

nielsen

AN UNCOMMON SENSE
OF THE CONSUMER™

NIELSEN BREAKTHROUGH INNOVATION REPORT

**EUROPEAN EDITION
DECEMBER 2015**



W E L C O M E

LETTER FROM THE AUTHORS

MORE THAN EVER BEFORE, COMPANIES ARE LOOKING FOR HIGHER RETURNS from their innovation activity and improving consistency of their innovation outcomes. Still, breakthrough innovation success is rare while failure rates are persistently high. Innovation is risky! Not surprisingly, there is a widespread misbelief that innovation success is unpredictable, disorderly and dependent on luck.

Nielsen has tested hundreds of thousands of new product initiatives, and over years, we have developed a thorough understanding of the key drivers of innovation success. Over the last couple of years, Nielsen has been involved in reviewing the most successful launches all over the world, from North America, through Europe to India and China. We are speaking with innovation leaders, marketing and insights professionals to understand the causal mechanism that propels success with innovation.

The outcome of our investigation is clear: Innovation is neither magic nor random. It is a science and those who recognize this fact can flip their rates of success and failures and consistently improve their innovation outcomes.

We are glad to publish the second issue of the Nielsen Breakthrough Innovation Report in Europe. In doing so, we aim to celebrate the most successful new product launches in Europe and share insights, best practices and knowledge to help next-generation innovation teams achieve success with their future product launches.

Our 2015 Breakthrough Innovation Report contains two sections that are intended to help innovation leaders convert ideas and inspiration into actions and outcomes. The Spotlight Section features stories of selected winners from U.K., Germany, France, Italy, Spain and Turkey. We hear from our readers that nothing is more inspiring and instructive for marketers, innovation leaders and insights professionals, as the spotlights. Sharing best practice is the best way to discover and learn.

The report is a result of rigorous process, data-rich analysis, curiosity and expertise of all people participating in this collective effort. We would like to thank many people who contributed to it.

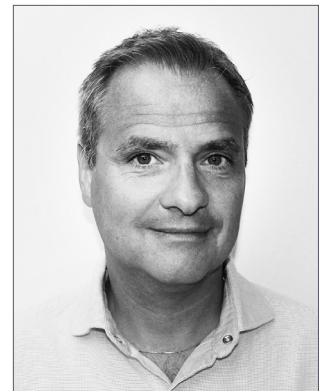
Thank you!

Marcin Penconek
Johan Sjöstrand



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2015 NIELSEN BREAKTHROUGH INNOVATION WINNERS



★ ARIEL 3-IN-1
PODS



★ CADBURY
DAIRY MILK
MARVELLOUS
CREATIONS



COMPRESSED
DEODORANTS
PG 30 [P](#)



DIE LIMO
VON
GRANINI
PG 43 [P](#)



GARNIER
FRUCTIS
SCHADEN-
LÖSCHER
PG 41 [P](#)



GARNIER
ULTIMATE
BLENDS



★ LAY'S XTRA



L'ORÉAL®
PARIS ELVIVE
FIBROLOGY



NIVEA CELLULAR
ANTI-AGE
PG 38 [P](#)

[P](#) = SEE WINNER SPOTLIGHTS

★ = SPOTLIGHTS INCLUDED IN LAST YEARS REPORT

CONGRATULATIONS



**HEADACHE
REMEDY**
PG 46



**ROBINSONS
SQUASH'D**
PG 27



**SCHOLL VELVET
SMOOTH
EXPRESS PEDI**
PG 24



**STRONGBOW
DARK FRUIT**



**TCHIBO
BARISTA**



TROPICANA
PG 48



**VANISH GOLD
OXI ACTION**
PG 33



**VOLVIC
JUICY**
PG 36



YATEKOMO

THE MAKING OF WINNERS: NIELSEN BREAKTHROUGH INNOVATION CRITERIA

DISTINCTIVENESS

Deliver a new value proposition to the market. Ingredient reformulations, repackaging, size changes, repositioning, and other minor refinements to existing brands are excluded.

RELEVANCE

Generate a minimum of £/€ 10 million in year-one sales per market.

ENDURANCE

Achieve at least 90% of year-one sales in year two. This measure confirms a sustained level of consumer demand while allowing for some drop in revenue during the transition from trial to adoption.

= SEE WINNER SPOTLIGHTS

= SPOTLIGHTS INCLUDED IN LAST YEARS REPORT

The **SCIENCE** of

Breakthrough Winners in Europe are new brands and line extensions covering a wide range of product categories: juices, lemonade, coffee, beer, chocolate, potato chips, deodorants, skin care, hair care and food care products, painkillers, detergents and stain removers. They represent different business challenges and opportunities: launching a new technology or disruptive product solution across markets, challenging established consumer habits, or returning growth and value to a stagnant category.

Nivea Cellular Anti-Age and Scholl Velvet Smooth Express Pedi are examples of aligning launch strategies and tactics globally. Robinsons Squash'D and a new headache remedy from Dompé are innovations developed and launched locally. Tropicana offers a perspective of leveraging a locally relevant concept for successful launch of a global brand.

Our Breakthrough Winners are largely different. It is fascinating to hear their stories and realize that they all follow the demand-driven principles of innovation success:

- Great demand-driven insights often come from simple observations of reasons why people don't use a product or even a category: what causes them stress, confusion or inconvenience, and what compromises they have to make. Resolving these situations can be a big opportunity to uncover emerging or latent demand.
- Demand-driven development leverages rigorous process to enable lean development and removing waste. Consumer feedback is essential to ensure relevance, differentiation and superiority. It helps prioritize strong initiatives and remove weak ones, confirms fit with strategic objectives and volumetric potential.
- Successful activation brings the demand-driven insight to life. It leverages creative execution, packaging design, point of sale and a wide range of consumer engagement tactics to help consumers make the connection between a new product and their job to be done. Engagement with trade partners and sustained support are essential.



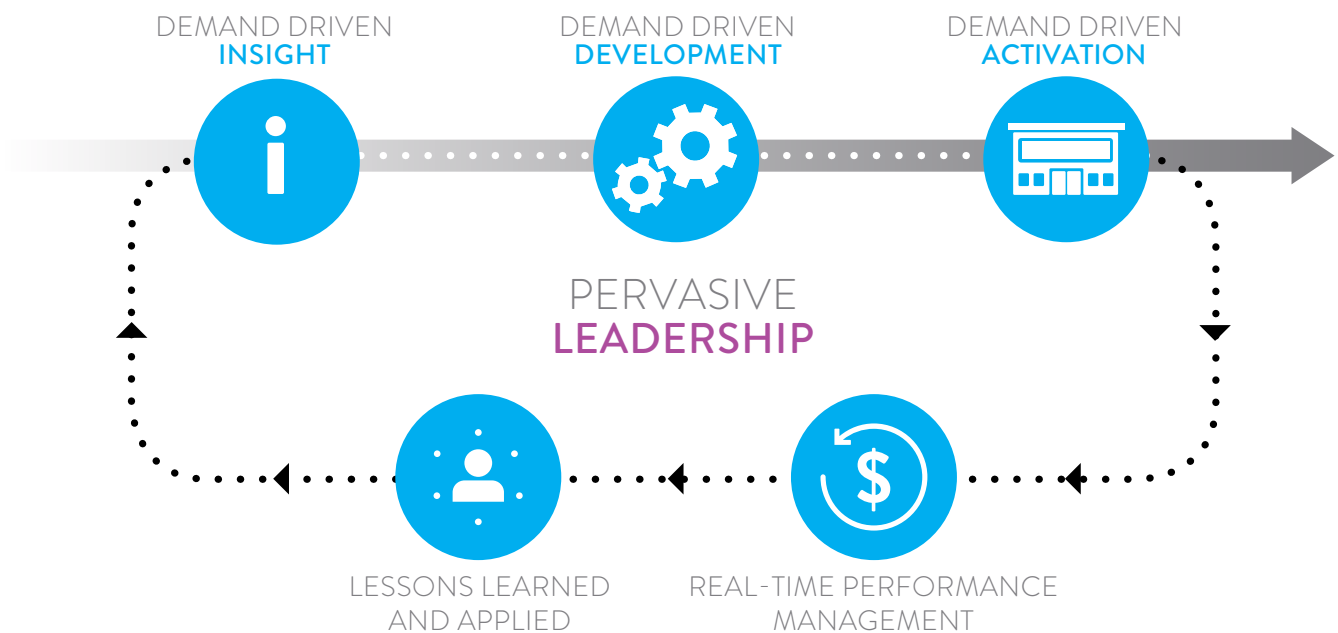
INNOVATION

Mark Schulzig, responsible for innovation management at Beiersdorf, summarized it well in a conversation with us:

“ THE MAGIC BEHIND BIG INNOVATIONS LAYS FIRSTLY IN STRONG INSIGHT: FIND IT, ACTIVATE IT AND DON'T CHANGE IT. SECONDLY, YOU NEED TO DELIVER A PERCEIVABLE BENEFIT WITH THE PRODUCT AND NOT JUST A STORY. THIRDLY, FOCUS ON FEWER INNOVATIONS AND SUSTAINABLY SUPPORT THEM FOR A LONGER PERIOD TO FINALLY MAKE THEM BIG. NO INNOVATION IS BORN BIG. LASTLY, THE PEOPLE BEHIND THE INNOVATIONS MAKE THE REAL DIFFERENCE. AT BEIERSDORF INNOVATION ALWAYS STARTS AND ENDS WITH THE CONSUMER. ”

Breakthrough success comes with a thorough understanding of consumers' needs, hard work and deliberate attempts to disrupt established norms, long standing beliefs, organizational capabilities and launch tactics.

Demand Driven Innovation System



BREAKTHROUGH INNOVATION IS **RARE**



~8,650

NEW PRODUCT INITIATIVES
LAUNCHED IN 2013

CAUSAL**MECHANISM OF****SUCCESSFUL****INNOVATION**

BREAKTHROUGH INNOVATION IS RARE. But, is it a coincidence of unpredictable events and luck? The finding of our investigation is clear: Innovation is neither magic nor random. There is a causal mechanism that reveals why consumers pull brands into their lives, and that is the job to be done. Successful innovation resolves poorly performed jobs in consumers' lives, making the products relevant in a distinctive and compelling way to consumers.

**THIS YEAR'S REPORT IS FOCUSED ON JOBS THEORY:
THE CORE OF DEMAND-DRIVEN INNOVATION AND THE CAUSAL
MECHANISM OF SUCCESSFUL INNOVATION.**

**See also Nielsen Breakthrough Innovation Report 2015, US Edition*

12

BREATHKTHROUGH
WINNERS LAUNCHED
IN 2013



J O B S

T H E O R Y

HOW INNOVATIONS SUCCEED

In order to understand what causes a person to consume a particular product in a given situation, we need to understand what the consumer desires in that particular circumstance.

It turns out that people don't so much *buy* products as *hire* them to perform jobs in their lives. Consumers pull brands into their lives to address circumstances in which they need some help to resolve a struggle or fulfill an aspiration—to make progress.

Consequently, for marketers to develop successful innovations, they need a deep understanding that centers neither on the consumer nor on the product, but rather on the *circumstance*. What causes a person to consume is neither the identifiable qualities of the consumer (such as demographics) nor the product attributes, but rather it is the circumstance-specific *job* to be done.

So what exactly is a “job” in the context of innovation?

WHAT'S A JOB?

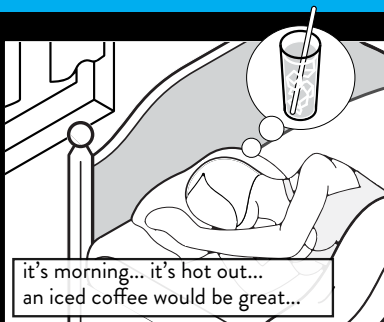
- A “job” is the progress that an individual seeks in a given circumstance.
- The job to be done generates the energy required for someone to take an action, such as pull a brand into his or her life or develop a compensating routine.
- While many of the jobs in our lives have adequate solutions, successful innovations resolve circumstances of struggle and fulfill unmet aspirations: they perform jobs that formerly had only inadequate or nonexistent solutions.
- Because jobs occur in the flow of daily life, the circumstance is the essential unit of innovation work—not customer characteristics, product attributes, new technology, or trends.

WHY ARE JOBS SO IMPORTANT?

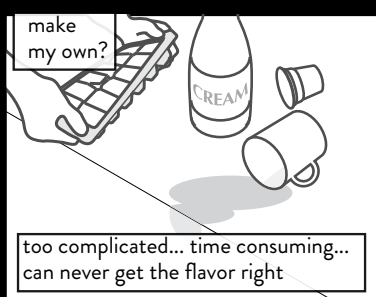
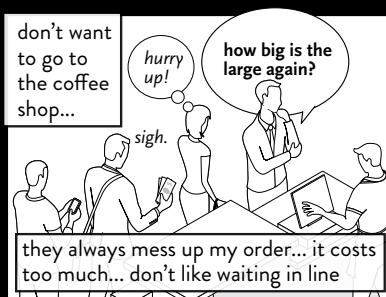
- Understanding the job reveals why (the cause) people purchase and use products and services, as well as why they sometimes behave in ways that involve no purchase at all (nonconsumption).
- Innovation initiatives that are organized to resolve well-defined yet poorly performed jobs proceed with purpose and efficiency. Conversely, initiatives untethered to specific jobs lack meaning and proceed haphazardly, if at all.
- Viewing the marketplace through the lens of consumers’ jobs to be done redefines categories (typically far larger than conventionally envisioned) and reframes competitors (typically more numerous and diverse than conventionally considered).
- Jobs Theory focuses the insight process on the search for circumstances of struggle, unmet aspirations, and pools of nonconsumption. Demand Driven Insights identify poorly performed jobs.
- Jobs Theory creates a shared purpose and common language that facilitates communication and integration across diverse functional areas. A well-defined job enables efficient development as well as in-market success.

▼ DIRECTLY VERIFIABLE ELEMENTS INCLUDE:

CIRCUMSTANCE



COMPENSATING BEHAVIOR



- ▶ Who, when, where
- ▶ Desired progress, outcome, experience, or solution

- ▶ Complication, compromise, trade-off, or struggle
 1. Buying and using a product that imperfectly performs the job
 2. Cobbling together a workaround solution involving multiple products
 3. Nonconsuming compensatory behavior
- ▶ Remember: Sometimes the struggle is discernable and quite clear; other times, especially when consumers have developed compensating routines, the struggle is far less obvious.



WHAT DOES A JOB LOOK LIKE?

YOU CAN VISUALIZE A CIRCUMSTANCE IN WHICH A JOB ARISES AS A SHORT STORYBOARD CAPTURING ESSENTIAL ELEMENTS. SOME OF THESE ELEMENTS CAN BE DIRECTLY VERIFIED, AND OTHERS NEED TO BE INFERRED AND VALIDATED.

Remember!

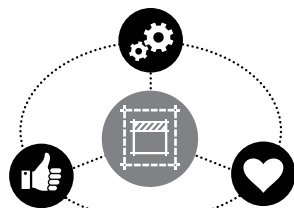
- The essential unit of innovation work is the consumer circumstance, not product attributes, consumer characteristics, or trends.
- Because the circumstance exists before any innovation enters the world, some compensating behavior must be “fired” in order for a new solution to be “hired.” For every innovation initiative, managers should know what will be fired and why—the circumstance-specific consumer criteria for making choices.
- As noted, all products can be viewed as services that successfully resolve circumstances of consumer struggle.
- The “job spec” reveals the benefit bundle that will perfectly address the circumstance. The job spec is the innovation blueprint. Identifying a job provides remarkable clarity to the innovation process, enabling bigger wins, faster development, and fewer misfires.
- Because jobs-based innovation systematically eliminates waste, jobs-based innovation is lean innovation. Risk tolerance is not a quality of successful innovators.
- Innovation risk is a function of failing to nail a poorly performed job. Risk level is independent of any investment requirements.
- While technologies, priorities, and daily routines evolve, jobs remain relatively stable over time.

WANT TO SEE JOBS THEORY IN ACTION?

Breakthrough Winners are masters of understanding consumer struggles and nailing down solutions that resolve them. Our Spotlight Section features stories of selected winners from U.K., Germany, France, Italy, Spain and Turkey from companies operating globally and locally. Their stories differ, but they all have something in common: They nail jobs.

▼ ELEMENTS THAT NEED TO BE INFERRED INCLUDE:

CRITERIA



- ▶ The criteria that people apply in evaluating “job candidates” (i.e., potential solutions).
- ▶ Understanding the job dramatically reconfigures category structure and competitors. For a given job, consumers regularly consider an array of solutions that extends well beyond a given store aisle—and often beyond the store as well.
- ▶ **Remember:** criteria are always circumstance specific.

▶ The functional, emotional, and social dimensions of benefit that collectively constitute the ideal solution for the job: the “job spec,” or blueprint for successful innovation.

SOLUTION



- ▶ Breakthrough Winners nail poorly performed jobs: Coffeehouse taste without the coffeehouse hassle.

JOB HUNTING IN THE WILD

The insights that fuel Breakthrough Innovation reside in the circumstances of struggle and unmet aspirations that abound in people's lives. Many of our recurring tasks have perfectly adequate solutions, but periodically, each of us makes trade-offs or unconsciously employs some compensating fix so that we can perform the jobs that crop up so we can get on with our lives. Innovation opportunities lurk in these moments of compromise.

In crowded consumer goods categories, these struggles, hassles, trade-offs, and unfulfilled aspirations may not look like much when consumers have found a work-around. If asked, they may not even surface the problem, but they can certainly describe desired outcomes or progress they seek, and they can also reveal the array of solutions currently employed – their current compensating behaviors. By exploring current behaviors, marketers can uncover the requirements of the job, the real composition of category and competitors, and the relevant criteria consumers apply in making choices.

Remember, most managers look at the world and see consumption, but innovators look out and see non-consumption and compromises. Where can you find non-consumption and compensating behaviors in consumers' lives? How many Breakthrough Winners succeed in categories widely regarded as mature or declining? It's not some, it's most of them. So, challenge your assumptions.

New portable Robinsons Squash'D, from Britvic, identified a massive growth opportunity by changing consumer habits and taking the mature squash category out of home. As a result, Squash'D generated over £11 million sales in 2014, and 27% of its volume has come from category expansion. Scholl Velvet Smooth Express Pedi, hard skin remover from Reckitt Benckiser (RB) offered the effective solution for a high incidence problem against a variety of compensating behaviors, achieving year 1 combined sales of €47 million in just Germany, France and Italy.

Mastering a new form of market research is not required to achieve Breakthrough success. The trick is in learning how to look. **If there's one research technique most commonly applied by Breakthrough Winners, it's empathy.**



CONSTRUCTING INNOVATION DATA

THE RIGHT STUFF

The Demand Driven Insights that reveal jobs to be done are more story than statistic. Successful innovation requires the “small data” of storytelling *and* the “big data” of quantitative inquiry.

There’s a misconception so prevalent that it is tacitly embedded in many organizations: “Qualitative data are subjective, and quantitative data are objective.” In truth, all data are man-made. We configure data to represent, explain, and predict actual phenomena. Both qualitative and quantitative data can reveal—and obscure—truth. Artfully applied quantitative techniques can be empathetic and explore emotions, just as traditional qualitative techniques can. The compartmentalized language often applied to qualitative and quantitative approaches obscures the reality that there is much overlap and integration.

Decisions to invest often hinge on the forecasts of quantitative work rather than on the narrative outputs of qualitative research. Because analytics are powerful and insights are fragile, caution and expertise are required to apply analytics in the right ways. Insights get compromised when we shape the data to fit the tool, rather than employ diverse tools to reveal what we don’t yet know. Ultimately both classes of technique are essential; just use the right tool for the job.

Remember that innovation work is “future work.” In ways large and small, Breakthrough Winners create a future that is *different* from the past, and it is the job of the Consumer Insights Team to create the data that reveal the path into the future.



HOW DO BREAKTHROUGH WINNERS

IDENTIFY THE JOBS TO BE DONE?

Breakthrough Innovation Winners largely differ in how they provide new value to consumers. We summarize several approaches that have emerged from our research. Our list is not mutually exclusive nor exhaustive. Many winners showcase multiple approaches and strategies in their efforts to understand and fulfill consumer jobs:

1 NONCONSUMERS: Are there neglected consumers segments unhappy with existing alternatives?

Taking a step back and thinking about beverages, not just juice, the granini team discovered an underserved consumer segment. “Urban authenticics” were looking for fun and grown-up refreshment with superior taste, and they couldn’t find it among the 2 billion liters of lemonade sold each year in Germany. Having explored 280 different flavor options, more than 1,500 naming options and 30 bottle designs, the team developed Die Limo, now the No. 3 lemonade brand in the market.

2 CIRCUMSTANCES OF NONCONSUMPTION: Are their circumstances in which our category is not used?

Squash was an established and mature category in U.K. when the Britvic team identified the opportunity to make it portable. The idea of a small and portable product that would allow people to flavour their water when they were out of home emerged from an extensive research of unmet consumers’ needs. Robinsons Squash’D has challenged the existing consumers habits, helped people to drink more water on the go and brought new buyers to the category.

3 TRADE-OFFS: Are there circumstances of compromise in which consumers are choosing between imperfect alternatives?

PepsiCo team in Turkey was able to resolve the historical trade-off between the convenience of packaged juices and the desire for high-quality juice from squeezed fresh fruits. Building on consumers’ trust in fruits grown in various regions in Turkey, the team developed the “local provenance” concept. By sourcing fruits locally, Tropicana became the No. 3 brand in a crowded and fragmented juice market with more than 120 brands.

4 OFFERING PROFESSIONAL SOLUTIONS TO MASS MARKET CONSUMERS:

While all consumers want to look as young as they feel, the skin care anti-aging category has historically been dominated by prestige brands. While marketing and insights were discovering what it meant for consumers to look and feel younger, the R&D team at Nivea researched how skin cells talk to each other in order to create a product that changes these interactions in a way that slows the outward appearance of aging. Nivea Cellular Anti-Age was the key innovation for Beiersdorf in 2013. It was launched globally with full management attention throughout the company.

5 WORKAROUNDS: Are there circumstances in which consumers develop a compensating routine to deal with a job that only has imperfect solutions?

Hard skin on feet is a common problem, especially among women who have been using a range of products such as manual files or pumice stones and other unsatisfactory solutions that were ineffective, slow, messy or even harmful. The solution hadn’t been improved for 100 years until Scholl Velvet Smooth Express Pedi was introduced and began delighting consumers with a better way to deal with this high incidence problem.

6 COMPLEX PROBLEM SOLVING: Are there circumstances in which consumers are compelled to develop multistep solutions to fulfill a recurring job?

Nobody would prefer to do something in three steps when they can achieve the same result in just one. Ariel 3-in-1 Pods offer a revolutionary holistic laundry solution that provides cleaning results consumers want for their cloths and delivers an overall better experience because it provides simplicity and performance in one step.

INNOVATION TRENDS IN EUROPE

The economic environment in Europe remains challenging. While value sales among fast-moving consumer goods (FMCG) have increased, volume sales have been flat over the last several years. Does it change the way manufacturers approach innovation nowadays? Are the innovation activity and innovation outcomes change over time?

Innovation activity is increasing. Nielsen identified 18,958 new SKUs in 2014 – almost 2,000 more than in 2011, when we recorded 17,080 new SKUs in U.K., France, Italy and Spain across 17 product categories. In some categories the trend is even stronger: beer, coffee and pet food show about 20% annual increase of new SKUs from 2011 to 2014. Innovation activity (see chart #1) is increasing in Italy and Spain.

What about innovation outcomes?

Managers often use the rate of sales from innovation as a success metric and to gain a high level view of how successful their companies are with innovation. Excluding private-label products, this rate is gradually increasing in Europe, as illustrated by chart 2. Does that mean we're making progress with innovation outcomes and our innovations are becoming more successful? Not really.

In looking across Europe, year 1 sales from new product has declined over the last three years (chart #3). That means we're seeing an increase of less-impactful new products. Companies aspire to launch fewer, bigger and bolder initiatives, but they often end up with unsuccessful and hardly relevant new SKUs.

The principles of Demand-Driven Innovation are the proven pathway to successful innovation. We know how to do it. Still, our data shows that the challenge to make it work in practice is huge.

CHART 1: NEW SKU INTRODUCTIONS ACROSS 17 PRODUCT CATEGORIES

Innovation activity is increasing in Italy and Spain

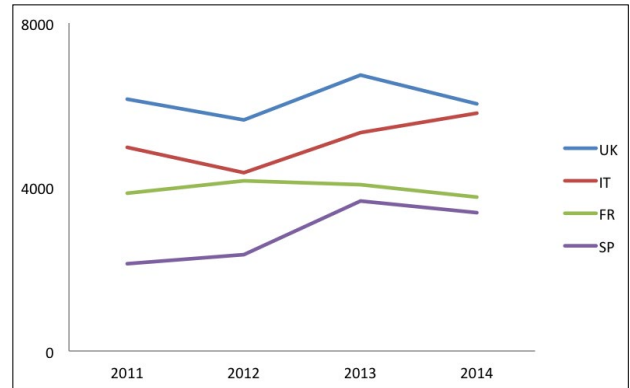


CHART 2: THE RATE OF SALES FROM INNOVATION IN U.K., FRANCE, ITALY AND SPAIN

Across categories and countries, innovation accounts for 7% of total category sales in 2014

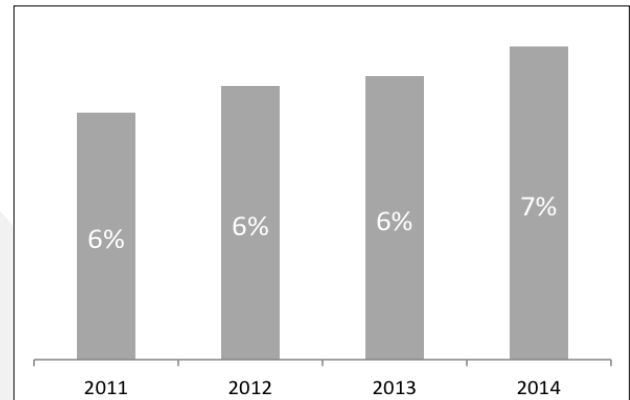
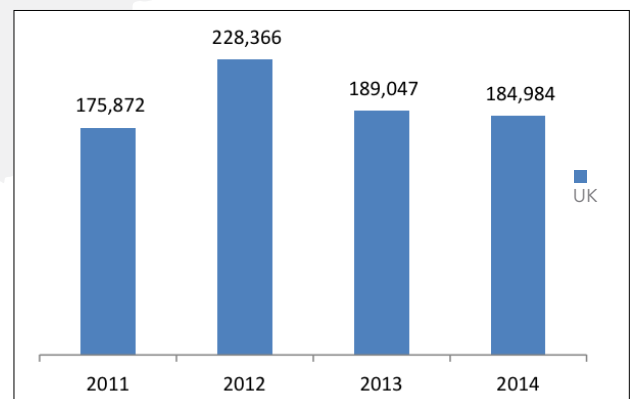


CHART 3: AVERAGE YEAR 1 VALUE SALES FROM INNOVATION PER SKU

Across categories, a new SKU in U.K. is selling about £185,000 in 2014 – £40,000 less than in 2012

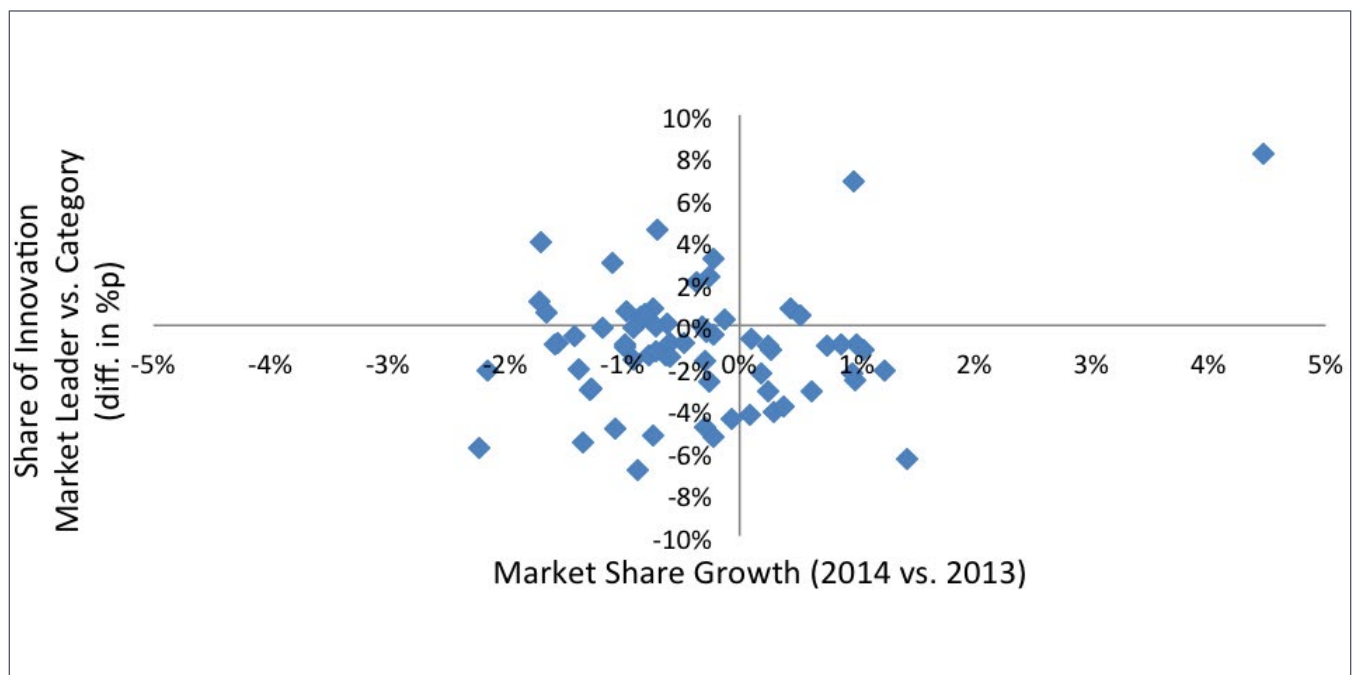


ARE INNOVATIONS DRIVING GROWTH?

It is a common belief that innovations help growing business. But, is it really so in the nowadays world when everybody is innovating? We looked at the relationship between market share growth and the intensity of launching innovations for the market leaders across 17 product categories in U.K., France, Italy and Spain in 2013 and 2014.

CHART 4: THE RELATIONSHIP BETWEEN INNOVATION ACTIVITY AND MARKET SHARE GROWTH

Scatter plot for market leaders across countries and 17 product categories



THE RESULTS?

- Many market leaders are under-performing their peers in terms of innovation intensity – their rate of sales from innovation is lower than the respective category average
- Market leaders who over-perform peers with innovation hardly gain incremental market share – just a few market leaders shown in the top right quadrant

The relationship between innovation intensity and growth is not straightforward. But why isn't it? First of

all, a majority of innovations are simply not successful. Second, many innovations tend to be highly cannibalistic, meaning they take market share from other brands produced by the same manufacturer. That's because tactical innovation often offers nothing more than product news to the current brand users. New flavours, new sizes, new product formats and other minor refinements rarely speak to unmet consumer demand. Such introductions miss the real opportunities to innovate and grow. Finally, all companies are innovating nowadays: You and your competitors. So, the question becomes, "How can I innovate better?" rather than "How can I innovate more?"

IS BREAKTHROUGH INNOVATION HIGH RISK?

Disruptive or breakthrough innovation is often associated with high risk. It seems so much easier to launch tactical innovation, a new flavour, size or product format. But, is it really so? Our data does not support it.

Failure rates are persistently high and consistent across markets and product categories. Close to 90% of sales from innovation comes from roughly 20% of the bestselling new SKUs. Across markets, roughly 75% of new SKUs generate less than £/€100,000 sales over the first year in market. In all categories, there are many SKUs that generate very little sales over a long period of time. As such, the lackluster sales ultimately prompt retailers to delist them.

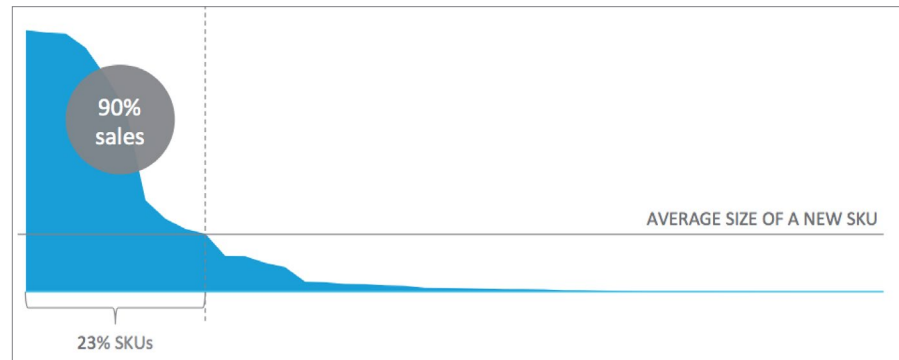
This is because, “me too” innovations are meant to be “easy.” The demand certainly exists as consumers are currently buying similar products. So why don’t we just put our new strawberry flavour on shelves? No promotion is needed, consumers would notice. Well... they will not and if even so, why should they buy it when there are already hundreds of strawberry options at their nearest store? Why should our retail partners give us space first of all? Would the new strawberry flavour reenergize the aisle or bring new customers to the store? Certainly not.

As a result, close to the core innovations overwhelmingly fail to fulfill even the modest expectations for sales, distribution and endurance, and they do not lead to higher success rates.

Investment and risk are not correlated. Breakthrough innovations are typically high investment initiatives. They require hard work and deliberate efforts to convert an opportunity into game-changing solutions. But they

CHART 5: DISTRIBUTION OF SALES FROM NEW SKUS

Example: Dental Care in U.K. (2014)



ON AVERAGE ACROSS CATEGORIES, **87%**
OF SALES FROM INNOVATION COME FROM
21% OF THE BESTSELLING NEW SKUS

also provide organizations with high confidence in their investments.

By the end of 2014, Scholl Velvet Smooth Express Pedi was launched into 48 different markets. “Once we had something we knew was right, we really went for it,” said Phil Thomas, RB’s global category director for foot care & skin care.

Breakthrough innovation gets the attention of senior management. It centers around a clearly articulated consumers’ need, provides clear job specification for the solution, forces different functions to cooperate in a broader interdependent way, not just modular and transactional. New breakthrough products excite our trade partners. All of these factors increase your chances of success with breakthrough innovation.

Breakthrough innovation is certainly not more risky than ongoing “close to the core” innovation. In fact, once you have done all of your homework, you have well mitigated your risk of failure with breakthrough innovation.

C O N C L U S I O N

Breakthrough innovation is within everyone's reach: market leaders, smaller players, global manufacturers and local companies. Your category might be growing or declining. It might be dominated by few players or fragmented and crowded with high or low innovation focus. Breakthrough launches can involve a new brand, extend an existing brand into new category or create a line extension, provided there is an unmet consumer demand or aspiration that can fuel your innovation.

Don't follow trends, existing consumers' habits, category drivers or needs of your brand buyers. Use this information to stay relevant to your consumers in your territory. Innovate to conquer new territories: Discover occasions of non-consumption and your non-buyers. Follow their struggles, recurring frustrations, compensating or unexpected behaviours, trade-offs, compromises and unmet aspirations. Innovate to resolve these situations!

Innovation is a science, not luck or magic. The Demand-Driven approach is the causal mechanism of successful innovation. Demand-driven insight, development and activation are the key steps and guiding principles of breakthrough success. Implementing the Demand-Driven Innovation system can convert your innovation activity into a game-changing innovation outcome.

Understanding clearly a circumstance of consumer struggle

and defining job to be done are essential parts of your journey towards breakthrough innovation. Make it simple, be able to explain it to your eight-year-old kid. Applying Jobs Theory will lead to more relevant consumer insights, more impactful initiatives and will provide confidence during activation.

Breakthrough winners challenge the existing category boundaries. This is not just a symptom of success, it is a direct consequence of seeing opportunities through the lens of jobs. Category expansion is possible and many Breakthrough Winners provide the clear evidence of it.

Read the stories of the Breakthrough Innovation Winners across Europe! They are all great illustrations of the causal mechanism of innovation success. They can provide you with inspiration and energy to develop and launch your breakthrough ideas and achieve breathtaking outcomes with your new products.

Our Breakthrough Innovation analysis helped us uncover the guiding principles of breakthrough success, but our journey is not complete! We come across new questions and new areas of investigation, and we shall continue our efforts in bring industry leading thought leadership on innovation with the next issues of our Breakthrough Innovation Report.

We hope you liked our report. Invite us for further discussion and stay tuned, as we develop new learning and share new inspirations in the future!

SPOTLIGHT 1

SCHOLL VELVET SMOOTH EXPRESS PEDI (RB)

SPOTLIGHT 2

ROBINSONS SQUASH'D (BRITVIC)

SPOTLIGHT 3

COMPRESSED DEODORANTS (UNILEVER)

SPOTLIGHT 4

VANISH GOLD OXI ACTION (RB)

SPOTLIGHT 5

VOLVIC JUICY (DANONE)

SPOTLIGHT 6

NIVEA CELLULAR ANTI-AGE (BEIERSDORF)

SPOTLIGHT 7

GARNIER FRUCTIS SCHADENLÖSCHER (L'ORÉAL® PARIS)

SPOTLIGHT 8

DIE LIMO VON GRANINI (ECKES-GRANINI DEUTSCHLAND GMBH)

SPOTLIGHT 9

HEADACHE REMEDY (DOMPÉ)

SPOTLIGHT 10

TROPICANA (PEPSICO TURKEY)

SPOTLIGHT #1

SCHOLL VELVET SMOOTH EXPRESS PEDI

DELIGHTING CONSUMERS WITH A BETTER WAY
TO DO AN EXISTING PERSONAL CARE ‘JOB’



“WE ACQUIRED SCHOLL TOGETHER WITH DUREX IN 2011 when RB bought SSL, and it’s fair to say that the brand was the lower priority for us between the two brands,” recalled Phil Thomas, RB’s global category director for foot care and skin care. “For 100 years, Scholl had built up a solid but somewhat old fashioned equity of highly effective problem solving products for feet. But we soon realized that in actual fact, Scholl had even greater growth potential than Durex!”

“The key to realizing this growth was—as ever—in

listening to consumers, and then fixing their frustrations in a way that truly delighted them. Scholl had always been a problem-solution brand, and it had a wide range of specific products to address problems such as athlete’s foot and fungal nail. However, once we started listening to consumers about their foot care routines, we found that many—particularly women—had unmet needs in their regular care regime, or their regular foot care ‘job’ if you like.”

“Most people get hard skin on their feet, and in particular

SPOTLIGHT #1 | SCHOLL VELVET SMOOTH EXPRESS PEDI

women can get build ups because of the pressure from shoes they wear. But the solution to this hadn't really been improved for 100 years—it was still the slow and often unsatisfactory manual files or pumice stones.”

“People have been used to using products that aren't very effective, or are slow, or messy, or have created their own solutions—some of which can even be potentially harmful. So you've got more and more foot problems being created by hard skin build-up,” added John Segar, CMI director, health care, RB.

“We identified the need and that this was a big opportunity, but we didn't yet have a product to address the need,” said Thomas. “We started to look externally and found a manufacturer that was producing an electronic foot file in

improved way.”

“As soon as we saw from the test market that this had strong potential, we committed in a big way. By the end of 2014, we launched into 48 different markets. Once we had something we knew was right, we really went for it.”

“We'd been able to fine tune the go-to-market execution in the test market, so we were able to codify the optimum way to execute. This enabled us to roll out rapidly worldwide, with a model we were confident in. Then locally it was just a case of fine tuning depending on the retail channels that were available, adding local activation. But the core of the model, the digital and TV communications, the store placement, pricing, displays, promotion, all of that was fixed and executed in a very consistent way. But we kept

“ONCE WE STARTED LISTENING TO CONSUMERS ABOUT THEIR FOOT CARE ROUTINES, WE FOUND THAT MANY—PARTICULARLY WOMEN—HAD UNMET NEEDS IN THEIR REGULAR CARE REGIME, OR THEIR REGULAR FOOT CARE ‘JOB’ IF YOU LIKE.”

small quantities. We moved quickly, sourced their product and placed it into a test market in 2013 under Scholl branding. The results were immediately very, very strong! Women loved the way the device gave them not just a faster result, but a better result—giving them an improved way to perform a very regular personal care ‘job.’”

“So we got this quick learning in the test market and, as a result, started working with our engineers to design an even better version of it. Ultimately, that's what we launched in 2014.”

“I think the success of this product is that we have not had to change people's fundamental habits per se, because women were already removing hard skin,” added Thomas. “They were just doing it with much less efficient tools. So with this device, it's a bit like moving from a horse and cart to a car. It's delivering the same benefit, but it's doing it in a faster and better way. We didn't NEED to deliver habit change. We didn't give the consumer a new job or ask her to change the job. We gave her a way to do the job in an

updating the success model on a monthly basis and kept communicating to all these markets as they were rolling out, so everyone had the most up-to-date learning on media models, etc. Every successive launch benefited from every previous one.”

“Fundamentally it comes back to the consumer insight and the underserved need,” added Segar. “Because the issue is a universal one: women develop hard skin on their feet, the same solutions, or lack of solutions, were existing all around the world. Our product delivered really strongly. We knew that the need—and our solution—was relevant in all markets, so we had the confidence to execute it the same way everywhere. This doesn't work for every category or product of course, where insights vary by country or region”.

“Consistently across countries we're seeing that this product is driving category growth—which is a strong story for our retail partners. It's bringing news to a relatively sleepy category.

“When you deliver strong category growth like this, from low single-digit to strong double-digit growth, we get to develop better partnerships with the retailers,” says Thomas. “It becomes easier for us to secure secondary displays, which we need to do on products like this. The foot care category, in most stores, is not in a high traffic area. It tends to be at the back of the store in the ‘problem/solution’ area, and in order for us to make this product work, we need to be in higher traffic areas, as consumers don’t see hard skin as a ‘problem’. Getting that support from retailers helped create a virtuous cycle. We deliver category growth, they give us more prominent presence in the store, and the consumer’s delighted because she’s getting a much better solution for a job she’s had for all of her life.”

“A big part of the success is that the RB operating model and management structure is incredibly lean,” Thomas added. “When we find something that works, the decision points to execute are very few. We have two area groups—one that covers Europe and North America and one for developing markets—and so basically there are just three key people deciding to what and when to launch. Categories directors like myself meet these area heads and our CEO monthly, and the decisions are made there and then. Then once the decisions are made, we move very quickly.”

“Even by RB’s high standards, this launch has performed extremely well. It’s a combination of uncovering a broad-scale and underserved need and reframing the brand from being not only a ‘problem solver’ but also a way to help consumers do a very regular personal care ‘job’ in a much better way. Then when you add our lean decision making structure and fast action, we had a strong recipe for success.”

“From a portfolio management point of view, a breakthrough innovation like this has changed the profile of the Scholl business within the company. We’ve leveraged the success of this launch to then launch into other foot care segments, with other strong innovations. Now we have strong momentum on the brand with consumers and retailers, and the brand has huge energy within the company.” ■

“ A BIG PART OF THE SUCCESS IS THAT THE RB OPERATING MODEL AND MANAGEMENT STRUCTURE IS INCREDIBLY LEAN. WHEN WE FIND SOMETHING THAT WORKS, THE DECISION POINTS TO EXECUTE ARE VERY FEW. ”

SPOTLIGHT #2

ROBINSONS SQUASH'D - POCKET SQUASH

A NEW GROWTH OPPORTUNITY IN A MATURE MARKET



BRITVIC HAD A MUCH LOVED BRAND IN ROBINSONS. Used to flavor drinks for decades, it had a value share of over 40% in the U.K. However, it had become a stagnant category.

“We were looking to understand how to grow the squash category in the U.K. and started by examining the unmet needs of consumers,” recalled Ounal Bailey, innovation and strategy lead at Britvic during SQUASH'D’s development. “We did quite a lot of work, both qualitative and quantitative, to understand what consumers’ unmet

needs were from the moment they touched the product until the moment they use it. Through these observations we came up with a number of hypotheses and ideas that we then tested with Nielsen. An idea to produce something that was small and portable, which would allow people to flavour their water when they were out of home, was something that came through very clearly as a strong initial concept—something egg shaped. It was all about portability and helping people to drink more water. That’s how the idea was born.”

“GIVEN THE GROWTH OF THE WATER CATEGORY, THE BIGGEST OPPORTUNITY IDENTIFIED WAS TAKING SQUASH OUT OF THE HOME AND MAKING IT PORTABLE. HOWEVER ACHIEVING THIS MEANT OVERCOMING SOME HEFTY CHALLENGES.”

Perhaps surprisingly, the biggest opportunity for business growth was not to take market share from own label or competitors' squash. Nor was it to motivate consumers to switch from other soft drinks (especially given Britvic's large portfolio of soft drinks outside of the Robinsons brand) to squash. Instead, given the growth of the water category, the biggest opportunity identified was taking squash out of the home and making it portable. However achieving this meant overcoming some hefty challenges.

“Fundamentally there were three things we were trying to do,” according to Jonathan Gatward, global adult category and capability director for Britvic. “Firstly, we had to establish a completely new category, with a new consumer behavior—flavouring water out of the home. We also had to position this product for an entirely different occasion to ‘traditional’ squash, in order to minimise cannibalization and maximise incremental sales. Finally, we had to convince people to pay a 97% price premium compared to the 1 litre core Robinsons variant.”

“From the product development perspective, we knew that we need to ensure superiority in the pack and superiority in the product. People are familiar with squash from Robinsons, and we knew we had to deliver the same or better taste credentials. There was a huge amount of work done at the development stage on the functionality of the pack—to ensure that the pack fits its use, the closure had to be robust, safe and easy to use.”

Gatward continued, “To encourage people to use the product on the go, we needed to visibly demonstrate that this is something different.”

“Initially we showed consumers a bottle, the standard Robinsons bottle shrunk down, and asked them what they thought of it,” added Bailey. “While they loved the shape and considered it iconic, they felt the bottle wasn't portable or entirely mess-free. When talking to consumers about where they would carry the product, it was often a bag or hand-bag that was mentioned. And people were looking for a shape that could help them recognize the product without looking at it—something distinctive like a lipstick tube”.

“We looked for a number of shapes, some of the shapes with edges didn't quite work. During the research we understood that people are looking for something like a “pebble”

SPOTLIGHT #2 | ROBINSONS SQUASH'D - POCKET SQUASH

shape. Based on this insight we made some adjustments to the design and developed the tear drop design we now have in market. We kept to the principle of having a unique shape but making it easy to squeeze and controllable with ridges on the pack that fit perfectly into the top of a bottle of water. There was this obsession with detail to make sure we delivered on our promise to consumers and the quality that consumers would expect from Robinsons.”

The mess free aspect was critical, the click function and the noise when you close it, making sure it is fully shut. We spent a huge amount of time testing it. We bought a woman’s hand bag and filled it with all the stuff women like to carry in their bags and put the test SQUASH’D pack into it and then put it inside a washing machine running it non-stop for three days on spin to make sure the pack wouldn’t leak. We also carried out a jet-test at different squeezes and pressures ensuring the liquid came out straight. It’s little things that makes the quality of an experience fantastic,” summarised Bailey.

“Significant consideration was given to the aesthetics of the pack,” added Gatward. “We recognized the product will be in people’s bags and wanted it be an item people are proud to be seen with. So, we used visual language on the pack and black packaging, which is not typically seen in food and drinks, to give the product an adult and premium feel”.

“We had numerous names that we put into research,” explained Bailey. “When we were with consumers showing them this pack, some of the consumers picked-up on the fact that it’s just the squashed version of a normal squash. This name caught their imagination.”

Gatward continued: “If you can find a name that describes what something is and people just understand it immediately, a name that gives you a sense of feeling not just a rational understanding, then you have found a good naming principle. It works so well for SQUASH’D, because the category is called squash in the U.K. However, it wouldn’t work in France.”

For the communications plan, Gatward explained Britvic’s approach: “From a communication point of view it

becomes very simple. You’ve got a functionally different-looking pack, which people get is for a different occasion. So, the communication needs to bring it to life.”

“We had to make sure usage was the core part of the narrative. Our TV ad was basically a product demonstration done in an inspirational way. And we used it as a platform to invite consumers to show us how they were going to use this product in their lives. It started off with the campaign #GETSQUASHD, which we successfully leveraged with bloggers and the online community.”

“Getting people to understand that this is something new they can take with them and use on the go was the biggest barrier we overcame. We were confident that, once we got people to trial it, they would have a positive experience and would use it again,” said Gatward.

“We leveraged two principles in our activation strategy: Building mental availability and memory structures through the TV and online campaigns to raise awareness of how the product should be used; and physical availability, making sure that we created a new fixture in store where people could buy it, new space within the squash category and merchandising the product near chilled water to drive trial.”

“We have seen a lot of new consumers join the category as soon they were aware of our launch. But, there were two things that set us apart from competitors. No one had the quality of the execution we have developed in terms of pack and product delivery, and no one had an established brand on the market. If you create the category for the first time, you really need very a strong brand name to develop it. While we saw the competitors coming to the market, Robinsons SQUASH’D effectively became the brand synonymous with the category,” added Gatward.

“We wanted to create a truly world class innovation for Robinsons, and I’m proud to say the team delivered something fantastic,” concluded Bailey. “Internally it helped us to shift the value of innovation and our relationship with retailers,” concluded Gatward. ■

SPOTLIGHT #3

COMPRESSED
DEODORANTS

LANDING A NEW DISRUPTIVE TECHNOLOGY WITH CONSUMERS



“OUR DEODORANT BUSINESS HAS BEEN SUCCESSFUL for many years. When we realized we had an opportunity to give something back to the environment and society, the compressed idea was born,” started Mariano Sampietro, global vice president at Unilever who lead the Compressed Deodorants project development.

Compressed deodorants are the biggest sustainable innovation that the aerosol category has seen in more than 30 years. Without any quality compromise or consumer habit change, the reengineered spray system means each

compressed product contains 50% less gas and 25% less aluminium in the packaging than a traditional deodorant.

“Sure is one of our brands for which we applied the compressed technology. But, our innovation is much wider. We have implemented it on all our brands: Rexona/Sure, Dove, Axe/Lynx, and Vaseline,” said Victoria Murtazina, Compressed Deodorants’ marketing director, responsible for the roll-out in the new markets.

“This project initiated from a clear vision: do good!” recalls

“WE IDENTIFIED THE BIGGEST AREAS WHERE, AS A CATEGORY OR AS A BRAND, WE HAD AN IMPACT ON THE ENVIRONMENT AND SOCIETY. IT TURNED OUT THAT THE BIGGEST IMPACT WAS ON WASTE, AND WITHIN WASTE, THE BIGGEST CONTRIBUTOR WAS ALUMINIUM FROM THE CANS.”

Sampietro. After a decade of rapid growth, the Unilever deodorant business team felt the genuine desire to give something back to society. “And this was a very brave move,” added Murtazina.

“We identified the biggest areas where, as a category or as a brand, we had an impact on the environment and society. It turned out that the biggest impact was on waste, and within waste, the biggest contributor was aluminium from the cans,” said Sampietro. “This is how we identified the compressed technology as the most promising route to reduce the environmental footprint of our business.”

“We worked on the project for over 3 years, and we were considering different routes to communicate our innovation to consumers. We had a clear vision in mind from the beginning: we wanted to encourage the industry to move to compressed aerosols, because it was the right thing to do as the leading deodorant manufacturer across the globe”.

“We explored a couple of options to land this technological move with consumers. But a can twice as small that lasts as long as the regular one was the way to go. Reduced size clearly provides a lot of potential consumer benefits: it makes the product more portable, you can carry it in your handbag or sport bag, and it is easier to store it at home. However, we quickly realized that the best way to land this with consumers was to explain openly our technology and show that we did it for the environment. In the end we did not try to embellish our concept with side benefits and instead focused on the environmental benefits,” continued Sampietro.

“I admit that we were surprised with consumers’ reaction,” added Sampietro. “We expected more push

back, but they kept telling us: if you can really do that—give me a can that is half the size, with the same amount of product and same usage experience—then go for it, it’s a no brainer! Consumers were very good at giving us this initial boost of confidence and convincing us that this was a great idea that deserved to be carried out despite the complex questions we had to solve regarding execution,” he asserted. “We found that consumers were willing to embark on a journey to more sustainable consumption. And sometimes we manufacturers can be more conservative than them.”

“Consumers’ continual encouragement and our strong vision from the start is what made the project happen. Actually, by working on this project, I understood the power of a strong vision, how it can motivate people, make change happen and ultimately do good,” said Sampietro.

“Indeed what struck me about the Compressed project is that the consumer was always kept at the center of the project. With a lot of possibilities for politics to get involved, the project team managed to stay above that and keep in mind the interest of the consumer,” added David Hill, former vice president of the Nielsen Innovation team who participated in the project on Nielsen’s side. And that focus helped the team as they brought the innovation to market.

“We faced a plethora of difficult strategic questions to answer on how to execute the launch,” continued Sampietro. “We conducted extensive research and decided to adopt a line extension approach, because some consumers were skeptical at the start about the fact that the compressed aerosols lasted as long as the regular products and would need time to be convinced.”

“WE DO NOT WANT TO PROTECT OUR INNOVATION BUT SHARE IT AS BROADLY AS POSSIBLE. WITH 3 BILLION AEROSOL DEODORANTS SOLD EVERY YEAR, SWITCHING TO COMPRESSED TECHNOLOGY WOULD SAVE ENOUGH ALUMINIUM TO MAKE 10 MILLION BIKES.”

“To enhance our environmental impact, our vision and aspiration is to eventually switch our entire aerosol portfolio to Compressed. But we need to gradually convince all consumers to use compressed before delisting the regular portfolio. Similarly, we understood that launching Compressed for all our brands at the same time using an umbrella communication strategy made a real difference as it increased the credibility of the proposition. And I must admit,” said Sampietro, “I never again in my life worked so closely and effectively with our partner agencies, including the Nielsen Innovation team, with such a high degree of discipline and commitment to answer all these strategic questions.”

So what’s next? “The next step for us is to make compressed deodorants common place across the industry, and we are inviting other manufacturers to join us on our sustainability journey,” said Murtazina.

“This is an entirely new way of thinking and doing innovation,” added Murtazina. “We should compete on our consumer benefits, like efficacy, but not on the greater good and common goals like sustainability. We should avoid creating a battle between the consumer-citizen and the consumer-shopper. We do not want to protect our innovation but share it as broadly as possible. With 3 billion aerosol deodorants sold every year, switching to compressed technology would save enough aluminium to make 10 million bikes.”

“We have already shared all the key information regarding our providers, consumer insights and other details on a website called compresseddeodorants.com. We will really call this project a success when we have convinced the whole industry to convert to compressed aerosols,” Murtazina concluded.

Such an approach is surely very thought-provoking, and Unilever has embarked on a journey to redefine the deodorant category and potentially even beyond! ■

SPOTLIGHT #4

VANISH GOLD OXI ACTION

RETURNING VALUE AND GROWTH TO A STAGNANT CATEGORY



IT WAS AN INNOVATION THAT WAS CRYING OUT FOR a refresh. Launched 15 years ago in 2000, Oxi Action had a huge impact from the beginning. It was the first big play in the laundry space that enabled householders to get rid of stains in multiple ways. But it was no longer enough.

“It was all about versatility of use: being able to pre-treat or soak and treat different types of stain, however she wants,” said Victoria Coe, Vanish global brand marketing manager at RB.

“We had a fantastic product, and consumers loved it. But

this category has lots of negativity around it. It is an extra purchase, extra time and effort. Over time, we lost our way a bit on Vanish, and margins started to erode.”

The other challenge was around driving consumption. Past experience had shown a consumption push would be hard. So instead, the team looked at how they could “tier up” and drive both value and penetration.

“We discovered a group of non-users and lapsed consumers who were saying ‘yes, I have heard of that

before, I have seen that before, I bought it before, it didn't work for me," said Coe.

The lack of efficacy was not because the product didn't work. It did. It turned out consumers were either not putting in the extra time and effort required to make it work or they didn't fully understand what was required. "Therefore, we had lots of people dropping out of the category, because they were not using the category in the right way. We realized that for this group of consumers, we needed to provide something new to make them re-evaluate the category. We needed to create something disruptive and compelling."

According to David Romero, Vanish Europe and North America marketing director, that "something" was to

fragrances and in stain removal actives. The creativity within the R&D team was fundamentally important. They had demo labs where they tested what could be visually shown. They created stimulus and ideas for the industry gold standard of stain removal and made our product deliver on the claim."

The new twist was a product that delivered stain removal if there was 30 seconds of pre-treatment. It was an important claim, because it got consumers using the product the way it was intended.

"This category is about concept and product fit," added Coe. "When you've got the concept saying I remove stains in 30 seconds, the consumer then goes 'oh, I'll try that for myself,' and it activates the process of pre-treatment."

“THE CREATIVITY WITHIN THE R&D TEAM WAS FUNDAMENTALLY IMPORTANT. THEY HAD DEMO LABS WHERE THEY TESTED WHAT COULD BE VISUALLY SHOWN. THEY CREATED STIMULUS AND IDEAS FOR THE INDUSTRY GOLD STANDARD OF STAIN REMOVAL AND MADE OUR PRODUCT DELIVER ON THE CLAIM.”

address time pressures in the lives of consumers. "Time is now everything for consumers in the new era and they are looking for immediate results. Overall, consumers had a frustration with the process and the results... 'give me a benefit to save time and effort,'" said Romero.

The experience had to change. "What we also knew was that seeing was believing, both from a proof that it works point of view and as a motivator for purchase. Can our product make you remove stains in 30 seconds, and you can use it however you want to? Putting a time frame on it gave a defacto warranty that it was going to remove the stain. It implied reduced effort but delivery on performance and convenience. It therefore drove value," Coe told Nielsen.

"Vanish Gold is a better formulation heavily loaded in

"When afterwards we looked at usage data, we saw that when we had the 30-second claim, the usage overall in pre-treating went up significantly. That drove the core satisfaction," said Coe.

In parallel, the product also offered versatility and could be used in with the whole wash.

Looks also mattered. "We wanted the new product to be visibly different, so we considered adding gold speckles into it instead of pink—we wanted liquid gold stain removal. But you have to draw the line somewhere, so the liquid is actually pearlised. When we tested it with consumers it was very, very good."

"At the end of day, the consumer wants to remove the stains, the rest is nice to have," concluded Coe.

SPOTLIGHT #4 | VANISH GOLD OXI ACTION

“Packaging played a critical role: we still needed the equity pink, but it needed to be very much wrapped in gold, ensuring that the premium cues were coming through. It had to be very distinctive from the pink the people know and love,” said Romero.

“Bringing in gold and metallics on the pack also helped disrupt the sea of pink,” added Coe. “When consumers saw our pack, they were saying: ‘oh, Vanish Gold, it must be good...’ We knew that we were on the right track to trigger interest, deliver on expectations and get consumers to pay more for it.”

The product also needed new users if it was to gain traction. “We knew that the claims would bring in non-users and people who had lapsed out of the category in the past. Gold helped elevate and justified the 20% price increase that came along with the new product.”

“Obviously if we price up, the trade gets behind us as well. By pricing up we were driving category value. These things ladder up to make it a very positive story for everybody,” said Coe.

Romero explained further: “It was critical to get the trade and retailers to buy into it. We had to show a clear story that was about bringing new consumers, not only about trading up. We started conversations with the trade very early—when we had the concept validated 12 to 18 months before launch. When sharing our vision for reinventing the category, we took into account the understanding that the category hadn’t grown for the last four years, penetration was declining and the category was losing value. And we told them we were going to bring back value and growth into the category.”

In addition to big launch events with retailers Tesco and Asda, there were other elements that set it apart. “We created a fantastic video of the consumers looking at the pack and going ‘oh, it is gold...’ Our trade marketing team also did a live demo for the buyers where they gave them a really nice scarf, like a Burberry or Mulberry scarf worth £200 a piece, but they stained it and treated it in front of them to get the engagement. They did football shirts as well. All that helped create engagement to get trade on board.”

“Visibility is very important for the brand and the category, as it tends not to be top of mind,” said Romero. “We needed to have a very strong 4P plan that included displays at the gondola ends, strong demos representing the brand, and support for the claims with demo ladies doing the 30-second demo from the ad in the store.”

“We activated across more platforms to drive better reach. In the stores, we also went bigger doing demos in the top 300 or 600 stores. This is all incremental activation from what we had done before.”

Coe noted: “The promo plan management has been absolutely key to the success as the U.K. is so promo driven. Promoting Gold is better than promoting the base product for the consumer, as they get a better product, and for trade and RB, because we make more money.”

“From a communication perspective, Vanish is a very visual brand. It is fundamental for Vanish to show visual stain removal and visual demos. The objective was to establish Gold as a new platform and effectively show 30-second stain removals. It was essentially the demos we do in the lab in a glorified way. We found that the announcement copy, in front of your eyes, with the clock ticking a bit like a countdown, drove massive awareness. The gold clock. It was just very, very simple.”

“We carried the same communication idea to other stores. In the store, it was the gold clock with the tic-tic-tic, 30-second stain removal, nicely executed on POS on floor stickers and on display units.”

“Vanish Gold Oxi Action is a massive success. It was about getting the right category levers and business insights married up with a consumer insight, as well as the right product behind it and a strong desire to launch.”

“In particular with this project, from the early inception and initiative creation through to in-market excellence, we leveraged an integrated approach and co-partnership with the local U.K. team. This was the key driver of success,” added Romero. ■

SPOTLIGHT #5

VOLVIC JUICY

LEVERAGING CONSUMER TREND TO ENTER A NEW PRODUCT CATEGORY



“I WOULD SAY THAT THE SUCCESS OF VOLVIC JUICY is the combination of four factors,” summarized Caroline Benoist, marketing manager for Volvic.

“We grounded our proposition on a strong trend of consumers in search of pleasure, without compromising on naturalness and healthiness. This consumer insight was the impetus from the project, as there was no offering yet on the market answering that need,” recalled Benoist. The same needs also emerged in other countries to reinforce the point. In the U.K., Volvic asked consumers about their expectations in terms of non-alcoholic soft drinks.

The study revealed a gap in the market for beverages that contain all the flavor of fruit juice but are more refreshing and easy to drink. “With this launch, we wanted to appeal to consumers who are in search of pleasure brought by the combination of natural fruity flavor and natural mineral water,” said Frédéric Guichard, marketing director for Danone Waters France at the time.

“This is a simple benefit that has been communicated in a very simple way through the concept and especially through the name of the product initially called Volvic au Jus. With the name Volvic au Jus, we have been able to describe

“ WITH THIS LAUNCH, WE HAVE BEEN ABLE TO BRING A COMPLEMENTARY RANGE IN OUR PORTFOLIO WHILE RECRUITING NEW CONSUMERS TO OUR FRANCHISE. ”

with simplicity the product and its functional benefit,” reinforced Benoist.

“A third factor and probably where we have invested the most is on the product.” The new formula, which took two year to develop, stimulated the senses and received exceptional organoleptic scores. “We wanted and we knew that we had a very strong organoleptic product; we have developed flavours while ensuring that we are not compromising on the quality and the natural taste perception of the fruit juices. To attest to this strong product performance, we have a repeat rate of 46% while the average for the category is 30%,” claimed Benoist.

“As our product was key in our strategy, we have put very strong efforts from the very beginning of the launch to bring Volvic Juicy in the hands of consumers with a strong sampling activation in store and out-of-home and by investing massively at the point of sales to create visibility for our product,” remembered Benoist. Volvic Juicy focused primarily on away-from-home distribution channels, such as bakeries, convenience, grocery and independent stores, fast-food outlets, as well as medium- and large-scale retail, creating an on-the-go image.

Insert teams visited 4,500 bakeries and vente à emporter (take away shops) to reference the products. Shopkeepers received a kit containing a display stand with four Volvic Juiced bottles installed in front of the cash registers, “baguette” bags, a sticker and a money tray. In France from January to July, the new brand was supported by 1.5 million tastings of which 400,000 were out-of-home consumption.

“One other key aspect of the success of Volvic Juicy is that the product benefited from the start from a broad range

of flavours (five SKUs), and we have continued to invest in new flavours, always with an eye and expectations on an outstanding organoleptic profile. Today we have nine SKUs, and we have also developed the range by playing on different formats (1.5L, 50mL and 33mL),” mentioned Benoist. Distribution was also critical to the success. “In four weeks, we got weighted distribution of 60%,” recalled Guichard.

“Since the launch, we’ve also had the ambition to build a strong brand on its own. We started by explaining the functional benefit to consumers, but rapidly we also developed the brand by exploring more emotional territories to reinforce further the link with our consumers and to be part of their lives,” explained Benoist. “With that in mind, we switched from name Volvic au Jus that was instrumental to explain the consumer benefit in a simple way to Volvic Juicy. With Volvic Juicy, we wanted to bring even more fun, more modernity and more pleasure to our brand equity,” said the marketing manager. The new identity was at the heart of a powerful media campaign that involved a new TV ad while continuing to support massively with large scale consumer tastings.

“We planned our launch over three years, and this period gave us the chance to build a strong brand and a strong presence on the market. That’s why we are continuing investing in years two and three with constant support as in the year of the introduction,” reinforced Benoist.

“Today we are more than satisfied with the performance of Volvic Juicy, and our ambition is to continue to innovate and support that brand in the future. With this launch, we have been able to bring a complementary range in our portfolio while recruiting new consumers to our franchise. Volvic Juicy contributed to 52% of the incrementality brought to the non-alcoholic soft drinks for us, with a new consumer profile that helped us to rejuvenate our entire franchise. With 69% market share in the segment of the aquadrinks, we will continue to reinforce our leadership and position ourselves as the captain for the category,” concluded Benoist. ■

SPOTLIGHT #6

NIVEA CELLULAR ANTI-AGE

BRINGING PROFESSIONAL SKIN CARE EXPERIENCE
TO THE MASS MARKET CONSUMER



WHAT DOES IT TAKE TO LAUNCH AN ANTI-AGING mass-market product in a category historically dominated by prestige brands with incredibly discriminating consumers? “It started with a challenge,” said Sylvia Latimer, corporate vice president, global business unit skin care at Beiersdorf. “We were looking to take a significant step in the anti-aging business for the most discerning consumer who looks for news, expects a lot and seeks multiple benefits. We wanted to persuade consumers not just to buy once but to stay with us—which is difficult, as consumers always love changing and trying something new.”

The other challenge was the existing NIVEA Q10 business, a very solid anti-aging business. “But we wanted to add something new for an even more demanding consumer,” said Dr. Maria Langhals, corporate director, global research and development skin care, Beiersdorf.

One of the early steps was for the team to determine the differences between the consumer groups of Q10 and the future Cellular franchise. “The Q10 consumer is about healthy aging, feeling good for my age, feeling confident for my age. The Cellular target demographic is about looking youthful and younger than they are. They feel very young,

“IT REALLY CAME FROM BOTH SIDES. IT’S THE WAY WE WORK: CONSUMER PULL AND TECHNOLOGY PUSH. THE MAGIC HERE AT BEIERSDORF, IS THAT WE REALLY WORK CLOSELY TOGETHER.”

and they want to look young,” continued Latimer. “Part of the challenge was to define the target consumer and how we wanted them to change their behavior.”

The primary insight identified was consumer desires for a youthful look. But that’s easier said than done. At this point, R&D swung into action to understand what characteristics of the skin changed with age: what ingredients were missing, what systems were changing, what was the timing and what were the visible results of aging.

The team looked into collagen synthesis and elastin synthesis. In short, they looked at how cells talk to each other and needed to understand how to change those interactions in a way that slowed the outward appearance of aging.

“We tried different ingredients. It’s easier to work with ingredients the skin already knows, as we knew from our work with Q10. We looked into hyaluronic acid, which is really nice but not too easy to use; it is a very big ingredient, but it can stimulate the skin. So we looked at what needs to happen to the skin and how it needs to happen to the skin for the consumer requirement of looking as young as you feel.”

“It really came from both sides. It’s the way we work: consumer pull and technology push. The magic here at Beiersdorf, is that we really work closely together.”

“As we all well know, it is about making it simple,” said Latimer. “But to get to simple, we tested many, many rounds with women in various countries to get at what it is they really want, and it was really about looking as

young as you feel—a consumer translation of the tough R&D challenge. Also we found out from women that they believe aging starts deep inside the skin, it’s not superficial skin; it goes much deeper. It is that combination of looking younger and aging starting deep in the skin that formed another key insight around demand.”

The message back to R&D came with a big question: how do we make existing skin cells behave like younger ones?

When asked whether they looked at competition, the two laughed. “It is one of the highest innovation categories... but what was missing was a skin story,” said Latimer.

“That’s why I say there is science behind it...but it’s also magic, and for us magic happens between teams—from scientists, marketers, market researchers, designers, communication specialists and packaging people to the core of the team, which is R&D and marketing. That’s where the magic happens—between the people. It all needs to gel. You might have the perfect formula, the perfect idea, the perfect packaging, but when you put it together, it doesn’t fit, it doesn’t work. Here is the scientific story, here is the marketing story and let’s try to turn it into something. Explain the science to consumers.”

“We call the teams InnoCouples, R&D and Marketing being commonly responsible for the innovation pipeline of their category,” added Dr. Langhals. “They work together, pursuing the best. Always asking, can we do better, can we improve? Keeping promises. It’s the Beiersdorf way, the NIVEA way. Product performance should not be hot air; it does what it says it will, so it will be bought again—not just once. We want our innovation to be sustainable.”

But the launch was not without obstacles. When asked how long the preparation to launch took, Latimer acknowledged that the process was lengthy. "We waited several years and postponed a few times because we were not happy with the results, so there were several starts and stops. We had consumer checks throughout the process, for the name, fragrance, formula performance, sensory, etc. We spoke to 20,000 women in the course of this project. So it was developed together with women."

Dr. Langhals added: "We tested with users of different brands, NIVEA users and users of prestige brands. Of course, we tested blind. What was surprising is how well our product was perceived even by the prestige consumer."

Another piece of the puzzle was fragrance. "Fragrance houses helped us to translate the NIVEA signature into the scent." But consumers had the final say. "Consumers tested the three best fragrances in different countries. For us, it's exciting to see if one fragrance can meet the reaction standards in different countries. And in all countries tested, we came up with the same winner."

When asked about activation, Latimer said: "We called it our 'Masterpiece Project.. And that's what we expected from everyone. We expected a masterpiece from everyone who worked on it. We worked with several agencies to get the pitch for the idea, but it took some time to get a compelling storyline for consumers."

"Beside focusing on consumer insights, in this project we put a lot of effort into understand shopper insights. This resulted in a consistent activation of the product concept along the entire innovation process. Not only in the product and in communication, but also at point of sale," said Mark Schulzig, responsible for innovation management at Beiersdorf.

The core messaging was around the delivery of a younger look that came from deep in the skin. Naming was crucial—CELLular. It fits with the company's expertise and fits with what the product does.

When asked how the product name came about, everyone laughed, and Latimer said: "We probably went through 500 names, many rounds, discussions, tests and more

discussions. At the end, it's so obvious, and that's how it should be. But coming to it, that's never easy. We had to check in different countries if it was understandable globally."

"We went very broad, very quickly but only in countries ready for the launch. We analyzed all countries, and then quickly rolled it out...and not only in Europe. It was the key launch of the year for the company, with full management attention throughout the company—not only with marketing but also POS, sales, the digital team, shopper customer team, distribution speed up, hero placements at POS, secondary placement, press conferences, PR events, a big event in London, lots of events close together. The message was really out."

Schulzig says it is all about focus: "It's part of our innovation strategy to define just a few key innovations and to sustainably support them for a long time and then finally make them really big."

When asked whether any optimization was done for the launch, Latimer said it's "ongoing, 2.5 years after the launch [and] it's still ongoing. We're looking for consumer feedback, little changes to the packaging, improving shelf standout."

"What are our key lessons? The collaborative approach, the whole thing would not have worked if it had only been marketing or R&D. Everyone had to work together; core teams had to work it all out. The concept had to be crystal clear before starting. Innovation doesn't have a calendar year; it's still the innovation," said Latimer. ■

SPOTLIGHT #7

GARNIER FRUCTIS SCHADENLÖSCHER

MAKING CONSUMERS LOOK GOOD DESPITE THEIR BAD HABITS



“IN 2013, FRUCTIS WAS A VERY DIFFERENT BRAND TO what is nowadays,” explained Franziska Boll, marketing director haircare at L’Oréal Germany. The brand had a strong presence in the normal hair segment. But the dry and damaged segment was a very big in Germany, accounting for almost a quarter of the hair care category. “A clear opportunity for us,” continued Boll.

Analysing the needs of consumers with dry hair, the Garnier team recognized that German women apply a lot of mechanical actions like brushing, straightening and intensive blow-drying, as well as colouring. All cause rough,

dry and damaged hair with splits and breakage. And Fructis didn’t have an offer catering for these needs.

“Once we understood the opportunity, we started to investigate further to understand the usage and routines of our consumers. We spent a lot of effort in understanding the pre- and post-phases of hair care routines: what consumers were doing before they were washing their hair, how they were brushing their hair and what brushes they used. We wanted to gain a detailed understanding of factors that were causing the damage our consumers were suffering from,” said Franziska Boll. It was a combination

of all sources of information that helped to identify the gap. Segmentation studies, analysing the German beauty code, focus groups and intensive formula testing all enabled the team to constantly be on top of trends and changes in consumers' behaviour.

"We found out that particularly young women were suffering from extreme hair damage, as they are generally more fashion conscious and do more styling and experimenting with their hair. Fructis is very appealing to younger consumer, a perfect fit to address their problems in a relevant tone of voice," reported the marketing director.

The Fructis teams discovered that young women really wanted to style their hair and to express their personality through hair. These young women were aware of the effects their actions were causing to hair, but they wanted to do them anyway.

"We identified that we could create an added value for our consumers. They didn't need to change their behaviour—they could still colour and style the way they wanted—and we could help them reverse the negative consequences of their habits. We gave them a bit of liberty to do whatever they wanted to do and allowed them to keep their hair healthy and strong anyway," explained Boll.

There were a couple of things that Garnier did differently than any other brand in the market. It was the first time Garnier introduced a benefit-driven product name: 'Schadenlösch' (Damage Eraser), a state of the art product name. They also broke rules with packaging, making it a bright orange, very different from what was available in-market and very distinct from the colour code used for Fructis at the time. And the research teams developed a ground-breaking new formula.

The communication idea created playing the idea of daily hair crimes in a fun, almost jokey way. Combined with an integrated marketing campaign covering all media—above the line, digital and sampling—Garnier maximized awareness of the launch.

"We challenged our consumer knowledge to deeply understand hair care routines, pre- and post-washing actions, day-by-day habits and how our products were used. We identified the added value, developed a completely new formula and expressed its benefit clearly to consumers. That what has made it such a great long-term success," Boll concluded. ■

“WE CHALLENGED OUR CONSUMER KNOWLEDGE TO DEEPLY UNDERSTAND HAIR CARE ROUTINES, PRE- AND POST-WASHING ACTIONS, DAY-BY-DAY HABITS AND HOW OUR PRODUCTS WERE USED. WE IDENTIFIED THE ADDED VALUE, DEVELOPED A COMPLETELY NEW FORMULA AND EXPRESSED ITS BENEFIT CLEARLY TO CONSUMERS. THAT WHAT HAS MADE IT SUCH A GREAT LONG-TERM SUCCESS.”

SPOTLIGHT #8

DIE LIMO VON GRANINI

LEVERAGING AN UNDERSERVED CONSUMER
SEGMENT TO ENTER A NEW PRODUCT CATEGORY



“THE GRANINI BRAND IS 50 YEARS OLD AND HAS been part of the breakfast routine for several generations of German consumers. Its equity is well defined: taste, exotic and indulgence. The brand was successfully built over decades. It is well distributed and offers a variety of flavors. Launching new line extensions is a proven successful way for brand expansion, but we need to look for more, less obvious options, too,” explained Stefan Müller, marketing director and board member of Eckes-Granini Germany.

However, Müller noted: “The juice market is under pressure, the main usage occasion, traditional in-home

family breakfast, is becoming less relevant in modern times. With the ever-rising cost of goods, juice has actually become very expensive versus other non-alcoholic drinks. We have seen a lot of established players coming under big pressure in recent times.”

“It was very important to us to be open, unassuming and eager to understand and learn all the time. Outside our home turf, we did not assume to know everything. In fact, we assumed we knew nothing. Through a consumer segmentation study, we looked at all occasions of drinking non-alcoholic beverages, conducted a share of throat

“IF YOU TAKE A STEP BACK AND DON'T THINK ABOUT THE JUICE MARKET BUT ABOUT CONSUMERS DRINKING NON-ALCOHOLIC BEVERAGES THROUGHOUT THE DAY, A HUGE MARKET AND TONS OF POTENTIAL OPPORTUNITIES ARISE.”

analysis for all drinks from milk to non-alcoholic beer. We then explored deep underlying motivations and needs of various consumer segments. It was important to us, we connected with the consumer in many different ways to understand market structures, needs and competitive landscape through our consumers' eyes,” Müller said.

“If you take a step back and don't think about the juice market but about consumers drinking non-alcoholic beverages throughout the day, a huge market and tons of potential opportunities arise.”

“In the end, we realized that within the 2 billion liter lemonade market there was an underserved consumer segment. A group we call 'urban authentics' longing for refreshment that is fun but also grown up and delivers seriously on taste. This group was currently not having their needs met in the lemonade aisle.”

“Once we identified the opportunity and clearly articulated it, it all fell into place—though, obviously it was still a lot of work. Entering the lemonade segment with a juice brand known to generations of German consumers was a challenge for us. Moving from a category that stands for purity, naturalness, 100% juice and health, a lemonade—perceived as sweet watery stuff—obviously triggered a lot of concerns internally and externally,” explained Müller.

“From engaging with consumers we knew, we had to deliver on exceptional taste, naturalness, maturity, and we needed to convey this certain level of premiumness. We had to be careful of the context in which we communicated our brand: this was not granini as lemonade but lemonade juiced by granini.”

“Developing a market-ready offer was a delicate task and challenged us to keep the balance on all aspects of the mix. We explored 280 different flavor options to find three that tasted great and transported the message. All the three choices included pulp, requiring a more sophisticated production process not common in the market but a great fit with the brand and conveying a premium feel.”

“More than 1,800 naming options and 30 bottle designs were evaluated. To get this right, we did not want to

“WE ALSO CHALLENGED OUR TRADITIONAL WAYS OF WORKING AND INDUCED SOME STRUCTURAL CHANGES JUST FOR THIS LAUNCH. FOR EXAMPLE, WE STARTED OUR ‘OUT OF THE BOTTLE OFFICE,’ A CROSS-FUNCTIONAL TEAM THAT WE ALLOWED TO EMBARK ON A ‘FAIL FAST, LEARN FAST’ STRATEGY.”

compromise and stayed single-minded in delivering on this opportunity. For example, we explored the ways of using bottle design to transport granini’s equity. We played with elements of granini’s iconic bottle like the dimples but made sure all cues corresponded with the intended way of communicating brand context.”

“The granini brand has a big heritage. This is a privilege and constraint at the same time—you need to be very careful, and you need to know what you are doing.”

“The launch of Die Limo von granini was also challenging from an internal, organizational perspective. To be successful, we not only had to deliver on consumers’ expectations, but we had to line up the whole organization behind us. We put a lot of effort into creating excitement and support within the organization; everything from installing viral spots on our company’s IT system that introduced the new idea, various launch and tasting events for encouraging and supporting people to go out into field and sell Die Limo for a day.”

“We also challenged our traditional ways of working and induced some structural changes just for this launch. For example, we started our ‘out of the bottle office,’ a cross-functional team that we allowed to embark on a ‘fail fast, learn fast’ strategy.”

“Some impactful initiatives emerged from doing this a little differently. We engaged in a very effective pre-launch phase including PR, samplings and guerilla marketing. The launch phase included TV, online and road shows, but we knew our target was not too into advertising. So, to make

things a bit more exciting, we asked two of our creative agencies to battle it out for the most successful campaign. This got us to 650 million impressions, more than 100,000 Facebook fans within five months and an involvement score 10 times higher than the German FMCG average.”

“Also, our latest campaign combines storytelling and engaged celebrities as authentic brand ambassadors. We moved from commercial advertising to entertainment. Together with our celebrities, we orchestrated a staged scandal: A spoof ad purposely taken off air after one day, followed by a forged, apologetic press conference that ended in a fight between our celebrities. It created a tremendous viral success and was the start for a huge multichannel communication campaign that covered everything from TV events in big cities to POS campaigns.”

“We are now No. 3 in our lemonade market. After sales doubled in 2014, we’re again seeing 50% growth in 2015. And we believe Die Limo von granini will adapt and evolve with a changing market environment because we had the basics right in the beginning. That said, we are still at the beginning, and we will continue to invest.” ■

SPOTLIGHT #9

A NEW HEADACHE REMEDY FROM DOMPÉ

REDEFINING FASTER HEADACHE RELIEF



Dompé

IT WAS WHAT THE OVER-THE-COUNTER (OTC) headache treatment market had been missing: a quick dissolving and fast-acting granular powder that's easy to take wherever it's needed—without water.

The Dompé team focused on this important patient need.

“We wanted to develop an OTC remedy to fight the headache symptoms—not that there weren't any available at that time. But listening carefully to patients, pharmacists and general practitioners, it was clear to us that we could develop something different. What we learned from the research we conducted was that for patients, headache is among the most recurrent of transient disorders,” said Davide Polimeni, head of the primary care unit at Dompé.

During a headache, people's quality of life is inevitably affected. By carefully listening to patients' needs, the team began to focus on developing a fast, effective and easy-to-take remedy against headaches.

An analysis of the market found that quick dissolving granular powder sachets could be the ideal solution for headache sufferers. And that was the intuition behind our new product, an effective, fast-acting remedy, convenient to

take wherever it's needed, without water.

“Headache area was an important target for us to address, as it was coherent with our portfolio of solutions in primary care. We had the right target and the ideal solution. It just had to be turned into an OTC product,” said Polimeni. The challenge for the Dompé R&D department in L'Aquila was to study an innovative formulation for the new active ingredient of our new remedy, to make it a quick dissolving granular powder. The definition of the target product profile, the formulation development and the registration process were all the result of a multifunctional working team, which included marketing, manufacturing, R&D and medical affairs. The team also conducted its research under the close monitoring of the regulatory department in order to obtain the final approvals for marketing and advertising.

“Only a fully-devoted team inspired by a solid company strategy could make it possible,” said Polimeni. “The success behind our new product is the result of Dompé people's hard and passionate work. It represents our way to approach innovation in OTC, and I can anticipate that four other launches are now following its footprints.”

Dompé is a leading Italian biopharmaceutical company

“A TEAM OF SPECIALISTS FROM MARKETING, MEDICAL RESEARCH, R&D, COMPLIANCE, SUPPLY AND SALES HAVE TAKEN RESPONSIBILITY FOR NEW PRODUCT DEVELOPMENT, DEDICATING AN IMPORTANT PART OF THEIR TIME AND RESOURCES TO INNOVATION.”

focused on the development of innovative treatment solutions. The company has its headquarters in Milan, with major industrial and biotechnological research facilities in L'Aquila and an R&D unit in Naples. As part of its international development strategy, in 2014, Dompé opened offices in New York to coordinate the R&D activities in North America, while in 2015 the company opened its Tirana offices, where the company markets its primary care products.

And thanks to recent efforts, Dompé is now also one of the most well-known companies in the primary care and self-medication fields in Italy. In particular, the company concentrates on respiratory diseases and on the pain/inflammation area, for which it produces and markets some of the best-known and widely used brands in the country.

Our product has quickly become the second leading brand in terms of market share for OTC internal analgesics (pain relievers). This is a noteworthy shift for a company that, until recently, was focused mainly in the prescription drugs business.

“A strategic mapping of our business has driven our everyday work and puts clear objectives for our business units: our biotech division concentrates on rare diseases with still unsatisfied needs, with large and long-term projects to develop innovative therapeutic solutions; our primary care division focuses on improving existing OTC remedies to positively affect patients’ needs—and from here came the success of innovation.”

“A team of specialists from marketing, medical research, R&D, compliance, supply and sales have taken responsibility for new product development, dedicating an important part of their time and resources to innovation. This is a company strategy promoted by our CEO Eugenio Aringhieri to develop therapeutic innovations in those areas and geographies where there are still opportunity to

offer valid responses to patients,” Polimeni said.

The marketing team focused on these key areas:

- The advertising copy had to convey the relevant characteristics of the product, which meant getting all the insights and learnings of the research consolidated in the claims and communications. The research pointed to three critical points: efficacy, speed of action and convenience. This was translated in the tag line stressing how fast the new remedy can work that we used in a TV ad where relief comes quickly to a lady stuck in traffic jam.
- Distribution channel presence and trade marketing activities also played a key role. Pharmacists had to be reached and briefed on what was Dompé’s first OTC remedy for headache. In the first six months of launch, there was considerable investment in engaging pharmacists with dedicated activities and material to get them informed and engaged in the innovation.

And of course, incremental budget was needed to make all this happen. The company invested in the innovation, focusing on the relevant differentiated solution that was going to expand the business.

The success of our product came in 2013 with €11.1 million in retail sales for the initial 10-sachet pack. The strong sales gave the team confidence in expanding the range. The next step was a 20-sachet pack in late 2014, which saw sales targets reached and contributed a further 8% to the €18.1 million retail sales of that year. The 20-sachet pack represents approximately 30% of this year’s sales.

From here, the company strategy for the primary care business in the next five years is to focus on some specific targets: meeting patient’s needs thanks to innovative and peculiar solutions. ■

SPOTLIGHT #10

TROPICANA

MEETING THE DIVERSE NEEDS OF TURKISH
CONSUMERS WITH A GLOBAL BRAND



“WE STARTED WORKING ON THIS PROJECT IN 2011, three years before our successful launch of Tropicana in Turkey,” recalled Tuğçe Gamsız, Tropicana brand manager, PepsiCo Turkey, like it was yesterday.

“We used to sell packaged juice before, but we wanted to launch a PepsiCo juice brand in Turkey. We selected Tropicana, because it’s the No. 1 juice brand globally in the category of nectars and 100% juices. The Turkish packaged juice market was already crowded with more than 120 brands and very fragmented. The leader accounted for 20%-25% of volume share, and the market was flooded

with many small brands accounting for 3%-4% of volume share. We realized that it would be hard to differentiate and succeed in Turkey.”

“We started with a thorough understanding of consumers and the category. After conducting a consumer U&A (usage and attitude) study to uncover habits, attitudes and behaviors, we reviewed all available category and consumer knowledge from all our research suppliers in Turkey. And we came across interesting findings that were a surprise for us. Turkish people are very different from other nations, especially in Europe. We were consuming fruits and snacks

“TURKISH PEOPLE ARE VERY DIFFERENT FROM OTHER NATIONS, ESPECIALLY IN EUROPE. WE WERE CONSUMING FRUITS AND SNACKS ON MANY OCCASIONS THROUGHOUT THE DAY: BEFORE LUNCH, AFTER LUNCH, AFTER DINNER... PEOPLE FIND IT IMPORTANT TO HAVE FRESH FRUITS INSTANTLY AVAILABLE DURING THE DAY.”

on many occasions throughout the day: before lunch, after lunch, after dinner... People find it important to have fresh fruits instantly available during the day. Consumption of packaged juice ranges around 12 liters, while we consumed 91 kg of fresh fruits per capita per year in 2012. We benchmarked this number, and we found out that the consumption of fresh fruit is much higher in Turkey than in other countries, such as the U.S., China or many markets in our region.”

“Turkey is diversified with regard to climate, and fresh fruits from various regions are available throughout the whole year. Fresh fruits are bought in the bazaar and squeezed at home to produce high quality juices for families. Hence, the low consumption of packaged juice. Another finding was related to fruit flavours of packaged juices. While peach, apricot, sour cherry and apple flavours are popular, orange juice is almost exclusively squeezed from fresh fruits.”

“We realized that the key challenge was to resolve the trade-off between convenience of using packaged juice and the need for high-quality fresh fruit juice. We invited experts from various fields, strategy directors, food experts and anthropologists, and we developed a ‘local provenance’ concept focused on sourcing local fruits from regions famous for growing the fruit—the Bursa region is known for growing peaches, while Malatya is known from growing apricots. Product prototypes and the concept was developed and tested with Nielsen. The results were strong, and we knew that we had a higher potential for launching Tropicana under the ‘local provenance’ concept.”

“The concept was unique in Turkey, and we had never used it for the Tropicana brand before. Of course, there is always

a tension to leverage existing communication platforms for global brands, but in Turkey, we already knew that our unique concept would lead to substantially stronger in-market outcomes, even if it meant the high cost of sourcing high-quality fruits from selected regions known for producing them.”

“Launching Tropicana in other markets, we always go with orange variants as part of our portfolio. In Turkey, we deliberately decided to go without, despite launching 10 flavour variants with over 20 SKUs. The orange variant was launched a year later.”

“The origin of the fruit was a critical element of our communication, but we also had to follow global guidelines for developing packaging design for Tropicana. We managed to combine the well-known Tropicana branding essentials with clear headline communication that clearly declares the region from which the fruit was sourced. We also included stories from fruit experts growing local fruits and made them an integral part of our packaging design.”

“In our ATL (above the line) communication, we focused on locality. Our launch campaign featured a farmer from the Bursa region, expressing pride for his peaches and giving them to Tropicana to provide high-quality fruit juice to Turkish families across the country. We also leveraged locality in social media, featuring videos from local regions on YouTube and Facebook.”

“But, we also found it essential to communicate Tropicana being the No. 1 nectar and 100% juice brand globally to trigger consumer interest and make them try the product. Our tests confirmed that Tropicana offers superior taste

versus our main competitor. Sampling was an essential part of our activation strategy. We organized juice competition, and we leveraged taste superiority in our communication afterwards.”

“We were confident about the launch. We launched Tropicana in Turkey in July 2013, and in the second half of the year, we were the media share of voice leader in the juice category. The outcomes were astonishing. We reached 75%-80% of aided brand awareness in year one and achieved third place with regard to market share in just eight months. It was one of the most successful beverage launch in Turkey in the last five years, and all key performance indicators—awareness, penetration and repeat rates—were strong, despite the premium price in the mainstream segment.”

“Internally, we knew that Tropicana was one of the most important new product launches for PepsiCo in 2013. At the launch date, we organized a launch event for PepsiCo employees in Istanbul with senior presence from our headquarters. This helped us to communicate the importance of the Tropicana brand launch in Turkey to all levels and functions in our organization.”

“In Turkey, traditional trade accounts for 60%-70% of total category sales ahead of organized modern trade (according to Nielsen retail audit data). Our sales team managed to build strong distribution across both trade channels ahead of strong ATL communication, so when we started our campaign, sales grew rapidly.”

“We learned a lot from this launch. Consumer insight and finding a differentiation point were critical for achieving success with Tropicana in Turkey. We also realized how important it is to align consumer insight with company capabilities while staying true to the insight throughout all steps of developing the proposition and executing the launch in-market.”

“Not only that, we managed to gain support from local authorities and launched Tropicana Orchard School in partnership with the Bosphorus University Lifelong Learning Center to launch a social program supporting local farmers and help them grow fruits more effectively by offering education support. We also developed our own peach garden in Bursa for helping farmers grow their fruit,” said Gamsız. ■

“ WE LEARNED A LOT FROM THIS LAUNCH. CONSUMER INSIGHT AND FINDING A DIFFERENTIATION POINT WERE CRITICAL FOR ACHIEVING SUCCESS WITH TROPICANA IN TURKEY. WE ALSO REALIZED HOW IMPORTANT IT IS TO ALIGN CONSUMER INSIGHT WITH COMPANY CAPABILITIES WHILE STAYING TRUE TO THE INSIGHT THROUGHOUT ALL STEPS OF DEVELOPING THE PROPOSITION AND EXECUTING THE LAUNCH IN-MARKET. ”

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ABOUT THIS RESEARCH

Nielsen's European Breakthrough Innovation Report is part of a series of reports that cover the globe, and together form facts, insights and thought leadership on Innovation for marketers, based on real observations of impactful launches in the past years. This is our opportunity to give something back to the industry, to help everyone improve innovation outcomes, to make every penny invested in innovation go further.

We apply consistent criteria of distinctiveness, relevance, endurance to all initiatives that we qualify as Breakthrough Innovation Winners:

- Distinctiveness: deliver a new value proposition to the market, ingredient reformulations, repackaging, size changes, repositioning, and other minor refinements to existing brands were excluded.
- Relevance: generate a minimum of £/€10 million sales in year one in at least one of the key European markets: U.K., Germany, France, Italy and Turkey or at least €7 million in Spain
- Endurance: achieve at least 90% of year-one sales in year two. This measure confirms a sustained level of consumer demand while allowing for some drop in revenue during the transition from trial to adoption.

Information about potential winners have come from different sources:

- Nielsen has used our proprietary ScanTrack Innovation platform to identify innovations from the five key Western European Markets: U.K., Germany, France, Italy and Spain. Our systematic search covered 17 product categories: coffee, water, non-carbonated soft drinks and juices, flavoured carbonated drinks, sport and energy drinks, beer, ice cream, yogurt, cereal, biscuits, chocolate, hair care products, dental care, laundry detergents, household cleaners, air care products and pet food. Together, they form around 30 percent of all commodity volume (value) in FMCG. Our systematic search covered 24,353 new SKUs and app. 8,650 new initiatives launched in 2013.
- We leveraged market knowledge of Nielsen Client Business Partners and Nielsen Innovation Team in Europe to search for potential winners from other product categories.
- Finally, we looked at selected new product launches in Eastern Europe and identified a Breakthrough Winner from Turkey.

DISCLAIMER

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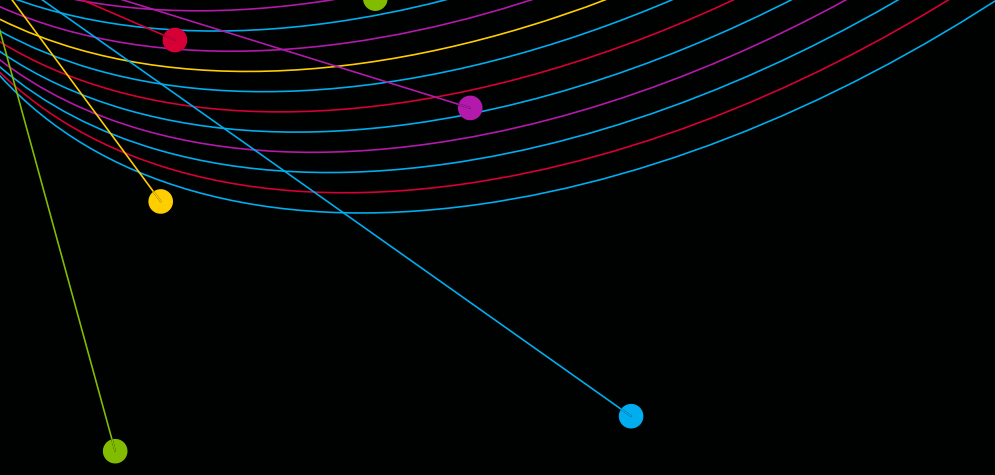
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