Who will create the iPhone equivalent in dairy foods?

By Phillip S. Tong
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Today’s consumers are more willing to seek out and try new food products. Delivering products to meet a diverse range of interests is a key to keeping consumer brand loyalty. So what should cultured dairy product processors do to grow and maintain sales and profitability?

Taking a few pages from dairy processors around the world can be part of the answer. The success of Greek-style yogurt already may have processors looking offshore for the next cultured dairy product to introduce to U.S. consumers. Worldwide fermented milk products are available that are in different physical forms (gelled, viscous, foamy, thin or frozen) addressing a wide range of consumer needs (health benefits, usage occasions, tastes and more).

These product management approaches do help to maintain interest in such products and can improve the average profitability of any product line in its mature product lifecycle stage. But, can every processor in a mature product category flourish or even survive in this environment using this same approach to product innovation and profitability?

True product innovation, writes Robert Tucker (author of “Driving Growth Through Innovation”), is “bringing to life a new way to solve the customers’ problems – through a new product.” True radical or breakthrough product innovation may be needed to provide longer-lasting profitability and sustained growth, but it is much more challenging as this approach requires knowledge that may not currently exist in the organization and may actually make your existing knowledge and competency base obsolete. Nonetheless the rewards may be great for the bottom line and will enhance your ability to compete in the competitive marketplace for the longer haul.

One approach to achieving radical or breakthrough innovation is to realize that “lead” product users (influencers and trendsetters), not the manufacturers, are the right people to think of for articulating prototype ideas. Lead users are ahead of market trends and have needs beyond the average user. They might be chefs, restaurateurs, food writers and leading nutritionists. Conduct focus groups with them to identify key ideas. Your technical and marketing teams can refine these ideas into final concepts. Then you need to build the people base of talent to develop and commercialize the idea.

What might be some of these radical breakthrough innovative ideas for cultured dairy foods? How about a cultured milk product that insures you keep your youthful looks and body composition? Wouldn’t it be nice if I could consume my daily dose of probiotics in my morning cup of Joe? How about a cultured milk product that enhances my cognitive ability? How about a cultured milk that, when consumed regularly, wards off the flu bug in the winter? What about a yogurt shot that combines with water to instantly become a creamy, rich drinkable yogurt?

Such idea generation is better left to lead product users (not university professors), but I hope you get the idea. There is room for real breakthrough innovation! Perhaps if we get the right health professionals talking to the right foodies who are being heard by enlightened dairy product scientists, engineers and marketers, real breakthrough innovation will result.

Our greatest innovator of the last quarter-century, Steven Jobs, told us that “innovation comes from people meeting up in the hallways or calling each other at 10:30 at night with a new idea, or because they realized something that shoots holes in how
we’ve been thinking about a problem. Creativity is just connecting things. When you ask creative people how they did something, they feel a little guilty because they didn’t really do it, they just saw something. It seemed obvious to them after a while. That’s because they were able to connect experiences they’ve had and synthesize new things.”

What will be our Macintosh, iPod, iPhone and iPad in the cultured dairy products sector? Who will make the investments in the people skills that will drive the needed technologies to help connect the dots and make them happen? What will iYogurt, iSour cream and iCream cheese look and taste like? What consumer problem will it solve?

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