

## **2021 Young Ones Student Awards Extra Gum - The It Brand for Gen Z**

### **THE BUSINESS CHALLENGE or OPPORTUNITY:**

People are not thinking about gum. Coming off five consecutive years of \$ growth, in 2020, EXTRA US (the category leader) has seen sales significantly impacted by COVID, primarily driven by declines on the singles/slim pack business. After a severe drop in sales in Q2, the gum category and EXTRA are still seeing consistent declines each month of approximately -25% and -20% respectively.

The impact of the COVID pandemic has had a major impact on consumer mobility, shopping conditions in-store and ultimately the availability & relevance of gum as a result. As a result, out-of-home occasions (~60% of overall gum occasions) have diminished while reasons to chew remain the same. Consumers need to be reminded of the role gum plays in their lives and therefore more motivated to think about it and ultimately purchase gum.

EXTRA needs work that clearly communicates how gum fits into (and possibly fuels) people's daily lives. The idea needs to work across EXTRA's entire ecosystem, including being activated at retail (online/offline).

### **AUDIENCE UNDERSTANDING**

The target for this work is 13-49, with intentional focus on recruiting the next generation chewers – **13-25**. They are critical to the recovery of the business in its current state and also the sustainable penetration growth we need to see in the category longer term.

### **THERE IS AN EMOTIONAL AND FUNCTIONAL REASON TO CHEW GUM**

- In a category where 60% of occasions took place outside of the home and/or with others, consumer lifestyles since the pandemic have shifted.
- Extra has seen proven success activating its Connections platform, driving an emotional connection to the brand via the premise that meaningful connections can begin with something small.
- Consumers are experiencing connections differently as the result of the pandemic and will continue to evolve over the next 18 months.
- Freshening and Enjoyment are the #1 and #2 reasons people chew gum. The context for how these reasons comes to life has shifted, but ultimately the Reasons to Chew gum have not.

#### **FACTS/STATISTICS TO KEEP IN MIND**

- On average, U.S. adults are spending 11 hours and 25 minutes a day connected to media
- Gen Z is spending the least time with TV of any generation & time spent is increasing across streaming services and digital video.
- Social is a primary channel for the <25 audience, with both Gen Z & Millennials reporting over 65% more time spent with social media during the pandemic.
- Digital shopping behaviors have shifted with US online food and beverage buying up +44%.
- 77% of US grocery shoppers say they are discovering new brands and products
- 1 in 2 consumers expect to shop online more in the future, with Gen Z (81%) and Millennials (78%) confirming they are already shopping more online.

#### **HUMAN/BRAND/CULTURAL TRUTH**

Culturally, 2020 has been a year to test our perception of “normal” more than ever as we’ve spent more time at home and less time with those outside of it. As such, gum is not immediately top of mind.

- More time spent at home means more opportunities to connect with those around us in different ways– the nuclear family has been reinstated, acts of kindness around the house, close proximity with others at home. It also presents an opportunity to re-connect with others as we emerge from the constraints of the global pandemic.
- 64% of Americans reported feeling very connected to people in their household (perhaps a little too connected), while very few felt connected to those out of the home including family (32%), friends (29%) and colleagues (17%). As we become absorbed into the repetition and regularity of our routines, it can be hard to remember to take stock of what’s already around us.

The Extra brand has had some success with ad executions built around the idea that meaningful connections between people can start, and be sustained, through something small. While this is not mandatory in this competition it is certainly a welcome creative choice.