

New Product Trends 2007

Non Food

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*Grow your business profitably
in a complex marketplace.*





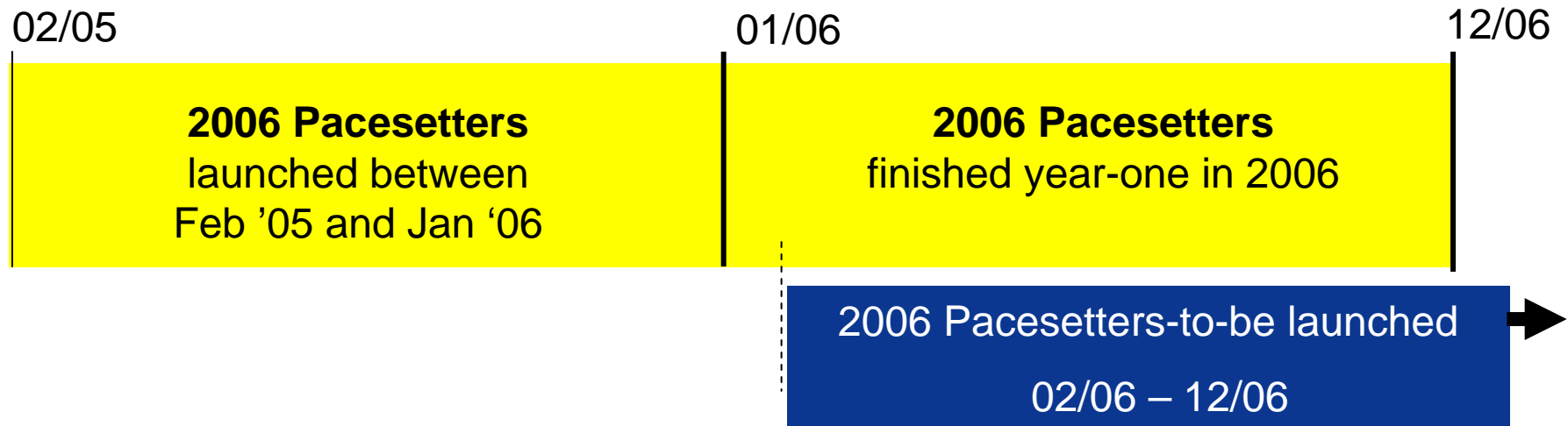
Agenda

- Non Food
 - Top Ten
 - Category Growth Heroes
 - Breakthrough Trends



IRI's 2006 New Product Pacesetters – Key Facts

- 1 New brands with at least \$7.5 million in year-one FDMx sales
- 2 Launched between Feb '05 and Jan '06, finished year one by end of Dec '06



- 3 Number of 2006 Pacesetters and Pacesetters-to-be

Non-foods: 138
Foods: 125

Non-Foods: 74
Foods: 94



What's the #1 New Product Pacesetter in non-food?





Non-Food Pacesetters 2006

Year-One FDMx Sales (\$MM)

Ad \$MM*

Product	Year-One FDMx Sales (\$MM)	Ad \$MM*
Gillette Fusion razors/skincare	\$191	\$150
Tide with Febreze Freshness detergent	\$138	\$32
Scott Extra Soft toilet tissue	\$109	\$36
Tide Coldwater detergent	\$93	\$44
All Small & Mighty detergent	\$57	\$24
Huggies Pull Ups with "Cool Alert"	\$55	\$2
Jergens Natural Glow lotion	\$54	\$24
Zantac 150 antacid tablets	\$53	\$35
Pantene Pro V Expressions haircare	\$50	\$68
Gillette Venus - Vibrance + Dispos.	\$49	\$62



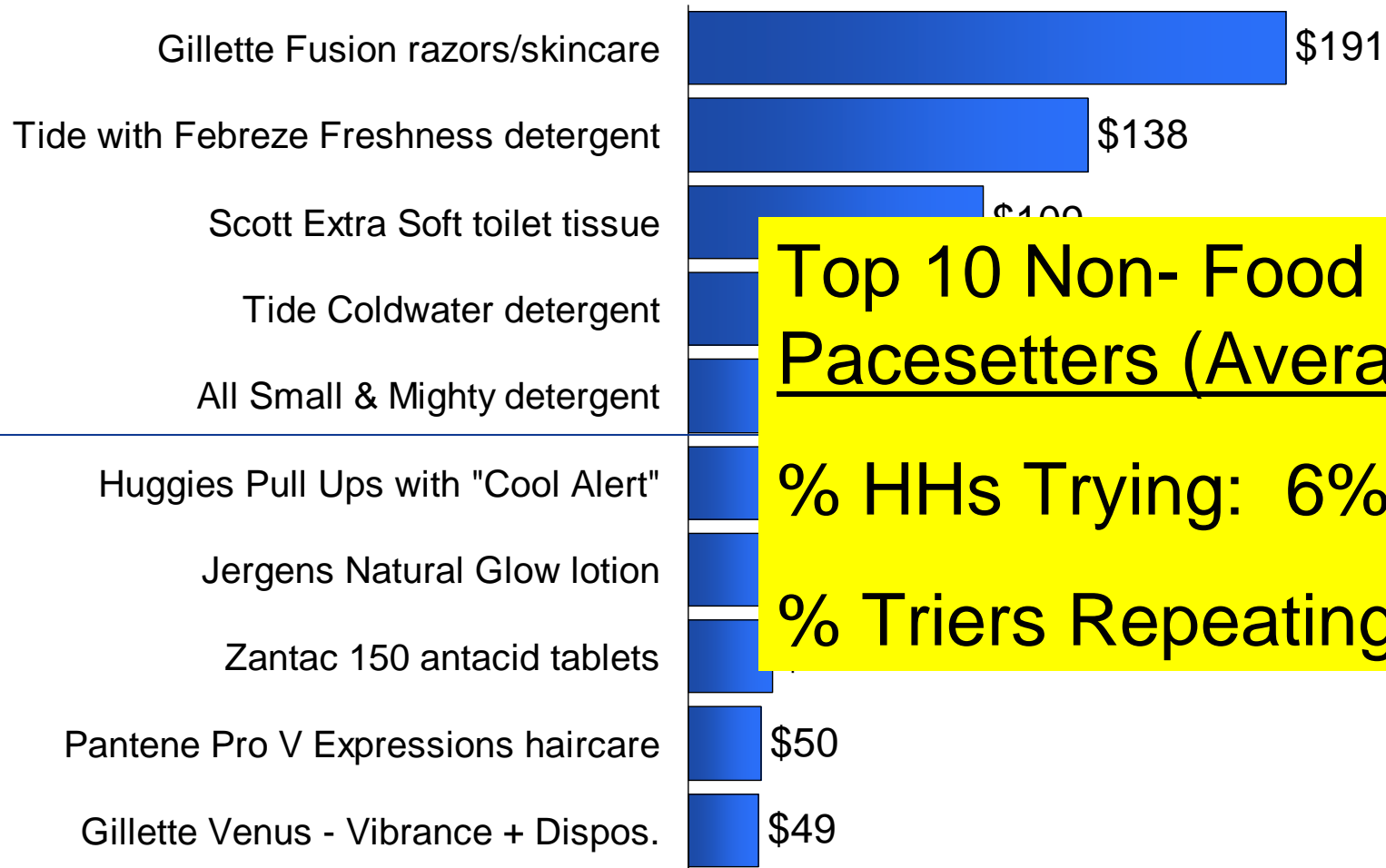
Source: IRI InfoScan Reviews FDMx year-one \$ sales for new brands launched 2/05 – 1/06

* Source: Nielsen Media Research, total measured media spending at book rate (actual spending probably 20% lower)



Non-Food Pacesetters 2006

Year-One FDMx Sales (\$MM)



Top 10 Non-Food Pacesetters (Average)

% HHs Trying: 6%

% Triers Repeating: 36%

Source: IRI InfoScan Reviews FDMx year-one \$ sales for new brands launched 2/05 – 1/06

* Source: Nielsen Media Research, total measured media spending at book rate (actual spending probably 20% lower)

What's the #1 Pacesetter-to-Be in non-food?



Confidential and proprietary



Non-Food Pacesetters To Be In 2007

Projected Year-One FDMx Sales (\$MM)

Huggies Supreme Natural Fit diapers-over 6 mos.



Herbal Essences hair care

\$99

Vive Pro hair care

\$77

Nexus hair care

\$76

Gain Joyful Expressions detergent

\$67

Sunsilk hair care

\$60

Febreze Noticeables air freshener

\$58

Tide Simple Pleasures detergent

\$58

Crest Pro Health toothpaste

\$47

Huggies Supreme Gentle Care diapers-newborn

\$47



Source: IRI InfoScan Reviews, FDMx, estimated year-one \$ sales for new brands launched 2/06 – 12/06



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2006 Non-Food Category Growth Heroes

Total U.S. FDMx – Change in Dollar Sales, 2006 vs. 2005

			<u>% Chg</u>
Cat/Dog Supplies (non-food)	\$86		20%
Body Wash	\$61		11%
Suntan Products	\$57		12%
Bathroom Cleaners	\$43		19%
Nasal Products	\$40		9%
Moist Towelettes	\$32		17%
Laundry Pretreaters	\$29		12%

Source: InfoScan Reviews, Total U.S. FDMx. Growth Hero **Criteria:** \$ sales +10% and +\$30 mil CY2006 vs. YAG, similar % volume growth, similar growth in FDMW, still growing in Q4'06





Category Growth Heroes - Implications



1. Review shelf footage and expand as needed to support growing consumer demand and avoid out of stocks.
2. Merchandise these categories heavily – particularly the ones with new users or uses of the category, or with significant price premiums, that will generate the most incremental sales.



+



3. Cross-merchandise these categories with others to drive growth of the others, e.g., dog/cat food and treats with dog/cat supplies





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Overarching Trends

- ▶ **Status Symbols:** experiences, knowledge/skills, people-networks -- not stuff
- ▶ **Openness:** Hallmark cards for people coming out or undergoing chemotherapy; sexual aids in the grocery and drug stores.
- ▶ **Power of Scent:** expanding to more categories, with glamourized scent-blends and longer-lasting effects, designed to create a specific mood or atmosphere.
- ▶ **Anti-Aging:** not just anti-wrinkle creams for women any more, and not just an external vanity issue to a whole health issue.
- ▶ **Wellness:** Impact on you and impact on the environment. Products for prevention and early detection
- ▶ **In-Store Clinics**
- ▶ **Conscious Consumption:** aka environmental sustainability, social responsibility
- ▶ **Big innovations:** more patentable ideas, more new brands based on significant new technologies, formulas, and processes, more claims supported by **scientific proof**



Notable Trends in Specific Categories

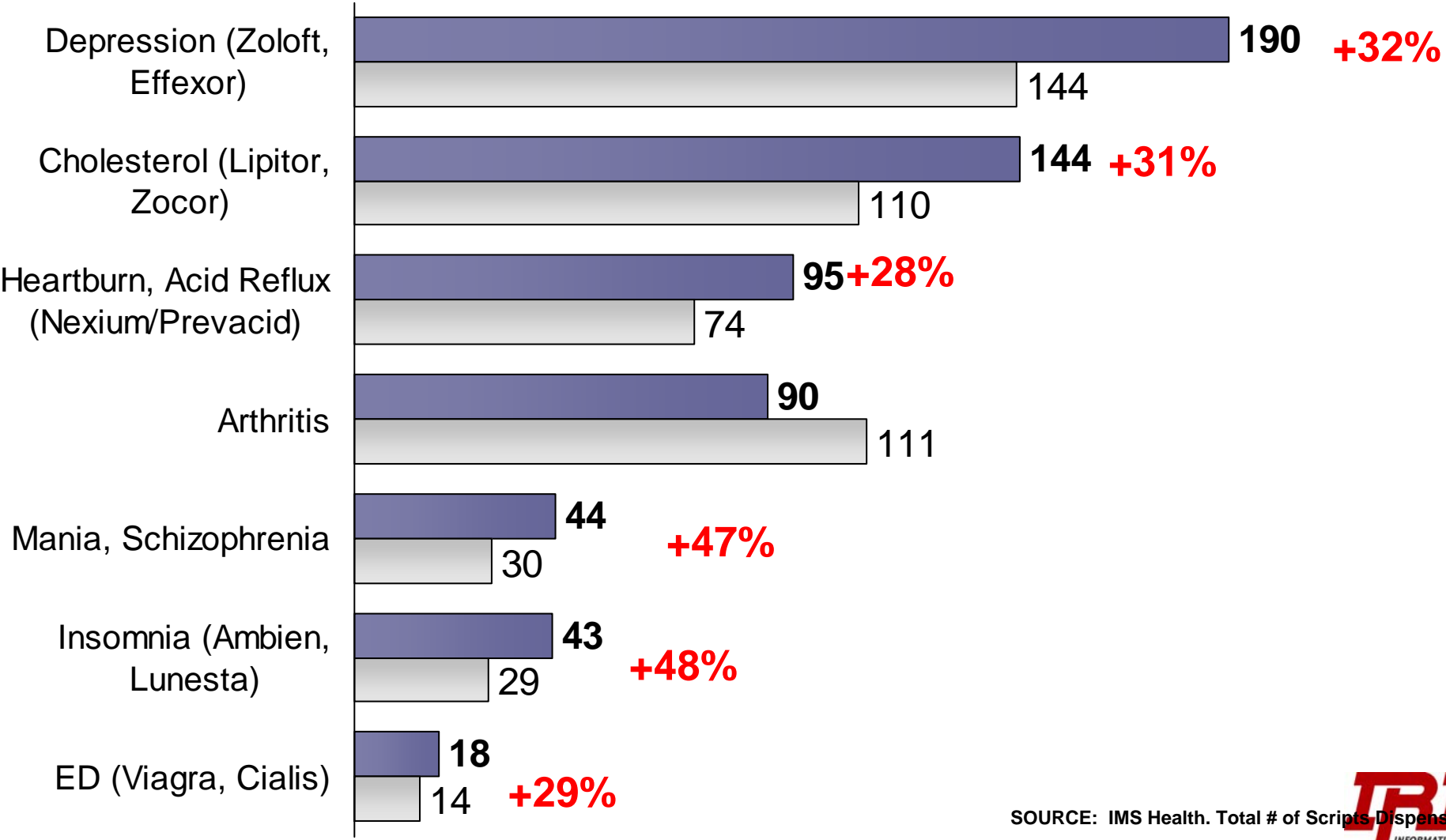


- ▶ **Hair Care:** changing with aging population on one end of the spectrum, and being more of a “solution provider”
- ▶ **Beauty Care:** mineral in addition to herbal ingredients
- ▶ **Body Cleansing & Moisturizing:** natural; new promises to “melt away stress” or aid sleep
- ▶ **Oral Care:** focus shifting back toward health from beauty
- ▶ **Sleep Aids**
- ▶ **Pet Care:** more premium products that promise to keep pets healthier longer, health claims similar to what you see on people food, natural products,
- ▶ **Home Cleaning:** new ways to clean, that you can learn and believe in 30 seconds and then complete your task just as quickly



We're aging, we're sick, and we demand a fix

Millions of Scripts Dispensed in 2005 (upper) vs. 2001 (lower)



SOURCE: IMS Health. Total # of Scripts Dispensed
IRI
INFORMATION RESOURCES, INC.



The Power of Scent and Name in Setting the Mood



Source: IRI InfoScan Reviews, Total U.S. FDMx dollar sales. Year-one defined from each brand's individual launch date through 52 weeks

* Indicates IRI projection of full year-one sales, for products launched in February 2006 or later.



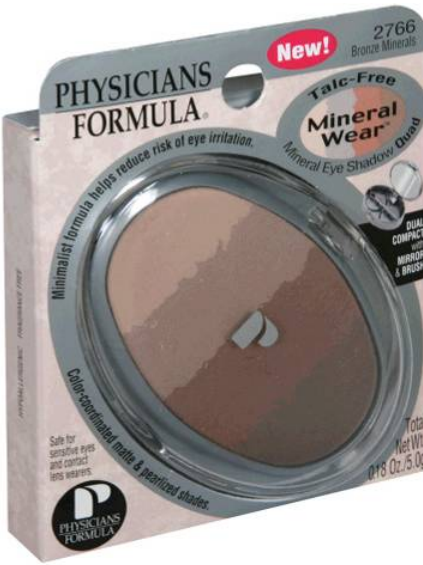


Mineral Make-Up and Lotions

\$21 million*



\$13 million



\$18 million



Source: IRI InfoScan Reviews, Total U.S. FDMx dollar sales. Year-one defined from each brand's individual launch date through 52 weeks
* Indicates IRI projection of full year-one sales, for products launched in February 2006 or later.





Pet Food/Treats

\$25 million*



\$16 million*



\$15 million*



\$15 million*

\$8 million*



Source: IRI InfoScan Reviews, Total U.S. FDMx dollar sales. Year-one defined from each brand's individual launch date through 52 weeks
* Indicates IRI projection of full year-one sales, for products launched in February 2006 or later.

Changing the WAY we Clean



Source: IRI InfoScan Reviews, Total U.S. FDMx dollar sales. Year-one defined from each brand's individual launch date through 52 weeks

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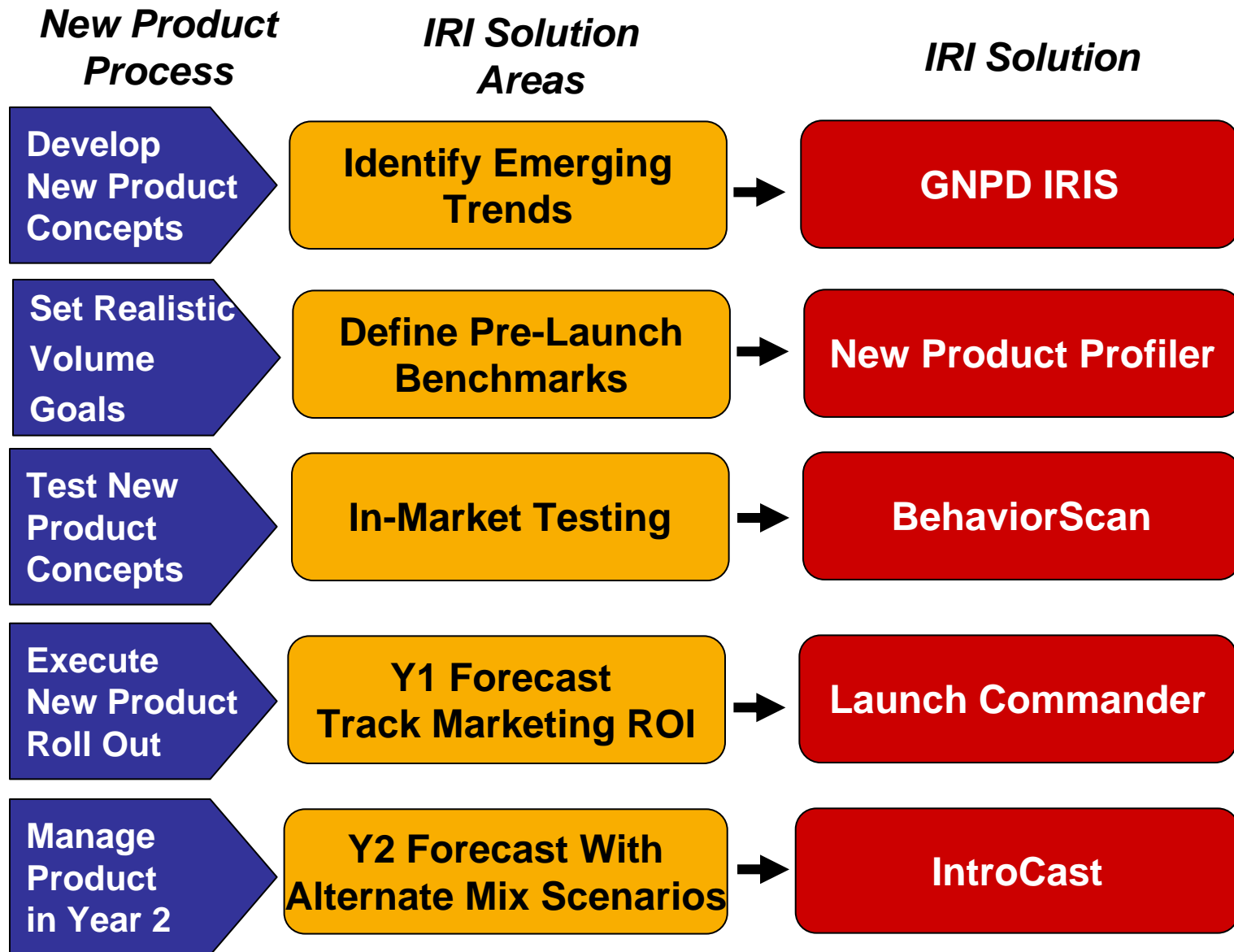
IRI New Product Launch Portfolio

The New Product Life-Cycle

Pre-Launch	Year 1 (Months After Intro)												Year 2 And Beyond
	1	2	3	4	5	6	7	8	9	10	11	12	
Research Solutions Available At Each Stage													
GNPD IRIS NEW PRODUCT PROFILER BSCAN TESTING	LAUNCH COMMANDER NEW TRIER SURVEY NEW ITEM SPEED TO SHELF					INTRO SOURCE		INTROCAST					



IRI solutions are aligned to support the New Product Launch Process





Thank You!

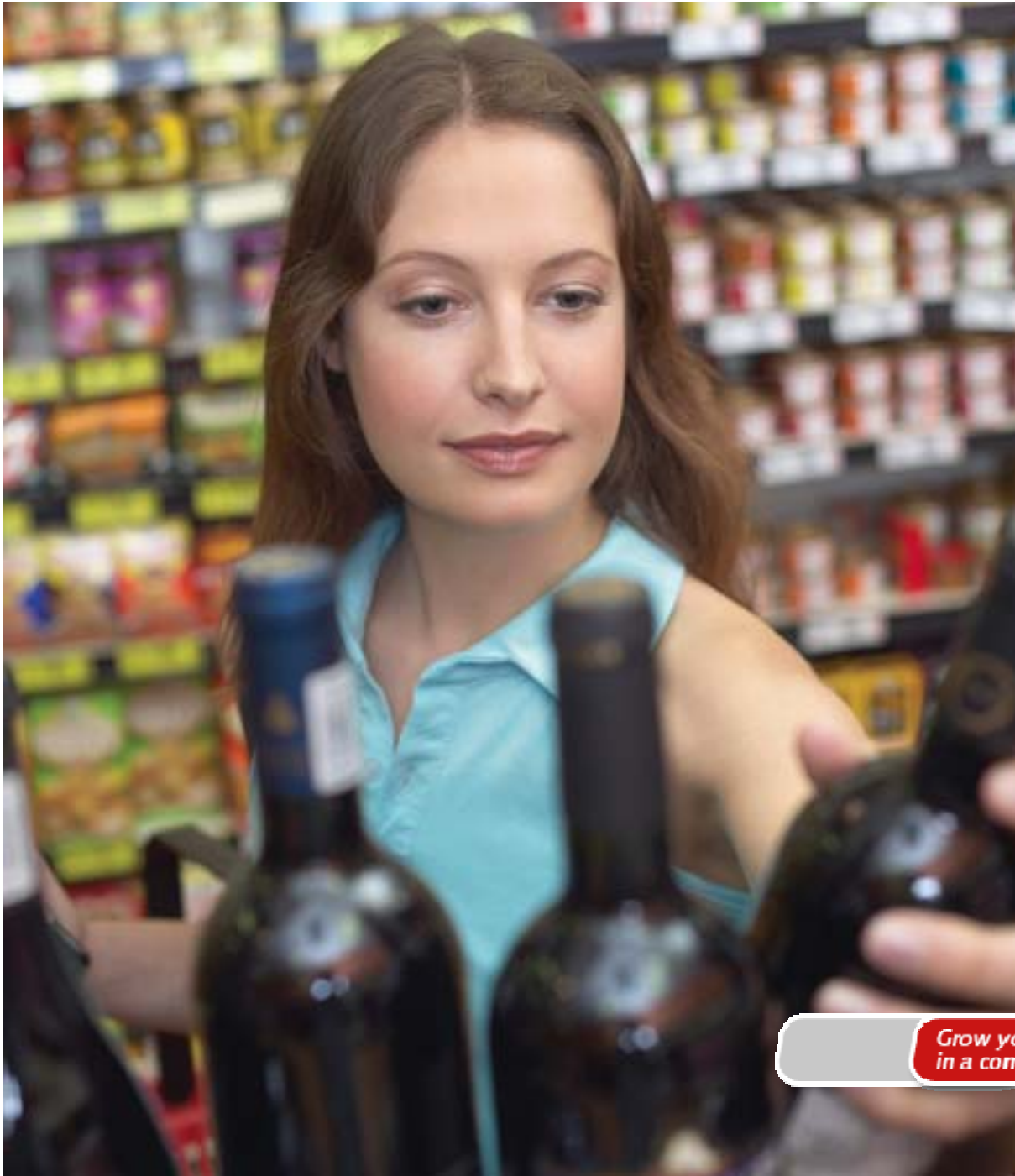
- ▶ **Any Questions concerning about these IRI products and services, please contact:**

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