



BRAND SECRETS AND STRATEGIES PODCAST #77

Hello and thank you for joining us today. This is the Brand Secrets and Strategies Podcast #77

Welcome to the Brand Secrets and Strategies podcast where the focus is on empowering brands and raising the bar.

I'm your host Dan Lohman. This weekly show is dedicated to getting your brand on the shelf and keeping it there.

Get ready to learn actionable insights and strategic solutions to grow your brand and save you valuable time and money.

LETS ROLL UP OUR SLEEVES AND GET STARTED!

Dan: Welcome. I hope you're enjoying this podcast. If you like it, share with a friend, subscribe, and leave a review on iTunes.

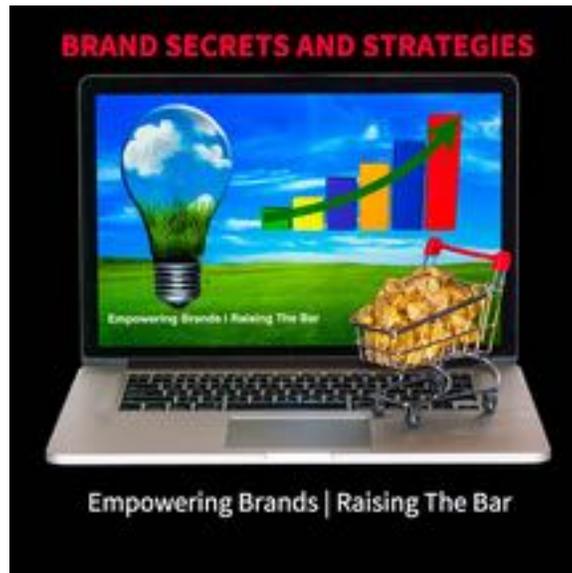
In addition to providing a free downloadable guide at the end of each show, I've also started providing coaching and guidance in many of the shows to help brands accelerate growth by helping them get their products onto more retailers shelves and into the hands of more shoppers.



Today's story is about a brand that never gave up, even when the odds were stacked against them. On top of that, this brand chose to do something that was radically different than any other brand in the space, to literally go where no energy bar had gone before. In the process, they redefined the category and they created a whole new group of consumers. They identified a specific need and they filled it. What's really unique about this brand is that they know their numbers and they know their customers.

Now, you're probably saying, "Well, every brand knows who their customers are. They wouldn't have a brand if they didn't." This story is unique in that they built a product for their customers in an extremely competitive category. Interestingly enough, this is where a lot of brands get their start: in energy bars. What's unique about this brand is that you can find their products in the refrigerator. They identified an unmet need in the category: a healthy, nutritious energy bar that was fresh. The challenge was in getting retailers to understand why their product was so unique and so different and why consumers would flock to their stores if they stocked their brand.

If you think it's difficult to fight for space in the center of the store, imagine this: fighting for shelf space in the refrigerator. The space is finite and it's extremely competitive. Fast forward a couple of years and you can see other brands going in the space, including Once Upon A Farm from an earlier podcast, as well as many other brands. What really impressed me about this young brand is how well they know their numbers. They know their



demographics. They know exactly what's going on at the shelf. They pay close attention to the numbers, their consumers, and everything else that matters to a brand.

Unfortunately, this is an area that a lot of brands gloss over or really don't understand. Actually, this is the purpose of this podcast, is to help you get your product on more retailer shelves and into the hands of more shoppers by helping you maximize all your available resources and then teaching you where to go for additional information. On this podcast you're going to hear about a unique study this brand did going above and beyond every other brand in the space. This is what I call true category leadership. If you're impressed so far, this pales in comparison to the way they take care of their customers, their hive, their commitment to ensuring that their customers get a phenomenal experience every time.

On this podcast, I talk about a lot of brands spending a lot of time reacquiring the same customer. This brand has found the perfect strategy to maximize every customer experience. This is how you build real loyalty. Here are Leigh and Bill. Leigh and Bill, thank you for making time for me today. I really appreciate you coming on. Can we start by you telling us about your journey to Perfect Bar? Leigh, do you want to go first?

Leigh: Yeah, absolutely. Thank you so much for having us. We're really excited. So we founded our business back in 2005. A little backstory to our company, our dad started his career out in health and wellness back in the 60's and 70's and eventually



developed a line of whole-food supplements and omega oils and protein powders back in the 70's. And so when we came along as kids in the 80's, he had developed his list of clients and we'd tour the country, first in a motor home and eventually a bus. We grew to 13 kids in total. So we had to fit into a bus after a while. But he toured the country and he'd lecture on health and wellness and nutrition and put people on programs with these supplements. And that was a really interesting-

Bill: Crazy time

Leigh: ... eccentric childhood that we had ... He obviously naturally wanted us to take these whole-food supplements. They were all dried whole-food powders pressed into a tablet. And as little kids we didn't want to take those tablets, didn't know how to swallow them. So he'd grind the tablets into a powder, blended it with nut butter, honey, protein powder, omega oil. It was really making this complete snack and this complete meal. And as kids we ate those like our treats every day. And little did we know we were eating our supplements, you know? And so that's how the recipe was born.

Dan: I love that.

Leigh: Yeah. It's so fun. Some of our first memories were making these bars. And so in the early 2000s our dad was actually diagnosed with melanoma skin cancer.

Dan: I'm sorry.



Leigh: And he, yeah, had nine kids. We had nine brothers and sisters still at home. And we came together, Bill really leading the charge saying, "What's something that we could do together that we could really try and control our own destiny and take care of our family?" And we had that family recipe that we had been making and selling to clients for years, and so we convinced our parents to sell their little piece of property, moved into a rental all together, buy some peanuts, honey, a candy wrapping machine. That was all we needed. We could do everything else by hand. And we were off to the races. And that was back in 2005.

So, yeah, from there we can talk about our retail journey along the way, but really the foundation of our business is our culture, built on family and taking care of one another, and happy to say our family's just grown to over 100 employees now, and taking care of our mom and siblings still. So it's been a real honor of our life to be able to be on this journey together as brothers and sisters.

Dan: What a great story. So do we need to put a disclaimer in there saying that healthy whole food vitamins create lots of kids? Or I mean obviously it worked, right? So my mom comes from a really large family too, so I miss that relationship, having all those brothers and sisters and cousins and aunts and uncles. And I think at one point we had six generations together at a family reunion. I think 58 of us were missing, and there were only about 134 there. So I get it.

Leigh: That's amazing.



Dan: So I understand the benefit, the value of having a large family. My family's not large, my direct family, but that's great. And then, Bill, your thoughts? Anything you want to chime in?

Bill: Yeah, so you know in those early years trying to get all the brothers and sisters on the same page and really rallying behind this cry of, "Okay, we have this product that we truly believe in. Now, how are we going to convince retail to stock a refrigerated bar? Again, being a category captain, being in this merging segment, it was brand new back then. You look at the other products that are doing well now that were just starting, we're talking about Greek yogurt, we're talking about Kombucha, so we definitely were ahead of our time. So we literally would go door to door trying to sell Perfect Bars like kids sold cookies. You know?"

Dan: Mm-hmm (affirmative).

Bill: And we got to a point about a year into the business where we were bleeding money trying to get things going. I mean, literally talking to a ton of different retailers about why they should carry a refrigerated bar. And we were far ahead of our time, finally getting our big break about a year into it. About a year and a half in, and this is when we were literally close to shutting the doors, we end up getting a trial in one Whole Foods. A Berkeley Whole Foods up in Northern California, they gave us a shot.

And with this trial, the key foundation of our marketing outreach for this product has been demos. And I demoed that store, that single store for 30 days, traveling back and forth from our kitchen



to deliver bars in my car. I always say I showered at the gym, because I was sleeping in my car. I couldn't afford a hotel at the time. And after those 30 days we contacted the grocery team leader who got in touch with the buyer. And we did so well off of the product demos, and, again, folks saying, "This is the best bar I've ever had."

And we had such a great response that we got access to 10 more stores. And then what that did is that started a wildfire throughout the whole natural segment of the industry where we started going into different states. And we would open up the natural regional distribution in those states. And then we hit, about four or five years into our business we decided to make a big jump to conventional. But we did a little bit different route. We actually, and this is crazy for your audience listening to this, we actually were rolling bars by hand with rolling pins, and we decided to jump into Costco. And we got into five clubs.

Leigh: Bill surprised me with that news. You'll hear us describe each other as the yin to each other's yang, the push to the pull. And he definitely said, "Hey, so I know we're still making them with rolling pins. I know we don't have a solution to mass produce these yet. But we can't pass up this opportunity." Obviously Bill's the salesman between the two of us. And we launched into Costco. And then on the back end of course the sisters, the girls picking up the slack.

Bill: That's right.



Leigh: We have to figure out how to make them. So we quickly figured out a different semi-automation custom little press machine to continue cold-pressing our bars and ditch the rolling pin.

Bill: That's right.

Leigh: So that was a pivotal point. We knew what drove products off the shelf fast: the sampling demos. And we could control our sales with the number of road shows that we could do at Costcos. We jumped right into Costco because we had the opportunity to somewhat control our own destiny with our sampling that we could do there.

We learned that they have those road shows within Costco where we could get in there for week-long shows and just sample to upwards of 20,000 people in a weekend. That was huge exposure for us. We of course were concerned, would we see cannibalization with our current account. That was a big risky move for us. But what we saw is all C-levels rose. And we saw increased velocity in the accounts surrounding those Costcos. So that was really a big break for us.

Bill: And then, so after getting into Costco, now with conventional retail starting to bud with road shows that were actively performing across the regional areas, we decided to make the move to go national and I actually got in my van with my friend, and we took a six-week road tour, and slept in the van, and literally toured all the way down to Florida, all the way up to Washington, D.C. and back. And we were so tight on finances,



but we had a great opportunity to expand through the Fresh Market and through different Whole Foods regions and some conventional retail that we decide to go for it.

And I'll never forget, we got back and Leigh goes, "Bill, you spent \$10,000 on that trip. We could not afford that." And that just shows you how tight we were. And I told her, I said, "Leigh, I think good things are going to happen out of this." And sure enough we ended up expanding nationally from that trip. And that was a big jump for us.

And so then, picture this: About seven years ago we're national, we're growing through conventional retail or reached a point to where the business is growing pretty good, but we need to rebrand and sort of figure out, I feel like every young entrepreneur there's a process where you need to figure out who you are as a brand, and that evolves over time. Right?

Dan: Right.

Bill: What are some of the pillar foundations, some service and some foundational steps that you can plant your feet in the ground and say, "This is who we are: We are a minimally processed food. We are a cold-pressed food. We are project verified non-GMO foods." So we have this pillars, and we had to put together a story. So we rebranded ourselves about four and half years ago right after that national expansion. And that was a big challenge for us because it's very costly. And with that expansion or with that rebrand, rather, we were able to get to a point to where we could bring

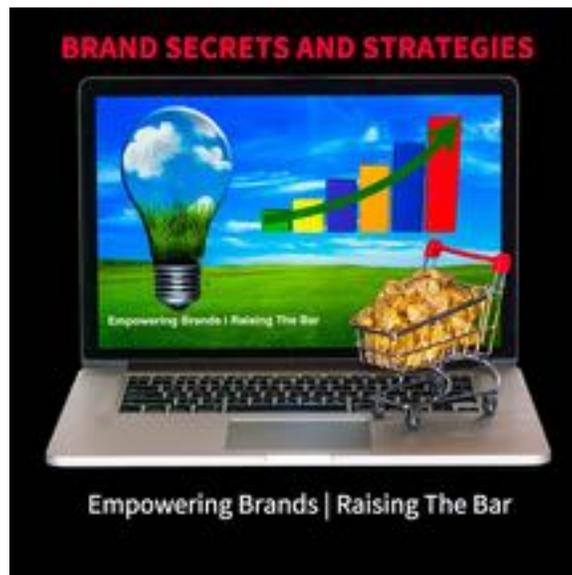


non-private equity. And that was our partner VMG. And they have been a great partner for us for about three and a half years.

And by bringing them on, we were able to attract some of the best talent in the industry. We have folks from Kashi, folks from 5-hour ENERGY, and so forth. By bringing on this executive team, we were able to now have a more formal leadership team under the culture guidance of Leigh and myself to really flourish. In the last three years we've just blown the top off of it and really have created a decimation in the store, where now we have retailers coming to us saying, "Okay. You've proven that your product sells well. You have the velocity hurdles more than cleared. Now we want to build the set. What other innovation do you have that you're going to bring to the set so we can make it a destination?"

And so that's why. That's what encouraged us to go out and fund this independent study, this Mintel report, so that we can take this information back to the retailers and show them that they're on the right track, that they need to invest in these fresh snacking sets because this is where the consumers are going and this is what they expect.

Dan: Fantastic. Great story. And I love the way that you guys have bootstrapped this in terms of blood, sweat, and tears to get the product on the shelf, not giving up on it. By the way, I used to be a store manager, actually a grocery manager for Price Club, which became Costco. And so I know that well. This is about the time we started the traveling road shows and the opportunity to be able to grow.



Leigh: Oh, wow.

Dan: Yeah. It was amazing. The amount of volume that I could do in a weekend was staggering. And we were one of the original stores in Colorado. And so great experience. So that's my retail hat. But the fact that you guys were able to be able to do that, I know of a lot of companies that tried to step up and weren't able to really meet the needs of that high demand. So you guys were able to do that still rolling it by hand. That's interesting. So if Leigh really understood the opportunity at the time and really understood what the capability was, it probably would have been a very difficult conversation.

Leigh: Absolutely. We actually, I jumped I think right after Bill told me that, we had dabbled in ideas. After Bill told me, I jumped on YouTube to research machines to press the bar. Oh, and we're starting in a month."

Bill: Oops.

Leigh: It's like, "Oh boy. Find the siblings and buy some more rolling pins." But we jumped on YouTube, I kid you not, and just started Googling press machines, cakes, cutting machines. And we ended up reforming this cheesecake cutter and this other cold press and getting it all handmade actually out of a company here in Southern California.

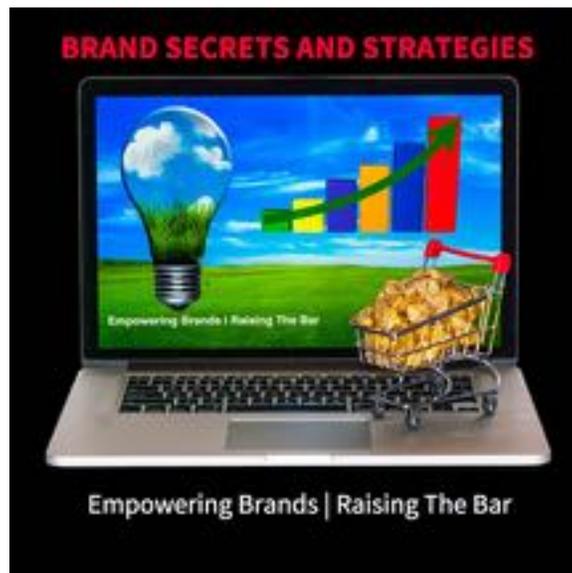
Bill: It was that next step up.



Leigh: It was just that next step up that we could also fund and buy the machines ourself because it was small enough, because anybody familiar with the bar manufacturing process, we couldn't step from rolling pins to the equipment that kind of the Rolls-Royce, as we call it, that can really do anything. Even in cold environments for bars these machines are 100 yards long and takes heavy commitment, so obviously then heavy dollars would need to be behind us. And we didn't have that.

And we could've taken investment on earlier. We certainly had people saying, "Wow. You've got a great product. You're selling tremendously. You have amazing repeat customers." But we were like, "We haven't quite figured ... We don't think that consumers are quite there yet. And this is something that we can wrap our arms around and continue doing ourselves. We're just going to wait." And we're really glad that we did because a few years ago we really saw a shift in consumers' behavior. Obviously we fought the fat trend a few years back with the Atkins diet was when that was really hot. We're a high-fat product because we have healthy fats from the nut butter. And now that's obvious. People are pouring oil right in their coffee. So that was very interesting to navigate that.

So then clean label comes along, and that really put some wind in our sails, so to speak, with consumers understanding the benefits, and then now what we're seeing even more than that is really the future of fresh. And in the Mintel study that Bill referenced, if you look at, we obviously know millennials are



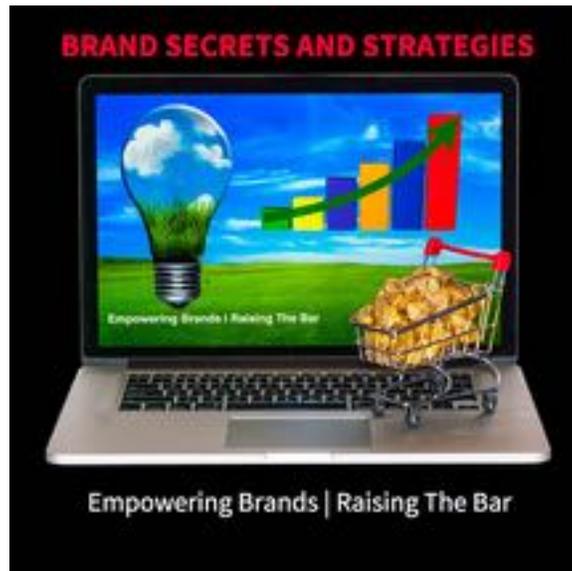
snacking more than ever. They're swapping out their three square meals a day for six to eight small meals. So we know that that's happening. We see it with the rise of the total snacking category. We're almost at \$58 billion for the total snacking industry.

But yet you see in the latest 52 weeks in the study that the total category is at par 0% growth. So it really prompted us to independently, or bring these guys in independently and say, "What's going on here? Let's divide it out a little bit and see who is driving growth and who's seeing the decline." We know how we're doing, right?

Dan: Mm-hmm (affirmative).

Leigh: We can see our numbers. We can share some numbers from some refrigerated section friends that we have. So we see that we're doing great. What's happening in this industry? So what you find, what they found is that if you divide it out into health and wellness in conventional snacking, health and wellness meaning organic, all natural, project-verified, and the conventional snacking all else, you actually see that conventional snacking is on the decline by 2%, and health and wellness is on the incline at 6%.

So we said, "Okay, who's driving that 6% growth?" And when you divide that out into refrigerated fresh snacks, all items sold in the fridge or out of the refrigerator that are considered a snack, and then shelf stable snacking, you see the refrigerated snacks are on the rise by 8% and shelf-stable health and wellness snacks on the

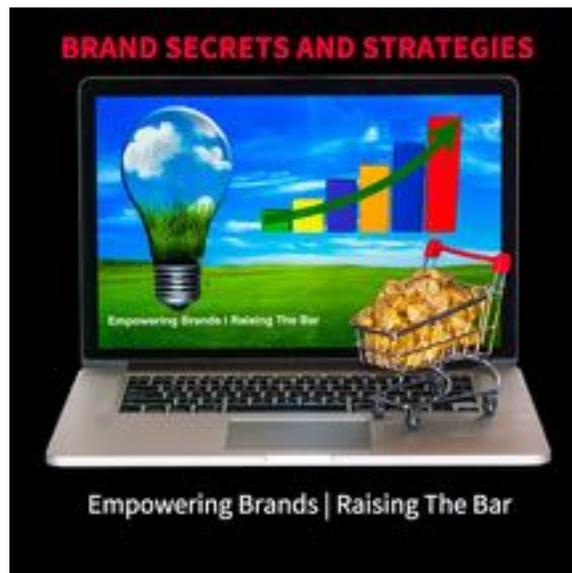


rise 5%. Of course, all other categories are on the decline on the conventional side. So really interesting to kind of take this to our retailers and say, "Hey, these millennial consumers are navigating the aisle and they're going to the perimeter. And we see that the perimeter of the store is growing at 2.7 times faster than the inner aisle, so really exciting times for us. We wouldn't have known we would be here in this position leading this new category back in the day when we had a nice dream, and a couple bucks, and a rolling pin.

Bill: Exactly.

Leigh: So it's come a long way in the last 14 years.

Dan: I am so thoroughly impressed that you know your numbers that well. I have to admit, I talk to a lot of brands, and very rarely do they know their numbers that well, or do they know their audience that well. So I really want to commend both of you for really making an effort to understand who your consumer is, what they want, and then delivering that to them. And so to unpack this a little, I agree with you completely. I've been doing a lot of work in this space. I did the 2016 Category Management Handbook feature article that I refer back to where I start identifying--this is me a couple years ago--that it was organic that was driving sales across every category. In the absence of organic, non-GMO, plant-based, you name it, every category's down or declining. So you're absolutely right on.



Now, one of the things that I would challenge you on is that the way that most solution providers define health and wellness is different than the way your core customers view that space. And what I'm getting at is that there's an even greater story if you can drill down into what your customer looks like. And that's one of the things, one of the battles I've been sort of fighting with different organizations I've been working with in trying to help them understand what the health and wellness customer is. And so let me frame it this way, and I'm kind of being a little sarcastic, but they believe that, for example, LOHAS consumers, someone who eats a couple salads and goes for a walk, whereas in our world, it's someone who's trying to reduce their carbon footprint, someone who reads the labels, someone who understands what's in the package and beyond the package. It's mission-driven, et cetera.

And so as you begin to put together your story, and that's why I put together the Turnkey Sales Story Strategies course for brands. That's the story that I'm trying to help brands leverage. And one of the other things you talked about, the fact that you have healthy fats in your product. My wife is really learning a lot about keto. And I've had some other people on the show that have really talked about keto and healthy fats and healthy oils, and understanding those dynamics and they intertwine with each other, and then building your story around it. I know you just finished this study, yet have you had an opportunity to take that study and kick the tires or test drive it with any retailers?



Bill: Yeah. So you know what? That's a great question. We're actually going to be showing this to retailers at Expo East. And so this will be the first time we're going to have that conversation with our buyers saying, "Okay, here's what you told us to go out and find. Here's the research behind it. Now, what steps are you going to take?"

Leigh: Yeah. We announced this or we finally got the finished study about a week ago. So this is very, very new. But that's the plan, to really help them identify where the future is growing. According to this study as well, we see that our current health and wellness, the \$17 billion industry is expected to rise to \$20 billion by 2020. And some different fun facts in that study talking about brick and mortar versus eCommerce, that refrigerated products, fresh products are really going to be a key driver they predict to keep customers going into brick and mortar, right?

Dan: Right.

Leigh: That's a real key.

Bill: They love that.

Leigh: ... they're still trying to solve for online. So that's going to really be where brick and mortar retailers will have a leg up over eCommerce platforms. So it's telling that story as well. But to your point, no, it's terrific. There's a lot to be done with this to really help them understand who their customers are.

Bill: I agree.



Bill: I agree. The more you drill down to figure out who those customers are, the more I think it'll show the upside for our story. I totally agree.

Dan: Well, and I'm glad you guys are doing this. I'm so thrilled. So let's dig into it. Brick and mortar is not going away any time soon. Customers want to be able to have that experience. They want to be able to go into a store. They want to be able to pick up what they want when they want it. And to your point, they don't trust online fresh. No one's really solved that problem yet because personally I don't want someone going out and choosing my avocados, or my apples, or whatever. I want to be able to do that myself. And I think a lot of other people have the same belief.

So with that said, here's one of the things that you might want to consider: I grew up when there was better living through chemistry, unfortunately. And so we were taught that if you wanted to eat healthy, you had to eat from the perimeter of the store and avoid the middle. But what you're saying, from what you've learned is that that's changing, and I agree with you completely. All my research, all the projects I've done amplify that.

So in your story, and this is part of my course, in your story, communicate the value of your shopper and how your shopper drives customers to center store and other categories. And so the example that I give, which is really easy for people to understand is that when someone's trying to adopt a healthy diet, the first



place they tend to choose is either going to be in produce, meat, dairy, those kind of areas.

And so that's easy to understand and it wasn't made with pesticides or herbicides or whatever. So they can get their arms around that. So that is where people begin to start sampling healthy products. So the opportunity for the retailer, and a brand like yours especially is to help communicate the value of how you're able to drive that shopper into the center of the store.

So, in other words, it's just not your brand going through the register, it's what's sold with your bar at the same time. And so when you look at the market basket, what someone has in their basket after they check out, the value of the Perfect Bar customer is far greater than the value of some of your mainstream competitors. And by the way, I mentioned to Leigh that I've done a lot of work in this industry, in your category specifically, and I know this for a fact. So if you're able to leverage what you just did with the study, what you've just received, and overlay that with the story that I just shared with you, that's a home run because the sorry, sad, harsh reality is that retailers don't want you to come to them and say, "Look, we're number two in the category." They want insights, actionable insights that they don't have access to. That's the story or the strategy that I'd recommend.

Bill: Dan, you are spot on. And showing the buyers the bigger picture, you know how they ... You out of all people know the inner dynamics between buyers of different sets and different



categories. A lot of the reason a lot of times buyers in our category will purchase, will bring Perfect Bar in because they don't want to take sales away from dry. And so by us being able to say, "Hey, not only are you not cannibalizing on your set and you're adding products and bringing customers there, but you're bringing consumers into the health and wellness family category across store, and you're educating those consumers through our bars. You're basically leveraging Perfect Bar's marketing to create better shopping, what I consider better shopping habits for your consumers-"

Dan: Well said.

Bill: "... across the store, which is going to help those other health and wellness brands." I love that. That's a new take on it.

Leigh: Particularly giving that reason in addition to produce, which is the obvious, which is drawing people into retail, or brick and mortar, I should say, by giving, once again, another product that would ... I feel like any refrigerated or frozen products is really helping ... If it has the velocities it's helping bring consumers into the door. To sell entire store.

Dan: Absolutely. You're absolutely right. And don't forget this: You are creating another reason for brick and mortars to survive and exist in a world where a lot of people are going to online. I mean, think about it: I can't go online--I mean, I can, but it's if you've got a product that's fresh, you are providing another reason for that retailer to exist. And let me back up a little bit. Retailers



generically don't make anything. It's other people's products. What they sell is the real estate that your product takes up on their shelves.

So your job, your goal is to help that retailer drive sales within that little niche, however much space you take up. The unique thing about your product that I really love about it--by the way, it tastes great too--is that you're able to interact with other brands, other products, and other categories. Therefore, your product is far more valuable to the retailer. And your product is great in the sense that Perfect Bar keeps customers from going online or perhaps to a store that doesn't carry Perfect Bar.

Leigh: No. Completely. You're so right. It's exciting. I know. I think you were speaking to John Foraker recently with Once Upon a Farm, seeing what he's doing within the baby food and children's snacking arena. We sit next to him now and a lot of our retailers taking an old category and that you could buy online, you could ship by the case through Amazon, shelf-stable baby food. And millennials want fresh.

Dan: Yes, they do.

Leigh: They do, and they're willing to walk into a store to find it, and they want what's best. They want, like you said, they want the story behind the brand. They want clean label, but really what we also found in this Mintel study, "fresh" is the number one purchase driver over "tastes great" and "fits my budget." That's a really interesting stat. And so it's taking categories even like baby



food and bringing that into retailers. That's also helping the entire store, as we're talking about. So it's exciting.

Dan: Oh, yeah. You guys are redefining the category. And, Bill, you missed our conversation yesterday. I was talking to Leigh about this, the first thought I think that probably a lot of retailers have is, what the heck are you doing? Energy bars are a complex, very highly competitive category anyhow, and you guys want to go into the refrigerated section where there's a fixed amount of space, and it's even more competitive? So trying to convince a retailer to get rid of a skew of milk or something else, that's quite the feat. And what's unique about that-

Bill: You're right.

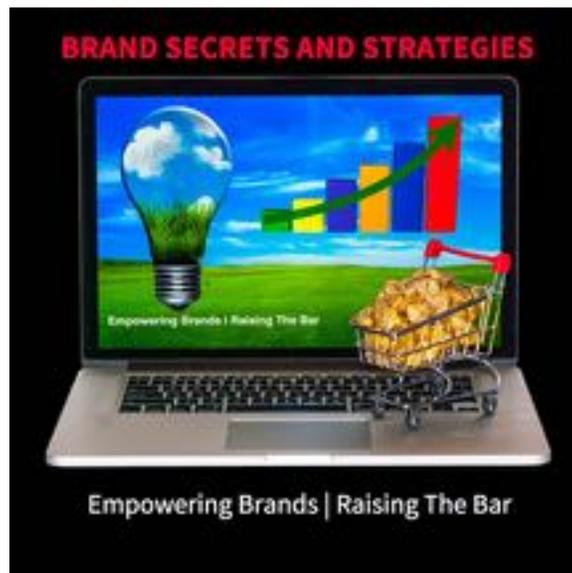
Dan: Go ahead.

Bill: Oh, well, you're exactly right. And that's what I always tell the young entrepreneurs growing. I say, "What are the velocity hurdles for your set?" And you're right. Our velocity hurdles replacing different drinks and yogurts were far greater than the bar set. So it actually pushed us into better greatness, right?

Dan: Yes, it did.

Bill: Because in order to stay on the shelf, we had to turn faster.

Dan: Mm-hmm (affirmative), well, and the other thing is because of the way your product comes in the store, I would imagine you've got your store labor. So that's a different dynamic as well. And



what I was getting at there is, yeah, you've got the higher turns, the higher velocity. A lot of the bars that sit on the shelf, honestly, I got to wonder if they're getting turned properly. I've had some bars that are hard and stale. But the fact that you're providing a fresh product, it's new, you're reinvigorating the category, you're bringing new consumers into a category that was kind of stale.

Bill: Absolutely. And that's why a lot of these retailers are praising us. They're saying, "Hey, we haven't seen true new innovation in this set for a long time." And you know where else they're putting us? So, they're putting us in refrigerated grab and go, but also they're putting us in produce, and next to those fruit cups, and next to ... sometimes next to the orange juice and the different drinks there. And they haven't seen innovation in a long time over there. And those category buyers are wanting to shake things up, and they're more apt to have more space so that you really, truly can create a destination set there.

Dan: I'm glad you said that because actually I was going to suggest that you talk to the produce people because there's so much opportunity, or deli--sometimes are a little bit tied together. But, yeah, there's such a great story there. And then, again, you are the entry point into health and wellness into the rest of the store.

Bill: Yep. You're exactly right.

Dan: Well, that's great that you're doing that. Okay, so let's get back to this Mintel study. So what encouraged you to go down this path?

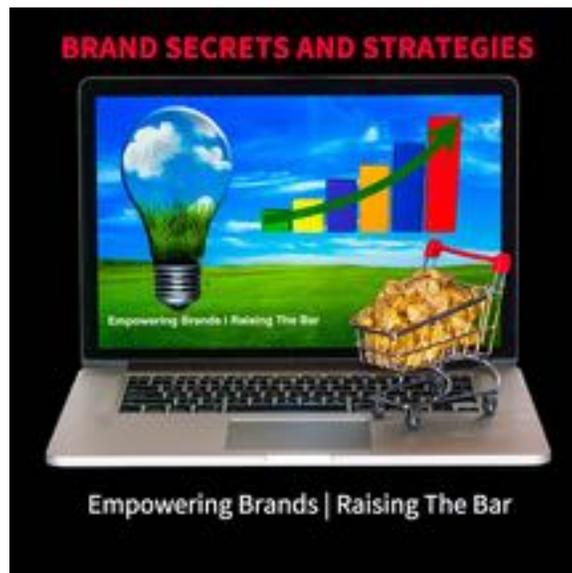


And the reason I wanted to go there is that most brands buy data because they're told they need to buy data, but they don't understand why it matters or why they need it. And then the other equation, the other group of brands that I talk to, especially small brands, they don't know what to do with the data. They don't understand it. They don't understand how to really help it drive sales. And yet you guys impressed me as a group, as a company that really knows how to get into the weeds and understand where those actionable insights are that really drive sales that you need to communicate to the retailer. What caused you to want to go down this path to begin with?

Leigh: This was not where we were a few years ago. We were lone rangers, we'd say, in the refrigerator. And we saw the rise of Greek yogurt, as Bill mentioned, and we saw a lot of functional beverages come into the space, so at least started seeing some innovation within the perimeter aisles. So people were maybe more prone or apt to pick up a Perfect Bar and kind of go, "Hmmm, what is this?"

But in recent years, honestly in the last two years, we're starting to see snack packs, little protein bento boxes come into play. Now drinkable soups, they really seem to move, smoothies, of course, little hummus snack packs, little guacamole snack packs, these little ways to eat fresher but still portable, and on the go, and single serve snacking size.

So we said, "Okay. This is turning into something." We are the leader of this category by way of total velocity, I'd say, right, first



to market, total volume, I should say. We understand our movement within these retailers, but let's try and look at the industry as a whole because maybe there's some retailers that are trying a bento box or two, but they haven't really jumped into drinkable soups or other type avenues to try and collectively make a destination in the store, as Bill mentioned, called fresh snacking. So we pulled in Mintel to say, "Hey, let's look at how the category is doing across multiple retailers, of course, across conventional stores-"

Bill: Multiple segments.

Leigh: "... multiple segments. And let's see as a whole." And this can help kind of I guess standardize what types of products are out there, divide them into categories, and then really look at how each of those are growing as a whole.

Bill: As you do look at this, one point to add to Leigh's statement is that a lot of investment that comes within making these destination sets, right, that's why the retailers are asking us for innovation and direction, so we wanted the direction to be independently done, so it could come from a third party so we could say, "Okay, if you're going to take, for instance, \$100 million worth of yogurt sales, remove it and carve in a fresh snacking set, here's the information behind why you should do that."

Leigh: It's a bit like if you build it, they will come.



Bill: Exactly.

Leigh: From that movie, right?

Dan: Yeah.

Bill: Totally.

Leigh: It's a little bit of believing in the future, kind of investing in the consumer's behavior today and kind of cherry-picking who's doing what right across multiple retailers so we can really help people steer what is best practice and how are consumer behaviors shifting, back to that stat, "is fresh" ranked number one with millennial shoppers, beating out "taste" and "fits my budget." That's pretty crazy.

Dan: It is.

Leigh: So it helps them say, "All right, let me make these big shifts, carve out space, and pull in these very innovative products." And that's also pivoting us now as a company or guiding our future thinking as well. And we're sitting back and now saying, "What is next for Perfect Bar?" And you'll be seeing Perfect Snacks come into play in a consumer-facing way, come probably first of the year. We've announced that to the industry at NOSH Live a couple weeks ago that Perfect Bar will become a subcategory of Perfect Snacks. And you'll see other eating occasions and snacking platforms come in under the Perfect Snacks umbrella all minimally processed, high protein, and of course fresh from the refrigerator. So we're really wanting to continue doing our part to



keep up with the shift in consumer demand and excited about the pipeline of innovation that we have.

Dan: Love it. I'm looking forward to learning more about it. One of the things I keep saying that makes natural, natural as we look to the future, and one of the things where I'm going with that is that when big brands innovate they throw a different sprinkle, different packaging, or something like that on it, call it something new and different, and to your point, it's not. Consumers are smarter than that. Consumers want real value.

And one of the things that I'm really impressed with your brand and the story that you're sharing today, and thank you for doing this is you're talking about your relationship with a customer not only at the store but more importantly as they take the product home and share it with their friends and talk about it with their families. So let's get into that, and then I want to talk about more some of your new innovation. What is your relationship with your core consumers outside of the retail environment? What I mean by that is how do you talk to your customers? What is your social presence? What does it look like? How do you interact with people? I notice you've got an opt-in form on your website. What else do you do?

Leigh: We do have a pretty robust email list for sure that we've built up over the years. But we've made sure to really put a focus on our digital marketing when it comes to honestly Instagram. Where Millennials are at, we see first and foremost with Instagram. So we have a team of people within Perfect Bar that actually handles



our influencer marketing. That is a thing, and it's not going anywhere.

And we have over 500 influencers, all different levels, from a million followers to 5,000 what you call microinfluencer, where we have we're building relationships with them, whether it be through product sponsorship or otherwise and really create that authentic relationship where we're getting in front of millions and millions of eyeballs every single month through social media. So we do know that's where Millennial shoppers, really that's where they're looking to. So we make sure that we're really staying current and relevant there.

And then on top of that, we make sure that we haven't shyed away from that, the original marketing plan that works and will always work for us is demos. We do thousands of demos across the United States with our field marketing team, and we really see out of a lot of the field, big robust marketing programs, the News America, the Catalina, all of these programs that you can get within retailers, we still see, we're very diligent about measuring our marketing program in an apples-to-apples way. How much does it cost? All in. Whatever the program may be, throw all the costs on the table, and then how many bars walk through the register for that program?

And we'll divide up that total cost by those x amount of bars to that register, and that's a cost per bar to walk through the register. And that's how we measure in a leader board all of our marketing programs from our Target Cartwheel, to Ibotta, or the



app coupon Ibotta that you can use, to our demos in the field, just being very diligent about what works and what doesn't. We had to do that because of our very slim marketing budget for the first 10 years of being in business. But it's just great practice for any company, whatever your size-

Dan: Absolutely.

Leigh: ... because you can start feeling pretty good about yourself that you gave away 100,000 bars for us. We did some sponsorships with some big race series and things like this. But we had to step back, let a few months go by and say, "Okay, let's take all of those little indicators that we put around the event, at any event we'd give away the 100,000 coupons. Well, that had a custom code on the coupon. And let's let those go through register. Let's let them go through the clearing house, and let's kind of have a postmortem conversation about how did that event really impact us and as best as we can measure it. Let's boil it down to that cost per bar to walk through the register."

And a lot of times for us doing the big brand building events out away from the shelf, it wasn't affecting our velocities, and you could blame it on findability in the store. I think we're going to see a lot of changes as fresh snacking becomes a destination in the store. But we were doing all this work, partnering with big companies, giving away tens of thousands of bars, samples, having a great time, feeling really good about ourselves. It wasn't changing the shelf, the velocities, and so we said, "Let's ..." I think it's though any brand, any size budget, it's always really



checking yourself, making sure that your dollars are working as hard they can be for you. And demos and managing a big, robust field team doing thousands of demos inside of retailers, and having those be the most affordable method, that's not easy. We have really strong KPIs, amazing incentive programs, really make it a fun team and environment, but culture trumps everything, right?

Dan: Oh yeah.

Leigh: So we really kind of navigate all of that. Marketing is always a moving target for us, but I think it's just really important to try and measure everything against each other.

Bill: Absolutely, and you know, and one thing to add to Leigh's statement is once the consumer purchases a Perfect Bar, the story doesn't end there, of course, to Leigh's point. So we recommend and we had this regular dialogue with our consumers so we can do quality checks on our different products and lot numbers across the country, and quite honestly we encourage feedback. Is the product too dry? Is it too oily? Is it that not-so-perfect experience? We encourage the dialogue with our consumers so that we can better react and feed that information to operations so it can help us internally to constantly be creating more perfect bars. We don't ever see this journey as a destination, it's just a constant evolution of getting better, and-



Leigh: It's a journey, for sure. And we even manage our negative feedback with personal videos from Bill or myself to our customers.

Dan: Really?

Leigh: It's funny if you just let yourself think out of the box for a few minutes. If we get a couple dozen over the course of a few weeks, what we call not-so-perfect experiences, and we receive feedback like, "It was a little crumbly. It was dry. It tasted a little off." These are folks that buy five bars a week. Or it's somebody that bought a bar for the first time, and they're ready to walk away from our brand. That costs us a lot of money to get that product to the register, in your basket, and home to your fridge. So we'll put our time in unique places, and anybody that submits a consumer complaint to us gets a personal video explaining what we've done with that complaint, what it means to us, and we really are speaking from the heart. You know?

Dan: Love that.

Leigh: We know that keeping tabs on quality across the United States by way of our customers letting us know when we're off, that's going to help us tremendously in the long run. I love finding ways to break the rules. It's like, why do it the same old way? I think you can really surprise and delight consumers that way.

Dan: I love your story, and I love your enthusiasm. And the idea that you go so far as to produce the personal videos, that's amazing.



Trade marketing is the single largest line item on any brand's balance sheet, first of all. And to your point, most brands have no clue how to spend the money. They spend the money because that's what they're told to do. And, yeah, I would have guessed that NASCAR is probably not the best place for you to be spending your money, but demos are expensive, and the fact that you've got those metrics in place to evaluate them and to really help leverage that, but I really commend you on your customer service strategy. That is amazing to know that you care that much about your customers and about the quality of your product, and then like you were saying, Bill, that it's a never-ending journey.

One of the things that I talk about a lot is that the sale never ends, and it extends well beyond the register, well after you take it home, well after you share it with your friends and family. And you guys have epitomized that. So hats off to you guys. You guys are doing amazing. One of the things that I think a lot of brands unfortunately do is spend way too much time reacquiring and reacquiring the same customer. And you guys are smart enough to realize that if you nurture the customers that you have and you share your love and your commitment to them and to your product, then that's how you develop true loyalty.

And where I was going with that is that a lot of people think that loyalty is something that's embossed on a card. It's not. True loyalty is what you guys are doing. And I'm just thoroughly



amazed and impressed that you guys are able to do that because you guys are the epitome of what a brand should do.

Now, let me go back to the story we're talking about a bit ago. How do you leverage that at retail? Because, again, you're not an ATM machine. And if I as a retailer, knew that you were working that hard to support my customers, again, my customers as the retailer, if you're working that hard to support my customers and you're working that hard to drive traffic in my store, not only by your offering, not only by what you're doing in social media, et cetera, how do you help the retailer understand the value that you guys bring to them? Because, like I said, it's far more than what you could ever pay in slotting or anything else.

Bill: That's right. You're exactly right. And that feedback, when they understand, to your point, the lengths that we'll go in order to keep our customers and really foster what we call heavy users, because Perfect Bar, we laugh about this internally, Perfect Bar has some of the most heavy users in the bar industry. And by fostering, taking care of those folks, you're going to spread through word of mouth. And, again, all of the effort that we put forth in those videos and that feedback, when retailers hear that, that just makes them want to invest even more into us.

Dan: Great. I'm glad you guys are doing that because that is so critically important. I know we're coming up on the end of our time. I asked Leigh this yesterday when I was talking to her. What questions do you have of me, or what things would you like to share that we haven't talked about yet?



Leigh: I guess the last part that we were about to share, the last piece to our online or our digital marketing, I should say, is a while back we had made them move to establish what we call the hive, which is our blog. And we obviously blog influencers. We know that this is only going to continue to rise, so let's play there. Let's engage with our customers like we're really people, they're real people. Let's create a platform that is made up of family and fitness and fun and food. And let's share who our people are, just try and make things as transparent as possible and really build an authentic community with folks.

And so in addition to the not-so-perfect feedback videos that folks will get and the Instagram engagement that we have, we really focus as well in our hive community and have full-time writers that work on staff for us to really be able to engage our consumers with what matters to them. And a lot of these articles maybe have nothing to do with Perfect Bar. But what we're doing by putting relevant articles out into the world wide web, we're attracting, we're answering questions for them, and the lifestyle question, right?

Dan: Right.

Leigh: And we're pulling them into the family by way of our hive community. And then of course Perfect Bar products can be an afterthought of them trying to understand navigating the most harmful sugars, or how to get more greens in your diet, or how to make the best smoothie recipe. You'll find some really fun articles that can trend really well on Google. And then that'll pull them



back to the hive, which then afterthought, after they've engaged with us in a one-on-one, what feels like one-on-one relationship, they can discover our product.

So I think that's an important avenue and for this Millennial shopper to not just tell a story to them and try and be transparent but instead put the work in to create a community that offers them answers that they're looking for, not just forcing your product at them. Have a two-way conversation. But, no, walking away or stepping away from our conversation yesterday, we can definitely take this offline, but I'd love to know where you think we have the greatest opportunity to grow. We touched a bit on really doing a better job telling that story to our retailers, but it's that easy, quick question: What are we missing? Our ears are always open, and you being in the industry so long, from what you've seen, what are we missing? Or just where are opportunities that you see we could grow?

Dan: I appreciate your asking that. I see lot of ... You guys are doing an amazing job. And there's always an opportunity, right? And so one of the things that I would challenge you with is your story. You guys have a great story, and I don't know what your deck looks like when you go to a retailer. I don't know what you provide. The retailer-facing has that conversation with you. But your story, your story, your story. In podcast episode 68, I share a little bit of an origin story where I talked about how I was able to compete head to head with the biggest brand in the category, in the snack category.



And it's a true David and Goliath story. So leverage that. The next thing is that when you have this relationship with retailers, and I'm just guessing. I don't know how you go to market, use every opportunity for selling. Every selling opportunity is an opportunity to educate the retailer. Help the retailer understand why you're better, what's unique about the category. Share at least one thing with them at the very least. Always be educating, educating, educating. And the reason this is important is because you want to stand out as a category leader.

Now, what do I mean by that? A category captain is someone, I've been in that position before, where you drive, everything has to do with the category for the retailer. You're sort of their consultant. And you help decide where products go on the shelf, and how they get merchandised, and when they get promoted, et cetera. I've done that before. Again, phenomenal opportunity, but it's very expensive. And I wouldn't recommend it to every brand.

A category leader, as I would define it, is any brand willing and able to step up and help the retailer understand how to drive sustainable sales in their category. And what I mean by that, it's not just a matter of you did the Mintel study, which is beyond amazing, but who's your customer? Who's your shopper? Who else is buying in the category and other retailers? What's unique about them? What do the other brands look like? Schematic recommendations, all the different things that you can do to help make the retailer's job as easy as possible.



In the story that I told on podcast episode 68, that led into the strategy that I used throughout my entire career, where I would walk into a retailer as a manufacturer, as a category captain, and I would actually share what I was going to present to the retailer buyer to different people within the organization that guided the schematics, the person who ran the warehouse, et cetera.

And I would make sure that I had all the different pieces in place, and so that when I actually sat down with the retail buyer, it was a slam dunk. It was hard for them to say no. And as a result, I managed to get exclusive distribution for some of the brands I was working on. I managed to become a category leader and moved up into the prime position of being in a situation where retailers, national retailers would ask me what do they do or how do they manage other categories within their stores.

Or they would ask me to evaluate my competitor's deck, including some of the profit information. Of course I never shared that back to my company. But my point is this: The more value that you can continue to add to your retail partners, the more that they will bend over backwards to support you. And the trade-off for this might be, I don't want to promise anything, but might be no more slotting or additional promotional opportunities and stuff like that.

And that's what I got out of it, so an opportunity to really not only stand out at shelf with the retailer, but an opportunity to prove myself, validate myself, and then leverage that story with other retailers.. Oh, I forgot to talk about the innovation when we



did that. But what I'm getting at is that most brands have what they call a push strategy--that's what every brand has. "I'm a nice guy. I have a great package, whatever. Buy my stuff." I'm talking about a pull strategy. And this is the strategy I talk about throughout all of my content, the podcast, my free course, the other courses, et cetera. I teach brands how to leverage the strengths of their core customers to help them, to help the retailer drive sales. And in exchange, hopefully the retailers, if they're savvy, are going to bend over backwards to welcome these brands to become a bigger part of their success. Does that help?

Bill: Yes- that's really well said.

Leigh: Tremendous.

Dan: Thanks.

Bill: And in the background I was taking notes.

Dan: Good.

Bill: Because literally everything you said - it was so well how you encapsulated everything-

Dan: Thank you.

Bill: ... leading to, again, what it means to be a category captain and how you educate. And every touchpoint along the way, you're educating them about your consumer, how that's driving sales not



only in their set but through items across the store. I appreciate it. That's great feedback.

Dan: Well, I'm glad I could help.

Leigh: This has been awesome. We've just had such a great time.

Dan: Yeah. Thank you. And, okay, we didn't even talk about your innovation. Do you want to save that for another conversation down the road, or do you want to just real quick share what are you thinking about doing?

Leigh: No. We actually aren't even announcing it yet.

Bill: We're definitely going to let you know.

Leigh: At Expo East, you'll see a new platform come to market, Expo East 2018, and then at Expo West 2019 an additional new platform with continued innovation coming down the pipeline for the next couple of years. But Perfect Snacks will become the brand's logo. That will begin being the umbrella brand, with Perfect Bar being under there. It's multiple different products that are high protein, on the go, fresh, minimally processed, those criterias out of the fridge and get multiple parts of the day for more consumers to meet that afternoon sweet tooth.

We obviously really started off on breakfast in the morning with our bars, but we want to head into lunch, head into snacking, and fun indulgence, and after dinner. So really getting multiple parts



of the day and filling up that basket with perfect products, that's what you'll get from us.

Dan: I'm looking forward to it.. I always stop by your booth, but I'll definitely stop by your booth at Expo East, so I'm looking forward to seeing you. And thank you again for your time. I appreciate that.

Leigh: Thank you, Daniel.

Bill: Thank you so much. It's been a pleasure. I appreciate it.

Leigh: We'll see you soon.

Dan: I want to thank Bill and Leigh for coming on today and for sharing their insights and their wonderful story. How inspiring. I'll be certain to put a link to Perfect Bar in the show notes and on this podcast webpage. You can get there by going to [brandsecretsandstrategies.com/session77](https://www.brandsecretsandstrategies.com/session77).

Today's free download is Simple Solutions to Maximize Broker Distributor Effectiveness. This is an updated version of the article that launched my speaking career. You can use it for both internal and external sales teams.

The point is this: Knowing how to effectively manage your sales team whether it be your internal or external sales team is critical to every brand's success. Remember, nothing happens until someone buys something. And shoppers can't buy your products



if they can't find them. As always, thank you for listening, and I look forward to seeing you in the next episode.

Perfect Bar <https://perfectbar.com>

Thanks again for joining us today. Make sure to stop over at brandsecretsandstrategies.com for the show notes along with more great brand building articles and resources. Check out my free course Turnkey Sales Story Strategies, your roadmap to success. You can find that on my website or at TurnkeySalesStoryStrategies.com/growsales.

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I appreciate all the positive feedback. Keep your suggestions coming.

Until next time, this is Dan Lohman with Brand Secrets and Strategies where the focus is on empowering brands and raising the bar.