Key Cobblestones Along the Path to Growth
Solid innovation pays dividends

Product innovation is happening despite a challenging market environment. Though consumers tend to rely on a limited number of products as their “go to” pantry solutions, they remain quite open to new products that make lives easier, more exciting and/or more rewarding.

**Consumer Packaged Goods (CPG) marketers who fail to lead the evolution or follow quickly will be pushed out of the way—and literally right off the retail shelves.**

Successful innovation, though, is a daunting challenge. Thousands of new brands hit retail shelves each year, yet only 200 achieved best-of-the-best IRI New Product Pacesetter (NPP) status. In their first year, these brands earned an average of $34.8 million, and a cumulative first-year total of more than $7 billion across IRI’s multi-outlet geography.

Sales dollars are important, but just part of the new product success story. These brands are doing even more for their innovators. They are building share in existing and new sectors and driving excitement in the marketplace. Simply stated, these brands are clearly demonstrating how successful innovation accelerates growth.

Marketers have the opportunity to join the ranks of IRI’s New Product Pacesetters, building a competitive advantage and sustained brand growth, with flawless execution across the four Ps of marketing: product, price, promotion and place (distribution).

First and foremost, products must command attention by satisfying crucial needs and wants. They must deliver value above all else, and that value proposition must be concisely communicated in a way that will break through the clutter and activate target shoppers.

Driving awareness and understanding is an essential goal of any good promotional program, and efforts to increase awareness and trial must be maintained, at the least, throughout several purchase cycles.

Targeted distribution is essential. Consumers will not go on a mad hunt to find new products. It’s up to marketers to get their products to the stores that are frequented by their core consumers and ensure that inventory is sufficient to meet demand.

The following report is an industry-recognized benchmark analysis of exceptional first-year CPG sales success for newly launched products. These are IRI’s 2014 New Product Pacesetters, textbook examples of innovation done right.
Consumers are hungry for new products

17% of consumers are new product enthusiasts*

**New Products Are in Demand**

Nearly one out of five shoppers enthusiastically embraces new products*, largely driven by the quest to have the latest and greatest that packaged goods marketers have to offer.

Enthusiasm for new products varies across retail aisles. It is most prevalent in food aisles, where consumers are looking for quicker, easier and more portable solutions, solutions that make life more exciting and/or solutions that make achieving nutritional goals a bit simpler.

Consumers take a more cautious approach to new health care products, yet 13 percent still consider themselves to be enthusiastic consumers of new launches in this area, driven by the pursuit of faster, longer-lasting and/or more effective relief of ailments and conditions that detract from life’s enjoyments.

Source: IRI 2015 New Product Survey

*Note: New product enthusiasts answered either "I am an early adopter of new <category> products, I like to have the latest and greatest" or "I am always looking for new <category> products to try for at least 3 of the following categories: food, beverage, health care, beauty/personal care, home care. For pet care, respondent answered, "I am always looking for new pet care products to try."
Launches satisfy a variety of needs and wants

Benefits Are Exploding as CPGs Provide More Benefits

During the past five years, the breadth and depth of benefits touted on packaging, websites and other promotional vehicles used by IRI New Product Pacesetter brands has exploded. This surge is partially explained by the fact that new ingredients and technologies are enabling CPG marketers to wrap more into their brands. But, the explosion is also attributable to the fact that marketers have stepped up efforts to better communicate product benefits—those that are new and, often, those that have long existed.

Consumers are looking to packaged goods marketers to serve a wide variety of needs and wants. They want home care products that save time and energy, food and beverages that offer excitement and indulgence and beauty products that offer longer-lasting results.

Consumers’ drive is opening the door to great opportunity for CPG marketers. Adeptly understanding and delivering sought-after benefits is not only allowing marketers to extend the reach of current products, it is also allowing them to capture and grow share in new competitive sets.

Average Number of Benefits
2009 & 2014

+38%

5.6

2009

7.8

2014

Primary Drivers of New Product Purchase
By Segment, Among Enthusiasts

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Home Care: Get Housework Done in Less Time</td>
<td>71%</td>
</tr>
<tr>
<td>Food: Indulge Without Paying Restaurant Prices</td>
<td>61%</td>
</tr>
<tr>
<td>Pet Care: Improve My Pet’s Health</td>
<td>61%</td>
</tr>
<tr>
<td>Beauty: Longer-Lasting Results</td>
<td>59%</td>
</tr>
<tr>
<td>Beverage: Options That Are Truly New and Different</td>
<td>57%</td>
</tr>
<tr>
<td>Health Care: Faster Relief Versus Existing Products</td>
<td>53%</td>
</tr>
</tbody>
</table>

Source: IRI 2015 New Product Survey
The innovation pipeline is strong but deliberate

**% Change in Number of New CPG Product Introductions**

<table>
<thead>
<tr>
<th>Year</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>3.0%</td>
</tr>
<tr>
<td>2013</td>
<td>-4.2%</td>
</tr>
<tr>
<td>2014</td>
<td>-4.6%</td>
</tr>
</tbody>
</table>

**New CPG Product Launch by Sector**

- Food & Beverage: 53%
- Non-Food: 47%

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**CPGs Are Selective in Their Innovation Pursuits**

Despite the fact that 85 percent of American household needs are consistently filled with the same 150 items*, new product innovation is the lifeblood of the CPG industry. For consumers, it brings novelty and, often times, makes life easier and more enjoyable. For CPGs, it protects and, when done well, grows valuable shelf space, enhances shopper loyalty and increases revenue and profits.

Of course, bringing to market successful new products is no easy task. While estimates vary, generally accepted new product failure rates range from 60 to 80 percent of launches within the industry. Failure may come in the form of lower-than-expected sales, or the launch may not live up to expectations around incrementality and/or sustainability.

Still, innovation is critical to long-term survival. Even though the country has been through several years of less-than-ideal market conditions, new product innovation is happening. Marketers are being selective, though, and taking a very deliberate approach to product development. During the past couple of years, the pace of innovation has slowed.

The slowdown is evidenced across CPG aisles. But, while the history of innovation has shown periods where food and beverage innovation has outpaced non-foods, and vice versa, new brand introduction has been slightly higher within the food and beverage sector during the past several years, driven by the ever-quickening pace with which consumers’ palates and eating behaviors are changing. In 2014, 53 percent of new brand entries hailed from food and beverage aisles.

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Source: Mintel, Global New Products Database

*Note: Harvard Business Review, April 2011.
New brand entries picked up steam in 2014

New Brand Launches Are Less Prevalent, Not Necessarily More Lucrative

Historically speaking, a vast majority of CPG innovation comes in the form of product line extensions that seek to broaden a brand’s appeal to new consumer targets and/or re-energize mature categories.

New brand launches are introductions that are new to the packaged goods industry, including crossovers from other channels (e.g., pet specialty) and prescription products that move to over-the-counter status. This year, 15 percent of Pacesetting brands were new brand introductions. These new launches were evenly split between food and beverage and non-food sectors.

The evenness of new launches marks a trend change for CPG. During the past several years, food and beverage manufacturers have been setting the pace in this area.

In non-foods, six of the nine new launches came to retail stores from the “as seen on TV” arena. The largest, Tag Away, is an all-natural, pain-free way to remove skin tags. Other powerful from-TV crossovers include hair care, auto care and pet care products.

Healthcare marketers brought three previously prescription-only brands to over-the-counter status. Nasacort, OXYTROL and VetIQ each hit it big, offering consumers more readily accessible solutions to common human and pet health needs.

While new non-food brand introductions were more numerous, new food brands brought, on average, more sizable year-one sales in 2014. Crisp like an apple but brewed like an ale, REDD’s Apple Ale was the largest of these launches, capitalizing on consumers’ quest for new and different alternatives to traditional beer.

Noosa Yoghurt is another brand that brought a new twist to an existing arena, coming from the land down under to bring a sweet-tart tang and smooth, velvety texture that stands apart from traditional and Greek yogurt alternatives.

Source: IRI Market Advantage™, new products that completed their first year in calendar year 2014
Powerful launches are reaping sizable year-one sales

### Average Year-One Sales

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-Food</td>
<td>$35.6</td>
<td>$34.4</td>
<td>$34.3</td>
</tr>
<tr>
<td>Food &amp; Beverage</td>
<td>$43.4</td>
<td>$35.2</td>
<td>$35.3</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th># Brands Capturing $100M+ in Year One</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-Food</td>
</tr>
<tr>
<td>2012: 3</td>
</tr>
<tr>
<td>2013: 3</td>
</tr>
<tr>
<td>2014: 4</td>
</tr>
<tr>
<td>Food &amp; Beverage</td>
</tr>
<tr>
<td>2012: 7</td>
</tr>
<tr>
<td>2013: 4</td>
</tr>
<tr>
<td>2014: 3</td>
</tr>
</tbody>
</table>

**Powerful Launches Are Making a Splash, Despite a Tough Economy**

On average, the year’s most powerful CPG launches captured well over $34 million in their first year on retail shelves. Continuing a multi-year trend, food and beverage launches outpaced their non-food counterparts, raking in an average $35.5 million in year-one sales.

Though it seems that return on innovation has diminished during the past couple of years, 2012 was an anomaly year, with seven food and beverage brands breaking the $100 million year-one threshold. In subsequent years, year-one sales dropped back down to an historical norm.

These heavy-hitting launches are fewer and further between in today’s marketplace. Today’s most successful innovation is often more targeted than it was even just a few years ago, zeroing in on unique, often niche, market segments, thanks to increasingly powerful market analytics, advances in innovation technologies and more sophisticated marketing communications platforms.

For example, alcoholic beverage manufacturers are reaching beyond “typical” beer drinkers into new, with more targeted spins on beer.

Anheuser-Busch has a top-10 launch for the third year running with an extension to its Bud Light Lime label that aims to broaden its market reach. MillerCoors boasts three 2014 IRI New Product Pacesetter launches for the year. REDD’s Apple Ale and REDD’s Strawberry Ale offer natural flavors that are perfectly balanced for the sweet and refreshing taste to come through. For beer that’s full of flavor yet easy to drink, Third Shift Band of Brewers is beer done right.

Source: IRI Market Advantage™, new products that completed their first year in calendar year 2014
Accelerate growth with best practice innovation!

Create a Revenue Splash
Drive Outsized Growth
Capture Market Share
Start a Buzz!

Innovation Drives Revenue and So Much More

Bringing to market successful innovation is difficult. Launching a product that drives true, ideally sustainable, growth is downright daunting.

The 200 most successful CPG launches of 2014 captured a cumulative year-one revenue of $7 billion, accounting for 1.1 percent of 2014 industry sales.

But, revenue is just part of the picture. Many of these launches are case studies in innovation done right. They catalyze growth, growth that positions their marketers ahead of the competition. They capture new market share, whether in existing or new market sectors. And they can create a buzz in the marketplace.

These products provide a detailed roadmap of the path to growth. They demonstrate the value of adhering to a disciplined and well-rounded approach to innovation.

These are products that reach their targeted consumer with hard-hitting benefits. They have solid support plans.

The pages that follow provide a detailed analysis of how this year’s New Product Pacesetters embraced the 4 P’s of marketing to find growth in a marketplace that has been challenged by difficult economic conditions, conservative consumer behaviors and rapidly changing shopper attitudes and behaviors.
Make a statement with simplicity

Understand and Deliver Simplicity

Consumers expect so much from their favorite CPG brands that it has become easy to forget that bringing to market products that deliver simplicity is a key to reaping loyalty and sales. Nearly one-third of today’s most powerful new products make life a bit easier for consumers.

Convenience is hugely important to today’s time-starved consumers, and it is largely considered a cost of entry in today’s CPG world. Products that make everyday tasks more convenient are hitting home across CPG aisles.

Windex Touch-Up cleaner allows you to quickly clean and shine the surfaces you use most. Tidy Cats LightWeight creates light, tight clumps for easy scooping in a powerfully absorbent formula. And many a bite-sized and handheld food launches, including Eggo Bites, Hormel REV Wraps and Wholly Guacamole Minis, are making it easy to fuel up without slowing down.

Simplified designs are also streamlining life for consumers. New, simpler designs are making household care tasks faster and easier. Bounty DuraTowel is dinically proven to leave surfaces 3X cleaner than a germy dishcloth. Scotch-Brite Stay Clean line of cleaners refuse to trap even the most stubborn food particles.

Another powerful simplicity trend in CPG today is the simplification of ingredient lists. Products with fewer ingredients and/or more natural ingredients are enjoying good traction in the marketplace today. SkinnyPop, for instance, is a premium popcorn with “no artificial anything,” for tasty, guilt-free snacking. Rachael Ray Nutrish Zero Grain pet foods are real ingredients, made with real recipes that are really good–with no grains, no gluten and no fillers.
Delight with excellence

Put Product Performance in the Limelight

Nearly four out of 10 of the year’s top-selling product launches were more powerful, more delicious and/or more rewarding.

This is not a new trend. Rather, it’s a trend that keeps picking up steam. Consumers have come to expect great things from packaged goods. CPG marketers are delivering in spades!

The flood of restaurant brands crossing over to CPG aisles continues, allowing kitchen warriors to serve restaurant-quality cuisine in the comfort of their homes and without the restaurant price tag. In 2014, five restaurant crossovers achieved NPP status, including Starbucks Discoveries and Starbucks Iced Coffee, Olive Garden Signature Salad Dressing, Red Lobster Cheddar Bay Biscuit Mix and Dunkin Donuts coffee creamer.

Traditional CPG brands are also hitting it big with gourmet and artisan flavors. Kellogg’s is taking good to great with Special K Nourish, a hot cereal that boasts a unique multigrain blend of superfoods such as quinoa, oats, wheat, and barley to provide essential vitamins and minerals that nourish and care for you from the inside out.

Innovation in non-food aisles also makes professional-quality products more affordable for all, as technology and know-how seem to continually be raising the bar on innovations entering the marketplace.

It was a big year for pets, with nine Pacesetting launches offering premium-quality solutions for beloved household members. Iams ProActive Health Adult Weight Control cat and dog food is the top-selling launch in this area, capturing more than $55 million in its first year by offering an exclusive nutritional system containing fat metabolizing L-Carnitine.

Beauty care products are bringing more professional and longer-lasting results while simultaneously addressing glamor frustrations, such as split ends, dry skin and premature wrinkles. Garnier’s Fructis Damage Eraser, for instance, builds stronger, healthier hair, reconstructing 90 percent of strength, from root to tip, and protecting against future damage.

Healthcare product manufacturers, too, are upping the ante, with products that make it easier to treat simple ailments and conditions without time-consuming and pricey visits to the physician’s office. BENADRYL Allergy, for example, offers options in allergy relief, including nighttime relief and anti-itch cream, for dye-free relief when you need it most.

Key Benefit Details

- Power
- Results
- “Going Pro”
- Restaurant/Café Quality
Bring new and exciting experiences into the home

**Key Benefit Details**
- Indulgence
- Sensory
- Excitement

**Offer Easy Indulgences and Workweek Escapes**

Consumers are looking for new ways to add excitement, enjoyment and indulgence into their daily lives. They’re looking to achieve these rewarding moments within their already-squeezed budgets.

Hard-hitting CPG launches are filling this important need on many levels.

Nearly half of consumers (42 percent) eat at home more often now than they did when the downturn started to keep their budgets in check. Restaurant- and café-inspired food and beverage launches are turning this “sacrifice” into a treat.

With a commitment to freshness, great beans and hand roasting, Peet’s K-Cups line is superior coffee packaged for quick and easy single-cup brewing. For consumers looking for Italian cuisine in a flash, Bertolli’s Al Dente Meals provide perfect pasta, right from the microwave in minutes!

Marketers are successfully serving men’s desire for tailored personal care options and sensory stimulation. Old Spice captured sizable year-one sales with two new lines: Old Spice Wild Collection and Old Spice Re-Fresh. Each line gives men an opportunity to stand out from the crowd with unique scent options. Men can also take better care of their faces with Dove Men+Care facial line, a full range of face care specifically for men’s skin.

Even mundane everyday tasks are ripe with opportunity for little escapes. Sensory stimulation works wonders, proven by the average $46 million in year-one sales earned by 2014’s air freshener and candle Pacesetters.

Procter & Gamble hit hard with two new Febreze launches, Febreze Sleep Serenity and Febreze Noticeable Notables. The larger of the two, Febreze Sleep Serenity, captured $58 million in its first year, supporting rest and sleep with a collection of relaxing linen sprays and air mists.
Make sure the price is right

Always looking for new health care products that provide longer-lasting relief than existing products:

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Consumers</td>
<td>23%</td>
</tr>
<tr>
<td>Age 18-34</td>
<td>28%</td>
</tr>
<tr>
<td>Age 35-54</td>
<td>27%</td>
</tr>
<tr>
<td>Age 55+</td>
<td>17%</td>
</tr>
<tr>
<td>HH with Kids</td>
<td>29%</td>
</tr>
<tr>
<td>HH w/o Kids</td>
<td>20%</td>
</tr>
</tbody>
</table>

% Premium vs. Segment Average PPV

<table>
<thead>
<tr>
<th>Brand</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nasacort Allergy 24HR</td>
<td>109%</td>
</tr>
<tr>
<td>SkinnyPop</td>
<td>72%</td>
</tr>
<tr>
<td>Cascade Platinum</td>
<td>211%</td>
</tr>
<tr>
<td>Tidy Cats Lightweight</td>
<td>248%</td>
</tr>
<tr>
<td>Red Bull Editions</td>
<td>68%</td>
</tr>
</tbody>
</table>

Best Value Does Not Necessarily Equal Lowest Price

Nearly half of consumers (48 percent) note that their interest and awareness of new products is heavily influenced by price. The influence of price is much higher among millennials and lower-earning consumers than it is among older and wealthier cohorts.

Price also influences whether consumers try new products. Trial is ultimately driven by a number of factors, though, and those factors will differ across and within CPG categories.

For instance, 23 percent of consumers are always on the lookout for new products that offer longer relief than existing options. Younger consumers and consumers in households with children are influenced more by these benefits than older consumers and consumers in households without children.

Likewise, 36 percent of consumers actively seek new food products that help them better meet their nutritional goals. Here, millennials and higher-earning households are most likely to cite this motivating factor.

The key lesson is: providing value is not all about providing the lowest price. Many of 2014’s top-selling product launches commanded sizable premiums in average price paid.

SkinnyPop, on average, sold at a price that is 72 percent higher than the category average price. Why? Because SkinnyPop answers a number of key consumer needs and wants: it’s healthy, of premium quality, portable, and it is available in a variety of flavors.

Tidy Cats Lightweight also commands a premium price. Again, the brand justifies the premium by keenly focusing in on key consumer needs and wants: it is half the weight of traditional litters, dust-free, easily scooopable, and it provides long-lasting odor protection.

Source: IRI 2015 New Product Survey
Rely on carefully crafted and tightly targeted promotions to drive trial

Level of Deal Activity: Select Brands

<table>
<thead>
<tr>
<th>Brand</th>
<th>% Volume Any Deal</th>
<th>Index: Brand vs. Category (Average = 100)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yoplait Greek Blended</td>
<td>73%</td>
<td>141</td>
</tr>
<tr>
<td>Arm &amp; Hammer Clump &amp; Seal</td>
<td>64%</td>
<td>194</td>
</tr>
<tr>
<td>Viva Vantage</td>
<td>64%</td>
<td>165</td>
</tr>
<tr>
<td>Nasacort Allergy 24HR</td>
<td>50%</td>
<td>164</td>
</tr>
<tr>
<td>Red Bull Editions</td>
<td>48%</td>
<td>124</td>
</tr>
</tbody>
</table>

Building Solid Trial and Repeat Patterns Is Essential to Success

With well over 40,000 products in the average grocery store, and many more in larger-format stores, getting new products to stand out from the crowd is no easy task. The most successful product launches rise to the challenge.

In the first year, deal plays a major role in capturing consumers’ attention and driving trial and repeat, which in turn commands more shelf space.

Generally, deal activity among powerful new launches is well above category average during the first year.

To communicate a deal, or any product information, marketers must have an intimate understanding of what mechanisms and media will most effectively engage and influence their target audience. Is magazine more effective than internet, for instance? Which magazines, specifically, are the best options? Or, which internet sites?

Online, consumers often act as unofficial brand ambassadors. This is a double win for marketers. These brand ambassadors are helping to spread (hopefully) positive engagement with their brands, but they are also opening a new window of insight for brand marketers into how product users are interacting with their brands. This could provide new ideas for how to connect with shoppers, or even new ideas for the next great product innovation!

Often times, the most successful products sell half of their first-year volume, or even more, on deal.
Ensure that new brands are on hand in preferred channels

**Illustrative Example: Trial Channel Preference Behavior**
New Home Care Product: Index of Select Cohort vs. Total Population

53% of consumers prefer to purchase new **home care products** in the **mass/super** channel

<table>
<thead>
<tr>
<th>Channel Type</th>
<th>Index Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>African American: Dollar Store</td>
<td>221</td>
</tr>
<tr>
<td>$55-$100K: Online</td>
<td>145</td>
</tr>
<tr>
<td>Hispanic: Drug</td>
<td>143</td>
</tr>
<tr>
<td>Age 55+: Grocery</td>
<td>122</td>
</tr>
<tr>
<td>Males: Mass Merchandise</td>
<td>90</td>
</tr>
</tbody>
</table>

**Know Where to Be, and Be There**

Consumers demonstrate clear preferences when it comes to channel selection for new product trial. For instance, more than two-thirds of consumers (68 percent) are most likely to turn to the grocery channel when they are buying a new food product and half (53 percent) of consumers will turn to the mass merchandise/supercenter channel to purchase a new home care product.

It is critical to treat these generalizations as a starting point and go deeper. Different consumers shop channels differently. Even purchases of the same product will be different during different shopping occasions. These differences have a significant impact on channel selection for new product trial.

For instance, though 50 percent of African American shoppers are most likely to turn to mass/super to buy a new home care product, they are also more than twice as likely than the average shopper to make their first purchase of a home care product in the dollar channel. Half of Hispanic shoppers, too, will turn to mass/super for their first purchase, but this group is significantly more likely to try a new product for the first time in the drug channel than other shoppers.

With so many choices in the marketplace, odds of consumers going on a hunt to try a new product for the first time are slim. It’s up to marketers to closely study trial (and repeat!) purchase behavior to ensure that their brands are in the right stores with the ideal assortment, shelf location and inventory.
Set realistic expectations

New Product Pacesetter: Year-One Sales

Manage Year-One Sales Expectations Carefully

Three-quarters of new product launches earn less than $40 million in their first year. This does not mean that the products are not successful. It simply means that marketers need to clearly understand what level of year-one sales is realistically achievable and manage expectations across the organization.

On average, this year’s Pacesetters earned $34.8 million.

But, their introduction brought more than just a revenue infusion. Some of these launches, such as Gain Flings!, have broken open category definitions, allowing their manufacturers to compete successfully in a new segment of the CPG marketplace. Gain Flings!, in fact, captured more than eight volume share points of the laundry pacs segment, earning Procter & Gamble an incremental $170 million.

Big launches help to keep things interesting for consumers which, in turn, helps marketers protect and grow share in existing categories. Chobani, a marketer who entered the Greek yogurt segment a few years back with its flagship Chobani brand, notched up its share of yogurt sales with two 2014 Pacesetter brands: Chobani Flip and Chobani Simply 100. Combined, the two brands earned Chobani an incremental 1.3 yogurt dollar share points, worth more than $184 million in incremental revenue.
Keep up momentum in year two

Brand Launches That Did Not Surpass $100 Million in Annual Sales Until Year Two

 ✓ Continued Focus on Advertising
 ✓ Strong Merchandising Program
 ✓ Ongoing Coupon Support
 ✓ Broadening Distribution
 ✓ Growing Shelf Space

Year Two Growth Is Not Uncommon, but It Requires Ongoing Commitment

Some product launches are commercialized with the intention of causing a flash in the pan—temporary buzz and excitement for their category/marketer to protect market share and spur volume sales. Generally, these launches have a relatively short development cycle and require relatively low capital investment.

Other launches are much more intensive, requiring major capital investment and a long development cycle. For these launches, in particular, it is critical to keep marketing momentum strong in second and subsequent years, and to make adjustments to the initial marketing plan to ensure that volume and share growth continues.

Seventy percent of top 2013 New Product Pacesetter brands continued to grow sales in their second year on shelf.

One-quarter of 2013 Pacesetters did not surpass the $100 million per year milestone until their second year on shelf.

How did the marketers of these brands keep building momentum in year two? They keep their marketing wheels spinning to continue to drive awareness and ensure that their brands maintained a strong shelf presence.

Three-quarters of these brands sustained merchandising support in the second year, and 60 percent maintained couponing levels. Distribution continued to climb and shelf space expanded through the introduction of new flavors and/or sizes. These marketers stayed on their toes, tweaking marketing plans on an ongoing basis to ensure that their brands continued to have the well-rounded support necessary to stay top of mind in the minds and baskets of their target audience.
### Top 10 Pacesetters: Food & Beverage

*New food and beverage powerhouse launches are quick and easy, yet bold and authentic.*

<table>
<thead>
<tr>
<th>Product</th>
<th>Category</th>
<th>Sales (M)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lunchables UPLOADED</td>
<td>Refrigerated Lunches</td>
<td>$143.2</td>
</tr>
<tr>
<td>BUD LIGHT Lime Straw-Ber-Rita</td>
<td>Beer/Ale/Alc. Cider</td>
<td>$128.6</td>
</tr>
<tr>
<td>Chobani Simply100</td>
<td>Yogurt</td>
<td>$120.9</td>
</tr>
<tr>
<td>DIGIORNO pizzeria!</td>
<td>Frozen Pizza</td>
<td>$90.2</td>
</tr>
<tr>
<td>Activia Greek</td>
<td>Yogurt</td>
<td>$86.5</td>
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<tr>
<td>Chobani flip</td>
<td>Yogurt</td>
<td>$83.2</td>
</tr>
<tr>
<td>Red Bull Editions</td>
<td>Energy Drinks</td>
<td>$83.0</td>
</tr>
<tr>
<td>SkinnyPop</td>
<td>Salty Snacks</td>
<td>$76.4</td>
</tr>
<tr>
<td>REDD’S Apple Ale</td>
<td>Beer/Ale/Alcoholic Cider</td>
<td>$75.1</td>
</tr>
<tr>
<td>Yoplait Greek Blended</td>
<td>Yogurt</td>
<td>$69.4</td>
</tr>
</tbody>
</table>

Source: IRI Market Advantage™, new products that completed their first year in calendar year 2014
The most successful new non-food launches make life easier and more enjoyable with simplicity and superiority.

Cottonelle Ultra Comfort Care
$269.6M Toilet Tissue, Moist Towelettes

Gain Flings!
$169.9M Laundry Detergent

Nasacort Allergy 24HR
$139.2M Cold/Allergy/Sinus Liquids

ARM & HAMMER Clump & Seal
$103.5M Cat/Dog Litter

DayQuil/NyQuil SEVERE
$91.9M Cold/Allergy/Sinus Liquids

Tidy Cats with Glade
$81.4M Cat/Dog Litter

Old Spice Wild Collection
$72.4M Deodorant, Shaving Lotion/ Men’s Fragrance, Shampoo, Soap

Duracell Quantum
$72.0M Batteries

Cascade Platinum
$64.4M Dish Detergent

Tidy Cats LightWeight
$62.5M Cat/Dog Litter

Source: IRI Market Advantage™, new products that completed their first year in calendar year 2014
Top 10 Pacesetters: **Convenience Store**

*Convenience store winners are catering to consumers’ rapidly evolving notions of indulgence and excitement.*

<table>
<thead>
<tr>
<th>Red Bull Editions</th>
<th>$238.9M Energy Drinks</th>
</tr>
</thead>
<tbody>
<tr>
<td>blu eCigs</td>
<td>$220.6M Electronic Smoking Devices</td>
</tr>
<tr>
<td>BUD LIGHT Lime Straw-Ber-Rita</td>
<td>$159.9M Beer/Ale/Alcoholic Cider</td>
</tr>
<tr>
<td>Marlboro EDGE</td>
<td>$156.0M Cigarettes</td>
</tr>
<tr>
<td>Mountain Dew Kickstart</td>
<td>$120.7M Carbonated Beverages</td>
</tr>
<tr>
<td>Newport Smooth Select</td>
<td>$90.0M Cigarettes</td>
</tr>
<tr>
<td>Rockstar Pure Zero</td>
<td>$72.6M Energy Drinks</td>
</tr>
<tr>
<td>REDD’S Apple Ale</td>
<td>$70.2M Beer/Ale/Alcoholic Cider</td>
</tr>
<tr>
<td>Muscle Monster Energy Shake</td>
<td>$55.4M Energy Drinks</td>
</tr>
<tr>
<td>Angry Orchard Hard Cider</td>
<td>$48.3M Beer/Ale/Alcoholic Cider</td>
</tr>
</tbody>
</table>

Source: IRI Market Advantage™, new products that completed their first year in calendar year 2014
2014 Rising Stars: **Food & Beverage**

---

**Ben & Jerry's Cores**  
*Ice Cream/Sherbet*

---

*Grab-and-go satiation will continue to win stomach and dollars in the coming year.*

---

**Breyers Gelato Indulgences**  
*Ice Cream/Sherbet*

---

**Cheerios Protein**  
*Cold Cereal*

---

**Chili’s At Home**  
*Fz. Dinners/Entrees*

---

**Chobani Oats**  
*Yogurt*

---

**DOLE Chopped Salad Kit**  
*Rfg. Salad Kit*

---

**Giovanni Rana Pasta**  
*Rfg. Pasta*

---

**GT’s Kombucha Synergy**  
*Rfg. Teas/Coffee*

---

**Oscar Mayer Deli Fresh Bold**  
*Luncheon Meats*

---

**YORK Minis**  
*Chocolate Candy*

---

Source: IRI Market Advantage™, new products that completed their first year in calendar year 2014
2014 Rising Stars: Non-Food

New launches that empower consumers to live well for less are making a big splash in non-food aisles.

Air Wick Enchanted Holiday
Air Fresheners

Always Discreet
Adult Incontinence

Amopé Pedi Perfect
Foot Care Products

Beyond
Dog/Cat Food

Fusion ProGlide with FlexBall Technology
Razors, Grooming/Shaving Scissors, Other Grooming Supplies

Nexium 24HR
Gastrointestinal Tablets

Sally Hansen Miracle Gel
Nail Cosmetics

Take Action
Sexual Health

Tide + Coldwater Clean
Laundry Detergent

Tide Simply Clean & Fresh
Laundry Detergent

Source: IRI Market Advantage™, new products that completed their first year in calendar year 2014
Robust and people-smart: This explains our powerful suite of analytical and decision-making tools for consumer marketers and their brands. Learn about our breadth below; then don’t hesitate to contact Tom Juetten in IRI’s Innovation Center of Excellence: Thomas.Juetten@IRIworldwide.com or +1 312.662.2616.

<table>
<thead>
<tr>
<th>Tool</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>IRI New Product Profiler™</td>
<td>Employs a database of the strongest new product introductions since 2002 to help you identify and analyze critical success factors, plan product launches and set realistic goals with confidence.</td>
</tr>
<tr>
<td>IRI Concept Testing</td>
<td>Screens and accurately forecasts new product ideas in two days or less, at a fraction of industry-standard costs.</td>
</tr>
<tr>
<td>Advanced Segmentation</td>
<td>These solutions help you segment efficiently and target powerfully by identifying, quantifying and tracking distinct consumer/shopper groups who share attitudes—and purchase behaviors.</td>
</tr>
<tr>
<td>IRI Virtual Shopping™</td>
<td>A web-based experience that lets shoppers pick up, rotate, put back and “purchase” products. It’s a flexible, economical and efficient way to analyze in-store behavior.</td>
</tr>
<tr>
<td>IRI ShopperSights™</td>
<td>Innovatively segments and targets for unmatched optimization of promotion, media and retail-specific marketing programs at the household and store levels.</td>
</tr>
<tr>
<td>Opportunity Assessment</td>
<td>Leverages our Hendry Market Structures to help you forecast innovation opportunities in existing categories and white-space segments. Synthesize shopper behavior, attitudes and usage data to innovate early and accurately. You increase overall success and avoid expensive failure.</td>
</tr>
<tr>
<td>IRI AttitudeLink™</td>
<td>Generates powerful attitudinal surveys within the IRI Consumer Network™ panel, linking longitudinal purchasing behavior to underlying consumer needs and attitudes—something general market surveys can’t do.</td>
</tr>
<tr>
<td>IRI Innovation Solutions Team</td>
<td>Increases the odds of new product success and mitigates the risk of bad decisions by leveraging IRI’s Shopper Behavior-based innovation and new product solutions, which support the entire innovation process from white space identification to post-launch assessment.</td>
</tr>
</tbody>
</table>
ABOUT NEW PRODUCT PACESSETTERS

IRI has a long history of celebrating the consumer packaged goods (CPG) industry’s most powerful brand launches. It’s a celebration that is rich with iconic brands and game-changing innovations, brought to market by behemoths, such as Procter & Gamble and PepsiCo, and new market entrants, including TruRx and Chobani. It’s a celebration that gives innovators inside and outside the CPG industry an opportunity to learn from the best of the best in new product innovation.

IRI’s New Product Pacesetters is a celebration of innovation that accelerates growth.

IRI New Product Pacesetters Criteria

• Complete a full year of sales in calendar year 2014 (brands that complete year-one in 2015 qualify for Rising Star status)
• Begin tracking year-one sales after 30% ACV weighted distribution achieved across multi-outlet geography
• New Product Pacesetters are the Top 100 new banners (for each, food and beverage and non-food) based on year-one sales across multi-outlet geography
• Multi-outlet = supermarkets, drugstores, mass-market retailers, military commissaries and select club and dollar retail chains

ABOUT THE AUTHOR

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ACKNOWLEDGEMENTS

Contributors to the development and analysis of this report include Tom Goettsche, Susan LaRocca and Ryan Stredney, new product specialists in the Chicago office of IRI.