



# Creating and Developing foods for the demanding consumers



**Chor-San Khoo, PhD**

**Campbell Soup Company**

**Go Global: Food Processing and Safety**

**Honolulu, Hawaii**

**February 26-27,08**

# **Wellness is a Big Growth Market Globally**

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**Estimated as over \$200+ billion global market, and growing double digits.**

**Wellness is a mega trend, growing globally.**



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**In the next 10 years we will expect revolutionary changes in the way wellness foods are developed, marketed, sold, communicated, regulated and reimbursed!**

**This is because.....**



## Trends are converging creating mega trends!

### Science environment

- Rising medical cost
- Advances in medical research & diagnoses
  - Human genome/ gene therapy
  - Chronic disease etiology
  - Molecular mechanism/gene therapy
  - Genomic research and markers in plants research
  - Food pathogens
  - Food technologies & safety
  - Global warming
  - Conflicting health policies

### Regulatory environment

- Increasing federal and states regulations
- Food safety and security
- Law suits
- Environmental pollutions

### Consumer environment

- Women in the workforce
- Sedentary lifestyle
- Western dietary eat-style
- Food price value & performance
- Time pressures and stress
- Convenience and portability
- Changing ethnicity
- Bolder food experience and flavor
- Instant news flash, information overload
- Global travel..global flavor experiences & expectations
- Concerns about food safety
- Law suits
- Global warming, energy and water concerns
- Health problems-obesity, diabetes
- Aging of the population.....>



# Four Macro Trends Driving Consumers Wellness Choice Today



## Macro Trends

- Aging population
- Obesity & its Consequences
- Nutritional individualization



## *Nutrition and Health*

- Overweight
- Concerned about Wellbeing
- Weary

## *QUALITY*

- Rising expectations
- Taste exploration
- Food as a way to indulge
- Want higher quality experiences

## *CONVENIENCE*

- Time-challenged lifestyles
- Limited cooking skills
- Snacking & grazing as meals

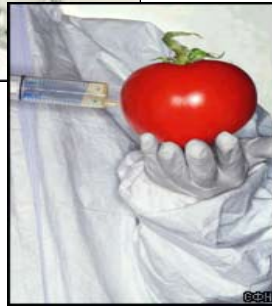
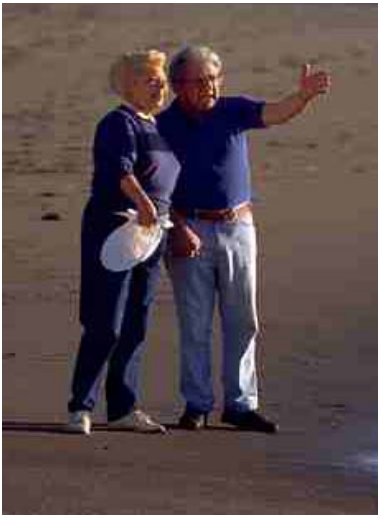


# What is driving Wellness? Aging Population



We're getting older

- Living longer than ever before
- Concern about quality of life years
- Focus on positive nutrition & prevention



Global phenomenon

*Aware that what we eat, drink, do,  
today may have impact later on in life*

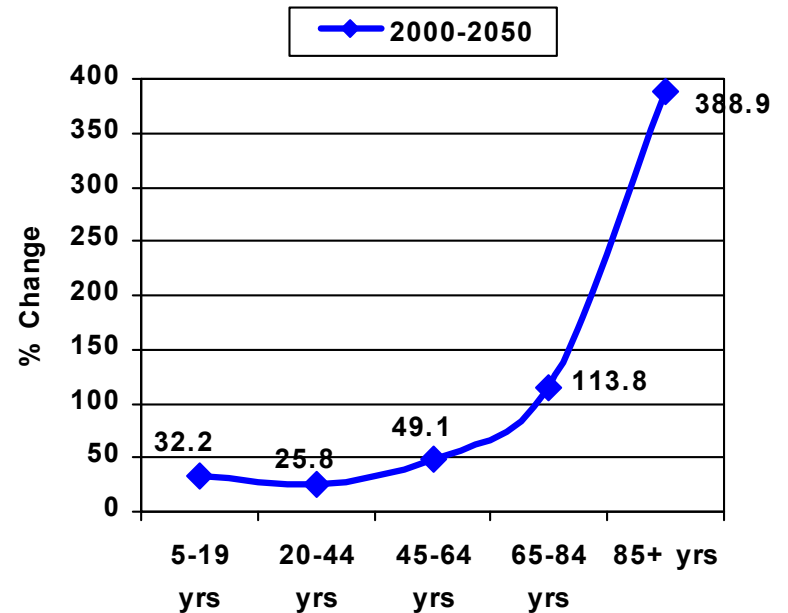


# Our Planet Is Aging !

## 65+ Population Growth Globally

2002	440M	7.0%
2020	744M	9.5%
2050	1500M	16.5%

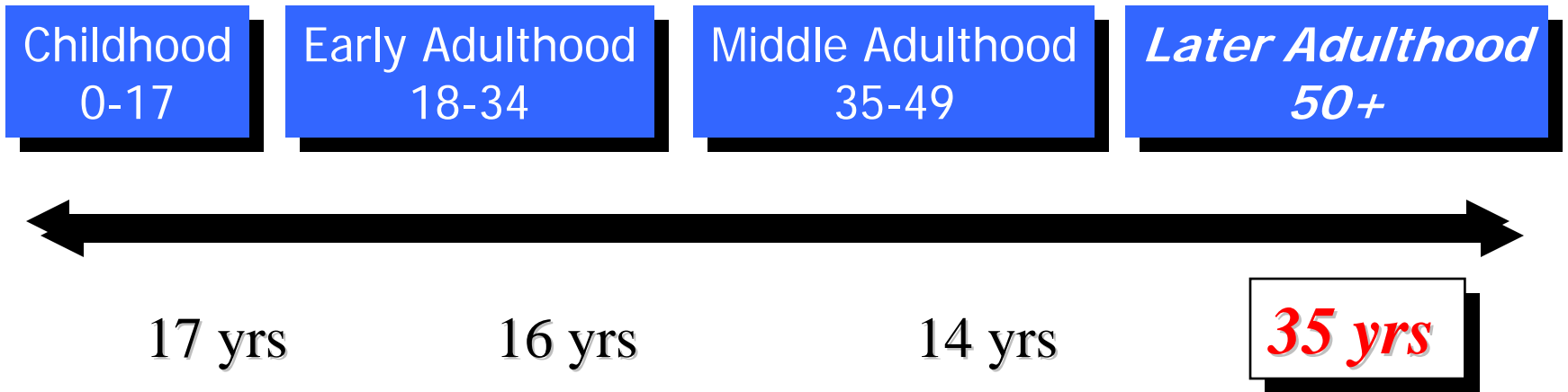
## Projected % Change in US Population



U.S. Census Bureau, 2004



# We are Staying Older Longer





# Consumer Trends

We're getting fatter

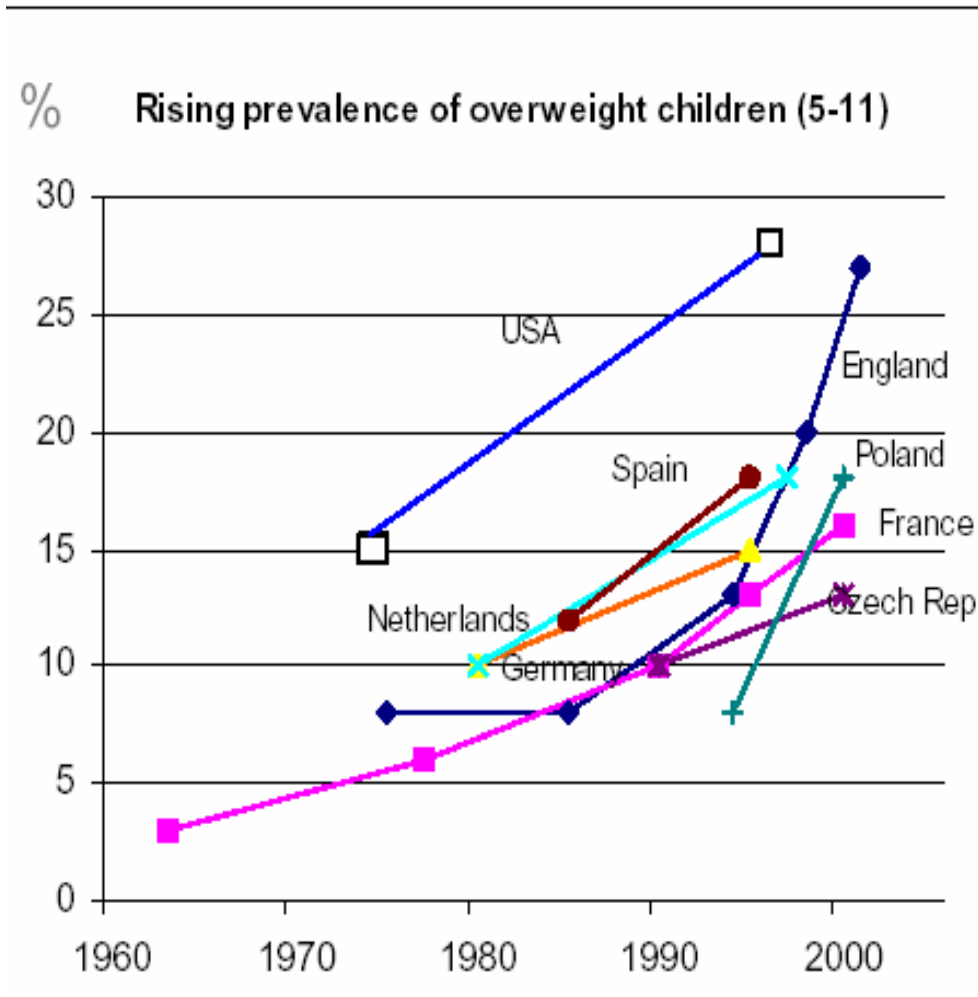


# Obesity - An Emerging Global Pandemic, over 1 billion overweight and obese =underweight.

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# Childhood overweight & obesity is growing (155 million)

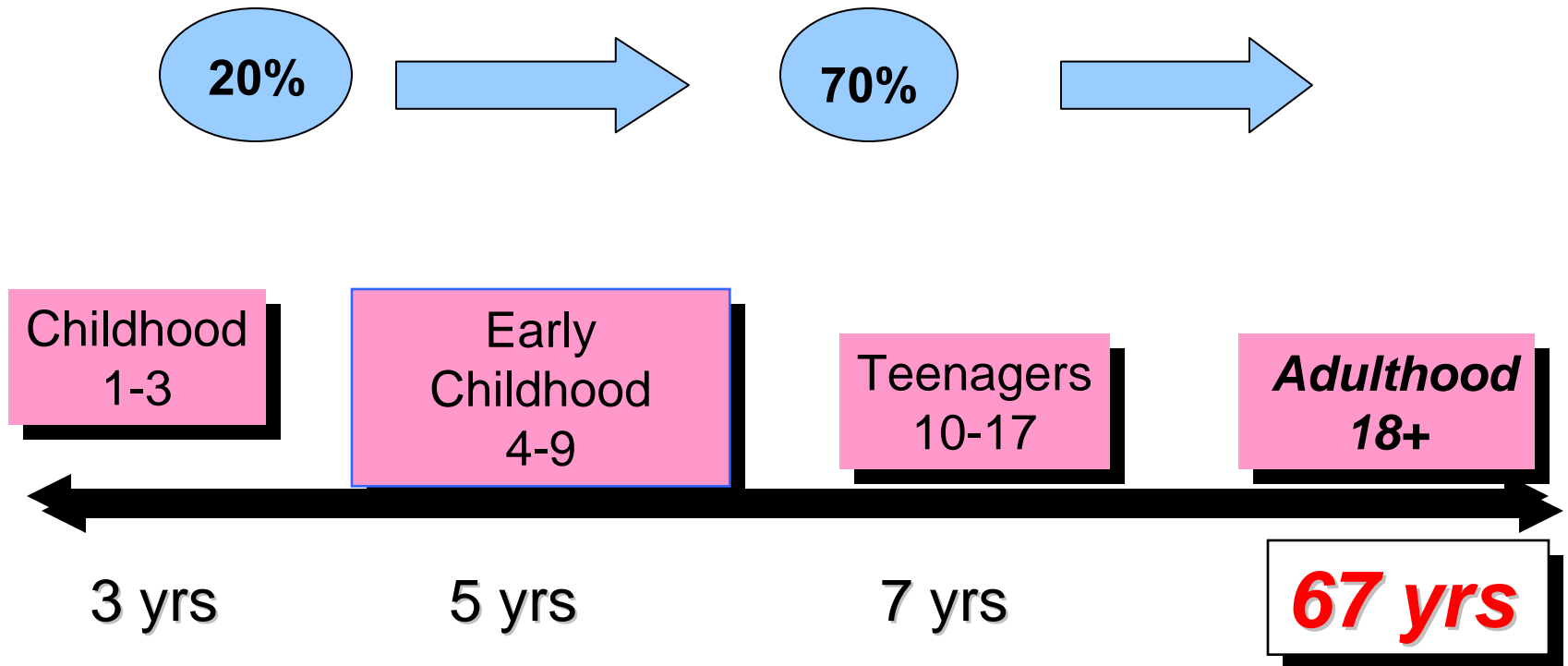


- ✓ Developing Countries
  - Highest rate: Middle East, N. Africa, Latin America
- ✓ U.S. 31% → 50% by 2010: 10% Infants & Toddlers
- ✓ Europe: 1 in 5 children
- ✓ Japan: obese kids tripled last 10 years to 10%
- ✓ Thailand 16% 6-12 years
- ✓ China 5-10% Youth; 1 in 10 preschoolers
- ✓ Mexico > US in 2007



# Children are Getting Heavier Younger, and Staying Heavier Longer in Their Life Span!

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# Consequence of Obesity in Children is Quite Broad

## Physical Health

- Type 2 Diabetes
- Glucose Intolerance and insulin resistance
- High Blood Pressure
- Abnormal blood cholesterol
- Metabolic syndrome
- Asthma
- Fatty liver disease
- Gallstones
- Sleep Apnea
- Menstrual Problems
- Muscle and joint problems
- Balance difficulties

## Social Health

- Stigma
- Negative stereotyping
- Discrimination
- Teasing and bullying
- Social marginalization
- Lower academic achievement

## Emotional Health

- Poor body image
- Depression
- Low self esteem



# **Obesity is the Cross Point of Multiple Diseases**

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- Diabetes Type 2
- Obesity
- Cancer
- Coronary heart disease
- High Blood Pressure

# **We are a Planet in Crisis**

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**We are getting older...**

**We are staying older longer ...**

**We are getting less active...**

**We are getting fatter...**

**We are getting more health problems...**

**..... This is a growing global phenomenon**

**Our Children are getting less active**

**They are getting bigger...**

**They are getting heavier earlier...**

**They are staying heavier longer ...**

**They are getting more health problems...**

**They may not live as long as their parents.....**

**..... This is a growing global phenomenon**



# Interest in Selecting Nutrition/Healthy Foods is Global Behavior

Select foods for healthful reasons	USA (69%)	W. Europe (49%)	Australia (73%)	India (84%)	Latin America (63%)	China (78%)
Always	10%	<b>13%</b>	23%	<b>62%</b>	35%	23%
Usually	59%	<b>36%</b>	51%	<b>22%</b>	28%	55%
Sometimes	25%	32%	23%	14%	20%	20%
Rarely/Never	6%	<b>19%</b>	3%	1%	16%	2%





# Top Global Health Concerns

Heart Disease & Cancer Top Concerns Hypertension, Tiredness, Diabetes, Alzheimer's.

## Extremely/very concerned about

North America	South America	North Europe	South Europe	China/India	Eastern Europe
Heart disease, 57%	Heart disease, 68%	Cancer, 47%	Cancer, 53%	Heart disease, 52%	Tiredness, 22%
Dental cavities, 57%	Cancer, 68%	Heart disease, 38%	Heart disease, 45%	Hypertension, 50%	Heart disease, 20%
Anemia, 57%	Hypertension, 60%	Eye health, 34%	Alzheimer's, 37%	Cancer, 49%	Eye health, 19%
Cancer, 55%	Diabetes, 58%	Tiredness, 32%	Hypertension, 36%	Food allergies, 49%	Gastrointestinal problems, 19%
Tiredness, 49%	High cholesterol, 57%	Alzheimer's, 31%	Tiredness, 35%	Diabetes, 45%	Hypertension, 17%



# Articulating concerns into Benefits of Food Products

Extremely/very interested in food/drink with the following benefit:	North America*	South America	North Europe		South Europe	China/ India	India	
	2005	2005	2000	2005	2005	2005	2000	2005
Healthy heart and circulatory system	84% 1	71% 2	44% 1	41% 1	50% 1	77%	39%	82%
Healthy and strong bones	82% 2	72% 1	40% 3	38% 2	48% 2	86% 2	44% 2	87% 5
Healthy and flexible joints	75%	72% 1	40% 3	38% 2	48% 3	82% 4	38%	85%
A fit, active body	72%	62%	43% 2	37% 4	39%	85% 3	44% 2	88% 3
Healthier hair, skin and teeth	78% 5	68% 5	38% 5	33%	46% 5	81% 5	52% 1	88% 3
Healthy cholesterol levels	79% 4	66%	34%	33%	46% 5	70%	32%	73%
Improved memory	72%	59%	35%	36% 5	40%	80%	43% 4	82%
Improved physical energy	73%	64%	NA	33%	37%	81% 5	NA	87% 5
Improved alertness and concentration	68%	56%	32%	31%	37%	77%	31%	81%

**Consumer definition of wellness is changing. Wellness means different thing to different consumers. Seek holistic definition ,not disease reduction alone**

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- Nourishing the mind, body and spirit
- Its tied to daily health, physical activity, vitality and nutrition
- It extends to personal relationship, spiritual life
- Its about Balance, Moderation and Feeling in control
- Its about living longer and better !

• Linda Gilbert, 2005



# Consumer Wellness Goals are Changing

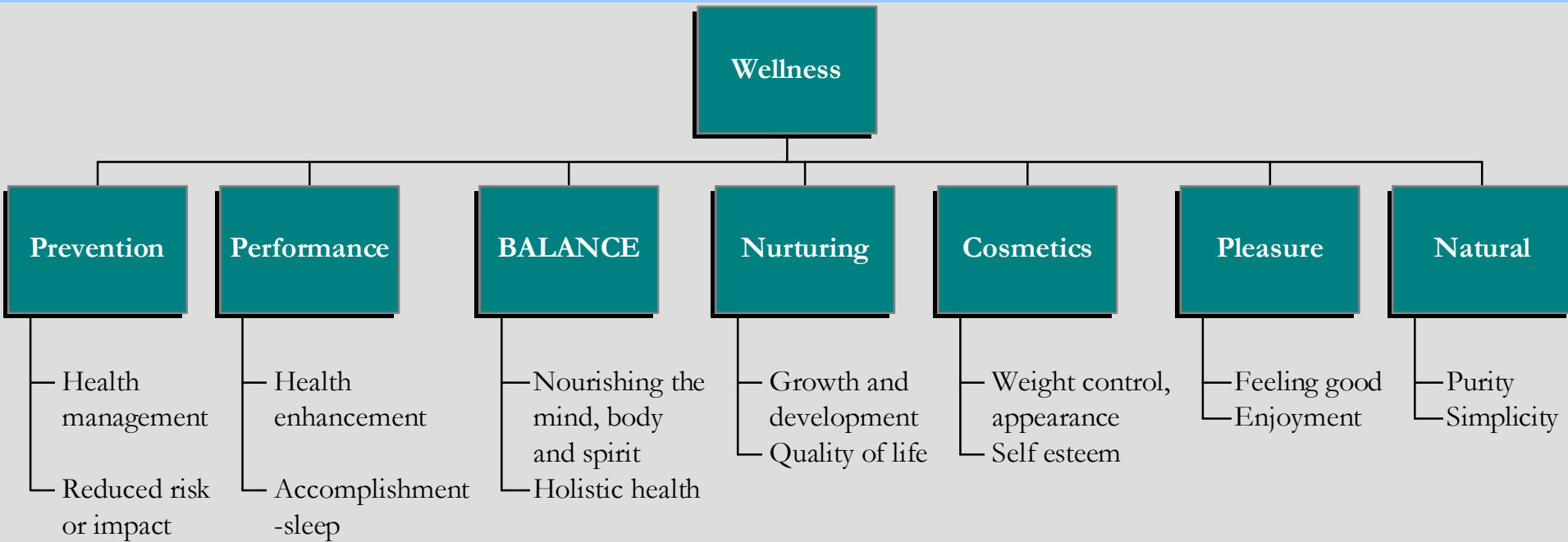
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- Celebration of life
- Self-esteem
- Balance
- Peace of mind
- Happiness
- Energy and vitality
- **Control**



# Benefit equation changing. Consumers are individualizing needs.

## Health Focus identify 7 universal benefits.





**Campbell's story: Reformulating for Growth.  
Journey into Wellness**





our  
**mission**

Together we will  
build the world's most  
extraordinary food company  
by nourishing people's lives  
everywhere, every day





# our mission

Together we will build the world's most extraordinary food company by nourishing people's lives everywhere, every day



# our strategies

1. Expand our icon brands within simple meals and baked snacks

2. Trade consumers up to higher levels of satisfaction centering on convenience, wellness, and quality

3. Make our products more broadly available in existing and new markets

4. Increase margins by improving price realization and company-wide productivity

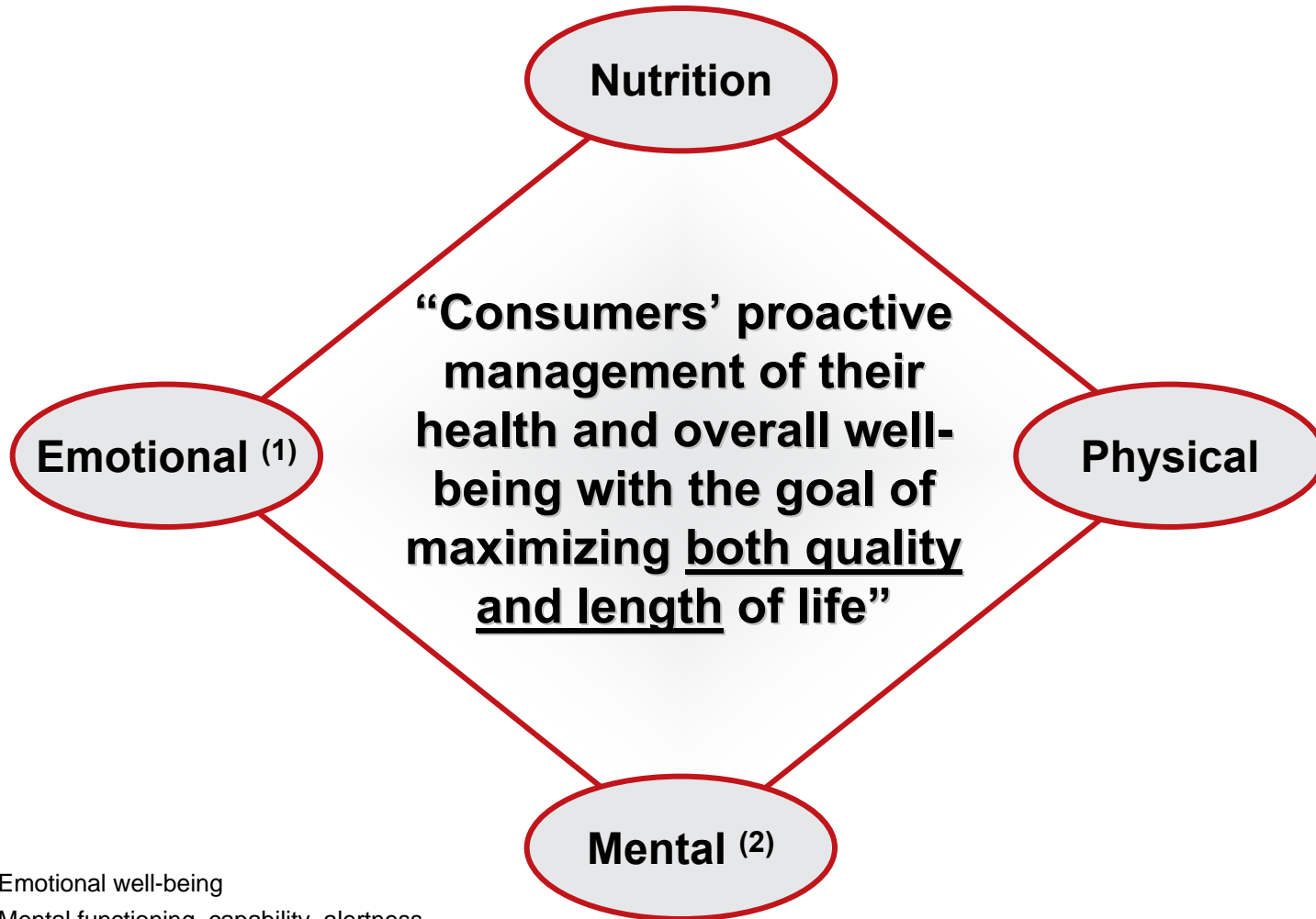
5. Improve overall organizational diversity, engagement, excellence, and agility





# Wellness: Our working definition

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(1) Emotional well-being

(2) Mental functioning, capability, alertness



# Critical “Must Do” to Drive Growth in Wellness

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- We measure our product portfolio against global competitors
- Listening & evaluating carefully what consumers say and want---cut through the clutters
- Use Technology and product design to drive reformulation without compromising taste or quality
- Build intrinsic nutritional value--Add positives and Reduce negatives
- Support Science and research on taste mechanism and health benefits.
- Use National public health guidelines as yardstick to measure progress success
- Centralize and synchronize messaging and communication to consumers, professionals and customers
- Alliance with influencers
- Innovate at Point of sale to make purchase easy



# **Critical “Must Do” to Drive Growth in Wellness**

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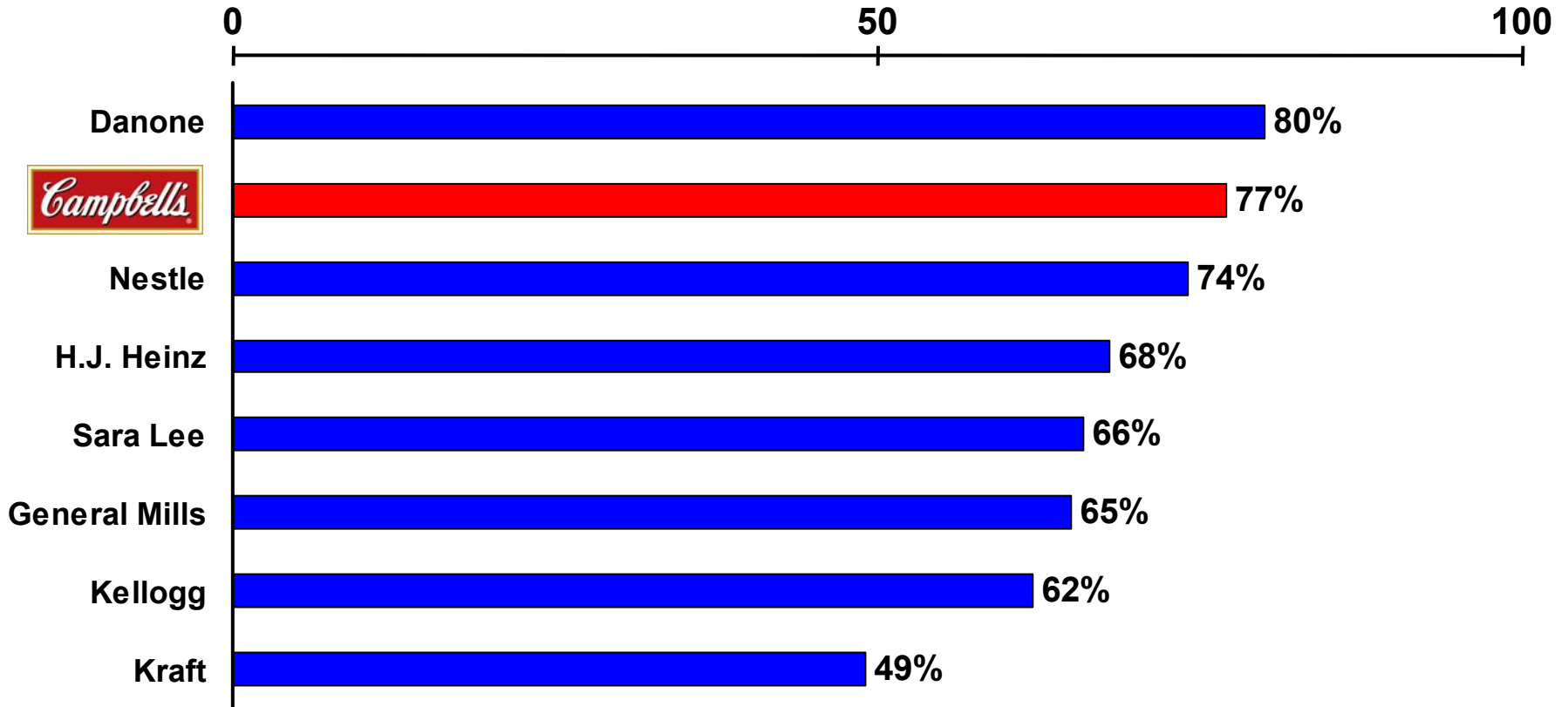
- *We measure our product portfolio against global competitors*

*We were encourage by how wall street sees our potential*



# Wall Street has Commented Favorably on the Overall Strength of Our Portfolio vs. Competitors

% of Business in “Healthy” product categories



Source: J.P. Morgan European Equity Research 04/16/03

# Critical “Must Do” to Drive Growth in Wellness

---

- We measure our product portfolio against global competitors
- *Listening & evaluating carefully what consumers say and want--- cut through the clutters and assess real market value!*



# Identify Consumer Wants and Don'ts

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## What Consumers want More Of:

- Fresh foods
- Vegetables and Fruits
- Whole Grains and Fiber
- Water
- Olive oil and Nuts
- Fish and Poultry
- Broccoli, Tomatoes, Oranges
- Spinach, Dark Leafy Greens
- Omega 3
- Calcium
- Vitamins C and E



# Identify Consumer Wants and Don'ts

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## What US Consumers want More Of:

- Fresh foods
- Vegetables and Fruits
- Whole Grains and Fiber
- Water
- Olive oil and Nuts
- Fish and Poultry
- Broccoli, Tomatoes, Oranges
- Spinach, Dark Leafy Greens
- Omega 3
- Calcium
- Vitamins C and E
- Portion control/portability
- Natural and simple label

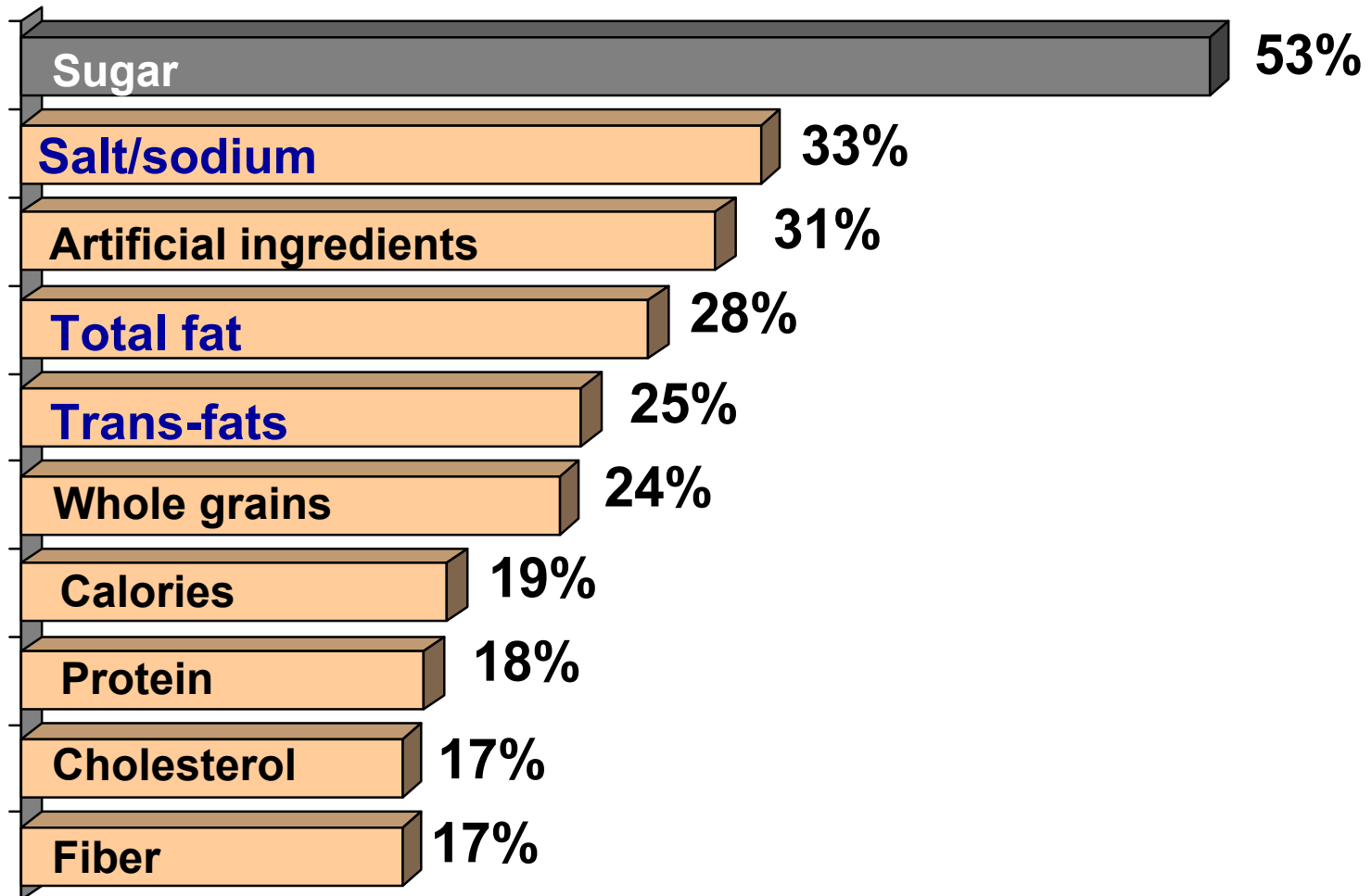
## What US Consumers want Less of:

- Foods containing additives and preservatives
- Sugar
- Salt and sodium
- Highly processed foods
- Saturated fats, Trans fats
- Artificial ingredients
- Fat
- Processed ingredients
- Environmental pollutants



# Ingredients Parents Are Monitoring In Their Child's Diet in US

(Q.1 - % U.S. parents who are currently monitoring the following ingredients in their child's diet)



Source: Kids Omnibus, 2006  
© The Natural Marketing Institute, 2006



# Common Global Dietary “Do-Not’s”

Sugar, salt/sodium, processed foods, and sweet and salty snacks top the list of foods shoppers in Western Europe are actively decreasing their use of.

Western Europe	France	Germany	Netherlands	UK
Sugar, 34%	Sugar, 32%	Sweet snacks, 29%	Sugar, 38%	Salt/Sodium, 40%
Salty snacks, 30%	Processed foods, 25%	Sugar, 29%	Sweet snacks, 34%	Sugar, 38%
Sweet snacks, 29%	Sweet snacks, 24%	Salty snacks, 27%	Salty snacks, 31%	Salty snacks, 37%
Salt/sodium, 26%	Salty snacks, 24%	Processed foods, 22%	Salt/Sodium, 22%	Processed foods, 33%
Processed foods, 24%	Salt/Sodium, 23%	Beef, 22%	Butter, 20%	Sweet snacks, 32%

**Decreased in use over the past two years:**



# Translate consumers likes and dislikes in context and business opportunities

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- **Want more vegetables, but not getting it. Why?**

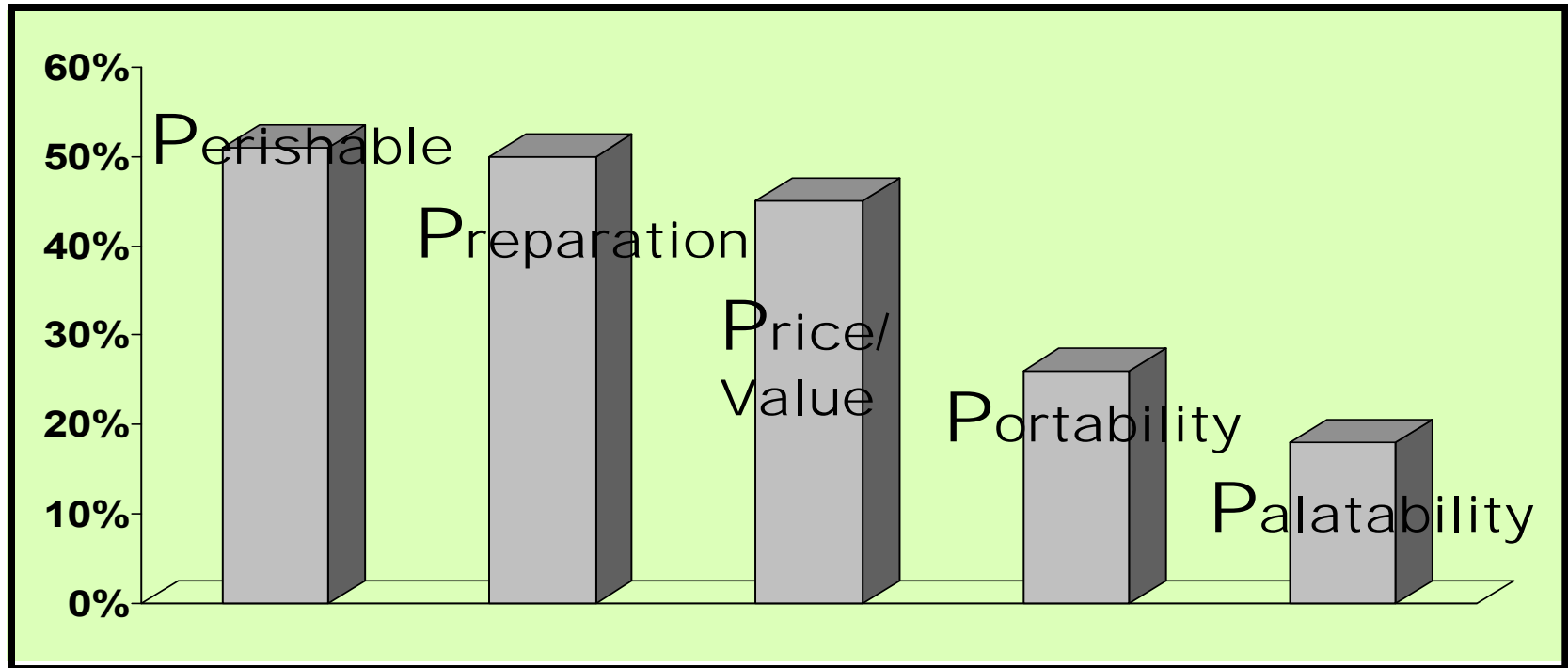
- **Barriers to increasing vegetable intakes.**

**The 5 Ps, the size of the gap, the opportunity!**



## Barriers To Increased Vegetable Consumption

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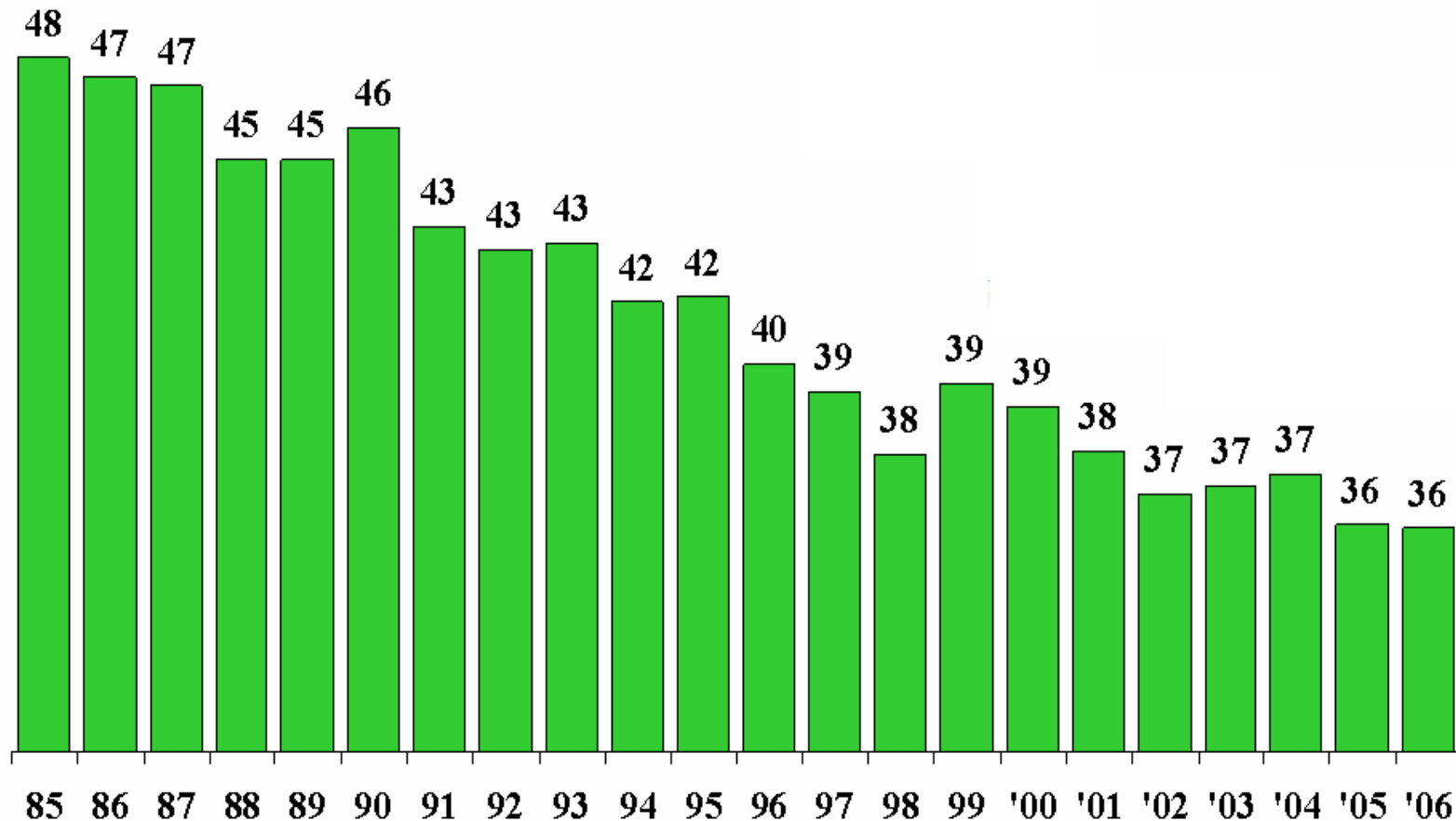
**Consumers also report conflicting and unclear health messages as a barrier**

Sources: State of the Plate, NPD. AC Nielsen, BASES Inc.2004; Shopping for Health, Rodale, FMI, Princeton Survey Res Assoc, 2005; Ganz K et al. JADA1998; 98:1118-26; Drewnowski A. Annual Rev Nutr 1997; 17:237-253; Dibsall et al. Publ Health Nutr. 2003;6:159-68, Darmon N. et al, "Nutrient Density Standard for Vegetables and Fruits: Nutrients per Calorie and Nutrients per Unit Cost. JADA 2005; 105:1881-87



## Despite Benefits, We're Not Getting Vegetables

### Percent of In-Home Dinner Meals Including Vegetables



Source: The NPD Group's National Eating Trends® Service



Source: Produce for Better Health/CDC NPD-Net Database 2004; Casagrande SS et al. Have Americans increased their fruit and vegetable intake? The trends between 1988 and 2002. Am J Prev Med 2007;257-63

# Global Gap In Consumer Vegetable Consumption

## Recommended Vegetable Intake



2.9 Cups/Day

## Average Daily Vegetable Consumption



1.6 Cups/Day

## Short-Fall In Vegetable Consumption



1.3 Cups/Day

An Annual Gap Of 142 Billion Cups -Or-  
285 Billion Servings Of Vegetables



Source: NHANES (1999-2002)  
Overall average adult men and women 19 years+

# Translate consumers likes and dislikes in context and business opportunities

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- Want more vegetables, but not getting it. Why?
- Barriers to increasing vegetable intakes.  
  
The 5 Ps, the gap, the opportunity!
- Concerns about sugar, salt, calories
- Medical science linking these to diseases and health. These drive consumer benefit expectations



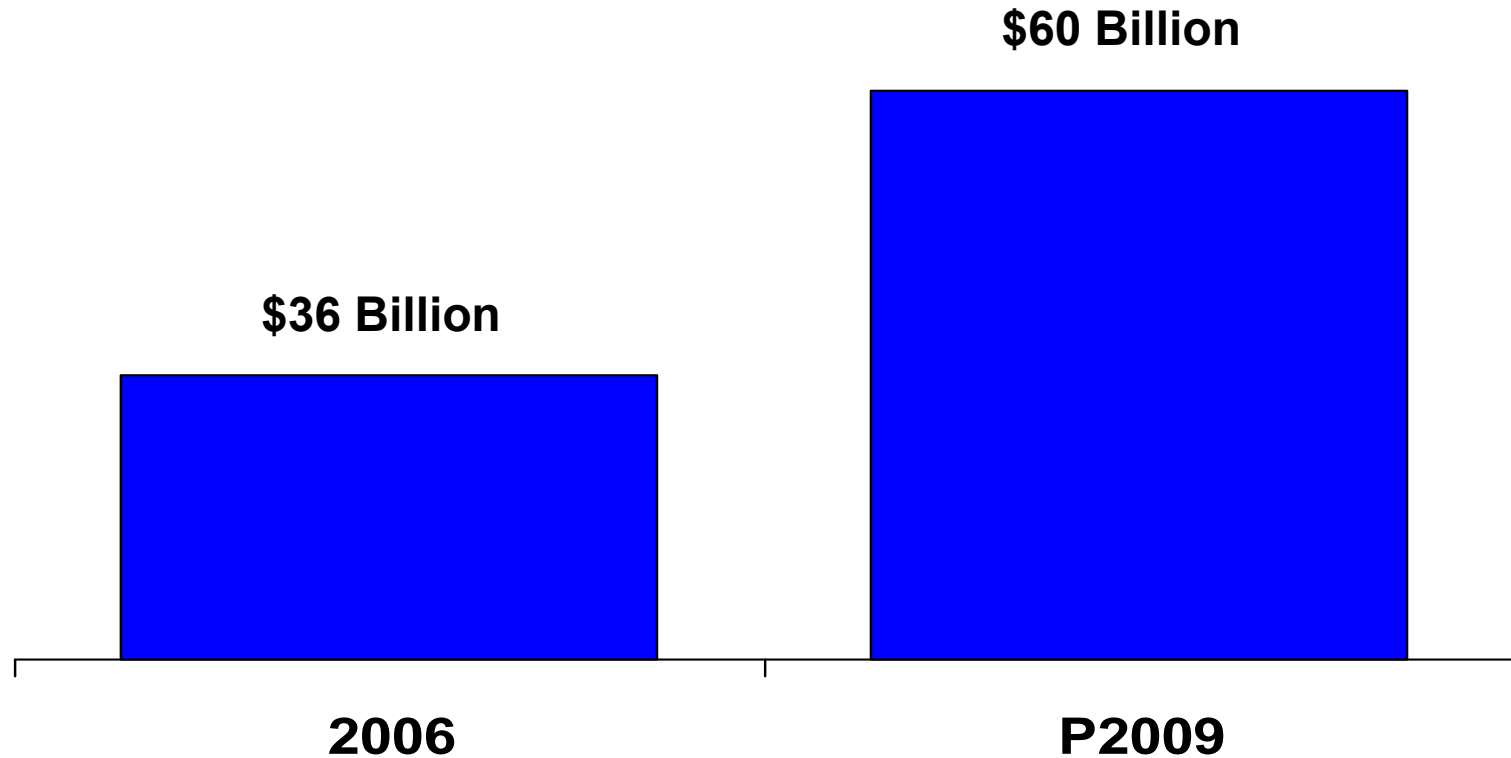
# Target Today's Health Concerns

Extremely / Very Concerned	2002	2004	2006	Chg '04
Heart Disease	58%	55%	58%	+ 3 pts
Cancer	58%	53%	57%	+ 4 pts
Tiredness / lack of energy	50%	47%	50%	+ 3 pts
Eye Health	47%	44%	48%	+ 4 pts
Stress	44%	45%	47%	+ 3 pts
High Cholesterol	41%	42%	46%	+ 5 pts
Arthritis	46%	41%	47%	+ 6 pts
Hypertension/high blood pressure	40%	40%	45%	+ 5 pts
Lack of mental sharpness/focus	41%	37%	43%	+ 5 pts
Diabetes	37%	36%	43%	+ 5 pts
<b>Depression</b>	37%	32%	40%	<b>+ 8 pts</b>

# Searching For Quick Solutions In 'Functional' Foods

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## Functional Foods & Beverages\*



\* Defined As: Offering Health & Disease Prevention Beyond Basic Nutrition

Source: *McKinsey & Co.* Times & Trends, 2007





# Critical “Must Do” to Drive Growth in Wellness

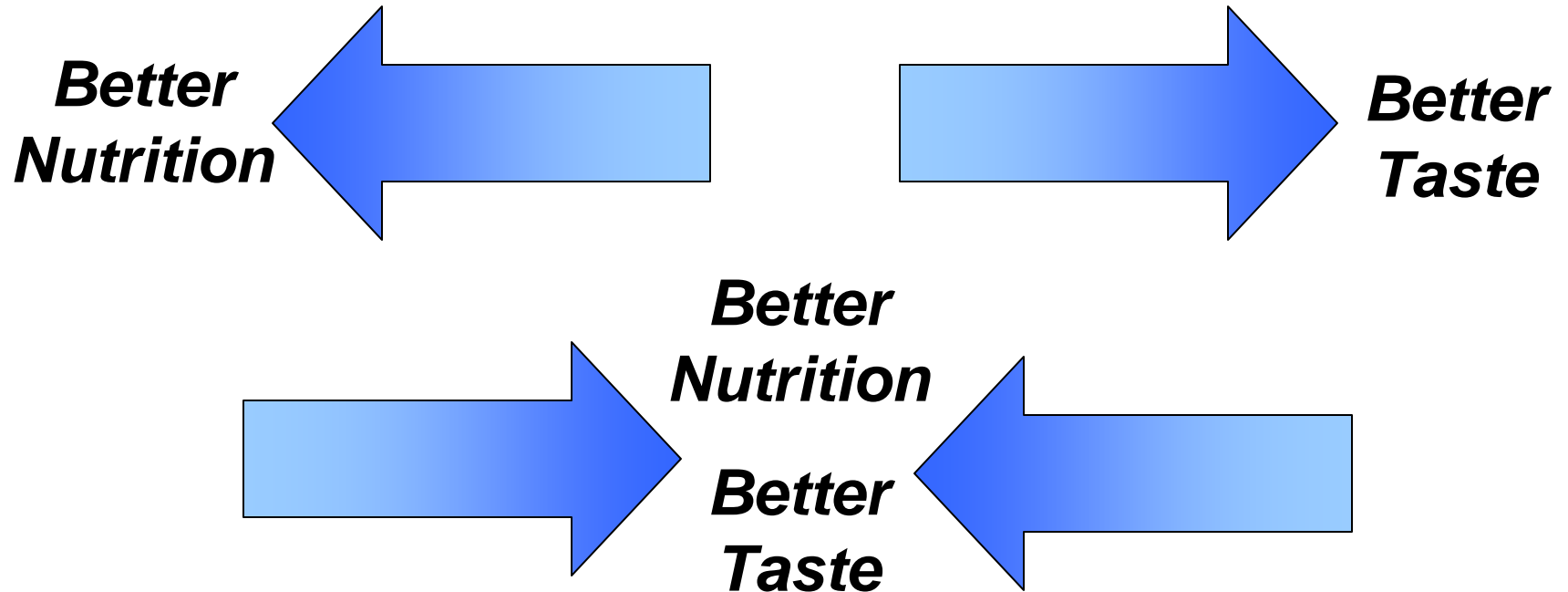
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- We measure our product portfolio against global competitors
- Listening & evaluating carefully what consumers say and want---cut through the clutters
- ***Use Technology and product design to drive formulation without compromising taste or quality***



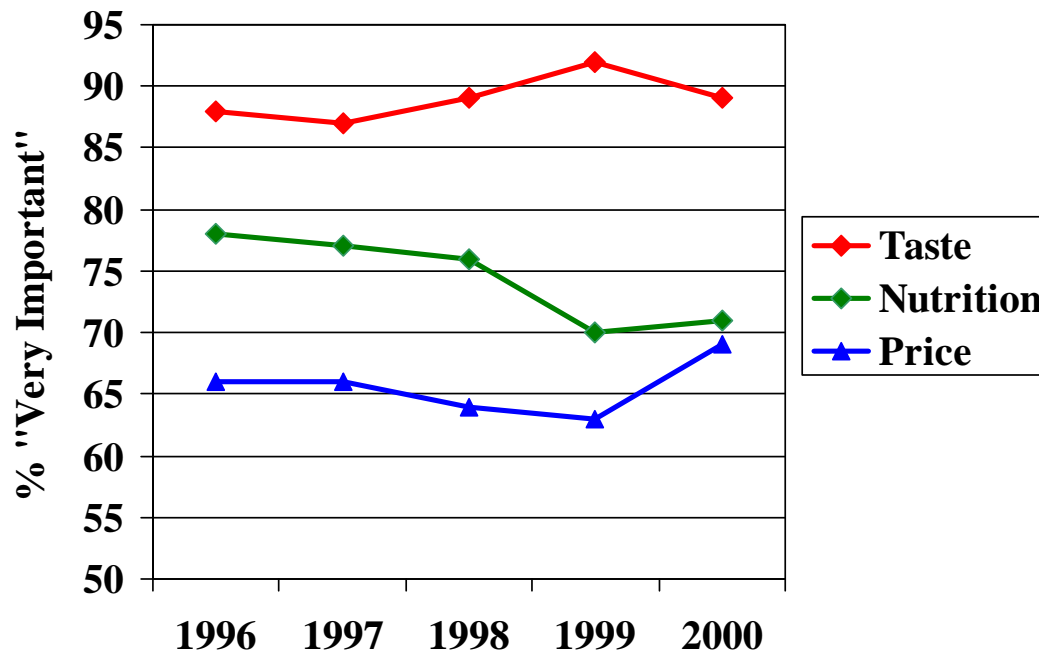
# A New Paradigm is Unfolding – Its no longer a tradeoff between nutrition and taste

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# Great taste is imperative for survival in the U.S. marketplace

Importance of factors in food selection by grocery store shoppers



Source: Consumer Attitudes in the Supermarket, FMI (2000)



# Top Brand Influences

## Taste trails price in Europe

France	Germany	Netherlands	UK
<b>Price, 52%</b>	<b>Price, 53%</b>	<b>Price, 41%</b>	<b>Price, 35%</b>
Grown without pesticides, 45%	<b>Has better taste, 41%</b>	<b>Has better taste, 33%</b>	<b>Has better taste, 29%</b>
<b>Has better taste, 38%</b>	Grown without pesticides, 41%	Lower in fat, 24%	Grown without pesticides, 26%
Contains only natural ingredients, 32%	No preservatives, 38%	Lower calories, 24%	<b>Lower in salt/sodium, 25%</b>
No preservatives, 31%	Higher in fiber, 29%	Higher in fiber, 22%	Contains only natural ingredients, 24%

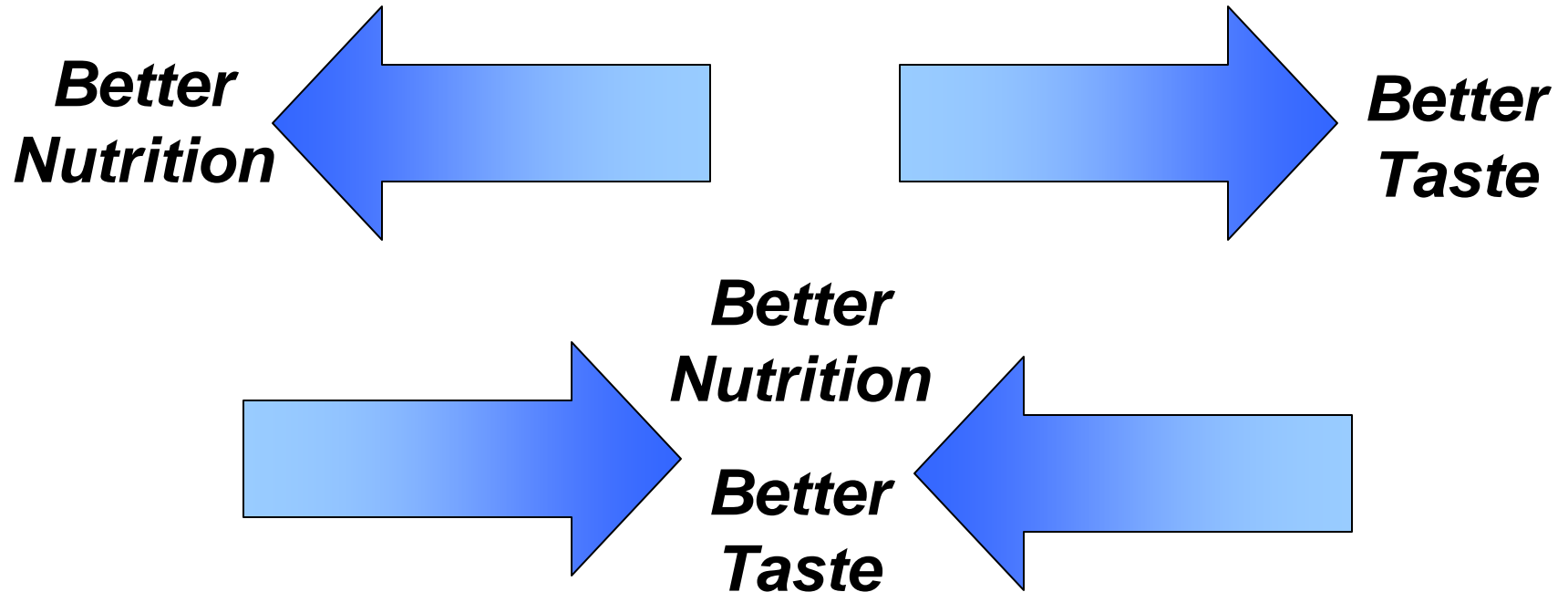
**Extremely/very important influence to try a new brand of product:**

HealthFocus® 2005



# A New Paradigm is Unfolding – Its no longer a tradeoff between nutrition and taste

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**Holistic Product Design**  
Adding Positives  
Remove Negative  
Convenience  
Price



# Critical “Must Do” to Drive Growth in Wellness

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- We measure our product portfolio against global competitors
- Listening & evaluating carefully what consumers say and want---cut through the clutters
- Use Technology and product design to drive reformulation without compromising taste or quality
- **Build intrinsic product nutritional value--Add positives and Reduce negatives**



# Adding Positive Nutrition: Whole Grain Goodness

## Products

- Pepperidge Farm launched 36 delicious whole grain breads in retails and schools
- Whole grain bagels, English muffins, croutons and Goldfish®

## Communication

- Whole grain options are identified on packages, in
- Whole grain website communicates whole grain benefits, suggestions on how to identify whole grains and includes recipes.
- Link to USDA MyPyramid.com



# Adding Positive Nutrition : Vegetable Goodness

- Over 120 Retailers and 63 in Food service with 1/2-1 serving
- Build awareness on sources of vegetables and nutritional in retail and Food Service

Soups (68)\*

- V8 and tomato juice (12)\*\*
- Prego pasta sauce (28)
- Pace refried beans (3)
- Campbell beans (2) and canned pasta (13)

- AFH soups & entrée

Soups (47) \*\*\*

- Entrees (16)



\* 5 w/sodium  $\leq$ 480 mg,

\*\* 6 w/sodium  $\leq$ 480 mg

\*\*\*1 w/sodium  $\leq$ 480 mg





# Communication to Help Consumers Increase Vegetable Intake

- Label
- Advertising
- Website
- Brochures

**DELICIOUS, EASY RECIPES FOR YOUR HEALTHFUL LIFESTYLE!**

**UNCLE SAM WANTS YOU TO CONSUME FIVE SERVINGS OF VEGETABLES EVERY DAY. WE'VE GOT THE FIRST THREE COVERED.**

**V8. DRINK SMARTER.™**  
www.v8.com

The Government recently revised the Dietary Guidelines, suggesting that Americans dramatically increase their daily intake of a variety of vegetables, and get more exercise. An easy way to get three vegetable servings is by drinking a crisp, refreshing 12 oz. bottle of V8® 100% Vegetable Juice. For help in meeting sodium guidelines, try Low Sodium V8® 100% Vegetable Juice.

**Five servings of vegetables a day?**

She's not sure if she's had the servings of vegetables this week. Consumers have a tough enough time trying to eat right without having to do the math. Count on Campbell's Ready From Home for vegetable-rich products and health and wellness resources to help you and your customers achieve your numbers. Call 1-800-873-7687 or visit [campbellswellness.com/wellness](http://campbellswellness.com/wellness) to learn about the products and resources Campbell's Ready From Home offers you to help your customers eat well and live better.

**Vegetables? V8.**

V8® 100% vegetable juice is a delicious way to help so many consumers get the recommended daily servings of vegetables. With 3 full servings of vegetables in every 12 oz. bottle, each vegetable-packed sip has antioxidant vitamins and potassium your cardiovascular system needs to keep them going.

**Campbell's**  
Taste and Live the Best of Life.™

**V8**



# Enhance Nutritional Profile with Fruit & Vegetable Goodness for those who do not like vegetable taste!

- **Initiative: Add fruit option to V8 beverage line.**
  - In 2005 we introduce V8Fusion™ -- 100% juice
  - 1 serving of vegetables and serving of fruit.
  - Naturally sweet



# Reduce Negative without Trade-off in Taste: Trans Fat

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- Initiative: Reduce or eliminate trans fat where feasible.
- Progress to date:
  - ~99% soups trans fat free
  - 100% Goldfish crackers trans fat free
  - 100% Pepperidge Farm breads trans fat free
  - 100% Pepperidge Farm distinctive crackers trans fat free



# Reduce Negative without Tradeoff in Taste: Sugar

- Initiative: Offer reduced and no sugar added beverages.
  - Sugar content of all V8 Splash® beverage was **reduced by 30%**
  - Diet V8 Splash® is offered in 3 flavors
  - V8.Fusion™ is 100% juice , **naturally sweet with vegetable and fruit serving**



# Sugar-Free Godiva Chocolate



## Reduce Negatives without Tradeoff in Taste: Salt

- Sodium is the #1 Achilles heel in soups.
- Tremendous consumers and technological hurdles to make great tasting soup
- Consumers will not compromise on taste



# The Consumer – Challenges/Opportunities

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- Consumers equate sodium to salt
- Consumers believe lower sodium products have inferior taste.<sup>1</sup>
- Consumers want reduced sodium products to taste as good as current products.<sup>2</sup>
- Generally won't accept compromise on taste for health benefit.
- If expectations are not met, purchase interest drops when the products are tested on blind basis.<sup>3</sup>
- Consumers have no context for sodium levels (i.e.: still think 140 mg is high – triple digit).
- Many salt sparing tools are unfamiliar to consumers e.g sodium guanylate



# Reduce Negatives without Tradeoff in Taste: Salt

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- #1 Achilles heel
- Campbell has a long history of researching to incrementally reduce salt in its products.
- We have been gradually reducing salt level (silent reduction) in our products.
- Our efforts date back 40 years . . .





# History of Campbell's Salt Reduction Efforts

1950/1960	<ul style="list-style-type: none"><li>• Search for salt substitute and flavor boosters</li></ul>
1970's	<ul style="list-style-type: none"><li>• Introduced Low Sodium condensed soups</li></ul>
1980's	<ul style="list-style-type: none"><li>• Silent Incremental reduction in soups 5-20%</li><li>• Launch RTS Low Sodium soups</li><li>• Intro savory flavor Ingredients</li><li>• First to voluntarily label for sodium (1981)</li><li>• Launch Special Request™ soups (30% Reduction)</li><li>• Re-Launch as Healthy Request soups (50% Reduction) post NLEA</li><li>• Initiated research at seven universities on understanding salt taste mechanism and perception</li></ul>
1990's	<ul style="list-style-type: none"><li>• Patent issued for non-sodium salt taste enhancers</li><li>• Intelligent Quisine™ (IQ) test marketed (1996) with AHA and A. Diabetes A. partnerships</li></ul>
2001	<ul style="list-style-type: none"><li>• Major support on cutting edge molecular research – sodium channel/ receptors research at multiple research institutions</li></ul>
2004	<ul style="list-style-type: none"><li>• V8® frozen soups introduced in food service</li></ul>
2006-	<ul style="list-style-type: none"><li>• Major breakthrough leveraging lower sodium, natural sea salt combined with product design expertise into condensed and RTS soups.</li><li>• Launch lower sodium sea salt soups with 25 % to 45 % reduction</li><li>Sodium Reductions expanded to V8® beverages</li></ul>



# Salt (Sodium) Reduction: Technological Challenges are numerous

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- In humans, the **liking for salt is strong**, being both an inborn and acquired behavior
- The **mechanism for salty taste** in humans is not as well understood unlike sweet. Bulk of research in rodents.
- In food products, **sodium chloride may play multiple and simultaneous key functions**: taste, texture, preservation, nutrition, bitter blocking
- Sodium chloride has the **most intense and cleanest** salt taste and is the most economical of the salts
- Potassium, calcium, and other divalent salts are less than 10% the salty intensity of sodium chloride
- Sodium reduction in products requires a case by case effort because of the multi-faceted role of sodium in salty, bitter, umami and sweet taste
- Not all sodium salts are created equal on its effect on BP

Beauchamp, 1986, 1994, Harris and Booth, 1987, James, 2000; Mattes, 1991, 1997



# Our Sodium Reduction Initiative is multi-approach

## Multi-Pronged Approach

- **Product Design**
  - Holistic Product Design
  - Flavor Technology
  - Nutrition
  - Manufacturing Control
  - Consumer insights and validation
- **Research and Technology:**
  - improve technologies on salt sparing ingredients
  - leadership in supporting and advocating for more basic research on understanding taste mechanism
- **Integrated Marketing /sale:**
  - Focus integrated message of TASTE and Benefits in lower sodium options
  - point of sale massive build
    - IQ Maximizer shelving to display Low and Healthy Request Soup options
- **Communication:**
  - Promote responsible nutrition; help to educate professionals, consumers, customers.
    - Education message integrated with marketing program.
    - Promote National Dietary Guidelines goals.



# Introducing 31 Great Tasting Better For You Soups

## Providing Options:

- Sodium Reduced
- Sodium & Fat Reduced Options

25% Less Sodium



3 R&W  
Icons



All 12 kid  
condensed soups

All Healthy Request® Soup  
Reformulated



Plus one  
new  
variety



Healthy Request® Brand  
Beyond condensed into  
RTS...



3 New Campbell's  
Select™  
Healthy Request®



4 New Campbell's  
Chunky™  
Healthy Request®



# Winning on taste is the key to reduction.



- 80% of Consumers who tried these soups rated the taste “As Good or Better than the Original”<sup>1</sup>
- Made with natural lower sodium sea salt
- All ages

Reformulated ALL varieties of kid condensed soups - now with 25% less sodium



# Introducing Healthy Request<sup>®</sup> Homestyle Chicken Noodle & Reformulated Healthy Request<sup>®</sup>

## Better For You soups that Taste Great!

### Key Benefits:

- Campbell's great taste
- Lower Sodium Natural Sea Salt for great taste & New Approaches to Product Design
- 45% Less Sodium
- 98% Fat Free



Reformulated  
Healthy Request<sup>®</sup>  
Condensed Soups using  
lower sodium natural sea salt



# New Campbell's Chunky™ Healthy Request®

**It Fills You Up Right!®**

*Loaded with lean beef or white meat chicken, vegetables, & pasta*

## Key Benefits:

- Soup That Eats Like a Meal®
- Made with Lower Sodium Natural Sea Salt for great taste
- Up to 45% Less Sodium
- 98% Fat Free
- Specifically meets the needs of the those looking for a hearty & healthy soup



# Introducing Campbell's Select™ Healthy Request®

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*“Why Settle When You Can Select?”*

*Delectable, Chef Inspired Soups*

## Key Benefits:

- Irresistible Taste experience
- Lower Sodium Natural Sea Salt for great taste & New Approaches to Product Design
- 98% Fat Free
- Up to 45% Less Sodium





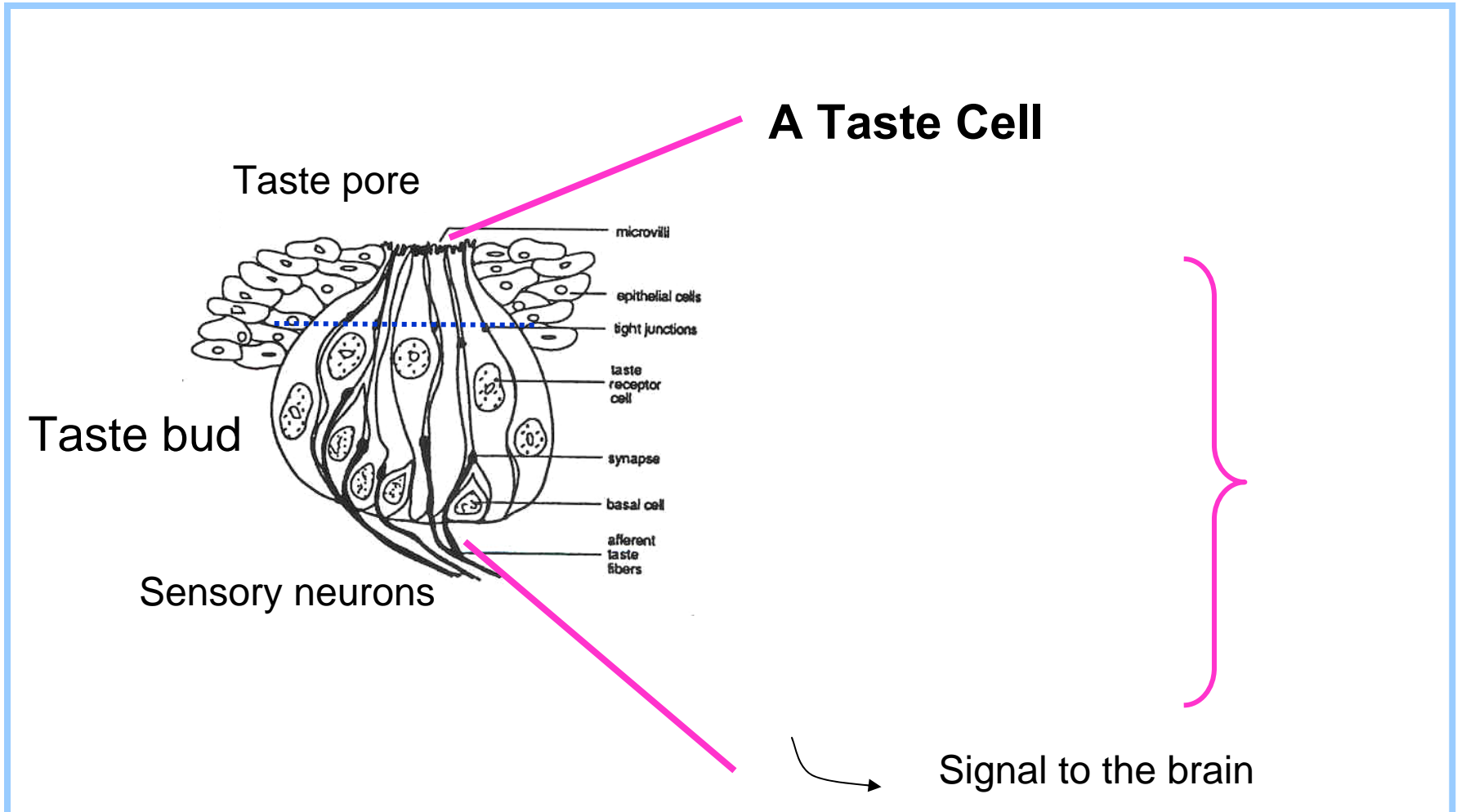
# Critical “Must Do” to Drive Growth in Wellness

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- We measure our product portfolio against global competitors
- Listening & evaluating carefully what consumers say and want---cut through the clutters
- Use Technology and product design to drive reformulation without compromising taste or quality
- Add positives and Reduce negatives
- **Support research on taste mechanism and health benefits.**



**Understanding Taste Mechanism begins with understanding taste cells and how they behave at molecular level and interact with the brain. From then can we selectively find the right salt enhancers.**



# History of Campbell's Salt Reduction Efforts

1950/1960	<ul style="list-style-type: none"><li>• Search for salt substitute and flavor boosters</li></ul>
1970's	<ul style="list-style-type: none"><li>• Introduced Low Sodium condensed soups</li></ul>
1980's	<ul style="list-style-type: none"><li>• Silent Incremental reduction in soups 5-20%</li><li>• Launch RTS Low Sodium soups</li><li>• Intro savory flavor Ingredients</li><li>• First to voluntarily label for sodium (1981)</li><li>• Launch Special Request™ soups (30% Reduction)</li><li>• Re-Launch as Healthy Request soups (50% Reduction) post NLEA</li><li>• Initiated research at seven universities on understanding salt taste mechanism and perception</li></ul>
1990's	<ul style="list-style-type: none"><li>• Patent issued for non-sodium salt taste enhancers</li><li>• Intelligent Quisine™ (IQ) test marketed (1996) with AHA and A. Diabetes A. partnerships</li></ul>
2001	<ul style="list-style-type: none"><li>• Major support on cutting edge molecular research – sodium channel/ receptors research at multiple research institutions</li></ul>
2004	<ul style="list-style-type: none"><li>• V8® frozen soups introduced in food service</li></ul>
2006-	<ul style="list-style-type: none"><li>• Major breakthrough leveraging lower sodium, natural sea salt combined with product design expertise into condensed and RTS soups.</li><li>• Launch lower sodium sea salt soups with 25 % to 45 % reduction</li><li>Sodium Reductions expanded to V8® beverages</li></ul>



# Critical “Must Do” to Drive Growth in Wellness

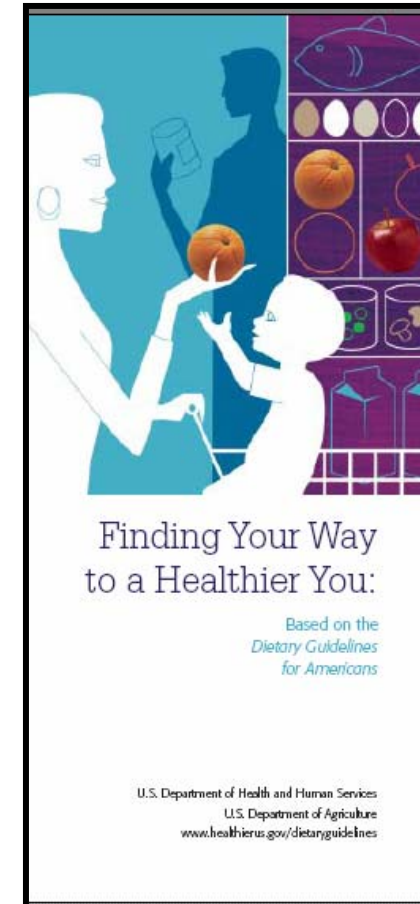
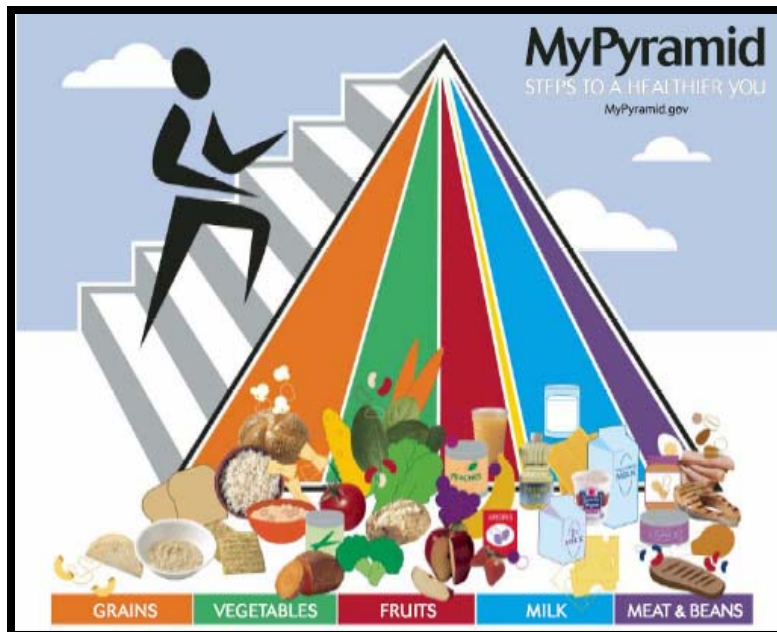
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- **Use National public health guidelines as yardstick to measure progress success**



# We Gauge our Product Portfolio Against the US Dietary Guidelines for Americans and MyPyramid.

- 2005 Dietary Guidelines for Americans
- Released January 2005
- USDA MyPyramid announced April 2005



# 2005 Dietary Guidelines

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## Increase Positives

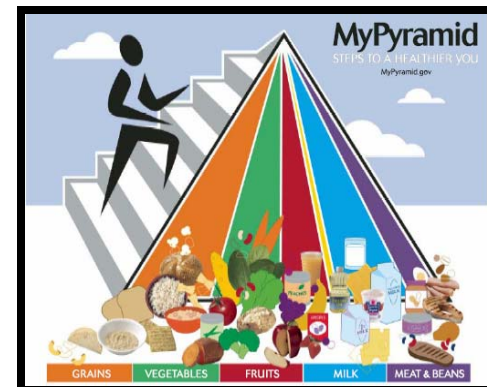
- **Make at least half of total grains eaten whole grains.**
- **Eat recommended amounts of vegetables and choose a variety of vegetables each day. (**
- **Eat recommended amounts of fruit, and choose a variety of fruits each day.**

## Reduce negatives

- **Consume 3 cups of fat-free or low-fat milk or equivalent daily.**
- **Choose low-fat or lean meats and poultry.**
- **Choose most fats from sources of mufas and pufas.**
- **Choose and prepare foods with little added sugars.**
- **Choose and prepare foods with little salt.**

## Educate and communicate

- **Balance calorie intake with calories expended.**
- **Engage in regular physical activity.**



# 2005 Dietary Guidelines Key Concepts: Campbell's progress

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## Increase Positives

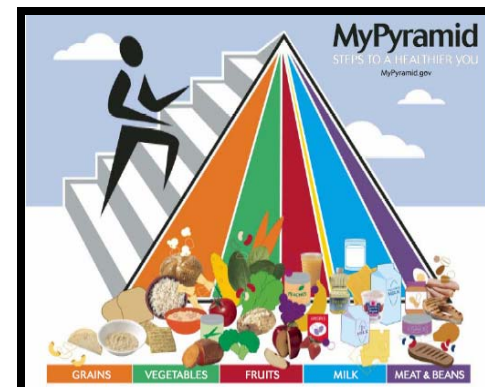
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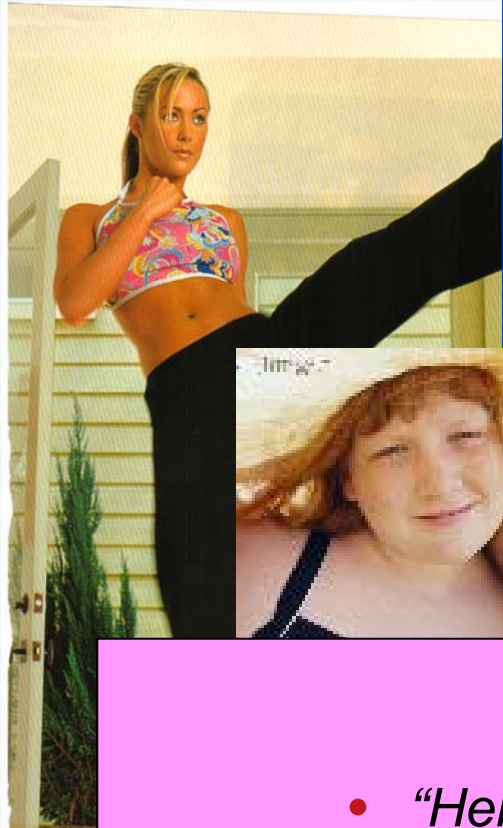
# Communication

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**In 2004, we launched the Campbell's Center for Nutrition and Wellness (CCNW) to communicate wellness food solutions**





Like fingerprints, no two kisses leave exactly the same mark.



## • Vision

- *“Help consumers taste and live the best of life!”™*



# Communication

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## Alliances with influencers are critical to the sustained success of this market

- Health associations (AHA, ADA, AAP, AAFP etc ) alliances are important for credibility and for target positioning
- Association logos, government approved statement are easy for consumers to retrofit into daily lifestyle
- Work with consumer activists to find common consumer causes.



# AHA Certification and Partnership



**American Heart Association**

Products displaying the heart-check mark meet American Heart Association food criteria for saturated fat and cholesterol for healthy people over age 2.



- About 50 products in with AHA Heart Check mark
- Major sponsor of “Go Red For Women”, a premier American Heart Association campaign
- Primary benefit message Heart Disease #1 killer of Women
- Shared AHA goal--Reduce by 25% by 2010.



# Campbell Received Significant Press on its Lower Sodium Initiative, Over 100 Million Impressions and Building

## Media from across the U.S. and Canada covered Campbell's sodium reduction announcement

### THE WALL STREET JOURNAL

#### Campbell Plans to Offer Soups Made With Low-Sodium Sea Salt

**Associated Press**  
CAMDEN, N.J.—Executives at Campbell Soup Co. have heard the same thing almost since Andy Warhol got art out of their cans in the sodium in soup taste and people will eat. Now, after years of the sodium in its soups, N.J.-based company says breakthrough: natural, salt. It will be used if scheduled to be in super August, Campbell anno "We've been every trying to find a sea salt asterics of this one, Douglas Conant said la Sodium is a nutrient too much can lead to big Regular table salt is 99.7

bell's vice president for research and development. Some of the new soups, which will

### FINANCIAL TIMES

U.S. Edition

#### FOOD Campbell Soup to reduce sodium

to food companies as they scramble to take advantage of the trend towards health and well-being. US government criteria say that health claims can only be communicated on foods that contain 400mg of sodium per 227g serving. Most Campbell's soups contain 800-900g.

Doug Conant, chief executive, said the 25 per cent reduction would not immediately allow Campbell's to start making health claims "but it gets us half way there".

"Forty per cent of consumers is that they'd like it to have less sodium, and it's a big deal," said Conant.

HOME NEWS TRIBUNE

### Houston Chronicle

Soup maker says it has breakthrough using sea salt

### PHILADELPHIA DAILY NEWS

#### Campbell eases up on the salt

After years of gradually reducing the sodium in its soups, Camden-based Campbell Soup Co. says it has made a breakthrough: natural, low-sodium sea salt. It will be used in about 30 soups

mark bell s The er-soo sales, cently

#### ns to cut deep taste

process to mix its soups that allows for bigger chunks of vegetables and a fresher taste, and introducing a health-priced

### The Boston Globe

#### Campbell cuts the sodium

Sea salt should let company advertise its soups as 'healthy'

**ASSOCIATED PRESS**  
CAMDEN, N.J. — Campbell Soup Co. executives have heard the same thing almost since Andy Warhol was making art out of their cans in the

**What's cooking**  
■ New versions of three top-selling soups — chicken noodle, tomato, and cream of mushroom — with 25 percent less sodium.



### CAMPBELL: New way to cut sodium

From Page E1

advertise low they are low-calorie, low-fat, vegetable-rich foods.

"We look at it as the enabler to talk about the other health benefits of soup," said Denise Morrison, president of Campbell USA. The company is ramping up promotions, such as its Soup for Life Plan, a wellness and weight-loss campaign that revolves around soup.

The sea salt also is being used in Campbell's 12 child-oriented soups, such as Chicken Alphabet and Kids Shapes, and versions of the soups the company calls its soups — chicken noodle, tomato and cream of mushroom.

The sodium reduction is the latest phase of efforts to revive a one-month campaign that fell into hard times in the late 1990s. When Conant took over in 2001, he promised to revive the condensed soup business, which had been slipping for years as more convenient quick-meal options emerged.

Campbell's reported Feb. 17 that sales rose two percent in the first half of fiscal year 2006 over the year-ago period, to \$4.4 billion, and soup sales rose



A display of the new reduced-sodium soups are seen at the Campbell Soup Co. headquarters in Camden last week.

the same rate, to \$2 billion. Net earnings rose to \$500 million for the first half ended Jan. 28, up 20 percent from a year ago, or 11 percent, once adjusted for accounting changes.

The company has made strides in quality, using a new process to mix its soups that allows for bigger chunks of vegetables and a fresher taste, and

introducing a higher-priced line of gourmet soups. It has also worked on convenience, adding microwaveable soup bowls, drinkable soups, putting pop-top lids on cans and coming up with a new system to organize the soups in supermarkets.

Wall Street was mildly encephalic by the changes.

"In terms of the actual soup business, they're doing as well as they can do," said Thomas Morimoto, an analyst who follows the company for Stifel, Nicolaus & Co. He said there's just not much room for growth in the soup business, which Campbell already dominates.

On the N  
<http://www.campbellsoup.com>

Thursday, February 23, 2006  
www.postonline.com

### South Jersey Business

#### Campbell adjusts its salts

Company enhancing low-sodium choices



Conant and Chief Executive Officer Douglas Conant present some of Campbell's new low-sodium soups recently at company headquarters in Camden.

Product	Original 2015 Na	Health	Low
	mg	mg	mg
Chicken noodle	890	675	450
Tomato soup	790	580	400
Cream of mushroom	820	620	420

Some of Campbell's new reduced-sodium soups are seen at company headquarters. The company will be using a new sea salt in its soups.

products and premium soups as the company's strategic growth strategy. Campbell has reduced the sodium content of 1,100 milligrams per serving to 600 milligrams, and Double Noodle and Chunky soups. In the past 20 years, Campbell has reduced the sodium content of 1,100 milligrams per serving to 600 milligrams, and Double Noodle and Chunky soups. In the past 20 years, Campbell has reduced the sodium content of 1,100 milligrams per serving to 600 milligrams, and Double Noodle and Chunky soups.

### CALGARY HERALD

#### Campbell plans low-salt soup

CONSUMER GOODS • Campbell Soup Co., the world's largest soup maker, will introduce new versions of its most popular soups and beverages that contain at least 25 per

condensed soup varieties, including chunky pepper with chicken, with 25 percent less sodium. Campbell's Chunky Healthy Request will use up to 45 percent less sodium.

Its soup contained only a little salt. By using sea salt, Campbell's soups will have less sodium than regular table salt. The new soups have 25 percent less sodium, said George Conant, Campbell's vice president for development, and any room to advertise benefits of its soups, soups with its "soup

hated that government-conducting, because of sales, foods must be such as containing certain nutrients and having low cholesterol levels — before labels and ads can bill them as "healthy." Many Campbell's soups meet all the requirements except one: They have more than 480 milligrams of sodium per serving.

Some of the soups — including four to six varieties of the hearty Chunky soups — will get below that threshold, thanks to the sea salt.

The company then will market them as healthy and advertise how they are low-calorie, low-fat, vegetable-rich foods. The sodium reduction is the latest phase of efforts to revive a one-month campaign that fell into hard times in the late 1990s.



# Critical “Must Do” to Drive Growth in Wellness

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- Centralize and synchronize messaging and communication to consumers, professionals and customers
- **Innovate at Point of sale to make purchase easy**



# Strong grounds for optimism about growth prospects for Campbell's lower sodium soups



## 8. Benefit from roll out of iQ Shelf Maximizer

- Growth potential is clear
  - Cups and bowls in 2000 stores
  - RTS in 1,000 stores
  - Condensed soup in nearly **16,000** stores

**Determined to expand presence comparable to the levels we have achieved in condensed soup**



# Our Wellness Journey is Continuing

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- Our wellness efforts continue to evolve. Today our wellness product sales exceed 600 million
- We gauge our nutrition improvement progress against a tough yardstick--the Dietary Guidelines--as the basis for a healthier lifestyle.
- Our strategies are multi-pronged. We continue to invest in research and technologies to drive competitive insulation and differentiations
- We invest in basic research, and forge strategic partnerships with influencers
- We have POS innovation
- We follow the Golden rules for product success defined by the consumers – Taste, Convenience, Quality, Value and Trusted Brand
- We have a global wellness strategy but local execution





# Keys to Success in wellness growth

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- Remember Taste Is King... and Pleasure Is Queen
- Give Reinforcement/Credit for what consumers are already doing right.
- Identify and Remove the Barriers to healthy choices
- Be a Solution Developer more than a Product Developer
- Be a designer and not a developer
- Keep it Simple and Make it Familiar
- Make it “Right for me” and “Right for my family”
- Deliver Positive Nutrition with little or no downsides
- Leverage the power of your brand
- Make it affordable,
- Make it easy to find in the store



# Conclusion

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- Wellness is top of mind with consumers and Campbell's. It represents our fastest growth area.
- The challenge is delivering against consumers expectations for taste + multiple wellness benefits. Holistic design and communications.
- Campbell's technical ,marketing, sales expertise has begin the journey to 'crack' the code
- Campbell's is positioned to better meet consumer's health needs today and into the future
- On road to fulfill our corporate mission.





our  
**mission**

Together we will  
build the world's most  
extraordinary food company  
by nourishing people's lives  
everywhere, every day



