Disruptive Conceptualization in headsets

GN Store Nord, GN Audio
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Agenda

• GN Audio corporate introduction
• Reflections on disruptive conceptualization
• Case studies – 2 headsets
  • PRO 9400 professional wireless headset
  • Jabra Sport Pulse consumer headset
• Conclusions, Summary
GN Audio - We are Jabra

Short company introduction
World leading sound expertise – all under one roof

Medical grade

Professional grade

Consumer grade

Hearing instruments

Contact centers and offices

Mobile
We have sound expertise

We know sound
Pioneering innovators of new sound experiences from wired to wireless conversation to music

We understand speech
World leading expertise in speech capture and processing becoming increasingly valuable in the modern voice driven world

We understand hearing
We understand the diversity of ear structure and the impact on sound quality across all different use cases

We care about you
World Class fit, comfort and optimised sound across a range of consumer, professional and medical devices
GN Audio – Intelligent Audio Solutions (Jabra)
How disruptive can you be?

Reflections on disruptive conceptualization
What is "disruptive" is not always obvious

A disruptive innovation is an innovation that creates a new market and value network and eventually disrupts an existing market and value network, displacing established market leaders and alliances. The term was defined and phenomenon analyzed by Clayton M. Christensen beginning in 1995.

- In reality many companies in established and growing markets cannot disrupt by creating completely new product for a completely new markets.
- But they can continue to grow and innovate.
- This creates a situation where
  - There is a fight between established incumbent players
  - There exists significant barriers to entry for new players (know-how, capital)

- Disruption in such a context is about creation of a significantly differentiated offering
  - This can can expand the market, offer a new value proposition, turn non-users into users
What is a significantly differentiated offering?

Is Tesla a disruptive concept or disruptive product?

- New engine concept
- New battery and energy supply eco system!
- Continuous software monitoring and updates – makes product better over time
- Preventive maintenance thanks to Internet connected car

For many companies the journey from stand-alone product to IoT enabled products opens up many new opportunities – sustaining innovation with significant new differentiation

Stand alone product ➔ connected product ➔ smart product ➔ IoT enabled product
Is Tesla really disruptive in Clayton Christensen’s sense?

Source: Tom Bartman/Clayton Christensen, HBS’s Forum for Growth, HBR May 2015

1. Does the product targets overseen customers (lower performance at lower price) or create a new market?
2. Does it create "asymmetric motivation" – i.e. existing players are not motivated to fight?
3. Can it improve performance fast enough to keep pace with customers expectations while retaining low cost structure?
4. Does it create new value networks incl. sales channels?
5. Does it disrupt all incumbents or can existing players exploit the opportunity?

According to this definition "Tesla is just sustaining innovation".

But is this way of defining "disruptive innovation" too narrow?
NPD – can this enable innovation?

Structure vs. freedom

NPD is about structure and planning

The model shall provide time and methods for concepting and innovation
• Within projects and outside projects
Product concept innovation has many dimensions

- Core function
- Look and feel
- Performance
- Distribution
- Cost
- Service
- Secondary functions
- Customer insights
- Technical developments
- Customer value
It is important to get the right insights which can create a new or differentiated concept delivering a new value proposition.
User insight methods – a sampler

- Known needs
  - Questionnaire
  - Web survey
- Needs analysis
  - Focus groups
  - Contextual interview
  - Low Fidelity proto-typing
- Unknown needs
  - Etnography
  - Netnography

Needs analysis value
Case study

Jabra PRO 9400

GN Making Life Sound Better
Starting point

Starting point - year 2007 (year of the iPhone)

Learnings from existing wireless headsets
• Pains and gains

Trends
• Mobile phones @ work, smartphones at work?
• PC telephony (IP telephony) – maybe?

New wireless headsets – need to grow the market
Getting insights

Lead users, in London

Have demanding communication needs

Etnography

LoF prototyping

Contextual interviews
Lead users

Understanding complexity of communication needs

Gavin Lomax - Corporate Telecommunications

Main contact at CT for GN Netcom, in charge of sales, product development and stock levels.

Speaks 20% of his time answering calls at the desk, 30% around the warehouse. When going to warehouse he switches to headset with longer range. Uses different headsets, but mostly USB with base.

Looks to desk to see which source is calling, finds softphones difficult to use.
Key findings

- People have multiple headsets for different contexts.
- For most investigated users, headsets are crucial business tools.
- People are accepting or excited about PC telephony but with reservations.
- Most users were using their mobiles at work.

Sell the concept of ‘triple convergence’ (desk phone, PC phone, mobile)
Position the hub as the brain

Do the essential features, but do them well
People are looking for ease of use
People are becoming used to rich UI

Make it plug and play
Optimal setup is key
Make setup an aesthetic experience
The product

The core function – audio – enhanced

New insights and needs addressed
  • Triple convergence, plug-and-play (almost)

Radically different look and feel

New technology – touch screen and touch sensors

Commercial success – even today
Case study

Jabra Pulse
Starting point

Starting point – year 2012

Global trends

• Fitness
• Wearables
• "Quantify yourself" movement – biometric data - chest straps and watches for heart rate monitoring

Scope – new value proposition in "sports" headphones
Assumptions, Insights

Casual observation: many runners use biometric fitness measurements

Assumptions:
- Phones are used while running
- Heart rate monitors are popular, chest straps are inconvenient
- Outdoor and indoor treadmill running, need for pedometer function

Prototype testing – is it possible?
Key findings

• Running + music + biometric tracking go hand in hand
• We can simplifying the whole setup
• Statistics from user questionaires support those findings

61% WORKOUT MORE THAN 3 TIMES A WEEK
69% OFTEN OR ALWAYS LISTEN TO AUDIO WHILE EXERCISING
41% USE A HEADSET BUILT FOR SPORT, 58% STILL WIRED
74% INTERESTED IN USING A HEART RATE MONITOR HEADSET

source: 5000 people UK, US, DE, China who exercise on a regular basis
The solution - hidden complexity

Headset – audio, mechanical, electronic, optical design, DSP software, Bluetooth + Bluetooth Low Energy connectivity

Biometric signal extraction, physiological model

Bluetooth Low Energy integration
The product

Trends ➔ new insights ➔ new needs addressed
  • Integration of music, telephony, biometric tracking in one portable device

New sensor technology introduced

Added a radically different, disruptive function

But changing behaviors takes time
...and the story continues...

Product evolves by adding new software functions

Eventually it becomes a personal training coach

• Goal based training
• Advice during training
• Post-training advice
Conclusions, Summary

- Two very different stories – sustaining or disruptive concepts?
  - The core function of a product may be the same but the offering may be very different

- New offerings shall be driven by needs, maybe hidden needs

- Look out for changes = opportunities

- Timing may be difficult 😊😊
Thank you