

Aligned with customers

On 25 July, the eve of the International Cheese Show at Nantwich, the Society of Dairy Technology held a meeting about innovation. The first speaker was Scott Wotherspoon, chief executive officer of The a2 Milk Co UK & China, who told the audience that they had to wake up to defend consumption of milk against the various milk-free alternatives currently being promoted. He points out that there has been a 30 per cent decline in average milk consumption since 1985 and the 39 per cent of mothers who reduce their milk consumption, also do that for their children. Also, 20 per cent of the UK population have reported issues with milk consumption, although less than one per cent have lactose intolerance. At the same time, consumption of goats' milk is growing and soya drink Alpro is now the third largest 'milk' brand.

One contributor may be that European cows produce milk containing either a1

Taking non-milk drinks to task was a key feature of the society's meeting on innovation. Andrew Wilbey reports from Nantwich

or a2 variants of beta casein while most mammals, including humans, only produce the a2 variant. Approximately 40 per cent of Holstein cows are a2 producing, rising to over 60 per cent for Channel Island breeds. DNA testing has enabled cows producing the a2 protein to be selected and certified herds created. In Australia, a2 milk has 10 per cent of the milk market, despite a premium price of A\$5 (€3.39) versus A\$2 (€1.36) per litre for own-label milk and is making gains in the infant formula market too. Production of a2 milk has now started in the UK, with 20 farms in the northwest supplying a2 milk and receiving £0.30 (€0.35) per litre, 2.5p above the standard industry price. So far, there has been good consumer reaction, he notes.

Connecting

The second presentation by Nick Hickman, head of UK operations at Alectia, was concerned with the critically important generation of good communications between suppliers and customers. Means of communication have multiplied and become potentially much faster, so customers' expectations are for 'instant' responses that are relevant to their needs. Pricing should be transparent with no hitherto hidden costs suddenly appearing on the bill. Support must be authentic: if there is a problem then it must be treated on an individual basis, preferably by someone who knows the client. There are times when more questions need to be asked and to be a problem solver. Every project needs someone with the attitude of a 14-year-old, no concept of failure and almost instinctive feel for any of the vast array of forms of communication.



Nick Hickman, head of UK operations at Alectia, says communications are key between suppliers and customers

Branding

Peter Crouch, managing director of Liquid Design Studios and marketing director of Cows and Co, posed the question, "What is a Brand?" He rejects any claim that a brand is a logo, identity, statement or promise, but suggests that it is a person's gut feeling about a product, service or organisation. Thus, a brand is the synthesis of hundreds of decisions based on how the potential customers feel, rather than on logic, and a successful brand is any product, service or organisation for which people believe there is no substitute. This shifts the emphasis from just thinking about transactions to engage with clients and building relationships, since building commitment creates brand loyalty. The example was given of the transition



Scott Wotherspoon, CEO of The a2 Milk Co in the UK, warns against non-dairy drinks



Peter Crouch, managing director of Liquid Design Studios, asks what a brand is

of Appleby Cheese from an artisanal cheese maker to one with a strong, sought-after brand.

The final paper was given by Dr Judith Bryans, chief executive of Dairy UK, on "The Future of UK Dairy." She points out that predicting the future is dangerous and one must first be certain of where one is at present. Rising world population and increasing wealth presents opportunities, but there are also risks. The increasing proportion of older people in the UK positions them as major milk consumers, but there is a risk of losing the younger generations that are vital for survival of the dairy share of the food market – at a time where there is great volatility and increased lack of trust in the food industry. Eating habits are changing, with plant-based alternatives to milk and a loud and coordinated anti-dairy movement. Dairy detractors are pushing non-milk alternatives and the campaign to reduce sugar consumption is being misused. Further work is needed to develop better guides and teaching aids to help create interesting balanced diets with less sugar and more fibre, she notes.

Dairy UK is taking a more proactive stance through the media and is also contributing to a Dairy All-Party Parliamentary group. The longer-term policy is to push for science-based health policies and to promote opportunities for innovative dairy products.


Exports

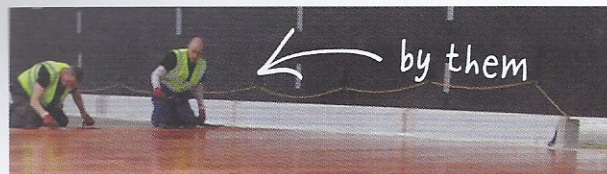
International trade is an important part of the dairy industry and the UK exported over a million tonnes of dairy products in



Dr Judith Bryans, chief executive of Dairy UK, looks at the future of dairy and innovation

the last year. While most of this has been to the EU, other markets offer great potential for export growth. The Brexit vote is likely to stimulate new policies, and the recent review by Dairy UK has come up with recommendations to help make exporting simpler and more efficient, with more streamlined practices, inspection, audit and certification practices.

The presentations are available to members of the society via the members' section of the website. www.sdt.org 



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