Marketers are under increasing pressure to find new ways of reaching consumers. But activating ideas can slow and painful. Hannah Mirza, Liam Brennan and Gary Arora explains how a structured innovation programme can lead to success.

Innovation is a powerful force for business success, but big companies can sometimes be too slow to adapt. Corporate red tape, endless rounds of approvals and a general fear of failure can contribute to a culture that holds onto ideas and solutions that no longer serve the enterprise and its needs.

Having visited events like the Consumer Electronics Show earlier this year, that's worrying.
Voice, AI, and changes in transportation, retail and consumer tech shouldn't keep everyone up at night, but neither can we stick our heads in the sand.

The solution is to apply new processes to our culture; to make innovation a part of our daily lives as marketers. Ad hoc innovation, the spark of an idea, the eureka moment that creates a one-off piece of excellence, is no longer enough.

We need to be rigorous if we want to create an innovation pipeline. The good news is that marketers can manage innovation in a structured way and key behavioural changes can vastly improve how effective we are likely to be as innovators.

The first requirement is a new attitude toward risk. No one’s asking you to be carefree with your company’s money, but the old rule that you can learn more from a failed idea than a lucky success truly applies to innovation. The best programmes are tailored to the needs of specific companies and built to deliver innovation against their KPIs, which means even the failures teach them about their core areas of concern.

Coca-Cola’s The Bridge, for example, focuses on five key pillars: consumer engagement, consumer retail, supply chain, marketing innovation, and health and wellness. It’s critical that you stay focused on what your brand truly needs.

Voice, for example, is already impacting search dynamics. How important is being on the first page when your Google Home recommends a bottle of wine at the very moment you’re headed to the store?

Having a clear mission makes it easier to make a buy-or-build decision, identify potential partners and ensure you don’t get swayed by exciting technology that doesn’t actually solve your business challenges.

Once you’ve got the right attitude and a clear remit in place, you then need to find the right startup with which to partner. There are thousands of startups, all producing interesting tech solutions. Knowing who and where they are, what they do and when to engage is a challenge for many marketers. Many use advisers to find the diamonds in the rough.
Just be sure the advisers you select are independent. You need them to recommend partners that will benefit your company, not just pay them a fee. A narrow or biased adviser will limit the potential of your innovation efforts. International advertisers such as Mars, with its global Launchpad initiative, and Unilever, with its Foundry programme, clearly understand the need to work with partners who look beyond Silicon Valley.

And once you’ve found the right startup, you also need to have the right kind of partnership. Startups are significantly different than corporations, and some of these relationships will be quick flings while others will become long term. The only universal rule is that you need to be clear and upfront about your expectations.

Creating a charter for each partnership helps deliver meaningful (and mutual) benefits. Disney Accelerator 2014 graduates Sphero and SnowShoe have gone on to create several products for the company beyond the initial funding stage.

Finally, you need to be quick once everything is in place. The point of working with startups is to create a culture of agility, and that should include the ability to take an innovation — along with new features, products and services you create with it — to market as rapidly as possible.

Exceptional marketers have always applied a great deal of discipline to research, product development and pricing tasks, and it’s this muscle memory that will serve them best.

Innovation may look ‘creative’ — and it is — but those who can add a layer of structure, definition and process will succeed in delivering the best, most promising ideas. Everything else is just, well, a lot of noise.

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How Mars is achieving innovation success

*Mars is a company that takes innovation seriously, and its Launchpad programme is helping it partner with technology startups and work in new, agile ways. Gary Arora, Global Lead on Mars Launchpad, explains how it works.*

“At Mars, we’ve been stepping up our efforts in digital significantly in recent years. One of our early successes, for example, was our Cannes-winning Hungerithm campaign, which changed the price of Snickers in real time depending on the mood of the internet.

“In a bid to make these successes a habit, we sat down in 2016 and asked ourselves a few questions: How do we create more Hungerithms? How do we bring some of our iconic brands into the digital world? How do we take great work and provide structure to scale?

“Our solution was to create Launchpad, a global programme which delivers marketing and sales innovation through partnerships with startups and other technology companies. Our goal is to help our brands harness and leverage new technology to stay relevant and reach, engage and convert consumers in a fast-changing, digitally-influenced, world.

68% of the top 100 companies from the Forbes Global 500 are already engaging with startups.
“Launchpad works by asking Mars associates to submit a business challenge or identify an opportunity for business growth leveraging data and technology. Three times a year, we pick briefs endorsed by our Chief Marketing Officers and Chief Customer Officers, identify suitable start-ups to work with, and execute live pilots. We review each pilot, scale those that have been successful, and learn from those that weren’t.

“Our first call for ideas went out in April 2017, and we have been pleasantly surprised with the quantity and quality of briefs submitted from around the world. In fact, we’ve received more than twice the number we expected.

“Currently, we are running multiple simultaneous pilots in such varied areas as using AI and big data analysis to uncover future food and pet trends, building more immersive conversations through technology such as voice an chatbots, and cracking impulse online through better audience identification and segmentation. We’re even finding new ways to sell our products virtually.

52% of accelerators are at least part-funded by a corporation. 

“MediaCom, our media agency partners, helped design and build the programme and support us in this process. Because they work in many sectors beyond FMCG, they add an important, broader perspective to our selection process, as well as an understanding of how to best apply technology to our challenges.
“In today’s world, there is so much change that even a company as big as Mars can’t find the smartest solutions as quickly as we need them. But by working with startups, we are letting our associates benefit from the strength of our existing culture, alongside outside expertise.

“While we are aiming for success on every pilot, we are also realistic. We know not all new ideas work as expected and the key is for us to capture learnings and share across our brands and geographies.

“Because Launchpad has its own funding and support structure within our business, it gives us the freedom to take risks. The most important thing is that we are constantly analysing and assessing our performance, to ensure we improve our innovation playbook for next time.

More than 80% of large companies consider interactions with startups to be as important as other partners.

*Source: Imaginatik / Masschallenge. The State of Corporate / Startup Collaboration 2016 (2016).*

“Digital has revolutionised the consumer path to purchase; it’s dramatically impacted the behaviours of our consumers as well as retailers. And because this space is ever-changing, there are no right or wrong answers. With Launchpad, it’s about discovering what’s possible, connecting the dots, and turning hypotheses into knowledge rapidly and inexpensively.

“Launchpad is helping us raise our own digital IQ, discover what’s possible with new and different ways of working, and learn from others and with others. And that’s an exciting process.”
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