

## Failure to Innovate or Innovation Failure? Avoid Both!

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Consumer habits and desires change through time, sometimes rapidly, other times slowly. They are the forces behind research and technological innovations that eventually change whole categories. Consumer product manufacturers and marketers need often to re-invent, or innovate from scratch—those that do survive and even thrive, while those that don't are relegated to fading away.

For instance, if retailers one by one begin discontinuing your product line and tell you it's just no longer selling, this is a clear warning to clinically examine it—the product itself, how it is marketed and outside forces affecting consumer perception. As an example of the latter, when kava kava began to receive some unsavory press about potential side effects, sales of kava products declined and a great many of those products were discontinued. An example of the product itself being reexamined is original fish oil soft gels that caused that fishy taste that would repeat. Companies that developed technology to prevent “fish burp,” or used another omega-3 source such as krill oil, saw sales increase, eventually obliterating those that still had the repeating effect.

Meanwhile, there are incredible opportunities to succeed that are often ignored. Executives need to recognize them and be able to translate market opportunities into relevant products. Yes, products do fail, as do businesses. Survival rate post-launch is never guaranteed—and neither is failure. How can your product have the best shot?

Here are three key mistakes to avoid as you look toward success:

### 1. Ignoring Key Trends

Is it a fad or is it a trend? Recognizing the difference is critical to long-term success. A fad is always a short, intense term, rising quickly, and falling and ending quickly. An example in our industry is the herbal supplement horny goat weed; it was all the rage when launched, and although it is still sold, the demand has lessened after the fad-like hype dissipated.

Meanwhile, a trend often becomes a long-term influence on a market's future. Example: glucosamine and chondroitin are two well-researched ingredients for joint support that opened doors for other ingredients such as MSM to be added to these formulas. For about 15 years now, glucosamine and chondroitin are still being launched in formulas for the joint support market, although the launch numbers have leveled off.

There are few companies well-poised to take advantage of fads, but all of us need to be aware of trends that affect our businesses. For instance, was “low carb” a fad or a trend? I'd argue that while Atkins crashed hard, the scientific data continues to support a low-carb, high-protein diet as a strong component of a weight management regime. We're seeing a shift in terminology. Products once billed as “low carb” are now focused on “high protein.” They are indeed two sides of the same coin. Meanwhile, gluten-free products are rapidly increasing. Rockville, MD-based Packaged Facts found that 18 percent

of consumers polled in its August 2012 survey buy gluten-free food and beverage products, whether due to allergies or other health reasons. If 18 percent of consumers are buying gluten-free, it's clearly not a fad.

Executives who fail to recognize dramatic shifts in consumer behavior have often been in their business for a very long time and are considered experts, but are risk averse. We all need to look around and continually reassess current business in light of shifting trends. A perfect example of this is found in another industry. CPI Inc., the operator of family-portrait photography studios in Sears and Walmart, announced that all 2,700 U.S. locations are being shuttered. The reason? They had failed to transition their facilities and services from film to digital processing. It wasn't a fad or a small niche to be ignored.

Conversely, in the food industry, Kellogg's, a brand long known for cereals, has become a serious player in healthy snacks, and is leading the trend in high-nutrition bars, such as Fiber Plus, Nutri-Grain and Special K, the latter is a brand extension from its venerable Special K breakfast cereal. I believe that the food company's leadership saw the boom in convenient bars and took their core competency to innovate these products, giving their consumers what they were buying elsewhere while keeping their core brand messaging intact.

### 2. Misunderstanding the Consumer

Whether a product works or if it has the best scientific data is irrelevant if the buyer doesn't believe the concept

to begin with. Sometimes we rush into development based on data, and miss testing the concept first. The category of “beauty from within” beverages launched by billion-dollar companies including L’Oreal and Procter & Gamble are a great example. U.S. retailers didn’t know where to merchandise the products, while American women simply weren’t ready to buy into this concept, nor did the few who were know where to buy them. It’s not that the products didn’t work.

Benchmark development is not the beginning of product development—it’s the phase in the middle. Successful innovation begins with understanding the user’s desires, motives and beliefs.

### 3. Going Off Strategy

Successful innovation begins with a solid understanding of corporate mission. What are you really trying to do? Who are you trying to be? The mission becomes a tool for idea evaluation.

Deciding to extend a well-established brand into other dosage forms or related foods may not work. For instance, Pfizer introduced Ben-Gay

aspirin in the mid 1990s. It must have seemed to make sense: strong brand associated with pain relief decides to extend the brand to oral analgesics. But consumers couldn’t make the leap and the product failed.

One of the first things we do with clients in new product innovation is to help them understand both what they think their market is, as well as understand where consumers think it is. The larger the gap, the larger the resources required to bridge it.

Having strong mission statements and knowing what your market includes (and what it does not) along with a rigorous process for evaluating ideas will help avoid this mistake.

### Conclusion

Companies both large and small regularly make product development mistakes. Sometimes it occurs on the front end, misidentifying the real problem, or mistaking a trend for a fad. Other times it occurs in the actual formulation of products or packaging. And sometimes it is a timing issue—either hitting the market too early when no

one is ready, or sometimes it’s getting there too late. Keeping our eyes open to what is happening around us and learning from each other’s experience will make the next idea more likely to succeed.

Remember without risk, there’d be no failure. But without risk, there would also be no reward. **NIE**



For more than 25 years, Beverly Emerson has been helping leaders of food and nutrition companies achieve significant growth through successful new product innovation. An accomplished CPG marketer and R&D executive, Emerson integrates consumer insights with technical expertise, creating products that make a difference—to both consumers and the bottom line. She can be reached at [bev@olivetree-pd.com](mailto:bev@olivetree-pd.com) or [www.olivetree-pd.com](http://www.olivetree-pd.com).

## ScienceUpdate

### Higher Blood Omega-3s Lowers Older Adults’ Mortality Risk

**O**lder adults who have higher blood levels of omega-3 fatty acids may be able to lower their overall mortality risk by as much as 27 percent, and their mortality risk from heart disease by about 35 percent, according to a new study from Harvard School of Public Health (HSPH) and the University of Washington. Researchers found that older adults who had the highest blood levels of the fatty acids found in fish lived, on average, 2.2 years longer than those with lower levels.

“Although eating fish has long been considered part of a healthy diet, few studies have assessed blood omega-3 levels and total deaths in older adults,” said lead author Dariush Mozaffarian, associate professor in the Department of Epidemiology at HSPH. “Our findings support the importance of adequate blood omega-3 levels for cardiovascular health, and suggest that later in life these benefits could actually extend the years of remaining life.”

In the study, published in the journal *Annals of Internal Medicine*, researchers examined 16 years of data from about 2,700 U.S. adults aged 65 or older who participated in the Cardiovascular Health Study (CHS), a long-term study supported by the National Heart, Lung, and Blood Institute. Participants came from four U.S. communities in California, Maryland, North Carolina and Pennsylvania; and all were generally healthy at baseline. At baseline and regularly during follow-up, participants had blood drawn, underwent physical examinations and diagnostic testing, and were questioned about their health status, medical history and lifestyle.

The researchers analyzed the total proportion of blood omega-3 fatty acids, including three specific ones, in participants’ blood samples at baseline. After adjusting for demographic, cardiovascular, lifestyle and dietary factors, they found that the three fatty acids—both individually

and combined—were associated with a significantly lower risk of mortality.

One type in particular—docosahexaenoic acid (DHA), was most strongly related to lower risk of coronary heart disease (CHD) death (40 percent lower risk), especially CHD death due to arrhythmias (electrical disturbances of the heart rhythm) (45 percent lower risk).

Of the other blood fatty acids measured—icosapentaenoic acid (EPA) and docosapentaenoic acid (DPA)—DPA was most strongly associated with lower risk of stroke death, and EPA most strongly linked with lower risk of nonfatal heart attack. None of these fatty acids were strongly related to other, non-cardiovascular causes of death. Overall, study participants with the highest levels of all three types of fatty acids had a 27 percent lower risk of total mortality due to all causes.

For more information, visit [www.hsph.harvard.edu](http://www.hsph.harvard.edu).

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