Marketing Matters

By Richard D. Czerniawski

ANOTHER SIDE TO INNOVATION – IMPROVE, ENHANCE, OR JUST FIX IT

"Do you need to have a brand new idea or invent something radically different in order to create 'difference?' No, not necessarily. Starbucks didn't invent coffee, and Apple didn't invent the smartphone; these companies simply created new experiences of them, which in turn created a whole new set of meanings that we attached to what were once commodities."
Bernadette Jiwa, DIFFERENCE

Not every innovation needs to be a breakthrough. A dream turned into reality. Indeed, this is one type of innovation. However, if we wait until dreams become reality, we are likely to be surpassed in performance and overtaken by those competitors who pursue continuous improvement of some sort or other.

As Ms. Bernadette Jiwa points out, Starbucks didn't invent coffee. What they did was to improve the coffee and experience of coffee consumption. In 2019, pre-COVID, Starbucks' revenue exceeded $26-billion. It currently has 31,000 stores around the globe.

Apple didn't invent the smartphone. However, Apple has sold more than 1.5-billion iPhones since its debut in 2007. Sales of Apple smartphones—the product line with its most significant source of revenue—contributed to the company achieving a market capitalization of more than $1-trillion.

Nike didn't invent athletic footwear. Instead, they added waffle soles to running shoes, developed sports-specific footwear, tied their product lines to professional sports and alpha-athletes, and enhanced it with a distinct brand character that celebrates just doing it. As per their sports footwear, they long since passed their archrival, Adidas, and dominate the US market with nearly a 50% market share.

Amazon didn't invent retail. No, they created a new way to sell and distribute merchandise that's more convenient and cost-efficient for consumers. Moreover, Amazon revenue topped $380-billion in 2020, a nearly 40% increase versus 2019, as the COVID pandemic drove consumers to online shopping.

Uber didn't invent auto transportation services. We had taxis to get us around town or go from place to place by automobile. They capitalized on new technology and an entrepreneurial spirit to help fuel a growing peer-to-peer economy and satisfy consumer needs for a more convenient, pleasing, and cost-effective experience. Uber is worth more than $100-billion today.

Zithromax wasn’t the first antibiotic to treat bacterial infections. Nor the most powerful. However, it was positioned to HCPs (Health Care Practitioners) as providing sound and responsible stewardship in treating potential bacterial infections with antibiotics. Additionally, it made taking antibiotics easier for patients—"five days and you're done." With the days and dosing clearly indicated, its packaging contributed to promoting ease of use and compliance.

Acuvue wasn’t the first contact lens. It was, however, the first disposable with soft, breathable material that made extended contact lens usage possible. It achieved a leadership position that it held for years due, in part, to having the manufacturing capacity that its competitors could not match.

DaVinci robotics didn’t invent surgery. They helped make it minimally invasive to speed patient healing and recovery. While creating a robotic surgical device certainly required huge investment in time and funding, it is consistently evolving to provide surgeons with more accurate and timely information to help improve surgical procedures and patient outcomes. Since the inception of robotics, there have been more than 1.75 million procedures in the US.

Curiously, Da Vinci directed robotic development and sales at cardiac surgery. However, urologists picked up on it, and Da Vinci zagged to fill their interest. Today approximately 90% of prostate surgeries are performed using robotics.

Talk about zagging, aspartame was developed to alleviate stomach ulcers. It failed its intended goal. However, its developer noticed accidently that it had a sweet taste. Aspartame does not have calories. It became a sugar substitute replacing saccharine.

Arm & Hammer was no different from other baking soda brands. They identified and promoted many additional usages and became a featured ingredient in many products from diverse categories. This lead to significant brand recognition and sales growth. I don't think we can name many other if any, brands of baking soda.

Similarly, in the pharmaceutical sector, brands such as Eliquis—and many others—expand usage and perceived value by securing additional indications.

Then, there's Morton's Salt. They added a pour spout to their packaging, and sales increased severalfold.

What I'm getting at is similar to the fable of the tortoise and the hare. No great leaps here. (All right, developing robotics is pretty significant. Creating it to assist surgery took the effort of brainiacs. However, it enhanced and leveraged surgeons’ skills.) It’s merely chipping away to improve functionality (e.g., expand indications or uses for the same compound or product, zag where appropriate), enhance performance (improve productivity, ease of use, storage capability, packaging, etc.) or fix something (such as reformulate and add a pour spout to the package to make salt more pourable).

Our focus on innovation should not be limited to breakthroughs, which are typically in the too far future. We need to think about what we can do with what is available to improve, enhance, or just fix a problem and resolve a customer need that has gone unsatisfied or inadequately satisfied, by competitors. Our pipeline should include pursuing the breakthroughs (long-term projects) AND continuous improvements (through kaizen) to what exists in the categories in which we compete (near-term projects).

Make innovation everyone's job, not just R&D. Think product (Nike, Apple iPhone), distribution (Amazon), materials and processes (Acuvue), positioning (Zithromax), accelerating sea changes (Uber and, let's throw in Airbnb), expanding usage occasions (Arm & Hammer Baking Soda and Eliquis), packaging (Zithromax and Morton's Salt) and practices (Da Vinci).

Above all, challenge the status quo and listen, really listen to your customers. Solve their problems, even those they don't know they have. Make things to fulfill needs, even those they don't realize they have. Then employ kaizen to chip away, chip away until you can differentiate your brand in a relevant and meaningful way to target customers. When you get there, repeat the process.

Innovate to enhance the relevancy and appeal of your brand. Lack of ideas is the mark of a dull brand. Read my most recent book, AVOIDING CRITICAL MARKETING ERRORS: How to Go from Dumb to Smart Marketing. It will provide you with a list of common marketing errors to avoid and, importantly, effective ways to make your brand marketing matter more. Learn more here: http://bdn-intl.com/avoiding-critical-marketing-errors

Peace and best wishes,

Richard Czerniawski

Richard D. Czerniawski

1812 Yates Avenue

Pensacola, Florida 32503

847-312-8822

richardcz@bdn-intl.com

richardcz@me.com

www.bdn-intl.com