

**THE RAMIFICATIONS OF NEARLY GOING DARK:  
A NATURAL EXPERIMENT IN THE CASE OF  
ORANGE JUICE ADVERTISING**

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### **ABSTRACT**

To calculate a return on investment or benefit cost ratio associated with any checkoff program, a counterfactual scenario is used wherein promotion expenditures are set to zero over the program history. In actual practice, it is hardly ever the case that the counterfactual is realized. We deviate from conventional applications in that we present a case in which this natural experiment occurs, where promotion expenditures are nearly zero for various periods of time. Using a structural econometric model as well as a vector autoregression model, we estimate the loss in consumption of orange juice and in revenue of orange juice sales due to this natural experiment. As well, we examine the length of time to recover from the strategy of nearly going dark.

**Key Words:** Orange juice demand analysis, econometric model, VAR model, natural experiment, counterfactual, checkoff programs