

# channelUNO

trends and other interesting things from around the world



well we are and so is this, the first issue of 'channel UNO'. It seemed only appropriate that we leaned over our big global garden fence and discussed what it is to be 'new' and why 'innovation' always seems to be the new black. This editorial was derived from our own experiences and those of our partner offices worldwide.

The topic of innovation was the main focus for the last global get together held late last year in Chicago. The meeting was titled 'the innovation stream'. The thoughts and conclusions derived from this meeting were overlaid against the individual, regional and global markets. It was the commonality of these conclusions that stirred us to share our view on innovation in this our first issue of 'channel UNO'.

'New' has always been the loudest shout for a 'new' product. And the backbone to new products is innovation, so far nothing new. As a word. As a concept. As a goal and objective. Often proclaimed as a beacon and driver for corporate growth - ingrained in the mission statement, vision and marching orders of most every major organisation - it has become a familiar buzz word in the business lexicon. However, it has yet to become an essential tenet of business practice. It has yet to be translated from bold idea to true strategy.

To remain relevant, maintain leadership, and sustain long-term consumer and customer loyalty, smart organisations cannot approach innovation as an 'initiative', a program, or a technical function. Innovation must instead be embraced as a pillar of strategy, ingrained in



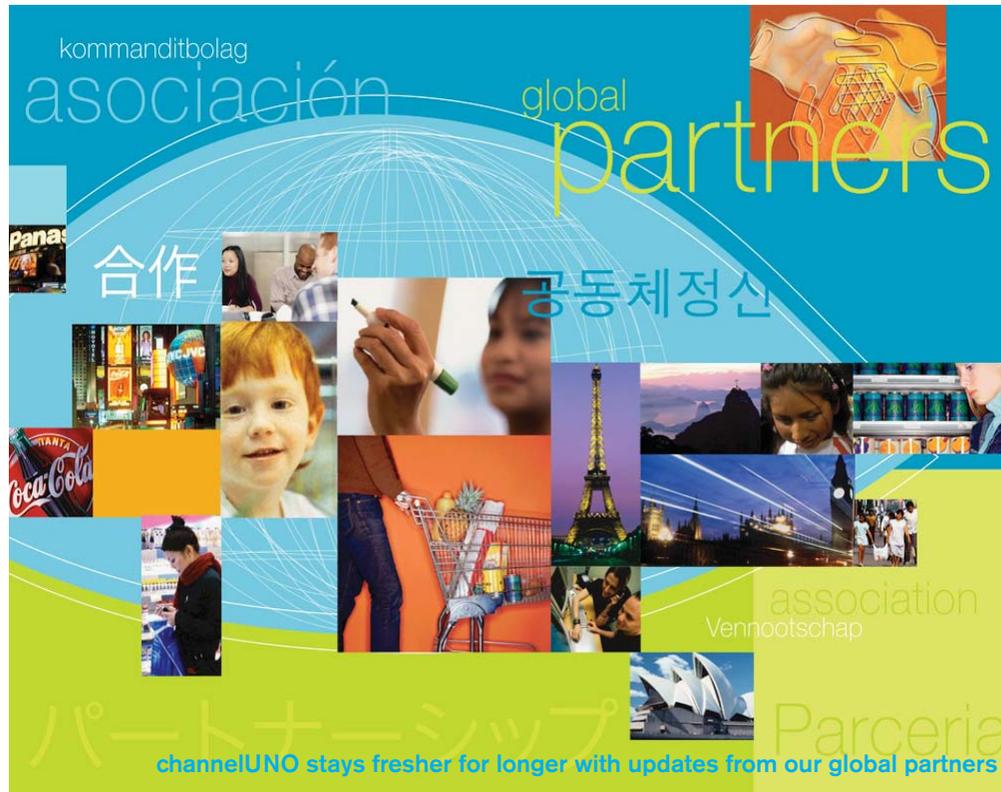
business philosophy, and recognised as a cornerstone of successful commerce. That's because, beyond creating buzz, creating movement - or even creating new categories and markets - innovation creates value: for the consumer, for the company. And above all, for the bottom line.

## Define Innovation

By definition innovation is "the act of introducing something new for the first time." And, according to business references, this translates into the introduction of a new concept to the marketplace. By these standards, what many organisations classify as innovation is more often, in fact, 'mimovation' - the introduction of a new brand extension, product or SKU that reflects and/or incorporates a newer yet somewhat established



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concept, idea or technology: A new version of detergent with power of oxygen; a reduced carb SKU of a familiar snack, a trusted polish now in a wipe format; the introduction of pudding in a new portable tube. All are examples of product launches rather than true market innovation. While there are certainly challenges to stepping first - and rewards still to be shared by fast followers - the impact of true innovators cannot be underestimated. Nor can the value of true innovation.

## Something New:

Examples of true innovation come in many shapes and sizes - from novel technologies to simple twists on the ordinary, from inventive promotions to interactive packaging, from new product forms to new product classes. What they share in common is the creation of new frameworks, new behaviours, new markets and new experiences.

## Creating a new category:

When Listerine 'PocketPaks™' hit store shelves as the first portable breath freshening strip, Pfizer created a whole new product class. The category now constitutes around half of the global worth of the entire mouth fresheners sector. While pocketpaks remains the leader with more than 60% share, it has spawned an abundance of similar products, from the adult positioned brands to the fun focused childrens ranges.

## Creating a new delivery system:

From complex, ingenious dispensing units to simple canisters and caps, structural packaging innovations can make the most resounding impact on the market. When Yoplait® launched its fun and portable Go Gurt® yogurt in a plastic tube, it changed the world of kids' snacking - from desserts to peanut butter. Similarly, others have adapted the format to the adult market, creating new products which border the confectionary and the snack or dashboard dining markets.

## Creating a new segment:

By re-examining the market space and appealing to an untapped psychographic, the once tired and staid Ponds® brand burst beyond the cold cream jar to create an entire new market segment in upscale pharmacy based skin care. Identifying and filling the gap between bargain pharmacy skin care creams and expensive department store offerings.



### Shifting a paradigm:

True innovation can create a game-changing proposition - a new consumer mindset or cultural behaviour. Target invented the term 'cheap chic' and spawned a new breed of savvy fashionistas. In the time before 'Starbucks', coffee was pretty much a commodity affair in a styrene cup made drinkable only with the aid of a doughnut. Now coffee is sexy 'thang', urbane, cosmopolitan with a whole array of terminology for devout latté lovers.

### Defining Innovation Strategy

While most companies consistently identify, intend, and even endeavour to make innovation an ongoing priority, the reality of day-to-day business practices can create significant challenges in realising these goals.

Good intentions and great ideas often get caught up in a feedback loop of plans, proposals, hurdles, halts, re-designs, re-considerations before they ever see the light of day. If indeed they do. As a result, internal development rarely keeps pace with external demands and needs.

The prevailing tendency these days is that new products, brand extensions, and SKUs are launched based on competitive imperative rather than strategic planning. Driven by reflexive response to earlier entrants, even the largest global organisations often play catch up with the market - and with breakaway new offerings or categories that have already grabbed considerable consumer dollars and affection. New product

development has become a reactive response versus beginning as a pro-active strategy.

What many approaches to innovation lack is an organising principle, an over arching strategy, and a pro-active discipline - the line that connects the dots.

For innovation to become entrenched in strategy, it must be re-envisioned as a new way of doing business: It must be approached as a long term venture with speed to market agility; nurtured as a cross- functional discipline with entrepreneurial spirit; and recognised not just as an investment, but as an asset for sustainable growth.

Trends as the name suggests are ever changing as such this article is intended to stand as our current thinking. It is a reactive forum and will evolve. Views or Comments relating to this article should be directed to [info@uno.net.au](mailto:info@uno.net.au)

Want to introduce a friend to channel UNO? Just forward their e-mail address to us on [info@uno.net.au](mailto:info@uno.net.au)

### Creating a new consumer experience:

Innovation at the promotional level can be just as breakthrough as new technologies and products by extending and enhancing a consumer's brand experience. From the original inventive delight of the crackerjack prize to the modern inspiration of Nantucket Nectar®'s in lid quotes, simple yet novel ideas can cause lasting ripples and impact. Innovation in customer relationship building can seal a deal - just imagine, before the advent of Frequent Flyer programs, a consumer's only reward was the dubious pleasure of air travel - strange it took so long for someone to come up with the idea of a chair that becomes a bed.



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