

Andrew Hoffman

## Cracking the Egg Industry: Hampton Creek Tries a Vegan Take on Classic Mayo

It was a Sunday evening in 2013, and Miles Maxwell,<sup>i</sup> Unilever's Senior Vice President of Global Marketing, had just returned from his Thanksgiving holiday. He was home, thumbing through the morning's *Wall Street Journal* and catching up on the week's biggest stories. One article<sup>1</sup> in *WSJ's* "High Definition" section caught Maxwell by surprise: "Startup Scrambles to Replace Eggs," the title announced. He read on about this new entrant to the mayonnaise market called Hampton Creek, a Silicon Valley-backed startup whose "Just Mayo" condiment boasted a plant-based, vegan egg-free recipe. Devoted to innovation at a strategic level in his own work, Maxwell's interest was piqued. At Unilever, Maxwell recently led both the "Crafting Brands for Life" strategy, to market creativity and sustainability, as well as "Foundry 50," an initiative to recognize top tech startups.<sup>2</sup> Maxwell was also Unilever's first outside hire by 32-year veteran of the company, Keith Weed, Chief Marketing and Communications Officer. Weed hoped that Maxwell would help spearhead his efforts to inject new blood into Unilever's major campaign called "Project Sunlight," an initiative intended to boost the company's positive environmental message and social impact.<sup>3</sup>

Maxwell sat back in his chair and continued scanning the article, which provided an overview of the San Francisco-based startup's autumn 2013 roll-out of its newest product, led by founder Josh Tetrick (**Appendix A**). Hampton Creek's status as a small, dynamic start-up facilitated its ability to effect market transformation in a manner that Unilever often aspired to, but struggled to mimic, given its size and more complex structure. That said, the invention of a vegan formula for a mayonnaise product suggested a transformative evolution within the market that posed an opportunity for Unilever, even as it risked threatening its influence over the market. What would this new entrant to an otherwise quite conservative mayonnaise market mean for Unilever's mayonnaise brands and their market share? Could there be synergies available in a partnership between the Silicon Valley darling and the consumer packaged goods (CPG) giant? Maxwell opened his laptop and started a new email. "Love what you are doing," he typed, "very much in line with our Unilever Project Sunlight," and sent off a message directly to the Chief Executive Officer of Hampton Creek.<sup>4</sup>

---

i Miles Maxwell is a pseudonym.

Published by WDI Publishing, a division of the William Davidson Institute (WDI) at the University of Michigan.

©2017 Kathleen Carroll, Yu-Han Cheng, Albany Eckert, and Chase Stone. This case was written by Kathleen Carroll, Yu-Han Cheng, Albany Eckert, and Chase Stone under the supervision of Professor Andrew Hoffman at the University of Michigan's Ross School of Business.

This case was prepared exclusively as the basis for class discussion and is not intended to illustrate either effective or ineffective handling of a situation. The case should not be considered criticism or endorsement and should not be used as a source of primary data.