

Dairy Industry Targets Lactose-intolerant Consumers

The dairy industry has an opportunity to achieve 273 million gallons of incremental growth by targeting the lactose-intolerant consumer segment, according to a white paper produced by the Innovation Center for U.S. Dairy, which is run by Dairy Management Inc., based in Rosemont, Ill. Through analysis and insights gleaned from several studies, including a survey of 10,000 Americans, the white paper, titled "Lactose Intolerance: Opportunity to Grow Volume for Dairy through Dispelling Myths and Meeting Consumer Needs," provides the dairy industry with a roadmap to better understand and effectively reach consumers who avoid dairy due to real or perceived lactose intolerance, and ultimately to help bring them back to the category.

By expanding the availability and variety of lactose-free milk and milk products beyond in-home consumption and educating consumers that, in most cases, they can keep dairy in their diet one way or another while minimizing symptoms, the dairy industry can offer this market segment the

taste and nutrition they crave in ways that meet their specific needs. These efforts will not only help increase demand for lactose-free milk, but also for other more easily digested dairy products such as natural cheeses, including Mozzarella or Cheddar cheese and yogurt.

According to the white paper, healthy and wealthy consumers make up 20% of the lactose-intolerant segment. People in this group tend to be college-educated, employed and health-conscious. They are considered milk-friendly, but don't drink a lot — preferring 1% to whole milk — and only 44% consider milk to be a healthy choice. Reinforcing the benefits of dairy would be a strong approach for this group. Lactose-free milk and dairy recipes may appeal to them.

Family milk lovers constitute 20% of the lactose-intolerant segment, the white paper says. This group includes family milk consumption "gatekeepers," most of who are women. They associate milk with health, enjoyment and taste, and shy away from lactose-free due to cost and its different

taste. Messages showing lactose-free milk as a whole-family solution may resonate with this group.

Meanwhile, avoiders represent 20% of lactose-intolerant consumers. More likely to suffer from gastrointestinal disorders, obesity and high cholesterol, this group is the least likely to have tried lactose-free foods. They are open to dairy solutions, and good-tasting lactose-free milk and milk products may succeed with these consumers.

Lastly, aware and managing consumers represent just 14% of the lactose-intolerant segment. As the oldest market segment, nearly one-fourth is retired. They are the most likely to have their lactose intolerance diagnosed by a physician and to drink lactose-free milk. Their awareness and symptom management allows them to enjoy dairy, but they also are experimenting with alternatives such as soy. There is room to increase loyalty with this group.

To receive a copy of the white paper, visit www.USDairy.com or InnovationCenter@USDairy.com.