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MOOSEHEAD CAMPAIGN

## **Expert knocks N.B. contribution to TV spot** **Government sponsorship distorts marketplace, is unfair, Winchester says**

**BY NINA CHIARELLI**  
*Telegraph-Journal*

New Brunswick's \$75,000 gift to Moosehead Breweries for featuring recognizable provincial landmarks in an ad gives the beer-maker an unfair advantage over other companies, says a market analyst.

Bruce Winchester, director of research services for the Atlantic Institute for Market Studies, said the fundamental problem with any government providing business subsidies is that it distorts the marketplace.

"I think that these kinds of interventions on the part of government fall into the category of distortionary interventions. It's paid for, ideally, by all of the other businesses in New Brunswick and New Brunswickers at large. And that gives them an unfair advantage. It may not be huge advantage, but it is an advantage nevertheless," Mr. Winchester said.

"And not just to everybody else who might be a brewer or a vintner, it's unfair to all the other businesses in the province that aren't able to avail themselves of that help."

Tourism Minister Joan MacAlpine announced Wednesday that her department would give the brewer \$75,000 for an Alpine Lager ad campaign that features New Brunswick landmarks.

The money amounts to about 10 per cent of the total cost of the campaign.

Mr. Winchester said the subsidy raises questions about how Moosehead was chosen and why the company's being rewarded for something it was likely going to do anyway.

"Although a brewery or anyone who's deciding to feature New Brunswick and New Brunswick vistas in its advertising campaign is a good thing for the province - that's the sort of thing that they were probably going to do anyway as part of their advertising. And more importantly, it's not for government to compensate them for this," he said.

Steve Poirier, executive vice-president of the Saint John-based brewer, said this isn't the first time his company has teamed with Tourism New Brunswick, though in the past it was the company that paid the province to be part of tourism expos.

"Last year, since New Brunswick was trying to lure tourists from Quebec into New Brunswick, they were a sponsor of a number of shows - and we kind of tagged along with them and in the background we either had our logoed vans driving by, and our logos appeared on the screen," Mr. Poirier said.

He said his company contributed money for media exposure and to pay for people to staff the booth and pour the beer.

The new Alpine ad will feature New Brunswickers drinking Alpine among shots of St. Andrews, the Hopewell Rocks, and Kings Landing. At the end of the commercial viewers are reminded that Alpine won a gold medal at the World Beer Cup in New York City.

Mr. Poirier said he doesn't foresee any immediate return from the commercial. Rather it will be a reminder to customers of the company's brand.

"What you're trying to do is build the image and communicate the positioning of your brand, whether it's the brand of beer or the province's positioning. It's not something you expect to see immediate results. It's a continuing build of just generating awareness, changing people's minds and attitudes toward your brand," he said.

"We see this as a much bigger picture and a much longer-term initiative."

However, Peter Mesheau, Minister of Business New Brunswick, said both Moosehead and the province will see benefits.

"In a true business sense it's going to create an awareness. It's been proven time and time again that companies that stay home and not get out and take their product to market, it's sooner than later when they will see their business dry up."

Reach our reporter  
[tjfred4@nb.aibn.com](mailto:tjfred4@nb.aibn.com)