

INNOVATIVE COMPETITIVENESS

Rethinking the International Business Model

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THE WAY BUSINESS THINKS IS CHANGING



MASS PRODUCTION

Engineering Model

Make it → Sell it (Engineering Demand Model)

Then Came 70s

Early Information Importance & **4Ps**

LEAN JAPANESE MODEL

Just In Time (JIT), TQM, 6 SIGMA,

Make it with – **Marketing/** Consumer Research/
Modify

INTERNET/ INFORMATION AGE

Create Value → Information – Innovation
Consumer Driven – Change

Today's Competition

Price

Place

Promotion

Product

HOW THE WORLD HAS CHANGED

Looking @ Old Marketing 4 Ps Mix

Internet Enabled Mix

Price



Heavy **influence of firm** in relation to competitive positioning. Price **segments** in order to achieve the highest price from different consumer groups through **targeted discounting**.

Significantly **influenced by consumer**. Internet searches for price and information flow by social networks, and reduce company's ability to regulate price.

INFO SEARCH PRICING

Freeloader Research – Information

Place

Marketplace focus with company sites. **Some freedom from place through mail orders** and mailing of brochures.

Internet **frees companies from location— location** becomes web address. The concept is that "**marketspace**" makes products and services globally available.

Promotion

Standard avenues of advertising, using mixture of TV, print, radio, etc. Idea is to "**intercept**" **people** and get them to shift away from current activity toward seller's promotion (read the ad, see the billboard, interrupt the TV show).

COMPANY DRIVEN intercept and message

BrAND – IMAGE Company Controlled

Search Engine Optimization a central means of reaching consumers. Uses data mining techniques to focus resources toward specific high-potential consumer groups. Digital campaigns non-intrusive to the consumer.

CONSUMER DRIVEN

**TARGET : FACEBOOK & GOOGLE
DEMOGRAPHIC – DATAMINIG**

Product

All products and services available but often in **predetermined supply** due to inventory issues. **Relies on location** for distribution.

**THROUGH PROMOTION YOU FIND
PRODUCTS/SERVICES PUSHED AT YOU**

Digital services and products available for immediate download and use. **Physical products** available through mail distribution. **long tail ability**

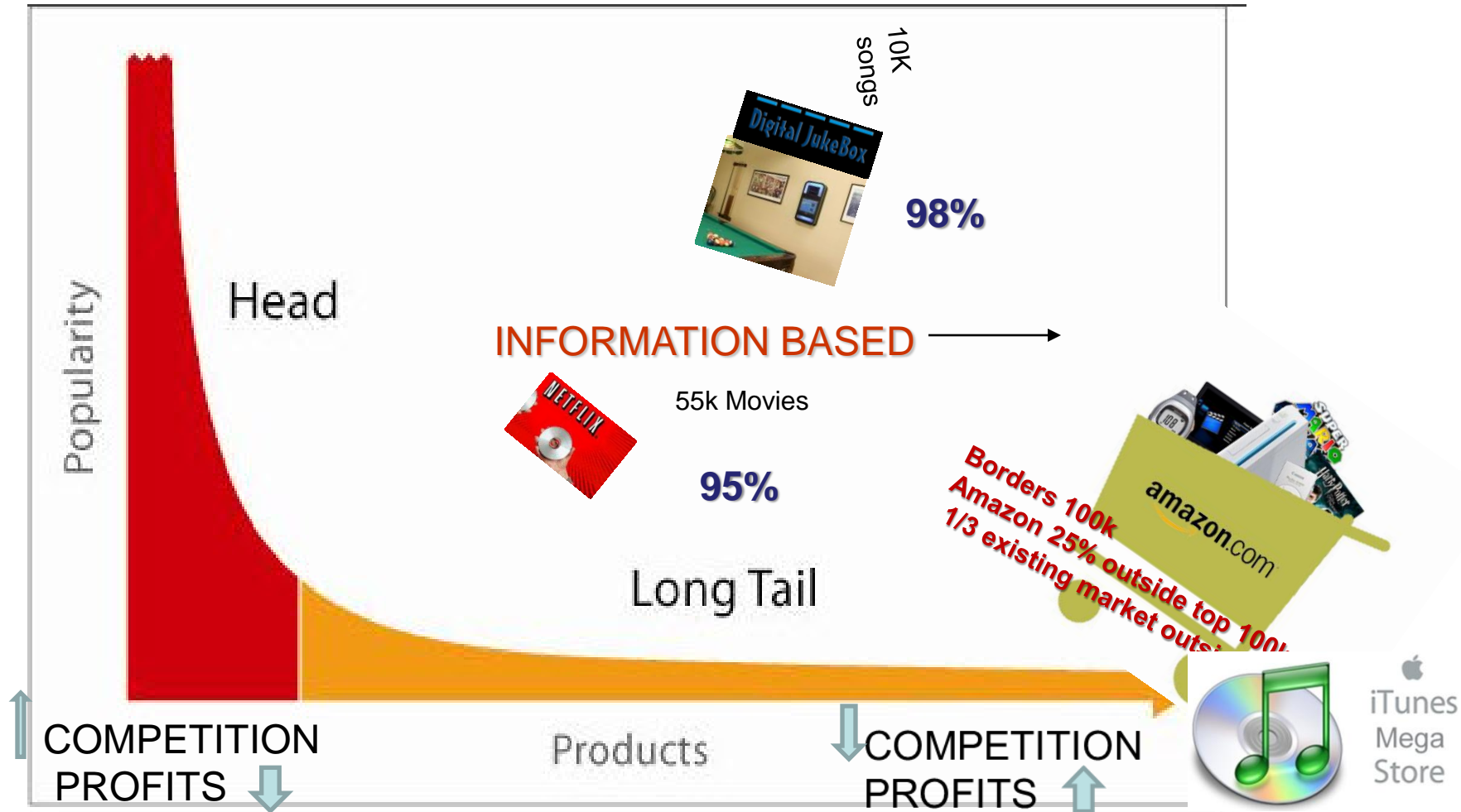
**PRODUCTS FIND YOU -DATA MINING/ SOCIAL NETS
gps**

NYTimes best seller – not published 7th J.K. Rowling's Harry Potter book Amazon's most pre-ordered product 1.6 million copies globally

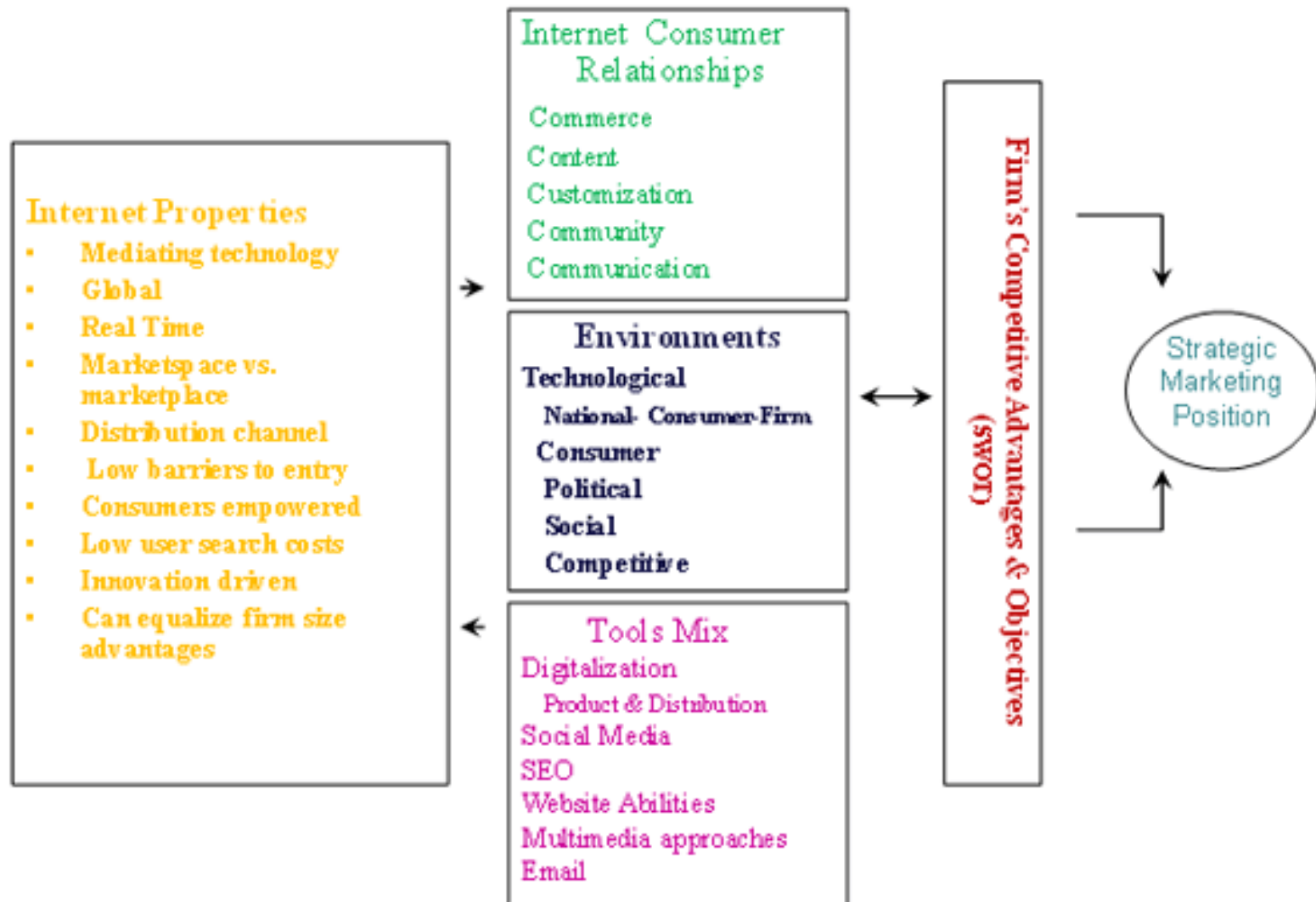


PRODUCTS FOR EVERYONE

80 20 RULE OF CONSUMER'S OUT THE WINDOW



Developing a Strategic Marketing Position





FORWARD
 TO A FRIEND

**PRODUCTS
 FINDING YOU**

Book Fares That Fit Your Budget Now!

- [Book your tickets](#) by March 11, 2010.
- Travel to and from Florida, San Juan, Aruba, Montego Bay, and Cancun is valid from April 6 through November 16, 2010.
- Travel to all other destinations is valid through November 16, 2010.
- 10-day advance purchase required.
- Lowest sale fares are valid for travel on Mondays, Tuesdays, Wednesdays, Thursdays and Saturdays.
- Additional sale fares are valid for travel on Fridays and Sundays.

Sale fares* between [Boston](#) and:
 All fares are one-way, no roundtrip required.

[Update your preferred airport](#)



Akron/Canton	\$69
Aruba	\$194
Atlanta	\$89
Baltimore	\$54
Bloomington/Normal	\$104
Branson	\$104
Cancun	\$89
Charlotte	\$79
Chicago (Midway)	\$84
Columbus	\$79
Dallas/Ft. Worth	\$77
Dayton	\$69
Denver	\$104
Des Moines	\$134
Detroit	\$109
Flint	\$119
Ft. Lauderdale	\$75
Ft. Myers	\$76
Grand Rapids	\$119
Gulfport/Biloxi	\$89
Houston (Hobby)	\$97
Indianapolis	\$69
Jacksonville	\$69
Kansas City	\$88
Key West	\$147
Las Vegas	\$94
Los Angeles (LAX)	\$94
Memphis	\$104
Miami	\$94
Milwaukee	\$74
Minneapolis/St. Paul	\$79
Moline/Quad Cities	\$110

Search and Book

Travel: Round Trip One-way

From:

To:

Departing:

Returning:

Passengers: [Advanced Search »](#)

search

Problems with this form? Visit [AirTran.com](#).
 Or search [en español](#).

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 Nights, Enjoy 2 More Nights FREE!**




COMPETITIVE ADVANTAGES

OLD ADVANTAGES

NEW ADVANTAGES

SUBJECT TO:

- ~~Low cost labor/~~ Responsive Infrastructures SHIFTS IN CONSUMER DEMAND
- ~~Labor relationships~~
- ~~Consumer aware~~
- ~~Favorable debt~~ LACK OF PROTECTION OF
- ~~financing~~ Management/Organization ~~Efficient~~ INELASTIC to Change
- ~~Technology & Subsidies~~ Driven REPLACEMENTS OF
- ~~Design Contrived Advantages~~ PRODUCTS BY TECH
- ~~Protected markets~~
- ~~Quick to market~~
- ~~Size~~
- Superior tax systems



**KEEPING UP WITH
CHANGE**
Technology & Pace of Change

The problem- not really so much how to get new, innovative thoughts into your mind, but how to get old ones out

“It is generally much easier to kill an organization than change it substantially.”

-Kevin Kelly, Out of Control

Nike, recently made 400 of its patents public Web-based marketplace “GreenXchange” to multiply the people actively thinking about ways to make it's ideas more useful

Google - Engineers 1 day a week to work on whatever they want and to “follow their hunches” Has created:Gmail, Google News, and AdSense

INFORMATION SENSITIVE

WINNING BY FLANKING

Attack the market where the competitor is weakest
INFORMATION INTENSIVE



COMPETITION

craigslist

amazon.com

ebay

EXTRADE



60S JAPANESE

CARS, COPIERS

MOTORCYCLES



2000s KOREA



KIA KIA MOTORS
The Power to Surprise

Sidewinder



**TECHNOLOGY SENSITIVE BYPASS
RESEARCH & CONSUMER INTENSIVE**

Offering new product making theirs unnecessary
**MAKING THINGS PEOPLE CAN NOT LIVE
WITHOUT THAT THEY DO NOT KNOW THEY NEED**

COMPETITION

WATCHES
SWISS to CITIZENS, SEIKO



Japan
TOTO



Google

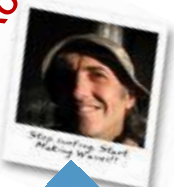


YouTube

Expedia

Life's Good LG

POLAROID-KODAK
FUJI

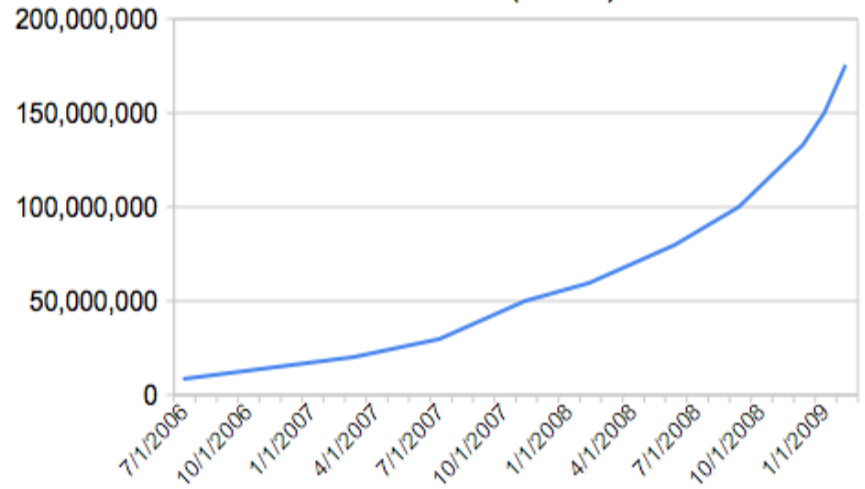


**NEVER HAS ENVIRONMENT BEEN
MORE RECEPTIVE TO NEW IDEAS
& MORE HOSTILE TO EXISTING
FIRMS and NATIONS**

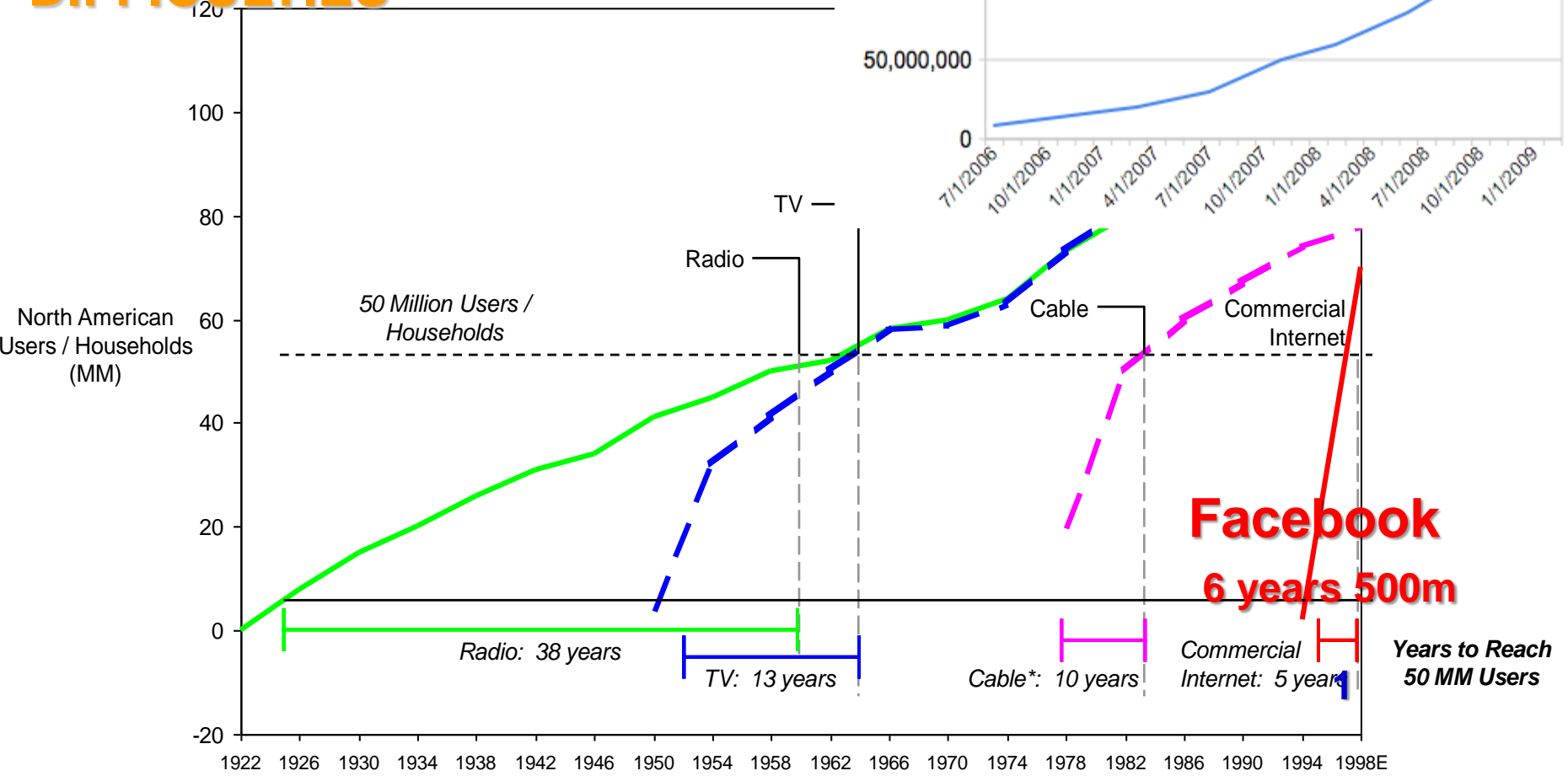
**COMPANIES MORE LIKELY TO BE
AMBITION CONSTRAINED THAN
RESOURCE CONSTRAINED**

SPEED & FLEXIBILITY LARGE FIRMS FIND DIFFICULTIES

Facebook Active Users (Millions)



Internet as Mass Medium — North



Facebook
6 years 500m

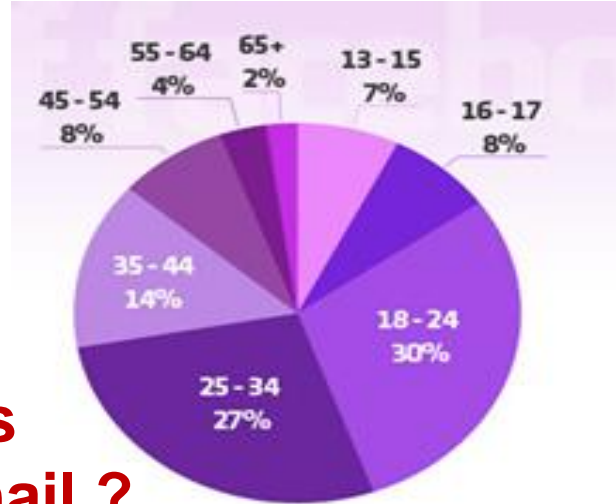
Years to Reach 50 MM Users

* Launch of HBO in 1976 used to estimate the beginning of cable as an entertainment / advertising medium

Facebookistan

500 Million users – 3rd largest “Nation” in World

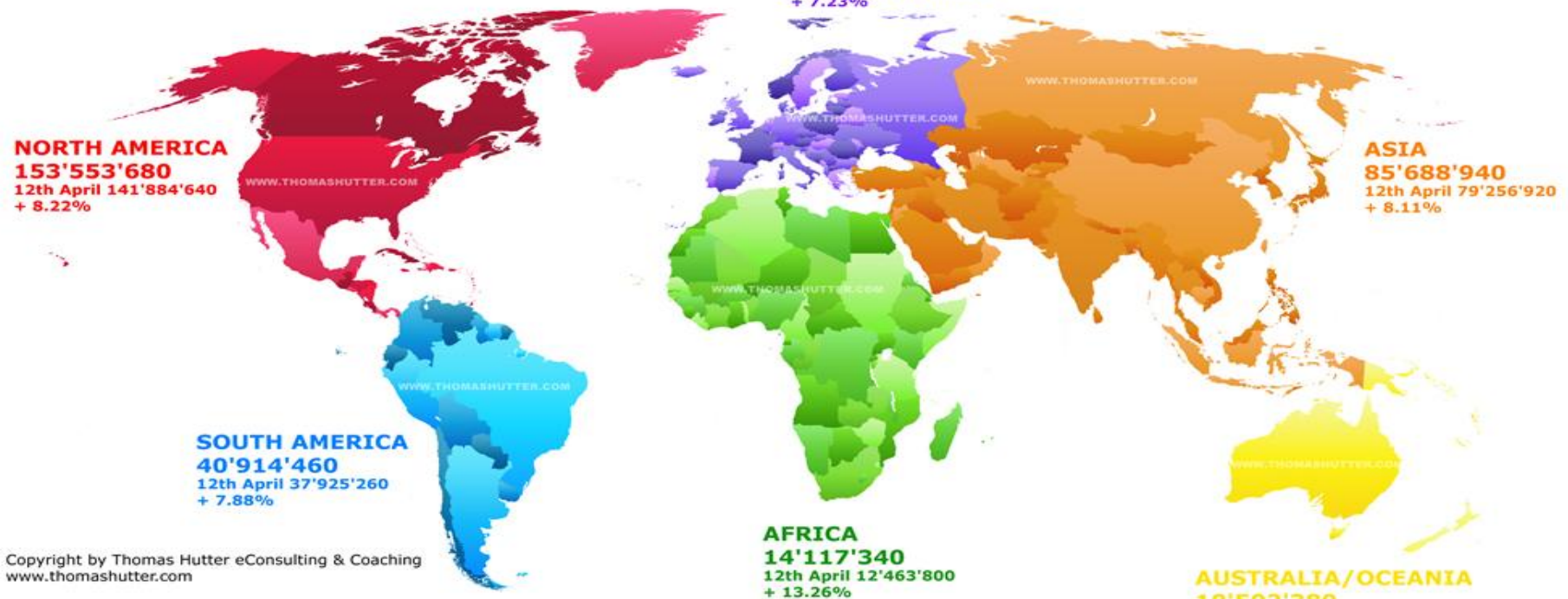
- 70% of Facebook users outside US
- 43% US Penetration 6% World



70 Languages
The New Email ?

300,000 app translators

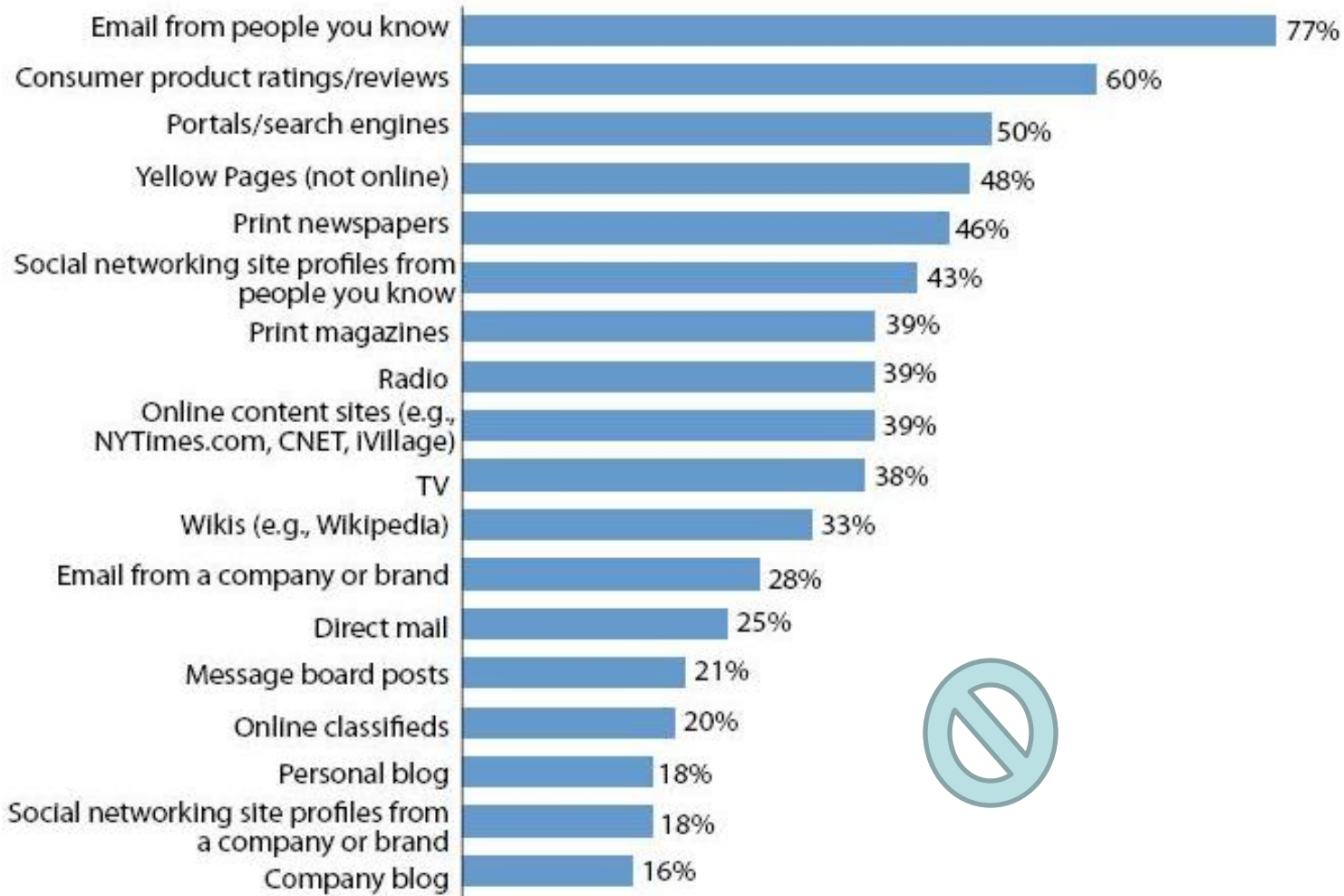
11th May 2010



Copyright by Thomas Hutter eConsulting & Coaching
www.thomashutter.com

- People spend over 700 billion minutes per month on Facebook

HOW MUCH DO CONSUMERS TRUST?



Base: US online adults who use each type of content

*Trust is defined as a 4 or 5 on a scale from 1 [don't trust at all] to 5 [trust completely].

Source: North American Technographics® Media And Marketing Online Survey, Q2 2008

THE NEW WORD OF MOUTH (WOM)

SOCIAL NETS, BLOGS AND REVIEWS

- 1. *Endless boundary:*** eWOM communicators can reach far beyond geographical limitations, because consumers from all over the world can access internet.
- 2. *Written sphere:*** unlike traditional WOM which consists of spoken word exchange, electronic WOM is written.
- 3. *Communication with anonymous people:*** traditional WOM occurs with relatives and friends, and eWOM gives an opportunity to communicate with other people
- 4. *Directness:*** eWOM a seller to effectively and directly initiate and broadcast consumer reviews with the help of advancement in technologies.
- 5. *Volume:*** information available online is much more voluminous in quantity compared to that of traditional WOM.

16 Cities
20 Teams

1 Movement

The Ford Fiesta is coming stateside this summer. Until then, our 20 teams of agents are handing over the keys to their cities, working with the best local talent to reimagine the way Fiesta gets advertised. Support a nearby team as they compete against the rest of the country. Winners get their own 2011 Ford Fiesta (and all the glory).



[GO TO SITE](#)

How To Participate

01. Choose YOUR CITY
02. Choose YOUR TEAM
03. Check Out A MISSION
04. Attend AN EVENT

Fresh Video

**How successful is campaign?
What is:
The concept?
Ambassador?
Way to keep buzz going?**

Live From Sour Apple Season 2 Pt. 2 Slim

Missions

ATL

Painting the Town!

[View Mission](#)

DFW

The Surf's Up for Mission 3!

[View Mission](#)

Team Tweets

[sameroof](#)
Yay! #fiestamovement RT @SvenakaSpade: THE FIESTA HAS LANDED. I REPEAT: THE FIESTA HAS LANDED TO-DAY AND IT IS MINE.

Events

COUSINS

Team John and Aaron Present: the premiere of COUSINS - a film by Mike Finch
134 people are going!

[Learn More & RSVP](#)

FiestaNYC Crawl
18 people are going!

[Learn More &](#)

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[Browse P&G Assets](#)

[FAQ](#)

Also Visit

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Connect + Develop Examples

Olay® Derma-Pod

The fastest-growing Olay sub-brand is the Derma-Pod, a small, one-use portion of Olay with a unique applicator. This deal focused on packaging and design, and was done with Cardinal Health.



Open to ideas

P&G's Connect + Develop open innovation strategy has established more than 1,000 active agreements with innovation partners. Connect + Develop enables us to share our R&D, commercialization and brand strength with partners worldwide, bringing great ideas to market—and into the lives of consumers—faster.

[HOW SWIFFER DUSTERS GOT THEIR START](#)

Could your INNOVATION be the next GAME-CHANGING DEAL?

Did you know that more than 50 percent of product initiatives at Procter & Gamble involve significant collaboration with outside innovators?

Do you have a promising product, technology, business model, method, trademark, package or design that can help improve the lives of the world's consumers? Or do you have new ideas for existing P&G brands? If so, the Connect + Develop(SM) team at P&G wants to work with you.

Watch these six exciting videos from members of the Connect + Develop team to learn how your ideas can come to life. Then, take the next step. Consider a partnership with P&G — and work together toward a better future.

- ▶ [Learn more about getting your ideas to life by partnering with P&G.](#)
- ▶ [Browse P&G's needs.](#)
- ▶ [Submit your innovation now.](#)

Browse P&G Assets

Are you looking for opportunities to access and license P&G's trademarks, technologies, or other innovation assets?

- ▶ [Browse P&G's innovation assets.](#)
- ▶ [Learn about accessing P&G's assets.](#)

Partnering with the World

A key part of P&G's innovation strategy is to find innovation, not just develop it.

Called "Connect + Develop," the aim is to connect with the most creative minds in the world, bringing in house ideas and innovations that advance, enhance or expand current P&G work, projects or strategies. Then, through mutually beneficial partnerships, P&G builds on those ideas to deliver with both speed and excellence, superior products that improve consumers' lives.

What makes it work, is a win-win approach and a commitment to partnership. To each partnership, P&G brings tremendous innovative capability and intellectual discipline, plus scale and a deep investment in research and marketing expertise.

CREATING MORE VALUE TOGETHER THAN EITHER COULD ALONE

For each of the 9,000 top-notch scientists inside P&G, there are another 200 outside. That's 1.8 million total with ideas and solutions in addition to P&G's own.



Connect + Develop

JOHNSON'S WHERE GOOD IDEAS COME FROM - THE NATURAL HISTORY OF INNOVATION NETWORK - IDEAS MOST COME FROM INTERACTION

INNOVATION'S KEY IN GLOBAL STRATEGY



Technology, friend or foe?

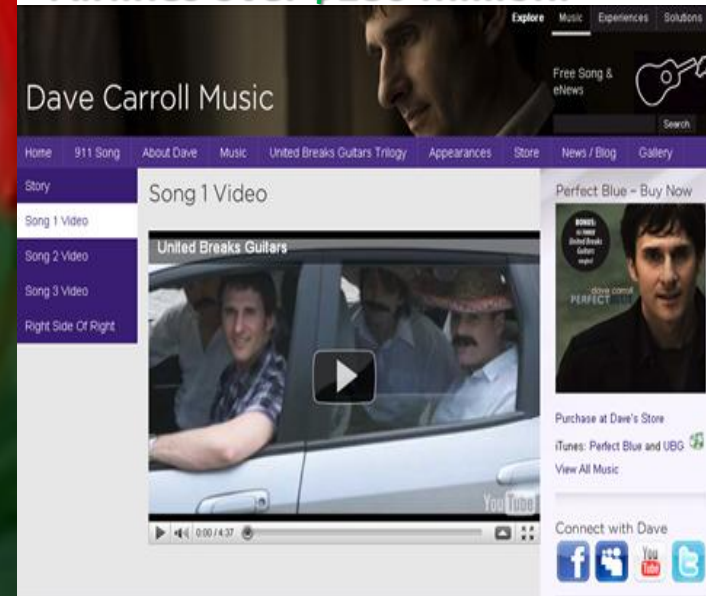
1097 Pope Urban II
outlawed crossbow



**THE DUTCH FLOWER GROWERS (DFA)
TELE-FLOWER AUCTION (TFA)**

**11,000 SELLERS
3,500 FLOWER TYPES
5,000 BUYERS
120 AUCTION GROUPS**

•WEB The first United Breaks Guitars video cost \$150 viewed on YouTube 10 million over 100 million people learned Dave's story Estimated that the first UBG video cost United Airlines over \$180 million.



FACEBOOK

THE END

MAP of ONLINE COMMUNITIES
2005 online community counts at their peak, 402M
people, over 60% "spread" on the "facebook" site
SPRING AND SUMMER of 2010

**BECAUSE IDEAS NEED TO BE ABLE TO TRAVEL
BOTH WAYS**

EMAIL ME WITH YOUR IDEAS !



ABOUT THIS MAP
This map shows the distribution of online communities in 2005. The data is based on a survey of 402 million people, which is the total number of people who use the internet. The map shows that the majority of online communities are located in North America and Europe. The map also shows that the number of online communities is increasing rapidly, and that the number of people who use the internet is also increasing rapidly. This map is a good example of how the internet is changing the way we live and work.



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