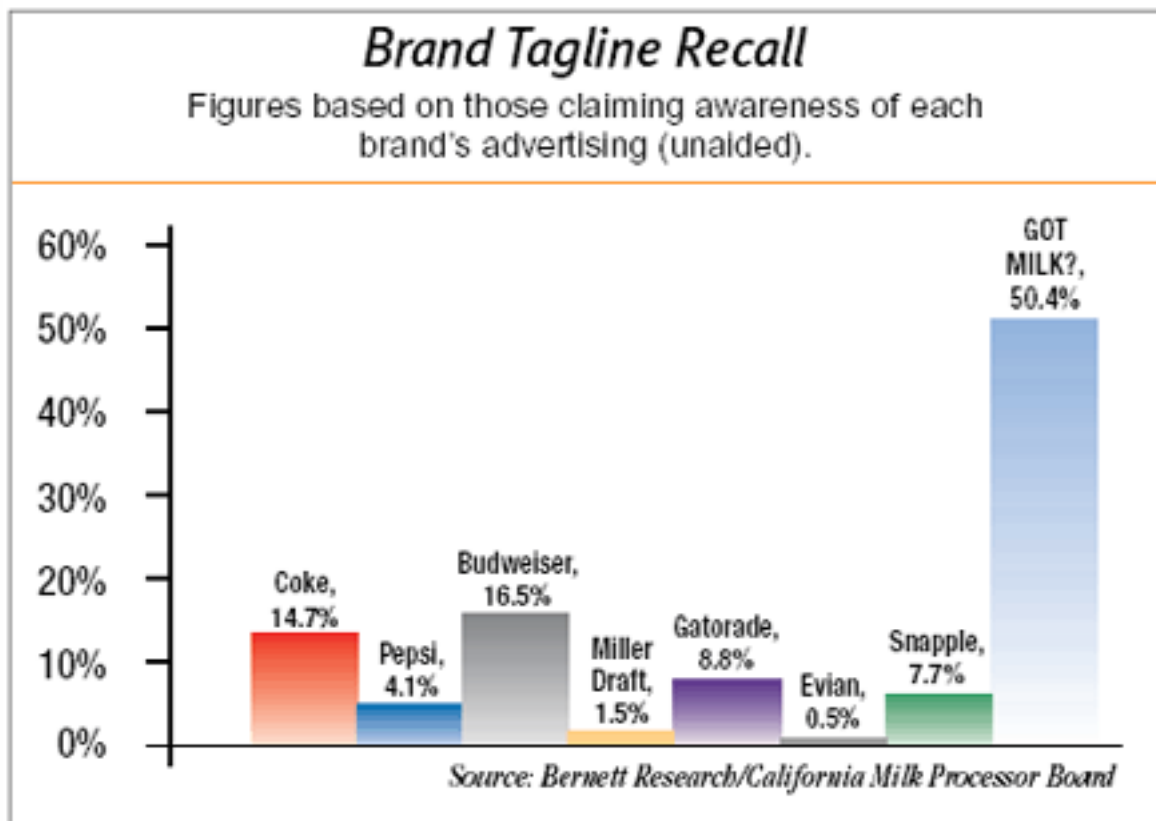
The final element is being completely transparent. Continually sharing information on what we're doing, what went right, what went wrong, what worked, and what didn't. Not in a lobbying sort of way, but just for their information. We give them all the information so they see that everything we do is an attempt to sell more milk; that we have no other agenda.

MNPV: So it's all about alignment of interests?

Manning: Yes. And consistency too.

We have the same staff we started with in 1993. We have the same agency. We use the same market research partner. We have the same ad campaign. We've done thousands of executional variations, but the strategy is still effective. Continuity is a significant part of our success.

In 1998 we commissioned a study to see if there was a relationship between continuity of brand message strategy and consumer awareness. We looked at some of the country's leading beverage brands like Coke, Pepsi, Budweiser, Gatorade, Evian, etc., and measured unaided awareness of each brand's then-current advertising message. The results were shocking. It appeared that by changing agencies, strategies, and taglines every two to three years, all these global brand powerhouses were undermining their brand asset value by failing to invest in a memorable advertising tagline. If you make the assumption that you cannot take credit for brand growth unless the consumer can at least remember the tagline in your \$100 million-plus advertising campaign, then it would appear that most companies are wasting a huge portion of their advertising resources. That's the hard, economic cost to changing strategies too often.



MNPV: So how do you measure the value of the brand you've built in *Got Milk?*

Manning: We tend to think of it in terms of replacement value the amount we would have to spend on a new identity to achieve the same levels of unaided awareness and recall as we have today 96%. Clearly that value is in the billions. It would take billions to get a new brand concept into all the places we are in consumers' hearts and minds. That's a huge asset for us. And all the franchise deals and knock-offs of the tagline help increase that asset value. But that's not really a driving concept for us because we can't really sell the brand asset to anyone.

MNPV: So what's next for *Got Milk?*

Manning: Admittedly, we got lucky way back when and hit on a campaign idea with really big shoulders. You can almost say anything related to milk under the banner of *Got Milk?* and consumers would accept it. That's a trust we have to protect.



Jeff Manning is executive director of the California Milk Processor Board and godfather of *Got Milk?* After graduating from Northwestern, he started his career at Grey advertising working on the Procter & Gamble account. He spent the next 25 years helping to build brands for clients such as Hunt Wesson, Warner Lambert, Safeway, Bank of America, and Clorox. While at Ketchum Advertising, he worked on a range of industry-wide programs for beef, eggs, potatoes, and bananas. As a result, he emerged as the driving force in generic marketing, as well as a nationally published business writer and speaker.

In 1993 Jeff made the move to the client side. He was the first employee of the newly created California Milk Processor Board. By applying brand-building disciplines to the milk industry, he helped create what was to become one of the most celebrated and successful marketing campaigns of all time: *Got Milk?* It has also become a property, generating millions of dollars in royalty revenues.

One of the first food marketers to recognize the growing importance of Hispanics, Jeff initiated a Spanish language campaign in 1994. Since then he has written and spoken widely on Latino marketing issues, with focus on their evolving shopping and eating patterns.

Always the writer, he authored *Got Milk? The Book* in 1999 (Prima Publishing/Random House) and continues to publish and speak nationally, primarily on the subject of "Building Brand Potency." His articles include: "Resuscitation Marketing: Breathing New Life Into Suffocating Brands," "Got Kids? Marketing To Children," and "Edible Complex: Or What Kind Of Person Is Your Brand?"

Favorite quote: " *Nobody remembers who came in second.*" — Charles Schultz

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