

USEFUL BRANDS

PLAYBOOK

**A PRACTICAL LOOK AT HOW ORGANISATIONS
CAN SUCCEED IN AN ERA OF CHANGING
CUSTOMERS, TECHNOLOGY AND CULTURE.**

PLAYBOOK:
TEN ACTIONS
AND TASKS

INTERVIEWS:
WITH GLOBAL
BRANDS

RESEARCH:
FROM
FORRESTER

FORRESTER®





Jacob Dutton

PARTNER, 383

Brand utility is not a new idea. It's also not our idea. From the Michelin Guide in 1902, to BT phone cards in the 80s, brands have often tried to build their popularity through providing customers with useful products and services. Utility is also a well-understood concept in economics; it acts as a key factor across choice, price point and loyalty when it comes to a customer's relationship with a brand.



383 are an innovation studio, partnering with organisations to make them fit for tomorrow. Our purpose is to help brands become more useful in a world where customer attention and loyalty is waning. We believe that through developing innovative internal culture, adopting customer-centric strategies and developing genuinely useful experiences, brands can find stronger business models and build better relationships with customers. Our job is to help organisations make this shift: through thinking, designing and making with the customer in mind. During the past eight years we've done this with key decision makers at global brands including Hilton, Universal and the BBC.

383project.com

So, what is new? At 383 we believe we're entering a new era of brand utility, fuelled in no small part by the emergence of new technologies and faster organisational cultures. That's what this book is about. We wanted to validate our assumptions around this changing relationship between brands and customers and find out what being a 'Useful Brand' means commercially for today's largest organisations. To do this we commissioned a study conducted by Forrester Consulting across more than 100 large US and UK organisations, and spent time with five global brands discussing their approach to innovation and customer experience.

At the end of this book you'll also find 10 'plays' (hence the playbook!) which have been created off the back of the research, interviews and our own experience as an innovation consultancy at 383. They're designed to provide brands who are interested in becoming more useful with a practical springboard into utility. Try them all, or pick a couple; they're designed as first steps and thought starters. There are no rules, just plays.

We hope you enjoy them.

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THIS IS THE ERA OF THE 'USEFUL BRAND'

Attention and trust are the building blocks of successful customer relationships. But for many organisations, their relationship with the customer is strained.

Traditional advertising's position has been weakened, perhaps irreversibly; there are more adverts, driving less attention. Many brands look and sound the same and customers have tuned out the noise. Category competition is stronger too. Businesses years in the making have lost out to faster startups that attract customers with innovative business models, improved user experience and better application of new technologies. Size or heritage no longer guarantees safety. At a fundamental level, the landscape has changed.

So, among the widely reported rhetoric of disruption and innovation, what is the response? What are the enablers causing some brands to experiment and adapt where others falter? What is driving ever more polarised customer behaviour to be fleeting or cynical at one end of the spectrum and unwaveringly loyal at the other? The answer, we believe, is a new era of brand utility enabled not only by a cultural refocusing of the work an organisation does, but also by the application of new processes and technologies at a scale and speed unthinkable even 10 years ago.

This is the era of the 'Useful Brand'.

THIS IS THE ERA OF THE ‘USEFUL BRAND’



JOHN NEWBOLD

CO-FOUNDER, 383
Innovation Studio

THE CHANGING TIDE OF BRAND UTILITY

The concept of utility in economics is not new. Customer satisfaction has long been a measure of both why customers choose to buy goods in the first place and how much they are willing to pay.

What has changed is an organisation's ability to quickly build an ecosystem of utility around its brand in new ways; driving not just customer satisfaction, but also advocacy and market differentiation. In writing this book, our aim is to pull together several threads we have seen emerging across the culture, internal processes and customer facing products of both established organisations and startups

that have driven their growth through utility. It will provide a lens on the attributes of Useful Brand ecosystems, covering the types of products and services that are driving more useful customer experiences and the specific processes and methodologies of organisations whose fast adaptation is enabling the transit of ideas through teams into real world actions.

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QUESTIONS:

Through a global piece of research with Forrester and a series of in-depth interviews with selected organisations whose teams are adapting their brands to become more useful, we set out to answer three questions:

- 1) **What are the organisational and attitudinal characteristics of a Useful Brand?**
- 2) **In what way is brand utility changing customer behaviour?**
- 3) **What would a playbook look like for brands that want to become more useful themselves?**

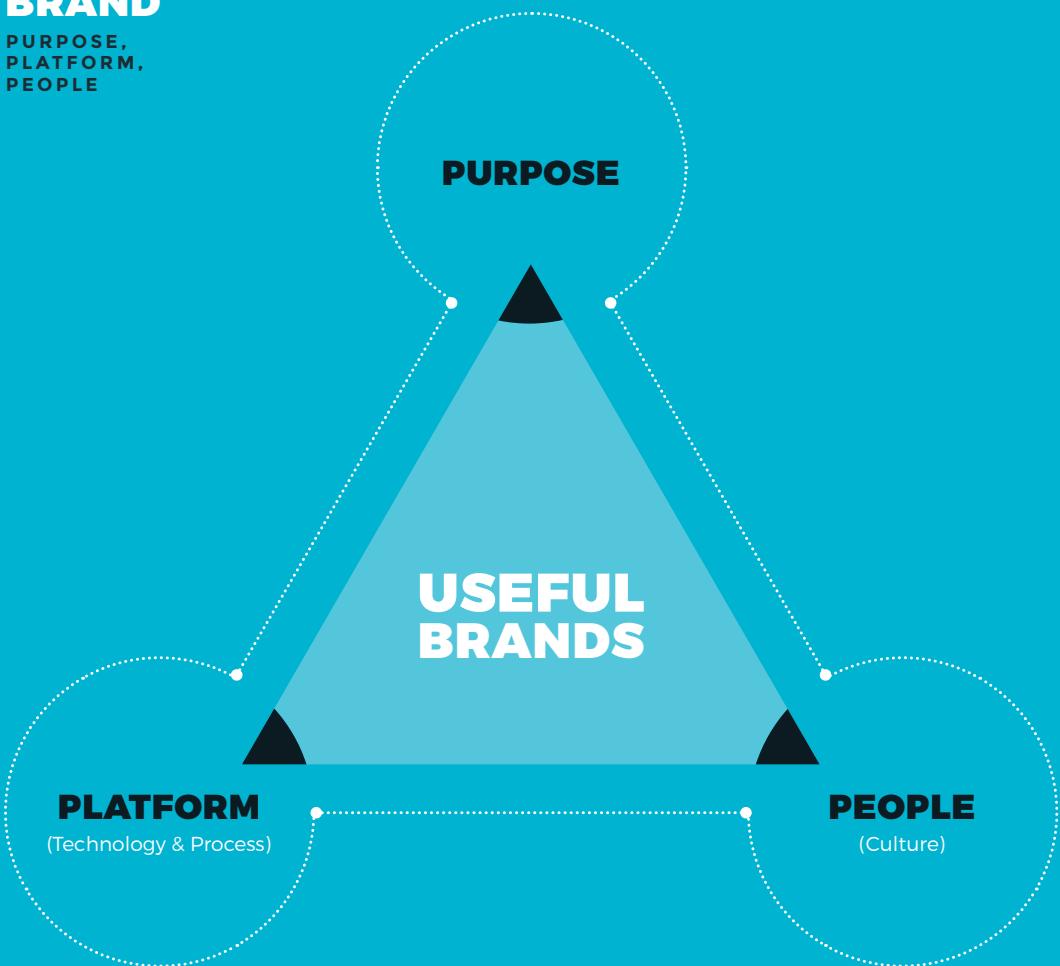
THE USEFUL BRAND EXPLAINED

When thinking about a brand that is customer focused, it would be easy to assume here that we are talking about the discipline of customer experience.

However, in producing this book it quickly became apparent that the building blocks of a Useful Brand are bigger than the presence of a siloed customer experience (CX) department and that utility is a cultural choice which must take root across three specific attributes of an organisation: **Purpose, platform and people.**

THE THREE BUILDING BLOCKS OF A USEFUL BRAND

PURPOSE,
PLATFORM,
PEOPLE



PURPOSE:

For Useful Brands, the opportunities to succeed are often realised through their capacity to change, and a well-defined purpose is the catalyst.

Becoming a Useful Brand often involves realigning an organisation's purpose, elevating the needs of the customer in line with the needs of the organisation. This is not to say a customer-focused purpose is less commercial, but that the organisation realises the commerciality of genuinely serving the needs of the customer.

An effective purpose does not describe existing products, but deliberately sets out an ambition that could outlive them. Purpose steers organisations through change, and shouldn't need to be redefined once change has happened. It gives the brand the best chance of sustainability, permitting innovation and diversification.

“

An effective purpose does not describe existing products, but deliberately sets out an ambition that could outlive them.”

In many organisations, this first Useful Brand attribute is lacking. They carry a purpose that is frequently misinterpreted across internal teams, is too closely aligned to an outdated product or market position or is not representative of the needs of a real customer. Time and energy is spent policing fonts, logos or tone of voice guidelines, while at a fundamental level the brand's actions are in stasis and their market erodes.

So, what are the outcomes of a customer-focused purpose? Useful Brands typically innovate at pace, which is borne from a purpose that grants teams permission to chase after clear customer-focused goals (with permission to fail and learn in doing so). Brands that have a purpose rooted in customer utility benefit from a constant re-imagining of what the brand could do for customers, increasing the range of products and services that show the value they deliver for the customer. In particular, this model of rapid product iteration and addition pushes back on traditional business models, where often purpose is more focused on maintaining an historic commercial positioning, than mapping to evolving customer needs.

PLATFORM: (TECHNOLOGY & PROCESS)

Building platforms in this way, through a blended lens of technology and methodology, enables Useful Brands to compete with startups by mirroring the most advantageous aspects of a typical startup platform.

To transform a brand to offer real customer utility, organisations need to address the technology and processes they currently have in place. Almost every action that an organisation needs to take to become more useful could be hampered by legacy systems, or slow processes designed for bygone eras. This 'platform' attribute describes the combination of both the effective use of technology and a (typically) lean or agile methodology to function alongside it.

In recent years the replacement of legacy systems with more flexible API-centric technologies, and the introduction of new methodologies like the lean startup, has seen many organisations fundamentally change how they work and what they produce. This blended platform of technology and process has been the engine of many fast growth technology companies, the springboard for the re-engineering of government services and one of the key adaptations enabling brands to provide customers with more useful ecosystems.

So, what are the outcomes of adopting this platform attribute?

Firstly, Useful Brands have a technology stack that works for them, not against them. Many organisations carry legacy systems that pre-date the modern web. They were procured to mitigate risk, rather than embrace change. They were built to be deliberately siloed, rather than integrated and extensible, and they can drastically hinder any new products or services emerging without lengthy development and consultation. Instead, an API-centric architecture ensures that the services and data needed to rapidly experiment and build Useful Brand ecosystems are readily available and always configurable.



A blended platform of technology and process has been the engine of many fast growth tech companies.”

Secondly, Useful Brands typically adopt lean or agile methodologies across the critical functions of their organisation. The lean startup methodology in particular offers a proven approach and tool set for an organisation to manage and grow digital products and services.

PEOPLE: (CULTURE)

The people within Useful Brands have a clear understanding of the value the organisation is looking to create for the customer, are capable of imagining new ways that this could be delivered and find it easy to articulate the brand's purpose to those around them.

The culture of an organisation defines the behaviour of the people within it and this ultimately affects the end product or service that a customer experiences. Brands are run by organisations, organisations are made up of people and if people aren't aligned with the purpose or enabled by the platform, then change is highly unlikely.

One of the most crucial things to understand about this attribute is understanding the meaning of the word 'culture' – something that is often touted as intangible and unchanging. Culture is in essence the behaviour of people and can, therefore, be intentionally changed and improved. Useful Brands provide evidence that culture change is possible within organisations of all sizes. They focus on actively engaging their teams through a toolbox of events, knowledge sharing, transparency and software.

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Useful Brands are organisationally aligned to value the needs of the customer above all else”

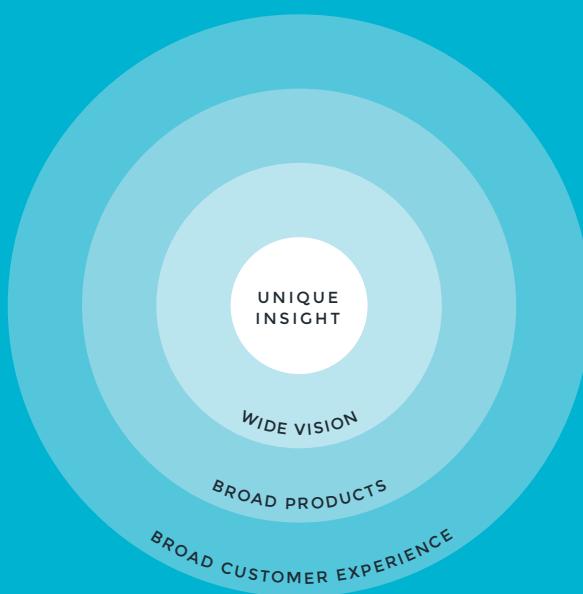
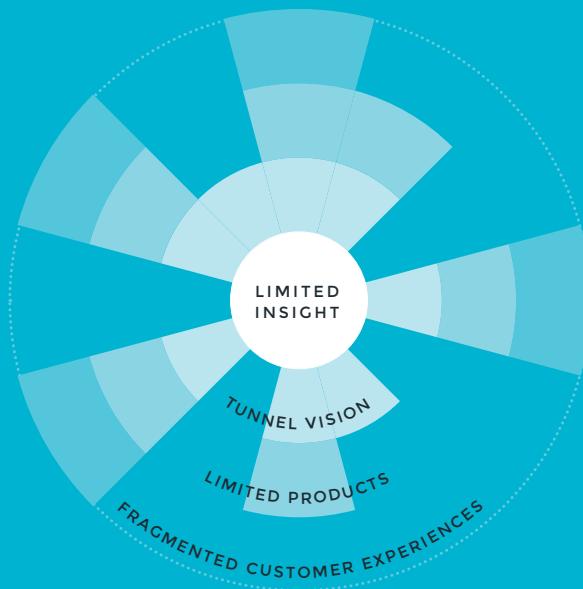
Culture is no doubt one of the slowest moving parts of most organisations, however the velocity it moves at is often determined by how intentionally it is geared for change. The culture that exists within a Useful Brand can look quite different to that of other organisations. Many organisations experience a tension at board or management level between the need for clear leadership and detailed direction within teams, versus the desire to foster autonomy and trust. Within Useful Brands leadership more typically steers the actions of the organisation by clearly articulating the purpose of the brand, without necessarily dictating what needs to be done in detail. Throughout the organisation 'entrepreneurship' is encouraged, change and risk are embraced and experimentation and testing is the norm.

Useful Brands are organisationally and attitudinally aligned to value the needs of the customer above all else. As with a strong purpose, this is not to say that commercial success is forgotten, but that throughout the organisation the business benefits of developing empathy and understanding for customers' needs is understood. Useful Brands actively involve their customers in the iteration of existing products and the creation of new ones. They value people over personas and performance measurement over boardroom conjecture.

SUMMARY:

OUTCOMES FOR BRANDS THAT DRIVE UTILITY

Useful Brands typically strengthen their commercial position through a broad brand ecosystem. They are adept at gathering insight through a range of tools, looking at the edges of the customer journey and maintaining a wide vision for innovation. They are then highly responsive to this insight, developing brand products and services across a large value space and driving broad customer experiences.

USEFUL BRANDS:**TRADITIONAL BRANDS:**

TALKING UTILITY:

Five brands with utility on their agendas

FIVE BRANDS LEADING THE WAY ON UTILITY

Useful customer experiences are emerging as a critical differentiator in all sectors. We spoke to five brands placing emphasis on utility within their organisations.

From energy companies launching startups within their walls, to hundred year old retail giants building the next generation of mobile experiences, the products of ‘innovation’ differ greatly from one organisation to the next. However, a unifying challenge for businesses in all sectors is the ever-expectant behaviour of today’s customer. From banking and energy, to travel, retail and even the third sector, brands are dealing with a more demanding and less loyal customer than ever before.

To understand what this change looks like, we spoke to five brands who are not just surviving, but thriving in this new era of brand utility. Crucially, these organisations: though adept at harnessing technology, were not themselves ‘technology’ companies. Several are on a journey of change, aiming resources not only at the creation of more useful end experiences for the customer, but on transforming their own internal operating models across areas of purpose, platform and people.



BRANDS

- 1) **Tom Guy**, Hive by British Gas
- 2) **Tim Graham**, Virgin Atlantic
- 3) **Sophie High**, Cancer Research UK
- 4) **Paul Coby**, John Lewis
- 5) **Taina Uusitalo**, Lloyds Banking Group

1.

TOM GUY

PRODUCT & COMMERCIAL DIRECTOR



Set up by British Gas in 2012, **Hive** was established with the aim of revolutionising the way people everywhere control their homes, allowing them to control their heating and hot water online and on their mobile devices. Aiming to simplify the lives of their customers, Hive has sought to make itself the very definition of a Useful Brand. Whether it's through creating apps that are simple to use or hardware which brings everything together, Hive have aimed to change their customers' lives. We spoke to **Tom Guy**, Product & Commercial Director at Hive by British Gas about how they have sought to become a Useful Brand.





Tell me a bit about how Hive was established from a business point of view.

To all intents and purposes we act like a startup with a strategic investor, which is British Gas. British Gas provides us with 200 years of energy expertise, trust in British homes, and a route to market, with my product team and commercial teams taking care of everything from a platform and sales level. While we are a team within British Gas, the way we act is as an independent business in the connected home space.

It's interesting that as a part of the launch strategy you went with a new brand name. Why was this?

The market we're in is brand new and we know that in the future we might need to stretch in to places that the British Gas brand wouldn't necessarily be going. We also wanted to show we were committed to launching a range of products in the Connected Homes space. That's why we created Hive, by British Gas. Just like creating a brand new technology platform, we knew that creating a new brand presented a big opportunity. Our competition isn't just other utilities companies, but also some really exciting big brands and fast growth startups coming out of Silicon Valley. So we needed a brand that would stand on its own, while still being connected to the heritage of the British Gas brand.

Has being a startup within a wider organisation offered any particular benefits?

Absolutely. Firstly, we're presented to the customer as 'Hive, by British Gas', so the equity that the British Gas brand name brings isn't being sidelined. Another one of our huge critical advantages has been that British Gas has a huge, trusted infrastructure for installation. We've been able to make use of those best aspects of British Gas' wider organisation

by ensuring that we not only have great hardware and great software, but a great team of about 10,000 engineers who can come to your home and help you get started quickly.

As a new entrant in a very popular emerging market, how did you go about building the team?

In terms of recruitment, we were lucky to be able to mix the best from both worlds: knowledge of the energy industry from British Gas, and new recruits who, like me, came predominantly from startups. We knew that the approach had to be entirely different, because as a 200-year old utilities company there was a lot that British Gas knew about, but setting up a startup wasn't one of those things. We knew we had to set up a studio in London and be among clusters of other startups because, much like brands who've set things up in Silicon Valley, we wanted to be among the people who were leading in their fields and understood this market.

Being useful is clearly very much at the heart of what Hive Active Heating™ is about. What were the particular customer problems or behaviours you focused on when you were determining the purpose for Hive?

Our starting point was a really simple insight; we knew from surveys British Gas had conducted that up to 95% of customers struggled to properly set their legacy thermostats. We also knew that there was a bigger customer picture emerging of rising concerns over energy consumption and cost. That represented an exciting opportunity to make something genuinely useful in a completely new part of the market. As we all know, technology has changed everyone's lives, and I think where it's done that best is in removing pain points. In London for example, simple things like hailing a cab are now a lot simpler because of new entrants in the

mobile space. At home people are also more comfortable with technology touching lots of different parts of their lives, and we recognised that one area that had been really left behind in that sense was heating controls. With Hive Active Heating™, which allows you to remotely control your heating and hot water, we have a product where over 50% of our customer base use the product every day and 96% of customers say they feel more in control of their heating. 70% also say they've saved money on their energy bills since having Hive installed. All of those results index against the initial problems we set out to solve and represent a massive shift in customer behaviour within this space.

At a practical level, how have you been able to get something to market so fast while still focusing on some pretty big customer problems?

We knew if we were going to create something useful, that the customer had to be involved in a completely integrated way. Continuous customer feedback is something we intentionally built into our product development team culture. We wanted to find ways to work with our customer base every single day so we could remain fast and customer focused at the same time. We knew there was a better way than just having old school focus groups of customers that occasionally get shown things. As a consequence, for us the customer is a connected participant in our design process. We literally measure and learn as much as we can from every single change - from big things like the hardware design, all the way through to tiny tweaks, like a button move in the software.

And how does that idea of continuous customer participation drive future cycles of the product's development?

Our product roadmap going forward is really exciting and is primarily informed by what the customer needs, and what they tell us they want. We base a huge amount of our decision making on what feature comes next, by simply creating ways for the customer to tell us what they want next. Building easy feedback loops into the overall customer experience has meant we've got a really strong, well qualified backlog and that for most of those features, we've already validated market fit.

In terms of bringing a product mindset to a fairly traditional sector, what cultural challenges have you had to overcome?

Perceptions around how you learn, and accepting that in order to do that you have to have permission to fail in some areas has been key. We knew that when we first released the product, it wasn't going to be perfect. The day-one product would be different to the day-two and so on. Our market space is nascent, uncertain and fast moving and because of that, our approach to product development had to be iterative and lean. That was quite a radical thing for an organisation whose entire business has been built within a heavily regulated and known market.



Our market space is nascent, uncertain and fast moving... our approach to product development had to be iterative and lean."

In terms of specific goals for measuring how useful people find the service, what big indicators do you keep front of mind?

Our design and UX philosophy is that people should be able to understand how to use the app within three or four seconds. That's it. We run customer labs where customers sit with the designers and we test new UI against speed of understanding. Our focus is on allowing people to control their heating and hot water in the quickest possible way. We're less focused right now on full automation, but instead on gearing the product towards making the customer feel informed and in control in the most useful ways. It's not about making decisions for them, but delivering an experience that allows them to make the right decisions themselves.



THE HIVE APP

Built on the philosophy that users should be able to understand how to use it in just a few seconds.

Finally, how has your mindset on product informed your approach to advertising?

Well firstly, advertising for us has been a key part of what we do. Our advertising had to stand out given that we were a completely new brand and product with zero awareness. The reason why our advertising has been so successful in my opinion is because the messaging is rooted in a true customer experience, with the message 'Hive lets you control your heating and hot water from your phone, anytime, anywhere.'

We didn't need to focus on creating an ad that stood out to people because it was simply entertaining, but because the actual messaging in the ad resonated with a problem the customer associated with. Advertising for us is just another way to expose people to the facts about the Hive customer experience; in that sense, it's as integrated into the product experience as our customer service or social channels.

We have also used innovative out of home formats and digital panels to bring to life real use cases for Hive, which has also helped us stand out from other products. For example, at airport baggage carousels we present messages using real time temperature data about getting home cosy from the airport; or at train stations we use real time travel data to suggest turning the heating off from your phone if your train is delayed.

This sort of approach to advertising has really cut through the noise and excited customers and potential customers, who often tell us how much it resonates with them through our social media channels.

2.

TIM GRAHAM

TECHNOLOGY INNOVATION MANAGER



Since 1984, **Virgin Atlantic** has brought the glamour back to air travel, growing rapidly to become the UK's second biggest long haul operator. Today they serve more than 5.4 million customers each year, and in each case the customer is at the core of everything they do. The first airline to launch a mobile app, Virgin Atlantic continues to operate at the cutting edge, trialling emerging tech from Google X labs and Apple. We spoke to **Tim Graham**, Technology Innovation Manager, about how Virgin Atlantic is using emerging technology to improve customer experience both on the ground and in the air.





**ow important do you
feel being useful is to Virgin
Atlantic as a brand?**

For Virgin Atlantic, the customer is very much at the heart of everything we do and making customer experiences that are as useful and intuitive as possible is key.

In terms of using digital, we were one of the first airlines to launch a mobile app, but in recent years we've taken our eyes off the ball a little. Now we're refocusing efforts on how we interact with people in the most relevant way; for us, that's throughout a customer's entire end to end journey.

It starts with people thinking about needing to make a journey, right through to when they get home. We've done a lot of work around product and service development both on the ground and onboard, and with the invention of smartphones and newer technologies like wearables, we're seeing customers expecting to have even more interactions with us in different environments. They're expecting us to provide relevant information and communicate effectively wherever they are in the world and whatever device they happen to be on. We're doing a lot of work on how we make those communications as seamless as possible.

**In terms of providing that brand consistency
through lots of different technologies,
how are you familiarising yourselves
with emerging technology, and deciding
the direction you steer your trials in?**

My role at Virgin is technology innovation manager so it's part of my remit to seek out technology that's 'cutting edge' or find stuff that other industries may have already embraced but could have applications in the airline industry.

When we're looking at new things we tend to assess them against a criteria, things like how innovative might it be when applied to the airline industry, but also whether we have a real world use case to test the technology.

**You've been playing of late with
emerging tech from Google X labs and
Apple. How do those trials work?**

Our typical learning process looks like this; we conduct a six week trial and set out some very basic things that we want to test. Our thinking always evolves over the tests and at the end we make a decision. Is this something we'd like to roll out on a larger scale? Or have we learnt everything we are going to learn? Then it's about assessing what we've learned; perhaps it's not right for the brand right now, but we can take some of our learnings into the next technology we trial or into adapting our current product or service.

**So, even if the tech isn't something you
want to take up, you're still learning
something about the customer by
exposing them to it. You talk as if there
are things you win even through failing?**

Absolutely. We don't fear the idea that at the end of the six weeks we may decide to not roll something out. That's not a failure, as we're learning a lot of things about our customers, our employees, and about the tech itself as we go. A six week trial always drives further thoughts about what we do next.

Some of the customer journey points where you've been experimenting interest me. I'd say they're very much at the fringes of the typical journey where you would expect an airline brand to try to differentiate. A lot of the utility you're driving isn't 'in the air'; is that a conscious decision to look at how you can improve the CX around the whole interaction the customer has with the brand?

Our experience onboard the aircraft has historically been our main point of differentiation and we've been fairly innovative there. But we see the ground offering as a space where some big, quick wins could be made. There are a lot of ideas we have for useful products and services accessed at these points in the customer journey. It's also a case of practicality; it's a lot easier to run innovative trials on the ground than it is to try to put stuff onboard aircraft.

Let's focus for a minute on taxi.to, the free co-booking taxi service you've been involved with partnering on. Here you're obviously driving utility, but how do you allocate attention to those services which aren't directly revenue generating?

Offering a taxi service isn't our day to day business, but there's an opportunity to improve the overall customer journey by offering an end-to-end seamless journey. Whether this happens to be operated by us, or by a partner we've brought in, is fine provided it fits our brand experience.



TAXI.TO

Taxi.to is a service that helps passengers heading to the same destination on the ground find each other and share taxis.

One of the findings that's come out of our research is that a lot of brands are heavily reliant on buying in third party insight around customer behaviour. How do you go beyond trend watching to observe customer behaviour and gather owned insights in the real world?

We're fortunate to have some fantastic frequent flyers who are passionate about the brand and what we do. We utilise them as much as possible to give us feedback on our digital products. We're currently looking at our mobile offering and how we can enhance that going forward. A ton of the input has come directly from trailing things with them and communicating with some of our top customers about what they'd like to see next. In that sense we constantly utilise our fan base to help shape what our customers actually want, rather than letting research lead us down the same path.

That's an interesting thread that's come through in the conversations I've had with a few forward-thinking brands. The process of moving away from solely persona driven development and involving people directly as participants in their design process instead.

Very much so. Certainly the idea of late is about getting products out there in front of real people and getting them to feedback quickly.

Doing things quickly is an interesting challenge. How, in such a large organisation, are you able to move other things along at a pace?

One thing we do internally is to facilitate an innovation forum. We meet monthly and gather people from across the business to talk about how we can help each other out in making customer focused product and service ideas happen. I might have a technology idea, but need some help from customer experience to shape it. We aren't prescriptive in terms of everything having to go through one funnel to get anything done. We trust people to get on with their things and then come together to help each other out.

Finally, can we touch on the idea of brand APIs and how important you consider them to be as a component of your digital capabilities?

I think the provision of an API is going to be more and more crucial as the digital world evolves. A lot of our bookings come from travel agents and holiday companies and we don't actually deal directly with the customer in some instances. They're interfacing with our booking systems, but often through ancillary products. From a brand point of view, it's important we can understand those interactions when we're at arm's length.

Overall I think we'll start to see APIs as another channel and core component of modern brands. In the same way we offer a website or social account today, having an API will form a part of an overall channel strategy. It'll be understood as another way for a brand to communicate with people – but that maybe by becoming more of a platform for people to build their own apps on top of by consuming our API.



We'll start to see APIs as another channel and core component of modern brands. In the same way we offer a website or social account today, having an API will form a part of an overall channel strategy."

3.

SOPHIE HIGH

HEAD OF INNOVATION



As the largest independent cancer research institution in the world, **Cancer Research UK** is one of the biggest 'brands' in the UK's third sector. Whether it's supporting people with cancer, or helping people who wish to fundraise for the organisation, the charity has made use of mobile and social technologies to bring people together for a good cause. We spoke to Head of Innovation **Sophie High** about what it means to be a Useful Brand in the third sector.





Tell me a bit about what you think being a Useful Brand means in the third sector?

I definitely think the idea applies, but I think it's a more complex territory for us than for many traditional B2C organisations. With B2C there's a transaction there which is a fairly simple one: buy this useful product or service. People's interaction with us as a brand can be very different.

For those that are affected by cancer and are going through that journey of support, we've got to be as useful as possible to them. In recent years, digital has been a big enabler and we've made a host of useful things for those people who look to us for help. Our signs and symptoms app for example, has been amazingly powerful - about 200,000 people downloaded that in the first month. Our Cancer Chat online forum is much more about linking up people to support one another and we've found that it's one of the main drivers of traffic to our website now.

Do you think that starting a lot of your thinking with that lens of 'what's useful' helps you differentiate a lot of your activity?

Being useful in a way that is very in-tune with our brand purpose does, yes. When we rebranded a few years ago we wanted to make it clear what we stand for, bearing in mind there are about 1000 other cancer charities, so differentiation is as difficult in our sector as any other. Once we'd done that exercise we had to articulate that thinking into actions the brand would take, which is where utility comes in.

Let's talk about purpose. Does having a clearly defined brand purpose at Cancer Research UK mean it's easier to get things done?

One thing we did a little while ago which was really interesting was go around the business and interview different people about what they thought our purpose was. Everyone had differing opinions, which was a bit mad. Our strategy and everything we do is now much more aligned, and our people are very aligned around our core purpose. Having something understandable and actionable is key to effective organisations.

Can you tell me about how important innovation is to Cancer Research UK?

Our organisational strategy is all around us accelerating progress, innovation is therefore intrinsic to driving that. Among other challenges the upshot of that ambition is that we need to increase our income by 60% over the next 10 years. Given we're already the world's biggest cancer research charity, that's an audacious goal and it requires the brand to behave in new ways.

When you talk about innovation as a strategic prerogative I'm interested in how you turn from a directive into culture.

We're trying to transfer some of the success and culture of our research division to the fundraising and the support sides of the organisation. We were the first charity to have an out and out innovation team on the fundraising side; in that sense we're not just investing in working differently, but also leading the sector. Within the business we now have nine accelerators which are all about more risk taking, trying more things, and failing fast. Our beliefs are fundamentally about building a culture that's bolder and braver. Culture starts with a framework which people can operate around.

Within the fundraising innovation team are there examples where you've enabled people to help in useful ways beyond just giving money?

Citizen Science is a great example here. It's a scheme in which the general public can participate in the type of pathology that would previously have happened in the lab. We've taken that innovative idea and tried to make it engaging and playful too.

Initially we built something called the Gene Slider, where people could essentially take a quick tutorial on how a pathologist would spot a cancer cell, then you go on and answer some tasks which in turn help us do our pathology. It was just a quick experiment and we didn't know if it would work, and within three months we'd ploughed through

18 months of data based on the equivalent timelines of pushing things through our lab. It was effective, but perhaps a little dry.

From here we wanted to iterate quickly and do something new on mobile. We organised a 72 hour hack event which brought our scientists together with technologists from Facebook, Amazon and Google. We had 12 working prototypes at the end of that event and consequently launched a mobile game called Play To Cure. The game has gone on to incredible success – to date we've had five million gene classifications from people in over 120 different countries. It's also proved more accurate than our traditional pathology as we can expose the same classification to several people and weed out human errors.



4 PLAY TO CURE

Cancer Research UK created a game where player actions analyse significant amounts of genetic data that would have taken scientists hours to do. This data can be put to work to develop new life saving treatments.

When you're trying to create these useful products and services how do you measure what success looks like?

After two years of trying lots of new things we sat down and looked at what the success criteria might be. Firstly, as an organisation we need to agree that an idea has the headroom to get to a minimum amount of money.

There are also success factors we evaluate against from a user perspective. Do people get the proposition quickly? Whatever we do has to be easily explained and have a super simple customer journey.

In terms of the process of pilots, prototypes etc, what are the timelines?

We have three ways that we create products in our team. We have the strategic area where we've identified a problem or opportunity such as 'getting citizens involved in science'. We then spend six months looking at the problem and six weeks looking at understanding the user. We use those insights to drive idea creation and then stretch and build those ideas out to concept testing.

We do testing qualitatively and quantitatively. The quant testing is really looking at appeal scores and likelihood, but also money. Then we always prototype the idea. At this stage we try to make the test as real as possible, but on a shoestring budget.



We're looking for ways we can extend the idea of what we mean by 'user generated content' and think about what happens if we let people play with things like APIs and data."

Finally, I wanted to ask about the idea of APIs in the third sector and how you think this might change the interactions you have with people in the future?

We're looking for ways we can extend the idea of what we mean by 'user generated content' and think about what happens if we let people play with things like APIs and data. As well as thinking about traditional UGC in areas like social, we're also hugely interested in looking for how people can volunteer their skills and engage with data. We've currently got around 40,000 regular volunteers and it's hugely interesting to us to think about who within that group could co-create with us if we provided the right tools.

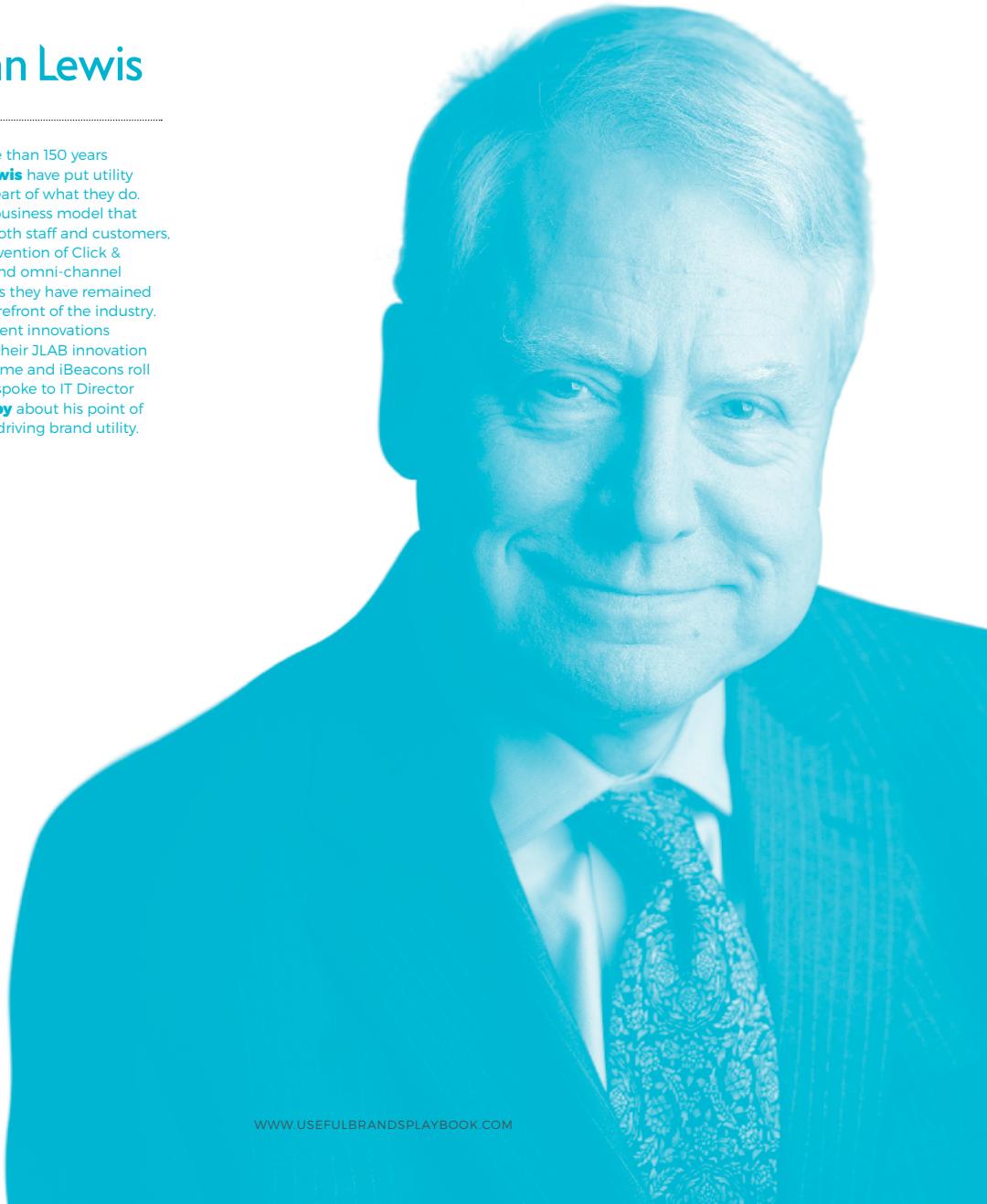
4.

PAUL COBY

IT DIRECTOR

John Lewis

For more than 150 years **John Lewis** have put utility at the heart of what they do. From a business model that served both staff and customers, to the invention of Click & collect and omni-channel strategies they have remained at the forefront of the industry. More recent innovations include their JLAB innovation programme and iBeacons roll out. We spoke to IT Director **Paul Coby** about his point of view on driving brand utility.





What things are John Lewis doing around digital products and services to make the brand more useful to customers?

We've tried to integrate technology into the whole shopping experience in really useful ways to our customers. We don't think about our digital products as being isolated, but much more as being integral to the entire John Lewis customer experience. People don't see themselves as a johnlewis.com customer or a store customer, you're a John Lewis customer. Our unifying 'goal' is to make the John Lewis shopping experience as seamless as possible across and between channels.

Only 12% of brands in our survey have built an in-house innovation lab or startup partner programme. What was the thinking driving your decision to create JLAB?

There's a huge amount going on in digital within the UK at the moment and all sorts of things are changing. Clearly, whatever our size, we don't have a monopoly of wisdom over technology. In recent years, that's led us to roll out some fantastic internally generated ideas. Arguably at scale we invented Click & collect. We pioneered using tablets in store and we've got some other great digital products coming up to launch online. There's a lot going on internally. JLAB was really about exposing us to what's going on externally, outside our walls.

As a brand we constantly have people trying to sell us ideas – from corporates to startups – I neither have the time or capability to filter them effectively. So we wanted to set up JLAB as an incubator around some specific customer experience goals we knew we should be exploring. JLAB was about being as visible to the tech community as possible. We located ourselves in Canary Wharf, considered more

than 200 different applicants and filtered them down to five great teams with great ideas who we thought we could work well with.

It's worked fantastically well. We've worked with them to validate their ideas and also help them develop their companies. Exposing them to mentors, people, technology, entrepreneurs, investors, IP specialists and so on. Ultimately, we'll be deploying one of those company's technologies – Localz – around our stores, and have taken a share in their company too.

As a 150-year-old brand then, do you think that part of your longevity has been built out of embracing market changes quickly? I'm not just talking about disruptive technology in recent years, but about being truly reactive to customer behaviour as you've grown.

It's interesting that with it being the time of our 150 year anniversary, you get the opportunity to think a little about what's driven us to get here. One of the most unique things about the John Lewis brand is that it is a true Partnership. Everyone who works here also owns the company and everything we do is powered by a combination of people and principles. When John Spedan Lewis set up an employee-owned company in the 20s and 30s, he called the Partnership an 'experiment' and I often think he'd be incredibly interested in the experiments with technology and innovation that are around now. The single biggest driving factor in a lot of what we do is our values, and our belief in how companies should be run.

Thinking about the customer journey, how do you identify gaps and opportunities where you could provide new utility? I still believe there are a host of opportunities out there, how do you identify where to direct your efforts next?

The exciting thing at the moment is that new customer journeys are being invented all the time. Customer habits are much more complex and non-linear than they once were. Our business challenge compared to a 'pure play' is much more complicated as we sell around a third of our products online, but also stores and the Partners who work there play a key role in omni-shopping. Our physical stores are growing fast as well, so understanding the customer across the whole space, including call centres, shops, mobile, social media is crucial. Customers have myriad wants and needs and I think we do three things to track that.



It's important that we can break journeys down to try to think about where [we] differentiate ourselves."

Firstly we don't just monitor customer behaviour, we try to actually understand it and understand what other factors, which we can't see, could be driving change. Secondly, it's important that we can break journeys down in to stages to try to think about where it's meaningful to differentiate ourselves.

Finally, we recognise that customers have very different needs, but that these days technology is going to play a part in how they interact with us. Our interests are in the nuances between what part technology plays in how you buy your next phone case versus how you buy your next three piece suite or decorate your house.

One thing that's come through in our research was the need for large organisations to share some ownership of innovation across departments. How within John Lewis is that playing out, how are you tussling with the speed of technology and the rate of change versus the agility of the organisation?

Successful innovation process requires testing ideas and failing quickly. That's the only way we can make a difference to the whole business, by trying to be a little more agile and fluid.

With something like JLAB, we have a deliberately tiny team, it's three people all in, that's our innovation group. This is then governed by a steering group that has representatives of all directorates from around the business, they have oversight of what's going on and they have ability to propose innovations to us. It works well because although it might sound like a board it's designed to be more informal. There's the ability to oversee and steer projects, but the emphasis is on making real things happen with customers and Partners.

I'm interested in how you prototype and test new ideas and what roll out looks like? It's easier for tech companies to evangelise rapid prototyping when they're innovating around one core product, but when there are so many facets to everything that John Lewis do, how do you test and try new things?

We're constantly learning and have been spurred on by quick tests leading to successful product. With Click & collect, we reacted quickly, set it up, and it went absolutely supersonic. I think we're quite good at actually trying new things and not just talking about them.

 **JLAB**

JLAB acts simultaneously as an incubator and accelerator. A physical space for startups to work, collaborate and refine their ideas at the same time as competing to secure backing from John Lewis to take their product to market.

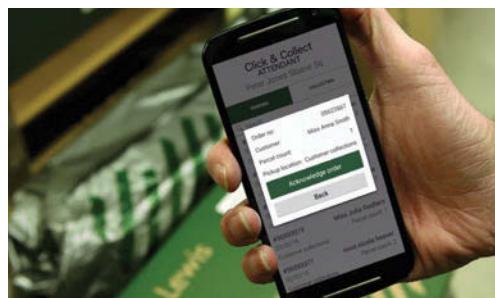


We're building a little 'maker' space in our offices with a few 3D printers and other technology. This means we can 'have a go' at things and quickly prototype certain ideas before we get to the store

Finally, what part do you think advertising plays in all this?

We've been fortunate to have brilliant advertising over recent years and I feel it's because the adverts are congruent with the values of the company. The underlying message is 'what matters does not change', and that's what we believe. The values of John Lewis don't change but we recognise that the world is changing and our job is to adapt our business without compromising our values.

My work is about taking the customer values that matter to us as a brand and deploying them fast, driven by technology products and services, to serve customers in the modern world.

 **LOCALZ**

Localz, winner of the JLAB incubator, uses iBeacon technology to push offers and other notifications to users as they enter and move about the store. As well as triggering customer's Click & collect orders, it can also help them navigate the store based on online wish-lists.

5.

TAINA UUSITALO

HEAD OF INNOVATION



Despite being able to trace its roots back to the 18th century, no one can accuse the **Lloyds Banking Group** of being old fashioned. As banking has increasingly moved online and onto mobiles, Lloyds has sought to put the customer first as it expands its digital banking offering. Whether its internal hackathons or the creation of customer labs, Lloyds Banking Group has continued to innovate and become increasingly useful to its customers. We spoke to Head of Innovation **Taina Usitalo** about how this works in the financial sector.





What does useful innovation look like at Lloyds Banking Group?

It has two core components. Firstly it's about understanding what issues exist within the business. I spend time with the MDs to understand how customer needs are changing and also look at specific areas for improvement that we've identified within the bank.

Secondly, we spend time looking at the startup market, speaking to emerging companies, speaking to customers and looking at accelerator programs around the world to understand how we can bring new solutions and innovations to Lloyds Banking Group. By marrying these two areas we can prioritise which areas we would like to build on.

“

We spend time looking at the startup market, speaking to emerging companies, speaking to customers and looking at accelerator programs around the world to understand how we can bring new solutions to Lloyds Banking Group.”

We have a long pipeline of ideas that we grow through many different channels, internal and external. We then build 8-12 week proof of concepts to bring ideas to life, either in branch or within our own in-house customer labs. We also shape ideas directly with our customers using very rapid prototyping to learn quickly. At the end of the process we turn around and say ‘how did it work?’ ‘did it answer the hypothesis and the customer question that we had?’ If it didn’t we might halt it or we might develop it and try it again. If a concept is successful it’s then recommended to go for full roll out at Lloyds Banking Group, which makes it available to 10.5 million digital banking customers and about 30 million customers across the bank.

Can you tell me about how Lloyds is responding to disruption within the financial services market; it feels like you've got a forward-thinking approach and it seems you're very geared up to be reactive to it.

We are very customer-centric and want to promote that mindset in our bank, so we have accelerator programmes and work with a lot of industry-wide startup programmes. We hold innovation jams, like hackathons, where we bring internal colleagues and external customers together to solve a certain business problem. And we also do things like ‘pop-up labs’ to fact find in specific areas of interest; last spring we sent five colleagues on a discovery pop-up lab for nine weeks with the job of creating lots of different contacts within digital companies and coming back in to the business with a new lens and new experiences.

In terms of the understanding you have of your banking customers, do you feel that increasingly the usefulness of digital products and services is driving customer choices about where they go and what products they choose?

Utility is absolutely key for customers, but you have to understand the behaviours within customer segments to provide a breadth of utility. Some small players might provide something specific for a certain segment, but we are the largest digital bank in the UK so we need to have a solid understanding of our customers to provide services that appeal to individuals.

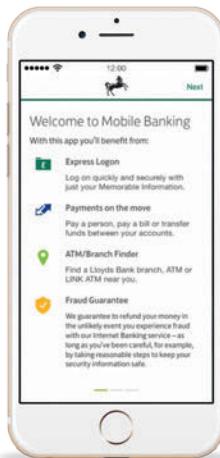
“

Our design process is all about bringing real customers into our lab and gauging their ideas and opinions on products.”

How does customer behaviour and insight drive design decisions at Lloyds Banking Group and how are you using customer personas within this process?

In digital what we do is customer-centric product development ie our customers co-develop our products with us. As with our innovation process, our design process is all about bringing real customers into our lab and gauging their ideas and opinions on products. We have customer feedback loops that constantly put new iterations in front of the customer, testing them against changing behaviours and ultimately helping us make the right product.

We believe that by doing that you end up with a product that customers want and need. We can then also communicate about the project in a way they appreciate and understand.



MOBILE BANKING

The Lloyds banking app is a platform under constant development to help make the experience faster and easier for users.

How important is understanding the breadth of the customer journey and how do you decide where and when to develop new products and services that could extend that brand ecosystem?

We're very keen to go a lot further in our understanding of broad customer journeys. Within our innovation teams we try to understand not only what problem a customer has, but develop tools to see that problem within the context of an end-to-end journey. We want to know if we are solving the right problems, so looking holistically at a journey enables us to determine if we're focusing on the right point in time with the products and services we are designing. For a bank, we have extended the core value proposition across quite a broad space already, but I do think it needs to happen more and more.

Thinking about the internal organisational structure at Lloyds Banking Group, have you found that learning skills like rapid prototyping has meant that internally you have to restructure the way the organisation looks and the way the teams behave?

Yes. Our innovation team reports directly to the board and we find that very high level support within the business is crucial. As a large organisation in the past we've sometimes had a lot of process that has stood in the way of delivering new products quickly.

In an organisation like a bank, how are you creating a culture of innovation throughout the business?

We have different teams who look after embedding an innovative culture across the bank and host different events throughout the bank. Clearly it's all of our job as a team to foster this culture though, and we believe our job is only done when the whole bank is all about innovation.

I would say a big shift has been seeing wider teams understand the principle of learning by doing. We show them the value of proof of concepts to help them understand the importance of listening to the customer.

We also have different cultural programmes throughout the bank. We have innovation hackathons where we bring businesses, coders, external experts and customers together to solve a certain problem. These are a very intense couple of days where we try to really crack down on a specific problem and end up with a living prototype that we can use. We also do things like 'digital espressos' where we learn about different areas of emerging technology and bring in external speakers to spark ideas in our teams.

FORRESTER®

REPORT

In July 2014, 383 commissioned **Forrester Consulting** to conduct a custom study of more than 100 marketing and product development decision-makers across US and UK brands, with at least 500 employees, to understand how they are justifying and prioritising investments in developing useful digital platforms, products or services to customers. Results from the custom survey were supplemented with Forrester's market data related to this topic.



EVOLVING CONSUMER BEHAVIOUR IS DRIVING BRANDS TO STRIVE FOR UTILITY

We have entered the ‘age of the customer,’ an era in which the relationship between consumers and brands is being rewritten.

A key driver for this is the emergence of new market entrants who are able to quickly identify unmet customer needs and use technology and design to fulfil them. Empowered customers will increasingly choose brands that are focused on delivering quality experiences that help them lead their lives more effectively.

Therefore, the imperative for established brands is to focus squarely on customer needs. Technology offers up opportunities for brands to become more useful to their customers in myriad ways, providing new value and utility. For brands to maintain a competitive advantage and continue to meet customer preferences, they must focus as much on understanding digital platforms, products and services as they do on digital marketing.



FORRESTER®

IN THE REPORT:

- 1) Consumer Attitudes and Actions are Evolving
- 2) Brands are Improving Skills and Organisation Models to Meet Consumer Expectations
- 3) But There are Road Blocks to Becoming More Useful
- 4) Advice to Brands: Increase Collaboration, Seek Partners and Hire ‘Useful’ Skills

1

Consumer Attitudes and Actions are Evolving

For brands to become more useful and address consumer needs they must first understand their attitudes and expectations. Forrester's consumer research shows us that...

Consumers are largely ignoring advertising

Not only are 43% of UK online adults ignoring advertising, 93% do not believe that companies are telling the truth in ads [FIG.1].

Today we see a more astute consumer savvy to how brands use their personal information. With 87% of consumers not willing to share their data for better advertising the supply and demand model is broken.

MISTRUST:

93 %

Of customers don't believe that companies are telling the truth in ads

[FIG.1]

Thinking about advertising in general, please indicate how strongly you agree or disagree with each of the following statements.

% respondents who 'agreed.'

Base:
2000 UK online adults

Source:
European
Technographics
Travel, Auto, Media,
And Marketing
Survey, Q3 2013

I am aware that companies use information about me to send me targeted advertising

67%

I am aware that companies purchase and use my personal information

65%

I don't pay any attention to adverts

43%

When offers are relevant to me, I don't mind being contacted by companies directly if I have opted in

37%

Adverts are a good way to learn about new products

35%

I don't mind receiving adverts from a company that I like and have purchased from before

28%

When offers are relevant to me, I don't mind being contacted by companies directly even if I have NOT opted in

14%

I am willing to share information about my interests to receive more relevant advertising from companies

13%

Companies generally tell the truth in adverts

7%

I buy products because of their adverts

6%

Brand loyalty is driven by useful experiences consumers can depend on

Brand advertising, content and social media activity is less fundamental to driving brand loyalty than providing useful, consistent and trustworthy experiences [FIG.2]. With 64% of customers choosing a brand based on how consistently experiences are delivered, loyalty is often driven by how useful a brand is.

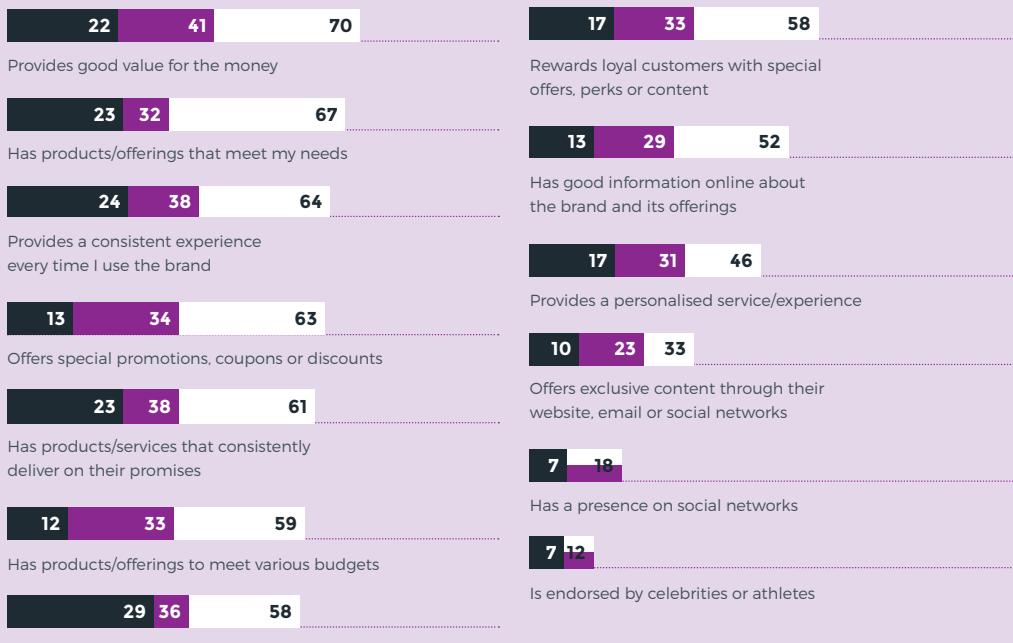
UTILITY

Is the best kind of marketing. Advertising, content and social media is less fundamental than product and customer experience

[FIG.2]

Have you ever chosen, recommended, or paid more for a brand for any of the following reasons? % respondents.

- Paid more for this reason
- Recommended for this reason
- Chosen for this reason



Base: 4535 US online adults

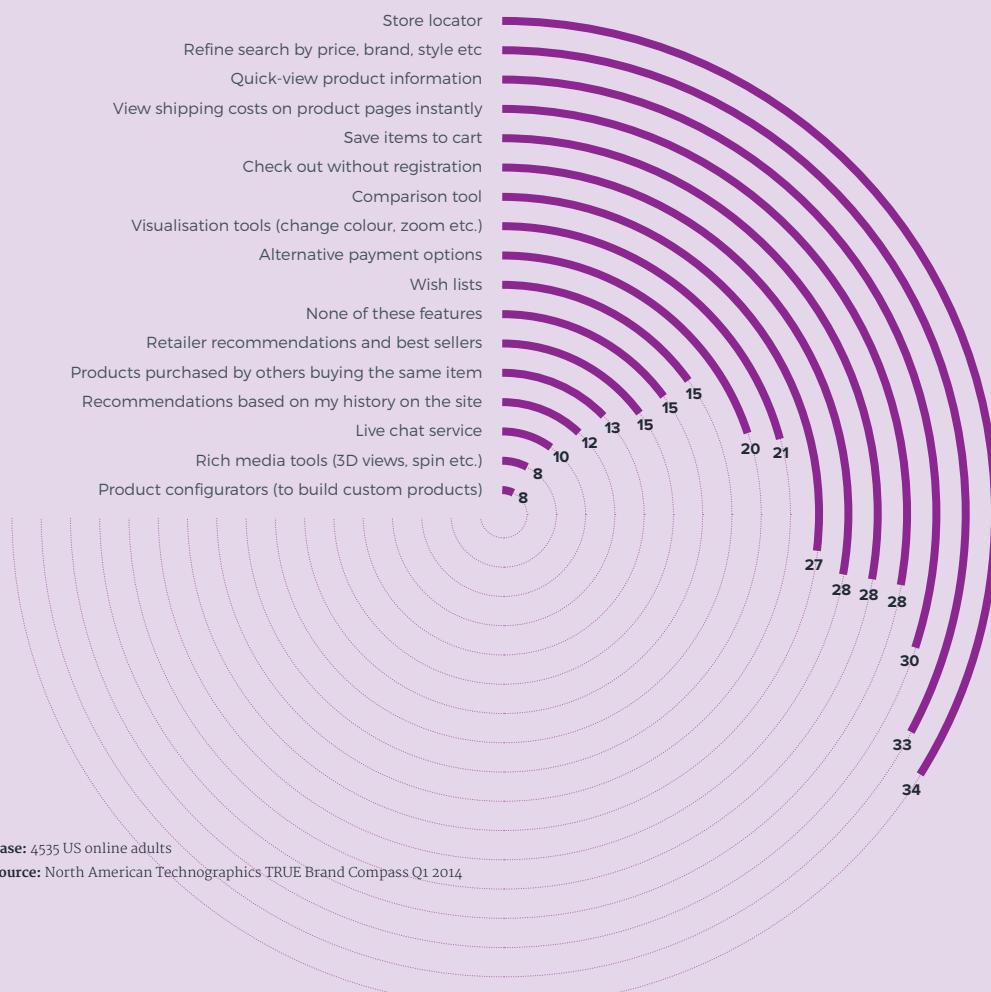
Source: North American Technographics TRUE Brand Compass Q1 2014

Tools that support convenience and speed determine why customers would consider purchasing

It is important to customers that brands get the basics right when it comes to user experience across digital platforms. Forrester's North American Technographics Customer Life Cycle Survey, Q4 2013 revealed that when appraising brand digital properties, consumers value speed and useful features over rich media tools and interactivity [FIG.3].

[FIG.3]

Generally speaking, which of the following product features do you feel are most useful to you when you are considering making a purchase? % respondents.



2

Brands are Improving Skills and Organisation Models to Meet Consumer Expectations

To meet consumer needs, the majority of brands (more than 90%) agree it is important to deliver useful digital experiences. It comes as no surprise then that almost two-thirds (63%) of organisations surveyed said it is very important for their firm to be useful and improve digital customer experience. To become more useful for customers brands are...

Gearing budgets to deliver on usefulness

Brands told us that in terms of budgets, spending on digital innovation and user experience has significantly increased compared to spend on traditional advertising, media and PR

[FIG.4]. This shift corresponds to the reduced effectiveness of advertising, as well as the need to be more competitive through digital technologies.

INNOVATION

43 %

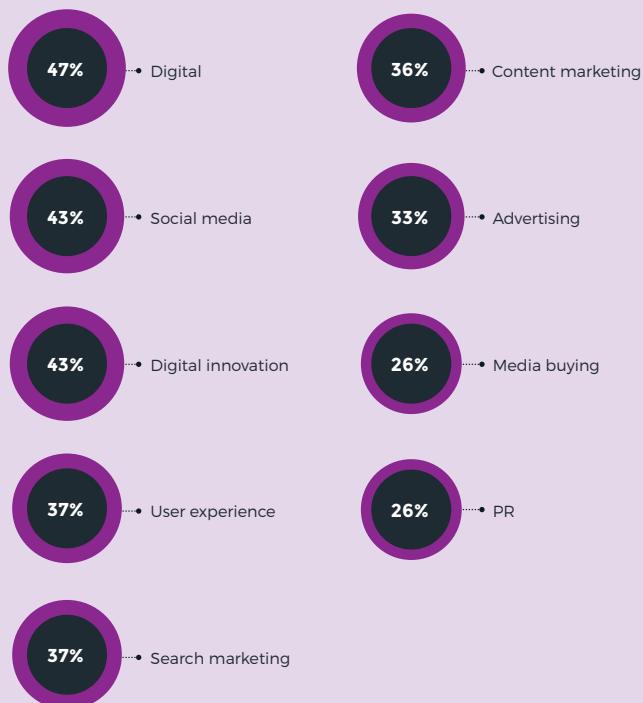
Of brands have significantly increased spending on innovation

[FIG.4]

What has been the effect on the following budgets in recent years?
Respondents who answered 'significantly increase.'

Base: 102 UK and US marketing and product development professionals

Source:
A commissioned study conducted by Forrester Consulting on behalf of 383, July 2014



Recognising the importance of brand APIs as a platform to build useful products and services upon

A startling 78% of respondents believed their brand API will be more important than their own website or app in the future [FIG.5]. A key consideration for brand managers will therefore be choosing the third parties who are allowed to consume APIs and build products with them.

API GROWTH:

78 %

Of brands believed that their brand API will be more important than their own website or app in the future

[FIG.5]

How strongly do you agree with the following statements? % respondents who completely agreed or agreed.

- Agree completely
- Agree



Customers will increasingly expect brands to provide them with more useful ways to interface with their product or service



We will increasingly look to customer experience teams to provide us with insight on how best to make us more relevant and useful



Customers will choose the most useful experience in future regardless of whether that's provided by a startup or established brand



We will have to focus more on meeting unmet customer needs in the future if we are to protect ourselves from being disrupted by startups



Our brand sees value in providing usefulness to our customers



Our brand plans to develop a pipeline of digital innovation to achieve growth of our business



Customer's preference, loyalty and advocacy will be driven by brands who are focused on constantly improving the user experience of their digital



Our brand API on which we build useful digital products and services will be more important than our website or app in the future

Collaborating across departments and pivoting to customer-centric organisation models

Fifty-five percent of respondents highlighted the importance of collaboration between marketing, digital and customer insight teams to enable the delivery of more useful experiences.

In addition, the survey highlighted the importance of the customer insight team's positioning within organisations, with 51% of respondents stating that the customer insight department should be at the heart of the business.

CUSTOMER INSIGHT

51 %

Of brands said the customer insight department should be at the heart of the business

Competent at trend watching, but missing out on 'owned' insights

Brands need first hand insights into how their customers are interacting with their own digital properties. However, more than three quarters of brands stated that third party trend watching was one of the main ways they monitored and understood customer insight, with less than half (46%) conducting remote or lab-based user testing with customers 'on their own products.'

LESS THAN

46 %

Of brands conduct user testing on their own products

3

But There are Road Blocks to Becoming More Useful

There is, however, an execution crisis in being useful for customers with brands encountering problems with data, measurement, technology and resources. Brands told us that despite having increased budget on digital initiatives, they...

Lack familiarity with emerging technologies

Despite having dedicated teams focusing on digital innovation, 52% of brands told us that they lack familiarity with emerging technologies [FIG.6]. Somewhat surprisingly, only 30% of marketing respondents felt they were unfamiliar with emerging technology. This may be a result of marketing's overconfidence

in thinking they are more attuned to the digital landscape than they are. Brands can address this knowledge gap with support from research firms, innovation agencies and university partnerships but ultimately need to improve internal capabilities in understanding emerging technologies.

[FIG.6]

Which of the following challenges have you encountered in improving user experience and developing new useful digital platforms, products and services to your customers?



Base: 102 UK and US marketing and product development professionals

Source: A commissioned study conducted by Forrester Consulting on behalf of 383, July 2014

Lack an understanding of their users' experience

Only 30% of brands are even able to understand the existing experiences they are delivering today using digital platforms, products and services. Without the ability to observe, audit and measure current experiences the ability for a brand to improve and deliver against customers' needs is seriously hampered.

ONLY

30 %

Of brands are equipped to understand the experiences they are delivering today

Lack internal resources

Almost 80% of respondents highlighted a lack of internal resources as restricting them in becoming more digitally relevant. For product development/R&D respondents organisational structure was a greater problem for them than their marketing counterparts; 42% versus 13% respectively identified organisation structure as a challenge.

UNDERSTANDING UX

80 %

Of brands are equipped to understand the experiences they are delivering today

Have a low usage of external resources

Just over a third of respondents highlighted a lack of third party providers as impeding their ability to improve user experience and become digitally useful. However, twice as many product development and R&D teams cited lack of external resource as a problem than their marketing counterparts. Possibly indicating an under supply of third party R&D and product development vendors.

JUST OVER

1/3

Said a lack of third party providers impeded their ability to improve their user experience

4

Advice to Brands: Increase Collaboration, Seek Partners and Hire 'Useful' Skills

Becoming fundamentally useful to customers requires not just new tactics and techniques but a cultural change across the organisation

[FIG.7]. To become more useful and provide improved digital experiences, brands should...

Increase collaboration

Collaboration between teams is often hampered by having separate strategies with distinct P&Ls – something especially true for larger organisations. More than half of the brands cited that a key challenge to becoming more useful was increased collaboration between marketing, digital and customer insight teams.

ORGANISATIONAL SHIFT

55 %

Of brands said increased collaboration between their marketing, digital and customer insight teams was important in providing a better customer experience

[FIG.7]

How important are the following organisational changes to support the shift towards becoming more useful and providing a better digital customer experience? % *respondents*.

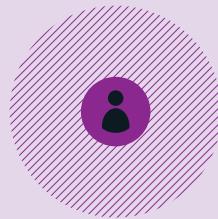


Base: 102 UK and US marketing and product development professionals

Source: A commissioned study conducted by Forrester Consulting on behalf of 383, July 2014

Put customer insight at the centre of your organisation

Fifty-one percent of respondents said that putting customer insight department at the centre of the organisation is very important. This customer-centric approach or organisation model ensures focus and coherence around customer utility, allowing other departments to concentrate on delivering supporting tactics.



Seek external partners

To understand and leverage customer insight in marketing and digital platforms, products and services, 41% of the brands surveyed are exploring external partnerships that have user experience and innovation expertise. Moving beyond trend watching, brands must look to provide a lens on their own customers' behaviour, often by partnering with third party agencies.

PARTNERING

41 %

Of brands are exploring external partnerships

THE USEFUL BRANDS PLAYBOOK

As utility continues to emerge as a market differentiator, where should organisations who are interested in becoming a Useful Brand begin?

THE USEFUL BRANDS PLAYBOOK

Through synthesising the research, anecdotes and personal lessons gained in creating this book we have created 10 plays that organisations can implement to start them on the road to becoming a Useful Brand.

The plays map across the three key attributes of Purpose, Platform and People and are designed to provoke and catalyse Useful Brand thinking. They can be followed sequentially, or used as individual plays in their own right:



- 1. REDEFINE YOUR BRAND PURPOSE**
- 2. IDENTIFY A USEFUL TEAM FROM ACROSS THE ORGANISATION**
- 3. IDENTIFY UTILITY AT THE EDGES OF THE CUSTOMER JOURNEY**
- 4. DRIVE UTILITY THROUGH APIs**
- 5. PARTICIPATION, NOT JUST PERSONAS**
- 6. SURFACE IDEAS FROM ACROSS THE ORGANISATION**
- 7. DEVELOP A PERIPHERAL VISION**
- 8. UNDERSTAND THE HIDDEN UTILITY AND NURTURE IT**
- 9. BUILD USEFUL NETWORKS AND PARTNERSHIPS**
- 10. ADVERTISE YOUR UTILITY**

7

REDEFINE YOUR BRAND PURPOSE

Many brands have a distorted sense of purpose that lacks a real understanding of the core role its products or services play in the customer's life. Brand values are often heavily weighted towards how the brand is articulated from a marketing perspective, but fail to define what the core work of the brand is in terms of customer utility. ▶

The brands that are successfully driving utility typically have a simple and articulate sense of what the brand actually exists to do for the customer's benefit. This understanding may take the form of a shortlist of guiding principles or be crystallised into an actionable mission statement. However, what is more important than the format of the statement or principles, is the content and the culture that it catalyses.

A high-level purpose, focused around customer utility, provides a launchpad for the entire organisation to work from. A shared understanding of how the brand seeks to serve the customer permeates across departments, influencing both the tangible and intangible actions that the brand takes. Guiding principles instil an empathy and understanding of the customer, while also inspiring what the brand could make next.

The goal for brands should be to create a jumping off point that is both actionable and aspirational. The work the brand exists to do for the customer should be conveyed in plain English and be rooted in a true understanding of both what the customer wants now and how behaviour may change in the future. Purpose should be able to outlive the current product line, and provide direction on where an organisation's focus should be if the market changes.

Lessons from recent years are worth remembering too. For example, if Blockbuster's purpose was to become the best way for people to watch movies, rather than the best place for people to rent movies, would they have embraced the Netflix partnership offered in early 2000? If the hospitality industry had focused on a customer need for booking rooms, rather than a business case for creating more hotels, would they have imagined Airbnb?



Purpose should be able to outlive the current product line."

The business direction for a brand is too often intangibly articulated in a dusty brand book. Instead, Useful Brands provide agile and living principles that unite the brand essence with a solid understanding of what the customer really needs from the brand.

EXAMPLES:



November 29, 2014

Take a break from the consumer madness this Black Friday and drop by the Patagonia Worn Wear Swap, an all-day event that's happening at eight Patagonia retail locations across the country. Bring in your used Patagonia clothing and swap it!... See More.



INSPIRING BREADTH

From their brand purpose to 'Build the best product, cause no unnecessary harm, use business to inspire and implement solutions to the environmental crisis' **Patagonia** have launched a range of useful initiatives, from sharing repair expertise to helping customers find and sell used clothing.

GROWING AN ECOSYSTEM

Google have created an ecosystem of useful products, each rooted in their brand purpose to 'organise the world's information and make it universally accessible and useful.'



Google+



YouTube



Maps



Search



Gmail



Wallet



Nest



Android

DRIVING ACTIONS

A brand purpose to; 'Accelerate the advent of sustainable transport by bringing compelling mass market electric cars to markets as soon as possible' lead **Tesla** to make their patents public.



TASKS & QUESTIONS

A

REVIEW:

Map out your current products around the customer journey.

Are they rooted in the utility that your brand purpose describes?

Are there any products that don't seem to align well with your brand purpose as it stands?

B

INTERROGATE:

Imagine that overnight the market for your brand's current products is eroded.

Does your existing brand purpose provide enough scope to add new products or services to the ecosystem?

C

VALIDATE:

Ask around your internal teams, does everyone give the same answer as to what work the brand exists to do for the customer?

MISSION/
PURPOSE

"MAKE
HOME IN
THE AIR"


CUSTOMER
BEHAVIOUR


SECURITY

SEATING

IN-
FLIGHT

CAROUSEL

PRODUCTS/
SERVICES


⚠
NO
PRODUCT
-

PICK A
SEAT
++

iPOD
 +

MEDIA
LIBRARY


2

IDENTIFY A USEFUL TEAM FROM ACROSS THE ORGAN- ISATION

Collaboration across teams is essential for organisations to become truly customer focused. A Useful Brand, as experienced by the customer, will need to be consistently useful across all touch points in a brand ecosystem.►



onsequently, any major function, from product development and marketing, all the way through to customer service and after sales, will need to understand their role in delivering utility for the customer. Useful Brands are good at cross team collaboration, actively employing methodologies and tactics that help teams to work together.

To get started with this play, a specific team can be created to help affect change throughout an organisation. Think of them as the Utility Board or the advocates of Useful Brand thinking. The size and make up of this team will depend on the key touch points the organisation believes affect the customers' experience of the brand. The role of this board is to set in motion customer-centric changes, acting as both the evangelists and initiators of a culture that will cause the brand to become more useful.

Once in place, this team must be empowered to experiment with organisational changes. One such experiment is to elevate the customer's position in the organisation through their inclusion on the Utility Board. By doing so, a group of select customers are then given a voice at a high level within an organisation and regularly consulted in much the same way that a traditional non-executive may be. In this way, longer-term questions around company culture, emerging technology and partnerships, can be discussed early on with real customers who would themselves eventually be affected by these decisions. Culturally, organisations will also need this team to steer and challenge the perceptions around failure.

It is impossible to take the steps towards building Useful Brand ecosystems without first creating environments where teams can learn. Failure is a by-product of learning and a core requirement of customer focused innovation. Many brands set this culture by defining a high fail rate to ensure teams are encouraged to be ambitious, learn quickly and explore new ideas in line with the brand purpose. Learning what doesn't work is an essential part of discovering what does.



It is impossible to build Useful Brand ecosystems without first creating environments where teams can learn."

Finally, Useful Brands must empower teams to develop tools that create a culture of transparency and sharing – ingredients that are essential to making better things. Organisations must focus on both the products of innovation, and sharing the process of doing so across the wider business. Useful Brands are able to take the learnings of smaller teams and distribute the most useful information across the entire organisation. This can be through regular knowledge sharing and internal events or, in the scenario where teams are distributed across different territories, through weekly blogs, video diaries and remote stand-ups.

EXAMPLES:

Blog

Government Digital Service

Organisations: Government Digital Service, Cabinet Office

Ready for live: Make a claim to an employment tribunal

You can now make a claim to an employment tribunal online. This is a last resort for people who feel they've been wronged by an employer.

[Read more](#)



◀ SHARING CULTURE

GDS (Government Digital Service) use weekly updates to make sure that their learnings are shared across departments and project teams.

◀ EMBRACING RISK

Tata promote a culture of 'smart failure' - empowering staff to take risks around innovation by sharing learnings and rewarding intelligent initiatives in the spirit of 'daring to try.'



◀ CHANGE AT SCALE

GE have trained 1000 executives in lean startup methodology with the aim of listening to customers more closely in product design to speed up learning and decision making across the business.

TASKS & QUESTIONS

A

BUILD THE BOARD:

Map out the key departments within the organisation that affect the customer experience.

Then consider who from each team would you identify as being:

- A)** Highly customer-focused
- B)** Trusted by others in their team
- C)** In tune with the true purpose of the brand.

B

BUILD THE BANDWIDTH:

Consider the business critical innovations you need to explore in the next 12 months.

Bearing in mind that one in four innovations typically fail, what level of resource and time will you need to allocate to learning what works and what doesn't?

What might a programme of activity look like to enable the Board to be most effective within the business?

C

SHARE THE SUCCESSES:

Consider the areas where key innovations are currently happening across the organisation.

How tuned in are wider teams to these key projects?

What could you do to share stories among the teams more effectively?

3

IDENTIFY UTILITY AT THE EDGES OF THE CUSTOMER JOURNEY

Useful Brands are typically characterised by a wide ecosystem of brand entry points through digital products or services. This differs from tradition, where brands' focus is predominantly on optimising customer value at the point where it already has market traction.►

With a narrow focus on creating additional value, opportunity gaps exist that are often exploited by existing competitors or startups building new propositions or products around these unmet customer needs. For many brands, the opportunity to differentiate comes by experimenting with new utility outside of their core customer product.

As an example, an airline may be highly focused on improving the in-flight experience and neglect opportunities to develop entirely new products or services around getting to the airport, checking in, tracking luggage or exiting. These touch points present opportunities to create new utility and differentiate the brand from other airlines. Even though these services might not, in themselves, be generating revenue directly, the effects of increased utility can often drive increased customer preference for the core product – in this case flights. The brand extensions around the in-flight experience become the reason why the customer chooses to purchase the ticket from that brand ahead of another.

“

For many brands, the opportunity to differentiate comes by experimenting with new utility outside of their core customer product.”

It is this focus on creating broad utility that has shifted the positioning of many of today's most successful brands; Nike have moved from a trainer brand, to a training brand. Google have broadened from a search tools provider, to a company with a host of entry points across mobile software, communication and publishing, mapping, analytics and hardware. Retail brands such as John Lewis have successfully retained a strong bricks and mortar retail presence by extending brand services via Click & collect, grocery collection lockers and innovation programmes such as JLAB.

EXAMPLES:

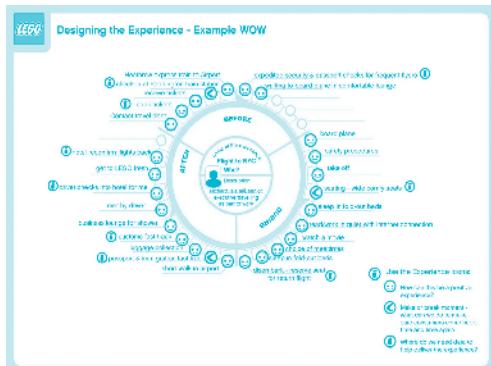


① WIDER OPPORTUNITY

Moo understood that users' appetite for elegantly designed self promotion could live beyond printed business cards. This is driving the expansion of their product range into digital offerings, with new website design tools the first non-print offering in their catalogue.

② WIDER JOURNEY

Through understanding the user journey of their customers in its entirety, **Virgin Atlantic** saw the opportunity to create a point of difference with a tool to help passengers share taxis to their final destinations after they've touched down.



③ BETTER MAPPING

Lego use actionable customer journey maps to design experiences around every aspect of the user journey.

TASKS & QUESTIONS

A

IDENTIFY WIDER OPPORTUNITIES:

Consider a typical interaction your customer might have with your brand and map out their entire journey (pre, post and around their normal interactions with your core products).

Where do your existing products and services map?

Are there any gaps where customer needs emerge that your brand could meet?

B

IDENTIFY AREAS OF FRICTION:

Ask several people from different areas of your organisation to note down unmet needs or friction points they believe exist for customers.

After a few weeks of information gathering, narrow the list by identifying which needs intersect with the areas your brand purpose says you should offer more utility.

What new things could be introduced by your brand to affect the customer journey in these areas?

C

IDENTIFY WHERE COMPETITORS ARE INTERCEPTING THROUGH UTILITY:

List your competitors' products and services.

Where along the customer journey are users being offered differentiating experiences?

How would you define the purpose behind the way they are looking to build customer utility? What threat does this represent to customer interactions with your products?



DRIVE UTILITY THROUGH APIS

APIs are a powerful tool for innovation, so defining their use is one of the most pressing decisions for brands today. Strategic decisions are multi-faceted; internally, many brands require new IT infrastructure to provide a platform for teams to build on top of. Externally, they can benefit from bringing APIs to market that enable the brand to act as a platform for others to build with while also ensuring that they are consuming third-party APIs to accelerate the velocity at which the brand drives new utility.▶

Internally, the types of information that drive utility vary between organisations. Crucial data such as CRM and in-store reports are often siloed in legacy IT infrastructures. In this scenario, the first piece of work for a useful brand is to liberate this data. By engineering core systems to provide an API organisations will begin to build better platforms that can be prototyped on top of.

Amazon re-engineered their entire architecture in the early 2000s around a vision where all internal services interact with APIs. This mandate to underpin the business via useful APIs has ensured that all new projects are consumable across the business.

Externally, a public API not only enables integrations across third parties, but is also a key way to accelerate new customer value. Netflix have fuelled much of their growth via their API, which allows them to handle a huge number of requests across myriad services and hardware.

Some organisations may also consider open public APIs as a way to grow the brand ecosystem, attracting third party developers to consume and create with their services. Facebook, YouTube and Google Maps all have strong public APIs that are deeply integrated into many third party developer applications and as a consequence, have significantly broadened the reach of their services around the web.

Providing a well-maintained public API means organisations are able to operate on two playing fields. Internally, they can focus on specific product roadmaps and best utilise their own finite development resource. Externally, they provide a constant platform of possibilities for other developers to leverage their service in new ways. With a public API, features that might have otherwise been overlooked internally as too niche to develop may be created by an external developer. This helps the brand move at a greater velocity than its resources and also creates opportunity

to improve the overall customer offering. In addition to small teams working on niche products, opportunities also exist for organisations to collaborate with other businesses in complementary sectors. As an example, imagine an insurance provider whose typical approach to resource planning is to allocate developer time to optimise the customer journey to improve conversion rates. Typically, this would be where a customer arrives at the provider's site, enters their information and gets a quote. By opening up an API to selected partners, the provider could instead stimulate new integrations with other sites to increase utility and create new customer journeys. Perhaps an e-commerce site would utilise the API to show specialist insurance quotes next to product listings or a property site could show real time buildings insurance quotes next to properties. Whatever the integration, the point is that a usable brand API delivers numerous opportunities for wider brand ecosystems and the creation of new customer journeys.

While considering what APIs can be pushed out into the world, many successful innovations have also been delivered by harnessing the power of existing APIs that can be brought into an organisation in new ways. Starbucks, as one example, have utilised Apple's Passbook APIs heavily in the creation of their highly successful mobile loyalty application. By using these existing APIs in new ways Useful Brands enable fast and disruptive innovation within their existing customer ecosystems, unlocking the latent power that exists in the services customers are already using.

Of course, with the provision of a useful API comes the tension of maintaining a sharp focus towards a brand's purpose. Useful Brands should only open up their API based on the customer value that could be created. The approach for brands that are focused on becoming truly useful will be to act as a platform for those products or services that are most in tune with the same customer experience goals the brand is looking to fulfil.

EXAMPLES:



DESIGNED TO SCALE

As the gateway into the service, the **Netflix** API is designed not only to handle billions of requests per day, but also to be simple and flexible enough for their UX teams to rapidly test and innovate upon. And all without the need for the API development team to make updates on their behalf.

OPENING UP

To drive new innovations around its digital platforms, **Nike** launched Fuel Lab - a collaborative space for startups, experts and sports industry leaders to build upon the Nike+ API together, creating new products and features designed around athletes.



AUTOMATION

Airbnb's approach to APIs enabled them to use **Twilio** to provide automated SMS notifications between rental hosts and guests during the booking process, removing the need for AirBnB staff to manually intervene with reminders for missed responses or engineer their own SMS system from scratch.

TASKS & QUESTIONS

A

IDENTIFY THE INTERNAL HURDLES:

Think about any ideas or projects in recent memory that have failed or stalled within the organisation.

Are there common technical barriers between them and what are the most common problems with handling data?

Which legacy systems often crop up as ones that cause headaches?

Now, roughly evaluate the cost and (effort) of changing these against the value of them no longer being a hurdle. Tackle the cheap cost and high gain opportunities first.

B

IMAGINE WHAT YOU COULD PUSH OUT:

Next think about all the different services offered by your brand, then imagine each one was accessible as an API and available as a product in its own right.

Outside of your company walls, who might make use of these services?

What places might it enable your brand to be seen?

What might your brand ecosystem look like to the customer if your services were integrated into these places?

C

UNDERSTAND WHAT YOU COULD PULL IN:

Lastly, conduct an exercise to list out all the APIs that might improve your existing processes or fuel entirely new ideas.

Start by understanding all the technologies around your customer. What APIs do they have on their mobile devices, in their homes or in the other online services they use?

List out every API you can think of and then look at how you could interact with these services to drive new utility for your brand.



PARTICIPA- TION, NOT JUST PERSONAS

Developing customer-centric products and services is reliant on organisations finding ways to understand and have empathy for real people. At many organisations, personas are commonly used as the primary tool to help teams understand the types of customer that use a brand's products or services. ▶



oever, within Useful Brands, a much wider range of tools are used to move the business to a position not just founded on customer personas, but on customer participation.

Used in isolation, personas can quickly disadvantage design teams who may be several steps removed from the research nuances and observations that originally went into developing them in the first place. Similarly, persona development driven more by third party insights than genuine first hand research is often skewed towards an organisation's 'ideal' view of a customer, rather than a realistic one. Above all, without involving real customers as participants in the design process it becomes very difficult to have empathy for them and build useful products.

Useful Brands are addressing this empathy gap by experimenting with participatory design processes. For example, some organisations have a long-term pool of users who agree to pilot and test new ideas or technologies before they come to market. Typically, these groups of 'beta' users also continue their relationship with a brand long after a new product or service has launched publicly, in many cases seeing the early access to new features as a benefit that in turn drives loyalty. These longer-term tests enable brands to observe, measure and iterate based on real customer behaviour, rather than trying to gather insights through user interviews or focus groups. They can also drastically reduce the time frames in which insights can be gathered. Where a traditional focus group might take weeks to plan, a field test can provide feedback in a matter of hours. Moving aspects of the design process from the studio into the places where the customer

experiences the brand can provide a new lens on how people behave. For example, instead of defining a hypothetical user experience for a banking technology in a studio, a bank might instead turn an entire branch into a test space providing a place to pilot, observe and iterate new technologies. In this scenario, customers themselves might also directly inform the design and ideation process, not only observing where experiences are broken, but also providing suggestions as to how they could be improved. This process is not about making the customer the designer, but creating an environment where the designer can collaborate more effectively with the customer.



Moving the design process from the studio can provide a new lens on how people behave."

EXAMPLES:

 Hive
5 February 2014 · 48

Would you like to be a Beta tester for Hive? Sign up here and be first to try out our new developments.

Hive Beta Testers

I've signed up to test new features for Hive Active Heating™. You can too. They might, every now and then, ask you some questions, or send you a prototype to try or even pop you an invite to come and play with something in their lab

BETATESTERS.HIVEHOME.COM

Like · Comment · Share

1 Justin Whatley, Jayne Kinsella, Tim Carter and 28 others like this. · Top Comments ·
1 share

 Justin Whatley I would love to be a product tester for all the new Alert Me products, my family just love Hive
1 · 16 February at 02:28

 Ricki Cassar Can you tell me, is it possible for you to alter the software on the room stat? Or is it done in the app software?
Reason being, if I manually adjust my target temperature early in the morning... up or down...the room stat stays at that temperature all day... See More...

1 BETA EXPLORERS

Hive seek out and listen to customers both on and offline, using surveys, in-lab feedback sessions and prototype pilots to explore and validate new functionality, helping them continually iterate and refine their product.

2 SPEAKING TO COMMUNITIES

Microsoft invites its engaged and willing Xbox One community to test and provide feedback on platform and feature updates before they are rolled out globally.



3 'FAN' POWERED

Virgin Atlantic tap into a well-informed group of frequent flyers who are passionate about the Virgin brand and happy to be among the first to participate in innovation projects.

TASKS & QUESTIONS

A

VALIDATE WHAT YOU HAVE ALREADY:

Looking at your existing personas, do they represent a picture of your customers that is useful to the teams currently using them?

How regularly are these personas refreshed, and when was the last time you saw these behaviours in a real customer?

B

BUILD AROUND WHAT PEOPLE DO, NOT WHAT THEY SAY THEY'LL DO:

Thinking about how you pilot new experiences, are there opportunities to move the testing lab nearer to customers' lives, rather than moving customers into the testing lab?

Could you assemble a group of real people who could field test things for you?

Could you create an environment and set of tools that allow you to observe real behaviour when testing prototypes?

Would early access to new features act as a loyalty and retention tool for a small sample of key customers?

C

ELEVATE THE OPINIONS OF THE CUSTOMER:

Aside from the testing of new ideas, how could you make the customer a regular voice in defining the ongoing experiences that the brand offers?

How can you ensure that, from the boardroom to the product teams, the customer is a real and readily available participant?

What new feedback loops could be rolled into existing experiences to gently, but regularly, poll what customers think?



SURFACE IDEAS FROM ACROSS THE ORGANISATION

One critical advantage of Useful Brands is their ability to surface ideas from across the organisation. Large organisations often suffer from the misconception that there is a scarcity of new ideas from the people within their teams.▶

Traditional organisational models are primarily designed around maintenance and optimisation of the proven aspects of what works for the customer; they are highly effective at limiting risk and maintaining the status quo. Processes and structures channel work through the organisation on set pathways, diluting the chance for serendipity by showing the same people familiar things. Consequently, this also means it's very hard for new ideas to flourish. Often a few specific innovation managers are tasked with new ideas, while the rest of the workforce is side-lined with their day-to-day tasks. Useful Brands flip this approach on its head; rather than management or innovation teams being the ones to come up with ideas, they are tasked with finding ways to recognise the best ideas that emerge from within their teams. This means staff are empowered to share their ideas irrespective of hierarchy, with the tools and a culture in place to ensure this is possible.

In large organisations, software is often used to augment this open culture, providing a platform for ideas and opinions to spread. New customer problems or fully fledged ideas may be posted and shared by anyone, in any team. Management can pose specific questions, have visibility on real opinions and ultimately move closer to a powerful single view of both the state of the organisation and the opinions of the customer. In some cases, organisations (including Salesforce and Starbucks) have also chosen to run ideas software publicly to include both staff and customers. This not only aids the primary goal of ideation across the entire business, but also serves to strengthen the other Useful Brand plays around enabling a utility team and encouraging participatory design.

As well as software, Useful Brands have processes designed to deliberately create occasions that engage people from across the business in the innovation process.

Over the past few years, many organisations have adopted aspects of culture from technology 'grown ups', like Instagram and Facebook. This has led to a rise of internal hack days, pitch-a-thons and ring fenced side project time, which all add to a culture where teams are actively encouraged to come up with new ideas in line with the brand's core purpose.



Useful Brands have processes designed to deliberately create occasions that engage people from across the business in the innovation process."

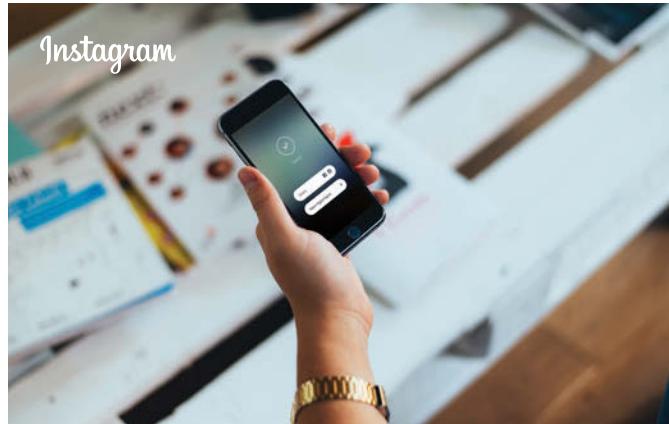
Finally, it is essential that whenever software or processes are in place to surface ideas, there is also a process and workflow that will see them implemented. Organisations must be committed and competent to not only build a culture where teams can suggest ideas, but where there is visibility on how they will then be prototyped, validated and actioned.

Surfacing ideas from across an organisation cannot be an exercise in internal PR, where teams receive a prize and a pat on the back. But instead, it must act as a powerful and democratising tool to improve the customer experience and brand ecosystem at pace. Used correctly, this play turns size and scale into a critical advantage, not a stumbling block.

EXAMPLES:

PITCH-A-THON

Hyperlapse, from **Instagram**, came from an internal 'pitch-a-thon' with the brief to find interesting ideas for creative tools that could live outside the core platform.



THE HABIT OF INNOVATION

Since 1948 **3M** have encouraged their staff to use 15% of their working time to investigate and prove the worth of their own new ideas. This culture of creativity and the will to solve problems has lead to innovative new products, from flexible TV screens to Post-it Notes.



TOOLS FOR IDEAS

IdeaExchange is a platform created by **Salesforce** as a test-bed for new ideas. Open to everyone in the company, it uses a Reddit-style rating system to surface, prioritise and validate the best ideas.

TASKS & QUESTIONS

A

CHALLENGE YOUR ORGANISATION WITH AN EXISTING PROBLEM:

In the short term, conduct a lightweight exercise to share an existing problem with new people. Broadcast the problem out using existing tools and processes, but ensure it lands in front of people who normally wouldn't see it. Pick an open-ended problem and describe it simply (without hinting at any personal ideas you might have for a solution).

Do the responses come from the places you'd expect?

Do ideas from different teams frame the problem in new ways?

How might this new lens benefit the organisation moving forward?

B

FIND NEW PLACES TO TACKLE PROBLEMS:

Draw out an organisation chart and map the traditional lines of communication. Wherever lines don't cross between teams are places to consider how opening up communication could drive new utility.

How could you connect people who might have answers with people who currently have questions?

How can you open new lines of communication between people who'd never normally talk?

Try going up and down from the boardroom to the 'front line,' and side to side, between departments, or office locations.

C

FIND NEW TOOLS FOR NEW CONVERSATIONS:

Lastly, map out all your existing communications methods both internally and externally.

How many of these existing tools might be suitable as ways to come up with new ideas?

Could something that already exists, such as an internal staff message board or newsletter, be utilised in a new way?

Might something external, like your Facebook or Twitter channel, be used to source customer ideas?

In lieu of existing tools, what value might a dedicated piece of ideas software offer if brought into the business?





DEVELOP A PERIPHERAL VISION

Developing a peripheral vision for changes happening outside an organisation is a key aspect of building an effective internal culture. Useful Brands actively create programmes that are designed to look outward, rather than inward. Exposing teams to new technology, processes and thinking, that can change how the organisation operates internally. ►

There are several ways Useful Brands are experimenting with different ideas in this area. One example, is co-locating small teams on field trips or residencies within startups or other sectors. Being among different working cultures causes people to think about how they work within their own organisation and how this can be improved. Of course, not every process will be transferable, nor should it be, but even small actions and ideas taken back into large organisations can have significant effects.

As well as seconding teams into startups, brands are also experimenting with bringing startups and external management teams in to their organisations. These incubator or accelerator programmes enable organisations to actively participate in the development of product and service ideas that may otherwise disrupt them. The attitude adopted at Useful Brands is to see the startup world as an opportunity, rather than a threat. Where a startup might have a compelling idea, larger organisations often have the scale and user base to help bring that technology to market faster. Previously technology startup or talent acquisitions have been made by Silicon Valley players like Facebook and Google, but we are increasingly seeing traditional businesses acquiring technology startups or acqui-hiring user experience teams to bring technologies and skills into their business. Organisations that develop these mechanisms for innovation across their sector benefit from a stronger market position for their organisation and a more useful ecosystem for their customer.

In the scenario where similar businesses in different markets are innovating in similar ways, much can be learned by simply establishing new lines of communication.

By organising a Skype session between teams in the UK with their US counterparts at Nordstrom, John Lewis for example, have been able to discuss common experiments and learnings with a business whose customer profile is very similar. In this way, many Useful Brands have developed broad networks of like-minded businesses that value sharing over secrecy.



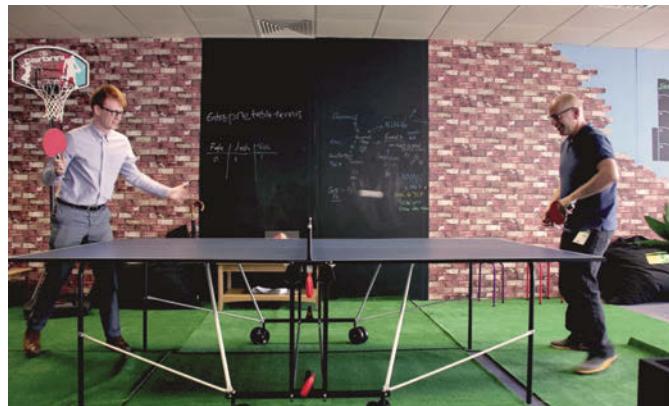
Useful Brands see the startup world as an opportunity, rather than a threat"

Lastly, organisations can often benefit from applying transferred principles from unrelated sectors. The lean startup methodology, as one example, transferred many seemingly unrelated principles from lean manufacturing and applied them to the innovation process for digital businesses. On a broader basis, many of the engineering processes that began at technology businesses like Spotify, Google and Facebook have now crossed over to drive change in sectors such as retail, finance and government. On rare occasions, such as Tesla, bringing a peripheral vision from a different field enables an organisation to disrupt the established competition. For Tesla, Elon Musk's background in software enabled the team to see the electric vehicle challenge through a new lens and create the first viable electric vehicle long before established automotive brands could solve the same problem.

EXAMPLES:

OPPORTUNITY, NOT THREAT

John Lewis identified five startups with the potential to help shape the future of their retail business and invited them to be part of their JLAB technology incubator, making available collaborative working space, funding and select access to their API, all aimed at improving John Lewis' digital experience.



INTERNAL LABS

Westfield started their own Lab as a global hub of digital innovation in the retail sector. Their aim is to create business opportunities through new products, partnerships and emerging technologies. The Lab has the unique advantage of direct access to Westfield malls, allowing UX teams to set up among shoppers and test 'in the field.'



westfield labs

ACQUISITION

Capital One recognised the need for an internal team to solve experience design problems. As a traditional financial institution, they identified UX consultancy **Adaptive Path** as a good fit, with skills to tackle their internal roadblocks.

adaptive path +



TASKS & QUESTIONS

A

REFRAME YOUR THINKING ON STARTUPS:

Identify the startups you're most worried about in your sector, how could you meet them?

Look at your innovation and product roadmap; are you building products that are already on the market?

How might your organisation be able to turn a potentially disruptive innovation into an enabler?

Create an investor pitch by listing the benefits that your scale, infrastructure, track record and organisational philosophy could bring to a startup.

B

ASSESS YOUR SECTOR RELATIONSHIPS:

Look at what's happening across your sector in other territories or markets. How could you establish mutually beneficial lines of communication with similar sized businesses?

Ask your existing technology and systems suppliers who else they're working for – what could be learned by talking to your supplier's other clients?

What could your organisation start doing to innovate in the open, share learnings and broadcast how you work?

How might this change the culture in your sector as a whole?

C

LOOK FOR COMMON THREADS IN DIFFERENT SECTORS:

List some common challenges your organisation faces without relating them to your sector; things like 'managing a digital product', 'understanding customer problems across the business' or 'measuring what matters' (these are a just a few examples, there will be many more).

Now, look completely outside your sector at businesses operating in different areas. Who are the leaders in other industries and where could you ask these questions without exposing your commercial interests?

How could a retail business benefit from time spent in a construction company?

What could a hardware manufacturer learn from a SaaS business? Start some conversations.



IDENTIFY UN- EXPECTED UTILITY AND NURTURE IT

When launching a new product or service, there's only so much prediction an organisation can make around how it will be used. Teams often find that as customer adoption increases new utility emerges that wasn't originally envisaged, leading to unplanned successes and surprising results. ▶

People find useful new ways to leverage aspects of a platform or product, and customers then orbit around these specific areas of utility. Useful Brands are adept at two key areas in relation to this play. Firstly, they are always in tune with the ways in which a product or service is being used, by whom and for what reasons. Secondly, where segments of a customer base are using a product for a specific reason they are able to nurture and grow this segment without the need to change the entire product.

As an example, eBay have seen a number of interesting uses emerge on top of their platform. It would have been impossible to predict at the outset that a site whose utility was rooted in auctions would now see more than 70% of site transactions happening on fixed priced items. Similarly, who could have imagined that experienced sellers could now make a living as trading assistants, helping others to market their goods through eBay in the best way? Within a platform like eBay, it's easy to find many examples of varied utility for different audiences. The lesson, though, is that as this new utility has emerged, eBay have been able to write tests, produce content and launch features that accelerate platform usage in these new areas. This process of identification and iteration that is the hallmark of a Useful Brand.

GoPro are another brand that have built a huge network of customers who demonstrate varied utility from the same product. Originally intended as a compact camera for extreme sports, GoPro have since seen massive traction across all areas of professional and amateur film-making. From GoPros attached to animals and drones, to cameras used as in-car dash cams or as tools for citizen journalism, GoPro's purpose and product has driven them to be a dominant image capture company on a global scale. As with eBay, GoPro's product and marketing teams have ensured that where customers discover new uses for devices, mechanisms are in place to nurture

and grow these uses. On site, customers can shop by activity. Emergent uses are quickly supported with new hardware; dog harnesses, children's chest mounts and night vision attachments can all be found in the online store. Moreover, off-site GoPro's content marketing has provided a strong vehicle to advertise the product's utility. Browse YouTube and you'll struggle to find a GoPro product or brand film, instead you'll find thousands of user-generated videos, curated and republished on the GoPro channel to an audience of several million subscribers.

How then are organisations ensuring that they have both visibility and a strategy to find and nurture emerging uses of their products and services? Firstly, they are ensuring that growth hacking is primarily a product, not a marketing discipline. Where a marketing campaign might bring a flurry of new users, the product or service itself remains in stasis. By growing the user base through product updates that support emerging uses, marketing teams can then advertise new (rather than existing) product utility to potential customers. Product insight teams that understand and monitor how something is being used can then work with customer experience and marketing teams collaboratively to discuss experience updates.

Secondly, brands with multiple products and services are experimenting with ways to nurture utility in new places across their ecosystem. Sky, for example, recently trailed a new service in response to the growing number of customers discussing shows on Twitter. The new service, hashtagged #WatchOnSky, took the functionality to remotely record a programme from the Sky mobile application and replicated it solely through Twitter. Instead of just talking about a show and worrying they'll miss it, customers can now record it directly to their Sky+ box with a single tap. A clear example from Sky of understanding the key utility they offer customers and nurturing it in new places.

EXAMPLES:

▶ PROVEN UTILITY IN NEW PLACES

Sky spotted the noise around their show on social channels as an opportunity to add utility - building out functionality to record shows natively through Twitter.



▶ TUNING IN TO USERS

GoPro are quick to spot when customers use their products in new and novel ways, putting these emergent consumer 'hacks' to work in the development of product lines.

Nachetz. Flickr.
3D printed finger mount



▶ SUPPORTING NEW USE CASES

eBay embraced the growing numbers of trading assistants by offering advice, support and official endorsement to a community using their platform in a new way.



TASKS & QUESTIONS

A

UNDERSTAND THE SMALL USE CASES:

Spend some time observing customer behaviour in areas of smaller incremental engagement or revenue. Use the small aspects or your big data to find niches.

What factors are driving these users to engage with the product or service?

Is the utility they're coming in for different to your existing core user base?

Ask around your existing product teams and customer groups for different examples of customer behaviour. Could these uses represent new use cases for growth?

How might product experience updates or marketing content help identify more people who would want to use the product or service for these same reasons?

B

TRIAL PROVEN UTILITY IN NEW PLACES:

Consider the most utilised aspects of your current customer experience and list each customer need as a feature, for example 'order online,' 'pay bill,' 'configure car'.

Now, look at all the places where customer interactions happen, from your website and mobile products, to physical locations like shops, showrooms or public spaces.

Where might proven and successful useful experiences be replicated across these places? If you have a mobile product that allows people to buy tickets, how might a similar experience be delivered on Twitter? If you have a website that allows people to buy travel insurance, how might that transaction be moved to an airport lounge?

C

GROWTH HACK THE USER EXPERIENCE, NOT THE MARKETING:

Look at the typical pattern of usage with your customers and identify areas where you might be marketing your way out of an experience problem.

Are you seeing a high volume of customers driven through to trial a product or service, but with limited repeat usage? In what way could this be remedied by initially fixing the experience and then marketing the solution?

Do product marketing teams truly understand the utility offered by the existing experiences?

How could budgets allocated to product growth and marketing be put to use to also improve and grow the core experience?

9

BUILD USEFUL PARTNER- SHIPS

Perhaps one of the biggest changes alongside the evolving behaviour of today's customer is the behaviour of organisations themselves. Within competitive markets, they are coming up with new ways to develop customer-focused Useful Brand partnerships and build networks of co-operation and co-production with their industry counterparts.►

Useful Brand partnerships offer organisations an opportunity to quickly accelerate their ecosystem by bringing new technologies, products or services to market with other organisations. This play poses the question, 'If a customer-focused idea can't be implemented by an organisation on its own, could it instead be delivered jointly with someone else?' For Apple and IBM, whose businesses were fiercely competitive for many years, we now see a clear example of this Useful Brand collaboration in action. The two organisations have accepted that for new utility to emerge they have to work within the parameters of the developed market. In this case, Apple had the critical advantage in hardware, IBM the knowledge in business software; by partnering, an entirely new range of enterprise applications under the name MobileFirst will be created, offering both brands a stronger ecosystem and driving new utility for business customers.

In other areas, brands are looking at how completely separate business models could be strengthened by partnering together. One example is Airbnb's partnership with the Nest. Here, complementary brand purposes around energy conservation and thoughtful design enable two different businesses to unite different products in one customer experience; with Airbnb providing selected hosts with Nest Learning Thermostats free of charge to feature in eco-friendly



Brands are looking at how completely separate business models could be strengthened by partnering together."

home collections for potential guests. Although brand partnerships like this are currently rare, they signal a changing tide in the market where product saturation and brand monopoly will drive co-operation and brand partnering if new utility is to emerge. By understanding both the customer value created through products and the ideals driven by brand purpose, Useful Brand partnerships will become more frequent.

EXAMPLES:

► COMPLEMENTARY EXPERTISE

Apple and **IBM** partnered to create a portfolio of business services, each party leveraging their own market expertise and consumer trust to drive utility.



► COMMON PURPOSE

Airbnb and **Nest**, two companies that disrupted their respective sectors, partnered to improve a common user experience - making travel easier and more energy efficient.

► EXTENDING EXPERIENCES

Beats collaborated with **Southwest Airlines** to make their music streaming service available as part of the in-flight entertainment.



TASKS & QUESTIONS

A

IDENTIFY CAPABILITY GAPS TO EXTEND THE JOURNEY:

As with play #3, map out a broad customer journey around your core product and pinpoint areas where your brand currently offers little or no utility.

Now, list all the businesses and technologies that could or do offer utility to customers in these areas. Where might a new partnership enable a co-branded service to be offered?

Which of these other organisations currently have the right solution, but no traction? Could that traction be created by leveraging your organisations existing scale, infrastructure or ecosystem?

B

IDENTIFY COMPLEMENTARY UTILITY TO IMPROVE THE EXPERIENCE:

Now consider other brands that your typical customers might buy in to. List the products and services and map them around the customer.

What does this new picture of your customer show? What types of other products and services are they bringing into their lives? What services do they pay for? What hardware do they have at home? How do they get about?

Now list which of those brands have a complementary purpose to yours. What opportunities might there be to co-market products or services together? How could you offer the same customer-increased utility together?

C

IDENTIFY SIMILAR PURPOSES, AND SHARE KNOWLEDGE:

Going back to the map you just drew, what brands on that list would you benefit from having dialogue with?

What new things might they be able to tell you about the customer you're both designing experiences for?

How might you fine tune what you offer in light of changes that these other brands have made to accommodate the same customer? Consider opening lines of communication and be willing to share in return.

10

ADVERTISE YOUR UTILITY

At the epicentre of all advertising strategy is the desire to find a single idea or message that will cut through the noise and generate differentiation. For Useful Brands, their utility is the differentiator. That utility drives the customer experience, while also providing the fuel for their advertising messaging. ▶



hen Useful Brands understand that customer relationships are driven through product experience, advertising becomes a crucial stage in the purchase journey to demonstrate that utility. Examples here are myriad, but look across most advertising and you'll see utility in play; British Gas' Hive adverts show a character adjusting heating on their mobile. Google's 'business story' advert series shows the utility in the Google platform for budding entrepreneurs. Sky's 'never miss' series unites the programming content with the utility benefit of the digital products and services. Lloyds' brand purpose 'Moments that matter' is demonstrated explicitly in their 'Time Matters' TV ad, showing customers how the mobile experience is designed with their busy lives in mind. The list goes on.

Of course, this utility-driven messaging is not, and cannot, be for every brand. For many products, particularly within FMCG, it is a brand name and not the product experience that is the main differentiator. In this case, brands must fall back on entertainment, rather than utility. But for those brands that can truly differentiate on utility in advertising, showing the customer experience always trumps entertainment as a logical message to expose.

Additionally, product advertising should not be something that is considered once something is made, but as a key aspect of any design process. An easy-to-identify customer message is a key test for an early product or innovation idea during the design process. Is the idea we're proposing truly useful? Can the benefit be understood in a sentence? Does it offer the customer something that's better than what is out there? These are the questions that make great products, but they're also the same questions that drive great ads.



For those brands that can truly differentiate on utility, showing the customer experience always trumps entertainment."



◀ UTILITY LEAD

easyJet used the ease of their boarding pass app as a key point of difference.

▶ USEFUL ADS

Hive's Tube ads took putting the user first to the next level. By displaying the benefits of the device in time-based takeaways, they gave users the ability to understand the proposition in however long they had before the next train.

Mind if we tell you a bit about Hive?

My train's punctually here, make it a breeze
Happily one of the last to leave, making all the other trains stand still. But don't blame me.

My search is a couple of minutes away, tell me it's free
I'm always looking for ways to save money on my electricity bill. And I've just found one. My app is telling me I can save up to 10% on my electricity bill by turning off my kettle when I'm not using it.

My car's who knows where, I'm in with all you've got
If it's time to replace your boiler, you could be in for a surprise. With Hive, you can get a new boiler that's designed to work with your existing Hive smart meter. So you can get the best of both worlds.

I mean it, the Internet of...
It's not just your kettle that's connected to the Internet of Things. Your Hive smart meter is too. So you can control your heating and hot water from anywhere in the world, and even turn it off when you're not home.

OK for Instagram, what now?
Just one more minute to get that perfect shot. While you're waiting, why not turn your Hive smart meter into the perfect Instagram background? All you need to do is take a photo of your meter and upload it to Instagram. You never know, it might just go viral.



◀ UTILITY LEAD

Apple's campaign for the iPhone6 focused on the utility of the camera as a key point of differentiation.

TASKS & QUESTIONS

A

COMPARE YOUR ADS WITH YOUR PRODUCTS AND PURPOSE:

Collate copies of all your advertising and customer facing communications from recent years.

As a body of work, does a single brand purpose emerge through the messaging?

If the work is advertising specific products, is the utility in the original product idea clearly articulated?

Highlight any areas where these threads don't emerge and ask these questions. What was the story behind these ads? Did the messaging work? How connected were the people who designed the experiences with the people who made the ads?

B

SHUFFLE YOUR TEAMS:

If you don't do it already, consider ways that you could bring the advertising/marketing teams and the product/customer experience teams closer.

How could individuals with advertising backgrounds inform the ideation process for product or customer experience teams?

How could product or customer experience teams help brief and interrogate advertising ideas?

Are the same customer problems and research that kick-start any innovation processes also driving the launch and marketing of tested ideas?

C

ASK YOUR CUSTOMERS ABOUT YOUR ADS:

Conduct an exercise to speak to existing customers about your ads. Although most advertising will be designed to acquire new customers, it can be useful to understand if and why your advertising resonates with the people who already choose your brand's products and services.

Do they think the messaging described is a good reflection of the experience?

What one message would they pull out if you asked them why your brand is useful?

Does the suggested message resonate with a behaviour they recognise in themselves?

PURPOSE
>

CX

PRODUCT

MARKETING
>

ADVERTISING

USEFUL BRANDS: SUMMARY



Jacob Dutton

PARTNER, 383

From the outset of founding 383 we've been deeply passionate about sharing our knowledge, point of view and skills with our friends, clients and peers. The Useful Brands Playbook is the summation of months of research, interviews and trial and error. It has been a labour of love and something we're proud to put into the world.

We're incredibly grateful to our research partners at Forrester, our interview subjects at Hive by British Gas, Virgin Atlantic, John Lewis, Cancer Research UK, Lloyds Banking Group and of course to our clients who have been exploring the future of their organisations with us for the past eight years.

It's our hope that through the insights and practical plays shared in this book ambitious companies of all sizes who are struggling to come to terms with the seismic shifts occurring in organisational culture, customer behaviour and technology can start to make themselves fitter for tomorrow and become a more Useful Brand.

RESOURCES & FURTHER READING



Thanks for taking the time to read our book.

TUMBLR:

You can find a regularly updated Tumblr of brands exhibiting aspects of the Useful Brands Plays at:

examples.usefulbrandsplaybook.com

TALKS:

Regular talks on brand utility, including guest sessions from Dave Wascha (Microsoft and Travelex) and Edd Read (co-founder at Graze.com) can be found on the 383 blog at:
www.383project.com/blog

FURTHER READING:

The Useful Brands Plays touch on a number of different tools, methodologies and frameworks that help organisations drive utility.

- 1) www.theleanstartup.com
- 2) www.christenseninstitute.org/key-concepts/jobs-to-be-done/
- 3) www.jobstobedone.org

TOOLS:

If you'd like some Artefact Cards (used extensively in this book, and internally at 383) you can grab them at:

artefactshop.com