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The WRIGLEY'S Extra Success Story
How to achieve and defend successfully a 90% segment share.

WRIGLEY was one of the pioneers in developing and marketing the dental care benefits of chewing gum. In order to gain an in depth understanding of the emotional and factual needs in the dental care segment several surveys using projective techniques were carried out in the late eighties and early nineties. The benefit of reducing the incidence of tooth decay showed promising market potential, namely within the target group of people above 20 years of age it proved to be a key benefit and at the same time a well accepted alibi to continue to chew gum in public. - Previously the majority stopped using chewing gum in public when they started to work because they perceived it as socially not acceptable. (See a short method description of the Limbique Emotional Explorer in the appendix, pp.5)
A segmentation study carried out in 1990 confirmed the existence of a dental care need segment on a quantitative basis. The consumers in this segment consumed Freident® (internationally branded as „Freedent®") amongst other brands. The consumers were not really aware this product contained a substantial amount of sugar at that time. The perceived dental care associations came from the brand name „Frei<u>dent</u>®".
Simulated Market simulations checked various launch scenarios for economic viability, which indicated substantial market potential. Subsequently a mini 'real-life' test-market was conducted in order to reconfirm these results.

WRIGLEY'S EXTRA launch in its initial Development

WRIGLEY´S Extra® was launched in January 1992 with the promise, to neutralize cavity causing acids, while chewing. The claim that chewing Wrigley's Extra can reduce the risk of cavities by 40% followed somewhat later. The positioning and benefit claims were based on projective market research insights and subsequently on scientific proof or evidence. The ability to neutralize cavity causing acids is supported by a scientific ph-development curve used in TV communication and on packaging.

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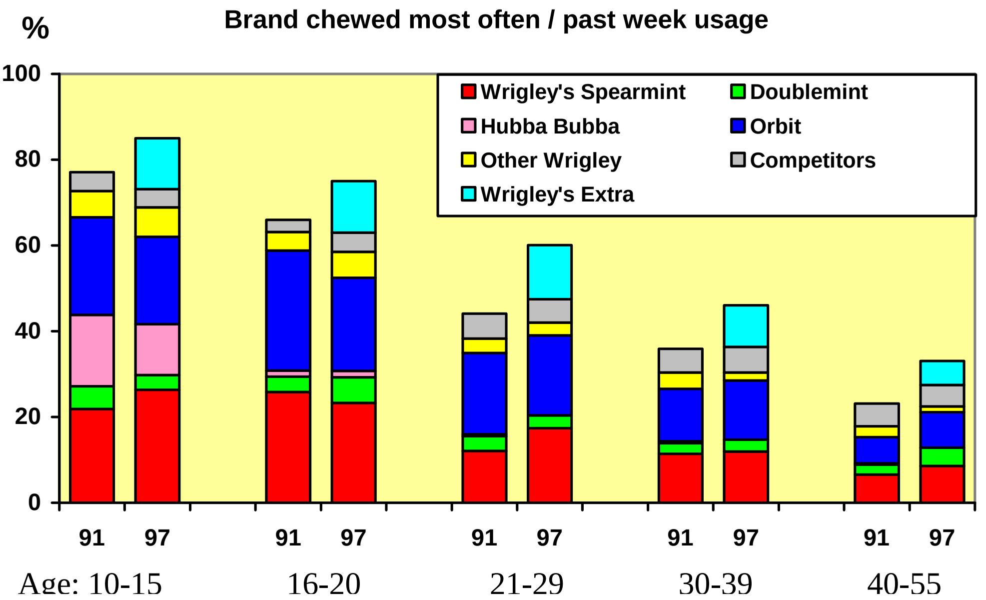


Source: Wrigley

In the first half year WRIGLEY´S Extra® succeeded to gain a share of six percent in the gum category without advertising support and despite of low distribution. (N.B.: All share information are value based.) In September 1992 the advertising campaign started and shares increased to about 12% in line with growing spontaneous brand awareness and distribution gains. In 1993 the advertising support was enhanced and WRIGLEY´S Extra® achieved 17 percent share.

Continuous consumer tracking confirmed the earlier hypothesis based on projective techniques and market simulation findings, that WRIGLEY´S Extra® was in fact able to increase penetration of chewing gum in the population, through increased social acceptance. As the graph shows WRIGLEY´S Extra® had a significant influence on category penetration in all age groups. The new positioning attracted new and lapsed older consumers to the category.

Some reasons, why numerous oral care brands have had less success with chewing gums

In 1993 a first competitive offer was launched. The image transfer product had quite a good product quality and was positioned on breath freshening, building upon the brand's heritage as the leading mouthwash liquid in Germany since 1892. However the competitive offer was 40 percent more expensive than WRIGLEY´S Extra® on per piece / stick base and the advertising was somewhat over-promising. Not surprisingly, despite of a high trial rate repeat purchases were low. Already the US researcher Politz has summed up this principle in two laws, after analyzing the behaviour of products and campaigns for many years:
"Advertising stimulates the sales of a good product and accelerates the destruction of a bad product. To make a claim which the product does not possess merely increases the frequency with which the consumer observes its absence.
A campaign that stresses a minuscule difference, which the consumer cannot observe in actual practise, also accelerates the destruction of the product. Such a campaign again increases the frequency with which the consumer observes the absence of the claim." (Reeves 1985 p. 61)

In 1994 the almost parallel launch of two other competitive products in the same chewing gum segment happened, which achieved together a five percent share. They have possibly avoided greater success of WRIGLEY'S Extra® in that year.

On hindsight the image-transfer product of the leading tooth paste brand in Germany (at that time), may not have had a real chance as a „tooth paste expert" against the „chewing gum expert". However some positioning and marketing mistakes made the defense of WRIGLEY´S Extra® easier. The former managers Buchholz and Wördemann (1998 p. 102) of that company have acknowledged: The image-transfer product *"should not have focussed in its communication efforts on the anti-caries-effect (which consumers believed anyway building on the brand´s heritage* [and associations], *but on establishing its chewing gum competence and credentials (because the real gap in consumer believability did exist in that dimension)."*

Objectively measured the competitive image-transfer product had a significant taste disadvantage compared to WRIGLEY´S Extra®: in blind tests it initially lost 10% to 90%! To make things worse the packaging (a carton box with blister packaging and a package insert) was not in line with consumer expectations and needs, at least not really convenient in out of home situations. And we consider it as brave that the competing product was primarily offered after the launch in the tooth paste shelf and not in the confectionary area. In this situation and environment even intensive advertising support was not able to make up. The ever high market share of that competing product was about 3 percent during the phase with the highest trials.

The second competitor performed somewhat better. Product and packaging are more in line what consumer wants. It is still around, but shares are nowadays down to about 1 percent. (source: ACNielsen).

Internationally numerous other chewing gum launches of larger tooth paste or oral care brands have failed too or show very moderate performances.

When getting into the chewing gum business all these oral care brands seem to have overlooked that a key core category benefit of chewing gum is "taste enjoyment" and that dental care is very often used as an unconscious alibi to justify chewing. At least consumers are not willing to compromise taste for other benefits. In this respect these tooth paste brands tend to have an associated inherent disadvantage in consumers´ mind: *„Who wants to taste and chew a tooth paste for a longer time period (e.g. 20 minutes)?*"
The interesting finding is that a lot of the above mentioned competitive products have actually a rather good taste performance (in blind testing) however the presence and heritage of a tooth paste brand leads consumers in a totally different direction i.e. 'this does not taste' – 'this can't taste good'. *"Brand associations can establish a perceived product advantage or disadvantage which does not exist "objectively"."* (Mayer de Groot 2003 pp.31; see also pp. 93 and pp. 250 for other examples)

WRIGLEY´S Extra® Initiatives and Developments in the past 10 years

Let us cover some other major events that left their footmarks in brand performance of WRIGLEY´S Extra®.

WRIGLEY´S Extra® multipacks were launched in January 1994 and Mentholmint in July 1994. Both activities resulted in further growth of the total brand, in total about six additional share points were gained.

The WRIGLEY´S Extra® for Kids launch in August 1996 convinced parents (mothers) to buy dental care chewing gum for their children and increased shares of the brand another 5 points. Volume went on top. – Despite of its name, the product proved also to be attractive to a minority of adults, who prefer a fruity taste in a chewing gum.

Extra White, launched in February 2000 strengthened further the dental equity of Wrigley's Extra®. - The launch of WRIGLEY´S Extra® Professional with micro-granules in 2003 builds upon WRIGLEY´S Extra® dental heritage and further strengthened the brand. The product is designed to clean teeth in a way you can feel. Before the introduction of WRIGLEY´S Extra® Professional the WRIGLEY´S Extra dental health claims were more or less based on scientific evidence and trust, but could not really be experienced by consumers, which was found to be a key barrier to buy into the benefit.

Meanwhile Wrigley's Extra® has even expanded very successfully in hard candies as Wrigley's Extra Drops®. This allows offering dental care in between to consumers that would rather prefer to suck a candy (in some occasions) than to chew a chewing gum.

All these measures and activities can only leverage their full effect and potential, if they are executed in the very best way. Besides advertising that is appropriately targeted and comes in the right dosage another key cornerstone is a superior sales strategy. Execution in excellence means that the merchandize is not only shipped into the trade, but the sales division makes sure that consumers will always receive the final impulse for their purchase decision.

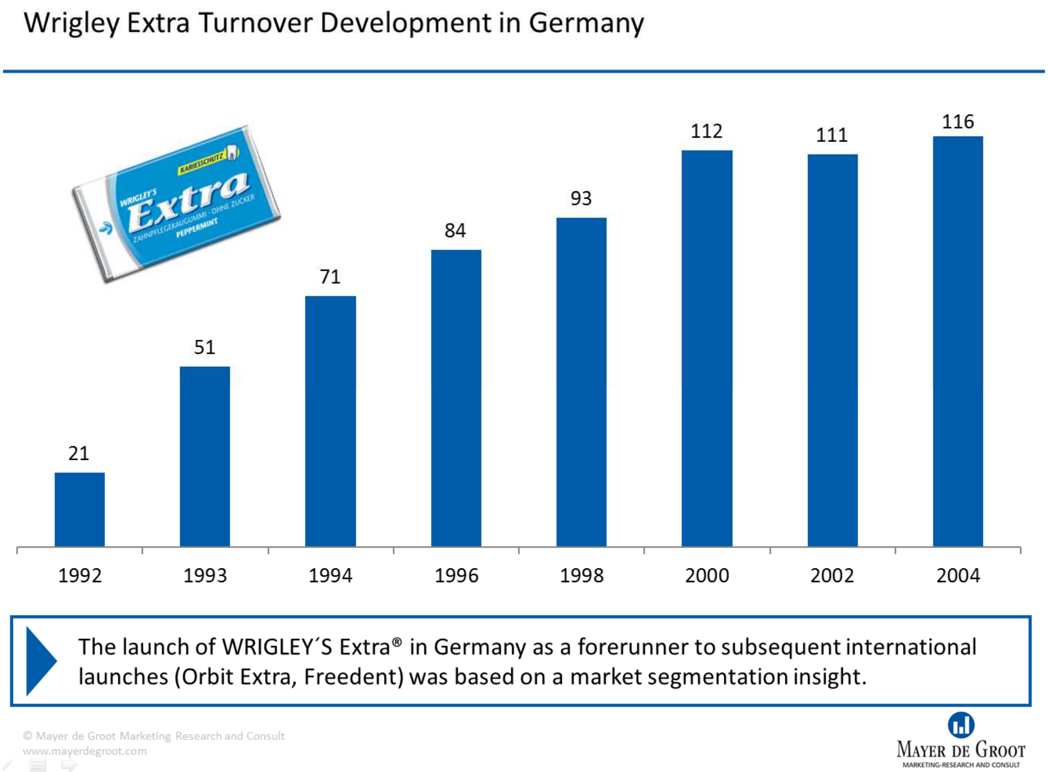
To wrap up Wrigley Extra development we have to acknowledge that over time other WRIGLEY chewing gum launches (such as Airwaves®) surely ate up some of the chewing gum shares of WRIGLEY´S Extra®, but added to the company's and category's overall growth momentum or hardly cannibalized Wrigley's Extra in absolute terms. In 2008 the brand enjoyed a share of 34 percent in the total gum category and a share of more than 90 percent within the dental care chewing gum segment. In the sales channels covered by A.C. Nielsen the sales of Wrigley's Extra® to consumer exceeded 100 Million Euro in 2004, making it to one of the biggest brands in sugar confectionery in Germany. 10 years ago in 1994 Wrigley's Extra was only half of that size in turnover while having almost similar shares. That sales development proves that over time other WRIGLEY chewing gum launches surely ate up some of the chewing gum shares of WRIGLEY´S Extra®, but hardly cannibalized Wrigley's Extra in absolute terms.

WRIGLEY´S Dental Care Chewing Gums International Successes

WRIGLEY has successfully exploited the dental healthcare proposition of chewing gum in numerous countries around the globe. For historic reasons and because consumer learn cumulatively, different brands have been used. In France Freedent® dominates the dental care chewing gum segment with a share of roughly 70 percent in 2008 and enjoys a share of roughly 25% in the gum category.

The same is true for Orbit® in the UK (on which success story we would like to expand a little bit on behalf of our British readers). Even better WRIGLEY´S public relation work and support in the area of oral healthcare has resulted in 90% of dental professionals in the UK recommending sugar free gum to their patients. Furthermore, Orbit® is the first and only sugar free gum to gain accreditation from the British Dental Association and the Irish Dental Association in recognition of its contribution to good oral healthcare.
Similar to Wrigley's Extra in Germany the communication for the Orbit® brand in the UK highlights its dental and oral healthcare benefits ranging from „keeping the natural whiteness of the teeth" to „cleaning your teeth in a way you can feel".

Orbit is the brand that is associated with a unique success story in Eastern Europe. Orbit is the leading Chewing Gum brand from Prague to Vladivostok and from Murmansk to the Caspian Sea with market shares in the chewing gum segment around or even above 60 percent in 2008. In many Countries Orbit is not only one of the most heavily advertised brands in FMCG, but it is also one of those FMCG brands with highest turnover at consumer prices.



Summary

There are four key drivers behind WRIGLEY´S dental care chewing gums international successes – three of them were actively supported by market research – the fourth is related to entrepreneurship and leadership qualities:

1. Play according to the Rules of the Category

WRIGLEY´S Extra® and its sister brands always delivered the core chewing gum category benefit „taste enjoyment". A compromise in that respect was never made - in contrast to some less successful attempts from competitors with dental care core competence.

2. Prepare the launch with appropriate Research Tools

The launch of WRIGLEY´S Extra® in Germany as a forerunner to subsequent international launches was well qualified through qualitative and quantitative research tools. On the qualitative side projective market research techniques provided in depth insights into the emotional and factual needs as well as barriers of target groups, which were interested in dental benefits in a chewing gum. On the quantitative side a test approach was used which combined the advantages of image analysis, market segmentation, concept test and classic market gap analysis. This positioning goes far beyond a mere description of the status quo, it reveals how a brand's market position can be further optimized. This know how ensured that all marketing-mix elements, such as on pack communication, advertising and below the line activities, had initial and sustainable impact.
Launching a new brand with a new to the world Benefit implies significant business risks. It is wise to check a launch concept for economic feasibility in simulated test-markets or 'real-life' test-markets.

3. Careful Brand and Portfolio Management

The subsequent well executed strategic expansion of the WRIGLEY´S Extra® portfolio strengthened the brand in successive steps even further– and last, but not least - also increased the likelihood in store of getting noticed and purchased at all in a highly competitive confectionary environment.

4. Superior Execution in-market

To achieve a leading position in a market it is no more sufficient to offer a good product, ensure flow of goods and advertise here and there. The achievement of this goal is tied to significant investments of material and immaterial resources and a certain commitment of measured risk. Companies that are saving at either end always had lower probability of success in the past, but will almost be without any rate of success in the future.

WRIGLEY´S Extra® success story started in Germany and the brand has achieved its core objectives. Its dental care positioning has converted a significant amount of new and lapsed (older) consumers – not only initially, but also in the long run. In 2008 the brand enjoyed a market share of 33,5 percent in the total chewing gum category and a share of more than 90 percent within the dental care chewing gum segment. In the sales channels covered by A.C. Nielsen the sales of Wrigley's Extra® to consumer exceeded 100 Million Euro in 2004, making it to one of the biggest brands in sugar confectionery in Germany. Similar and even greater success was achieved through that positioning internationally.

LIMBIQUE EMOTIONAL EXPLORER (LEE) Method Description

The LIMBIQUE EMOTIONAL EXPLORER (LEE) solves the key problem: How do you get reliable answers on questions you never asked – concerning optimal brand positioning and marketing mix executions?
Experience has proven that brand positioning represent a knife edge problem. You only have a real chance of resounding success if you hit exactly on a (emotional and/or rational) purchase relevant need.

Generally speaking, it can be said, that the real problem of market research is, that consumers often do not know exactly why they behave in a certain way (e.g. purchase a premium brand despite of cheaper alternatives). Therefore they cannot tell us their motives precisely. – Expressed with other words: The disadvantage of conventional motivational research (such as group discussions and in depth explorations, which could also be used in appropriate cases) is that they are predominantly based on verbalisations. Therefore you tend to get more rationalized answers, which are affected by social biases and self control. It is often with these qualitative techniques virtually impossible to unearth the hidden wishes of consumers.

Nearly all qualitative market research methods cannot solve the following key problem: How do you unearth the hidden wishes of consumers? How do you improve products and their communication, if the addressees cannot verbalize what is „better"?

If you choose to ask specific questions, you automatically reduce the options of potential answers. If a consumer is asked why he uses a certain product category or brand, his answer mostly contains very superficial standard responses: One particular brand "tastes, smells, looks or fits "better" than another" – even though product tests most often show that consumers can not tell the difference in blind tests.

Results of this kind do not provide the real causes for behaviour and are insufficient to predict brand choice reliably. – You should keep in mind that more than **95% of all „decisions" are taken subconsciously**, as modern brain research has proven, and approximately 80% of all person-to-person communication is non verbal, e.g. facial expression, body language. – However one can only verbalise, what at least sometimes gets conscious.

Experience has proven that is usually even more difficult for consumers to express their emotional needs and feelings. And emotional benefits get more and more important for brand choice, because an increasing number of consumers tend to perceive only marginal if any differences in rational product features. - Emotional benefits also represent a strategic opportunity to differentiate successfully brands from trade brands.

The solution to this dilemma is: „**to ask without asking**." Exactly this is strength of the LEE approach. It is also the major reason why we – after several other methodological attempts - have transferred the analytical elements of numerous non-verbal techniques into market research. - As the LEE method is not well known in market research, a brief description may be helpful.

The LEE is a technique which permits (also non-verbal) in-depth research into emotional experience and feelings and makes them apparent to the onlooker e.g. in form of symbolic attributions, scenic acting and numerous other techniques. It allows the market researcher to communicate with clients/consumers on a level at which their (sub-) conscious needs can be perceived with greater accuracy and more substantially than is possible with other qualitative market research methods.

Symbolic attributions, scenic acting and numerous others non-verbal data-gathering techniques offer the possibility to integrate alternative main qualitative data collection methods such as interview, observation and experiment in one single powerful research tool: the Limbique Emotional Explorer. The aim is to use their respective advantages, whilst avoiding their specific disadvantages via parallel application of all the „full arsenal" of qualitative methods. The LEE uses a wealth of other techniques in addition to the techniques mentioned above in order to obtain even greater insights into the consumer. It provides a holistic approach to understanding the consumer. Consumers often become aware of their motives for the first time and can even name emotions connected with them. And they do this in a way which market researchers and marketing managers can follow and understand.

Ideally, a LEE group is made up of 8 - 12 persons. For market research purposes these are: The LEE specialist and moderator, an experienced market researcher and marketer, and approx. 10 consumers. - A LEE usually lasts about 8 hours including breaks.

LEE specialialists and moderators are usually national trainers (usually with a degree in psychology) who have lots of experience in hundreds of psychological and LEE techniques, thus providing superior understanding of true motivations and relevant cause-and-effect-chains.

Projective techniques have been used successfully in more than 900 marketing applications and its insights often paved the way to great successes, which were validated by subsequent quantitative research and/or market performance. (See case studies on www.mayerdegroot.com)

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