



NEW PRODUCT PACESETTERS

Blazing a Trail for the Next Generation

APRIL 2018



IRI

Growth delivered.

The Trail to New Product Success is Shifting

Demographic Shifts Compel Significant Changes to the New Product Development Process

For years, the CPG industry has focused attention on the baby boom generation, which is the nation's largest living adult generation. Then the echo boom happened. The echo boom produced more than 80 million millennials – one of the latest generations to come of age.

Millennials possess significant buying power, and they have very strong beliefs. They thrive on individuality and social interactions. They are digitally connected. They are focused on making a difference, in their lives and in the environment.

Indeed, millennials have changed the CPG game. Oh, by the way, Generation Z is the next great wave, and they're already impacting CPG purchase decisions.

Build Customer Lifetime Value with Innovation Programs That Reflect a Keen Understanding of Shopper Priorities and Behaviors

Millennials account for about one-third of the U.S. population and, though they are still young, their CPG spending power is already huge – an estimated \$240 billion by 2022. Earning just a small share of this spending translates to millions of dollars per year. The lifetime value of loyalty built today is significant.

Millennials are also invaluable disciples for CPG brands. This generation thrives on social connections, and shoppers are heavily influenced by thoughts shared by their friends online and off.

Building Connections Is Critical to Engagement and Success

New product success is not about launching the next hundred-million-dollar new product. It's about building relationships that will last a lifetime. Millennials are moved by products that allow them

to express themselves as individuals and stewards of benevolence. CPG marketers must invest in innovation that supports these critical priorities.

Couple Customer-Centric Innovation with a Powerful Marketing Story to Maximize Impact

This is IRI's 22nd year publishing New Product Pacesetters, the industry-recognized benchmark analysis of exceptional first-year CPG sales success for newly launched products. This report recognizes top performers in food and beverage, non-food and convenience store sectors.

This year's report provides insights into 2017's top new product launches and the marketing stories behind them. It also offers a glimpse into how big data and advanced analytics will help to raise the bar on new product development going forward.

These are IRI's 2017 New Product Pacesetters, textbook examples of innovation done right.

Targeted Innovation Continues to Put Small Companies on the NPP Map

Customization Trend Feeding Smaller Innovation Companies

During the past several years, there has been a groundswell of more targeted CPG innovations. Even the oldest shoppers are savvy – many are connected to the internet, and all know what they want.

Millennials – one of the youngest consumer groups to come of age – are digital natives. They grew up through the emergence of 24/7 access to information – about products, health care, finances and more – that was not long ago out of reach for the masses. They have embraced this fount of knowledge and become really savvy and proactive consumers. They know CPG products can help them live better and longer, so they are proactively pursuing these possibilities.

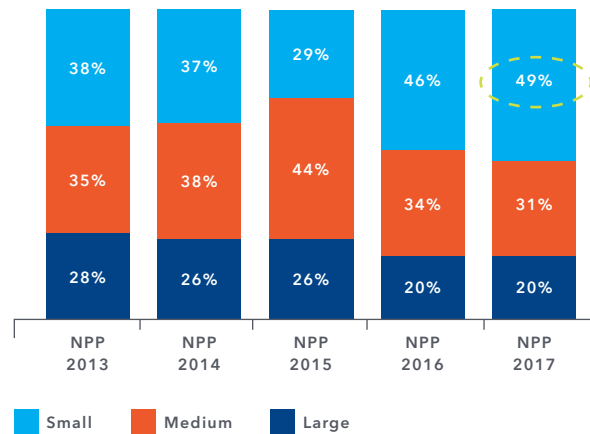
Millennials shop differently from those who came before them. They're more demanding because they can be – they have nearly endless choices at their fingertips. They are individuals, and they want to be treated as such. And they vote with their wallets.

Millennial spending power is noteworthy. The group accounts for one-third of CPG spending in the United States – about \$240 billion in traditional channels by 2022 – and their total annual spend is estimated at \$600 billion.¹ The lifetime value of loyalty earned today cannot be ignored.

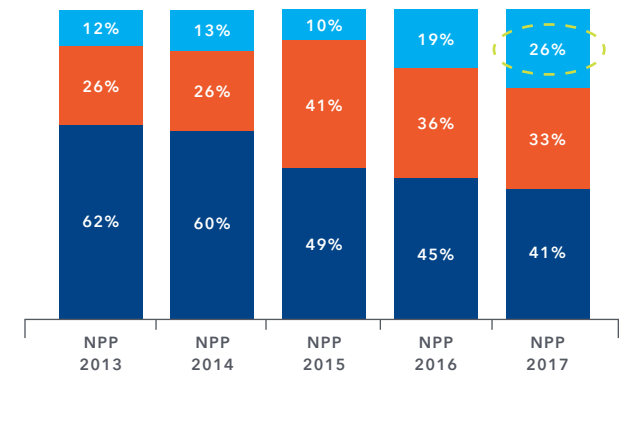
The rise of the internet and the desire for more customized shopping experiences are changing

¹Source: Forbes, "This Is How Millennials Shop," June 14, 2017

Small Companies as % of Total NPP Companies



Small Companies as % of Total NPP Sales



Source: IRI Market Advantage™, new products that completed their first year in calendar year 2017

the CPG competitive landscape. The platform has served to level the playing field, giving smaller players a low-cost means of engaging shoppers near and far. Through e-commerce, smaller players can share their unique stories – quite powerful for millennials, who thrive on personal connections – drumming up demand that will “pull” the product through the system and eliminating the need for massive upfront investments in inventory.

Small companies – those earning less than \$1 billion annually – now account for one-quarter of New Product Pacesetter sales, which is a stark change from low double-digit share just five years ago.

Approximately \$15 billion in industry sales have shifted away from large companies to smaller players since 2012.

– IRI/BCG 2017 Growth Leaders

New-to-Market Launches Are More Common and More Accepted Than Ever Before

Proliferation of Small Companies Is Changing the Composition of the New Product Marketplace

In addition to changing the competitive landscape, the spate of small companies bringing new and more targeted innovation to the marketplace is changing the very nature of CPG Pacesetter innovation.

Just five years ago, an estimated 9 out of every 10 Pacesetters launched were extensions of existing product lines. Brand extensions, of course, benefit from existing brand equities, which generally improve rate of product trial and confidence in consumer acceptance and adoption, and thereby reduce the odds of product failure.

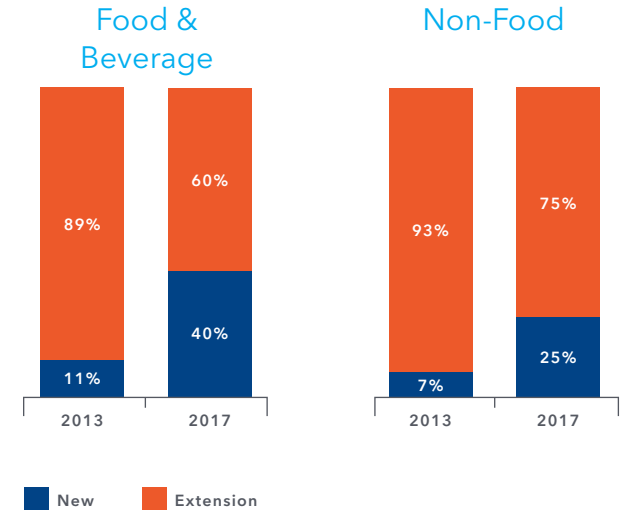
In 2017, 40 percent of food and beverage and 25 percent of non-food Pacesetters were entirely new brands to the CPG marketplace, demonstrating consumers' willingness to try "unknown" brands. Millennials, in particular, are more moved by experiences and solutions to their needs, and less likely to purchase based solely on brand name.

On the food and beverage side, all of the top 10 NPP brands were new market entrants, though many of these – including Dunkin' Donuts Iced Coffee, Nestlé Splash and Hershey's Cookie Layer Crunch – certainly benefit from the equity their manufacturers have in the marketplace.

In a change from trends evidenced during the past several years, none of this year's top food and beverage launches crossed into CPG aisles from the restaurant arena. Still, several new brands – including Cracker Barrel Macaroni & Cheese, Hillshire Snacking and Halo Top – boast a restaurant-quality look and feel.

Seven of the top 10 non-food launches were new to CPG, with four crossing over from other realms. Biofreeze – once available only through health care professionals – is a topical analgesic that uses the cooling effect of menthol, a natural pain reliever, to soothe minor muscle and joint pain.

The As Seen On TV section of CPG retail stores has been heating up for several years now. Three As Seen On TV brands hit CPG shelves with enough sales to earn top-10 Pacesetter status: Red Copper and Copper Chef (both culinary brands) and Ontel Simply Straight (hair care). The remaining three new non-food launches, Garnier Whole Blends, Herbal Essence Bio:Renew and Maui Moisture, find equity in their manufacturer names. Maui Moisture was launched by Vogue International, a division of Johnson & Johnson.



Source: IRI Market Advantage™, new products that completed their first year in calendar year 2017



“Snacking ... is an opportunity to go on a 15-minute culinary adventure, and Hillshire Snacking products set a new bar with interesting flavor pairings and quality ingredients you'd never expect from a packaged snack.”

– Megan Huddleston, Vice President of Marketing, Hillshire Snacking

Sub-\$20 Million Launches Have Become the Norm

Consumer-Centric Launches Hit Home, Become the Norm in CPG

In a slight downward tick from previous years, this year's New Product Pacesetters ranking features only two brands – Halo Top and Garnier Whole Blends – that accrued more than \$100 million across IRI's multi-outlet geography in their first year on the market.

Eighty-nine percent (178) of the top 200 CPG brand launches of 2017 earned less than \$40 million in year-one sales. This is a trend that has been unfolding for several years now, and it is showing no signs of change.

Trends have also demonstrated a definitive crunch in the middle of the pack. Brands earning \$20 million to \$39 million in year-one sales accounted for 29 percent of this year's NPPs, in a clear continuation of a squeeze that began a few years ago.

Smaller, more targeted launches have become a new norm in CPG aisles, as manufacturers look to enhance impact with launches that hit more tightly against key consumer needs and wants. In a testament to the power of this shift, 20 percent

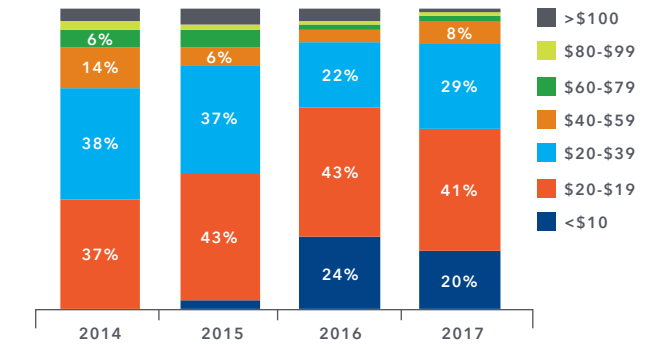
of this year's top-selling launches earned less than \$10 million during their first year on shelves.

CPG marketers must adjust their new product launch projections to reflect a new reality.

On the food and beverage side, median year-one sales were \$14.5 million, excluding outlier Halo Top (with \$342.2 million). This is an increase versus last year, when median sales (also excluding an outlier number-one launch) were \$11.4 million. The NPP17 median was strengthened by the \$87 million launch of Nabisco Good Thins, a baked cracker that offers crispy, crunchy satisfaction without artificial colors or flavors, cholesterol, high fructose corn syrup or partially hydrogenated oils.

On the non-food side, median year-one sales inched up just slightly, from \$17.6 million to \$17.8 million, bolstered by a slight uptick in the number of brands earning \$40 million to \$59 million dollars. Brands in this range are primarily higher-ticket general merchandise items: cookware and hair styling tools. Tide Simply Plus Oxi and Maui Moisture also command a price premium versus other brands in their categories, driving year-one sales up.

Year-One Sales Distribution (\$ Million)



Source: IRI Market Advantage™, new products that completed their first year in calendar year 2017
 Note: numbers may not add up to 100% due to rounding.

Median Year-One Sales

Food & Beverage: **\$14.5M**
 Non-Food: **\$17.8M**
 Convenience Store: **\$30.8M**



NPP17 shows a slight uptick in brands earning year-one sales of \$40 million to \$59 million.

Products That Solve Needs, Provide Experiences Win

Innovation Trends Are Being Heavily Influenced by Millennials

It is no surprise that millennials are eager adopters of new CPG products. This group, after all, is on the lookout for new, exciting and unique experiences. This quest for newness is pushing innovation into new territory.

Millennials are smart. Not only are they generally more educated than those who came before them, but they are also very worldly. They're online – a lot – and they love to share their experiences. Social media's critical role in new product launch plans will be explored later in this report.

Millennials' CPG options are essentially unlimited, and they know it. As a result, millennials are a demanding bunch. They're frugal, but they are willing to spend on things that matter to them.

Of the 20 largest 2017 New Product Pacesetter brands, 85 percent command a price premium versus their respective category averages. These solutions are hitting hard, with attributes that raise the bar on CPG expectations. Benefits that boost power, experience and convenience give innovators a chance to increase margin potential, and premium-priced launches are moving the year-one sales needle.

PepsiCo's LIFEWTR, for instance, sells at a significant premium versus other convenience/ still waters. The brand hit strong in the market as a purified water, pH-balanced with electrolytes added for taste. The brand gives back to the

Millennials are Trend Shifters



community – because inspiration is as important to life as water. LIFEWTR Series 4, for instance, supports “Arts in Education,” bringing art to students through curriculum, supplies and partnerships. LIFEWTR earned the number five food and beverage New Product Pacesetter ranking and number two convenience store spot.

Wellness is another critical focus area in CPG today. Millennials are proactively embracing self-care – the concept of paying attention to health and wellness today to ward off ailments – and old age – in the future. Today, self-care is a critical trend that transcends CPG aisles, and new launches that play in this area are very well-received.

Campbell's Well Yes! soup features clean, simple and nutritious ingredients to make healthy eating quick and easy. Differin Gel brings the power

of prescription dermatological care into the home as the first and only OTC topical retinoid acne treatment.

And a shift from brand-driven decisions to attribute-driven decisions is bringing “fusion” to the packaged goods industry, providing consumers with solutions to everyday needs, plus indulgent and/or exciting experiences simultaneously. This trend is explored in more detail later in this report.

40%
of top-selling
Pacesetters over-index
with millennial shoppers



Wellness Is Important, But Balance Is Essential

Millennials Eat Healthy, But They Also Like to Indulge

IRI's New Product Pacesetters 2016 report explores the impact that dietary mindset has on new product behavior. Free eaters, for instance, seek convenience over most other considerations, while healthy eaters look for solutions that help them meet nutritional goals.

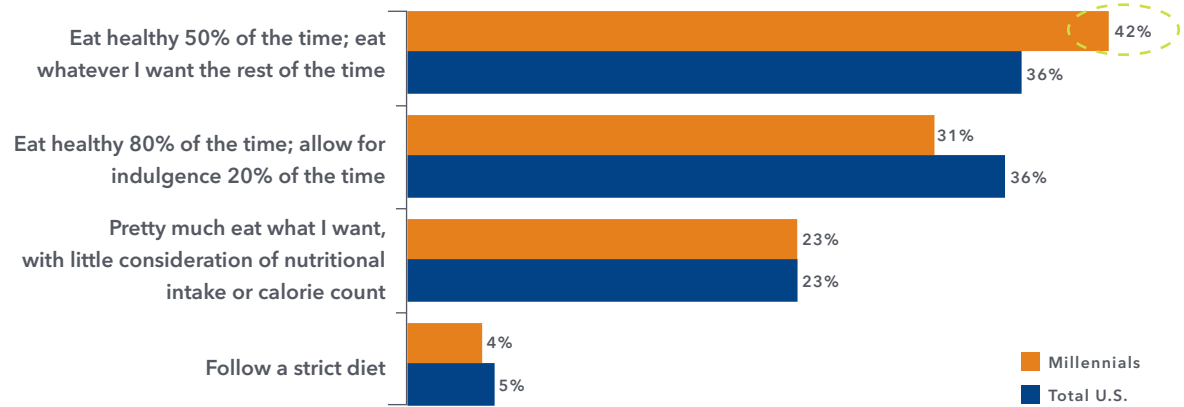
Millennials are all about balance, with 42 percent saying that they eat healthy and splurge pretty equally.

The most powerful launches of 2017 definitely reflect this balance – almost exactly half (53 percent) of food and beverage Pacesetters offer indulgent experiences.

For a taste-bud-altering experience, Doritos Loaded features melty cheese loaded on a crispy Doritos-flavored crust. Another example of a flavor explosion is Oreo Churros, heat-and-serve churro bites with a crispy outside and an Oreo chunk and crème filling inside.

Increasingly common across NPP brands are launches that strike a balance between wellness and indulgence. This trend is explored in more detail on the pages that follow.

Attitude Toward Eating
% of Consumers



Source: IRI 2018 New Products Survey

Taking the Doritos flavor experience to a new dimension with crispy Doritos- flavored crust loaded with melty cheese.



With a crispy outside, rich crème filling and Oreo cookie pieces in every bite, it is the ultimate mash-up!



Healthier-for-You Indulgence Is a Growing Wave in Food Aisles

Healthier Indulgences Are Prevalent Across Food Aisles

Powerful food launches offer a solid nod to consumers looking for treats and sweets. Candy and gum account for 9 percent of food Pacesetter dollars, in line with trends seen during the past five years. The largest launch in this area is Hershey's Cookie Layer Crunch – milk chocolate bars with a shortbread cookie crunch and creamy fillings, providing taste and texture experiences in a hand-held form.

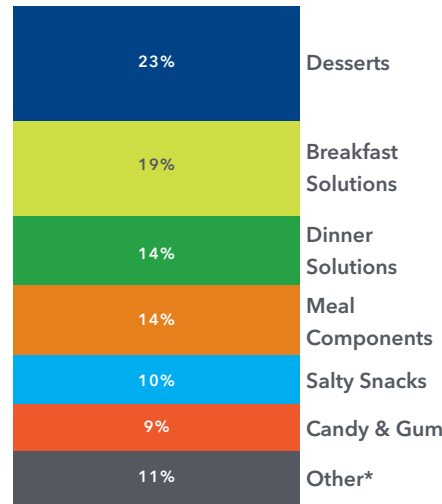
But healthier-for-you indulgences are most prevalent among today's new food powerhouses.

Weight Watchers ice cream bars are deliciously decadent ice cream treats with only 4 SmartPoints value or less. Jell-O Simply Good is made with real fruit juice, vanilla bean, banana and cocoa with no artificial flavors, dyes or preservatives.

Protein continues to be a driving force in food innovation. Thirty-six of the 76 Pacesetter food brands touted protein attributes. Most of these hail from dinner and breakfast sectors.

In the dinner sector, the largest launch is SmartMade by Smart Ones, a nutritious and delicious frozen meal inspired by the quality ingredients and smart cooking techniques you use at home.

New Food Launches by Consumption Group as % of Food Pacesetter Dollars



Source: IRI Market Advantage™, new products that completed their first year in calendar year 2017
 *Includes sweet snacks, sauces/dips/spreads and baby food. Numbers may not add up to 100% due to rounding.

The breakfast solutions sector's share of NPP food dollars has declined during the past few years with the slowing of the Greek yogurt craze that inspired hundred-million-dollar brands like Dannon Oikos Triple Zero and Chobani Simply 100. Still, this year's top breakfast solution, Chobani Yogurt Drinks, earned more than \$43 million with a grab-and-go solution that offers 14 to 15 grams of protein per 10-ounce serving.

Eighteen of the 76 food Pacesetters are breakfast solutions, offering consumers a variety of quick and easy solutions for the breakfast occasion. The sector is seeing success in catering to consumers at both ends of the wellness spectrum, including indulgent flavor experiences, like Kellogg's Cinnamon Frosted Flakes, and healthier, on-the-go options, like Jimmy Dean Delights Frittatas, as well as healthier-for-you breakfast indulgences, such as Yoplait Custard Yogurt and Yoplait Dippers.

Top Beverages Dig Deep to Provide Nostalgia and Excitement

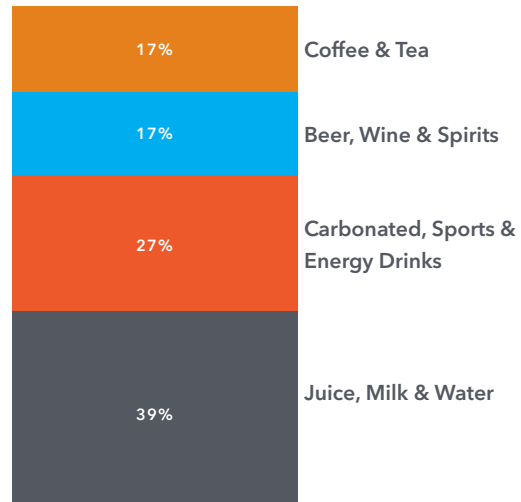
Beverage Innovation Addresses Indulgence and Experiences, but Healthier Options Abound

The water segment has picked up steam in recent years, driven by trends around flavoring, fortification and carbonation, creating a healthy beverage with an indulgent feel. Four bottled waters earned NPP status this year: Nestlé Splash, a line of natural fruit-flavored bottled waters to quench your thirst, is the largest. LIFEWTR, Core Hydration and Smartwater Sparkling are the others.

Beer, wine and spirits innovation accounted for 17 percent of beverage Pacesetter dollars. Innovators are finding success with healthier-for-you solutions that allow consumers to indulge with less guilt. This year, three new premixed cocktails and coolers – White Claw Hard Seltzer, Barefoot Refresh spritzer and Truly Spiked & Sparkling seltzer – offer lower-calorie, lower-carbohydrate options to adult beverage drinkers. New Belgium Citradelic beer found success offering a flavorfully indulgent alcoholic beverage experience, and Prophecy Wines brought that experience into cans for easier on-the-go consumption.

The carbonated, sports and energy drinks segment saw a significant jump in share of NPP dollars earned during the past year, from 7 percent in 2016 to 27 percent in 2017, despite having the same number of Pacesetter launches.

New Beverage Launches by Consumption Group as % of Beverage Pacesetter Dollars



Source: IRI MarketAdvantage™, new products that completed their first year in calendar year 2017
 Note: Numbers may not add up to 100% due to rounding.

Pepsi introduced four New Product Pacesetter-earning carbonated beverages this year: Pepsi Cherry Vanilla, 1893, Mountain Dew Pitch Black and Mountain Dew Black Label – giving consumers a wealth of options for fun and exciting flavor experiences.

Red Bull Green Edition was the only energy drink on the list this year, earning the 28th spot on the food and beverage ranking and the top spot in the convenience channel. By way of comparison, four energy drink brands earned spots on the NPP16

ranking. Red Bull Green Edition is the latest addition to the Editions line, giving consumers the wings of Red Bull energy drinks with the flavor of kiwi apple.

The coffee and tea sector saw innovation slow, with just three brands and, for the first time in several years, no K-Cup introductions hitting NPP status. The top coffee and tea launches for 2017 include Dunkin’ Donuts Iced Coffee and Stok. Pure Leaf, a line of hot and iced teas that makes for an unforgettable tea experience, is the other top launch in this sector.

The Competitive Set Is Framed Around Solutions, Needs and Wants

Change in Shopper Mindset Has Caused a Reframing of the Competitive Set

Consumers no longer shop by category, which is the way marketers talk and think about the industry. They think about what they need/want and buy the products will solve for that need/want.

To deliver against these needs and wants, top manufacturers are taking a solutions-based approach to innovation. This is serving to entirely reframe the competitive set.

Years ago, water was a clear liquid that quenched thirst. Through the years, consumer needs and wants evolved. Technology has also evolved. Today, innovators are adding carbonation, flavors, sweeteners and even more – vitamins, minerals, electrolytes, etc. – to water, creating a very different product that meets a wide variety of needs and wants.

Water now competes on a whole different level. It competes with soft drinks, juices, energy drinks and sports drinks, and other beverages. Water can be consumed purely for hydration, it can be a decadent and fun beverage experience, or it can boost nutritional intake.


This same evolution is happening across CPG aisles. Cosmetics offer hydration and sun protection. Pretzels are packaged with hummus to offer meal solutions. The list goes on.

That was then ...



Water + Carbonation + Flavor + Sweetener +

This is NOW



+ Color

"Clear" = Water

Water is starting to look a lot like a diet carbonated soft drink!

Today's most successful new products underscore the power of innovation that fuses multiple benefits for the purpose of simplifying and/or enhancing consumers' lives.

Milka Oreo is Oreo's first-ever candy bar. The line of chocolate candy is a true fusion: crunchy bits of Oreo cookies in a cream filling, covered in Milka chocolate. Consumers get the crunchy, creamy experience of Oreo cookies, with a rich chocolate covering.

On the healthier-for-you side, Pressed by Kind offers a fusion of convenience and taste – an easy way to add fruit to your daily routine! Each bar is made with real fruit plus ingredients like veggies, chia or chocolate. Grab and go: nutritious, convenient and tasty.



LIFEWTR racked up just under \$158 million in year-one sales across IRI's multi-outlet plus convenience environment.

The brand supports philanthropic causes, too!

Non-Food Launches Packaging High-Demand Benefits to Enhance the Value Proposition

Benefit Fusion Is Raising the Bar in Non-Food Aisles, Too

Convenience and ease of use have long been table stakes for successful participation in the CPG industry. This remains very much the expectation today.

Now, though, consumers seek even more. They want products that are carefully tailored to their unique needs and wants. Many times, this means packaging benefits with experiences. Across non-food aisles, CPGs are delivering in spades.

The household care sector saw a lot of successful innovation this year, with 11 NPP launches, up from 7 last year.

Co-branded solutions are bringing benefits plus experiences together in one convenient solution. Tide Simply Plus Oxi, for instance, fights stains and odors with twice the Oxi fighting power. No need to pretreat, plus clothes are infused with a fresh, clean scent.

Windex with Glade also blends cleaning power with sensory experiences. It is a multisurface cleaner that does the work of a variety of cleaning products, almost anywhere in the home, leaving fresh Glade fragrance behind!

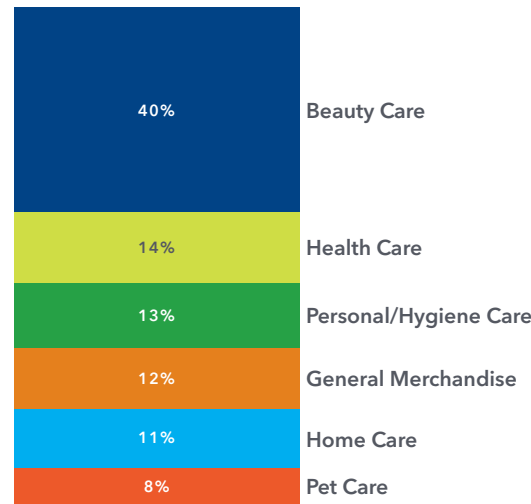
There are more beauty care brands in this year's New Product Pacesetters ranking than in recent history. Most of these are cosmetic or hair care products that demonstrate the power of fusing benefits to enhance the value proposition.

L'Oréal launched several new cosmetics brands, including the L'Oréal Infallible Paints line, which offers one-stroke, long-lasting lip coverage in a range of high-impact colors. The brand's Pro-Glow foundation also provides long-lasting coverage, plus sun protection and hydration.

The hair care segment is seeing similar results from benefits fusion. Carol's Daughter, a L'Oréal company,

is a line of natural hair care products that provides a targeted boost to the hair care routine, and includes varieties such as moisturizing, curl-enhancing, strengthening, smoothing and more. The brand earned more than \$33 million in its first year in IRI's multi-outlet geography, plus more than \$6 million online in 2017 – a nod to the valuable and rapidly growing power of online CPG.

Non-Food Launches by Consumption Group as % of Total Non-Food Dollars



A continued groundswell of As Seen On TV brands is capturing precious shelf space in CPG aisles, driving considerable growth in general merchandise NPP dollars.



Source: IRI Market Advantage™, new products that completed their first year in calendar year 2017
 Note: Other (3% of total) includes cigarette/tobacco products; paper, plastic and foils; air fresheners and candles. Numbers may not add up to 100% due to rounding.

Be Where the Shopper Is; Get Assortment Right

For Success, Products Must Be Where the Shopper Is

“If you build it, they will come.” It’s a well-known quote from the movie, “Field of Dreams.” The notion may work in baseball movies, but it doesn’t work in CPG aisles.

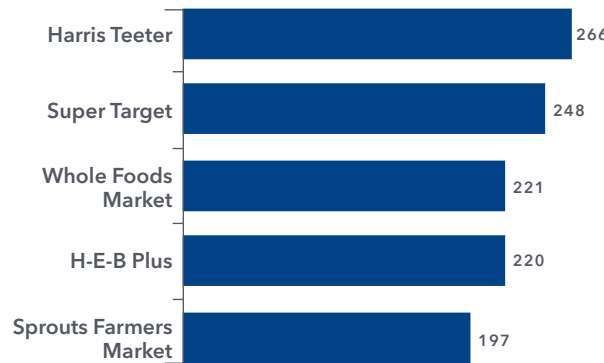
For a new product to truly be successful, it is up to marketers to ensure that the product is where the shopper is, when the shopper is ready to buy.

Through big data and advanced analytics, CPG marketers do have visibility into highest-potential retail banners, and even highest-potential locations within each of these banners.

As illustrated on this page, marketers of a new yogurt launch could optimize their distribution by leveraging big data and advanced analytics to assess stores within desired geographies.

In this illustrative scenario, the analysis determines that Harris Teeter stores index as the highest-potential retail banner within a defined geography among a specific target group of consumers for their new brand. Further analysis revealed that, by ensuring ideal assortment in select Harris Teeter locations, sales potential for that product would grow by tens of millions of dollars.

Top Retail Banners Ranked by Index Target ACV > \$800M



Top Store Sales Potential

Store Address	Estimated ACV \$ Millions
600 N. Glebe Rd., Arlington, VA	\$20.2
6701 Morrison Blvd., Charlotte, NC	\$27.6
2425 N. Harrison St., Arlington, VA	\$18.9
108 Purcellville Gtwy. Dr., Purcellville, VA	\$19.8
11806 Spectrum Ctr., Reston, VA	\$18.2

Source: IRI ShopperSights™

Of course, to maximize this opportunity, it is critical that the manufacturer also invests to understand what that ideal assortment looks like – what is the right mix of flavors and sizes, for instance? What percentage of triers are repeat buyers, and which flavors do they buy? Which promotions entice new buyers to the brand? Will co-promotion enhance lift? Which SKUs best drive trial? Which are best for repeat?

By analyzing data from over 120 million households making hundreds of millions of purchases each week, IRI provides the tools and expertise that allow marketers to closely anticipate demand, then make on-the-fly adjustments to rapidly optimize distribution and promotion strategies.

Marketing Programs Must Engage and Activate

Messaging Must Be Relevant in Tone and Context; User-Generated Content Is Powerful

In addition to ensuring that new products are in high-potential stores and stocked to appropriately appeal to key consumers, marketers must also carefully plan marketing programs.

Consumers today are overrun with marketing messages; they have become experts at tuning out messages that don't resonate.

Consumers don't go looking for marketing stories; the stories must come to the right consumer, with relevant tone and in a relevant context.

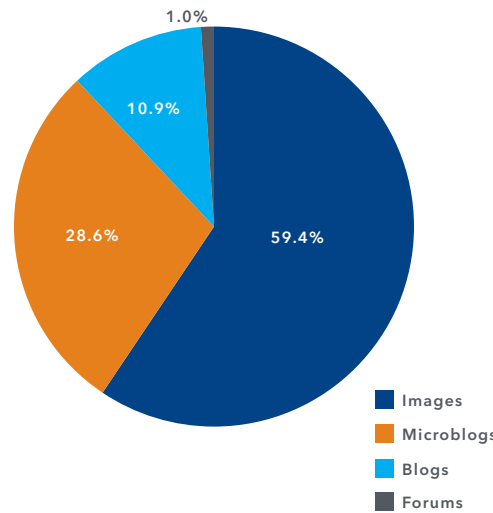
By understanding who key consumers are, where they live and the media with which they interact most frequently, marketing stories can meet consumers where they are with messages that drive activation. This includes traditional media, as well as new media.

For millennials, social media plays a vital role in learning about and purchasing new CPG products. According to IRI's 2018 New Products Survey, 70 percent of millennials learn about new products through recommendations from friends and family. With this generation, more than any before, social media is a powerful facilitator of friend-to-friend communication.

For Halo Top ice cream, for instance, social media mentions of the brand grew more than 400 percent between 2016 and 2017 – the first year the brand was on the market. Illustrated here, 59 percent of those messages were images – largely Instagram – from “low influence” (i.e.,

not paid or brand-sponsored) contributors. This type of user-generated content is hugely influential to young shoppers. Forty-seven percent of millennials trust user-generated content – far more than the 25 percent of millennials trusting brand-generated content.¹

Halo Top Share of Earned Social Volume by Channel 2017 Calendar Year



Source: IRI SocialAdvantage™



genzfoodie my favorite flavor by far!
christilynnfit Omg yes 🍷

47% of millennials trust user-generated content



¹Source: <http://www.adweek.com/brand-marketing/infographic-how-millennials-and-baby-boomers-consume-user-generated-content-175307/>



Top 10 Pacesetters: Food & Beverage

Food and beverage launches that fuse healthier-for-you attributes with indulgence are raking in sizable year-one sales.

1 Halo Top
Ice Cream/Sherbet
\$324.2_M

2 Good Thins
Crackers, Salty Snacks
\$87.0_M

3 Dunkin' Donuts Iced Coffee
RTD Tea/Coffee
\$67.1_M

4 Nestlé Splash
Bottled Water
\$55.2_M

5 LIFEWTR
Bottled Water
\$50.4_M

6 SmartMade by Smart Ones
Fz. Dinners/Entrees
\$49.3_M

7 Hershey's Cookie Layer Crunch
Chocolate Candy
\$47.7_M

8 Hillshire Snacking
Rfg. Lunches
\$47.5_M

9 Well Yes!
Soup
\$47.3_M

10 Cracker Barrel Macaroni & Cheese
Dry Packaged Dinners
\$46.6_M


Source: IRI Market Advantage™, new products that completed their first year in calendar year 2017



Top 10 Pacesetters: Non-Food

Non-food launches exemplify the power of natural ingredients; benefit fusion brings power, indulgence and experiences.


1 **Garnier Whole Blends**
 Hair Care
 \$121.8_M



2 **Biofreeze**
 External Analgesic Rubs
 \$78.1_M




3 **Herbal Essences Bio:Renew**
 Hair Care
 \$74.7_M



4 **Red Copper**
 Culinary
 \$53.1_M




5 **Tide Simply Plus Oxi**
 Laundry Detergent
 \$52.1_M



6 **Select by Calphalon**
 Culinary
 \$44.4_M




7 **Simply Straight**
 Hair Appliances
 \$44.4_M




8 **Copper Chef**
 Culinary
 \$42.7_M



9 **Mau Moisture**
 Hair Care
 \$40.2_M



10 **all Powercore Pacs**
 Laundry Detergent
 \$36.8_M







Source: IRI Market Advantage™, new products that completed their first year in calendar year 2017





NEW PRODUCT PACESETTER


Top 10 Pacesetters: Convenience Store Brands


The year's most successful convenience store launches demonstrate a powerful benefits fusion that is marching across CPG aisles.


1	<p>Red Bull Green Edition</p>  <p>Energy Drinks \$110.7_M</p>
4	<p>Monster Mutant Super Soda</p>  <p>Carbonated Beverages \$42.3_M</p>
7	<p>Four Loko Gold</p>  <p>Beer/Ale/Alcoholic Cider \$34.7_M</p>
10	<p>Kit Kat Big Kat</p>  <p>Chocolate Candy \$30.9_M</p>


2	<p>LIFEWTR</p>  <p>Bottled Water \$107.6_M</p>
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3	<p>Dunkin' Donuts Iced Coffee</p>  <p>RTD Tea/Coffee \$89.0_M</p>
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5	<p>Hershey's Cookie Layer Crunch</p> <p>Chocolate Candy \$41.0_M</p> 
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6	<p>Mountain Dew Pitch Black</p> <p>Carbonated Beverages \$38.6_M</p> 
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8	<p>Mountain Dew Black Label</p> <p>Carbonated Beverages \$32.8_M</p> 
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9	<p>Sprite Tropical Mix</p> <p>Carbonated Beverages \$32.5_M</p> 
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Source: IRI Market Advantage™, new products that completed their first year in calendar year 2017



Rising Stars: Food & Beverage

Rising food and beverage innovation demonstrates the power of extravagance and indulgence that doesn't derail nutritional goals.

<p>★ Hershey's Gold</p> <p>Non-Chocolate Candy</p> 	<p>★ Jimmy Dean Simple Scrambles</p> <p>Rfg. Entrees</p> 	<p>★ Gatorade Flow</p> <p>Sports Drinks</p> 
<p>★ Lay's Poppables</p> <p>Salty Snacks</p> 	<p>★ M&M's Caramel</p> <p>Chocolate Candy</p> 	<p>★ Kinder Joy</p> <p>Chocolate Candy</p> 
<p>★ Ritz Crisp & Thins</p> <p>Salty Snacks</p> 	<p>★ RXBAR</p> <p>Snack/Granola Bars</p> 	<p>★ Oui by Yoplait</p> <p>Yogurt</p> 
		<p>★ Sunsweet Amaz!n</p> <p>SS Bottled Juices</p> 

Source: IRI Market Advantage™, new products that will complete their first year in calendar year 2018




NEW PRODUCT PACESETTER


Rising Stars: Non-Food

Rising non-food stars embrace power and natural ingredients for hard-hitting success.


★ Baby Dove
Baby Needs




★ Crave
Pet Food




★ L'Oreal Voluminous Lash Paradise
Eye Cosmetics




★ Bella
Pet Food




★ Finishing Touch Flawless
Bath/Body Scrubbers/Massagers




★ Tide Pods Plus Downy
Laundry Detergent




★ Arm & Hammer Slide
Cat/Dog Litter




★ Cesar
Pet Food



★ Flonase Sensimist
Nasal Products



★ XYZAL
Cold/Allergy/Sinus



Source: IRI Market Advantage™, new products that will complete their first year in calendar year 2018

IRI TOOLS

Quicken Your Pace

Robust and people-smart: This explains our powerful suite of analytical and decision-making tools for consumer marketers and their brands. Learn about our breadth below; don't hesitate to contact Larry Levin in IRI's Consumer & Shopper Marketing practice: Larry.Levin@IRIworldwide.com or +1 818.450.7614.

IRI NEW PRODUCT PROFILER™

Employs a database of the strongest new product introductions since 2002, to help you identify and analyze critical success factors, plan product launches and set realistic goals with confidence.

IRI CONCEPT EVALUATOR

Screens and accurately forecasts new product ideas in two days or less, at a fraction of industry-standard costs.

ADVANCED SEGMENTATION

These solutions help you segment efficiently and target powerfully by identifying, quantifying and tracking distinct consumer/shopper groups who share attitudes – and purchase behaviors.

IRI SHOPPER LOYALTY

Next-generation shopper insights platform that allows for deeper and never-before-available shopper insights for both large and small brands. It is powered by the transactions of 120 million shopper loyalty cardholders.

IRI SHOPPERSIGHTS™

Innovatively segments and targets for unmatched optimization of promotion, media and retail-specific marketing programs at the household and store levels.

IRI HENDRY MARKET STRUCTURE™

Helps you forecast innovation opportunities in existing categories and white-space segments. Synthesize shopper behavior, attitudes and usage data to innovate early and accurately. You increase overall success and avoid expensive failure.

IRI ATTITUDELINK™

Generates powerful attitudinal surveys within the IRI Consumer Network™ panel, linking longitudinal purchasing behavior to underlying consumer needs and attitudes – something general market surveys can't do.

IRI INNOVATION SOLUTIONS TEAM

Increases the odds of new product success and mitigates the risk of bad decisions by leveraging IRI's shopper behavior-based innovation and new product solutions, which support the entire innovation process from white space identification to post-launch assessment.

ABOUT NEW PRODUCT PACESETTERS

IRI has a long history of celebrating the consumer packaged goods (CPG) industry's most powerful brand launches. It's a celebration that is rich with iconic brands and game-changing innovations, brought to market by behemoths, such as Procter & Gamble and PepsiCo, and new market entrants, including TruRx and Chobani. It's a celebration that gives innovators inside and outside the CPG industry an opportunity to learn from the best of the best in new product innovation.

IRI's New Product Pacesetters is a celebration of innovation that accelerates growth.

ABOUT THE AUTHORS

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IRI NEW PRODUCT PACESETTERS CRITERIA

- Complete a full year of sales in calendar year 2017 (brands that complete year-one in 2018 qualify for Rising Star status)
- Begin tracking year-one sales after 30 percent ACV weighted distribution achieved across multi-outlet geography; must have 30 percent ACV or higher at date of year-one completion
- New Product Pacesetters are the Top 100 new banners (for each, food and beverage and non-food) based on year-one sales across multi-outlet geography
- Multi-outlet = supermarkets, drugstores, mass-market retailers, military commissaries and select club and dollar retail chains



IRi

Growth delivered.

About IRI

IRI is a leading provider of big data, predictive analytics and forward-looking insights that help CPG, OTC health care, retailers and media companies to grow. With the largest repository of purchase, media, social, causal and loyalty data, all integrated on an on-demand cloud-based technology platform, IRI guides over 5,000 clients globally in their quests to remain relentlessly relevant, capture market share, connect with consumers and deliver growth. www.IRIworldwide.com

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