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NEW \$20 BILL MOST MEMORABLE NEW PRODUCT LAUNCH OF 2003

Three of Four Consumers Aware of \$20 Bill;

Only Three Other Products Garner 50% Awareness Rating Despite Billions Spent on Advertising

BOSTON, MA (January 28, 2004) – Marketers who spent more than \$248 billion last year advertising might learn something for just \$20.¹ With a record 33,678 new products hitting store shelves, marketers were faced with an unusually strong competitive marketplace in 2003 and the U.S. Bureau of Engraving and Printing fared better than most.

Consumer awareness of the new \$20 bill was at the top of the second annual Schneider & Associates 2003 Most Memorable New Product Launch Survey, according to an on-line survey of more than 1,000 consumers nationwide conducted by InsightExpress. Three out of four consumers are aware of the new \$20 bill, a level of awareness far exceeding any other new product launch. Only three other products have an awareness rating above 50% -- Crest[®] Night Effects[™] (58%), Claritin[®] OTC (54%) and Campbell's[®] Chunky M'm! M'm! Good! To Go soup (51%).

“Consumer packaged goods marketers can learn a few things from the U.S. Bureau of Engraving and Printing based on their run-away success of the new \$20 bill,” said Joan Schneider, president of Boston-based Schneider & Associates, a public relations marketing firm specializing in new product launches. “We were surprised to find that the federal government surpassed experienced consumer product marketers with the most memorable launch success story of 2003. Clearly their multi-media and promotional approach paid off.”

Four products had awareness ratings above 40%: LAY'S[®] STAX[®] potato crisps (46%), Prilosec[®] OTC (46%), V8 Splash[®] Smoothies (46%), and Clorox[®] Bleach Pen (42%). Rounding out the Top 10 were Dawn Complete[™] dish liquid (36%) and Mr. Clean[®] Magic Eraser (35%). The Volkswagen Touareg (34%) and Michelob Ultra (32%) were close behind.

Including the \$20 bill, all new products in the Top 10 can be found in a drugstore or supermarket. Three of the Top 10 launches were food products, three were cleaning products, two were over-the-counter medications and one was a teeth whitener. Yet, ranked #11 in consumer awareness was the \$35,000 Volkswagen Touareg SUV.

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2003 Most Memorable New Product Launches/2

Further down the list at #15 was the Segway™ Human Transporter (27%), at #23 Apple's online music store, iTunes (23%) and at #30 Intel® Centrino™ mobile technology (18%). One surprising finding of the survey was consumers who identified themselves as "early adopters"-- defined as individuals who identify themselves as wanting the latest and greatest new products -- had roughly the same level of awareness of technology products as other consumers.

Fifty percent of those surveyed could not name a single new product launched in 2003 through unaided recall. This is up from 33% in 2002.

Launching a new product is a high-risk venture and failure to win consumer awareness can be fatal. Approximately 33,678 new products were introduced in 2003, according to ProductScan Online, but past studies conducted by IRI suggest that many of those items won't achieve broad retail distribution, and of those that do get on major retailers' shelves, anywhere from 50% to 75% will fail to sell in sufficient quantities and will be off the market within two years.

Stagnito Communications Inc. jointly sponsored the Most Memorable New Products of 2003 Survey in conjunction with Schneider & Associates. Harry Stagnito, president of Chicago-based Stagnito Communications Inc., publisher of *Stagnito's New Product Magazine* and 15 other titles, said the high confidence in recommendations had profound implications for marketers. "The obvious goal of marketers is to generate sales, but what is sometimes overlooked is the most effective way to build sales is to get consumers so excited about your product that they tell their friends and family about it," said Stagnito.

Innovative New Product Launches of 2003

The U.S. Bureau of Engraving and Printing, in its highly successful \$33 million launch of the new \$20 bill, employed multiple marketing strategies to build consumer awareness and educate the public. In addition to a television advertising campaign, the launch included public relations, promotional brochures, a sweepstakes in partnership with Pepperidge Farms Goldfish snacks and a CD-ROM. The #2 product in the study, Crest® Night Effects™, employed both mass and targeted marketing in its launch. For the teen market, for example, the strategy included sponsorship of the National Cheerleader Association competition, heavy advertising in teen magazines during prom season and promotions in a \$50-\$75 million launch budget. Prilosec® OTC, in a \$100-million launch used teaser television ads featuring an as-yet unnamed "purple pill" and drove the purple theme through all collateral materials and special events featuring a purple recreational vehicle.

"Our survey results show that marketers face a tremendous challenge gaining consumer awareness for their new products," added Schneider. "Through our research we found that the best new product launches use a combination of marketing communications strategies including advertising, consumer education, special events, sampling, partnerships, endorsements, media relations and coupons to create consumer awareness of the product and its benefits."

2003 Most Memorable New Product Launches/3

Importance of Integrated Marketing When Launching A New Product

Advertising plays an important role in new product launches, but advertising alone is by no means a guarantee of success. “IRI studies have consistently shown that advertising is a key factor that differentiates successful product launches from the unsuccessful,” said Valerie Skala, Vice President of Analytics Product Management at IRI. “Successful products are more likely to do advertising, to spend more money than the failures on advertising, and to maintain a significant level of ad spending for at least two full years from the time the product is launched.”

The most successful new product launches of 2003, however, employed a mix of marketing communications approaches. More consumers were influenced to purchase new products based on recommendations from family and friends than any other factor, including advertising. Some 55% cited these personal recommendations, 53% cited television advertising and 48% cited in-store advertising and displays. Seventy percent of consumers surveyed said they recommend new products to friends, and 52% said they are “always” looking for new products to try.

“Every year it becomes increasingly difficult for new products to stand out from the thousands of others on retailers’ shelves,” Schneider said. “Marketers need to be creative and use multiple communications channels when launching new products. This multi-layered approach ensures that consumers will hear or see information about your product in various locations and in diverse media so the product name and need to try it becomes apparent.”

The 38 products included in the survey were: New \$20 bill; Crest[®] Night Effects[™]; Claritin[®] OTC; Campbell’s[®] M’m! M’m! Good! To Go; LAY’S[®] STAX[®]; Prilosec[®] OTC, V8 Splash[®] Smoothies, Clorox[®] Bleach Pen, Dawn Complete[™], Mr. Clean[®] Magic Eraser, Volkswagen Touareg, Michelob Ultra, Skippy[®] Squeeze Stix; Axe[®] deodorant body spray; Segway[™] Human Transporter; McCormick[®] Grill Mates[®] Grilling Sauces; LUNCHABLES[®] Fun Fuel[™]; Schick[®] Intuition razor; Oil of Olay Regenerist facial cream; DANNON[®] Frusion fruit-yogurt smoothie; Alavert[™] allergy medication; Gateway[™] Televisions; Apple iTunes for windows music store; Canon PowerShot Digital ELPH camera; Levitra[®] male enhancement medication; Hillshire Farm’s Ultra-Thin Deli Select lunch meats; Hershey’s[®] Sugar Free Candy; HP IPAQ Pocket PC; Dove[™] Essential Nutrient Cleansing Pillows; Intel[®] Centrino[™] mobile technology; Skyy Vodka-vanilla, berry and spice; LAY’S[®] Taste of America Monterey Pepper Jack Potato Chips; Snapple-a-Day[™] meal replacement; Nokia N-Gage[™] mobile game deck; Russell Stover[®] low-carb chocolates; Airheads Bubblegum; Iomega[®] Micro Mini USB Drive; Crunch Toons[®] salty snacks.

Product Selection Criteria/Survey Methodology

Information Resources, Inc. (IRI), the leading sales and marketing research company in the global consumer products industry, worked with Schneider & Associates and Stagnito Communications Inc. to identify products for the survey. Products were selected based on several factors including national distribution, uniqueness in the category, marketing communications spending and media coverage. The survey was designed with the aid of InsightExpress and fielded online among 1,000 Americans in late December 2003 by InsightExpress.

2003 Most Memorable New Product Launches/4

Additional Launch Research

This is the second annual Schneider Most Memorable New Product Launch Survey. In 2002, Vanilla Coke[®], Cool Mint Listerine PocketPaks[™] and Pepsi[®] Blue[™] topped the list of most memorable product launches. Other Top 10 launches in 2002 were Heinz Tomato Ketchup Easy Squeeze![™], Campbell's "Soup At Hand[™]," Saran[™] Disposable Cutting Sheets, Simply White[™], Dockers Go[™] Khaki with Stain Defender[™], the MINI Cooper and Hanes[®] Tagless T-shirt.

In 2000, Schneider & Associates teamed with Boston University to conduct a groundbreaking study on new product launches. The resulting *Schneider/Boston University Launch Report* surveyed 100 marketing executives from leading consumer products companies. The report concluded that tactics such as guerilla marketing and sampling were highly effective in driving sales.

About InsightExpress

InsightExpress is the acknowledged pioneer of rapid turnaround, high-quality, online market research services. With its award-winning and patented technology, market research expertise, and access to more than 100 million online individuals, InsightExpress enables its clients to easily harness market research to market the right business decision in real-time. InsightExpress is affiliated with General Atlantic Partners. Visit us on the InsightExpress website at www.insightexpress.com or call 203-359-4174.

About Schneider & Associates

Schneider & Associates is a public relations firm that specializes in launching new products and re-launching icon products and services for regional and national companies. Founded in 1980, the firm has worked with clients such as Subway[®], NECCO Sweethearts[®], Mosquito Magnet[®], Staples, Unilever/Bestfoods, and CVS/pharmacy. Schneider is the author of "Launch: 10 Proven Strategies for New Product Success," which will be published in the fall of 2004. For more information about the product launch survey, please call 617-536-3000 or visit www.schneiderpr.com.

About Stagnito Communications, Inc.

Stagnito Communications, Inc., a Medical World Communications Company, is the leading publisher of magazines and information services to the food, beverage and packaging industries. Stagnito publishes *Beverage Industry*, *Dairy Field*, *Industria Alimenticia*, *Refrigerated and Frozen Foods*, *Snack Food and Wholesale Bakery*, *Candy Industry*, *The National Provisioner*, *Confectioner*, *Private Label Buyer*, *Food & Drug Packaging*, *Flexible Packaging*, *Meat Retailer*, *Refrigerated & Frozen Foods Retailer* and *Stagnito's New Product Magazine*. For more information about Stagnito Communications, visit www.stagnito.com.

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¹¹ Universal McCann's December 2003 Insider's Report