

Example
 of a 360°
 Touchpoint
 analysis from
 Accelerom



Exploit innovation potential to the maximum

MARKETING MIX Not every innovation is a success – even when it appears ground-breaking from the perspective of its developer. Ultimately, it is clients who decide on its added value and thus its market potential, through purchase or recommendation. This is why a targeted multi-channel strategy is essential for minimising investment risk.

Newer and better never leads automatically to a blockbuster. Numerous factors determine successful penetration and positioning in the marketplace. Clients today are confronted by novelty a hundred times a day – a new product, a new combination, a new packaging, or a new price.

This flood of stimuli and the dangers of easy imitation pose a huge challenge for communication. How can I make my product public and communicate the unique product advantages of my innovation? And do it quickly and with restricted financial resources? Product life cycles are too short today, and the imitation strategies of global competitors too aggressive, to allow much time for launch. It is most relevant, therefore, to include market research, launch concepts and investment models as early as possible in the innovation process. Because key elements are generally impossible to readjust.

MAKING INNOVATION WORK The most future-oriented innovation will fail and thus wipe out upstream activities and investment if it receives insufficient marketing. The reasons for this come down, all too often, to deceptive gut feelings, poor investments in marketing, or a far too optimistic evaluation of the effectiveness of individual marketing instruments.

To exploit the potential of marketable innovations optimally, these have to be consciously perceived by potential clients as quickly as possible. This is the real challenge: to get the right message at the right time into the right place for the target group, to awaken their interest, and to convince them to act. Classical one-way communication (push marketing) and classical advertising alone no longer suffice in a world of increasing electronic, interactive and mobile media.

Today, clients are increasingly deciding themselves what, when and where they wish to see, read and hear. They are excellently networked, make critical judgements, and recommend – or don't - services and products in blogs, reviews and podcasts. The huge popularity of social media platforms is precisely what is giving classical recommendation marketing (word-of-mouth marketing) renewed importance, which should not be underestimated in innovation marketing. Nowadays, large numbers of consumers get information from social networks and make their initial contact this way with the latest news and trends. From a business perspective, the possibility of sharing something with just one

mouse click with an entire circle of acquaintances is a simple and very inexpensive way to reach large numbers of potential clients.

TOUCHPOINTS AS SUCCESS FACTORS

A comprehensive understanding of communication behaviour and the purchase decision-making process is a factor for success with which a company can differentiate itself from the competition and achieve competitive advantage. The different contact points with target groups, so-called touchpoints, play a decisive role here. The term "touchpoints" refers to all the contact points of a brand

Text: Christoph Spengler, Renzo Sigrist and Peter Sopp
Photos: Accelerom, L'Oreal, Microsoft and Ricola



EXAMPLE FROM OUR EXPERIENCE: RICOLA

Using new product lines to address new target groups

Ricola has expanded its product range with Ricola Gum (chewing gum) made with mountain herbs. The traditional brand wants to reach and interest new target groups with this new product line. Hans-Peter Hess, Head of Corporate Marketing and Member of the Board of Ricola in Laufen, BL, says: «As a mid-sized Swiss company, we are successful in over 50 international markets. Managing a traditional brand like Ricola involves meeting the challenge every day of positioning this strong brand with its distinctive Swiss origins, by using product and marketing innovation, as an independent and authentic brand in future too, while maintaining its profitability. The successful combination of tradition and innovation can only happen when we understand the needs of different target groups in local markets, align ourselves with these, and open new and unconventional channels for marketing and distribution.»



EXAMPLE FROM OUR EXPERIENCE: L'OREAL **Innovating rapidly and creating added value**

The research laboratories of Vichy – a L'Oréal skincare and cosmetics brand – develop up to 20 new products a year for the international market. The challenge: to achieve constant dialogue with customers through innovative forms of interaction, but also offer classical advice in the pharmacy.

Heike Panella, Director General of Vichy Germany in Dusseldorf says: «Body care and beauty belong to the most advertising- and innovation-intensive industries in the world. New products are launched in the market almost weekly. In order to design our customer- and marketing communication efficiently and effectively in this environment, we need to understand exactly to what extent which touchpoints actually contribute to the purchase decision. This is how we succeed at informing our customers about innovations, motivating them to purchase, and increasing customer satisfaction.»

with potential or actual clients and other stakeholders. The decisive question is: which touchpoints are the right ones for the targeted strategies and activities designed to inform clients about innovations – and to win and retain them?

Whether for private or business clients, depending on the purchase context, comprehensive touchpoint management involves questioning target individuals in order to evaluate the various contact points according to their breadth of impact and relevance (see example on page 1). Not infrequently, the results of this touchpoint analysis provide a surprise when compared with the perception of the company: there may be other touchpoints than assumed,

less strongly digital than presumed, or fewer contact points that are truly important for (potential) clients.

This achieved transparency of effectiveness provides the decision-making certainty needed for the multi-channel strategy for market management. This comprehensive overview from the client perspective delivers action relevant information on offline and online interactions, mass and one-to-one communication, editorial and social media, and physical and virtual shops.

PURCHASE CONTEXT IS CRUCIAL There is no such thing as a generally applicable multi-channel recipe. Touchpoint effectiveness varies enormously between industries and companies. What achieves a breakthrough in the cosmetic industry might be totally ineffective in the IT and software area, where it would be a wasted investment. Nonetheless, various analyses reveal a trend, independent of industry, towards the increasing relevance of actively used, mainly digital touchpoints in the marketing mix.



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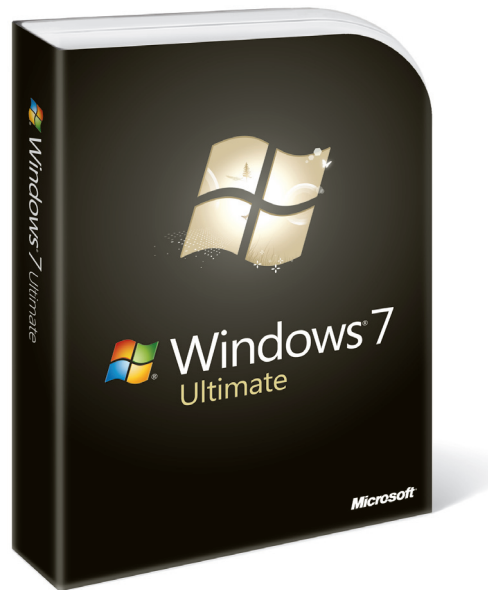
Using these public communication channels gives companies or organisations the opportunity to act in a cutting-edge manner and gain credibility. They develop marketing communication that addresses the client eye-to-eye. But clients are not all the same: when it comes to the use of virtual contact points there are essential differences, based, among other things, on age.

MEASURE AND PRIORITISE CORRECTLY

If one divides private clients into different target generations and isolates the “digital natives”, in other words, those people born after 1980, it becomes clear that for example, social networks, online test reports, user forums and search engines have a major influence on purchasing decisions for this younger generation. The increasing networking of this target group makes active participation possible – but also relativises other communication measures used by the company.

Although digital touchpoints and unconventional forms of interaction are becoming increasingly important for various target groups, classical communication methods should in no way be dismissed as inefficient or unnecessary. It (almost always) takes several communication channels to make an innovation well-known and popular. And it is not just isolated touchpoints, but the interaction of all activities and thus the cross-linked communication performance that provides the added value sought after. The route to market success for an innovation thus runs via an intelligent mix of online and offline, passive and active touchpoints, with very different breadths of impact and relevance.

THE BASIS FOR GROWTH Analytical and creative touchpoint management makes it possible for a client-oriented company to successfully exploit the potential of its innovations. Using the full transparency provided by touchpoint analysis, the basis is laid for making the right investment decisions for marketing and thus for the growth of sales and profitability.



EXAMPLE FROM OUR EXPERIENCE: MICROSOFT

Developing innovative solutions with and for clients

As a skilled partner for innovation, Microsoft aims to consistently offer the best solution for its business customers, according to IT specialist.

Peter Waser, General Manager of Microsoft Switzerland in Wallisellen, ZH. He explains: «The customer is at the centre of all our activities – client feedback and client experiences constantly flow into the development and finalisation of our solutions. For example, over ten million clients worldwide tested the Beta version of Windows 7 and thus shaped the product. Strong customer loyalty comes through the most varied touchpoints. What counts is not what we presume, but what we actually know about our customers. The diversity of feedback, suggestions and insights lets us develop solutions that help our customers complete their tasks faster and better – giving them more time for other things.»