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## **TOP 10 MOST MEMORABLE NEW PRODUCT LAUNCH CAMPAIGNS IN 2005 INCLUDED TV ADVERTISING**

*67 Percent of Consumers Report They Enjoy Watching TV Commercials*

**BOSTON (January 10, 2006)** – Sixty-seven percent of consumers enjoy watching television commercials and 74 percent of consumers receive most of their new product information from television, according to the fourth annual *2005 Schneider/Stagnito Communications Most Memorable New Product Launch Survey*. Despite the recent fragmentation of media spending and many experts heralding the end of television advertising, the survey found that 41 percent of consumers still rely on television commercials to learn about new products.

“It’s no surprise the new product launches that resonated most with consumers were from Fortune 500 companies with significant advertising budgets,” said Julie Hall, vice president, consumer practice, Schneider Associates. “While many say the 30-second television spot is dead, consumers are telling us they get most of their new product information from television advertising. This has significant impact on how marketers should look at launching new products.”

The most significant finding, though, is 57 percent of consumers could not recall a single new product launched in 2005, despite a 2.6 percent increase in advertising spending (\$275 billion in 2005 vs. \$268 billion in 2004\*). The *2005 Most Memorable New Product Launch Survey*, conducted by InsightExpress, reported consumers are loyal to both products and brands. Eighty-five percent of consumers polled said, “When I find a product I like, I stick with it,” and 62 percent of consumers said, “When I do buy a product, it is usually from a brand I know and trust.”

### Top 10 Most Memorable New Product Launches of 2005

Based on feedback from more than 1,000 consumers nationwide, a number of new products rose above the 30,000-50,000\*\* introduced in 2005. The winners of the *2005 Schneider/Stagnito Communications Most Memorable New Product Launch Survey* included Microsoft’s Xbox 360™ and McDonald’s® Fruit & Walnut Salad, each of which garnered 23 percent of the vote. The remaining Top 10 chosen by survey respondents include: Coca-Cola® Zero™ at 19 percent; Hummer® H3® at 18 percent; Coca-Cola® with Lime at 18 percent; Apple®’s iPod® nano at 11 percent; Tide® to Go™ at 10 percent; Apple®’s the new iPod® at 8 percent; Budweiser® SELECT at 8 percent; and Clorox® BathWand at 7 percent.

### New Product Adoption Rate

“All is not rosy for marketers launching new products,” according to Joan Schneider, author of *New Product Launch: 10 Proven Strategies*. “Forty-six percent of consumers indicated they only buy new products, when they need them; 29 percent replied; I tend to take a wait and see approach with new product purchases, and 9 percent only buy new products when they absolutely have to. With only 16 percent of consumers polled characterizing themselves as early adopters, marketers need to appeal to the 84 percent of consumers who don’t want to try or buy their new products. Unless there is a new feature or benefit or a compelling reason to change, consumers are sticking with what they know.”

### New Product Launches That Work

What are the elements of a winning campaign? It takes a compelling product, a great TV commercial, recommendations from family and friends (Word-of-Mouth), and sampling to motivate consumers to try something new. In the survey, 59 percent of consumers said they usually try new products recommended by a friend or family and 65 percent said they often recommend new products to family and friends.

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Consumers are open to trying new products with 50 percent saying they are always looking for new products to try. In addition, in-store display is becoming more important in launching new products, with 62 percent of consumers responding it was among the top three factors that influenced product awareness.

“One of the best ways to motivate consumers to try new products,” continued Hall, “is through sampling. When consumers were asked if they are influenced to buy a new product after receiving a free sample, 81 percent said they sometimes buy new products they sample and 10 percent responded they always buy new products they sample. Once a consumer tries something new through sampling, it’s more than likely they will make it part of their consideration set when shopping,” concluded Hall.

“It’s not easy to capture consumer attention, but many new product launches introduced in 2005 managed to succeed,” said Joan Holleran, editor of Stagnito’s *New Products Magazine*. “Look no further than McDonald’s tagline for 2005: ‘Balanced Active Lifestyles: it’s what i eat and what i do’ for a great summation on 2005,” Holleran continued. “It’s not a huge surprise that most of the *Most Memorable New Product Launches* were launched by multinational brands but what comes as a happy confirmation is that these giants of the consumer marketplace are addressing the needs of consumers: health, taste, and convenience.”

“Many of the top 10 Most Memorable New Products launched in 2005 delivered distinct health benefits, including zero calories: Coca-Cola® Zero™; fresh produce: McDonald’s® Fruit & Walnut Salad; whole grains: SARA LEE® Soft & Smooth™ Whole Grain White Bread; and calorie/carb control: Healthy Choice® Soup Microwaveable Bowls,” said Holleran.

### **Leading Product Trends for 2005**

The *2005 Schneider/Stagnito Communications Most Memorable New Product Launch Survey* also asked consumers which trends influenced their purchases over the past year. Seventy-eight percent said they were influenced by trends; 44 percent said product convenience influenced purchase; 21 percent, low calorie food; 20 percent, sugar substitutes; 19 percent, focus on whole grains; 18 percent, healthy fast food; 12 percent, organic foods; 10 percent, cell phones for all ages; and 6 percent, adult technology adapted for children influenced purchasing decisions.

“Consumers today have a hectic lifestyle and need healthy meal choices that are portable or can be quickly prepared at school, work, or home. Manufacturers have risen to the challenge of balancing taste and nutrition with convenience,” research partner Fern Schapiro, executive vice president Client Service & Marketing for InsightExpress added. “Outside of Microsoft’s planned marketing activities, the Xbox 360™ was the recipient of significant buzz that helped the product soar by making it a ‘must have.’ As the survey data showed, consumers are significantly influenced by trends and Xbox 360™ was clearly able to capitalize on that advantage,” Schapiro concluded.

“The data re-confirmed that 57 percent of consumers polled could not name a single new product launched last year. It is becoming more and more difficult to attract consumer attention as the nation’s mass market decreases and the cost to reach multiple niche markets increases across diverse media channels, including the internet,” said Joan Schneider. “So, despite the poor new product recognition rate, manufacturers need to continue to use a variety of public relations and marketing tactics that get new products into the hands and minds of consumers to motivate them to try and buy.”

To add to that challenge, traditional outlets like newspapers continue to decline as preferred avenues for consumers to obtain new product information with magazines dropping from 31 percent in 2004 to 27 percent in 2005, and newspapers from 30 percent in 2004 to 23 percent in 2005. The Internet remained strong with 25 percent of consumers in both 2004 and 2005 turning to the Web for new product information.

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“There’s a huge opportunity to drive consumers to the Web with so many undecided about checking out a brand or product online,” said Joan Schneider. “When it comes to viewing an ad on television and then visiting the Web site to learn more about the new product, 29 percent of consumers were likely to visit the Web site, and 35 percent were unlikely to visit the Web site. With a compelling offer or new product feature, the 36 percent of consumers neutral about visiting a product Web site may be tempted to go to the Web and seek more information or seal the deal with a purchase,” Schneider added. In the 2005 Touchpoints study, conducted by DoubleClick, consumers are asked about which media channels influenced their decision to purchase a product or service. Respondents indicated, “Web sites...are a critical resource when it comes to learning more about the products they have heard about.” “With the rise of consumer-generated media (CGM) and on-line influence growing, marketers need to look holistically at all of the ways consumers intersect with their products,” Schneider concluded.

#### Statistics from Schneider/Stagnito Most Memorable New Product Launch Surveys (2002-2005)

Factors	2005	2004	2003	2002
Could Not Recall One New Product	57%	56%	50%	33%
#1 Motivating Factor for Purchase	27% TV ads	33% tied for TV ads & instore displays	55% recommendation from family/friends	46% advertising
Spent on Advertising*	\$275B	\$268B	\$249B	\$233B
Number of Products Launched**	30,000-50,000	31,185	33,678	31,785

#### Consumers Indicated Top Factors That Influenced Product Awareness (2003-2005)

Factors	2005	2004	2003
TV Ads	80%	70%	53%
Free Samples	55%	60%	46%
In-Store Displays	62%	53%	48%
Recommended from Family & Friends	52%	53%	55%
Received a coupon or flyer	47%	46%	45%
In-Store Free Samples	45%	51%	44%
Articles in Magazines/Newspapers	37%	39%	31%
Magazine Ads	33%	39%	32%

#### Survey Partners

**Author Joan Schneider**, president of Schneider Associates, a Boston-based marketing communications firm, has written *New Product Launch: 10 Proven Strategies*, a book on how companies can improve the launch of new products and the re-launch of icon products. [www.launchpr.com](http://www.launchpr.com)

**Stagnito Communications**, an Ascend Media Company, is publisher of 15 trade magazines including *New Products Magazine*, *Beverage Industry*, and *Confectioner*. [www.stagnito.com](http://www.stagnito.com)

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\*ADWEEK projected statistic    \*\*Productscan® Online projected statistic