

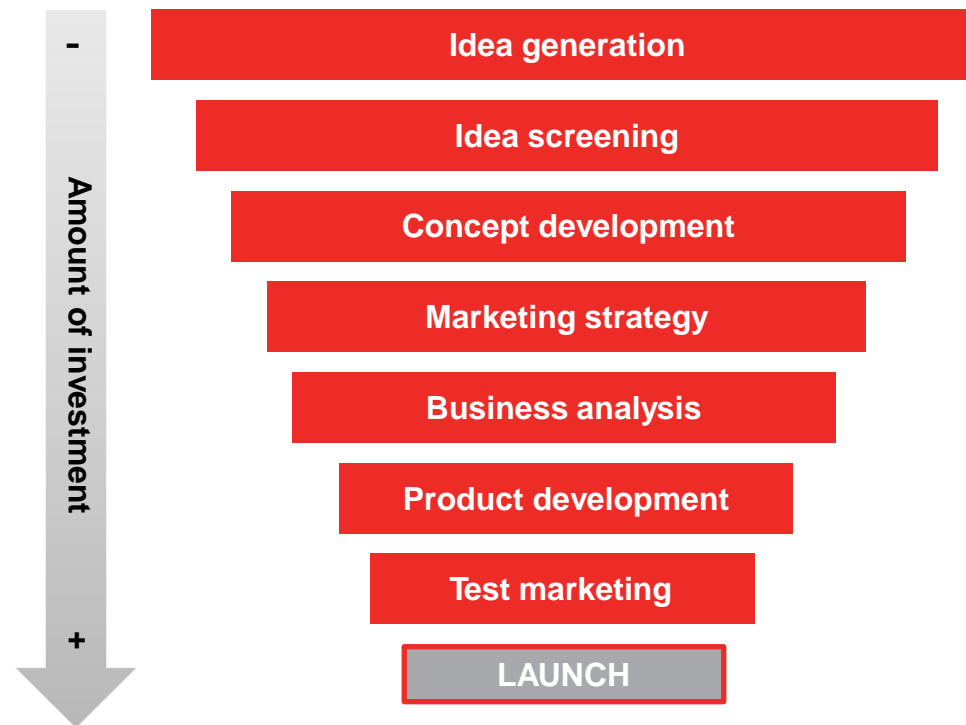


# FROM INNOVATION TO EXECUTION





## FROM INNOVATION TO EXECUTION





## LAUNCH EXECUTION...

- If innovation is the process of creating a new product...the launch is the practical realisation of innovation itself...when an idea meets reality
- ...it is a crucial step in the innovation process. The moment, or more accurately the 'period' of truth
- Even at this late stage there is still much to play for. A great product can be undone by a poorly planned, poorly executed launch



## CONSUMER PRODUCT LANDSCAPE

- Over 150,000 new products launched each year globally; 1 every 3 minutes
- Increased competition. Rise in mega retailers own labels
- Shorter product lifecycles i.e. rapid product obsolescence. Pressure on companies to achieve success earlier in the lifecycle
- Increasing commodity prices. Pressure on companies to reduce development costs





## BUT ODDS STACKED AGAINST SUCCESS

- 95% of new consumer products are failures i.e. don't meet company objectives or withdrawn from market within 12-18 months
- In the US less than 3% of new consumer packaged goods exceed first year sales of \$50m – considered the benchmark of a successful launch
- Families, on average, repeatedly buy the same 150 items. These items make up 85% of their household needs and make it hard for new products to gain a foothold





## RE-BALANCING THE RISK/REWARD EQUATION

- As finding genuinely new concepts gets harder, improving launch execution becomes ever more important
- This in turn has helped to create new ways of doing launches better;
  - Test and learn formats
  - Consumer feedback loops
  - Continuous insight rather than single dips



## CONCEPT RISKS VS EXECUTION RISKS

- We need to distinguish between the two...
- **CONCEPT.** Does the product concept, specifically its Features, Benefits and Advantages appeal to target consumers?
- **EXECUTION.** Do our decisions about Price, Placement, Promotion and Packaging help to realise the initial concept appeal?



## MANAGING EXECUTIONAL RISK

- PROMOTION. Is advertising driving awareness amongst target consumers?
- PLACEMENT. Are we well positioned in-store to drive trial purchase?
- PACKAGING. Do we stand out on the shelf out against category rivals?
- PRICING. Is our pricing encouraging trial purchases?
- PRODUCT. Is our product satisfying needs and driving repeat purchase?



## ADJUSTING AS YOU GO

- Identifying when to adjust the allocation between above and below the line advertising
- Refining product and marketing-messages to build consumer engagement
- Increasing in-store sampling to drive trial purchase rates



## OUTLINES OF A SOLUTION

- Launch Monitor is a WEEKLY polling tool which tracks the introduction of new consumer & FMCG brands, line extensions and re-launches
- Measures and evaluates consumer reaction in the first 8 weeks of launch
  - Awareness levels
  - Trial and repeat purchase rates
  - Intention rates
  - Future market share potential
- Identifies specific changes that could be made to the marketing mix



## CARLSBERG EXPERIENCE



### Objectives

Carlsberg wanted a faster, more frequent and cost-effective way of tracking the performance of new product launches.

Specifically it wanted to:

- Measure and evaluate consumer reaction in the initial launch phase more frequently
- Track key metrics including brand/product awareness, trial and repeat purchase intention rates
- Identify specific adjustments to the sales and marketing mix

### Outputs

- 1 Results reported every Monday morning
- 2 Performance tracked against client targets
- 3 Performance compared to industry norms
- 4 Marketing mix analysis and commentary

### Benefits

- Shortened lead time between launch and feedback
- Input into weekly planning and launch review meeting
- A clearer understanding of 'what good looks like' and objective feedback on performance
- Specific 'response actions' to enable a launch 'turnaround' where necessary



## JUST ROBUST ENOUGH

- Nationally representative sample of 18–74 years old where the product is mass market. Specific sample groups e.g. Pregnant mothers., where the product is niche
- 500 completes per week. 8-10 weeks is typical
- Data weighted to fit national norms (Age, Gender and Region) and by category consumption volume (high, medium, low) to produce a more accurate estimate of market potential



## FASTER & MORE FREQUENT

- Shorter lead times through standardised modules – 1 week set up time
- Greater frequency of reporting – Every Monday morning vs. end of the month
- Frequency enables regular tactical responses and adjustments





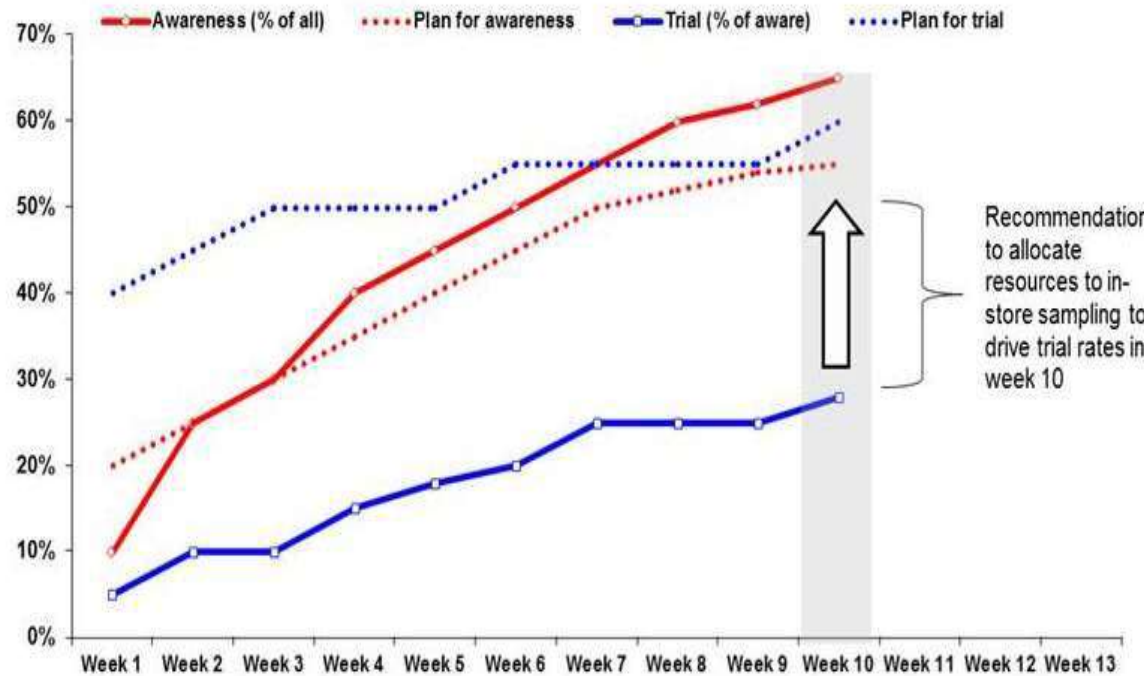
## BENCHMARKED

- Actual vs. internal company launch targets – set for brand awareness, trial rates, repeat purchase etc
- Actual vs. category norms for similar products or launches - to ascertain what 'good' looks like



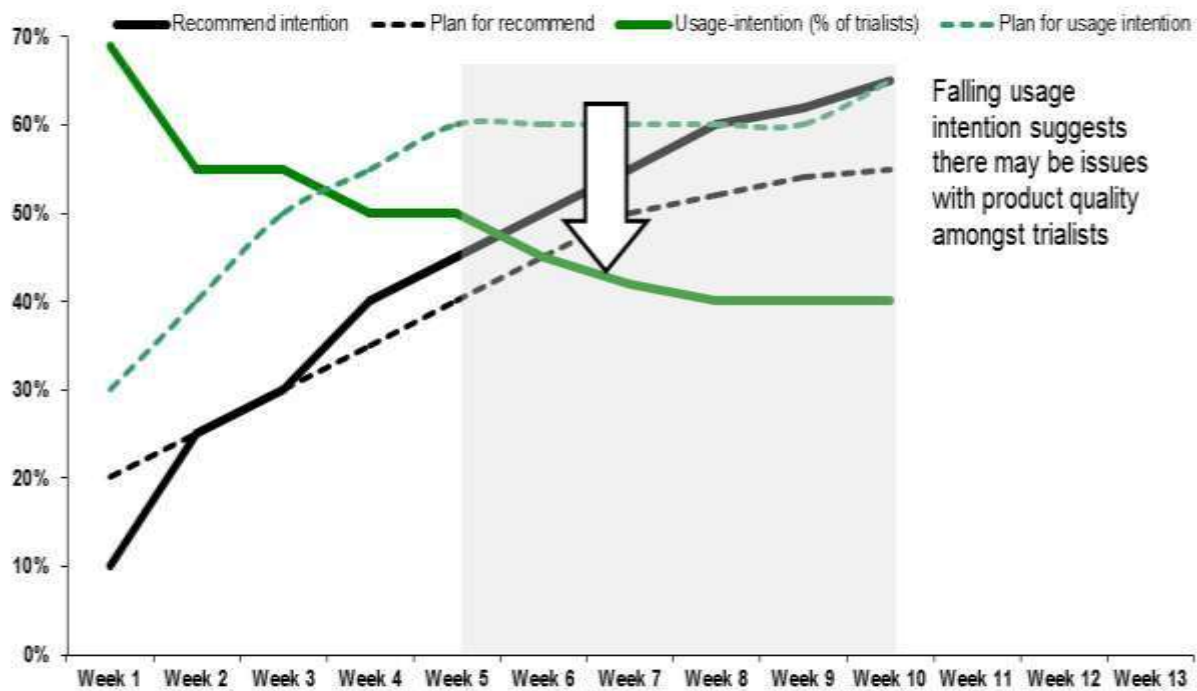


## PRACTICAL: IDENTIFYING NEED FOR IN-STORE SAMPLING





## PRACTICAL: ISSUES WITH PRODUCT QUALITY





## SUMMARY

- Lack of preparation is a key reason for failure – have a plan and stick to it
- Set objectives and launch targets upfront
- Record key launch phase metrics frequently and objectively.
- Be prepared with response actions if a change of course is needed



## QUESTIONS OR COMMENTS?

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