

Innovation Marketing

What is Innovation Marketing?

<http://bradenkelley.com/services/innovation-marketing/>

Innovation Marketing is the science of successfully encouraging sales of a potential innovation

– *something that transforms the useful seeds of invention into solutions valued above every existing alternative* –

and then makes them widely adopted.

For potential innovations to become widely adopted, people must understand how the innovation will fit into their lives.

Innovation = Value Creation (x) Value Access (x) Value Translation

Now you will notice that the components are multiplicative not additive. Do one or two well and one poorly and it does not necessarily add up to a positive result. Doing one poorly and two well can still doom your innovation investment to failure.

Let's look at the three equation components in brief:

- **Value Creation** is pretty self-explanatory. Your innovation investment must create incremental or completely new value large enough to overcome the switching costs of moving to your new solution from the old solution (including the 'Do Nothing Solution'). New value can be created by making something more efficient, more effective, or possible that wasn't possible before, OR by creating new psychological or emotional benefits.
- **Value Access** could also be thought of as friction reduction. How easy do you make it for customers and consumers to access the value you've created? How well has the product or service been designed to allow people to access the value easily? How easy is it for the solution to be created? How well-developed is the ecosystem around the product or service to complete the solution? How easy is it for people to do business with you? What support or education have you put into place to help people unlock the value you've created that may not be immediately obvious?
- **Value Translation** is all about helping people understand the value you've created and how it fits into their lives. Value translation is also about understanding where on a continuum between the need for explanation and education that your solution falls.

Innovation is: turning an idea into a solution that creates value to a customer

problem ==> solution



What are the two most important highlighted words above for an innovation to be **successful**? The answer is **Value** and **Customer**. The difference between inventions which fail and innovations which succeed are that innovations address a specific problem which a customer has with a specific solution which they perceive as adding value to them. The important thing to note is that it is in the eye of the customer, not the company providing the solution.

Value for Business Angels: "*SHOW ME THE MONEY*"

1. Build a prototype technology
2. Get Venture Capital / Angel Investment to build it into a full-blown product
3. Set up an office and hire developers to build the solution
4. Release it for Free
5. Get millions of users
6. Sell the company to someone like Google or Facebook

Innovation is ...

Newness that proves its worth.

The term innovation comes from the Latin word *innovatus*, which means “into the new”. So, innovation has movement or change that brings about “newness”. In addition there is an implicit element that exists in the modern use of the term. It is the idea that it must add value, whether to a company, society, government, or whatever context. The Latin root of value is *vale*, or *val*, strength and worth respectively. So, when “newness” is created the change it causes must prove its worth. It must be strong enough to stand the test of time, and only things that people adopt and use, as a part of the fabric of their lives, will prove themselves truly valuable.

In addition, innovation really is an after-the-fact title we bestow upon successful solutions to problem (either known problems or ones that weren't clear until the solution presented itself, like the need for a smartphone). All of our historically innovative legends (Ford, Tesla, Edison, Jobs, Gates, Zuckerberg, etc.) were not trying to be “innovative” they were just solving problems. The innovation title has been bestowed upon them after the fact. The title is often very fleeting. What was innovative yesterday is commonplace tomorrow or, even worse, forgotten all together. Not necessarily because it wasn't new or that it didn't add value but because it just didn't stick in the minds of society long enough to hold on to its title. Innovation is a fickle mistress, full of movement and change, and pursuing it can get you into the same kind of trouble that a mistress might. So, it's better to pursue a clearer target. Specifically, the generation of newness (novelty, uniqueness, originality) that proves its worth by sticking around long enough to create some value (solve a problem).

Innovation Matrix

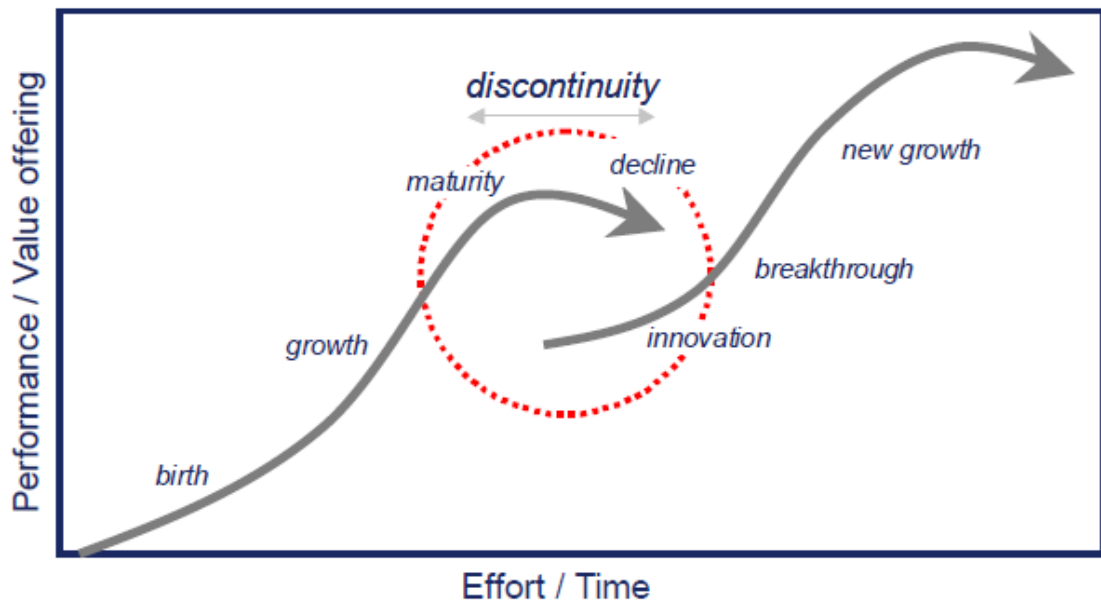
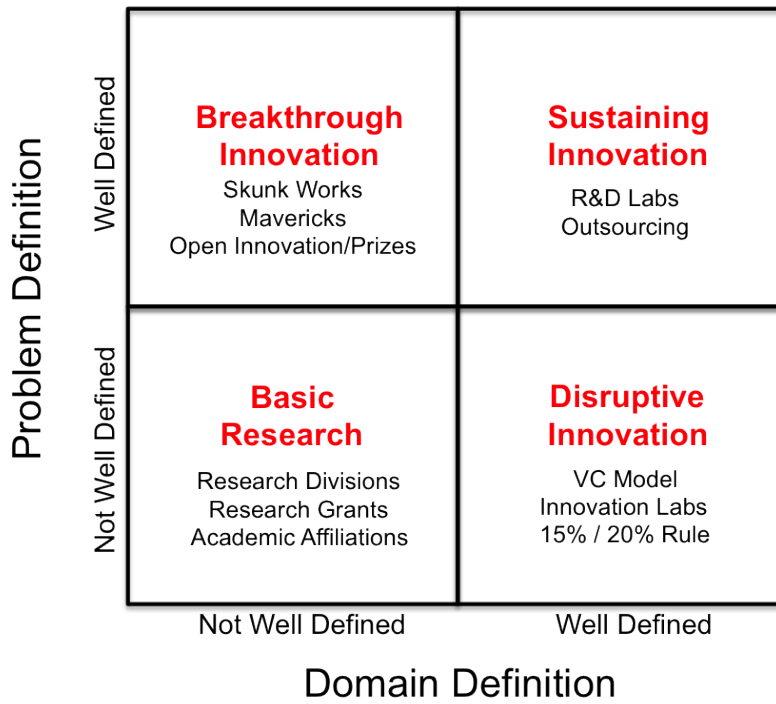
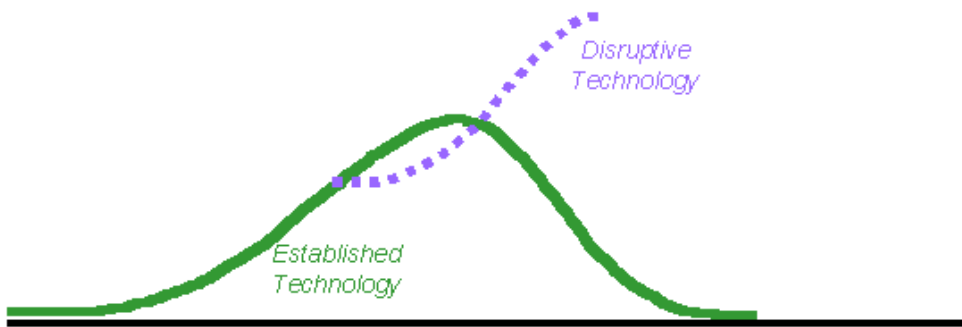


Figure 4. Discontinuity brought on by disruption and “jumping the curve”³

Disruptive Technology

The Innovator's Dilemma



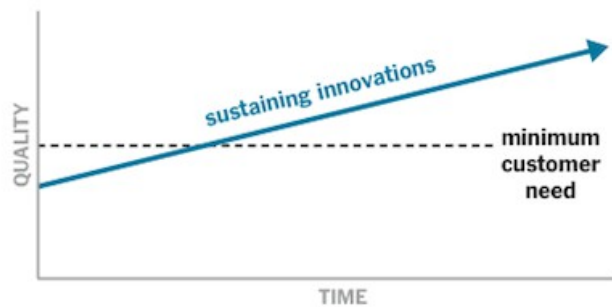
Why upstarts and not established players?

- High dependency on existing customers
- Initial market too small (relative to current)
- Uncertain potential, certain consequences

Innovator's Dilemma – Introduction, Clayton M Christensen, HBS Press, 1997

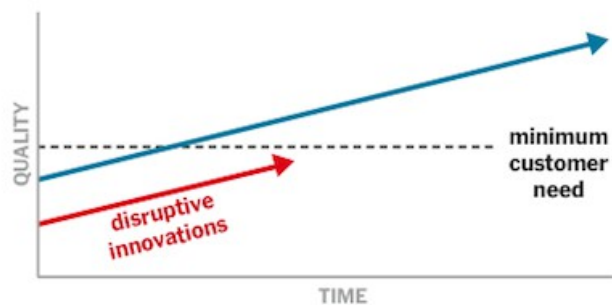
1. Incumbents treat innovation as a series of incremental improvements. They focus on improving the quality of their premium products to sustain their current business model.

For **The Times**, a sustaining innovation might be “Snowfall.”



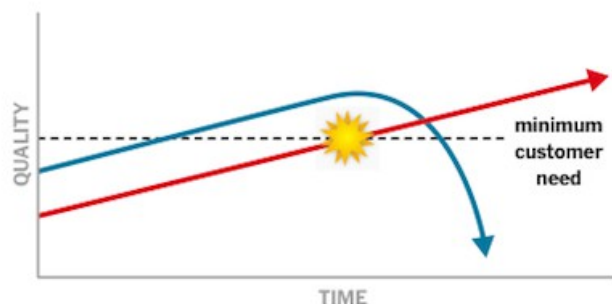
2. Disruptors introduce new products that, at first, do not seem like a threat. Their products are cheaper, with poor quality – to begin with.

For **BuzzFeed**, a disruptive innovation might be social media distribution.

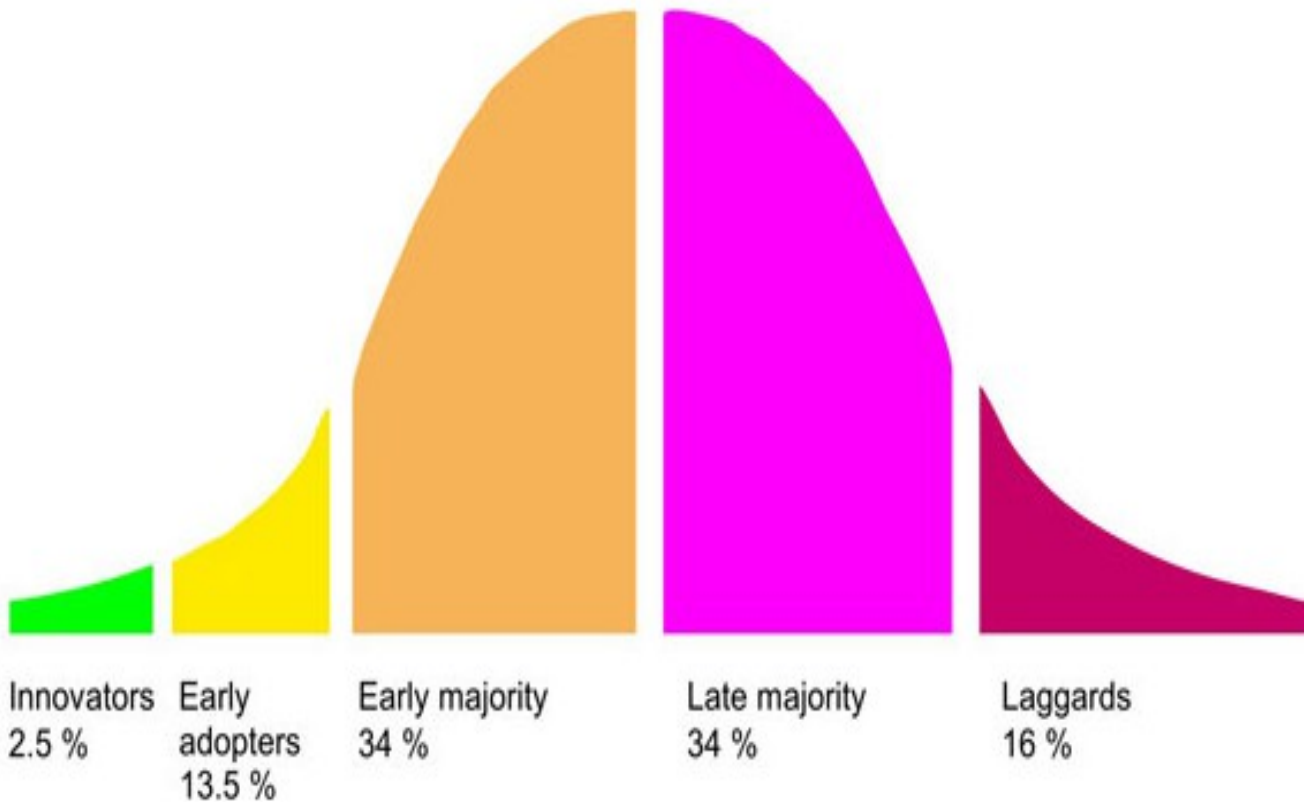
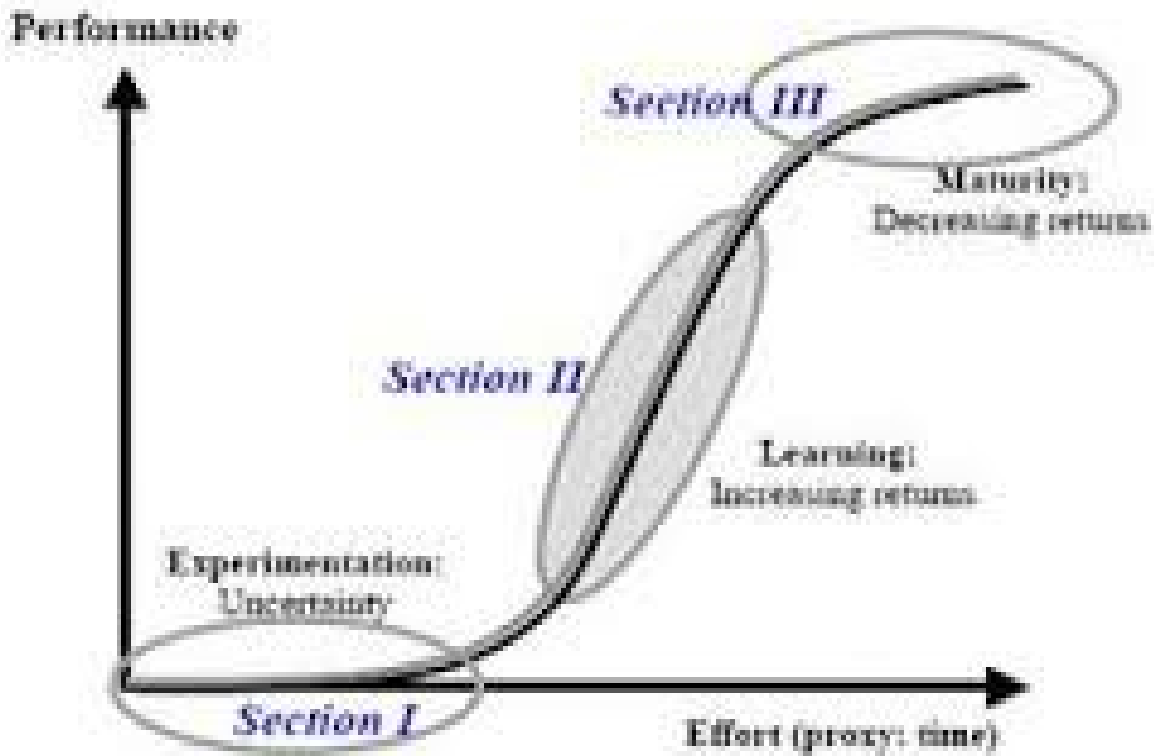


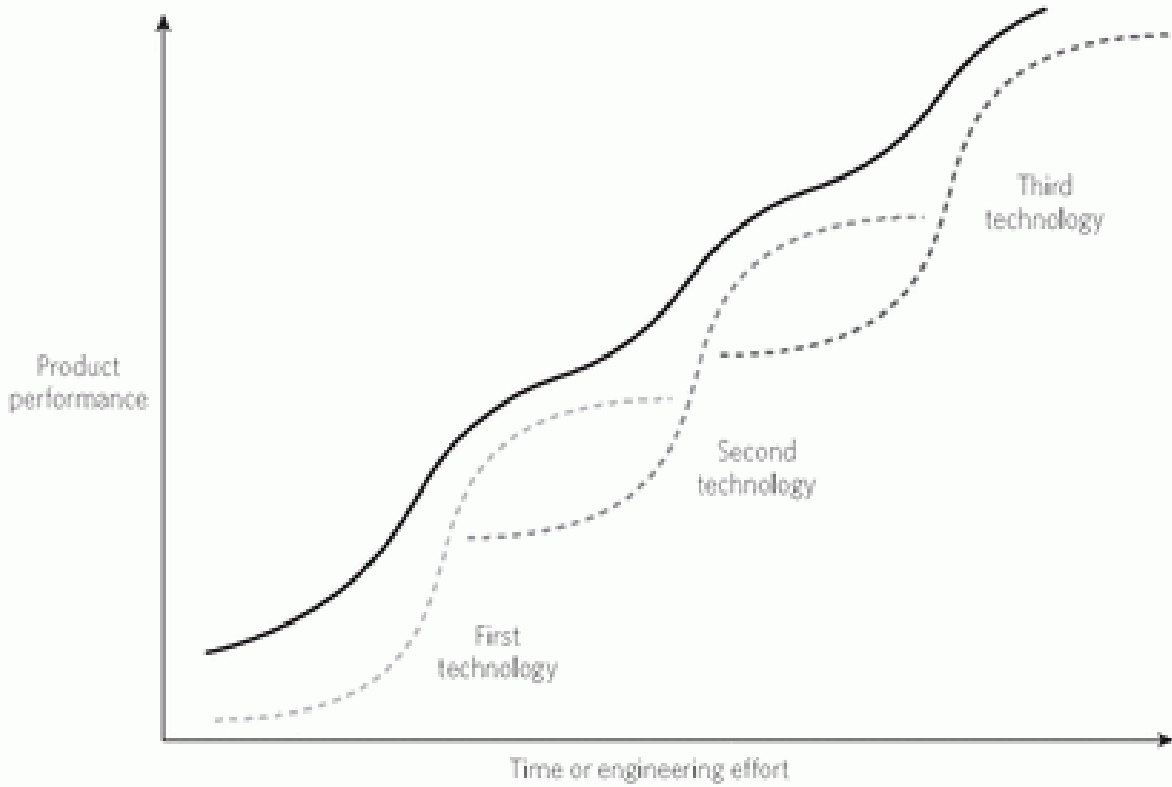
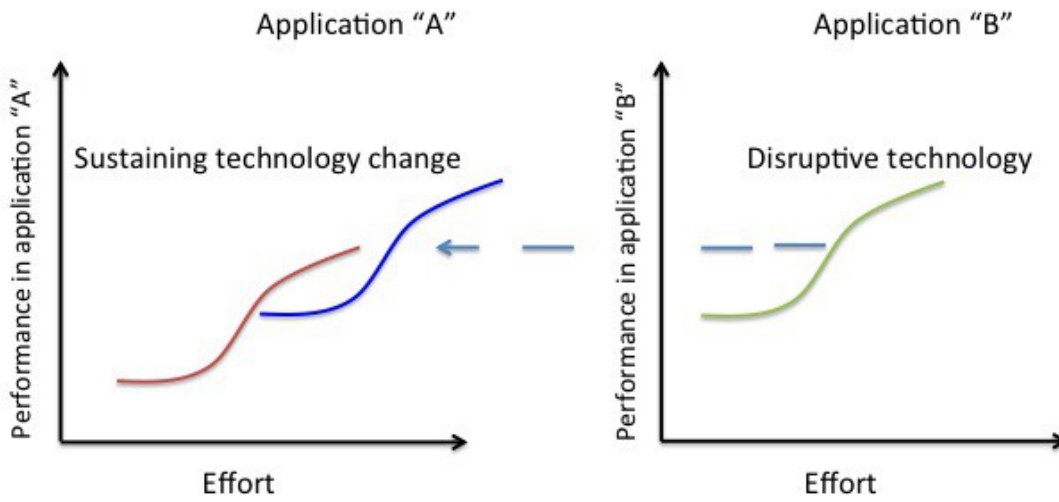
3. Over time, **disruptors** improve their product, usually by adapting a new technology. The **flash-point** comes when their products become “good enough” for most customers.

They are now poised to grow by taking market share from **incumbents**.



The "S" Curve of Technology





Invention is ...

New scientific or technical idea, and the means of its embodiment or accomplishment. To be patentable, an invention must be novel, have utility, and be non-obvious. To be called an invention, an idea only needs to be proven as workable.

*But to be called an innovation, it must also be replicable at an economical cost, and must satisfy a specific need. That's why **only a few inventions lead to innovations** because not all of them are economically feasible.*

Wikipedia:

An invention is a unique or novel device, method, composition or process. The invention process is a process within an overall engineering and product development process. It may be an improvement upon a machine or product, or a new process for creating an object or a result. An invention that achieves a completely unique function or result may be a radical breakthrough. Such works are novel and not obvious to others skilled in the same field.

Some inventions can be patented. A patent legally protects the intellectual property rights of the inventor and legally recognizes that a claimed invention is actually an invention. The rules and requirements for patenting an invention vary from country to country, and the process of obtaining a patent is often expensive.

Another meaning of invention is cultural invention, which is an innovative set of useful social behaviours adopted by people and passed on to others. The Institute for Social Inventions collected many such ideas in magazines and books. Invention is also an important component of artistic and design creativity. Inventions often extend the boundaries of human knowledge, experience or capability.

Practical means of invention

The idea for an invention may be developed on paper or on a computer, by writing or drawing, by trial and error, by making models, by experimenting, by testing and/or by making the invention in its whole form. Brainstorming also can spark new ideas for an invention. Collaborative creative processes are frequently used by engineers, designers, architects and scientists. Co-inventors are frequently named on patents.

In addition, many inventors keep records of their working process - notebooks, photos, etc., including Leonardo da Vinci, Thomas Jefferson and Albert Einstein.

In the process of developing an invention, the initial idea may change. The invention may become simpler, more practical, it may expand, or it may even morph into something totally different. Working on one invention can lead to others too.

History shows that turning the concept of an invention into a working device is not always swift or direct. Inventions may also become more useful after time passes and other changes occur. For example, the parachute became more useful once powered flight was a reality.

Conceptual means

Invention is often a creative process. An open and curious mind allows an inventor to see beyond what is known. Seeing a new possibility, connection, or relationship can spark an invention. Inventive thinking frequently involves combining concepts or elements from different realms that would not normally be put together. Sometimes inventors disregard the boundaries between distinctly separate territories or fields.[citation needed] Several concepts may be considered when thinking about invention.

Play

Play may lead to invention. Childhood curiosity, experimentation, and imagination can develop one's play instinct—an inner need according to Carl Jung. Inventors feel the need to play with things that interest them, and to explore, and this internal drive brings about novel creations. Thomas Edison said, "I never did a day's work in my life, it was all fun". Inventing can also be an obsession. Sometimes inventions and ideas may seem to arise spontaneously while daydreaming, especially when the mind is free from its usual concerns. For example, both J. K. Rowling (the creator of Harry Potter) and Frank Hornby (the inventor of Meccano) first had their ideas while on train journeys.

Re-envision

To invent is to see anew. Inventors often envision a new idea, seeing it in their mind's eye. New ideas can arise when the conscious mind turns away from the subject or problem, when the inventor's focus is on something else, or while relaxing or sleeping. A novel idea may come in a flash—a Eureka! moment. For example, after years of working to figure out the general theory of relativity, the solution came to Einstein suddenly in a dream "like a giant die making an indelible impress, a huge map of the universe outlined itself in one clear vision". Inventions can also be accidental, such as in the case of polytetrafluoroethylene (Teflon).

Insight

Insight can also be a vital element of invention. Such inventive insight may begin with questions, doubt or a hunch. It may begin by recognizing that something unusual or accidental may be useful or that it could open a new avenue for exploration. For example, the odd metallic color of plastic made by accidentally adding a thousand times too much catalyst led scientists to explore its metal-like properties, inventing electrically conductive plastic and light emitting plastic—an invention that won the Nobel Prize in 2000 and has led to innovative lighting, display screens, wallpaper and much more (see conductive polymer, and organic light-emitting diode or OLED)

Exploration

Many of their experimental designs panned out in failure. Invention is often an exploratory process with an uncertain or unknown outcome. There are failures as well as successes. Inspiration can start the process, but no matter how complete the initial idea, inventions typically must be developed.

Improvement

Inventors may, for example, try to improve something by making it more effective, healthier, faster, more efficient, easier to use, serve more purposes, longer lasting, cheaper, more ecologically friendly, or aesthetically different, lighter weight, more ergonomic, structurally different, with new light or color properties, etc.

Implementing Inventions

In economic theory, inventions are one of the chief examples of "positive externalities", a beneficial side-effect that falls on those outside a transaction or activity. One of the central concepts of economics is that externalities should be internalized—unless some of the benefits of this positive externality can be captured by the parties, the parties are under-rewarded for their inventions, and systematic under-rewarding leads to under-investment in activities that lead to inventions. The patent system captures those positive externalities for the inventor or other patent owner, so that the economy as a whole invests an optimum amount of resources in the invention process.

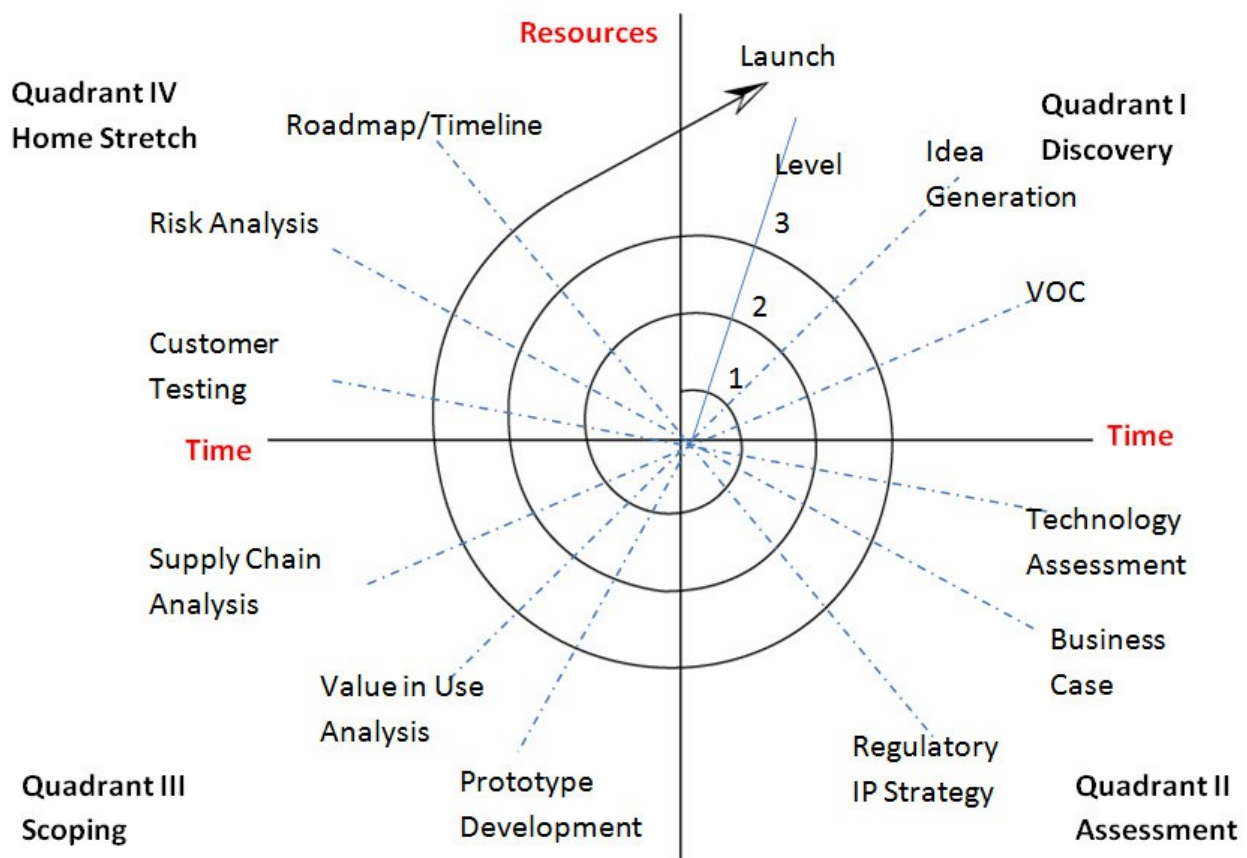
Invention vs. innovation

In the social sciences, an innovation is something that is new, better, and has been adopted. The theory for adoption of an innovation, called diffusion of innovations, considers the likelihood that an innovation is adopted and the taxonomy of persons likely to adopt it or spur its adoption. This theory was first put forth by Everett Rogers. Gabriel Tarde also dealt with the adoption of innovations in his Laws of Imitation

Purposes of invention

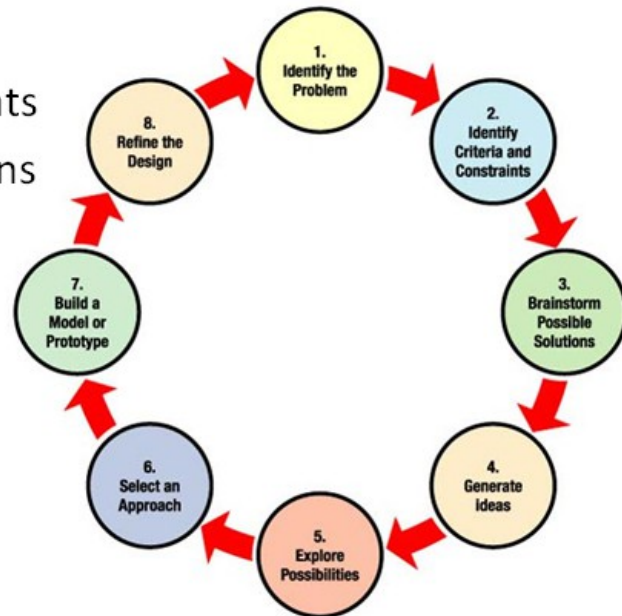
An invention can serve many purposes. These purposes might differ significantly and may change over time. An invention, or a further-developed version of it, may serve purposes never envisioned by its original inventor(s) or by others living at the time of its original invention. As an example, consider all the kinds of plastic developed, their many uses, and the significant growth this material invention is still undergoing.

Innovation Process Spiral



Engineering Design Process

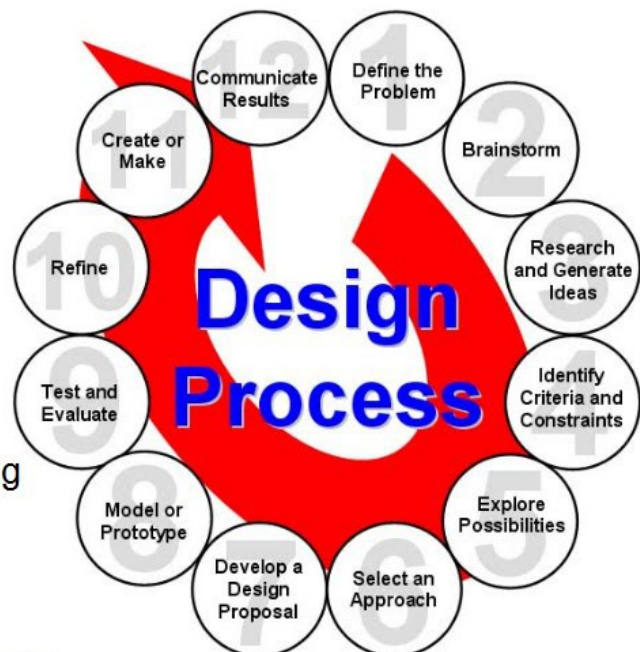
1. Identify the Problem
2. Identify Criteria & Constraints
3. Brainstorm Possible Solutions
4. Generate Ideas
5. Explore Possibilities
6. Select an Approach
7. Build a Model or Prototype
8. Refine the Design



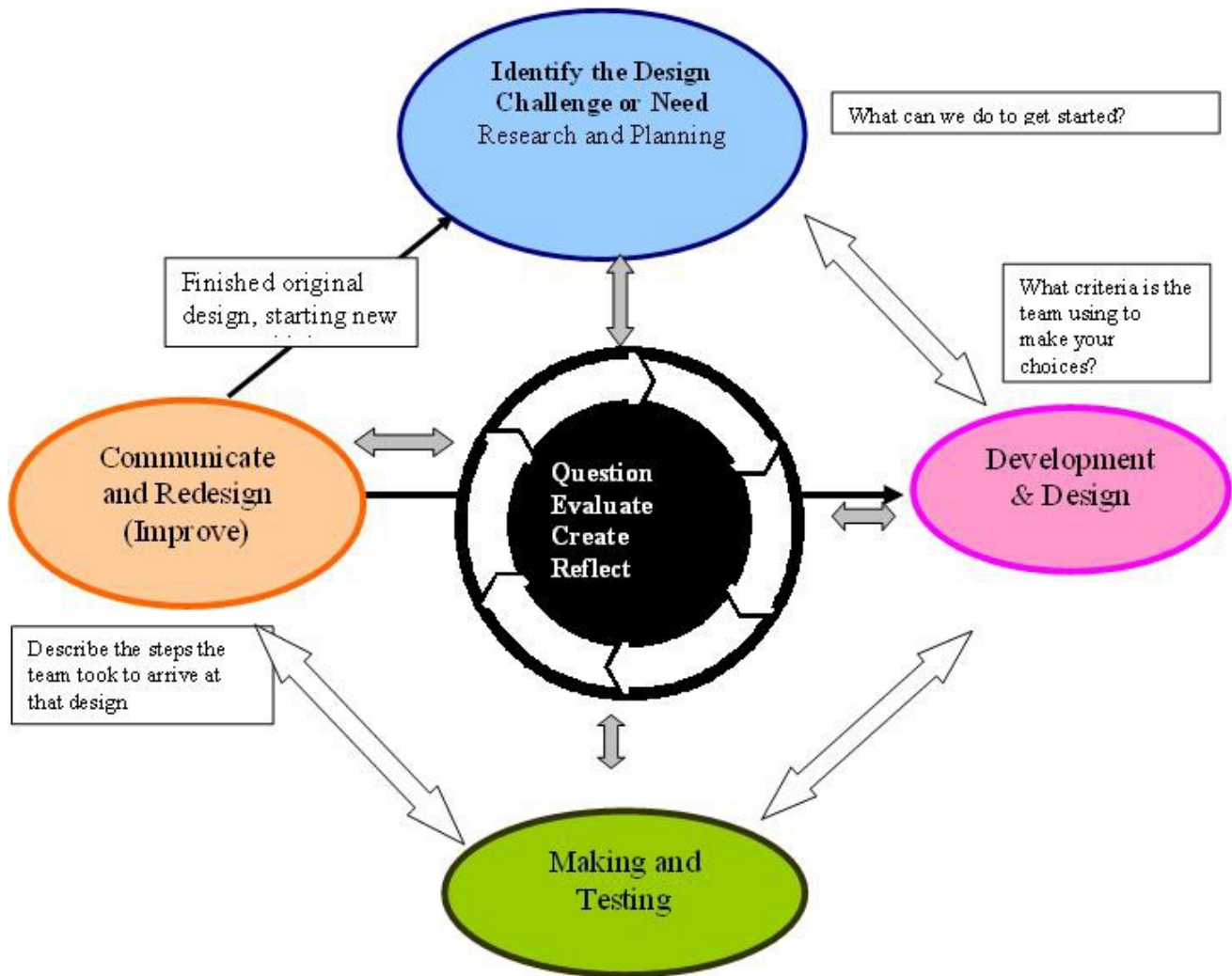
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Example Design Process

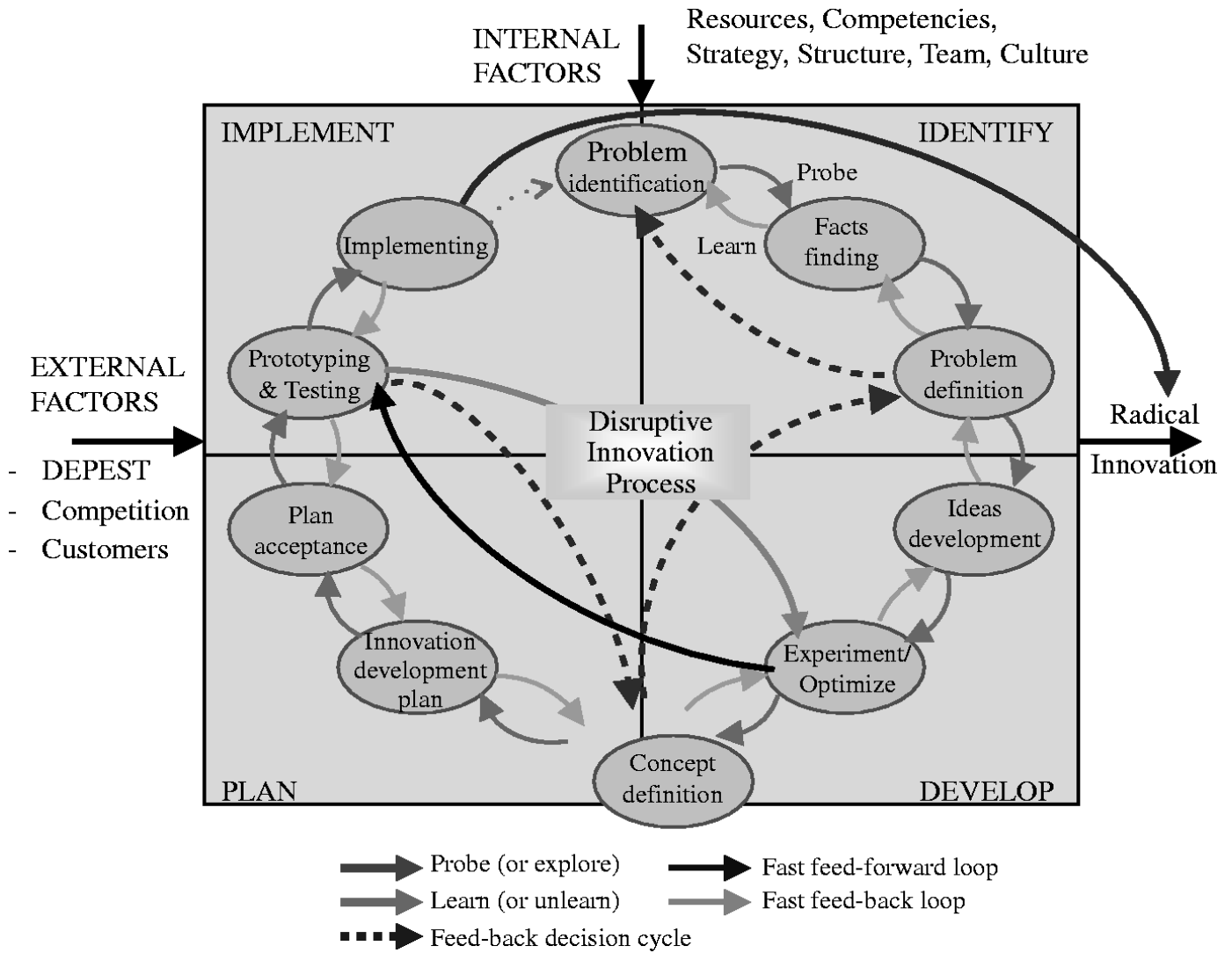
1. Define a Problem
2. Brainstorm
3. Research and Generate Ideas
4. Identify Criteria and Specify Constraints
5. Explore Possibilities
6. Select an Approach
7. Develop a Design Proposal
8. Make a Model or Prototype
9. Test and Evaluate the Design using Specifications
10. Refine the Design
11. Create or Make Solution
12. Communicate Processes and Results



Design Process



Disruptive Innovation Process



Innovation Management by MS

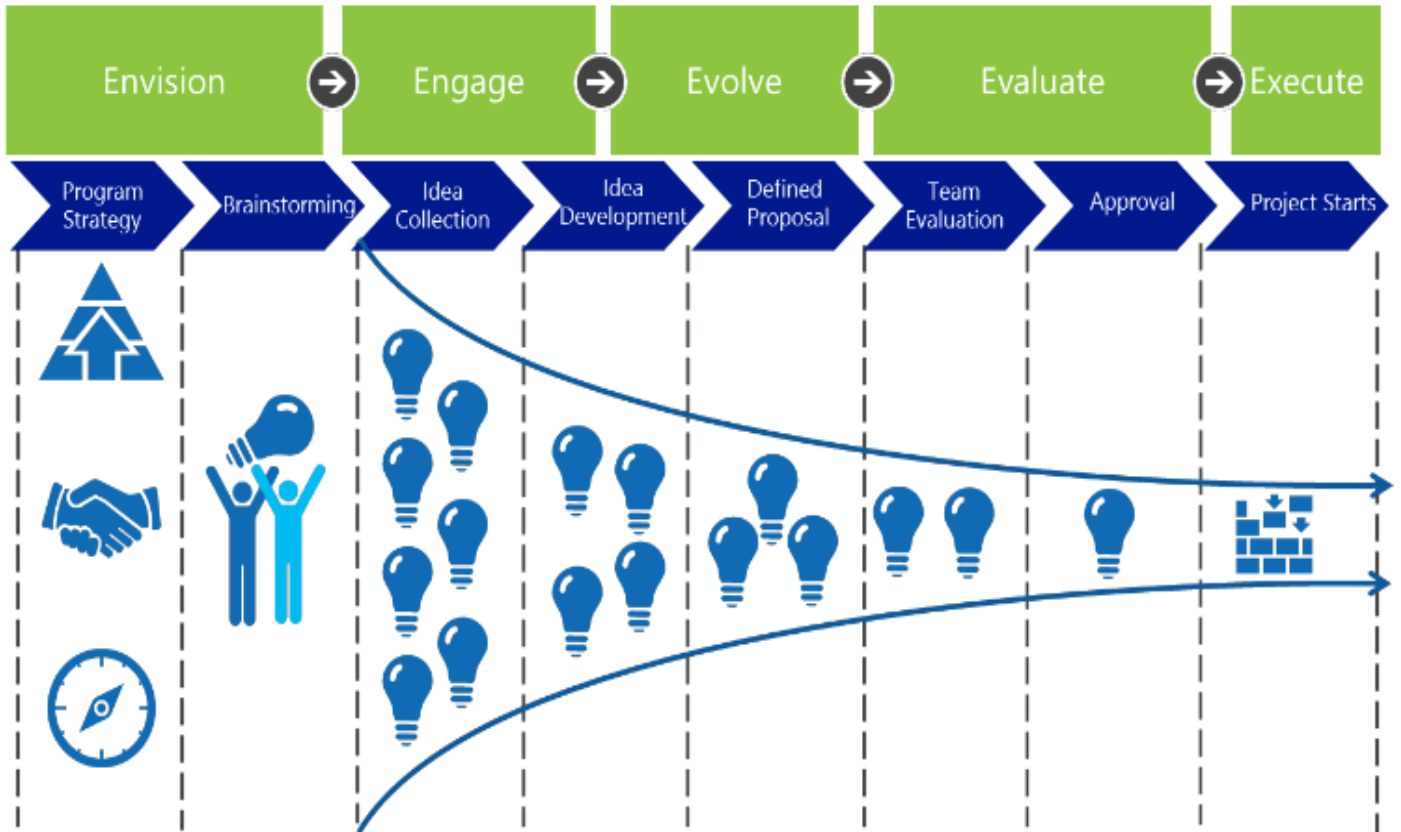


Diagram 2: The Five Sub-processes for Innovation Management



Diagram 3: Microsoft Discrete Industry Reference Architecture (DIRA)

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