

7 pointers for product and marketing innovation

There's nothing new under the sun, the saying goes.

When it comes to business, very high value is attached to innovation – the invention of new products, creation of new services, and new ideas for selling are all thought of as vital for success in business. However, from a marketing point of view, the purpose of innovation is to provide a competitive edge, which is to say a point of differentiation from competitors. Looked at in this way it becomes less important to invent a new wheel than it is to rethink the possibilities of the wheel you already have.

Here are some strategies to help you find competitive distinction.

1 Add, combine, multiply

People have bought peanut butter and jelly separately for decades, only to combine them in their kids' sandwiches. Selling them swirled together in the jar is a good example of creating a new benefit by adding elements that fit well together, even if the Earl of Sandwich's original combination of bread and meat proved more enduring.

2 Subtract, divide, minimize

Apple's iPod is a modern classic, and a runaway success. With each new generation, Apple has adapted the original functionality into smaller formats, appealing to different groups of customers at a variety of price points. How can you repackage your product, or isolate an element of your service, to create value for a different niche?

3 Reconsider existing uses and users

The railways had a massive disposal problem until someone recognized that old railroad ties would be great for landscaping. The computer went from business equipment to home essential not because it changed, but because manufacturers and software develop-

ers found a way to adapt it to meet the desires of a new market.

4 Can you increase appeal by changing appearance?

Apple again: the original iMac brought wild color to a relentlessly beige industry, became a best seller, and influenced product design across the board for a decade. Can you test a new material or shape? Or present your product in a variety of colors?

5 Rethink pricing strategy

Changing the way people pay for a product can make all the difference in how they perceive its value or accessibility. Installment payments and two-for-one are simply novel presentations of price. More radical price shifts can make a new market consider an offering that would have been out of reach, or undesirable. Could you profit by adapting your product for sale to separate markets at different prices?

6 Update great ideas from history

One of the hot new formats for blank CDs mimics the appearance and groovy tactile feel of vinyl records. They also sell for a premium price. Ford's resurrection of the 60s Mustang met with great success by capturing buyers' imaginations at relatively low manufacturing cost. What's in your past?

7 Specialize or generalize

Increased specialization means lower volume but far higher value. The opposite holds true for generalization. Can you adapt your product for more specialized tasks where it can meet critical needs, and therefore command premium pricing? Or could your niche service, or the expertise you have acquired, be adapted to be valuable to a broader audience, and provided to them profitably?



Use "pull pressure" to prevent procrastination

Even when you have found a good prospect and convinced them to make a purchase, you may still lose the deal because of procrastination – when the prospect fails to act immediately on the impulse to buy. This is most often because the perception of value and benefit is simply not strong enough to spur the action of placing the order. Sales pros avoid this situation by applying some kind of pressure to create a sense of urgency.

Usually this means placing a limit on availability or adding a deadline to the offer. If a desirable item is in limited supply, price becomes less of an obstacle and people must respond sooner than later if they want it. Similarly, if you structure your offer so that it changes after a period of time, interested prospects must act quickly to get the most value.

However, you must have a plausible reason for such a restriction. People are increasingly aware of marketing tactics and more resistant to them. They can easily sniff out a bogus premise for an offer, and if they feel tricked or pushed toward a purchase they are more likely to mistrust the deal, and you.

Bear in mind that prospects respond to the reason for a restriction, not the restriction itself. When you have a logical explanation for withdrawing some portion of the benefit, or your supply is limited for a reason that makes sense to them, people feel that the pressure to buy is their own, and not exerted by you.

Think of your sales pressure as facilitating your prospect's earlier enjoyment of the benefit. By using incentives that emphasize additional benefit you are pulling prospects toward the purchase instead of pushing, building credibility rather than undermining trust.