

Planet Lactose

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Lactose Intolerants a Possible Market for Dairy

Lactose-free milk is the one dairy product that sells well. Lactose-free ice creams exist, and so do lactose-free cottage cheeses and sour creams, but they are the tiniest of niche products.

Even so, the amount of lactose-free milk isn't anywhere near proportional to the percentage of lactose intolerant people in the U.S. And the dairy industry thinks that this is an opportunity.

The Innovation Center for US Dairy issued a white paper saying that this is "an opportunity to achieve 273 million gallons of incremental growth by targeting the lactose intolerant consumer segment."

"Our extensive consumer research and analysis found that 81 percent of lactose intolerant consumers would be willing to include dairy in their diets if they could do so while minimizing symptoms," said Jim Layne, vice president of strategic initiatives with Dairy Management Inc.™ "This shows that a solid opportunity exists to meet the health and enjoyment needs of this market segment with nutrient-rich dairy foods. ...

"There is a solution to lactose intolerance that is not avoidance or restriction," Layne said. "Increasing consumption of dairy in the lactose intolerant consumer segment could help grow long-term loyalty, generation after generation, totaling 2.35 billion pounds of incremental growth."

Like any good research marketing firm, the Innovation Center folks broke down the market and into target segments.

The four segments below offer the most significant growth opportunities for lactose-free milk and dairy.

Healthy Wealthy consumers make up 20 percent 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 percent to whole milk — and only 44 percent 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 percent of the lactose intolerant segment. Two-thirds female, and generally married, this group includes family milk consumption "gatekeepers." 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.

Avoiders represent 20 percent 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.

Aware and Managing consumers represent just 14 percent 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.

Enjoy dairy yourself... if your only issue is lactose intolerance.

You can email them at InnovationCenter@USDairy.com for a copy of the white paper, "Lactose Intolerance: Opportunity to Grow Volume for Dairy through Dispelling Myths and Meeting Consumer Needs."

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