
Innovation – a matter of perspective

Franz Liszt, an extremely successful and colourful 19th century pianist and composer, understood the concept of innovation. He was acclaimed for his novel use of harmony and musical form and for re-defining the role of piano on the stage. Liszt was able to capitalise on the technical progression of the piano as it evolved from a basic backing instrument called a harpsichord to the instrument we know today (Katsenelson 2017).

Liszt devoted three years solely to the piano, exploiting its possibilities through enhanced technique, musical composition and the creation of solo recitals. He made the instrument the centrepiece of his performances instead of the traditional accompanying instrument it had been. In doing this, Liszt became enormously successful. He was financially secure by the time he reached his forties and could then devote most of his time to benevolent pursuits. Liszt's innovation was apparent to his audience and was embraced by them, leading to his success.

But what does this have to do with wine? As wine industry practitioners, surrounded by like-minded people, we appreciate a well-crafted, balanced wine that speaks of its varietal and regional origin. However, for a large proportion of consumers our products just taste great and are enjoyed without necessarily wanting to know anything about how they were crafted.

This means that there are opportunities to innovate beyond the product we are so focused on. It is possible to escape from typical communications about multiple generations of winemakers, single vineyards, iconic sites or single varieties and instead present consumers with something obviously unique and easier for them to engage with. There are multiple ways to achieve this and wine producers may need to take a step back and look at the broader innovation landscape for inspiration.

Innovation for businesses can take many forms. Doblin, the renowned innovation consulting firm, qualifies innovation opportunities for a business in 10 different categories (Figure 1). Most wine companies focus on innovation in product performance. This is typical across all industries, where the volume of innovation effort expended on product performance is more than twice that in all other categories. However, there are nine other innovation categories and surprisingly, according to Doblin, the greatest potential for value creation lies everywhere else but in the product. For example, the consumer experience end of the spectrum represents a real opportunity to deliver additional value to the consumer for relatively little effort.

Rather than focusing on making new products, wineries could be looking for new ways to engage consumers with existing products. This could involve framing the product in different ways or with different experiences and concepts that consumers can relate to.

Innovating beyond the actual product performance can be challenging. Producers tend to focus on what they know best, which often means their technical skills. There are, however, a number of examples of this type of innovation that can already be seen in the Australian wine landscape:

- Hahndorf Hill Winery's wine and chocolate pairing experiences
- Water skiing and extreme sporting events held at Caudo Vineyard in the Riverland
- Rockford's Stone Wall Society
- Alpha Box and Dice's clever product design and marketing that appeal to a specific demographic
- Zonte's Footstep's new Prosecco in a can product, NV Bolle Felici, which was specifically designed for women aged between 18 and 35 participating in festivals.

These ideas are not necessarily radical. People are just doing things that truly inspire them and it enables them to access markets that are also inspired to engage with those concepts. These wineries know that their products are not made for everyone but instead target a specific population. The people attracted to extreme sports at Caudo Vineyard may not be the same as those seeking the exclusivity associated with Rockford's offering. However, in each case, the fit to the target population is really good and that's what matters.

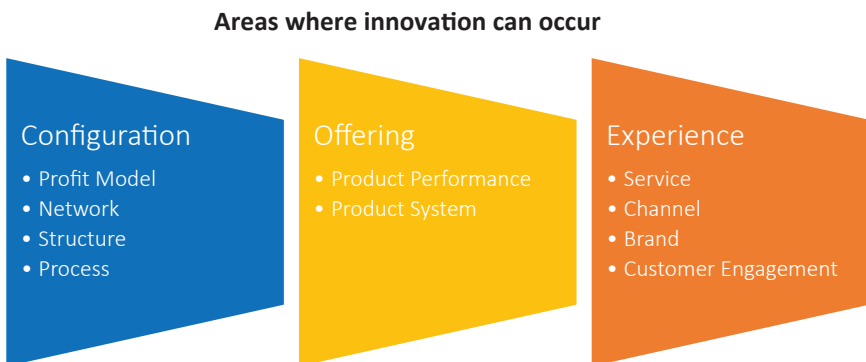


Figure 1. Ten areas where innovation can occur across the business model, adapted from Doblin's ten types of innovation (www.doblin.com). Wine companies typically focus on product performance, but there are other opportunities, particularly at the 'experience' end of the chain (www.doblin.com).

So, if a business wants to innovate to create value a good place to start is to ask the following questions: firstly, what really moves you? Other than wine, what is that passion? If it moves you, it is going to engage other like-minded people. Secondly, how can this passion be incorporated into a business offering in a way that creates value for customers?

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Reference

Katsenelson, V. 2017. The story of Franz Liszt shows how one genius can transform an industry. <https://www.linkedin.com/pulse/story-franz-liszt-shows-how-one-genius-can-transform-vitaliy>

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