Why Great Innovation Needs Great Marketing

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What to read next How to Sell New Products Marketing Why Great Innovation Needs Great Marketing Denise Lee Yohn February 20, 2019

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Innovation is a top priority for almost every organization. But to achieve success through innovation, companies must put as much energy and investment into marketing new offerings as they do in generating them.

The role of marketing in some companies seems to have diminished in recent years, with the growth of artificial intelligence-driven algorithms and predictive analytics that offer up information, goods, and services to customers. The popularity of private label goods and products from companies like Brandless and others that seem to eschew marketing also seems to make the argument for less marketing, rather than more.

But marketing is and should not be executed merely through tactical functions of acquiring and retaining customers, as many companies practice it today. The search, content, and loyalty campaigns that most managers call marketing these days are common downstream tactics for generating or maintaining awareness or repeat purchase; the full, business-growing power of the marketing function comes way upstream — from creating markets. Understanding people's fundamental needs and drivers, identifying customers, and developing the entire go-to-market and usage ecosystem are the essential aspects of marketing — and the ones that the success of innovations, especially breakthrough ones, hinge upon. Marketers need to be included in development discussions earlier in the innovation process.

Consider what has happened when a revolutionary product or service has been launched without the full power of marketing: Google Glass. These smart glasses were a stunning technological advancement — which ultimately failed. Among its missteps, Google didn't identify the burning consumer needs that would drive Glass adoption. It needed to know the "can't-live-without-it" use cases that would motivate people to overlook or work around the product's early shortcomings. Plus, the product was initially sold only to "Glass Explorers," a group comprised mainly of tech geeks and journalists who were important in the industry, but not the kinds of aspirational role models that mainstream consumers wanted to mimic. The company failed to create a robust and durable market for the product, it had to discontinue it less than two years after its launch.

Strategic, upstream marketing that is incorporated into the innovation development process can clearly define who to sell the new offering to and how to sell it in ways like this:

Identify unmet and even unknown customer needs. Oftentimes, people don't know they need a new-to-the-world innovation — and sometimes they have been settling for a workaround or poor substitute for so long that they don't realize an alternative is possible. Before the smartphone, for example, people thought nothing of having to wait to use their computer to access the internet and use email. The marketing disciplines of anthropologically-based research and needs-based segmentation uncover the most significant holes in people's lives that new products can fill. So instead of making assumptions about potential customers and their needs, marketing might help identify entirely new or different customers for innovation teams to consider.

Understand the deep-seated drivers of perceptions and behavior that are relevant to a product's appeal. A robust marketing trend analysis reveals the cultural, social, and psychological dynamics that should be addressed in the development of and communication about an innovative product. For example, the adoption of virtual reality has been much slower than technologists expected it to be for many reasons, not the least of which is the design of existing headsets. They're big and clunky — not something mainstream users want to wear much. A greater emphasis on the marketability of VR products, instead of their capabilities and content, could focus VR innovators on improvements that would make their products more appealing.

Engage with customers through use cases and benefits instead of functionalities and features. If an innovation is truly breakthrough, people need to be educated on how to use it and why — particularly mainstream customers who are compelled less by what a product does and more by what the product helps them do. Marketing helps companies address this through 1) customer research, which tests the appeal of various use cases and often uncovers new ones; 2) insight development, which explores beyond the functional benefits of use to identify the higher-order, more valuable ones; and 3) positioning work and communications framing, which determines how best to convey those uses and benefits to customers compellingly.

Develop the entire customer experience ecosystem. Innovators usually become so wrapped up in what they're developing that they overlook all the other elements necessary to make delivery and experience of the offering successful. Take the first e-reader to be developed, the Sony Reader. The product was a technologically-advanced product, but it failed because Sony didn't enlist the book publishing industry as a partner to provide the content the hardware required. Sony hadn't tapped the customer and customer experience orientation inherent in marketing to ensure the ecosystem around its product would be as well-developed and well-designed as the product itself. When Amazon later launched its Kindle device, it offered an integrated experience of hardware, software, service, and content that made it seamless for the customer to buy and use it — thus producing a successful launch.

Use a go-to-market strategy appropriate for the innovation and its customer. The lackluster performance of the Sony Reader also resulted from the company's misguided channel strategy. Sony tried to sell the device through traditional consumer electronics stores such as big box technology retailers instead of channels that book readers naturally use. Marketers know the importance of attending to all "4 Ps": price, place, and promotion, in addition to product.

Another example of integrated marketing and innovation is the story of the K-Cup coffee pod from Keurig. One of the K-Cup inventors, John Sylvan, was motivated to solve a common problem: the stale, bitter sludge that coffee becomes after sitting in a pot in the office breakroom all day. People had been tolerating the problem for years. But Sylvan understood that there must be a solution and, after he and Keurig co-founder Peter Dragone developed one, they convinced office managers, their wisely-chosen target market, of the possibility too.

Sylvan and Dragone also were keyed into people's emotional connections to coffee enough to recognize that coffee preferences varied significantly by region and that local roasters had locked in loyal customers. So they enrolled regionally-known coffee roasters such as Green Mountain Coffee Roasters, Diedrich Coffee, and Tully's to provide the coffee for the K-Cups. By appealing to different customers' flavor preferences, they not only tapped into the broader context of coffee culture, but also increased the perceived value of coffee made a single cup at a time.

They pitched their machines to corporate accounts on the benefit of saving costs (money on the coffee itself as well as the loss of productivity of employees leaving the office to get a fresh cup from the local coffee store). Keurig developed partnerships with other players in the K-Cup product world, enrolling existing local distributors to install machines and subsequently entering into distribution deals for its K-Cups with coffee retailers Dunkin' Donuts and Starbucks. It is also developing more eco-friendly products. These are the kinds of strategies that help get innovative products in front of the right customers at the right time.

Today's advanced innovations such as 3D printing, bitcoin, and virtual reality have gotten some traction, but they and other revolutionary products and platforms like them need the right marketing expertise to generate the depth and breadth of market engagement they seek. Innovation alone may be enough to initiate the adoption life cycle, but marketing remains the bridge necessary to cross the chasm between early adopters to the wider group of people who will form a viable, valuable customer base.

The bigger the innovation, the bigger the risk of failure. Because marketing can reduce those risks, it matters as much as innovation — perhaps even more.