

# Consumer Assessment of Wrigley's Alpine Gum

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# Agenda

- **Background**
- **Objective**
- **Research Goals**
- **Executive Summary**
- **Methodology**
- **Analytical Findings**
- **Implications**

## Background

- Wrigley is considering an introduction of Alpine gum into the U.S. market.
- Alpine, an existing Wrigley's gum only available in Canada and a part of the cough drop/gum category, eases sore throat pain.
- Alpine reached 7% market share in Canada in the cough drop/gum category after only 2 years of its entrance into the market.

# Objective

Should Alpine sore throat gum attempt to enter the U.S. market and take on the top three competitors—Halls, Ricola, and Cold Eeze?

# Research Goals

- Primary Goal:
  - Determine whether Alpine gum should enter the U.S. market.
- Secondary Goal:
  - Determine whether a consumer would choose Alpine gum over a non-gum cough drop competitor.

# Executive Summary

- Customer acquisition as opposed to customer retention
- Findings indicate there are two target groups who have a high propensity to purchase gum and/or hard candy.
  - Primary Target: 47.5% heavy users with propensity
  - Secondary Target: 31.25% light users with propensity
- The most important product attributes in a gum and cough relief product:
  - Primary Target: Heavy Users w/ Propensity
    - Gum: right shape
    - Cough relief: different flavors
  - Secondary Target: Light Users w/ Propensity
    - Gum: freshens breath
    - Gum and cough relief: tastes good

# Methodology

## Population of Interest

- Population of gum and/or hard candy users

## Sample Size

- $n = 90$

## Sample Problems

- Sample is a non-probability sample, but this was the best alternative given the research parameters.

## Sampling Method

- Quantitative survey
  - Entire sample was either a category user or related category user.

## Analytical Procedure

- Conducted a light user run and profiles to identify heavy users
  - Heavy users are defined as those who purchased gum and/or hard candy at least 6 times over the past two months.
- Assessed volumetric behavior and propensity to purchase

# Data Collection



100%



100%



89%

- **Contact Rate**
  - The percentage of people who are reached (before screening)
    - 100%: All 90 people were reached successfully.
- **Cooperation Rate**
  - The percentage of people who were contacted who actually agreed to participate in the study
    - 100%: All 90 people who were contacted actually agreed to participate in the study.
- **Completion Rate**
  - The percentage of people who cooperated and completed the study through the end.
    - 89%: Of the 90 people who cooperated, 80 completed the study.



# Findings

# Alpine Gum

Non-Users

## Non-Users

- Not likely to chew gum or eat hard candy in the next 2 weeks
- 6.25% of respondents
- 0% Category Volume
- All Caucasian

Green – Category Volume %

Blue – User %

← Non Users 6.25% | 0% | 0 Index

# Alpine Gum

## Light Users w/ No Propensity

### Light Users w/ No Propensity

- Light Users: Purchased 1-5x in the last 2 months
- 11.25% of respondents
- 3.87% of category volume
- No propensity to chew gum in the next 2 weeks
- No likelihood to purchase Alpine
- Ages 19+

### Light Users w/ No Propensity

← 11.25% | 3.87% | 34 Index

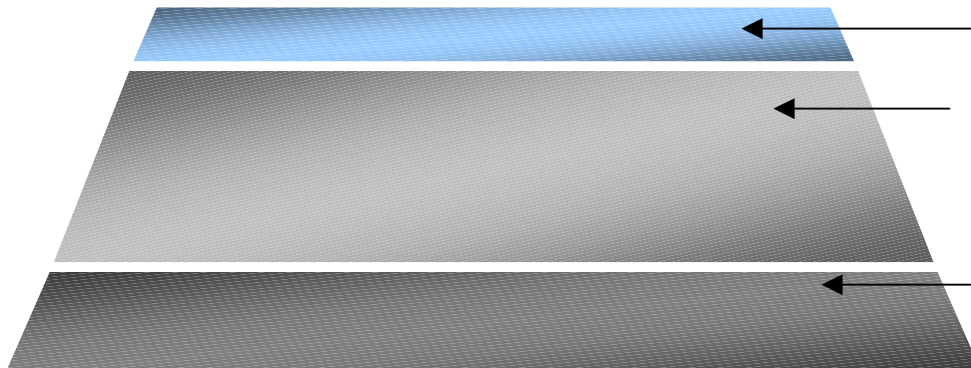
← Non Users 6.25% | 0% | 0 Index

# Alpine Gum

Heavy Users  
w/ No Propensity

## Heavy Users w/ No Propensity

- Heavy Users: Purchased 6+ last 2 months
- 3.75% of respondents
- 4.26% of category volume
- No propensity to purchase gum in the next two weeks
- Expected price: \$0.75 - \$1.24
- Ages 19-30



Heavy Users w/ No Propensity  
3.75% | 4.26% | 114 Index

Light Users w/ No Propensity  
11.25% | 3.87% | 34 Index

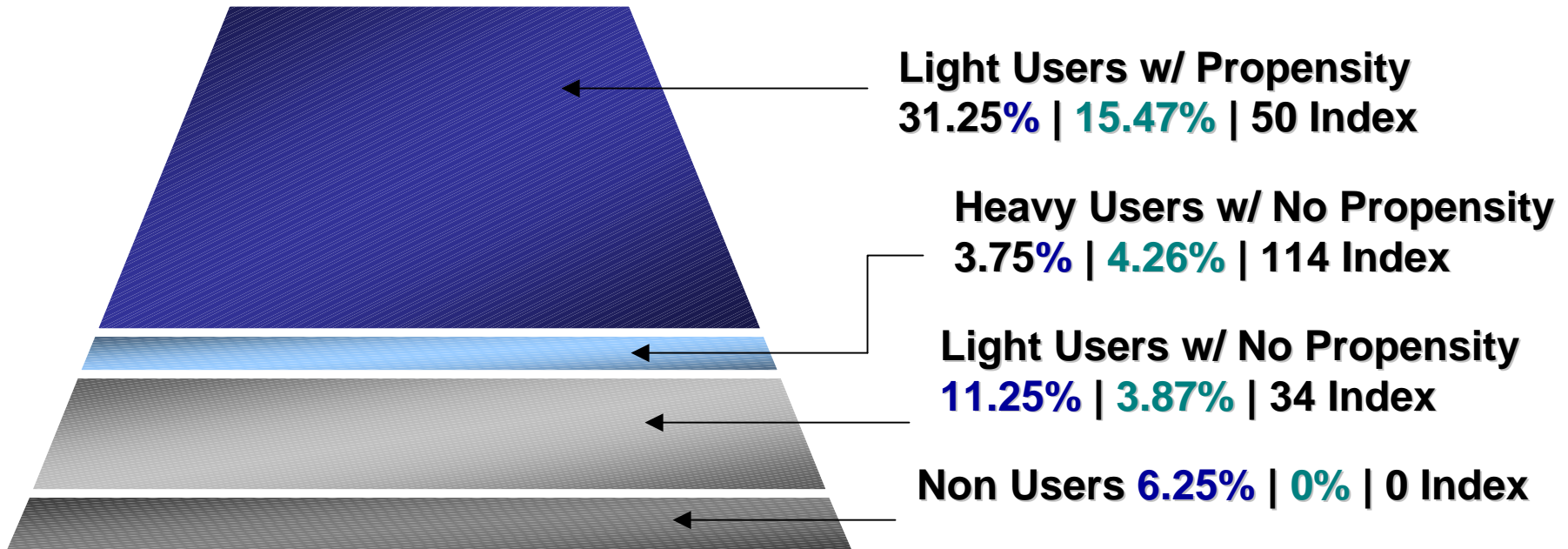
Non Users 6.25% | 0% | 0 Index

# Alpine Gum

Light Users  
w/ Propensity

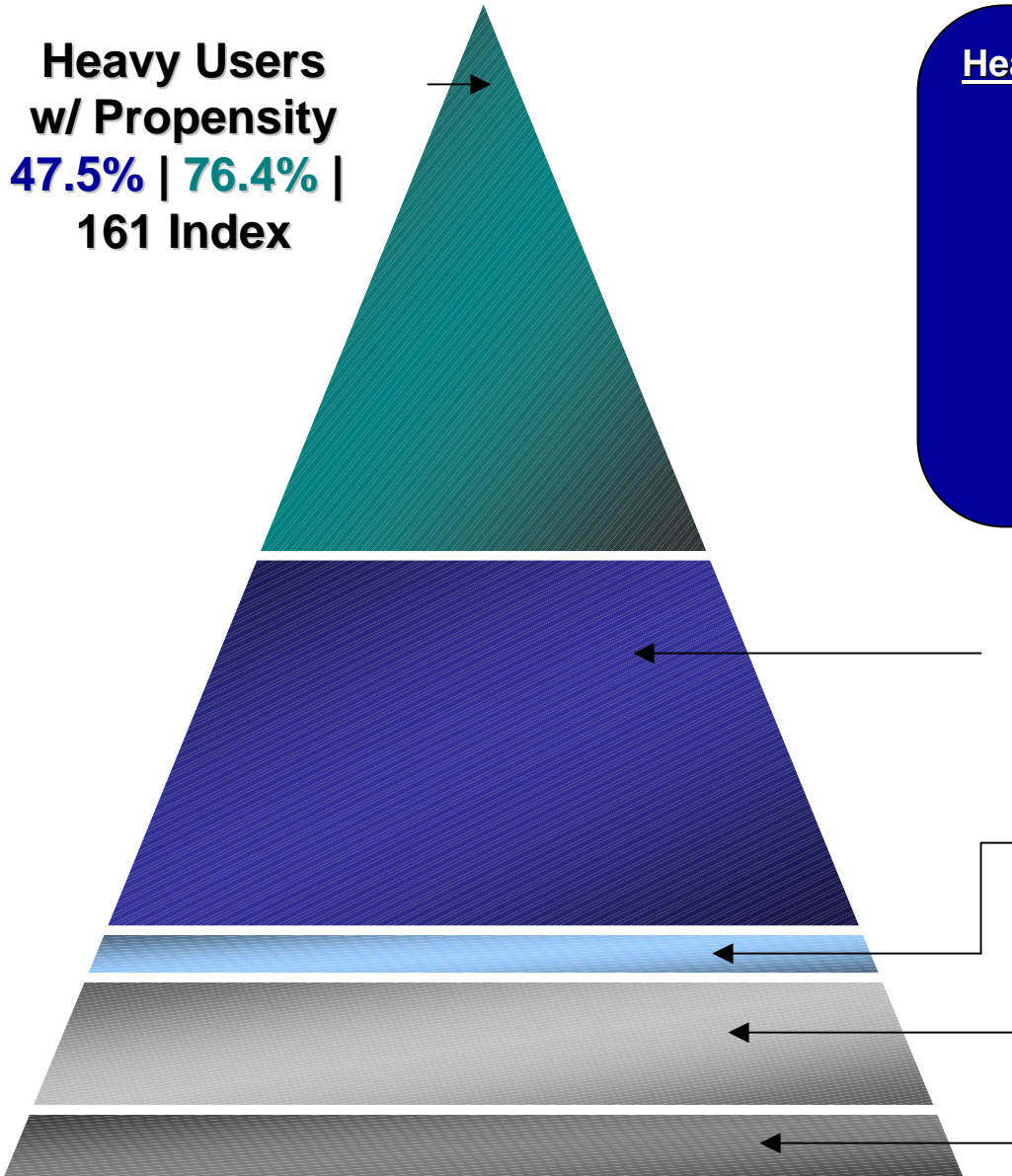
## Light Users w/ Propensity

- Light Users: Purchased 1-5x in the last 2 months
- 31.25% of respondents
- 15.47% of category volume
- Very likely to chew gum in the next 2 weeks
- Propensity to purchase Alpine
- Ages 19-50



# Alpine Gum

Heavy Users  
w/ Propensity



## Heavy Users w/ Propensity

- Heavy Users: Purchased 6+ last two months
- 47.5% of respondents
- 76.4% of category volume
- Propensity to purchase Alpine
- Very likely to chew gum in the next 2 weeks
- Ages 50 and under
- BEST targets

Light Users w/ Propensity  
31.25% | 15.47% | 50 Index

Heavy Users w/ No Propensity  
3.75% | 4.26% | 114 Index

Light Users w/ No Propensity  
11.25% | 3.87% | 34 Index

Non Users 6.25% | 0% | 0 Index

# Propensity to Buy with Primary and Secondary Targets

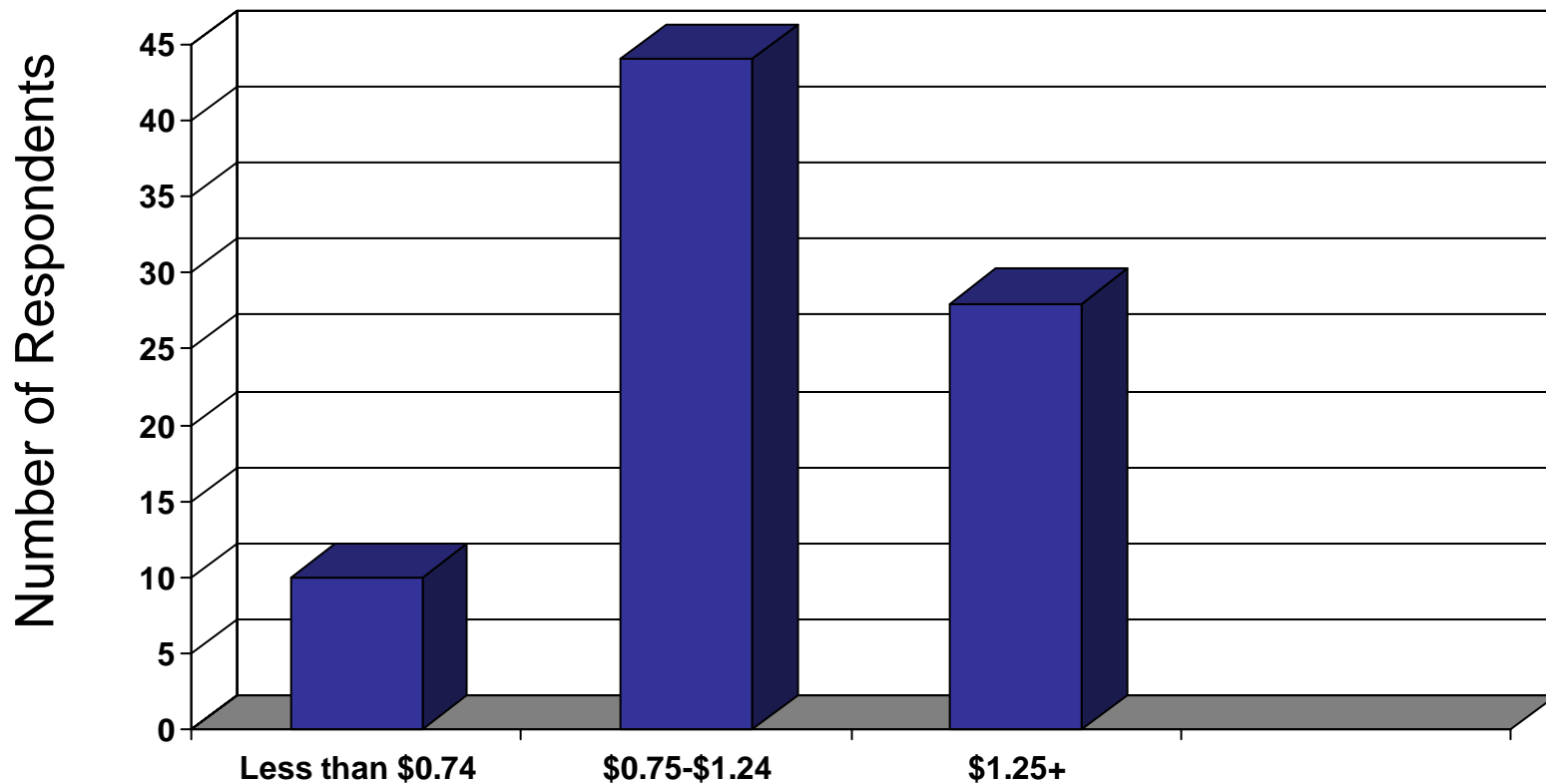
	Segment	Group	Index
<b>Primary Target:</b>			
Heavy Users w/ Propensity	15.79	13.75	115
<b>Secondary Target:</b>			
Light Users w/ Propensity	20	13.75	145
Heavy Users No Propensity	0	13.75	0
Light Users No Propensity	0	13.75	0

# Total Packs Purchased: Volumetric Indices by Segment

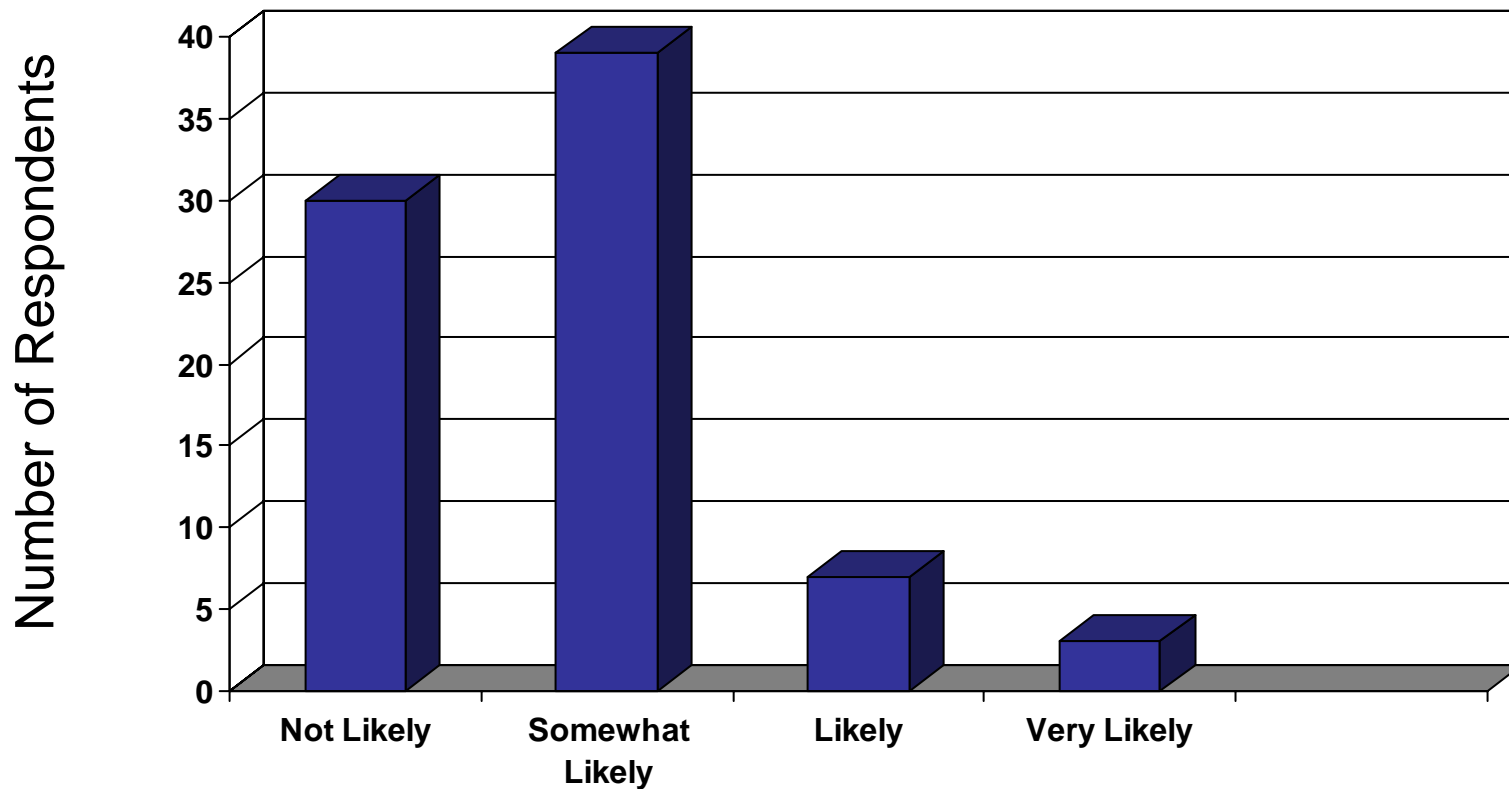
	% of Total Packs Purchased	% of Respondents	<b>Index</b>
Heavy Users w/ Propensity	76.4	47.5	<b>161</b>
Heavy Users No Propensity	4.26	3.75	<b>113</b>
Light Users w/ Propensity	15.47	31.25	<b>50</b>
Light Users No Propensity	3.87	11.25	<b>34</b>



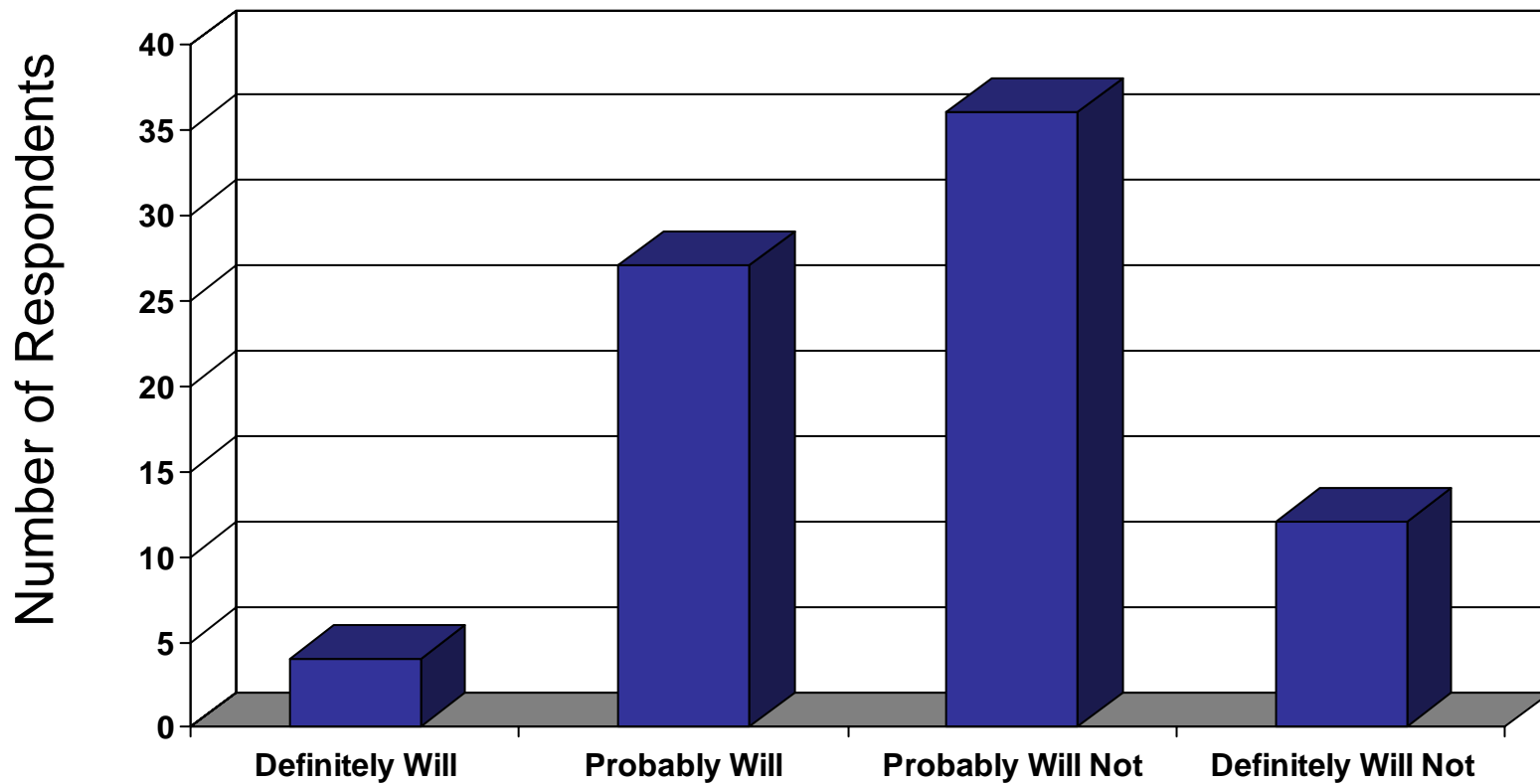
# Expected Price Range of Alpine



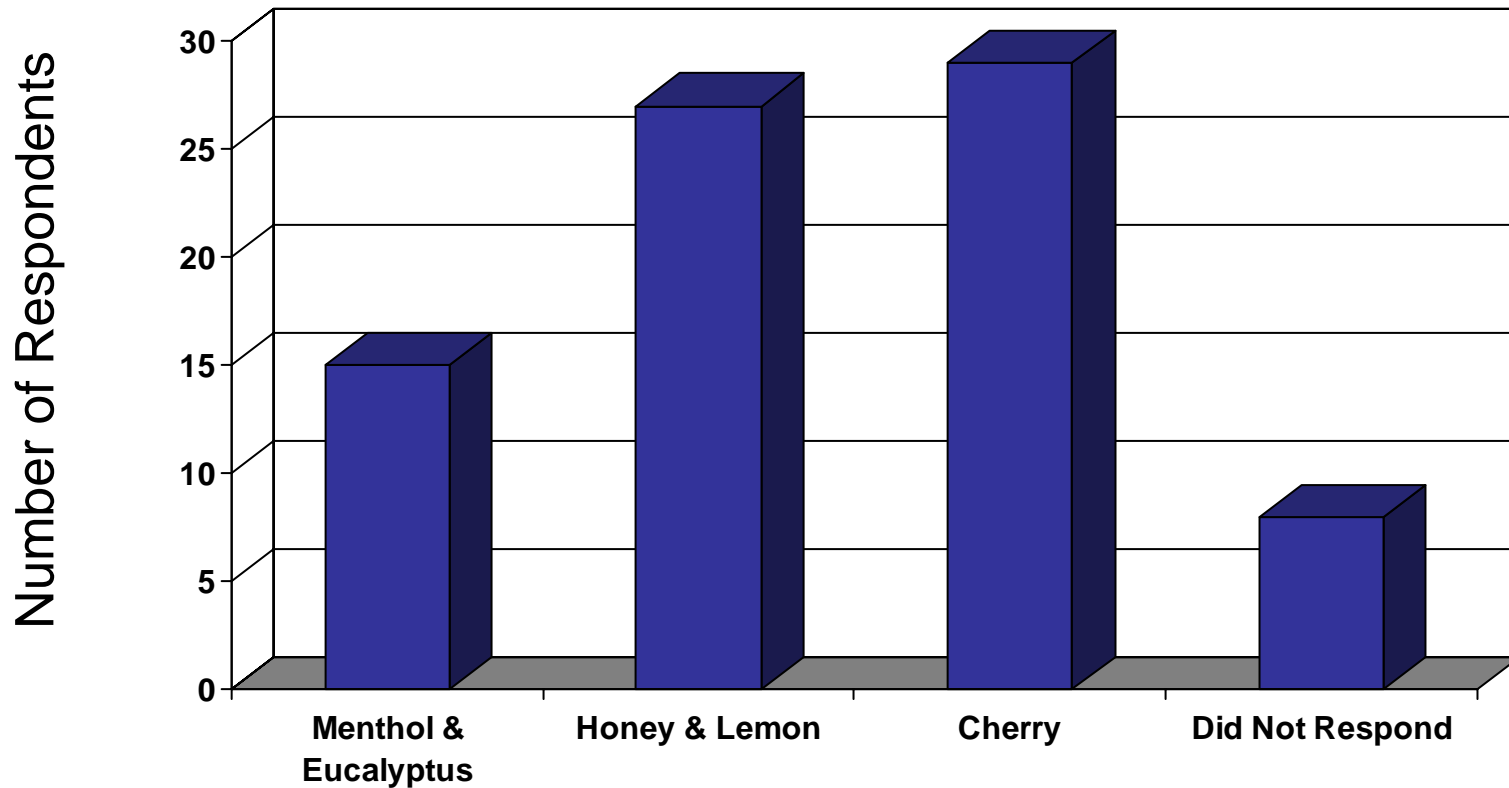
# Likelihood of Purchasing Alpine after Trying It



# Likelihood to Recommend Alpine



# Favorite Alpine Flavor



## Heavy Users with No Propensity value fresh breath and variety...

	Total	Group	Index
Use hard candy as a breath freshener	27.5	66.67	242
Prefer a cough relief product that is available everywhere	49.35	66.67	135
Prefer cough relief that offers different flavors	39.74	66.67	168

...and place no value on  
brand name, fast relief, or price.

	Total	Group	Index
Prefer brand name gum	48.1	0	0
Prefer gum with easy, fast relief	49.35	0	0
Prefer cough relief that's priced right	52.56	0	0

## Light Users with Propensity value price, taste, and a variety of flavors...

	Total	Group	Index
Prefer gum that offers different flavors	49.37	58.33	118
Prefer gum that's priced right	65.82	79.17	120
Prefer cough relief that tastes good	57.69	70.83	123
Prefer cough relief that's priced right	52.56	62.5	119

... but may require heavy advertising to effectively reach this segment.

	Total	Group	Index
Are influenced primarily through word of mouth	42.5	32	75
Are influenced by friends and family gum usage	17.95	12.5	70





## Heavy Users with Propensity value gum shape, fast relief, and packaging...

	Total	Group	Index
Are influenced by the right shape of gum	14.10	21.62	153
Are influenced by gum that provides easy fast relief	49.35	56.76	115
Are influenced by gum that is packaged right	32.05	37.84	118



...should be easy to reach...

	Total	Group	Index
Are influenced primarily through word of mouth	42.5	47.37	111
Are influenced by friends and family gum usage	17.95	21.62	120



...could be receptive to Alpine...

	Total	Group	Index
Are likely to chew gum	50	100	200
Prefer to treat a cough with cough syrup	39.74	27.03	68



...but heavily dislike Menthol & Eucalyptus.

	Total	Group	Index
Chose cherry as favorite Alpine flavor	41.67	45.71	110
Chose honey & lemon as favorite Alpine flavor	36.11	42.86	119
Chose menthol and eucalyptus as favorite Alpine flavor	22.22	11.43	51



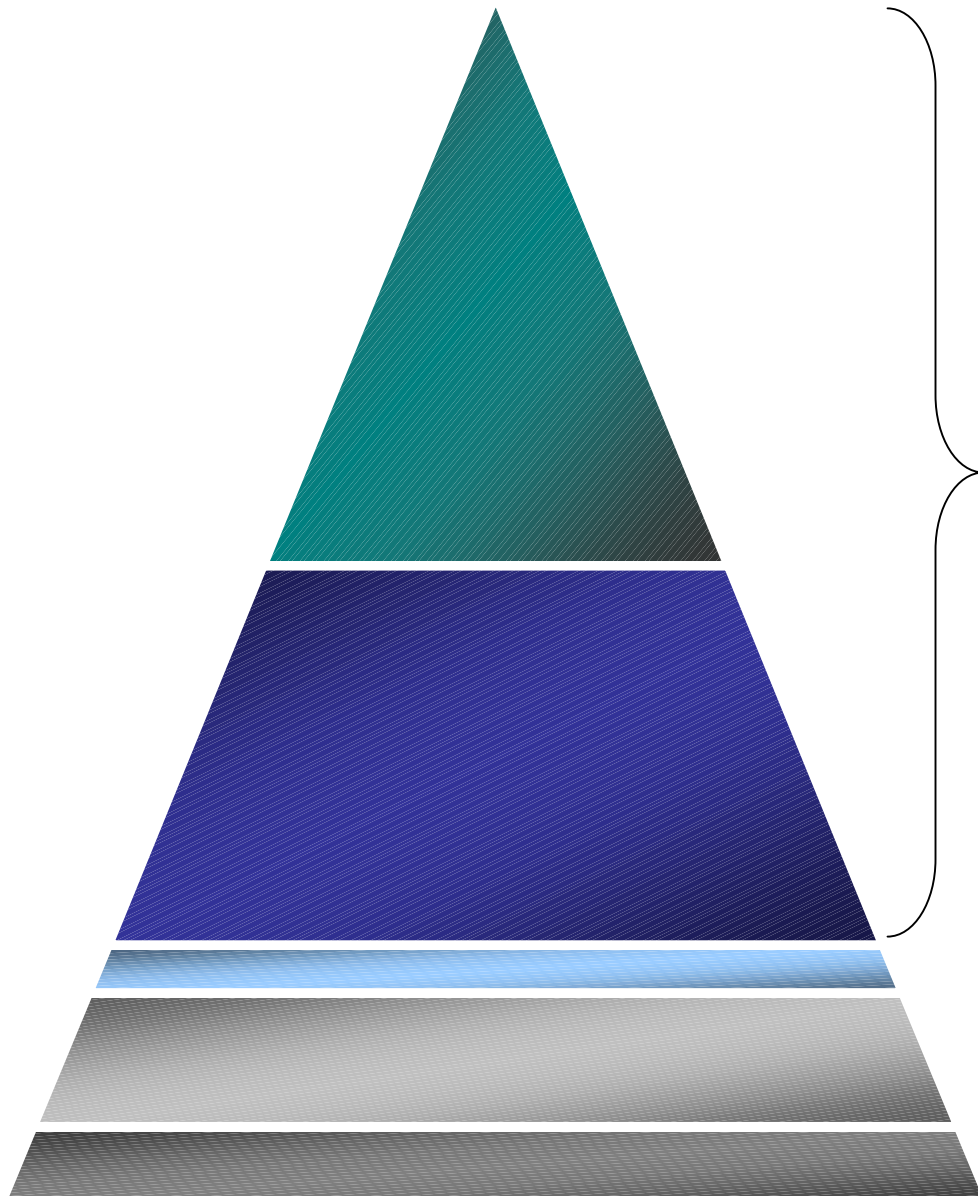
# Demographics

	Total	Heavy Users w/ Propensity	Index
Ages 19-30	70	84	120
Ages 31-40	23	11	48
African-American	15	24	160
Men	58	55	95
Women	42	45	107
Live in the City	55	58	105



# Media Behavior

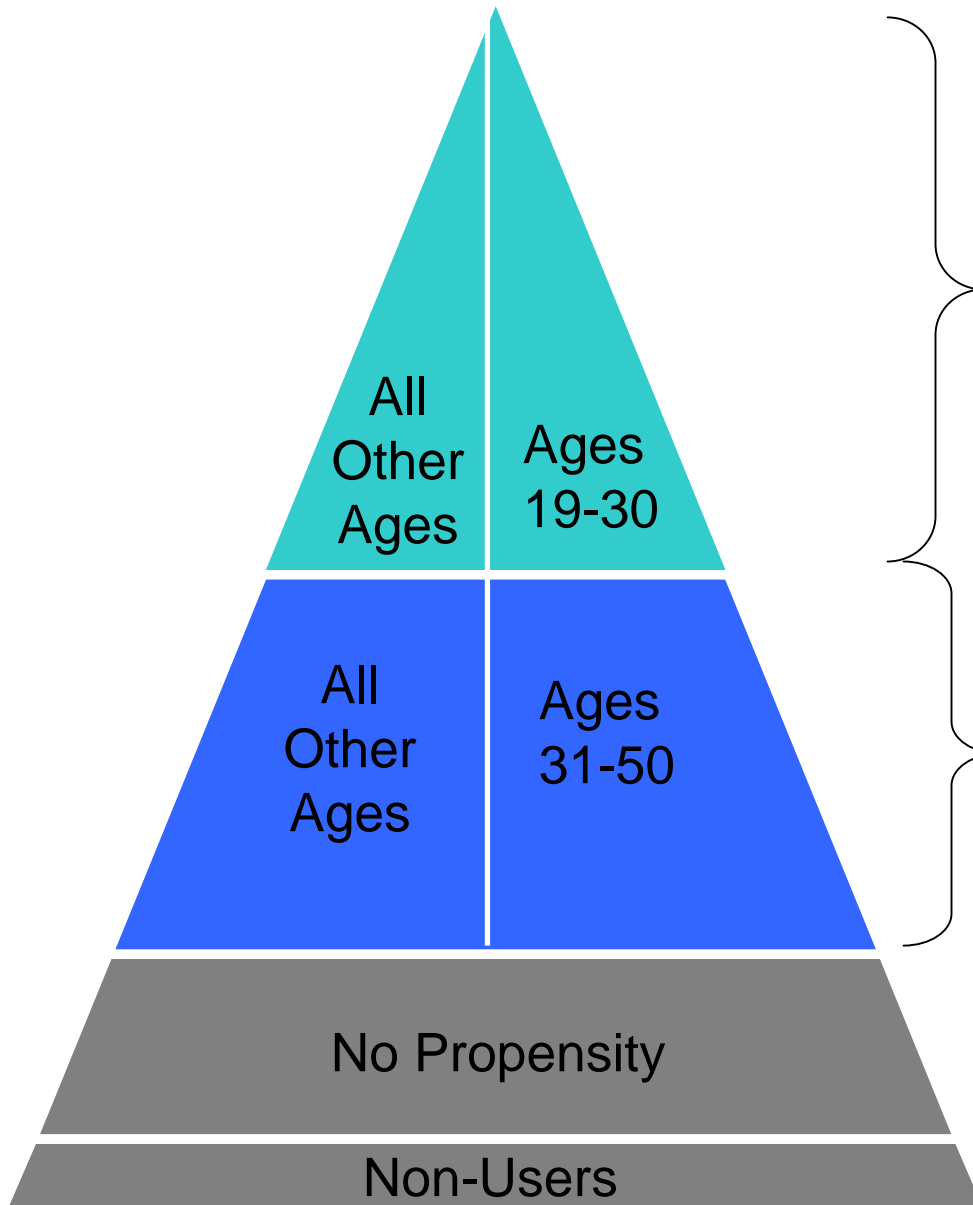
	Total	Heavy Users w/ Propensity	Index
Are influenced through word of mouth	42.5	47.37	111
Are influenced through advertising	11.25	13.16	117
Are influenced through web	6.25	5.26	84
Are influenced through doctor	42.5	36.84	87



## **Closer Look At These Groups By Various Breaks**

- **High Propensity Category Users**
- **Likelihood to Use Alpine**

# Alpine Gum



**Heavy Users, Ages 19-30**  
84.21% | 70% | 120 Index

**Light Users, Ages 31-50**  
40% | 26.25% | 152 Index



# Validity of Data

- **Things to Consider:**
  - **Respondent Bias**
    - age groups
    - respondents did not need cough relief
    - administered in city limits

# Implications: Heavy Users with Propensity

- **The Marketing Mix**
  - **PRODUCT**
    - **Important attributes:** rectangular gum shape, taste, fast relief, and packaging
    - **Favorite Existing Alpine flavors:** 1st: Honey Lemon, 2nd: Cherry
    - **Potential New Flavors:** Winterfresh, Peppermint, and Cinnamon
  - **PROMOTION**
    - **Influential factors:** Word of mouth, friends and family
    - **Advertising:** Free sample with limited offer
  - **PLACEMENT**
    - **Geographic Location:** City Limits **Store Location:** Cough drop section
  - **PRICE**
    - **\$.75-\$1.24**

## Implications: Light Users with Propensity

- **The Marketing Mix**
  - **PRODUCT**
    - **Important attributes:** taste, price, and variety of flavors
    - **Favorite Existing Alpine flavors:** 1<sup>st</sup>: Menthol & Eucalyptus  
2<sup>nd</sup>: Honey Lemon
    - **Potential New Flavors:** Winterfresh, Peppermint, and Cinnamon
  - **PROMOTION**
    - **Influential factors:** Internet/Web, coupon, limited offer, and endorsement by a popular cough medicine
    - **Advertising:** Internet/Web: eOpinions, Web MD, Drugstore.com, coupons, limited offer, and/or partnership advertising with popular cough medicine
  - **PLACEMENT**
    - **Geographic Location:** City Limits **Store Location:** Cough drop section
  - **PRICE**
    - **\$.75-\$1.24**

# Final Observation

- Recommend focusing on Primary Target: Heavy Users w/ propensity and Secondary Target: Light Users w/propensity.

Thank You

