

Up in the air

Are you ready to target
the cloud consumer?



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Why focus groups are an 'empty ritual'

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The secrets of creative companies

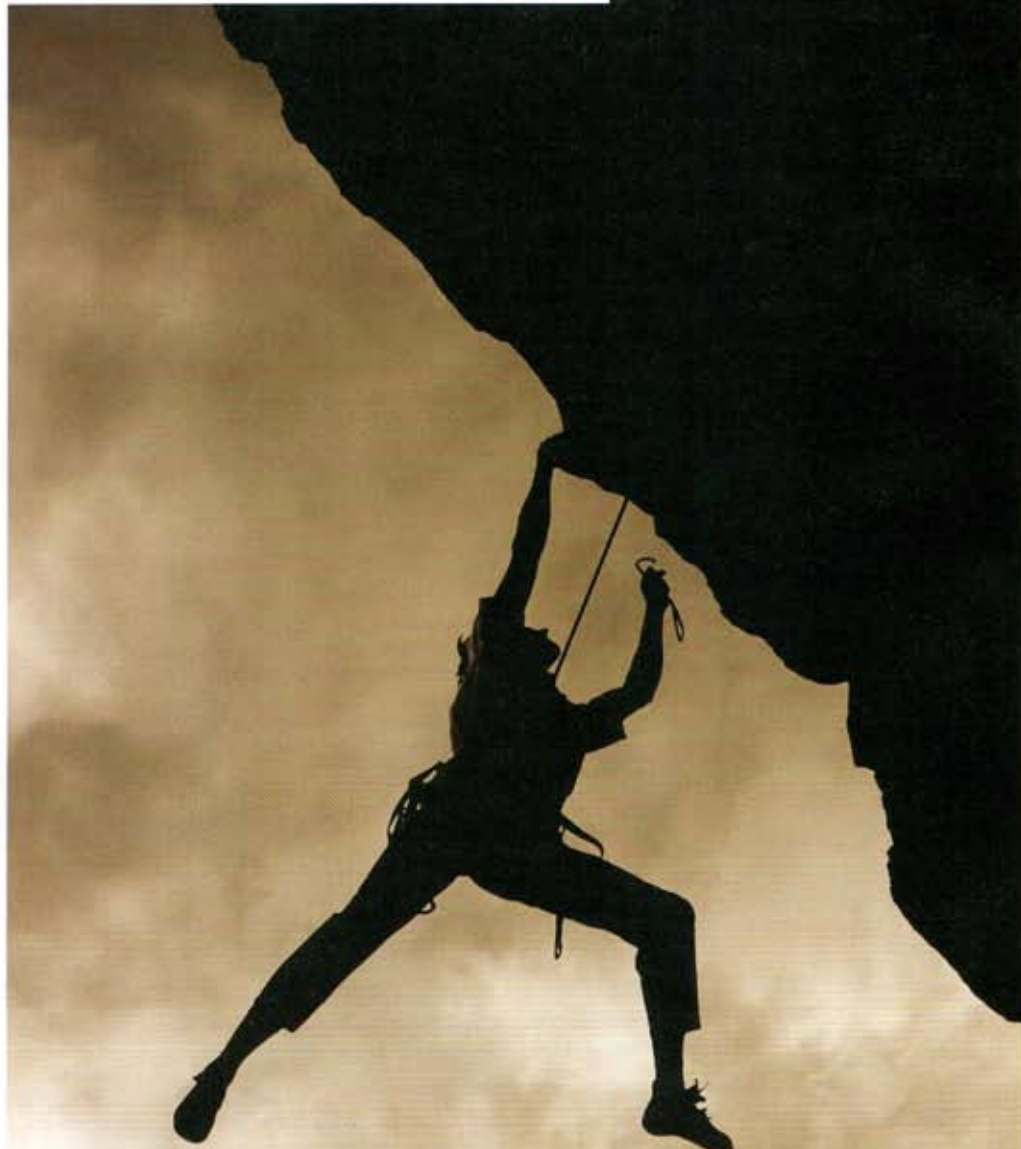
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True pioneers talk the customer's language

Just what must a brand do to be considered truly innovative? A report seen exclusively by *Marketing Week* provides six pointers.

By **MaryLou Costa**

Innovation has become a buzzword that brands strive to achieve but can find difficult to define. But a new report shown exclusively to *Marketing Week* identifies six key things a brand must do to be innovative – consumers must think of the brand as a pioneer, it must make life easier, generate conversation and buzz, have earned a seal of public approval and be perceived as a trusted and understanding brand.

The 1,000 people surveyed by brand consultancy Incite were asked to name brands they thought were innovative and to provide reasons why.

The results form part of an innovation league table that Incite has been running since 2008, which shows that consumers perceive technology brands as the most innovative and puts Apple in top spot, followed by Sony and Microsoft (see league table, opposite).

Incite associate John Tearle says that despite technology being a sector that, by its nature, must be innovative, these brands shouldn't take this for granted. "Being a technology company doesn't necessarily mean you will jump to the top of the innovation list. Technology manufacturers are losing out to companies that focus on media content, and provide a more social experience," he says.

Leading innovators are increasingly associated with being more expensive and launching new products for the sake of it rather than offering a real benefit to consumers, which they will then see through, he claims.

Brands from sectors such as FMCG, utilities and retail also feature in Incite's top 50 but have been mentioned as somewhat of an afterthought by consumers. Brands to note include Tesco in 13th place, Innocent in 38th, as well as British Gas, Cadbury, Coca-Cola, John Lewis and Lloyds TSB all in joint 45th place.

Tearle claims that innovations in sectors such as FMCG are probably less obvious to consumers and affect their lives in more subtle ways than technology brands.

"Innovation in FMCG comes mainly from competition between companies, so it could be that they are doing line extensions to increase their share, or they are trying to do something wacky to differentiate themselves," he suggests.

"But if you compare that to the kind of innovation in technology, those products are new things that didn't exist years ago. They are

fiat

case study

Eco-friendly: Fiat's award-winning application generated PR buzz

Fiat's eco:Drive initiative was launched with a small budget, but as a result of the social media and PR buzz generated, it returned an equivalent media spend of about €10m (£8.8m).

The application, which measures how people drive and advises them how changing their driving habits can reduce their fuel use, also saw impressive customer satisfaction results – 75% of eco:Drive users surveyed last year said they were very satisfied with their Fiat, while 89% would recommend the brand.

Fiat drivers download the application to their computer and plug a USB stick into their vehicle to measure their acceleration, deceleration, gear change and speed. The USB data is then transferred to the computer to give users an eco-driving score and tips on how to drive in a more eco-friendly manner (see eco:Drive by numbers, below).

Judges at the Marketing Week Engage Awards last month named Fiat, in association with agency AKQA, winner of the Brand Innovator category. They said that the piece offered "groundbreaking insight in a highly competitive category".

Fiat Group's vice-president of marketing innovation, Candido Peterlini, says the next evolution of the application will be to connect it to a mobile device, as well as making it the first in a series of "infotainment" applications. "A further development will be to combine



eco:Drive with location-based technology so people can see where exactly they have their best driving performance," says Peterlini.

He adds that the project was motivated by a desire to connect more effectively with a core audience of young men whose digital connections are like their "second skin".

While eco:Drive's use of technology was certainly innovative, Peterlini points out that its success lay largely in communicating the application's use in appropriate language.

"We used a short cartoon to explain eco:Drive, which is on YouTube. But when we talk about how it works, we just tell people to plug the USB into the car without explaining that the data is taken from the car and downloaded to our network," he says.

Fiat eco:Drive by numbers

- The application has been downloaded more than 120,000 times since launch.
- It is now used by 53,000 drivers who have uploaded data from more than 13 million trips – Fiat claims users of its eco:Drive application have saved a total of £3m in fuel and 3.8 tonnes of carbon emissions.
- Fiat published an eco-driving study analysing 428,000 trips.
- More than 7,000 press articles, equivalent to a €10m (£8m) media spend, were triggered.

innovations that have had a huge impact on people's day-to-day lives. Product innovations such as new flavours aren't quite the same leap."

Being a strong pioneer is the most important measure of innovation, says Tearle. But he warns that brands that talk in consumer language – which means marketing has an important part to play in getting the right message across – are the ones most likely to distinguish themselves.

Mixing marketing and innovation from the beginning is a key process for Fiat, which doesn't feature in Incite's table but was awarded the Brand Innovator prize at the Marketing Week Engage Awards last month.

Fiat was recognised for its eco:Drive application, which monitors driving patterns and shows motorists how to reduce their fuel use (see Case Study, above).

Fiat Group's vice-president of marketing innovation Candido Peterlini says: "Our approach to innovation combines the marketing, style and engineering departments, so the starting point is always the market and our brands.

"Marketing is part of all the milestones until the final product, so innovation is not just outsourced to the engineering department."

Rather than leading with technology for its own sake, Peterlini says the process begins by focusing on issues that are relevant to consumers, which is then followed by looking for the technology to fulfil the requirement.

"We focus on something we know is relevant and we don't waste time on something that doesn't reflect our brand values. We don't chase any possible technology that's out there, we chase what we believe we are credible for."

In sharp contrast, Dyson takes an approach that is more technological, which has earned the brand fourth spot in Incite's innovation league table (see Q&A, above right).

What both brands have in common, though, is a mission to make their products more relevant to consumers' day-to-day lives.

"Innovation is about being surprisingly useful," Fiat's Peterlini sums up. "It is a combination of design, materials and sometimes finding a new function for an existing object." ●

Q&A



Adam Rostom
international marketing
director at Dyson

Marketing Week (MW): How do you define innovation?

Adam Rostom (AR): At Dyson, innovation means developing technology that works better. Our Air Multiplier fan would not be innovative were it not for the problems it solves – it's safe, easy to clean and causes no buffeting.

MW: How does Dyson approach innovation?

AR: Our engineers develop ideas to solve problems. They are encouraged to develop their own ideas which can then be put into development. However, some of these ideas won't see the light of day for a decade.

MW: How do you communicate innovation to customers?

AR: We rely on our technology, not marketing campaigns. We don't introduce a new machine if it's not an improvement on what's already out there. It's not difficult to communicate as people can relate to the technology; it solves everyday problems.

MW: What innovation do you think consumers most recognise Dyson for?

AR: We hope people recognise our technology as most of our profits are ploughed back into research and development. The reduction of running costs is also important to people; a recent GfK Home Audit showed "no bags" and "no loss of suction" are key in driving people's choice of vacuum cleaner. Our five-year guarantee is testament to our faith in our machines.

Innovation League Table

Source: Incite

	2011	2009
Apple	1	1
Sony	2	2
Microsoft	3	3
Dyson	4	5
Samsung	5	6
Virgin	6	4
Sky	7	7
Google	8	8
Amazon	9	17
Nintendo	9	11
Nokia	11	10
Panasonic	11	14
Tesco	13	9
Toyota	14	17
BlackBerry	15	42
LG	16	15
Dell	17	13
Philips	18	16
HTC	19	-
BT	20	12