

mini-case 1-430-470
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Spry Chewing Gum: Blowing Bubbles in a Competitive Market

Scenario:

Xlear Incorporated was founded in Orem, Utah, in 2002 by Alonzo Jones. A doctor of osteopathic medicine, he discovered that patients with upper respiratory problems benefitted from xylitol, a naturally occurring sweetener. Xylitol, it seemed, was ingested by the bacteria in the mouth and nasal cavity, but not metabolised, therefore leading to fewer negative byproducts. The discovery led to Xlear® Nasal Spray.

As he continued to research xylitol, Dr. Jones found that chewing gums or strips that contained xylitol might also help reduce tooth decay. The result was the development of Spry® Chewing Gum (see Exhibit 1), which was followed by a complete line of oral products, including a rinse, toothpaste, and oral mist. All

(Cinnamon, Fruit, Spearmint, Peppermint). Spry® Chewing Gum creates an unwelcome environment for the bacteria that cause dental problems. Indeed, clinical studies have shown repeatedly that chewing gum sweetened with xylitol produces dental benefits.

The chewing gum industry, however, is highly competitive, with Wm. Wrigley & Co. and Cadbury together controlling more than 60% of sales. Lipton, a South Korean manufacturer, accounts for an additional 15%. A strategy for growing Spry® Chewing Gum, therefore, is not immediately obvious.

Exhibit 1 Spry Chewing Gum



Preview copy.

To view the full mini-case, please purchase it from WDI-Publishing.com

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