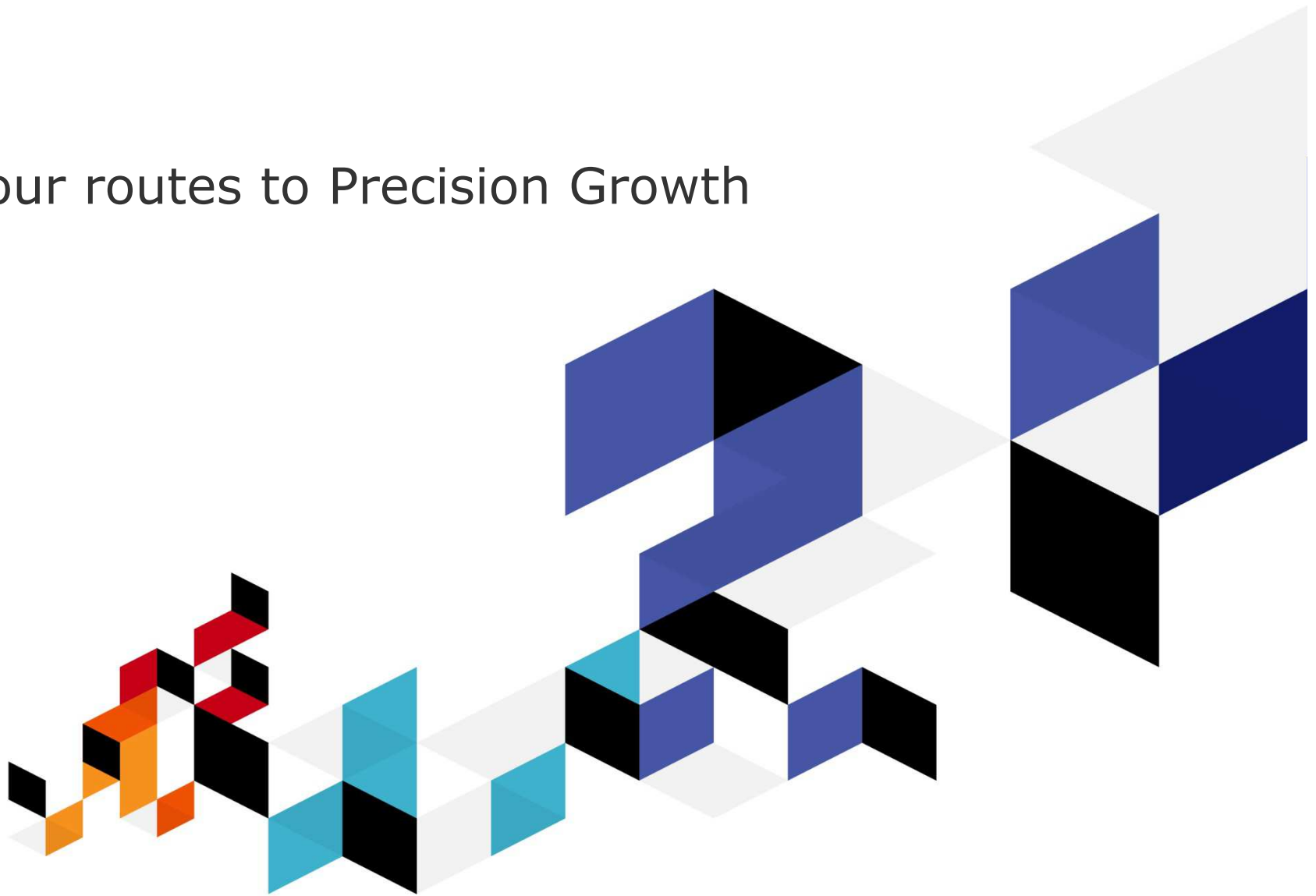


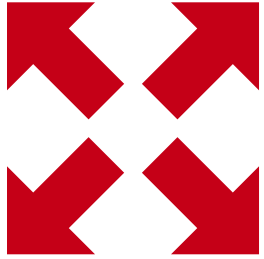
# The four routes to Precision Growth



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# Programme overview



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A model to understand the 4 routes to growth



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The role of innovation in driving growth



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The importance of identifying the incremental potential of your innovation



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The need for companies to closely monitor and respond to post-launch performance and how this should inform future innovation strategy

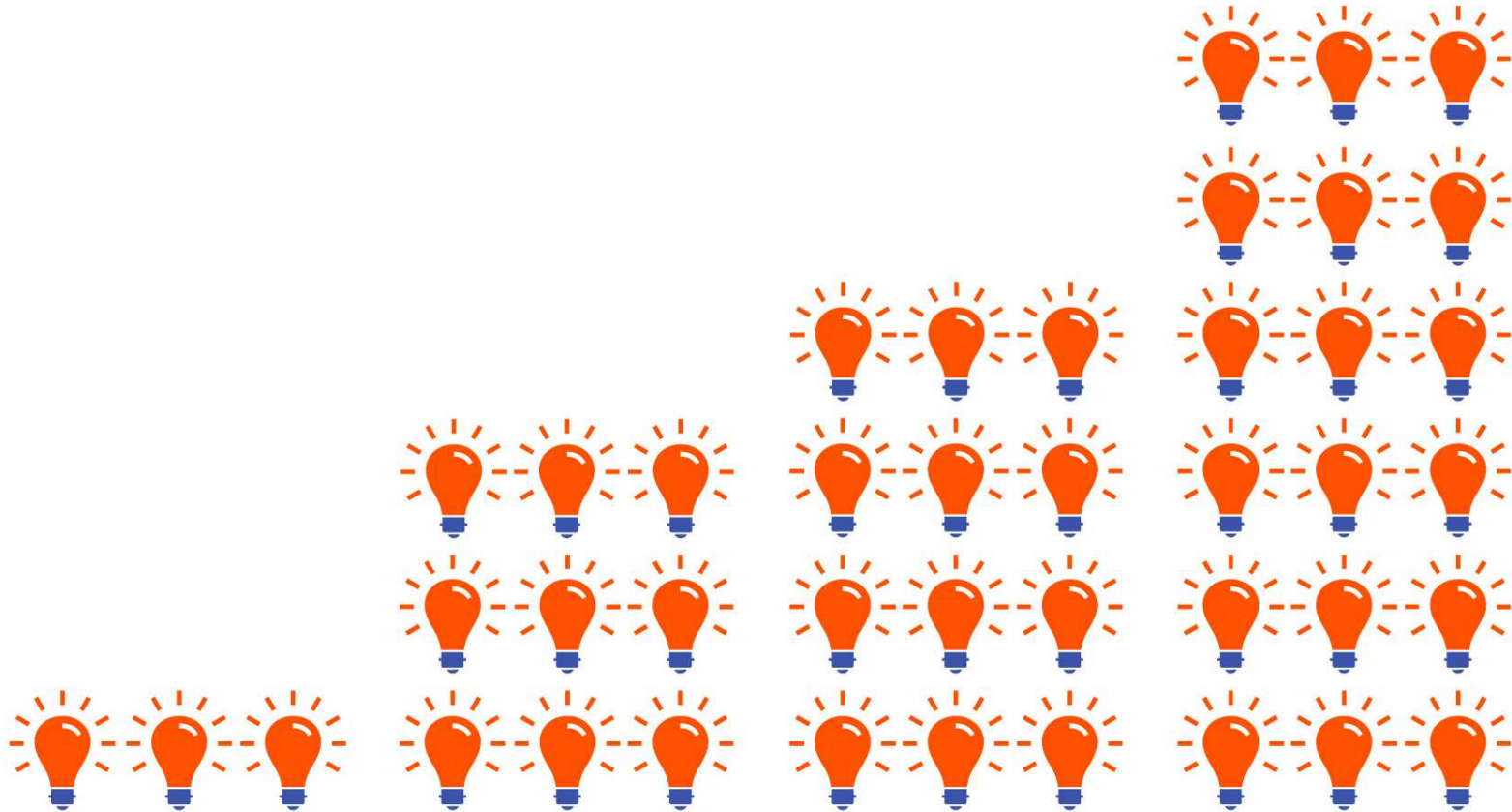


# Growth is critical for any business



## The four routes to Precision Growth

# Innovation is vital to growth



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## Innovation is vital to growth

**84%** of senior executives said innovation is very important to their companies' growth strategy

McKinsey&Company

**75%** of consumer products companies' growth will come from new developments in the next 10 years

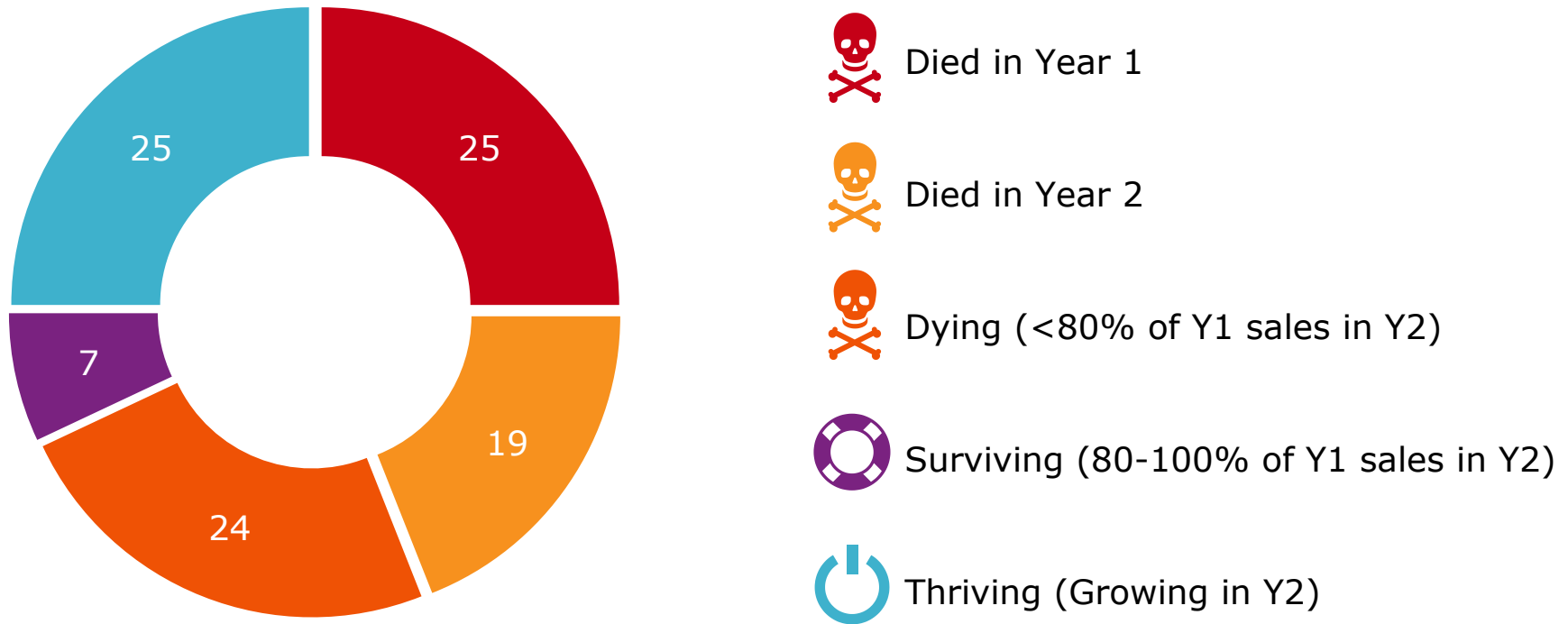
KANTAR WORLD PANEL



# Only 1 in 3 launches look set for survival into the third year post launch

## A quarter of 3877 launches didn't make Year 2; a similar proportion didn't make Year 3

%

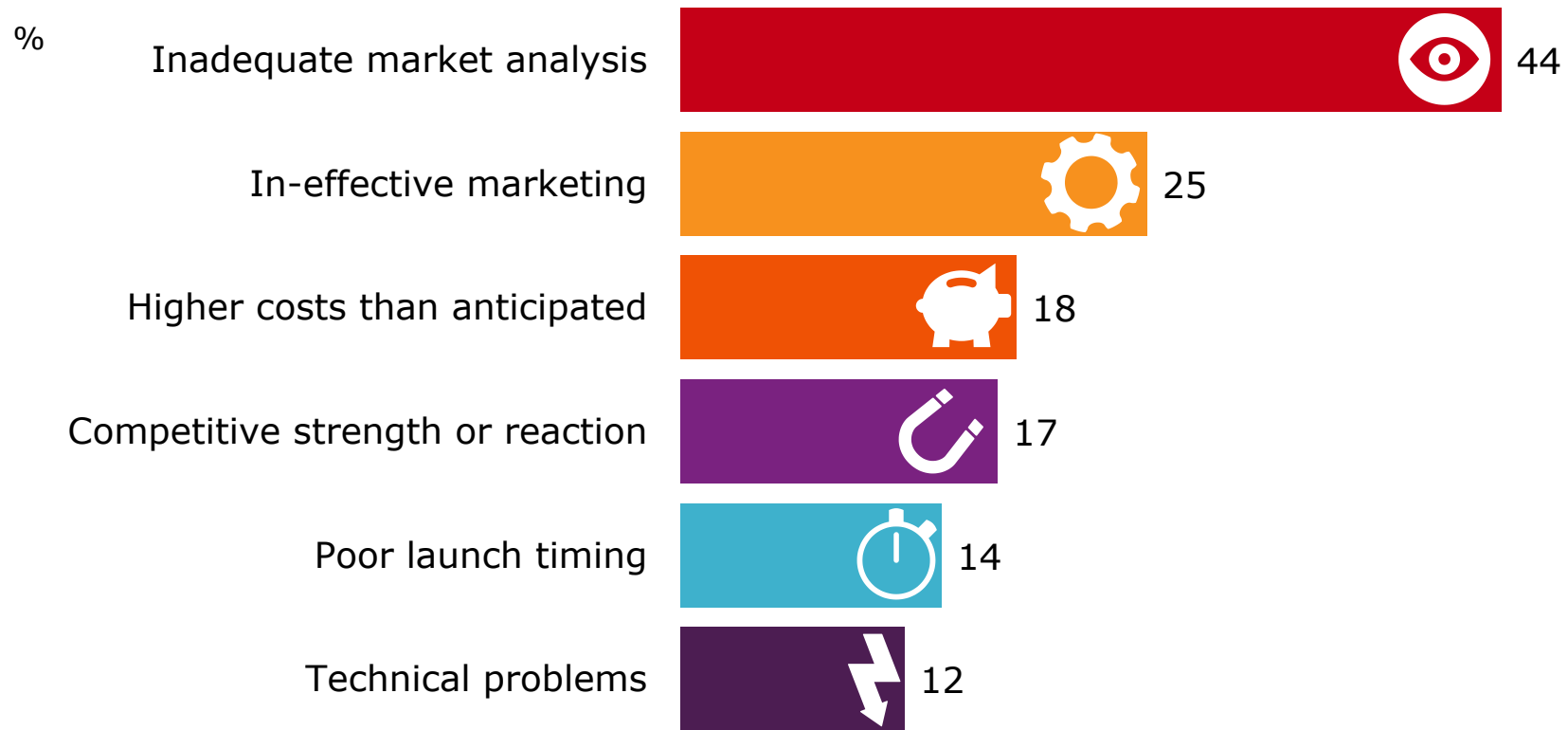


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# Inadequate market analysis and ineffective marketing support are the biggest causes of new product failure

## Main causes of new product failure



“

We don't think it's good enough to keep getting innovation wrong, so we need to do things differently

”





# LESS



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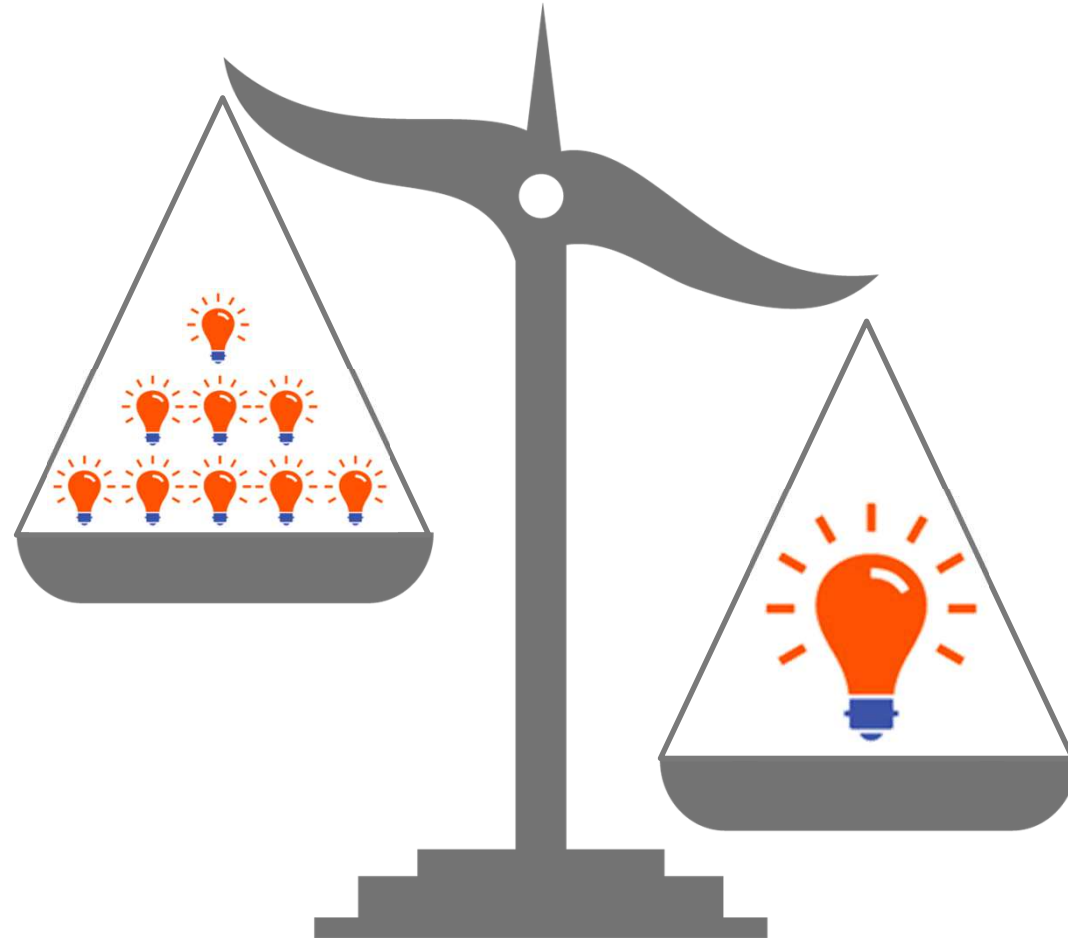
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# Less is more

Fewer product launches  
can boost innovation  
success

Companies need to identify  
and develop a much  
smaller number of ideas

Focus on successful  
innovations at an earlier  
stage of development and  
discard others



Less is more

“

You want fewer, bigger ideas

”

**Paul Polman, CEO, Unilever**

1

Identify and develop products that are at least better than what is currently available

2

Command a price premium for being better



# Kantar Worldpanel identified the 10 most successful UK Grocery launches of 2012



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# McCain Ready Baked Jackets: A new benefit to address a genuine unmet need

## Consumer Truth:

*I like to eat oven baked jacket potatoes...*

## Consumer Need:

*...as the taste is so much better than from the microwave...*

## Friction:

*...but they take so long to cook in the oven.*

**The insight is absolutely intuitive.**



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# LAUNCH

# PRODUCTS



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## Avoid the “fuzzy front end”

A fundamental weakness in the traditional approach to innovation is that it starts at the wrong point: with an ideas workshop.



To succeed, a business needs a precise idea of where a winning concept is to be found

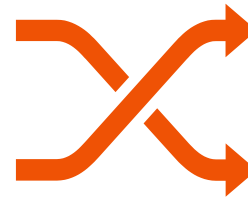
Innovation needs to start by identifying a consumer need that is unmet or under-met by the existing products available.



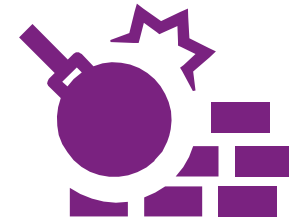
**Core needs**



**Occasion needs**



**Convergence**



**Breakthrough**



Concepts developed using our Matrix approach to opportunity identification are up to 6 ½ times more likely to qualify for development than the industry norm



Industry-wide, vast majority of early stage ideas qualify for significant development\*



At TNS significantly higher number of early stage ideas qualify for significant development\*\*

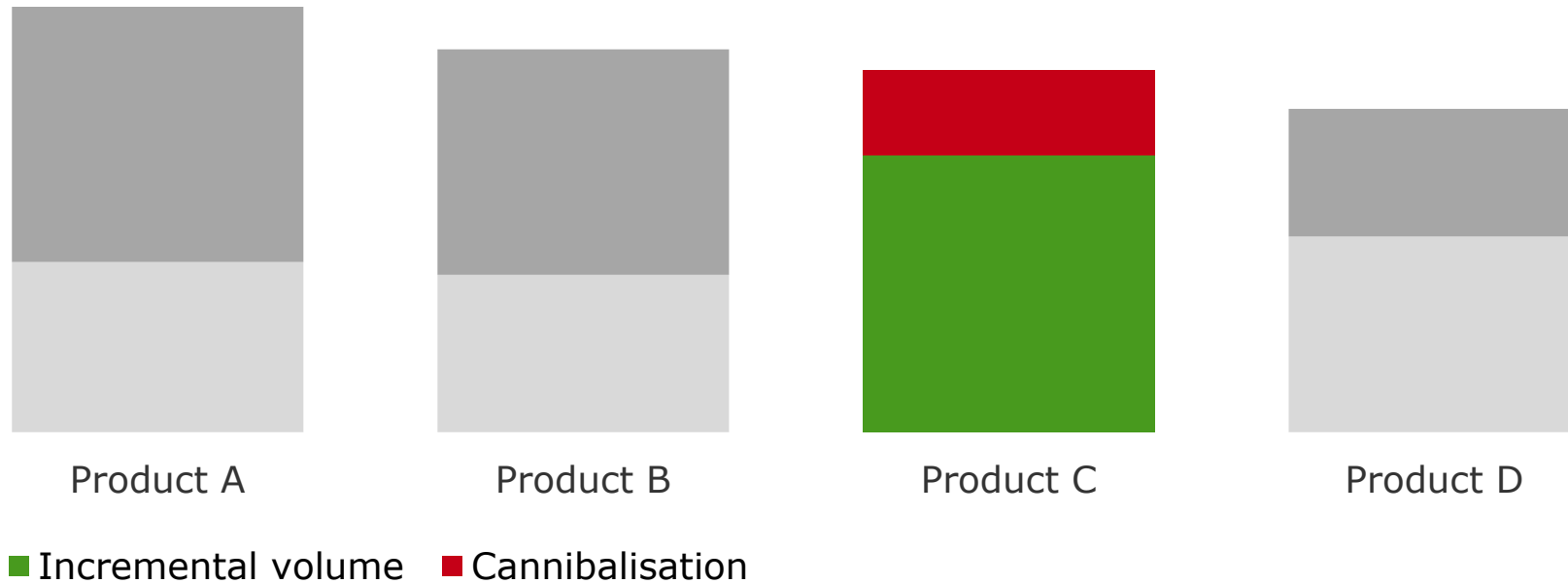
\*Source: US Department of Commerce, Rosen, Dodd  
\*\*Source: 2010 sampling of Matrix clients developing new products



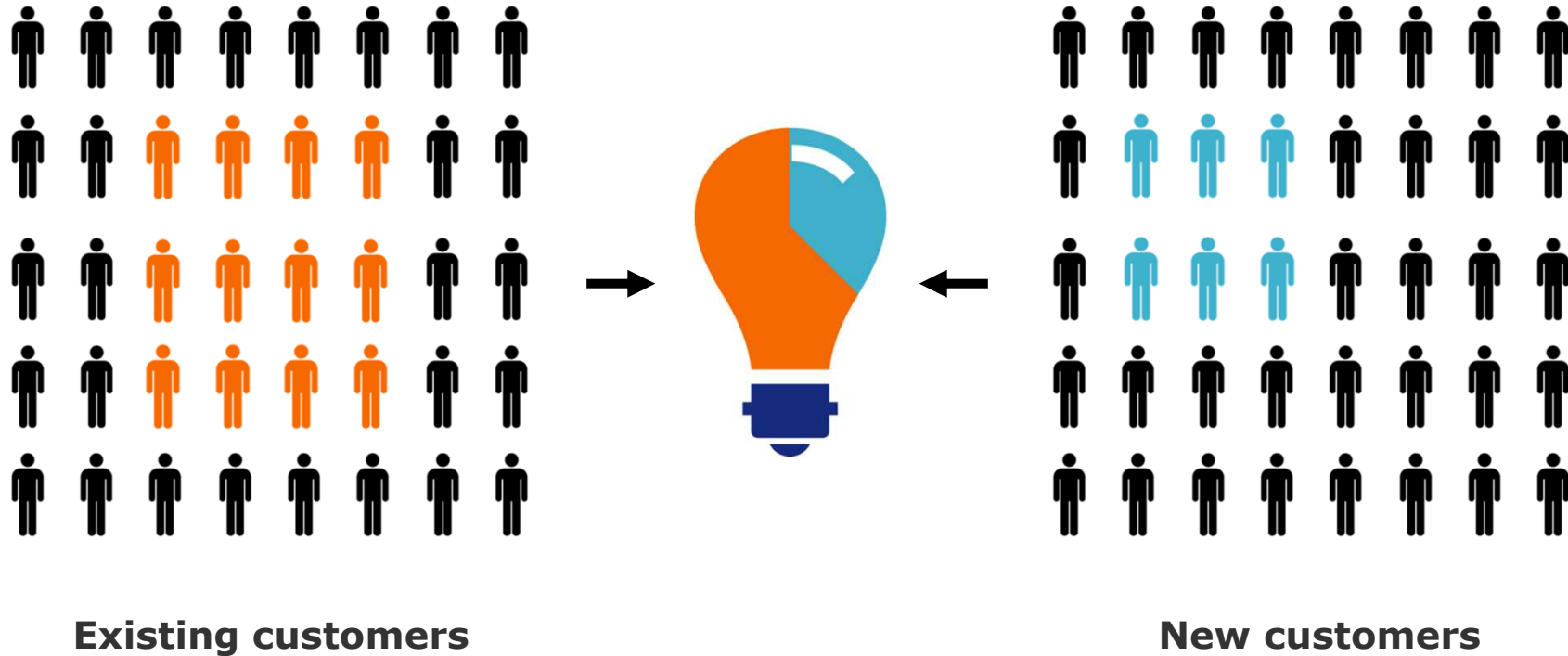
But, the biggest volume is not always best – the earlier in the process you identify incremental opportunities, the less time and money you will waste

Understanding only total sales potential for these products would have provided a very misleading direction for the client

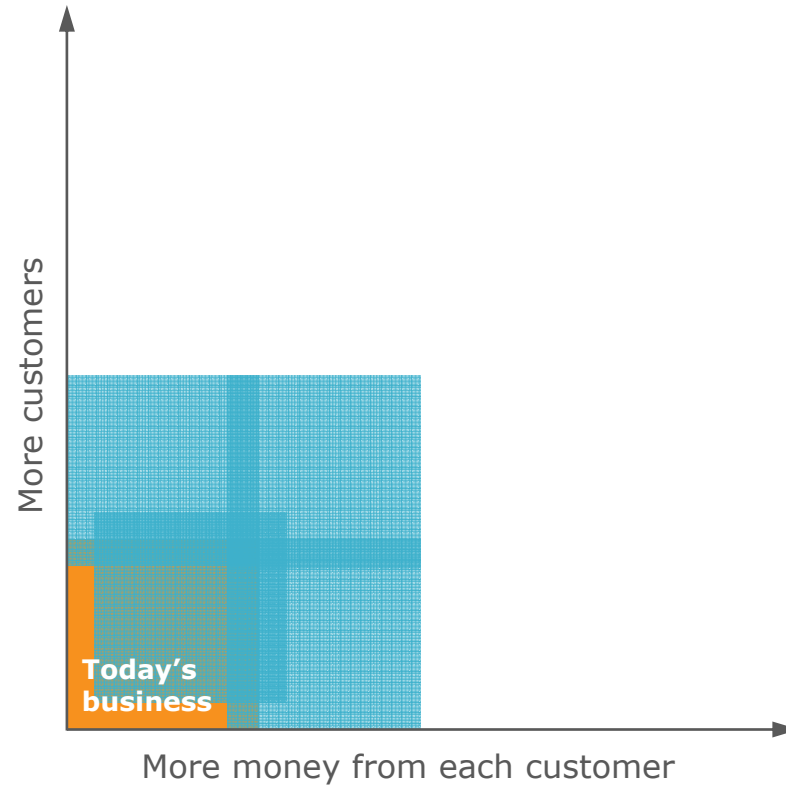
%



Micro-modelling is the only way to understand where the source of volume is coming from



Once we know how the new product performs on the individual level, we can understand how it will grow your business



# LAUNCH PRODUCTS



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# LAUNCH



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# Strongbow Pear

£10 million campaign

Worked with the supermarkets to gain incremental category listings

Promote above the category average

Your innovation needs to be in every major outlet



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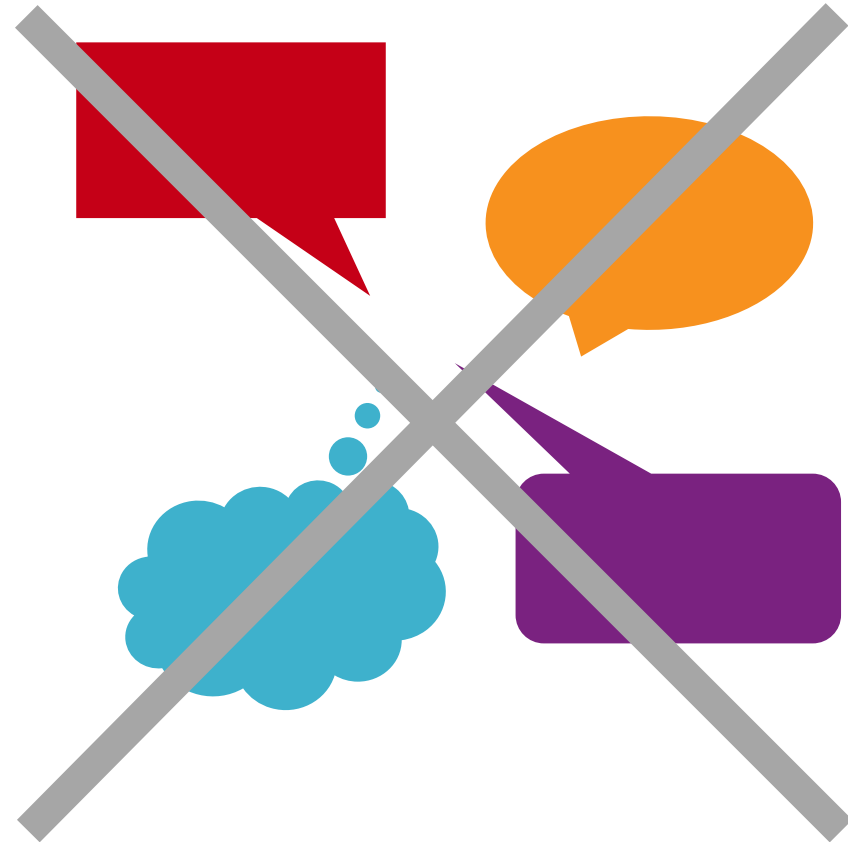
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# Another key weakness of many innovation processes is that they don't seek consumer feedback post launch

Once the launch happens, the insight and product development teams pat themselves on the back and often

... hand their babies over to the marketing teams and brand managers

before going back into another internal brainstorm...

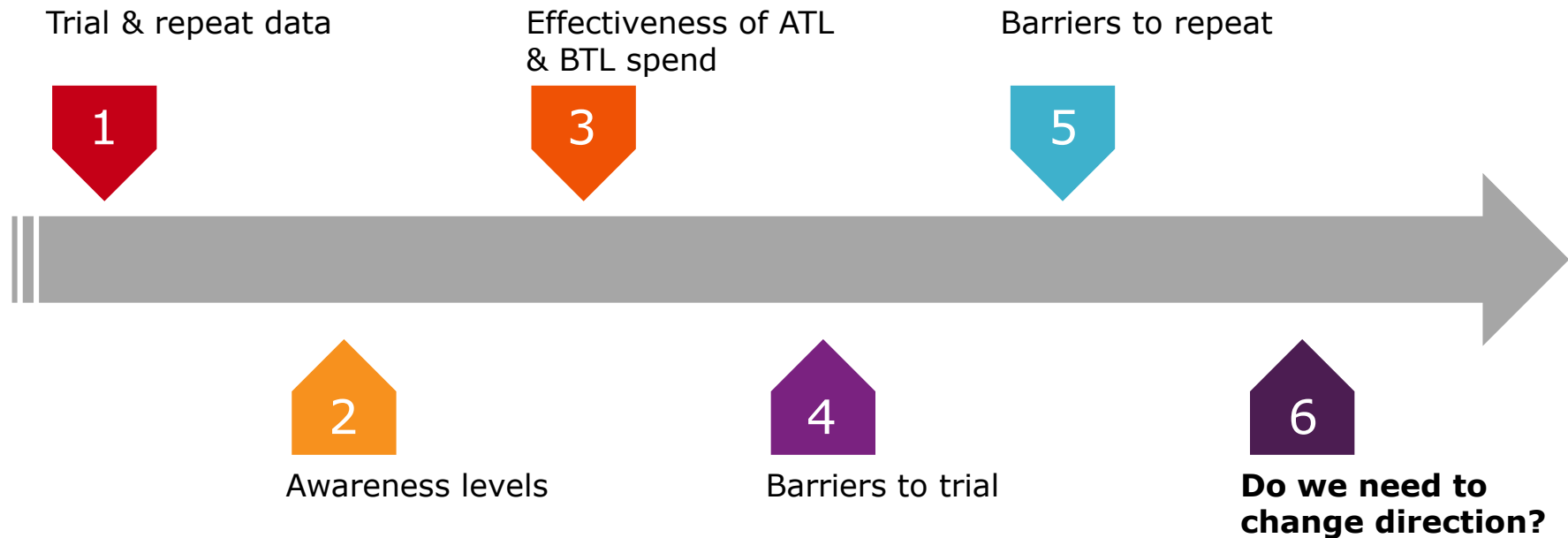




# The launch is not the end of the innovation process

A business needs to understand what elements of the launch plan are working and what needs to be improved in real time.

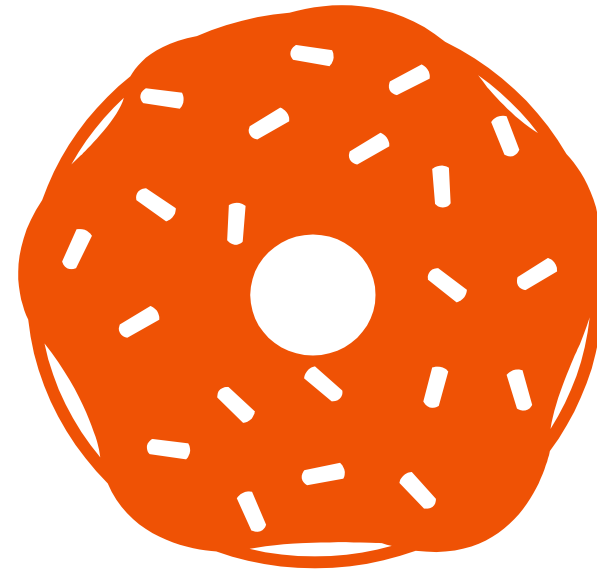
Combine panel data with customer feedback



# Biscuit case study

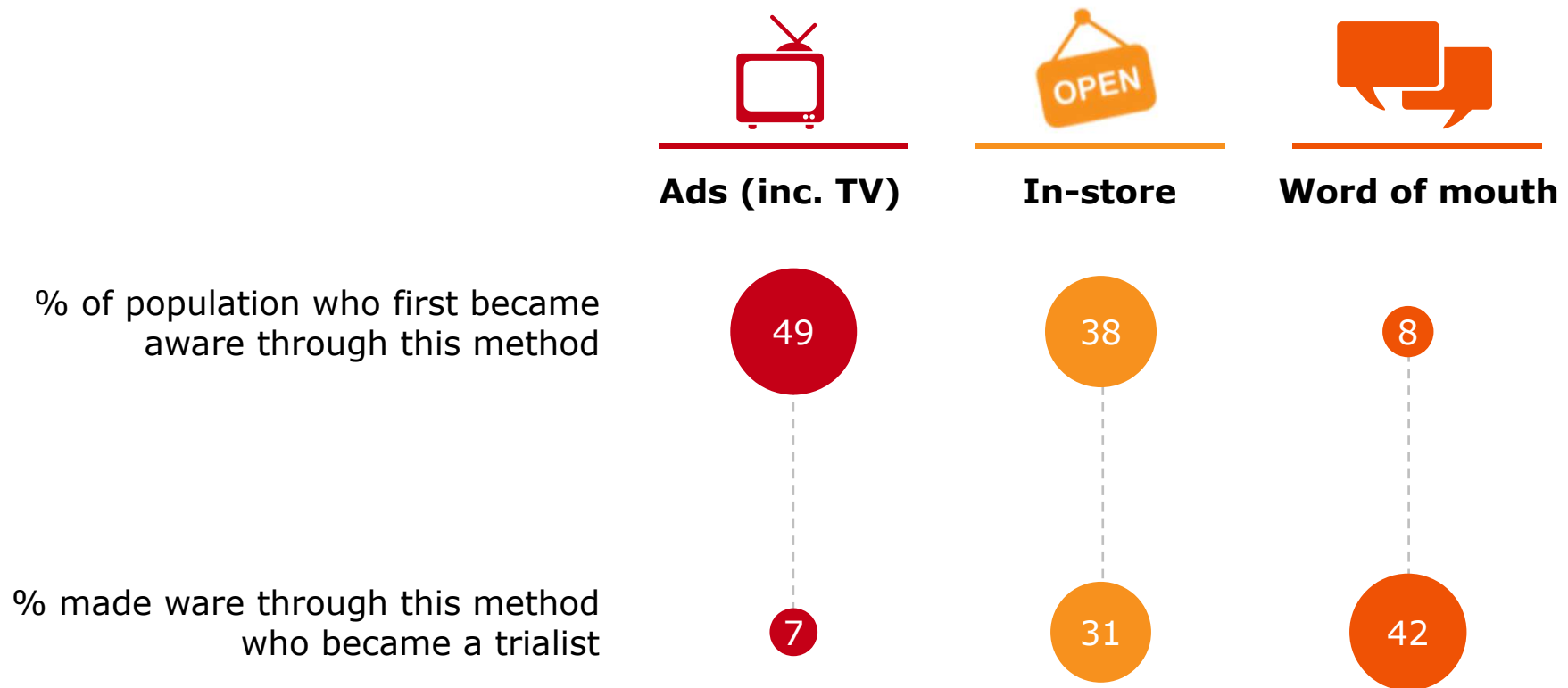
A new biscuit launch for our client had disappointing levels of awareness

Kantar Worldpanel data showed that trial had started to plateau 1 month into launch



# Maintaining trial momentum

Further investigation revealed that TV proved a much less effective driver of trial than in-store promotion and shelf displays



# Actions to be taken from survey

A consumer survey using our LaunchPad service on TNS Omnibus also showed that:

- There was significant untapped potential, especially amongst older and C2DE consumers.
- Product needed to change messaging to a more wholesome positioning to convert awareness into trial



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**Shift spend from TV  
to In-Store**



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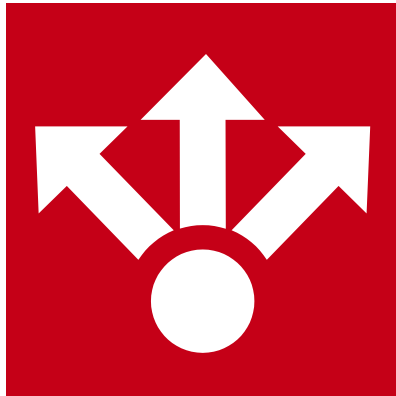
**Target the untapped  
potential**



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**Changed messaging**

## In summary



**Understand what path to growth you are on**



**Launch fewer products**



**Launch better products**



**Launch products better**

# Thank you



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