Beyond the Food Tech Promise

A Solid Strategy for Ingredient Innovation

By Mike Vermeer | Novactum — New Ingredient Collective Europe

The Stall Nobody Wants to Talk About

For roughly a decade, the food ingredient industry rode one of the most compelling megatrends in modern consumer history. Sustainability, plant-based alternatives, and health-forward reformulation were not merely product categories — they were belief systems, and ingredient suppliers positioned themselves accordingly. The pitch was simple and emotionally resonant: align with us and align with the future. Buyers, retailers, and investors responded. Capital flooded in. New ingredient platforms proliferated. The industry felt like it was moving at the speed of conscience.

Then the market hit a wall.

Plant-based meat sales in Europe plateaued and, in several categories, contracted. Consumer fatigue with premium-priced health claims intensified as inflation squeezed household budgets. Retailers began quietly reducing shelf space for alternative protein SKUs. Food manufacturers, under margin pressure from every direction, started asking harder questions about reformulation — not 'does this align with our ESG commitments?' but 'what does this actually cost us, operationally and financially?'

This is the moment that separates ingredient suppliers who built real commercial foundations from those who were surfing a wave. And it is the moment that demands a fundamental rethinking of how ingredients are marketed — not just what is said, but what is proven, quantified, and guaranteed.

This article proposes a layered marketing framework for ingredient suppliers navigating this new reality: one that honours the classical foundations of Kotler's marketing thinking while integrating the operational and commercial logic that modern food manufacturers actually need to hear.

Back to the core: The Enduring Architecture

Famous marketeer Philip Kotler's foundational contributions to marketing theory were never really about trends. At their core they are about understanding customer needs at multiple levels and building value propositions that address those needs systematically. The enduring insight of Kotler's product hierarchy, for example, is that customers do not buy products; they buy the bundle of value a product represents across five levels: the core benefit, the basic product, the expected product, the augmented product, and the potential product.

For ingredient suppliers, this framework has profound relevance. The 'core benefit' of a sustainable protein or a functional lipid is not the ingredient itself — it is what that ingredient enables: a product that sells, a formulation that works, a cost structure that makes business sense. Suppliers who market at the level of the ingredient (the basic product) without articulating value across the full hierarchy have always been vulnerable. The current market conditions simply make that vulnerability impossible to ignore.

Kotler also articulated the concept of the Value Delivery Network — the idea that competitive advantage comes not just from what a company offers but from how well it integrates with the broader system of suppliers, partners, and channels that delivers value to the end customer. This concept, originally framed in the context of industrial marketing, is remarkably applicable to the ingredient sector today. An ingredient that disrupts a manufacturer's supply chain, requires expensive equipment modifications, or creates uncertainty in scale-up is not delivering value — regardless of how compelling its sustainability story might be.

Finally, Kotler's segmentation principles remind us that 'the food manufacturer' is not a monolithic buyer. A multinational with an innovation team, dedicated scale-up facilities, and long-term reformulation roadmaps has entirely different needs from a mid-size regional producer with lean operations and a cautious CFO. Any contemporary ingredient marketing strategy must differentiate its value proposition accordingly — and the four dimensions explored in this article shift significantly depending on that segmentation.

"Customers do not buy products; they buy the bundle of value a product represents." — Kotler, adapted for ingredient marketing

Layer One: Total Cost of Goods — The Conversation Manufacturers Actually Want

The most important shift in ingredient marketing today is a move from ingredient cost to total cost of goods sold (COGS) as the primary commercial conversation. This is not a subtle distinction. Ingredient suppliers have historically led with price-per-kilogram comparisons, sometimes supplemented with claim around functionality or yield. But the COGS conversation is broader, more honest, and — for a supplier confident in their ingredient's performance — significantly more powerful.

Total COGS in a reformulated product includes ingredient cost, yes, but also processing costs (does the new ingredient change energy consumption, processing time, or cleaning protocols?), waste and yield impacts (does it perform consistently enough to maintain existing waste ratios?), packaging implications (does it change shelf life, requiring different MAP or modified packaging?), regulatory costs (are there new labelling requirements that require artwork changes or legal review?), and quality control costs (does the ingredient introduce new variability that requires tighter QC sampling?).

Ingredient suppliers who can model this comprehensively — and demonstrate that their product delivers neutral or positive total COGS impact — are having a fundamentally different conversation with procurement and technical teams than those who simply defend their per-kilo price. This is the territory where trust is built with CFOs and supply chain directors, not just with R&D teams.

The practical implication for marketing is significant. Ingredient companies need to invest in building credible COGS modelling tools — calculators, case study documentation, third-party validated cost-impact analyses — and make these central to their commercial materials. This requires collaboration between marketing, technical sales, and finance teams that many ingredient suppliers have not yet developed. It also requires a degree of transparency about real-world performance that can be uncomfortable for companies whose ingredients have not yet been proven at scale.

But this discomfort is precisely the point. In a market where buyers are sophisticated and skeptical, the willingness to have a rigorous total COGS conversation is itself a differentiator. It signals confidence. It signals operational maturity. And it directly addresses the concern that has silently killed more ingredient trials than any other: the fear that switching will cost more than it saves.

Layer Two: Ease of Formulation Switch — Reducing the Friction Tax

The second layer of a modern ingredient marketing strategy addresses what might be called the 'friction tax' — the hidden cost of complexity that manufacturers absorb whenever they consider a formulation change. This friction is not primarily financial; it is operational and psychological. It lives in the gap between what an ingredient can do in theory and what a manufacturer's team can actually implement with their existing equipment, expertise, and production schedule.

Smart ingredient suppliers have always understood this to some degree. The standard response has been to offer technical support, pilot trials, and application development services. These remain valuable. But the market now demands a more systematic approach — one that positions ease of formulation switch as a core product attribute rather than an ancillary service.

This means designing ingredients with manufacturability as a primary performance criterion, not an afterthought. It means providing formulation toolkits — not just data sheets, but complete drop-in replacement protocols, application-specific guidelines, and pre-validated formula frameworks — that reduce the internal R&D burden on the manufacturer. It means building robust application libraries that allow a food technologist to understand exactly how an ingredient behaves across the range of processing conditions they are likely to encounter.

The marketing language here shifts from 'our ingredient has exceptional functional properties' to 'switching to our ingredient requires fewer trials, less R&D time, and lower development costs.' These are not the same claim. The first is a product attribute. The second is a buyer benefit — and it maps directly to Kotler's augmented product level, where true competitive differentiation increasingly lives.

There is also a segmentation dimension here. For large manufacturers with sophisticated R&D infrastructure, the relevant conversation is about integration with their existing development workflows — APIs into their formulation databases, compatibility with their sensory evaluation protocols, alignment with their regulatory submission processes. For smaller manufacturers, the conversation is more basic but no less important: 'We will walk you through this, step by step, and we will not leave you stranded if something doesn't work first time.' The emotional and operational reassurance embedded in that promise has genuine commercial value in a market where bad experiences with previous ingredient transitions have left lasting scars.

Layer Three: Scale-Up Certainty — The Promise That Creates Loyalty

Perhaps the single greatest source of commercial frustration in the ingredient industry is the gap between pilot performance and production reality. An ingredient that performs brilliantly in a 20-kilogram batch in an application lab can behave very differently when it hits a 2,000-kilogram industrial mixer, a high-shear homogeniser running at full throughput, or a retort system with longer hold times. Manufacturers know this. They have been burned by it. And it makes them conservative — sometimes to the point of paralysis — when evaluating new ingredients.

Scale-up certainty is therefore not a technical nicety. It is a fundamental commercial promise that, when credibly made and delivered, creates the kind of loyalty that is immune to competitive price pressure. A manufacturer who has successfully scaled a new ingredient — navigating all the process challenges, achieving consistent quality, and hitting target costs — does not switch suppliers lightly. The switching cost is real, and it has been pre-paid.

For ingredient suppliers, this means investing in genuine scale-up infrastructure and expertise: pilot plant access at relevant production scales, in-house process engineering capability, and a track record of successful scale-up partnerships that can be documented and referenced. It also means being willing to share risk — co-investing in scale-up trials, providing performance guarantees tied to production outcomes, and structuring commercial relationships that align incentives around success at scale rather than volume of ingredient sold.

The marketing implication is clear: scale-up certainty must be demonstrated, not claimed. Case studies with named partners (where permitted) or anonymised but highly specific process data are more valuable than any general assertion of 'proven scalability.' Transparency about the challenges encountered during scale-up — and how they were resolved — is paradoxically more reassuring than a narrative of effortless performance. It signals that the supplier has actually been through the process, understands the real-world variables, and has the expertise to manage them.

This layer also connects directly to the supplier's investment philosophy. Scale-up certainty requires capital — in facilities, in people, in time. Suppliers who are willing to make this investment are making a statement about their long-term commitment to a category or application area that resonates with manufacturers thinking about multi-year reformulation programmes. It is a form of strategic signalling that operates well above the level of product specification.

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Layer Four: Co-Branding and the Intel Inside Model

The fourth and perhaps most strategically ambitious layer of a contemporary ingredient marketing strategy is co-branding — specifically, the Intel Inside model adapted for the food ingredient sector. This approach deserves serious attention from ingredient suppliers who have built genuinely differentiated platforms, because it represents a fundamental shift in how value is captured and communicated across the supply chain.

Intel's decision in 1991 to brand its processors directly to consumers — through co-marketing agreements with PC manufacturers and the now-iconic 'Intel Inside' sticker — was a masterstroke of industrial marketing. It transformed an invisible component into a recognised quality signal. Consumers who had no idea how a microprocessor worked nonetheless learned to associate the Intel badge with reliability, performance, and peace of mind. PC manufacturers, in turn, found that featuring the badge added credibility to their products. Both parties benefited from the co-branding relationship.

The food ingredient sector has been slow to replicate this model, largely because the category has been dominated by B2B logic: ingredients are invisible to consumers, and consumer-facing claims are the preserve of the finished product brand. But this logic is weakening. The rise of ingredient transparency — driven by clean label trends, QR code traceability, and consumer interest in provenance — has created new spaces where ingredient brands can surface meaningfully.

Consider the model already emerging with some ingredient platforms: Solein's protein appearing in finished products that prominently feature the ingredient's origin and process story; specific chicory inulin brands appearing in gut health products with co-branded health messaging; omega-3 suppliers whose molecular distillation standards become a co-branded quality marker on finished product packaging. These are early iterations of the Intel Inside model in food — and they point toward a significant evolution in how ingredient value is captured.

For NICE and ingredient suppliers operating in the European food technology space, the strategic implication is to identify which ingredient platforms have sufficient consumer relevance, differentiation, and story to support a co-branding programme — and to invest in building those platforms with the marketing infrastructure they require: consumer research, brand identity, retailer engagement, and co-marketing funding mechanisms analogous to Intel's original market development fund model.

Crucially, co-branding also transforms the commercial relationship between ingredient supplier and food manufacturer. It shifts the conversation from a procurement negotiation — where the manufacturer holds most of the power and price is the primary lever — to a partnership discussion, where both parties have an interest in the success of the finished product and the visibility of the shared ingredient platform. This is a fundamentally more attractive commercial dynamic for the ingredient supplier, and it creates barriers to competitive displacement that pure product performance cannot.

Integrating the Layers: A Coherent Go-to-Market Architecture

The four layers described above — total COGS, ease of formulation switch, scale-up certainty, and co-branding — are not independent tactics. They form an integrated value proposition architecture that operates simultaneously at different levels of the buyer relationship and across different decision-making stakeholders within the manufacturer.

The total COGS conversation wins over procurement and finance. Ease of formulation switch wins over R&D and food technology teams. Scale-up certainty wins over operations and supply chain management. Co-branding wins over marketing and senior commercial leadership. A sophisticated ingredient supplier maps these layers to the specific stakeholders they need to influence and develops content, tools, and relationships that address each stakeholder's specific concerns.

Returning to Kotler's framework, this multi-stakeholder approach reflects the reality of organisational buying behaviour — the concept that B2B purchase decisions are rarely made by a single individual but emerge from the interaction of a buying centre comprising initiators, users, influencers, deciders, buyers, and gatekeepers. An ingredient marketing strategy that speaks only to one function — typically R&D — is structurally incomplete. The contemporary approach must be designed from the outset to build consensus across the full buying centre.

There is also a temporal dimension to this architecture. In the early stages of a supplier-manufacturer relationship, total COGS modelling and formulation ease are the dominant concerns — they determine whether the conversation continues at all. As the relationship matures and trials progress toward pilot scale, scale-up certainty becomes paramount. Co-branding is a later-stage conversation, typically emerging once commercial supply is established and both parties are thinking about how to grow the category together. Understanding this temporal logic allows ingredient suppliers to sequence their marketing investments appropriately rather than overwhelming early-stage prospects with sophisticated co-branding proposals before basic commercial trust has been established.

The Role of Collective Models and Platform Thinking

One dimension of contemporary ingredient marketing that classical frameworks did not anticipate is the emergence of collective models — ingredient innovation collectives, ingredient platforms, and shared scale-up infrastructure that allow smaller or earlier-stage ingredient companies to access capabilities that would otherwise be beyond their individual reach.

Collectives like NICE — bringing together expertise across ingredient innovation, scale-up support, and investment advisory — represent a structural response to one of the ingredient sector's most persistent challenges: the gap between innovation capability and commercial execution capability. An emerging ingredient company may have exceptional science and genuine differentiation but lack the application development infrastructure, process engineering expertise, or market access relationships needed to convert that differentiation into commercial traction.

A well-designed collective addresses precisely the dimensions this article has identified as critical: shared resources for total COGS modelling and validation; collective application development and formulation support capabilities; shared scale-up infrastructure and process expertise; and, at the more ambitious end, collective brand investment that can support ingredient co-branding programmes with sufficient scale to be commercially meaningful.

For food manufacturers evaluating ingredient partners, the collective model also offers a form of risk mitigation: a relationship with a collective provides access to broader expertise, greater technical resilience, and — critically — a more credible scale-up capability than any single early-stage supplier could offer independently. This is a significant commercial advantage in a market where manufacturer reluctance to take supply risk is one of the most persistent barriers to ingredient adoption.

Conclusion: Marketing What Manufacturers Can Actually Use

The green transition in food ingredients was real. It created genuine innovation, reshaped consumer expectations, and laid foundations that will matter for decades. But the marketing logic of that transition — lead with the story, lead with the values, lead with the mission — is no longer sufficient on its own. The manufacturers who matter, the ones processing real volumes of food for real consumers with real margin constraints, need something more concrete.

They need to know what it actually costs, in total. They need to know that switching will not break their production schedule. They need to know that what works at trial scale will work at production scale. And, increasingly, they are open to conversations about how the ingredient story can become part of their brand story — if the ingredient has genuinely earned that right.

These are not soft marketing questions. They are hard commercial questions, and they demand a marketing response grounded in operational evidence, financial rigour, and genuine scale-up capability. Kotler gave us the conceptual architecture — customer value, buying centre dynamics, the augmented product, the value delivery network. The contemporary layer is about populating that architecture with the specific proof points that today's ingredient buyers need.

Ingredient suppliers who make this transition — from aspiration marketing to evidence-based commercial partnership — will find that the stall in the market is not the end of the story. It is the beginning of a more durable one.

About the Author

This article is published by Mike Vermeer in the context of NICE — New Ingredient Collective Europe — a food technology and ingredient innovation collective providing scale-up support and investment advisory services across the European market.