

Market Analysis and Strategy Plan

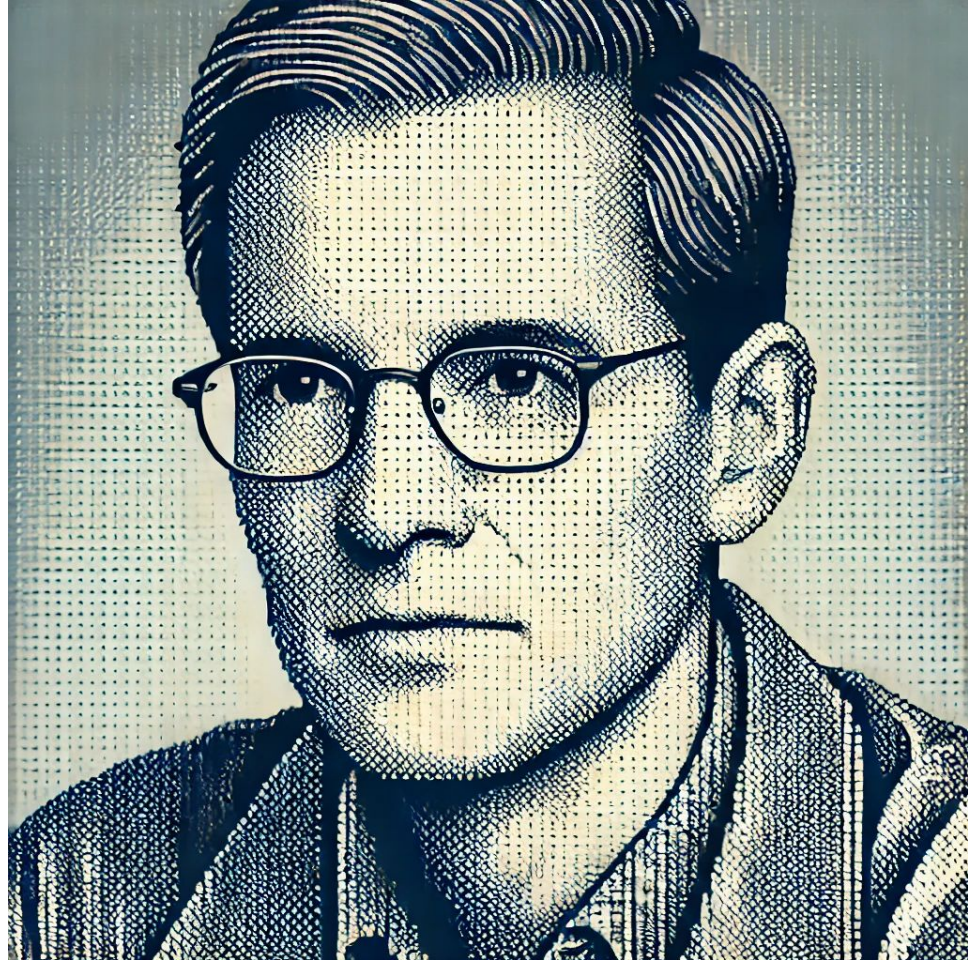
August 11, 2024

Market Overview

Interviews with Industry Experts

10 executives in marketing for consumer products and healthcare companies including the following

- > Nielsen and IRI
- > Former Johnson & Johnson team members including the Lactaid brand
- > OTC consultants
- > Former Intoleran executive



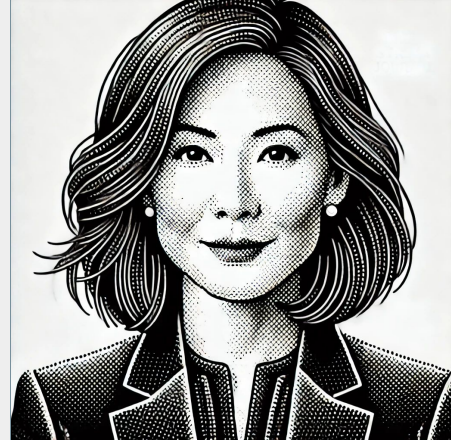
Interview Highlights

Market views

- Small size; GI Products generally “Under-shelved”; OTC is under-represented in online due to the immediacy of need
- Purchase rate: 2-3 X a year, light user 1-2X year
- 80 / 20 rule for consumers in category
- More focus on the milk products than supplements
 - ◆ **10 to 15X to 1 Lactaid Milk to supplements sales**
- High ethnic skew in African Americans / Asian Americans
- Estimates Online / Retail breakdown: 5-15% vs. 80-90%

Competitors

- 60% Lactaid of the market /No competition besides private-label
- Is not familiar with Lactojoy, Milktab or other brands
- Only 65% distribution/ Retail, Drugstores pharmacies (excluding online), carry and average 2 SKUs per store
 - Walmart was strong in this category (Target was lower)



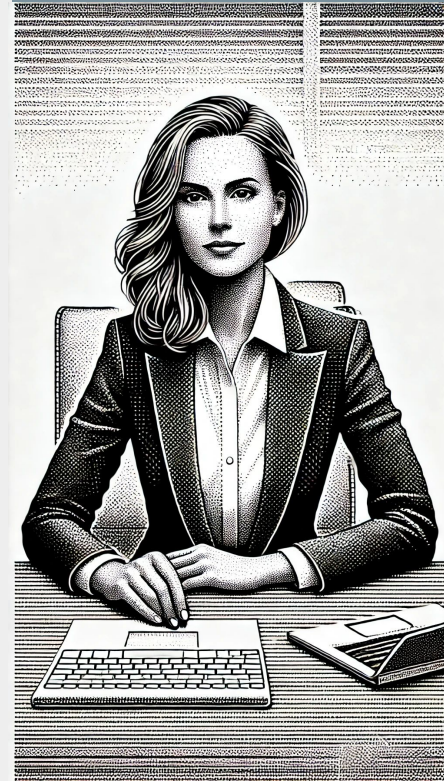
Interview Highlights

Dairy category

- Lactose removed milks is > 10% of the total market
- Lactaid is #1
- Other brands are: Fairlight, Horizon, Organic Valley
- Category growth: Predicted to be relative stable in Volume units and Usage
- Innovations / Chewable vs. caplet: No info

Challenges

- More education, not focusing on taking pepto
- More focus on the milk products than supplements
- ★ Marketing opportunities: Education and awareness for education; It is in effective product needs story to get that story out here.

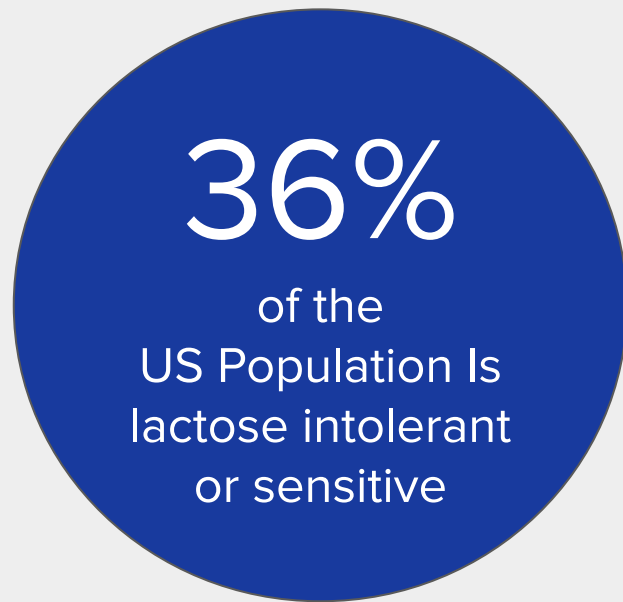


Overall Market Potential

The global lactose intolerance treatment market size was valued at \$32.85 billion

It is estimated to reach \$57.85 billion by 2031, growing at a CAGR of 6.49%

US Estimated to be current \$9.6 Billion
(based off 30.7% US share of global)



Competition

Competitive Overview

75% market share

Lactaid, which has been around for over 20 years, dominates the pill market with a The company also offers a powder form, but it only has a 10% share of that market.

Total Yearly Amazon Category Revenue

\$35,049,182

Top 10 Products Revenue

\$26,022,768

Top 10 Share of Category

74%

Sources: Jungle Scout 2024; Future Market Insights: Nandini Roy Choudhury





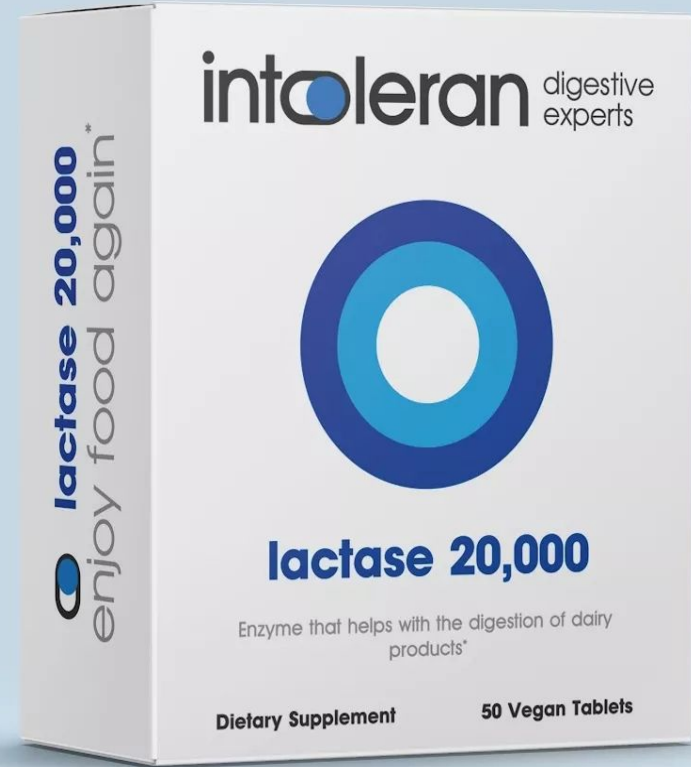
Competitor Brand Type Analysis

Brand Type	Competitors
Wellness Lifestyle	Lactaid, Enzymedica Lacto
Scientific or Medical	Bactose, Intoleran
Natural or Organic	Lactojoy
Innovative + High-Tech	Intoleran, milktab
Family Friendly	Lactaid
Active + Trendsetting	Lactojoy
Heritage	n/a
Luxury + Premium	milktab
Value + Economical	Many: Drug store generic; Guardian Diary Relief
Cultural or Ethnic	N/A

Competitive Products

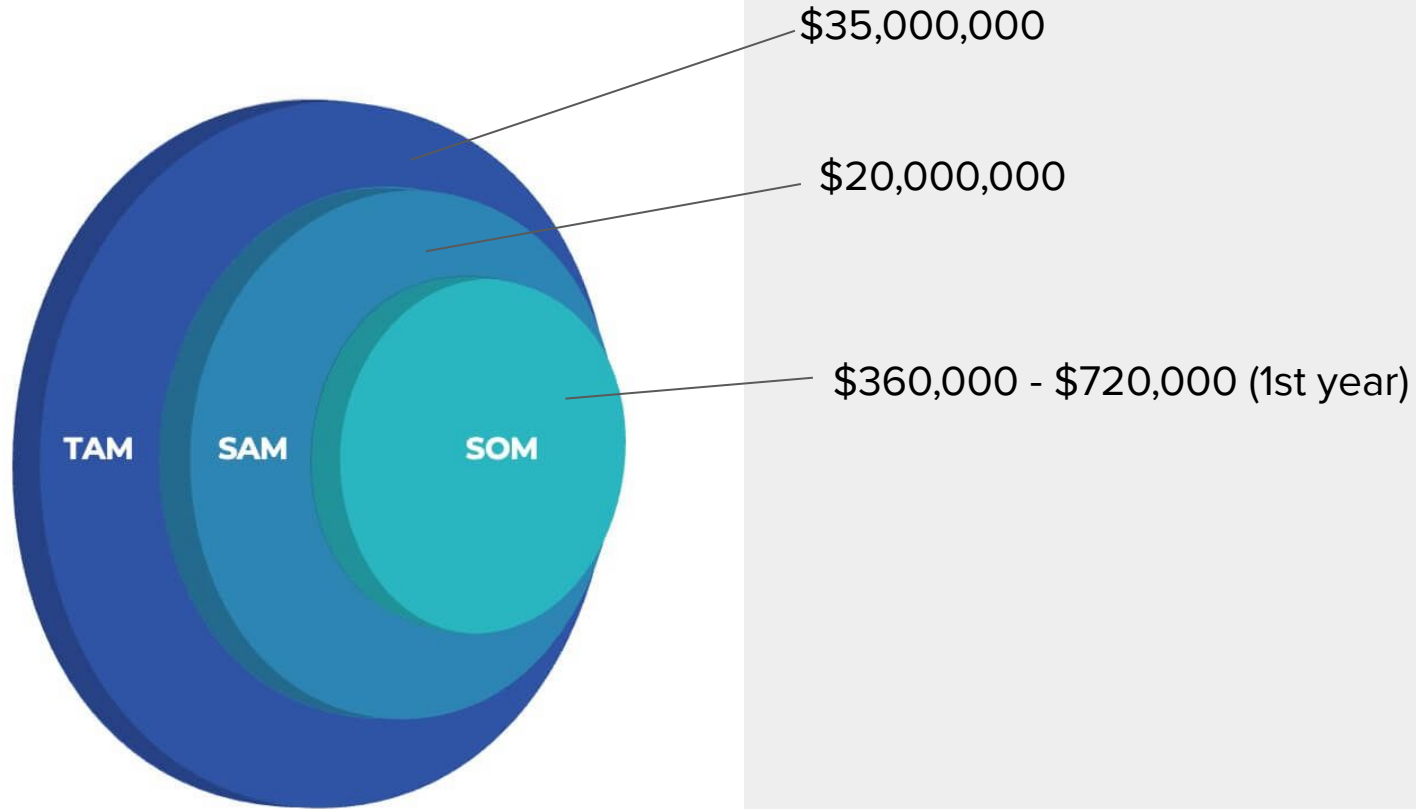


Competitive Products



Estimates, Goals & Recommendations

Amazon Marketplace Estimates



Goals

Within the first 120 days

- **Revenue Target:** Achieve \$10MM revenue
- **Units Sold:** Sell X units of X
- **Conversion Rate:** 5-10%
- **Return on Ad Spend (ROAS):** 2.5X
- **Repeat Purchase Rate:** 10-20%

SWOT ANALYSIS

Strengths

- Proven Product with track record
- Brand name in large market
- Flexibility in US positioning
- Heritage
- Manufacturing capabilities

Weaknesses

- Need clear definition and positioning of brand in the USA
- Unknown brand in US Market
- No US team
- Marketing Budget unknown

Opportunities

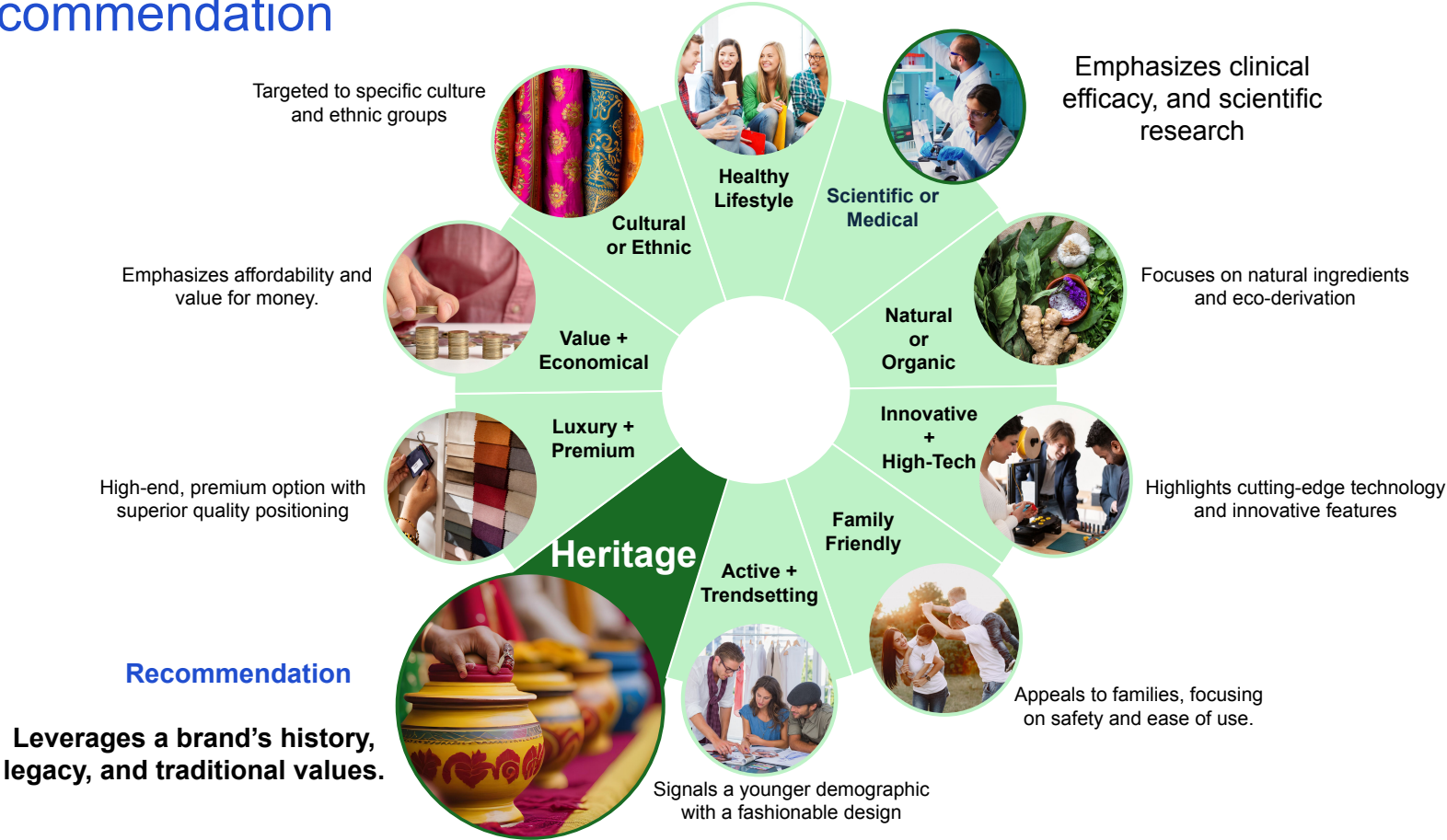
- No significant 2nd brand name competitor
- Little development of flavors or other line extensions
- No Heritage brand

Threats

- Dairy free food products
- Larger competitors
- Wide range of private label brands



Brand Type Recommendation



Brand Recommendation: Focus on Active and Trendsetting

Simple, benefit oriented
tagline

“Dairy Won’t Slow You Down”

Packaging / Product
Updates

Should create a “on the go” package that is easily carried on one’s person + USA English on packaging

Parent / Child Branding

*Emphasize how it
supports an active
lifestyle*



*For Presentation Only:
Example*

Brand Recommendation: Focus on Heritage

Simple, benefit oriented
tagline

“Dairy Without Discomfort”

Packaging / Product
Updates

Limited product changes; Update logo + USA English on packaging

Parent / Child Branding

*Emphasize history,
safety, quality*

{Removed}

Appendix

Competitive Overview

Walmart Ecommerce: \$250,000 / Yearly Sales

Top Walmart Products
LACTAID Fast Act Chewables Vanilla Twist 60 ea (Pack of 3)
Lactaid Fast Act Lactase Enzyme Supplement, Caplets, 32 ct (Pack of 20)
Lactaid Original Strength Lactose Intolerance Relief Caplets, 120 Ct
Lactaid Original Strength Lactose Intolerance Relief Caplets, 120 Ct
Lactaid Fast Act Lactose Intolerance Caplets, 60 Travel Packs of 1-ct.
Lactaid Fast Act Lactose Intolerance Caplets, 60 Travel Packs of 1-ct.
Lactaid Fast Act Lactose Relief Chewables, Vanilla, 32 Packs of 1 Ct
Lactaid Fast Act Lactose Relief Chewables, Vanilla, 32 Packs of 1 Ct
Lactaid Fast Act Lactose Relief Chewables, Vanilla, 60 Packs of 1 Ct
Lactaid 2% Reduced Fat Milk, 64 oz
LACTAID Fast Act Caplets 12 Caplets (Pack of 4)
Lactaid Fast Act Lactase Enzyme Supplement

Amazon Top 10 Products - Lactase Supplements

Product Name	Brand	Price	MUS	Monthly Rev.
Lactaid Fast Act Lactose Intolerance Relief Caplets with Lactase Enzyme, 96 Count	Lactaid	\$18.38	21,889	\$402,320
Lactaid Fast Act Lactose Intolerance Relief Caplets, Lactase Enzyme to Prevent Gas, Bloating & Diarrhea Due to Lactose Sensitivity, Supplements for Travel & On-The-Go, 60 Packs of 1-ct.	Lactaid	\$12.95	21,886	\$283,424
Lactaid Original Strength Lactose Intolerance Relief Caplets with Natural Lactase Enzyme, Dietary Supplement to Help Prevent Gas, Bloating & Diarrhea Due to Lactose Sensitivity, 120 ct	Lactaid	\$13.99	17,982	\$251,568
Lactaid Fast Act Lactose Intolerance Relief Caplets with Lactase Enzyme, 32 Travel Packs of 1-ct.	Lactaid	\$10.34	22,537	\$233,033
Lactaid Fast Act Lactose Intolerance Chewables with Lactase Enzymes, Vanilla, 60 Count (Pack of 1)	Lactaid	\$15.01	15,499	\$232,640
Guardian Dairy Relief Fast Acting Lactase, 360 Caplets, 9000 FCC Maximum Strength, Lactose Intolerance Pills, Lactase Enzyme Supplement (360 CT)	Guardian	\$32.99	5,880	\$193,981
Guardian Dairy Relief Fast Acting Caplets, 9000 FCC, Lactose Intolerance Pills, Lactase Enzyme (360CT (Bottles))	Guardian	\$32.99	5,862	\$193,387
Lactaid Fast Act Lactose Intolerance Chewables with Enzymes, Vanilla Twist, 32 Count	Lactaid	\$7.39	15,067	\$111,345
Digestive Advantage Probiotics + Lactase Enzyme For Digestive Health, Daily Probiotics For Women & Men Occasional Bloating, Lactose Breakdown, Minor Abdominal Discomfort, Immune Support, 96 Capsules	Digestive Advantage	\$24.00	4,038	\$96,912

Sources Consulted

AMZ Scout

Future Market Insights

Jungle Scout

Wallysmarter