

**APPLYING AN INSIDE-OUT  
AND OUTSIDE-IN STRATEGY  
TO IDENTIFY GROWTH  
OPPORTUNITIES FOR  
SUCCESSFUL INNOVATION**

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Futureproof your  
innovation and grow  
your brand in turbulent  
times with thinking that  
gets to the heart of  
your customer.



Companies most likely to grow their market share and profit post-recession are those increasing R&D and introducing new products during that time of economic turbulence. The proof? Just look to history. After the Great Recession of 2007-2009, the strongest brands to emerge launched 60 per cent more genuine innovations than their competition.<sup>1</sup>

But simply launching more products is not the recipe for success. The fact is that most new products fail. Kantar Worldpanel finds that 16 per cent of even the most successful first year launches end up redundant by their fourth year – something that marketers around the world are frustratingly familiar with. Additionally, far too many

innovations consist of line extensions that cannibalise existing brand sales. So, what distinguishes the real innovation winners from the losers?

#### **IT IS DIFFERENCE THAT MAKES THE DIFFERENCE**

Kantar has long championed perceived difference as the underlying driver of long-term brand success. More than visual distinctiveness, difference encompasses the whole experience of a brand. Meaningfully different innovation is the lifeblood of brands because it helps support brand growth through incremental sales, both now and into the future.

This booklet will reveal the **Inside-Out and Outside-In** strategy for innovation

opportunity identification that will help futureproof your innovation and grow your brand in turbulent economic times with thinking that gets to the heart of your customer.

Please do contact me to discuss your innovation strategy.



**Soumya Mukhopadhyay**

Head of Innovation  
APAC, Kantar

[Soumya.Mukhopadhyay@kantar.com](mailto:Soumya.Mukhopadhyay@kantar.com)

<sup>1</sup> Analysis of Profit Impact for Marketing Strategy database

It is difference  
that makes  
the difference

2.5x

**Difference generates 2.5 times the average 3-year growth when supported by marketing creating meaning and salience**

2x

**Difference more than doubles the percentage of consumers who believe a brand is worth paying more for**

#1

**Difference is the single biggest reason why companies out-perform existing standard financial return models**

Perceived difference is a clear driver of long-term brand success and in turn, critical to successful innovation. Much more than visual distinctiveness, difference encompasses the whole brand experience: from functional performance to the emotion it evokes, sensory experience to appealing design, and inherent sense of purpose to sustainability credentials.

**U**nless your new product can distinguish itself from the competition in some meaningful way, retailers will hesitate to give up shelf space allocated to proven sellers.

In 2022, Huawei was ranked the 8th most innovative company globally by the Boston Consulting Group. After its successful foray into the smartphone business, Huawei has pursued a philosophy of differentiating and positioning

itself as a technologically-advanced problem-solver. It aims to link its solution-providing legacy to the world's biggest telecommunication providers with its future platform of manufacturing and selling the most advanced phones.

In Indonesia, Gojek has taken a leadership position in the ride-hailing market by leveraging the unlicensed ojek motorbike taxi infrastructure instead of relying on more expensive cars.

The handwash category in India had a moderate growth trajectory due to its perception of being expensive, keeping it out of consideration for many households. Godrej broke this barrier and took the category by storm with the launch of powder-to-liquid handwash. With its disruptive price - one-third the cost of existing liquid handwash refills - it has nudged Indian households across segments and geographies to adopt this innovative new format.

The key attribute that all these successful innovators have in common is their ability to innovate with both business AND brand in mind. Difference without meaningful brand connection is just disruption. Building a strong brand starts with a meaningful and different product or service. Meaningfully different innovation is the lifeblood of brands because it helps support growth through incremental sales, both now and into the future.



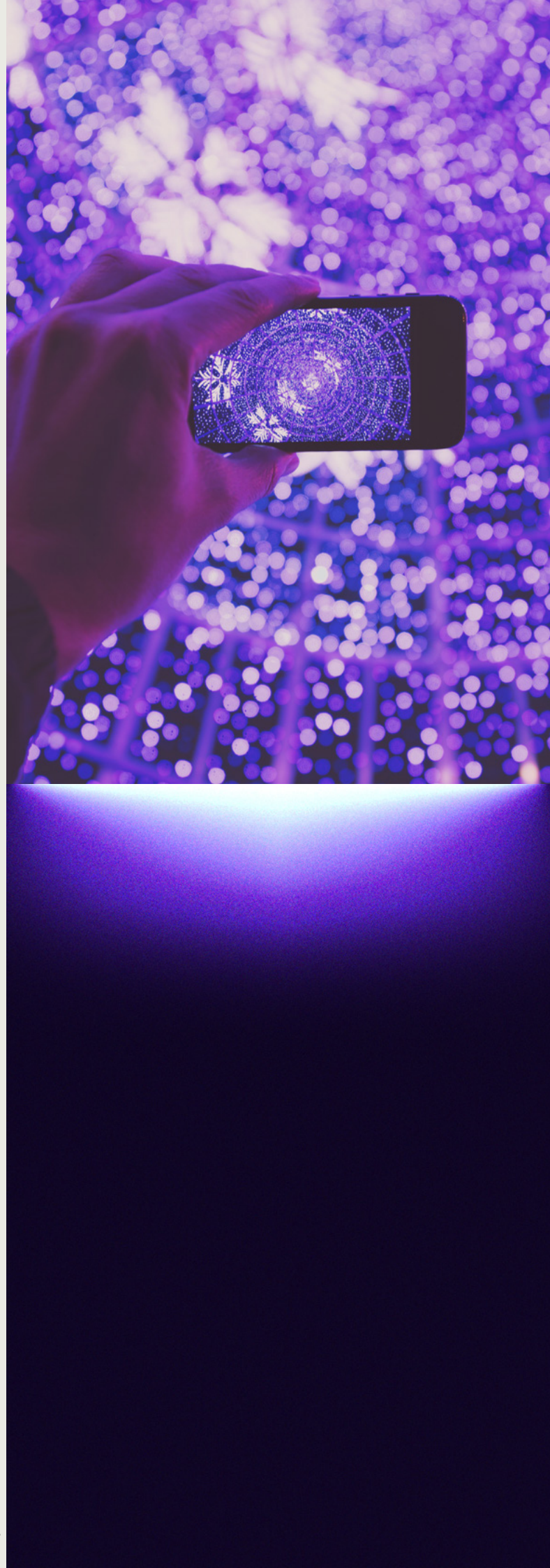
# Identify and address blind spots, not white space

Behind every great innovation – no matter its size – is someone who identified a great opportunity. So does this mean people centricity is a waste of time? And is the only pathway to innovation success the inspirations and genius of ‘once in a generation’ entrepreneurs like Henry Ford and Steve Jobs?

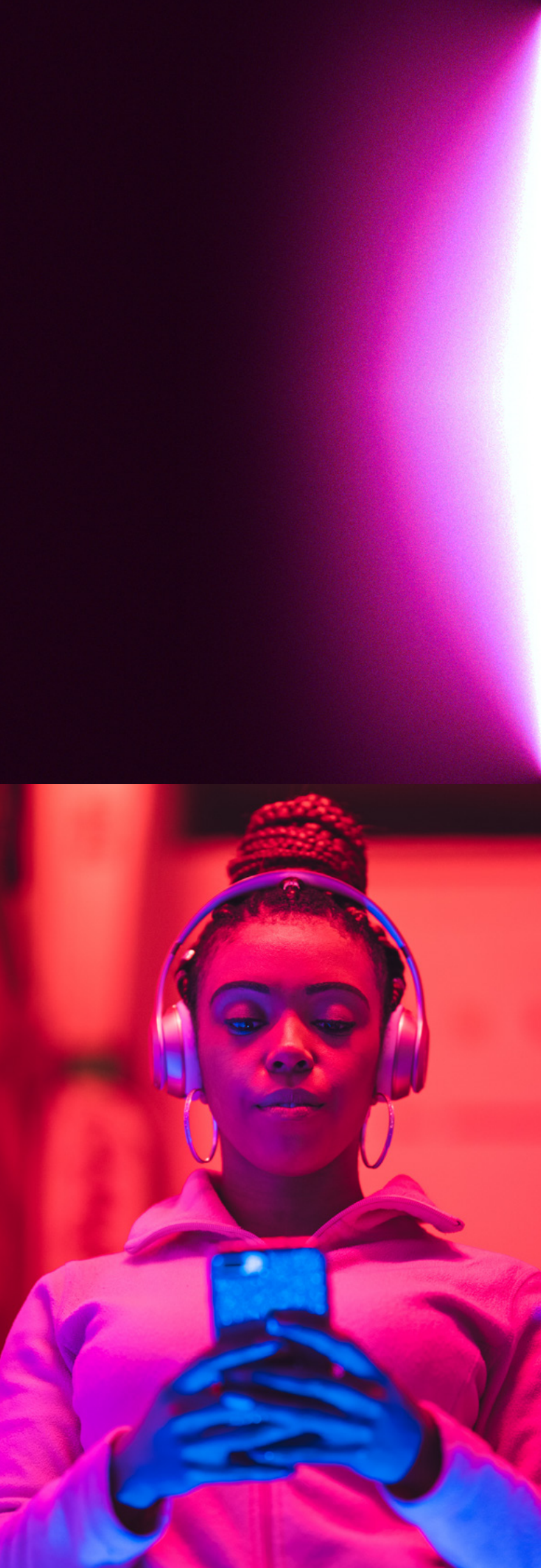
We agree with Ford and Jobs, that asking people to directly imagine or create the future is asking them to perform a task they are less equipped to perform well. That type of people centricity is more likely to underperform. However, abandoning it altogether is not the answer. The key to unravel innovation opportunity lies at the intersection of understanding external forces and people’s tensions.

People may not be great creators, but they are great complainers. At Kantar, we use systems thinking to hunt for tensions. We explore a problem or situation through different lenses to uncover more holistic and powerful innovation opportunities. We look through multiple platforms of insight – from the familiar to the unknown – to explore what the future might bring and parse it for what is potentially meaningful for your brand.

The gap between current and aspirational lives of people is loaded with tensions. And if marketers can uncover and mitigate them, then innovation can be inspired and ignited. Keep in mind the tensions that prevent







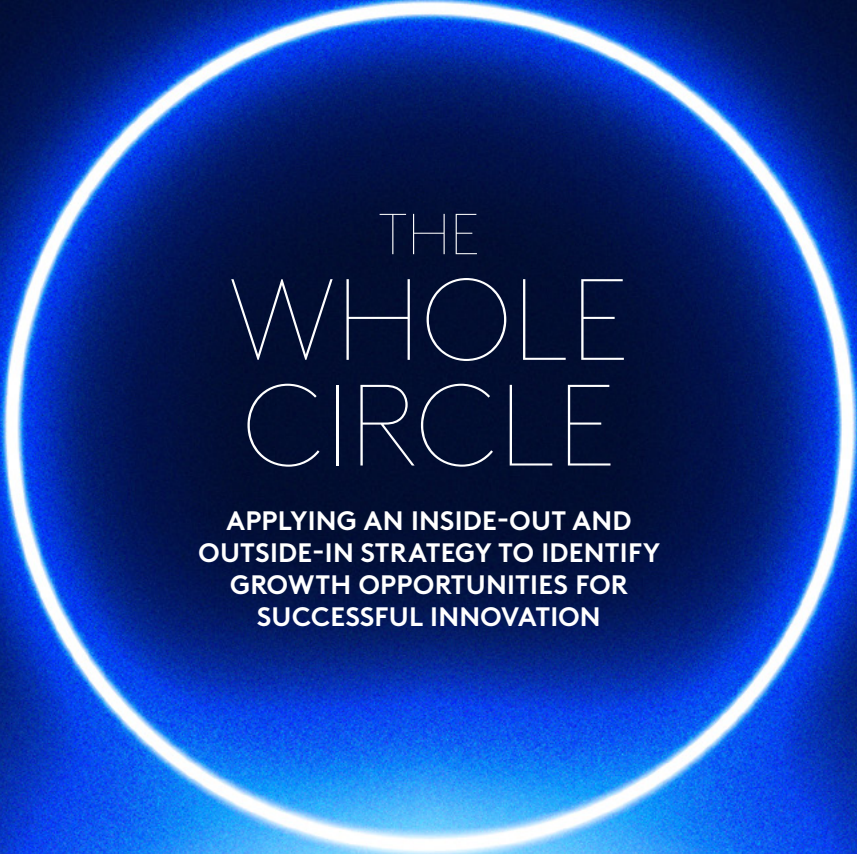
getting brands closer to the 'aspirational me' (i.e. products that hold me back due to limitations, or myself as I must change my habits to get there), but also be aware of things the consumer may miss once they achieve 'aspirational me' (i.e. if I achieve the 'aspirational fitness me', I may miss the free time and food enjoyment of the 'past me'). Consumers weigh all of these fuels and frictions in their choice equation every single day.

**The gap between people's current and aspirational lives is loaded with tensions. Ignite innovation by uncovering and mitigating them.**

As innovators, we are often encouraged to spend our time looking for a category's white space where existing tensions go unmet and unarticulated. The problem is that these opportunities are rooted in today's behaviours and are usually relatively easy to discover. And if you can see them, so can your competition. An innovation designed to take advantage of a current white space may well be meaningful but may not be unique enough to stand out from the crowd. Remember – it's difference that makes the difference.

In contrast, blind spots are found at the periphery. They are the emerging tensions, workarounds and aspirations that become widespread pain points if left unresolved. As such, they offer even greater growth potential than current and more easily recognised white spaces. Why? Because if the problem is likely to scale, so will the solution to that problem. They may be difficult to identify using traditional research techniques, but these fledgling behaviours offer the potential for meaningfully different innovation.





# THE WHOLE CIRCLE

**APPLYING AN INSIDE-OUT AND  
OUTSIDE-IN STRATEGY TO IDENTIFY  
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Identifying future opportunities and imagining meaningfully different solutions requires a deep understanding of the macroeconomic and cultural forces at play along with the diverse and evolving human tensions, motivations and contexts to shape successful brands. The secret is Kantar's bespoke 'Inside-Out and Outside-In' thinking.

Our approach is the result of utilising these two key mindsets to embark on a journey of possibilities before synthesising the richest opportunities to activate. It requires systematically exploring multiple angles and insight sources to find the most likely developments within a specific context: what is, what's to come and what's happening around you.

Taking account of your brand's current power and potential, Inside-Out thinking explores the world as it is today, then envisages something better. To identify potential blind spots to exploit, it deep dives into 'fuels and frictions' to gain deep category understanding and hunt out consumer tensions.

Fuel is the idea that humans see action as primarily a function of motivation and intent. It is the push that moves people to do something new. On the other hand, friction encompasses all the factors that inhibit the adoption of a new product or process. Reducing friction even by a small amount can make a huge difference in the adoption of anything new.

## INSIDE-OUT

**Behavioural  
Science**

**Tension  
Hunting**

**Market  
Landscape**

## IDENTIFY

## OUTSIDE-IN

**Foresight and  
Trends**

**Cultural  
Decoding**

**Futurescaping**

Outside-In thinking helps you to determine the main uncertainties that will affect your business and how your innovations can pivot you to be ahead of the curve. It seeks to expand your frame of reference and deliver a broader view by exploring how people's lives and attitudes will change because of how their external environment is set to change. Outside-In thinking also references the reimagining of what lies beyond the immediate business boundary and serves up a range of opportunities inspired by future and cultural trends.

When leveraged alone, Inside-Out thinking leads to effective product evolution – for example, different generations of razors. But when combined with Outside-In thinking, it forms a rich foundation of empathy and understanding that anchors future possibilities in a credible and ownable space for your brand. If you lean into Outside-In

thinking too heavily, you risk wasting time and resource on blue sky ideas that will never find a strategic fit with your brand's ambitions. But combine it with Inside-Out thinking and it will illuminate new possibilities that would otherwise remain unexplored. While it is rare to find all these tools under one roof, by utilising this combination of insight sources overlaid with a flexibility of mindsets to analyse them systematically and holistically, then your scope to unlock new growth opportunities is unrivalled.

We know strongest brands are those that build deeper and broader connections over time. These connections are primarily emotional and operate by demonstrating how your brand offers something that others don't. This meaningful difference is the key predictor of future growth and finding that recipe is the cornerstone of creating impact through innovation.



## CASE STUDY

# THE WHOLE CIRCLE

## Inside-Out and Outside-In: A success story

As a global leader in personal care, this brand commanded market share as high as 50-60 per cent in many countries across APAC. Yet they faced ongoing disruption from the influence of local and global competitors in both premium and value spaces requiring both an attack and a defence strategy. Kantar's Inside-Out Outside-In approach helped them break this cycle globally.



**SEEK THE RELEVANT  
FORESIGHT/OUTSIDE-IN  
@ WORK**

**Map foresights to  
tensions by:**



Using trends to build a library of potential solutions and their reasons to exist



Showing the possibilities to resolve tensions – new products, services and experiences



Identifying size and mapping future innovations and solutions for each opportunity



Contextualising culture – i.e. identifying and sizing aspiration space in India exemplified through young individuals with immense self-belief; and breaking down Filipino Gen Z's into those passionate about sustainability or aspiring fashion influencers



**PLAY WITH TENSIONS,  
APPLY IMAGINATION/  
INSIDE-OUT @ WORK**

**Eliciting tensions not just needs  
(functional and emotional) through:**



Qualitative techniques at quantitative scale



Projective questioning and laddering to break down needs into tensions and size the blind spots



Examining both the current and potential evolution of the market landscape



Breaking the brand and category definition and expanding it to a 'meta-category'



**IMPACT**



Brand and portfolio decline was arrested in key markets



Blueprint to realise long-term ambition of premiumising the portfolio and growing value was designed



Global strategy changed from 'hygiene' to 'care'



New formats and occasions identified – key to unlocking future growth

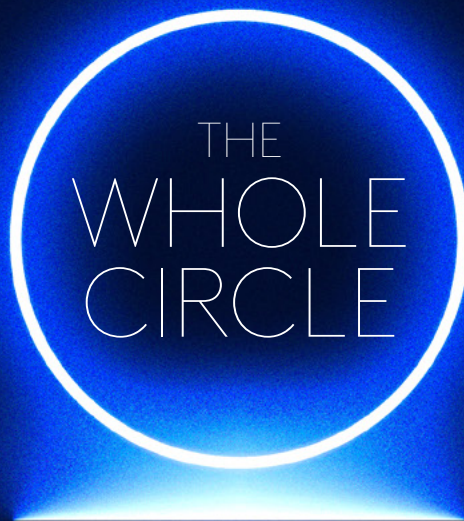


Stress test for brand compatibility of these solutions to deliver on 'big bets'

**"Kantar's work had been one of the most successful and impactful initiatives that we have undertaken in APAC. It has now become indispensable to nuance our Global Masterbrand Strategy and drive Portfolio Strategy."**

APAC Head of Insights





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For a holistic overview of Kantar's guide to  
growth through meaningfully different innovation  
[download the Innovator's Advantage.](#)

Kantar is the world's leading marketing data and analytics company. We have a complete, unique and rounded understanding of how people think, feel and act; globally and locally in over 90 markets. By combining the deep expertise of our people, our data resources and benchmarks and our innovative analytics and technology, we help our clients understand people and inspire growth.

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Inspire Growth