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SMASH
YOUR
BRAND!

**WOULD YOUR
BRAND STAND UP
TO A BEATING?**





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Australian marketers are great at bringing new concepts to market, but they flounder at the product development stage, says **Dr Ken Hudson**.

Improving your NPD results

According to conventional wisdom most new products fail. If you read this often enough you start to believe that this must always be the case. As one leader said to me, "NPD is a numbers game – you have to price lots of new products in the hope that one takes off." On one level I agree, but what a waste of resources and energy. I can find no other activity in business where such a failure rate is accepted. My proposition is this – you can improve your NPD success by concentrating more on the front end of the process. Building bigger, better concepts I believe is the key. It is my experience that Australian marketers are very adept at bringing new concepts to the market (the back end), but really flounder in their attempts to create powerful new ideas.

I would like to recommend a number of actions you can take to improve your NPD hit rate.

1. CO-CREATE IDEAS WITH CONSUMERS

Marketing has a long history of researching on consumers, but I believe that more effective results can be achieved when you work with consumers. In my consumer idea process I screen consumers (in the target audience) for their divergent thinking ability. This means that your best, most creative consumers are working on your brand. The marketing managers are also in the same room with consumers rather than hiding behind two-way mirrors. In this way the brand managers interact directly with consumers using a range of creative thinking tools.

2. LOOK OUTSIDE YOUR CATEGORY FOR IDEAS

Most marketing people are myopic. They know everything about their category and competitors, but very little about what is happening in other spaces. If you spend all your time focusing on your competitors they will no doubt be doing the same to you and everyone gets trapped in a me-too, incremental cycle. CUB is just about to launch a new low carbohydrate beer called Pure Blonde. Part of its rationale for this new concept is the trend towards low carbohydrate food in other categories and the success

of brands like McDonald's with their healthier, salad bar offerings. The message – search other categories for ideas, the more unrelated the better.

3. MAKE YOUR MINDSET EXPLICIT

All of us look at the world through a particular prism. This prism is the sum total of our attitudes, beliefs, assumptions and experiences. Our mindset is only a partial view of reality, however (e.g. when my wife was pregnant the world was suddenly filled with pregnant women – they were always there, but I did not see them before). My belief is that a mindset can operate at a group level also. This has important implications for a marketing team. If everyone sees the world the same then you have a limited array of choices (that is why you need outsiders at your brainstorming sessions). This collective partial view of reality can hide new opportunities. For example, a garbage bag brand team that I worked with all believed that their product was a low interest, low involvement product. When we made this boundary explicit, however, we realised that garbage bags could be made exciting. If Band-Aids are interesting why not garbage bags? Think of purple bags, bags with kids' faces or bags with built-in deodorisers?

4. CREATE A NPD CYCLE

The most important step in any NPD initiative is to create a positive NPD cycle. This means that marketers should aim to:

- create;
- test;
- measure;
- learn; and
- share their results (at speed).

It has been my experience that most brand teams are perhaps good at one step (even two), but not the entire cycle. Because it is in the steps themselves and their linkages between them where you can beat your competitor in the NPD stakes.

NPD is vital for the health of your brand and business. Retailers and consumers alike now expect innovation. If you are to succeed you have to raise your expectations and in my view focus more on the front end in the NPD process. Following these steps should ensure a higher return on your NPD investment. ■