

Marketing New Generation Dairy Drinks

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Overview

- Dairy Drink Background
- Yoplait Nouriche Example
- On The Horizon



Recent History

- Dean's Milk Chug in 1997 made milk more portable

“Milk Chug is the cool body fuel for on-the-go people. With its fun, resealable plastic bottle, Milk Chug is the perfect way to energize – everywhere you go!”



What Did Dean's Get Right?

- ✓ Identified a consumer need
 - Portability = Resealable
- ✓ Made it fun with innovative packaging
 - Shrink labels add great colors and graphics
- ✓ Brought in new purchasers
 - 35% of those buying chugs were new customers to Dean's Brand



Why Are Dairy Beverages So Compelling?

For the yogurt category

- ✓ a new, more portable form

For soft drink companies

- ✓ a healthy refreshment opportunity

For dairies

- ✓ innovation to commodity category



What are New Generation Dairy Drinks?

- Smoothies



I'll focus on smoothies

- Milk drinks

Dr. Pepper/Seven Up, Inc's Raging Cow_{TM}

“Boring milk needed a kick in the shorts”



Types of Dairy Smoothies

On-the-go Meal



Adult Taste

Tropicana
Smoothies

Frusion

Stonyfield Farms
Smoothie

Kid

YoBaby

Danimals

YoJ

Adult Diet

Light & Fit
Smoothies

How Do You Know Which Platform to Pursue?

- Consumer Research
 - Analyze the perspective category
 - Develop concepts & gauge interest
- Develop a business model → Balance of...
 - The complexity of the market
 - The technical complexity of the new platform
 - The difficulty to educate and sell to the consumer

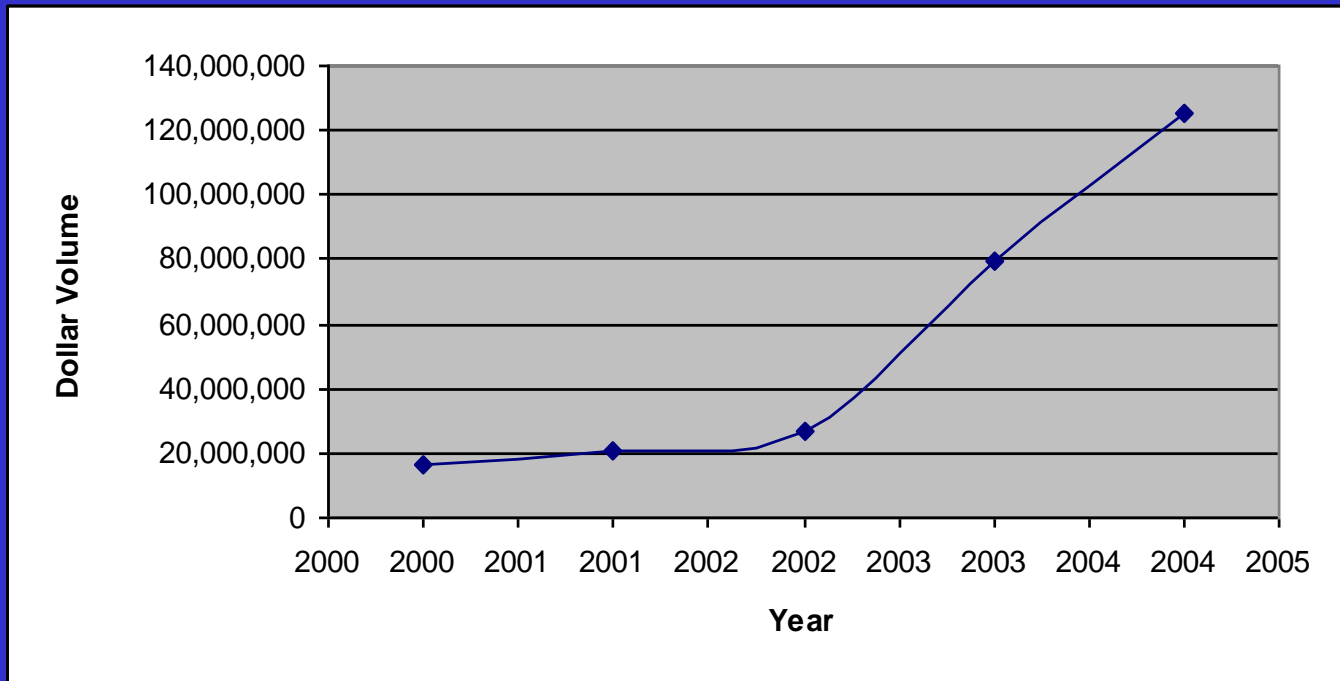


Challenges With Developing New Dairy Beverages

- Deciding on a target
- Deciding on package size & configuration
- Formula
 - Class I vs Class II (MSNF), fat & sweetener levels
 - Fortification
 - Stability
- Standard of Identity issues
- Investments in new processing and packaging equipment



Adult/All Family Smoothies & Drinks



Nouriche launched regionally in May 2002,
national in 2003





Nouriche Story: Opportunity ID

Attractive Market

- ✓ Diet & complete nutrition categories were attractive = \$1 billion
- ✓ Proliferation of non-carbonated beverages
- ✓ Strong international market for yogurt-based drinks

Consumer Trends

- ✓ On-the-go eating
- ✓ Weight management/loss = major concern
- ✓ Portion control
- ✓ Meal solutions





Nouriche Story: Convenient Yogurt Form

Objective: Launch a drinkable meal that was:

- Yogurt based
- Fortified with the nutrition of a meal
- Tasted great
- Contained live and active cultures for the health benefits (refrigerated, not sterile)



Nouriche Story: Develop the Offering

- Name
- Formulas
- Launch Plan
- Advertising
- Package Design
- Price
- Configuration

new Yoplait

nouriche

Gives you the nourishment you're looking for when you can't sit down for a meal.

A nourishing nonfat yogurt smoothie in 4 delicious flavors:
Strawberry, Peach, Raspberry and Tropical Fruit

A nutritious choice:
20 vitamins and minerals
10 grams of protein
Excellent source of calcium

A satisfying 11oz.

Drinkably smooth
thicker than milk,
thinner than a shake

Only \$1.59
Find it in your
grocer's dairy case.

20 vitamins & minerals including
PROTEIN

nourishing
nonfat
yogurt
Strawberry
smoothie

NET WT 11.0Z





Nouriche Story: Challenges

Brand Name

- Conveys both nourishment & richness

Formula

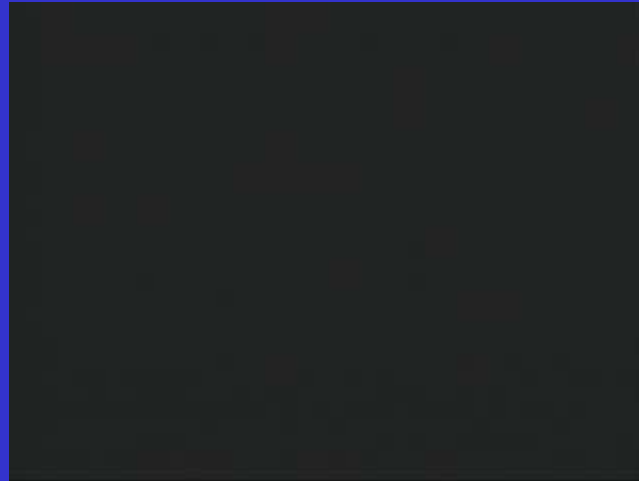
- Difficult because of the vitamins and minerals

Advertising

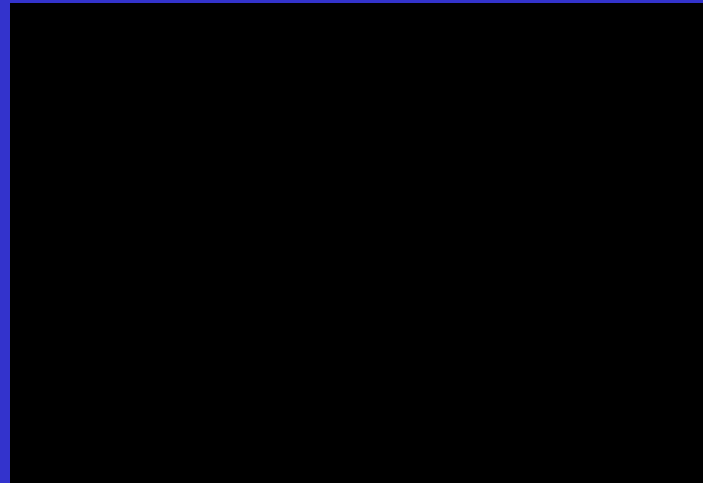
- Needed to introduce consumers to the category
- Needed to convey Nouriche's meal-ness, taste, & convenience



“Commuters” Commercial



“Mass Transit” Commercial





Yoplait® Nouriche® is a delicious fat-free yogurt smoothie that's made with real fruit puree. It's a mealtime solution that's ready when you are.



Each serving of Nouriche offers:

- 20 vitamins and minerals
- An excellent source of calcium
- An excellent source of fiber
- 10 grams of protein
- Live and active cultures

capitalize on convenience

With the right supplies it's easy to create meals in minutes. Make these quick-to-prepare foods your shopping list staples.

Breads and Grains

- ✓ Pasta, rice
- ✓ Whole grain breads, bagels, tortillas or pitas
- ✓ Whole grain cereals

Fruits and Vegetables

- ✓ Frozen vegetables and fruit
- ✓ Bagged, pre-washed salads
- ✓ Bagged, pre-washed vegetables
- ✓ 100% fruit juices

Deli and Dairy

- ✓ Lean deli meat
- ✓ Yogurt
- ✓ Low-fat milk and cheese
- ✓ Yogurt smoothies, like Yoplait® Nouriche®

Canned Foods

- ✓ Tuna
- ✓ Beans
- ✓ Soup or broth
- ✓ Fruit and vegetables



quick shopping tips

- **Make a list.**
It will save you time because you won't have to think about what you need – you can just grab and go!
- **Eat before you shop.**
It's easy to over-fill your cart when you are hungry. Chances are you'll buy less – and spend less – when you aren't feeling ravenous.
- **Take inventory.**
A quick glance at what you have on hand helps you avoid buying extras that won't get used.

no time for a meal?

simple solutions for healthy eating



busy lives, missing meals

If you are like most people, eating on the run and skipping meals seems to have become the normal way of life. With the pace of life speeding faster each day, it might seem easier to just throw in the towel than to try to eat healthfully.

Don't give up just yet! Eating well is possible in today's busy lifestyle and the benefits are too good to pass up. A healthy heart, strong bones and enough energy to get you through the day are just a few of the reasons why it's important to make healthy eating a top priority.

Read on for simple strategies to create meals that are long on nutrition when you're short on time. Stocking up on healthy foods that are easy to prepare means you'll always have what you need for a quick, nutritious meal. Then, get creative to find solutions that work for you.



Find mealtime solutions that work for you. Here are some ideas to get you started.

Breakfast

- Try whole grain cereal topped with bananas and skim milk.
- Toast a whole wheat bagel and top with cottage cheese and fruit.
- Stir granola and berries into your favorite yogurt.
- Take a yogurt smoothie, like Yoplait® Nouriche®, to drink on the bus or in the car.
- Spread peanut butter on whole-wheat crackers or toast for a quick breakfast.

Lunch or Dinner

- Roll up black beans and low-fat cheese in a tortilla. Top with salsa for a tasty lunch or dinner.
- Dip toasted pita wedges, carrot sticks and cherry tomatoes in hummus for a meal that's ready in no time.
- Chop lean deli meat, low-fat cheese, and your favorite veggies. Toss with bagged salad greens and low-fat dressing to create a chef salad.
- Boil pasta and top with bottled marinara sauce. Use the microwave to steam some frozen veggies to serve on the side.
- Stash a yogurt smoothie, like Yoplait® Nouriche®, in the office fridge for lunch or evenings when your schedule dictates a late dinner.

Snacks

- Mix a bag of dried fruit, nuts and your favorite whole grain cereal to keep in your purse.
- Low-fat graham crackers and skim milk make a comforting snack.
- Spread apple slices with peanut butter.
- Keep yogurt or fruit on hand for easy no-prep snacks.
- Make air-popped popcorn for a fun, whole grain treat.



The only yogurt smoothie with the nourishment of a meal.





Nouriche Story: Challenges

Package design

- Had to communicate multiple messages
- Had to protect the product

Price/Configuration

- Premium price for expensive nutrients & bottle
- Meal-sized, single-serve bottle





How Did
We Do?

Yoplait Nouriche Creating a Big *Buzz!*

**Consumer
Reports**

Sept issue -- "Which tastes best? Yoplait Nouriche.
Our tasters judged it very good..."

REDBOOK

Aug issue -- "This yogurt smoothie, fortified
with 20 vitamins and minerals plus protein..."

SELF

Aug issue -- "The Big Winner. Yoplait Nouriche. Tasty? You bet!"

WeightWatchers

Sept issue -- "Enjoy a calcium-rich yogurt smoothie
(like Yoplait Nouriche)..."

Men'sHealth

Oct Issue -- "Yoplait Nouriche. This drinkable yogurt is
velvety smooth and very satisfying..."





After 1st 52 Weeks, Yoplait Nouriche Had:

- ✓ 40% share of the Adult/All Family (A/AF) yogurt smoothie category
- ✓ 61% of the growth in A/AF yogurt smoothie category
- ✓ 1.2% dollar share of yogurt category
- ✓ 13% of the growth within the total yogurt category



Status of the Overall Category (Dec. 2003)

Total (incl. Kids)

✓ \$22.6MM

✓ Up 78% vs last year

Drinkable yogurt

✓ 11.2% of yogurt category



On the Horizon

- ❑ More dairy drinks formulated to be Class II
 - 6.5% MSNF
 - Smoothies are expensive to produce
(fruit, flavor, multi-step process, packaging)
 - Margins
- ❑ Soy and whey based drinks – less regulated



Thank You

