



THIRD-PARTY CERTIFICATION RESEARCH

Chomps: A Case Study on Employee Ownership and Leveraging Certifications for Driving Brand Growth

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Roberts, T., Pendergrass, K. (2020). **Chomps: A Case Study on Employee Ownership and Leveraging Certifications for Driving Brand Growth. Third Party Certification Research. The Paleo Foundation.**

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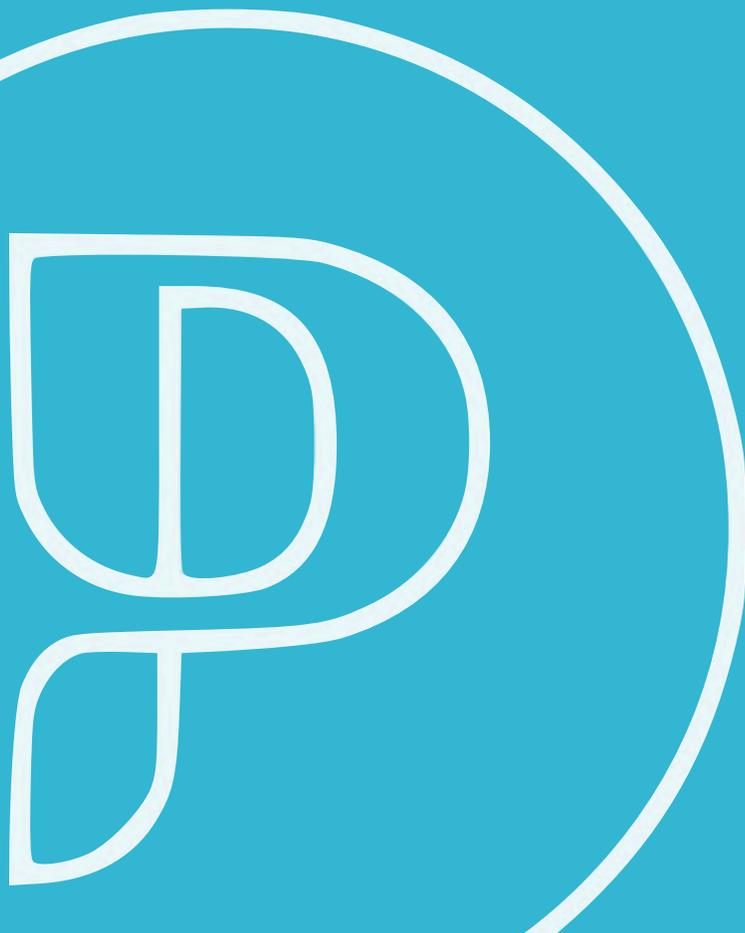
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KEYWORDS

- Single-Sourcing
- Third-Party Certification
- Artisan Tropic
- Transparency



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Foundation, Encinitas, CA**Contact**¹Email: tobias@paleofoundation.com²Email: karen@paleofoundation.com²Twitter: [@5WordsorlessKP](https://twitter.com/5WordsorlessKP)**Keywords**Employee Engagement, Employee
Ownership, Third-Party Certification,
Chomps

Abstract

Chomps, a health food company specializing in 100% grass-fed beef jerky sticks, is a self-funded CPG that made the 2019 Inc. 5000 list for fastest-growing private companies in 2019, and a prime example of a brand that has leveraged their Paleo, Keto, and Whole30 Third-Party Certification to launch brand growth and conquer new retail markets. This case study examines how growing brands can leverage and utilize independent, third-party certifications for inserting themselves within diet-specific communities, developing a loyal base of consumers, and conquering new retail markets while maintaining a unique focus on employee engagement and ownership.

1 | BACKGROUND

According to recent studies, more than two-thirds of all employees in the United States are “disengaged” with their current job and employer [1]. Disengaged employees can negatively affect businesses in different ways. These employees generally have low motivation levels, are disinterested in solving problems and helping the company achieve its goals and ambitions, and do not feel connected to the wider company culture. Employee disengagement can also lead to toxic workplace cultures and environments. On an economic level, disengaged employees cost U.S. employers up to \$550 billion each year, mostly through reduced productivity [2].

One of the most fundamental keys to success for every startup or small business endeavor is creating a motivated, productive workforce that is sold on the

company's goals and identifies with the driving ethos behind the business. However, more than seven out of every ten employees are consistently looking for new jobs, making it hard for business owners and managers to truly lead a motivated, productive and passionate team [3].

One health food brand that specializes in healthy, grass-fed meat snacks has experienced incredible growth and nationwide expansion. This growth is due in part to a dedication to creating and sustaining a motivated workforce, and investing in independent, third-party certifications in order to drive brand awareness and trust amongst a loyal consumer base.

2 | WHO IS CHOMPS?

Chomps was founded in 2012 by Pete Maldonado and Rashid Ali. Seven years later, the self-funded startup company was ranked number 62 on the Inc. 5000 list of the fastest-growing privately held companies in the United States, with a three year growth rate topping 4,469 percent and over \$20 million in revenue [4]. Their naturally-flavored meat snacks are sourced from grass-fed beef, venison, and turkey, and include no added sugars, fillers, or artificial preservatives.

The healthy, low carb snacks marketed by Chomps are Whole30 Approved, certified Gluten free, Keto friendly, certified Paleo, certified humane, and also non-GMO project certified. After originally selling exclusively online, the Chomps meat snacks are now sold at every Trader Joe's store across the country, as well as at major retailers such as Albertsons, Wal-Mart, and Amazon

Creating a low-carb and healthy snack option was one of the motivations that led co-founder Pete Maldonado to originally start the company. As a personal trainer, he would design specific diet plans and grocery shopping lists for his clients. However, with time he found that many of his clients simply wouldn't follow the plans, partly because of the lack of options for healthy snack alternatives that could keep them satisfied throughout the day.

His work as a personal trainer helped Maldonado learn a lot about the importance of healthy foods sourced from non-GMO ingredients. He says that "I learned a ton about nutrition and the big difference in micronutrients between organic and non-GMO foods and the unnecessary chemicals that could be avoided by eating this way." This knowledge led him to start Chomps in an attempt to create the healthiest meat snacks from the cleanest available ingredients and using the best methods of processing.

"In order to get non-GMO Project Verified," Pete says, "our products and every ingredient we use was fully audited. It took a long time to get through the process, but we're proud to be one of the first in the category to achieve it." [5]

3 | EMPLOYEE ENGAGEMENT AND A SENSE OF OWNERSHIP

Several years after having founded Chomps, Maldonado was still the company's only full-time employee. Despite the fact that they still sold over \$10 million dollars' worth of meat snacks that year, the real growth began when Maldonado and Ali began to put together a team to help the company continue to expand. Currently, Chomps employees 18 employees, which is about half of where Maldonado thinks they should be in terms of total staff. Despite being technically understaffed, the workforce management strategy employed by Chomps has allowed for an impressive operating efficiency that maximized production output.

"We have a very small team and we like to say that we do a lot with a little," Maldonado tells the Paleo Foundation. "Even today we only have 18 full-time employees, though we're just about to add the 19th. A general rule of thumb in the business world is to have one employee for every million dollars in revenue, and we have less than half than where we should be in terms of that statistic. Because we are understaffed in terms of revenue, we need every person on our team to be top performers."

On a recent podcast with The Growth Think tank, Maldonado says that "so basically what we need to be able to do is make sure that every single employee on this team is able to work independently, but then also collaborate with the rest of the team. There needs to

be a lot of cross-functional collaboration and at the same time every single one of these employees needs to be innovating. They need to be thinking outside the box. They need to be taking calculated risks...And we, as leaders, Rashid and I and some of the other leadership team, we need to be encouraging that." [6]

Maldonado says that they are able to achieve this by making sure that all of their employees share the core values of the company, and by ensuring that there is a good cultural fit and that all employees know exactly what is expected of them.

"We also want them to know that they share and enjoy in the responsibilities of being a part of a team. We need people who work creatively and independently, and we have to make sure that they can think like an owner. We do a lot of things to help this, such as culture trainings, looking at individual personalities, and we do Hogan profile assessments for our team."

Unlike many small business startups that get trapped in the cycle of micro-management that leads to disengaged employees and low productivity levels, Maldonado has made it a priority to encourage his team to take risks and not be afraid to innovate in order to push the company forward.

"During strategy sessions, our whole team participates, Maldonado tells us. "It really is a collaborative effort where everybody has a seat at the table and everyone's opinion is heard and respected. If you think about innovation...there is no telling where the next great big idea is going to come from. As a brand, we want everyone to be collaborating to make sure that we don't lose any of those ideas. A lot of brands don't do that, and because of that several great ideas never get uncovered, simply because they're not heard."

The Chomps team also has a strong focus on transparency amongst the entire team. "The level of

information shared from top to bottom is probably unique to our company," Maldonado believes.

"Everyone knows where we're at in terms of budgeting, and other elements essential to our business. We think that this information is important for everyone to understand because how can our employees make decisions if they don't know how those decisions are going to impact the brand?"

In order to create a workforce that feels a sense of ownership with the brand and its goals, Chomps has a rigorous hiring process and also works with leadership coaches to help develop a more productive culture amongst the workforce. Maldonado also says that creating space for all employees to share their ideas, proposals, and suggestions has also created a workplace culture wherein every employee can feel like their opinions and ideas matter. This also creates a spirit of collaboration which helps to drive productivity, creativity, and innovation across the company.

"Back when we started Chomps I was told by some advisors that there is no way we would be able to compete with all of the other private equity and venture capital backed brands in the incredibly competitive meat snacks category," Maldonado tell us. "We're not only competing, but we're leading the better-for-you meat snacks category in the Natural channel and we're competing head-to-head with billion-dollar brands like Jack Link's and Slim Jim on Amazon."

Committing to healthy, non-GMO, sustainably sourced ingredients has certainly helped Chomps develop a loyal customer base across the country. However, their dedication to creating a healthy and flourishing workforce culture that is centered on the ethic of mutual collaboration and a deeper sense of ownership is the real driver of their incredible business growth.

4 | THE ROLE OF THIRD-PARTY CERTIFICATIONS IN GROWING BRAND AWARENESS AND CONSUMER TRUST

Paleo certification was the first, independent, third-party certification that Chomps received as a young, startup brand. "As a brand, we kind of started inch by inch," Maldonado says. "At the beginning we were completely direct-to-consumer for four years (2012 to 2016). We always had a Paleo and Keto friendly product, but once we launched that certification, it certainly helped us to identify with those consumers."

Numerous studies have shown that independent, third-party, impartial certifications for food products plays an important role in reducing decision friction via social proof heuristics and psychological kinship heuristics. This, in turn, leads to less point-of-purchase scrutiny and increased sales for brands. These effects are likely compounded by other factors, such as reduced trust in industry and first-party package claims.

Recent studies have found that more than half of Americans (53 percent) find nutrition labels on food products to be misleading, with 11 percent consumers believing that these labels are completely misleading. [7] Furthermore, the 2016 Nielsen's Global Health & Wellness Survey found that roughly 60 percent in North America distrust manufacturer's claims on their food labels and packaging [8]. This lack of consumer trust in food products is also declining notably year after year.

While the growth in certified "organic" products has certainly been growing in recent years, studies are finding that this rather generic certification is also losing trust amongst consumers. A 2015 report from market research firm Mintel found that more than half of shoppers believed that organic certification was simply "an excuse to charge more." Furthermore, more than one-third say they believe the word

"organic" was empty jargon "with no real value or definition." [9] Because organic certification is mostly overseen and regulated by the USDA, this seems to point to a lack of consumer trust in government-led certification efforts.

Despite these trends in government-led certifications, studies by Cone Communications and Globescan (among others) found that 76 percent of consumers agree that third-party product certification is the best way to verify product claims and increase their trust in a brand [10].

As a startup, direct to consumer brands, Chomps understood the marketing advantages that came with independent, third-party certifications from the get go. "When we were just getting started we made an effort to entrench our brand into the Paleo community," Maldonado tells the Paleo Foundation.

"We went down to the Paleo FX tradeshow in Austin, Texas. We also worked some Paleo media such as Paleo Magazine and others in the Paleo Niche. I think we also did some stuff with blogs such as Paleo Hacks and Paleo Mom, among others. We really were entrenched in the Paleo world online. Because of that, Paleo certification was critical in terms of establishing ourselves as a Paleo brand. We wanted our customers to know that we had products made for a Paleo dieter. The certification certainly added credibility to us as a brand, and it also added a "cool factor" that helped us get attract customers."

Maldonado recommends third-party certification to smaller brands, and especially early on in the process. "These certifications help to establish as much credibility as you possibly can. For startups, I think the key thing is to focus niche by niche. If your brand or

products caters to a specific diet or group of people, then do everything you can to entrench yourself in that community. Getting the credentials and certifications you need to be trustworthy and to be seen as a leader or expert in that space in a community is part of that process.”

5 | THE ROLE OF THIRD-PARTY CERTIFICATION FOR CONQUERING NEW RETAIL MARKETS

After four years of direct-to consumer marketing, Trader Joe’s was the first big retailer that reached out to Chomps. Though Maldonado admits that the brand initially didn’t have any ambitions to go into retail, everything changed once we they got into Trader Joe’s.

“To be honest, with Trader Joes it was mostly about our Whole30 approval. That’s what Trader Joe’s was looking for. Obviously there are so many parallels between Whole30 and Paleo. In general, as a retailer, Trader Joes was looking for better quality products and brands that would check the boxes for people on the Paleo, Whole30, and other diets.”

Today, Chomps is Paleo and Keto Certified, certified Gluten-Free, Whole30 Approved, and Non-GMO Project Verified. For Maldonado, the brand’s Keto certification has played a major role in helping to conquer new markets and attract new consumers.

“It’s worth saying that our Keto certification is probably the most important, at least currently,” he states. “Keto is off-the-charts in terms of popularity. We specifically designed our product to have no sugar added to it as a way to make our product available to people on Keto. Because of its popularity, we wanted our products to be Keto friendly for anybody and to take advantage of that trend.”

“I think it’s evident that Keto is bigger and more popular than Paleo, Whole30 and other diets. There’s just so much more customers in the Keto niche, and the demographic is just huge. We get younger people and high school people getting into Keto, but grandparents as well,” he adds.

The company's wide list of certifications has played a major role in allowing the company to get their products into major retailers like Walmart, Whole Foods, Natural Grocers, Kroger, Amazon Thrive Market, Albertsons, and others. Maldonado believes that all major grocers are quickly beginning to understand the role that these third-party certifications play in consumer purchasing decisions.

“Amazon is one of the biggest retailers where these types of certifications can come in handy,” Maldonado says. “With Amazon Fresh (grocery delivery and pickup service in select cities), you know that they have loads of data on leading food trends, and they're looking of specific types of products that cater to consumer trends in the food market. They also know that Keto far surpasses both Paleo and Whole30. Because of that Keto certification is prime time for brands, because obviously Amazon is a big business.”

Thrive Market, where Chomps’ 100% grass-fed beef jerky products make up close to 50% of the meat snack market, actually takes it a step further where you can search on their platform for products that have different certifications such as Paleo or Keto. This increasingly common practice amongst major retailers who have online platforms (obviously growing due to COVID-19) makes it easier for consumers to find what they're looking for in terms of specific diets. This is also opens another channel for brands with specific certifications to get their products in front of their target consumer audience.

While some people might continue to identify Paleo, Keto, or Whole30 certified products as “niche” products that can only thrive in certain health food circles, Maldonado begs to differ.

“It’s not just the alternative, “healthy” grocery stores looking for these options (products with third party certification). All the big grocers, even the conventional ones, are leaning into these dietary trends. So if you can show these retailers that you are Paleo or Keto certified, that certainly will check a few boxes for them, and shows them that your brand is on par with some of the leading dietary trends in the food world. It also gives you a leg up over of brands,” he says.

Lastly, Maldonado recommends brands to consider the importance of eliminating sugar from their products as another strategy to attract both consumer and retailer interest. “I’d also add that zero sugar added is another huge issue that many retailers are looking for,” he says. “Zero-sugar added is obviously connected to Keto, but it is another part of the verbiage that everyone looks for.

6 | SUGGESTIONS FOR HOW TO IMPROVE AND EXPAND THE SCOPE OF THIRD-PARTY CERTIFICATION PROGRAMS

Despite the success that Chomps has had in using their third-party certifications to insert themselves within specific diet communities, attract new customers, drive brand awareness, and attract new retailers to their products, Maldonado believes that there is still opportunity for further growth. In this section, we outline a few of his suggestions to help third-party certification programs continue to exert influence over consumers and help smaller brands gain traction in competitive markets.

One of the biggest problems or drawbacks that

Maldonado identifies related to Keto certification is the unfortunate USDA restriction related to the use of the word “Keto” on product packaging or labelling. “If I were going to offer a suggestion for how to make Keto and Paleo certification better for brands, I’d recommend that The Paleo Foundation could maybe work with the USDA to try and change the rules on labelling and Keto. We do of course use the Keto certification on all our branding and messaging, but we’re not able to on our labelling,” he says.

Many smaller brands might hesitate to invest money in independent, third-party certification, especially when finances are tight in the initial stages of launching a brand. Maldonado believes that efforts to make the benefits of certification as visible as possible can help convince brands to use certification as they did, as a way to insert themselves into a dieting community and conquer a loyal base of customers. “I also think it might be interesting to see shared data amongst brands (related to the benefits of their certifications) to see how things are trending for certified brands,” he says.

Maldonado also recommends that independent certifying organizations like The Paleo Foundation should help their certified brands with information regarding what retailers might be looking for in regards to certain food products or food trends. “I imagine something like the Paleo Foundation partnering with retailers to do tradeshow. Maybe even putting together a Keto or Paleo “set” that could be displayed within retail stores. Something like that would not only help to build the Paleo Foundation brand, but also open opportunities to small brands to get into their first retail space. Maybe The Paleo Foundation could be the marketer, or be involved in a cross promotion, essentially opening spaces for their certified brands to get into their first retail market. This could create a combination of value added for both The Paleo Foundation and the brands,” Maldonado recommends. “There is certainly a need and openness from retailers for new and creative ways to introduce their clients to some of these products and brands.

Any smart retailer would love to get behind something like that," he believes.

7 | CERTIFICATIONS

Chomps' third-party certifications include:

- Project Non-GMO Verified
- Certified Gluten-Free
- Certified Paleo
- Keto Certified
- Whole30 Approved

OVERVIEW OF THE CERTIFICATIONS

Trends and analytics companies report having found that there has been an increase in consumers seeking alternative third-party certifications to validate if a product fits within their personal eating philosophy, or food tribe within the past 10 years. [11]

Project Non-GMO Verified is a third-party certification program that signifies to consumers that a product meets the requirements of a Non-Gmo product by way of not containing any genetically modified ingredients.

Certified Gluten-Free is a factual certification similar to Grain-Free certification in that it communicates credence qualities of a product that cannot be ascertained simply by looking at the ingredients list.

Certified Paleo is a certification program that validates products within the Paleo Food Tribe, using historical data and logical frameworks to arrive at setting a universal standard for Paleo products.

Keto Certified is an evidence-based certification program that standardizes "keto" claims for consumer packaged goods, that often requires the use of additional lab testing to verify applicability using modern methods of net carbohydrate quantification. [12]

Whole30 Approved is based on a 30-day elimination program that excludes grains, legumes, alcohol, dairy, and sweeteners to help individuals identify problematic foods and end unhealthy cravings. [13]

8 | CONFLICTS OF INTEREST

The authors report no conflicts of interest.

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THIRD-PARTY CERTIFICATION RESEARCH

4th & Heart: Leveraging the Possibilities of Ghee and Third-Party Certification for Increased Brand Awareness

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Roberts, T., Pendergrass, K. (2020). 4th & Heart: Leveraging the Possibilities of Ghee and Third-Party Certification for Increased Brand Awareness. Third Party Certification Research. The Paleo Foundation.

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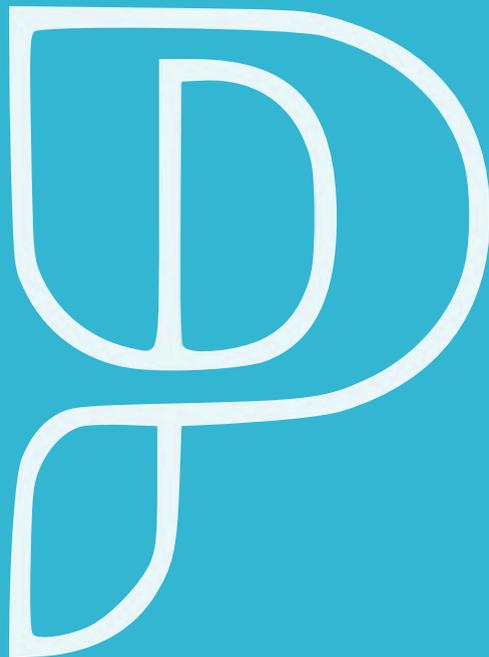
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KEYWORDS

- Third-Party Certification
- 4th & Heart
- Ghee
- Keto Certified
- Certified Paleo
- Brand Awareness



THIRD-PARTY CERTIFICATION RESEARCH**4th & Heart: Leveraging the Possibilities of Ghee and Third-Party Certification for Increased Brand Awareness**Tobias P. Roberts ¹  | Karen E. E. Pendergrass ² ¹Department of Standards, Paleo Foundation, Encinitas, CA²Department of Standards, Paleo Foundation, New York, NY**Correspondence**Tobias Roberts
Department of Community Research,
Paleo Foundation, El Salvador**Contact**¹Email: karen@paleofoundation.com¹Twitter: @5WordsorlessKP²Email: tobias@paleofoundation.org**Abstract**

4th & Heart, a health food brand dedicated to crafting high quality, grass-fed ghee sourced from a cooperative of farms in New Zealand, presents an interesting case study in how health food brands can use third-party certifications to build brand awareness.

KEYWORDS

Third-Party Certification, 4th & Heart, Ghee, Keto Certified, Certified Paleo, Brand Awareness

1 | BACKGROUND

While past decades saw butter consumption drop considerably as Americans replaced natural butter with margarine products made from cheap vegetable oils and emulsifiers, today millions of consumers are returning to more natural diets based on real foods, including butter. A 2014 study found that Americans consumed around 23 sticks of butter per capita each year, which amounted to almost 900,000 tons of butter consumed nationwide [1]. That figure has only grown as the \$2 billion butter industry continues to show sharp signs of growth [2].

At the same time, however, up to 50 million Americans suffer from some sort of lactose intolerance, including about three-quarters of African Americans and almost nine out of ten Asian Americans [3]. For this enormous percentage of the population, are those cheap margarine sticks loaded with chemical additives the only alternative to butter?

Founded in 2014 under the name Tava Organics, LTD, the health food brand 4th and Heart has stepped in to fill an important void within the butter industry. Their wide range of ghee products have taken the country by storm and are now sold in dozens of retailers around the country, including Whole Foods, Sprouts, Ahold, Kroger, Wegman's, Fresh Thyme, Erewhon in Los Angeles, as well as online via their online store, Thrive Market and Amazon.

4th & Heart is also an interesting case study in how third-party certifications can be utilized to attract new customers and develop better brand awareness.

2 | WHO IS 4TH & HEART?

Ghee is a type of clarified butter that is made by removing the milk solids and water from traditional butter. It has long been a staple of Indian and other

Middle Eastern cuisines, and was an important part of Ayurvedic medicine and diets. While making ghee does take more time than making butter, it is also a lactose-free alternative that can be eaten by people who are sensitive or allergic to dairy products. Some people have described ghee as coconut oil with a buttery taste.

For cooking purposes, ghee has a much higher "smoke point" than butter (around 485 degrees Fahrenheit). This means that ghee can safely be used as a substitute for vegetable oils without having to worry about your vegetables and meats becoming imbued with an unpleasant smoky flavor that can happen when sautéing with butter. Ghee also doesn't have to be refrigerated, thus giving it a much longer shelf life than butter or other traditional dairy products.

According to their website, the ghee that 4th and Heart produces is sourced from the highest quality grass-fed butter that they purchase from a cooperative of farms in New Zealand. "Grass is naturally high in Vitamin A, D, E, K and CLA. When the cow's milk is rich with these vitamins, it goes directly to the butter and therefore the ghee," they state [4].

Essentially, then, ghee offers a more plentiful dose of the good fat that is found in butter, is able to be consumed by people with dairy allergies, and has a longer shelf life due to the fact that it doesn't need to be refrigerated. While ghee hasn't been shown to be able to lower cholesterol levels, it certainly does not increase bad LDL cholesterol levels while adding significant amount of the fat soluble vitamins A, D and E. Despite the numerous benefits associated with ghee, overall levels of consumption have historically been low, especially when compared to butter and margarine. The food brand 4th and Heart saw an

opportunity to introduce a healthier, more nourishing product that would instantly appeal to the millions of people adopting diets focused on natural foods that are low in carbs and high in healthy fats, including the Paleo Diet, the Keto Diet, and the Whole 30 Diet.

According to 4th and Heart's co-founder Raquel Tavares, "I chose ghee because I'd spent the better part of a year deciding what type of company I was going to start and through the process of elimination chose ghee. Ghee fulfilled many of the critical components to launching and succeeding in the food industry, some of which were authenticity, shelf stability, familiarity and innovative. [5]"

Tatiana Nesello, brand manager for 4th & Heart, tells The Paleo Foundation that "the motivation for starting 4th & Heart "was inspired by a mission to revolutionize the modern-day pantry with the versatile superfood, ghee butter. Our line of artisanal ghees were thoughtfully created to nourish consumers and inspire a healthier and more fulfilling lifestyle."

Raquel's mother was Registered Dietician and Ayurvedic Practitioner and introduced her to the wonders of ghee in her early 20's. While 4th and Heart has expanded into new health food products, their line of ghee-based products continues to be the mainstay and staple ingredient of their product portfolio.

The ghee-based products that were available to consumers before 4th and Heart launched were almost all simple, unflavored products. To make ghee more appealing and engaging to the general public and especial health food enthusiasts, they carefully sourced raw ingredients, improved upon the manufacturing process, and introduced a wide range of flavor profiles to make ghee a much more versatile product in the kitchen. Among the flavored ghee products offered by

the brand, consumers can find California Garlic, Himalayan Pink Salt, and Madagascar Vanilla Bean.

During the manufacturing process, 4th and Heart slowly cooks the grass-fed butter until the milk solids become crisp and the water evaporates. A double filtering process ensures that all the milk solids are removed, making the product 100 percent free of lactose.

Raquel goes on to say that “interestingly enough, it’s the feed (grass versus grain) and the type of cow that indicate the butter’s and therefore the ghee’s vitamin profile, fat profile and the color of butter/ghee! You’ll find all of the omega-fatty acid profiles in ghee, but what makes it special is the butyrate it possesses that isn’t found in coconut oil, margarines or other everyday vegetable oils. While it’s still in butter, it is more concentrated in ghee as we are removing about 20 to 30% of water and milk solids out of butter to make the ghee. [6]”

Tatiana also mentions that “grass-fed butter contains a much higher level of nutrients, including antioxidants, vitamins, fatty acids and conjugated linoleic acid (CLA), which can improve gut health and biochemistry. Grain-fed cows do not deliver these powerful benefits.”

The high butyrate content found in ghee is yet another added health benefit of ghee. This fatty acid is naturally found in the lining of the human gut, and is often depleted or even completely removed due to the high level of consumption of processed oils, which are an unfortunate staple in the modern day diet. By replacing highly processed vegetable oils with ghee, the butyrate levels in your gut will naturally replenish, thus aiding digestion while adding essential minerals to your diet.

3 | ATTENDING TRADESHOWS TO FIND INVESTORS TO GROW THE BRAND

Introducing a relatively innovative food product into the health food industry comes with a set of challenges. While some investors might be eager to support brands that venture into already-established products within the health food industry, “selling” a new product idea to investors will require a solid business strategy and confidence in your product.

Tavares and her co-founder started 4th and Heart with about \$80,000 of personal savings, allowing the company to begin the process of experimenting with product development and testing local markets. The company really took off after presenting at the 2015 edition of the Expo West Tradeshow. Expo West is one of the largest trade show events within the natural foods industry, and is a proven opportunity for food brands to reach natural, organic and healthy lifestyle buyers. The event (unfortunately cancelled this year due to the ongoing pandemic) offers opportunities for startup food brands to connect with retailers, distributors, health practitioners and food service professionals.

According to one recent study, more than three-quarters of the executive decision makers for retailers who attend tradeshow claimed to find at least one new supplier at the last show they attended [7]. For Tavares and her partners at 4th and Heart, the booth at the 2015 edition of Expo West allowed the brand to capture important investor attention. The company secured their first deal with UNFI, one of the leading organic and natural food distributors in the company.

This original deal gave the brand traction to continue attracting important and strategic investors. Shortly after an intensive rebranding campaign, 4th and Heart

also attracted more investor capital through a Series A crowd-funding campaigning. In 2016, the company secured over \$2.2 million in revenue and was well on its way to becoming an established brand within the health food industry.

Though ghee was not exactly a household item found in refrigerators across the country when 4th and Heart launched, its retailers were extremely quick to adopt the brand and commercialize the ghee-based products. In an interview with Forbes Magazine, Tavares says that “I had an idea and I didn't know how fast it was going to take off...We were in a small category and the idea was just starting to trend. [8]”

The success of 4th and Heart is a revealing example of how small food brands can anticipate market trends and introduce healthier food products that have yet to be adopted by the general population. The fact that they are now sold in thousands of points of distribution across the country is testament to the success of their product innovation and their ability to use trade shows and crowd funding in order to attract investors that allowed the scale-up to happen quickly.

4 | THE ROLE OF THIRD-PARTY CERTIFICATIONS IN GROWING BRAND AWARENESS

Independent, third-party, impartial certifications for food products is certainly an important part of the process in establishing a sense of trust and transparency with a loyal consumer base. In an increasingly competitive health food space, brands that are able to construct this relationship of trust and transparency are better positioned to establish themselves in the market. Another often overlooked advantage of third-party certification, however, is the opportunity to grow brand awareness. The 2016 Label Insight Transparency ROI Study found that

“nearly all consumers (94 percent) are likely to be loyal to a brand that offers complete transparency. What's more, transparency ranked highest in a list of factors that motivate consumers to be loyal to a brand, with 25 percent listing it as their top factor. [9]”

Transparency and brand awareness are thus intimately intertwined with consumers recognizing those brands that they come to trust. Paleo, Keto, and other third party certification programs offer the opportunity for brands to immediately construct a relationship of trust with consumers, which is the foundation for long-term brand awareness.

4th and Heart's brand manager Tatiana Nesello tells the Paleo Foundation that the company's Paleo Certified and Keto Certified certifications have helped the brand grow and attract new consumers. “4th & Heart works hard to uphold its products' high standards,” Nesello says. “With Paleo and Keto certifications, we are able to address consumers' dietary needs and desire for transparency.”

Additionally, Nesello believes that 4th and Heart's third party certifications have led to a corresponding boost in sales and has also helped attract new retailers. “We know that our consumers feel assured seeing the Paleo and Keto certifications on our pack,” she ensures. “We always proudly share our certifications when we speak with new retailers and in new communities, as their customers are always looking for products that meet those specific needs.”

Market research overwhelmingly shows that consumers are continually demanding healthier and more nutritious food options. After decades of being bombarded with empty calories and highly-processed foods, the ballooning rates of obesity, diabetes, heart

disease, and other diet-related health issues have led to a shift in what retail grocers are putting on their shelves and offering to their customers.

In fact, a 2018 study published in the journal BMC Public Health finds expresses the following:

“Supermarket retailers, mostly representing independent stores, perceived customer demand and suppliers’ product availability and deals as key factors influencing their in-store practices around product selection, placement, pricing, and promotion. Unexpectedly, retailers expressed a high level of autonomy when making decisions about food retail strategies. Overall, retailers described a willingness to engage in healthy food retail and a desire for greater support from healthy food retail initiatives. [10]”

Besides the ability to build trust with consumers and offer products that retailers are looking for, Nesello also mentions that 4th and Heart’s third-party certifications have also opened new avenues for furthering the process of building brand awareness. Nesello mentions that their Paleo, Keto and non-GMO certifications have given the brand “the opportunity to serve and partner with health coaches, developing brand awareness. As the Paleo Foundation strives to educate consumers about the benefits of the Paleo and Keto lifestyles, our brand benefits from this communication.”

Essentially, the wider the appeal and knowledge

related to the health benefits of certain diets (such as the Keto or Paleo diets) or nutritional standards (such as avoiding genetically modified foods), the better the opportunity for brands to attract new customers and grow their brand awareness. Nesello recommends independent, third-party certification to small health food brands just getting started because she believes “it’s a good way to differentiate yourself from your competitors and start building a following based on the highest product quality.”

5 | 4TH & HEART PRODUCTS THAT FEATURE PALEO AND KETO CERTIFICATION PROMINENTLY



Figure 1: 4th & Heart product images retrieved from <https://fourthandheart.com/products/>

6 | 4TH & HEART CERTIFICATIONS

4th & Heart's third-party certifications include:

- Certified Paleo
- Keto Certified
- Non-GMO Project Certified
- Whole30
- Kosher Dairy
- Gluten-Free

7 | CONFLICTS OF INTEREST

The authors report no conflicts of interest.

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THIRD-PARTY CERTIFICATION RESEARCH

Natural Force: Third Party Certifications and a Remote Workforce to Drive Creativity and Productivity

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Roberts, T., Pendergrass, K. (2021). Natural Force: Third Party Certifications and a Remote Workforce to Drive Creativity and Productivity. Third Party Certification Research. The Paleo Foundation.

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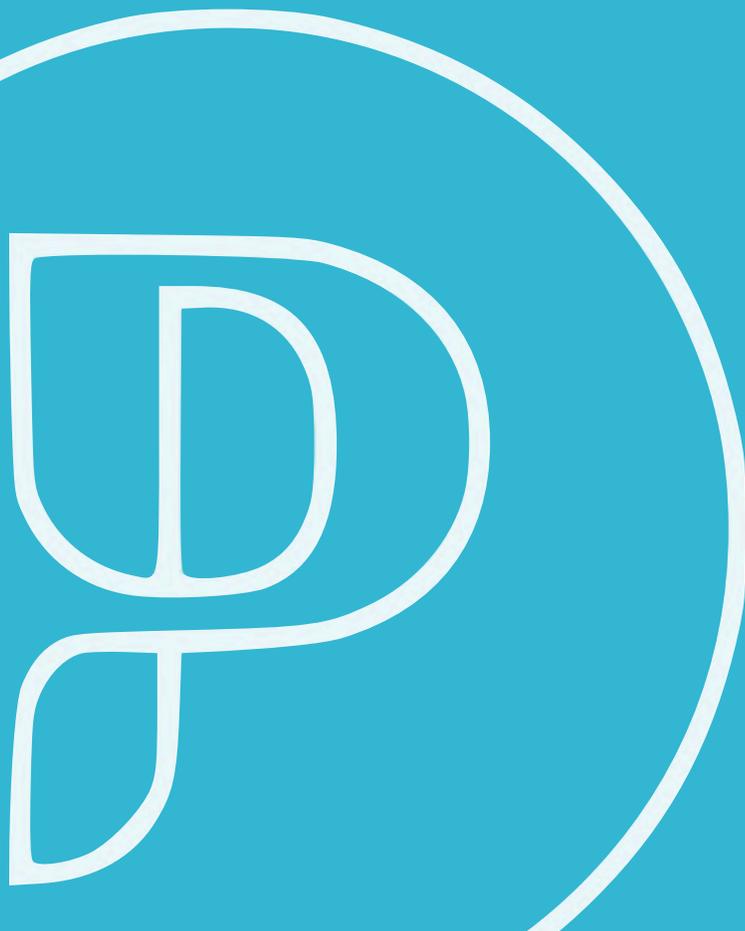
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KEYWORDS

Third party certification
Natural Force
Certified B Corporation
Remote workforce
Keto Certification
Paleo Certification



THIRD-PARTY CERTIFICATION RESEARCH**Natural Force: Third Party Certifications and a Remote Workforce to Drive Creativity and Productivity**Tobias P. Roberts ¹  | Karen E. E. Pendergrass ² ¹Department of Standards, Paleo Foundation, Encinitas, CA²Department of Standards, Paleo Foundation, New York, NY**Correspondence**Tobias Roberts
Department of Community Research,
Paleo Foundation, El Salvador**Contact**¹Email: karen@paleofoundation.com¹Twitter: @5WordsorlessKP²Email: tobias@paleofoundation.org**Abstract**

Natural Force is a health food brand with a constantly expanding line of health-enhancing supplements. The self-funded, \$10,000 startup company grew by over 400 percent a year with an innovative workforce strategy, employing only remote workers. The brand also relies heavily on its several, independent, third party certifications as a means to attract customers and new retail clients. This Natural Force case study analyzes the role of independent, third-party certifications in building the trust of a customer base in order to generate brand growth.

KEYWORDS

Third party certification, Natural Force, Certified B Corporation, Remote workforce

1 | INTRODUCTION

Despite the fact that less than one-quarter of the American population is getting the recommended amount of exercise per week never before have America's gyms and fitness/health centers been more visited. [1] There were over 60 million active gym memberships in 2017, up from just 46 million gym membership a decade earlier [2].

Simply put, people want to live healthier lives, and staying fit is high on the priority of list for millions of people across the country. Alongside gym memberships, nutritional or dietary supplements are another essential element that people rely on to help them meet their nutritional and wellness related goals.

According to one recent report, the global dietary supplements market was worth \$123.28 billion dollars in 2019 [3]. Over the next couple of years, this market is expected to grow at a compound annual growth rate of 8.2 percent.

Unfortunately, many supplements that are deemed as "healthy" or "nutritious" are often filled with an absurd amount of artificial fillers, preservatives, colorants, and other chemical additives.

In 2009, two gym buddies came together to create Natural Force, a health food and supplement brand focused on helping consumers find nutrition supplements that they can trust [4]. The brand focuses on bringing the "nutritious" aspect back into the supplement industry. Besides rejecting all unnecessary fillers, synthetic colors, and other artificial ingredients, most of the company's products incorporate herbs and superfoods that have been time-tested by ancestral cultures around the world.

Over the past decade, co-founders Joe Rakoski and Justin Quinn have built a thriving health food brand that has revolutionized the supplement industry. The company grew an impressive 1,161 percent from 2014

to 2017. Last year, they ranked in the top 20 percent of Inc.'s annual guide to the 5,000 fastest-growing privately held companies in the U.S., showing over 458 percent annual growth and netting \$4 million in revenue [5].

2 | WHO IS NATURAL FORCE?

Natural Force got its start when Rakoski and Quinn pooled together \$10,000 of their personal savings, sourced natural, raw ingredients to make their own nutritional supplements, and hired a manufacturer to make their products. From those humble beginnings, the company's product catalog today includes a huge variety of natural, health-enhancing supplements, including clean proteins like grass-fed Collagen Peptides, wild-caught Marine Collagen, Bone Broth Protein, Organic Whey Protein, Whey Isolate, and Plant Protein.

Natural Force also makes and markets high quality fats such as their Keto Coffee Creamer and Organic MCT Oil. Other superfood and fitness-related supplements include functional mushroom, and adaptogen powered performance blends like Raw Tea, Organic Pre-Workout, Cordyceps Pro, Alpha Strength, and Tribal Endurance. Most of the company's products have received some sort of certification, including gluten-free, keto, kosher, non-GMO, organic, paleo, and vegan certified products.

On the company's website, consumers can shop for a wide variety of health and nutritional supplements through filtering products by diet and by goal. For example, people can search for Natural Force supplements that respond to the following goals: metabolism, energy, digestion, joints, and beauty. Similarly, the products offered by the brand can be filtered according to popular diets such as Keto, Paleo, vegan, organic, gluten-free, and non-GMO.

2 | THE DECISION TO EMPLOY A REMOTE WORKFORCE

So how does a health food brand focused on transforming the dietary and nutritional supplement industry grow from a self-funded \$10,000 startup to a company growing by over 400 percent a year with \$4 million in revenue?

Interestingly enough, during the early stages of their business, Rakoski and Quinn were invited to participate in Shark Tank, the business reality TV series where entrepreneurs attempt to convince a panel of five investors to invest in their company. After running some numbers, however, both of them decided that their business plan and model didn't require a large sum of money to get started. They actually turned down the invitation to Shark Tank and instead focused on raising money from friends and family who trusted them and believed in the vision and purpose of their brand.

The real growth of Natural Force, however, took off when they began to build a team. Instead of going the "traditional" route of renting space in an office building and hiring local employees, Quinn and Rakoski believed that hiring a remote workforce would make more sense on many different levels. According to Quinn, "there are people in three different states, different countries, and everyone works remotely. Even Joe and I. Joe is in Maryland and I'm in Florida. We lived near each other in Maryland and we had an office above one of my high-school friend's parent's insurance company, but we got to a point where we both wanted to go different places." [6]

Companies of all different sizes that relied either partly or completely on a remote workforce enjoyed an estimated \$5 billion in cost savings in 2018 [7]. According to PGI news, getting rid of burdensome overhead costs such as rent, utilities, building insurance, etc. when working with full-time remote workers adds up to about \$10,000 in savings per employee per year [8].

Saving on overhead costs is certainly one tangible benefit that comes with hiring remote workers. However, other studies have also shown that remote workers tend to drastically increase the productivity levels of the company. Stanford University carried out a two-year study that compared productivity levels between people in traditional office setting and those who worked from home. The study concluded that productivity levels for people who worked from home were much higher than those in office settings, and added a full day of productivity each week [9]. Furthermore, the study found that remote employees working from home had higher levels of concentration, employee attrition rate decreased by half, and fewer sick days were taken. Corroborating the data mentioned above, the study also found that businesses could save up to \$2,000 per employee per year on eliminating rent expenses.

Tony Federico, VP of Marketing at Natural Force added in an interview with The Paleo Foundation that “communication tools like Slack and Zoom are also widely available and easy to use, so we felt confident that we would be able to translate the benefits of a physical office to a digital workspace. A digital workforce would also allow us to recruit the best talent, regardless of where they live, without the need for them to relocate and disrupt their lives. With that calculus in mind, we made the decision to go fully remote and virtual with our team in 2017.

Looking back on this decision, especially in light of the completely unforeseen advent of Covid-19, we are extremely happy that we made that choice.”

Natural Force relies entirely on a remote team of employees. However, they also spend energy and resources to make sure that the team is all on the same page and committed to the same goals. According to Quinn, “we hire remotely, and when we do that, one of the first key steps is we’ll have them come to Florida to meet with us, to indoctrinate them into our culture. We do some work for a couple days and set some objectives, and then they go back home. We still see each other, but the time that we do see each other is either right when they come on or every year at the summit, and then we go to events throughout the year” [10].

The Natural Force team relies on several messaging services such as Slack to maintain constant streams of communication. Freedcamp, a project management platform and cloud-based file storage systems like Dropbox also help the company effectively collaborate on projects and business goals. “This model really forces us to keep solid processes in place and focus on healthy communication,” says Quinn [11]. Without clear goals and consistent workflows, nothing would ever get done.”

While perhaps unconventional, a dedication to a remote workforce is one of the keys to Natural Force’s sustained success. The workplace systems Quinn and Rakoski have put into motion have allowed for extremely efficient workflows, and the flexible schedules that naturally arise with a workforce spread across the globe have also helped individual team members to create rhythms that maximize their productivity levels. Quinn also mentions that hiring remotely has allowed Natural Force to attract tech-

savvy individuals and hire a more diverse team of employees.

Natural Force has also specifically chosen to only work with remote employees because, as a health supplement brand, they believe in the concept of holistic health. Working a monotonous 9 to 5 job in a bland office environment with tedious morning and afternoon commutes can be draining, both physically and mentally. According to Rakoski, “we believe you should begin living your life right now...That means having the flexibility to do so, to travel, and contribute to life-long learning and growth [12].”

Lastly, working with an entirely remote workforce also reduces the company’s carbon footprint. “Our company has always believed in questioning the status quo, so when our team began to grow, we looked at the actual costs versus benefits of a physical office space,” Federico tells us. “On one hand, a physical office allows for direct face-to-face communication between team members, which is obviously a great thing, but it is very inefficient otherwise. In addition to the immediate expense of leasing office space, there are heating/cooling costs that put demands on our natural resources. Employees are also required to drive to and from work which burns more fossil fuels and impacts worker well-being by imposing hours of commute time. By comparison, a digital office space allows employees to utilize their own homes, so there is no additional demand on resources and there is no need to commute.”

4 | BECOMING A B-CORPORATION AS A “FORCE” FOR GOOD

Natural Force has leveraged the advantages of a remote workforce to increase employee satisfaction

and productivity levels in order to grow their brand. Instead of simply focusing on increasing their bottom line of profit, however, the brand is also committed to contributing to wider environmental and social benefits. Recently, the company has received certification as a B Corporation. This certification process allows mission-driven companies to show their customers that they “meet the highest standards of verified social and environmental performance, public transparency, and legal accountability to balance profit and purpose [13].”

As part of a global movement of people using business as a force for good, Natural Force states that “we believe in using business (and profit) as a force for good. Each year we will publish a public Impact Assessment...that ensures that we are continually meeting the highest standards. [14]” According to their 2018 report, “Natural Force supports its workers by offering medical and dental health benefits, living wages, paid parental leave for both primary and secondary caregivers, and annual bonuses to all full-time employees. Our culture also encourages a positive work-life balance by allowing all employees to enjoy the benefits of working in a virtual office environment with flexible hours.”

The company also scored high on their 2018 B-Corporation assessment due to their commitment to sustainable sourcing of organic, non-GMO ingredients and a pledge to only packaging their supplements in fully recyclable packaging. The business model exemplified by Natural Force proves that health food brands and entrepreneurial endeavors can be extremely successful while maintaining a focus on fair workforce practices and environmental ethics.

5 | THE ROLE OF THIRD-PARTY CERTIFICATIONS IN BUILDING THE TRUST OF A CONSUMER BASE

From the outset, Natural Force chose to use several independent third-party certifications for their products. Tony Federico, VP of Marketing at Natural Force, comments that “our goal is to provide our customers nutrition they can trust, but we don’t expect them to simply take our word for it! That’s why in 2018 we opened up our business to B Lab and went through the process of becoming a certified B Corp (Benefit Corporation) as this puts the values of environmental sustainability, public transparency, and legal accountability right into our corporate charter.”

Becoming a B Corporation fit into the company’s sustainability-focused business model, and also allowed for a greater sense of transparency. “We send all of our products to third-party laboratories for testing, the results of which we share freely with our customers right on our website, so customers can see exactly what is, and what is not, in our products in full detail,” Federico mentions.

A recent study titled “A Meta-Analysis of Food Labeling Effects on Consumer Diet Behaviors and Industry Practices” published in the American Journal of Preventive Medicine found that food labeling practices did have some effects on consumer choices [15]. Specifically, the study determined that increased consumer interest in nutrition labels and nutrition claims reduced the intake of “generally unhealthy choices” by 13 percent.

However, with half of Americans claiming to find food labels misleading, companies like Natural Force understand and take advantage of the need for Third Party certification programs in building the trust of

their customer base. “That’s why we work with trusted, third-party certifiers such as The Paleo Foundation, Project Non-GMO, and American Humane, as this confirms our dedication to sourcing the cleanest, best-quality ingredients possible,” Federico affirms.

But which third party certifications should health food brands prioritize? “Today’s consumers are looking for nutrition products that fit their specific values, which is why each certification is valuable in its own way,” he explains. “For people following very low carbohydrate ketogenic diets, seeing a Keto Certified seal is very impactful. For those who “eat like a caveman” and want to avoid Neolithic foods like grains, legumes, and industrial seed oils, Paleo Certified is key. And even if a consumer does not follow a specific diet, seeing a variety of certifications like Paleo and Keto may inspire them to learn more about these dietary approaches, so there is still value there!”

When initially when starting out as a brand, Natural Force was inherently attracted to the Paleo Diet as an inherent part of their brand identity. “Our founders Joe and Justin were following a Paleo diet when they started Natural Force, so we have been Paleo-minded from the very beginning,” Federico says. “From a marketing perspective, this led to us attending events like Paleo f(x) where we were able to get direct product feedback from enthusiastic and highly informed Paleo consumers. Our Certified Paleo products have also been featured in Paleo Magazine numerous times and have even won Paleo Magazine reader’s choice awards, accolades that 100 percent boosted our brand awareness and consumer interest,” he says.

Not only did Natural Force's Paleo certification help to cement their brand identity and create a greater transparency with customers, but it also was fundamental in helping them conquer retail spaces early on in their formation. "Being early adopters of both Paleo and Keto Certification also gave us an advantage in the brick-and-mortar retail space as well as online," Federico says. "Instead of 'jumping on the bandwagon' when these trends took off, we were already buckled-up and ready to go!"

Federico believes that buyers for medium to large retailers are continuously analyzing market trends, consumer preferences, and other relevant data related to what people are purchasing for their dinner tables. "Retail buyers are no different than any other customer, so when they are seeing *Keto Diet* everywhere, and you can present them with an opportunity to carry something that is Keto Certified, it is very compelling," he says.

The company's Keto and Paleo certifications have also played an important role in helping Natural Force to determine which retail spaces to prioritize for their products, based on the coherency of the fit. "(Our third party certification) help us to identify which retailers we even want to work with, as we are very selective with our wholesale partnerships," Federico mentions. "When a retailer is interested in Paleo and Keto, it is usually a sign that we will have a strong values match with them, so it is a great indicator of potential in the partnership."

For startup health food brands, picking and choosing which retailers to work with might seem like a luxury. However, Federico believes that using your third party certifications as a cornerstone of your brand identity can help to orient and direct your marketing strategy, your product formulation, and other important aspects of growing the brand.

"Even before a product launches, knowing what certification you are targeting can help guide the formulation process. For example, if a new brand owner wants to make a low-carb chocolate bar, going into the process with a Keto certification in mind can help guide the formulation process and will make it more efficient," Federico says.

"They could, for example, reference The Paleo Foundation's Keto resources and see which sweeteners are appropriate for a Keto diet. After formulation is complete, the brand could then reach out to Keto influencers and thought leaders to get direct feedback and input on their concept. And finally, when the product is ready to launch, creative assets focused on the products Keto Certified status can be activated with PPC advertising campaigns that directly target consumers interested in Keto snacks and desserts."

Market trends and consumer demand are in a state of constant fluctuation, as any brand knows. Whereas some third party certifications languish in stagnant policies and standards, Natural Force appreciates the effort of The Paleo Foundation to remain at the forefront of these evolving issues. "Dietary trends are constantly evolving, so we appreciate how The Paleo Foundation regularly updates certifications like Paleo and Keto to match the latest science and emerging trends," Federico says.

6 | NATURAL FORCE CERTIFICATIONS

- Certified Paleo
- Keto Certified
- Non-GMO Project Certified
- USDA Organic
- Certified B Corporation

7 | CONFLICTS OF INTEREST

The authors report no conflicts of interest.

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Roberts, T., Pendergrass, K. (2021).
**Natural Force: Third Party Certifications
and a Remote Workforce to Drive
Creativity and Productivity. Third Party
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THIRD-PARTY CERTIFICATION RESEARCH

Artisan Tropic: A Case Study of Single-Sourcing Ingredients, and the Effect of Transparency on Consumer and Retail Interest

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Roberts, T., Pendergrass, K. (2020). **Artisan Tropic: A Case Study of Single-Sourcing Ingredients, and the Effect of Transparency on Consumer and Retail Interest** Third Party Certification Research. The Paleo Foundation. TPcRXiv: 1909.08579

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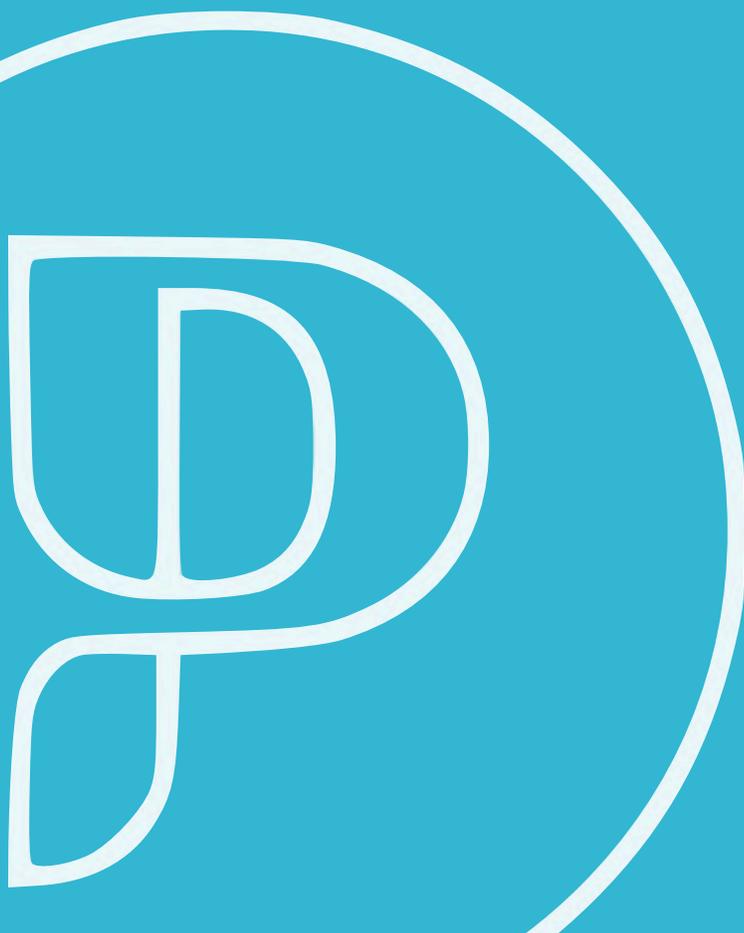
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KEYWORDS

- Single-Sourcing
- Third-Party Certification
- Artisan Tropic
- Transparency



THIRD-PARTY CERTIFICATION RESEARCH**Artisan Tropic: A Case Study of Single-Sourcing Ingredients, and the Effect of Transparency on Consumer and Retail Interest**Tobias P. Roberts ¹  | Karen E. E. Pendergrass ² ¹Department of Community Research,
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Foundation, Encinitas, CA**Contact**¹Email: tobias@paleofoundation.com²Email: karen@paleofoundation.com²Twitter: @5WordsorlessKP**Abstract**

Artisan Tropic, a health food company that specializes in “snackable” plantain and cassava strips, is a unique example of a brand that conscientiously attempts to shorten the supply lines through direct, single-sourcing of ingredients. Following Non-GMO and Paleo Certification, the brand quickly became a best-seller in the Paleo community and Non-GMO community, offering an alternative to the potato chip. This case study examines how improving transparency via single-sourcing ingredients and third-party certification helped Artisan Tropic gain a competitive edge with consumers and retailers.

KEYWORDS

Single-Sourcing, Third-Party Certification, Artisan Tropic, Transparency

1 | BACKGROUND

One of the trademarks of our modern-day food system (and our society in general) is that we rarely have any sort of direct connection with the sources of our consumption.

The food we eat, the clothes we wear, the materials that make up the homes we live in: all of these resources seemingly magically appear through the wonders of our globalized economy. One of the main downsides of this reality is that making ethical decisions regarding our consumption patterns and habits is increasingly difficult in a distanced world where we have limited (if any) connection to the sources of our consumption. Even within the health and wellness industry, many of the products marketed as organic or healthier alternatives to the chemical-soaked foods lined up on grocery store shelves have dubious origins.

One recent study comparing conventional versus organic growing methods found that in many cases, organic growing methods can lead to higher rates of

acidification and eutrophication of bodies of water near agricultural fields [1]. Large monocultures of organic vegetables requiring constant tillage of the soil and reliant on external inputs, even if they're organic, can be just as ecologically harmful.

Artisan Tropic, a health food company that specializes in “snackable” plantain and cassava strips, is a unique example of a brand that conscientiously attempts to shorten the supply lines through direct, single-sourcing of ingredients.

2 | SINGLE-SOURCING

Just a generation or two ago, the majority of food brands and manufacturers sought to create direct relationships with farmers within their geographical area. Before the onslaught of economies of scale and the globalization of the food industry, these direct partnerships between farmers and food brands were practical and reciprocal.

Not only did they make the most economic sense, but they also allowed for an ethical connection between farmers, food brands, and the end consumer based on accountability and transparency. This partnership between buyers and suppliers permitted a business ethic of cooperation and the sharing of benefits and also allowed communities to exert a certain sense of control over their local environment.

For example, if a local hog producer was not properly composting his manure and this led to unpleasant smells and contaminated waterways, the neighbors could (and probably did) boycott that product until the hog producer started to clean up his operation. Today, concentrated animal feeding operations (CAFOs) release an enormous amount of pollutants into the air, including hydrogen sulfide, ammonia, malodorous gases, and particulate matter. [2].

Low-income communities are those most affected, and despite several lawsuits and settlements, very few laws have been enacted to protect the rights of local communities [3]. Because the products from these CAFOs are shipped to major meat manufacturing companies before being distributed around the world, any sort of economic protest (such as boycotting) by local communities remains ineffective.

3 | TRANSPARENCY

Today, most major food brands have incredibly long and complicated supply lines that make it close to impossible for the end consumer to have any sort of idea where their dinner originated. Third-party certifications (such as the Paleo, Keto, and Grain-free certifications offered by The Paleo Foundation) certainly fill a void by giving consumers an opportunity to choose food brands that undergo independent, third-party testing and auditing.

Other food brands, however, are going a step further by creating direct relationships with individual farmers. This practice of single sourcing ingredients might “increase the vulnerability of supply lines,” according to traditional business logic. [4] However, it does offer a unique opportunity for producers, food brands, and consumers to come together to defend alternative food systems focused on healthy food products grown in a responsible and sustainable fashion.

The Paleo Foundation recently sat down with Juan Guzman, the head of sales and accounting for the health food brand Artisan Tropic to learn about how the company got started, the benefits of certifications for the brand’s growth, and the wider benefits associated with its single sourcing practices.

4 | ARTISAN TROPIC

Artisan Tropic is a health food brand that makes and markets different flavors of plantain and cassava strips. The brand was founded in 2014 by the Guzman family. Wanting to maintain a connection to their native Colombia, the Guzman family created a business plan to innovate the traditional plantain and cassava snacks that they grew up with. With a passion for holistic health and nutrition, the brand implemented a sharp and dedicated focus on whole and clean ingredients for their line of snacks.

“Artisan Tropic began after a difficult but hopeful few years where my sister was diagnosed with an autoimmunity,” Juan Guzman tells us. “She exhausted modern medical advice with no real solutions, and then began working with a holistic nutritional therapist, who introduced our whole family to the wonder and power of eating real food. After being healed through nutrition, our family became passionate about the power of food. That combined with the entrepreneurial spirit and vision of my parents, led to Artisan Tropic. We wanted to source highly nutritious foods in our home country of Colombia, and

make delicious snacks easily available to consumers looking for better snacking options.”

The personal experience with autoimmunity and the power of real nutrition was the catalyst for the creation of Artisan Tropic. “What began as my sister’s health problem, became a journey that our entire family began and continues to this day, of learning and understanding how food is so powerfully created to be our ally and fuel for a healthy and beautiful life,” Guzman says.

The brand is operated entirely as a family business. “We have created a great team that is very diverse in skill and expertise, but together, we’ve worked very well. The communication is facilitated by our close relationships, as well as the common love and passion for what drives our company and brand,” according to Guzman.

Three years ago, Maca Guzman, Juan’s sister and one of the co-founders of the company, married the son of the plantain farmer that Artisan Tropic partners with. “So now everything, from farm to snack, is truly in the family,” the company says. [5]

5 | THE ROLE OF SINGLE SOURCING OF PRIMARY INGREDIENTS

Part of the foundational vision for Artisan Tropic focused on developing solid relationships with individual plantain and cassava farmers in Colombia. This direct sourcing of primary ingredients enabled the family business to guarantee that their products were healthy for consumers and environment alike, while also offering fair prices for the local farmers they partnered with.

“For us as a family and as a company, (the single sourcing of primary ingredients) is something very important that goes beyond the final dollar value,” says Guzman. “We believe in the importance and

necessity of restoring our regenerative farming practices, and we want Artisan Tropic to play a part in this.”

Beyond the impact of helping move our food system towards more regenerative farming practices, Artisan Tropic’s focus on single sourcing their ingredients also had a direct impact with customers.

“As it relates to our customers, I think that this is a two-fold scenario,” Guzman says. “There are obviously some customers that are well versed in (the importance of regenerative agriculture) and appreciate and value what Artisan Tropic does in single-sourcing ingredients and partnering with the farmers to develop sustainable agriculture. The second step is being advocates for sustainable farming and a cog in the machine that helps educate the wider consumer about (regenerative agriculture) and the necessity of it as it relates to our life on this planet. This is something we are constantly trying to improve in; our engagement and communication with our consumers about how participating in Artisan Tropic at any level, is beneficial to our planet’s future.”

The process of finding and developing a relationship with individual farmers in Colombia was drastically different than how most food brands find providers of primary ingredients. Whereas market prices, cost-benefit analysis, and maximizing profit margins are the usual elements food brands use when sourcing their ingredients, Artisan Tropic sought to challenge that paradigm.

“We initially met our plantain supplier at the very beginning of Artisan Tropic’s inception and developed a close, trusting relationship with him that has only grown and deepened throughout the years,” Guzman explains.

Finding a farmer who shared the family's health and sustainability values was paramount. "(The farmer we partner with) is equally passionate about the earth and food as medicine, and has helped educate us on the importance of various things related to plantains, but general agriculture as well. Our relationship with our cassava supplier is one that we've had to work a little harder to develop, but we are thrilled that we've found an amazing, caring, and highly motivated agronomist that specializes in growing the best cassava in the region. This is a relationship that we are continuing to foster and we believe that it is mutually beneficial and will be for a long time," Guzman says.

6 | A FOCUS ON SLOW GROWTH

Educating consumers about the importance of regenerative agriculture and ethical, single sourcing of ingredients has certainly played an important role in developing a solid base of loyal customers. However, Artisan Tropic has also utilized other strategies for patiently growing into a brand that has distribution in both online and physical retailers across the country.

"The learning curve has been steep, but from the very beginning, we have had the value and mindset that we want to grow slow," Guzman clarifies. *"I think that has been an incredibly helpful way to grow and learn along the way. I'd say that early on, within a year of starting, one of the big breakthroughs for Artisan Tropic was that we were brought into an airport retailer with locations all across the country. This was an exciting opportunity for us!"*

The brand has developed a strong relationship and presence with Whole Foods Market stores across the country. While the process of getting into Whole Foods took over two years, it certainly helped spur healthy growth for the brand.

"We have had plenty of disappointments and frustrations over the years, but we see all of those as opportunities for learning and growth," Guzman explains. *"For example, when you wait over a year for a category review at a particular retailer and the retailer say no, that is very disappointing. But we in no way think of it as our brand or company failing, simply a chance for another year of growth and sales to prove ourselves again the next time."*

7 | CERTIFICATIONS

Historically, third-party, impartial certification reduces decision friction via social proof heuristics and psychological kinship heuristics leading to less point-of-purchase scrutiny and increased sales. These effects are likely compounded by other factors, such as reduced trust in industry and first-party package claims.

According to the 2016 Nielsen's Global Health & Wellness Survey, roughly 60 percent — more than half of the people in the United States and Canada—distrust manufacturer's claims on their food labels and packaging. They also found that consumer trust in food products declines year after year [6].

However, studies by Cone Communications and Globescan (among others) found that 76 percent of consumers agree that third-party product certification is the best way to verify product claims and increase their trust in a brand [7].

Artisan Tropics third-party certifications include:

- Project Non-Gmo Verified (2014)
- Certified Gluten-Free (2015)
- Certified Paleo (2014)

OVERVIEW OF THE CERTIFICATIONS

Project Non-Gmo Verified is a third-party certification program that signifies to consumers that a product meets the requirements of a Non-Gmo product by way of not containing any genetically modified ingredients.

Certified Gluten-Free is a factual certification similar to Grain-Free certification in that it communicates credence qualities of a product that cannot be ascertained simply by looking at the ingredients list.

Trends and analytics companies report having found that there has been an increase in consumers seeking alternative third-party certifications to validate if a product fits within their personal eating philosophy, or food tribe within the past 10 years. [8] Certified Paleo is a certification that validates products within the Paleo Food Tribe, using historical data and logical frameworks to arrive at setting a universal standard for Paleo products.

8 | IMPACT OF TRANSPARENCY ON RETAIL

INTEREST AND SALES

Artisan Tropic was first Certified Paleo by The Paleo Foundation in 2014, Certified Non-GMO by the Non-GMO Project Verified Organization in 2014, and Certified Gluten Free by GFCO in 2015.

Unlike other food brands, Artisan Tropic decided to become Paleo certified by the Paleo Foundation from the very beginning, mostly due to the Guzman's family personal experience with the transformative power of the Paleo diet. "Becoming Paleo Certified was something we did from the very get go, so we don't have data marking a difference from before to after. But (becoming Paleo certified) was our top priority from our first packaging" Guzman says. However, Guzman does believe that part of the success of the brand is tied to the transparency inherent in their third-party certifications.

Furthermore, the company's third-party certifications (all of which are displayed prominently on product packaging) have played a major role in helping the brand approach different retailers and get into both brick and mortar and online marketplaces such as Whole Foods.

"Our certifications have given us an edge and competitive advantage in a very saturated market," Guzman believes. "They are very important for certain customers, especially more health-conscious and niche markets like Whole Foods and other natural retailers. Having these certifications helped us get into Whole Foods Global," he states.

The Paleo certification specifically has helped the brand attract a wider audience of consumers and establish a firm base of loyal customer support. "I think that we were on the forefront of Paleo as a widely known and accepted way of eating," Guzman believes. "Since 2014, the audience and market of consumers that are educated about Paleo has grown tremendously, and so our customer base has as well."

9 | DISCUSSION

Artisan Tropic's success with enhanced transparency coincides with a 2016 Food Revolution study by Label Insight that found that food product transparency plays an important role in the consumer decision-making process, and impacts consumer loyalty. According to the study, the vast majority of consumers value product transparency and consider a wide array of information about a particular product before making purchase decisions. Nearly all study respondents (94 percent) say it is important to them that food brands are transparent about a product's contents and how it is made. [9]

Confusion also affected the purchase decision of many consumers. In the study, 94% of the respondents admitted that they did not know the ingredients in their food, which makes it difficult to

make an informed decision. In fact, 83% mentioned that companies that provide food product transparency are more valued by consumers which, in turn, promotes consumer loyalty. The study also found that consumers are more likely to switch to brands that provide detailed information on their products. [9]

Many retailers are pressed with high demands from consumers in terms of providing food product transparency. Food manufacturers cannot simply ignore such demands as many see their customers turning to their competitors. This need for increased transparency presents many opportunities for brands and retailers to gain market advantage by increasing transparency.

Brands are always in a position to develop ways to improve the long-term relationship with their customers. Because transparency is such an important facet of the clean label movement, it will be essential for brands and retailers to focus on ways to improve product transparency and gain further trust.

Artisan Tropic offers an inspiring example of how single sourcing of ingredients and third-party certification has allowed a health food brand to develop and strengthen long-term relationships with a growing customer base.

10 | CONFLICTS OF INTEREST

The authors report no conflicts of interest.

11 | REFERENCES

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TPCRXid: 1909.08

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THIRD-PARTY CERTIFICATION RESEARCH

Rickaroons: A Case Study on The Importance of Investing in Community and How Certifications Support That Effort.

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Roberts, T., Pendergrass, K. (2020). Rickaroons: A Case Study on The Importance of Investing in Community and How Certifications Support That Effort.. Third Party Certification Research. The Paleo Foundation.

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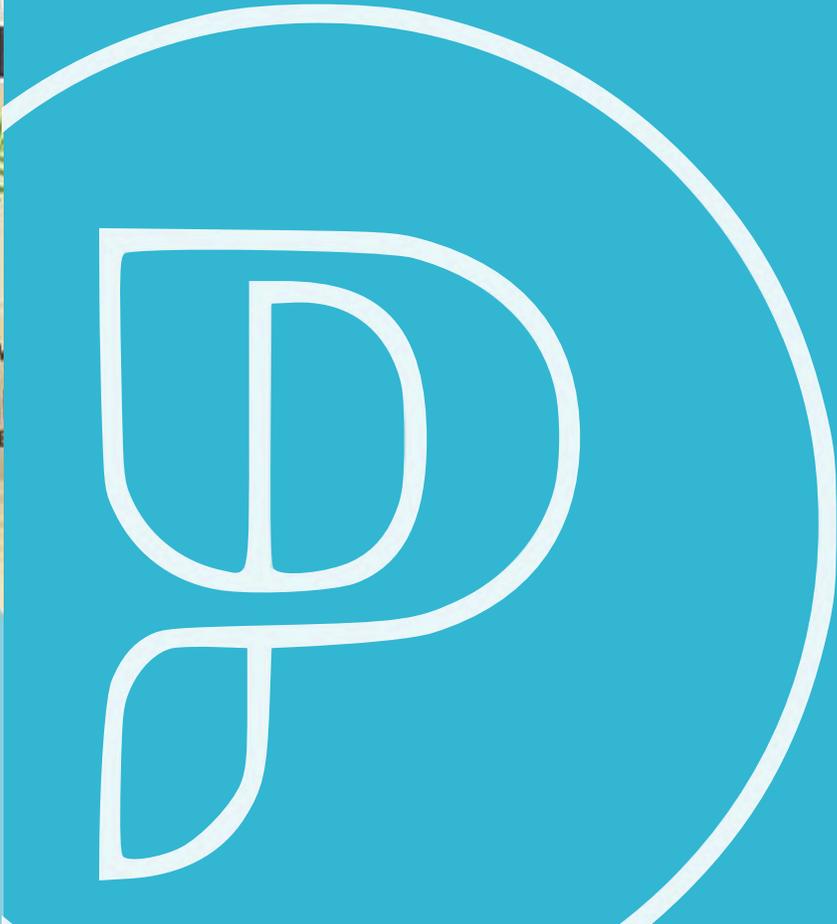
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KEYWORDS

- Third-Party Certification
- 4th & Heart
- Ghee
- Keto Certified
- Certified Paleo
- Brand Awareness

Community Connection
Consumer-Company Identification
Paleo Certification
Keto Certification
Whole 30
Rickaroons



THIRD-PARTY CERTIFICATION RESEARCH**Rickaroons: A Case Study on The Importance of Investing in Community and How Certifications Support That Effort**Tobias P. Roberts ¹  | Karen E. E. Pendergrass ² ¹Department of Standards, Paleo Foundation, Encinitas, CA²Department of Standards, Paleo Foundation, New York, NY**Correspondence**Tobias Roberts
Department of Community Research,
Paleo Foundation, El Salvador**Contact**¹Email: karen@paleofoundation.com¹Twitter: @5WordsorlessKP²Email: tobias@paleofoundation.org**Abstract**

Rickaroons is a family-owned company based out of San Diego, California that has grown famous for making a 100 percent natural and organic coconut energy bar. The brand is firmly entrenched in and supported by the southern California community where it operates. As the first ever Paleo certified brand, the father-son team has effectively utilized their third-party certifications to construct a loyal customer base that has fueled the long-term success of the company. This case study analyzes the importance of connecting with a community of consumers, both geographical and of shared values, to generate brand growth.

KEYWORDS

Third-Party Certification, Rickaroons, Certified Paleo, Community, Food Tribe

1 | INTRODUCTION

In decades past, energy bars, or nutrition bars, were mainly marketed to gym enthusiasts and performance athletes needing a quick boost of energy and vitality. Today, however, more and more people in our fast-paced society are looking for healthy snack alternatives that can give them the energy and nutrients they need while on the run. Energy bars, then, are no longer simply a niche product sold at backpacking outfitters and in the vending machines at your local gym.

According to one recent market report, “the global energy bar market was at USD 5.1 billion in 2017 witnessing a CAGR of 4.9%, during the forecast period, 2018-2023. The global energy bar volume sale is expected to witness a CAGR of 2.7%, during the forecast period. North America surpassed a volume consumption of 180 million Kg of energy bar in 2017 with US the largest market.” [1]

Helen Mullen, a certified dietitian nutritionist and a clinical dietitian with New York-Presbyterian, says that “the more additives you see — particularly excess sugar alcohols (sorbitol, xylitol), which can cause gastric distress — the less likely the bar is to deserve the “healthy” moniker. Palm oils, soy protein isolate and so-called natural flavors are also red flags.” [2]

Fortunately, there are several companies in the low carb food industry that have been developing and marketing healthy, natural, low carb energy bar alternatives that are the perfect snack for people needing a nutritious boost of energy. Rickaroons was the first Paleo Certified, and has been producing organic, 100 percent natural energy bars since 2013.

2 | WHO IS RICKAROONS?

Rickaroons is a family-owned company based out of

San Diego, California that has grown famous for making a 100 percent natural and organic coconut energy bar. All of the ingredients used in their wide array of energy bars use all organic, vegan, and gluten-free ingredients, which is what separates the brand from every other company that markets products in the energy bar industry.

Rick LeBeau is the founder (and namesake) of the brand. Together with his son Grant, the father-son business was originally launched at southern California farmer's markets. As the only baker on the team, Rick constantly experimented with new flavors, including Megaroons made from chia seeds and cacao nibs; Mocha, with dark chocolate espresso; Peanut Butter Protein with peanut butter, pumpkin seed protein and dark chocolate; and the famous Mint To Be, which was developed as a healthier alternative to the "Thin Mint" cookies sold by Girl Scouts across the country.

Today, Rickaroons sells to customers around the country via their online store and on Amazon. They can also be found at dozens of local grocery stores, cafes, juice shops, gyms, yoga studios, and office spaces throughout southern California.

3 | THE CHALLENGE OF PRODUCT DEVELOPMENT

As is often the case with small health food brands, the journey to develop and market a healthy snack alternative to what is commonly found on the shelves of supermarkets started with a personal experience.

Rick says that "in 2001, I had a girlfriend who was diagnosed with Multiple Sclerosis. Beautiful on the outside but being eaten by her own nervous system on the inside. Part of her symptom set was a combination of food allergies and sensitivities- among them were wheat and dairy. This meant that we

couldn't share one of her favorite things- a traditional chocolate chip cookie. She put it to me simply one day- If you really love me, you'll make me a cookie I can eat." [3].

After learning the basics of baking and experimenting with alternatives to the grain, flour, sugar, and eggs that are the basis for most cookie recipes, Rick and his girlfriend came up with a decent healthy cookie. The resulting company called Ultimate Naturals Cookie Co. was sold in Whole Foods and lasted for two years.

The initial experience of finding healthy baked snacks is what led Rick towards developing the all-natural Rickaroon. Rick found that with the right mix of ingredients, the sugar, butter, flours, and other common ingredients in cookies, energy bars, and other snacks was simply not necessary. The original Chocolate blond Rickaroon, for example, only contains coconut (in the shape of oil, flakes, and nectar for sweetening), dark chocolate chips, and almond butter.

Rick's son Grant says that that while it is sometimes hard to find reliable sources for the organic, vegan, and gluten-free ingredients that Rickaroons relies on, "the final product is...the all-of-the-above cookie: gluten-free, vegan, organic, Paleo, soy free, and most importantly – tastes like heaven. The coconut and almond butter not only taste great together but yield a nice, slow-burning fuel for your body." [4]

While it might have been easier (and cheaper) to produce an energy bar with soy, sugar, and palm oil as the basic ingredients, Rick relates that "one of the many things we take pride in is that we have stuck to our standards when it would have been so much easier to forgo the certifications or the quality of ingredients, and just make our recipes with conventional ingredients. We make our decisions within the family and persevere through the lean times without fracturing our relationships." [3]

This commitment to quality is one of the reasons why Rickaroons was actually the first ever Paleo certified brand, being certified on Halloween back in 2013.

4 | INVESTING IN LOCAL COMMUNITY

In the day and age of multinational corporations that have effectively taken over the mom-and-pop economy of main streets across the country, it is refreshing to find companies that are proud to truly belong to the community where they are located. Both Rick and Grant LeBeau proudly recognize that their business is firmly entrenched in the reality of southern California.

Rick says that “San Diego does definitely support a business such as ours, focused on those attributes mentioned earlier (vegan, gluten-free, organic). There are a lot of healthy people in Southern California, and our little corner of the world is very health-oriented, especially along the coastal sections.” [3]

Rick does recognize that one of the challenges associated with being a small, health food brand in southern California is the skyrocketing cost of business. Thy company could certainly find lower manufacturing costs for their Rickaroon energy bars if they were to move to a different region. “But San Diego is our home, and even if we don’t ever hit the energy bar lottery, we still get to call San Diego home,” Rick states.

“San Diego loves to support local companies. Although we are gluten-free, vegan, and Paleo, the thing that gets people most excited is hearing we are a local, family run company. I love how supportive our local community is,” Grant adds.

As a community-based business, Rickaroons has also reinvested a part of its profit and a lot of its time into a number of important community initiatives. They regularly partner with a local nonprofit organization called STAR/PAL, which empowers at-risk youth to build safer communities through positive interactions with local law enforcement. Rickaroons also supports the Multiple Sclerosis Foundation, and is active in community beach cleanups.

5 | THE ROLE OF THIRD-PARTY CERTIFICATIONS IN ESTABLISHING A COMMUNITY CONNECTION

Rickaroons officially began business in 2013. On Halloween of that year, they became the first Paleo certified brand. Even though they first began selling their all-natural ingredient energy bars at local farmer’s markets in southern California, both Grant and Rick believed that investing in Paleo certification and other, independent, third-party certifications would help them quickly develop a base of local customers in the San Diego area.

In a recent interview with The Paleo Foundation, Grant says that the brand knew they wanted to invest in their Paleo certification because “at that point in time, we were just staring our company and trying to differentiate ourselves from the competition. We knew that Paleo was known by the wider population for being a clean diet with no fillers; no cheap ingredients to bulk up a product. And that was exactly what we were looking for in the marketplace. In a sense, even if people do not identify as following the Paleo Diet, the values behind the diet do have a wide appeal. The Paleo certification was a way to not only attract people on the Paleo diet, but others who

identify with clean ingredients.” Market research has confirmed what the LeBeau family believed: that dependent, third-party, impartial certifications for food products plays an important role in reducing decision friction via social proof heuristics and psychological kinship heuristics. This, in turn, leads to less point-of-purchase scrutiny and increased sales for brands.

To initially help win over customers and differentiate themselves from their competitors, Grant, Rick, and the rest of the team at Rickaroons decided to use their Paleo certification to help them gain traction with people who identified with the Paleo diet and lifestyle. Asked whether their Paleo certification has helped the brand approach or attract new clients within the Paleo community, Grant responded: “Definitely. For example, when we put out a Paleo discount code for one of our products, the certification certainly helps to attract customers. Also, we have used our Paleo certification to partner with different Paleo influencers. We found that working with Paleo influencers and bloggers has been one of the most effective marketing strategies and has had the most impact connecting with people in the Paleo world. The certification has helped us use this effective marketing strategy.”

Rickaroons of course displays their Paleo and other third-party certification logos on their website and on all their product packaging. They also exhibit their Paleo Foundation certification when attending tradeshows like Paleo FX. “We try to make sure people know we are certified at any marketing event or roadshow we are at,” Grant says. Studies by Cone Communications and Globescan (among others) found that 76 percent of consumers agree that third-party product certification is the best way to verify product claims and increase their trust in a brand.

Retail grocery stores also actively look for products that have third-party certifications that follow the growing tendencies in consumer demand for healthier food.

Major retail stores manage an enormous amount of data and analytics related to emerging trends within the food industry, trending diets, and consumer preferences. They have most certainly seen the reports from consumer research firm NPD Group that 1 in 3 U.S. adults is trying to minimize or eliminate gluten [5] or that the retail sales of food products in the U.S. with the name “Paleo” in the brand or product name could reach \$4 billion by 2020. [6]

Related to whether or not their independent, third-party certifications have helped get Rickaroons bars into different retail outlets, Grant says that “I don’t know if it helped us to get into any one location, as it can be hard to pinpoint exactly what makes the different. However, I will say that being the first Paleo certified brand is definitely part of our broader story. It is part of every sales pitch we make. Though it is tough to know what puts us over the edge with a retailer, it is certainly an important part of our brand identity. We have been given priority display placements in Whole Foods grocery stores, specifically because we were Paleo certified. Whole Foods was looking to increase their line of Paleo friendly or certified products, and that helped us get better display placements. Also, I’d say that the Paleo certification creates a sense of connection with retailers and the data they’re seeing.”

6 | EXPANDING THE SCOPE OF THIRD-PARTY CERTIFICATION PROGRAMS

Though research confirms that more and more consumers are looking for brands and products that boast independent, third-party certifications that fit with their own nutritional and lifestyle choices, the financial investment in these certifications might be hard for some startup companies to deal with.

“If I were starting a company from scratch and I had outside investment, I would definitely load up on certifications,” Grant recommends. “If I didn’t have outside investment, I probably would not get those third-party certifications from the get-go. Starting company or brand is hard at the beginning and you have to pay for those (independent, third-party) certifications even if sales are down. I guess I would say that investing in third-party certification makes sense if you are going to spend the first year leaning heavy into marketing towards a specific diet or niche in the food industry. If you plan on using that certification on all of your collateral; or making your certification a part of your core marketing strategy, then obviously certification will benefit you to create a bond with those customers who are central to the success of your brand.”

Grant also believes that third-party certification certifying organizations could possibly help brands continue to grow through establishing contacts with buyers within the retail space.

“For me, the biggest thing third-party certification agencies can do to help their brands is to make introductions to buyers. I know it is a big ask. The larger the certifying body, the more brands they have and the less feasible it probably is to realistically make those connections. I mean, if you only represent 20 brands, introductions to buyers and retailers might be fairly easy. But if you have thousands of brands

you represent, it’s a bit different, and I’m not sure if it is even possible. However, having a database of your brands and recommending them to buyers and retailers who are genuinely interested in Paleo brands would certainly be a big help to brands trying to conquer retail markets or find new buyers,” he believes.

Lastly, Grant recognizes and supports those independent organizations that go the extra mile to create a sense of connection and relationship with their certified brands. “I will say that The Paleo Foundation is the only certifying body that I generally believe is trying to improve the overall experience for the brands they represent. It is the organization I think is the most solid in its belief for its mission. It’s the only certifying body that truly shows concern about the success of our company. They are the only organization I have worked with that reaches out other than when it is time to pay...It is tough to provide that value and I definitely appreciate the human connection to the faces behind the whole certification process.”

7 | CERTIFICATIONS

Rickaroons third-party certifications include:

- Certified Paleo
- Certified Paleo Vegan
- USDA Organic
- Project Non-GMO Verified
- Certified Gluten-Free
- Certified Vegan

8 | CONFLICTS OF INTEREST

The authors report no conflicts of interest.

9 | REFERENCES

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