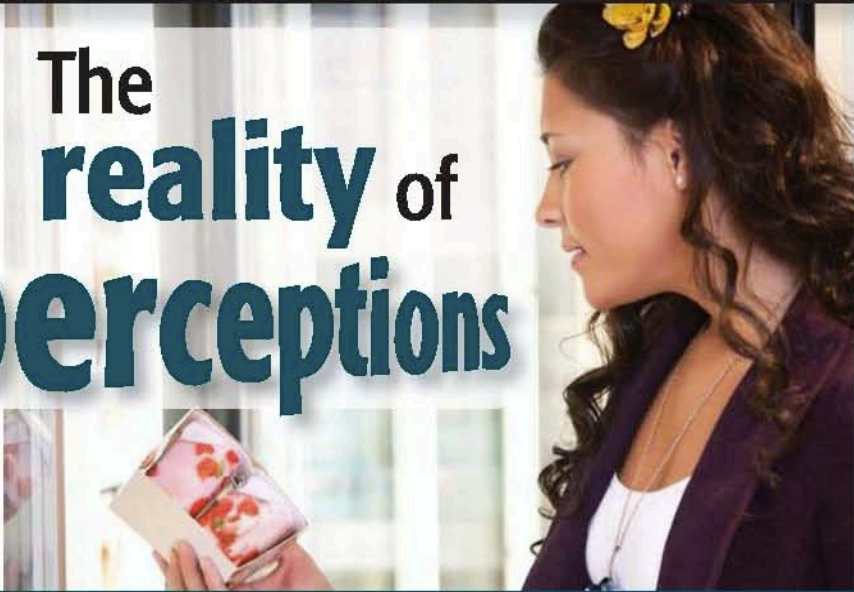


DAIRY BUSINESS NEWS



The reality of perceptions

Confusion regarding sweeteners and interest in real, fresh, simple products are impacting product development efforts

ATLANTA — Consumer concern and confusion regarding sweeteners prompted the Innovation Center for U.S. Dairy to conduct quantitative and qualitative research to better understand consumer perceptions. The results of the research, which was presented during the International Dairy Show held in Atlanta in late September, highlight the challenges product developers face in delivering products that meet consumer taste and health expectations.

"Not surprisingly, consumers kind of want it all," said Cara Kelly, director of new product research and insights for the Innovation Center, in an interview with *Dairy Business News*. "They want a product that tastes great, performs the same as what they are used to, and is all natural. But consumers do have some confusion around sweeteners."

Consumers told the researchers they wanted to cut back on sugar consumption, but indicated that artificial sweeteners were not an ideal replacement. High-intensity sweeteners such as saccharin were associated with health concerns while other artificial

sweeteners were considered unhealthy, because of the perception they are harder for the body to process.

"We are not sure where consumers get all of these ideas, but it does make it tricky for processors to select a sweetener," Ms. Kelly said.

Making it even more challenging is the consumer's inability to discern between an artificial and natural sweetener.

"A scientific name is a negative cue that indicates it may be processed, and that is a cue that it is something they should avoid," Ms. Kelly said. "One category that

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— Cara Kelly, director of new product research and insights for the Innovation Center for U.S. Dairy

gets swept up in this is sugar alcohols like sorbitol and erythritol. Consumers are looking at these names and trying to figure out what they mean."

She added that the research indicated

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consumers understand that high-fructose corn syrup is from corn, but that they perceive it as processed because of the steps needed to make the ingredient. But, ironically, Ms. Kelly said, “it’s not clear consumers know what happens to beet or sugar cane to get it into a granular form.”

She called HFCS one of the most misunderstood sweeteners and noted current efforts to educate consumers “is not really sinking in.”

Despite the perception issues, Ms. Kelly said few consumers are completely avoiding sweeteners they may perceive negatively.

“Gum is a good example, because people are not aware of the ingredients that make it up,” she said. “Even in the dairy category consumers are not quite aware of the sweeteners that are being used, even those consumers who buy flavored milk, yogurt or ice cream.”

For the manufacturers of dairy products, one benefit regarding consumer perception is the “health halo” that hovers over many products.

“In flavored milk, for example, the health benefits outweigh the negatives,” Ms. Kelly said. “Moms are saying ‘yes, I would rather my child drink this because it is good for them.’ Yogurt is a similar example. Parents would rather have their kids eat the yogurt than a box of cookies. That is how a mother

may rationalize things. Yogurt has a huge health halo and it outweighs the extra calories or the sweetener perceived as ‘not so good.’”

Additional research conducted by the Innovation Center for U.S. Dairy focused on the issue of fresh and natural, and whether consumer demand for products featuring the attributes are a fad or a new cost of entry into the marketplace.

“There is a sign this may be a real cultural shift,” said Carol Blindauer, senior vice-president of health and wellness for the Innovation Center for U.S. Dairy. “The group of consumers interested

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in this concept appears to be growing.”

Consumer demand for products perceived as fresh or natural is part of their effort to connect to a simpler time, simpler moment in their life, Ms. Blindauer said.

“Consumers are looking for a healthful way of living,” she said. “Consumers felt that real, simple, natural foods reduce stress because they are doing the right thing for themselves and their family.”

Ms. Blindauer added that consumer interest in products they perceive as real, fresh or natural extends beyond the clean label trend.

“There are multiple cues that trigger consumers,” she said. “Consumers are unable to separate real, fresh, natural from health. It was perceived as healthy — good for them, good for their body.”

Within the dairy category many products are positioned to capitalize on the demand, according to the research.

“At a high level some products are already there,” Ms. Blindauer said. “Not surprisingly, they tended to be products less processed such as white milk, natural cheese or pure butter. Other products, like Greek yogurt, were often viewed more positively than flavored yogurt.”

Products in the middle and at the least



desirable end of the spectrum included processed cheeses, some yogurts, flavored milk and creamers, which were often perceived as less natural or real.

“When we dug a little deeper to understand what the cues were we found just a handful that signal real, fresh, natural,” Ms. Blindauer said. “One was the ingredient list — A long one said more



processed while a shorter list said fresher or natural.”

What was in the list also mattered, Ms. Blindauer added. If a name was long it was considered processed.

“Interestingly we also found there were cues in the supermarket that indicated real, fresh, natural. For example, products placed on the perimeter or in the refrigerated case were seen as fresh.”

Other cues consumers use to differentiate between fresher products and those considered processed include shelf life — a long shelf life is viewed as less than natural — and expiration dates, which were viewed as more processed.

With the study results in hand, the researchers sought to develop recommendations for dairy processors.

“Our results fell into three buckets,” Ms. Blindauer said. “If you have a product that is considered pure then there is a great opportunity to market around that attribute.

“A product that is in the mid-range, one that consumers aren’t sure about, it may be useful to assess what cues are outliers to consumers and fix them. For a product perceived as processed, consider its other attributes — Is it for fun or entertainment? — And capitalize on those attributes.” DBN

