

Development of innovative products or unique service preposition

COCOMOLON

Developing Innovation and Creativity for Business Advantage

BMSW6102

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Executive summary

Innovation is the process of developing new products and services as well as new procedures, innovators are willing to experiment and use creative thinking to bring uniqueness (*Dess, et al., 2023*).

In this individual project plan, Cocomolon is an innovative product designed to be sustainable thinking in the environment. As about 998 million tons of agricultural waste are produced yearly, with those materials from coconut, Cocomolon plans strategically to reuse and create new uses, while keeping the environment in mind for a brighter future.

The mission of Cocomolon is to promote organic products as the only sustainable development option, with the purpose of improving the environment to ensure a sustainable future. Their goal is to transform customer needs and specifications into innovative, carefully produced, affordable cost, and accessible, enhancing the environment.

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Introduction

The main purpose of the report is to provide a clear understanding of innovations and the importance of innovations within the business, as COVID-19, and the cost-of-living crisis that we are facing have affected the Brink & Mortar business model, causing many stores to close down. Nowadays, many businesses employ an appropriate online retail platform to survive because of the benefits of technological innovation.

But what is innovation and how innovation can it benefit a business? Innovation is the process of developing new products and services as well as new procedures, innovators are willing to experiment and use creative thinking to bring uniqueness (*Dess, et al., 2023*). As by (*Jain, 2022*), the benefits of innovation in business, are that assists businesses in distinguishing themselves apart from their competitors by applying diverse innovative marketing, services and production, and sales techniques into practice.

In this individual project plan, Cocomolon is an innovative product designed to be sustainable thinking in the environment. A significant renewable resource is the coconut, every year sixty-four million coconuts are harvested annually worldwide (*Bradley & Conroy, 2019*). (*N, 2020*) Among the agricultural wastes are coconut shells. Waste generated from various agricultural processes is referred to as agricultural waste. About 998 million tons of agricultural waste are produced yearly, with those materials from coconut, Cocomolon plans strategically to reuse and create new uses, while keeping the environment in mind for a brighter future.

The first part of the report will cover the innovative product business proposition, the reason for the chosen name for the innovative product, and which models, methods, and theories have been applied. The report primary sections will address e-commerce, addressing strategies to set up websites online to sell innovative products of Cocomolon, and marketing to promote it. The final section of the main body will discuss privacy and data collection. The last part of the report will include a conclusion, cited sources, and an appendix of the PowerPoint presentation given to the class.

The innovative product proposition Cocomolon

In this individual project plan, they propose to make a product or service business innovative proposition, but what is a business and the difference between service and product, in this first section of the report we will discuss.

A business model is a particular process that generates and provides value. A business that can charge for the value it is creating and still make money to be profitable and remain in operation, is due to a practical model. The products or services that the company provides must also meet the demands and quality standards of the customers (*Healy, 2016*).

(*Healy, 2016*) A product is a valuable, material object. A successful product-focused business will aim to create the goods at the lowest reasonable cost while keeping an adequate standard of quality. After the product is manufactured, companies should maximize profit by selling as many units as they can at the highest price that customers are prepared to pay. Whilst all services that assist a business are referred to as business services, they do not create physical products, the internal departments of the company may offer the services (*Awati, 2023*). This project plan will be a product business proposition.

(*Florindo, et al., 2020*) The widely recognized fibrous byproduct of coconut farming is coconut fibre. 30 millions of tonnes of coconuts are produced worldwide each year, and they are widely distributed along tropical nations coasts. The coconut husk has a high lignin and phenolic content, consisting of 70% pith and 30% fibre. Due to the high lignin content fibre is very elastic, durable, and resistant to rotting.

Cocomolon carefully considers how to reuse and develop new applications while maintaining environmental sustainability for a better future. The author of the report chose Cocomolon as the name of the individual development of the innovative business proposition, as the product is about coconuts, and molon in Spanish means cool.

The mission of Cocomolon is to promote organic products as the only sustainable development option, with the purpose of improving the environment to ensure a sustainable future. Their goal is to transform customer needs and specifications into innovative, carefully produced, affordable cost, and accessible, enhancing the environment.

Cocomolon is an open innovation model, as traditionally coconut meat and water have been consumed fresh, today some variety of products derived from coconut can be found, such as coconut water, coconut milk, grated coconut, coconut snacks, coconut cream, coconut fiber, coconut wood, coconut flour, coconut sugar, coconut powder, coconut chips, coconut oil, coconut plastic wood, coconut butter, and coconut shell charcoal, as well

as copra, shell, or pulp (*Ramirez, et al., 2023*). Open innovation is a strategy approach that actively seeks out external input, including ideas, technology, and expertise, while also embracing collaborative initiatives. By using an extensive network and acknowledging that innovative concepts can come from both internal and external sources, this dynamic framework facilitates innovation (*Jain, 2023*).

As in the figure below it shows what it can be created with coconut.

Coconut products	Description
Coconut fiber and PET bottles boards	Coconut fiber (ground or unground) is used as filler for board, while recycled PET bottles are used as the outer lining of the board. In general, coir fiber board is better than conventional panel board because the board swells less, has low water absorption, high rupture modulus, and a low elastic modulus.
Ecological building materials	They are wood-plastic composites (WPC) with coconut branches and leaves, single-waste coconut garments, brick-like blocks in small and large WPC, annatto furniture fiber, high-density recycled thermoplastic resin.
Pallets	Coconut shell is used to produce pallets using the natural binder of the coconut and on applying heat and high pressure, pallets are obtained; the product is 100% free of wood. With the shell of the coconut, without using water and with a formulation without formaldehyde, high quality fiber boards are produced.
Boards	Made from shell of the coconut, without using water and formulated without formaldehyde, they produce high quality fiber boards.
Advanced laminates	The project aims to develop the technologies, processes and expertise to produce laminates and laminate-based products of various grades from senile coconut stems,

Figure 1 - (*Ramirez, 2023*)

The Coco coir market is growing due to consumers preference for organic products and the use of coconut shells in agricultural beds. The by-product of coconut extraction is coagulating dust, which is composted to reduce carbon and nitrogen ratios, lignin and cellulose content, and increase manor value. The high water content and benefits of a balanced carbon-to-nitrogen ratio drive demand. Environmental awareness and government initiatives promote horticultural-based agriculture, driving the global Coco coir market growth (*N, 2023*).

A market gap analysis is a technique for investigating sales opportunities where demand exceeds supply, these analyses can be carried out externally or internally, and it can help the organization base decisions on market realities rather than subjective judgments (*Weller, 2018*), this gap analysis is a crucial part of strategic planning, helping organizations define strategies and adjust processes to align with their goals. It should be conducted regularly, before strategic planning, or when a department or venture is underperforming.

Before creating the business proposition, it has to create a competitor matrix, that it helps to identify market possibilities and competitive advantages, which will enable you to develop or

innovate products, services, and marketing tactics that are in line with your business plan (March, 2023).

During the anticipated period, the market is anticipated to expand at a compound annual growth rate (CAGR) of %. The growing use of coconut coir in the erosion control sector and the growing acceptance of coco peat as a soil amendment are the main factors propelling this growth (Yashreliablereseachreports, 2023).

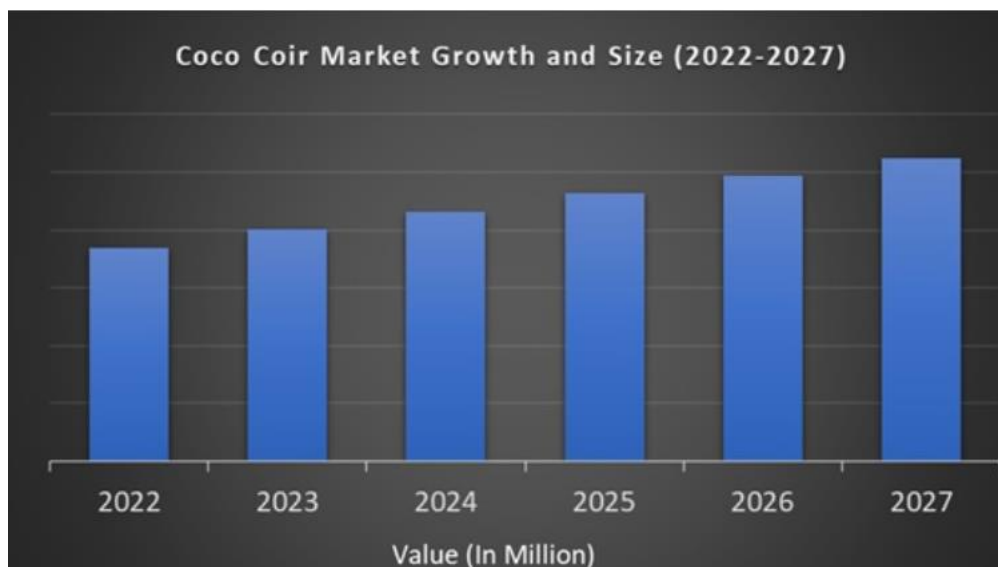


Figure 2 - (N, 2023)

As in the figure above, it shows that the coco coir market will increase by 2027. Means the competitors in the market are diverse, and to make the analysis of the company the author of the report will be applying the Porter Five Forces model.

(Scott & Williams, 2023) Porter's Five Forces model identifies competitive forces influencing industries, aiding in identifying weaknesses and strengths, determining corporate strategy, and enhancing long-term profitability in any economic segment, thereby enhancing industry structure. The five forces are.

1. Competition in the industry; examines a company competitive strength by analyzing the number and quality of its competitors (Scott & Williams, 2023). (Heubel, 2023), the high competition intensity arises from prices and performance competition, where market players aim to undercut each other by increasing efficiency in their value chain.
2. Potential of new entrants into the industry: often leverages their flexibility and lower production cost to offer superior services and products at lower prices, often offering better quality than existing solutions (Heubel, 2023).

3. Power of suppliers; more suppliers make it easier to switch to cheaper alternatives, while fewer rely heavily on them can strengthen their position and charge more by impacting profitability (*Team, N,d*).
4. Power of customers: is based on number of the customers.
5. Threat of substitute products: when consumers may easily move to a different product or when a new desirable product unexpectedly joins the market, there is a greater risk of substitution.

E-commerce proposes to set up an online website.

Cocomolon will be available globally online, will be creating their own online website that customers will be able to purchase directly, and customers who they still not aware of the brand they can find it on Etsy and in amazon.

Marketing

In this part of the report, it will cover what is marketing, the marketing funnel, and what Cocomolon implemented to attract and engage customers.

Marketing describes the actions of the business takes to encourage customers to make purchases of a product or service. Marketing includes advertising, distribution, and delivering products to customers or other businesses (*Twin, et al., 2023*).

Any business plan must have a marketing strategy, which is the most important element, without it, the company would not be able to attract new clients and generate revenue. The 4Ps, which are the following, will be applied as part of Cocomolon marketing strategy.

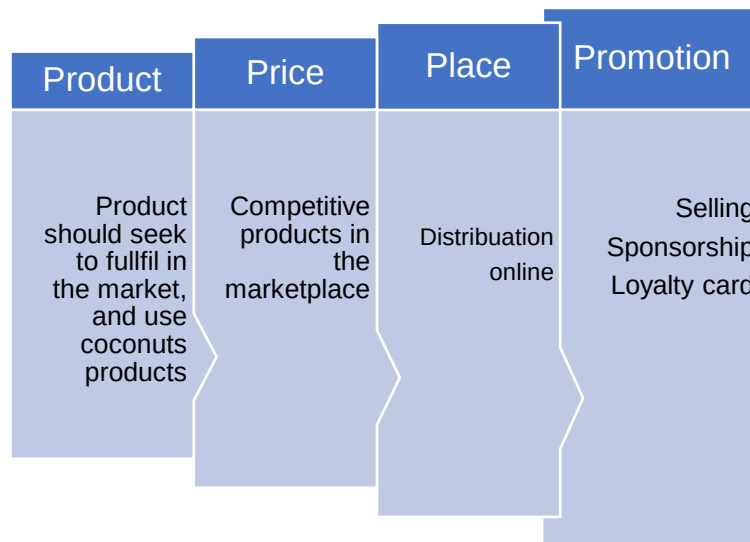


Figure 3 (Twin, et al., 2023)

Together, the four Ps provide the necessary combination that a business requires to the market (Twin, et al., 2023).

A digital marketing strategy is an approach to support and advance business objectives by using digital channels, like social media, and digital display advertising, search engine marketing (SEM) to accomplish specific aims (Barone, et al., 2023).

Cocomolon will be following the market process of the marketing funnel. A marketing funnel is an essential part of the marketing process, it describes the simple route that customers might employ to make a transaction. It is a useful framework for communicating and collaborating with customers along their journey (N, N, d). It consists of four parts of the funnel, the first part of the funnel raises awareness, encourages consideration, drives conversions, and fosters loyalty.

Cocomolon is able to make aware to the new customers and attract a large number of potential customers by utilizing search engine marketing (SEM), social media marketing, social media advertising, influencer marketing and display ads (N, N, d).

Search engine marketing (SEM): increase website visibility.

Social marketing: they are port is any social media like Facebook or Instagram, and the is no cost to promote.

Social media advertising: is it similar to social marketing but is paid.

Influencer marketing: when the company partners with someone who has a huge large of followers to promote your products and services to their followers.

Display ads: refer to graphics, photos, videos, and text.

Marketers need to consider and practice of keeping the brand reputation safe when it comes to advertising online, they need to consider and avoid The Interactive Advertising Bureau (IAB) that has designed that they are: military conflict, obscenity, drugs, tobacco, adult content, arms, crime, death/injury, online piracy, hate speech, terrorism, spam, and fake news (N, N, d).

After reaching potential customers and making them aware of Cocomolon is the first step in the marketing strategy, following the initial introduction of the second part of the marketing funnel, it will build interest and consideration for the customer. Some strategies and tactics from consideration are:

Re marketing ads: advertising delivered to subscribers or visitors to a brand website or social media.

Unique selling proposition (USP): It explains why the product or the service is between rather than the competitive.

E-Mail marketing: promotional emails.

Between awareness and consideration, some strategies are similar, but there is a difference, consideration provides more information regarding the business rather than the awareness stage.

The third stage of the market funnel is conversion, which is the process of getting the potential customer to take the desired action (N, N, d), some strategies and tactics from this stage are adding chatbots and pursuing an abandoned cart.

Chatbots: are software that answer basic questions from the website.

Pursuing an abandoned cart: it is when the customer puts the item that they want to purchase but does not make the purchase. Most e-commerce software have the capability to send emails to the customers and remind them about the abandoned cart.

The final stage of the marketing funnel is loyalty, there are some strategies to apply to keep customers purchasing the products, like rewards programs, birthday and anniversaries, and amusing confirmation messages.

Rewards programs: Incentivize customers coming back to the business.

Birthdays and anniversaries: offering discounts on their birthdays.

Amusing confirmation messages: when the customer receives confirmation email or text from the company confirming the purchase.

A promotional strategy is a plan to generate demand. It defines the strategies that it will employ to generate interest in goods and increase visibility. A promotion strategy aims to inform potential consumers about the products and services and encourage them to buy them (MacNeil, 2023).

Privacy and Data Protection

Payment Card Industry Security Standard (PCI- DSS), maintain an information security policy and implement strong access control mechanisms (N, N,d)

GDPR/ Data protection Act 2018 provides tools and policies to restrict access to the data. (N, N,d)

NCSC National Cyber Security Centre recommends using three random words for your password (N, N,d)

Conclusion and recommendation

As it provided in this report, innovation is essential in the businesses, innovation it never ends, is it like a life cycle, it can innovate any products and or services, as the author of the report understood that being innovative is a progress.

Being innovative is not only bring new services or products, is a process to think outside the box, is it help the company to bring new ideas and solutions, and it can be implemented in our daily lives.

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Cocomolon



BMSW6102 Developing Innovation and Creativity
for Business Advantage

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Innovation product Cocomolon

- Innovation is the process of developing new products and services as well as new procedures, innovators are willing to experiment and use creative thinking to bring uniqueness (*Dess, et al., 2023*).
- 30 million tonnes of coconuts are produced worldwide, each year, along tropical nations coasts (*Florindo, et al., 2020*).
- Coconut husk has a high lignin and phenolic content, with 70% pith and 30% fiber. The fiber is elastic, durable, and resistant to rotting (*Florindo, et al., 2020*).
- Cocomolon is the innovative product that also helps protect the environmental.

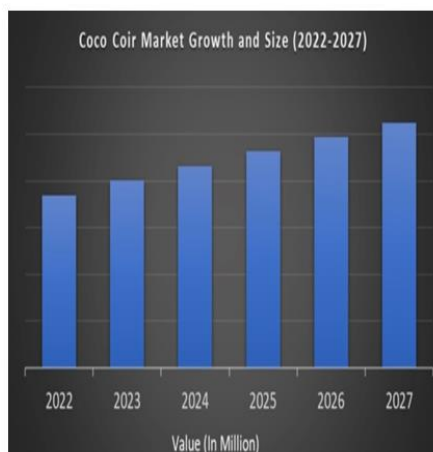




The market gap analysis

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- The gap analysis is a crucial part of strategic planning, helping organizations define strategies and adjust processes to align with their goals, and should be conducted regularly (*Weller, 2018*).

Highlights of market and competitive analysis



- The market is anticipated to expand at a compound annual growth (CAGR) of % 8.2 (*Yashreliableresearchreports, 2023*).
- The coco coir or coco fiber, market is growing due to consumers preference for organic products (*N, 2023*).
- Grow demand for coconut coir in packing, bedding, and flooring.
- Largest manufacturers: Heng Huat, Fibredust, Kumaran Fibres

Summary business product of Cocomolon



- The mission of Cocomolon is to promote organic products as the only sustainable development option, with the purpose of improving the environment to ensure a sustainable future.
- Our goal is to transform customer needs and specifications into innovative, carefully produced, affordable cost, and accessible, enhancing the environment.



Marketing and Promotional Strategy

- A digital marketing strategy is an approach to support and advance business objectives by using digital channels, like social media, and digital display advertising, and SEM to accomplish specific aims (*Barone, et al., 2023*).



Marketing and Promotional Strategy

- Promotional strategy generates demand

Aims to inform potential consumers about the product and services, and encourage them to buy it (*MacNeil, 2023*).

- Loyalty programs

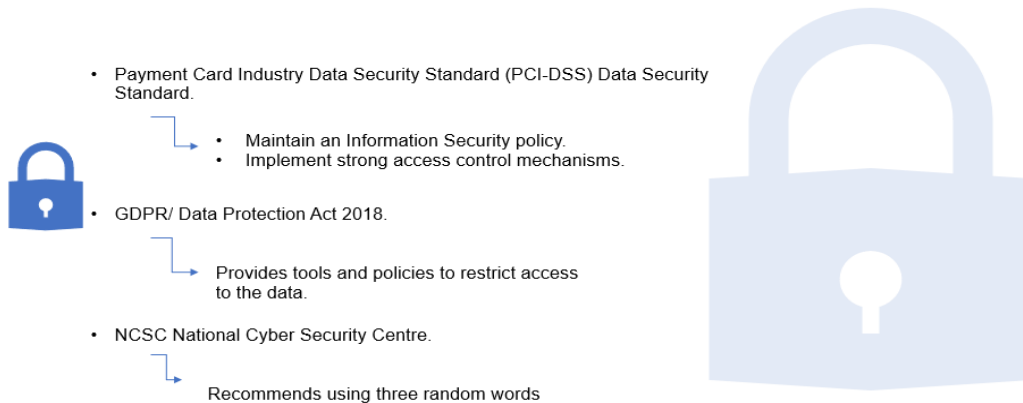
To attract and retain customers by offering discounts or offers special incentives.



E- commerce



Privacy and Data Protection



Plan to sustain your innovative business proposition?

- Designing more products based on coconut coir.
- Start promoting different recycled materials to provide to customers, like orange fiber
- Use of advanced marketing to promote globally.



What have you learned from this course and how, when, and where will you apply & implement what has been learned



- Innovative it never ends, is like a life cycle. It can be innovative with any product or service, as being innovative means progress.
- Innovation helps to have new ideas for the companies.
- I can implement innovative learning in any part of my daily lives





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