



BRAND SECRETS AND STRATEGIES PODCAST #95

Hello and thank you for joining us today. This is the Brand Secrets and Strategies Podcast #95

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, and thank you for listening to the Brand Secrets and Strategies Podcast. Remember, this podcast is about you and it's for you. And at the end of every episode, I include one free download complete with a strategy that you can instantly adopt and make your own. One that you can use to grow sustainable sales and compete more effectively. Remember, the goal here is to get your product on to more retailer shelves and into the hands of more shoppers.



Today's story is about an innovative brand that saw a niche that needed to be cleaned up. Or as he says, "Needed to have the nasties removed." Today's story is about an innovative brand that is breathing life into something that we grew up with, something very iconic. A product that was very popular and still is today. The best part is that they found an innovative way to make this product healthy, gluten free, and tasty.

During this episode, we talk a lot about not only the category, but we also talk about strategies this brand can leverage to get their product on more retailer shelves and into the hands of more shoppers. Creative strategies to help this brand carve out not only a unique niche in the salty snack category where there's a lot of competition, but also get dual placement. A strategy that this brand can use to leverage with retailers to gain incremental distribution without some of the headaches that a lot of brands face. These are the same strategies that can work for your brand as well. Here's Mathew with the Good Crisp Company. Matt, thank you for coming on today. Can you start by telling us a little bit about yourself and your journey to the Good Crisp?

Mathew: Yeah, absolutely. So as you can hear, I'm an Australian, so I'm currently based in Australia with our company here. I grew up in a little town here in Adelaide, which is actually very similar to Boulder and to the Colorado area. I mean, the beach is probably the big difference, but it's a country town, natural good food, all those things. So the focus has always been on food and we have a good local independent industry here. I've been working in the



food industry ever since I came out of uni. I did my marketing degree, which to be able to know much about marketing. Then some of the trends I actually did at the Ehrenberg-Bass Institute with Byron Sharp who does food marketing and food science, that was my degree.

Then I started working as a rep on the road. .. We have a strong independent food sector here and calling on stores and then became a territory manager and worked my way up there until I was actually looking after a company that basically bought and sold into the independent market in my local area here in Adelaide. He used to buy products and then try and sell them into independents. Like a distributor essentially for our state. Then I got a good experience where I was launching or trying to launch 10, 15 new products a year, and did that for five or six years.

That was a great training ground of seeing lots of different products, what worked, how do you get them on shelf, most importantly, how do you get them off shelf? Learning a lot of things with other people's brands and other people's products. I did that for quite a few years. Then had the opportunity to look in and advance into the US market as well. That's another whole story there. That's basically been my upbringing over the last ... Well it's all been about food and buying and selling and working in that food industry.

Dan: You actually advanced into the US market before you started the Good Crisp?



Mathew: No. The Good Crisp was our launch into that market, which was really it was about four years ago that we very first visited the US. Ironically we went across to EXPO West to look for ideas to look for trends to look for new products that we could come back and sell here in Australia, like my background is. But when I was there I thought, "Hang on, maybe we can flip this around and take some of the products that we're currently doing and do them in the US."

Dan: Is AB Sales and Marketing is that your company or was that your company?

Mathew: Correct. I'm a shareholder of that company. I've been with them now for what's it been? 13 years now. That's our buy and sell company here in Australia. The one I was mentioning that we do, yeah.

Dan: Got you. Anyhow you came over here and you found an opportunity in a canned, salty snack. Describe what this is to everyone listening. This is essentially a healthy version of Pringles or Lays Stax.

Mathew: That's right. We've been working in the canister chip segment for a while. There's only a handful of manufacturers around the world. That's because Pringles has such a dominant hold on the market. There's not like normal potato chip where there's co-packers in every state that cuts and fries chips, this is quite a specialized product. We had a great relationship with the manufacturer and had been doing some work with it in Australia.



We saw the trends of things are getting better for you, they're getting healthier. We need to look at trying to improve our product range even more so than what we're doing. The obvious choice to me was to start working on the canister chip product that we did. We worked on getting it gluten free certified. We took all the MSG out.

You started using natural flavorings, really tried to improve. We moved over to sustainable palm oil. Anything like that we could do because I thought these are products, they taste good. That's great, but it needs to be more than that. They need to be made from good ingredients as well. That's the way we were going. That's the way I personally was starting to eat. I've got three young daughters, that was the focus on what I wanted to give them. That became our mantra of how can we get products that taste good enough and my kids want to eat them, but have good ingredients that I feel happy and good giving them to them. That became our mantra. How do we develop our portfolio around that? That's how we developed this range of canister chips that are better for you than Pringles, but without all the nasties in it.

Dan: I love that. I appreciate you sharing that. Let's back up a bit. Where's the product made?

Mathew: The product's made in Malaysia. They're a very large, one of the large producers in the world. As I said there's not that many around the world that do it, but these guys. We've been dealing with them for over 10 years and great product.



Dan: Yeah, actually I've tried it and I really love it. It's actually really, really good. Of course what's unique about it is it's a familiar snack for most of us in the US. It's something that a lot of us have grown up with and really like it. The fact that you've made it healthier and I love the way you guys speak in terms of removing all the nasties, that's great. Tell me, let's back up. Let's talk a little bit more about Australia. What's that like in Australia in terms of the natural organic space. Then why is this something that you're adopting in your household in terms of eating healthier. What's the impetus for you to want to go down this path. Then what's it like for you to have a retail operation within Australia?

Mathew: Yeah, start with the impetus was actually around my own personal diet. I had some food allergies. I was trying, you may have heard the FODMAP diet and trying to reduce fructose and gluten free. Trying to reduce gluten in my diet. That's where that came from, that move towards healthier eating. I guess it's just a general trend as well that we get caught up in. If you've got the option why wouldn't you put a healthier, more natural, better for you products into your body rather when you can. That becomes certainly I'm early 30s, our generation and younger we're more conscious of what's in food. We've become more aware growing up of ingredients and other options out there, so we're more conscious of what we put into our bodies. It's just part of that general trend, but specifically for me it was when I was looking and trying to work through some of these food allergies that I have. Then obviously with my daughters as well.



That's been our journey. As far as the overall market in Australia, it's very much that trend, like it is around the world. We do a bit of business, as I say North America, Australia, we do the UK. We see these Western trends. It's all the same around there, which is this macro move over to better for you, more natural, healthier ingredients, shorter ingredients lists, premium, all these sort of things. Australia, when I first went to Expo West, probably about 2015, probably is the first time we went over there so we could compare the market then. I would say Australia was probably ahead of the US as far as natural being in more mainstream. We don't have like what we see in the US where there's a natural channel, then there's a conventional channel.

There's two reasons I think for that, population is one, we're only 25 million people. There's not enough people to warrant whole supermarkets towards natural snacks, but I think the second part is our supermarkets are relatively natural as they are. If we walk down the salty snack aisle ... Actually, I did this survey. It'd be about 90% if not higher of all the products down the salty snack aisle in a conventional store that you would be used to in the US are gluten free, don't use MSG, have natural flavorings.

Over the years they've been cleaned up anyway because that's the way the Australian population has just been going for quite a while and that's what they've been expecting. Rather than digging their heels in and saying "No, this is what we're producing, go somewhere else." Because it's a very competitive market here in Australia. The larger guys were quick to change



and come on board. It is an interesting change, even then we have gluten free aisles or an aisle with more natural foods in the store, but even the rest of the store is relatively clean. We've still got a way to go, but it is certainly moving that way.

Dan: Well that's encouraging. I love the fact that you're able to show that. Obviously we don't have the ability to go travel and see what retail looks like in other markets. When you're comparing the retail stores and by the way we got a chance to meet, you and I for the first time at that EXPO West in 2015. It was great to meet you. When you're in the US and you're going through a store and then you compare that to the store back home in Australia. What are you seeing different in terms of trends. Are you seeing the same brands in Australia that you see here? Because obviously we're moving in that direction, which is great for our mainstream retailers, but are there a lot of familiar brands that you see in both continents?

Mathew: Yes and no. They're all owned by the same company. Here if you take salty snacks it's Smiths and Snack brand, Smith's is part of the Frito Lay global company. They're all the same, I think they might have a different label or a different name, but the products are very, very similar. Doritos, those sort of things are definitely here. There are differences in brand, but product-wise things are very similar, it's potato chip, it's a corn chip. We're not seeing lots of ... This is the great thing about the US market is the depth that you have around natural snacks and new brands coming up and challenger brands and things like that.



We don't see that. In Australia, and part of it is the competitiveness of the retailers just to give you a little idea about that. In Australia, there's two key retailers Kohl's and Woolworth's between them own 80+% of the market share. That's unheard of when you look at something like the US, which has got a hundred retailers that between them would own that much. That control is controlled by two people, two companies. The next one would probably be Aldi, which has 10% of the market, then your independent markets make up the rest. Costco has only got a handful of stores here. There's not a lot of choice for consumers to go. Because these two major companies ... I'll say they're probably similar to a Kroger or a Safeway, that set up.

That's what these stores are like. They control so much power here in Australia. If I walk down once again the salty snack aisle even within those two guides, the range is almost identical between them as far as the brands and then they have their own private label. Then 80% of what's in that is either Smith's or Snack Brands here and there are various sub-brands under those two companies. It's unfortunate thing here in Australia that we don't have more competition that allows for more products and more entrepreneurial spirit and more things to come out like we see in the US.

Dan: That's interesting, I appreciate you sharing that. What caused you to want to go down this path. Again you're saying that things are generically healthier in Australia in terms of what people are



doing and the trends they're adopting. Yet, there's a lack of competition. What caused you to go down this path?

Mathew: Well for us it was the opportunity really that the US presents. When we went over there and we had a product that people were after. We just went to EXPO we said, "This is fantastic." We came back the next year, just got ourselves a table and literally we just put our products out on the table. We had some kid snacks that we do here. We had our canister chips. We just put them out. Let's see what people think? Let's get some feedback. It was quite literally a showstopper. People would be walking down the aisle and just stop and back up and say, "Is that a natural Pringle or is that a healthy canister chip?"

They were just amazed at it and excited about it. That's when we knew that we had something here or there was a product that we needed to explore more. Then we were able to go out and explore more because you've got more options, you can get it into one local store that sells well. Then you get it into a chain that's got 10 stores and that sells well. You take it to then someone that's got 20 stores and that sells well and you can build from there and build your story out in the US. We don't necessarily have that opportunity as much in Australia. That's why it naturally just took off more in the US than what we've seen here in Australia.

Dan: Interesting. You built it for us. That's cool. Thank you for doing that. I can understand again like I said, this is something we grew up with. It's a very familiar product, the fact that you cleaned it up is I think really, really cool. More importantly there's



such a need for this to get that space cleaned up. It's such a extremely competitive segment of the salty snack market. I think I mentioned to you when we talked before. This is a category that's near and dear to my heart. I used to be a DSD driver years ago for a salty snack company that at one time used to be the dominant player and for various reasons anyhow they went by the wayside. Competing against Frito years ago, I know the category very, very well.

I also had occasion to work in the segment that you're playing in, so I know it exceedingly well in terms of what does the customer? What is the category make up? What are the competitors and who are they? One of the things that I think I shared with you is that there's really not ... In my mind there's a lack of innovation. What I'm getting at Matt is that innovation in that segment, we're talking about the canister chip is typically around a new flavoring sprinkled on the same exact product. In my mind it's really not innovation, it's a different flavor, but it's really nothing new. For you to come in and radically change by adding something new and different and healthy into the category I think is a game changer. How are you being received in this country beyond just EXPO West?

Mathew: It's been fantastic. What we're doing is in a way we're giving people permission to eat canister chips again. That's been like you said, there's a nostalgia aspect to it. There's the, "Hey I love these. My wife doesn't let me eat these anymore or hey I don't want to give these to my kids or I'm a celiac so I can't eat them



anymore. I really miss eating them." What we're doing is bringing back permission to hey you don't need to be ashamed to have this anymore. You don't need to hide the canister in the car before you go inside because cheekily ate it on the way home or something like that. That's been the really fun and exciting thing about what we're doing. It's been really well received.

To your point I agree what we're doing is bringing ... And that was a big thing that we wanted to really make sure is that we are bringing actual innovation. This isn't just a fancy wrap on the can, but that the inside is exactly the same. We wanted to have core differences everywhere that we could as I mentioned. We use sustainable oil, we don't use any GMO ingredients, we're certified gluten free. We use more potatoes that are thicker and crunchier and more natural. They wanted to actually be some substance to this rather than just being, "Hey a new flavor or a new thing." I also understand where Pringles is coming from. When you've got 90% of the market and you've got a stranglehold on the manufacturing side of things. They sell a billion dollars a year and it's steaming along, why would you worry about innovation? But for companies like us that are more interested in the customer rather than the bottom line, we know that there's a market there for people that want a better choice.

That's really what we're focusing on. It's been fantastic. Because of the health credentials, in that sense. Obviously we're not a health food, we're still a snack product, but because of those better for you credentials, we've been able to get into the natural



retailers. We're in ACV of around 70% of the natural channel in our first 12 months. People go in and we're one of the only canister chips in the market. We're not having to do a lot of education. We're not having to explain why chia seed is better than this other brand of seed that's out there that we use in our bar or what have you. We just put our product out there and they get it and they taste it and the quality stacks up, and so they'll come back. Yeah, it's been really exciting. We've only really been in the market really for 18 months or so and it's phenomenal.

Dan: I'm glad you said that talking about the quality and the flavor profile. One of the things that and I'll have to be honest when I eat Pringles. I grew up loving them et cetera, but there's that lack of satiety with eating them. You eat them and you don't really feel like you've gained anything from it. I'm not trying to pick on Pringles, but there's not a lot of ... They don't fill you up. They don't make you feel like you've had much of anything nutritious. The point is that where I'm going with this is that when I eat your product, you have that. You feel like you've eaten something that's healthy, it's sustainable. It lasts longer and the flavor profile is better and I love the crunch. When you were developing the product how did you come across ... How did you develop the strategy or did you come up with the innovation that mimicked what was out there, but made it better and added those extra attributes in terms of flavor profile and et cetera?

Mathew: Well it was a process of almost two years. You jokingly said before, "You made it for us." In a way that's exactly what we did



with this product is we've got this idea. How do we go and make it right for the US market? Because everything was totally new for us. I've been selling product and moving boxes and dealing with retailers. All that stuff was fine, that's the same the world over. But what are the nuances? What are the ways that the US market works. That's what we needed to find out. We engaged a consultant Elliot Begoun, who you may know. He works a fair bit in the industry. He's been great with us from day one to help us get out there and understand those nuances.

Really what we did as one of our key thing was is I would go out to ... We went to a lot of stores. Had a look, "What are all the key attributes that are important to the US consumer here that's shopping the natural section, that's non GMO. It needs to be project verified. Okay, our products are gluten free, but hey certified gluten free looks the better way to go. What are the key attributes? Let's look at the data. Is it no MSG? Is it artificial flavors? What's the table stakes essentially? What are the minimums that we need to be, to be able to sit where our customer wants us?" That was the start of that. Then we actually went out and just set up a whole heap of meetings over a process of six months or so.

We kept flying back to the US and we'd set up meetings with Whole Foods, with all manner of retailers. "We're not selling you anything. We're not coming in that ... Often they weren't even a category buyer or it was maybe even the person above the category buyer or someone that had worked in that area before



and would say, "Look, we're not selling anything. We're just developing a product. Can we come and see you and get your thoughts and your ideas." We did about 10 of those across various retailers across the US, just to sit down and say, "This is the product, what do you think? This is the packaging that we're thinking of. These are the attributes." We spent time to tailor it to make it specific to the US market.

Dan: How well was that received? How much did the US retailers work with you on this?

Mathew: Actually it was surprisingly well received if I'm frank. I think because we were genuine. This wasn't something that was ready, we were sharing product out of brown canisters and packaging on paper so they could see we weren't doing a bait and switch and trying to sneakily get in the back door. We were just genuinely saying, "We're Australians, we're coming over. can we ask you some questions?" I was surprised at the time, but then to be honest, I'm not really surprised now having spent some time in the industry and just ... I know it's something you talk a lot about and it's part of what you're involved in is that educational piece. People are in there helping each other and it's for the better of the mission of everything we're trying to do. No one is being greedy or trying to keep their little secrets. It's a fantastic industry to be a part of. We were the beneficiaries of that 100%.

Dan: I love to hear that. Again it's like you said and thank you for repeating that or for saying that, "It's what makes natural, natural." We're all working together to raise the bar to get as I



say to make a healthier way of life more accessible by getting your products on more retailer shelves and into the hands of more shoppers. The goal at the end of the day is to clean up the ingredients panels, to make healthier products that people want to eat. Products that people feel good about. As your developing and building this, did Pringles ever get wind of what you're doing. Did you ever have any challenges because of them saying, "Look we're going to do this or try to copy or go down that path?"

Mathew: We haven't. We're conscious to not poke the bear too much. I think we're also after a different customer. They've got their customer. If you're happier to go down to Walmart and buy a packet of Pringles for \$2 every day of the week, then that's fine. We're talking about those people that have moved away from the category or stepped out or no longer eat them, but wish they could, that's more our customer. That's why we started off with the natural channel because that was ... To use that phrase, the low hanging fruit.

Coming from Australia, I am confident that within five to 10 years we won't be talking about natural food, it'll just be food. That's the way that it's going and that's the way that it should be going. So we see our products as being more than just for the natural food customer. It is a wider audience and we'll get there over time, but this is where we're starting off with building our credentials. I think as the market cleans itself up as we move hopefully as a world towards more cleaner and natural food, we'll move with that process.



Dan: Absolutely. I'm an older generation than you. What people call natural and organic today is essentially what I grew up on.

Mathew: That's very interesting.

Dan: Yeah, it was before ... It's funny listening to younger people talking about, "This is a new phenomenon. God, this similar great. Look it's radical trend." No, this is what my parents grew up with. This similar what we grew up with when I was a kid. The point being is that back before better living through chemistry. I remember the whole movement. They could take a product, remove something inside of it and replace it with synthetic vitamins and minerals and so on and so forth. They tried to convince us it was better. We didn't know any different. We bought into it as a society and allowed our shopping centers, our supermarkets to get flooded by these products believing that they were enhanced or somehow they were going to be okay or better for us.

The point being that at the end of the day if we are what we eat and what we eat matters, then eating food that metabolizes within our body, that sustains our body longer is what's going to fuel us longer. To your point, yeah a lot of people really grabbing onto these different trends of going back to where we were, but more importantly finding a healthier way to make something that people grew up with and that they love more of a part of their diet. That's one of the reasons I was absolutely fascinated by what you're doing and one of the reasons I wanted to have you on the show. Then also to get the difference or try to understand



the difference between different markets. Okay, what time is it in Australia right now?

Mathew: Well where I am, it is just going on 9:00.

Dan: 9:00 morning AM?

Mathew: In the morning correct. In the morning. I think it's Thursday today. Actually it's a good time because I've just switched into daylight saving in summer. Normally it would be 8:00 here in the morning when it's obviously coming into your evening there.

Dan: Yeah, it's 4:00 Wednesday here. We just give people a perspective of the time change. You're way ahead of us, not only in terms of having more of a natural focus in your retailers, but literally in terms of the time, that's kind of funny. Anyway, I appreciate you being available. Let's go back to Australia for a minute and talk about your family. You're adopting some new eating habits. How hard was it for you to be able to find products to be able to fit a gluten free diet? Then how much was your need to have a gluten free snack an impetus for you wanting to do this. Yeah, I know we talked about you made it for this country, but how many products, how many opportunities do you have as someone who needs a gluten free product to buy and feed and sustain yourself in Australia?

Mathew: I think like a lot of people on a gluten free diet, things just keep getting better and better. I feel very sorry for people with celiacs. They probably didn't even know they were celiac's five to eight



years ago. Even that short amount of time the products have doubled, potentially even tripled the number of gluten free options across the supermarkets shelves. Even just that, the fact that you can go into a mainstream supermarkets and things are labeled gluten free. They're obvious, these small trends just make such a huge difference. We had a Gluten Free Consumer Show here in Melbourne over the weekend. It was something like 10 to 12,000 people came through the show. They've been going for about five or six years. This isn't a new thing. They're still getting these large numbers coming through, people that are looking for these products. There they are available, obviously. There is a restrictions on what you can eat and the quality of things, but things are getting better. I guess it's more about mindfulness as well.

No longer are the days when you can grab anything and put it in your mouth. You have to be mindful, "I'm going out today. What food do I need to take with me? Where can I get some stuff? What's available? Will I be able to? That's been a big change for me. Just as a young guy growing up, I never really thought about food. There was always something there is I needed it or I would just go and get something. Well it's not that easy. Bringing that mindfulness of things and taking snacks and taking food with you. I think that's been a big trend and why we're starting to see the rise of snacking and the rise of this natural and gluten free because people have to buy these things. They have to be mindful to have to take them with them. That's been a big thing. But certainly it is a lot easier now than what it used to be.



Dan: Absolutely. To back up and help people, help frame why this is important. That's why I asked you, thank you for sharing that. In episode eight, I spoke with Joe Warady of Enjoy Life Foods. I've talked about gluten free a lot of times in the past on the podcast as well. For anyone not listening, by the way my sister is gluten intolerant. That's why I understand this so well. Besides that I used to work for SPINS I noticed or identified this trend long before it became more of a mainstream trend, more of a focus. It was at that point something on the fringes. The issue is that the people that have a gluten intolerance or that are celiac cannot have any gluten in their body. If someone is gluten free, that means that their body doesn't absorb the nutrients. When you think about it in the intestine there are little what look like hairs and those absorb the nutrients.

When someone has gluten intolerant or celiac, those hairs effectively fold down. Even though you're eating healthy quality food, the nutrients essentially float right over them. Your body is not able to absorb the nutrients. What this causes among many other issues is a lot of joint pain and a lot of other issues that really dramatically impact the quality of life that people are afflicted by this. That's why this matters so much. The fact that you're able to identify this, to build this out and develop it in Australia. Then leverage that trends in the US makes so much sense because gluten free, it's something that's here to stay.

More importantly it's a trend that other people are adopting not necessarily because they are gluten intolerant et cetera, but



because they're trying to get away from processed or highly processed foods and it gives them an alternative. Long story short, most of the people that I talk to even if they're not gluten intolerant or celiac, like the way they feel better after they eat products that are gluten free. Can you talk a little bit about that. What are your experiences around the consumers that buy your product and what have you heard directly from them?

Mathew: You're absolutely right Dan. I think the statistics are something like only five to 10% of the population are actually celiacs or medically can't eat gluten. Yet a gluten free diet is adopted by up to 20% of the population. That's the difference that you're talking about there. You're right. I think there's a couple of things to it. I think the FODMAP diet and other areas have tried to answer that question of, "Hey, we are not a celiac but why do you feel better when you don't eat gluten?" I think there's a whole range of things in there or whether it's wheat sensitive, you're too sensitive to those things, you're not intolerant is a broad range there. I think as well companies that tend to focus on gluten free also clean up a lot of the other parts of the product.

When you're eating gluten free, you're usually eating a better quality and a more natural and a more unprocessed food. Maybe it's not even necessarily the fact that you're just eating gluten free, but your diet has changed now as to your point Dan, that you're eating a more natural unprocessed diet and that's helping you as well. There's a lot of different things in there, but certainly there's plenty of anecdotal people as you say that are saying,



"Look, I'm eating gluten free and I feel better. I don't know why, I can't put it down to it, but I'm going to continue to follow that." That's a big part of what we tap into. Once we are gluten free and we are natural and we try to make our products.

We've still got a way to go and we continually try and improve and try and stay listening to what customers say to say, "Hey, look can you improve this?" That's a lifelong thing that we're working on. We do stay really close to the customer and get their feedback. What we're hearing is yeah, exactly that. Shorter ingredients lists, less processed foods, and moving towards more natural products. That's what we focus on. But for us it's always this balance. That's why we call ourselves the Good Crisp company, because the good is the two elements to it. That's what I alluded to at the start. It needs to be good ingredients, but it also needs to taste good.

That's always for us the balancing act between the two. I could go and make the most natural product in the world unprocessed, all of these things, but if it doesn't taste good, well then why are you going to eat it? Snacks are indulgent, they're treats. We're doing these things, if you wanted the most natural thing in the world, go eat a piece of fruit, and people do eat a lot of that, but sometimes people want something else and that's where we try and play. Finding that balance between taste and getting the best natural ingredients that we can is where we try and play, we almost say, "Hey, this is a canister chip, by the way it just happens to be gluten free." Rather than, "Hey, this is a gluten



free thing eat this because ... You won't like it, but you're gluten free and so you have to eat it." No, it's just that change in mindset.

Dan: Well and on that note a lot of people that are forced to eat gluten free products, way back when. We joke about the fact that the package was actually better tasting than the product. It's great that you put something better tasting in it. But I love the fact that you're actually focusing on the product and the benefit of the product, rather than saying, "You've got to have it because of." I think that's really the way to build an audience, and on that note. When you say you listen to your customers what does it look like? How do you work with your customers? How do you connect with them?

Mathew: Instagram is big part of what we do in social media, just as everybody these days. We do that. We're moving towards as well a group of influencers that we can use as well as people that have been dedicated to our product, that are a big part of our product and our brand. to use them as a test market and to test them out. We certainly do some surveys of customers as well to get their feedback around new flavors and what they thought of the product and where they see it positioned. We do a lot of trade shows and things like that. Our VP of sales Steve Wangler, another Boulder local has been fantastic for us.

Dan: Good friend.



Mathew: He's a great guy. He's been amazing for our business. He's out there in the market. He's talking to people. He's listening to what they say. We're just absorbing that.

Dan: Fantastic. I appreciate your sharing that. Anyway, you mentioned that snacks are an indulgent treat. One of the things that's interesting, I think people need to focus on, especially people that are developing brands are that consumer eating habits are changing. Instead of going from three squares a day, most people now are going to one, one and a half meal a day. Then back filling with a lot of snacks. It's estimated that there are about 25 to 30 snacking occasions throughout the week, giving consumers an opportunity to want to try different things. Have you been able to leverage that in your selling story?

Mathew: Absolutely. For us that's what really comes into the form of the packaging. Yes the product is nostalgic and we all remember it and we all enjoy it. But also what other product do you buy that comes with a free resealable canister to keep your product in? That's one of the real benefits of us and something we're starting to talk more about. Is, "Hey, actually this packaging is really great." It's portable, especially our 1.6 ounce, slip it in your bag away you go. Traveling with kids you can have a tube in the car, they can have a couple, put it back. It allows for portion control, but also allows for less packaging with portion control as well because you're not having individual portions in our larger canisters.



That whole area we absolutely see is people moving more and more towards smaller meals more often as you say. We think that's where the packaging, the convenience of this product. If you're having smaller meals more often, it's more work, it's more packaging. It's more trying to think about these things keeping them together. That's where convenience I think as a result of that is really starting to show in a lot of the data, is people looking for convenient snacks just as much as they're looking for protein or all of those elements. I think that's absolutely the area that we play and what we can offer to our customers as well is not just a great product, but let's try and help you onto that convenience problem as well.

Dan: Well said. It's amazing how much product you can stick into a single container. There's something to be said for buying a product that's not broken. One of the frustrations that everyone has is when you buy a bag of potato chips, what percentage of them are broken or cracked or you can't use them to dip anything, et cetera. Being able to tackle that problem too in addition to the novelty. I remember a lot of the commercials. P&G, Proctor and Gamble is the company that owned Pringles before. Some of the commercials that they came out with were so innovative and again so iconic, and we grew up with them. Again, that's why it resonates with what you're doing. As you're growing your brand out and gaining distribution, 70% in the natural channel ACV, that's amazing. How have you been able to get into mainstream or conventional stores in the US and what is that conversation like? What traction are you getting there?



Mathew: Let's be frank Dan, is our next step. We're starting that process now. We wanted to get out into the natural channel, build our credentials, make sure the product was right. Test it out and sure we could get the velocities that we needed at store level to then be able to transfer out before we started to have to pay massive slotting fees. All of these extra things that come with once you start moving to the more conventional market. Even just establishing distribution and part of getting that large ACV has been opening every UNFI DC across the country in 12 months. All the logistics that come with that have been full on. We think we've vetted that down now and now that's our phase two of saying, "Okay how do we take this to the conventional market?" We're starting to pick up on a couple of those. Wegmans is probably a nice hybrid version. They've been a big supporter of our product for a while now. Our velocities are going extremely well there. That's I guess to be frank then, as I said that's the bit that we're working on now is how do we then branch this out and take it to mainstream for 2019?

Dan: Wegmans is an excellent retailer because they have such a healthy focus. Wegmans is a great retailer because they have more of a natural consumer going in there as opposed to a lot of mainstream retailers. I think that's the ideal place to start. In addition to that locally we have King Supers, there are a couple other retailers across the country that cater to that unique consumer as well, so great place to start. I can off line, we can talk about some of the different retailers that do that, I'm sure Steve knows them too. One of the things that I'm hearing is



you're talking about slotting and some of the challenges of getting into different stores et cetera. One of the things that I would challenge you to do Matt is really develop your selling story and talk about that nostalgia and everything else.

Where I'm going with that, is that I would think that a product like yours, that's nostalgic and everything else would not need to pay slotting to the same degree that other brands do and my point is this. Slotting is negotiable. Not every brand pays slotting, savvy retailers want your customers. They want the customer that you drive into their store. If you can demonstrate and help them understand what's unique about your consumer. When your consumer buys the Good Crisp, what other products are they buying? Where I'm going with this is that by developing a strategy around that, the bottom line is that these retailers are going to want the consumers that your products attract. If they can figure out a way to capture that consumer and invite that consumer into their store, then that's worth a lot more money to them in the long run than what they're going to get out of slotting. Have you considered that?

Mathew: Dan, you're absolutely right and I guess that's being why we've spent the last 12, 18 months is building up that velocity and that story in the natural channel to be able to back up to say exactly that. When we say, "This is what customers want. We're bringing this customer, we're supplying their need. Their response is, "Well prove it." We can go back to the data and say, "Well this is what's happening. This is the velocity we're getting. These are the like to



like retailers that are similar to yours. Exactly that, to build that store and to say, "Actually this isn't just a hey if you put me in you're going to cannibalize your Pringles sales or hey we don't need you because we've already got Pringles."

All of those things as you are very acutely aware Dan, the shelves are only so long. Everybody is trying to get on. It's hot real estate. We need to be able to justify a position. Going back to the canister thing, we have a strong story around even shelf efficiency, which we talk a lot in retail if you're interested in. You can get a lot of our product on for a small amount of space as you can with one or two facings of a bag, you can get almost double out. We're building out those stories. We're putting that together and we're starting to take it out to the retailers.

Dan: Good. One of the greatest opportunity you'll have is that you can drive products in the category, which is unique because that is a specific segment, or even the salty snack category where there really isn't a lot of growth in it year over year. It's sad. I know that Frito is doing their best to drive sales, to drive category growth et cetera through innovation and all the things they're doing. It's those Pringles and all the other brands that are out there. But the reality is it's the natural, better for you, healthier products that are really responsible for the category growth. In your segment that you want to compete in it's been a category that really needs a facelift.

It's a category or a segment that really needs some new light shined on it. I know that from a lot of the different buyers that



I've talked to within that specific segment. They're looking for more. Where I'm going within this is that I remember years ago when I was a DSD driver where Pringles occupied maybe 12 to 16 feet of shelf space literally at some stores. They were a dominant player on the shelf. Over time they've been reduced to maybe four feet in some stores. Even less than four whole feet, maybe three shelves in a four foot section in other stores. My point is this because they're not able to drive the same growth in the category, it gives you a unique organic opportunity to come into the category and offer something new and different. Revitalize the segment and then start helping them to build that out again.

Mathew: Exactly. We want to, as much as we're happy enough with the label of, "Hey you're a better for you Pringles." We get the comparison, but really we see ourselves as a canister chip brand in our own right. We want to bring innovation to the category, exactly what you're saying? We have a strong NPD pipeline that we can bring in around not just flavors, but actual ingredients, all these things like that. We want to bring actual real innovation back to that category and be a strong canister chip brand in our own right across mainstream and the natural channel.

Dan: Great to hear that. That was going to be my next question. Innovation, what does that mean to you? Is there anything you can share at this point or is that something we need to wait for?

Mathew: We need to wait at this stage. At the moment we've got three flavors, original, sour cream, smokey barbecue. We'll be bringing out one or two other flavors of those core flavors that are popular,



your aged white cheddars and your salt and vinegars. Those things will come out early next year. Then we've got a whole other level of innovation that is looking really exciting that we'll bring out. It's always that balance when you're a new company of what's the priorities? What do we really need to focus on now? Distribution, and talking to our customer and building brand awareness is really the key focus. That then once we've got that set up, that's when we can bring in the new innovation. We're working on it in the background and we've got exciting plans for it. It's just a matter of finding the right time to then change our priority to start bringing that out and feeding that out into the market.

Dan: Great to hear that. Great. Well I appreciate it. Is there anything we haven't covered that you wanted to share? I'll certainly put a link to the website, the Good Crisp website on the podcast show notes and on the podcast page. What have we not shared?

Mathew: No Dan, I think it's been fantastic. A broad range of topics there. I feel really comfortable with what we've covered. Thank you.

Dan: Good. No, thank you. I mentioned when we talk that I started adding something to the end of the podcast where I give you the opportunity to ask me a question and see if I can help you solve a specific bottleneck.

Mathew: For me really Dan it was around that question around our next move now is into the conventional channel. When you have some thoughts specifically, I've got a question around positioning.



We've got a couple of people looking to put us in the gluten free, natural section, but other retailers are looking at wanting to put us right next to Pringles. That's a bit of a one for us that we don't quite have an answer around yet. That's one. Then also as well just that we need to change up our marketing and our message. We talk well to the hardcore celiac or the whole food shopper. What does that then need to look like when we're talking to the Albertsons shopper that would buy a better Pringle if it was available. There are just some of the things that we're working through at the moment and welcome your thoughts and advice.

Dan: Sure. Let me start by saying you should take, everyone should take my free Turn Key Self-Start Strategies course. The reason I say that. The reason I built it for free and it's my way to give back to the industry that's been really good to me, but my point is this. You need to be able to develop a solid selling story. I know a lot of brands pay lip service to this or they think they've got this nailed. The reality is that I built my career around pushing big brands around, including Frito and including actually P&G too, because I was able to develop a selling story to be able to communicate that more effectively to my retail partners. When I say retail partners, I actually developed a relationship with the retailers where I was able to work with them and help them drive sustainable sales as a category.

Anyhow that's the first thing. To answer your second question first, you need to be able to talk to the retailer in terms of what is the retailer's mission? You need to understand what the retailer is



trying to accomplish. It's great to be able to speak to the celiacs consumer that goes into the store. But more importantly the better for you consumer. The consumer that is going to spend a premium or super premium to buy your product than other products. Then when someone buys your product what else are they buying with it? The focus on the market basket. When you focus on the market basket, what's in the consumer shopping basket after they check out of the store. It's not just saying, "Well I'm driving sales in the chip category or the canister segment. It's more importantly saying that, "When someone buys the Good Crisp they're buying a lot of the other products, the healthier the better for you spreads.

Like you said cleaning it up. Products that are healthier for you, better for you, the more super premium products. If you start with those products, because your consumer at the end of the day is more valuable to the consumer that buys the other products, the more mainstream products. Develop your store strategy around that. Then in terms of being able to get into the different retailers, now that you've got your story well defined in terms of who your consumer is, now you need to be able to give them a story or talk to them about where you need to be placed within the store. This is so very, very important. If you get put in the wrong section of the store, it could seal your fate, literally. I'm not saying you shouldn't go into the gluten free set. You absolutely should be there, but more importantly you need to be first and foremost in the canister set.



The reason this is important is that as a consumer when I walk up to the canister set or any set and I pick up a package, and I look at it and I read the ingredients on it. I have the ability to make the best choice for myself and for my family. I can compare that against other like products within the category, then I can make the best choice for myself. This is how you grow a healthy category sales. More importantly, if you're not right next to the Pringles or the Stax, they don't compare your product to their product. As a result, you lose that ability to have that conversation with the consumer that buys your competition. For a retailer to not have you in that set is doing you not only disservice, but more importantly, they're doing their customer a disservice.

My answer to your question is get your selling story nailed down. Be able to really define clearly who your customer is. Understand that, know your competitors customer. Understand and know everything about them. Develop your selling story. Then when you pitch to the different mainstream retailers, you need to be in the canister section and you also need to be in the gluten free set. If you can do that, then that's going to help you drive sales. The reason you want dual placement in the gluten free set is because you want the retailer to be able to showcase that they're committed to supporting people that are gluten free or gluten intolerant or want to adopt a gluten free diet. By doing that, that allows them to co-promote or co-merchandise your product with other products that develop awareness for people that are gluten free or people that want a gluten free alternative. Does that help?



By the way, these are the free strategies I teach in my free Turn Key Self-Start Strategies course.

Mathew: It does Dan, I appreciate your insights and your thoughts on that. Thank you for running through that for me.

Dan: Anytime. Anytime. Well, I appreciate your coming on, it's been great talking to you and learning a lot more about Australia. I appreciate you getting up tomorrow for this phone call. That's kind of funny to say, especially since I'm so far behind you time-wise. But anyhow I've thoroughly enjoyed our conversation and I look forward to the next time ... I hope we get to meet pretty soon again. The next time you're in town, please say hi. I look forward to seeing you at different trade shows. I'll be certain to say hi to Steve when I see him next.

Mathew: I think it was great to hear your ideas and your thoughts as well. I appreciate the call. I'm confident we'll be seeing a lot of each other Dan, so thank you very much for having me on, I appreciate it.

Dan: I want to thank Matthew for coming on today and for sharing his story about the Good Crisp company, the niche that he uncovered and how he's working hard to clean up the nasties as he said. I love the way they say that. I'll put a link to the Good Crisp on the show notes and on this podcast web page. We talked a lot about brand strategy and more importantly about the story that brands need to leverage at retail. This requires that you know your customer intimately, that you become an expert in everything



about your customer. What they buy, how they buy it, when they buy it, everything.

Then you also become an expert in your competitor's customer. Then more important you'd be able to leverage what you learned with the retailer in your selling story. This is how you stand out on a crowded shelf. This is how you get your product on more retailer shelves and in the hands of more shoppers. This is exactly why I developed and launched my Turn Key Self-Start Strategy free course, something I'm extremely proud of. Something that I highly recommend literally everyone take. You can get a link to it, the Good Crisp company and the show notes at brandsecretsandstrategies.com/session95. Thank you for listening, I really appreciate it and I look forward to seeing you in the next episode.

The Good Crisp Company <https://www.thegoodcrispcompany.com>

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Sign up today on my website so you don't miss out on actionable insights and strategic solutions to grow your brand and save you valuable time and money.

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.