

#7

*UNDERSTANDING
INNOVATIONS*

AGENDA

- Defining innovations
- Cultural innovations

*SO WHAT IS
INNOVATION?*

A Venn diagram consisting of two overlapping circles on a dark blue background. The left circle is a dark purple color and contains the word "Creativity". The right circle is a dark teal color and contains the words "Commercial" and "viability" stacked vertically. The overlapping area in the center is a darker shade and contains the word "INNOVATION" written vertically.

Creativity

INNOVATION

**Commercial
viability**



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

Theodore Levitt

*What did you learn
from Martin:
Chapter 3?*

CORPORATE RASHOMON



P&G

Procter & Gamble

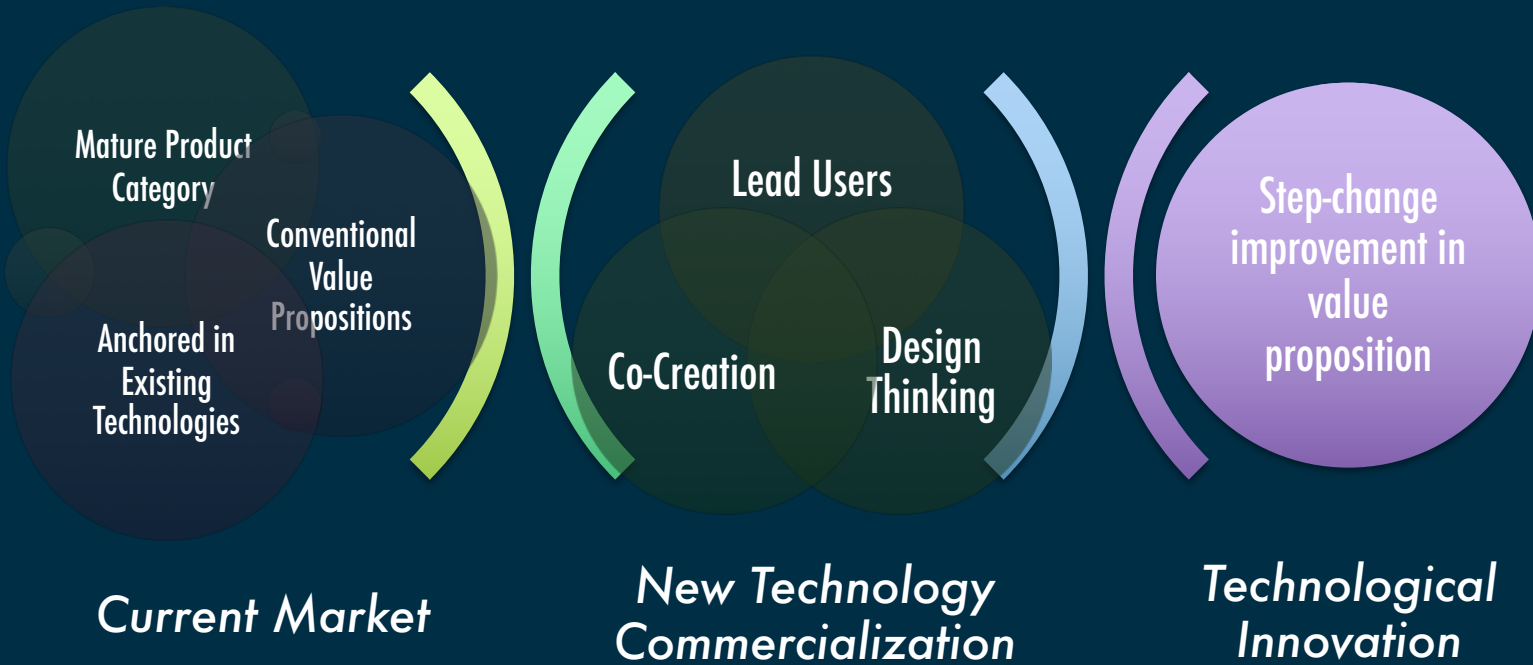


HOLT AND CAMERON:
Innovation = step change in
the value proposition (or,
better benefits for price)

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



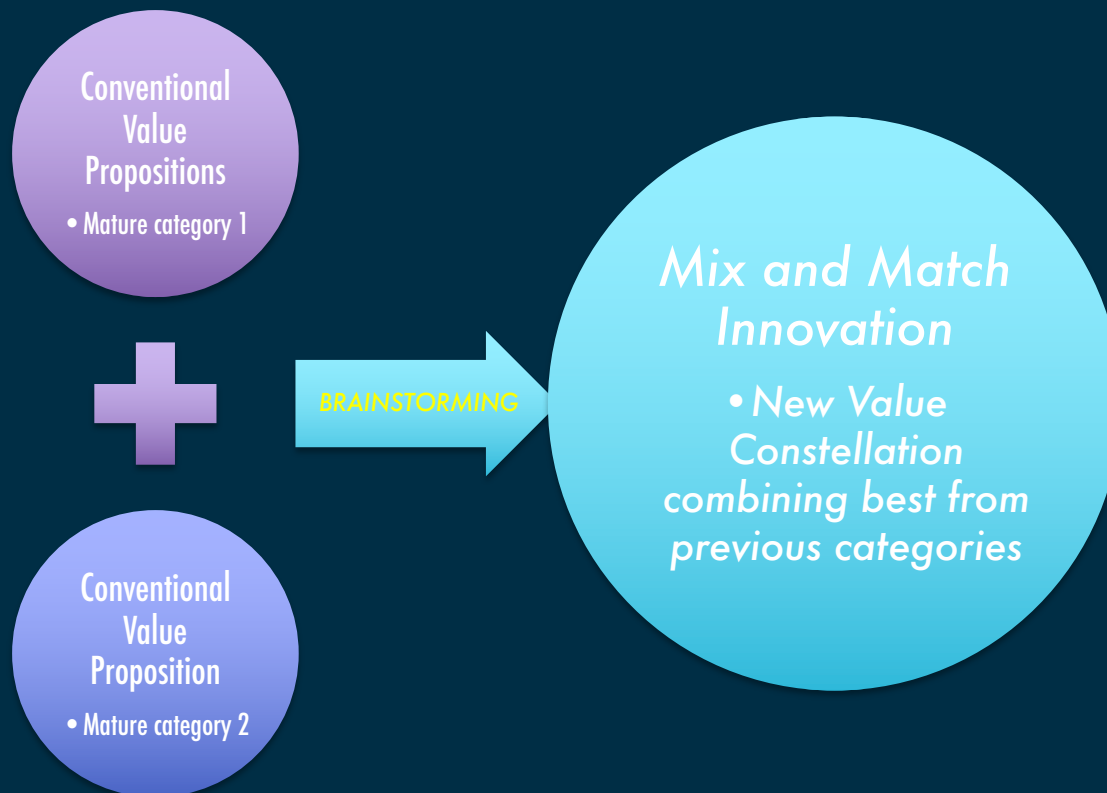
TRADITIONAL INNOVATION VIEW



TECHNOLOGICAL BREAKTHROUGHS



MIX N MATCH / BLUE OCEAN INNOVATION



Sound familiar?



**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



Source Material

Subcultures, media myths, brand assests



COMMON CULTURAL ANXIETIES FEEDING SOCIAL DISRUPTIONS

- people's ambitions at work
- gender roles and sexuality
- family and children
- fear of technology / change
- nature and society
- big life transitions (college graduation, retirement, mid-life crisis, marriage)
- "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



Source Material

Subcultures, media myths, brand assents



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

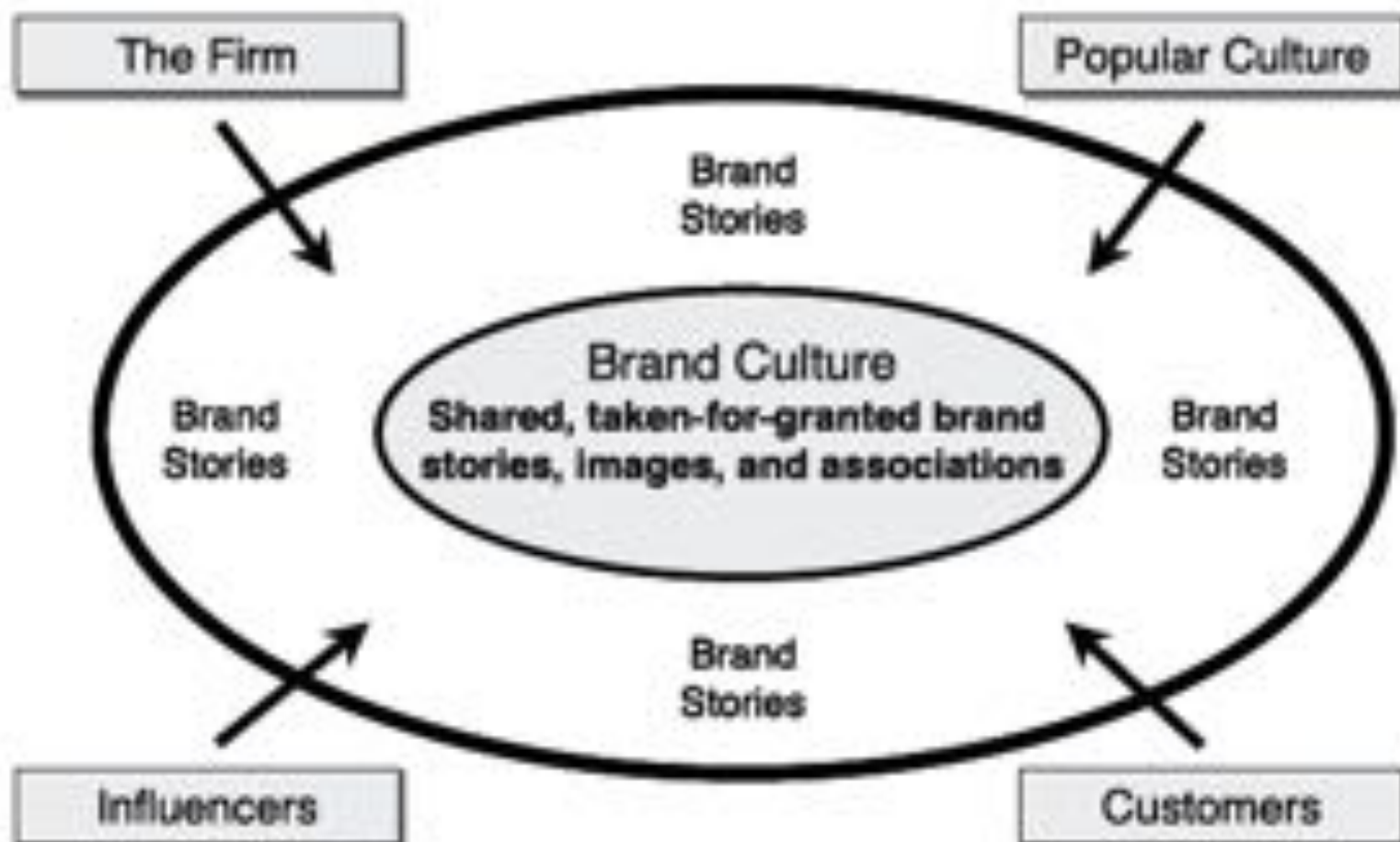


Historical Change



Social Disruption
creates
Cultural Tension

Source Material
Subcultures, media myths, brand assents



THE MARKETER

- Brand design
- Advertising
- Pricing
- Brand Touch points

CONSUMERS

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

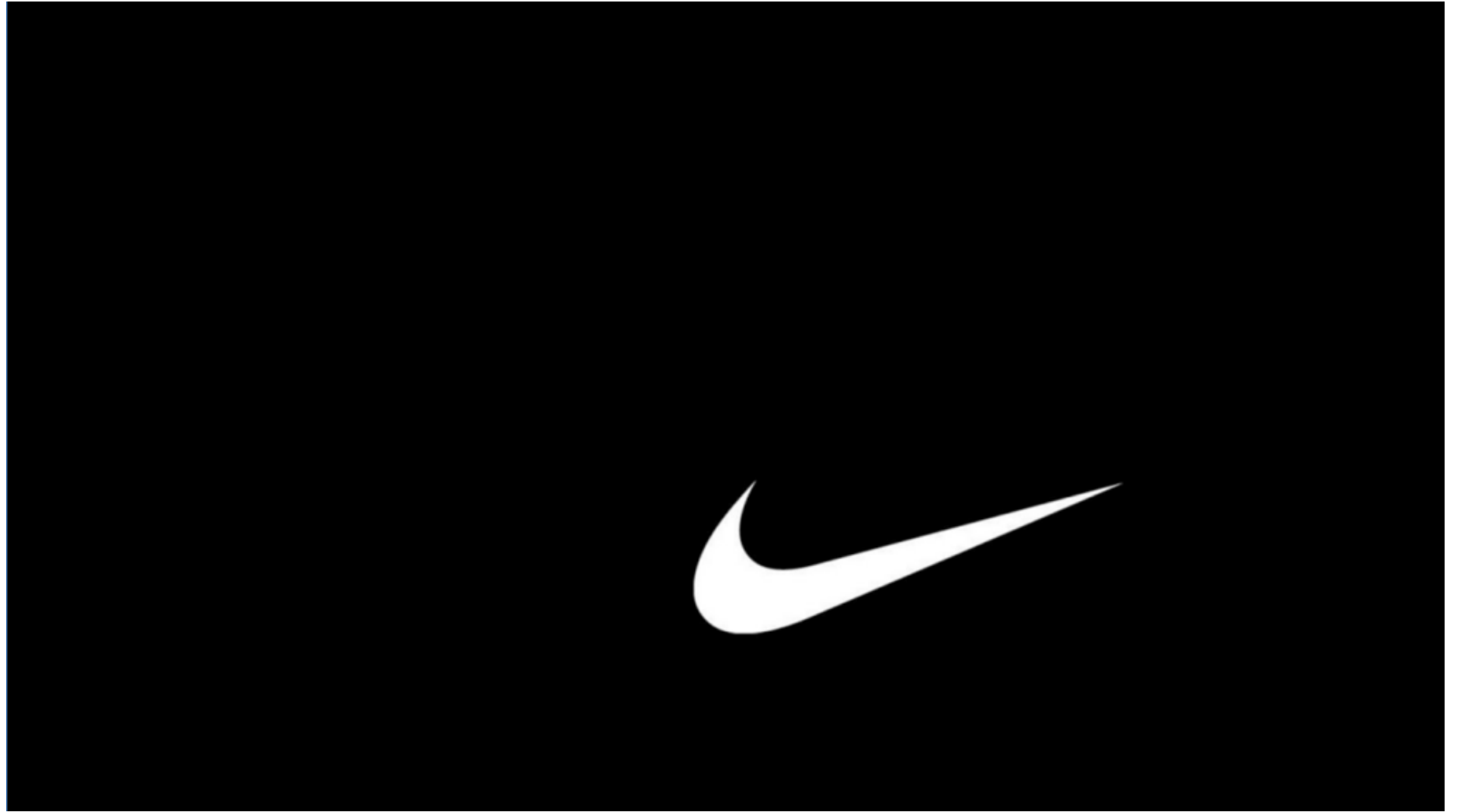
POPULAR CULTURE

- 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"**



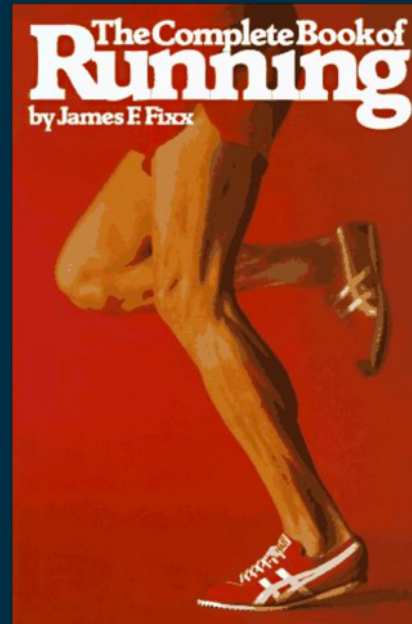
Believe at nikebasketball.com



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

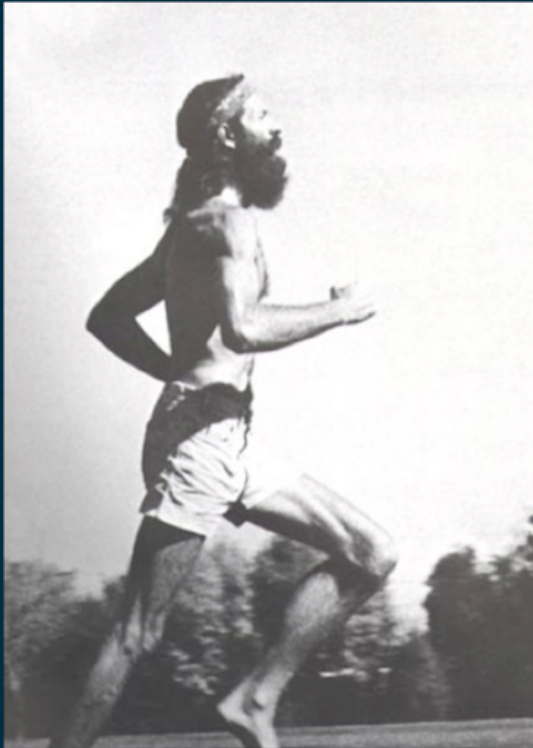
Joe Namath makes all his passes in Pumas.



PUMAS. Shoes of a different stripe.



Joe Namath & five of Puma's most beautiful girls. And they're wearing Puma shoes. Puma shoes are the shoes of a different stripe. Joe Namath & five of Puma's most beautiful girls. And they're wearing Puma shoes. Puma shoes are the shoes of a different stripe. Joe Namath & five of Puma's most beautiful girls. And they're wearing Puma shoes. Puma shoes are the shoes of a different stripe.



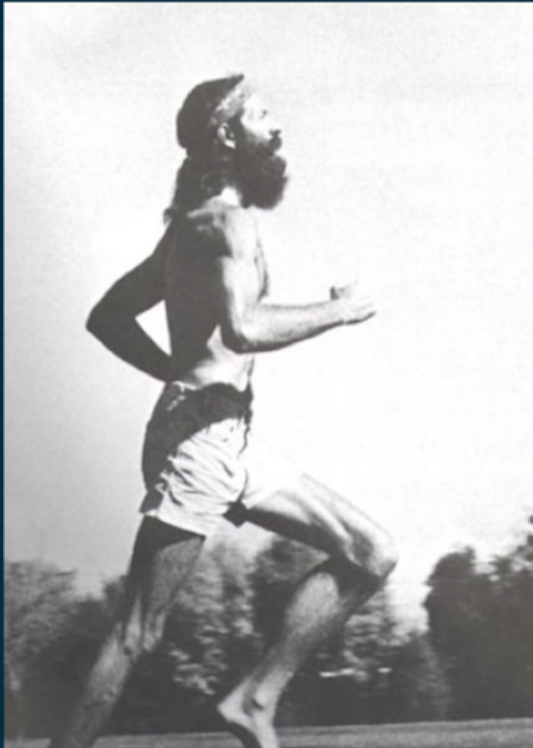
Birth of Nike's ideology:

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



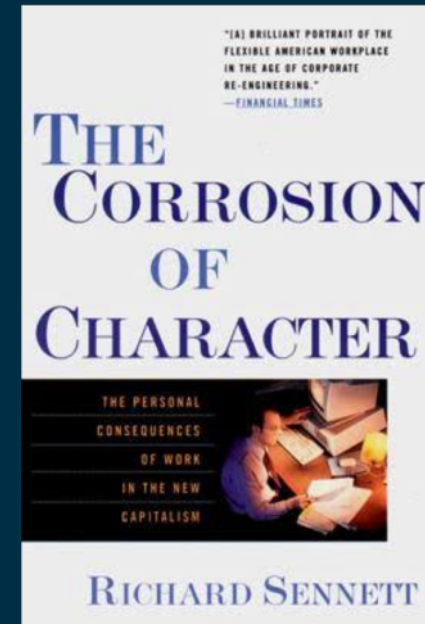
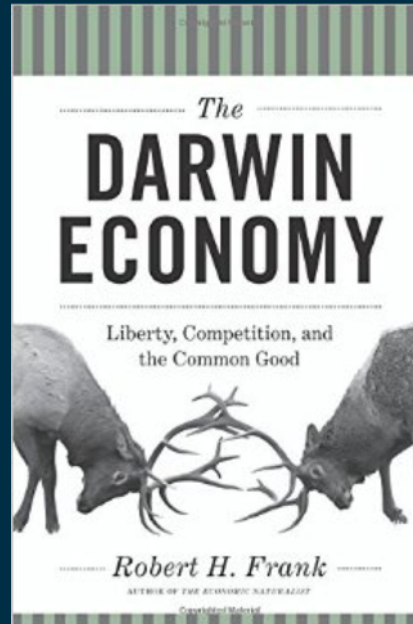
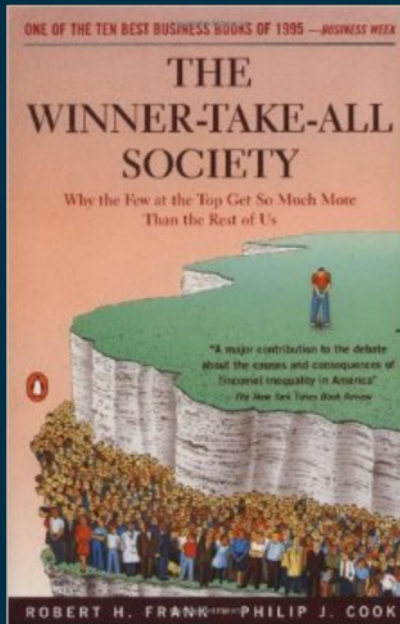
CODE INNOVATION #1

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. The sky is filled with soft, colorful clouds from a sunset or sunrise, with shades of orange, pink, and blue. The boy is wearing a white t-shirt with a prominent white Nike swoosh logo on the chest. He has a determined expression on his face. The road is flanked by green grass and fields.

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, 3901 SW Henry St., Beaverton, OR 97005.

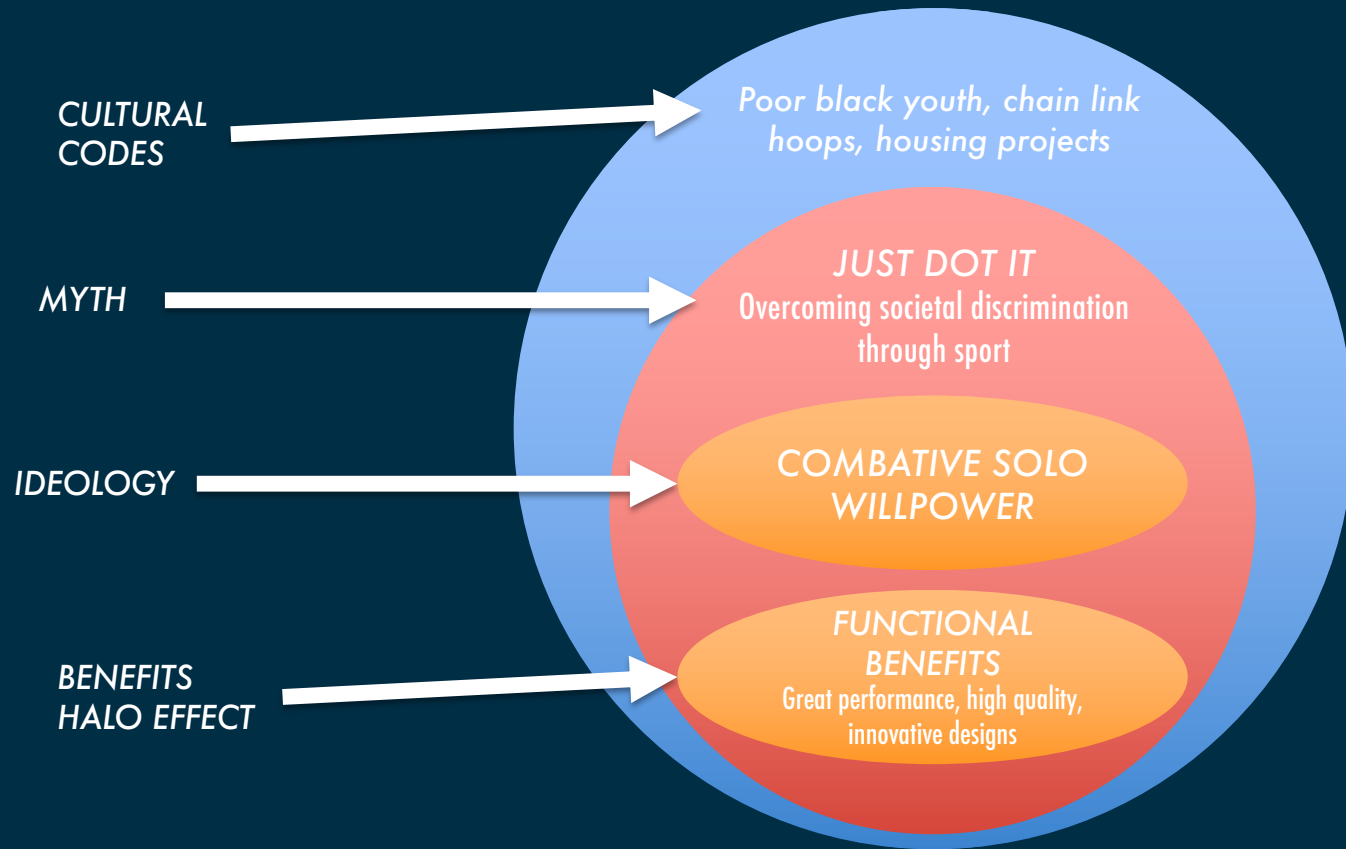




Believe in something.
Even if it means sacrificing everything.

 Just do it.

NIKE'S CULTURAL INNOVATION



*CULTURAL INNOVATION AND
ESP. UNDERSTANDING
CULTURAL ORTHODOXIES
ALLOW YOU TO UNCOVER THE
REAL PROBLEM THAT YOU
WANT TO CREATIVELY SOLVE!*



COMMON CULTURAL ANXIETIES FEEDING SOCIAL DISRUPTIONS

- people's ambitions at work
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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?

FOR NEXT TIME

- Holt and Cameron: ClearBlue
- **Recommended (on MyCourses)**
- Madsjberg and Rasmussen – LEGO
- HBR – Six Myths of Product Development
- HBR – A More Rational Approach to Product Development