

November 2011

Dairy Management Inc. *Messaging Research*



Summit Research

Objectives and Methodology

Objectives:

- Determine importance of the trademark (“100% USA” mark)
- Understand consumer appeal of the trademark
- Explore perceived value of “100% USA” mark and ability to drive price premium

Methodology:

- Online, nationally representative surveys were conducted among primary grocery shoppers, age 22 and older, who buy milk, yogurt, and cheese at least once every 3 months.
- Research flow:
 - Exposure to concept for 100% USA mark.
 - Concept importance
 - Exposure to three packages – one for milk, cheese, and yogurt. One messaging option was shown per package (100% USA, or no seal), so each respondent saw *each* unique messaging option (e.g., Milk with 100% USA, and yogurt with no seal).
 - Message evaluation (appeal, purchase interest, willingness to pay more).

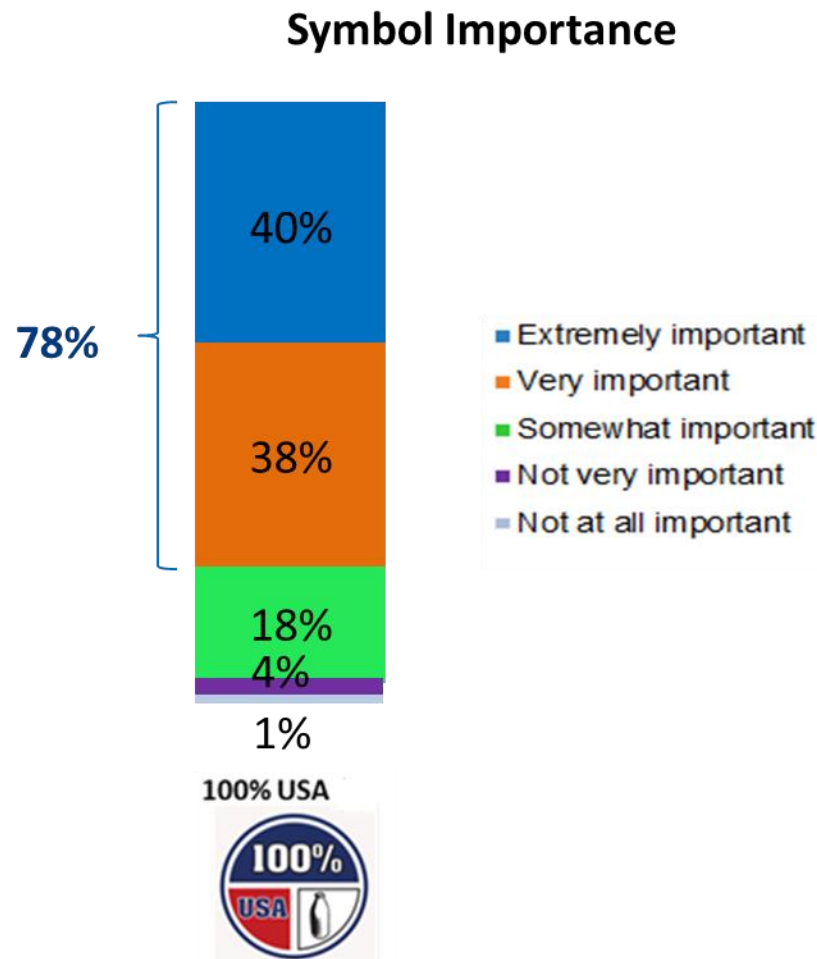
Summary of Insights

Summary of Key Findings

- Importance: 78% of Respondents see “100% U.S.A.” mark as “Extremely Important” or “Very Important”
- Product Appeal: “100% USA” mark drove Top 2 Box significant increases across three dairy categories
 - Top 2 Box increases in product appeal across milk, cheese and yogurt products (vs. the same product depicted without the “100% USA” mark)
- Purchase Intent: “100% USA” significantly improves purchase intent for Unbranded Products and Preferred Brand
 - Purchase intent improves for unbranded products in each product category when the “100% USA” mark is present.
 - Assuming the product is the “preferred brand,” purchase intent improves as would be expected. However, purchase intent is still stronger when “100% USA” mark is present, indicating concept remains important even when buying a favorite brand.
- Price Premium: Consumers are willing to pay slightly more for products that carry the “100% USA” mark.
 - Significantly more consumers are willing to pay a premium on all product categories with the “100% USA” mark.
 - Consumers are willing to pay more for a product with “100% USA” over no symbol at all.
 - The price premium is generally up to 5% for most consumers in key dairy categories, but some consumers are willing to pay even more.
- Perceived Better Products: Products are more highly rated when they carry the “100% USA” mark.

Detailed Findings

Importance: 78% of Respondents see “100% U.S.A.” mark as “Extremely Important” or “Very Important”

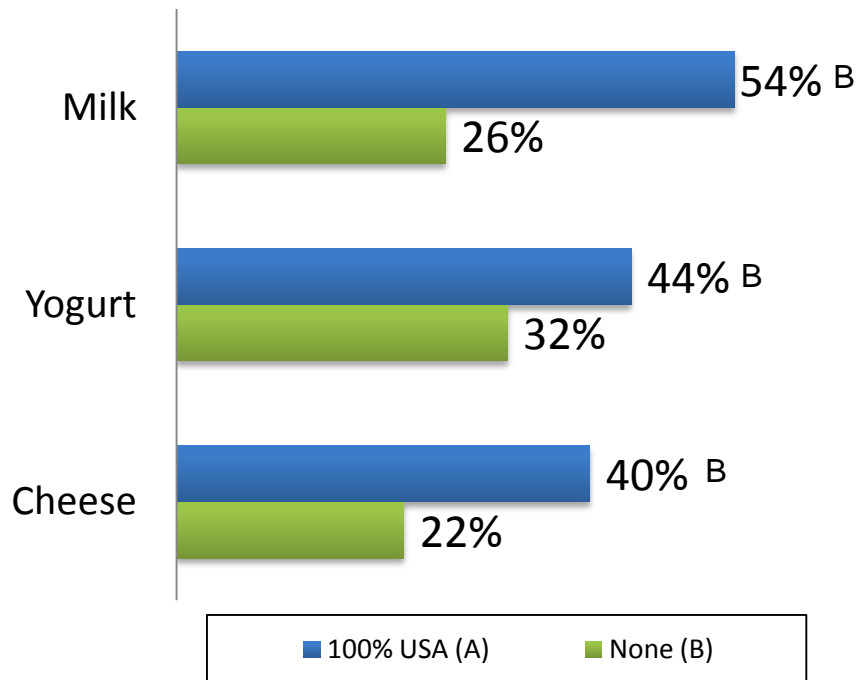


Q6/7: Considering what this symbol represents, how important would it be to you to find dairy products with this symbol? Letters indicate significant difference at 90% confidence level. Base size: 604

Product Appeal: “100% USA” mark drove Top 2 Box significant increases across three dairy categories

- Top 2 Box increases in product appeal across milk, cheese and yogurt products (vs. the same product depicted without the “100% USA” mark)
 - All increases were statistically significant
 - Fluid milk showed the largest increase

Product Appeal (Top 2 Box)

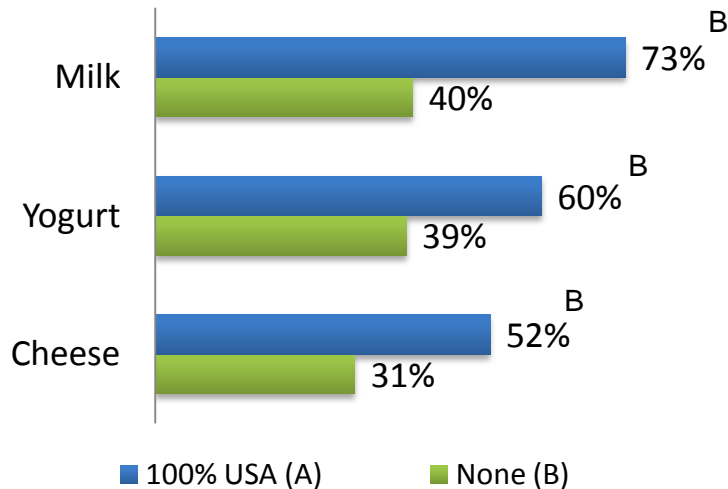


Q8: How appealing is this product to you? Letters indicate significant difference at 90% confidence level. Base size: 600 total / 200 per package

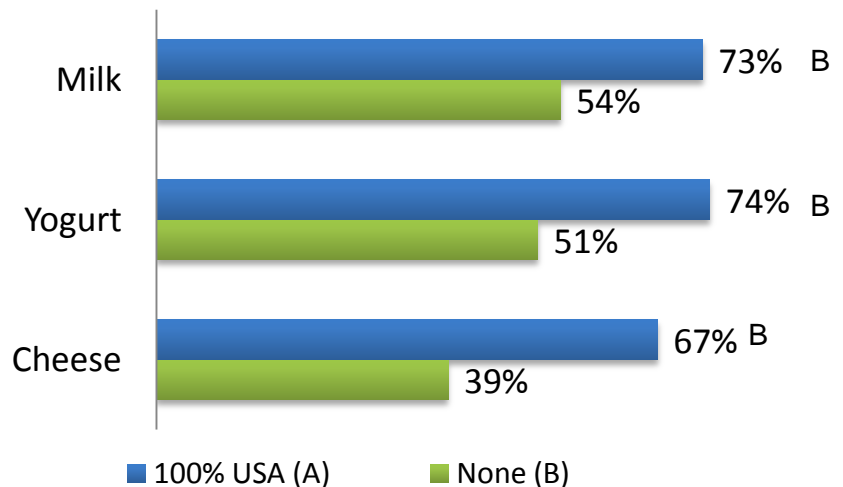
Purchase Intent: “100% USA” significantly improves purchase intent for Unbranded Products and Preferred Brand

- Purchase intent improves for unbranded products in each product category when the “100% USA” mark is present.
- Assuming the product is the “preferred brand,” purchase intent improves as would be expected. However, purchase intent is still stronger when “100% USA” mark is present, indicating concept remains important even when buying a favorite brand.

**Purchase Intent: Unbranded
(Top 2 Box)**



**Purchase Intent: Preferred Brand
(Top 2 Box)**



Q10: How likely you be to purchase this item (assuming it was reasonably priced)?

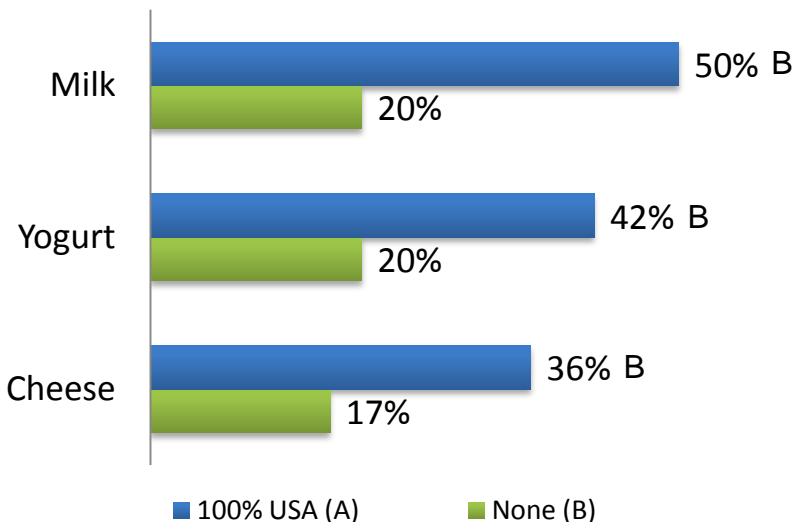
Q14: How likely would you be to purchase this item assuming it was your preferred brand?

Letters indicate significant difference at 90% confidence level. Base size: 600 total / 200 per package

Price Premium: Consumers are willing to pay slightly more for products that carry the “100% USA” mark.

- Significantly more consumers are willing to pay a premium on all product categories with the “100% USA” mark.
- Consumers are willing to pay more for a product with “100% USA” over no symbol at all.
 - The price premium is generally up to 5% for most consumers in key dairy categories, but some consumers are willing to pay even more.

Willing to Pay Slightly More (% yes)



“100% USA”: How Much More Willing to Pay (among those willing to pay more)

	Cheese	Yogurt	Milk
1-5% more	75%	68%	65%
6-10% more	19%	25%	24%
11-15% more	3%	4%	10%
16% or more	3%	4%	1%
Mean	4.6%	5.1%	5.3%

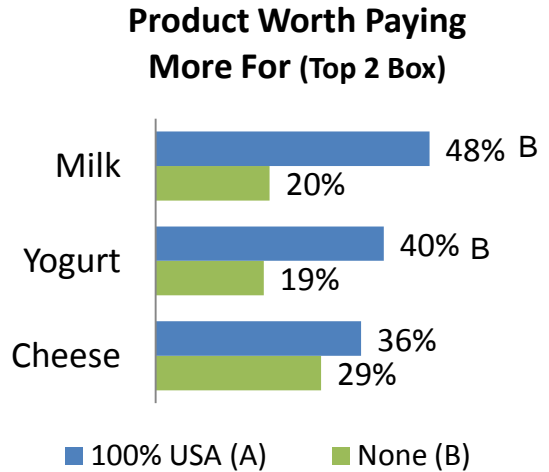
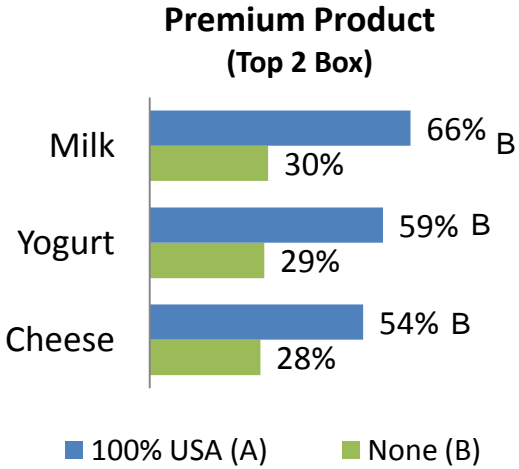
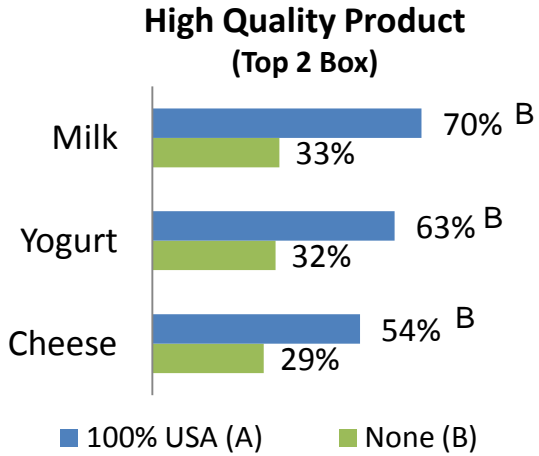
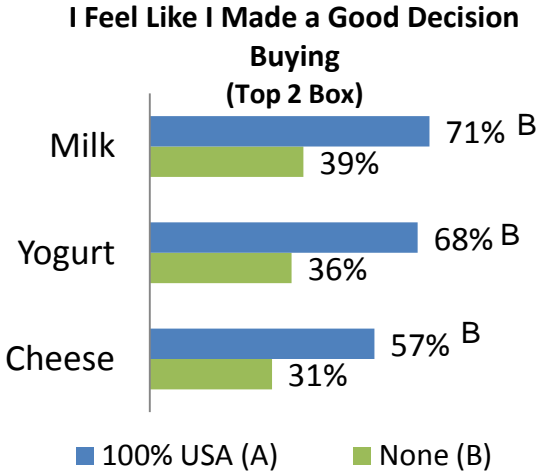
Note: insufficient sample size for “No Seal”

Q12: Based on what you see on the package and what it communicates to you, which of the following best describes how much you would be willing to pay for this item?

Q13: Approximately, how much more would you be willing to pay for this item?

Letters indicate significant difference at 90% confidence level. Base size: 600 total / 200 per package

Perceived Better Products: Products are more highly rated when they carry the “100% USA” mark.



Q11: Please indicate how much you agree or disagree with following statements about this product?
 Letters indicate significant difference at 90% confidence level. Base size: 600 total / 200 per package

Appendix - “100% USA” Concept

100% USA: The Trademark of Quality

You want to buy safe, high quality foods and beverages for yourself and your family. But food labels can be confusing and it's hard to know where some products come from. So how can you be sure?

Now, the **100% U.S.A.** trademark is featured on a variety of high quality U.S. dairy products including milk, cream, cheese, yogurt, ice cream, and butter. When you see this trademark on a dairy product, you can buy with the confidence of knowing that it is made with **100% U.S.A.** quality, and supports America's dairy farmers and the U.S. economy.

That's because we've certified that 100% of the milk and dairy in these products comes directly from the U.S.A. So look for the **100% U.S.A.** trademark on your dairy products and buy with confidence.

