Jays

. . . undefeated and still champion of Chicagoland market

by William V. Levy, contributing editor

Back about 50 years ago, a tough young man from Minnesota toured the Midwest with a carnival, challenging all comers to take him on in the not-too-gentlemanly sport of fisticuffs. Though not much larger than flyweight size, the kid was really scrappy and before the summer was over he had handled an assortment of large and small farm boys who thought they could take his measure.

Leonard Japp was not afraid of anyone then. And, although older and wiser, he's still not afraid today.

Thus, it came as no surprise to those who know him best that he decided to stand toe-to-toe with Procter & Gamble in his own backyard and slug it out between his Jays Potato Chips and P&G's Pringle's.

Japp, of course, is president of Jays Foods, one of the nation's largest independently-owned chippers. The Jays brand dominates the Chicagoland market with an approximate 75 per cent share.

With that kind of penetration, Jays potentially had plenty to fear from an invasion of the dehydrated potato snack in the little red can, especially since Pringle's had been getting 19 to 25 per cent share of market in some areas.

Planning

Jays had ample time to plan. Japp and associates watched P&G roll out its product in an assortment of markets across the country. They knew what to expect in terms of P&G's advertising and promotional efforts. But they could not forecast to what dollar level the marketing giant from Cincinnati would push the Chicago introduction. They only knew it would be substantial.

Leonard Japp

The job of mapping a strategy for coping with an impending Pringle's invasion fell to Joe Whelan, vice president-advertising of Jays, and the company's long-time advertising agency, Marsteller, Inc.

The approach

"We came up with three approaches," Whelan recalls. "One was a mild attack on the dehydrated product, another was middle of the road, and the third one was a direct, head-on approach."

The three approaches were presented to Leonard Japp. It was no surprise he opted for the third or head-on confrontation.

There were two salient points to the Jay's creative strategy. One was to position Jays as "real" potato chips, with the line "We're for real."

The other was to directly compare the ingredients in Pringle's (and General Mills' Chipos) with those of Jays Potato Chips.

The dehydrated products contain a string of additives, while Jays are made from raw slices of potatoes, vegetable oil and salt.

TV campaign

Jays produced television commercials and full-color newspaper ads which paraded the comparison before the consumer. But, more importantly they went on the attack in the Chicago and Milwaukee markets.

"Our advertising actually broke a week before the Pringle's onslaught," Whelan said. "Of course, we couldn't match them dollar for dollar, but we were persistent."

Whelan estimates that P&G spent $750,000 on television alone in the Chicago market over a nine month period, chipping in an additional $300,000 in Milwaukee. "They outspent us about four to one," Whelan said.

In addition to comparing ingredients, Jays hammered away at the "real" potato chip theme in billboards and on radio.

Later in 1973, the company began phasing in another campaign to augment its anti-dehydrated chip program. The latter features a series of "light" commercials which talked about taste and freshness of Jays chips.

Results

The net result of the Jays promotional effort in 1973 was impressive:

—The company's sales continued to climb, despite the rather substantial effort of P&G.

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Jays' Silver Award for outdoor board.

Point-of-purchase display (Bronze Award).

—A recent brand preference survey showed that Pringle's enjoyed only a six per cent rating by consumers, according to Whelan.

—Whatever penetration was made into the Chicagoland market was done at the expense of private brand chips and other labels.

For its efforts, Jays captured several honors in the 1973-74 PCII Advertising Awards Competition. Judges who compared the advertising submitted by more than 40 companies, were duly impressed by Jay's confrontation-type advertising.

Rough '73

The successes of 1973 were not accomplished without substantial cost due to other factors—the intransigence of the Cost-of-Living Council in not allowing chippers to pass along higher costs of potatoes and oils to the consumer.

Japp readily admits that, though the company had record sales during the past year, it took a $900,000 bath in red ink. The fact that the big Chicago-based chipper can absorb that kind of loss in a single year, is testimony to the strength of the company founded by Japp. It was not always that way.

"I was probably the meanest kid in town, as well as the poorest," Japp recalls about his boyhood. "It seems when you're poor, you have to fight twice as hard to prove yourself. I worked hard. I cut lawns, shaved necks in barbershops and picked coals off railroad tracks so my family would have enough to eat and enough heat to warm our house. It was a tough life, but we made out."

It took Leonard Japp some time to find himself. He moved to Chicago and held a succession of jobs. He operated a slitting machine in a can plant, was a boiler maker, a life guard, a bouncer and a cemetery lot salesman. Most of the time he held two jobs so that he could send money home to help his family in Minnesota.

Getting started

He took his first stab at the snack food business in 1927 when he and a friend, George Gavora, pooled $27.50, made a five-dollar down

Mrs. Eugenia Japp

1973 PCII President Verl A. Walker (left) and last year's Sales & Marketing Chairman Dave McDonald (right) present PCII's 1973 "Best of Show" award to Joe Whelan, Jay's vice president of advertising.

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payment on a panel truck and started selling potato chips and pretzels.

By 1929, the pair had a fleet of 15 new trucks on the road, but the Great Depression rolled in and wiped them out.

Japp took any job he could get in the ensuing years and gradually worked his way back into the food business. By 1938 he was selling a variety of products, including Mrs. Japp's Potato Chips.

Two things happened in 1941. The company bought its own building, and the name was changed to Jays.

The latter was brought about by the bombing of Pearl Harbor in that same year. Within hours, a customer called Leonard Japp and told him to get his product out of the store. "Do you think anyone's going to buy a product called Japp's Potato Chips," the customer asked? Thus the name Jays was born.

Jays up front

In the past 33 years, Jays has slowly but surely built a dominance that is virtually unmatched by any other snack food producer in the world.

It has not happened by accident. It has been the result of a team effort by Japp and his wife, Eugenia (who is executive vice president and secretary), and other key executives including Tom Stanislawski, executive vice president and treasurer; Silas Marttila, executive vice president-marketing; and the company's three vice presidents, Ted Peszynski, Leonard Japp, Jr., and Whelan.

Jays has parlayed a superior product, aggressive marketing, consistent advertising and manufacturing and distribution know-how into one of the industry's real success stories.

The company's army of 230 driver-salesmen supply the market's prodigious appetite for Jays chips from a sprawling one-story plant, which has been described as among the most modern and efficient in the industry. It takes 30 bag-filling, weighing and sealing machines to handle the flow from Jays giant cookers.

Thirty bag-filling, weighing and sealing machines handle the flow from Jays' giant cookers. Jays dominates the Chicago market with an estimated 75 percent share.

Ted Peszynski, vice president, is also past president of PCII Mid-West Regional and has served as 1972 P&T Steering Committee Chairman.

Tom Stanislawski, executive vice president and treasurer, also served nine years as PCII treasurer.

Vice president of sales, Leonard Japp, Jr., was elected 1973 president of the Grocery Manufacturers Executive Club of Chicago.

Jays' plant boasts four MacBeth and two Salvo cookers.

Friendly, family atmosphere

Japp takes pride in the family-type environment at Jays. The company offers a wide variety of benefits for its employees. Besides an exceptional profit sharing and pension plan, the company provides free lunches and coffee, tea or hot chocolate at breaktime.

The founder, Mr. Japp, surveys all of this with a little wonderment. He has come a long way from the days when he was picking up coals on the railroad tracks in Minnesota.

But to Leonard Japp there is no secret to how it was done. "There's no mystery to success," he says. "Anyone can make it if he wants to work."