



**UNDERSTANDING
INNOVATIONS**

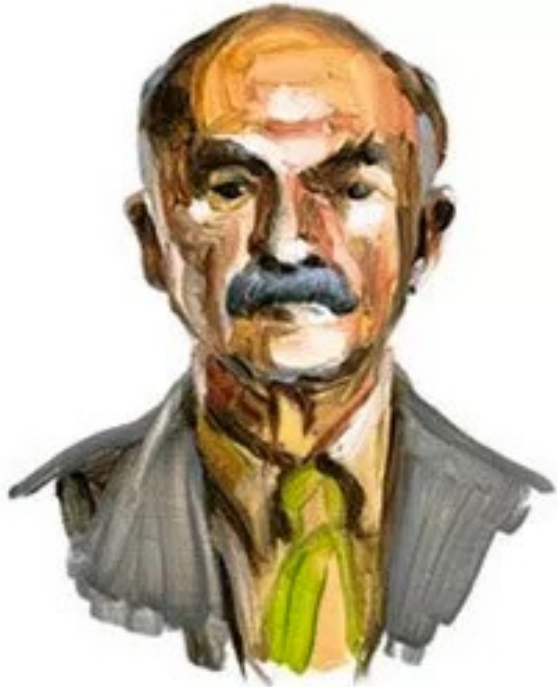
**SO, WHAT IS
INNOVATION?**

A Venn diagram consisting of two overlapping circles on a dark blue background. The left circle is a muted purple color and contains the word 'CREATIVITY' in white, uppercase letters. The right circle is a muted green color and contains the words 'COMMERCIAL VIABILITY' in white, uppercase letters. The overlapping area in the center is a lighter, olive-green color and contains the word 'INNOVATION' written vertically in white, uppercase letters.

CREATIVITY

INNOVATION

**COMMERCIAL
VIABILITY**



“Creativity is thinking up new things. Innovation is doing new things.”

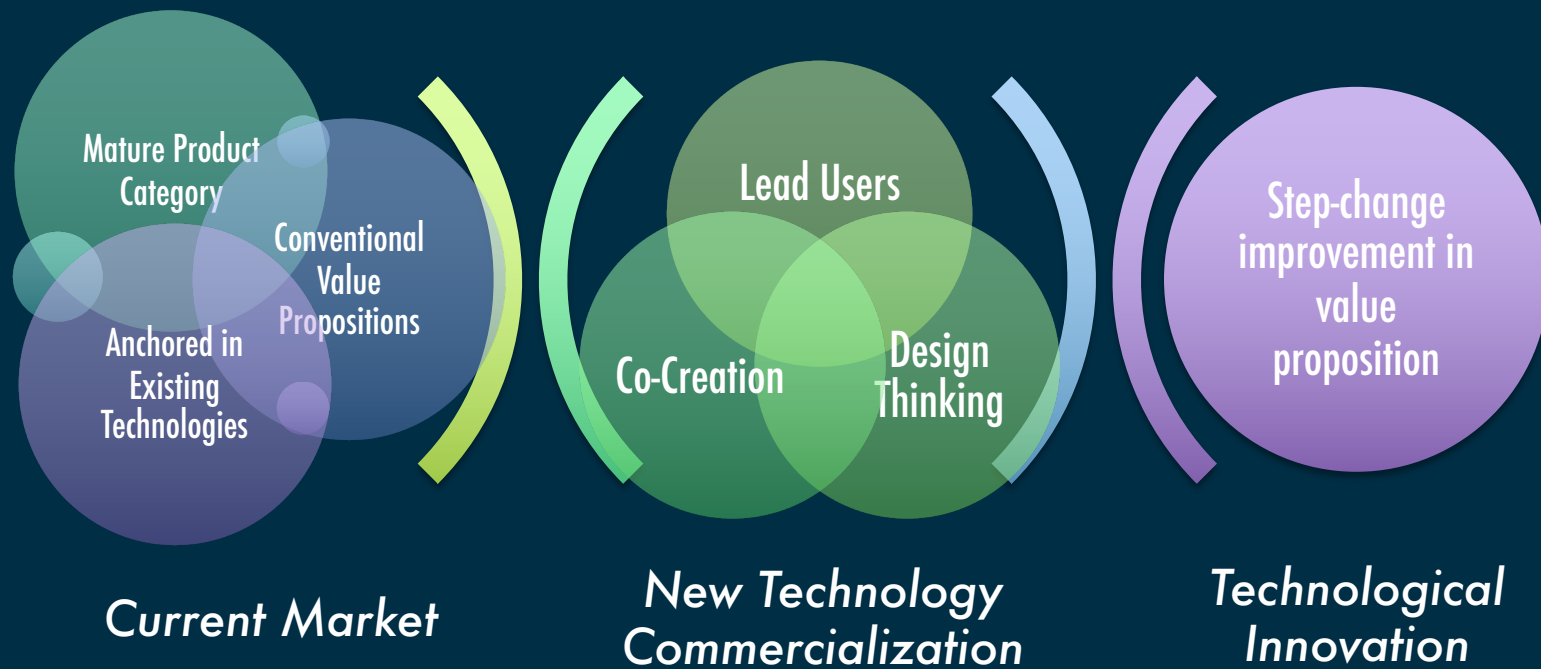
Theodore Levitt

HOLT AND CAMERON:
INNOVATION = step change
in the value proposition (or,
better benefits for price)

“Build a better mousetrap, and the world will beat a path to
your door”



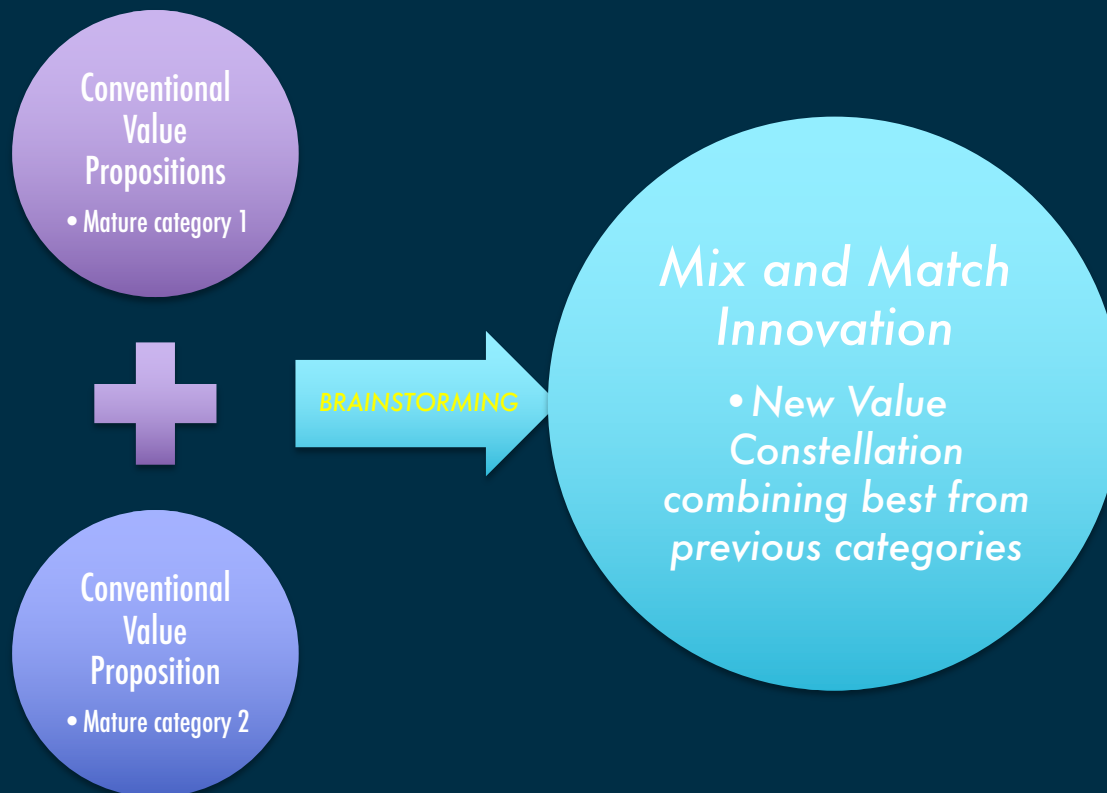
TRADITIONAL INNOVATION VIEW



TECHNOLOGICAL BREAKTHROUGHS



MIX N MATCH / BLUE OCEAN INNOVATION





**HOLT AND
CAMERON:**
*How does their view
of innovation differ?*



PROBLEMS WITH 'BLUE OCEAN' THINKING

- **The Blue Ocean Strategy model breaks down in many contexts**
- You have many market leaders in mature categories
- For example, how do you innovate in ancient product categories like food? → **PROGRESS FALLACY**
- 'Functional benefits trap'
- 'Commodity emotions trap'

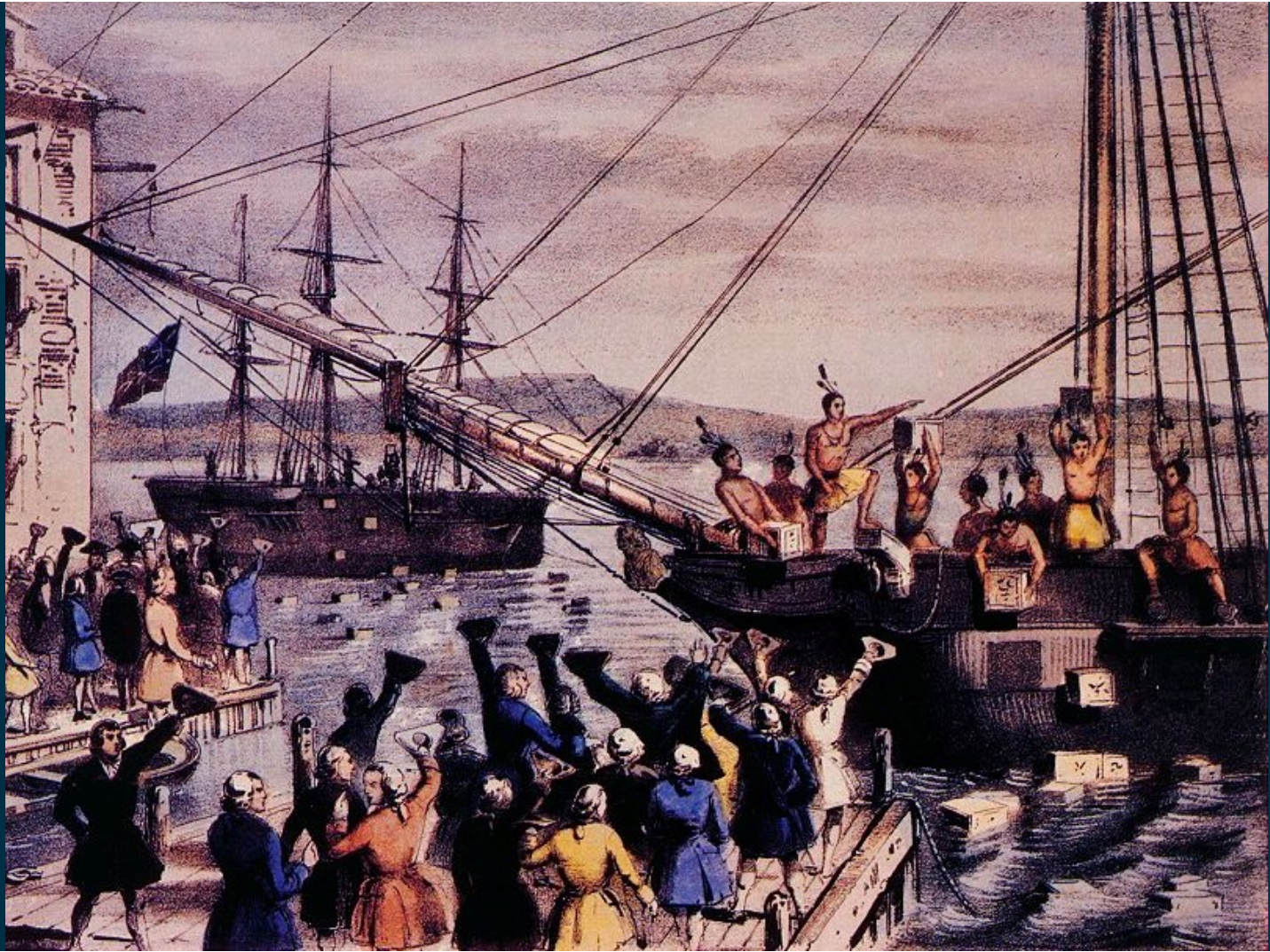
***CULTURAL
INNOVATION***

CULTURAL INNOVATION

- A cultural innovation is a brand that delivers an **innovative cultural expression**
- These cultural expressions are rooted **in ideological opportunities → opportunities caused by socio-cultural shifts and/or anxieties**
- **Much more nuanced view of how innovations emerge**

CULTURAL INNOVATION: 3 MAIN PILARS

- **IDEOLOGY:** a point of view on one of important cultural constructs that become widely shared or taken for granted within a population
- **MYTH:** instructive stories that impart ideology
- **CULTURAL CODES:** mass-cultural expressions and aesthetizations of the myth
- Understanding that brands are 'made' not only by the marketer



STRIVE AND SUCCEED



BY
HORATIO
ALGER,
JR.

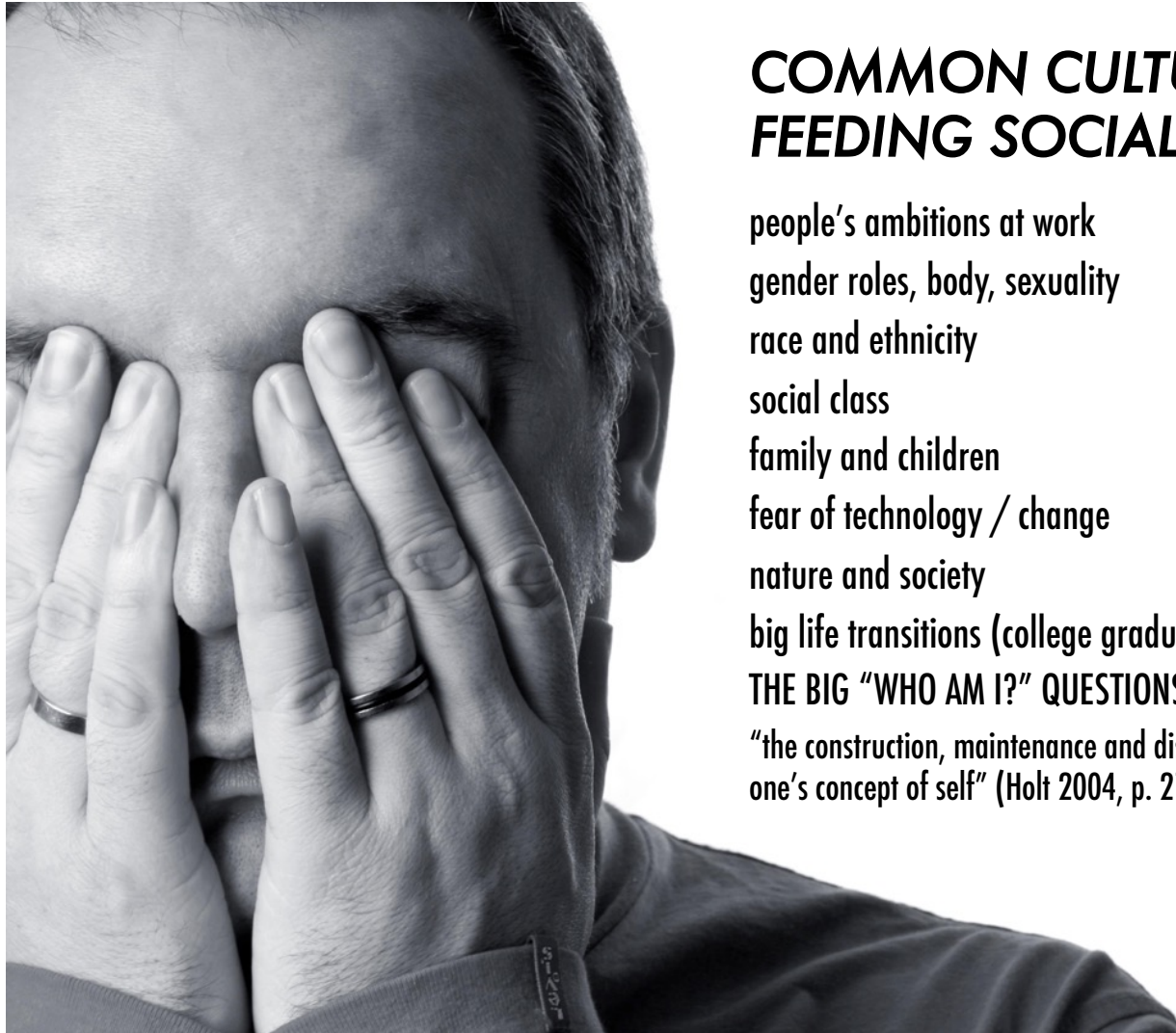






Historical Change





COMMON CULTURAL ANXIETIES FEEDING SOCIAL DISRUPTIONS

people's ambitions at work

gender roles, body, sexuality

race and ethnicity

social class

family and children

fear of technology / change

nature and society

big life transitions (college graduation, retirement, mid-life crisis, marriage)

THE BIG "WHO AM I?" QUESTIONS!

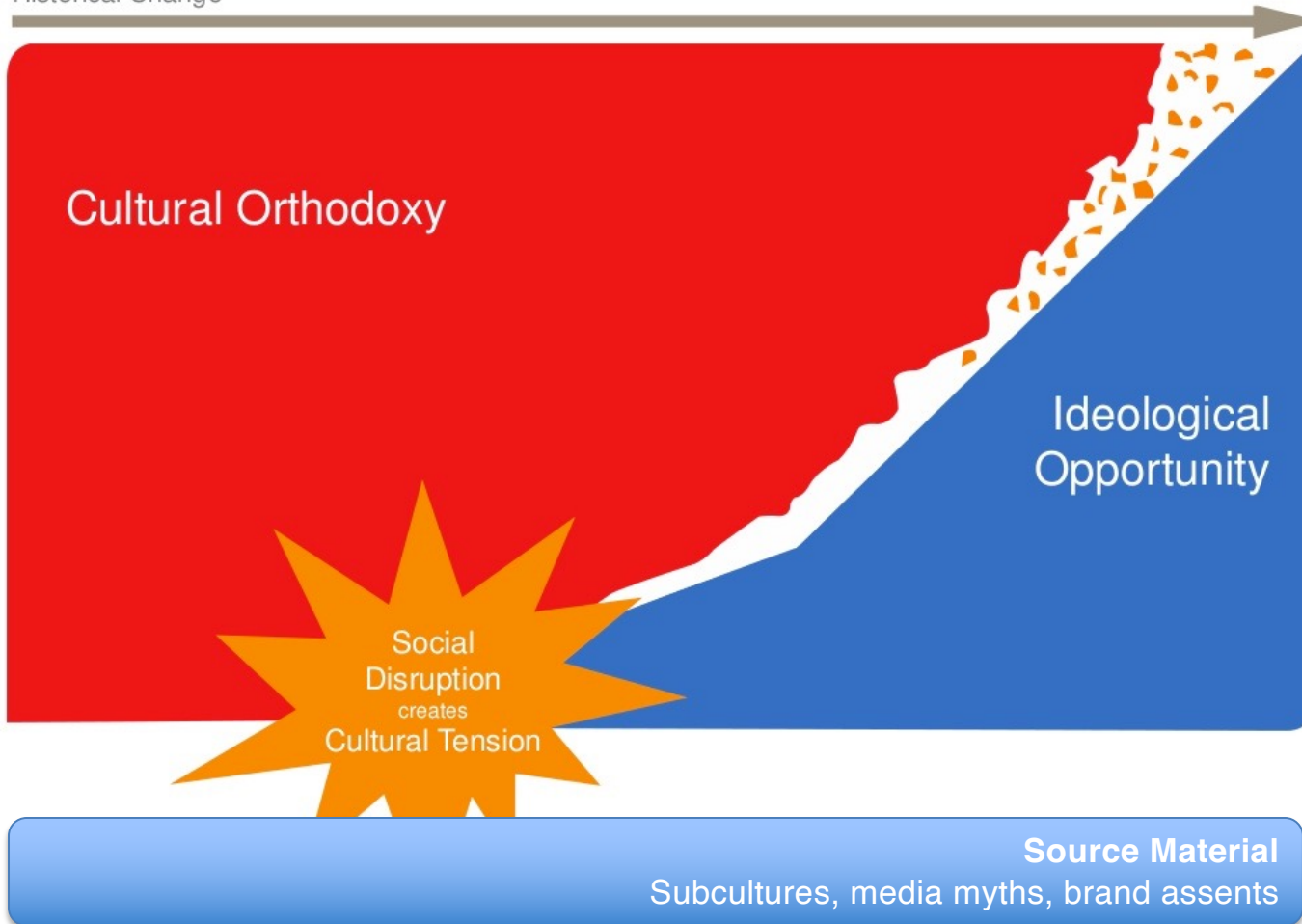
"the construction, maintenance and dissolution of key life roles that significantly alters one's concept of self" (Holt 2004, p. 212; Fournier 1998)

*WHAT IS A
"CULTURAL
ORTHODOXY"?*

CULTURAL ORTHODOXY

- “Taken-for-granted cultural expressions that are widely imitated within the product category”
- In other words, how “everybody else” in that product category sells their products

Historical Change





PROBABLY THE MOST FAMOUS EXAMPLE: Star Wars as a soother of post-Vietnam anxiety in America

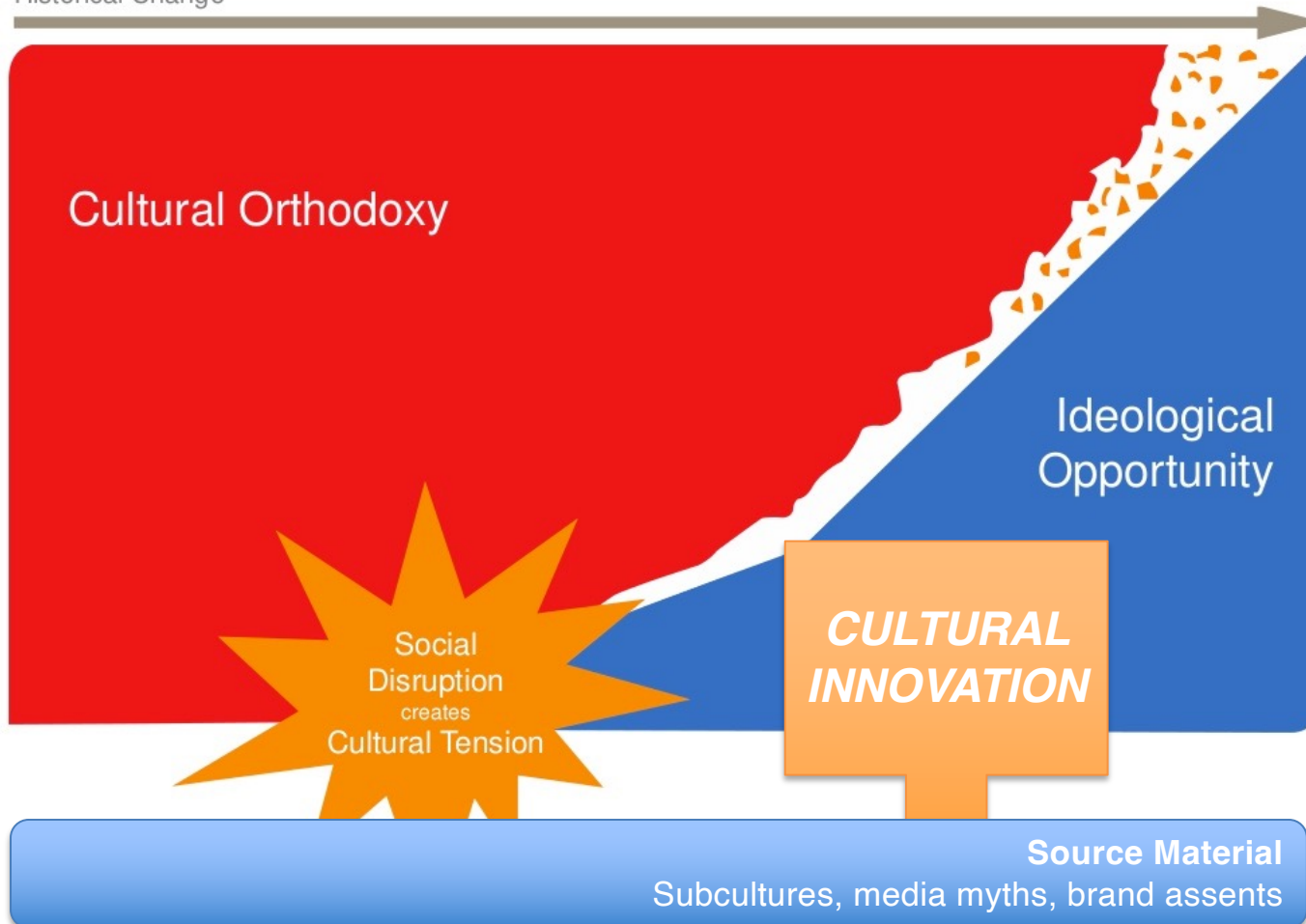
Some neocons have expressed their **dismay** that the new *Star Wars* movie seems so antiwar, saying it was perhaps even rewritten as an anti-Bush diatribe. This cold desperation comes as no surprise, but it also strengthens my appreciation of Lucas' decision to make episodes *IV*, *V*, and *VI* before *I*, *II*, and the now-completed *III*. This establishes first the generally agreeable premise that it's right to overthrow oppressive government, before bringing into focus something more discomfiting – that the corrupt tyranny referred to is our own. The story being told this week was written over 30 years ago, as Lucas has explained. *Star Wars* "was really about the Vietnam War, and that was the period where Nixon was trying to run for a [second] term, which got me to thinking historically about how do democracies get turned into dictatorships? Because the democracies aren't overthrown; they're given away."

HOW BRANDS PORTRAY IDEOLOGIES

- Myths offer relief to cultural anxieties through ritualistic consumption of the product/movie/brand that 'contains' the myth
- Brands are special, because even if they aren't as affective as e.g. movies, they enable **ritual and frequent consumption**
- For example, by wearing a t-shirt of a certain ideology/myth, it is "claimed" by that person



Historical Change



Cultural Orthodoxy

Ideological Opportunity

Social Disruption
creates
Cultural Tension

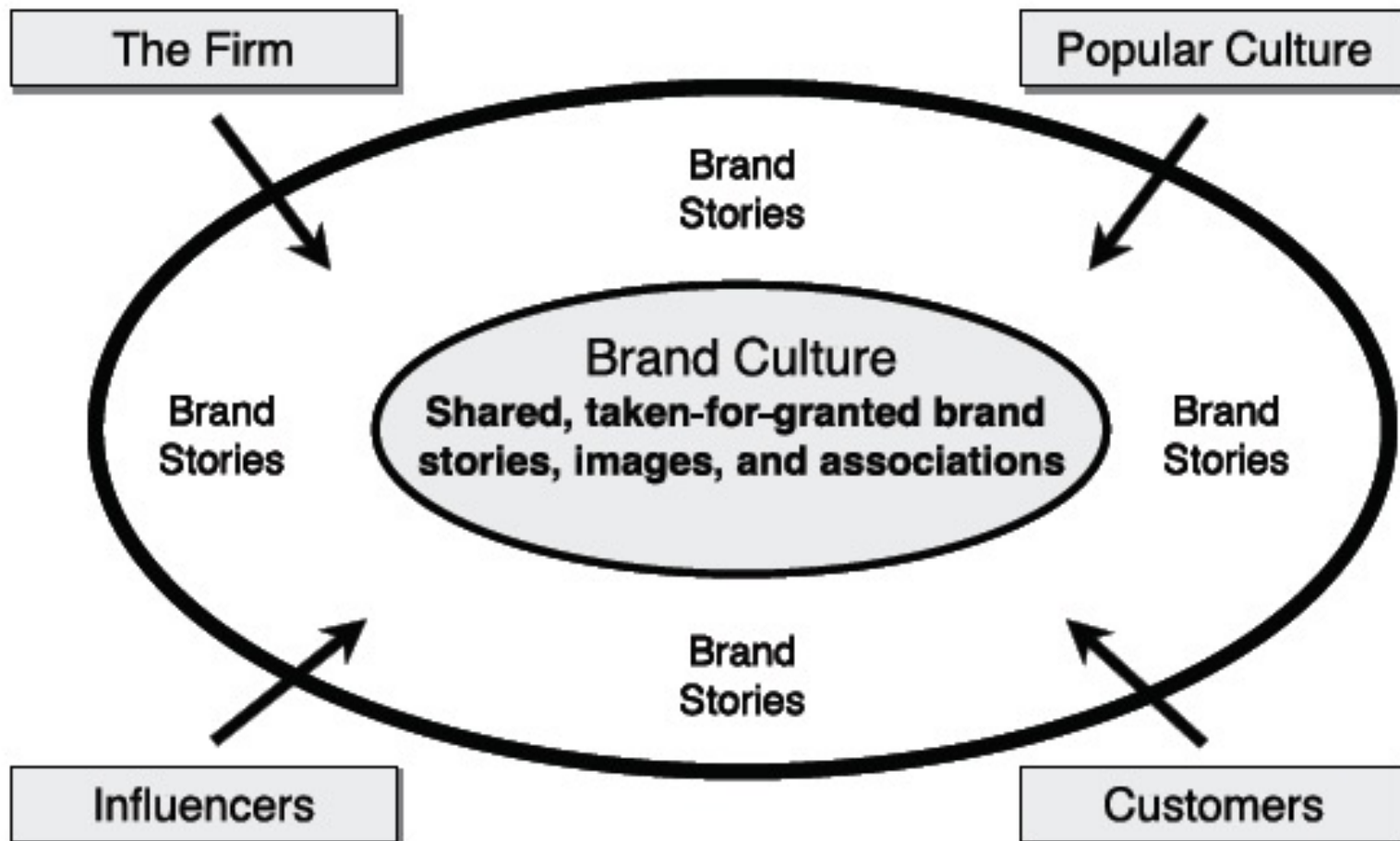
**CULTURAL
INNOVATION**

Source Material
Subcultures, media myths, brand assents

**cultural
strategy
group**

DOUGLAS B. HOLT

Brands and Branding



THE MARKETER

- Brand design
- Advertising
- Pricing
- Brand Touch points

CONSUMERS

- Consumers' using the brand
- Brand communities
- Their own interpretation

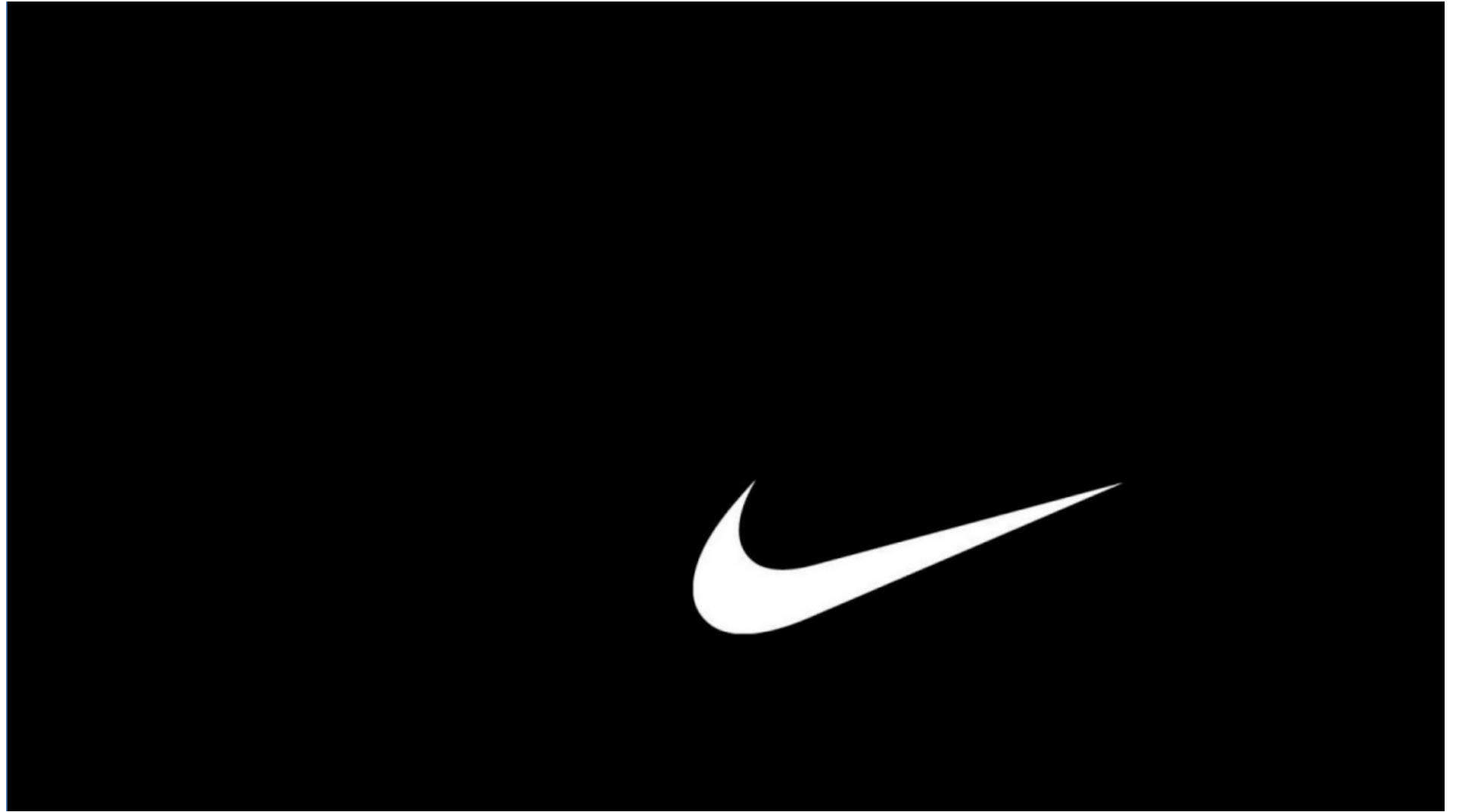
POPULAR CULTURE

- Celebrities using brand
- Brand in movies etc.
- Brand featured in news

INFLUENCERS

- Trade magazines
- Market mavens (bloggers)
- Retail people





**NIKE'S "INNOVATIVENESS" OFTEN
LINKED TO TECHNICAL INNOVATION
OR "OWNING ITS CATEGORY"**



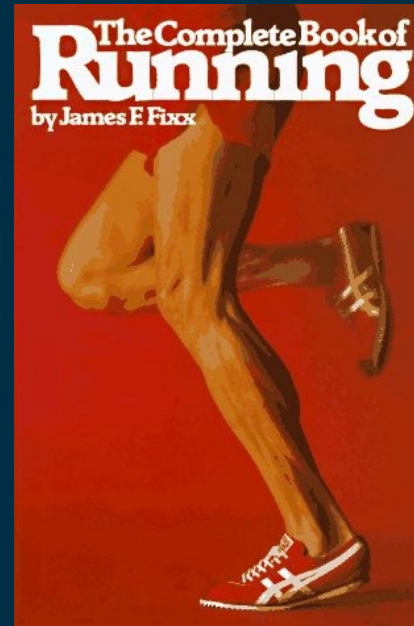
Believe at nikebasketball.com



NIKE'S PRODUCT CATEGORY MATURES

- 1970s full of innovation and use of biomechanics in advancing shoes
- Brooks develops kinetic wedge
- Asics creates dual density midsoles
- But advances become incremental
- Case in point: Nike's "Air" technology barely registers when it first came on the market

THEN, SUDDENLY, THE JOGGING CRAZE



WHY?



EASY POST-WAR 'AMERICAN DREAM'



**...TRANSFORMED TO A HIGHLY
COMPETITIVE JOB MARKET**

CATEGORY ORTHODOXY: BE LIKE THIS ATHLETE

Joe Namath makes all his passes in Pumas.



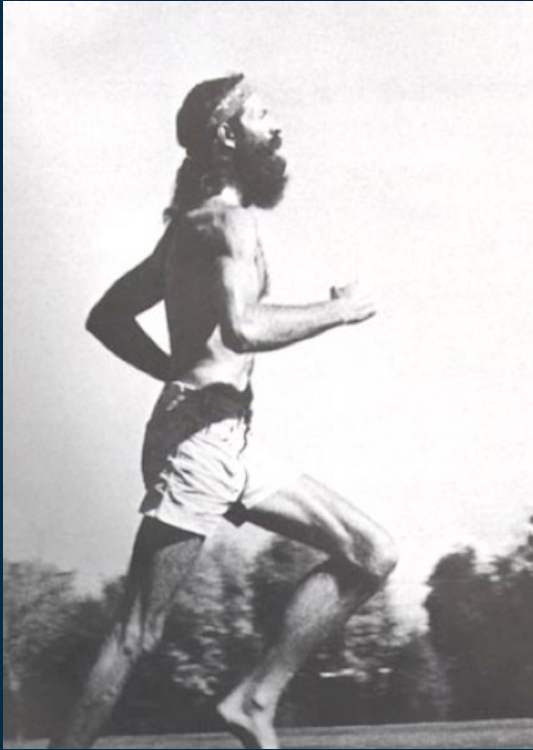
PUMAS. Shoes of a different stripe.



Joe Namath & his 4 Puma's girls
found that the Puma's
shoes were great. In fact they like
them so much they bought them for
themselves. Joe Namath says:

Joe Namath says the Puma's shoes
are great. In fact they like them
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Birth of Nike's ideology:

COMBATIVE SOLO WILLPOWER

CULTURAL CODES

Runners working hard 'backstage' to better themselves, often in terrible weather to great satisfaction but also determination, pain, and grit

NIKE UNDERSTOOD JOGGING'S APPEAL AS AN INDIVIDUALIST AND 'GRITTY' PURSUIT FOR THE 'I NEED TO GET BETTER' AMERICAN



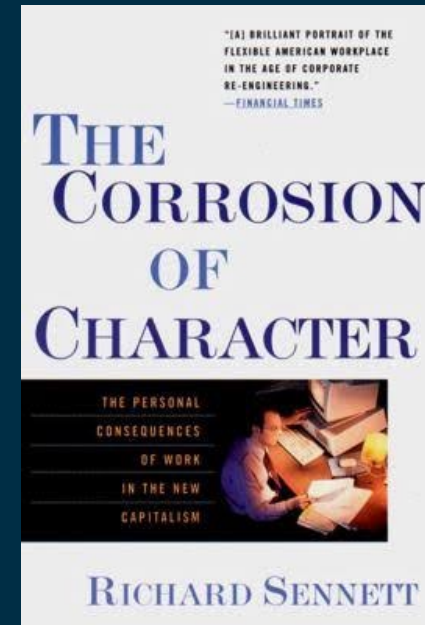
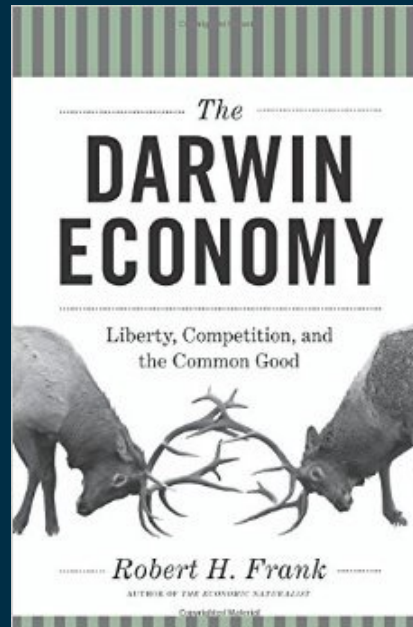
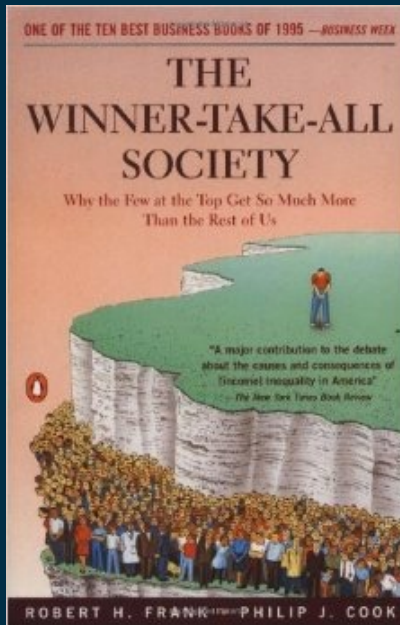
CODE INNOVATION #1

Borrow freely and dramatize ideology from running subcultures (make it more accessible)

CULTURAL INNOVATION #2

Juxtapose extreme disadvantage contexts to set up **myth of transcendence**

NIKE UNDERSTOOD JOGGING'S APPEAL AS AN INDIVIDUALIST AND 'GRITTY' PURSUIT FOR THE 'I NEED TO GET BETTER' AMERICAN



**1980S AND 1990S FURTHERED THE
"FREE AGENT ECONOMY" TRENDS**



NEW SUBCULTURAL SOURCE MATERIAL:
'THE HOOD'





FOR WOMEN WHO WANT TO GET BACK ON THEIR FEET.

If you want to avoid injury, remember this: women don't pronate like men. Because of their hip structure, they actually pronate more. The Nike Air Control is the first stability shoe designed specifically for the way a woman is built and the way she moves. With an anatomically correct fit. Extra flexibility. And the best cushioning for either sex: Nike-Air. A revolution in motion.



The Air Control. For women only.


ADCRITIC.COM

A young boy is running on a paved road that stretches into the distance. He is wearing a white t-shirt with a large white Nike swoosh logo on the front. The background shows a vast landscape of green fields under a sky with soft, colorful clouds, suggesting a sunset or sunrise. The overall mood is one of determination and achievement.

FIND YOUR GREATNESS.

NO PH.D. REQUIRED.



The Nike V-Series for women. Three different types of running shoes for three different types of runners. All at one price. For extra stability, try the Venue. For lightweight cushioning, it's the Vengeance. For a little of both, lace up the Vortex. Simple. 

For more information, contact Department V, 3900 SW Murray Blvd., Beaverton, OR 97005.

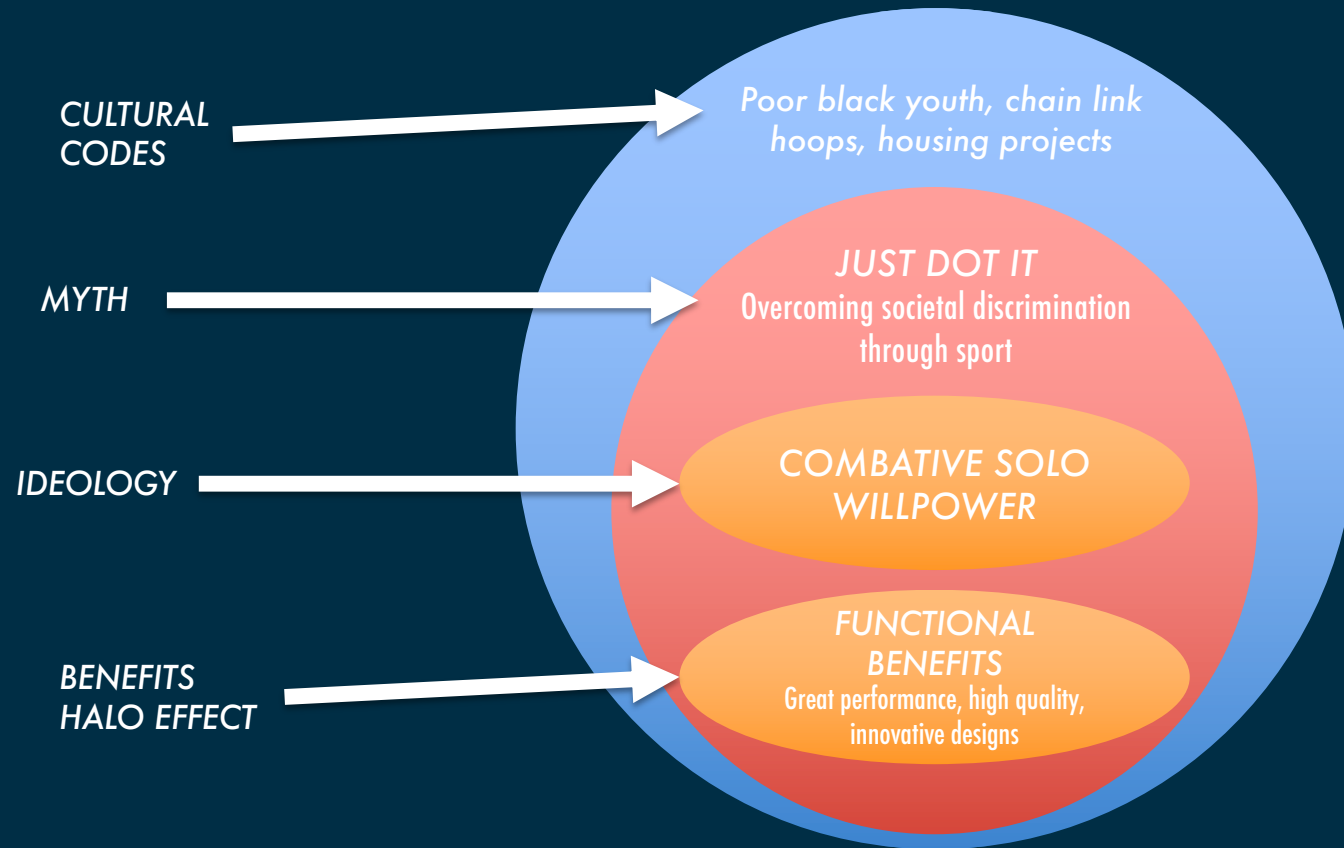


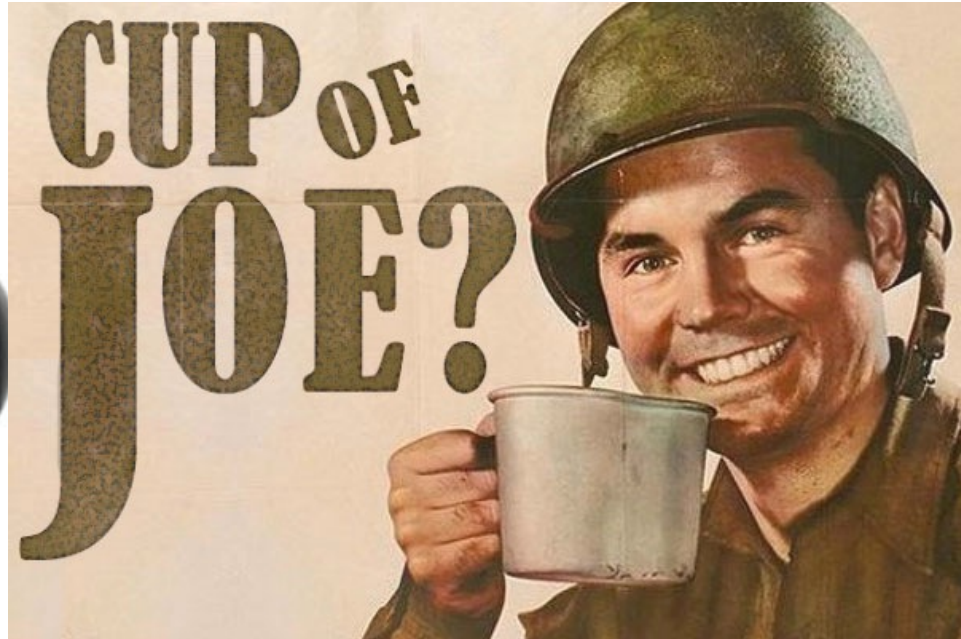


Believe in something.
Even if it means sacrificing everything.

 Just do it.

NIKE'S CULTURAL INNOVATION





**CULTURAL ORTHODOXY:
COFFEE AS THE ULTIMATE
COMMODITY**



EARLY COLUMBIAN SOPHISTICATION

INDUSTRY STAPLE LOGIC

- Standardized taste / Offend no one
- Anonymous local beans
- Machine made
- Mass scale
- Homogenous
- Modern scientific
- Cheap
- Ubiquitous
- Convenience, speed

ARTISANAL-COSMOPOLITAN

- Culinary pleasure
- Terroir beans
- Skilled hand crafted
- Small lots, special batches
- Idiosyncratic, exotic
- Pre-modern traditions
- Whatever the best costs
- Rare, requires seeking out
- Savoring the experience



*WHAT WAS SPECIFIC
ABOUT STARBUCKS'
RETAIL AND DESIGN?*









[INT. STARBUCKS - DAY]

Me: Theres a large rat in the
bath room

Barista: ?

Me: A large rat

Barista: ?

Me: THERES A VENTI RAT IN THE
BATHROOM

-@hurlarious

funnytweeter.com

**CULTURAL TRICKLE-
DOWN: ACCESSIBLE
SOPHISTICATION**

“[Starbucks’ Howard Schulz] **needed his stores to do the storytelling**, rather than baristas. So, over the next decade, Starbucks strove to perfect its use of all the customer touchpoints in the store – packaging, signs, service encounters, collateral material, educational displays, cups, music – to deliver artisanal-cosmopolitan codes in a simple, educational, and visually compelling manner.”

Holt and Cameron 2009, p. 101







INDIE CAFÉ AESTHETIC



INDIE CAFÉ
AESTHETIC



**INDIE CAFÉ
AESTHETIC**



THIRD SPACE?

"Starbucks developed a **sanitized version of [indie cafés]**. Instead of Furniture from the Salvation Army, Starbucks relied on a clean color-coordinated look that reminded many commentators of the likes like IKEA, Crate and Barrel, Pottery Barn... **Starbucks' designers studiously avoided the bohemian café's messy stacks of alternative newspapers and chaotic walls of flyers that advertised yoga classes and recruited drummers for indie rock bands...** Starbucks replaced the junk-shop tapestries and confounding paintings by local artists with neatly framed posters featuring bohemian stereotypes such as a Vespa scooter in an Italian streetscape. **Background music alluded to bohemia roots, but was always more accessible than what one was likely to hear at an indie café."**

Holt and Cameron 2009, p. 102



COMMON CULTURAL ANXIETIES FEEDING SOCIAL DISRUPTIONS

people's ambitions at work

gender roles, body, sexuality

race and ethnicity

social class

family and children

fear of technology / change

nature and society

big life transitions (college graduation, retirement, mid-life crisis, marriage)

THE BIG "WHO AM I?" QUESTIONS!

"the construction, maintenance and dissolution of key life roles that significantly alters one's concept of self" (Holt 2004, p. 212; Fournier 1998)

For the rest of the class:
Try to identify contemporary cultural anxieties that you think could be ripe for ideological intervention.

What is the cultural orthodoxy of their related product categories?