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BRANDING NEWSLETTER AUTUMN 2009 WWW.INCITE.WS

THE 2009 INNOVATION LEAGUE TABLE

Which brands are the winners and losers in the Incite innovation league table for 2009? Is innovation still an important part of a consumer's perception of a brand or has the recession made people think differently? Elaine Kent-Smith looks at the results of our new research.

Our quest in 2008 was to find out which brands are seen as innovative and why. We sought to know if consumers value innovation – and we found they did. Fast forward to 2009 and has the scene changed? Has the recession changed people's minds about innovation and the companies they think of as being innovative? With the collapse of global financial systems, do consumers now fear risk and want to stick with tried and trusted formulas?

As with last year, we carried out an on-line study among a representative sample of 1002 consumers between the ages of 18 and 65 years. We asked them to tell us which brands they thought were innovative and the reasons for their views.

When we carried out our innovation research in 2008 we found six key drivers of innovative companies and brands. Consumers think that an innovative brand must be a **pioneer**. It must be out there on the wild frontier, pushing the bounds of technology and science and seen as years ahead of its competitors. The innovative brand must give the consumer a genuine benefit – a product or service that makes life **easier**. An innovative brand must be the topic of conversation and have a **buzz** about it. It must have the seal of public **approval** – innovative brands are ones that people agree are a good buy. It must be **trusted** – a brand that consumers respect for themselves, no matter what others say. Finally, an innovative brand demonstrates **understanding** – it gets what is going on in consumers' lives and has a clear role to play.

What's new in 2009?

As with Formula One, the drivers from 2008 still apply but the picture is changing. This last turbulent year has seen a shift in how consumers perceive the companies they believe are innovative. As a result, what consumers value about innovation is evolving to match their circumstances. This is true even though the companies they perceive to be the most innovative are broadly similar.

Looking at how consumers describe innovative companies, three themes are now more prevalent than they were last year. The table below shows the shift in the relative perceptions of innovative brands from last year to this. As you can see, two scales – ease and trust – have gone up. The others have gone down, in particular last year's key driver - that of being a pioneer:

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Driver	% Change
Be a pioneer	-16
Make my life easier	+41
Create a buzz	-9
Be approved by my peers	-5
Give me reason to trust you	+14
Understand me and my life	-17

As we can see from the table, in difficult times consumers seek innovation from trusted brands to make their lives easier. ‘Ease’ is now more acknowledged than last year for the most innovative companies - times are tough and consumers appreciate those which deliver a benefit. Apple and Sky in particular are perceived as having done much to make both their products and people’s lives easier. And in a year when many brands, sectors and indeed people have been seen to let the public down, the sense of ‘give me reason to trust you’ is an even more recognised attribute for those who are acknowledged as being credibly innovative.

As we can see, the levels of endorsement on the key theme of ‘pioneer’ have fallen - we found people feel innovative companies now have fewer advantages over their peers; perhaps companies have actually been delivering fewer new things over this last year. But it is worth noting that *within* the concept of ‘pioneer’ being ‘years ahead of your competitors’ is driving the innovative status of our very top companies much more than the element of just ‘pushing the boundaries of technology’. Last year we found that just *being in* technology gave many companies an innovative ‘glow’, this year that has changed and people are looking for real and significant improvements.

So, if you can stand out as leading your field then consumers will respect you for your innovation (rather than innovating for innovation’s sake). And it isn’t just technology brands which can achieve this type of ‘competitor advantage.’ It can be compelling in other categories too - it is one key driver of Tesco’s innovative status for example.

The 2009 League Table

So what does our top 10 innovation league table look like after a year of recession?

Rank	2009	2008
1	Apple	Sony
2	Sony	Apple
3	Microsoft	Microsoft
4	Virgin	Virgin
5	Dyson	Nokia
6	Samsung	Dyson
7	Sky	Nintendo
8	Google	Tesco
9	Tesco	Sky
10	Nokia	Panasonic

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Apple vs Sony

The top of the table looks similar but there are some important differences. Last year, Apple and Sony were very close with Sony just pipping Apple at the finish line (!). This year Apple has pulled ahead of its rival. Why? We think it's nothing to do with being more technologically advanced. The products that Apple has launched in the year and the communications around the brand mean it now ticks more of the 'trust' and 'ease' factors which we now know are relatively more salient for highly innovative companies this year versus last. Sony has also improved perceptions of 'trust' and 'ease', but in the last year Sony appears to have lost some buzz and momentum. It is no longer being talked about and approved of to the same extent, notably perceptions of its advertising being innovative have fallen.

Sky's the limit

On the other hand Sky, which has moved up the table, has really changed in the minds of our consumers. It is perceived as being more talked about, respected, understanding consumers, making lives easier and being easy to use. We might attribute this to its drive to targeted and personalised channel packages and perhaps the growth of Sky+. Interestingly, Sky (unlike most other brands in the survey) is perceived as more expensive this year compared to last year... but this has not damaged its higher innovation rating than a year ago. If you give people something they really want, they are happy to pay for it.

New entrants and who is down

At number 8, Google is a new entrant to the top 10 (along with Samsung at no 6). It is a solid all round performer, with high scores on buzz and making lives easier and strong correlations of being a pioneer with perceptions of innovation. Samsung shows similar traits, with 'trust', 'buzz' and 'ease' being associations consumers cite around the brand.

Nintendo and Panasonic made the top ten last year, but other brands have supplanted them this year. For Nintendo whilst it does OK versus similar companies on 'buzz' and being a 'pioneer', it does not have an advantage on the rising key attributes of 'ease' or 'trust'. Panasonic is also a strong pioneer and is trusted, but without an advantage on ease and with a very high perception of being expensive it too has been overtaken by other contenders.

Finally a word on Nokia. To an extent, Nokia is bucking the trend. It is still very strong on 'trust' and 'ease' and it is still seen by consumers as pushing the bounds of technology. But with the rise of Apple this year, it is not *the* brand which is years ahead of its competitors.

Right now, for a brand to be strong and have a positive innovation perception it needs to tick all the boxes (different AND relevant AND credible AND 'hot'). It's not always down to what an individual brand is doing – a competitor can take the high ground in no time at all.

Combine total meltdown in the financial markets and the inexorable rise in the internet as a retail medium and you get consumers who are not only increasingly sophisticated, demanding and individual; but who are also very uncompromising, on or off line. It is never again going to be business as usual for marketing, and yet again brands need to work harder to win. The brands that are still in the top 10 for innovation next year will certainly be those that have delivered on all counts, every time.

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