



Three Ways To Increase Consumer Goods Innovation Success

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Needless to say, innovation is lifeblood to a consumer goods business. Marketers work hard to identify consumer needs and white spaces in the market. Product developers, food scientists and packaging engineers invent ways to address opportunities. We've had dramatic advances in things like research, technology and materials. But despite all this, product launch success continues to be stubbornly difficult to achieve. A good deal of this can be attributed to ineffective approaches at retail.

Consider these three things that can improve your batting average for new product launches.

1) Understand retailer needs

The primary responsibility of retailers is to grow their category sales and profitability. Ultimately, if your company's innovation/product launch supports that objective, it will get greater retailer support. Understanding category role, category profitability and category growth trend is critical to new product launch success. Ultimately, the retailer is agnostic to your company/brand innovation, unless it can enhance their category growth/profit. Value-added information, such as recommending pricing architecture strategies to support retailer's growth/profitability, will improve your chances for innovation success.

2) Use all functional resources available

All functions within your organization can add unique value to the innovation process. It is to your company's benefit to fully utilize them. Brand/Marketing can add deep understanding of consumer behaviour, global trends, and category insights that can be an integral part of retailer presentations. Finance can do a deep-dive into customer or third party data analysis to establish pricing architecture to maximize category growth

and retailer profitability. The supply chain function can effectively manage the product transition. Using real-time listing data, supply chain can assist with the inventory required for initial pipeline fill, as well as adjusting production to ensure product availability as the innovation gets traction. Field sales/third party merchandising can ensure the innovation is executed and cut into the shelf effectively according to planogram.

Outside of your own internal organizational functions, it is critical to ensure you also fully leverage the retailer's applicable functional teams. In particular, supply chain and store management can ensure the product gets on the shelf in all approved stores, while senior management provides long-term merchandising support.

3) Effective continual communication with all parties

Putting together the innovation story based on retailer needs is often the key to retailer acceptance, greater support and success. Communication breadth and depth with both the retailer and your organization will enhance the process. Information about specific listings at specific banners, approved shelf set and promotion support are some examples of essential knowledge that multiple functions need to effectively execute on the innovation.

Avanzare believes that understanding retailer needs, using all functions available and effective/continual communication throughout the process enhances innovation success. Ultimately, these three things will ensure your product is available to the consumer at the right time, right price, right place, at the right quality and right quantity to improve your odds of innovation success.

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