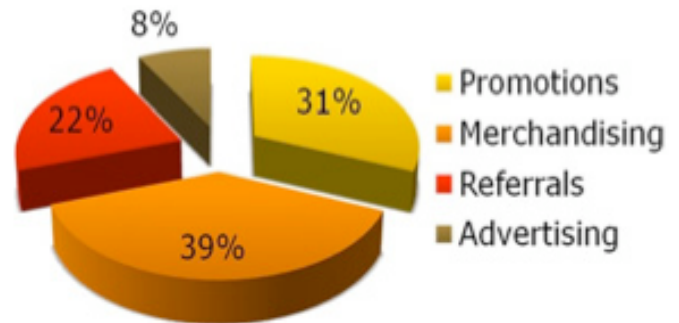


What Makes Consumers Try New Products?

A New Brand Trial survey conducted by Market Force Information, Inc. among its network of 300,000 independent mystery shoppers and merchandisers found that Starbucks coffee was the No. 1 brand tried by consumers in the coffee/tea category in January, earning twice as many mentions as the No. 2 item, Dunkin' Donuts coffee, or third-ranked Celestial Seasonings tea. In the snack category, Chex Mix and Ritz virtually tied for new product trials, with a third more mentions than No. 3 Fiber One. Among beverages, Coke's vitaminwater was the most commonly mentioned new beverage purchase last month, followed by V8 and SoBe, while Kashi and Special K led mentions in the cereal category, both scoring considerably higher than No. 3 Cheerios. Lysol, Swiffer and Clorox were the top three products tried in the cleanser category. But what were the reasons for these preferences?



Graph 1: Consumers' reasons for picking up a new product for trial

Unsurprisingly, when those surveyed were asked what made them buy a new product in the categories studied, **four in 10 said “they saw it on the shelf or display.”** Promotions such as **coupons were mentioned as influencing factors by another three in 10.** “Referrals by friends” was the next most popular reason behind new product purchases, while advertising was noted by just 8 percent. (See the accompanying graph for the breakout.) There were some differences by category: cereals were the most responsive to promotions and couponing, and snack purchases were influenced most by merchandising.

Eighty-two percent of respondents said they drink coffee or tea, naming such traditional brands as Folgers, Sanka, Lipton and Nestea as their preferred purchases. But specialty coffee and teas encouraged more consumers to try a new brand or flavor last month. Out of the 2,000 who responded to this part of the survey, 52 percent said that they had tried a new brand or flavor of coffee or tea from a grocer in the past 30 days. Starbucks coffee received the highest response in the category, with 81 mentions. Dunkin' Donuts coffee received about half that number, with 43, followed by Celestial Seasonings and Folgers with 35 and 34, respectively. Tazo Tea came in fifth, with 25 mentions.

Beverages such as health and energy drinks, along with sodas, garnered the largest number of brand-name mentions of any category sampled. Respondents identified Coke's vitaminwater, V8 and SoBe as the top three new brands bought in the last 30 days. Of the top 17 brands that dominated in the beverage category with 10 or more mentions, Pepsi accounted for five of them, including Pepsi, Dr Pepper, Mountain Dew, Sierra Mist and Gatorade. Starbucks also made it on to the beverage list, evidence of its rising marketing power. Fuze made a strong showing as a relatively new entrant, mentioned almost as much as better-known brands like Pepsi.

When asked what kind of beverages they had at home, more than half of respondents (52 percent) said bottled water, followed closely by Coke products (49 percent). One-third of respondents (32 percent) named Pepsi products, and bottled/boxed juices received a similar response (30 percent).

Seven in 10 of respondents said they have crackers, popcorn, chips and pretzels at home, but many seemed open to trying other types of snacks: 44 percent said they tried a new brand of snack in the past 30 days. And while only 17 percent of consumers said they usually have snack mixes at home, the top brand of snack consumers tried in the past 30 days was Chex Mix, followed closely by Ritz and Fiber One. All three have successfully extended their iconic brands into multiple flavors and even multiple categories, Market Force International noted. Consumers couldn't remember the new snack flavor or SKU they bought, however, which the company suggested might be attributable to an overabundance of flavor varieties.

Kashi and Kellogg's Special K cereals, both better-for-you items, were the two brands mentioned most often as new cereal products tried in the past 30 days. In fact, they garnered more mentions than any brand across the six categories studied — 127 and 123, respectively. General Mills' Cheerios came in third, with 80 mentions. Interestingly, similar branding recall issues arose in the cereal category in regard to flavor variety tried.

Consumers were slightly less likely to try a new cleaning product than snacks, coffee or beverages, with 29 percent of respondents saying that they purchased a new brand in the past 30 days. Among the products bought, well-known brands were most often chosen. Reckitt Benckiser's Lysol was mentioned most frequently, followed closely by Procter & Gamble's Swiffer, and Clorox, with 29, 28 and 27 mentions, respectively.

Advertising played a bigger role in driving new cleaning product trials than it did in the other categories surveyed, although it was mentioned directly in just 11 percent of responses in the cleaning products category. While advertising wasn't given as the main reason for new product trials, it obviously helps raise brand awareness, making consumers more likely to try a new product from a familiar brand, Market Force International noted.

The survey was conducted in January 2010 among the company's network of over 300,000 consumers, known as "The Force." The pool of 6,000 respondents ranged in age from 19 to 72 and reflected a broad spectrum of income levels, with about half reporting incomes of over \$50,000 a year. Around 75 percent were women, the primary household consumer purchasers. Half had children at home.

Boulder, Colo.-based Market Force Information is a global customer intelligence solutions company for multilocation businesses, including retailers, restaurants, grocery and convenience stores, financial institutions, entertainment studios and consumer packaged goods companies.