

Getting more golden eggs without killing the goose

In Aesop's fable about the goose that laid the golden egg, the goose's owner became impatient waiting for each golden egg to be laid so he killed his goose, anticipating that her insides held solid gold. Instead, he found only her internal organs. The man's impulsiveness ended his ability to get more golden eggs and ruined his life.

For certain business organizations, the goose and the golden egg is a metaphor for a marketing fear. Companies whose success is based on a single brand are worried that any attempt to line-extend that brand — get more eggs out of it — will cannibalize, diminish or even end its golden life cycle. Their approach, defined by Ricky W. Griffin in the *Fundamentals of Management* as a single-product strategy, can sometimes be effective. Conversely, it holds significant risks, especially if customer needs change or the competition is more aggressive in the marketplace. It can also stunt the growth of a brand that customers would be highly receptive to purchase in other forms. The question for apprehensive companies considering moving away from a single-product strategy is how to do so without killing the brand that has yielded so much gold over the years.

To innovate or not

A major manufacturer of global consumer and household products faced this problem. For decades, this company marketed a well-recognized brand name with strong customer awareness and chose not to line-extend that brand. Management was torn. They were concerned about diluting customer perceptions of this "icon" brand but they were faced with competitors increasingly encroaching upon their territory and the product line was

losing share of market. Should they innovate and expand the brand name to new domains or continue their single product strategy and hope their brand retains its market share? In the past, the safe choice seemed to be a holding pattern; now the loss of equity was becoming too great a threat. Ultimately, management concluded that they wanted to better understand customer perceptions of their brand and identify what, if any, new products could be introduced under the brand umbrella.

Suggestions on refocusing innovation



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In order to break their paralysis, management chose a two-phase process, combining research and new product ideation. The research phase drew upon the technique of applied ethnography. When applied to market research, ethnography involves entering into the end-user's natural environment — home, shopping setting, or place of employment — to gain a more realistic understanding of their attitudes, behaviors and needs, and to better comprehend the context of product use. Innovation Focus Inc. was asked to field an ethnographic study that helped this organization's management grasp their customers' perception of the icon brand. Phase II of the project would use this understanding as a springboard to develop potential new products that would increase their brand's market penetration. Innovation Focus, working closely with marketing and advertising members of the team, designed a process that would allow the organi-

zation to participate in the ethnographic research, take ownership of the insights and develop potential new product ideas.

Show the reality

The value of ethnography was its ability to show the organization customer reality rather than customer reconstruction from memory via a focus group or survey. Sites were selected through an intensive process of a recruiting screener, pre-site visit homework and a phone interview. Research teams were designed to be cross-functional and experiential, with team members from the sponsoring organization and its advertising agency participating actively in the site visit while a trained ethnographer led the respondent interview. This approach provided the organization with real-life experience with their customers and made the field team more connected to, and responsible for, representing their customers' needs.

On-site observations produced insights that could not have been generated otherwise. For example, during one site visit, the field team visited a custom printer and observed that his technician, who had a variety of similar products at his disposal, chose the brand that was closest to him. When asked why, the technician explained that this brand was most convenient and that he did not want to take the time to walk across the room to get another brand, even if it might yield a better result. This simple comment was an eye-opener to the marketing team; their icon brand was not worth taking the time to walk 10 extra steps!

Data analysis

The goal following the research was to amass recurring themes and key insights, and then determine which of the themes and insights were within the company's strategic focus. Themes from the research were determined through clustering the research data and then defining the top customer needs, drivers and motivators. From the ethnography, the organization received resounding permission from the consumers to extend the brand line. Indeed, customers expressed an expectation of the company to expand the brand and were surprised that it had not yet done so. Based on this finding, the organization determined that new product expansion was essential to avoid long-term share-of-use erosion. The organization received the needed assurance that there was an opportunity, and a safe one, to expand its golden brand beyond its current single product line.

Insights into action: the innovation session

The next step in the process was to create new products and marketing strategies from the research insights via an innovation session. A cross-functional team was brought together to participate in the brainstorming process. This team included the field researchers, external marketers,

consultants, new product development professionals from non-competing industries and creative people from within the organization representing multiple functions. Those involved in the session were consistently reminded to focus on the customer through the use of customer profile sheets, which encapsulated each site visit into a one-page overview of findings. Additionally, the session centered on ideas which would be consistent with the company objectives while also protecting or extending the icon brand's equity.

The session was divided into two parts. The first segment entailed a large group exercise to brainstorm beginning ideas and concepts for products. The second part of the session consisted of a smaller core team from the sponsoring company to sort through the ideas to create a portfolio of platform areas and appropriate next steps. The large group session produced hundreds of seed ideas and concepts enabling the

small core team to isolate 11 key platform areas to move to the next stage of development.

The innovation session was more practical and productive because ethnography was completed beforehand. The ethnography provided the targeted themes and insights upon which new product ideas could be built. Additionally, the sponsoring company's participation in the research and analysis led to ownership of the research insights and a responsibility to represent real customer needs.

The outcome

Since the innovation session, the company's management has shown intense interest in expanding the brand. The session's platform areas are now in further testing and development.

From the beginning to the end of the project, the organization learned a number of valuable lessons. The team discovered the value of having

a well-documented, actionable process for implementing research results before entering into the field. The step-by-step process gave them the freedom to focus on the important phases between the beginning and end product rather than trying to jump immediately to the end product. Combining ethnographic research with the ideation and concept generation process produced an end result of greater breadth and value because ethnography yielded a more informed way to be imaginative in product idea generation.

Throughout the project, the team learned the value of nurturing the process rather than focusing on the end result. Most importantly, the project helped overcome corporate paralysis and reassured the sponsor that their beloved goose could lay many golden eggs and that both their company and their golden brand would be safe from harm. 