



**It comes down to the ability to devise products and services that feature fresh thinking and relevance to customers that meet their latent needs**



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## INNOVATION: MOVING MARKETING'S CAPABILITIES, INSIGHTS FRONT AND CENTER

There's considerable angst these days about innovation's sorry state. Various statistics—one being the meager 10% survival rate of the 30,000 new-product introductions in the consumer-package-goods sector alone—give cause for alarm.

But maybe it's a matter of skewed expectations around what "innovation" really means—expectations of bells and whistles when, often, better nuts and bolts can do the trick.

The iPod is the mantra for innovators everywhere—Apple used it to reinvent the music game and help drive record-breaking financial results. But GE's blend of pragmatism and creativity is equally noteworthy. Its aviation group, for example, has successfully met customer needs by designing a flexible solutions package, which combines a variety of different services under the mantle of the new OnPoint Solutions brand. GE leverages existing services and customers get to choose the services most relevant to them.

It really comes down to the ability to devise products and services that feature fresh thinking and relevance to customers in ways that meet their latent or unspoken needs. That puts the innovation ball squarely in marketing's court as the keeper of customer intelligence and arbiter of relevance.

Too often, though, the diffusion of organizational responsibilities and marketing's inability to forge meaningful partnerships outside its traditional sphere of influence puts marketing in the unenviable position of being involved at the hand-off stage. Without the benefit of marketing's insights into the customer, small wonder that innovations are hard-won.

Improved collaboration is the impetus behind the reinvention of Microsoft's marketing organization. Typically, its role in new product development was to issue press releases and throw launch events. Microsoft is beginning to emphasize

an engineering/marketing partnership driven by improved customer research. It believes the resulting insights are helping to identify new ways to uncover growth opportunities.

Such collaborative partnerships are critical to curing the innovation malaise. So is the need for businesses, and particularly their marketing leadership, to look differently at what constitutes innovation, and create a culture that fosters and rewards it.

Consider 3M. Its technical personnel spend 15% of their time on projects of their choosing and its lauded 3M Technical Forum attracts R&D luminaries from 19 nations. Inspiring this innovative spirit is the customer, whose needs are closely monitored by marketing and R&D teams to ensure they are responding with the kinds of innovation that only 3M can supply. The end result has been a global reputation for innovation, thanks to a cadre of 3M professionals who think innovatively, 24/7.

Making the most of existing brand assets is also critical to innovation. Marketing's role goes beyond customer insights to insights about the business' brands and how their attributes can be leveraged to drive innovation.

Procter & Gamble famously drives innovation through this form of cross-pollination. Its new Mr. Clean AutoDry Carwash tapped into winning attributes of its Pur water filter and Cascade brands to revolutionize home car washing, guaranteeing no spots and eliminating the need for hand drying—and doubling sales for the overall Mr. Clean brand.

Innovation involves more than finding ways to grab more SKUs or devising the latest and greatest thing. It's all about collaborative initiatives—with marketing front and center—that anticipate or respond to the customer's needs in a relevant way. It's about the bells and whistles *and* nuts and bolts that drive business performance. ■

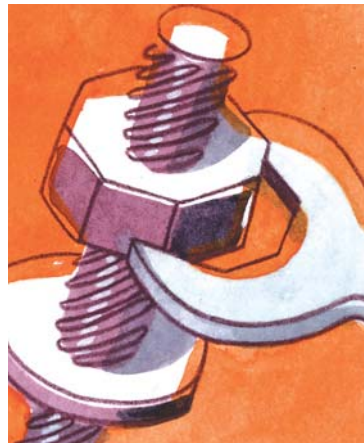


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