

WRIGLEY

Market

Since its founding in 1891, Wrigley has established itself as a leader in the confectionery industry. It is best known for chewing gum and is the world's largest manufacturer of these products, some of which are among the best known and loved brands in the world. Today, Wrigley's brands are woven into the fabric of everyday life around the world and are sold in over 150 countries. The original brands Wrigley's Spearmint, Doublemint and Juicy Fruit have been joined by the hugely successful brands Orbit, Winterfresh, Airwaves and Hubba Bubba.

Chewing gum consumption in Bosnia and Herzegovina exceeds the amount of 28 million USD. In comparison with the past year, the consumption has witnessed a 6.3% growth, and today, Wrigley's Orbit is in Bosnia and Herzegovina a synonym for top quality chewing gum. This product holds 57.4% of the total chewing gum segment (Source: MEMRB MAT, 2008).

Connecting with consumers and understanding their needs, offering innovative merchandising solutions and excellent profit opportunities for retailers is the key to Wrigley's success. The latter coupled with a focus on innovation and consistently high level of brand support makes Wrigley an enviable success in the confectionery market.

Achievements

The Wrigley Company is presently the world's largest producer of chewing gum. Across the world, Wrigley sales total 5.4 billion USD (Source: Wrigley)

annual report, 2007). One of the factors in Wrigley's success is the development of products that not only taste great but also deliver unique benefits for a confectionery product. These products deliver a range of benefits including dental protection (Orbit), fresh breath (Winterfresh), enhancing memory and improving concentration (Airwaves), relief of stress, helping in smoking cessation and snack avoidance. Wrigley is one of the pioneers in developing the dental benefits of chewing sugarfree gum - chewing a sugar-free gum like



Orbit reduces the incidence of cavities by 40%. Its work and support in the area of oral healthcare has resulted in dental professionals recommending sugarfree gum to their patients. 95% of citizens of Bosnia and Herzegovina choose Orbit when buying a chewing gum (Source: GFK, June 2008), while almost 80% of them try every new initiative.

History

William Wrigley Jr. came to Chicago from Philadelphia in the spring of 1891. He was 29 years old, had \$32 in his pocket and unlimited enthusiasm and energy. He also had great talent as a salesman. His father was a soap manufacturer, and at the start of his new business in Chicago, Mr. Wrigley sold Wrigley's Scouring Soap. As an extra incentive to merchants, Mr. Wrigley offered premiums. He knew his customers would be more likely to carry Wrigley's soap if they received a little "something for nothing". One of these premiums was baking powder. When baking powder proved to be more popular than soap, he switched to the baking powder business. Then one day in 1892, Mr. Wrigley got the idea of offering two packages of chewing gum with each can of baking powder. The offer was a big success.

Once again the premium - chewing gum - seemed more promising than the product it was supposed to promote. At that time, there were at least a dozen chewing gum companies in the United States, but the industry was relatively undeveloped. Mr. Wrigley decided that chewing gum was the product with the potential he had been looking for, so he began marketing it under his own name. His first two brands were Lotta and Vassar. Juicy Fruit gum came next in 1893, and Wrigley's Spearmint was introduced later that same year. Mr. Wrigley was also one of the pioneers in the use of advertising to promote the sale of branded merchandise. He saw that consumer acceptance of Wrigley's gum could be built faster by telling people about the benefits of the product through newspaper and magazine ads, outdoor posters and other forms of advertising. Then, as more and more consumers began



to ask for and buy Wrigley's chewing gum in the stores, the storekeeper would naturally want to keep a sufficient stock of Wrigley brands on hand. The company continued to grow and current results show that worldwide sales have reached 5.4 billion USD. Today's board of directors is represented by the fourth generation of the Wrigley family, while its headquarters is in one of the most famous buildings in Chicago. The company entered the marketplace in Bosnia and Herzegovina in 1994. Thanks to the enthusiasm of local promoters and distributors, the company has achieved excellent results.

Product

The characteristic of all Wrigley's products is quality. In fact, the sincerity of this commitment was demonstrated during World War II when in the USA the production of chewing gums for civilians stopped due to the lack of quality ingredients. The refusal to compromise continues to this day and ensures that every single piece of gum, whatever the brand, meets or exceeds all superior standards. Wrigley's success in the global market can be attributed to a combination of world-class innovation, excellent targeting of its products, consistent and engaging marketing support, as well as its tremendous distribution and merchandising. Everyone is a potential Wrigley consumer and the company makes every effort to appeal to the widest cross section of the





population, and through its excellent distribution and merchandising ensures the product is always within reach when desired. Wrigley has five brands in Bosnia and Herzegovina: Orbit (chewing gums and drops), Winterfresh (chewing gums and mints), Airwaves (chewing gums and drops), Hubba Bubba (chewing gums) and Juicy Fruit (jellies). Orbit, the most important Wrigley's brand in Bosnia and Herzegovina, is available in six basic flavours: Peppermint, Spearmint, Sweetmint, Apple, Watermelon, Winterfrost, followed by numerous fruit flavor rotations and four additional subcategories of the product - Orbit for Kids with calcium to strengthen children's teeth; Orbit White for teeth whitening; Orbit Professional containing micro granules that helps clean teeth so that consumer can actually feel it, and Orbit Clean chewing gum with liquid filling which helps clean teeth even in hard to reach places.

Recent Developments

To build on the success of Orbit chewing gum and in response to consumer demand for a product that is not harmful to their teeth, in January 2003 company introduced Orbit Drops in the

marketplace. After its successful introduction, Wrigley extended the candy trend to the entire portfolio, launching Winterfresh Mints in 2005 and Airwaves Drops in the end of 2005. The success of the candy drops is reflected through constant consumption monitoring: Orbit Drops currently hold 8.0% of the market, Winterfresh Mints 4.9% while Airwaves Drops hold 7.8 % of the hard and mint candy segment (Source: AC Nielsen MAT ON, 2006). In order to make chewing gum permanently accessible to consumers at the workplace, at home, in the car, the latest innovation on the market, launched in February 2007, is Orbit chewing gums in bottles.

A practical packaging of 60 pellets features an additional opening with only one pellet coming out as a hygienic way to hand out chewing gums. An elegant form fits into every hand and every car and has been completed with a new, more effective redesign of Orbit brand in 2008.

To satisfy all consumers' tastes and offer them sweets for all circumstances, in November 2007, with great excitement Wrigley introduced new jellies. Juicy Fruit Jelly Chews – soft jellies with 5 original fruit flavours, 5 various forms and textures, in recognizable small yellow bags of 35g and 100g.

Promotion

Wrigley's marketing strategy is to create demand for its product through the use of strong consumer advertising and highly visible and recognizable instore display solutions. William Wrigley, the founder of the company, was a great believer in the power of advertising. Ever since he made the first brand, Wrigley Spearmint in 1910 by continuing to advertise his products when his competitors stopped, the company has consistently advertised its products to many generations. The consumers that Wrigley aims to reach are spread right across all ages. The main aim for consumer communication is to convey product benefits in as memorable a way as possible. Orbit has had a strong media presence in Bosnia and Herzegovina. Communication strategies, highlighting Wrigley's dental and oral healthcare benefits ranging from decay protection to beautiful smiles, have had an important role in maintaining the company's position in the marketplace. Airwaves, second in advertising, highlights its "breath free" qualities and relief from every day's little stress occasions. Winterfresh is Wrigley's brand, which holds the

third position in commercial advertising, and its advertisements transmit the message of a product that guarantees fresh breath. Hubba Bubba, Wrigley's brand for children, conveys its "fun" brand equity. Juicy Fruit stands for the juiciest jelly experience.

Brand Values

William Wrigley, the founder of the Wrigley Company, once said: "Even in a little thing like a stick of gum, quality is important". This philosophy is as important for the Wrigley Company now as it was in 1891. A focus on quality and spirit of innovation ensures Wrigley wins with consumers.

www.wrigley.com



THINGS YOU DIDN'T KNOW ABOUT...

Wrigley

- Gum was chewed by the ancient Greeks and Mayans.
- In 1919, Wrigley bought the Chicago Cubs Baseball Team.
- Wrigley introduced the first product with a bar code on.

