

ACCELERATING SUCCESS THROUGH STRATEGIC INNOVATION

Value Genesis: Evolution of the Digital Camera

Client: Fortune 500 photography company.

Challenge: To hedge against what was seen as a potentially disruptive technology, this leading photography company wanted to establish itself in the (then) nascent market for digital photography. High quality image sensors were very expensive, yet the company was loath to compromise its quality brand by introducing a camera that produced an image that was not “photographic” quality. Therefore, the company engaged Product Genesis to identify early adopters who would pay a premium price for a high-quality digital camera.

Diagnosis: An initial analysis of the company revealed that it had primarily focused on the point-and-shoot consumer market, not a viable target given the prevailing cost of digital imaging components. Up to that point, business customers had been content to employ the company’s consumer products. Due to this lack of development specifically geared towards the business market, the company had very little insight into the specific needs of business customers.

Further complicating the user-needs analysis was a lack of experience with the computer/peripherals marketplace, and the inability to conceive of products as elements of an overall, platform-based information system.

Methodology: The Value Genesis process started with interviews of the makers of early image processing, workflow and image management software in an effort to identify lead users that could potentially lead to high value applications.

Field interviews were then conducted with lead organizations in order to identify needs that were not currently fulfilled by current solutions. End users were interviewed and observed with the goal of understanding device requirements. Managers of operations and information technology were interviewed in order to better understand overall system and workflow requirements. Critical needs were gleaned from these interviews and a formal affinity analysis (KJ process) was conducted to generate a hierarchy of end user needs.

Subsequent to the customer field interviews, PC and networking vendors were interviewed with the goal of understanding the evolution of complementary information technology and the corresponding interoperability requirements for a business-grade digital device.

Having interviewed a range of users, the market was segmented by end-user needs as well as workflow/system characteristics. Rough product requirements for each segment were developed based on end-user needs and workflow/system requirements.

The most promising segment was selected based on several criteria, including size, value placed on high-resolution images and overlap with the client’s existing customer base.

Results: Re-segmenting the market by workflow characteristics (rather than camera or film type), enabled the team to identify a segment of business users – labeled “data hunter-gatherers” – that need to capture high quality images in the field, for rapid review by remote decision makers. These users placed a premium on getting images in a form that could be readily reviewed, augmented with supplemental information (reports), and rapidly transmitted to other members of the work team.

The identification of this market segment led to the definition of a product geared to specifically meet the needs of all stakeholders in the target organizations. The client subsequently became the first company to define a camera with the features, complementary software and IT infrastructure interfaces to support image capture, report writing and multimedia data transmission from the field.

Most importantly, the sales of this camera far exceeded initial forecasts, and the company received number awards for product innovation from both the computer and photography industry press.

Value Genesis identified potential lead users via field-based interviews, clarified and segmented customer needs, and supported the development of a break through digital camera which garnered sales far exceeding expectations, as well as high media visibility via industry kudos.

