



ON THE WHEY

University of Wisconsin-Madison | 2024 Executive Summary

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introduction

The Wisconsin dairy industry generates an average of 105.5 million pounds of whey annually,¹ with 43 million pounds from micro-cheesemakers who lack sustainable means of disposal.² As a result, much of it is spread on agricultural fields, leading to destructive runoff in waterways.³ Considering that nearly 90% of milk processed in cheese production facilities ends up as whey, a valuable opportunity exists to repurpose this byproduct.⁴

Recognizing the opportunity to source from Wisconsin micro-cheesemakers, in 2014, Whey Better Brands established itself in this emerging market by manufacturing whey-based bioplastics and instant, whey-protein consumables. Renowned for crafting innovative, high-quality, whey-based products that capitalize on sustainability and convenience, Whey Better Brands has strategically chosen to enter the protein instant coffee market by redefining the coffee experience.

On The Whey instant coffee combines wellness, portability and sustainability in every sip. This whey-protein instant coffee contains 18 grams of protein, 110 milligrams of caffeine, honey for natural sweetness, ginseng for its adaptogenic properties and Fair Trade Certified coffee beans. Sold in single-serve, whey-based, biodegradable packets, On The Whey is easily portable and can be enjoyed hot or cold.

By finding a new use for the excess whey, On The Whey demonstrates strong producer value to Wisconsin's micro-cheesemakers. By the end of year three, these micro-cheesemakers will realize a cumulative total of more than \$400,000 in new revenue.

The instant coffee market is the fastest-growing segment within the coffee industry, boasting a nearly 20% compounded annual growth rate by 2029.⁵ On The Whey capitalizes on this consumer trend by introducing an instant coffee blend that appeals to active-lifestyle Generation Z and millennial consumers.

market analysis

MARKET TRENDS

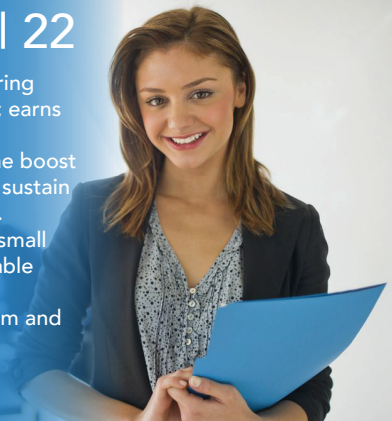
- Forty-two percent of Gen Z drinks coffee every day and 63% prefers flavored coffee.⁶
- In 2021, 60.8% of Gen Z participated in outdoor sports, the generation with the highest participation.⁷
- Thirty-two percent of Gen Zers would like to receive emails from brands multiple times weekly.⁸
- Sixty-five percent of millennials drink coffee everyday and 68% prefer flavored coffee.⁹
- Only 9% of plastics are recycled and just over 1% are biodegradable.¹⁰
- TikTok is dominated by Gen Z, at 44.7% of users; 60% find TikTok a valuable coffee-learning resource.¹¹
- Sixty percent of Gen Z have used as many as three subscription services in the past year.¹²
- Ninety percent of coffee consumers are likely to choose a brand based on convenience.¹³
- Fifty-three percent of coffee drinkers prefer Fair Trade Certified and 68% would pay more for it.¹⁴
- This year, 69% of millennials will use social media and 47% will use it to learn about new products.¹⁵
- Eighty-six percent of online shoppers are more likely to try a new product due to a discount code.¹⁶
- Seventy-five percent of Gen Z believes their food choices impact the environment.¹⁷
- Whey-based plastic has the lowest environmental footprint of all plastics.¹⁸

- High protein is an important consideration for 55% of U.S. grocery shoppers.¹⁹
- Online subscription-based coffee sales have increased by 200% in the last five years.²⁰

AUDIENCE PROFILES

Bailey Bean | 22

- Environmental engineering student with internship; earns \$25,000/year.
- Requires a quick caffeine boost and proper nutrition to sustain her throughout the day.
- Advocates support for small businesses and sustainable practices.
- Most active on Instagram and TikTok.



Will Woods | 35

- Freelance journalist and photographer; earns \$80,000/year.
- Modern-day adventurer with a passion for sustainable living and eco-friendly products.
- Enjoys birding, rock climbing and camping.
- Seeks a biodegradable, convenient energy source to fuel his outdoor activities.
- Most active on Facebook and X.



MARKET POTENTIAL

The instant coffee market is the fastest-growing segment of the coffee industry.⁵ The United States high-protein instant coffee market is projected to surge to \$342 million by 2029, exhibiting a compound annual growth rate of nearly 20%.²² Ethically sourced beverages, eco-friendly products and convenience are important to consumers, as 85% of coffee drinkers expect companies they buy products from to behave sustainably and ethically toward the environment and people.²³ The portion pack market is expected to grow by twice its current value by 2032 as consumer preferences shift toward portable alternatives.²¹

MARKET SIZE

In the first year, On The Whey will target 17 million people, capturing the attention of Gen Z and millennial coffee drinkers in the Midwest and West regions of the U.S. who embody an active lifestyle, possess a spirit of adventure and share a love for the environment. In year two, On The Whey will expand its promotional efforts to the Northeast, aiming to reach an additional seven million people. In the third year, On The Whey will direct its marketing initiatives to the South, thereby expanding its reach to an estimated 15 million more people. On The Whey products will be sold via its branded e-commerce platform.

NEED FOR PRODUCT

In Wisconsin there are 34 micro-cheesemakers, producing 4.8 million pounds of cheese and 43 million pounds of whey annually.² On The Whey effectively repurposes this byproduct, providing sustainable means of disposal and preventing its unnecessary release into the environment. Designed for adventurers and active-lifestyle consumers, On The Whey caters to those without the time or access to traditional coffee-making methods. The combination of portable and biodegradable packaging alongside the nutritional value derived from whey, honey and ginseng, makes On The Whey a healthy and convenient option for fueling life's adventures.

competitive analysis

On The Whey distinguishes itself as the sole instant coffee product to combine the benefits of whey protein with the adaptogenic properties of ginseng and the natural sweetness of honey. Its innovative use of single-serve, whey-based bioplastics not only underscores its commitment to sustainability and portability but also caters to consumers with active lifestyles.

	Whey Protein	Hot or Cold	Single Serve	Biodegradable Packaging	Adaptogens	Nutritional Value	Average Price Per Serving
ON THE WHEY	✓	✓	✓	✓	Ginseng	Caffeine: 110mg Protein: 18g	\$2.28
Javy Coffee	✓					Caffeine: 105mg Protein: 10g	\$1.91
Strong Coffee					L-theanine & Mushrooms	Caffeine: 120mg Protein: 15g	\$3.08
Chike	✓		✓			Caffeine: 150mg Protein: 20g	\$2.50
Nescafe'		✓	✓			Caffeine: 70mg	\$1.13
Via Instant (Starbucks)		✓	✓			Caffeine: 130mg	\$1.31
Alpine Start		✓	✓		Mushrooms	Caffeine: 110mg	\$1.25

STRENGTHS

Portable, biodegradable packaging.
Health-conscious appeal.
Fair Trade Certification.
Significant financial returns to micro-cheesemakers.
High protein and caffeine content.
Can be mixed hot or cold.
Reduces risk of caffeine crash.

WEAKNESSES

Preconceptions about instant coffee quality.
Concerns about taste and texture of whey.
Whey as a potential allergen.
Consumer resistance to change.
Requires mixing.

OPPORTUNITIES

Increasing interest in health and wellness.
Increasing environmental awareness among consumers.
Increasing demand for convenience-based products.
Redefine the coffee-drinking experience.
Change negative perception of instant coffee quality.

THREATS

Saturated instant coffee market.
Disruption in ingredient supply chain.
Preference for brewed coffee.
Introduction of shadow products.

DIRECT COMPETITORS

On The Whey's direct competitors are protein instant coffees: Javy Coffee, Strong Coffee and Chike.

INDIRECT COMPETITORS

Indirect competitors include popular instant coffees, like Nescafe', Starbucks Via, Alpine Start and others.

business proposition

STRATEGY STATEMENT

On The Whey repurposes excess whey from Wisconsin’s dairy industry into a sustainable, high-quality product while addressing environmental concerns and supporting micro-cheesemakers. By introducing a whey-protein instant coffee infused with ginseng and honey in single-serve, biodegradable packaging, On The Whey redefines the instant coffee market, appealing to adventurous, active-lifestyle Gen Z and millennial consumers.

ASSUMPTIONS

- 1 On The Whey is a product extension for Whey Better Brands, a well-established company specializing in whey-based consumables and bioplastic packaging. Whey Better Brands holds the patent for the process of mixing whey protein with hot and cold liquids.
- 2 Whey Better Brands’ bioplastics are bisphenol A-free, water-resistant and approved by the U.S. Department of Agriculture, the Food and Drug Administration and the Environmental Protection Agency.
- 3 The whey, honey and ginseng for On The Whey are Wisconsin-sourced and the Arabica coffee beans are Fair Trade Certified from Peru.
- 4 On The Whey instant coffee was preferred over Nescafe’ instant coffee 2 to 1 in a consumer taste test.
- 5 Whey Better Brands has an existing transportation fleet for promotional efforts, sourcing and delivering product inputs to the manufacturing facility and established relationships with UPS and FedEx for shipping e-commerce orders.

GOALS BY YEAR 3

- Achieve 30% brand awareness within the target market; 20% aided and 10% unaided.
- Capture 10% of the whey-protein instant coffee market.
- Demonstrate financial stability and profit by the end of year 3.

PRODUCT LAUNCH

Year 1	<u>Product launch:</u> Earth Day • April 22, 2024 <u>Media channels:</u> Instagram, Youtube, TikTok, Facebook, X and email <u>Coffee Cruisers:</u> Midwest and West <u>Influencers:</u> Midwest and West influencers
Year 2	<u>Media channels:</u> Instagram, Youtube, TikTok, Facebook, X, podcasts and email <u>Coffee Cruisers:</u> Northeast <u>Influencers:</u> Continue from year one and add Northeast influencers Seasonal flavors introduced
Year 3	<u>Media channels:</u> Continue from years one and two <u>Coffee Cruisers:</u> South <u>Influencers:</u> Continue from years one and two and add South influencers

action plan

PRODUCT

On The Whey is a whey-protein instant coffee infused with honey and ginseng, designed to dissolve in both hot and cold liquids. On The Whey uses sustainable, whey-based bioplastic for its single-serve packets which are sold in flavor-specific bundles of 10 or 30, along with a customizable package option for preferred flavors.

POSITIONING STATEMENT

On The Whey is an instant coffee that is packed with whey protein and infused with the added benefits of Wisconsin-sourced honey and ginseng. Developed for consumers who embody an active lifestyle, possess a spirit of adventure and share a love for the environment, On The Whey redefines the coffee experience. With a nutritious caffeine boost in portable, single-serve, whey-based, biodegradable packaging, every sip is a conscious choice, **anytime. anywhere. anywhey.**



PRICE

CORE FLAVORS

Original	\$2.00/serving
Latte	\$2.10/serving
Mocha	\$2.15/serving
French Vanilla	\$2.35/serving
Caramel	\$2.35/serving

SEASONAL FLAVORS

Churro	\$2.50/serving
Pumpkin Spice	\$2.35/serving
Peppermint	\$2.35/serving
Honey Lavender	\$2.35/serving

OBJECTIVES

- 1 Increase brand recognition and expand the availability of whey-protein instant coffee to a broader audience.
- 2 Penetrate the protein instant coffee market and capture market share.
- 3 Cultivate brand trust and loyalty and retain customers through cost-optimization strategies.

CAMPAIGN

The Better Whey campaign is tailored for consumers embracing both adventure and a healthier lifestyle, advocating for a "Better Whey" of living. This initiative is brought to life across various social media platforms, influencers and the Coffee Cruiser.

BOOTS ON THE GROUND

On The Whey will hire a brand manager and a social media manager to provide sales team support and oversee marketing implementation. In conjunction with the sales team, On The Whey will hire eight ambassadors to tour the country with the Coffee Cruiser, promoting and educating consumers on the benefits of the product.

COFFEE CRUISER

The Coffee Cruiser establishes brand awareness by connecting directly with consumers across the country, traveling to college campuses, state and national parks, sporting events and campgrounds to promote the Better Whey campaign. The Coffee Cruisers will host pop-up events, providing samples, merchandise and on-site purchasing options.



SOCIAL MEDIA

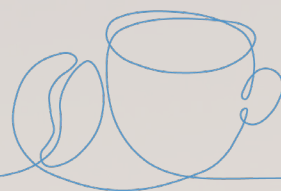
On Instagram, initiatives like the #BetterWheyChallenge will encourage users to share their Better Whey lifestyle. TikTok posts will offer behind-the-scenes glimpses of the Coffee Cruiser's travels and pop-up events, providing fun and engaging content. YouTube videos will promote the product's versatility and portability. X initiatives such as #BetterWheyStories will create a thread where users can share how On The Whey has been integrated into their lives. "Coffee Conversations" are weekly blogs focusing on lifestyle improvement and health-related topics. On The Whey will host TikTok Lives with Coffee Cruiser ambassadors, fostering interactive discussions and community engagement.

EARNED MEDIA

Consumers will post user-generated content (UGC) showcasing their experiences with On The Whey, while press releases pitched to podcast producers and key media contacts will share the product story and educate the audience on its benefits.

TAGLINE

anytime. anywhere. anywhey.



anytime. anywhere. anywhey. effectively demonstrates On The Whey's versatility. Whether it's a morning pick-me-up or post-outing refuel, On The Whey seamlessly integrates into any adventure. The single-serve, biodegradable packaging makes it effortlessly portable, anytime. anywhere. anywhey., exhibiting the product's convenience and sustainability.

INFLUENCERS

TapInfluence will be used to identify new micro and macro lifestyle influencers to assist in promoting and educating consumers and building product and brand trust. Influencers will also use discount codes to incentivize purchase and trial.

GIVING BACK

On The Whey will make generous annual donations to the Center for Dairy Research, Feeding America and the U.S. National Park Service.

OUTBOUND EDUCATION

The Coffee Cruiser will drive brand awareness through pop-up events, collaborative social media campaigns with influencers and opportunities to share the On The Whey brand story at every touchpoint.

INBOUND EDUCATION

On The Whey's website, lifestyle blog, social media livestreams, monthly challenges and YouTube series will foster a sense of community and educate consumers about On The Whey's many benefits.

EMAIL & TEXT

Customer phone numbers and email addresses will be collected at pop-up events and through website opt-ins and used for e-newsletters and promotions.

DISCOUNTS & MERCHANDISE

On The Whey offers customers a 10% discount on a first purchase and on subscription-based purchases. Branded merchandise will be distributed to interested customers at pop-up events.

AWARDS

On The Whey will compete for the Wisconsin Innovation Award, Sustainable Foods Award and Specialty Coffee Association Award.

financials

Income Statement:
 On The Whey and all whey-based packaging is manufactured in Whey Better Brands’ existing facilities. On The Whey’s anticipated net sales are \$2.6 million in year one, \$9.6 million in year two, and exceed \$32 million in year three. Though realizing a loss in year one, by year two, On The Whey becomes profitable. By the end of year three, the product is projected to generate a net profit of \$8.6 million, a profit margin of 27% and deliver \$400,000 to micro-cheesemakers.

Marketing Expenses:
 Extensive investment in social media campaigns and influencers constitutes nearly 50% of marketing expenses in all three years. Sales generated from these marketing initiatives demonstrate a loss of 47% in year one and anticipated returns of 27% and 201% in years two and three respectively. This campaign success positions On The Whey to contribute a cumulative total of nearly \$900,000 to the National Park Service, Feeding America and the Center for Dairy Research.

INCOME STATEMENT				MARKETING EXPENSES			
	Year 1	Year 2	Year 3		Year 1	Year 2	Year 3
Monthly Subscription Service	138,380	536,408	1,982,713	Salaries and Wages	605,000	750,000	905,000
Online Sales	2,698,401	9,765,064	33,086,528	Events	133,800	106,900	126,900
GROSS SALES	2,836,781	10,301,472	35,069,241	Association Membership Fees	300	300	300
Discounts - Subscription Service	134,920	537,079	1,985,192	Branded Merchandise	153,885	230,828	307,770
Discounts - First-time Buyer	32,402	92,371	308,011	Influencers	503,492	783,825	1,145,433
Sales Returns & Allowances	28,368	103,015	350,692	Social Media Ads	500,000	900,000	1,100,000
NET SALES	2,641,091	9,569,008	32,425,346	Email and Text Campaign	28,200	28,200	28,200
Input Costs	506,344	1,888,424	6,398,463	Website	50,000	20,000	20,000
Direct Labor	425,517	1,545,221	5,260,386	Giving Back	52,822	191,380	648,507
Manufacturing Overhead	212,759	772,610	2,630,193	Total Marketing Expenses	2,027,499	3,011,433	4,282,110
TOTAL COGS	1,144,620	4,206,256	14,289,043				
GROSS PROFIT	1,496,471	5,362,752	18,136,303				
General & Administrative Expenses	283,678	1,030,147	3,506,924				
Research & Development Expenses	141,839	515,074	1,753,462				
Marketing Expenses	2,027,499	3,011,433	4,282,110				
TOTAL OPERATING EXPENSES	2,453,016	4,556,654	9,542,496				
INCOME (LOSS) FROM OPERATIONS	(956,545)	806,098	8,593,807				
PROFIT MARGIN	(36%)	8%	27%				

monitoring + measuring

GOAL <i>by year three</i>	BRAND AWARENESS <i>30% within target market; 20% aided, 10% unaided.</i>	MARKET SHARE <i>Capture 10% of the whey-protein, instant coffee market.</i>	PROFIT <i>Demonstrate financial stability and profit.</i>
HOW	Google Analytics, Keyhole, Cision PR Newswire, surveys and e-commerce sales data.	Monthly, quarterly and annual market share reports, industry trends, internal data retrieval and Nielsen reports.	Monthly, quarterly and annual sales reports. Shopify analytics.
IF MORE	Contract with additional influencers and implement additional education initiatives.	Expand into brick-and-mortar retail stores.	Expand product line, invest in additional research and development.
IF LESS	Reassess partnerships and marketing initiatives and expand target demographic.	Re-evaluate food-and-beverage market trends and expand marketing initiatives.	Review pricing strategy and introduce new promotional and educational efforts.

CRISIS PLAN
 On The Whey has a fully vetted crisis plan in place to manage unforeseen events.



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