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PILLSBURY COOKIE CHALLENGE

Natalie Mauro wrote this case under the supervision of Professor Allison Johnson solely to provide material for class discussion. The authors do not intend to illustrate either effective or ineffective handling of a managerial situation. The authors may have disguised certain names and other identifying information to protect confidentiality.

Ivan Guillen sat at his desk in October 2006 and thought about the Pillsbury refrigerated baked goods (RBG) business plans for the upcoming fiscal year. Guillen was the marketing manager on the RBG category at General Mills Canada Corporation (GMCC), and he was faced with the challenge of developing a strategy that would lead to improved business performance in his category. RBG was GMCC's fourth-largest category, and its performance over the past two years had been less than stellar. Volume growth between 2004 and 2006 had been flat, and household penetration had fallen to a five-year low.

Of particular concern to Guillen was the refrigerated-cookie product line, which represented 62 per cent of RBG's unit sales and over 75 per cent of the category's profit. Refrigerated cookies had always been the anchor for the RBG business. When cookies performed well, the entire category tended to perform well. The same could be said for those times when cookie performance was suffering. As Guillen looked back at the performance of the cookie segment, he noted that annual volume growth was only one per cent over the past three years, and household penetration had fallen.

Guillen had his work cut out for him. In February 2007, he and his team would have to present RBG's new business plans to the senior leadership team. Given the importance of this business to GMCC, it was crucial that Guillen worked with his team to understand what could be done to profitably grow the business going forward. Guillen believed the team should focus its efforts on the refrigerated cookie segment since it was the most profitable segment within the category. As he filtered through historical data on the cookie segment, Guillen wondered how the team could improve the segment's performance. Was there a taste or formula issue? Was the Pillsbury brand message not resonating with consumers? Was the current cookie advertising campaign not targeting the right consumer? As Guillen thought about these questions, he knew that he would have to generate new insights into current and potential consumers.

GENERAL MILLS INC.

General Mills Inc. was headquartered in Minneapolis, Minnesota, and was the world's sixth largest food-product manufacturer. The company produced and marketed food products in more than 100 countries and possessed a portfolio of iconic brands, including Betty Crocker, Progresso, Pillsbury, Green Giant and Cheerios. General Mills competed in numerous food categories and distributed products across the world through retail stores, such as Safeway, Wal-Mart and Costco, and through food service operators, including restaurants and cafeterias.

General Mills Inc. was composed of three distinct operating segments: U.S. Retail, International, and Food Service. The U.S. Retail segment was the largest of the three, representing 69 per cent of total sales; the International segment followed with 16 per cent of total sales. Total company revenue for fiscal 2006 was $11.6 billion, with earnings of $1 billion (see Exhibit 1).

GENERAL MILLS CANADA CORPORATION

Established in 1954, General Mills Canada (GMCC) was the second largest division within the International segment, with annual sales of US$566 million. GMCC was a leader in the Canadian packaged foods market, holding the No. 1 or No. 2 position in virtually all of the categories in which it competed. Many of the same brands and products that General Mills marketed in the United States could be found in Canada.

The Canadian division was split into four business units: breakfast, baked goods, meals, and snacks. These business units were further broken down into 12 categories. For example, baked goods separated into the categories of into RBG, pizza snacks, mixes and frozen breakfast foods. Each category had a dedicated marketing team that worked with cross-functional partners in finance, supply chain and sales to manage the business and profitably grow market share.

GMCC operated autonomously from its U.S. parent, giving cross-functional business teams full ownership over new product development, brand strategies and consumer spending. Examples of unique products that have been developed specifically for the Canadian market include Oatmeal Crisp Maple Nut cereal and Pizza Pops snacks. Despite having autonomy, GMCC often leveraged new products and advertising from the United States, as development costs for these items were very high and brand budgets were significantly lower in Canada.

THE CANADIAN REFRIGERATED BAKED GOODS CATEGORY

Refrigerated baked goods were chilled dough-based products that could go straight from the refrigerator to the oven within minutes. Popular ready-baked goods products included cookies, breads and sweet goods. These products came in a variety of formats, including pressurized cans, chubs and sealed trays. Refrigerated baked goods were convenient as they were pre-mixed and required minimal, if any, preparation.

All major grocery retailers in Canada carried RBG products, including Loblaw, Metro and Sobeys; RBG could also be found in the grocery section of mass merchandisers and club stores. During the past five years, the category had experienced moderate annual growth. The highly consolidated RBG category was dominated by Pillsbury, with an 85 per cent market share. The remaining share was split among private label players and a few regional branded ones, such as Weston Bakeries, for example.

PILLSBURY REFRIGERATED BAKED GOODS

Following the cereal and grain snacks category, RBG was GMCC's fourth largest, with 34 SKUs and a full range of Pillsbury branded RBG products, including cookies, biscuits, breads, pizza, pie crust and sweet rolls (see Exhibit 2). Pillsbury was a familiar brand in households across Canada and was synonymous with one of the top 10 advertising icons of the century – the Pillsbury Doughboy.[1] After 40 years, the Doughboy still played a key role in brand advertising and messaging.

Pillsbury RBG products were known for their convenience and family appeal. The brand's target consumer was a mother in her mid-30s to 40s who, along with her family, led an active and busy lifestyle. She would be time-starved and looking for easy and convenient product solutions that her family could enjoy together. While this description depicted the overall brand target, user profiles did vary slightly by product. For instance, pie crust consumers tended to be slightly older than cookie consumers.

Guillen had been with General Mills for four years and had held various associate marketing manager positions before being promoted to marketing manager. He had moved to the position of marketing manager on the RBG category two years ago, and since that time, he and his team had worked hard to build the Pillsbury brand. While they implemented numerous Canadian-specific marketing initiatives, all new products and advertising were sourced from the United States and adapted for the Canadian market. The success of these initiatives varied; however, none of them resulted in the five per cent to seven per cent annual category growth for which the team was aiming.

Pillsbury Refrigerated Cookies

Guillen knew that if he wanted to grow the RBG business, he would have to focus on growing the refrigerated cookie segment. Cookies were the most profitable SKUs in the RBG category and represented 62 per cent of the category's total unit volume. Over the past few years, volume growth had remained nearly flat at one per cent, and household penetration had fallen to 24 per cent.

RBG cookies were available in multiple flavours and two formats: chub and ready-to-bake (see Exhibit 3). The chub format was a soft roll of cookie dough wrapped in plastic and sealed at both ends. Consumers separated the dough, formed the cookies and placed them on a baking sheet. The ready-to-bake format was even more convenient since the cookies were pre-formed. Consumer had only to remove the cookies from the packaging and place them directly on a baking sheet. In addition to the core SKUs, the RBG team offered seasonal cookie products during major holidays, including Halloween, Easter, Valentine's Day and Christmas. These products sold for a premium and typically featured coloured chocolate chips and festive packaging.

The regular retail price of Pillsbury cookies was between \$2.99 and \$4.99 per package, and the featured price was typically between \$1.99 and \$2.99. Pricing varied based on the cookie format, the type of retailer selling the product and the region where the product was being sold.

TV advertising was the main consumer support vehicle for cookies. New advertising spots were very expensive to develop and could range anywhere from \$200,000 to \$500,000. In order to optimize RBG's consumer budget, the team adapted U.S. ads for the Canadian market for a fraction of the cost – a practice that was very common across the company. Aside from higher cookie household penetration (54 per cent versus 24 per cent), the product offering and overall consumer demographics in the United States were

[1] *http://adage.com/century/ad_icons.html, date accessed April 2010.*

very similar to Canada, giving the team confidence that with slight modifications, U.S. creatives could be used successfully in the Canadian market.

In the fall of 2005, the cookie commercial "Kisses" was launched. The ad was adapted from the United States and featured the Pillsbury Doughboy blowing kisses while the narrator commented, "They'll love you this much when you make Pillsbury chocolate chip cookies." An image of a freshly baked cookie appeared on screen, while the narrator continued, "Warm, moist and loaded with delicious chocolate chips." Similar to past commercials, the ad was very product-focused and highlighted the taste benefits of Pillsbury chocolate chip cookies (see Exhibit 4). Prior to its debut, the ad underwent creative testing to measure its effectiveness in Canada. Millward Brown (MB) conducted the assessment and evaluated the ad on three key measures: brand recognition, relevance, and likely-to-buy.' The ad surpassed MB norms on likely-to-buy, but it fell slightly below norms on the other two measures. Overall, the ad tested fairly well and was given the go-ahead for the Canadian market. While baseline volume on the business was up slightly during the period when the commercial aired, Kisses did not provide the cookie segment with the hoped-for volume boost.

As Guillen thought about how to improve cookie performance in October 2006, he recognized that there were three options: increase frequency of purchase, increase household penetration, or do a combination of both. In order to develop a strategy that would enable him to achieve any of these goals, Guillen felt that he needed to gain a better understanding of the cookie consumers. Given that the RBG team heavily leveraged new product development and advertising from the United States, he specifically wanted to conduct market research to understand what differences existed in the Canadian market and how he could leverage any points of difference to improve cookie performance. Guillen called Lou Pasato, the RBG consumer insights manager, to seek her help.

CONSUMER INSIGHTS

The consumer insights (CI) team at General Mills aims to help brand teams gain a better understanding of the preferences, attitudes and behaviours of consumers. CI managers are assigned to each category and work closely with both internal marketing teams and third party research firms to conduct consumer research. Once research is conducted, results are analyzed and recommendations are provided to brand teams to help them better align their marketing strategies with consumer needs.

There are two main types of research – quantitative and qualitative. Quantitative research is based on the measurement and analysis of relationships between variables. The use of random sampling techniques enables results to be generalized to a larger population. Examples of quantitative research include questionnaires and web surveys. Qualitative research aims to gather a more in-depth understanding of behaviour. This type of research is generally conducted with a smaller sample size; however, the time it takes to arrange the study and conduct the actual interview tends to be lengthier than quantitative research, mainly because it is more logistically complex to arrange studies at people's homes or with large groups of people, and it takes more time to determine the true meanings and motivations behind behaviour. Examples of qualitative research include focus groups and ethnographies. Overall, "quantitative research is generally better for confirming and clarifying, while qualitative research is usually better for exploring, understanding, and uncovering."[2]

GMCC conducts many different types of consumer research, ranging from simple product trials with employees at the head office, to more sophisticated forms of research. Due to its relatively low cost and

[2] *http://www.goodproductmanager.com/2008/01/22/understand-qualitative-vs-quantitative-research/,accessed April 2010.*

quick turnaround time, the most common type of research used at GMCC is the focus group. A focus group is a marketing research tool where by a small group of people engage in a moderated roundtable discussion on particular topics of interest.[3] The goal of a focus group is to obtain the group's opinions about, or reactions to, specific products or marketing-oriented issues. Focus groups can help with a wide range of business decisions, such as new product development, brand messaging and promotional campaigns.

Concept tests are another popular type of research used at GMCC. Concept tests are frequently used for new product development; however, they can also be used to help develop brand messaging. Most concepts include an image of the product, along with pricing information, preparation instructions and a summary of key benefits (see Exhibit 5). Concepts are presented to consumers in verbal or visual form, and then quantitatively evaluated by consumers by indicating their degree of purchase intent. A more accurate and expensive alternative to concept tests are evaluators. The goal of an evaluator is to determine the expected volume, and therefore success, of a new product. Participants are sent actual samples of the product and are asked a series of questions based on specific pricing, promotion and consumer spending parameters. While concept tests range from $2,000 to $4,000 each, evaluators can run upwards of $100,000. Aside from running an actual test market, evaluators are the best predictors of product performance.

In addition to specific product tests, GMCC also conducts creative testing in order to determine the effectiveness of ads. Oftentimes, multiple versions of an ad will be developed and tested to see which one resonates most with consumers. Ads are tested based on their purchase intent, relevance and brand linkage scores. Similarly, marketers also conduct packaging tests to determine which graphics and formats are the most appealing to consumers. The goal of both types of tests is to optimize advertising and packaging so that more consumers purchase the product.

COOKIES USAGE AND ATTITUDE STUDY

As the consumer insights manager for RBG, Lou Pasato was familiar with the business challenges in the cookie segment and the pressure the team faced to improve performance. She agreed with Guillen that it would be beneficial to conduct Canadian-specific research to help the team gain a better understanding of the Canadian consumer. After assessing the various options that were available to the team, Pasato suggested that they should conduct a usage and attitude study on cookie consumers.

Usage and attitude studies are consumer surveys that focus on the frequency of product purchase and use, desirable attributes in products and product strengths and weaknesses. Consumers are asked about the perceptions they hold regarding the product and the brand, and questions that will help develop a profile of the product user. Through the analysis of this detail, one gains insight into brand strength in the marketplace, potential new product ideas and areas where a product can be improved or repositioned.[4]

The RBG team engaged the market research company MarketTools to conduct a usage and attitude study in the fall of 2006. The specific objective of the study was to help the team understand the differences between the Canadian and U.S. markets that could be leveraged to unlock growth in Canada. General Mills did not collect consumer information for research purposes, so MarketTools used 'screeners' to identify survey participants. "A screener is a set of questions in a script form that is used either in person

[3] http://www.answers.com/topic/focus-group, accessed April 2010.
[4] http://www.tns-cf.com/services/custom-usage.html, accessed April 2010.

or over the telephone to select participants."[5] MarketTools reached out to individuals in its database and conducted quick screener surveys to identify participants. 'Users' were classified as those who had purchased refrigerated cookie dough in the past 12 months; 'lapsed users' were defined as those who had purchased refrigerated cookie dough over 12 months ago; and 'non-users' were those who have never purchased refrigerated cookie dough. Non-users could be scratch, mix or ready-to-eat users, although this was not a requirement. Results were compiled and compared against a similar study that was fielded in the United States in 2004.

Usage and Attitude Study Results

Four weeks after fielding the study, Guillen and Pasato received the results. They had a lot of work ahead of them, and both were anxious to review the key findings, so they set up a meeting to go through the final report.

The report confirmed the team's hypothesis that consumer demographics and family structure were very similar between Canada and the United States. There were, however, a couple of new learnings for the team:

<u>Scratch baking is the dominant method of baking cookies in Canada.</u>
Out of the total number of households that bake cookies in Canada, 56 per cent bake only from scratch and 33 per cent bake from scratch every month. In the United States, use of refrigerated dough is the most popular baking method, and only 22 per cent of households bake only from scratch (see Exhibit 6).

<u>The top four purchase drivers are the same in both countries.</u>
Convenience and taste rise to the top of both lists. Seventy-nine per cent of respondents agree that RBG cookies are easy and quick to make. The largest gaps versus U.S. scores were on quality and kid-request purchase drivers. The quality of cookie dough is not valued as highly in Canada, and kids play a bigger role in driving purchases in this market (see Exhibit 7).

<u>Both users and lapsed users perceive refrigerated cookie dough as convenient.</u>
Lapsed users may no longer purchase the product; however, they do agree that RBG cookies are easy and convenient. Non-users do not rate refrigerated cookie dough as convenient as the other types of users do (see Exhibit 8).

Through the study, the team also learned that cookie dough purchases were impulsive; that the use of refrigerated cookie dough was increasing, particularly among households with kids; and that frequency of RBG cookie baking was similar in Canada and the United States.

Guillen had a lot of information to filter through. He was most surprised with the insight around the large preference for scratch baking in Canada. The team had not conducted this type of research in the past and had always assumed that the split between scratch, refrigerated and mix baking was the same for both countries. Guillen wondered how he could use the information from the study to derive a strategy that would lead to improved cookie performance.

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[5] *Mary Anne Casey and Richard Krueger, Focus Groups: A Practical Guide for Applied Research, 4th ed. (Thousand Oaks: SAGE Publications, 2009), 22.*

In-Home Immersion Visits and Discovery Workshops

In order to supplement the insights that were gained from the usage and attitude study, Pasato suggested they should conduct qualitative research in order to gain a better understanding of consumer perceptions, beliefs and feelings towards Pillsbury RBG cookies. The usage and attitude study shed light on key differences between Canada and the United States; however, the team still needed to determine what aspects of the Pillsbury baking experience resonated the most with consumers so that this information could be leveraged for communication purposes.

The team worked with TerraNova Market Strategies Inc. to conduct two market research studies: in-home immersions and a discovery workshop.

In-home immersions, also known as ethnography studies, aimed to move the researcher into the world of the consumer. Often conducted in-home in the case of consumer packaged goods market research, the goal of this study was to observe, rather than interview, in order to develop an intimate understanding of personal motivations and actions as they related to a particular product.[6] The RBG team conducted four two-hour, in-home visits with two lapsed users and two brand champions. The mothers in the household were asked to purchase a Pillsbury cookie product ahead of time and bake it during the visit. The studies aimed to develop a real-life, dynamic view of the consumer-brand relationship, what surrounds it, the environment in which it unfolds and the bigger-picture influences that come into play when baking Pillsbury cookies (i.e., the general life of the family, the type of kitchen and the rituals associated with this category).

The goal of the discovery workshop was similar to that of an ethnography study; however, these studies were collaborative and took place outside the home. The discovery workshops were community-based gatherings that brought together between 18 and 27 consumers for an active working session. They were designed to provide a comfortable environment for naturally sharing thoughts and experiences, and for creatively exploring issues and new avenues of opportunity. Several different techniques, including customer experience mapping and role-playing, were used to help consumers express their innermost feelings and examine their relationship and behaviour toward the Pillsbury brand.

Guillen and Pasato attended the discovery workshop and observed the group activities and discussions. With 26 moms in attendance, including current and lapsed users, they were able to gain insight into the lives of cookie bakers, their feelings towards Pillsbury cookies and the emotions that baking evoked. After the session, TerraNova summarized the key findings from the in-home sessions and the workshop.

<u>Mom’s practical ingenuity really shone through in the kitchen.</u>

When it came to feeding the family, solutions had to be relatively easy, quick, practical, affordable and pleasing to children, otherwise they were not worth consideration.

<u>The baking experience fed the senses and fuelled memories of happy moments.</u>

There was an immediate sense of emotional warmth and well-being associated with baking, and everyone in the home usually felt it. In fact, moms said that baking was the one thing that was sure to put a smile on everyone’s face, and it made the moms feel good when they sensed they had made a difference.

[6] *https://ipsos-na.com/dl/pdf/research/public-affairs/Ipsos_QualitativeFormats.pdf*

Cookies were particularly special because they were made for sharing and giving.
It was not so much the act of baking cookies together that was special, but rather the sharing of them. During the in-home visits, children participated in the baking of the cookies but with varying levels of enthusiasm and involvement. Eating the cookies, not baking them, was clearly the highlight of the process.

Brand Champions and lapsed users were similar but not in all ways.
Brand Champions and lapsed users had a lot in common – they were all devoted mothers that worried about their children's well-being. One of the few differences found was that brand champions tended to be slightly more pragmatic, get-it-done types, while lapsed users were somewhat less secure about decisions and products that took them away from their commitment to scratch baking and into convenience-product territory.

There were no concerns with the nutritional value of Pillsbury cookies.
Initially, the nutritional value of Pillsbury cookies appeared to be an issue; however, it was determined that nutrition was actually an easy way of explaining lapsed usage, rather than a genuine concern.

Pillsbury had an integral sense of magic and was considered to be "a shared secret."
There existed a genuine love for Pillsbury as it could easily transform an ordinary meal into something special. While some people felt that using a Pillsbury product might have 'cheating' implications, others viewed it as 'their little secret.' Regardless, all agreed that using a Pillsbury product was still far better than buying a ready-made product because it involved effort and, therefore, represented an act of generosity.

DECISION

Guillen felt confident that the studies his group had conducted provided the team with new and insightful information that it could leverage to develop a new marketing strategy on RBG cookies. With the presentation to the leadership team coming up in a couple of months, Guillen knew he had a lot of work ahead of him. As he reviewed all the new insights that were gained from the consumer studies, he wondered how he could leverage these learnings to increase the purchase frequency and/or market penetration of cookies. What consumers should the team target? What should their brand messaging be? How could they communicate this message in a relevant way to the consumers, in a way that would translate into increased sales?

Exhibit 1
GENERAL MILLS CONSOLIDATED STATEMENT OF EARNINGS

In Millions, Except per Share Data			
Fiscal Year Ended	28-May-06	29-May-05	30-May-04
Net Sales	$11,640	$11,244	$11,070
Costs and Expenses:			
Cost of sales	6,966	6,834	6,584
Selling, general and administrative	2,678	2,418	2,443
Interest, net	399	455	508
Restructuring and other exit costs	30	84	26
Divestitures (gain)	0	(499)	0
Debt repurchase costs	0	137	0
Total Costs and Expenses	$10,073	$9,429	$9,561
Earnings before Income Taxes and After-tax E	1,567	1,815	1,509
Income Taxes	541	664	528
After-tax Earnings from Joint Ventures	64	89	74
Net Earnings	$1,090	$1,240	$1,055
Earnings per Share – Basic	$3.05	$3.34	$2.82
Earnings per Share – Diluted	$2.90	$3.08	$2.60
Dividends per Share	$1.34	$1.24	$1.10

Source: Company files.

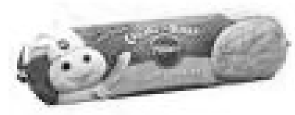
Exhibit 2
PILLSBURY READY BAKED GOODS CATEGORY BY SKU

COOKIES - CHUBS		**TURNOVERS**
Cookies - Chubs - Chocolate Chip		Turnovers - Apple
Cookies - Chubs - Chocolate Chunk		Turnovers - Blueberry
Cookies - Chubs - Peanut Butter		Turnovers - Cherry
COOKIES - READY TO BAKE		Turnovers - Raspberry
Cookies - Ready to Bake - Chocolate Chip		Turnovers - Strawberry
Cookies - Ready to Bake - Chocolate Chunk & Chip		**OTHER SWEETGOODS**
COOKIES - SEASONAL		Pie Crusts
Seasonal Cookies - Ready to Bake - Heart Shapes		**CRESCENTS**
Seasonal Cookies - Ready to Bake - Bunny Shapes		Crescents - Original
Seasonal Cookies - Ready to Bake - Chick Shapes		Crescents - Jumbo
Seasonal Cookies - Ready to Bake - Halloween Chocolate & Cand		Crescents - Multigrain
Seasonal Cookies - Ready to Bake - Pumpkin Shapes		Crescents - Garlic
Seasonal Cookies - Ready to Bake - Christmas Chocolate & Cand		**OTHER BREADS**
Seasonal Cookies - Ready to Bake - Snowman Shapes		Country Biscuits
Seasonal Cookies - Chubs - Gingerbread		Flaky Rolls
Seasonal Cookies - Chubs - Sugar		Wiener Wrap
CINNAMON ROLLS - BASE		Breadsticks - Garlic
Cinnamon Rolls - Regular - Caramel Icing		Breadsticks - Italian
Cinnamon Rolls - Regular - Icing		Pizza Crust
CINNAMON ROLLS - PREMIUM		
Cinnamon Rolls - Grands - Cream Cheese Icing		
Cinnamon Rolls - Grands - Icing		

Source: Company files.

Exhibit 3
PILLSBURY COOKIE FORMATS

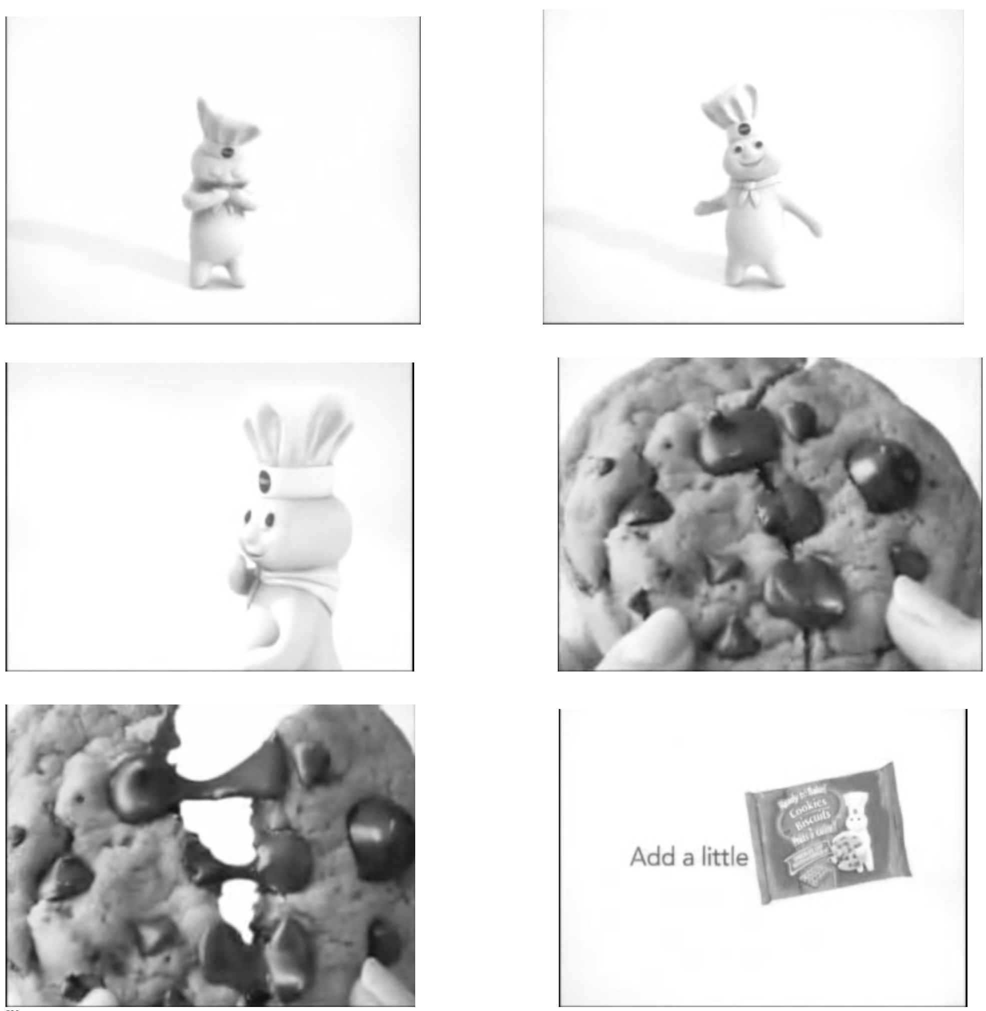
Ready to Bake



Chub

Source: Company files.

Exhibit 4
KISSES TELEVISION AD



Source: Company files.

Exhibit 5

EXAMPLE OF A PRODUCT CONCEPT

Progresso® Soups

Discover the grown up taste of Progresso Soups!

- Your discerning palate will enjoy the distinctive blend of flavourful herbs and spices and delicious meat and vegetables.
- Try our traditional line made with lean beef and all white chicken pieces blended with big pieces of fresh cut premium vegetables.
- Or, our vegetable classics with fresh cut premium vegetables and pasta simmered in a savoury broth.
- Each variety is only 100 calories per serving.
- Ready in minutes . No water or milk to add, simply heat and enjoy.

Varieties: Chicken Noodle, Chicken and Wild Rice, Beef and Vegetable, Minestrone with Chicken, New England Clam Chowder, Hearty Chicken Rotini, Creamy Mushroom, Hearty Tomato, Vegetable, Minestrone, Lentil, Hearty Penne

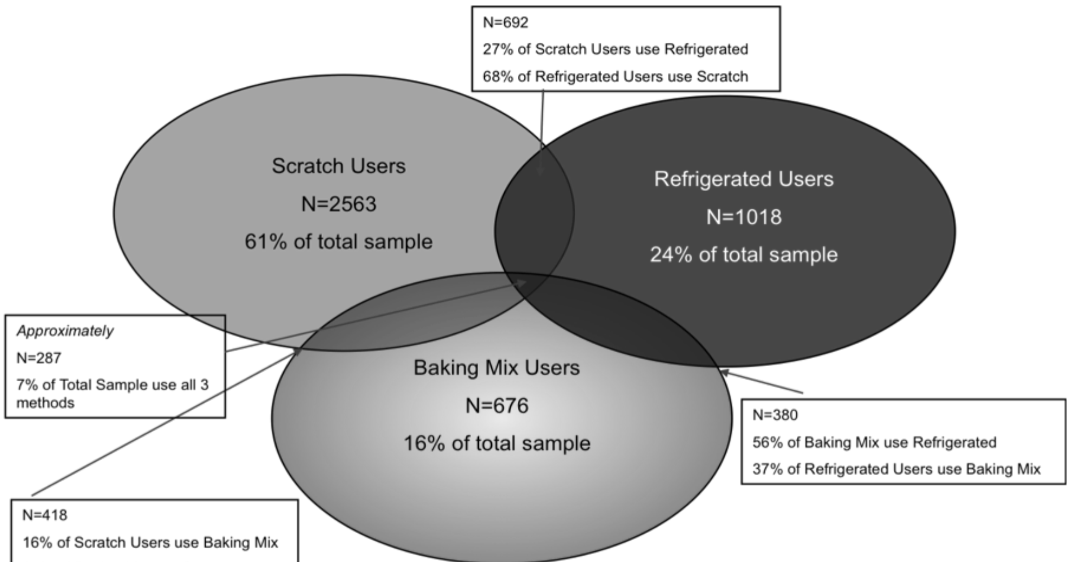
Price: $2.19 • 540ml • 2 Servings • Available in the Soup Aisle 1

Source: Company files.

Exhibit 6

CANADA & U.S. COOKIE METHOD USAGE

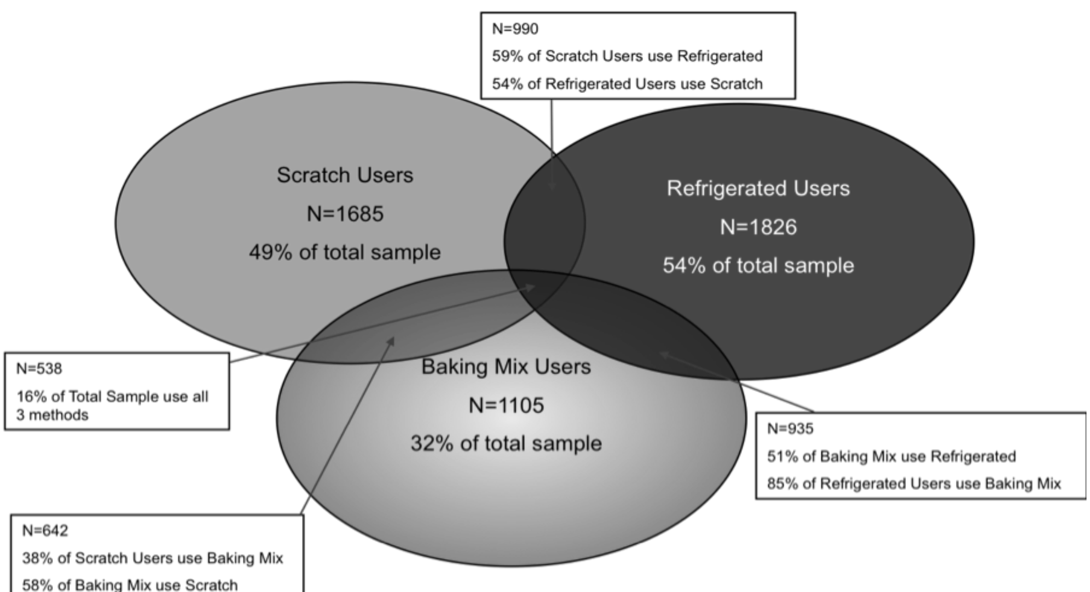
Canada - Method Usage Over the Past 12 Months (2006)



NOTE: *Graphics do not reflect relative size proportions*

Total Sample Size: n=4180 & Total Cookie Bakers n= 3054 (all methods)

U.S. - Method Usage Over the Past 6 Months (2004)



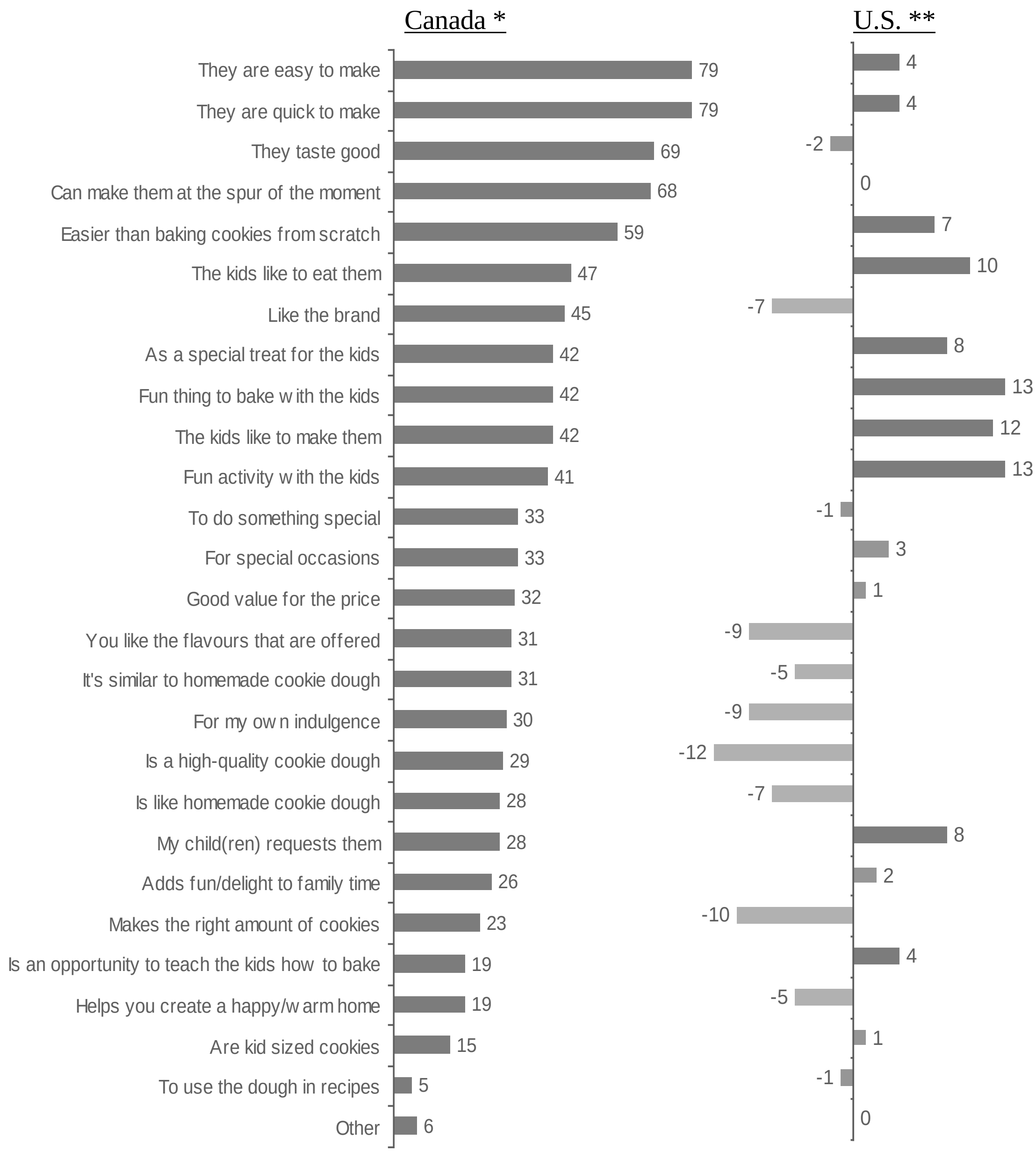
NOTE: *Graphics do not reflect relative size proportions*

Total Sample Size: n=3381 & Total Cookie Bakers n=2587 (all methods)

Source: Company files.

Exhibit 7

PURCHASE DRIVERS IN CANADA AS COMPARED TO THE U.S.

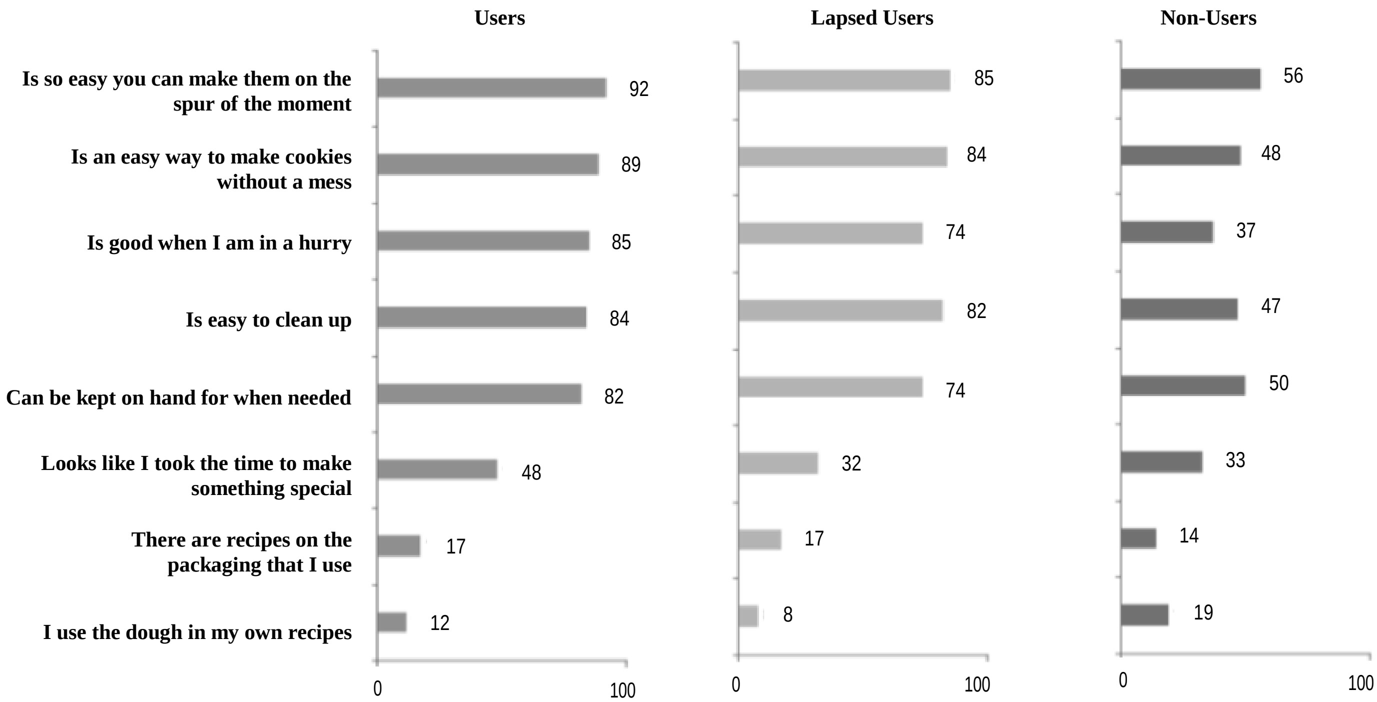


** % of Canadians endorsing statement*

*** Difference in per cent of Americans versus Canadians, such that negative numbers indicate a LOWER rating on that response for Canadians than for Americans. For example, the +4 value on the first item indicates that four per cent more Canadians than Americans believe that the RBG products are "easy to make." Any difference less than +/- three per cent is non-significant.*

Exhibit 8

PERCEPTIONS OF DIFFERENT TYPES OF USERS IN CANADA*



** per cent of that segment endorsing statement*