



CONVENIENCE STORE

BY STEPHEN BENNETT

In the mint category is the “breath care” segment — important to consumers and retailers, and in what seems to be a constant state of flux

NEWLY MINTED

HOW IS YOUR BREATH TODAY? THE QUESTION is personal, of course, which is why most people probably ask it exclusively of themselves and possibly their partners. Those people probably also ask the question at least daily, if not several times daily, and so it drives the breath care segment of the mints business in convenience stores.

“Breath care has been around forever and a day, but it has never been stronger than in the past eight or 10 years,” said Mike Gearhart, senior vice president, TNT Marketing, a broker specializing in the convenience-store business.

People pay more attention to their breath in part because today’s workplaces tend to be less male-dominated, Gearhart said. “Television has made us all very conscious of how our breath smells,” he added. “Everybody’s very conscious of their breath.”

As for the products in the segment, new forms, or “modes of application” have been the big news in the segment over the past couple of years. Besides long-time staples such as breath mints and sprays, recent years have seen the introduction of gel strips, “pearls” or gel beads and drops.

“It really behooves the retailer to stock a variety of forms because there are consumers for each of the forms,” said Gearhart. “That’s our recommendation. Each of the forms has a place in the market.”

The mint category includes a candy segment and a breath care segment. Lifesavers, for example, fall into the candy segment, according to Gearhart. “Candy is one thing and then breath care — fresh

breath — is a whole different cultural phenomenon unto itself,” he said. The breath care items are oriented more toward adult consumers, he noted.

Price also differentiates the two segments, Gearhart pointed out. Some items in the candy segment of the mints category typically retail in the range of 59 cents to 69 cents, he said. But breath care items, especially since Altoids’ positioning as a breath care product, have significantly higher price points.

“Altoids, in my opinion, changed the landscape of mints when they introduced their breath mint,” Gearhart said. “They positioned themselves as a breath mint and raised the price point dramatically.” Wm. J. Wrigley Jr. Co. announced last November that it had entered into an agreement to purchase Altoids, Life Savers and several other brands from Kraft Foods for \$1.48 billion.

Also in the mints segment, Masterfoods USA rolled out hydrating mints. Certs, one of the longest-running breath mints, owned by Cadbury Adams, includes Certs Powerful Mints in peppermint and spearmint.

Like breath mints, breath sprays have long been established in the breath care segment.

“The total breath freshener category is a very aggressive, high-profile category,” said Jim Garvey, senior manager of emerging channels for Playtex Products, which owns Binaca Breath Spray. Although Binaca introduced other forms in recent years, including breath mints, gel strips and gel beads, Garvey said, the company is concentrating on its spray products in 2005. Binaca Breath Spray





5-18

comes in a 0.2-ounce product in both aerosol and non-aerosol spray, in peppermint and spearmint flavors. "We know that our core customer is for the Binaca Breath Spray," Garvey said.

Gearhart said portability and portion control are the attractions of breath spray. Depending on how big a dose a consumer wants, he or she can press once, twice or thrice on the little dispenser, he noted. The Binaca spray products retail for less than two dollars. "Sprays have a strong, loyal consumer base," Gearhart said.

LONG LASTING

During the past four to five years, the various forms have initially performed rather like fads, commanding a place in the breath care segment for a time before either fading or finding a secure niche.

"As soon as something new comes out, everybody in the world jumps on the bandwagon," Gearhart observed. "Once the gloss is off the pumpkin, so to speak, it always falls back to the company that launched it, which is the case with Listerine — which certainly has credibility in breath care, oral care." Listerine's PocketPak dominates the gel strips business today, according to Gearhart, "where at one point there were at least six different manufacturers involved in gel strips." Altoids entered with Altoids Breath Strips, 32 to a box, in flavors including cinnamon.

In the gel beads form, one of the early players was Nabisco, which introduced Ice Breakers liquid mints in 1999. Hershey acquired Ice Breakers in 2000. Ice Breakers come in Cool Mint, Hot Cinnamon and Wintergreen varieties, and are packaged in round color-coded containers to indicate the flavors: blue for Cool Mint, red for Hot Cinnamon and green for Wintergreen. Hershey last year introduced the Ice Breakers Dual Pack, which contains Ice Breakers and gum pellets in an oval package.

Then in the summer of 2003 Momints Bold Liquid Mints debuted in 7-Eleven stores.

"One of the great things about these liquid mints is that they're visually extremely attractive," said Tony Shurman, founder and president of the maker of Momints, Yosha! Enterprises. "In an impulse category, something that looks so enticing can do very well. So our little tubes have done extremely well." The tubes are available in a pouch-

type pack, Shurman said, with each individual tube in a foil pouch. There is also an easy slide pack, a six-count plastic dispenser, which Shurman said is designed specifically to slide into the back of a pack of cigarettes, between the package and the cellophane. "This makes it that much easier for smokers to have their mints at hand," Shurman said. "We piggyback the mint, using occasions on smoking occasions by having them together in one place."

The Momints 8-count tube retails for 50 cents, while the 36 count easy slide has a suggested retail of \$1.79 in convenience stores, Shurman said.

Gearhart observed that Momints "captured chain-wide distribution at 7-Eleven and for a short period of time they proved to be the number one mover in that particular piece of the category because of a lack of competition. But sooner or later when you hit with something that is fairly well accepted by the consumer you're going to find that competition is not too far behind."

GAINING MOMENTUM?

As the breath care business continues to evolve, the leaders, such as those with the foremost breath mints, tend to ensure their own dominance "because they have so many SKUs and because they have brands that are core in these (segments)," said one observer. "In this class of trade they are in position to wield a pretty heavy stick. They are very aggressive in their retail funding. They've got retail rebates on their power SKUs that are tied to these other items, so the retailers will stock them." ☐

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TNT
MARKETING

LEADING MINT CATEGORY VENDORS		Dollar Sales	
		Current	% Chg vs. YrAgo
1	KRAFT/NABISCO PLAIN MINTS	\$42,956,400	(5.2)%
2	VAN MELLE USA INC	\$23,328,472	35.7%
3	PRIVATE LABEL	\$15,864,413	4.6%
4	BRACH & BROCK CONFECTIONS	\$9,802,568	(18.4)%
5	FARLEY & SATHERS CANDY	\$4,031,518	(18.0)%
6	MASTERFOODS USA	\$3,201,303	(60.0)%
7	BOB'S CANDIES INC	\$2,649,436	(8.3)%
8	PIEDMONT CANDY CO INC	\$2,242,488	372.0%
9	RICHARDSON BRANDS INC	\$2,185,856	(7.0)%
10	FERRERO USA INC PLAIN MINTS	\$1,652,701	(40.8)%
Total		\$118,199,040	(2.1)%

Source: Information Resources Inc., Chicago. Week 52 Weeks Ending Dec 26, 2003