

GIBBS & SOELL

Insight

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Avoiding the Perception of Needless Innovation

In their roles as customer advocates, marketing and public relations counselors who advise businesses focused on science, technology and industrial innovation often have to balance the excitement that technical staff have about a product's scientific advancement with what the customer really wants.

A recent independent study commissioned by house plan provider FreeGreen highlights this challenge. It found that homeowners have a fairly narrow concept of a "green" building. Whereas the leading criterion for green home construction developed by the United States Green Building Council (USGBC) balances energy conservation with water efficiency, sustainable site selection, and indoor environmental quality, for homeowners "green" predominantly means energy efficiency.

Of course this isn't completely surprising as home energy consumption is a recurring pocketbook issue. However, the study's results do highlight an interesting challenge that communicators often confront: how to translate complex technical benefits into value that is easily understood.

Failure to Launch

Have you ever been tasked with a product launch fueled by excited R&D scientists and product engineers, only to have the product fizzle upon market entry? It's not that the product developers were wrong about its technical superiority; it just ended up customers didn't care enough to make it a success. Why?

The green building study may offer some insight. As part of the USGBC rating system called Leadership in Energy and Environmental Design for Homes (LEED-H), indoor environmental quality is one of eight categories used to measure the green performance of a home. This involves measures that improve the home's indoor air quality and reduce exposure to pollutants, something few homeown-

ers would protest. Yet, when asked about the single factor important to making a home "green", fewer than five percent identified materials that create a healthy indoor environment. Compare this with the 64 percent who identified energy efficiency or renewable energy as their top factor and you find that, in this case at least, the pocketbook trumped all other considerations.

We can safely assume these homeowners care about the quality of the air inside their homes, which they believe to be safe, perhaps because they have no easy way to determine otherwise. However, when consumers get a monthly reminder from the utility that reports on energy efficiency and its impact on costs, the benefits are tangible and easily understood.

Money isn't Everything

Money, however, is not always the reason a technically superior product either succeeds or fails to achieve instant success. Rob Day, a Boston-based cleantech venture capital investor, developed a list of the common reasons strategies fail based on his conversations with other cleantech VCs around the United States.

Technology and people issues certainly caused many failures, but resistance to change also played a dominant role. As Day puts it, "sometimes the dogs won't eat the dog food." On a blog post on Greentech Media he writes, "Cleantech is typically an engineering-led sector where innovators come up with a new solution that would appear to provide



superior economics versus incumbent technologies. But what VCs have been quickly learning is that many of the purchasing decisions in the sector are not overtly driven by economics. In many markets, even if the new solution provides a cost advantage over the status quo, the purchasers may have bigger things to worry about ... this can happen, for example, in industrial markets, where the facility manager would continue to pay a higher cost for energy rather than take a risk that a newer 'low cost' energy solution could disrupt their factory's production."

He also points to incumbent solutions being "sticky" because of existing infrastructure. Even if a product is technologically and economically superior, it may not gain acceptance if it requires re-engineering established systems.

Promoting Rational Exuberance

For these reasons communicators can ill-afford to get too focused on value propositions promoted internally as a product traveled through the development pipeline. It's understandable that people closely associated with a new product are excited and optimistic about its prospects. However, communications professionals need to be the realists. A failed product introduction has many enduring costs beyond missed sales targets, including lost credibility with value chain partners, customers, shareholders and employees.


It is important to first build consensus among the product team that their creation may require more than the "just-add-PR" ingredient for success, and then you can focus on a few important strategies:

- **Audience Segmentation:** Not all audiences will view your offering in the same light. In the green building study, it was

found that respondents with post-graduate degrees were twice as likely to associate green building with natural resource conservation as those with lower levels of education. Not all targets think and understand equally. If you are fortunate enough to have sound market research and segmenting data, this can be a fairly straightforward exercise. If not, then it can take some field work and meetings with sales personnel to get an understanding of what segments you're dealing with and to identify emotional triggers and barriers to understanding.

- **Conditioning the Marketplace:** Particularly when promoting a product that is complex, disrupts existing systems, or has benefits that are difficult to understand or measure, it is best to condition the supply chain before launch. This can be done by promoting studies and experts that frame the issue in personal or economic terms. This helps create greater anticipation for a solution and better positions your product to have a fair hearing. You should also identify and socially network your fans to provide them an opportunity to amplify the need for your solution. Likewise, identify audiences threatened by your product – such as value chain partners concerned about disruptive technology – and work to assuage their concerns or limit their influence.
- **Focused Positioning:** Too often in the excitement of launching a product with multiple attributes product teams ask for an "including the kitchen sink" approach where every possible feature and benefit is emphasized. The approach, however, typically results in increased confusion rather than clear understanding. This can be particularly true with B2B products

that sell into a variety of industries. It is best to find your top emotional trigger, match it with the appropriate audience segment and make it the star of all your communications.

Launching new products can be one of the most exciting and fulfilling activities for a communications professional. By honestly assessing your target market and focusing on product attributes that will truly matter to them, you can help ensure that customers understand the value of your offering and care enough to buy. 

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