



BUILDING BRANDS CONSUMERS LOVE

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There has never been a more important time to be world-class at building brands. Our marketplace is rapidly evolving, with new competitors, new channels, and new business models. Having a portfolio of brands that consumers love, and that are available everywhere, is how we will continue to thrive in this evolved marketplace.

Achieving the objective of building brands consumers love in today's marketplace is very different than it was even five years ago. It is more complex, requiring new capabilities and a level of agility that is not normally associated with large companies. In short, companies need to rethink how they operate, which takes a great deal of courage and vision.

These new requirements of brand building were the catalyst for the transformation of our marketing model. With the new model, which we call the Power of One, we collapsed multiple, internal teams and external agencies into three multi-discipline teams, supporting each of our key businesses. This new structure places the omni-channel consumer at the center of everything we do and enables us to move at the speed of culture.

Today, more than ever, brands need to clearly stand for something in consumers' lives and strive to make a positive impact. The bar on creative has been raised too, as consumers have more of a choice on whether they engage with our content. Our brands need bold, breakthrough creative, and to be part of culture.

I believe marketers have a responsibility to create disruptive work that gives consumers a reason to take notice – that makes them feel something. Their time is valuable and limited. We need to give them a compelling reason why we deserve it.

Another critical element of building brands consumers love is bringing to market new products to meet changing consumer needs and tastes. Over the past few years, we have established a dedicated innovation capability to better enable us to identify consumer needs and deliver not only new products but also new product platforms that perform important jobs for consumers.

At the core of this new model is design thinking, including the application of new, deep research techniques, rapid prototyping, and a design-led approach to craft every aspect of the consumer experience. The recent launches of 1850® coffee, Jif Power Ups® snacks and Milk-Bone® long lasting chews were born from this new innovation model. The success of these launches has inspired a robust product pipeline that we are excited to bring to market in fiscal year 2020 and beyond.

Our marketing and innovation models are both increasingly informed by new data and analytical capabilities that we put in place last year. The teams use these new capabilities every day to identify opportunities and make more informed decisions. This includes new approaches for analyzing markets, identifying unmet consumer needs, testing products and creative, and advanced modeling to ensure every marketing dollar we spend to support our brands is spent as effectively and efficiently as possible.

We have the fortune of participating in great categories that are highly responsive to marketing and innovation. And, we have incredible brands that enjoy tremendous trust with consumers. Now, armed with these new capabilities, and inspired by the early success we are seeing, we are striving to become one of the world's leading brand building organizations.