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UNITED STATES DEPARTMENT OF AGRICULTURE
Bureau of Agricultural Economics

ADVERTISING FOODS

By Frank George, Associate Editor

Address, Eighteenth Annual Convention, National Association of
Marketing Officials, Nashville, Tenn., October 22, 1936



Nearly three hundred years ago this advertisement appeared in the
"Publick Adviser" in England:

"In Bartholomew Lane, on the back side of the old exchange, the drink called coffee, which is a very wholesome and physical drink, have many excellent virtues, closes the orifices of the stomach, fortifies the heat within, helpeth digestion, quickeneth the spirits, maketh the heart lightson, is good against sore eyes, coughs or colds, thumes, consumptions, headache, dropsie, gout, scurvy, King's evil, and many others; is to be sold both in the morning and at three of the clock in the afternoon."

This was the first food advertisement of which there is record. It probably cost the advertiser a few shillings. The advertising of coffee now costs more than 5 million dollars a year; and instead of a health appeal, much of the product is advertised with song and dance. One company alone spent 2 million dollars on a radio program last year.

Some people claim that advertising is an economic waste. Those who deny this say that advertising is a builder of industry. There is much to be said on both sides of that question, but I do not propose to add to its confusion. So far as I can learn, no scientific study has ever been made of advertising in national economy.

No one knows, for instance, even in these days of statistical and economic exploration, how much money is spent on advertising. Breaking it down, no one knows, apparently, whether the amount of money spent to advertise foods is 50 millions a year, 100 millions, or 300 millions. It has been estimated that the national advertising bill for all products - foods, automobiles, radios - everything - is upwards of 2 billions a year, and that food advertising is about 15 percent of all advertising. This would be a total of 300 millions for food advertising, but the figure is just a wild guess.

But the bill for food advertising does run into important money as revealed by the records of a few companies. These records show that 58 of the leading food advertisers combined, spent 38 million dollars last

year on newspaper, magazine, and radio advertising alone. The biggest advertiser in the group spent nearly 6 millions; none spent less than 50 thousand. One breakfast food company spent more than 2 millions on newspaper advertising; a soup company spent more than $1\frac{1}{2}$ millions in magazines.

There are many food advertisers who are not in this list - and some big ones; the chain stores, for instance, whose newspaper advertising appropriations must run to large totals. Nor do the figures include many other forms of publicity, such as billboards, posters, car cards, direct mail, window displays, nor any of the score or more of other ways in which food is publicized. It does not include the money spent by public and private agencies engaged in various kinds of food research and promotion. It includes appropriations of a few commercial organizations for newspaper, magazine, and radio advertising.

The figures reveal several interesting things. They show, for instance, that the bulk of the so-called paid advertising is by processors and distributors of foods as contrasted with producers of fresh products. Fifty years ago, there was practically no commercial processed food industry. Even thirty years ago, many people were afraid to eat processed foods. But by advertising and publicity, and the publicized research of public and private agencies, this fear has not only been broken down, but many people have been taught to live out of a can.

Going back a little further, in the days when there was little newspaper and magazine advertising, there were also few newspapers and magazines. What little food research there was by public agencies was not publicized. Those were the days when it was said that women fainted at the sight of a tomato, for in those days tomatoes were considered to be poisonous. Those were the days when a can of tomatoes cost 50 cents, and a can of peaches a dollar. Those were the days when people ate nine and ten course dinners. It is now said that they dug their graves with knife and fork.

Early advertising of foods in the United States consisted of simple announcements of the arrival of cargoes from abroad. There were scattered classified food advertisements in the early newspapers, but of course nothing like the national campaigns of today. The first breakfast food to be advertised was oatmeal, in 1870. The advertisement consisted of a 2-inch card that ran in an Akron (Ohio) paper. A cereal company, organized in 1877, advertised their product by means of house-to-house sampling, cooking demonstrations, billboards, street cars, booklets, picture cards and store displays.

By 1891, this company was spending \$100,000 a year on advertising. Now it spends \$1,000,000 a year on newspaper and magazine advertising alone. Other cereals came along in the 80's and 90's.

For years, food experts had been stressing the food value of whole wheat grain; this resulted in a product produced by boiling whole wheat in steam, and shredding it. The health appeal was used in advertising these products.

There were many packaged foods during this period, but the industry received its greatest stimulus when a biscuit company rescued the soda cracker from the cracker barrel and advertised the cleanliness and convenience of the product. Advertising by meat packers began with extracts of beef in the 80's. Soup was the first canned article of food to be nationally advertised. One soup company began advertising with a \$4,000 expenditure in street cars; now the appropriation for magazines and radio is more than \$2,500,000 a year. Another company processing a variety of foods spends \$2,000,000 a year for newspaper, magazine and radio advertising.

Now, whatever you may think of all this advertising, it has unquestionably helped to increase the consumption of processed and packaged foods. It has helped to create some agricultural industries which would not otherwise have come into existence. But it is also true that these products yield farmers a smaller share of the consumer's food dollar than foods which are not processed - such as eggs, potatoes, and the like.

Meanwhile, what has been happening in the fresh food industries? Has consumption declined as a result of the competition of processed foods? Not at all. The fact is that in some cases - especially fruits and vegetables - the fresh food industries have expanded in recent years more rapidly than the processed and packaged food industries. And this notwithstanding the fact that virtually the only so-called paid advertising of fresh products is by the chain stores and a few farm cooperative organizations.

Much of this expansion in the fresh food industries has been due, as in the case of processed and packaged foods, to the growth in population. A large part has been due to the improvements which have been made in the production and shipping qualities of these foods - improvements to which many State and Federal agencies have contributed through research in production, harvesting, transportation, the development of market grades and the establishment of market inspection and market news services.

The results of this and other research have been widely publicized. We have had a decade or more in which consumers have been told on every hand - by doctors, by dentists, by nutritionists, by dieticians and others - of the importance of fresh fruits, vegetables, milk, eggs, and other dairy and poultry products in the diet. Foods receive more good-will publicity than does almost any other commodity; every daily newspaper has a food page or a food section once or more a week; every woman's magazine a food section carrying special articles on foods by high paid writers and editors. All this costs the producers and distributors of fresh foods, nothing. Even the cartoonists plug for food.

The advertising of fresh foods - paid advertising, that is, as differentiated from publicity - dates back only about 25 years, beginning with California oranges and lemons in 1907, and followed by Florida citrus fruit in 1909. In the next six years, regional growers of raisins, apples, walnuts, prunes, cranberries, and other fruits adopted the group method of selling and advertising.

These producers early learned that advertising was not a magic wand which would cause consumers to buy anything, but that the products must be

of high quality and available when and where wanted by consumers. They learned that production must be controlled, low-grade products eliminated, products graded uniformly, containers standardized, and dumping eliminated. The Cranberry Exchange has been advertising for nearly 20 years, but the organization to bring about uniform grading and packaging was in existence 10 years before advertising started.

Many efforts have been made to organize fruit and vegetable growers for national advertising, but these efforts invariably have failed. Perhaps the most ambitious was a campaign proposed ten years ago by the National League of Commission Merchants, providing for a three-year campaign during which \$1,500,000 would be spent on newspaper, magazine, and other advertising. The campaign was to be financed by fruit and vegetable exchanges, dealers, commission men, and cooperative marketing organizations. An advertising association was to be created with a president, executive secretary and board of directors. But the program was never put into effect.

The International Apple Shippers Association used to put on "National Apple Week" each year, which was financed chiefly by commission men. This was abandoned in 1928, when R. G. Phillips, the secretary of the association, announced that the industry outside the State of Washington, refused to support continuance of the campaign despite the fact that "the industry has received a half million dollars worth of advertising every year from apple weeks". The Northwest Apple Growers then went on their own, with a campaign built around the slogan "Apple Time Starts With Jonathan".

Those engaged in the apple industry believe the consumption of their product has declined as a result of the continuous competitive advertising of citrus fruits the last 25 years. It is estimated that whereas the per capita consumption of apples 40 years ago was 112 pounds, it is now 58 pounds a year. They propose to fight this competition, and a National ^{Apple} Institute has been organized to campaign for more customers for apple pie, baked apples, fried apples, and some 65 other approved combinations of apple dishes. This Institute is under the sponsorship of the American Pomological Society, supported by State horticultural societies, orchardists, and apple dealers. Orchardists are being urged to become members of the Institute and to set aside for its support one-tenth of a cent for every bushel of marketable apples produced each year.

The Institute idea seems to be spreading. Outstanding examples in the food field are the National Dairy Council and the National Live-stock and Meat Board, both of which for more than 13 years have been engaged in various lines of research and consumer education.

The National Dairy Council asserts that during its period of activity the last fifteen years there has been a 30 percent increase in the per capita consumption of dairy products. It is striving to make the increase 40 to 50 percent. This Council is composed of 24 regional councils which are financed by a check-off on the products handled by local producers and distributors. The National Council is financed by voluntary subscriptions from various branches of the industry.

The National Council organizes regional Councils. It prepares nutritional information on dairy products for use by local units and for general distribution; it does research dealing with the effectiveness of educational methods and consumer attitudes toward dairy products; it develops educational programs designed to reach every member of the family through every available channel, including health departments and the medical profession, school children, school teachers, home economics teachers, social service centers, parent-teacher associations, dentists, newspapers, and radio.

The Council distributes publicity on the importance of dairy products in the diet, and prepares publicity material for use by individual producers, distributors and manufacturers. These various activities are designed to supplement the local, regional, and national newspaper, magazine and radio campaigns by the dairy industry. With a program such as this it is hard to see how any consumer or potential consumer can escape the impact of publicity, unless it is the new-born babe whose birth has not yet been announced.

Here is the last annual report of the National Livestock and Meat Board (this organization has been in existence for 13 years) which details all the things it does to educate consumers regarding meat. This organization has departments on research, nutrition, home economics, homemakers' service, merchandising, and information. The index of its activities lists cooperative meat investigations, a national radio service on behalf of meat, visual education through meat exhibits, promoting meat advertising, inter-collegiate meat judging contests, national meat poster and story contests, 4-H club and vocational meat contests, short courses for retail meat dealers, special lamb promotion activities, and public relations.

Here too it is hard to see how anyone can escape the publicity on meat, not even the deaf and the blind, for in the list of publicity contacts schools for the deaf and the blind are set down. Some other contacts include chiropractic societies, heart institutions, children's clinics, medical schools, research workers of all sorts, the daily and weekly newspapers, national magazines and trade magazines, almost every welfare and emergency relief agency, the dental profession, educational institutions ranging from manual training schools to teachers' colleges, hotels, restaurants, cafeterias and the like, butcher supply houses, railroad commissaries, advertising agencies, clubs of all kinds not excluding "optimist clubs", many government agencies, nursing associations, dietetic associations, and so on ad infinitum.

More, not less, competition for the consumer's food dollar may be expected as consumer buying power increases. Meanwhile, the increasing competition and the extravagant claims being made for some products, are causing public agencies to expand their programs of consumer research and education. There are 26 different agencies in the Federal government alone, which are engaged in consumer research and education of one kind or another, ranging from the development of consumer grades to studies of food quality, price factors, the reasons for price changes, consumer buying preferences, price spreads between producers and consumers, and the processing and distribution industries.

Prominent among these agencies are the Bureau of Agricultural Economics, the Consumers' Counsel of the Agricultural Adjustment Administration, the Bureau of Home Economics, the Bureau of Labor Statistics, the Public Health Service, the Food and Drug Administration, and many other government agencies.

Here is a list of some typical articles which have been published by the Consumers' Counsel of the AAA: "Taking Lightning Changes out of Prices"; "Another Road to Consumer Standards"; "Market News for Housewives"; "Help Yourself to Honest Measures"; "When Consumers Get Together"; "Supplying Food for Normal Consumption"; "What is Bread"; "Are Food Prices Too High".

Of course, you are all familiar with the work the Bureau of Agricultural Economics is doing in food standardization, inspection, market news, and more recently in studying food distribution margins. The titles of some of its publications are: "National Standards for Farm Products"; "United States Standards for Grades for Farm Products as Identified for Consumers"; "The Consumer and the Standardization of Farm Products"; "A Fruit and Vegetable Buying Guide for Consumers"; "Beef Grading and Stamping Service", and "Government Grading of Canned Fruits and Vegetables".

For many years, the State departments of agriculture have been active in the field of standardization, inspection, and market news, and some of them in consumer education. The New England departments especially have been active in promoting quality food buying by consumers under a New England Quality Label which is now widely known through that region.

This type of promotion work by State agencies is not new. In 1928 more than 400 communities all over the country were using newspapers and magazines to advertise their attractions either as resorts or industrial centers. In that year there were 16 State campaigns designed variously to attract industries and tourists. Many other States and regions have joined the parade since then, notably New York State which put on an extensive campaign this year, and Maine - Vacationland. In some States the entire community is taxed to support these campaigns; in others, the campaigns are supported by voluntary contributions of business men, chambers of commerce, hotels, and others.

The demand for consumer information from public agencies is growing. Recently a few State departments of agriculture - notably New Jersey and New York - have expanded their activities in this field. They have created consumer divisions under the direction of experienced publicity men to keep consumers informed on current market developments, to tell consumers how to identify food quality, how to save money through better buying practices.