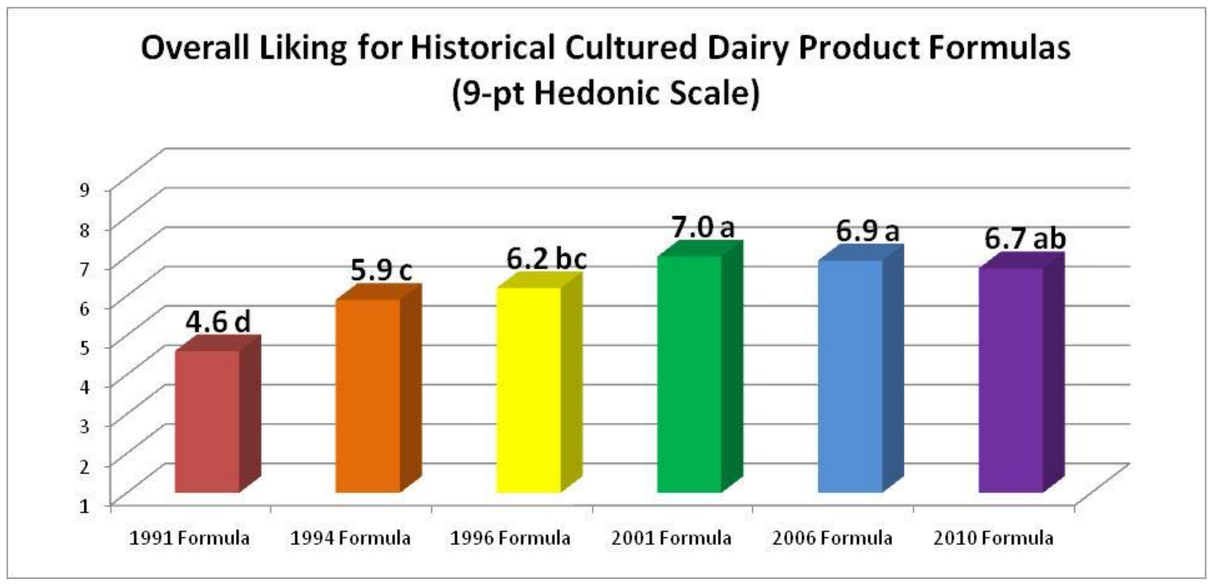
# A HISTORICAL LOOK AT FORMULATION CHANGES WITH KEY CONSUMERS

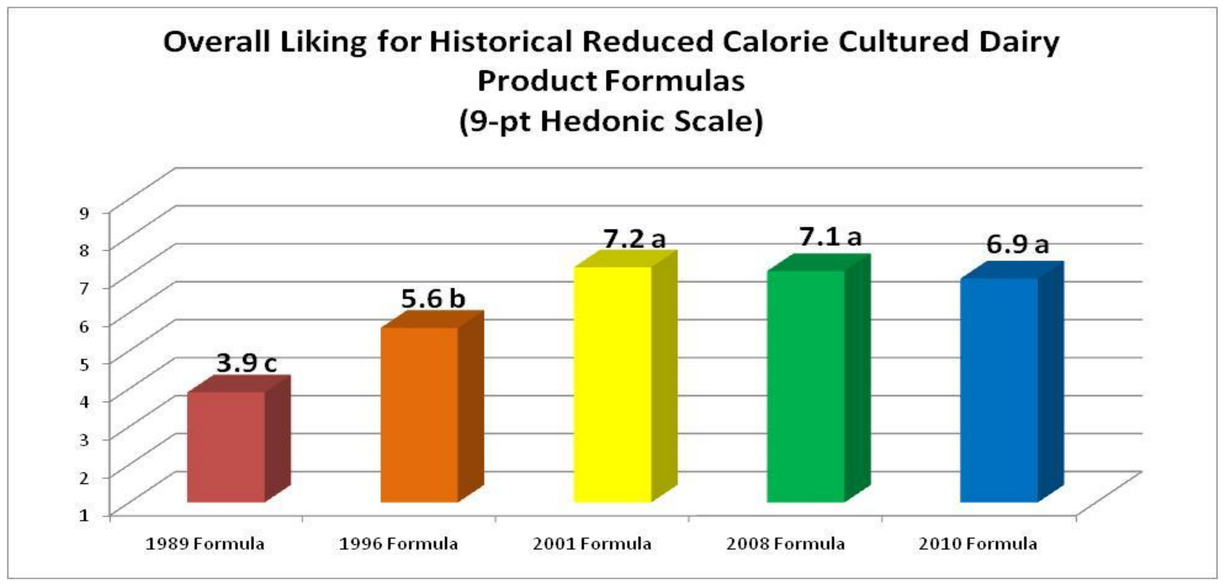
## Background & Objectives

**Background:** In the world of cost savings there is a natural tension between product quality and financial goals. Often, the most obvious opportunity area is ingredient cost but there is concern around whether product quality has declined. Most product changes are tested against the current market product and if acceptable to consumers the lower cost formula change is made. This sets up a potential for a degradation of quality over time as A=B, B=C, C=D but does D still equal A?

**Objective:** Understand the impact of iterative formulation changes over the years on overall liking for multiple cultured dairy products with adults and children.

## Study 1 – Adult Cultured Dairy Product Users

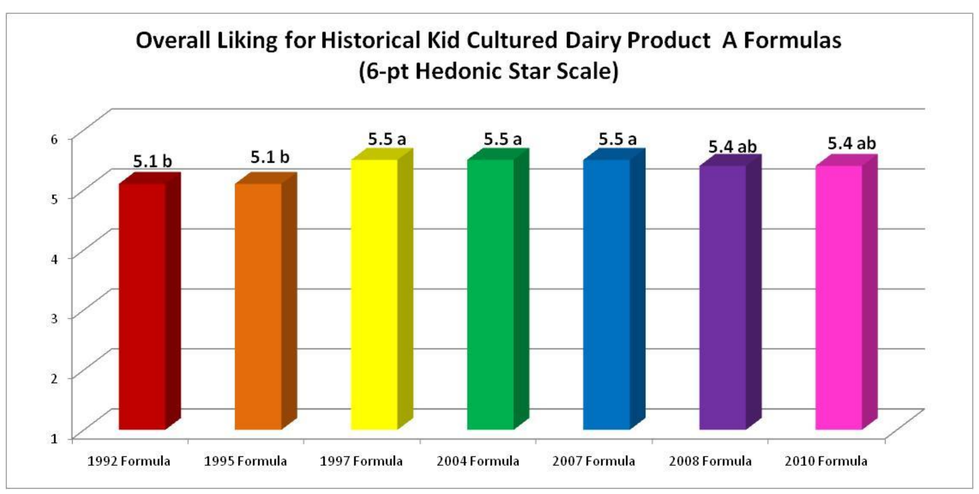



•Dispelled the myth that older and possibly more costly historical formulas were better.

•Discovered that the current (2010) product is on the edge of consumer liking. Any further degradation to product quality may result in a significant decrease in consumer liking.

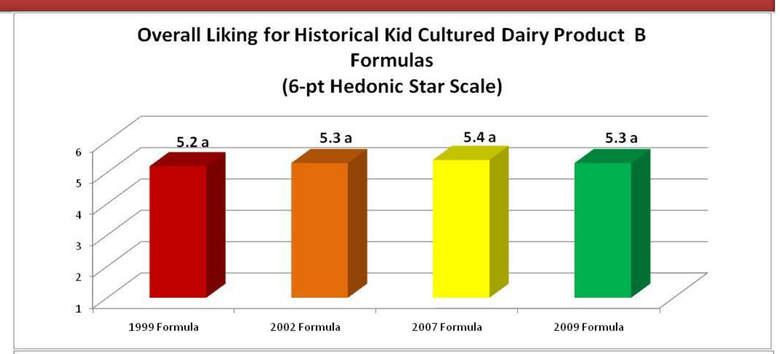
## Study 2 – Kid Cultured Dairy Product Users

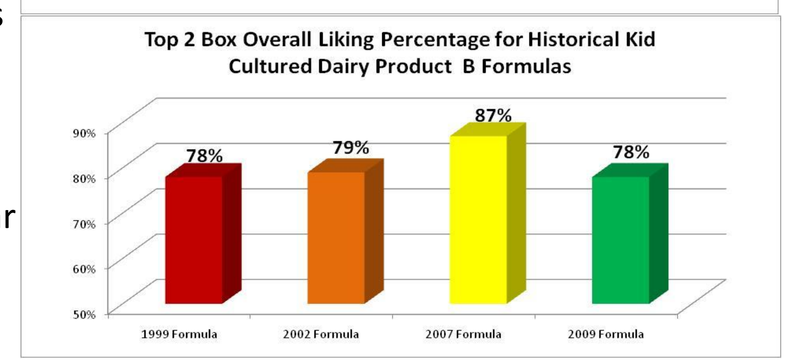



•The kids data seems to be more mixed but with further analysis tells a similar story as the adult data.

•Product A showed similar trend to the adult data with older formulas not performing as well as more current formulas. The current kid product (2010) is also on the edge of consumer liking.

•Product B's liking appears to be flat but looking deeper, the data shows a shift in percent of the top 2 box liking scores similar to that of the adult mean liking data.




## Key Learnings & Business Implications

•Older, more costly formulations are not necessarily liked better by consumers.

•Caution does need to be taken when numerous formulation changes have been made.

•Periodic check-in with consumers of historic formulations is important to inform the business of the impact of iterative product changes to perceived product liking and quality .

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