

Mr. Lars Witt Jensen

Marketing Coordinator, Danish Dairy Board

lwj@mejeri.dk

www.skolemaelk.com

The role of industry – critical success factors in establishing and maintaining a school milk scheme

Milk loyalty

Over the last 20 years, the range and sales of other forms of drinks has risen dramatically, - as has the consumption by children of soft drinks with high sugar content. After a few years of stagnation, new figures from 2005/2006 again show a rise in the consumption of soft drinks among teenagers. The communication and flow of advertising from other product groups has put milk under pressure. It's not modern to drink milk. The changed competitive situation combined with the fact that children quickly become independent decision makers means that they can drop milk earlier than before, as can be seen in the number of students dropping school milk as early as 3rd and 5th grade (10 – 12 years old).

The reasons are many: They begin to decide for themselves and they then choose drinks that are more exciting typically soft drinks, but as for girls also water. Especially among girls, there is an exaggerated fear of fat, which is why milk and other products are dropped, because they are mistakenly perceived to be fattening. There is no good reason to drop milk in order to remain slim, but there are many good reasons to stick to low-fat milk. Children also rebel against their parents' wish for them to drink milk. This may be because puberty is a demanding phase, both for the body and the emotions, as well as in terms of family life. Those conflicts that unavoidably accompany puberty may be one of the reasons why many parents give up arguing with their children about the benefits of drinking milk. There's certainly a clear tendency: Teenagers drop milk at exactly the stage in their lives when their need for calcium is at its greatest. Just before and during puberty, the skeleton grows a great deal, and during this period the body is capable of storing calcium. Boys replace milk with soft drinks and other sugar-sweetened drinks, while many girls switch to drinking water only. In their early teenage years, half of all young people in Denmark already consume less milk products than the recommended half liter.

Basically, milk is childish. Cows' milk takes over where mother's milk ends and is later followed by whole milk. Milk's childishness is both the basis for, and becomes reinforced by, school milk. School milk plays a paradoxical role because, on the one hand, it ensures that milk becomes a natural part of children's school start and nutrition. On the other hand, school milk reinforces milk's childishness by associating milk with introductory schooling, although the majority perceives it as completely natural that, after introductory schooling, children begin to give up drinking milk. School milk contributes to ensuring that milk becomes a natural part of the population's nutrition and maintains the perception that every child should have milk – or at least consider drinking milk. At the same time, this privileged position has provided many concrete experiences with milk's physical delicacy. Many young people explain that their first experiences with horrible and disgusting milk goes back to tepid school milk. We hear stories about how horrible it is to be given school milk that, among other things, has been left out for too long. Milk's childishness has the consequence that it is natural to emphasize that you're no longer a child by distancing yourself from milk.

Milk is a product that is extremely sensitive to heat. Many people feel that their home refrigerator is the only place where they can feel completely confident that milk is stored at the correct temperature. Milk's delicacy means that it becomes problematic to drink milk out of the domestic context. This also applies to school milk. Merely the fact that milk has been removed from the domestic refrigerator places very high demands on hygiene and the visible proof that the storage temperature of the milk is OK. This barrier plays an important role with regard to motivating children and teenagers to continue drinking milk at school.

In order to achieve even deeper insight into the possibilities of changing teenagers' habits, we have entered into close cooperation with anthropologists and sociologists who will provide us with knowledge. It is also important to make targeted efforts to maintain milk as a part of the lives of young people in the phase where they change into adults.

School milk – a shortcut to a higher level of nutrition

Children's eating and drinking habits are a result of the experiences they receive from around food and mealtimes and the attitudes they encounter to food and drink. The school plays an important role in determining children's food and drink choices during their school time, both as a shaper of attitudes and as a determiner of eating breaks. By backing up healthy alternatives and a good framework for mealtimes, schools can show that they take their co-responsibility for children's nutrition seriously.

Responsibility for the children's well being, including their nutrition, has generally resided in the home. But at the same time as children's everyday experiences have changed greatly in recent years, they spend longer periods outside the home; an increasing need has developed to reevaluate the co-responsibility to ensure that children and young people develop good and healthy dietary habits. This development involves the schools to an important extent.

It is a decision of school policy to dedicate more minutes to the lunch break, because time is a resource in short supply in elementary school, and education must have its own time. School health personnel are good communicators when it comes to healthy diets, and drinking habits in the school, but they cannot solve the task on their own. If we do not get the school board and the school management to focus on the issue, and if we do not get teachers to function as communicators of the message, then we will not succeed in reaching the students.

If we look specifically at the Danish School Milk Scheme, there is a general perception on the part of the teacher/schools that the school milk concept functions well, and they work as if the scheme is constantly being developed. Delivery security and the time of delivery is an especially complex area when deliveries must be made directly to the schools. The more intermediary links there are in the chain between the producer and the individual student, the greater the possibility for mistakes. The schools' workload in relation to receiving the school milk and distributing it to the students currently seems to be at an acceptable level, even though certain phases such as the startup after the holidays result in extra work in the form of coordination, to ensure that the individual student gets the required milk at the proper time – a task that certain schools accept as being appropriate, but other schools have a more critical attitude towards. Each school's degree of involvement in school milk can be clearly read in the sales figures for each school. The greater the involvement, the higher the sales.

The people responsible for the practical management of the school milk scheme at the individual schools are important individuals. We are working on creating good relationships with these key people through training and rewards. Over the course of the last two years, certain schools have lowered the priority of their efforts due to financial considerations and tight school budgets. If this attitude becomes widespread, school milk will come under pressure in the future. The dairies will be the losers in this process if we don't take on the debate both at the political level and with the individual school boards and school managements. It often seems that budgets and savings have a higher priority than children's nutrition.

When it comes to school milk, it's a question of very expensive distribution, relatively low turnover and small profits. In Denmark, school milk represents around 2.5% of the total milk market. It is difficult to adapt this area to the general sales and marketing function. Many stakeholders should be involved: students, parents, schools, authorities, opinion-makers, etc. It is also a complicated issue, where there are often conflicts between short-term and long-term strategies. On the other hand, you could say that drinking milk enjoys the special privilege of being the only foodstuff that is covered by a distribution programme in the Danish school scheme. (There is currently no school lunch scheme in Denmark; students bring their own lunches.) No other foodstuffs come close to being considered for programmes like the school milk scheme. A position that the dairies should guard, and not take for granted in the future.

On the nutrition issue, the Danish School Milk Scheme has tried to influence students and teachers for a number of years with various information material and teaching material. Through the "Dietary Information Project", there was a free offer for schools to receive a visit from a Dietary Expert who told them and taught about healthy food and drink habits, for example in connection with class teaching, theme weeks, parents' and school boards' meetings. The School Milk Scheme has cemented its role as a serious player on the issue of nutrition. Now the time has come to increase our reach to opinion-makers such as doctors and health visitors, as well as those who hold the overall decision-making powers: the politicians. Even though schools think that school milk schemes are a good idea, they are often unable to do anything unless municipal politicians have a positive attitude. Now is the right time for a targeted dialogue to influence the political system. As a representative for the Danish dairy industry, the Danish Dairy Board has ongoing partnership

projects, including patient organizations like the Danish Heart Foundation and the Danish Cancer Society. Through conscious nutrition cooperation, we have been recognized as a reliable industry organization, which is easy to cooperate with. Of course, we represent the interests of the industry, but we don't disguise that fact, and that honesty is appreciated by our cooperation partners.

Distribution, packaging and innovation

Distribution of school milk is very expensive: there is low turnover and low earnings. In 2006, we expect to sell 40 million units (1/4 liter Tetra Top cartons) of school milk in Denmark. In 1994, we founded the Danish School Milk Scheme to facilitate the administration for students, parents, teachers and schools. The purpose of the scheme was to create a system that is so easy, cost-effective and successful that everybody could see the advantages of participating.

The Danish School Milk Scheme consists of around 30 local milk wholesalers spread out over the whole country, which deliver milk to Danish schools. These milk wholesalers primarily distribute dairy products to small supermarkets and catering firms. This system is tailored to the delivery of school milk and the distribution costs are therefore kept at a sensible level. The delivery frequency depends on the quantity of milk ordered by the individual school. Some schools receive daily deliveries; others receive 2-3 deliveries each week.

The important role of packaging is often pointed out in discussions about making school milk attractive to children and young people. To fight the market-dominating soft drinks and give people a healthier alternative, the Danish dairy Arla Foods launched a brand-new type of fresh milk product on the Danish market in 2003. Three new products were launched under the name of Arla Mini, in three flavours packed in 320 ml PE bottles from the Elopak Plastic System. All three are low-fat milk drinks in chocolate, vanilla and natural flavours. The new Arla Minis were meant to attract a lost consumer segment – the young, and to win a share of the constantly growing market for soft drinks. The product succeeded in hitting the trend of the time – the demand for low-fat products. At the time, the bottles match the grab-and-go habits, such as when you – in passing – grab a bottle from the cold counter and drink it right away. In 2003, the products were implemented in the Danish School Milk Scheme, so the products would reach very young consumers. However, the product was dropped from the school milk scheme in 2005 when it became apparent that there was relatively low loyalty to the product. Traditionally, we have found it difficult to compete with the exciting, colourful and functional packaging used in the rest of the industry. Numerous analyses have consistently pointed out that, once again, this is a parameter that can and should be improved. Minimizing costs and environmental considerations are once again important parameters in looking for the ideal school milk packaging. In 2003, we at the Danish School Milk Scheme introduced a 250 ml tetra top. The tetra top is a unique drink-friendly top that many school children are pleased with. However, there is still a challenge with regard to opening the actual carton, which a minority of schoolchildren find difficult to open. Of course, it's crucial that the packaging industry and the dairy industry are innovative in working together. The strength of the school milk packaging as a medium is well known and unique. With colourful, informative graphic design, the product is given a higher value and is made more attractive. Competitions and educational information on packages are also always popular.

The market for milk can generally be characterized as conservative. In Denmark, several dairies have attempted to introduce exciting new milk drinks with new types of flavours, low-calorie content and lactose-free milk, but so far without a great deal of success. The development of new products that can also be included in the school milk scheme is given high priority by the dairies. The preference for products with lower fat and sugar is generally increasing. With regard to products targeted towards the school sector, the industry should to a greater extent turn to "open innovation". By involving the customer, i.e. children/school/parents in the development of products, designs and service processes, a large pool of talent just waiting to be tapped can be exploited with greater success. "The best ideas rarely come from you alone". Of course, the greatest challenge is not to compromise on taste or quality.

Organic milk is becoming more popular. In Denmark, 39% of school milk is produced organically. Parents want to give their children the best and healthiest milk products, so many opt for organics when choosing school milk products. In 2002, the introduction of a completely new organic type of milk (Minimælk) led to a 10% increase in the number of Danish schoolchildren drinking school milk. Our product range in the school milk scheme reflects the demand that exists in the school milk market. Low-fat varieties of milk currently represent more than 88% of the entire sales of school milk. There is even one variety with cocoa in the range. This is a chocolate-flavoured milk with a reduced amount of added sugar. Only 6% of Danish children choose flavoured school milks. Children generally prefer products with a mild flavour. And yes, they also like sweet products. Efforts to reduce sugar content without compromising on the taste of dairy products is therefore given the highest priority.