Introduction: hit-or-miss consumer insights

Behavior is context dependent

/ Improving in-store experience

Hit. In the first decade of the 21st century, Ron Johnson, a Harvard MBA, had built a formidable reputation as a brilliant retail executive. His laser-sharp focus on improving the in-store customer experience yielded rich dividends at Target. It transformed Target from just-another-discount-store to a unique store brand that sells chic yet affordable products. Target became Targé under Johnson’s stewardship. Not just at Target; the same focus on customer experience during Johnson’s tenure at Apple made Apple Stores, including the Genius Bar, a runaway success and one of the most profitable retail outlets in the United States. A similar focus helped him to improve patient experiences and outcomes at a Stanford University hospital.

Miss. Inexplicably, however, during Johnson’s tenure at JC Penney, the same strategy led to a 25% drop in sales and over $500 million in losses in a single year—and culminated in Johnson being fired in a little over 14 months.

/ Launching a new pack

Hit. When Nabisco executives introduced the new “100-Calorie Pack” packaging format for their cookies in 2004, it was an unqualified success
and competitors rushed to copy this packaging innovation. The end result was a boom time for snack food brands with sales of 100-calorie packs of cookies reaching the $200 million a year mark by 2007, even though they often charged a 250% price premium over regular packs of cookies.

Miss. However, at the height of this 100-calorie pack frenzy in 2007, when Ocean Spray introduced a 100-calorie pack for their “Craisins” snack, it was such a failure that it was ultimately withdrawn from the market.

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**Bottom-of-pyramid strategies**

*Hit.* Tata, a large multi-industry Indian conglomerate with worldwide operations, harnessed its excellent in-house engineering skills in order to reduce costs and introduce many successful innovations for bottom-of-pyramid (BOP) consumers. These innovations ranged from bringing