



Tillamook
Dairy done right.

PATRICK CRITESER

President & CEO

A 108-year-old farmer-owned cooperative with one of the leading food brands in the western U.S.

- ▶ Owned and governed by 90 farming families in Tillamook, Oregon
- ▶ A leading U.S. food brand, built on a century of commitment to quality
- ▶ Today \$900M annual revenue and 900 employees with a strong growth orientation



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2012

A high-penetration Pacific Northwest brand with a strong local following

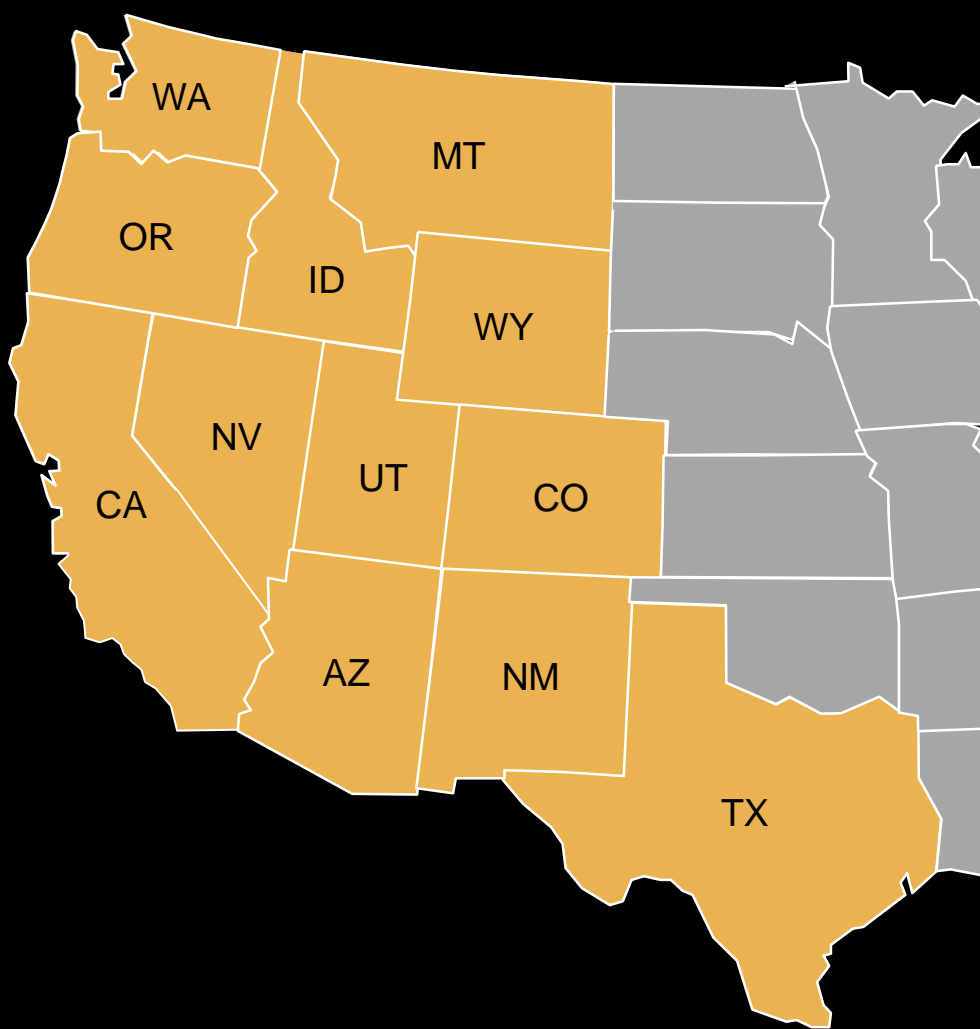
- ▶ Primary focus on hallmark cheddar cheese products
- ▶ Volume focus and heavy promotion
- ▶ Under-resourced to compete
- ▶ Aspirations for accelerated growth

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2017

A fast-growing premium Western U.S. brand with the strength to compete

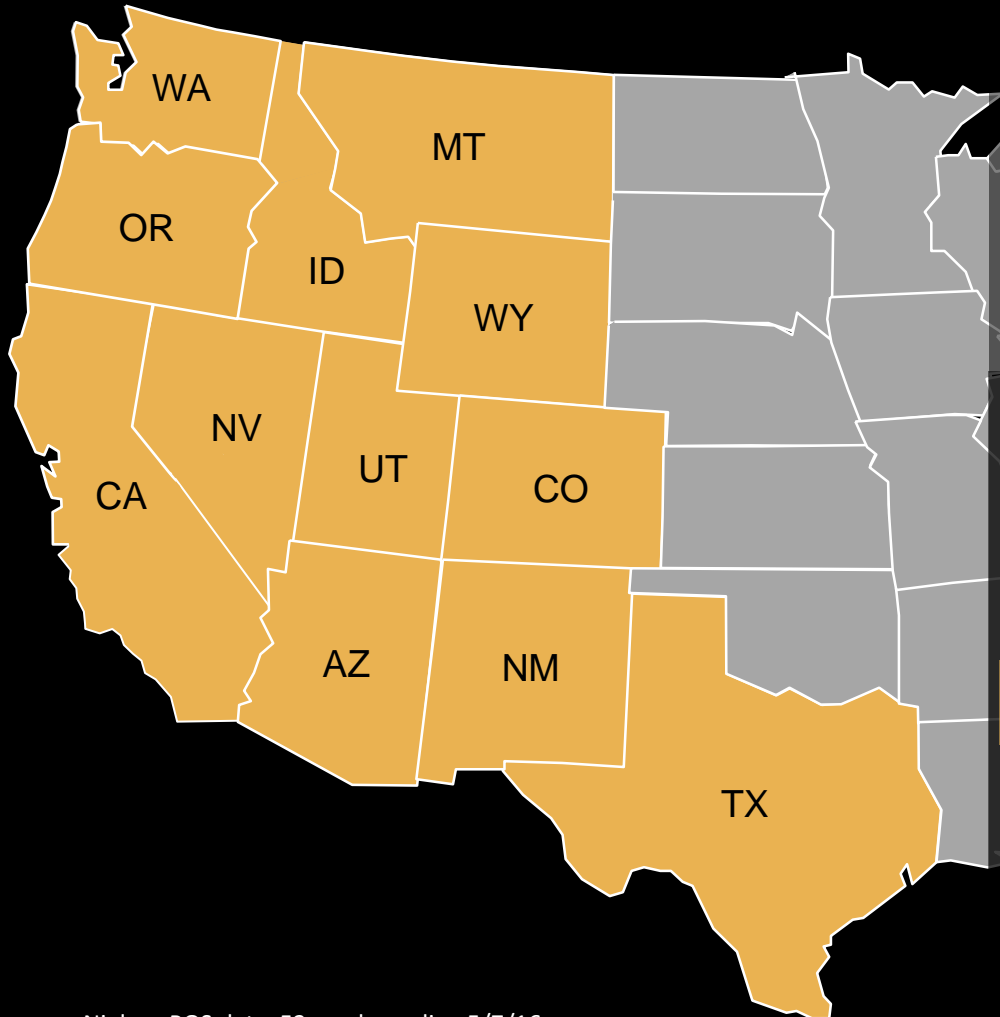
- ▶ Rapid expansion throughout the Western U.S.
- ▶ Strengthened the premium brand position
- ▶ Growth in multiple dairy categories



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2017

One of the top food & beverage brands in the Western U.S.

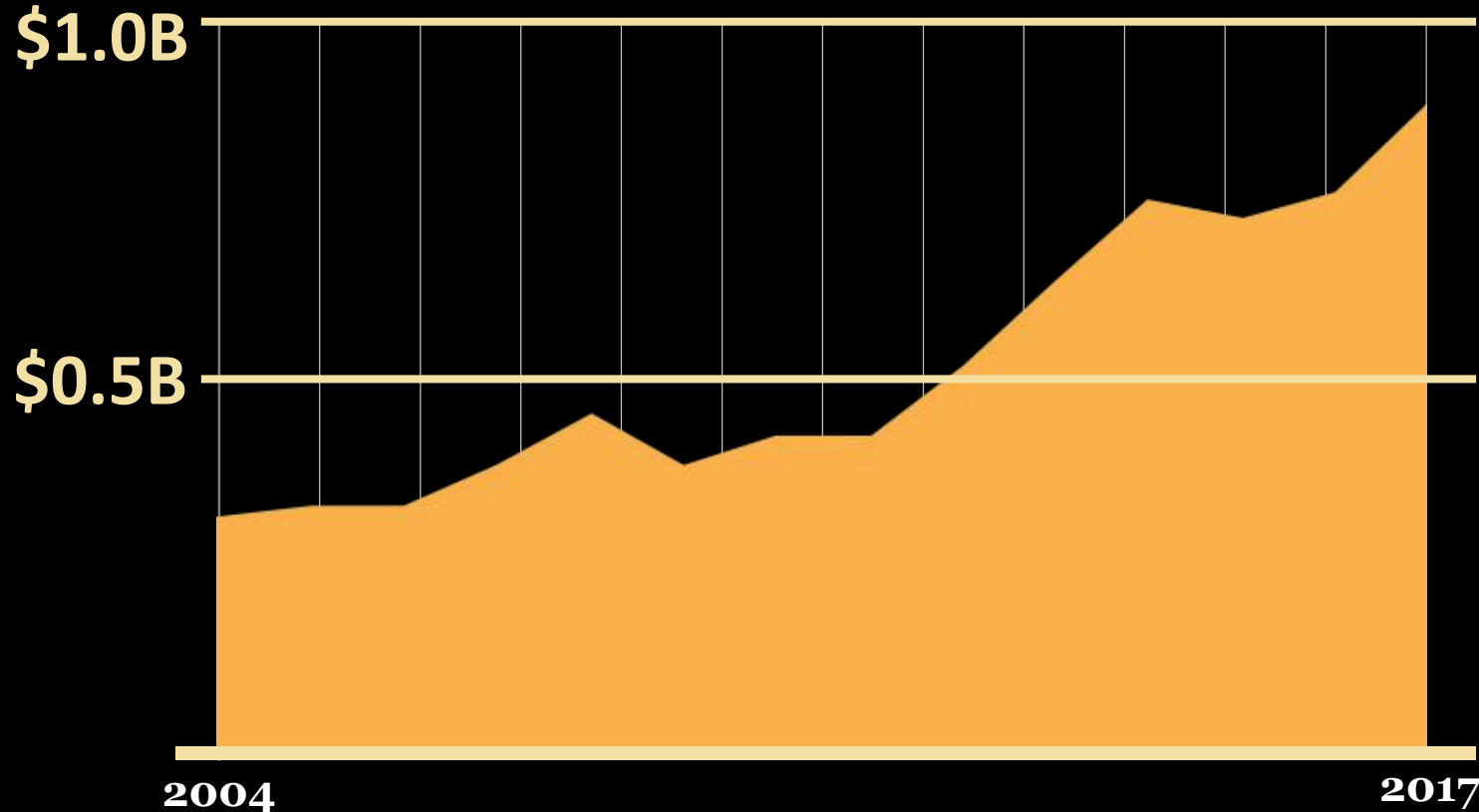


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Source: : Nielsen POS data, 52 weeks ending 5/7/16

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Strong growth and margin expansion



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**Remaining true to
company and brand
heritage.**

**Leveraging consumer
insights to identify
where the brand can
serve consumers.**

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Tillamook Brand Foundation

To connect farmers and food lovers through better-made dairy products that bring joy to everyday life.

- ▶ Farmer-ownership is fundamental to our identity
- ▶ Shortening the distance between farmer and consumer
- ▶ Products taste better because they are made better
- ▶ Great food brings joy to everyday life

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Tillamook Brand Foundation

Our 'Real Food' standards serve as a key brand truth for Tillamook:

- ▶ Highest-quality Ingredients, nothing artificial
- ▶ Minimally processed, no cutting corners
- ▶ Made with care to be naturally delicious
- ▶ High degree of supply chain transparency
- ▶ Recognizable ingredients and products



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Stewardship

Our commitment to 6 key stakeholders drives our strategy, decisions, and commitment of resources.

1 Thriving farms
economic viability,
advocacy, involvement

2 Animal welfare
protection, comfort
natural behaviors

3 Product excellence
quality, wholesomeness
transparency, confidence

4 Natural resources
conservation, regeneration,
partnership

5 Fulfilled employees
safe, healthful,
supportive

6 Enriched communities
resilience,
leadership, collaboration

Balanced approach to consumer insights

X



Consumers don't know what they want. We don't need consumer input into product development or messaging.

✓



All decisions made with a focus on the target consumer. We stay nimble with smart, scrappy research and look beyond the numbers for context in decision making.

X



We can't do anything without consumer direction. We have to give them exactly what they want, so we need rigorous research processes to make data-driven decisions.

Gaining consumer insights through internal and external capabilities

Internal

Mobile surveys
Online communities
MaxDiff analysis
Known buyer survey
Turf analysis
Conjoint analysis
Mobile ethnography
Online surveys
In-home usage tests

External

84.51 panel
Shop-alongs
Focus groups
IRI panel
In-store intercepts

The 'Jobs to be Done' theory states that people purchase products and services in order to achieve specific goals.

People are not choosing from among competitors within the family-sized ice cream category.

They are celebrating, bonding, and indulging and 'hiring us' to do a specific meaningful job in their lives.





Combining brand foundation and consumer insights to drive growth.

#1 Product Offering

#2 Challenger Posture

#3 Retail Partnerships

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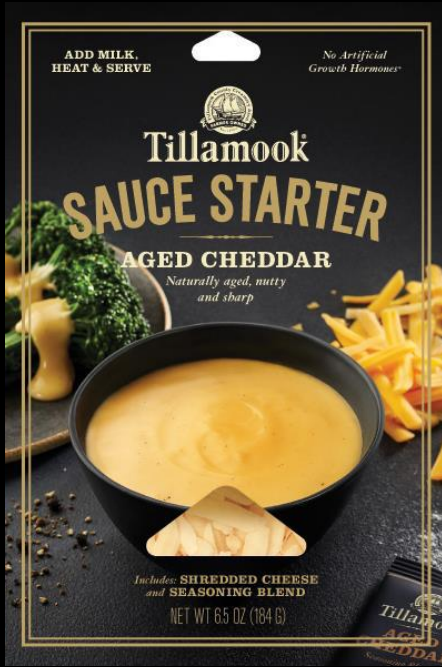
#1 Product Offering

Provide premium, differentiated dairy products to U.S. consumers who are looking for real food options from people they can trust.

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Products inspired by our farmers' values, designed to play a unique role for consumers.



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#2 Challenger Posture

**Relaunch Tillamook
as a bold standard
bearer in dairy.**



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Dairy Done Right

Challenge

People are increasingly conscious of what they eat, *except* when it comes to dairy.

Insight

Millennial Moms want to put good food on the table. But they feel like they have to make compromised when it comes to dairy products.

Idea

Tillamook fights for your right to better dairy. That's Dairy Done Right.

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FARMERS

NOT SHAREHOLDERS

We are independent farmer-owners, which means our values guide us instead of profit margins. That's the way we've been doing it since 1909. That's dairy done right.



BETTER BERRIES

NOT BARGAIN BERRIES

Buying berries from the commodity market is the unreliable way. Choosing the highest quality berries is the right way.

Dairy done right.



Join the Co-Op at Tillamook.com

Goodbye big food

Challenge

In response to consumer demand ‘Real-washing’ is burgeoning.

Insight

Food is the newest battlefield—not just in regards to health, but also the environment, the economy and human rights—and Millennials are leading the charge.

Idea

Claim leadership in real food by leading an uprising against big food and championing food with integrity.

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Farmer focus

Challenge

Eroding trust, even among our most steadfast institutions, and unprecedented volume of claims about food.

Insight

Farmers are among the most trusted in society, and certainly in food. The people behind the brand are what fuel its integrity and everyday tasks are validating points.

Idea

Connect our farmers and consumers. Feature farmers and use brand journalism to give fans a glimpse of Tillamook through our farmers' eyes.

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Farmer Stories



2,012 views

tillamook When it comes to ice cream, Tillamook farmer-owners, the Mizees, don't joke around. Here's their expert #ProTip for pairing our scoops with something yummy.

kirstenblair 🍦🍦

courtrandyoga Cool 😊👍

JULY 31



Tillamook
June 28 · 🌐

What does summer in Tillamook look like? Barn cleaning, state fairs and cheeseburger grilling, according to Coltan Seals, a 7th grader from one of our Co-Op families. When he's not playing baseball or helping his mom and dad around the farm, he's spending his time teaching his cows to lead on a halter before showing them at the Tillamook County and Oregon State Fair. Bring home the blue ribbon, Coltan!

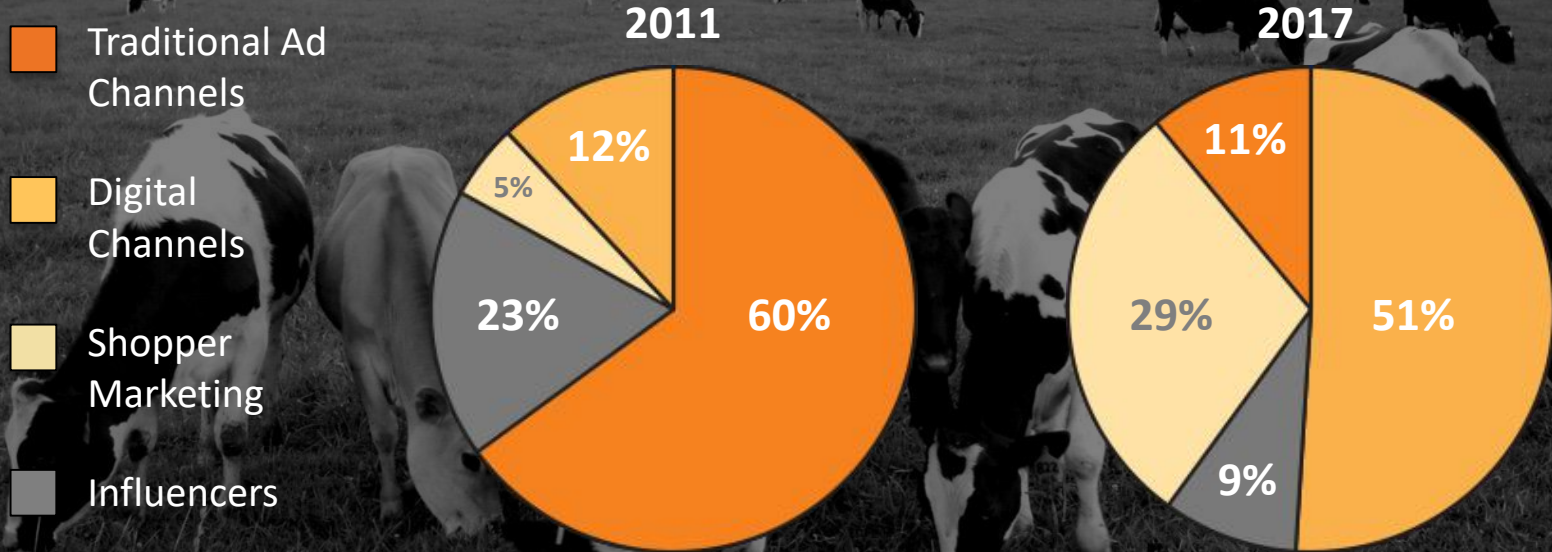


👍 Like 💬 Comment ➦ Share

👤 Philip R. Schaffer and 35K others

Top Comments

Changing marketing tactics to reach today's consumers



#3 Retail Partnerships

- ▶ Help to attract the most desired consumer with a truly differentiated, premium-tier offering
- ▶ Offer unique and useful consumer insights
- ▶ Introduce a steady stream of new products that create 'new news'
- ▶ Participate in their marketing and loyalty programs





**Combining brand
foundation and
consumer insights
to drive growth.**

#1 Product Offering

#2 Challenger Posture

#3 Retail Partnerships

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Company Culture

**The enabler of our growth
has been culture**

- ▶ Create an imperative for growth
- ▶ Connect everyone to the mission and the strategy
- ▶ Create confidence by celebrating natural strengths and early wins
- ▶ Bridge natural barriers, starting with leadership



A dynamic food marketplace

- ▶ Simultaneous premiumization and commoditization of food
- ▶ Constantly changing retail landscape
- ▶ Evolving consumer demographics and preferences



Thank you



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