



Innovation – Who Cares?

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New Look! Introducing an All New Scent! The Latest Technology! With all the buzz about innovation – in products, in marketing, in media – you might think it was important to consumers. You also might be wrong.

Our work across categories - from fashion to fast food to entertainment to furniture to home appliances - suggests innovation is not nearly as important to consumers as many marketers think. To the surprise of many of our clients, innovation often appears at the bottom of any list of attributes as an important decision driver. Consumers *never* mention it spontaneously as a reason to purchase a brand, watch a show or visit a web site. In fact, it isn't really a word consumers use at all. When was the last time you sat in a focus group and heard someone say, "I bought that brand of washer/deodorant/computer/ car because it is so *"innovative"*? (If we heard that, we'd suspect a newly minted Marketing major looking for a job.)

Now, we're not saying innovation doesn't matter – quite the contrary. Innovation is critical. It helps manufacturers maintaining retail distribution. It helps \companies attract the best and the brightest to work there. Innovation is important to analysts and investors as an indicator of future strength and competitiveness. At minimum, a focus on innovation can help keep a company from *falling behind*. In a marketing landscape that inclines to a sea of sameness in product and advertising, innovative, relevant products and services help attract consumer attention and increase brand equity. Meeting previously unaddressed needs and makes products less comparable to others and therefore less susceptible to a declining price spiral.

But let's face it, for all but a few of the most 'innovative' brands like Apple and -- well, Apple -- most large companies are terrible at innovating. Most are much better at taking someone else's innovation and adapting it for mainstream success. A.G. Lafley admits as much in his new book, [The Game Changer](#). He argues that marketers like P&G should focus on connecting new products to consumers, where they excel, not in developing new products themselves where smaller; more nimble players have a higher success rate. Intrepreneur is not as common a word as entrepreneur for a reason.

It may not matter anyway because consumers care much more about things brand marketers think are less than sexy: Quality, Value, Dependability, Style. Consumers derive great emotional benefits from the mundane. Their questions include: Does it work? Will it last? Will you stand behind it? Does it have features that are the benchmarks for the category? How long will it be "good enough?"

Promoting that you are innovative seems to be a non-starter for consumers. In fact, they assume you've been innovating all along. So, touting the fact that you're innovating now may lead them to wonder what you were doing before. Very few consumers want to be on the bleeding edge. They want some reassurance that their purchase will not become obsolete too soon (and that timeframe varies by category), but that's different from wanting the latest new, new thing. Each year depressing Nielsen statistics on how many product successes are truly new to the world -- as opposed to just line extensions that are new to the board of directors -- bear this out.

Better to invest in discovering, delivering and promoting benefits consumers actually care about. This is a lesson La-Z-Boy rediscovered. For the past several years, they have invested in new styles and designers, along with the advertising to promote the brand as being stylish. They were successful in moving perception of the brand among the more style-conscious, but consideration and purchase intent didn't rise along with perception. Why? Because the La-Z-Boy core customer is much more interested in comfort, and the truly style conscious were never going to put La-Z-Boy at the top of their list. When they recently returned to a focus on their core equities of comfort and durability and providing reassurance on style and breadth of offering, consideration soon began to increase. Innovation is certainly a focus for them going forward, but only as it relates to helping their core consumers live more comfortably.

Whirlpool has also invested heavily innovation. Their pipeline is full of great new ideas like steam in the oven and dryer. Yet they realize that an innovation like Turbo-Clean, now three years old, is still news to a consumer who has not been in the market for a dishwasher until last week. Rather than constantly promote the news, they have learned to rely on tailored messages about Durability, Performance and Value, that consistently resonate.

At Southwest Airlines, innovation has been a way of life since they started flying in 1972. But they don't tout themselves as innovative, and don't talk about their improvements in the Cost, Reliability or downright Fun of flying as "innovations". Instead, they use humor with the flying public, and great process control behind the scenes, to deliver one of the best records of revenue growth and profitability in the industry.

Is your company chasing the wrong strategy? Just ask your customers what they think is important. The answer might surprise you.