

Hot Commodities

Building brands in commodity categories is rarely attempted and never easy. That's true even if you start with well-known—even iconic—brand names like Diamond, Ball and First Alert. No one knows this better than Michael Cornell, CEO of Jarden Branded Consumables.

For Jarden Branded Consumables, innovation means taking a disciplined approach that confronts consumer—and retailer—indifference with product differentiation, and replaces a focus on price with a firm commitment to differentiation and growth. We recently sat down with Michael, who explained what it takes to create innovation out of inertia.

How do you turn commodity products into differentiated brands?

We're doing it by transforming our marketing organization from a focus on sourcing and price to one of seasoned consumer packaged-goods marketers who have had experience building some of the world's strongest brands.

Building brands has become a major strategic initiative here. We are in some categories where there is no dominant or even recognizable brand—including our own. Many of the categories in which we currently compete, or could enter, are often categories that are saturated with direct imports. These direct imports are often sub-standard quality and exist only to demonstrate a low price point.

This is not the business we are in. Instead, we are taking our cue from some of the household names of established consumer packaged goods brands. These brands are growing profitably because consumers understand what the brand promises to deliver and they see the resulting value that the brand actually brings.

What kind of value?

We often find that the “value” is not confined to the product itself—consumers are looking for a service element associated with that brand. For

example, First Alert, as a brand, is synonymous with “fire safety.” So, we have made a point of communicating to our users—both first-time users and long-term users—that we have a technical help line.

In addition, we recognize that building the brand is much more than a clever name on a package. We realize that we need to find the position that the brand can claim, communicate that claim and work to support that claim. You will see the results of this in the months to come.

How else is that playing out?

There are several examples, but one that comes to mind first is our new Diamond ReNew plastic cutlery line. As you know, this disposable society that we have today has lots of products that, while we dispose of them quickly, may last forever in a landfill. We sought to give the consumer (and our environment) a better product and created Diamond ReNew—a biodegradable plastic cutlery product.

Another truly revolutionary product is Tundra, which is a fire extinguisher in an aerosol can. Our consumer research helped us understand that fire extinguishers are often out-of-date and hence worthless. Further, they are large, bulky, and when used can make a real mess.

With Tundra, you spray just like you would insect repellent or hair spray. It is clean, much less messy—and most important—more effective. Tundra is still a new product but is now offered in more than 12,000 stores nationally.

That's a lot of stores.

Retailers have been very receptive for a number of reasons. One, many of our brands are in categories where no one has ever stepped up with any type of real thought leadership.

Two, we have really done our homework. We have invested in shopper research and retail analysis to shape the direction we're moving. And, we test our hypotheses to ensure results. For example, we are in

Jarden innovates when and where it's least expected.

fact in the midst of a “learning lab” right now with a major supermarket chain testing the viability of a new mega-department concept.

Three, we have engaged leading retailers to partner with us in the product development cycle. Too many companies, we think, bring ideas to retailers that they try to force upon them. We try to engage retailers in the process which results in a win-win scenario for both Jarden and our retail partners.

How is that a win for consumers?

It's a win for consumers because we take the time to understand them as shoppers. We believe that there are consumer insights and there are shopper insights, and they are not the same thing. Like all consumer packaged-goods companies, we aspire to understand how consumers use our products, their habits and attitudes.

But we also aspire to understand how they shop. Our shopper research involves channel and store choice, store location choice, impact of merchandising, assortment on the shelf, pricing at the point-of-purchase, and a host of other in-store considerations.

Secondarily, we also understand that in some of our categories, shoppers are different in different parts of the country. For example, we have a business in firelogs. Our brand, Pine Mountain, is actually the number-one brand in the United States.

We found, somewhat surprisingly, that the largest markets for firelogs are not the cold-weather markets and the utilitarian use of firelogs. Instead, the largest usage of firelogs, per capita, is in California and other warmer climates where firelogs are also used to create a mood or ambience. Uncovering this consumer insight has provided opportunities for growth that we and our retailers might otherwise have missed.

How do you make innovation happen?

Curiously, many of our products were founded on innovation. They were the first in the marketplace to do what they do. Think about First Alert, Ball canning jars, some of our specialty Lehigh cordage products, and others. They actually created their categories.

Innovation is a concerted effort on our part to truly study what is available and find ways to make it better. We study what is on trend at, for example, Williams-Sonoma, Pampered Chef, etc. and are looking at what we can improve, and at a better value.

In one of our categories, playing cards, we are involved in developing a deeper understanding of our core consumer—what drives enthusiast card players, where they shop, what triggers a purchase, and so forth. In short, we are seeking ways to improve the overall experience of playing cards.

We have innovation experts on staff from both a creative and an operational perspective. And, importantly, we engage our largest customers in what we call an “Open House.” This meeting is designed not only to showcase our current portfolio, but also to engage the retailer in outlining product development opportunities that they feel would fit their shopper.

What is your greatest challenge?

Our greatest challenge is maintaining the right balance of “business as usual” from our acquired companies versus the common and uniform direction that will create more of a singular culture. This balance has to be part of my consideration in every major business decision.

Our companies were successful before we acquired them and we don't want to interfere with the entrepreneurial spirit that made them successful. On the other hand, we want them to grow and prosper even greater than before. We want to enable and empower our brands and companies by utilizing common approaches to business growth, creating efficiencies in areas like finance and supply chain, and developing a one-company team culture. Internally, we call this “the JBC way.”

That's our challenge and our road map. We are about building brands in a focused and disciplined way. We can then understand how best to support our brands—which is not always about price. We want consumers to understand what our brands deliver, be constantly satisfied with the results, and eager and loyal to purchase again. ■



MICHAEL CORNELL is president and CEO of **Jarden Branded Consumables**, and is responsible for Loew-Cornell, Inc.; The United States Playing Card Company; The Lehigh Group; First Alert /BRK; and the Diamond, Ball, Pine Mountain and Java-log brands.