Book Baked In

Creating Products and Businesses That Market Themselves

Alex Bogusky and John Winsor
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Recommendation

Apple CEO Steve Jobs approaches innovation with attitude, saying, "I want to put a ding in the universe." Many would say Apple's products have done exactly that, from the Mac to the iPad. Customers don't just love Apple's innovative gear – they become devoted members of its tribe. Apple's products market themselves. Indeed, as Alex Bogusky and John Winsor put it, Apple "bakes" the marketing right into its products. In this charming, short book, they explain why innovation is the best marketing tool, why collaboration is the best approach to product design and why the Internet puts the customer firmly in charge (you'll be all a-Twitter). *BooksInShort* believes anyone involved in product development, branding and marketing could benefit from these concepts. The book is fun to read, from its whimsical illustrations to its succinct ideas: "Don't just design what you see...design what you don't see."

Take-Aways

- Companies often fail to integrate product design and marketing. As a result, their marketing message may not match their products' real story.
- This muddies the products' narrative and discourages innovation.
- Instead, firms should "bake" their marketing message and branding into their products' design. Products created this way sell themselves.
- Customers want outstanding, tailored goods. Being "acceptable" is no longer adequate.
- Everyone involved in a new product should collaborate in creating its narrative.
- This collaboration must include your customers, who now rule the marketplace.
- Web-based social media spread buyers' product reviews, which can "go viral" instantly.
- Collaboration spurs innovation, the best path toward increased sales and profits.
- To bake in innovation, diagnose what business you are really in, simplify your products and break down barriers between you and your customers.
- Don't be afraid to act counter to social norms. "Be a heretic."

Summary

Your Product's Story

Products' brand stories make promises to customers. But, too often, marketers don't dig deeply enough to discover their products' true stories, the telling narratives that should be at the heart of their branding and advertising. Instead, ad agencies use focus groups and other such tools to elicit narratives that represent only the wishful thinking of their test subjects. These illusions become the foundation of marketing plans that create product stories which turn out to be lies.

"The process of marketing is to uncover, coax out and tell a story that is buried inside the product."

Instead of this flawed approach, marketers should "bake" consumers' wishes and insights – and, thus, a marketing narrative – "right into a new product." Such a product, one that is truly congruent with its story and its audience, can sell itself. In fact, the product and its marketing will be one and the same. This is not the traditional business approach. Since the Industrial Revolution, design and marketing have been "largely disconnected ideas." Companies put everything into separate silos. Marketing and advertising are "strategic efforts," the realm of CEOs and sales executives. Product development, which takes place at a much lower organizational level, is the responsibility of product managers.

"The message isn't separate from the product...the product is the message."

In this disconnected environment, marketing's stories support corporate strategy, but have little to do with products' real personalities, which may reflect the vision of a product manager who has little say in marketing. Product managers may have no real sense of the corporate brand, or may use a design process that inadvertently shoves the brand aside. As the process unfolds, perhaps due to a designer's private agenda or the ruminations of unhelpful focus groups, the product story gets twisted. At some point, the item gets sent to marketing, which often discards any remaining shreds of a viable design narrative and starts planning a whole new product story. Then, an ad agency creates its own story. By the time the product goes public, four outcomes are possible:

1. No story exists for the product or the marketing.
2. No story exists for the product, so marketing invents one.
3. The product possesses a distinct story, but the marketing tells a different story.
4. The product possesses a distinct story, and marketing brings it alive.

"Today, marketing and product design remain largely disconnected ideas."

Clearly, you want the fourth outcome, but to achieve it, your firm must break down constricting silos and let its employees, customers and marketers collaborate. This is the ideal, strategic way to unite design, selling and branding, and to develop a potent product narrative. It is also the most viable way to deal with a rapidly changing, confusing commercial environment where respected brands can fail overnight in the face of "digital technologies, globalization, cultural diversity, economic recalibration, and the sheer volume and variety of available products."

"Corporate structures have gotten in the way of the momentum creativity can generate."

The way companies connect with consumers is changing drastically. Now people use digital tools and advanced technology in powerful ways that were unimaginable a few years ago. Want to be heard? Create a blog. Have a product idea? Design it on your laptop and e-mail it to a factory across the globe that will produce it quickly and cheaply. Want to chat? Twitter away.

"Acceptable" Is No Longer Acceptable

For decades, companies mass marketed acceptable products. They hesitated to make radical changes to their products in case the masses wouldn't like them. They were content to noodle around the edges of product design. Today, being acceptable is a dangerous strategy. Consumers want outstanding, tailored products. Innovation is in; safe is out. And customers are in charge.

"Many of the brands we know and love are filling landfills with their products and logos."

The bright line that once separated manufacturers from retailers and consumers no longer exists. Customers now want to play a part in product planning and design. Fail to let them do so, and they may roast your products unmercifully on Twitter, Facebook and YouTube. Their critiques will spread quickly, virally, throughout cyberspace. Customers using "interactive tools" easily can research your company, culture and products. They can rate their "buying experiences" and publish instantly, praising or condemning your products, company and brand to the planet. Since consumers now control how the public perceives your brand, get them on your side. Collaborate with them as co-creators of your product's narrative.

"Everything is changing. The Old Order is no more. Welcome to the Participation Economy." (Kevin Roberts, CEO, Saatchi & Saatchi Worldwide)

The serious implications of this focus on superior design and innovation extend far beyond the marketplace. Innovative thinking promises the best answers for the world's seemingly intractable problems, such as health care, power, transportation and economics. Change is necessary, "but isn't change what humankind is really all about?"

Faster than a Speeding Brand

Business didn't always move so quickly. In the post-Industrial Revolution era, recognizable brands like "Pillsbury flour and Morton salt" ruled. Consumers counted on them for quality. In reality, competing products once barely differed. Marketing had to differentiate among them through superior branding. Spin was everything. In this environment, marketing and production had little need to coordinate their efforts.

"It's time to break down...internal silos and realize that collaboration is at the heart of this new marketing/innovation paradigm."

That world is gone forever. Visionary companies now find traditional marketing and advertising passé. Some superior brands even enter the market without advertising. For quite some time, Starbucks refrained from regular marketing. "Its coffee and shops – its products – were its sole marketing tools." Starbucks posted plain cardboard notices in its shops to announce new products. People gladly passed the news to their friends as a form of "cultural currency." Such marketing is baked into the product; people want to share it and "to be part of telling its story."

"Is a Web site a product, a retail location or marketing? The answer is yes."

The product has become the manufacturer's most "powerful brand-building" weapon. Once, old-style marketing set out to seize a portion of the market; now, companies must innovate to create their own unique markets. Innovation trumps branding as the path to profits. Consider how Apple made a market with the iPod and iTunes. Apple had no interest in being just another entrant in the MP3-player market. It debuted an innovative product that became an entirely fresh pathway for purchasing music. As a result, now it owns about "75% of the player market and about 85% of online music sales." Apple did not advertise its way to such dominance. It innovated instead.

Baking Procedures

Become a business juggernaut by baking your marketing directly into your product. Baking in is a process that is undergoing steady development and improvement. It has a community of followers and multiple ongoing conversations on Twitter, emblematic of its collaborative personality. The following baked in principles are "recipes" for innovation, a "narrative foundation for both better marketing and better products":

- **"Recognize the artificiality of the corporation"** – Think of a corporation as a wall that separates those inside from those outside. Understanding and collaborating with people on the other side of a wall is difficult. Break through the barrier. Patagonia, an outdoor clothing manufacturer, took this step by revealing its production processes to the public, which turned out to be a great way to get customer feedback. Patagonia welcomes its customers' suggestions and critiques. Shouldn't you?
- **"Get out of whatever business you think you're in"** – MP3 manufacturers saw their devices as similar to portable CD players, only smaller. Apple looked at things differently, envisioning its iPod as an opportunity to deliver music in a new way. Now it controls the MP3 market. Do you know what business your company is in? Are you sure? Write down the benefits, emotional and otherwise, that your products deliver. Is there another, better business you could be in?
- **"Knock down the walls"** – Many companies stifle innovation it by assigning it to a specific department, like product development. This sends a clear message to every other employee: Don't worry about innovation; our product development people will take care of it. So when somebody in marketing or human resources has a great new idea, it goes nowhere. Make everyone part of the idea-generation process.
- **"Sacrifice and simplify"** – The more features, the better, right? Not always. In contrast to its competitors, Pure Digital's Flip video camera has a glaring lack of features. Instead, it has six simple buttons – all you really need to shoot video. People bought 1.5 million Flips from 2007 to 2009. In 2009, Cisco bought Pure Digital for $590 million. Less is more.
- **"Feeling conflicted? Good"** – In recent years, running shoe designers have focused primarily on injury prevention, yet the number of running injuries has remained constant. All of the improvements concerning "pronation, supination [and] forefoot bruising" did not improve runners' safety. Therefore, Nike decided to produce a new shoe, the Nike Free, designed simply to protect feet against "surface wear and tear." It imitates the sensation of running barefoot, and flies in the face of convention and corporate habit. This takes courage, but that is how innovative companies break out of the pack. What would happen if your company "went in the exact opposite direction"? Your answer might show you a new way to differentiate your products.
- **"Mine your history"** – Does your company have an inspiring history? HP had that famous garage. Nike had co-founder Phil Knight traveling around in his station wagon selling running shoes. Tell your stories to guide your firm and inspire your employees.
- **"Understand both sides of your truth"** – Outdoor clothing manufacturer Nau went against industry custom by focusing its advertising on the outdoor experience instead of showing famed extreme athletes wearing its gear. Yes, sports heroes inspire buyers, but the experience itself truly motivates outdoor enthusiasts. What inspires your customers?
- **"Culture trumps influencers"** – Today's "interpersonal networks" do not depend on influential individuals to brew buzz about this or that. They're much more democratic, open and flexible. So is culture, which is always poised for imminent change. And1, a sports apparel firm, proved this when it featured edgy street basketball players in its advertising. These ads were popular. Soon, Nike and Adidas followed suit, abandoning NBA-star endorsements. List the "cultural trends" that affect your customers. Are they sensible? Logical? Or are they incongruous? How could your company change them and benefit?
- **"Broaden your definition of design"** – Eco-Products makes biodegradable "knives, forks and spoons," big improvements over throwaway plastic utensils. The company's sales increased 500% in 2008, but it could do better. Its environmentally friendly products resemble ordinary plastic utensils, so they don't communicate their story. Make sure your products tell their own stories.
- **The all-mighty co-creator"** – In Ayn Rand's novel *The Fountainhead*, architect Howard Roark destroys his own creation rather than letting others compromise the integrity of his design. Was Roark a "control freak"? Here's a different approach: Young people work with Levi Strauss designers to dream up new jeans. Let those who buy your products help you design them. Establish a dialogue. Use social media, such as Twitter and Facebook. Vest your customers in the future of your products.
- **"Feel it in your bones"** – No one planned such game-changing products as "Post-its, cellophane, Teflon and Scotchguard." They all resulted from "experimentation and intuition." Their discoveries were more "what the...?" moments than shouts of "Eureka!" Innovation itself drives solid innovative thinking.
- **"Steal to innovate"** – Sometimes, thievery is a compliment. But don't steal ideas from your competitors. That just makes your company an also-ran. Instead, steal from companies outside of your industry. Consider how Apple ended up with a graphical user interface initially developed by Xerox. Plenty of great ideas are out there, simply waiting for someone to make a fortune with them.
- **"Be a heretic"** – High jumpers always jumped facing front, their stomachs traversing the bar. In 1968, Dick Fosbury jumped upside, winning an Olympic gold medal and breaking the high-jump record. Now, everyone jumps like that. How can you radicalize your business in a world where "Upside down has become the new right side up"?

About the Authors

Alex Bogusky, an award-winning art director, is co-chairman of a creative agency recognized by *Fast Company* as one of the most innovative firms in the world. **John Winsor** is the firm's vice president and executive director of strategy and innovation.