

Exploiting the Grey Area: ZYN's Role in New Age Addiction Culture

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Audience: Senior Leadership Team at ZYN U.S.

Presentation Outline:

1. Situation Analysis: Define the issue with the current marketing of ZYN oral nicotine pouches and why it demands immediate action
2. Problem: Highlight ethical concerns and unintended business risks of ZYN maintaining current practices
3. Recommendation: Present our two-phased approach to effectively address the issue and set ZYN up for long-term success
4. Impact: Explain how a shift from mere compliance can ultimately transform ZYN as a company
5. Conclusion: Outline key next steps and success metrics

Content Summary:

ZYN is a brand of tobacco-free nicotine pouches that can be discreetly placed between the gum and lip. Introduced to the U.S. through Philip Morris International (PMI), ZYNs have rapidly increased in popularity since 2023. According to PMI, there was an 80% increase in shipments in Q1 2024 compared to the same time the previous year. While these products are designated for individuals aged 21 and up, the source of ZYN's popularity can be attributed to growing underage use. According to the National Library of Medicine, 4 out of 10 people aged 15-20 currently use ZYN. ZYN's rapid surge in popularity relies on ambiguous messaging that unintentionally increases underage usage. ZYN's current marketing has driven a rapid increase in short-term profits but has also resulted in virality among those far below its target market of 39 year olds, exploiting a vulnerable population. Continuation of ZYN's strategy not only risks their brand equity but also fails to appeal to the older, more affluent consumers with greater spending power. Additionally, ZYN risks following the same path as JUUL, which faced huge legal repercussions for failing to address underage usage.

To address this issue, we recommend a proactive shift from their current marketing strategy to one that accurately targets more mature demographics. We propose implementing a two-phase solution, firstly actively avoiding marketing that appeals to young consumers, and secondly launching marketing that appeals directly to older audiences, removing the effects of age compression. We recommend implementing this strategy through utilizing user personas, updating the current rewards programs, and associating with public figures who resonate with your brand while distancing it from youth appeal. Ultimately, this strategy ensures long-term success, mitigates underage use, and delivers lasting value to your brand.