



CAN'T BUY ME LOVE - INNOVATION IN THE CPG INDUSTRY: A CALL TO ACTION

Abstract

Futurist Ray Kurzweil said “The Singularity is near”. “The Singularity” will happen in 2045 – intelligent machines will design other even more intelligent machines. The jury is yet out on what might happen after that, however, at least till that time humans must invent new products, services and experiences. It is time for the CPG industry to orchestrate and deliver memorable experiences for consumers, and in such a way that memory itself becomes the product — the ‘experience.’ The industry must take three key steps to create memorable experiences — deeply empathize with consumers, amplify people, and get comfortable with low fidelity, and high-speed experiments.

Can't buy me love, love Can't buy me love

*I'll buy you a diamond ring my friend
If it makes you feel all right
I'll get you anything my friend
If it makes you feel all right
'Cause I don't care too much for money
For money can't buy me love*

- Beatles

The question is – do you really know what will make your consumer feel all right? Or let us put this another way – as a consumer Packaged Goods (CPG) firm, how many new products, services, or experiences have you delivered successfully to consumers in the past year? Yes, the answer isn't very encouraging. Only a third of product concepts reach the launch stage, and of that subset, approximately 40% product launches are deemed successful.

Can't buy me love, love (Marketing alone) Can't buy me love

Dismal numbers aside, let us just take a look around. As consumers, we have transitioned from wired landline phones to smartphones; from nothing / paper journals to Fitbits. Technological advancement may appear as the reason for this. However, I firmly believe this is only because someone first decided to think differently, and after that, invented or leveraged a technology to manifest that thought process. Consumers — especially in developed economies — have transitioned from consuming and owning to experiencing. They have transitioned from being passive consumers of products to being actively engaged in shaping their own experiences and sharing these experiences with others.

Marketers have done a great job of connecting with consumers through new

channels and in providing consumers new ways to share their experiences; however, without a new product / experience addressing a real and unmet need, marketers are getting into the ring with their hands tied behind their backs. Our toothpastes, our soaps, our deodorants, our detergents (with due respect to the randomly picked categories here) have remained very similar to what our earlier generations used. Brand extensions and variants are abound, but where is the new dental care experience or the new fabric care experience? Consumer experiences have not fundamentally transformed.

It is time for the CPG industry to embrace and act on Joseph Pine's and James Gilmore's argument that businesses must orchestrate memorable events for their customers, and that memory itself becomes the product — the 'experience.'



Tell me why?

*So tell me why it don't feel the same
Tell me why I've got to feel this way
Yeah you leave, you're gone
And I'm left here with the blame
So tell me why it don't feel the same*

– Collective Soul

The question is – why? Why have we, as an industry, not been able to deliver new, superior experiences to consumers? Why have we not been able to deliver new, game-changing experiences for consumers? Especially given how close we can be to consumers; how well we can understand their Day-In-the-Life-Of (DILO) – their daily journeys; how we can process much more data to make sense of 'big data'? What is really stopping us from creating game-changing experiences for consumers? I think we can begin to answer these questions by understanding and – if necessary – redefining our goal. This is a journey each of us needs to start to seek our own answers. Here are three steps that can help you in this journey.

Step # 1. Find yourself another soul to hold

*Find yourself another soul to hold
You think, you thought, I know
Off upon my journey I must go
To where the river flows, to where the
river flows
I'll give you answers
To the questions you have yet to ask*

– Collective Soul

In order to create truly new experiences, we need to be genuinely interested in making a difference in the lives of our consumers. Like Tim Brown said, "This is what empathy is all about. Not just sympathy for someone else's circumstances, but the deep intuition for what it feels like to live their lives." Like Vishal Sikka says, "Let's create Zero Distance between us and our consumers.". Let's walk in their shoes. If we can, let's live their lives – even if it is for a few days. This will not be easy; but when done well, we will have awesome insights to draw inspiration from.

Nestle Purina's 'Just Right' pet food meets one such need of every pet and every pet parent. "Every dog is unique and that's why we believe the best solutions are personalized," said Brian Lester, the brand's director of marketing.

It is when we know our consumers deeply – not simply from a perspective of the product our firm knows to manufacture and market, but holistically, overall as human beings – that our journey to amplify their experiences begins.

Step # 2. Amplify people

Consumers buy things that they can do amazing things with; they buy things that help them create or be a part of a community; they buy things that help them connect with something larger than themselves – consumers buy things that amplify them. Embrace the fact that people are moving away from traditional definitions of ownership (think of all the examples you have experienced, thanks to the 'sharing economy'); that they are actively generating their experiences and are sharing them with their social network. Consumers feel fulfilled when they can autonomously make a difference in their own lives and the lives of others.

Apple leverages this truth very effectively. Their commercials always focus on communicating how you can view and shape the world around you by using one of their products. Go ahead, amplify consumers, amplify those around you, and see the magic unfold.

Step # 3. Get comfortable with low-fidelity, high-speed experiments

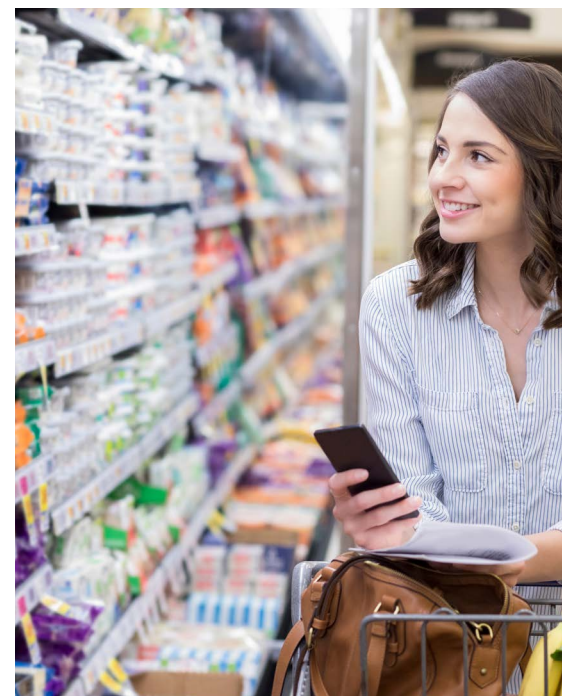
We must focus on 'thinking' and 'doing,' simultaneously. In true Design Thinking fashion, we must bring our ideas to life and test them - rapidly. Do not wait to create high-fidelity, fail-proof prototypes. Be confident in the knowledge that the more we test, with high speed, the more we will learn and the more we will increase our chances of success. Leverage

your consumer and community connects and technology to help execute these experiments quickly and economically.

P&G has leveraged technology for testing new products. They create realistic, virtual prototypes and test them in both, the real and virtual worlds. This way, P&G saves time in iterating through ideas / products / experiences, in refining them to MVPs, and then to commercial scale. They have refined these techniques over time and now 80% of their new products are designed and tested using these techniques.

For example, we can use design tools to create low-fidelity prototypes at low costs and use virtual reality techniques to simulate new products placed on shelves in stores, in order to test consumers' interactions with the new product / environment. Let us go out there and break a leg.

Simply put – I think it will be game-changing if we focus on helping consumers live bigger yet simpler lives and if we leverage Design Thinking as a way of living to empathize with consumers, identify the most impactful 'problems' to solve, solve them rapidly and iteratively, and then do it all over again. Go Zero Distance with your consumers and share your stories with others. I, for one, would love to hear from you.



About the author



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Prateek Sinha leads Infosys Design Thinking practice from India. He also leads Infosys' Retail and CPG consulting practice from India. He has 18 years of Retail, CPG and consulting experience. He has lived in Chicago for 14 years and has helped clients across the US and Europe. During this time, he has launched coffee and tea brands, managed a beverages business and led transformations for Fortune 1000 firms including Mondelez International, Kellogg, Kraft Foods, General Mills, Estee Lauder, Ralph Lauren, GAP, Target, Walgreens, Sears Holding, Chicos, Food Lion, Safeway.

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