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Three Innovation Myths That Just Won't Die

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When it comes to innovation, tall tales and hack advice abound.

BY KRISTYN CORRIGAN

If one more person tells me that Steve Jobs didn't use market research and then uses that as an excuse for not listening to their own customers, I'm going to lose my mind.

When it comes to innovation, tall tales and hack advice abound. They run the gamut from how it's done and who should be involved to where ideas come from. These aren't the only or even the most pervasive three myths about innovation, but they are the source of some of the most wrongheaded thinking about the ways companies and their customers alike drive innovation.

Myth #1: Customers Don't Know What They Want

Before they hit the market, no customer would have said they wanted the top digital devices and services now available—from Apple TV to cloud computing to the millions of apps available on today's smartphones. Steve Jobs is famous for saying, "You can't just ask customers what they want and then try to give that to them. By the time you get it built, they'll want something new." Similarly, Henry Ford said, "If I'd asked customers what they wanted, they'd have said a faster horse."

But the fundamental mistake is assuming that we're actually asking the customer, "What do you want?" If you ask a question like this, you can't be surprised by what you'll hear: solutions. And requests for solutions will almost always be disappointing for companies that are really trying to innovate. Customers are just not that creative, and we shouldn't expect them to be.

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What we *can* ask customers about are their needs. In their widely cited paper "The Voice of the Customer," Abbie Griffin and John R. Hauser define a customer need as "a description, in the customers' own words, of the benefit to be fulfilled by the product or service." A need is a benefit sought by a customer. Needs arise when customers use your product or service in various situations or occasions.

But all customers are different—not everyone feels or experiences needs the same way. For example, if Henry Ford had actually gone around asking his potential customers, he'd have heard mostly about the transportation needs of his day: the need to visit friends and family in remote locations more easily, or the need to move products or supplies from one place to another. In other words, getting from point A to point B faster. Hence his famous remark. It was precisely because Ford focused on those needs, instead of polling consumers on the solutions they *thought* they wanted, that he came up with a much better one.

Myth #2: Innovation Comes From Talking With Only Your Best Customers

Companies can often get too caught up in meeting the interests of their biggest accounts. But sales calls and good market research are two very different things. While there's nothing wrong with including this important subset in your innovation research, the danger is in *only* talking with these customers. Among other risks, their own needs may not square with those of the broader marketplace, and you could risk missing out on a major opportunity as a result.

Edward McQuarrie discusses these pitfalls in his book *Customer Visits.* He asks:

> **Might there also be large users who are small customers of yours (because your product is not quite right for them)? . . . If so, then the most rapid expansion of sales might come from visiting and learning from customers who aren't buying very much from you today.**

There's actually a lot to be learned from speaking with non-customers—those who don't use your product yet, as well as those who used to be customers but have since gone with someone else. In many circumstances, gaining this perspective isn't just about marketing strategy—it's crucial for innovation, too. Understanding non-customers' motivations to buy and their reasons for switching their product usage reveals a lot about what they value and where the next great opportunity might lie.

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Myth #3: Incremental Innovation Doesn't Really Count

Of course every company is looking to develop the type of product that completely rewrites the rules of the game. But those grand slams are rare for a reason, and many industries progress by smaller but no less crucial steps. My colleague Gerry Katz, executive vice president at Applied Marketing Science, defines incremental innovation as "product, service, or process improvement on a benefit or need that has already been identified and addressed."

There's plenty of opportunity in taking a known customer need and finding a clever way to raise the bar in addressing it. For example, Starwood Hotel's Heavenly Bed not only delivered on the well-known need for a good night's sleep, but it also made laundering more efficient. The product inadvertently launched a completely new, multimillion-dollar business line where hotel patrons could purchase "heavenly" bed linens for their homes.

Many successful new business lines get started this way—by a company finding a better solution to a well-known customer need. While on the surface these innovations certainly aren't as sexy as finding a latent or unstated need that leads to disruptive innovation, they are certainly profitable and can have game-changing consequences.

Commonplace myths like these are risky. Organizations that perpetuate them don't just lower their own likelihood of succeeding, they threaten to slow down innovation itself. The best medicine is simply to put in place a process for identifying market needs as early as possible and throughout the innovation process. That isn't easy, and it takes learning as you go, but it's the best substitute there is for an innovation formula—which (it's no myth) doesn't really exist.

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