

Brand-Driven Innovation

LEVERAGING THE INHERENT EQUITY OF YOUR BRAND TO REDUCE RISK AND INCREASE THE SUCCESS OF INNOVATION EFFORTS.



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Many things need to go right between the germ of a new product or service idea and its successful launch into the market. But if the idea itself is small, so is the reward. This article focuses on the beginning of the process: helping marketers create bigger ideas and bigger rewards — with less risk — for their brands.

BRAND “PATHWAYS” FOR INNOVATION

While all innovation is risky, your brand is a tool that can help reduce that risk. Using brand equity and a brand’s innovation pathways — the natural, intuitive means by which brands extend — you can improve product development efforts and inspire teams to try for bigger, more rewarding innovations for your brand.

BABY STEPS VERSUS BIG LEAPS

Success statistics on innovation efforts are not pretty. Numbers vary, but in general, failures are estimated to be 40 to 75 percent. Given the perceived challenges, companies make smaller, safer bets in order to get a win. This tends to promote incremental innovation — a new flavor profile, an added ingredient or a new packaging format. Not only does this deliver similarly small incremental rewards, but also contributes to product proliferation and cannibalization. It is the bigger leaps — extending into new categories — that offer bigger rewards: creating new customers, increasing brand awareness, enhancing brand equity and creating new franchises. Brand-driven innovation leverages the equity in your brand to help make these bigger bets a little bit safer.

There are generally six steps in pursuing brand-driven innovation:

1. Understand Your Brand – Map Brand Equity with Target Audiences

Customers use brands to help them make decisions. Whatever associations they have — that’s the brand’s equity. It’s not just awareness but the subjective thoughts, feelings and perceptions they link to your brand. These are the gatekeepers of purchase decisions. For

example, would you feel more comfortable buying a self-driving car from Nikon or from Hello Kitty? If you dig in a bit to ask yourself why, you’ll see it’s the associations you carry for each brand — each brand’s equity — that helps you make your decision.

2. Position for Growth – Articulate Future / Aspirational Brand Equity

Brand-driven innovation leverages your brand’s existing equity to increase chances of success for your new offering. But there is a second goal — each new offering should ideally further strengthen your brand’s equity. This happens when new offerings are well received and seem to “fit” with the brand. They in turn create additional strong, positive, unique associations that strengthen and expand the meaning of your brand. For example, by creating their own salons, Aveda expanded their meaning from just haircare products to haircare and styling. To do this, you need to know where you want to take your brand. This is done through brand strategy, and more specifically, positioning. In positioning your brand, you define the future meaning your brand will create.

3. Team Task – Generate Ideas Using Innovation Pathways

Having an understanding of where your brand is today and where you want to take it going forward sets the stage for exploring your brand’s innovation pathways (see callout for the paths). These are simply paths of logic by which customers perceive the appropriateness and fit of a new offering. An idea can travel multiple paths but usually has a primary one. The more paths it is perceived to travel by target audiences, the greater the likelihood for success.

4. Explore the Possibilities with Target Audiences

Enlist your target audiences to test your ideas and also generate new ones. It’s a research exercise that incorporates creativity, as well as a creativity exercise that incorporates research. The brand innovation pathways are used again here. The goal is to see which paths target audiences are most comfortable traveling down, how far they are willing to go, and most importantly, why.

Steve Jobs famously said, “It’s really hard to design products by focus groups. A lot of times, people don’t know what they want until you show it to them.” This exercise is less about having customers tell you what they want or voting yes or no. The goal is to uncover the reasons behind their vote. Getting to the “why” helps uncover insights that provide guardrails for innovation efforts.

For example, a clothing brand desiring to become a lifestyle brand discovered it could succeed with ideas that had strong functional benefits, but it lacked the equity needed to support self-expressive benefits. So any types of innovations that had a high self-expression quotient (like watches, perfume, purses, or dress shoes) were out. Things like book bags, sports apparel, gym accessories and casual travel accessories — all quite strong. In a business environment in constant search of growth, this kind of information helps with go/no-go decisions.

5. Prioritize the Most Promising Ideas

The previous efforts will yield an assessment of your existing ideas and will likely also generate additional ideas that emerge as part of activities. At this point, emphasis shifts from exploration to analysis, where the strongest ideas undergo more comprehensive scrutiny and due diligence to help management make a go/no-go decision.

6. Assess Business — and Brand — Impact

In addition to typical business-oriented metrics, it’s helpful to understand whether your new offering helped to strengthen your brand’s equity. Measuring brand awareness and meaning with target audiences lets you know if your innovation efforts are paying dividends back to your brand.

Innovation is risky but necessary for any thriving brand. Leveraging your brand’s equity and using innovation pathways to bring structure to the process helps reduce risk, accelerate decision making and improve the chances for success.

Sources:

1. Nielsen Breakthrough Innovation Report for Europe 2014, Fast Company, April 4, 2012

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Brand-Driven Pathways

There are six innovation pathways used internally to generate ideas and externally with target audiences to assess the fit of your ideas. In addition to definitions and examples of each, the framework below can be used to visually map idea rankings:

