

BY DON E. SCHULTZ

INSIDE THE BOX

WHENEVER I PICK up a trade journal, receive a notice for a seminar or conference, or visit a trade show, big headlines, banners and blaring videos tell me “out of the box” is critical for today’s or tomorrow’s success, growth or even survival! It doesn’t seem to matter whether that “out of the box” is thinking, doing, implementing or managing. Clearly, to some, it’s the most important thing anyone can be doing today.

“Out of the box” is in, “in the box” is out.

And it has only gotten worse. Now we’re told that while out-of-the-box innovation is important, authenticity is critical. Seems like authentic, “out of the box” and innovation are the three magic terms to get us out of the present economic malaise. Whatever we have done in the past is passé. We have to find new tools, techniques, approaches, methodologies ... in short, out-of-the-box stuff!

But, is this innovative, out-of-the-box thinking and doing really what we need? Is “out of the box” really all it’s cranked up to be? Is authenticity really the be-all and end-all to getting consumers back in the stores and out of their household bunkers?

Who should know better than Tom Kuczmariski, CEO of Kuczmariski & Associates of Chicago? Tom is one of the recognized leaders in innovation. In fact, he knows so much about it that he and journalist Dan Miller developed the Chicago Innovation Awards, a contest to reward organizations for the best innovations on an annual basis. This past innovation season, the competition generated 307 entries. More are expected in 2009.

So, what does the chief innovator say? Tom has a simple model: It always starts with consumers, not among the brainstormers so in vogue or even in the R&D lab. Innovation is the ability to see a real consumer need and fill it. Do that, and success will follow. Tom uses such examples as PrepMe, Abbott Laboratories and the Gas Technology Institute.

But, you say, all these innovations came from “inside the box,” that is, from needs, requirements or problems current customers have with current products and services. All that innovation is simply meeting and filling their needs. That’s not “out of the box!” And that’s Tom’s point. Since you already know these people, if you ask them their problems and then solve those issues, presto-chango, you have an almost instant success.

So is “out of the box” really the solution to business problems? Or, is solving current in-the-box problems a more relevant approach? Maybe in-the-box issues have to be solved first, before we can create the authentic, innovative and out-of-the-box solutions that all the pundits are crying for.

Think for a moment or so about the multitude of in-the-box challenges marketers and marketing organizations face. For example:

Customers and consumers. There is a multitude of in-the-box things we don’t know about consumers. Our research tools and techniques

clearly don’t work like they used to, if they ever did. How do you get consumer insights? It doesn’t seem to be by asking them questions. Is it ethnography? Behavioral targeting? Or maybe even Martin Lindstrom’s new fMRI techniques? Clearly, this is an in-the-box question.

Budgeting and allocation. Tools currently being used to budget for marketing and communication investments are either antiquated or irrelevant. Ratios, the most common methodology, i.e., a percentage of past or future sales, make no sense. Sure, they’re easy and quick, but are they relevant? I got a press release from a firm that said “5% of past sales is the magic number for marketing spend!” No support. No evidence. Just a magic number that’s dreamed up by someone and then is applied to any and everyone. More in-the-box answers are clearly required.

Measurement. Results measurement is critical. But, what box to use? ROI or ROMI or some other here’s-what-we-spent-and-here’s-what-we-got-back historic calculation. The problem, of course, is that the financial folks generally don’t get too excited about out-of-the-box measurement approaches. They own the cash box and marketers are not encouraged to stray too far from in-the-box solutions.

Allocation. My favorite “new” subject. Why? Because I can’t find many organizations that have the foggiest idea of how they should allocate their resources—in marketing, promotion, online versus offline, or even short-term or long-term. Somehow, the statement I heard a CMO make a couple of weeks ago that “5 to 8% of our promotional budget to be spent on digital and online sounds about right” is not what can be called sophisticated management. But it’s hard to find anything much more advanced. This box has been around for more than a decade, but no one seems to have a much better approach than windage and gut feelings.

Silos. Almost every organization, everywhere is an aggregation of functional silos. Lines and boxes that can’t or won’t work together. They are constantly sniping at each other, with the silo manager’s primary goal being to try to find ways to siphon off the resources of other silos. Another in-the-box problem. But this isn’t just a box problem, it’s a multitude of boxes that need to be assembled and focused on customers. David Aaker’s new book suggests silos are the biggest challenge for CMOs today. Again, as in the past with his branding insights, David is probably right.

So, do we really need out-of-the-box approaches? Probably not as much as we need in-the-box solutions. For, at least we know what those problems are. **m**



Don E. Schultz is a professor (emeritus-in-service) of integrated marketing communications at Northwestern University in Evanston, Ill. He can be reached at dschultz@northwestern.edu or news@ama.org

