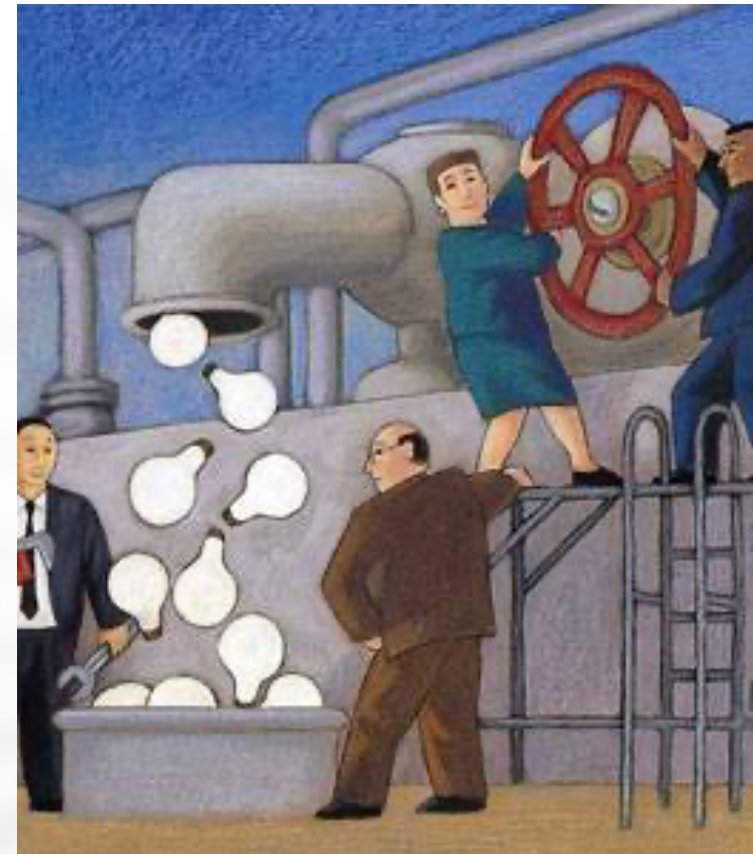


information and communications
technology (ICT) products and
services
the marketing of technological innovation

Paris,
23/04/2007





- <http://visionarymarketing.com>
- <http://visionarymarketing.wordpress.com>



you too can contribute!

in charge of innovation in outsourcing contracts

→ the joint innovation programme



- multimillion € innovation funds
- team work with MNC clients
- joint innovation to achieve mutual benefit
- not just generating ideas but making it happen

module	timing	topic
one	09:00-10:55	a few thoughts about ICT marketing and innovation
	10:55-11:10	break
two	11:10-12:45	innovation management: towards wikinomics
	12:45-13:00	conclusion + group discussion and wrap up

material available online at <http://visionarymarketing.com/mibdauphine>

- is the ICT sector different?
- what is and what isn't innovation?
- why is everybody talking about innovation now?
- innovate or die: is it only true?
- what are the most common ways of managing innovation?
- what are the guiding principles?
- what are the main/classic pitfalls?
- how are people really working on innovation? a survey
- is economics moving towards wikinomics?
- ...



module one

a few thoughts about ICT marketing and innovation

Paris,
23/04/2007



- part one: innovation is in the eye of the beholder
- part two: basic principles in marketing related to ICT products and services
- part three: reinventing marketing? marketing 2.0
- part four: a critical look at product life-cycles
- part five: solution selling – the vertical factor (not covered)
- part six: marketing alliances, a cornerstone of ICT marketing (not covered)

module one – part one

innovation is in the eye of the
beholder

Paris,
23/04/2007



what is technological innovation?

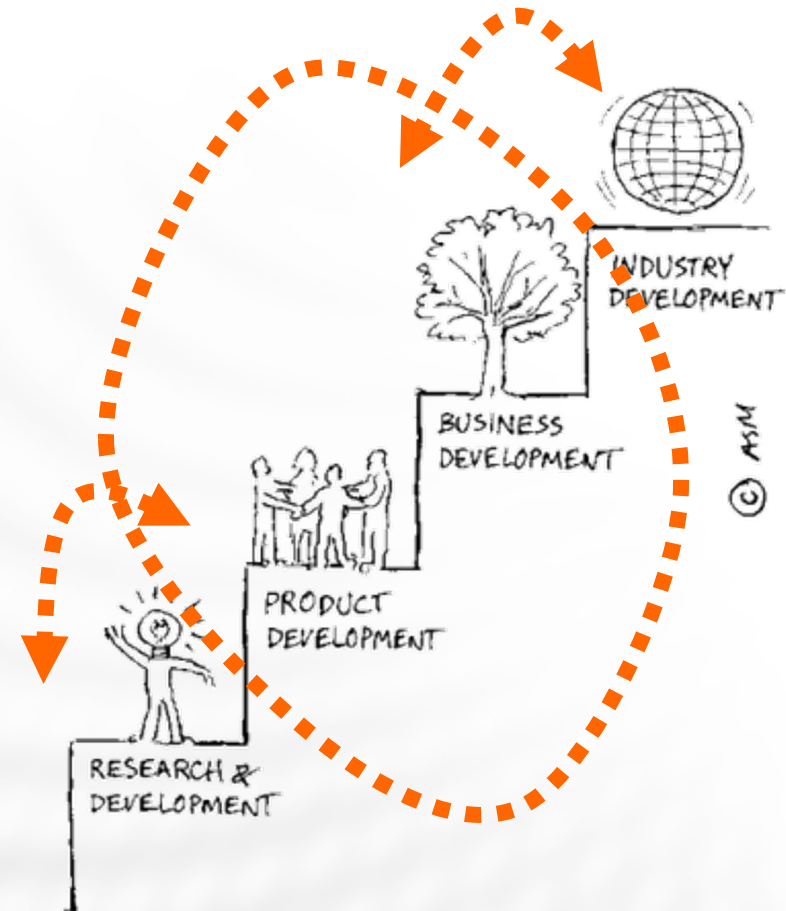
- “creativity is the generation of new ideas. innovation is the implementation of creative ideas” jeffrey baumgartner

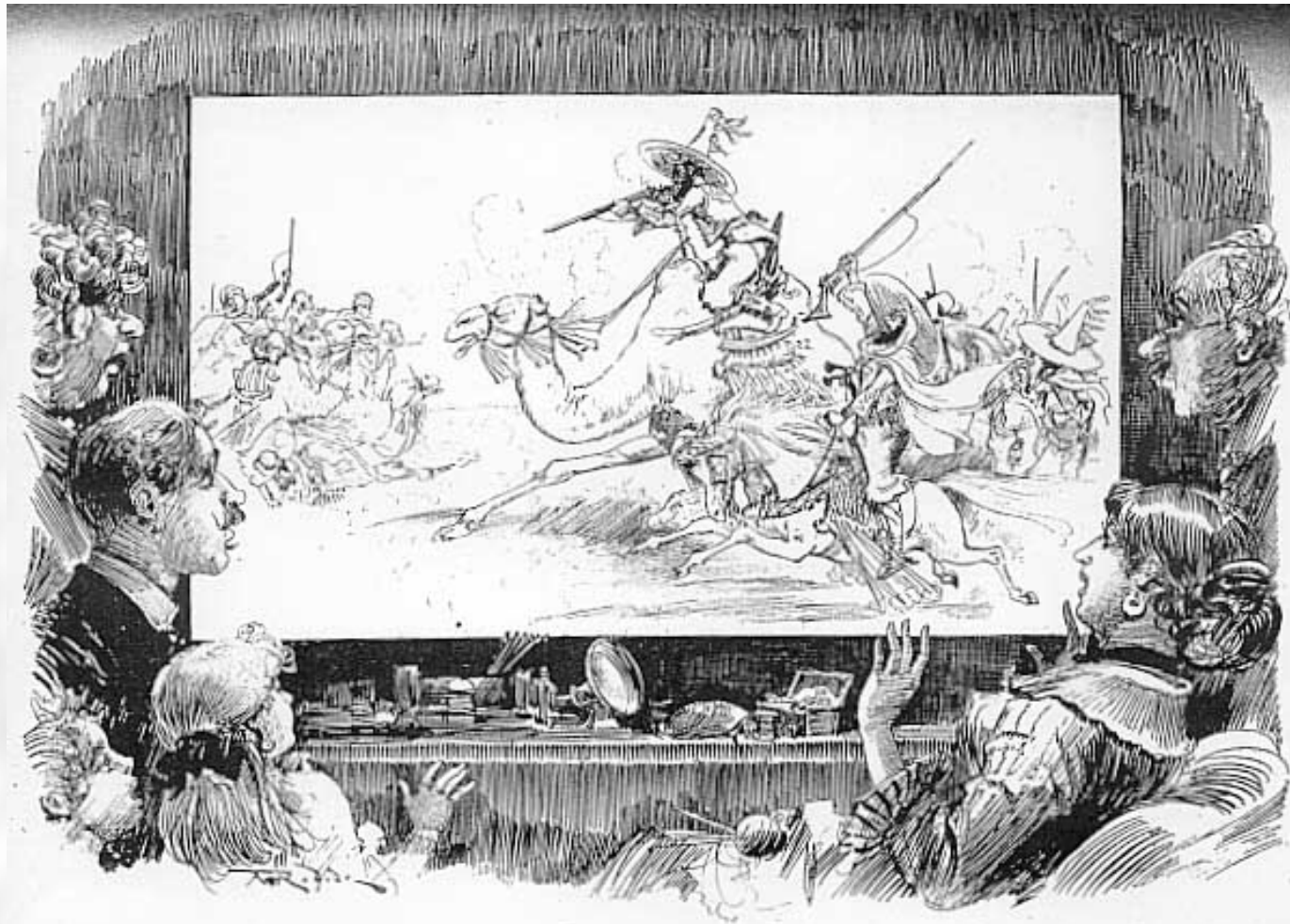
<http://jpb.com>

- you may get it wrong, clients won't

• source:

• <http://www.strategic-innovation.dk/Engelsk/Consult.html>





LE JOURNAL TÉLÉPHONOSCOPIQUE

Robida, invented IPTV before ADSL existed (the phonoscopic newscast system - 1870) ?

innovation or product?

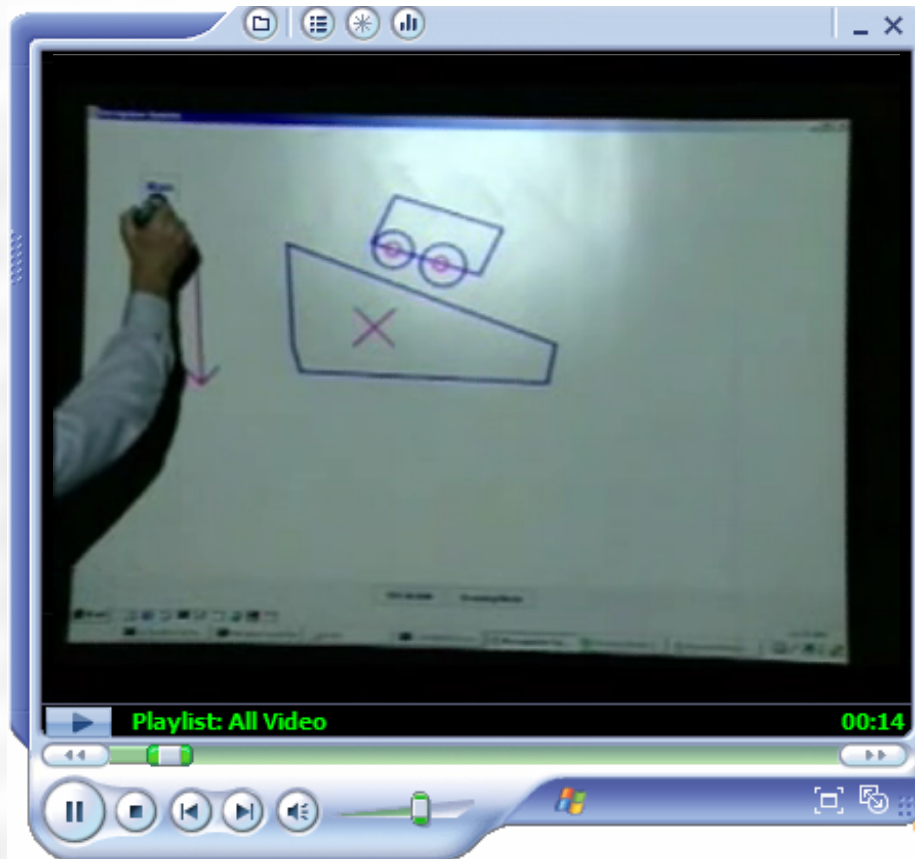


link to video of [visit to Cisco telepresence demo centre](#)

what is technological innovation?

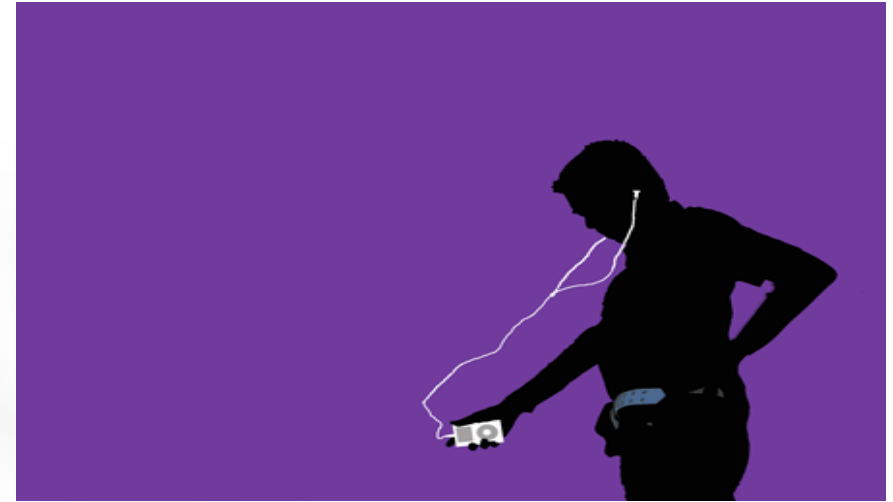
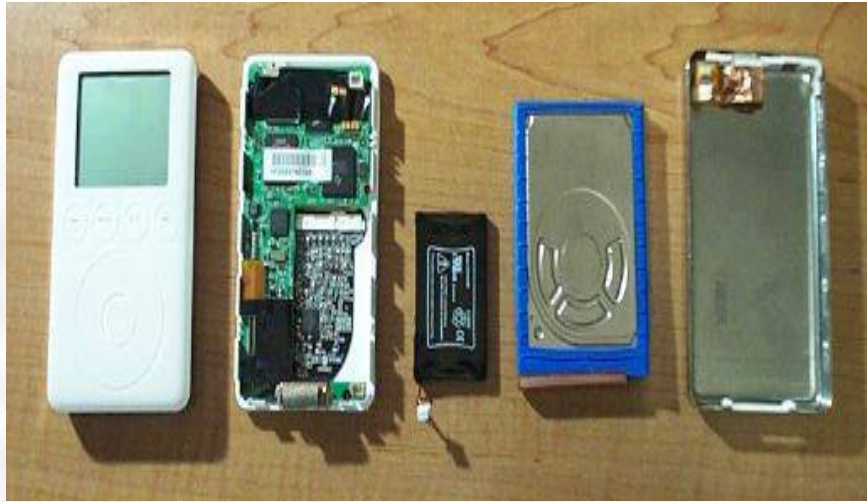


youtube video



- "MIT digital drawing board"
- circulated extensively on the web in October 2006

what clinched it for the iPOD?



- “Apple **Cult** Becoming a **Religion**” (NYtimes, 2007)
- Apple “has a whole mystique and iconic value,” says Rakesh Khurana, a Harvard professor (WSJ, Sept 6)





- innovation not = creativity
- don't overestimate (or underestimate) 'innovativeness' factor → pragmatism
- fine line between products and innovation (who cares?)
- innovation in the eye of the beholder
- marketing > technicality
- "always the unexpected happens"



- **30 minutes overall**

- 40 students => 8 groups of 5

- introduction

 - > 5 minutes to introduce subject

- preparation

 - > 10 minutes to read

 - > 15 minutes to prepare exposé

 - > 3 questions

- exposé

 - > 4 groups to present

 - > 1 spokesperson only

 - > 5 minutes per group (20 overall)



dear innovator,

thanks for trying to entertain me and my family. actually, we are already stuffed with multimedia appliances here and you say you are going to make our life easier. let me have a look at it and judge by myself.



AppleTV- FT
March 21 2007



Business Week
03/07



Apple TV WSJ
210307



3 articles and a list of questions
**speed-reading enabled by text in bold
typeface**

let's have a look at the apple tvbox press review and marketing dossier and let's evaluate the chances of success of this new product. if at all possible of course. please advise...

module one – part two

basic principles in marketing related to ICT
products and services

Paris,
23/04/2007



similarities

- importance of trends and fads
 - > apple brought fashion in IT
- technology is being trivialised
 - > the 'broadband' factor
- b2b players → consumer advertising
 - > ibm, microsoft, Cisco ...
- accelerating pace of change
- blurred frontiers
 - > entertainment/IT

differences

- hype cycles
- ecosystem a must
- a minimum of technicality must be understood
 - > dual profiles welcome
- market maturity
 - > staggering number of players (user/market) acceptance issues
- paves way → other markets (wikinomics)
- chaotic (unfinished products...)

ICT marketing mixes engineering+ marketing, it has its own rules, trends and techniques

•products:

- >products are packaged



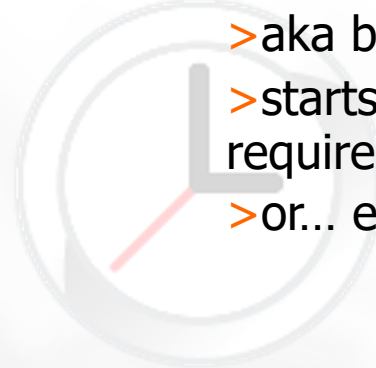
•service

- >are dematerialised products
- >but are **products** anyway



•Service

- >time and material
- >aka bespoke service
- >starts from the client's requirements' definition
- >or... elicits the requirement



•solutions

- >is a package addressing a particular business problem
 - horizontal solution: hr, book keeping, etc.
 - shrink-wrap software
 - vertical solution:
 - e.g. data dissemination for Finance Industry



the complexity of ICT marketing (mobility example)

(Source: Marc Fesler, Unisys)

SEAMLESS INTEGRATION

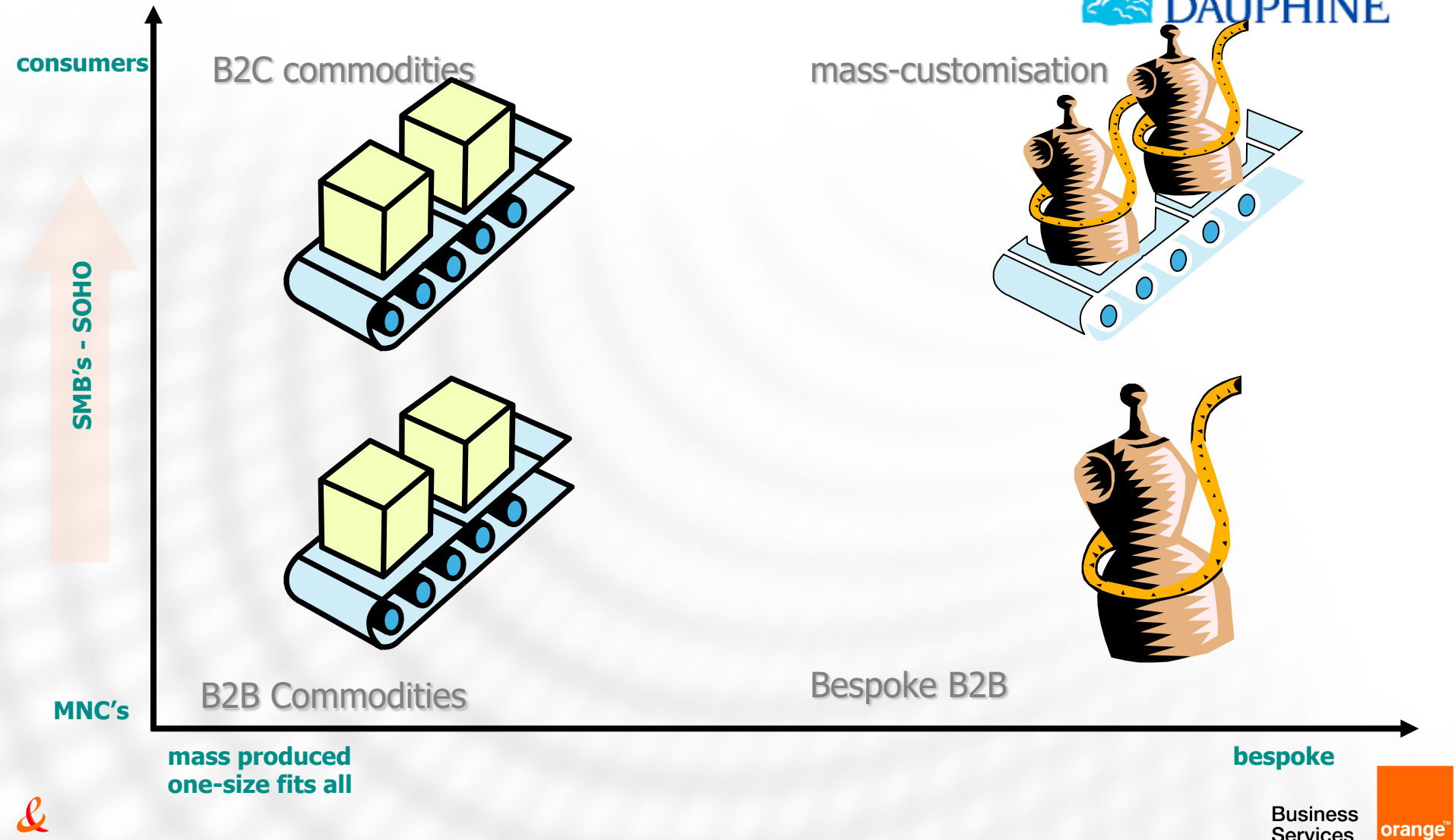
Access Device	Phone, Smartphone	PDA (Palm, Symbian)	Pocket PC (XDA, Dell, iPaq)	Clamshell Handheld	Notebook Tablet PC	Business & IT Consulting	Integration	Maintenance				
Profile Mgmt.	Manageability (Asset Management, Configuration, App. Deployment) Personalization Authentication											
Link Layer	Transport (Bandwidth, Compression, Seamless Network Roaming) Synchronization (On-/Offline) Session Management Security (Encryption)											
Network	Carrier-less Wired			Carrier (Telco, VNO, XSP, ...) wLAN (802.11, ..) wWAN (GPRS,..)								
Present.	Phone, Smartphone	PDA (Palm, Symbian)	Pocket PC (XDA, Dell, iPaq)	Clamshell Handheld	Notebook Tablet PC							
Apps	Finance	Telco	Commercial	Healthcare	WFM KM (Oracle, ..) CRM, SCM, ERP Mail & (Unified) Messaging Personal Productivity				Transportation	Public	Utility	... etc, etc
Infrastruct.	Windows		Unix/Linux		Mainframe							

however, should innovation remain technical?

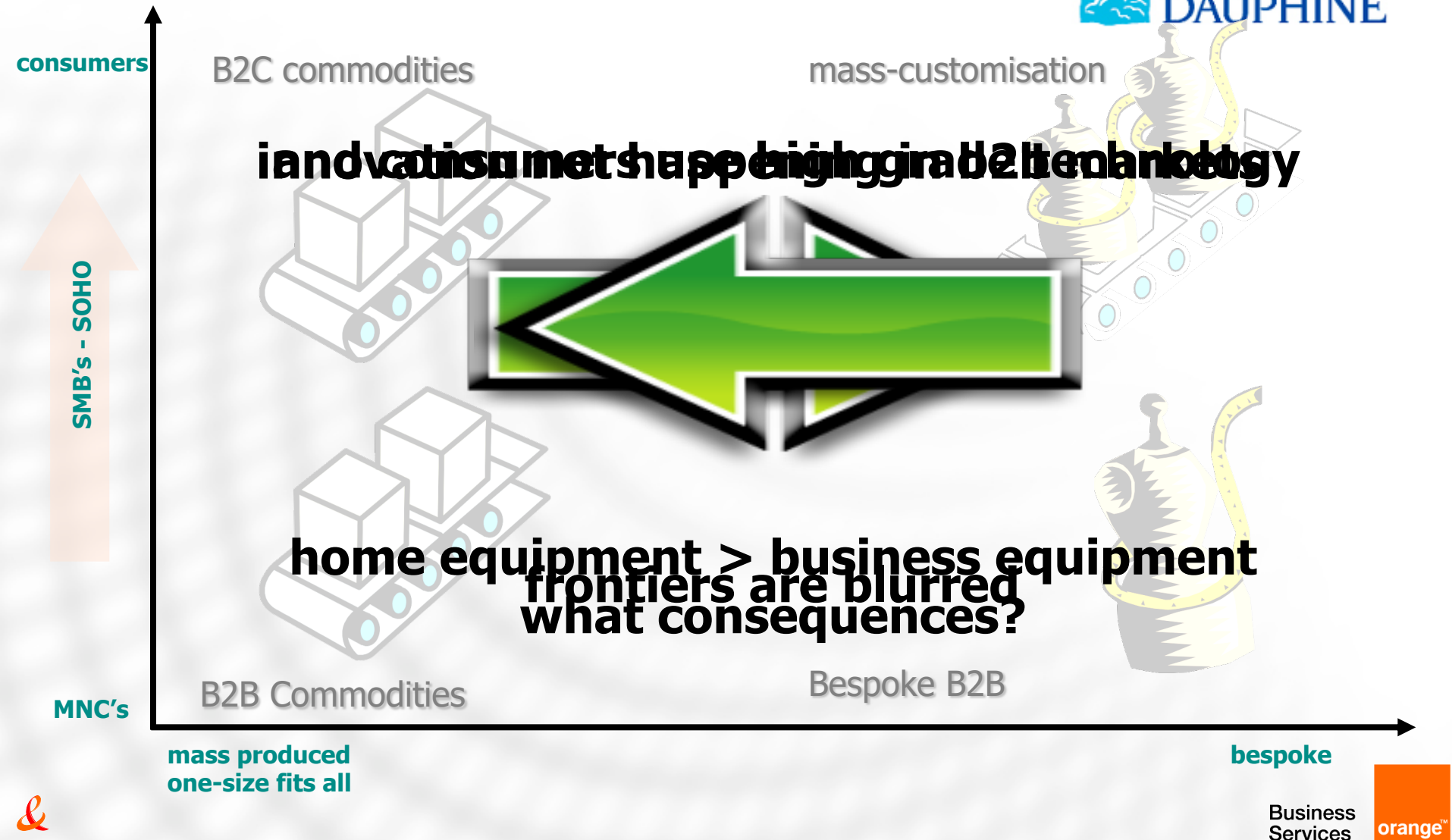
- how Internet users were seen in 1996 (aol advert, London, 1996)
- to many banks, it wasn't on the agenda
- 10 years later, 50-60% of bank users doing banking operations online



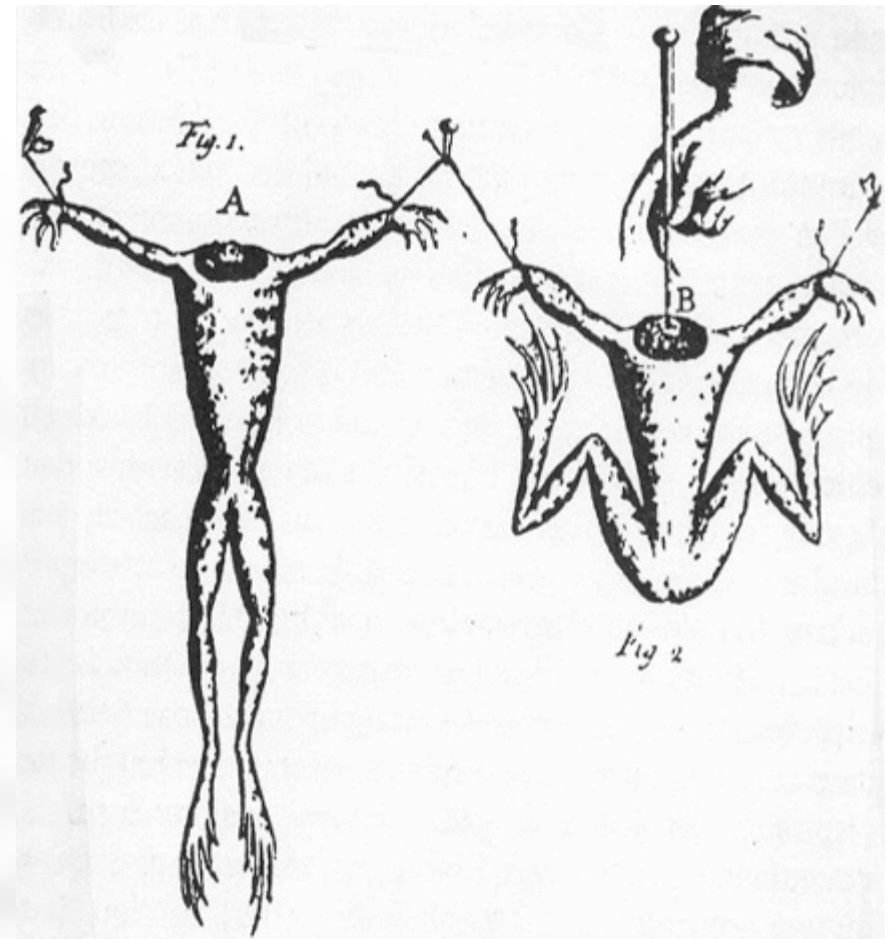
2 main trends, in opposite directions



2 main trends, in opposite directions



so where does traditional marketing fit in this picture?



**frog reflex procedure won't work here
(if it ever did anywhere though)**

2 common myths about ICT marketing

- it's all about technology

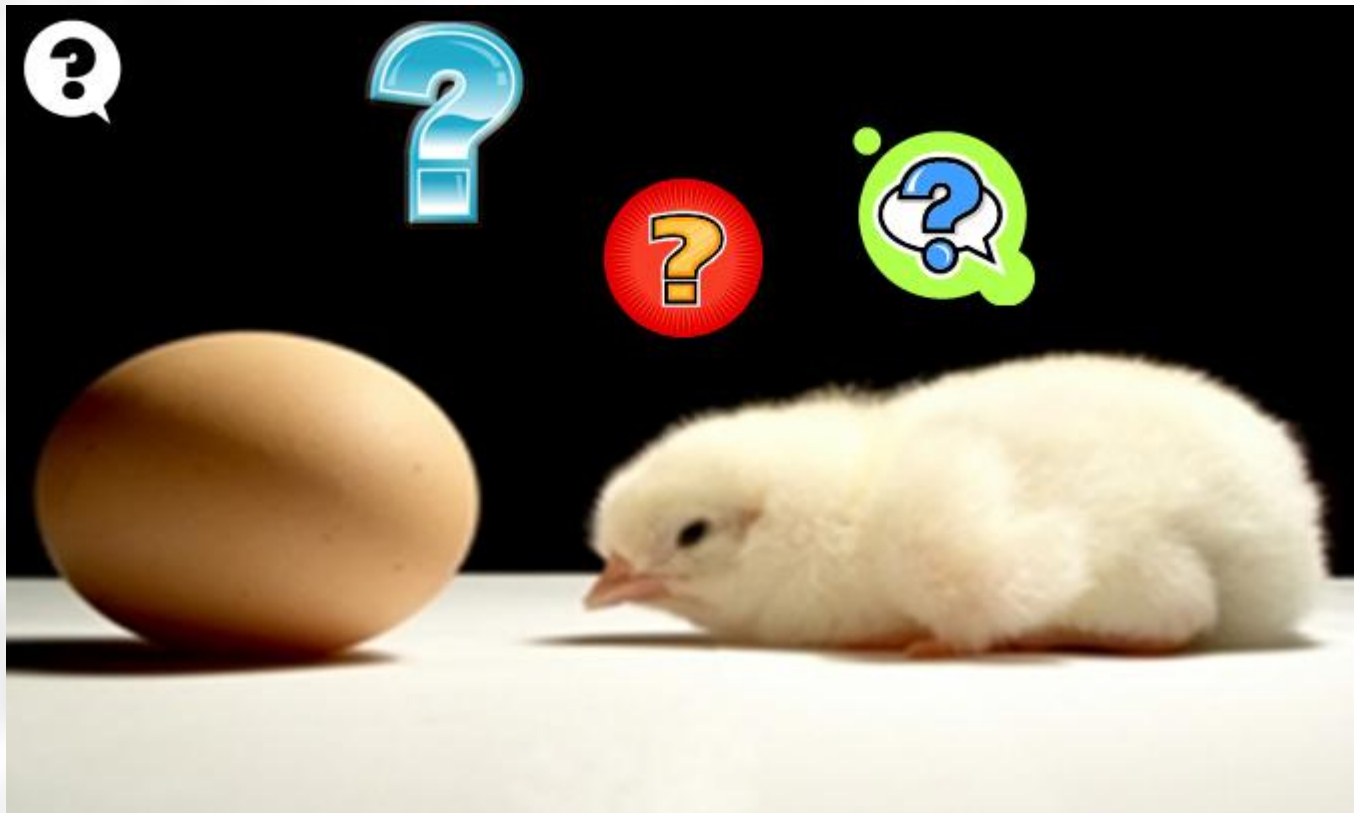
- it's all about asking what the client/user wants



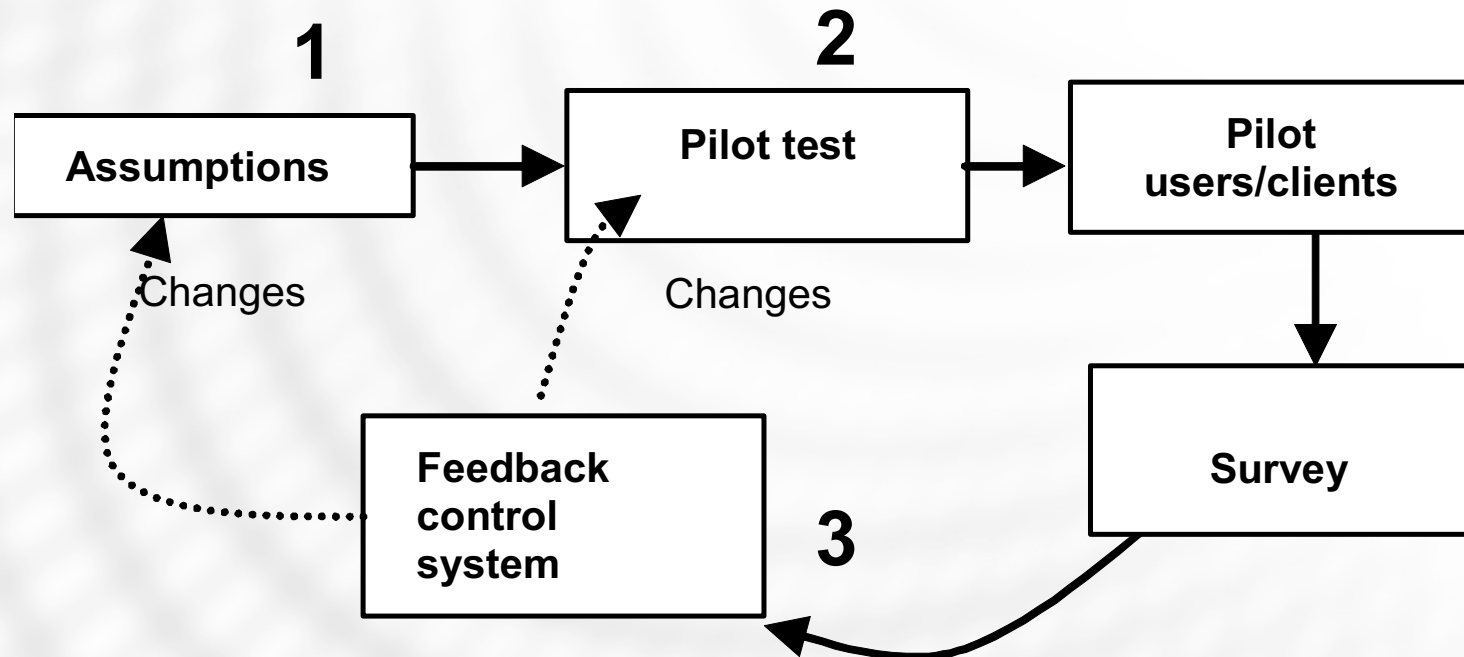
- > the survey mythology
- > the customer sat delusion



- can disruption arise from market surveys?
- what is really measured in customer sat surveys?



- Desmarest-Krycève: "It must be easier to improve something that people know about, rather than ask them to specify what they ignore or even fail to understand"



Sample application of the "reverse-engineering" approach in ICT Marketing

Source: Yann Gourvennec (2001-2002)

NO! not all perfect products/services will sell



- and vice versa
- msdos, winword, windows
- nabaztag
- ...
- hence, a product/service does **not** have to be perfect
- so, what is the importance of marketing?

- ICT is really different from mainstream marketing
- ICT marketing is segmented
 - > products/service/services/solutions
- minimum understanding a must
- but technicality isn't sufficient
- consumer and b2b markets: shifting grounds
- clients aren't decerebrate frogs
- easier to correct than design



module one – part three

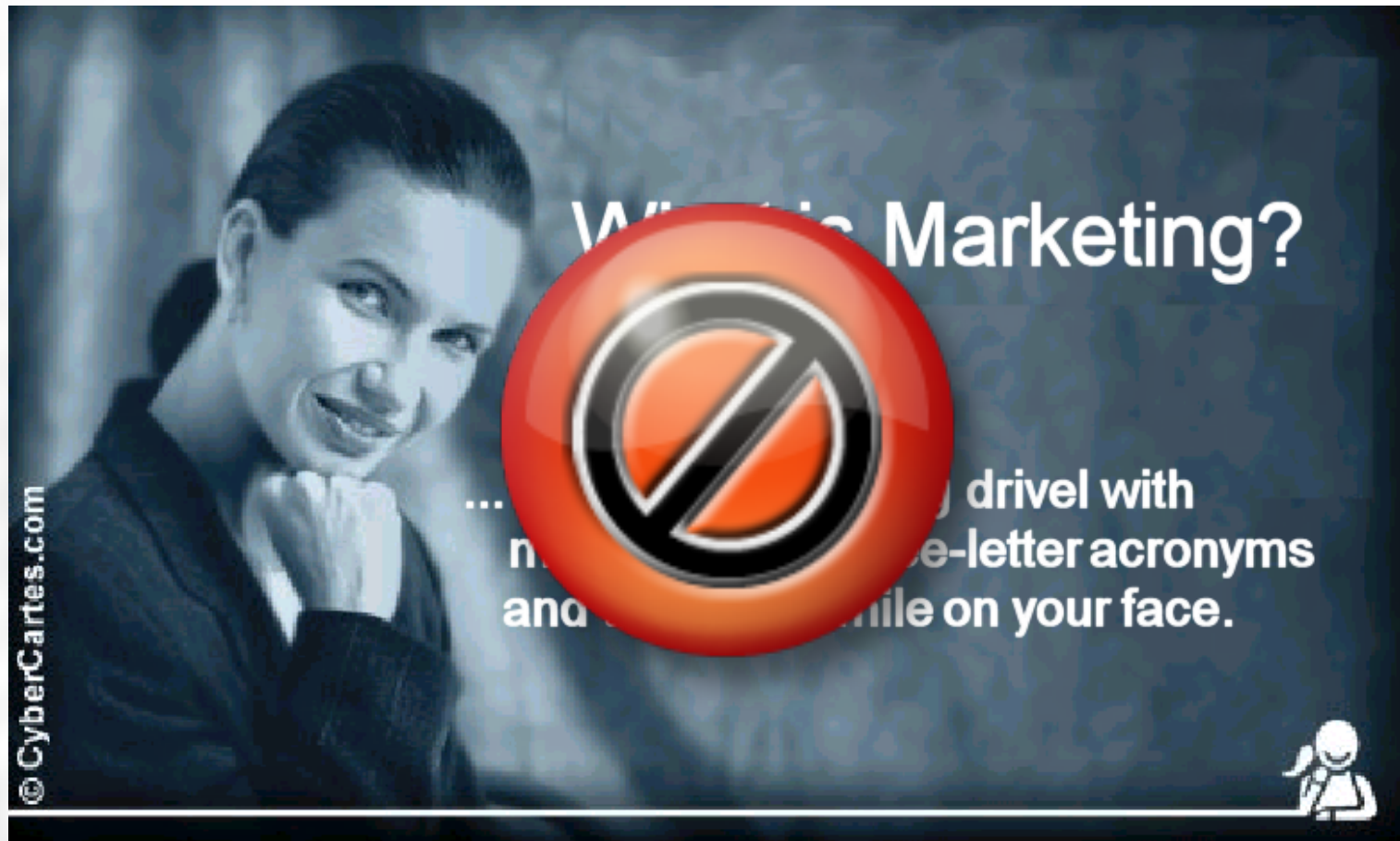
reinventing marketing? marketing 2.0

Paris,
23/04/2007



Visi--nary
MARKETING & INNOVATION

what is many people's view of marketing?



not invented, but translated and adapted from www.cybercartes.com

is marketing dead or is it being re-invented?

Marketing Is Dead @ François Laurent



13.03.2007

Pub sur M6 : du gaspillage ?



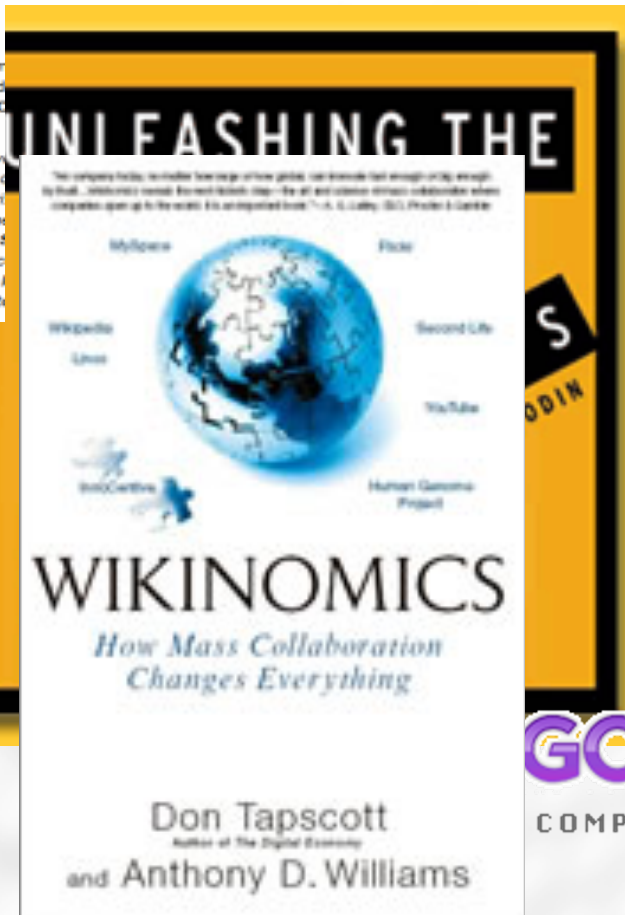
Dans certains cas, oui, comme la sérieuse étude réalisée par la psychologie de University of California relayée par Libération :

« Pour leur expérience in vivo, 18 à 31 ans, autant de filles que de garçons. Certains ont eu à voir avec des groupes. Certains ont eu à voir avec un côté "excitant", notent les chercheurs. Juste un épisode de la série mérite de comporter deux scènes préliminaires, et diverses discussions autour du "French Kiss". Les autres étudiants n'ont eu à se mettre sous les mirettes que des scènes de...

francois.laurent@adetem.net

À propos

● Catégories



PINKO

GO2WEB20.net
COMPLETE WEB 2.0 DIRECTORY



STEAL THIS IDEA!

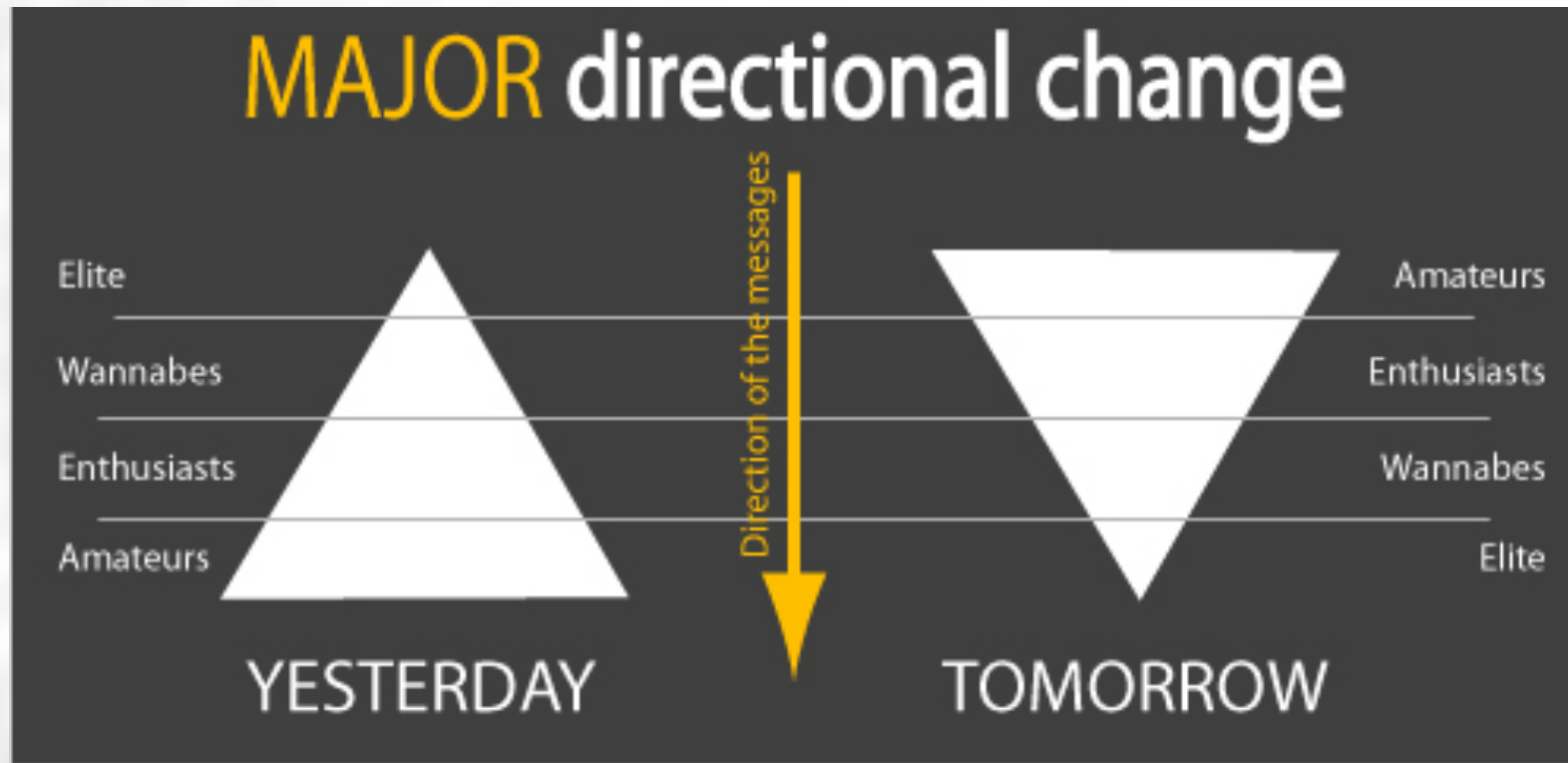
Here's what you can do to spread the word about *Unleashing the Ideavirus*:

Marketing by interrupting people isn't cost-effective anymore. You can't afford to seek out people and send them unwanted marketing messages, in large groups, and hope that some will send you money. Instead, the future belongs to marketers who establish a foundation and process where interested people can market to *each other*. Ignite consumer networks and then get out of the way and let them talk.

(still) available at <http://visionarymarketing.com>

[to read the ideavirus, display slideshow \(F5\) and click here](#)

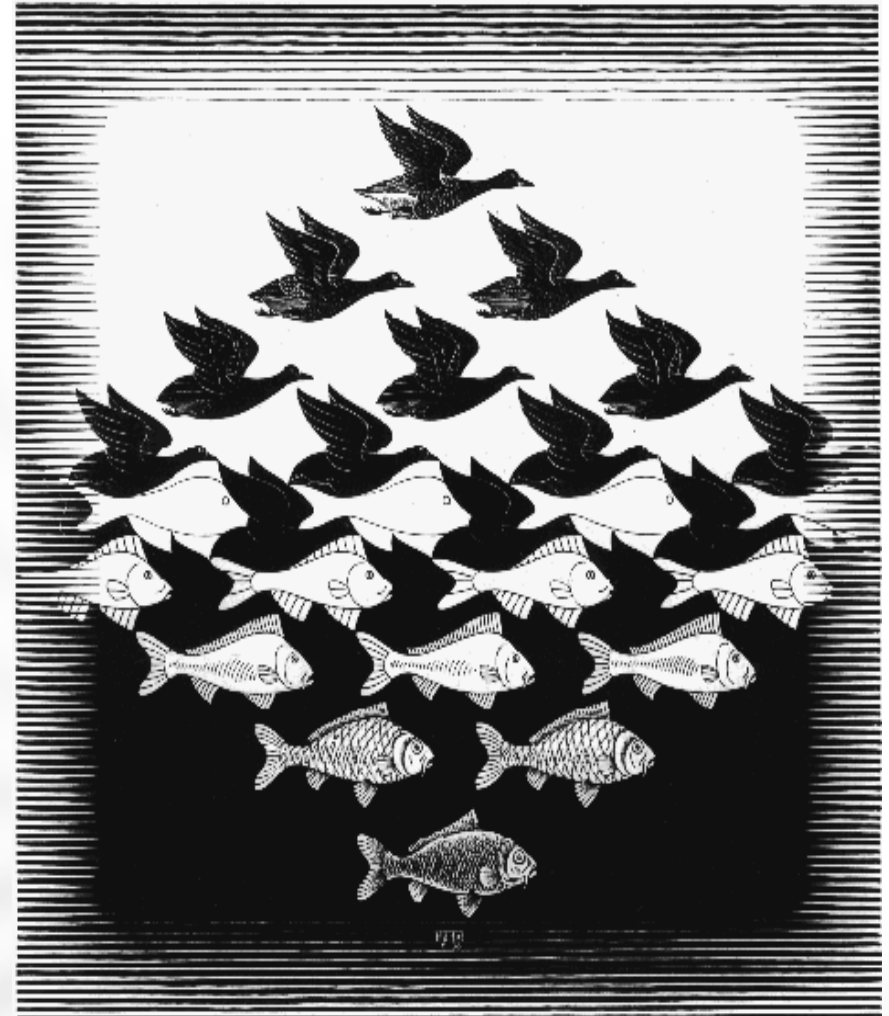
“stop thinking in military analogies. no more campaigns. no more market penetration. if you're thinking of it as a war, you've lost already”



MKTNG DIRECTOR	PINKO MARKETER
Strategy, planning, research, media buys, project mgt, brand development & mgt, advertising & promotions	Creating passionate users...by listening, observing, being part of the community - an inately knowing what they will need next (see Kathy Sierra)
Focus on deliverables: cost per click, media planning within a given budget, ROI, etc.	Helping your community kick ass = \$next to nothing ----- Shifting your advertising budget to improving your product = priceless
Studies target markets, collects consumer data, predicts future market trends, conducts user testing, focus groups and customer feedback surveys.	Erm...talks to people. (Not too hard since s/he knows many of them personally.)
Uses words like: consumer, target, buyer, and user to describe customers.	Uses words like: Jennifer, Tejas, Jeremy, Salim, Carol, Amit, Vijay, Eran, Lex, Mary, Joseph, Thomas, Ho John, etc. to describe members of his/her community.

... and climate change has not yet redesigned economics but it probably will

- or is it being reinvented?



- ICT marketing not = nonsense
- a networked economy
- clients want to be talked to and listened (not talked *at*)
- but organisations still struggle with this
- marketing is being reinvented
- digital ecosystem is reshaping the economy



10:45-11:00

break

Paris,
23/04/2007



module one – part four

a critical look at product life-cycles

Paris,
23/04/2007

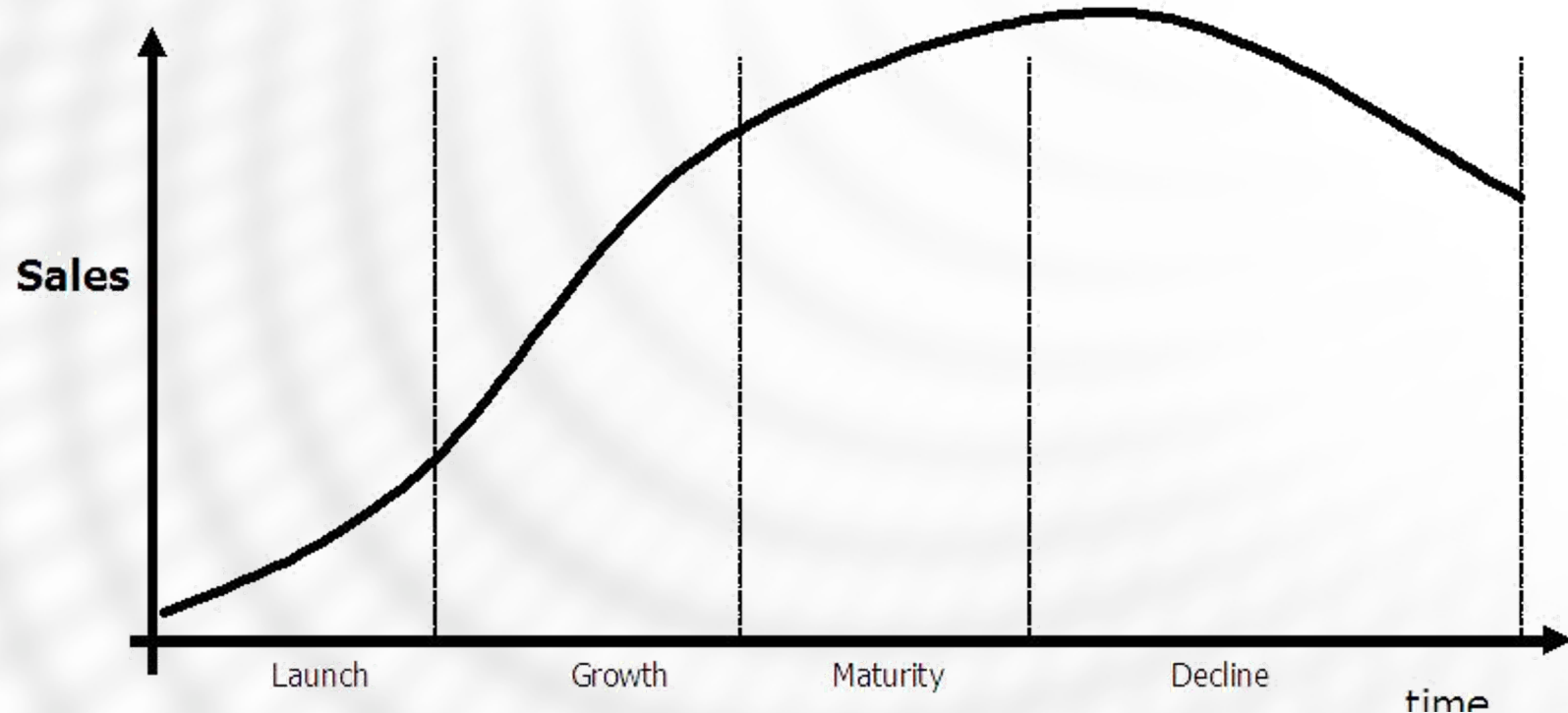




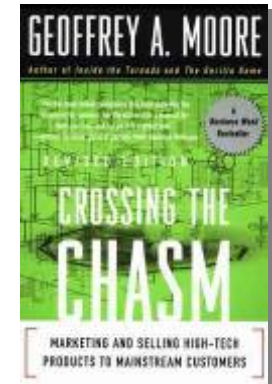
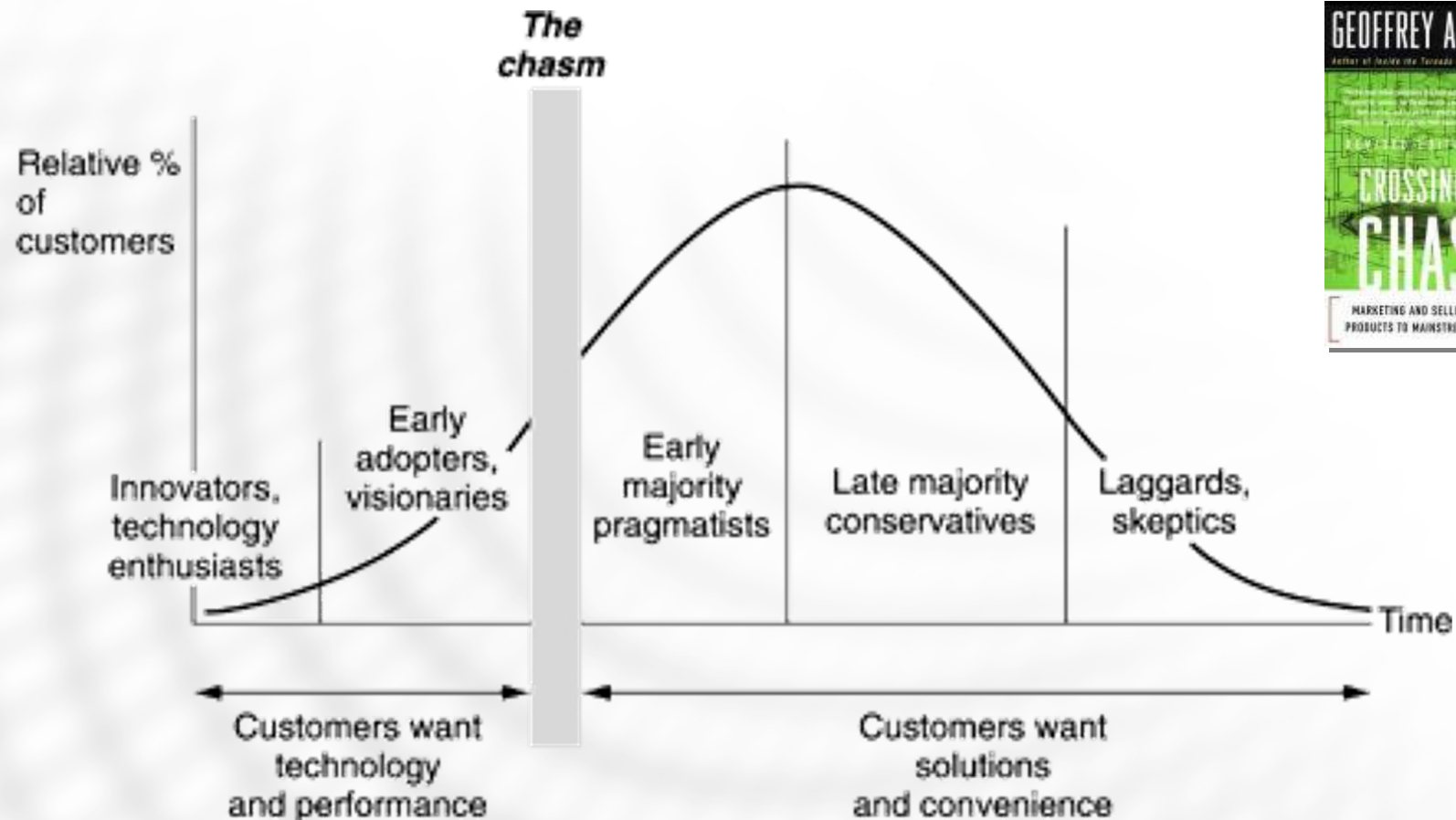
• **RUDOLF 1858 – 1913**

• **RUDOLF DIESEL, INVENTOR
OF THE DIESEL ENGINE**

classic 'bell-curve' representation



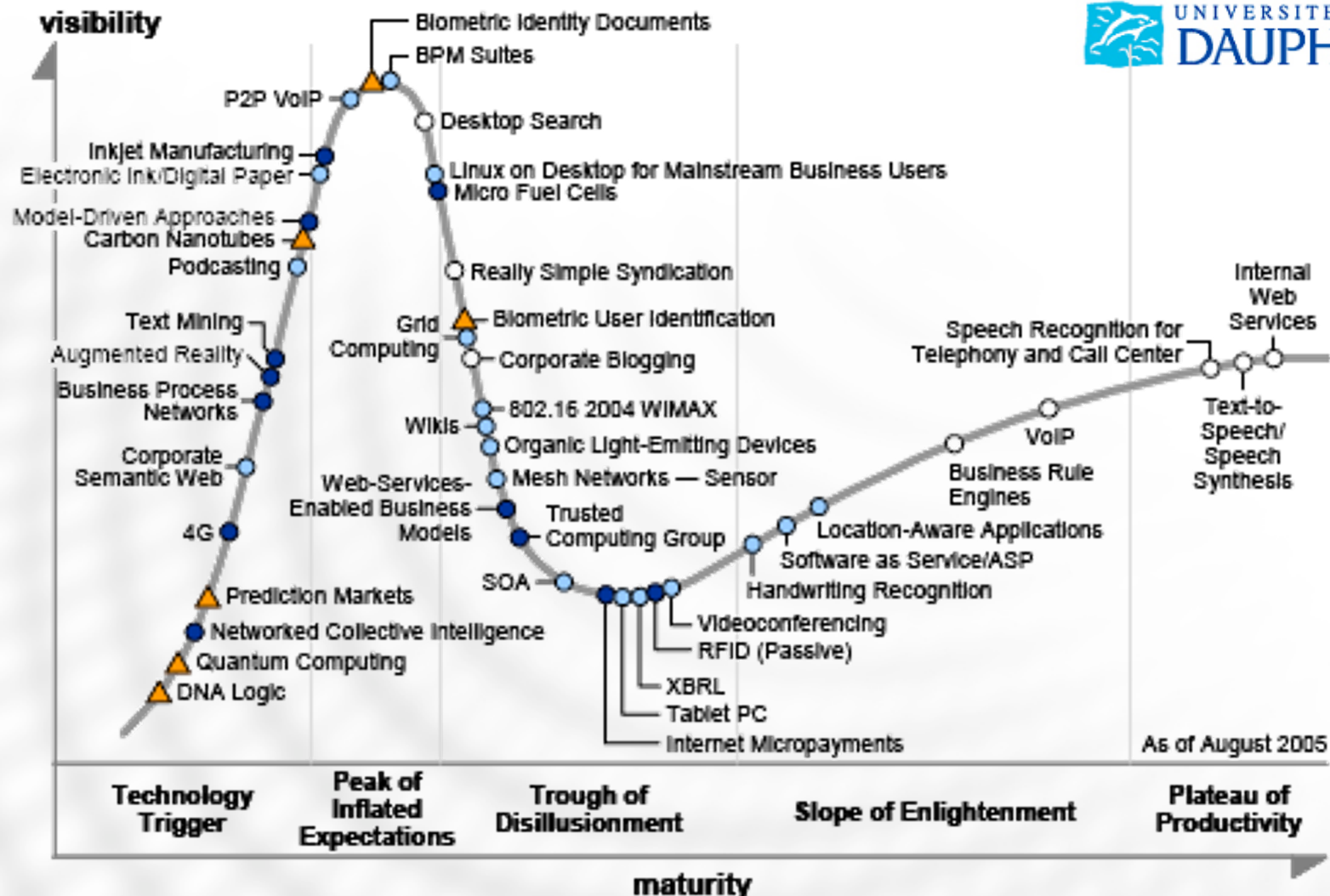
crossing the chasm: new technology adoption rates



Norman (1998: The Invisible Computer) Modified from Moore [1995]].

Source: http://www.jnd.org/dn.mss/life_cycle_of techno.html

complement: the Gartner hype cycle (2005)



Plateau will be reached in:

○ less than 2 years ● 2 to 5 years ● 5 to 10 years ▲ more than 10 years ✖ obsolete before plateau

- not just one type of lifecycle
- ICT products → different lifecycle (chasm)
- but few products have a lifecycle at all
- the ICT hype cycle (Gartner)
- the ICT roller-coaster
- internal marketing → critical



module two

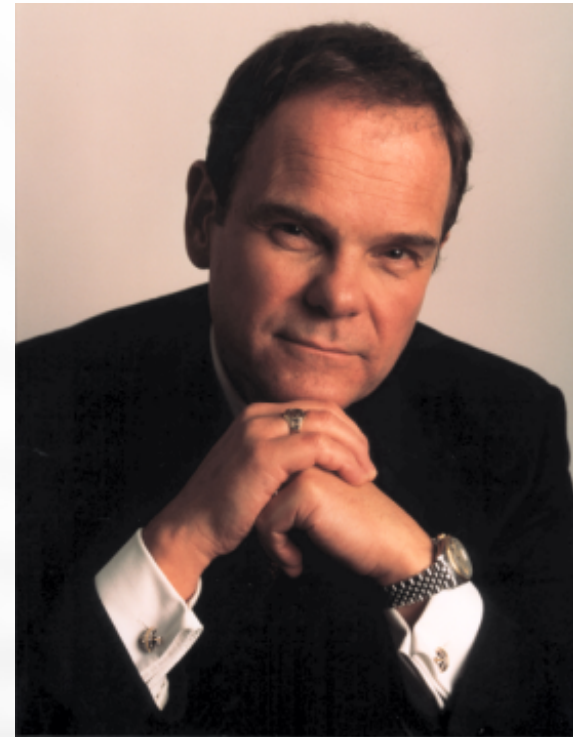
innovation management

Paris,
23/04/2007



"While the old Web was about Web sites, clicks, and "eyeballs," the new Web is about communities, participation and peering."

Wikinomics, Don Tapscott & Anthony D. Williams



<http://www.wikinomics.com/>



cbs news



- Don Tapscott on Wikinomics (7:45 min.)
- 2007, abc news
- [local version click here](#)

- part one: what is innovation management?
- part two: the organisational factor; a CAA survey
- part three: (some) classic innovation traps (not covered)
- part four: towards mass collaboration? (not covered)

module two – part one

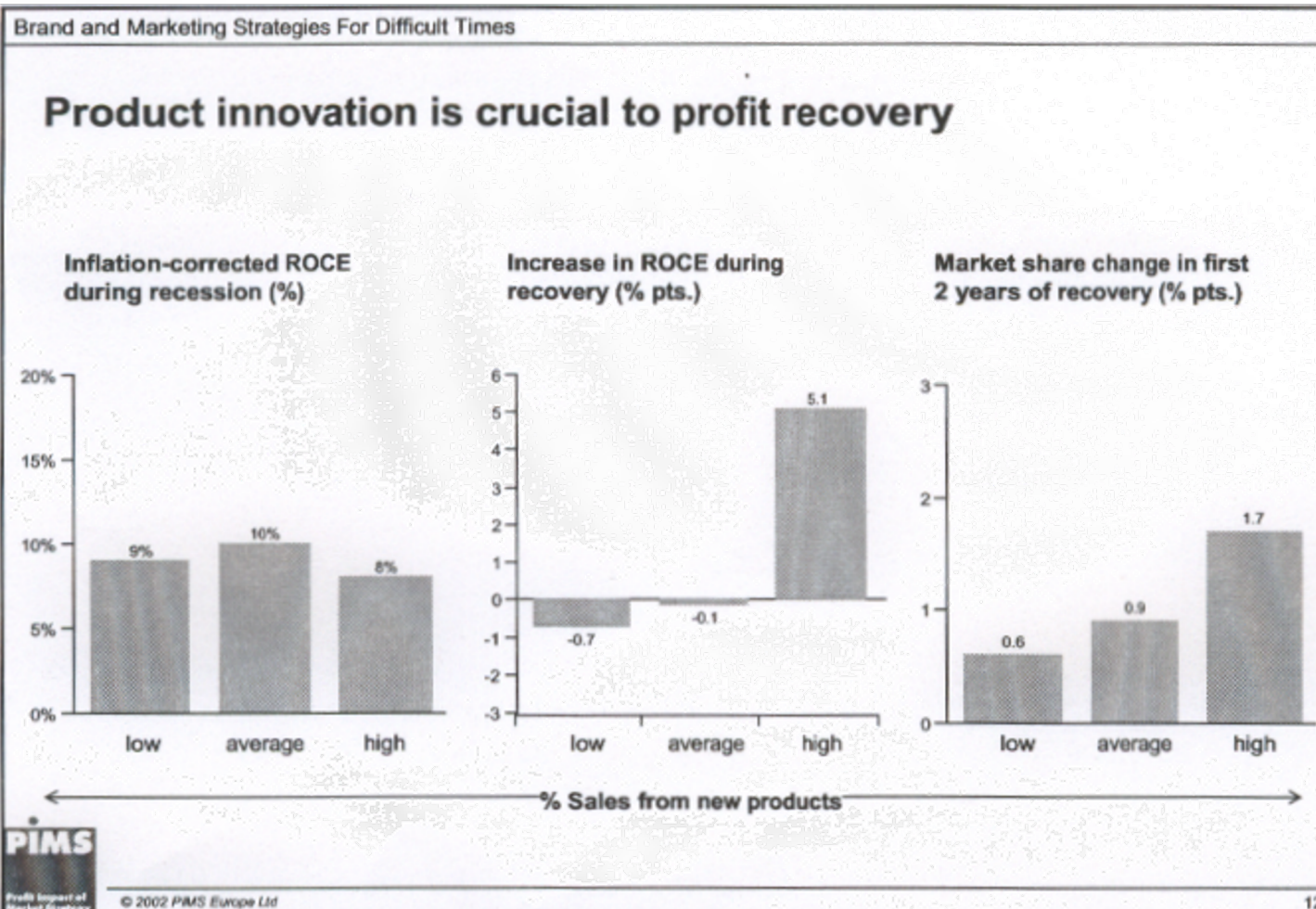
what is innovation management?

Paris,
23/04/2007



innovation requires more than one ingredient





(source PIMS, profit impact of marketing strategy)

is innovation generating value?

- most innovative companies ⁽¹⁾ grow margins faster than average
 - >average growth worth 3.4% for top 25 innovators vs. 0.4% for S&P 1200 global stock index)
- generate more value than average
 - >growth of market capitalisation: 14.3% vs. 11.1%

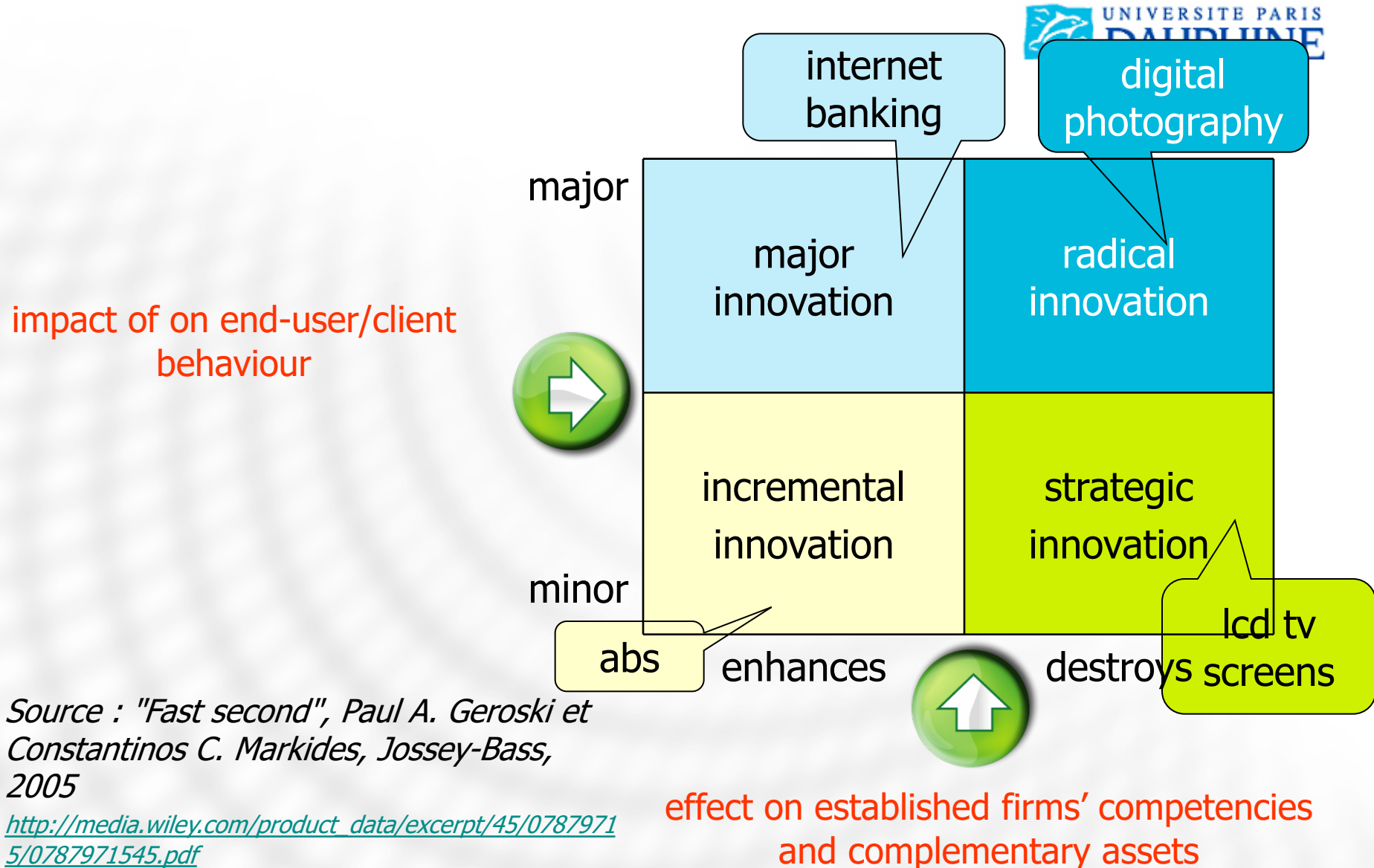
(1) : source Business Week, "[*The world's most innovative companies*](#)", April 24, 2006

The World's Most Innovative Companies

2006 Rank	Company	Margin Growth 1995-2005 %	Stock Returns 1995-2005 %
1	<u>Apple</u>	7.1	24.6
2	<u>Google</u>	NA**	NA**
3	<u>3M</u>	3.4	11.2
4	<u>Toyota</u>	10.7	11.8
5	<u>Microsoft</u>	2.0	18.5
6	<u>General Electric</u>	5.7	13.4
7	<u>Procter & Gamble</u>	4.4	12.6
8	Nokia	0.0	34.6
9	<u>Starbucks</u>	2.2	27.6
10	<u>IBM</u>	-0.7	14.4

** Based on fewer than 10 years of data

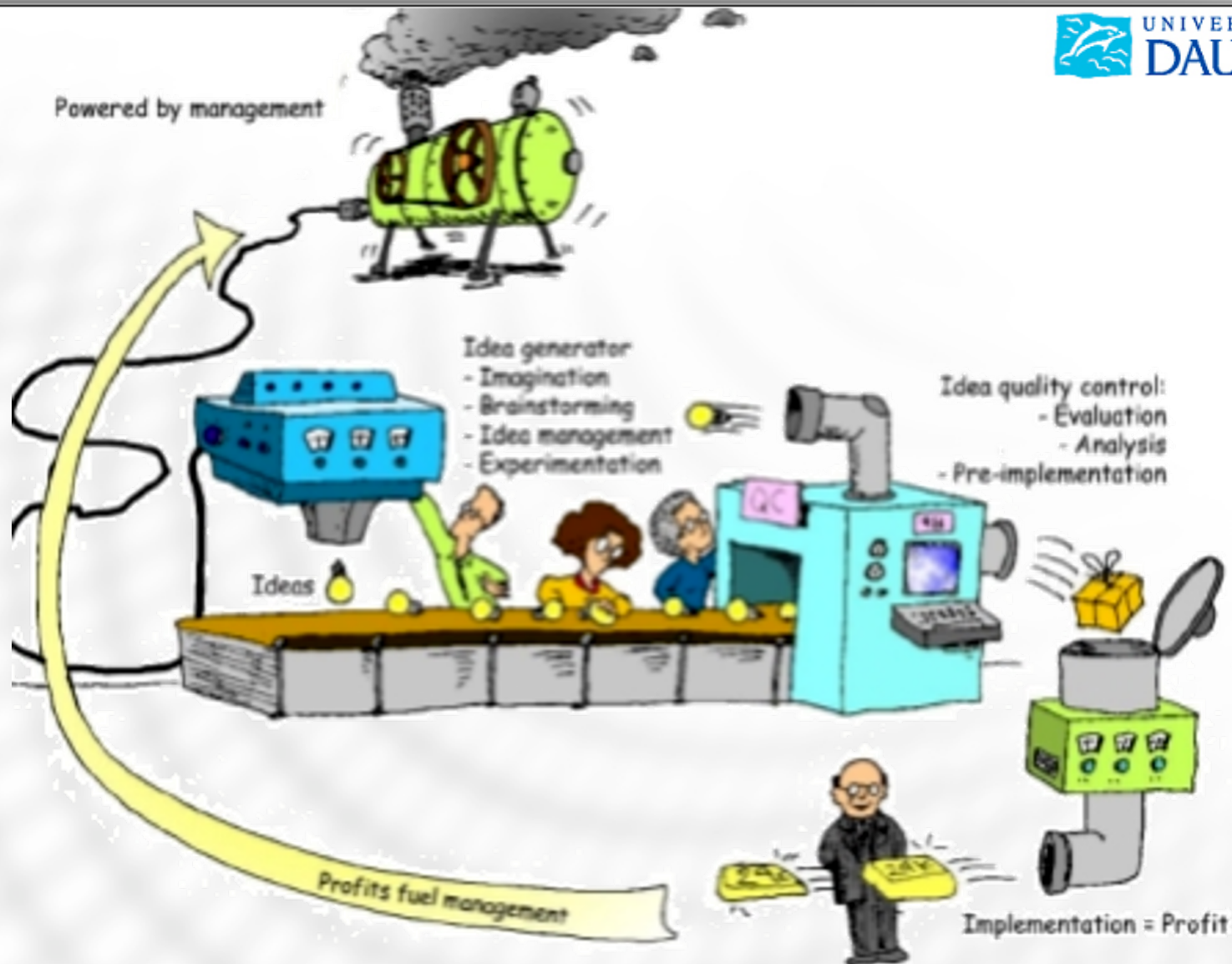
OK, but what kind of innovation are we talking about?



Source : "Fast second", Paul A. Geroski et Constantinos C. Markides, Jossey-Bass, 2005

http://media.wiley.com/product_data/excerpt/45/07879715/0787971545.pdf

theoretically: the innovation machine



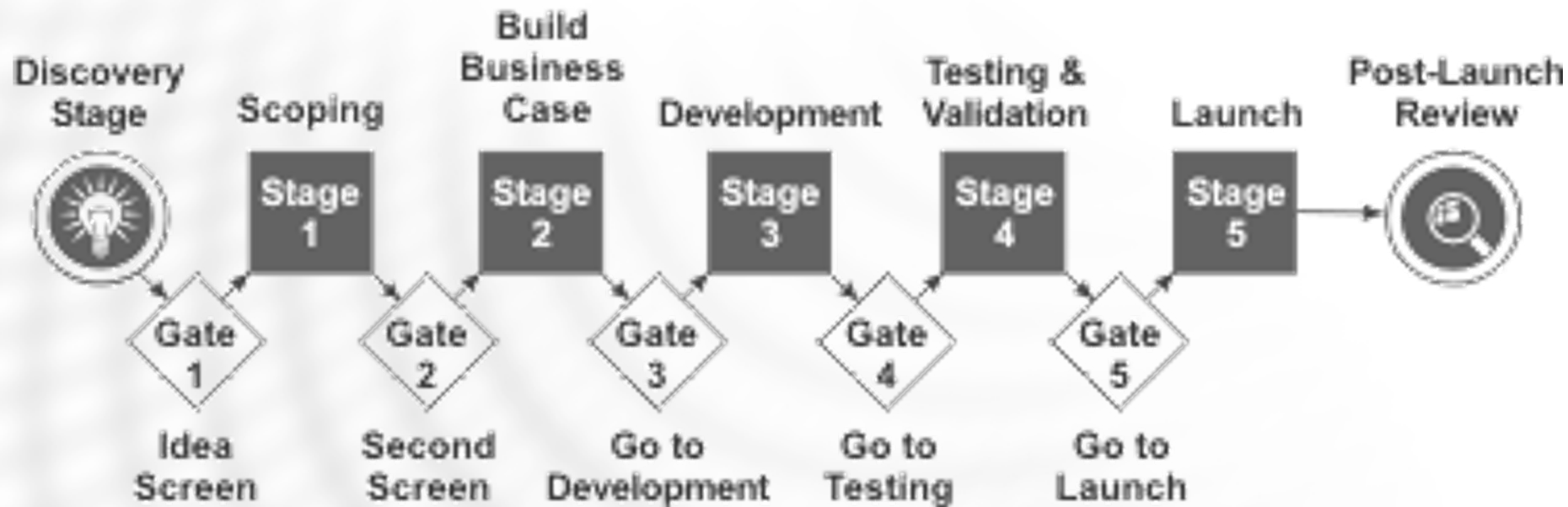
Source: <http://www.jpjb.com> (Jeffrey Baumgartner)

guess what happens in the middle?



debates, nih, internal politics, project mismanagement ...

classical stage-gate innovation process (cooper)



official website for Cooper's
stage gate process <http://www.stage-gate.com/>

- innovation management is when the rubber meets the road
- but overlooking it → missed opportunities (mid-long term)
- innovation management is a hard nut to crack ...
- classic cooper cycle: nice check list but not very practical
- internal marketing a must and ...
- wikinomics is changing the rules (share vs hide/outside in innovation)



module two – part two

the organisational factor: can innovation
lead to profitability? (2005 CAA survey:)

Paris,
23/04/2007



www.caa.tm.fr



Visi^onary
MARKETING & INNOVATION

sample of surveyed companies



<i>company names</i>	<i>vertical</i>
air france	transport
air liquide	chemical industry
apple	multimedia
arcelor	steel industry
arianespace	aeronautics
ascometal	manufacturing
bnp bddf bdm	banking
bouygues telecom	telecom
cegetel	telecom
danone	agribusiness
Edf	utility
essilor international	manufacturing
faurecia	Automotive industry
france telecom	telecom
hutchinson	manufacturing
infogrames	multimedia

<i>company names</i>	<i>vertical</i>
janssen cilag	pharmaceutics
lesieur	agribusiness
l'oreal	cosmetics
merck chemicals	chemical industry
nestlé	agribusiness
procter et gamble france	hygiene
psa	automotive
renault	automotive
Rhodia	chemical industry
royal canin	pet food
saint-gobain	manufacturing
schneider electric	manufacturing
seb groupe	household goods
sodiaal international	agribusiness
veolia	environment
whirlpool france	household goods

4 main organisational models



technology-centric

R&D or innovation depts work with a disruptive technology objective in mind



cross-functional

innovation managed by cross-organisational teams

client-centric

marketing is working on the basis of a client's requirement (feature or application)



let's do it

innovation is developed by almost anybody in a not so orderly fashion





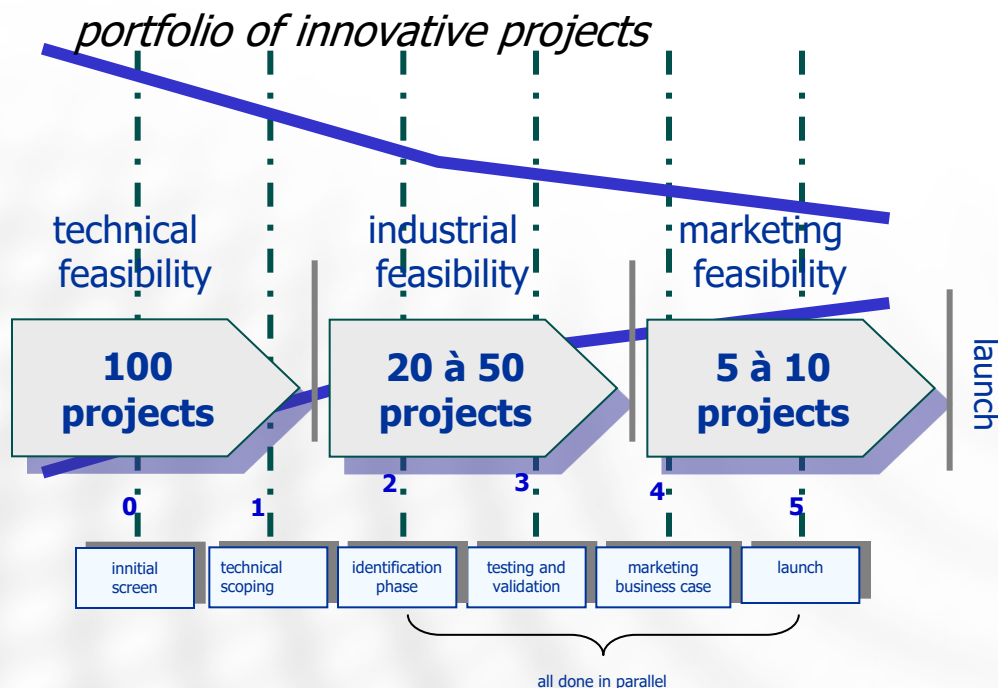
dear innovation manager,

I liked your idea about creating more and better new services but judging by the result, I suspect that there must be something wrong with the way you're organised. Would you mind auditing this and draw your own conclusions from this study



based on the results of this survey, would you please analyse what organisation seems best fitted for generating more, better and more sustainable innovations? for what reasons?

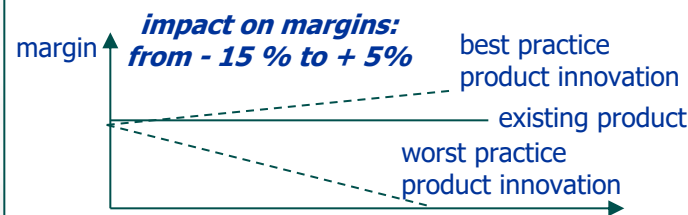
(1) technology-centric model: silos and high failure ratio



main characteristics of that innovation process

- R&D initiates and manages innovation projects
- marketing is not (or not enough) kept in the loop before decision to launch
- operational departments in charge of industrialising the solution informed after decision to launch is made
- BU/internal client can veto idea but only after decision to launch is made
- innovation budget always voted by R&D before decision to launch is made

financials

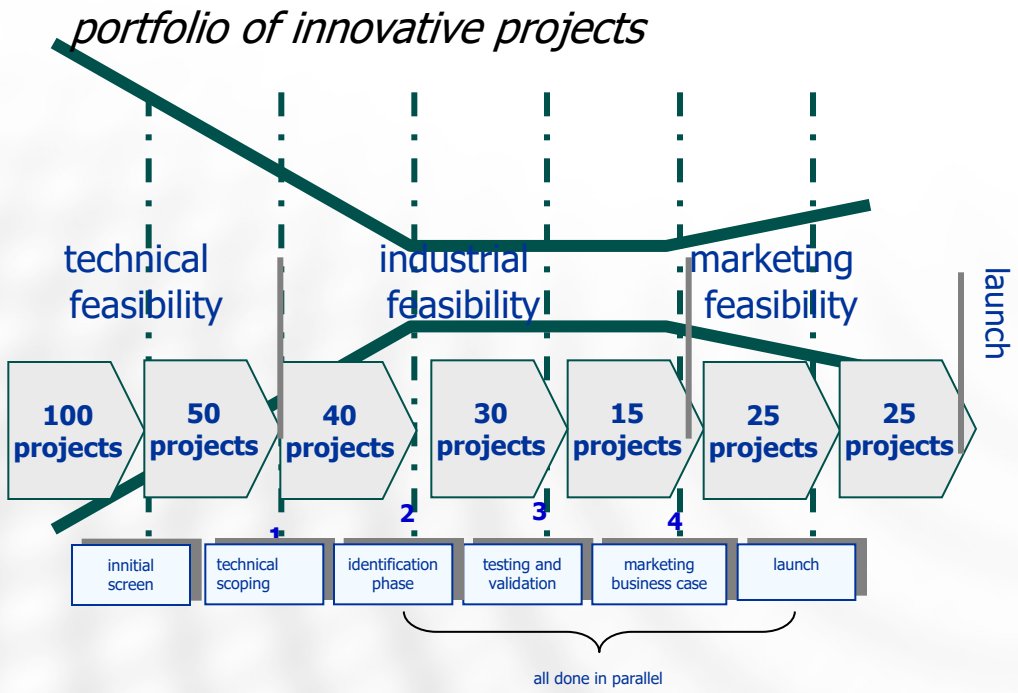


side notes

- difficult to stop on-going programmes
- partnerships dictated by technical side

benefits	concerns
• disruptive innovation	• usefulness and marketing benefits too vague • pricing is included too far down in the process • bottom up pricing applies vs. design to cost

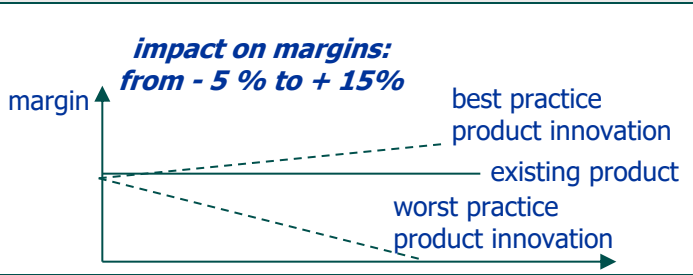
(2) client-centric model: disruptive innovations don't stand a chance



main characteristics of that innovation process

- business side at the source of innovation
- chinese wall between up-stream R&D (15% of budget on average) and applied innovations
- useless innovations can be vetoed
- research budgets can be arbitrated, and also resource allocation
- vetoes can be actioned by various centres of competence (R&D, marketing, business),
- industrialisation comes too late in that process

financials



side notes

- user benefit rather straightforward (in principle)
- top execs usually committed

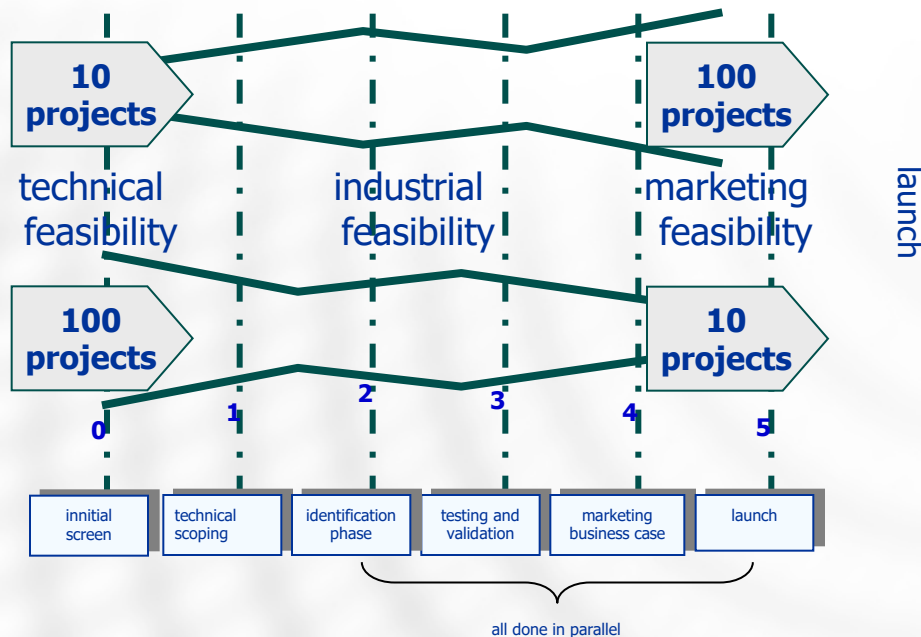
benefits	concerns
• potential synergy between product lines • understanding of clients's requirements and expected benefits • pragmatic approach	• incremental-only innovation • sequential approach • Industrialisation not incorporated enough • marketing statement of requirements subject to change



(3) let's do it model -centric model: opportunistic and hinges on top exec arbitrage



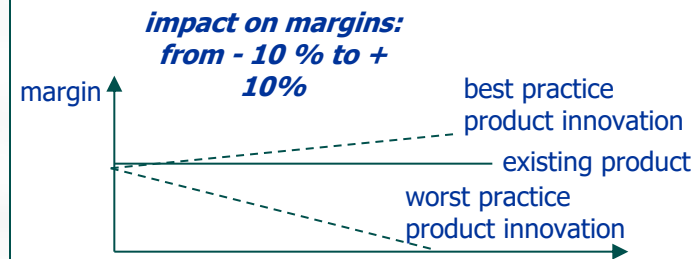
portfolio of innovative projects



main characteristics of that innovation process

- innovation chaotic and plentiful
- 'problem-solving' emphasis
- no overall innovation management (too chaotic)
- top exec arbitrage of new initiatives between R&D and marketing
- no objective go/no go decision criteria

financials



side notes

- pricing often not taken into account due to focus on internal fighting and difficulties

benefits

- opportunistic approach
- top exec involvement

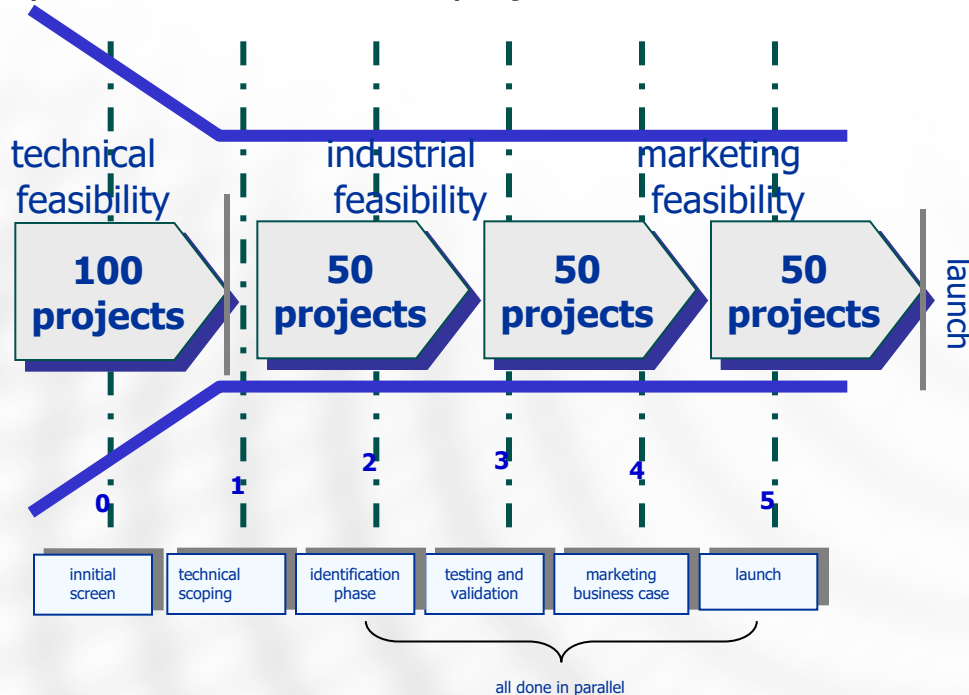
concerns

- poor cooperation between players
- benefits of innovation hard to isolate and measure
- cannibalisation issues
- resourcing not optimal

(4) cross-functional model: working for the general interest



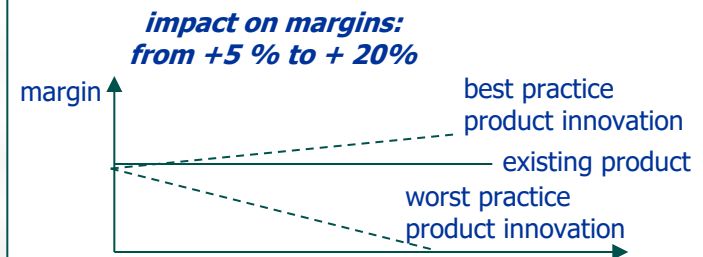
portfolio of innovative projects



main characteristics of that innovation process

- top management is clear exec sponsor
- all payers working jointly from projects inception and development: "3p model" = r&d, marketing and development working as partners
- business plan debated from day one with all partners involved
- exec committee makes decision and arbitrage

financials



side notes

- comprehensive coverage of all aspects of the statement of requirements (technical and marketing)

benefits

- good balance between disruptive and incremental innovation
- cross-functional project management with a good mixture of skills
- better anticipation of issues

concerns

- lower flexibility

recurring issues for all innovation models



model			
<i>tech-centric</i>	<i>client-centric</i>	<i>cross-functional</i>	<i>let's do it</i>

NO ISSUE

DEPENDS ON ORGANISATION NOT MODEL

ISSUE

•beyond silos

- >innovation scope definition
- >clear roles and responsibilities.....
- >facilitate cross-functional work between marketing and technical depts.....

•a professional approach towards cooperation

- >empower a multi-disciplinary project team from cradle to grave
- >establish common overall project management
- >follow up projects on all criteria
- >motivate teams through remuneration

•business benefit at the heart of the innovation process

- >freeze the marketing statement of requirement.....
- >establish cost control at all stages
- >incorporate pricing from stage zero
- >enhance user-benefit.....

•outsource part of the R&D

- >establish alliance strategy.....
- >manage partnerships
- >enter contractual relationship with partners from day one.....
- >enforce top exec involvement

a cooperation hell paved with good intentions



is
E

not at all
satisfactory

rather
unsatisfactory

rather
satisfactory

very
satisfactory

1. please rate the quality of identification of research programmes in your organisation?

2. please rate the quality of cooperation across teams (marketing-development-commercial-legal) in your organisation?

3. please rate the marketing statement of requirements of new products in your organisation?

not at all
satisfactory

rather
unsatisfactory

rather
satisfactory

very
satisfactory

4. please rate the information system and project management in the R&D of your organisation?

5. please rate cooperation across teams in your organisation?

6. please rate the control of cost before for new products in inception phase

a cooperation hell paved with good intentions



IS
E

not at all
satisfactory rather
unsatisfactory rather
satisfactory very
satisfactory

7.rate price positioning in your
organisation?



8.rate the preparation of the product
launch and the launch itself in your
organisation?



9.rate top exec involvement in your
organisatoin?

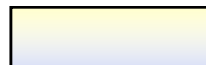


not at all
satisfactory rather
unsatisfactory rather
satisfactory very
satisfactory

10. rate team involvement and motivation
on innovation projects

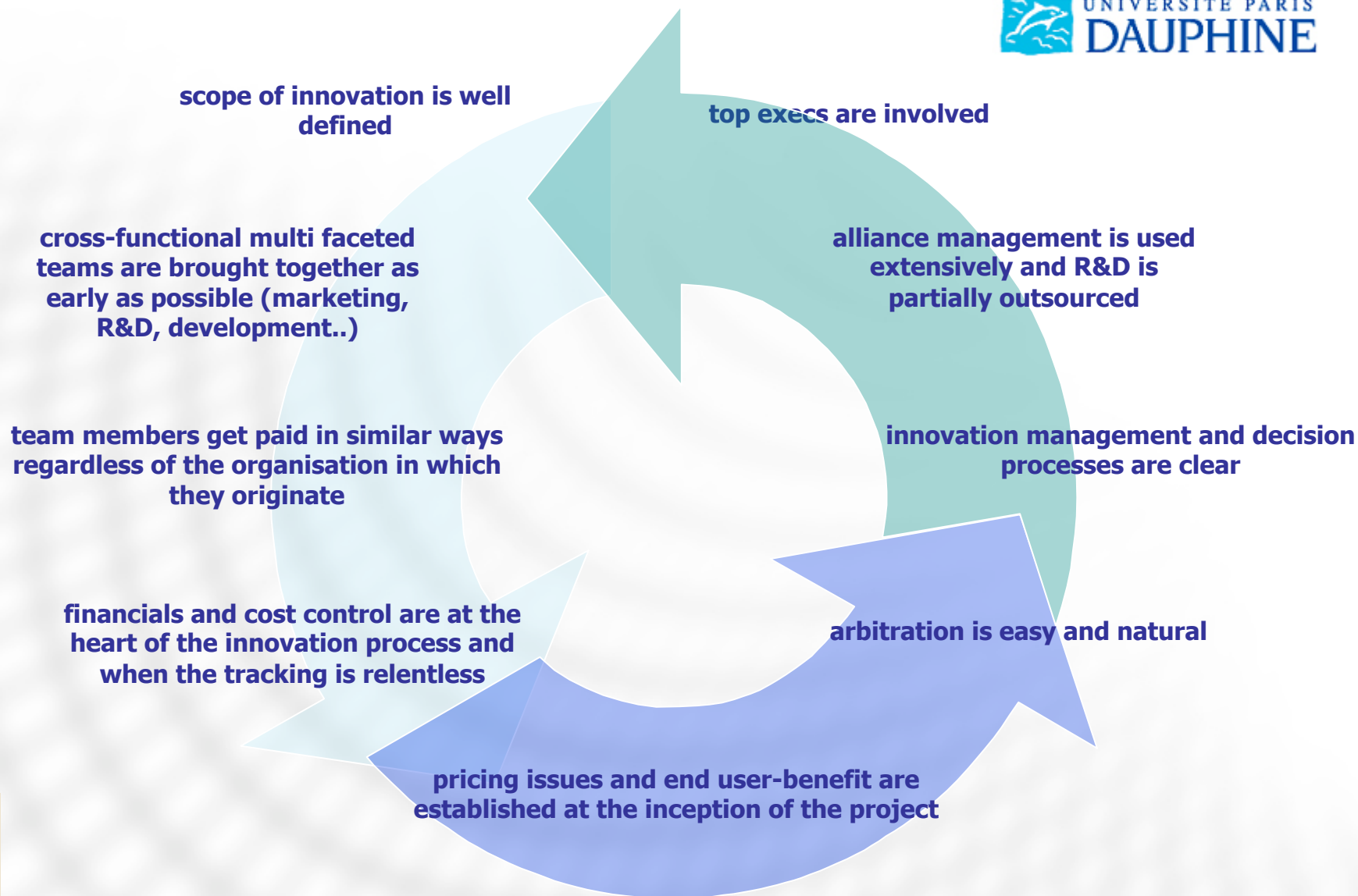


11. rate how user-benefit is **evaluated** by
your organisation?



12. rate how user-benefit is **sold** by
your organisation?





- statement of requirement to be jointly established and managed by marketing, technical and development departments
- pay as much attention to incremental as to disruptive innovation
- don't let any party work on its own (marketing, R&D...)
- stop new programmes if cash-drains
- industrialise alliance management
 - > improve alliance programme management
 - > make different parties agree to common objectives
 - > despite bad habits, collaboration is *not* an option



- enterprise culture is not something to be trifled with
 - > cannot be a diktat: requires adhesion and a staged approach
- Your methodology must include:
 - > working across silos
 - > unify and harmonise objectives across the board
 - > teach employees to work across silos
 - > promote multi-disciplinary approach
 - > includes smart objectives

ultimate goal: industrialising collaboration

- continuous improvement *AND* disruptive innovation
- start with a few target projects
- industrialise collaboration on each target project
- build on success stories
- learn from examples
- generalise method progressively



- 4 main types of innovation management
 - cross-organisational is best
 - ... but no guarantee
 - cultural issue high on agenda
-
- side note: project management is about humans not machinery
-
- innovation management is project management





- points of view of the essence: innovation means different things to different people
- ICT marketing *is* different and requires skills: not for the faint-hearted!
- traditional marketing isn't enough, experience required and paradigm shift
- the lifecycle con
- wikinomics: IT can be inspirational too
- innovation management: when the rubber meets the road and the human factor

THANK YOU!



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- 2003-06/2005, alliance partner manager, france telecom
- 1999 – 2002 - director e-business: france telecom teleconferencing services
- 1997 - 1999 – consultant, Internet, marketing & information systems, cap gemini
- 1995-1997 – internet marketing consultant, unisys europe
- 1992-1995 – business systems manager, unisys europe
- 1988-1992 – business systems manager, unisys france
- 1985-1988 – account executive, philips france

my work is available online at: <http://visionarymarketing.com/>

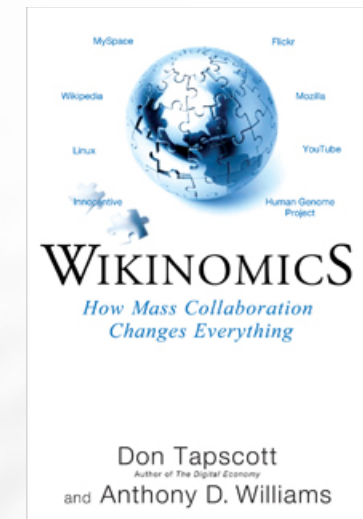
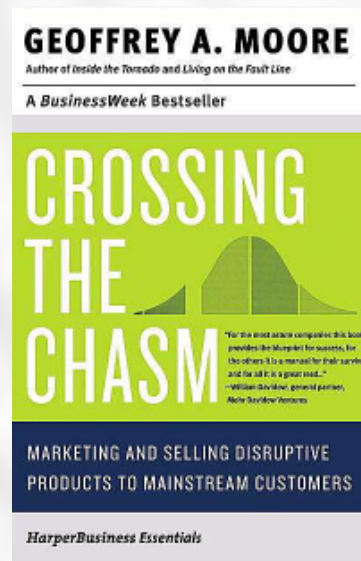
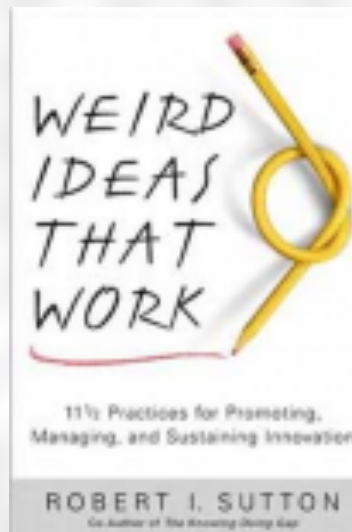
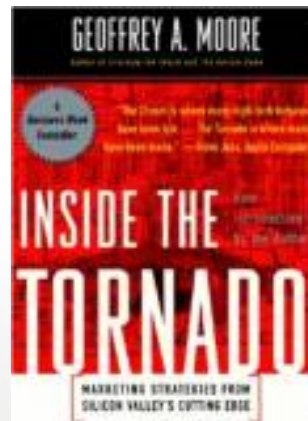
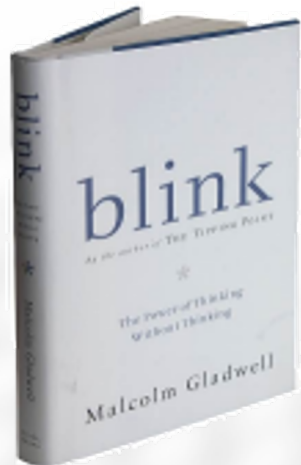


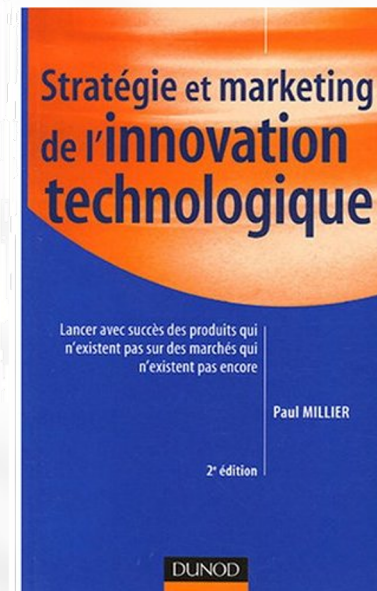
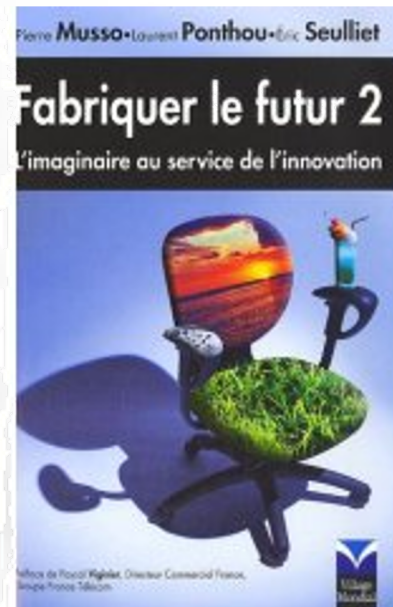
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appendices

Paris,
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