

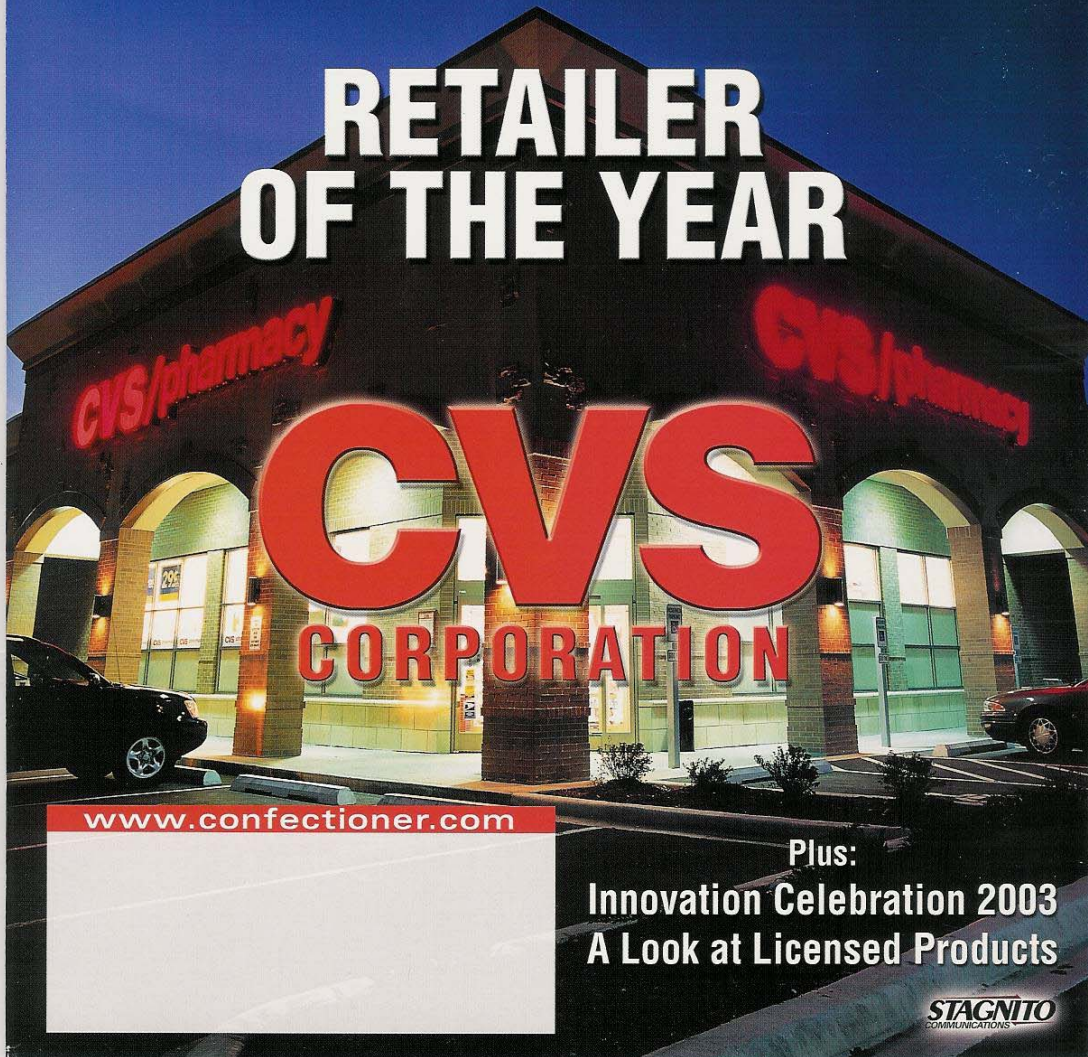
Stagnito Communications Inc./An MWC Company

December 2003

# Confectioner<sup>®</sup>

Ideas and Solutions for Category Growth

## RETAILER OF THE YEAR



[www.confectioner.com](http://www.confectioner.com)

Plus:  
Innovation Celebration 2003  
A Look at Licensed Products

**STAGNITO**  
COMMUNICATIONS

## RECOGNITION

# INNOVATION CELEBRATION

**Confectioner's annual salute to thinking outside the box boasts a bountiful batch of bright ideas.**

By Mary Ellen Kuhn

For many of us, December is a season for both reflection and celebration. Which makes it a perfect time to take note of some of the candy category's most creative thinking.

Not all of the bright ideas we salute here are big ideas — although some certainly are. The products, promotions or strategies selected for recognition were identi-

fied simply because — in one way or another — they represent out-of-the-box thinking.

It's interesting to note that a fair share of this year's innovations come from small, entrepreneurial operations. But industry giants are represented as well, along with some mid-size players, demonstrating that creativity can be cultivated in many different environments.

It should be noted that our Innovation Celebration is designed as a sampler of candy and gum innovation, not a comprehensive listing. Our intention is to recognize innovation in a bid to foster even more of it. So we hope that you'll take a moment to recognize and perhaps be inspired by the following examples of candy category creativity.

## Chewable and chocolate

Choco'la Chewing Gum delivers authentic chocolate taste in a traditional chewing gum medium, an achievement made possible by a new technology from O'lala Foods, an entrepreneurial venture based in Northfield, Ill. Use of the sugar substitute Splenda in the formulation allows for a chewing gum experience that is both chocolatey and sugar-free.

Traditionally, it's been impossible to use real chocolate as an ingredient in gum products. Because of its fat content, chocolate emulsifies the gum base, causing it to lose the elasticity required for a chewing gum. O'lala's patent-pending RST technology allows the com-

pany to add chocolate to the base without causing emulsification, explains Neil Wyant, president and COO of O'lala Foods.

Because only slight modifications are made to the ingredi-

Wyant's business partner, Michael Gurin — is manufactured for O'lala Foods by Ford Gum & Machine Co.

Choco'la made its debut at the All Candy Expo, and at *Confectioner* press time, Wyant was negotiating distribution agreements. With a suggested retail price of \$1.49 to \$1.79 for a 12-piece pack, Choco'la Gum is positioned as a premium product, a positioning reinforced by the creamy brown and gold colors and swirl design on the package.

Next up from O'lala Foods is another product that combines a popular comfort food with a gum base: peanut butter-flavored gum.



ponents, the process does not require FDA approval, and it plugs into the standard gum manufacturing process. The new chocolatey gum — developed by

## RECOGNITION



### Charging forward

Want to get charged up? Chargers chocolate-covered espresso beans will do the job nicely.

Sure, we've seen chocolate-covered beans before, but this product's name and battery look-alike package work perfectly with the caffeinated confectionery treat.

According to Daphne Nissanoff, the charming and cheerful young entrepreneur who brought the product to market, the target audience for Chargers is the high school- and college-age crowd. Nissanoff says alternative channel retailers like Hot Topic and Party City are selling Chargers, and she expects a national college bookstore chain to begin offering them soon.

Nissanoff's San Diego-based company, Melate Inc., recently gave the line a bit of added voltage with the rollout of a red candy-coated version of Chargers.



### Beyond melted marshmallows

The S'mores candy bar from Hershey Foods will never replace the ooey, gooey, marshmallows-over-the-campfire experience. But it sure does a brilliant job of leveraging that experience.

This is a candy bar that makes perfect sense. And in its own way, its blend of milk chocolate, marshmallow and graham cracker bits is fully as yummy as everybody's favorite campfire concoction.

Hershey has the innovation machine turned up full throttle. This is just one of many examples of product development and marketing prowess we've seen from the confectionery powerhouse this year.

### Fun times three

The three-piece Swap Pop from Niles, Ill.-based Imaginings 3 — Flix Candy takes the fun of a lollipop and triples it — and all for the modest suggested retail price of 99 cents.

The new novelty/interactive candy item was inspired by the pull-apart pencils and pens that allow the user to lock the pieces one into the next to create a writing implement that's also fun to play with.

## BULK CANDY Disposable Bin Program

We Have  
The Bulk Candy  
Business  
All  
Wrapped Up



- **Totally Wrapped**
- **Clean/Sanitary**
- **Always A Clean Bin**
- **Self Service**
- **100% Order Delivery**

**SWEET CITY**

5908 Thurston Ave.  
Virginia Beach, VA 23455

Tel: 800-793-3824

Fax: 877-456-9980

[www.sweetcity.com](http://www.sweetcity.com)

## RECOGNITION

### Fruitful ideas from Gray & Co.

Predicting "the next big thing" is no small feat for marketers in any product category.

Jim Reynolds Jr., vice president of sales and marketing for Forest Grove, Ore.-based Gray & Co., believes that fruit and chocolate combos will be one of the confectionery industry's next big things. To that end, the company will unveil a line of Queen Anne Milk Chocolate-Covered Cherries, Blueberries and Strawberries in January.

"We're seeing that in other categories, if you take existing ingredients that mix well with fruit and add fruit in, it can have a huge impact," says Reynolds, citing examples of successful cereal introductions such as Berry Burst Cheerios

and Special K Red Berries. Berry varieties also are proliferating rapidly in the categories of granola bars, flavored waters and even vodka and rum.

But back to confectionery. Ele-

process is widely used in high-end European confections, Reynolds explains. What it does here is allow Gray & Co. to deliver a fruit that is not dried, but rather preserved in still juicy, but nonetheless shelf-stable, form. This real fruit taste and texture coupled with the creamy chocolate coating provide a delicious and truly distinctive taste experience.

Gray & Co., the dominant player in chocolate-covered cherries, has devoted three years to perfecting its new panned glacé offerings. With a suggested retail price of \$2.99, the products will have what Reynolds describes as a "prestige" positioning — a bit upscale, but appropriate for mainstream retailers.



gantly packaged in 5-ounce steeple-top boxes, these three new SKUs feature diced cherries and strawberries and whole blueberries infused with sugar and panned in chocolate.

The sugar-infusion or glacé

Each of the three pieces of the Swap Pop lollipop fits neatly into the next. The pieces are packaged together in one tube container, but after purchase kids can take the Swap Pop apart and reassemble it in whatever way strikes their fancy.

Swap Pop delivers a triple taste experience because each pop is a different flavor. There is extremely sour Blue Raspberry, Sweet Apple and mildly sour Wild Strawberry.

#### A transforming experience

Watching kids sample Airheads Cotton Candy Bubble Gum for the first time at *Confectioner*-sponsored focus groups this spring was almost as much fun as being a kid and experiencing its transformation from a product with the taste and texture of cotton candy into a bona

fide bubble gum.

The panel of third- and fourth-grade boys I observed reacted with surprise and delight as the Perfetti Van Melle product made its texture transition. Most kids today have consumed their fair share of novelty candy, so



eliciting that reaction is a notable achievement.

Perfetti Van Melle's vice president of marketing, Bob Howard, notes that the notion of "out-of-control fun" is what the Airheads franchise is all about, so this prod-

uct fits perfectly under the Airheads banner.

#### The 'Momint' is right

Talking about the "next generation" of products is a cliché in this business, but in the case of Momints Liquid Mints from Yosha! Enterprises, it's an apt description.

These attractive, liquid-filled blue orbs arrived in the marketplace earlier this year, and already have distribution in leading retail chains such as 7-Eleven and CVS.

They come in a slim E-Z Slide package designed to fit easily into a cigarette pack or the pocket of a pair of tight jeans.

Anthony Shurman, president of the Westfield, N.J.-based Yosha!, knows his way around the breath freshening business. He's a former marketing and sales executive with

## RECOGNITION



Warner-Lambert Co., who opted to go for the severance package when Pfizer Inc. acquired Warner-Lambert. With the buzz that Momints have been generating, one suspects that Shurman must be feeling pretty good about that decision right now!

### A new vehicle for energy ingredients

One of the great things about Health-Tech Energy Strips from Totowa, N.J.-based Health-Tech is their broad potential target audience. After all, who doesn't need an energy boost on occasion?

Like the now popular breath-freshening strips, Energy Strips are made of fast-dissolving film that has a minty fresh taste. Thanks to the active ingredients of caffeine and taurine, the Health-Tech strips also are designed to deliver a shot of energy. With a suggested retail price of \$2.39 for a 24-pack of strips, they also represent a good value.



### Too smart!

With its "20-inch money back sales guarantee," Atlanta-based Innovative Candy Concepts introduced a marketing ploy that is simultaneously smart and attention grabbing.

It guarantees retailers that they will sell more Too Tarts candy products in 20 inches of linear space than any competing kids' candy allocated the same amount of space. If that is not the case, Innovative Candy Concepts pledges to

**ARCOR**  
Bringing good taste to the world

**Introducing**  
a variety of products  
good consumer value top flavors  
excellent margins top value top quality  
colorful graphics for impulses purchases  
merchandising options

**Whisper** Chocolate Bon Bons  
also available in 12 oz laydown bag

**topline** Sugar Free Chewing Gum  
also available in 4 pack

**ROCKLETS** Candy Coated Chocolate  
also available in 50 g bags 50 count change-makers

**FRUIT SNACKS**  
also available in 50 g bags 50 count change-makers

1-800-57-ARCOR / 305-592-1080 X225 / e-mail:arcor@arcor.com.ar / www.arcor.com.ar

## RECOGNITION



match those revenues and pay the retailer an additional 10 percent.

The guarantee not only encourages retailers to stock a full complement of Too Tarts products, but it communicates a strong message: This is a vendor with utter confidence in the sales potential of its product line!



### More than a fruit snack

Like many creative confections, Marvel Snerdles from Au'Some Candies, South Plainfield, N.J., are hybrid products — part fruit strip, part candy pieces. Or as Rose Downey, marketing manager for the company, puts it: "It's a fruit snack with a candy kick."

The candy decoration is applied by hand to create the appearance of one of four Marvel Comic Heroes — Daredevil, Hulk, Wolverine or Spiderman.

The Snerdles line has done so well at retail that Au'Some Candies expects to extend it with several new varieties this spring.

### Low-carb leadership

The gospel of salvation through low-carbohydrate eating is everywhere these days.

So Russell Stover Candies played it smart and strategic when it became the first major candy maker to unveil a line of chocolates clearly positioned as low-carbohydrate. As Russell Stover vice president of marketing, John O'Hara, observed at the time of the introduction: "Low-carb consumers are not a niche group. This is a very broad group that's growing wildly."



So true! Russell Stover's leadership was wise to recognize that it's a good idea to position offerings for consumers in pursuit of both sugar-free and low-carb products. Formulations for low-carb and sugar-free products may be similar, but spelling it out for consumers with two distinct lines is savvy marketing.

### A candy/cookie combo

Talk about a rich brand heritage. Is there anyone on the planet who doesn't love chocolate chip cookies made with Nestlé Toll House morsels?

Which means that Nestlé is exceptionally well positioned to

make a cookie/candy bar connection. And the company has done it admirably with the rollout of Nestlé Toll House Candy Bars.

There are two yummy options. One features a soft and chewy cookie center topped with a layer of caramel and Toll House morsels covered in creamy Nestlé milk chocolate. The other boasts the same ingredients but with a chewy brownie center.

The single-serve version of the bar comes comes in two pieces to allow for sharing or portion control. The bars also are offered in a resealable bag that contains individually wrapped snack-size bars.



### A fortunate Valentine

Consumers seeking something new and different for Valentine's Day will find it in Emily's Chocolate-Covered Fortune Cookies from Ames International, Fife, Wash.

Appropriately, the cookies come in a box that duplicates Chinese take-out packaging. A six-cookie box has a suggested retail price of \$4.99, and each cookie contains a fortune with a romantic theme.

Ames International test marketed the item last year in a regional drug store chain and received rave reviews from the retailer. The item was the No. 1 Valentine's Day SKU for the chain.

The cookies will be available nationally for Valentine's Day 2004, including distribution in the CVS drug store chain.