

Developing new products? Develop new thinking

With 80 percent of new products failing, a lot of people must be doing things wrong.

Ken Hudson thinks he has an answer.

According to one report⁽¹⁾, up to 80 percent of new packaged goods products fail. Often the main reason is the lack of an original idea underlying the new product. In part, this can be traced to the over-reliance on market research to provide new ideas and the tendency to copy competitive products. More important is the lack of time, effort, resources and skills allocated to the concept building stage of the new product development process. Many companies tend to run a single brainstorming session to create their new ideas. The problem with this approach is that the available set of ideas is too restricted. Marketing people also tend to rely on a rational set of criteria to evaluate a new product idea. But while an idea can make economic sense, if it does not engage our passion and imagination, it will never get off the ground.

There is great irony in the new product development process. New products are important to drive revenue growth, meet customer demand and stay ahead of the competition – yet most marketing practitioners continue to rely on the current, safe, rational, linear process that does not work. Surely we can do better than an 80 percent failure rate.

My proposition is that to develop truly original and powerful new products we need a renewed emphasis on the concept building stage of the product development process. The change of emphasis is as follows – ‘from now on I/we will spend equal effort on the front end (i.e. the concept building stage) as I/we do on the back end (i.e. the implementation stage)’. As a general rule, the front end requires more imagination, intuition and a proactive search for new ideas, while the back end requires the three Ps – persistence, planning and project management skills.

Creating and building new product concepts also requires a new process and tools. Let’s consider an everyday product like butter to illustrate how to escape from the incremental, me-too nature of most new products.

The starting point for any idea generation session is to make the current mindset explicit.

Most people would agree that the butter category lacks innovation. The product is aimed at a mass market, it is found in predictable places and most offerings look, feel and taste similar, although the new cholesterol-lowering products seem to be a good initiative.

The next step is to decide what sort of new ideas you are looking for. You can either:⁽²⁾

1. Innovate within the existing mindset;
2. Expand the existing mindset; and/or
3. Break free of the existing mindset.

The type of idea required will dictate to a large extent the type of creative thinking tool to be used. Brainstorming, for example, tends to produce ideas in the first category. Hence, most of these types of sessions tend to produce ideas that are incremental because they work within the existing mindset. If we return to butter, examples of ideas from a brainstorming-type session might include:

- Producing smaller, bite-size butter like you find at restaurants. This could be ideal for picnics or when you want to make your own sandwiches at work.
- You could develop different tastes of butter. How about Thai butter that can also be used when cooking a stir-fry?

The problem with these types of ideas is that they can be easily copied, thus ensuring any advantage is only short-term. The banking industry demonstrates some good examples of these types of ‘me-too’ product ideas.

The second type of ideas are aimed at expanding the existing mindset. Let’s focus on one convention of butter, i.e. it is a mass market product. If we were to challenge and stretch this limitation then we could develop ideas such as:

- Calcium enriched butter, ideal for menopausal women and pregnant mothers.
- ‘Barney’ Butter for tiny kids.
- A butter biscuit pack for school kids (perhaps developed in partnership with a biscuit manufacturer).

The advantage of these types of ideas is that they are not as easily copied and are more likely to capture the imagination of a specific customer segment. ‘What a good idea’ has become the ultimate consumer response.



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