

Putting the Strategy Back into Food Product Design

Oregon Dairy Industries
Annual Conference
April 18, 2023
Dave Lundahl
CEO InsightsNow

A young girl with long brown hair, wearing a white dress, stands in a lush green field. She is holding a globe made of cardboard with hand-drawn continents in green and blue. The background is a soft-focus field of green plants under a bright sky.

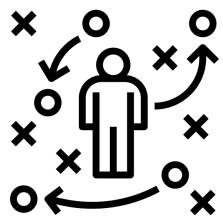
**We empower product visionaries to
design experiences for a healthier,
happier world.**

A young girl with long brown hair, wearing a light blue dress, stands in a lush green field. She is holding a globe of the Earth with both hands. The globe is painted with green for landmasses and blue for oceans. The background is a soft-focus field of green plants under a clear sky.

What is strategy?

Defining Strategy

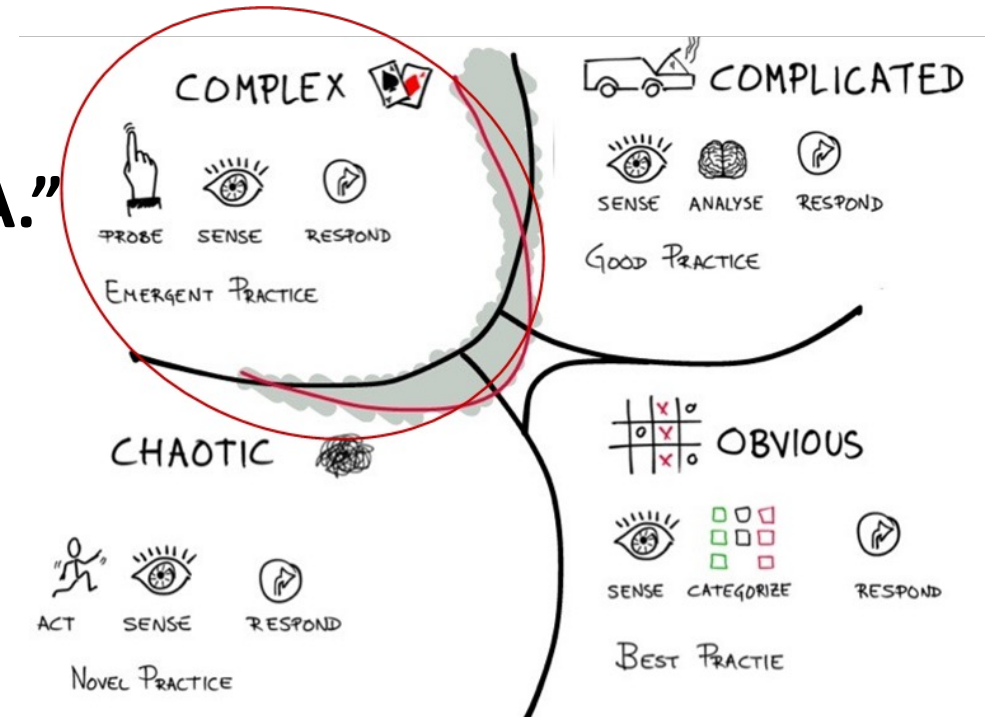
“Product Strategy is not a Roadmap.”



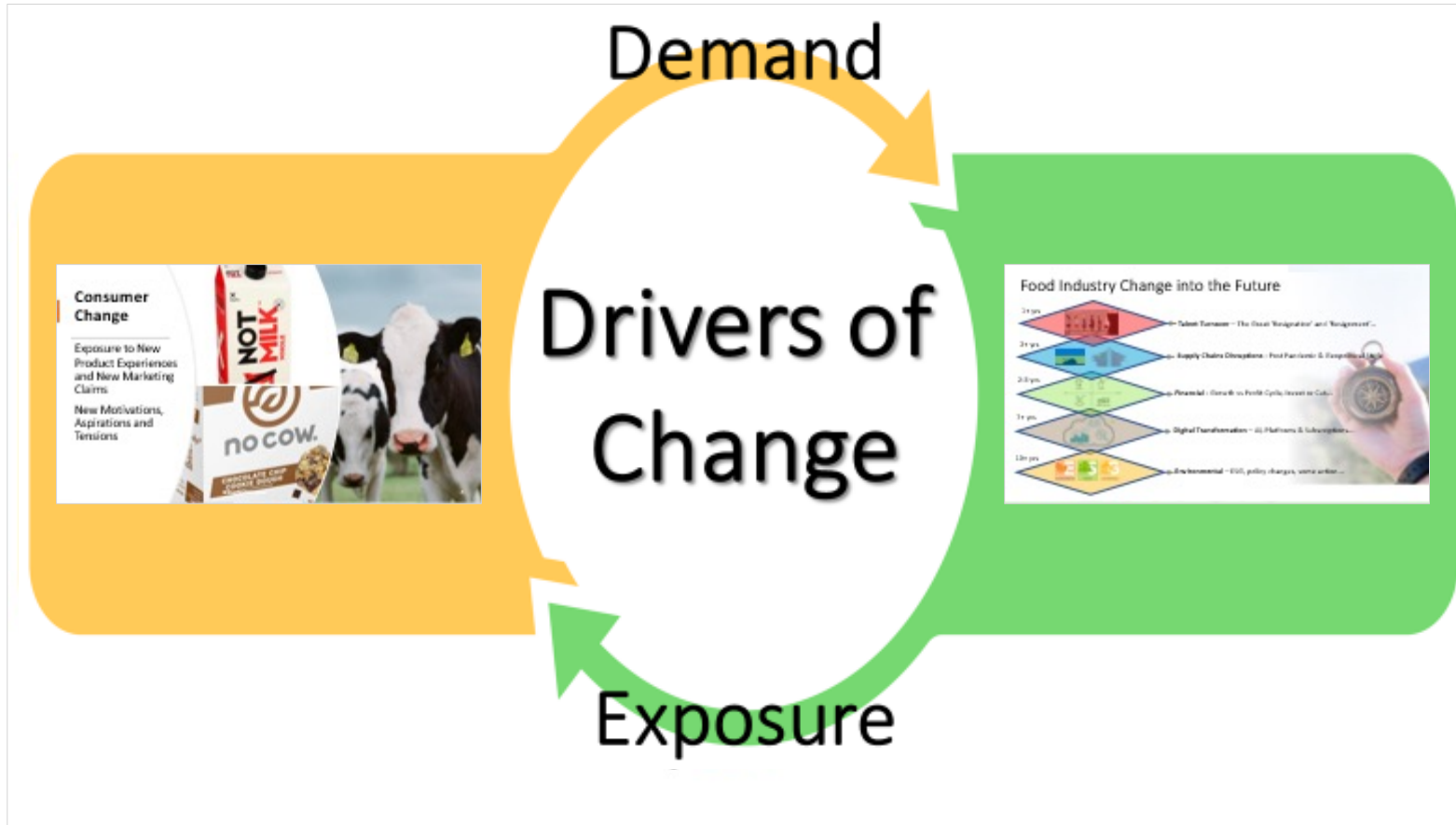
A set of “Rules” to choose a Plan “A” or “B” with respective guardrails for **faster pivoting**. It resolves complex, layered potential barriers to success.

WHEN: Strategy is more valuable during scenarios of greater **“VUCA.”**

MISSION: Transform anxiety into excitement and uncertainty into possibility by connecting a desired future to present-day choices.



These times of change are complex!



Food Industry Change into the Future

1+ yrs



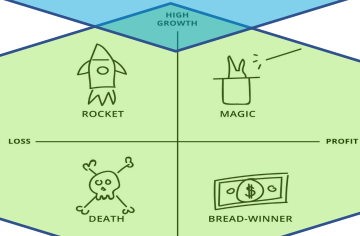
← **Talent Turnover** – The Great ‘Resignation’ and ‘Resignment’...

2+ yrs



← **Supply Chains Disruptions** - Post Pandemic & Geopolitical Strife

2-3 yrs



← **Financial** - Growth vs Profit Cycle, Invest or Cut...

7+ yrs



← **Digital Transformation** – AI, Platforms & Subscriptions...

10+ yrs



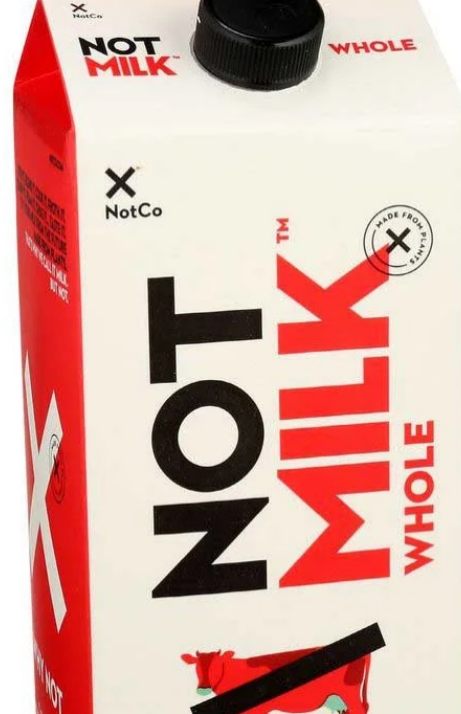
← **Environmental** – ESG, policy changes, some action...



Consumer Change

Exposure to New Product Experiences and New Marketing Claims

New Motivations, Aspirations and Tensions



Demand

Drivers of Change

Exposure

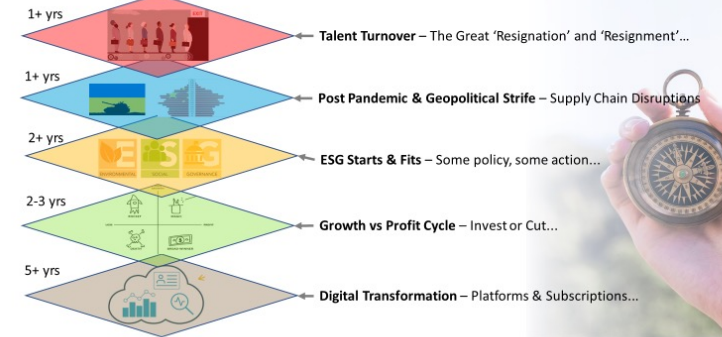
Consumer Change

New Motivations, Aspirations and Tensions

Exposure to New Product Experiences and Attributes



Food Industry Change



Aspirational Compass Project

Identifying Changes in Food and Beverage Shopping Motivations

- **Identify consumers' aspirations vs reality** when shopping for products targeted at specific moments of their life
- **Understand trade-offs** shoppers are making when they are faced with competing priorities
- **Identify opportunities** for to create whitespace by filling gaps between aspirations and actual buys



2,891 Primary Shoppers in
North America (August 2022)

Aspirational Compass Project

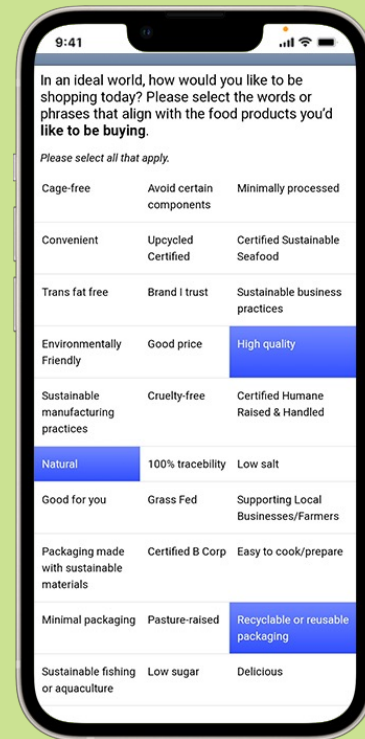
Identifying Changes in Food and Beverage Shopping Motivations

Shopping Motivations

- Aspirations
- Actual Behavior

Trade-offs & Influence

- Clean Label
- Sustainability
- Taste
- Convenience
- Price



2,891 Primary Shoppers in North America (August 2022)

General and Moment Specific Aspirations, Buying Criteria and Trade Offs

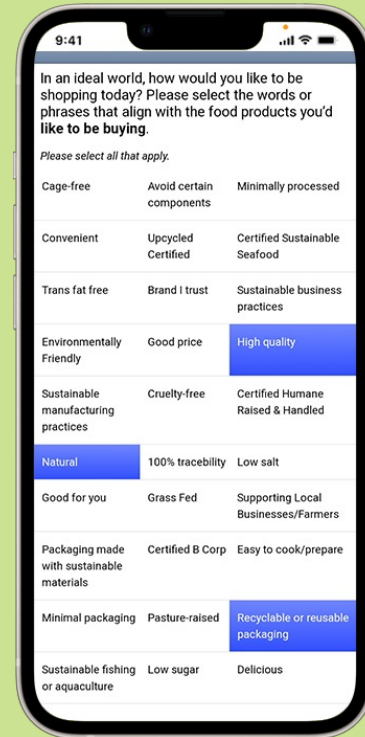
Aspirational Compass Project

Identifying Changes in Food and Beverage Shopping Motivations

Two Specific Moments

Shopping for Milk (dairy or non-dairy) that goes well with all the foods and beverages you start the day with

Shopping for a frozen dessert (dairy or plant-based alternative) for your enjoyment



2,891 Primary Shoppers in North America (August 2022)

General and Moment Specific Aspirations, Buying Criteria and Trade Offs

Consumers are Changing How They Shop

- Consumers are still shopping primarily in store vs online.
- Younger shoppers adopting online shopping.



70%



20%



11%

Overall
(N = 2904)

Gen Z (N = 386)	65%	24%	12%
Millennials (N = 1006)	61%	24%	15%
Gen X (N = 827)	72%	18%	10%
Boomers (N = 685)	82%	12%	6%

Male (N = 1344)	66%	22%	12%
Female (N = 1509)	73%	17%	10%

What are the Greatest Consumer Tensions?

Maslov's Needs Hierarchy



Lead
Indicators of
Consumer
Change

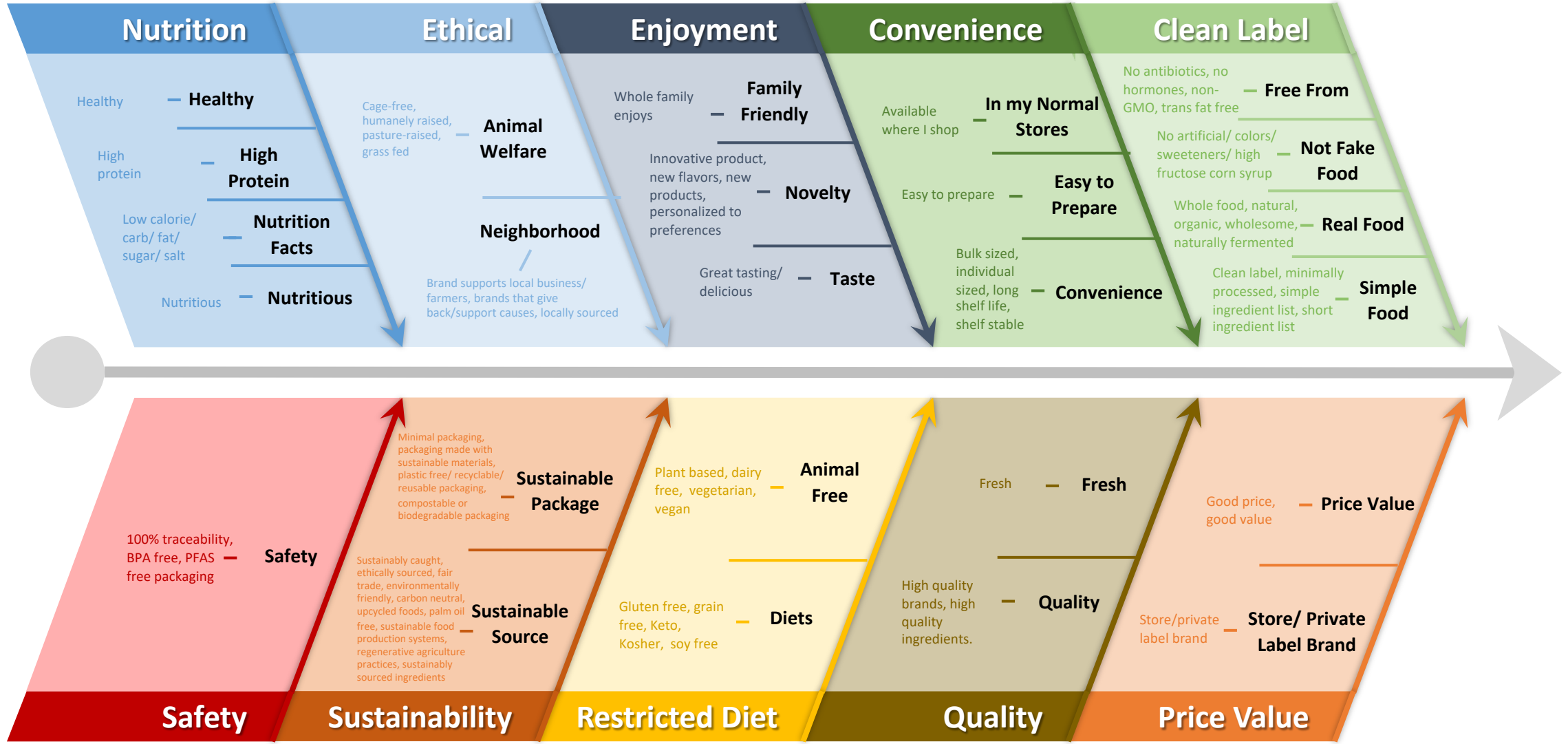
Important in
Product
Strategy



Shoppers asked about their ideal and actual behaviors across 10 aspirational themes



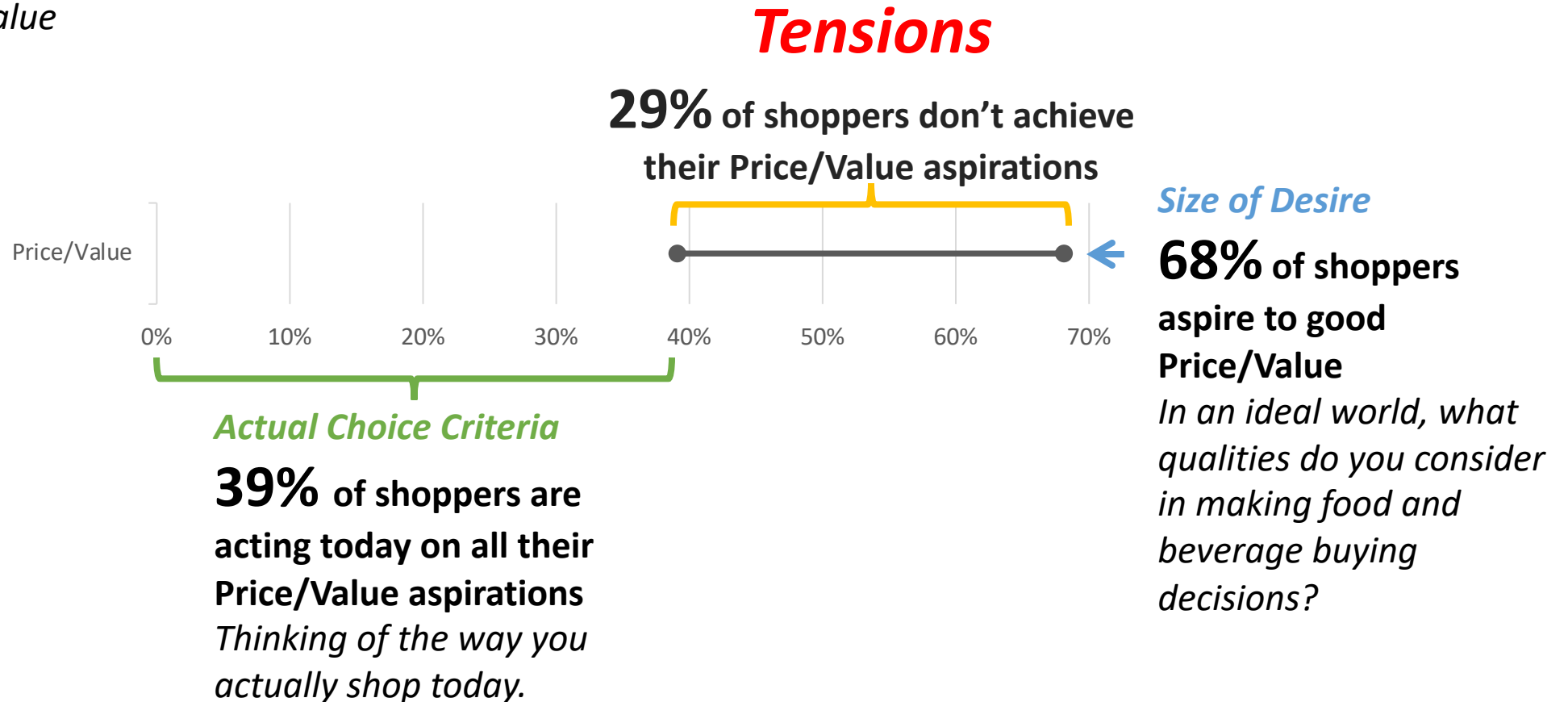
... using 77 specific aspirations that ladder up to 25 sub themes



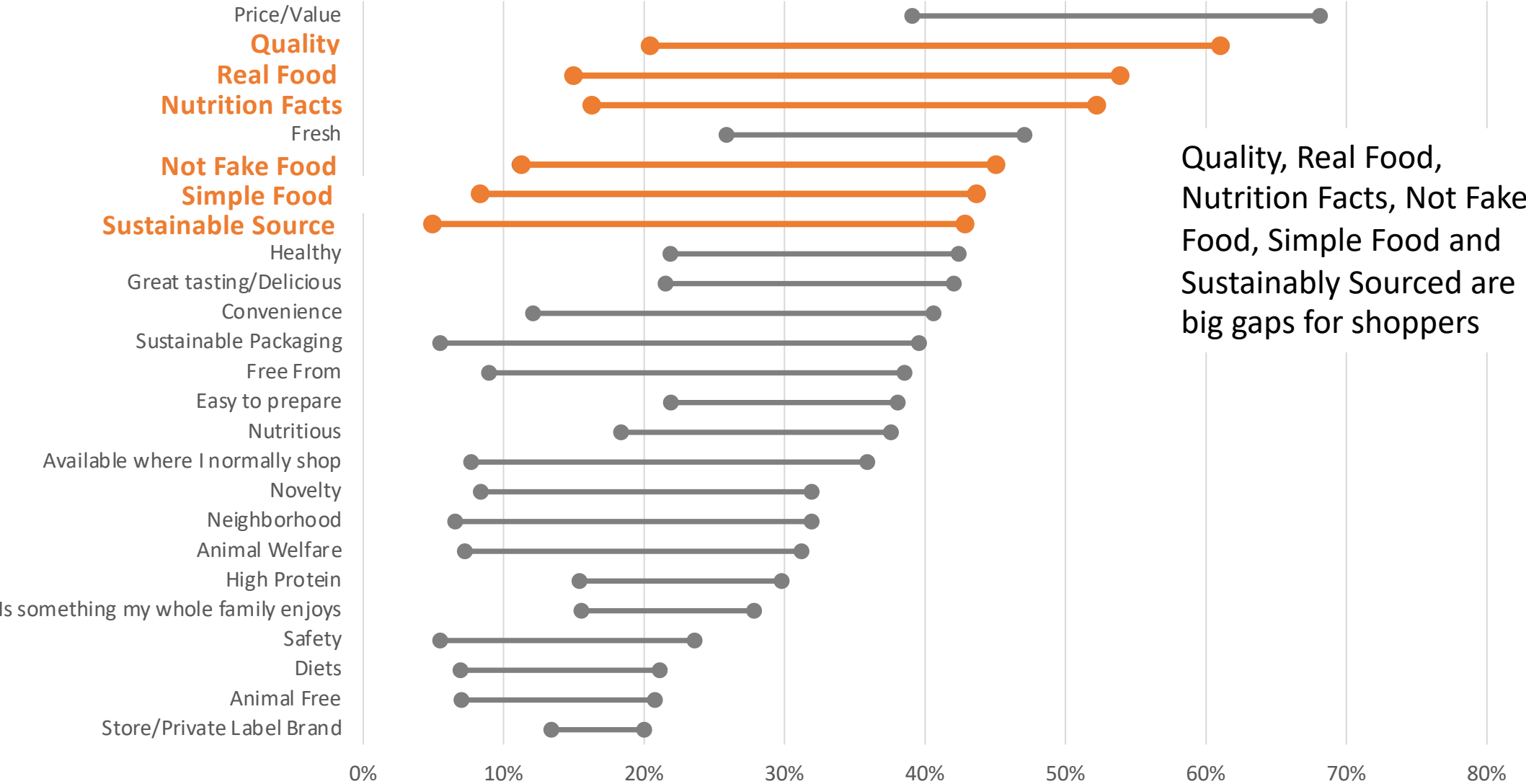
Identifying the most common aspirations and largest behavioral gaps

Price/Value Example

- Good price
- Good value



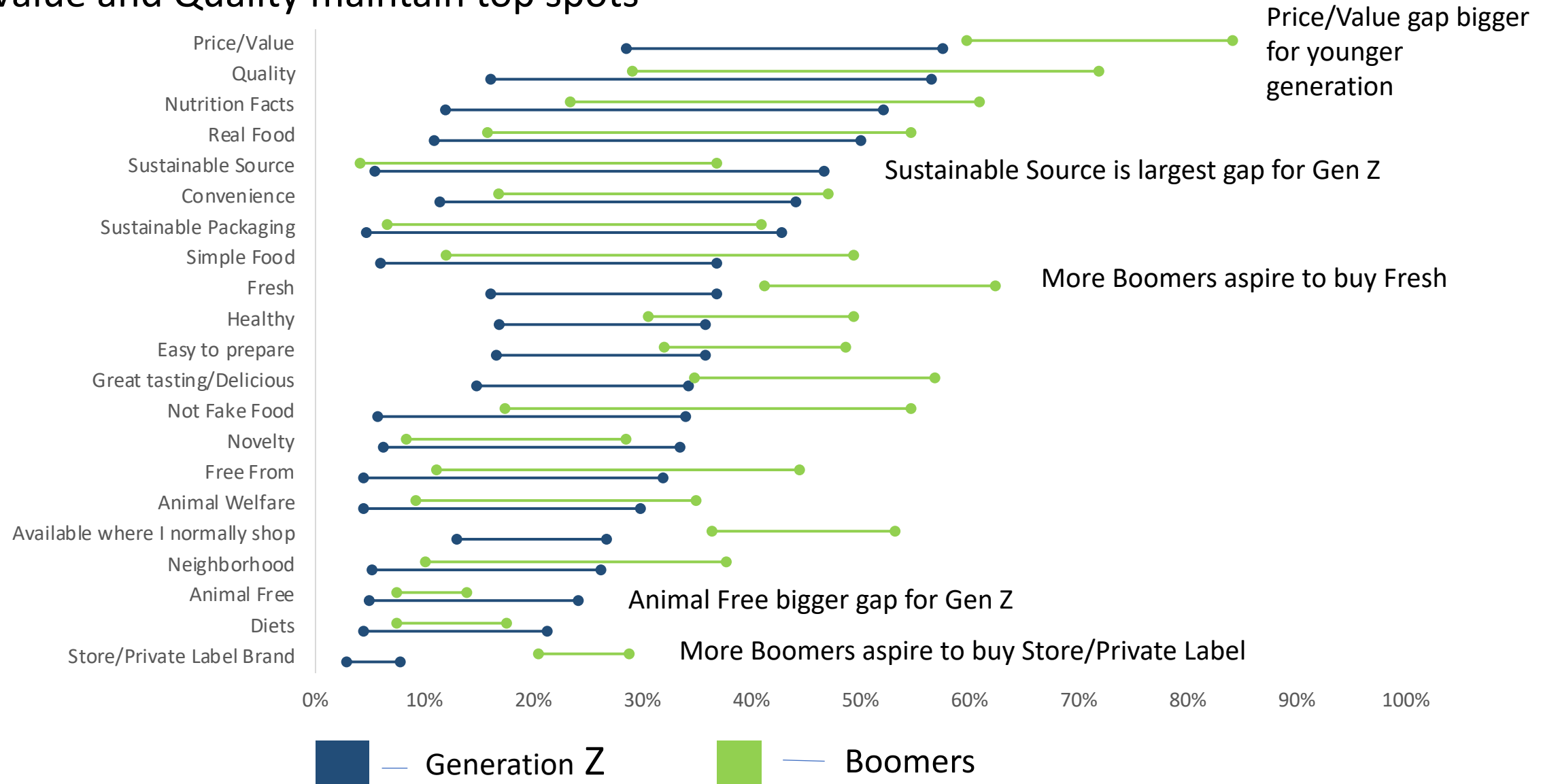
Large aspirations and gaps represent prime innovation opportunities



Quality, Real Food, Nutrition Facts, Not Fake Food, Simple Food and Sustainably Sourced are big gaps for shoppers

Aspirations and size of gaps change across generations

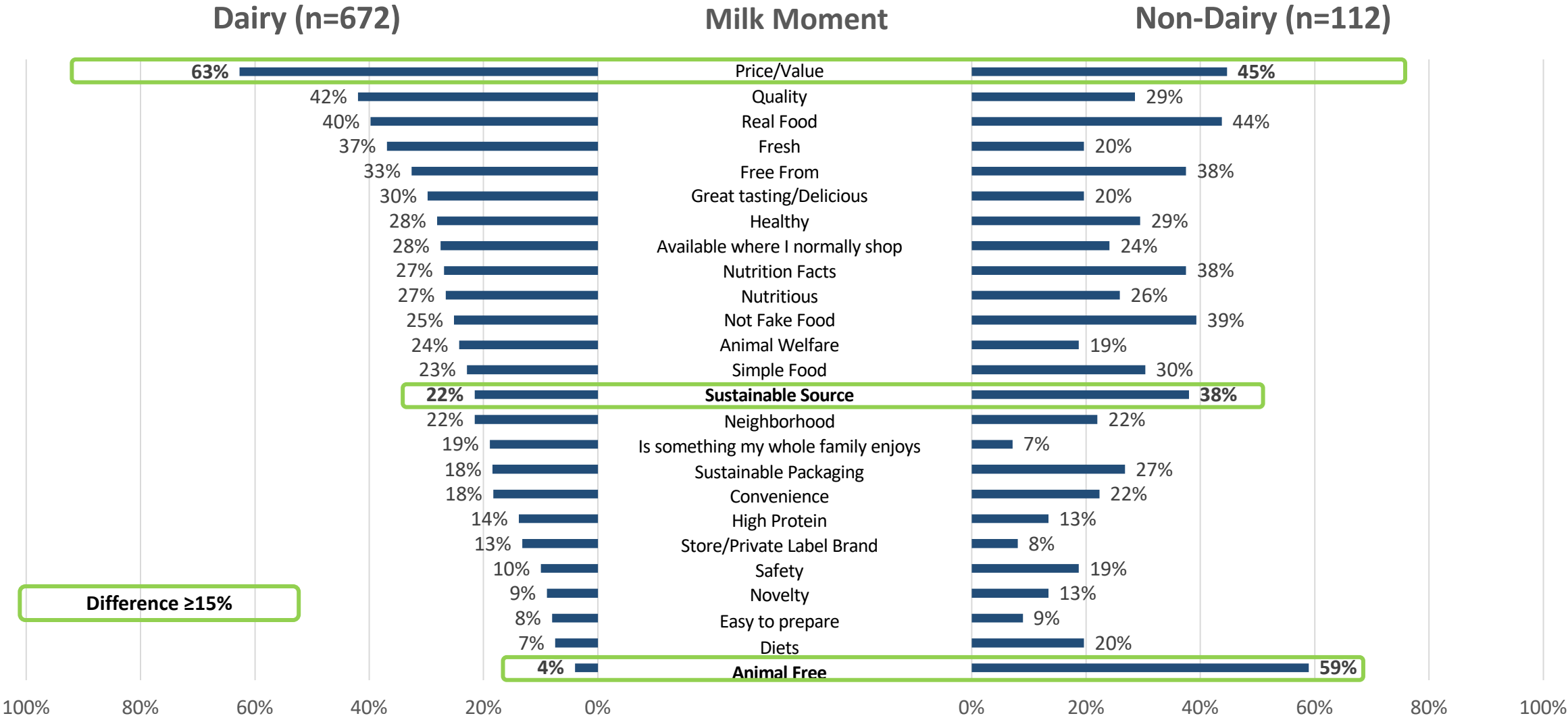
Price/Value and Quality maintain top spots





Shopping for Milk
(dairy and or non-dairy)
that goes well with all the foods and
beverages you start the day with

Comparing aspirations of dairy versus non-dairy only shoppers



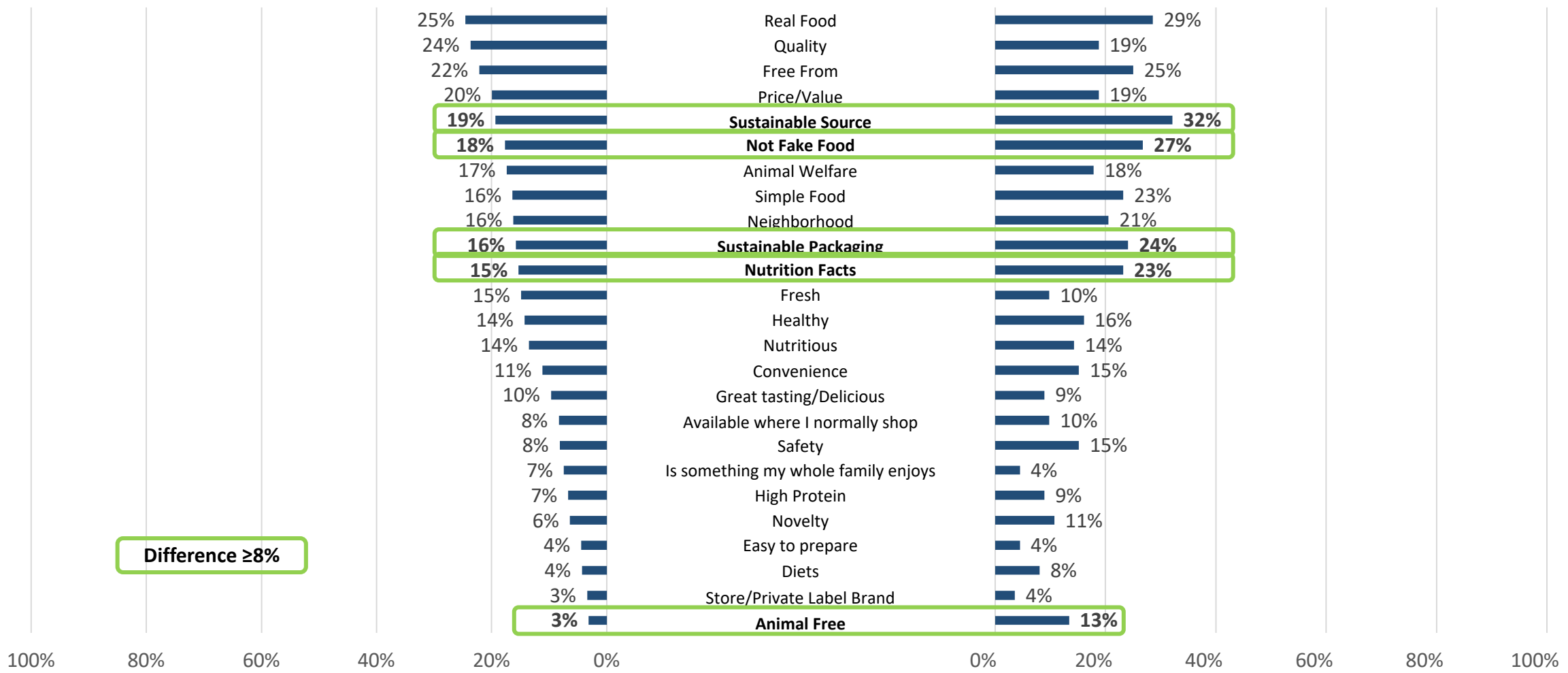
Comparing TENSIONS in dairy versus non-dairy only shoppers



Dairy (n=672)

Milk Moment

Non-Dairy (n=112)

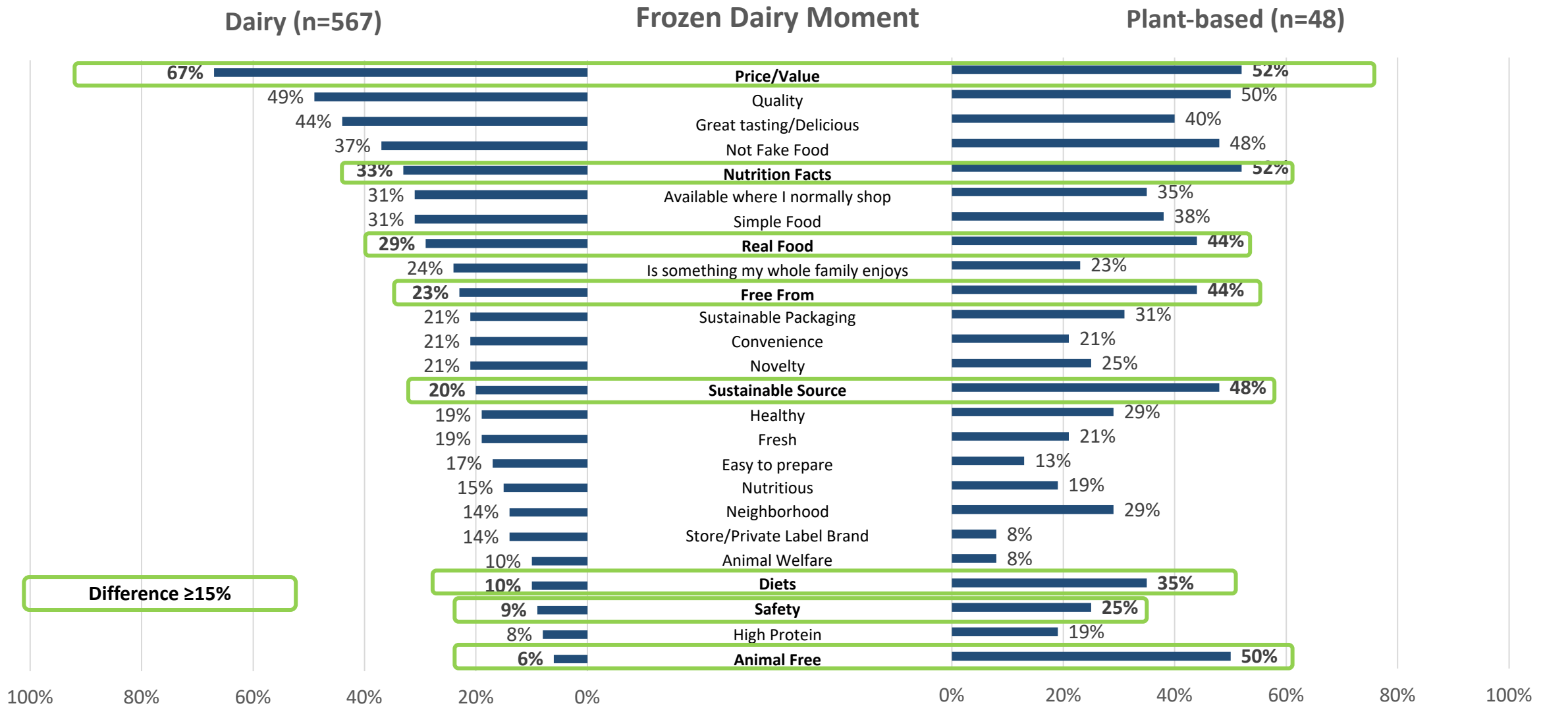


Difference >=8%



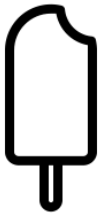
Shopping for Frozen Dessert (dairy or plant-based alternative) for your enjoyment

Comparing aspirations of dairy versus plant-based only shoppers



Difference ≥15%

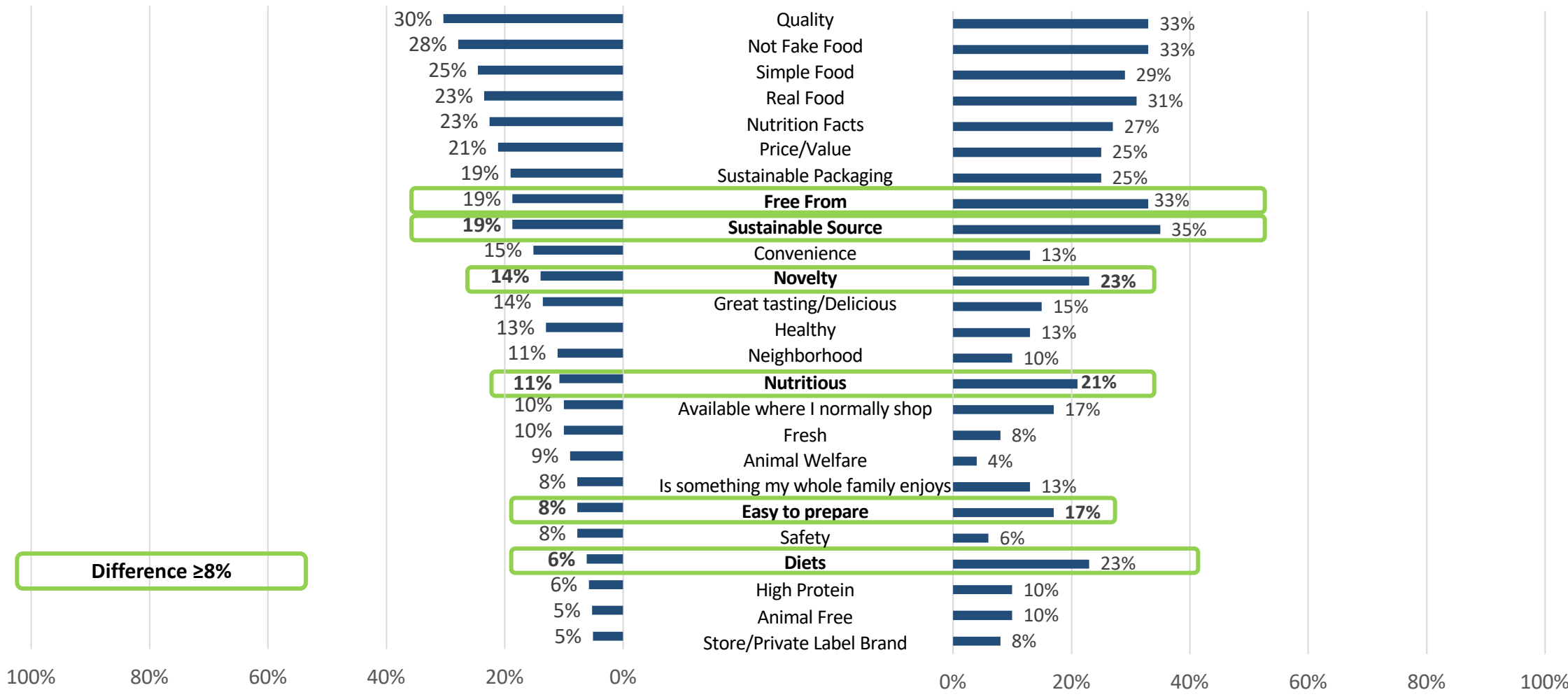
Comparing TENSIONS in dairy versus plant-based only shoppers



Dairy (n=567)

Frozen Dairy Moment

Plant-based (n=48)

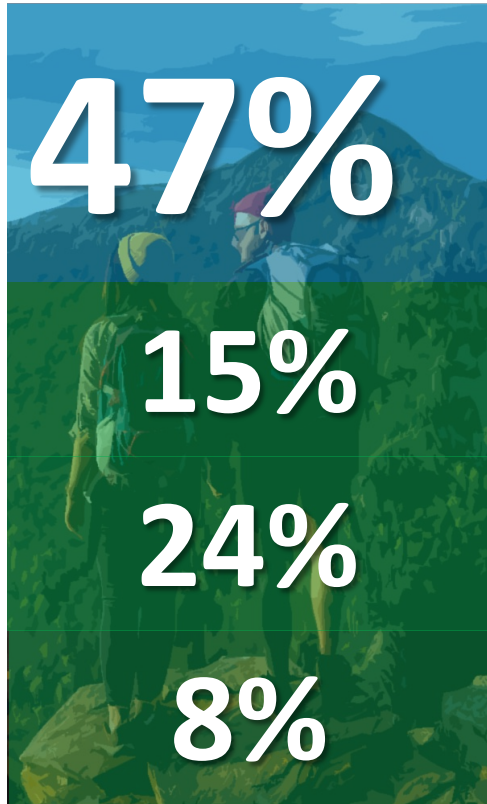


Difference ≥8%

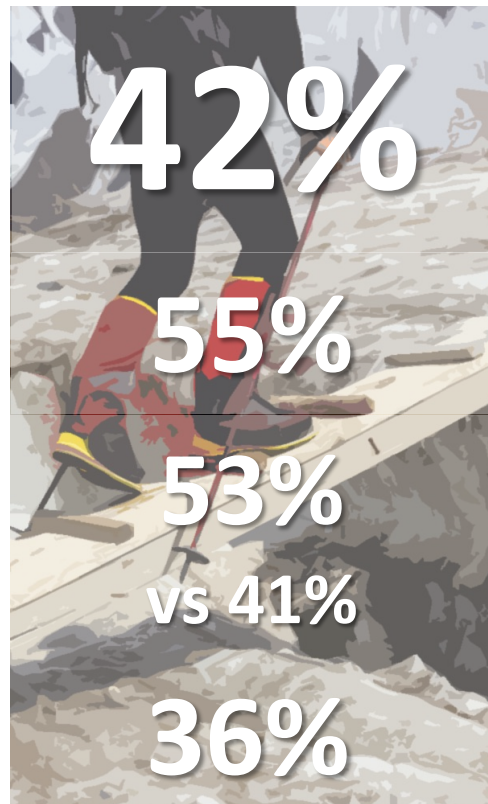
Aspirational Mountain | Summary of Consumer Tensions

Overcoming Barriers to Resolve Consumer Tensions

Sustainable Aspirations



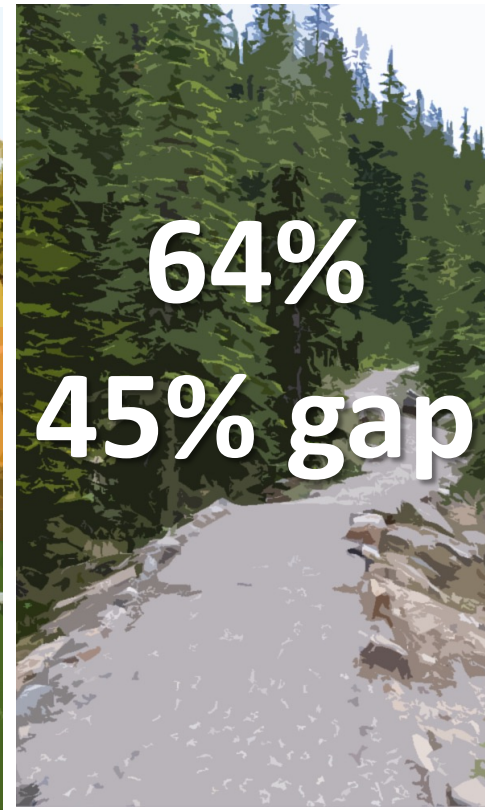
Trust Bridges



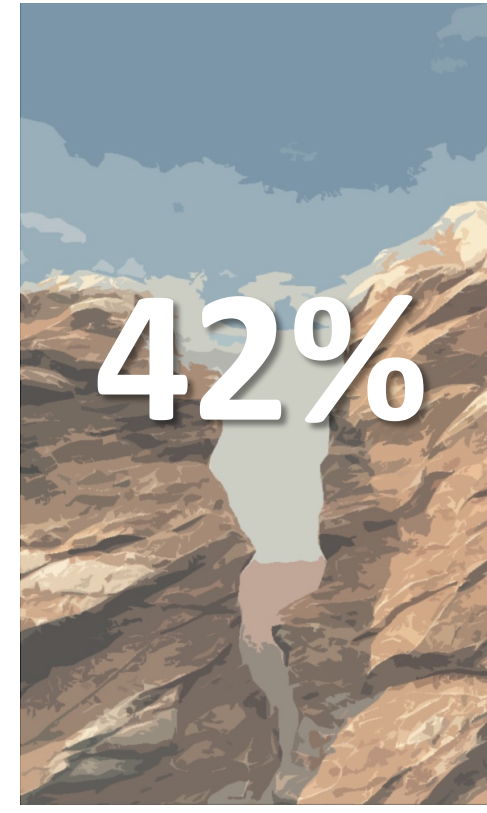
Taste



Convenience Pathways



Inflation Barriers



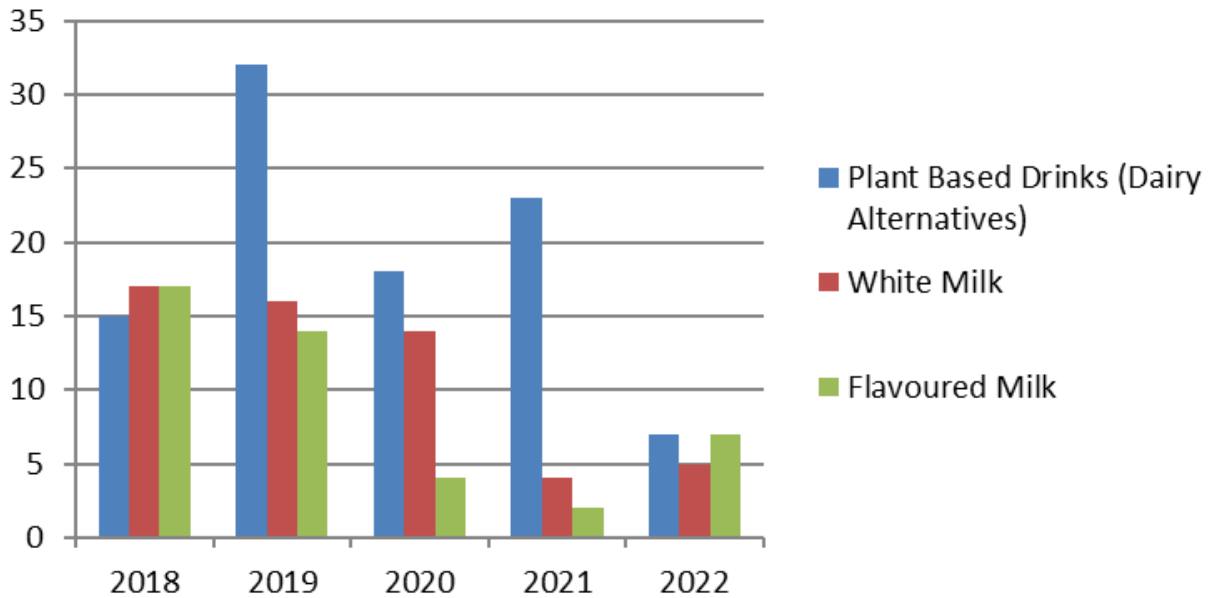
A woman with long brown hair, wearing glasses and a black and white striped shirt, is standing in a grocery store aisle. She is holding a white plastic bottle of milk and looking at it. The shelves around her are filled with various grocery items, including boxes of cereal and bags of snacks. The background is slightly blurred, emphasizing the woman and the product she is holding.

New Exposures

New Product Releases in the US

Milk & Dairy Alternative Category Beverages

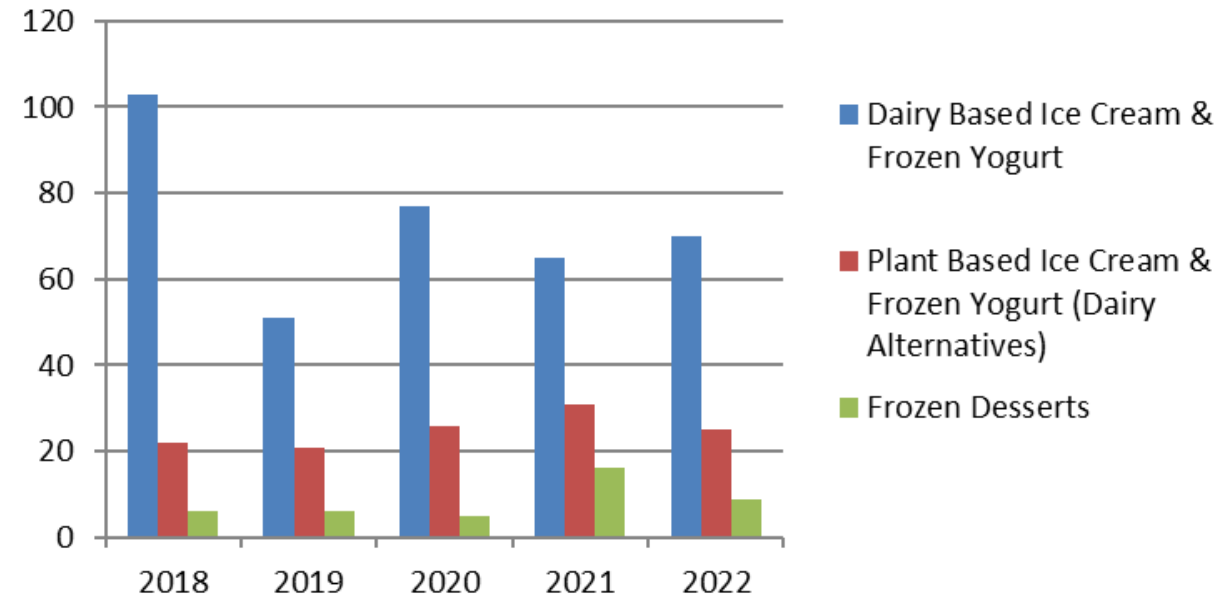
Date Published vs Sub-Category



Plant-Based is dominating new products

Frozen Dessert (Dairy & Dairy Alternative)

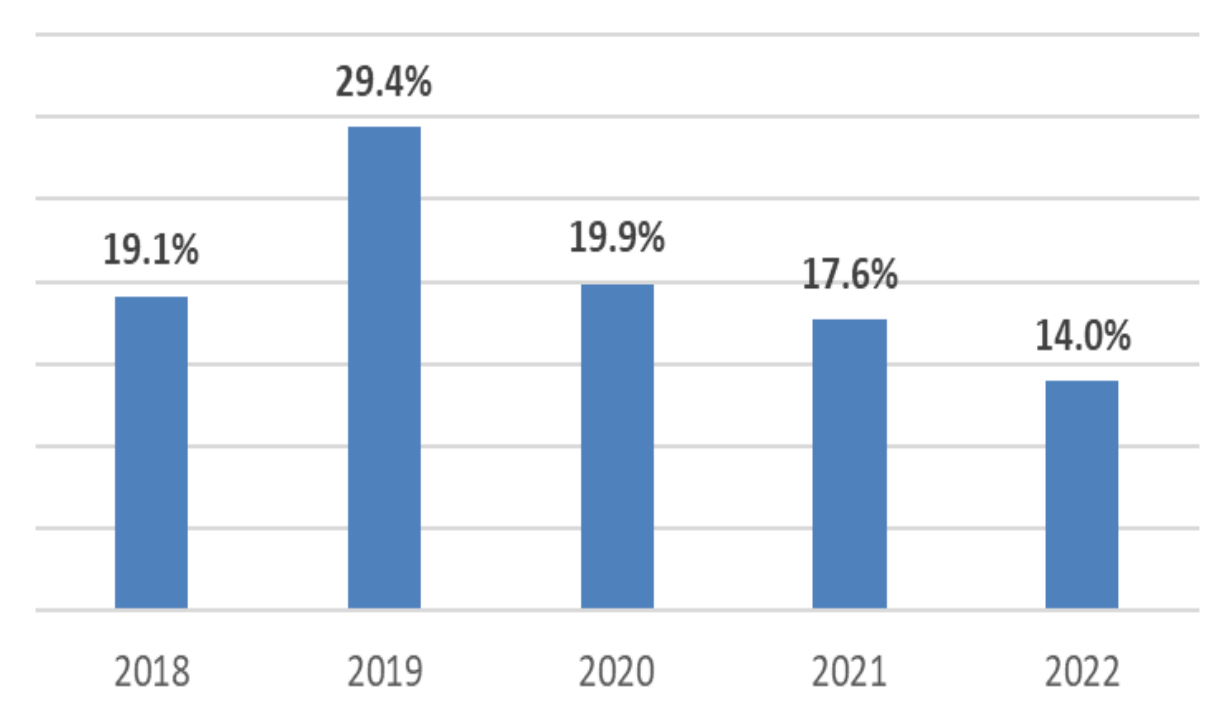
Date Published vs Sub-Category



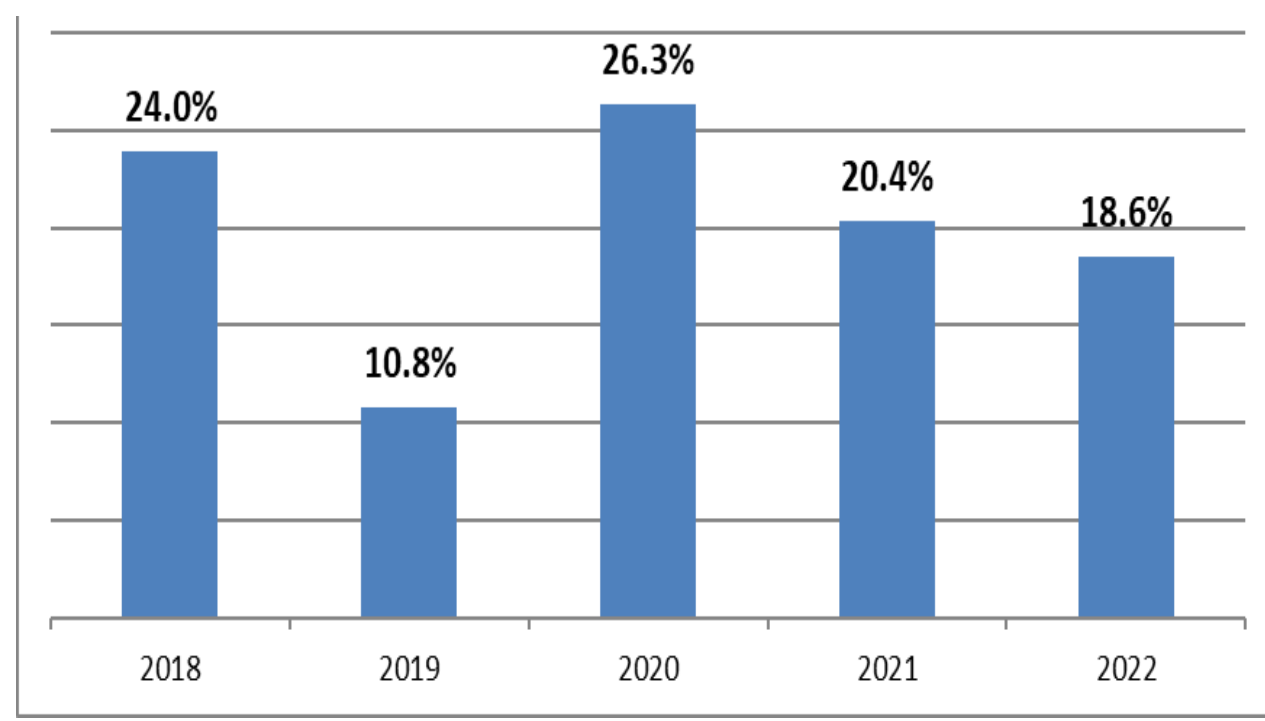
Plant-Based is growing

New Dairy & Dairy Alternative Releases in the US with at Least One Sustainable Claim

Milk & Dairy Alternative Category Beverages



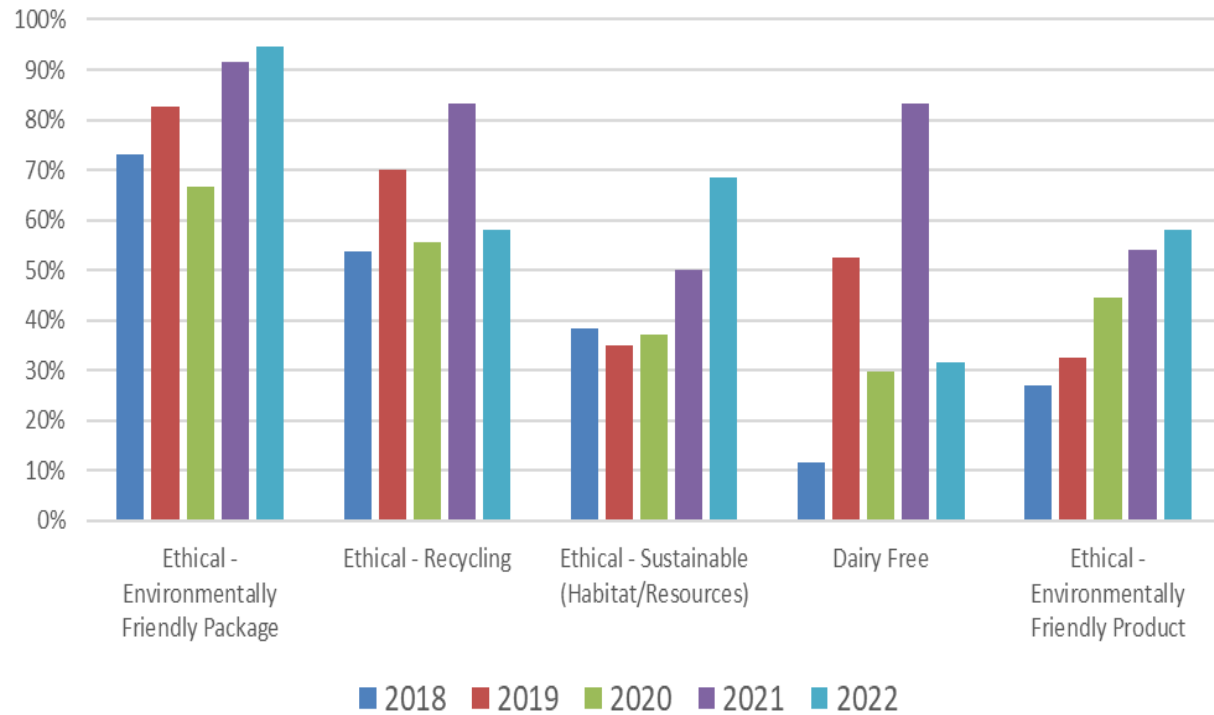
Frozen Dessert (Dairy & Dairy Alternative)



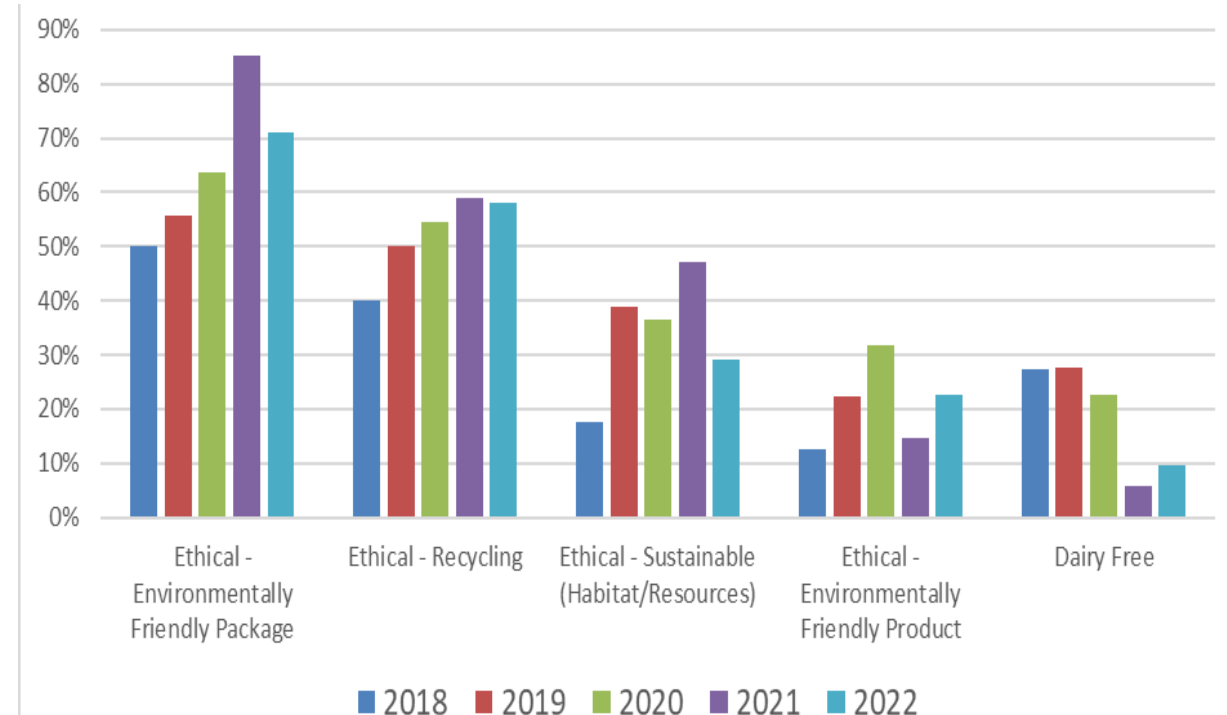
Sustainability claims have yet to take off

Claims Used in New Milk Product Releases in the US

Milk & Dairy Alternative Category Beverages



Frozen Dessert (Dairy & Dairy Alternative)



Sustainability packaging claims more prevalent



Natural Products Expo West

3,000 exhibiting brands and 65,000 attendees hosted by Kroger, Aldi, 7-Eleven, Sprouts, Whole Foods Market, GNC, Albertson's, Walmart, Costco, Target, Thrive Market, Amazon, Trader Joe's, Bi-Rite Market, Clark's Nutrition, Cambridge Naturals, PCC Markets, Earth Fare, Natural Grocers, Jimbo's, Fresh Thyme, Misfits Market, MOM's Organic Market, Walgreen's, and CVS.

Naturally Trending™ Report

Natural Products
Expo West

Five key trends

1. Taste is king
2. Diversification of plant-based applications
3. New marketing claims
4. Sustainability
5. Branding to differentiate

Plant-based Applications

Dairy Free Milk Alternatives

2



Plant-based Applications

Whey Free

2



Plant-based Applications

Cheese Analogues

2



New marketing claims

Milk Alternatives

3



New marketing claims

Allergy Free

3



Sustainability

4



Chobani® and UNSTUCK™ Tropical Fruit

UNSTUCK is an initiative to improve the lives of refugees displaced from their home countries through employment.

[Learn more](#)



Sustainability

4

ALL REAL NUTRITION

WHO WE ARE
We are an impact-led natural nutrition brand fighting against plastic. We manufacture products for "everyday athletes" from our facility in West Ireland.

*Real Food
Real People
Real Impact*

WINNER
NEXT AWARDS

ALL REAL PROTEIN BAR
Cashew Cookie Dough

ALL REAL PROTEIN BAR
Almond & Vanilla

ALL REAL PROTEIN BAR
Peanut Butter

ALL REAL PROTEIN BAR
Choc Sea Salt

PREMIUM & SUSTAINABLE PROTEIN BARS

Introducing a sustainably-packaged premium protein bar range; which are certain to meet your consumers unmet needs for guilt-free taste, matched with sustainable packaging and ultra-premium globally recognized ingredients for the health bar section.

FEATURES & BENEFITS

NATURAL AND SIMPLE
11 or less ingredients you can pronounce!

AMAZING NUTRITION
We match the artificial protein bars with 20g Protein & 220Kcal. We have double the protein, and half the sugar of other natural brands.

UNBEATABLE TASTE
Four indulgent flavours which taste amazing & promote gut health.

IRISH INGREDIENTS
Grass-fed Irish milk protein and Irish Atlantic Sea Salt. Kerry Gold is #2 best-selling butter in the USA due to the taste and credentials of Irish grass-fed dairy.

SUSTAINABILITY

PLASTIC FREE
Plastic Free

TÜV AUSTRIA
OK compost HOME 50279
Home compostable packaging

Origin Green IRELAND
Certified with origin green sustainable manufacturing standards

Each bar sold prevents one plastic bottle from entering the ocean

HART DAIRY

CHECK OUT OUR FARMS

INTRODUCING HART DAIRY NATURALLY GRASS-FED MILK

OUR COWS ARE PASTURE RAISED AND GRASS FED 365 DAYS A YEAR

PASTURE RAISED-FED
NATURALLY GRASS-FED
WHOLE MILK

PASTURE RAISED-FED
NATURALLY GRASS-FED
CHOCOLATE WHOLE MILK

PASTURE RAISED-FED
NATURALLY GRASS-FED
2% REDUCED-FAT MILK

ONLY NATIONALLY DISTRIBUTED NATURAL GRASS FED MILK BRAND

GRASS-FED MILK IS ONE OF THE FASTEST GROWING SEGMENTS WITHIN THE MILK CATEGORY

GRASS-FED MILK AT AN AFFORDABLE PRICE

NON GMO Project VERIFIED
nongmoproject.org

PILOT PARTICIPANT CERTIFIED REGENERATIVE
AGW

CERTIFIED HUMANE
RAISED & HANDLED

ANIMAL WELFARE APPROVED
ASPCA



Rock Paper *Scissors*

HAND GAME

In times of *change* this can be a risky game ...

Product Strategy



Product Leadership

Best Product

Customer Intimacy

New Products & Attributes

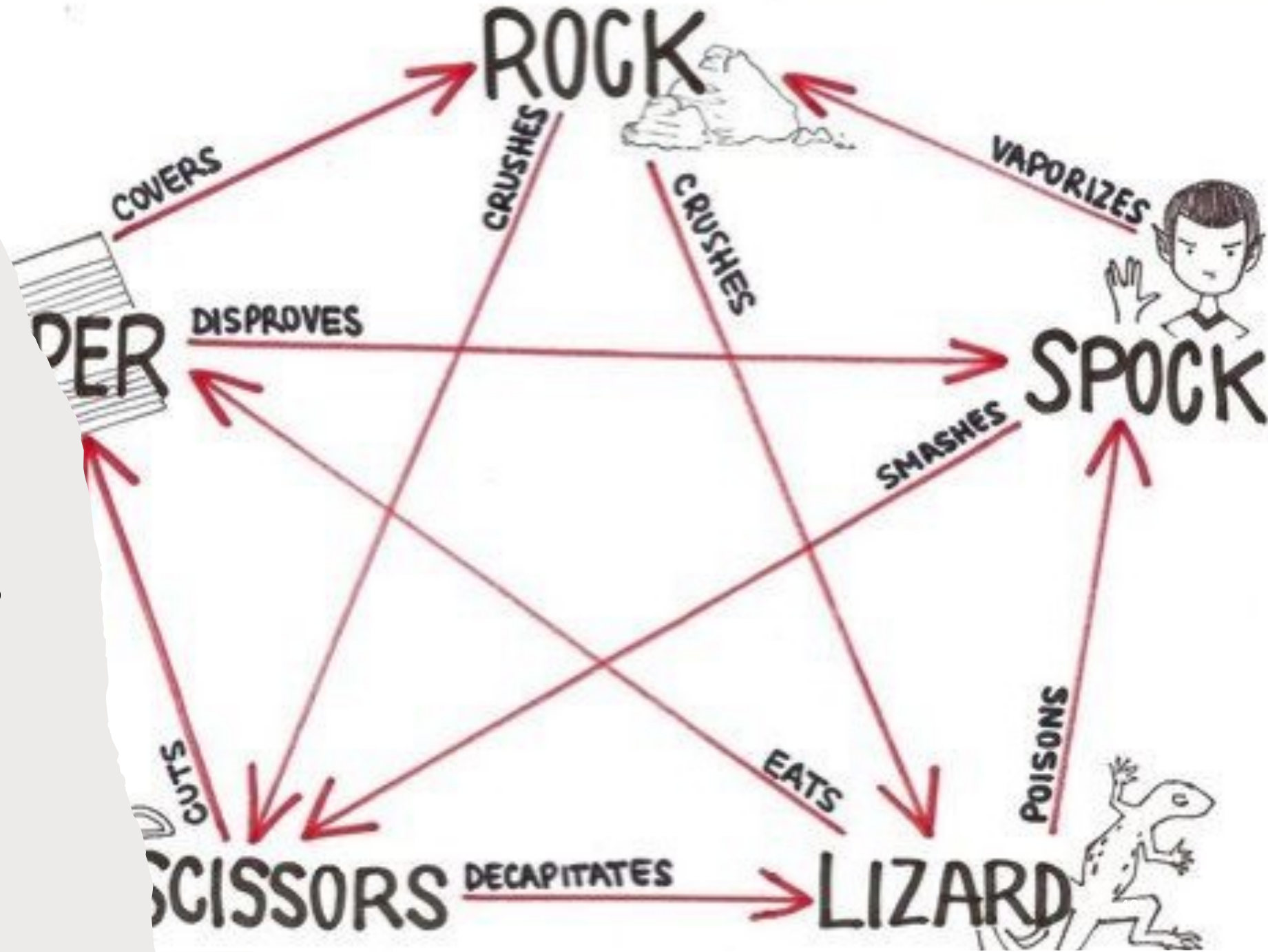
Operational Excellence

Supply Chain

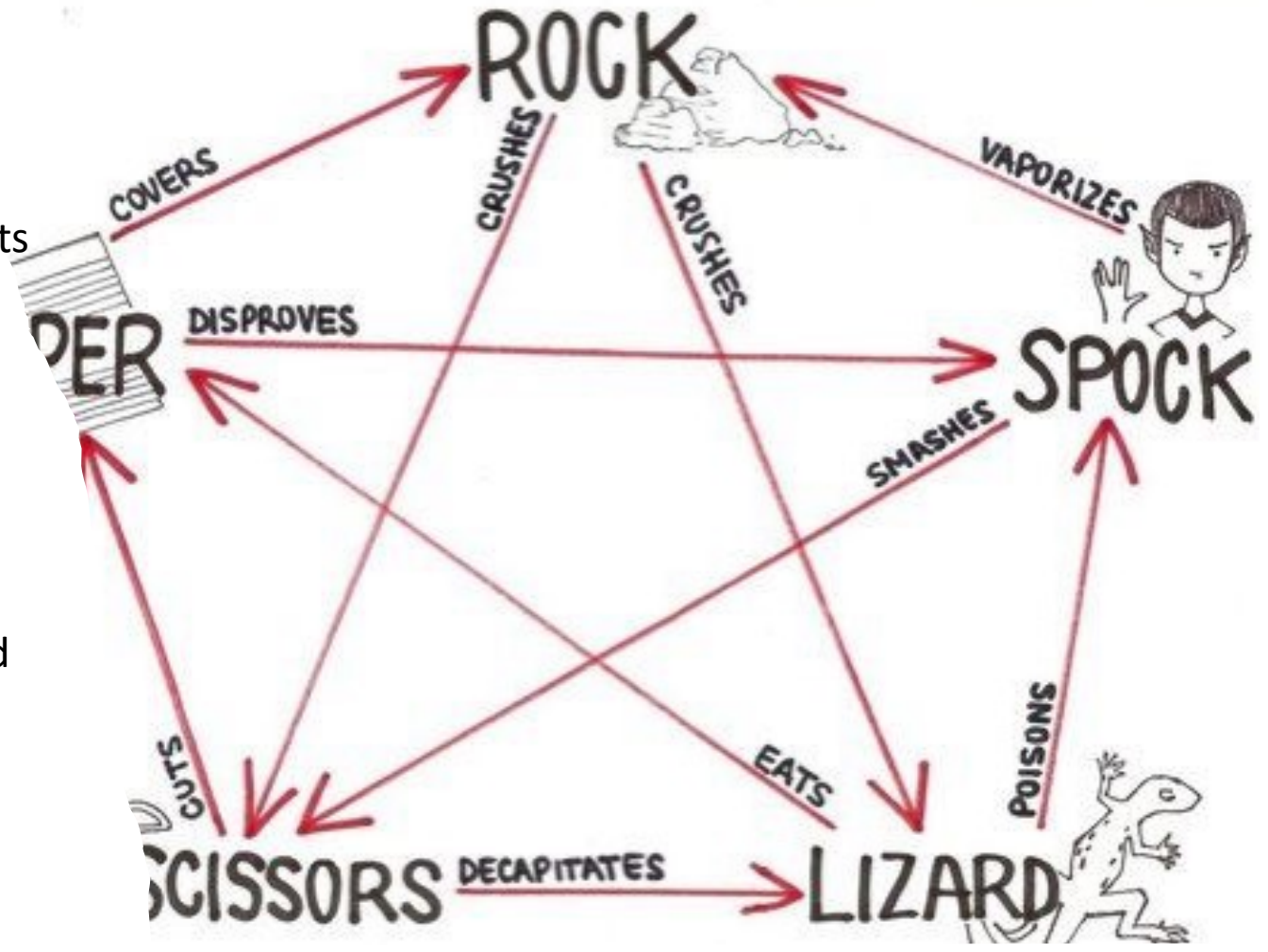
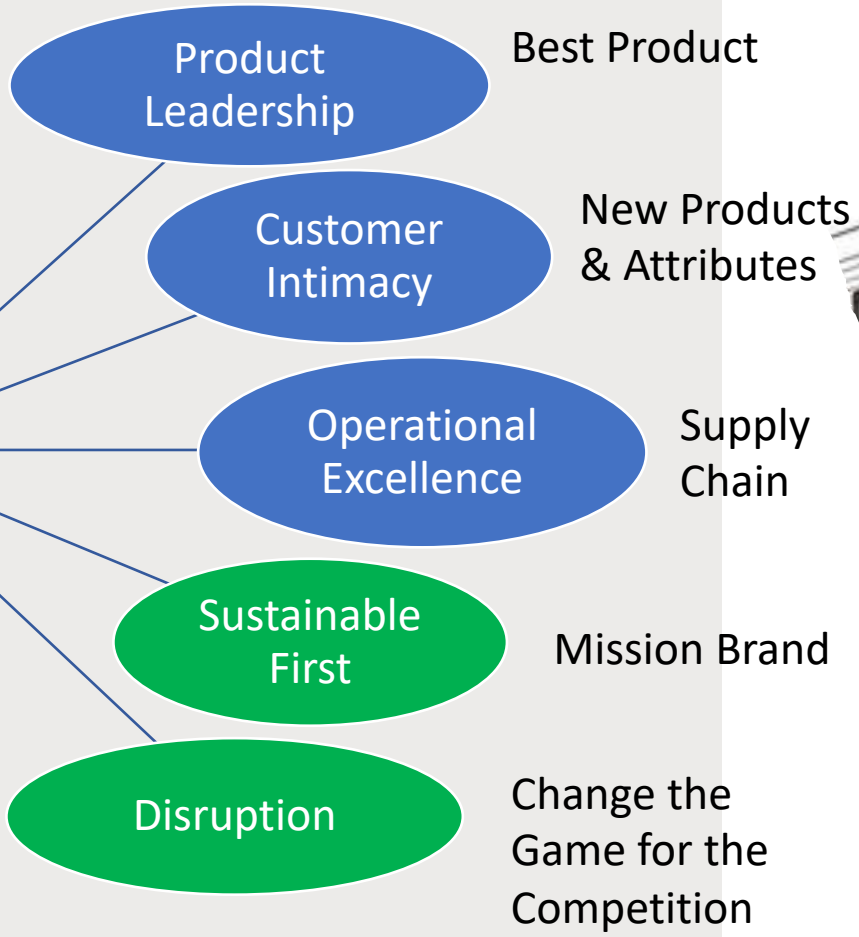
Product Strategy

in a Lizard-Spock World

Helps you think differently about change ... how to *change the game* to your advantage



Product Strategy





What's the Future of Dairy?



Naturally Trending Report



Reserve your advance copy
& get the 2022 report

SustalNnovation News



Your weekly Industry news curated
and AI filtered for your interests

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CEO InsightsNow, Inc.
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