



KANTAR

# THE INNOVATOR'S ADVANTAGE

Kantar's guide to growth  
through meaningfully  
different innovation



# Introduction

Innovation is imperative for brand growth, yet it's a challenge for businesses to know how to innovate in difficult times. This booklet demystifies innovation and equips you with everything you need to innovate in a meaningfully different way to drive brand growth. It shows why meaningfully different innovation is important and why a different, behavioural science-infused, approach is needed to get closer to the moment of choice.

The innovation journey starts with **identifying** blind spots, pivotal for a solid foundation on which to build your ideas. Developing innovations that are human-centric and right for your brand will lead to better outcomes. In the **build** stage, nurturing ideas through an iterative test and learn process is key. Agile research approaches can help you build strong propositions that lead to incremental and breakthrough innovations. At **launch**, it's important to track innovations in market and continue the learning journey. Not just sales. A clear understanding of how consumers are reacting, so you can pivot or learn from your success.

We leave you with advice on futureproofing your innovation strategy. Developing a pipeline that will guarantee continued success. Innovation is your best form of attack and defence in difficult times. Don't stop innovating when things get tough and whatever you do, innovate from strong foundations. Ideation does not equal innovation. We hope you enjoy this learning journey and that you dare to be different because those that do innovate for success.

**Dr Nicki Morley,**

Head of Behavioural Science and Innovation Expertise, UK

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# 1

## Why is innovation so important for brand growth?

Faced with the turmoil brought on by war, inflation, the pandemic, climate change and technological advancements it is easy to focus on the transitory, rather than the fundamental. But innovation will continue to be the foundation on which strong brands are built, and, if history teaches us anything, disruptive times create the catalyst for a disruptive strategy for innovation.

The question is, will your brand be the disruptor or the disrupted?

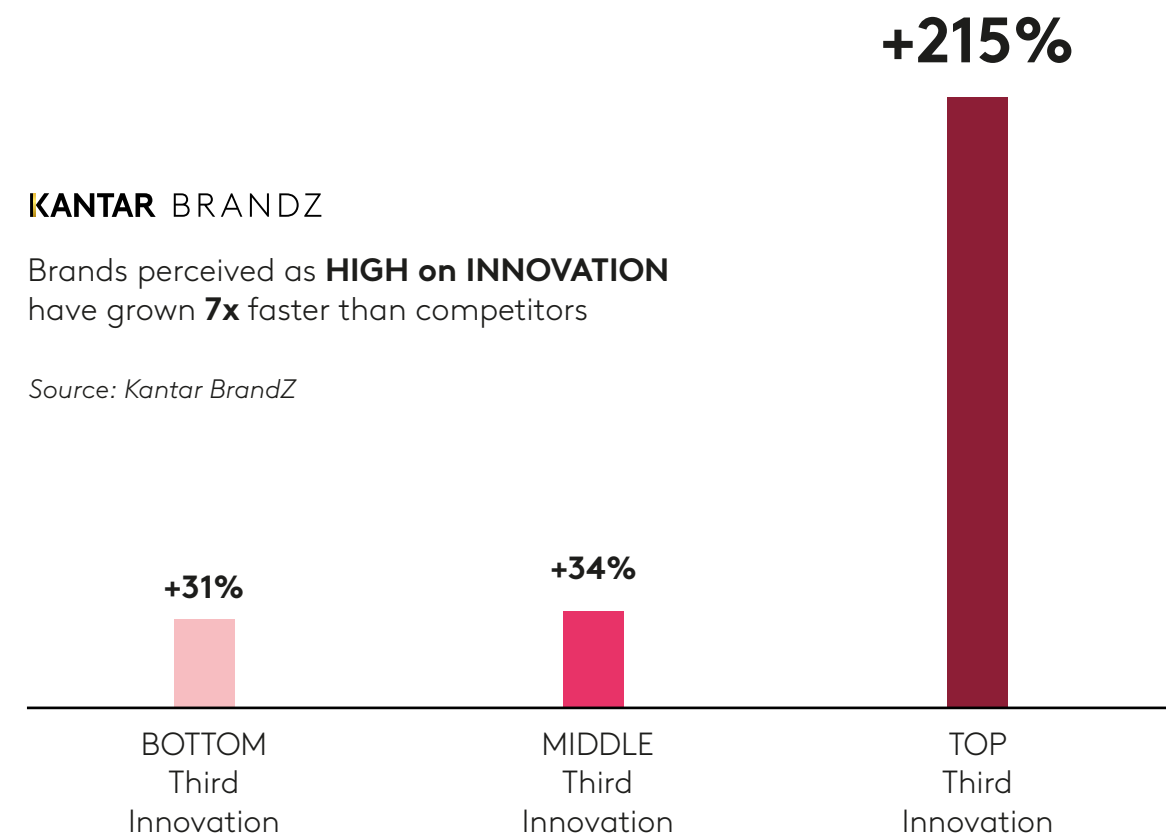
### Brand innovation re-imagined for today

Disruptive times demand a new approach to innovation strategy. In this booklet we discuss the principles that drive success for modern innovation – the innovation drivers – starting with a deep understanding of people’s needs, how to create meaningful innovations at speed and concluding with how to futureproof your innovation strategy.

### Innovation drives brand growth

Kantar BrandZ demonstrates that strong brands deliver better shareholder returns than the S&P 500. In difficult times brands that continue to innovate grow seven times faster than competitors. Clear proof that innovation is the lifeblood of even the biggest and strongest brands on the planet.

History shows us that innovators win - in times of crisis, and beyond



But more of the same is not a recipe for long-term success – instead, you need a brand growth strategy that focuses on disruptive innovation.

## Innovation exists outside Silicon Valley

While Uber, Airbnb and Tesla loom large in people's minds, meaningful innovation can transform any product category. Halo Top changed consumer attitudes toward low fat ice cream. Dollar Shave Club proved that a new business model can challenge the dominance of strong brands – even the very strongest. And in 2021, Warburtons launched its Soft Pitta in the UK, which targeted the growing need for a convenient, versatile lunch during the pandemic. Soft Pittas are easy to open and fill compared to traditional ones and are sold in recyclable packaging. Number 5 in Kantar Worldpanel's UK Top 10 new product launches of 2021, Soft Pittas generated £8.9M in sales and reached nearly 8% of all shoppers – an innovation approach that truly had impact.

## No brand is 'undisruptable'

If there is one lesson to take away from these examples, it is that no brand is 'undisruptable.' Time after time, simple innovations resolve an existing tension and by doing so discomfort an incumbent brand.

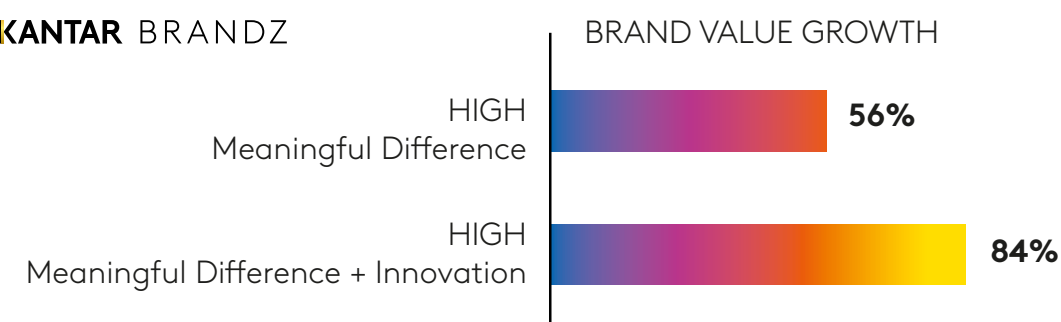
Just as Ford, VW and Toyota scrambled to catch Tesla, so too Unilever, P&G, and Danone were forced to respond to their new competition. Brands that fail to innovate risk playing catch up to faster moving and more nimble competitors. And opportunities exist in even the staidest product category. **If you can figure out how to resolve a consumer tension in a more meaningful way with your innovation, you're already half-way there.**

## Innovating with business and brand in mind

Building a strong brand starts with a meaningful and different product or service. And the same qualities distinguish an innovation that adds incremental sales to a brand from one that simply steals existing sales. Sales boosters are perceived to be meaningful and different by the target consumer. Sales stealers are perceived to be meaningful but lack that all important differentiation – from your existing brand portfolio and your competitor's. **Meaningfully different innovation is the lifeblood of brands because it helps support brand growth through incremental sales, both now and into the future.**

## Meaningful difference and perceptions of innovation is a recipe for success

KANTAR BRANDZ



Source: Kantar BrandZ

Talking to the need to innovate with both business and brand in mind, Steve White, Head of Innovation at **Diageo**, says,

*"We are very choiceful around where we innovate, so we work out how we deliver innovation that is working in service of the business strategy or is so meaningfully different that it will change the business's strategy."*

And he highlighted the need to ensure that an innovation fits with the brand. Talking about the success of Gordon's 0.0 alcohol-free gin, he notes that the development required the taste of 0.0 to be "true to that Gordon's experience". No simple task with a brand as trusted and loved as Gordon's, but crucial to the innovation's ultimate success.

## Successful innovation can be a challenge at the best of times

A successful innovation approach demands empathy with the end-consumer, objectivity, agility, confidence and persistence. That is a big ask, particularly within the confines of a large organisation with an innovation process designed to operate at scale.

## And then...all change!

In addition to creating new tensions, the pandemic has proved to be a catalyst for change and disruptive strategy, accelerating consumer trends that have been apparent for years, but limited in scope. Growing interest in sustainability and inclusivity predate the pandemic, but they add to the complexity that must be navigated by any innovator. Add inflation, the metaverse and an unreliable supply chain into the mix and, depending on your point of view, the challenges or the opportunities become even greater.



## We must evolve the way we innovate

With consumer behaviour in flux, it can feel like there is no solid ground on which to build your innovation strategy. But change means more opportunities for innovation, not less. The challenge is to move fast and innovate at speed, while retaining consumer guidance and making good on some of the deficits of traditional product innovation.

There are three important ways in which the innovation strategy and process needs to evolve if it is to be more successful in these uncertain times.

### 1 Apply imagination to go beyond the obvious

Steve Jobs once said,

*"Some people say give the customers what they want, but that's not my approach. Our job is to figure out what they're going to want before they do."*

*Far too much of today's innovation is simply a response to the current trends and what people say they want.*

That is not a recipe for innovation. Instead, innovators unlock deep human understanding of people in their context and apply their own imagination to envisage how things could be. The origins of success lie in imagination focused on the why behind the what to unlock new ideas, insights and opportunities to drive growth.

### 2 Cultivate empathy to win hearts and minds

Often innovation stems from a deep, personal understanding of a situation. Justin Woolverton created Halo Top ice cream because he wanted a dessert that was both healthy and tasted good. His credentials as a corporate lawyer did not set him up for success but knowing his own motivations did. As corporate innovators we cannot pick and choose innovation projects based on personal motivations.

Instead, we must cultivate our empathy with other people's desires and motivations in each context, and apply that understanding to identify unstated tensions, learn from the exceptions rather than ignore them, and craft new solutions for problems that people take for granted. If we can successfully do that, then the intended audience are not going to have to think about whether our innovations are relevant, they will simply feel right.



### 3 Learn at every step of the innovation journey

Talking about the innovation process, Jeff Bezos says,

*"You, the product or service owner, must understand the customer, have a vision, and love the offering. Then, beta testing and research can help you find your blind spots."*

In saying this, he acknowledged the need for imagination and empathy, but also recognised that there will be unknowns that must be surfaced and addressed. And the only way to do that is to test ideas and products with the people that are intended to use them. More than that, however, is the determination to apply that learning in the context of the whole brand, not just an individual product. To do so, innovators need to adopt an agile development process, enabled by fast and effective consumer research, and then evolve the offering based on the feedback to make the final innovation reaches its full potential.

### It is time to innovate differently

Change brings new opportunities for innovation. But an innovation may not be completely new, just better, more convenient, or more affordable than existing products.

*Change demands that an opportunity is lasting, not transient. Change demands better ways to innovate our brand growth strategy. And change demands agility, the ability to test and learn, allowing our innovation approach to fulfil its full potential.*

**Dr Nicki Morley,**  
Head of Behavioural Science  
and Innovation Expertise, UK

### Discover a new approach to innovation

Innovate in a way that leads to growth. Nurture clear, futureproofed ideas and seize the most rewarding opportunities.

**Find out more**





# 2

## How behavioural science drives successful innovation

Disruptive times demand a new approach to innovation and data from Kantar BrandZ shows that, in difficult times, brands that continue to innovate grow seven times faster than competitors. But the truth is that innovation is an inherently risky business, made even riskier when you don't take account of human nature and the influence of context throughout the innovation process.

### Why context is key for innovation

Context can have a huge, overriding effect on people's decision making, so companies cannot afford to innovate in a vacuum. Behavioural science – from cognitive psychology to behavioural economics, to social psychology – offers a framework to understand the impact that context and cues have on people's decision making. The greatest innovation in the world will fail if it is not tailored to the context in which it will be used.

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### How to drive successful innovation

Successful innovation demands far more than just new technology – otherwise Google Glass should have been a stunning success.

Instead, people hesitated before adopting it. Why? Because the key influences on consumer decision making – such as social factors and emotional associations – weren't considered. The behavioural changes needed were underestimated – the sight of someone wearing the glasses triggered privacy concerns for some people, others felt wearing a smart phone on your face made you look odd and stand out.

Ultimately the negative frictions outweighed the positive motivations.

Understanding the role of behavioural science in market research could have helped deliver a more successful adoption. At Kantar, we've identified eight broad influences on decision making that dictate the likely success of any innovation. Each one can act as either a fuel or a friction to adoption.



## Eight influences on decision making



### Situational Factors

Factors like location, time of day, and mood can affect consumer decision making.



### Habits

People often make decisions habitually - it's part of the routine, so it's a natural, almost unconscious decision.



### Emotional Associations

Have a large influence on decision making. If an ad makes you feel happy, you are likely to want to buy the product.



### Values

Values shape our decisions, whether it's choosing a product that will help the environment or avoiding a company known for animal testing.



### Social/Cultural Factors

When we make decisions, social and cultural factors, such as the opinion of our friends, can affect our choices.



### Rational Associations

Decisions are often based on rational associations - which product is associated with the best performance.



### Trust/Legitimacy

Trust is an important factor in decision making, reducing uncertainty and increasing confidence.



### Cognitive Effort

Where possible, people will avoid cognitive effort - people want the decision to be easy.

If you know the barriers to adoption, you can craft interventions to overcome them. Google Glass failed because it didn't address social and cultural frictions.

In contrast, the UK's Department of Transport (DoT) is a great example of using behavioural science in market research to drive successful innovation. The DoT leveraged a social influence as fuel, issuing electric vehicles (EVs) with distinctive green license plates.

The vehicles are more visible on the roads: harnessing the power of social proof to encourage more people to buy an EV.

Once we know the influences on decision making for innovation, we can identify opportunities and create products or services that will fuel adoption and minimise rejection, because if you know the barriers to adoption, you can then craft interventions to overcome them. The ultimate objective should be to craft a product that fulfils a need or solves a tension in a meaningfully different way.

*For an innovation, to be successful it must navigate this decision making process as a frictionless choice. Becoming ultimately the intuitive choice with a strong feeling of rightness.*

### Sustainability highlights the contextual challenge

The growing consumer desire for products and services to be more sustainable highlights the need to identify behavioural influences on decision making and understand the contextual challenges.

Even though most people say they believe sustainability is important, many instinctively resist adopting products that require more effort, giving something up, or which cost more: 92% say they want to live a more sustainable lifestyle - but only 16% actively change their behaviour.



## CASE STUDY

### BrewDog

**Craft beer brewers BrewDog turned to Kantar to explore the best way to convey sustainability more effectively through their packaging for their Lost Lager brand.**

They wanted to understand whether their pack designs and messaging would resonate beyond the minority of Active sustainability seekers to those less engaged in sustainability, Believers and Considerers.

We used Kantar's behavioural science inspired agile pack screening tool on Kantar Marketplace to test designs with different messaging, visuals and logo options.

#### Key insights included:

1. Less is more: messaging needs to divulge as much sustainable information in as few words as possible.
2. Pack aesthetics (use of green) drives appeal amongst Actives and those who are less involved.
3. Collective messaging (e.g. 'Let's plant together') created a broader appeal for people less engaged in sustainability.
4. Be more careful with pack design and the messaging for Actives. They are so closely engaged with sustainability; they scrutinise everything a brand does.



## Bridging the value to action gap

92%

of people say they want to live sustainable life

52%

have done something about it to varying degrees

16%

are actively challenging their behaviours

Sources: Kantar's Regeneration report, Kantar's #WhoCaresWhoDoes report

We've seen great, sustainable new products struggle, not because sustainability isn't important to people but because frictions outweighed the fuels or desires to be sustainable.

For instance:

- A change of product format designed to eliminate plastic packaging proved less successful than expected because the new product did not deliver the same sensory enjoyment or premium look and feel
- At a more mundane level, good intentions can be undermined by situational factors. All too often, people who intend to buy refills end up buying the original pack again, simply because the refills are not easily available

The need to change behaviour, rather than just respond to it, means that sustainability innovators must ensure that their design presents consumers with a frictionless choice. One where people's instincts work in favour of adoption, not against it. Innovators need to overcome initial instinctive concerns to make it easier for the purchaser to reap the long-term rewards for themselves and the planet.



## How to use consumer insight differently: six key steps

Infusing behavioural science in market research requires more than a change of mindset. We must first understand the deep human behaviour that will drive successful innovation and then adopt a more nuanced and agile development process which leverages behavioural science across the innovation journey to discover, learn and evolve and gives the final product the best chance of success.

### 1 Identify new opportunities in context

For the best chance of success, innovation must start with understanding how people make decisions and the influences on decision making in a specific context. The best way to do this is to start with an observational qualitative approach to gain a holistic understanding of the consumer's world, their environment and the products they use within it.

By developing empathy with the person whose need you are trying to solve, mapping how usage occasions play out, and critically examining the different influences that shape their behaviour, you can identify the fuels that need to be built on and the frictions that need to be removed or overcome and design a product likely to succeed.

### 2 Appeal to instinctive and reflective thinking

One of the most important ways in which behavioural science can help craft more meaningful products and increase the adoption of innovation is by understanding the interplay between intuitive and reflective thinking.

Contrary to popular belief, all human decision making is informed by both modes of thought. However, the balance shifts between the two depending on the familiarity of the context and the choice at hand.

Choosing a soft drink might be as simple as reaching for the red can, second shelf down, because that is the place where you have always found Coca-Cola in this store. But when asked to evaluate new product ideas, people often over-think and second-guess themselves because the concepts they are being asked to respond to are unfamiliar or out of context.

### 3 Highlight people's real-world responses

To redress that balance, we need to account for both the instinctive and reflective response to new ideas. Importantly, we need to identify the influences on decision making that people may not consciously be aware of.

This might mean evaluating new products in scenarios where people might be required to buy them or conducting trade-offs to see what consumers might be willing to give up in order to buy a more sustainable product. In one project, we found that people became hesitant to choose more sustainable package because they felt it undermined its gift-giving credentials.

### 4 Identify instinctive choices

To better understand the intention-to-action gap that can arise in testing, we developed a methodology that mimics the swipe used by dating apps like Tinder. Presenting choices in quick succession pushes people to rely more on their instinctive response and not over-think things.

Our Pack eValue solution uses this approach to identify a shortlist of preferred packs from a large number of options and provides clear diagnostic insights to help improve them.





## 5 Identify implicit associations

To identify those all-important subconscious influences on decision making which might trigger desire or fuel rejection, we can use Kantar's Intuitive Association Test, a proprietary solution that uncovers the subconscious drivers of decision making and uses reaction times to identify which areas are instinctively associated with a new product or package.

For a client seeking to drive higher volume sales with health-conscious customers, we used our Intuitive Associations approach to test three pack options. The methodology measures speed of response to help identify how strongly a description fits a concept, pack or product. We found that due to its colour one pack design triggered associations with healthy meals whereas the other two options triggered snack associations.

## 6 Inject behavioural science throughout the innovation journey

The eight influences on decision making we have identified provide guardrails around the whole innovation journey, helping us to understand people's instinctive responses to context, feed the fuels that will encourage adoption of innovation, and starve the frictions that might undermine it.

To improve the chances of innovation success, products must be developed in the context of real-world decision making, and how we test and learn must reflect where those products will be chosen and used. Identify the behaviour you want to go after, understand the drivers of choice, and innovate for the context in which decisions are made and products are used and test and learn in context.

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Head of Behavioural Science  
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## Create people-centred innovation

Find out how to use behavioural science in market research to drive meaningfully different innovation.

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# 3

## How to find the best opportunities for innovation

Behind every great innovation, no matter how big or small, is someone who spotted a great opportunity. But that doesn't mean that all innovation originates from a flash of lone inspiration - it just makes for a good story when it does.

What truly unites every inspiring innovator, be it Nike, Net-A-Porter or Nest, is their ability to connect the dots between what is now, what's to come and what's happening around them. The ability to see an opportunity where others don't is at the intersection of these three lenses.

### Endless ideation is not the answer

This is not to say a spark of creativity is not needed to inspire a great innovation. On the contrary, imagination is a critical pillar of how we craft ideas that capture hearts and minds. But that spark rarely emerges solely from endless, aimless brainstorming, which all too often produces a plethora of ideas, but few truly successful innovations.

Instead, meaningful innovation is first and foremost about finding the right areas of focus. At Kantar, we use systems thinking to create that focus. We explore a problem or situation through different lenses to uncover more holistic and powerful innovation opportunities. We look through multiple lenses of insight, from the familiar to the far-out, to explore what the future might bring.

### White space can get crowded

So where do we start? As innovators we are often encouraged to spend our time looking for the white space in a product category - where existing tensions go unmet and unarticulated. The problem is that these opportunities, rooted in today's behaviours, 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.

### Look for blind spots, not just white space

In contrast to white spaces, blind spots are found at the periphery. They are the emerging tensions, workarounds, and aspirations that will become widespread pain points if left unresolved. **As such, they offer even greater growth potential than today's more easily recognised white spaces, because if the problem is likely to scale, so is the solution to that problem.**

Difficult to identify using traditional research techniques, these fledgling behaviours offer the potential for meaningful and different innovation. To implement a successful innovation strategy, brand innovators must get comfortable experimenting with new tools and types of learning to bring opportunities for innovation into sharper focus, and hone their skills in filtering, synthesising and unlocking connections with the insights they identify.



## Look beyond today

Most importantly, great innovators share an ability to look beyond today. To see what could be, not just what is. Without that ability to explore future possibilities, innovation gets locked into the context defined by today's behaviours, today's product category and today's culture. Meaningful innovation requires an open mindset that takes those givens and extrapolates to envisage something better.

Take the classic example of the Nintendo Wii, designed from the start to re-envisage game play in a way that would appeal to a broad cross-section of people, and not compete head-to-head for the gamer audience with Sony and Microsoft. Launched at a time of growing interest in wellbeing and health as a lifestyle, demand for the Wii exceeded supply and over 100 million units were sold in the first year.



## Strategic innovation examples

With a rising cultural interest in wellness against a backdrop of growing global health concerns, innovators across markets recognised the healthcare experience had not caught up with broader consumer expectations. Projecting that discontent with long waits to see a doctor was only likely to grow, new services that combined the best of consumer experience in tech with the tensions of the healthcare system were launched.

From Teladoc in the US to the NHS' Livi app in the UK, new health-tech innovations allow people to book a video call with a doctor quickly and efficiently – which became more important than ever for people of all ages when the pandemic struck. The Livi app is now used by over 6 million people in the UK, while Teladoc has 51.5m paying members.

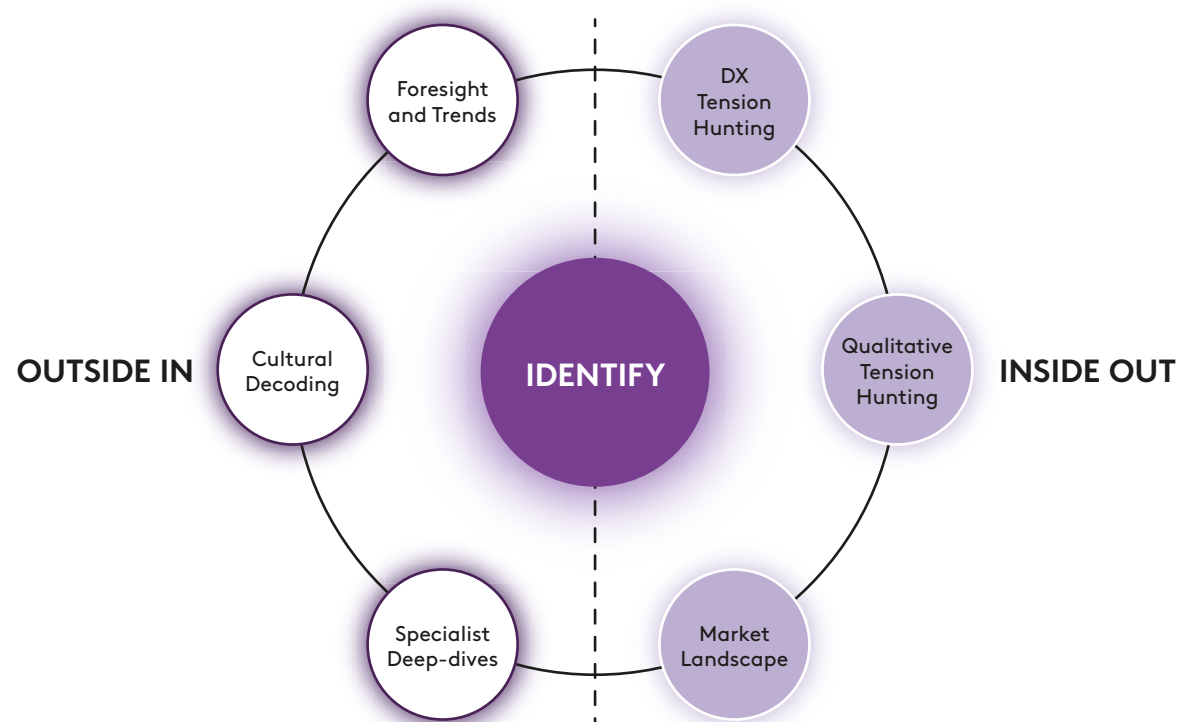
## So how do you identify meaningful innovation opportunities?

The key to innovation success is to systematically explore multiple angles and insight sources to identify the most likely developments within a specific context: what is, what's to come and what's happening around you.

At Kantar, we developed a new approach with two key mindsets that help us take clients on a journey of possibilities before synthesising the richest opportunities to activate. We call this Inside Out and Outside In thinking.



## Anticipate innovation white spaces that drive real growth



**Inside Out** thinking explores the world as it is today, taking account of your brand's current power and potential, then envisages something better. From deep category and consumer understanding to tension hunting via social analytics, this is the sort of thinking that, leveraged alone, leads to effective product evolution – for example, the different generations of Gillette's 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.

**Outside In** thinking introduces a more radical way to re-envisage what's to come and re-engage with what's happening around you.

It seeks to expand the frame of reference to take a wider view, exploring how people's lives and attitudes are changing. It references how other categories have been re-imagined and seeks to serve new creative opportunities inspired by future and cultural trends. Lean into Outside In thinking too heavily, and you risk wasting time and resource on blue sky ideas that will never find a strategic fit with your brand's ambitions. Combine it with Inside Out thinking and it will stretch your thinking and illuminate new possibilities that would otherwise remain unexplored.

While it is rare to find all these tools under one roof, at Kantar we believe it is this combination of insight sources, and the flexibility of mindsets to analyse them systematically and holistically, that powers us to unlock new growth opportunities for our clients.

### A futureproof start for innovation

The first step to futureproofing your innovation strategy is to step outside the boundaries of what exists now and anticipate what the future might bring with an Outside In perspective. And, if you are innovating on behalf of an existing brand, you need to make sure there is a good fit with what your brand is known for – staying grounded with an Inside Out lens. Once you have a strong start with the right opportunity, you can accelerate the build and launch phases to nurture and develop great ideas. More about futureproof innovation later.

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### Market opportunity identification

Unlock new product and service innovation from the start to drive incremental growth. Actionable guidance from innovation experts helps you identify and unlock the most promising opportunities.

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# 4

## Five ways to optimise innovation development

With one in three new products dead or dying by the end of Year 2 and rapidly evolving consumer attitudes and behaviours, developing meaningfully different innovation is more difficult than ever.

### Product innovation is a learning journey

For any innovation to survive the test of time, it must not only identify a real consumer problem, but also be executed successfully and enhance brand equity. The process of innovation does not stop once ideation is complete. It only ends after the final offer is efficiently developed and consistently refined.

Optimising product design, packaging, positioning and communication is essential to give a new product the best chance of success in market before your competitors beat you to it.

### CASE STUDY

#### Coca-Cola

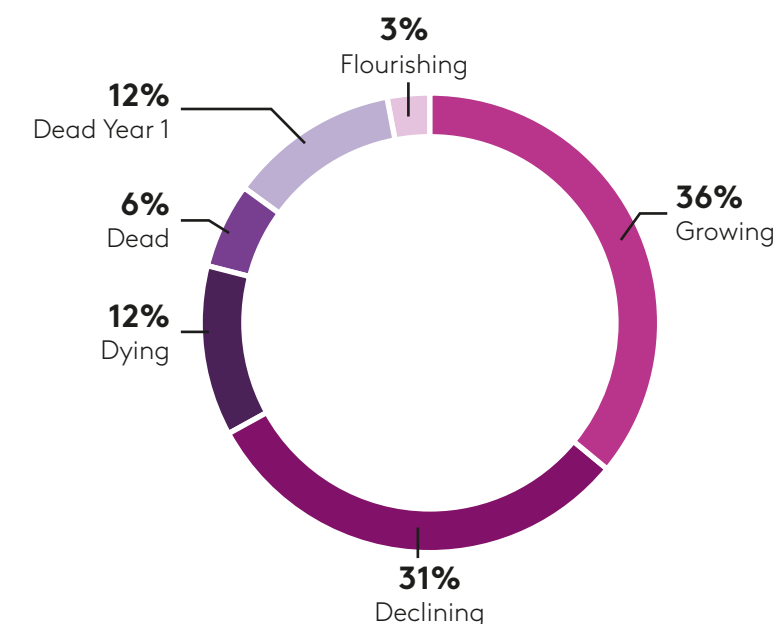
**Flavoured sparkling water is the fastest-growing part of the water business, so Coca-Cola North America needed a 'bet big' to win in this category and to accelerate their innovation timeline, reducing it from 18 months to 6.**

Using our agile Pack eValue solution on Kantar Marketplace allowed Coke to maintain the timeline and take an iterative approach to development.

Launched just as the pandemic hit, AHA Sparkling Water garnered an 8.3 percent share of the unsweetened, flavoured sparkling water market in its first year and continues to outpace the mainstream sparkling water category's growth each month.



### NPD Survival Rates: Year 2 performance, total grocery



Source: Kantar, Worldpanel Division, 2022 Long-term survival rates

### But a more agile innovation process is needed

All too often, the pressure to bring an innovation to market quickly forces us to take shortcuts that potentially jeopardise its success. Rather than leave assumptions untested only to discover their flaws later, we believe innovators must adopt a more agile innovation process – one that focuses on learning and integrating insights at each stage of innovation development at speed.





## Five ways to accelerate your innovation development

To maximise the probability of success, you need an innovation learning journey that is designed to highlight the different make-or-break points of your innovation. Kantar helps 39 of the Fortune 100 companies innovate successfully and we evaluate over 10,000 products a year across all industry sectors. Based on this experience, we have identified five important ways to improve innovation:

### 1 Embrace a consumer-first mindset

Throughout the innovation process it is essential to build from strong consumer foundations. At the development stage, it is important that the voice of the consumer is continually heard. **Creating meaningful and different innovations requires a deep understanding of who values the innovation and why.**

The challenge for corporate innovators, particularly when testing breakthrough ideas, is to listen to the weaker signals from consumers and to focus on the glimmer of potential success, sometimes hidden in the responses of early category adopters.

To that end, we recommend using an early adopter sample to avoid good ideas being abandoned too early.

And, of course, there is far more to success than just satisfying functional needs.

- Does the positioning evoke the right feelings?
- Does the packaging have the ability to stand out on the shelf?
- Will the new offer extend brand appeal or cannibalise existing items?
- Will the advertising communicate the proposition effectively?

A successful innovation strategy is built on answering these questions from a consumer's perspective and then implementing them as appealingly as possible.

### 2 Fill knowledge gaps fast

Automated research solutions offer game-changing value to the innovation process by facilitating the right consumer feedback when needed, without delaying the overall project. Whenever you identify something that you don't know, you can quickly get the clarity you need, straight from the horse's mouth, without making any assumptions. Quick, real-world experiments and concept testing can identify issues that need to be resolved.

And getting prototypes into people's hands early helps identify 'must have' requirements before product development has progressed too far. Timely customer feedback makes faster innovation more fool proof.

For a recent project, we started the development phase by quickly testing the existing competition to identify potential barriers to our new product's successful adoption. Based on that knowledge, we could then avoid some of the existing barriers that historically stopped widespread adoption in the category.



### 3 Learn, test and learn

To develop innovations at speed, you need to nurture your best ideas effectively, building momentum and confidence as the project progresses. Just-in-time testing and fast customer feedback give innovators the confidence to facilitate faster, more impactful innovation.

Rebecca Haigh, Innovation, Insights & Strategic Planning Director at **Heineken**, recalls how consumer feedback helped make Inch's Cider one of Kantar Worldpanel's top ten UK new products of 2021.

*"Our concept testing found that some of the concepts needed further work and iteration. So, then we went back and looked at those again as a team, with the help of Kantar, and refined them, and finally got to some concepts that passed the action standards that we'd set and did very well. This gave us confidence that we could move forward with further development."*

Examples like Inch's confirm that timely customer feedback, with the right tools and expertise, can empower the process of innovation: helping you nurture the right ideas, develop compelling concepts, design standout packaging and set the right conditions for a successful product launch.

### 4 Employ the right tools and expertise

Getting meaningful and useful customer feedback means more than just asking questions. People's behaviour, including their shopping habits, is resistant to change. This is where a wide variety of customer insight tools, including non-verbal techniques, can help highlight intuitive thinking, or observing people's behaviour, be that in person or by life streaming.

When it comes to identifying the right tool for the job or interpreting what the data really means, having ready access to external consultants who can bring their own expertise to answer these questions can improve innovation.

Sarah Babb, **McVitie's Jaffa Cakes** Marketing Manager, highlights the importance of partnership in the success of another of Kantar Worldpanel's top ten new products, McVitie's Jaffa Jonuts. She says:

*"The partnership we have had with Kantar from the beginning has been really critical to the success. We've made learnings all the way through and kept the consumer at the very heart of what we've delivered... (importantly) we knew what the most compelling aspects were for consumers, and we ensured that we did not lose sight of that."*

### 5 Be fit for your brand

Innovation is the lifeblood of a successful brand, but only if the innovation fits with how people already perceive the brand. Even a strong brand can only stretch its credibility so far. For instance, in the US, Pond's long-established success in beauty care failed to support an extension into the toothpaste category.

Moreover, a successful innovation strategy should help enhance the brand's perceived meaning and differentiating proposition. To that end, Kantar's innovation solutions are founded on our Meaningfully Different brand equity framework, which allows us to assess how product innovation will impact the brand's performance on qualities present in brands that sell the most, command the highest price premium and generate the most value.

**Dr Nicki Morley,**  
Head of Behavioural Science  
and Innovation Expertise, UK

**John Portsmouth,**  
Client Director, UK

## Accelerate your innovation development

Propel business growth with agile consumer feedback solutions built for each stage of the innovation and product development lifecycle with Kantar Marketplace.

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# How to ensure your innovation doesn't fail after launch

So, you've successfully brought your innovation to market. But now is not the time to stop learning and evolving your offer if you want that innovation success to continue.

Consumer behaviour is changing rapidly post pandemic, and people are facing additional challenges with the war in Ukraine, inflation and the cost-of-living crisis. Closely measuring innovation performance straight after launch can highlight if a new product requires fine tuning to avoid innovation failure, or even a change of strategy to meet changing consumer needs – and your sales targets. And if everything is going great, then effective product launch monitoring can identify what success looks like and inform your future innovation strategy.

## Why most launches fail

Kantar Worldpanel data finds that 16% of even the most successful first-year new products end up dead or dying by their fourth year. Far too many new product development (NPD) failures are a result of in market problems that were not identified and corrected before the financials signalled something was wrong.

The warning signs were there, but no one picked up on them in time to do anything useful. If you don't listen to your consumers and learn how they are reacting to your new product after launch, there will be little opportunity to change course before sales weaken.

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## What undermines innovation success?

A successful new launch relies on a wide variety of stakeholders, many of which were not involved in the innovation process itself. As a result, it can be easy for in market innovation management to become disconnected from the factors that fuelled the innovation's success in development, causing innovation performance to fall short of expectations.

In our experience, these are some common causes of innovation failure:

- The original launch plans over-promised due to faulty assumptions
- The positioning was unclear and didn't deliver on the original strategic intent

- Consumers were simply unaware of the product or didn't know where to find it
- The innovation performance failed to deliver on consumer expectations
- The innovation is inconsistent with consumer perceptions of the brand
- Competitive launches stole the limelight and market share
- There wasn't an accurate understanding of the product usage or target audience

You can remedy all of these disconnects if you diagnose the problem early and correctly. That requires monitoring initial consumer feedback and, if a problem does surface, digging deep to understand why, and what to do about it.



## Early and effective consumer feedback pays off

The right consumer insight can have a big influence on how a new product performs, as long as post-launch research is conducted early enough. Take, for instance, a new entrant in the plant milk category. With growth lagging, the client commissioned research with Kantar to investigate why.

Two underlying problems were identified:

- First, the new brand was not associated with the occasions for which it was best suited, because that is not how existing products were used. The solution was to introduce new advertising to highlight suitable occasions for the use of the brand.
- Second, the brand was not getting its fair share of consideration in store because it was not located where people expected to find similar products (and where they might notice the new product while shopping for the competition). The solution was to increase the in-store signage to highlight where to find the new brand.

As a result of these actions, consumer awareness of the brand changed dramatically, boosting its sales trajectory.

## Respond quickly with the right consumer insights

To respond quickly and course-correct, you need to gather the right consumer intelligence from the moment of the new launch. Sales figures alone are not the answer. By the time warning signs are apparent in the financials, it may be too late to respond.

At Kantar, we help our clients design and implement personalised innovation guidance systems that are curated using the most suitable sources of consumer insight for your brand. This ensures you have all the right information for new launch monitoring and optimisation.

The information you need might lie in existing data (brand tracking or panel) or it might require a more customised approach, from analysing digital, consumer, and shopper signals to leveraging the agile solutions on Kantar Marketplace. Which specific insight tools are used, and when, depends on the specific objectives.

Ensuring a new product succeeds is as much to do with mindset as metrics; it is about staying close to the intended target audience, learning from customer feedback, and applying that learning to achieve innovation success.

## Innovation Guidance Systems deliver insights throughout the launch journey



### Check early progress

- Early tracker to monitor performance (awareness, trial, repeat)
- Qualitative power groups
- Digital post launch analysis (search and social data)



### Regular progress pulse

- Innovation tracker (monitoring key performance metrics over time)
- Worldpanel data (penetration, shopper data)
- Digital tracking



### In-depth deep dive

- Innovation deep dive (quant. survey to unpack triggers, barriers and usage)
- Digital review and influencer analysis
- Media effectiveness



### Course correct

- Pack review
- Concept/product review and optimisation
- Consumer interviews
- Digital mapping
- Comms and media review



### Review and learn

- Research meta data review
- Category learnings
- Competitor review
- Ad Now (in market creative review)



## 5 disciplines for post-launch innovation success

Based on our work with leading innovators around the world, we have identified five consistent practices that can help ensure the best post-launch innovation performance:

### 1 Face up to the challenge

Successful innovators are brave. They are never afraid to take on a challenge, improve and learn for the future. Nobody wants to hear that their latest innovation might have a problem, but it is better to know and do something to fix it, rather than simply letting things run their course.

Maybe that problem is really a bigger opportunity? More radical innovations may resonate with a few early adopters but need nurturing in the right way to appeal more widely. Creating an effective innovation guidance system can empower the innovation team to continue evolving their offer to be successful post launch.

### 2 Ensure people are aware

The two key determinants of a successful new launches have always been physical and mental availability. You need to know as soon as possible if product distribution or consumer awareness are weak, because both are critical to hitting sales targets.

Failure to meet distribution and awareness goals sidelines many new launches. Monitoring distribution and sales, understanding awareness and trial and tracking purchase and usage and by who will let you know if your launch is on track or recognise if an intervention is necessary.

### 3 Listen to your consumers

An in-depth deep dive with people who have tried the new innovation provides guidance for optimisation, course-correction, and can help identify new opportunities. How is the idea landing with consumers? How is it being used? What kind of people does it resonate with? What is preventing trial? Is the innovation driving incremental growth? How can we improve our innovation and make it stronger?

Post-launch research analysis of digital data (online search, social, and reviews) can provide actionable insights on how to amplify positive customer feedback, remedy negative feedback, and address informational needs. Qualitative 'Power Groups' with consumers pre-tasked to purchase and consume the product can also surface opportunities for improvement.

### 4 Optimise plans fast

New innovations have a limited launch window in which to course-correct, so speed is of the essence. That is when agile, on-demand research solutions can make all the difference.

Whether it is the proposition, product, packaging, media laydown, or messaging, timely consumer feedback can help you unpack what is going on and get your innovation performance back on track. If you can quickly speak to active rejecters of the new innovation to understand the barriers to purchase, you can invest in the most important factors to turn this around.

### 5 Learn for the future

Innovation launch failure or success: every new launch provides the opportunity to learn. But only if post-launch data is collected and stored consistently for easy access and comparison.

Does the sales trajectory compare favourably? Is brand awareness ahead of benchmarks? Is the balance between positive and negative customer feedback better than expected? A database of past innovation performance provides important context for future new product launches and strategies.



## CASE STUDY

# Heineken

**Heineken's Inch's cider was one of the top ten new product launches in the UK in 2021.**

In an interview with Kantar, Rebecca Haigh, Innovation, Insights & Strategic Planning Director at Heineken, highlights the confidence that the timely consumer feedback, enabled by Kantar Marketplace brought.

*"We found that some of the concepts needed further work and iteration. So, then we went back and looked at those again as a team, with the help of Kantar, and refined them, and finally got to some concepts that passed the action standards that we'd set and did very well. This gave us confidence that we could move forward with further development."*



## Make the most of in market innovation management

Financials are lagging indicators of success. Fast, insightful consumer feedback can help you course-correct after launch and help make your innovation the best it can be.

At Kantar, we have access to a wide array of insight resources to help you keep a close eye on your innovation performance in market. Our ability to deploy qualitative, social and quantitative deep dives to diagnose problems and highlight opportunities combines with our expertise in innovation, creative, commerce and media to bridge the potential disconnects between innovation development and real-world innovation management.

**Dr Nicki Morley,**  
Head of Behavioural Science  
and Innovation Expertise, UK

**Joanna Bubb,**  
Client Director, UK

## Maximise growth opportunities

Our cutting-edge digital analytic solution, Dx Analytics helps you detect new trends early and optimise new products and pricing.

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# 6

## Futureproof your innovation strategy to drive brand growth

Innovation is the lifeblood of any company, so how can you futureproof your innovation strategy to drive long-term brand growth?

Drawing on interviews with seasoned innovation practitioners and our experience working with some of the most innovative companies in the world, here are some tips to help you create a successful innovation strategy that will help you win today, tomorrow and beyond.

### Balance your pipeline across core, stretch and breakthrough innovation

An effective innovation strategy must achieve three objectives:

1. The first is to ensure a stable income stream generated by a company's core brands, helping them adapt to changing consumer needs and fend off competitive initiatives.
2. The second is to leverage the strength of existing brands and use innovation to expand the core brands.
3. The third is to seek big, new opportunities that will add a significant new income stream and ensure the company's future.

For most companies, a well-balanced innovation pipeline would mean investing 70-20-10 across these three areas, sometimes referred to as core, stretch and breakthrough. However, as we saw in the pandemic, difficult times have pushed companies to prioritise short-term survival. The innovation balance shifted closer to 90-10-0, jeopardising a business's ability to find the next big thing.

Shafik Saba, Global Lead of Front-End Innovation, at **Haleon**, suggests that a sustainable innovation programme must have a rhythm or a cadence that protects the core business, while extending to new areas. Setting clearly defined goals and timelines for each of the three can help safeguard your company's innovation pipeline.

*"Sustainable innovation models have a rhythm[...]a cadence to them such that there's a time when you're protecting your current business and there's a time when you're extending your current business, and when extensions are emblematic of your brand purpose it will halo back to the core through sustainable investment, something Sensodyne has been able to do successfully over many years resulting in double digit growth."*

### CASE STUDY

#### Kinder

**A great example of how an established brand with a strong brand strategy is able to stretch successfully is Kinder, the children's chocolate brand owned by Ferrero of Italy. Summed up in the phrase, 'Invented for kids, approved by mums,' Kinder has focused innovation and communication on its ability to please both kid's taste buds and imagination - promoting child development and play.**

Kinder's innovations include new line extensions, like Kinder Bueno mini bags, launched to compete in the sharing space, the Storymakers app, which allows kids to create a personalised storybook using the toy they receive in a Kinder egg, and Kinder+Sport, designed to engage kids with physical activities.

As a result, Kinder is perceived as creative, with a clear sense of purpose, helping them to grow brand value by over 10% in the latest Kantar BrandZ report.





## Always-on consumer insights

In today's volatile and uncertain world, the biggest challenge facing innovators is to ensure that whatever changes arise, they can still deliver the products that consumers want to buy. Whether it is filling in white space or building out a blind spot, innovators must track cultural trends, shifts in consumer sentiment and emerging needs to ensure their new products are fit for purpose.

Kim Mauller, Director of Marketing Insights - Innovation and Foresight, at **Molson Coors Beverage Company**, states,

*"At the end of the day innovation should be all about the consumer - what's happening in their world, in the broader culture, what their specific needs and behaviours are and how they evolve. It's about understanding their challenges and problems and solving for them. And when you're ready to provide that solution, it needs to have a clear point-of-difference in the marketplace."*

Both Mauller and Saba recognised the importance of systematically monitoring consumer attitudes to identify the trends and shifts in sentiment that might signal new opportunities for innovation. However, successful innovation requires more than just monitoring. It requires a combination of trend tracking and more agile, focused research.

For instance, Kantar's Global Monitor identified a growing desire for mental wellbeing over several years, but in 2021 in the US, we observed a 20% decline in the proportion of people agreeing that they felt energised and enthusiastic about their future. A shift like that should trigger further investigation, examining trends in purchase behaviour, search and social trends, or conducting digital ethnography to understand the underlying causes and implications for your innovation agenda.

## Identify the relevant forces of change

Anticipating change is a core innovation skill. Speaking to that topic, Kim Mauller says,

*"Foresight can't predict the future, but it can prepare for it. So, you need to scenario plan. You need to understand the big cultural shifts and movements. For example, take a look at what's happening on social media right now. Will Twitter continue to be a force on social media? Or will consumers flock to other platforms, whether they are existing or totally new to world. We need to prepare and plan for all of the possibilities."*

To do so, however, the challenge is to separate the trend from the fad. Mauller believes that continuous monitoring helps identify when a trend is beginning to gain traction. She cites the example of non-alcoholic beverages. It is not a big market now, but as a growing number of people are intentionally taking breaks from drinking, it is a good time to make sure that the company has products that appeal to all sets of consumers, so as trends continue to evolve and gather mass appeal, the company may be well positioned to capitalise on them.

## Align your innovation strategy with the brand

With strong, meaningfully different brands like Advil, Sensodyne, and Theraflu to work with, Shafik Saba believes it is critical that innovation is aligned with a brand's strategy, whether it is innovating for stability or brand stretch. He states,

*"If your brand strategy is clear about where the growth is going to come from, your innovation will be more sustainable and [make] solving the need more straightforward."*

Saba also notes the importance of setting clear boundaries based on the brand's equity and position in the marketplace, to guide innovation strategy.



# Build your innovation capabilities

Repetition is an inherent part of any successful innovation strategy. For your innovation programme to be fit for purpose, it needs to be a repeatable process. A successful innovation strategy is as much about how you do things as what to do. Our conversations with innovators highlight five important actions.

## 1 Set appropriate goals for your innovation

Mauler acknowledges that foresight doesn't always have immediate payback. She says it's about futureproofing your business for growth and if you can get your organisation to acknowledge the long-term impact and dedicate the time and the resources to doing that right, you'll be ahead of the curve.

## 2 Develop a tight brief

Quoting David Ogilvy, Saba applauds the value of a tight brief. Constraints inspire creativity, and when the brief is clear, it focuses attention on the key trends that will either inspire or undermine an innovation project.

## 3 Create a culture of innovation

Both Mauler and Saba note that innovation is a team effort between R&D and marketing. No longer is it a case that R&D leads the way and then hands off to marketing. Instead, the two work together to overlap unmet consumer needs with technical possibilities. Inspiration can come from either one, but both need to be integral to development from the start.

## 4 Be brave

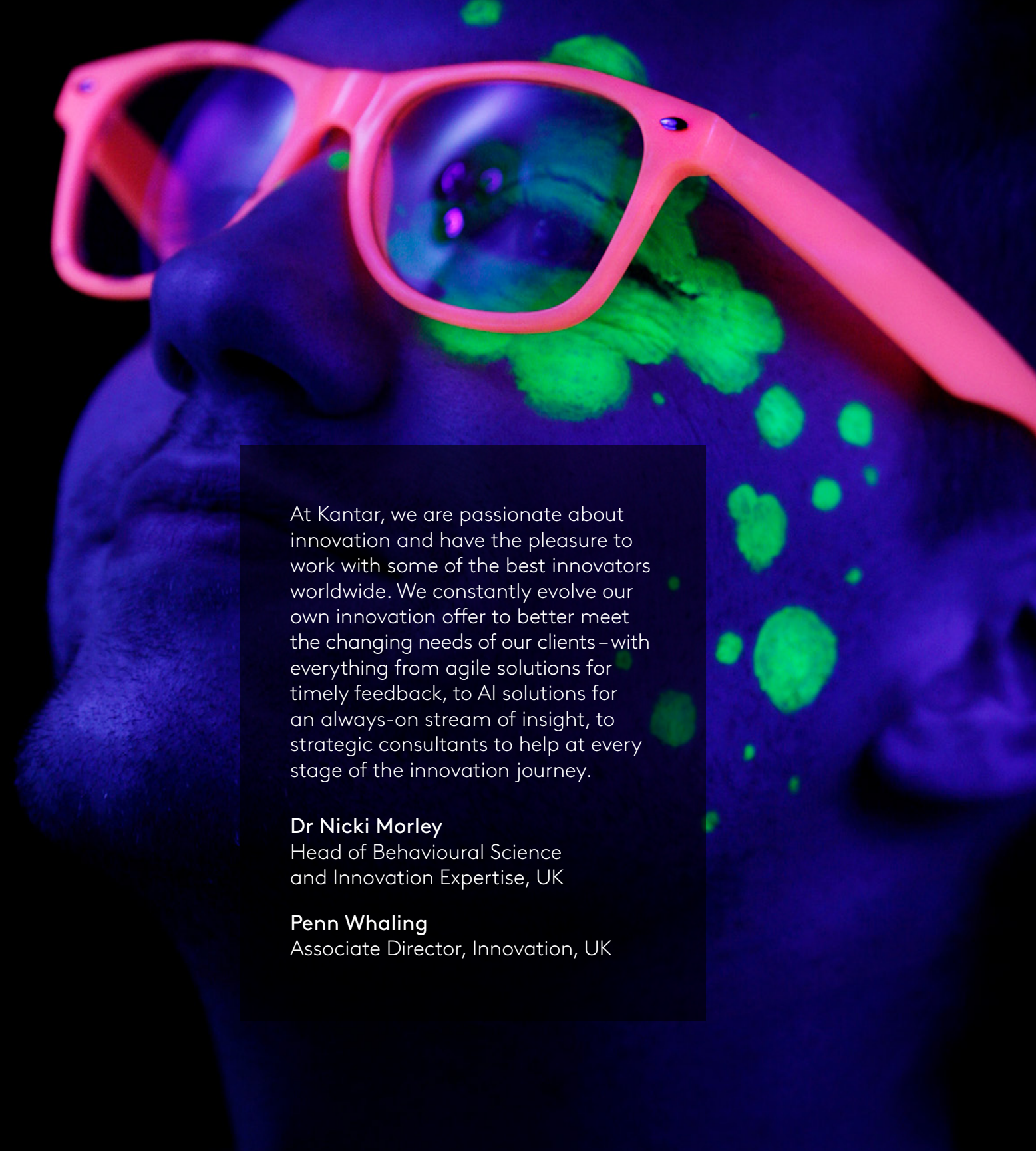
We have highlighted the importance of bravery previously and it is a quality that came up again in our recent conversations. Mauler puts it this way,

*"You must have folks that are willing to take calculated risks. You have to take some leaps and be unafraid of failure. You have to be OK putting yourself out there - but in an informed and educated way. You need to create that design thinking mentality. Iteration is your friend. It's rare you're going to crack an idea on the first round. Keep iterating, learning and evolving and eventually you'll land the idea."*

## 5 Love the work

To be successful in innovation, practitioners must love what they are working on, Mauler advises,

*"We ask ourselves and our team before we launch anything, 'Do we love it?' [Because] if you love it, if you have heart for it, if you're fighting for it, there's a better chance that lots of other people are going love it too."*



At Kantar, we are passionate about innovation and have the pleasure to work with some of the best innovators worldwide. We constantly evolve our own innovation offer to better meet the changing needs of our clients – with everything from agile solutions for timely feedback, to AI solutions for an always-on stream of insight, to strategic consultants to help at every stage of the innovation journey.

**Dr Nicki Morley**  
Head of Behavioural Science  
and Innovation Expertise, UK

**Penn Whaling**  
Associate Director, Innovation, UK

## Futureproof your innovation strategy

Innovate in a way that reliably leads to growth. Nurture clear, futureproofed ideas, and seize the most rewarding opportunities.

[Find out more](#)



# 7

## Conclusion

So, we come to the end of our journey and have given you everything you need for continued success.

But we couldn't leave it there, without empathising that innovation is tough. In large organisations you have to work within or around the confines of well-oiled stage gates to build on previous successes. For smaller organisations, innovation can be nimbler, but equally challenging, with difficulties driving awareness and distribution and getting the shelf space to share your idea with the world.

We also appreciate that innovation is often as much about internal selling as it is about the process, hence, we've shown you how the tools we have at Kantar can support you in building evidence and momentum to share with your stakeholders to bring them on the journey to success.

It takes bravery to innovate. Remain strong and curious fellow innovators.

We're passionate about innovation at Kantar and would love to talk to you about your innovation challenges. **Get in touch** with your Kantar representative to find out more.



**KANTAR MARKETPLACE**

# Innovations that fuel brand growth

Screen, test and validate your innovations with a suite of agile market research solutions that deliver rapid insights at the speed of your business.

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## About Kantar

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.

**[www.kantar.com](http://www.kantar.com)**

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