



ANOTHER NEW PRODUCT?

HOW TO GO FROM “SO WHAT” TO “SO COOL!”

by Gary Augustine

Innovation can be defined as uniqueness with relevance. It is the idea that reaches to the outer edges of creativity, while maintaining understanding and usefulness with the consumer. And ideas can come from many different areas: customers, the sales force, marketing, R&D, operations, competition, associations, conferences.

New food product innovation in particular can take on many forms. For the food formulator, understanding and identifying key food attributes as well as the specific needs of the target audience their demographics, geographies, lifestyles and cultural segments can be quite a challenge. So what's the secret to products that sell?

If it doesn't taste good...

Taste and texture are the number one reasons consumers buy the food products they eat. Consumers, baby boomers in particular, are looking for a variety of very specialized taste and texture experiences. International and exotic flavors have provided opportunities for new experiences. Taste and texture continue to provide benchmarks for formulators when trying to improve the nutrition profile of products.

Up, up and away...

Food product costs have been increasing with the rising costs of energy, commodities and healthcare. Processors will continue to look for ways to not only reduce their formulation costs, but also look for novel ways to become more efficient in their processing, packaging, storage and distribution. These solutions don't just come in the reduction of ingredient prices, but also in new ways of increasing throughput, minimizing capital expenditures and increasing product performance characteristics. For example, using ingredients that allow for increased processing tolerance, reduced energy and enhanced shelf life and stability. Food processors are also looking for ingredient suppliers to provide additional capabilities and resources that can act as an extension of their development processes.

I'll take it to go...

Convenience continues to be one of the top reasons (next to taste) that drive consumers' food purchasing decisions. Products that are portable continue to lead popularity contests. And if you can reduce preparation time on top of it, you've got a winner to meet the demands of a population on the go.

I want to eat healthier, but...

Many Americans claim they want to eat better, but reality presents a different picture with lack of time and increased stress in their lives. The challenge for individuals is to take a balanced approach to living, including portion control, exercise and responsible food choices. So they're

looking to food manufacturers to offer products that provide responsible choices, of course without sacrificing taste. Older boomers are also taking healthcare issues more into their hands, so they're looking to foods to provide not only reductions in things like fat, sugar and sodium, but also add nutrients such as vitamins, minerals and fiber. It's the mathematics of food, and you have to find the right formula.

Screening

Be sure to police your initial screening process—it's critical for prioritizing and allocating key development resources. How?

Stay focused on the critical aspects of your new product development. In simple terms, new products should be evaluated with these criteria in mind:

Customer-focused

Operationally feasible

Profitable

An initial **NICHE™** (Nutritional Identifier of Consumer Health Elements) screening tool, for example, can be used for deciding how to position new or existing products in the market for key health and wellness attributes such as fiber, calories, fat and sugar.

Every area of business can contribute:

R&D identifies functionality & benefits, application & usage levels

Sales & marketing evaluates and identifies market size, customers, market growth rates & trends

Operations provides direction on process viability, manufacturing costs & capital, complexity to produce, storage, distribution and packaging

Other screening criteria to consider include newness of the product to the market, intellectual property (IP) position, competition, expected product life-cycle, pricing and expected support services required.

Concept Development

After the initial screenings, R&D takes on an increased role through prototype development and testing functionality and application viability. During this phase, assess additional market size and profitability as well as customer evaluations.

Process Development

After concept development and screening, operations take on a more pivotal role by determining and testing the process. This can happen in pilot plant operations or directly in a manufacturing process depending upon the complexity of the product. It gives you the ability to finalize operating costs and capital, and in turn, margins and overall returns.

Commercialization

With the market quantified and operating costs and capital established with an overall acceptable return, sales & marketing and R&D collaborate to launch the product in the marketplace.

Internal training and communication are important to ensuring that all personnel from customer service to sales understand and can communicate the product effectively to the marketplace. Develop key talking points clearly identifying the product's benefits as well as an FAQ sheet.

Pre-launch development includes *brand identity* (trade or brand name and logo design), key product messaging (tagline) and sales support tools. This can range from literature such as sales sheets and brochures to catalogs to technical information such as Material Safety Data Sheets (MSDS), Kosher & Halal certification to research papers, patents and sample availability.

An integrated, well-developed *promotional plan* should also be part of the commercialization process. Venues such as web banners, print advertisements, direct mail, web site, webinars, podcasts, blogs, e-mail blasts and community groups can raise awareness. Trade shows and conferences allow for product awareness and overall company presence in an industry. Public relations efforts should include press releases, editorial coverage, speaking opportunities and sponsorships.

In short, successful new products are about more than just "new." Product innovation takes planning, process and performance to provide the right combination of uniqueness and relevance.



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