

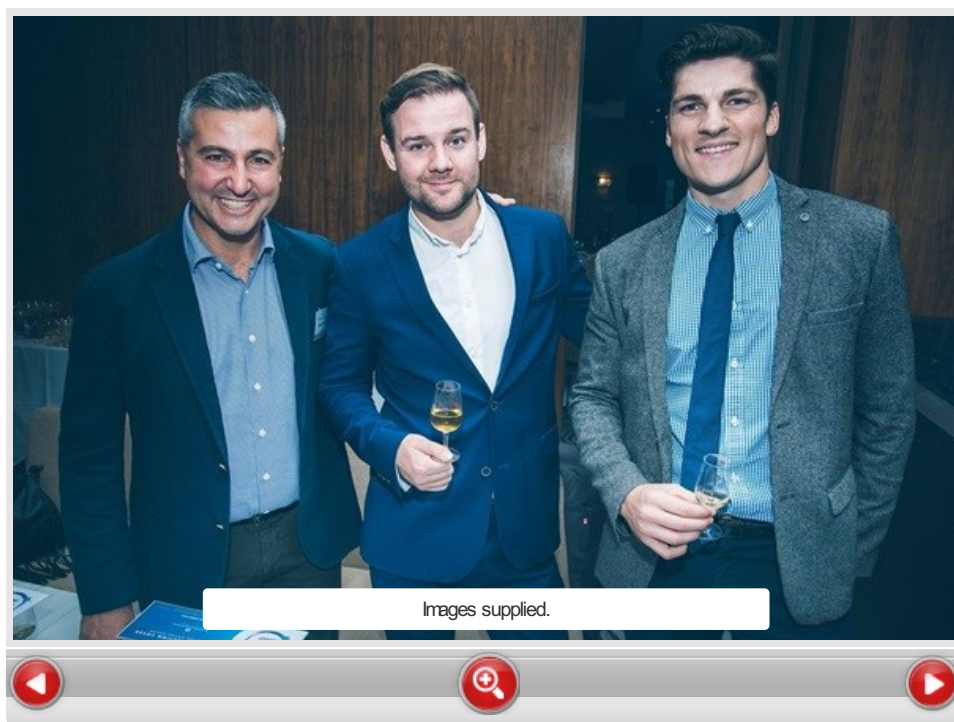
As home of inventions such as Kreepy Krauly and the Cat scan, SA continues to compete on innovation

 By [Charl Bassil](#)

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Despite a sobering picture of South Africa's competitiveness, showing performance in the 2017-2018 World Economic Forum Global Competitiveness Index to have slipped 14 positions from the 2016-2017 results, there are some bright spots - notably on the innovation front.

While the country ranked 61st out of 137 economies assessed in the annual survey - with corruption, crime and theft, government instability, tax rates and inefficient government bureaucracy topping the list of 'the most problematic reasons for doing business', South Africa, was ranked 39th amongst participating economies, for innovation.



Lending further weight to the country's innovation credentials the 2017 global Innovation Index, released in October, ranked South Africa number one in innovation on the African continent.

According to Accenture, on average, South African companies are putting aside 45% of their annual revenue for innovation developments although actual spending is cautious and conservative at 36% with many companies not spending their allocated budgets on innovation due to economic uncertainties.

One company with a focus on innovation that is setting it apart is Pernod Ricard South Africa, the French-based distributor of leading spirits brands including Jameson, Chivas Regal and Absolut that has operated in South Africa for over 20 years and is now number 2 in the market.

Pernod Ricard has an innovation strategy that is bearing fruit: innovation contributes to half of all organic growth within the Group.

Hard-fought market

Consumers are becoming more and more demanding, always on the lookout for innovations in an increasingly hard-fought

market. We've established an entire ecosystem dedicated to innovation, and we're managing our portfolio to ensure that innovations offering the greatest potential for growth receive top priority.



While companies in South Africa score high at the strategy stage, which entails creating the plans and vision set to innovate, they score lower on all other aspects, from ideation, to absorption, to execution and, finally, achieving the desired benefits.

Why is this the case? Companies have to be proactive and disruptive in their approach to innovation – requiring flexibility, openness to ideas, willingness to collaborate, and a degree of risk taking.



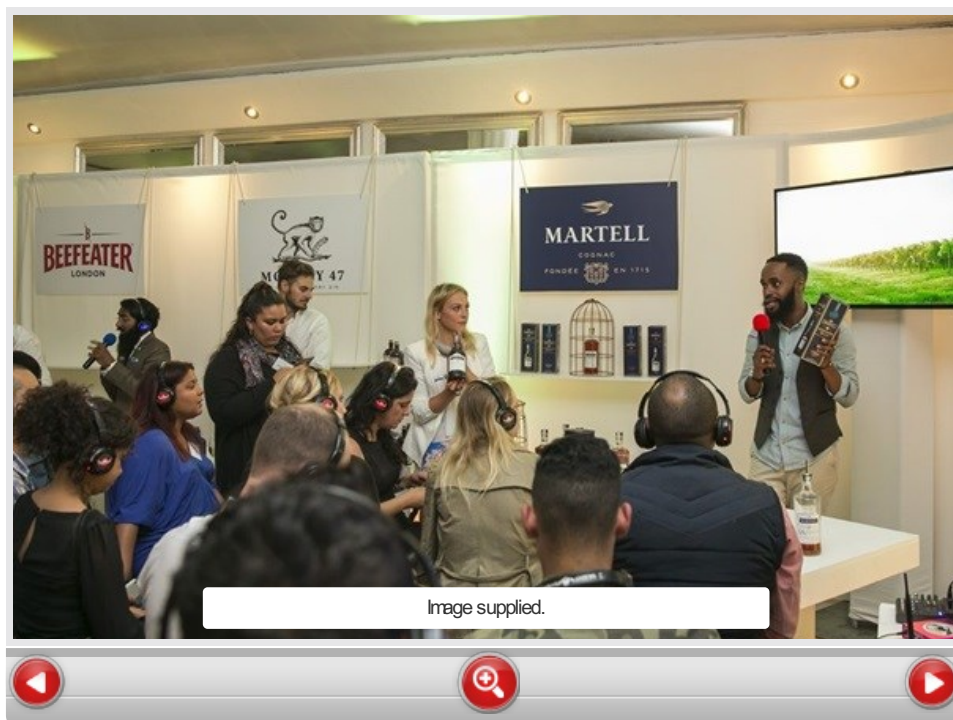
Innovation is a process through which ideas become successful products. Pernod Ricard has had notable success with Jameson Caskmates, a traditional Jameson Irish Whiskey finished in craft beer barrels. Caskmates has the triple-distilled smoothness of Jameson with a once-stouted, truly unique finish.

Collaboration and experiential marketing

Curious consumer palates are increasingly looking for interesting alternatives and innovative ways to enjoy spirits will be fuelled by trends in mixing, to create novel cocktails and long drinks.

“ *Innovation is not just about product development. Business models and organisational processes also need to be looked at through the lens of innovation.* ”

Historically, Pernod Ricard's growth was through the acquisition of big brands, but increasingly, opportunities are being sought out to collaborate with small 'craft' operators. In a new partnership model that sees Pernod Ricard attaining a majority stake in entrepreneurial businesses like Monkey 47 gin, the founders of boutique brands retain control as custodians of their brands in exchange for the global platform that Pernod Ricard is able to offer.



Innovative ways of reaching consumers through CRM and experiential marketing must offer a connection point, create content and talk-ability and, importantly, allow the consumer to play a part.

Internally, a more integrated approach to business planning, involving all creative agencies in a collaborative exercise has yielded enormous value in recent years.

Improved innovation has potential to create economic growth and jobs and address the challenges of this country and the African continent, but it appears also to be the new normal for companies wanting to survive in an era of disruptive innovation.

ABOUT CHARL BASSIL

2016's IAB Bookmark Award, Marketer of the year winner, Charl Bassil has been at Pernod Ricard since 2013, after joining the company from SAB Miller. He is widely credited with having created a dynamic marketing environment built on true partnership - fostering a spirit of collaboration by bringing in new agencies and providing new mandates for existing agency partners...

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