

How to monitor new product developments of competitors

THREE USE CASES



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Introduction

New product development is an essential part of a manufacturer's activity, directly linked to **remaining relevant and competitive**. It can be challenging getting NPD right, as evidenced by the number of discontinued products in every category every year.

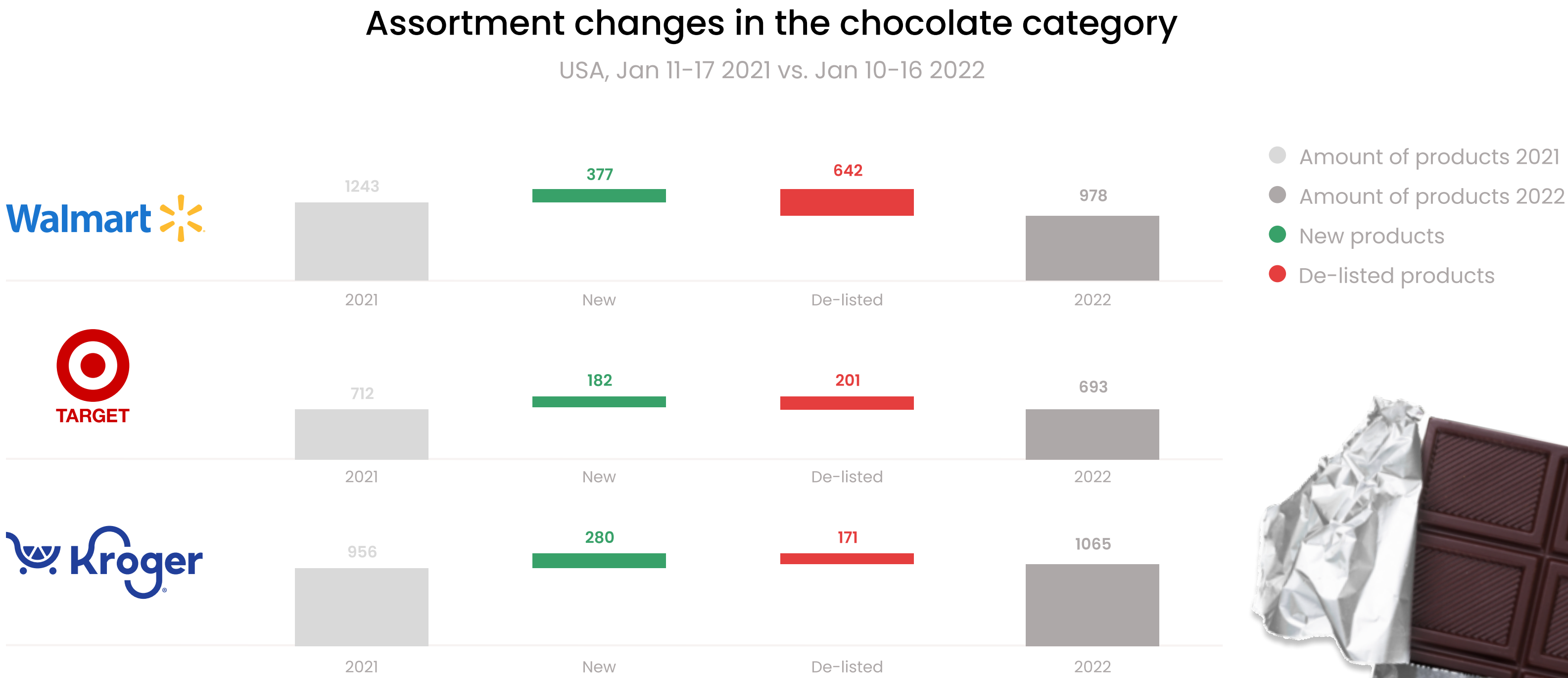
This document shows three different methods for a CPG to track new product development: by format, flavor and type.



Product format

Successful product development depends on how rigorously and comprehensively market trends, shopper needs and competitor innovations are tracked.

One way to monitor new product development is by tracking product **format** or **size**. In this first analysis, we see that there were many chocolate product additions and cancellations in the US in 2022.



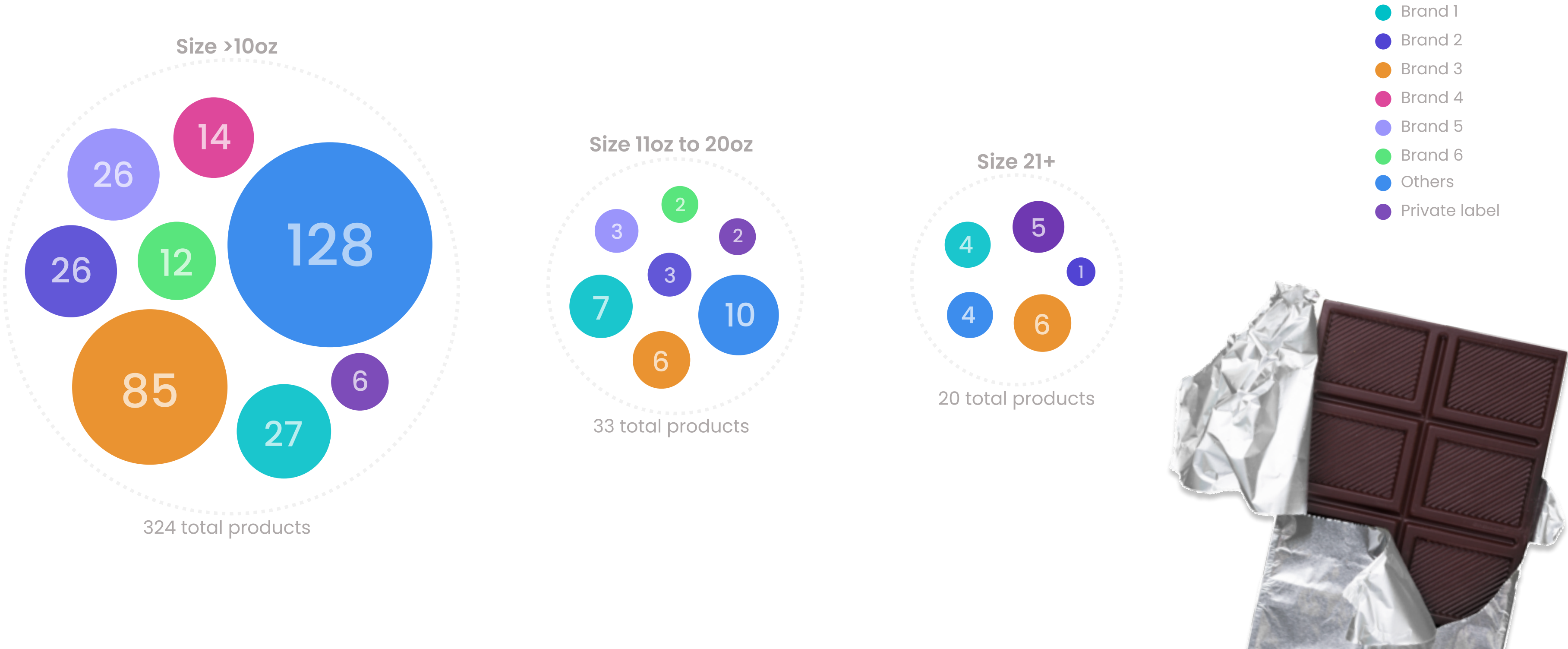
Product format

Now let’s take a deeper dive into Walmart, which saw the most product churn.

The analysis can be further refined by isolating the formats of the new products introduced. Among the 377 new products introduced in the chocolate category, **the vast majority of them were small format**. This can give a manufacturer useful insight into competitor activity.

New product innovation according to format

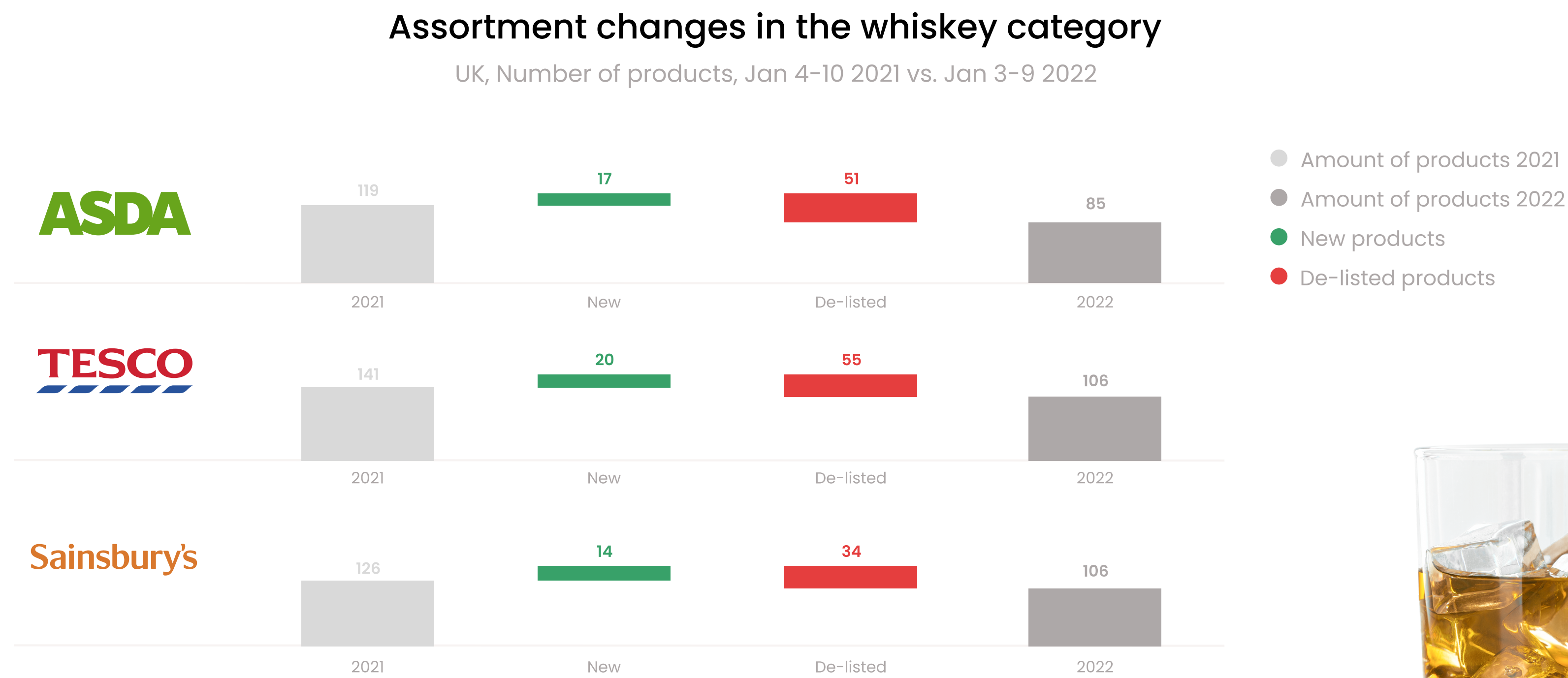
Number of products introduced between W11 of 2021 and W11 of 2022



Product flavor

Competition is fierce in the CPG market and margins are small. Spotting opportunities and learning from unsuccessful launches can be achieved with category-wide, comprehensive product tracking. Only complete category monitoring enables a CPG to see all competitor activity.

A second way to achieve this is by tracking **product flavor**. The first part of this analysis looks at overall category churn for whiskey in the UK.



Product flavor

Next, by isolating the new products at Tesco we can go further and break them down in terms of flavor.

Now we can see exactly what flavors were launched during this period – and how many. Again, this information gives whiskey manufacturers true insight into their competitor’s strategies.

New product breakdown – taste/flavor

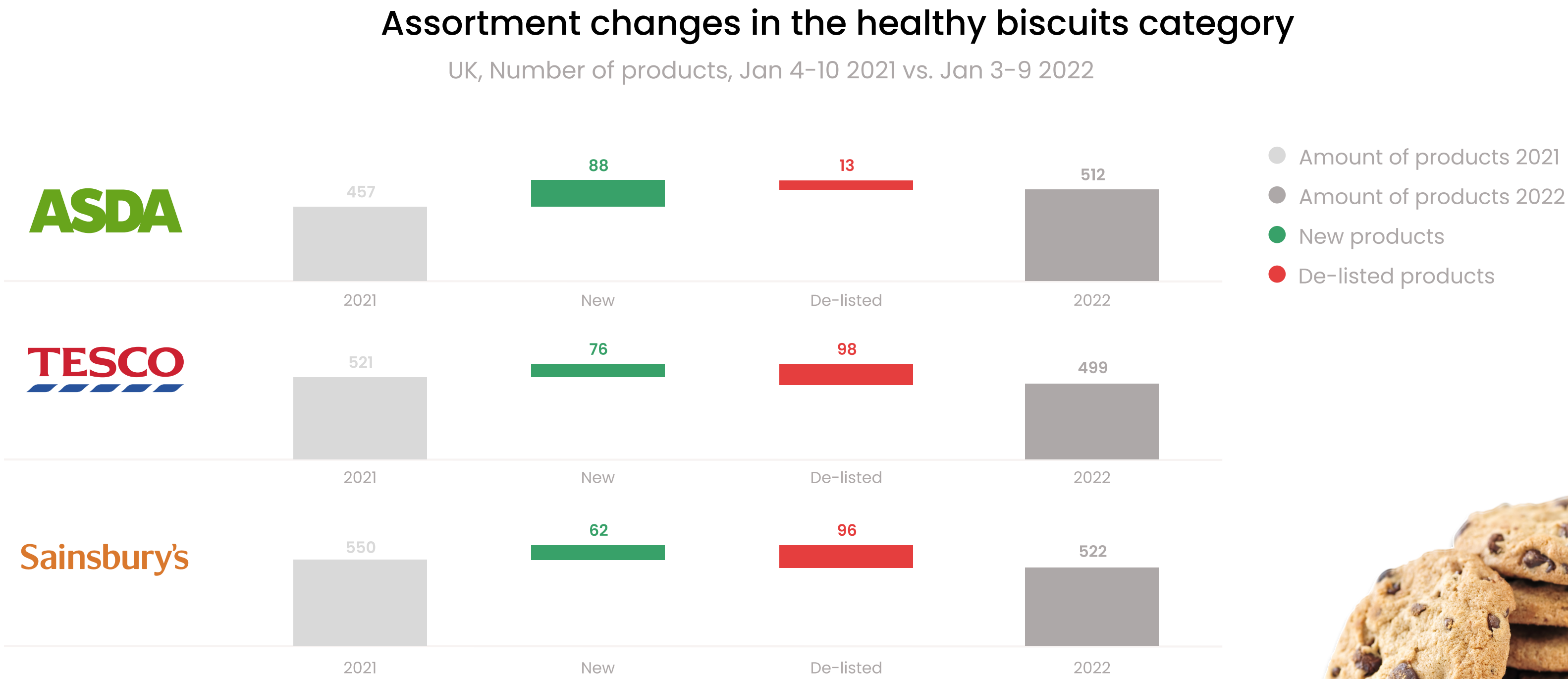
Number of products introduced between W11 of 2021 and W11 of 2022



Product type

It's not easy for a product manager or a CPG in general to innovate in a way that breaks through. New products that get a foothold in the marketplace need to be launched at **the right time and in the right way**, in addition to ticking off some other boxes we'll discuss later.

A third method for tracking new product development is to filter out the type of products launched within a category. Here is an analysis of the biscuits and cakes category. Again, first, new products are tracked.



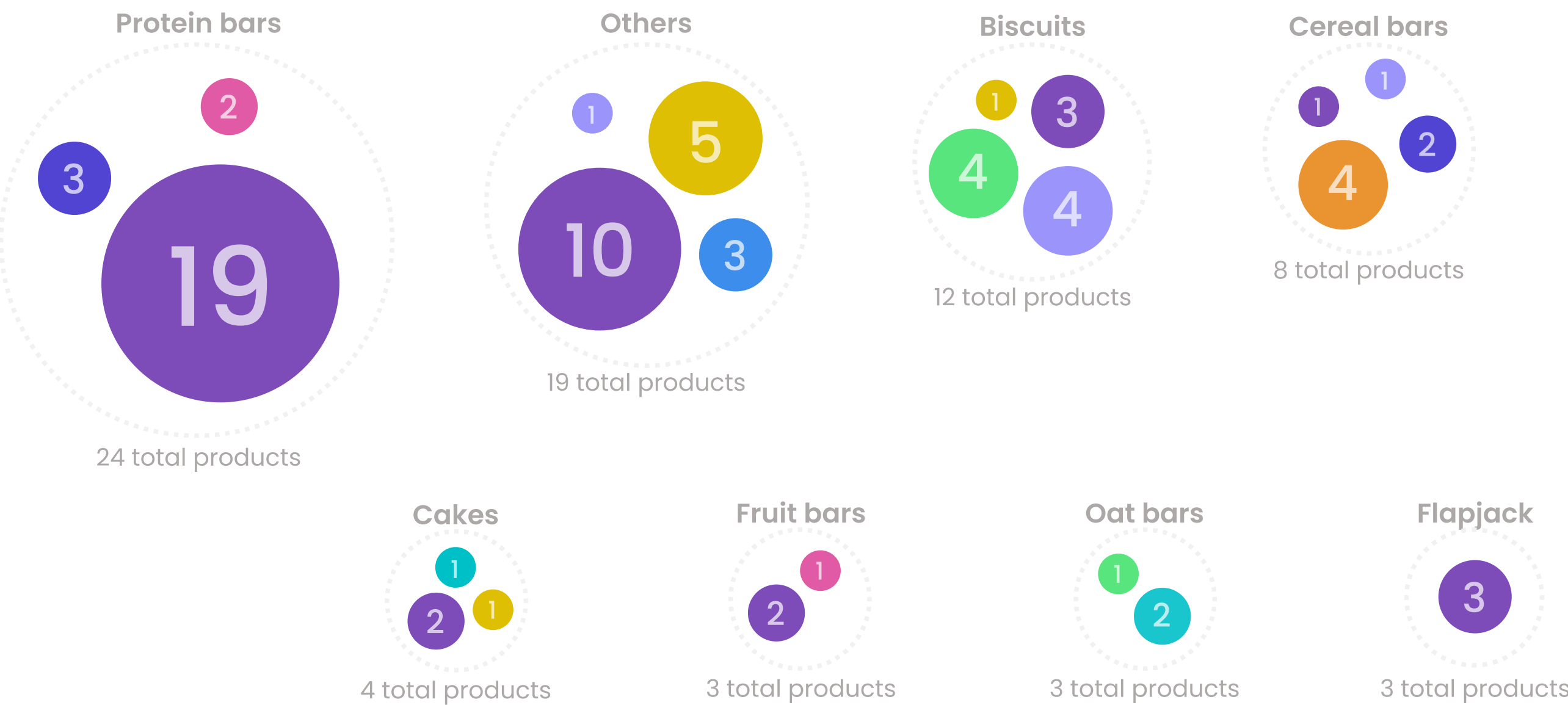
Product type

Zooming in on the new products at Sainsbury's, we break down the 76 new products into product type.

This analysis provides clear information about exactly what type of products were released within a category, how many of them were released, and how many were released by the same brand.

New product breakdown – type

Number of products introduced between W11 of 2021 and W11 of 2022



Sainsbury's

- Brand 1
- Brand 2
- Brand 3
- Brand 4
- Brand 5
- Brand 6
- Brand 7
- Others
- Private label



Conclusion

The essential ingredient for detecting product launches and discontinuations is **comprehensive, category-wide data collection**. This is the only method that ensures all products are captured and all item movements are tracked.

At Data Impact by NielsenIQ we use **location-based analytics to track CPG products at a SKU level** in every online location they're listed in. This granular view is unique in the industry and can give you valuable insight into your categories and competitors. Don't hesitate to reach out to us with any questions!

When CPGs are considering new product development, it can be helpful to look at four things:

1

The business question of whether or not the economics of the product make sense.

3

Manufacturing implications. Sometimes there are technological opportunities or difficulties involved in creating a new product.

2

The design of the product, including packaging and branding.

Is there a positioning it can claim that will distinguish it from the competition?

4

The shopper. It can be easy to lose sight of the ultimate decision maker in the process, the shopper. It's crucial to remain customer-centric and continue to conduct research and follow trends. Innovation doesn't necessarily have to correspond with an existing consumer desire or trend. Sometimes, the product itself can create desire. In the end, it's always consumer demand that has the last word in the marketplace.



Further questions?

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