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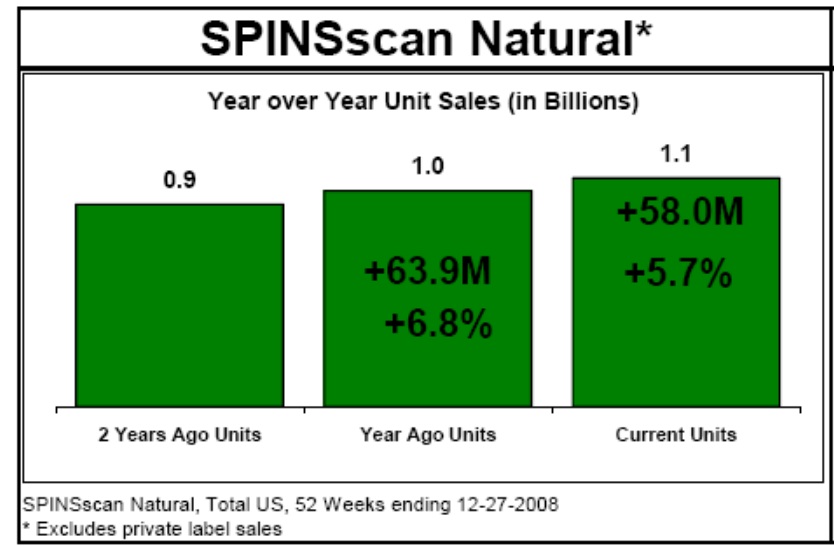
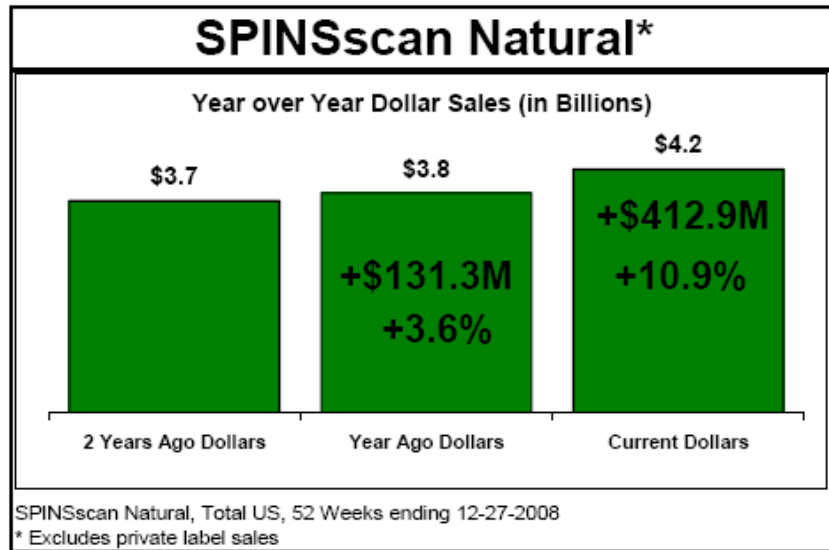
UNIVERSITY

**How the Cookie
Crumbles:
Gluten-Free Products
and Ethical
Consumerism**

What is “Natural”?

A natural product is one in which “the product must be made up of at least 95% truly natural ingredients or ingredients that are derived from natural sources.

Growth of Natural Products



The Darling of Natural Products

Gluten-Free Products

- are the fastest growing segment of the natural products channel.
- have no (or very little) gluten, a protein in wheat and closely related grains.
- increased in sales to \$921 million in 2008, a 16% increase.

The Cookie Market

- The market has been in decline since 2001.
- However, the “Good-For-You” segment of the cookie market is growing.
 - Low-fat cookies increased by 17.7%.
 - Gluten-free cookies increased by 30.2%.
- Premium cookies are also on the rise.





The Progression of the Natural Products Consumer

Trial ➔ *Transitional* ➔ *Regular* ➔ *Committed*

SPINS/IRI Consumer Solutions Findings

% of US Population	60%	20%	10%	2%
% of Natural Product Volume	15%	30%	30%	20%
% of Organic Volume	1%	15%	35%	50%

SPINS Conclusions	21-Day Cleanse	Autism	Food Allergics	Natural Buyers
Categories	Incidental Energy Bar Non-Dairy Bev Meat Alt	Entry-Point Produce Meat, Seafood Milk, Eggs	Complete Meals Yogurt Pasta Sauce Snacks/Beverages	Complete Baskets Personal Care Household Cleaners Paper Products
Purchase Rationale	Accidental Promotion Diet/Food Allergy	Promotion Diet/Food Allergy Good For Me	Good For Me Good For My Family	Good For Me Good For My Family Good For the World

Source: SPINS/IRI Natural Products Consumer Solutions, 2004

Committed Consumers of Naturals

- Consumers are ethical via enchantment.
 - Efforts to redress disenchantment sterile, routinized food chains through romanticized products.
 - Natural products help these consumers feel connected to community, to people, to ideals beyond themselves.
 - Committed consumers are in a reflexive mode with conscious providers.

Committed Consumers of Naturals

- Consumers are political.
 - National governments alone cannot deal with global warming or child labor issues.
 - Consumers, who feel powerless, may address larger political issues and express or realize their agency through the market.

Conclusion

- “...to ensure the soul of the naturals industry can remain intact despite going mainstream.”—Angela Ichwan, 2008
 - To keep a strong presence in the market Arico needs to continue to satisfy food allergics but continue to make authentic strides to reach natural product consumers.