Mastering *Innovation Vitality*

Focusing on innovation health to grow your brand year over year

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NIQ BASES

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In the past year,

only

7%

of companies grew
their innovation sales

while only

50%

of innovations grew in their
second year

Our Analysis shows: *Innovation IS worth it!*
Companies growing Innovation Sales
are 2X more likely to grow total sales

Source: BASES Innovation Measurement Multi-Year Meta Analysis 2024

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Actionable, clear steps for driving innovation growth

Clear goals

What does this innovation need to achieve for the business? Are performance expectations realistic?

Focus on fundamentals

Have we done our due diligence in understanding market need and exceeding customer expectations?

Discipline

Are we committed to ongoing measurement and optimization pre- *and* post-launch?

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Innovation Vitality =

Number of innovations launched during a period which grew sales in Y2 vs Y1

Number of innovations launched during the same period[1]

Confirmed as **viable and relevant** by manufacturers, retailers and investors/analysts

Applicable across categories, geographies, and types of innovations

[1]Y1 is defined as 52 weeks since an innovation crosses 1% distribution; Y2 is defined as 52 weeks following Y1

Use cases

Strategic review of innovation strategies

Bolster retailer selling stories

Asses organizational decision criteria, resource allocation and stage gate processes

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Focus on fundamentals

Measure, plan, manage, and action your innovations into long-term growth

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Manage your innovations as a whole portfolio, fitting the right activation to each innovation

Support the right innovations in the right way by:

- Understanding your innovation opportunities based on strategic potential
- Evaluating tangible activation tactics & implications by looking at different pathways to success
- Making better decisions using discriminating, predictive and proprietary BASES analytics

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Challenge

Most innovations decline in Y2 — largely due to decrease in marketing support

Opportunity

Teams should consider a launch “new” for at least 2 to 3 years while maintaining appropriate marketing support

Source: BASES Innovation Measurement Multi-Year Meta Analysis 2024

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Challenge

Continued incremental trial is critical in Y2. Gains in awareness and distribution are particularly important to drive this, and promotional support can also play a role

Opportunity

Strong product performance is critical for driving repeat – innovations should perform well on need/desire early, and the product should exceed consumers' in-going expectations

Source: BASES Innovation Measurement Multi-Year Meta Analysis 2024

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Challenge

Many manufacturers admit to cutting corners in market research, leaving innovation performance up to the toss of a coin flip

Opportunity

Forecasting, concept, & product testing can help refine ideas and improve new initiatives at various stages while ensuring that products remain aligned with their core insights

NIQ BASES State of Innovation Survey, 2017; NIQ BASES Modern Innovation Ecosystem, 2021

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Align your strategy around simple fundamentals

Measure

Understand company, competitor, and category performance so you can effectively goal set.

Plan

Determine optimal outcomes for your portfolio of innovations and for each individual innovation.

Manage

Ensure you are delivering on your plan; reassess to adjust plan and change for the following year. Create a cycle of learning.

Act

Adjust expectations, reset goals, troubleshoot and fix issues as they arise.

Align your strategy around simple fundamentals

Measure	Plan	Manage	Act
• # of innovations • Sales per distribution • Innovation vitality • Competition stack up	• Increase # of innovations • Outpace competitors in sales per distribution	• # of innovations • Sales per distribution • Innovation vitality	• Quickly address instances where falling short of goals
• Category innovation norms: Sales, Distribution • Forecast: Sales	• Align activation to specific innovation • Drive retailer acceptance in Year 2	• Week 4 onward track distribution • Year 2 distribution level • Sales per distribution	• Adjust retailer sell-in focus

Getting started

The first things to ask yourself:

Do you know your innovation vitality?

How many new items did you introduce last year and what are your plans for next year?

What are the average sales for new items in your category and for your brand?

What are fair distribution expectations, and do you have a multi-year plan to achieve them?

Learn more here,
or contact your
BASES representative
for more information

Do You Know *Your* Innovation Vitality Rate?

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