

# Innovation: Brand It or Lose It

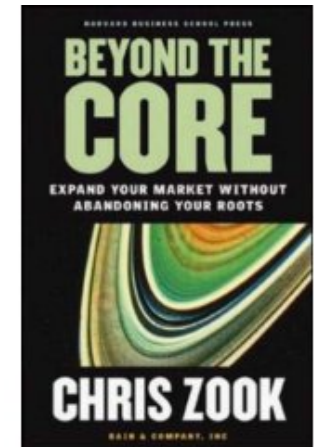
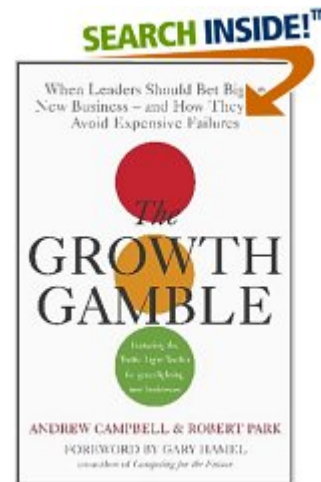
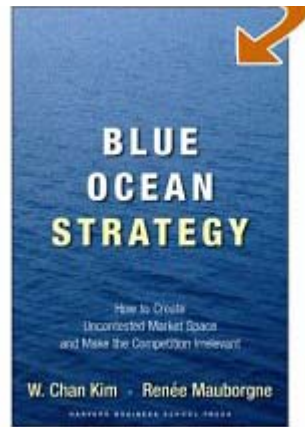
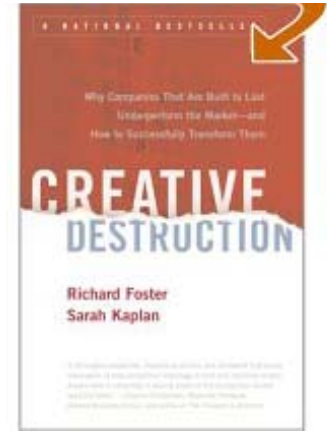
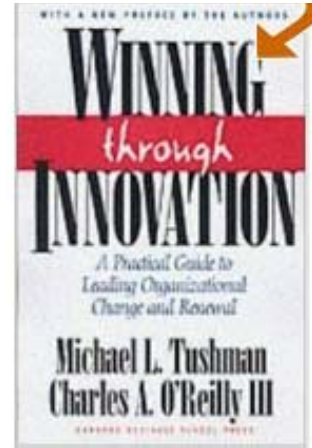
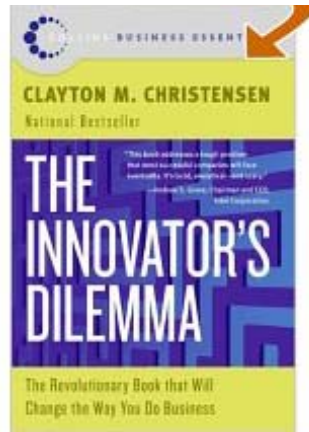
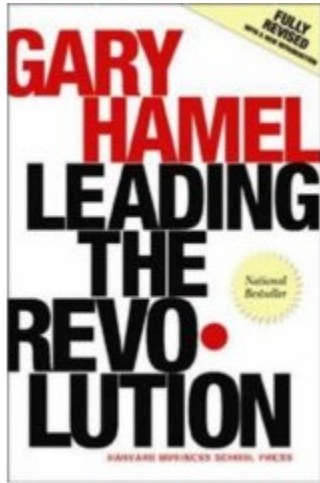
**DAVID A. AAKER**

Inside Innovation Conference  
Haas School  
November, 2007





# Leading Through Innovation



# In Innovation Literature Branding is Ignored

## Without a Brand--Innovation

- Reduced chance of succeeding
- Be short lived
- Fail to reach potential

# Innovation Roles

- ▶ Create or improve the offering
- ▶ Create/define a new category or subcategory
- ▶ Position the corporate or organizational brand

# Why Brand It?

**WESTIN**  
HOTELS & RESORTS



**WESTIN**  
HOTELS & RESORTS

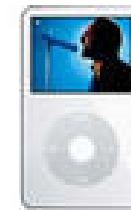


The Westin Bed--  
Plush feather bed  
Down pillows



Apple MP3 Player

iPod





**Recommended for David Aaker**

# Innovation Roles

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# New Categories or Subcategories



➤ PRIUS

- New value proposition—change what customer buy
- New sets of assets, competences and/or strategies
- Driven by substantial or transformational innovation

# Why Brand the Innovation?

To equate the brand with the subcategory and

Define

Position &

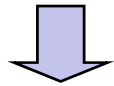
Dominate

.....the new subcategory

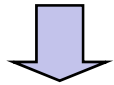
# Competing

## Brand Competition

Categories established--SUV



Consider Several Brands--  
Lexus, BMW, Cadillac



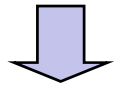
Select one brand

Winning—  
Competitor's brand not preferred

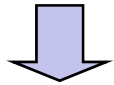
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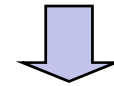


Select one brand

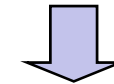
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## Subcategory Competition

Select the right subcategory--Hybrid



Consider our brand--Pruis



Fail to seriously consider  
competitor's brands

Winning—  
New subcategory selected  
Brand defines or dominates subcategory  
Competitor's brand is not considered

You do not merely want to be considered  
just the best of the best,  
You want to be considered the only one  
who do what you do.

Jerry Garcia, The Grateful Dead

# Innovation Roles

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# Positioning the Corporate Brand as Innovative

Why?

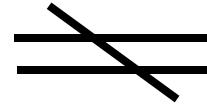
To provide credibility for new products

To add energy and respect to the firm's reputation

# Creating Perceived Innovativeness

## Reality—

- Programs, culture, & processes
- Stream of new products



## Perception---

- Brand strategy
- Brand Building

# Why Brand the Innovation?

**SHARP.**



## **AQUOS® LCD TV**

- Leader in liquid crystal TV technology
- Breathtaking color
- Incredible image clarity
- Award winning designs
- Next gen Advanced Super View LCD panel
- Fastest response rates and highest contrast ration
- Sharpest possible picture

**SAMSUNG**



## **LN-Sr696D**

48" HDTV with Integrated DCR Tuner

- Sleek
- Realistic home entertainment
- 6000:1 dynamic contrast ratio
- Two million pixel resolution
- Cold Cathode Florescent Lamp
- 10-bit processor with 12.8 colors
- Picture of starting clarity that rivals real life

# SONY

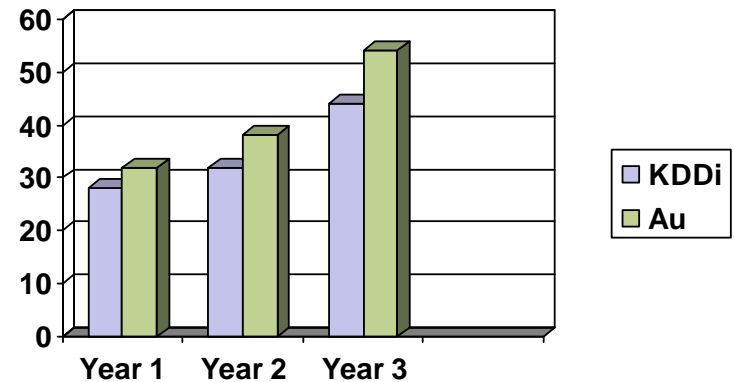
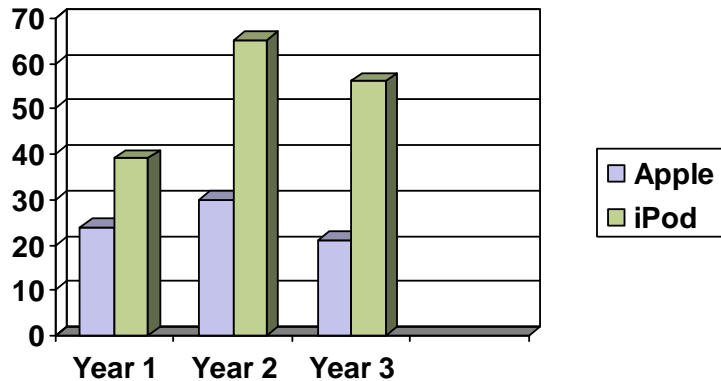


## Trinitron

# Branded Innovator's Role

## BrandJapan Study

Correlation innovativeness scores (less 50)—  
Branded innovators & parent brand .44 (72 observations)



# Justify Branding—Don't Over Brand

## Innovation

Improve  
Offering

Create  
Subcategory

Influence Corporate  
Reputation for  
Innovativeness

## Branding

Own  
Advances

Define & Dominate  
Subcategory

Inference by  
Association--

- Branding innovation here is
- Is NOT a name and logo
  - Is a brand supported by
    - Strategy
    - Investment
    - Active management