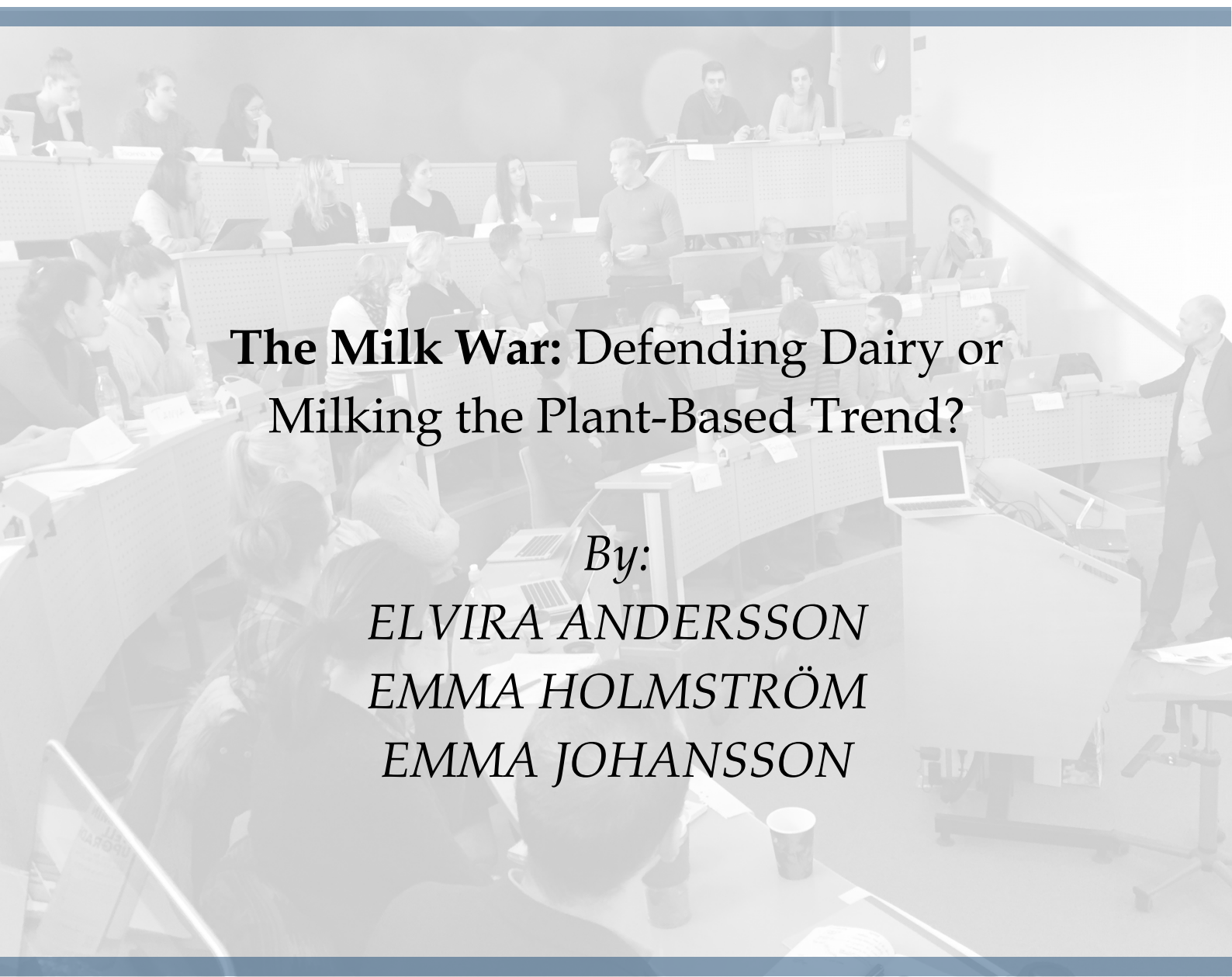


CORPORATE BRAND MANAGEMENT AND REPUTATION

MASTER CASES



The Milk War: Defending Dairy or Milking the Plant-Based Trend?

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Twelfth Edition
Master Student Case Papers

2025

Corporate Brand Management and Reputation: Master's Cases

The "Corporate Brand Management and Reputation: Master's cases" is a case series for applying the case method of teaching and learning in higher education. The cases are relevant to brand strategists in private and public sector organizations, as well as academics and students at universities, business schools, and executive education.

The cases are written by groups of master's students as a course project. The specially developed case format is defined as: *"A management decision case describes a real business situation leading up to a question(s) that requires assessment, analysis, and a decision reached by discussion in class. The alternative approaches and recommendations from the class discussion are followed by a description of the choices made by the case company. This description is then discussed by the class."*

The student groups select the topics of their case providing updated and relevant insights into the corporate brand management. The cases can be used as "written cases" (handed out and read in advance, later to be discussed in class) and/or as "live case" (presented by the teacher following a discussion in class). Each case includes teaching notes, visuals with speaker's notes, learning objectives, board plans, and references.

The mission of the series is *"to develop cases for discussion providing insights into the theory and practice of corporate brand management and reputation, with the intent of bridging the gap between academic teaching and managerial practice."*

The series is a result of co-creation between students and teachers at the elective course Corporate Brand Management (BUSN35 – five-credit course/eight-week half-time studies), part of the master's program International Marketing and Brand Management at Lund School of Economics and Management, Sweden. The cases represent the result of the intellectual work of students under the supervision of the head of course.

Although based on real events and despite references to actual companies, the cases are solely intended to be a basis for class discussion, not as an endorsement, a source of primary data, or an illustration of effective or ineffective management. The cases are free to be used and are to be cited following international conventions.

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WRITTEN CASE

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The Milk War – Defending Dairy or Milking the Plant-Based Trend?

Milk—one of the most ancient and universal staples of human civilization. From the first drops of mother’s milk to the creamy swirls in morning coffee, it is a symbol of nourishment, tradition, and comfort. It pours through history, from pastoral farms to industrial dairies, from the rustic wooden pails of the past to the tetra-pak cartons lining modern supermarket shelves.

In the eyes of the typical Swede, the history of milk began in 1880, when the two brothers Willhelm and Hildemar founded the company that we know as Arla. Today, Arla stands as a testament to the enduring importance of milk in Swedish culture, embodying a legacy that continues to nourish and unite communities. Yet, even the strongest traditions are not immune to change. As consumer preferences shift and new challengers emerge, a bold contender is rising—one that doesn’t come from cows at all.

It is a rainy afternoon when the board of Arla gathers in the meeting room. A new competitor has entered the market, and they do not play nice. Oatly has just launched their first of – to be many – campaigns towards Arla with the slogan *“It’s like milk, but made for humans”*. The conversation around the table is heated. Should they ignore the provocation and stand firm in their legacy, or is it time to strike back?

Background & History

Arla Foods is a Danish-Swedish food cooperative and one of Europe's largest dairy companies. The company was founded in the year 2000 through the merger of the Swedish dairy cooperative Arla and the Danish cooperative MD Foods. The company is owned by thousands of farmers across several European countries and is a key player in the global dairy industry. Arla's product portfolio is wide and includes a variety of dairy products.

Arla's marketing strategy has traditionally relied upon the health benefits of milk-consumption, often incorporating the belief that calcium benefits bone health by including children and celebrities (**Exhibit 1**), and using slogans such as "Mjöl­k är Livet" ("milk is life"). Arla has consistently adapted their marketing strategies to ensure newer generations are as aware of the health benefits of dairy as the generations before them. Over the years, as sustainability has become a key factor for consumers, Arla started integrated messaging around environmental responsibility, launching initiatives such as "Närmare naturen" ("Closer to nature"), which highlighted its commitment to organic and sustainable dairy farming (**Exhibit 2**).

In the mid 1990s, a new company from Landskrona was founded. It was based on research from Lund University, with an ambition to challenge the status quo. Unlike Arla, whose legacy was built on traditional dairy farming, Oatly's foundation rested on a completely different vision—plantbased, sustainable, and boldly anti-dairy. For almost two decades, Oatly positioned itself as a niche brand catering to those with an intolerance to milk and lactose. In the early 2010s, with a new CEO in charge, Oatly recognized the environmental concerns, ethical consumerism, and dietary shifts that gained momentum during this time. With a rebellious tone and provocative marketing, Oatly decided to challenge the traditional dairy industry, and its main aim was the biggest player of them all: Arla.

The Incident

The conflict started in 2014 when Oatly launched a campaign called "It's like milk, but made for humans" where they challenged the dairy industry by suggesting that traditional dairy milk was not suitable for humans (**Exhibit 3**). The campaign positioned the oat-drink as a superior, more natural, and a more ethical alternative to traditional cow's milk. Oatly positioned itself not just as an alternative to dairy, but as the *better* choice. Billboards, product packaging, and digital ads carried the slogan across Sweden. The ad directly challenged the Swedish dairy industry's long-standing messaging about milk being essential for human health. This is the campaign that ignited what is now known as **The Milk War**.

For Arla, the campaign was more than just an ad, it was a direct attack on their identity. Oatly's implication that cow's milk wasn't meant for human consumption struck a nerve. In order to respond to this provocative message, the dairy industry sued Oatly, which resulted in the brand getting prohibited from using slogans and phrases that cast traditional milk in a negative light.

Arla decided to launch their own campaign in 2018. The campaign had the slogan "Bara mjölk smakar mjölk" ("Only milk tastes like milk") (**Exhibit 4**) and

reinforced the brand's identity by emphasizing the good qualities of dairy and specifically the taste of cow's milk that a lot of consumers in Sweden have an emotional connection to. Arla also hinted to Oatly by suggesting that "pjölk", "trölk", "brölk" and "sölk" (variations of "mjölk" the Swedish word for milk) do not taste like milk.

The lawsuit did not stop Oatly from responding and in 2019 the brand released a campaign called "Spola mjölken" ("Ditch milk") (**Exhibit 5**). The campaign hints to the 1970:s initiative "Spola kröken", which aimed to reduce alcohol consumption suggesting that milk is something to be avoided.

Both brands continued their aggressive marketing strategies, fueling a heated rivalry in the dairy and plant-based industries. Meanwhile, consumer demand for plant-based alternatives surged, reshaping the competitive landscape. Faced with this shift, Arla had to make a critical decision—should they continue defending their traditional dairy dominance or adapt to the plant-based movement? By 2019, Oatly had solidified its presence in Sweden, with its home market accounting for 24% of total sales. While Arla remained the market leader, Oatly emerged as a key force in shaping consumer preferences and accelerating the popularity of plant-based alternatives.

Looking at the changes in Arla's revenue over the years, one is able to see that although Oatly launched an aggressive campaign, challenging the stability of Arla, Arla's revenue figures tell a different story. Looking at their financial performance from 2010 to 2023, there is no significant downturn following Oatly's attack (**Exhibit 6**). Arla's revenues remained relatively stable, even growing over time. This raises the question why did Arla react so strongly to the campaign from Oatly? Was the backlash justified or was it an overreaction?

Although specific figures on market share redistribution are not publicly available, the plant-based dairy sector has expanded rapidly. Once a niche segment in the early 2000s, it is now projected to sustain a robust compound annual growth rate of approximately 7.4% over the next decade, signaling a fundamental shift in the industry. This leads to the central question: **"What should Arla do now in order to stay relevant without losing their identity?"**.

Exhibit 1 Traditional Arla ad Campaign



Exhibit 2 'Närmare naturen' ad on milk truck



Exhibit 3 Oatly ad “it’s like milk, but made for humans”



Exhibit 4 Arla campaign “Bara mjölk smakar mjölk”



Exhibit 5 Oatly campaign “Spola mjölken”



Exhibit 6 Arla's Revenue during the years 2010-2023

