

**M
A R
K E T
I N G M
Y O P I A**

Marketing Myopia in 2013 :
and the tools to shatter myopia

Who am I?

Theresa Saldanha

- A Marketing & Innovation expert with a 20+ year history with large, global Consumer Goods companies, locally & globally.
- A proven specialist in synthesising disparate source of information - internal & cross category/industry/global trends - into commercial pathways for growth.
- Director at **Why Not ! Innovate**



Successfully leverages a proven model in Industry Collaboration to drive growth, profitability and innovation in the consumer goods industry.

- *Eg our series of industry events – hackerthons and mash ups – working across companies, categories and industries to deliver new and fresh product, process and delivery ideas*

We also work with individual companies, using proven methodologies, to reengineer for growth.

- *Eg global searches for data, innovation and trends; synthesising of disparate information within and across platforms*



Only one out of the Top 10 on the list, was from Consumer Goods...

My question was WHY ?

Is Consumer Goods a sector that is (unintentionally) still myopic ?

Processes



People & Teams



Consumer



Company





My findings.....?

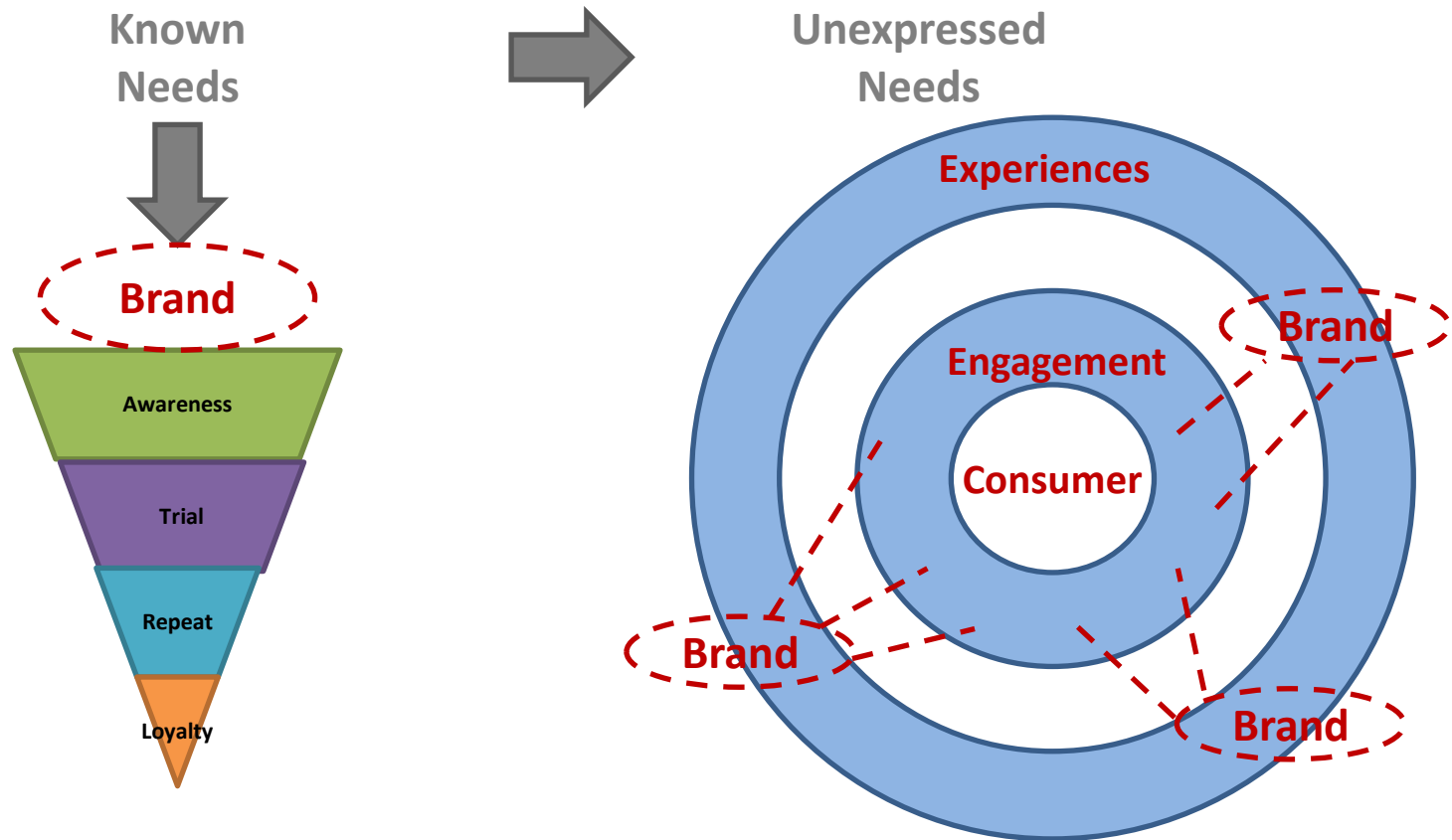
- The majority (tech based innovative companies) - solve a common consumer frustration
- They leverage technology – to increase efficiency, reduce cost, reduce time, gain a competitive edge...
- They innovate at the ‘intersection’ of two realms–
 - Clickview – Entertainment & Lifestyle
 - Abbvie – Healthcare & Lifestyle
 - Mail call – E-commerce & Distribution
 - Buzz – Travel & Convenience

But, how do you get there ?

A prescription for Myopia

- 1) Know thy Consumer
- 2) Cluster to Collaborate
- 3) New Tools to shatter Insular Thinking
- 4) Disruptive beats Breakthrough
- 5) Incubate, Refine, Evolve...become more Agile
- 6) New Channels to Market
- 7) Centres of Excellence
- 8) A brave 'NEW' Marketing

1. Know thy Consumer



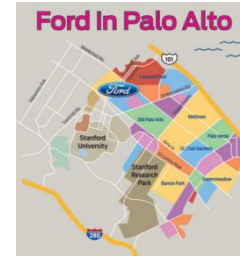
- Innovative brands have learnt to **exploit the areas where realms collide**
- brands need to develop a **broad, holistic view of their consumers experiences**, not just ones that were once considered relevant

1. Know thy Consumer



Nike Flyknit Racer

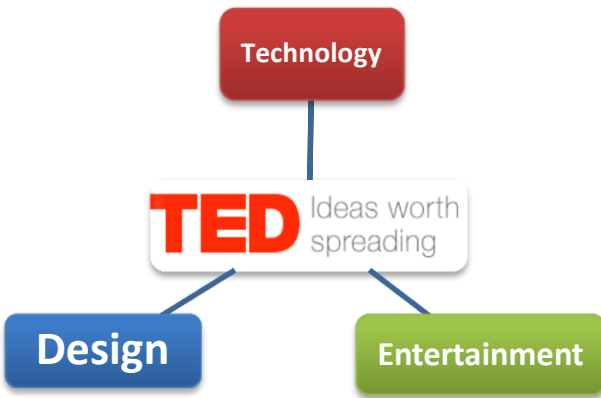
- The **Nike fuelband** allows consumers to track activity & compare with other users online
- The **Nike Flyknit Racer** revolutionises how sneakers are manufactured
- Nike has transformed itself into a digital force it has **broken out of apparel** and into tech, data, and services



- **Ford** opened an R&D lab in **Palo Alto** (Silicon Valley)
- They asked developers to think of Ford cars the same way they think of **the iPhone-iPad ecosystem**.
- "With software updates, we **keep vehicles fresh and relevant**, which is compelling for consumers spending tens of thousands on a car they expect to keep for years," says CTO Paul Mascarenas.

1. Know thy Consumer

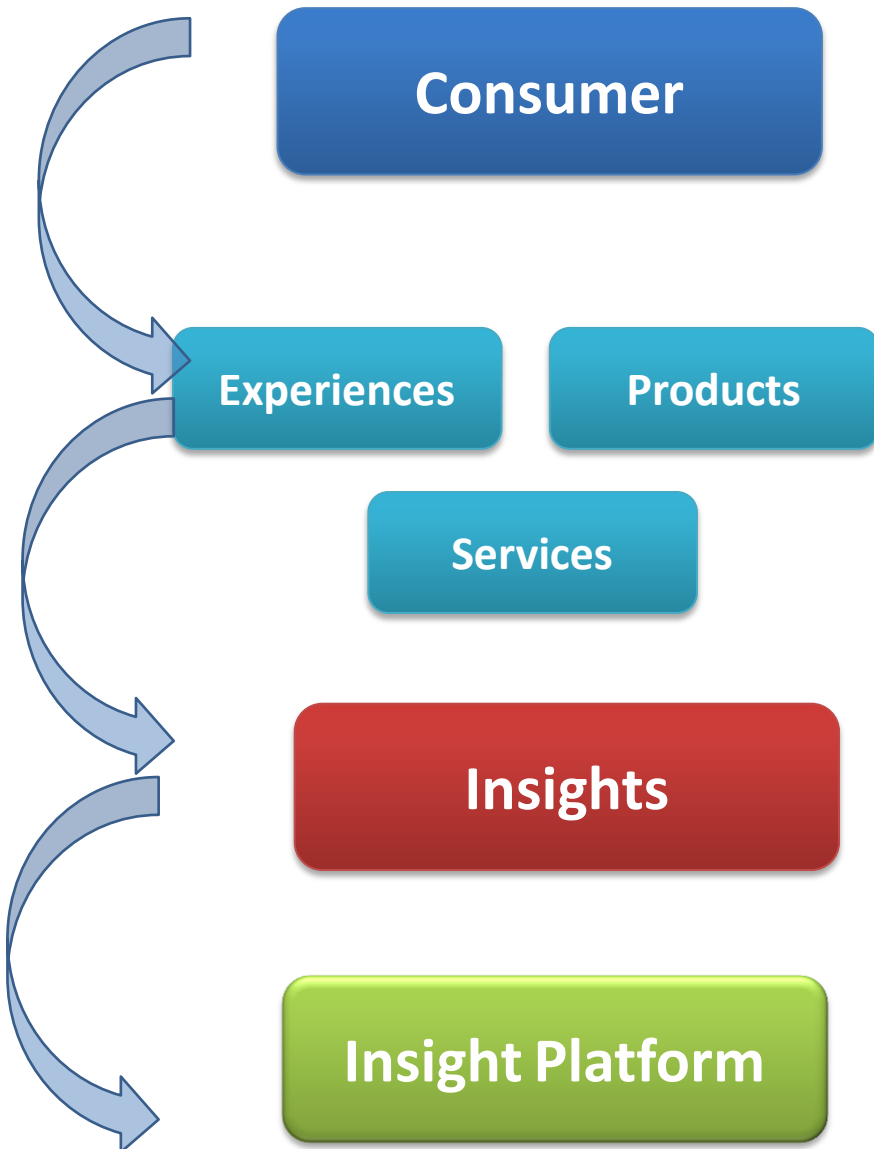
Colliding realms



Where are the intersecting realms in your business ?

1. Know thy Consumer

Tools to know your consumer – Building Platforms

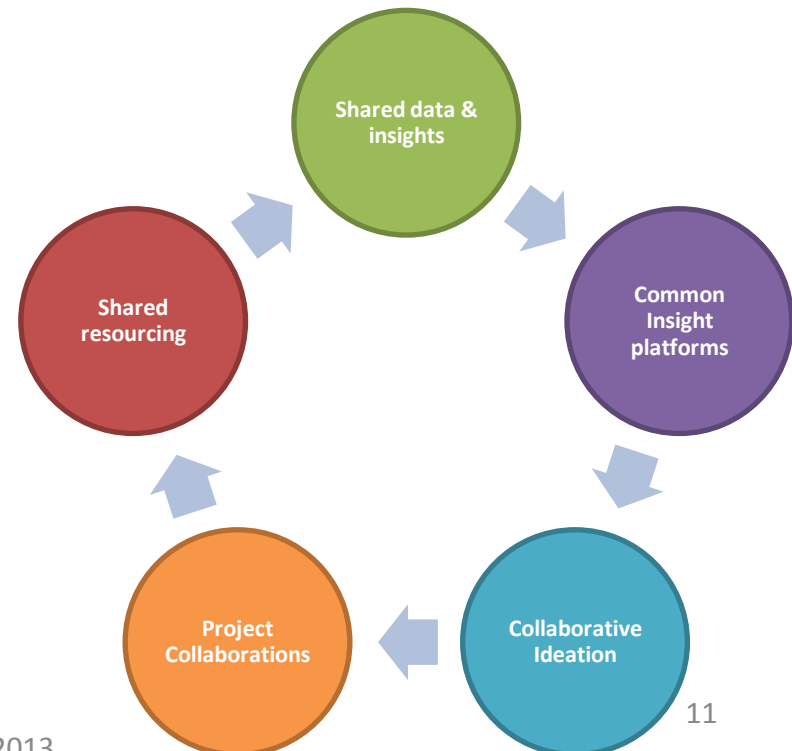


Looking to save time, manage efficiently

“Make my life easy”

2. Cluster to Collaborate

- Collaborative clusters are developed around a common consumer target
- Manufacturers, Technology companies, Research & Education institutes, Distributors, packaging suppliers...
- Develop a larger profile of consumer, through **shared information, trends, data, insights**
- Develop **common Insight platforms**
- Run **collaborative innovation sessions**
- Ideate, refine & engineer **joint project collaborations**
- **Utilise resources** within the cluster – R&D, manufacturing, distribution





Tide Pods – Open Collaboration with MonoSol– patented film tech to wrap clear fluids



Regenerist – Open Collaboration with Sederma – peptide tech to repair wounds & burns



Febreze – harnessed Open Collaboration – candles, vacuum bags, non-energised air fresheners – to become a \$1 Bn brand



Trademark licencing

- P&G launched its **Connect+Develop** program more than 10 years ago
- The website has served as P&G's "open front door to the world," allowing any innovator anywhere to share their innovations with the Company
- Since then, has developed more than 2,000 global partnerships
- It has delivered dozens of global game-changer products to consumers, accelerated innovation development and increased productivity, both for P&G and its partners
- ***"...our focus is on strengthening areas of our open innovation work to deliver more discontinuous, breakthrough innovations...." Laura Becker, General Manager Connect+Develop and Global Business Development.***

3. New Tools to shatter Insular Thinking



Why Not ??
Thinking

Outsource

**Borrowing
with
Pride**

Think Tanks

SHANZHAI

Hackerthons

JVs / Partnerships

**Mash
Ups**

Hackerthons

- Adrenaline fuelled tech coding challenges
- Time bound & competitive
- Objective :
 - A demonstrable prototype
 - A clearly defined concept
 - A clear target audience
- Can be modified for non-tech spaces by using 'Mash Ups'
- **No-app Hacks used by Unilever, also Kraft**

SHANZHAI

- Using 'copy cat' designs as a platform for innovation
- Adapting the knock offs to make them accessible to grass roots consumers – price, value, aesthetics, needs
- Makes 'shiny points' stand out – accentuates the key design
- **Logitech wireless mouse 'copy cats' demonstrated how the product could be made more affordable**

Mash Ups

- Allows new product concepts to be brought to life.
- Quick, easy, cost effective
- Involves 'deconstructing' the new product concept into its component parts...
-finding approximate look alike components in existing products...
- 'mashing it up' to produce the new prototype
- Allows an assessment of a visual representation

Borrowing with Pride

- Building on what the consumer is already familiar with
- Provides innovation that is familiar but different
- Ensures ease of uptake & ease of use
- **Samsung Galaxy utilized the rounded edges of the tablet & app icons, providing a familiar user experience for consumers**

Outsource

- Similar to companies out-sourcing media & advertising strategies
- To access strategy / innovation / marketing skills of a high standard & to enable a fresh outside-in approach
- ***A number of Global Design Consultancies provides Innovation Strategy & Design solutions to help organisations grow***

Think Tanks

- Offers industry wide solutions to common problems
- Brings the best thinking together
- ***An examples of this – an industry wide solution to online retailing of consumer goods***

Why Not ?? Thinking

- Deliberately turning core assumptions on their head
- Ideating on the 'inverse'
- Why not ? What If? What else ?
- ***Eg. Why does it need to be manufactured in-house ? Does it need to be launched through the same distribution channels ? What else could this product be used for ?***

JVs / Partnerships

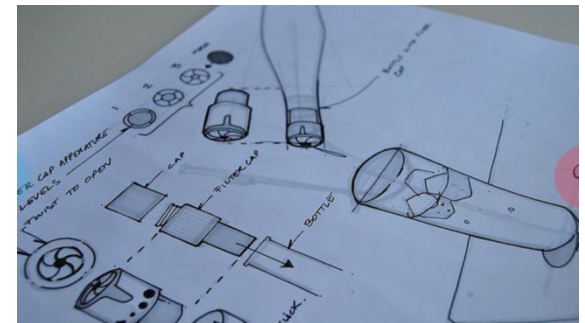
- Looks for partnerships that can drive value, save time, reduce costs, increase efficiency
- Can be a backward or forward integration
- Can bring together a consortium to further drive value
- ***Eg. Lion Dairy formed a joint venture with Linfox called Bevchain for the distribution of chilled beverages***

4. Disruptive beats Breakthrough

DISRUPTIVE	BREAKTHROUGH
New to category, not market	New to market
Existing manufacturing/ sourcing	Potentially new equipment
Minor modifications	Capital intensive
Shorter lead times	Long lead times
Reduced risk	Increased risk

IDEACOUTURE presentation to DIAGEO

- *Insight - 'Drink Security'*
- *To meet the needs of **Millennial** women who are aware of and concerned aboutdate-rape drink spiking*
- *Concept - **applies a spin on the Tetra-Pak** for on-premise consumption*
- *By **eliminating open glasses** and moving to a more secure design, this design eliminates danger and, thus, anxiety*
- *It also has added benefits for **Millennials** that speak to off-premise drinking occasions, sustainability and style.*



5. Incubate, Refine, Evolve...become more Agile

- **Agile management** is an iterative method of determining requirements for technology projects in a highly flexible and interactive manner
- **Agile methodology** is based on the assumption that the end user is not aware of their needs, until they have had an experience of the product
- Hence, Agile methodology is a rapid fire iterative method of **Design-Develop-Test-Refine** until an acceptable prototype is obtained
- **3 Agile principles to be incorporated into the development process for consumer goods :**
 1. engage the consumer early
 2. collaborate iteratively throughout the development process
 3. institute a closed-loop learning process

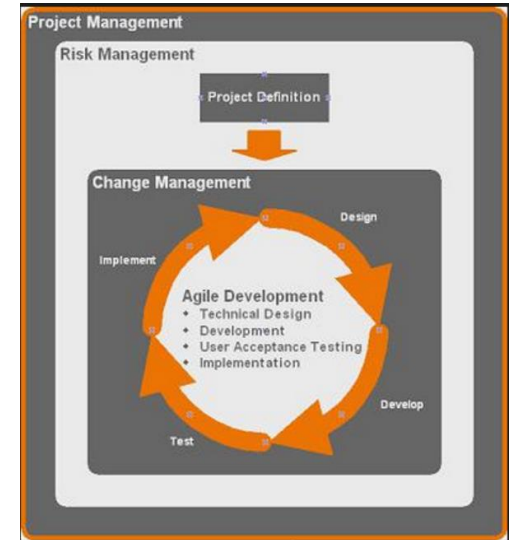


Image : courtesy SAP Implementation

6. New Channels to market

- Only 5% of Australians purchase groceries online
 - “Costly”, “not home at delivery times”, “limited range” are the reasons for poor uptake
 - Coles & WW online offer not easy to navigate; low satisfaction ratings
 - Smaller suppliers, **esp for fresh**, rated better than Coles & Woolworths
- (Choice Survey)
- However, online grocery shopping up 70% YOY
 - Large share of traffic from **mobile devices** ; Woolies had **1.95 m downloads** of its app
 - Web traffic to **Grocery Run** routinely outpaces that to Coles & Woolies
 - **Grocery Run** started off with \$1m a month; now generates \$1m a week
-
- Logistics & Distribution in Australia is the issue
 - Some e-tailers engaging in ‘grey’ imports / parallel imports



7. Centres of Excellence



- Kraft Foods recently opened its **Asia Pacific Confectionery Centre of Excellence**.
- Designed to be a **world-class globally competitive research facility** located in Ringwood.
- The Asia-Pacific Confectionery Centre for Excellence will help position Victoria as a **leading food manufacturing centre** in the Asia-Pacific region, with the capacity and capability to supply a global market and build on its international reputation.
- Its designed to be a **regional hub** and **by partnering with supply chain partners and other small to medium enterprises (SMEs)**, help develop Victoria's manufacturing capabilities.
- The aim is to create an **open innovation centre** which will connect with food SMEs across Victoria to **build capability across the industry**.
- Hence, it will build a new generation of Australian food entrepreneurs who will both understand and be **able to access the region's 1.6 billion Asian middle-class consumers**

8. A brave 'NEW' Marketing *An Innovation Mindset*

1. Start small – a 2 hour session; gain confidence – yours & the team
2. Ask questions – challenge assumptions - lead new thinking
3. Seek “HOW “ not “YES/NO”
4. Read; learn; circulate new thinking/insights – position yourself as an Innovation Thought Leader
5. Keep an ‘ideas’ journal – map by concept/insights/context



8. A brave 'NEW' Marketing

1. Comfortable with Ambiguity
2. Strategically agile, analytical, able to deal with the complex, great problem solvers
3. Knowing that your experience is out-dated (but, your skills aren't), and knowing the difference
4. The courage to admit what you “don't know”, and be willing to push that boundary
5. Dedicated to continuous learning
6. Excited to be constantly innovating (on everything)



In Summary, the prescription for Myopia

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