

Chapter 13

Integrated Communication in the Innovation Process—An Approach to Integrated Innovation Communication

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Abstract As innovation processes become accessible to consumers and other interested public parties in the sense of open innovation, innovation communication faces new challenges. The interface existing between internal and external commercial interests must be systematically coordinated in order to ensure that the development process is efficient and effective and that the developed innovation is successfully implemented on the market. Innovation communication plays a key role here in securing that the points liaising internal and external interests are integrated over the length of the innovation process. This is a complex task and involves coordinating communication objectives and publicity, integrating communication instruments and, not least of all, aligning the numerous target groups—from the research specialists in R&D to the Internet bloggers. This chapter uses impulses stemming from integrated communication to develop a phase-oriented concept for integrated innovation communication that is capable of guaranteeing a systematic coordination of the interfaces involved and providing a central support in promoting a satisfactory outcome for the innovation process.

13.1 New Challenges for Communicating Innovations

13.1.1 *From Closed Innovation to Open Innovation*

Corporate innovation management has always faced multiple challenges. Progressive internationalization, shortened product lifecycles as well as a dramatic growth in information relating to products and services pose substantial risks for product development.

The sobering failure rates for new products (up to 70%) in the consumption goods markets clearly indicate that innovation processes, more often than not, fail

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to meet the needs of the target groups (N.U. 2006). In this context, the quest for strategies promising sustainability and promoting innovation has become critically important, especially with regard to the organization of the innovation's development proposal.

Up until a few years ago, the innovation process was primarily aimed at the company's internal processes, being organized as a so-called closed innovation. According to this concept, the company's own staff, in particular its researchers and developers, are seen as the central contributors to innovation. The ideas produced are handled confidentially and the new products are developed on the drawing board. Collaboration with clients and research institutes is not prohibited by the process, but usually only takes place at the beginning of the innovation process. The problem-solving phase, and thus the innovation process itself, is conducted extensively within the closed confines of the company (Chesbrough 2006; Trott 2011; Herzog 2011).

While a "closed" innovation policy can be seen as offering the advantages of minimal complexity and maximal controllability, the disadvantages and risks of such a strategy become more apparent in a global, dynamic competitive environment. On the one hand, internal innovation demands that a company invests heavily in accumulating internal know-how and establishing internal technical facilities. On the other hand, an absence of an adequate information transfer between product developers and product users presents the danger that innovations will not correspond to client needs and that development processes will be protracted (Lindman 2002; Ernst 2004; Reichwald and Piller 2009; Herzog 2011).

The concept of open innovation was introduced in 2003, extending the discussion beyond the confines of closed innovation (Chesbrough 2006; Prahalad and Krishnan 2009; Chesbrough 2012). The fundamental idea here is to establish a corporate innovation policy that is collaborative in its outlook and that aims to integrate internal and external stakeholders within the innovation process, thereby closing gaps between technology and the market. Innovations, ready for market launch, are no longer developed solely within the confines of the corporation, but are the product of processes that dovetail internal and external processes. New external parties such as suppliers, competitors, end clients, and online communities (Ayuso et al. 2006; Mahr and Lievens 2012) are increasingly joining the ranks of the traditional innovation partners (research institutes, market research consultancies, etc.). In the United States, 30% of a basketball community will be engaged in innovation activities, for example. Involvement in the innovation process is, in fact, the main stimulus driving the majority of members to join the club (Jaweckı et al. 2009). In particular, the new use of consumer-based knowledge and creativity is the result of developments in the media environment, in the applications of social networking, and the "you-too"-Internet, now such important aspects of daily experience. Modern forms of innovation research such as "crowdsourcing" (e.g., Howe 2008; Poetz and Schreier 2012), Consumer-Co-Creation (e.g., Payne et al. 2008; Filieri 2013) and Nethnography (e.g., Kozinets 2002; Kozinets 2012) are subsequent developments of this trend and an expression of a change in attitude to innovation policy.

13.1.2 Consequences for Innovation Communication

In addition to reflecting an open and modern innovation culture, open innovation policy is charged with the task of identifying all the relevant internal and external stakeholders and drawing them into the innovation process (Trott 2011). While within the closed innovation concept most interactions take place within the company, the open innovation process is characterized by numerous real and virtual interfaces liaising internal and external activities. This requires a process of control and alignment that spans the length of the innovation process in order to avoid friction losses that would jeopardize the opportunities that the open innovation policy has to offer (Reichwald and Piller 2009; Vesshoff and Freiling 2009). Effective and efficient communication management is therefore essential to the success of an open innovation policy.

From this perspective, innovation communication assumes a new importance in the context of the innovation process. Its function is no longer to simply communicate innovations to the external environment, but is now also responsible for aligning all internal and external interfaces throughout the innovation process. Academic and business communities are increasingly discussing the consequence that this has on the organization and management of innovation communication (see Mast and Zerfaß 2005; Zerfaß and Möslein 2009 as well as the study by Zerfaß and Ernst 2008). So far, no consistent approach has yet established itself definitively.

Many valuable impulses for innovation communication can be drawn from integrated communication. Integrated Communication Management is primarily aimed at aligning all internal and external communication instruments and messages—with the goal of conveying a consistent image of the communication's reference object (see in detail Bruhn 2009). The referenced object of the communication might be the company itself, a specific trade name, a product or, as in this case, an innovation. The alignment decisions for integrated communication are primarily based on conceptual criteria. Later, when it comes to the innovation's implementation phase, organizational and company-specific measures also have to be considered. The next section discusses the approaches for innovation communication derived from this in more detail.

13.2 The Concept of Integrated Communication as the Basis for Integrated Communication in the Innovation Process

Starting with Communication Deficiencies

With the advent of the twenty-first century, integrated communication is no longer a novelty: It is a well-recognized and long accepted necessity. As far back as the

mid-1970s, the need to integrate communication instruments and measures has been defined as the most important challenge facing companies. This imperative has not lost any of its force; instead, it has gained more and more momentum. Many developments have contributed to this: in particular, increasing competition in communications, the atomization of the media, the flood of information and stimuli inundating the consumer, as well as the dynamic increase in new channels of communication such as the social media. Developments such as these present new tasks and challenges for the integration of communication measures (Peltier et al. 2003).

A central task of integrated communication is to eradicate *communication deficiencies* in companies. Communication deficiencies occur where various implemented measures are not harmonized with regard to content, form, or time. Certain communication interfaces present a basis for systematizing communication deficits: the relationship between locations where communication takes place (internal and external) and the relationships between levels where communication takes place (horizontal and vertical).

Classic deficiencies in company communications occur where there is a mismatch between *internal and external communications*, where a company's staff is not informed about proposed communication measures. *Internal communication deficiencies* may also occur, either horizontally in the alignment of inter- or intra-departmental communications or vertically in the hierarchical communication of messages between functions where the messages between staff and management do not share consistency in form or content. Communication deficiencies in *external communications* on a horizontal level will occur because a company employs different market-related tools for communication, which are nonaligned with regard to content, form, or time. On the other hand, communication deficiencies may occur on multiple market levels because the marketing intermediaries that are engaged to provide services to supply end users have not had the required message content communicated to them (Johnson and Chang 2000; Sieg et al. 2010).

The deficiencies sketched here serve to highlight a corporation's need for integration and thus the necessity of instituting integrated communication. In view of the increasing importance of open innovation, the need for integration can be extended to the innovation process. The more acute communication deficiencies are between internal and external, and horizontal and vertical interfaces, the greater the danger is that important information will fail to be exchanged or will be late, that ideas will get lost, innovations will miss their targets, or costly time will be wasted (Sleeswijk Visser et al. 2007; Vesshoff and Freiling 2009).

Conceptual, Organizational, and Employment Approaches to Integrated Communication

The concept of integrated communication provides a framework for making conceptual, organizational, and employment decisions to eradicate communication deficiencies and achieve the optimum level of effectiveness and efficiency in communications.

On a *conceptual level*, three types of *communication integration* take place: content, form, and time integration. While the first type is principally concerned with guaranteeing consistency by using thematic associations, formal integration aims to strengthen recognition by employing uniform design principals. Time integration deals with aligning communications instruments during and between planning periods. In the framework of innovation communication, content and time integration are particularly important, where content integration presents the greatest challenges. Here, clearly defined guiding principles have to align communication goals, messages, and measures across all points of contact between internal and external groups. This process employs a so-called *conceptual framework of integrated communication*: On the one hand, this gives general rulings on the composition of communication content, and on the other hand, it provides explicit instructions on how the communication content should be implemented in daily work.

Beside the planning measures, the *organizational implementation* of integrated communication is extremely important. This entails setting up a management process that is capable of involving all the relevant departments and employees in the communication effort. This has implications for organizational implementation: It means that all overly rigid forms of structural organization have to be dropped and replaced by flexible methods of process organization, in particular process management and forms of team organization (Ahlers 2006).

Employment measures are closely associated with organizational structures and processes. These have to be specified within the context of the individual company, whereby integrated communication basically supports the case for institutionalizing the roles of a superordinate communications manager or team of specialists (Sonnenwald 1999; Johnson and Chang 2000).

This position functions as a kind of coordination office and is responsible for the supra-disciplinary planning, implementation, and monitoring of communication (Sonnenwald 1999; Johnson and Chang 2000). Basic conceptual as well and organizational and employment information can be adopted from integrated communication for innovation communication. The integrated innovation communication process will illustrate this more clearly.

Development of a Process for Integrated Innovation Communication

Identifying the relevant integration needs is a precondition for planning and implementing innovation communication successfully. The innovation process maps the way for this and has to be specified more clearly for this purpose; it has to be structured within an innovation process for development and implementation (see Fig. 13.1).

The *innovation development process*, in this context, refers to the cycle of innovation during which the integration requirements are considered for the generation of the ideas, for the selection of a specific idea, and for its realization. The innovation *implementation process* covers the product or service lifecycle and thus

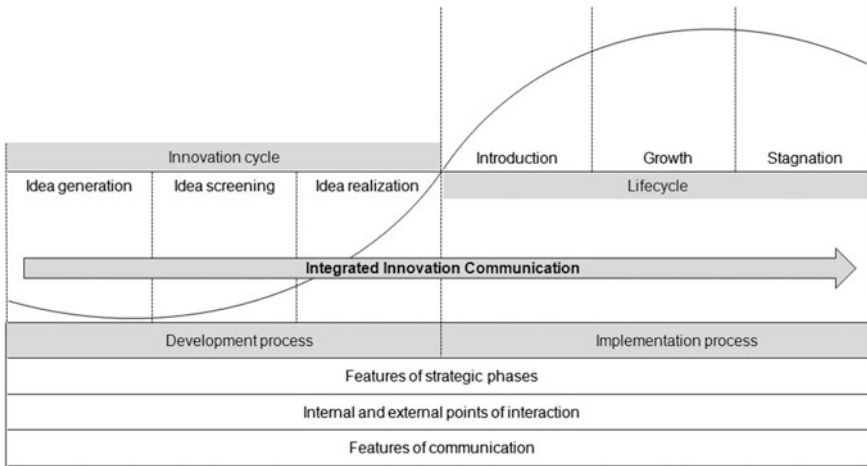


Fig. 13.1 Integrated innovation communication process

also the transfer of the innovation to the market. The requirements for integration are assessed along the course of the innovation’s market life from market introduction, to market growth, and on to stagnation. In accordance with this systematization, the concept of integrated innovation communication (IIC) can be defined as follows:

Integrated innovation communication is a process that aims to identify internal and external contact points in the development and implementation process of an innovation, as well as to develop and implement communicative measures that guarantee the alignment of these interaction points in order to achieve a maximum level of development efficiency and effectiveness internally as well as optimal market saturation externally.

Integrated innovation communication covers a multilevel process, the phases of which are marked by different characteristics and points of interaction. Consequently, communication plays a particular role in the individual phases, being defined by different goals and target groups as well as by specific communication instruments and contents. The interplay of these factors, again, has an influence on the alignment and integration needs between departments and employees as well as between internal and external stakeholders. Table 13.1 summarizes the features of innovation communication in the innovation development and implementation process. The following sections will discuss the individual phases more closely.

Table 13.1 Features of integrated innovation communication in the development and implementation process

Features	Idea generation	Idea screening	Idea realization	Introduction	Growth	Stagnation
<i>Points of interaction</i>						
Internal points of interaction	Organization of the innovation process, idea acquisition procedure	Appraisal and/or broad and narrow selection of the product ideas	Product test procedure	Product training	Interaction with product users	Interaction with product users
External points of interaction	Information about the innovation project, activation of the innovation community, acquisition of ideas	Broad and narrow selection of product ideas, feasibility studies	Testing procedure for products	Distribution of the new product on the market, communication and marketing mix	Sales process, communication and marketing mix, Interaction with product users	Sales process, interaction with product users
<i>Features of communication</i>						
Internal communication target groups	R&D: market research. Customer Service, product marketing, etc.	Compare target groups for acquisition of ideas as well as production and finance areas	Person responsible for product testing	Product marketing, Product-PR, Customer Service, Distribution, etc.	Product Marketing, Product-PR, Customer Service, distribution, etc.	R&D: market research, customer service, product marketing, etc.
External communication target groups	Research institutes, consultants, lead-users, clients, opinion makers, online community, etc.	Innovation community, selected target groups for special test processes	“True” customers in e.g.: laboratory and field experiments	Innovators, early adopters, first customers	First and subsequent buyers, broad mass, product users, online community	Latecomers, second- time purchasers, broad mass, product users, online community
Communication objectives	Identification and motivation of the innovators, stimulating a fast rate of ideas,	Steer and control idea testing, emotional bonding of innovation community,	Acquiring suitable test individuals, information exchange between test procedures, and efficient feedback	Announcements, stimulating initial sales, activating networks, positive word-of-mouth, contagious effects	Emotionalization, Raising/stabilizing purchase frequency, observing	Cushioning emotionalization, identifying the reasons for the fall in sales, and

(continued)

Table 13.1 (continued)

Features	Idea generation	Idea screening	Idea realization	Introduction	Growth	Stagnation
Internal communication instruments	steering the production of ideas Personal communication, internal blogs	generating positive word-of-mouth Personal communication	Personal and written communication/documentation	Training, workshops, personal communication, Intranet, internal blogs	user-buzz on the Internet Internal blogs	improvement opportunities Personal communication
External communication instruments	Relevant homepages, blogs, communities, social networks, special online platforms	Blogs, communities, social networks, special online platforms, personal communication	Blogs, communities, social networks, special online-platforms, personal communication	Media advertising, sales promotions, direct marketing, online-communication, social media, etc.	Supportive media advertising, sales promotions, online monitoring, social media	Online monitoring, Social Media, personal communication
Communication content	Innovation framework, stimuli	Realistic assessment of innovation idea, emotional bonding of the innovation community.	Data and facts of the test results	Sales arguments, product merits, price advantages, product image	Consolidating sales arguments, reaction to user responses	Reaction to user-responses
Integration requirements	In particular, alignment between internal and external acquisition of ideas	Coordination of internal and external appraisals of the idea	Information exchange between product development and product testing	Coordination of market communication, alignment of internal and external communication	Coordination of market communication, harmonization of user responses and internal communications	Harmonization of user responses and product improvements

13.3 Integrated Innovation Communication in the Development Process

Within the framework of innovation planning, multilevel planning processes are employed to provide a systematic base for decision-making in product innovations. Classically, the process follows an established sequence of phases: searching for product ideas, gathering a broad selection of ideas, testing product concepts, making a narrow selection, and finally introducing the new product onto the market (e.g., Homburg 2012; Meffert et al. 2012). For simplicity, a three-stage innovation process can be introduced here, consisting of three phases: “idea generation”, “idea screening”, and “idea realization”.

The Idea Generation Phase

The phase of generating new product ideas marks the beginning of the development process. Product ideas are both systematically gathered and generated here.

The objective here is to accumulate as many ideas as possible to compensate for subsequent rejections.

The company can decide to generate its ideas for the product or service either internally or externally. The varying number of internal and external *interaction points* that have to be managed by communications depends of the degree of “openness” that the innovation process has. Information communicated here relates to initiating the innovation process, giving instructions on procedure, to actually recording product ideas.

The *communication target groups* are closely associated with the specified interaction points. The internal staff engaged here is primarily drawn from R&D, Market Research, Customer Service and Product Marketing.

Ideally, a cross-functional idea pool should be established, enabling a constant exchange of ideas and information. In this phase, companies typically access external providers such research institutes or market researchers and collaborate with information brokers or work together with lead-users (Lilien et al. 2002; Ernst et al. 2004; Lichtenthaler 2011). In line with the concept of open innovation, an ever-growing body of customers, opinion makers, and interested parties are also involved in generating ideas. This open procedure offers the company substantial advantages; for example, an increased wealth of ideas, sharpened concentration on target groups, and speed in producing ideas. On the one hand, the “right” external agents have to be drawn into the development process and, on the other hand, the “right” ideas have to be generated for these advantages to be exploited. In this phase, communication goals aim at identifying suitable external innovators as well as motivating them to participate in the innovation process. A major goal of communication is to elicit the best ideas in the shortest time. In addition to motivating the “innovation community”, communications have a lead function in issuing timely and detailed information regarding the innovation’s requirements and objectives, be these “hard” factors such as technical framework conditions or “softer” factors such as “the cultural fit” of the product ideas (Ernst 2004).

At the onset of the innovation process, *communications instruments* are also employed to enlist the help of external parties in generating ideas, and in organizing and directing the process. To accomplish this, the development proposal has to be publicized to the relevant target groups through technology or design institutes and blogs or social networks such as Facebook and StudiVZ in order to mobilize “creative masses” by “crowdsourcing” (Füller and Mühlbacher 2004; Gardlo et al. 2012). OSRAM, for example, brought their development of a new “emotional lighting” concept to the attention of more than 200 websites, communities, and blogs and was able to attract 910 participants from nearly 100 countries in under 11 weeks to participate in the development of their product. While OSRAM brought its own online platform to life, in the mean time numerous publically accessible “idea marketplaces” have sprung up (e.g., InnoCentive, Fellowforce, or Openinnovators), where companies can call upon their target groups to submit ideas for product development. The possibilities offered by Web 2.0 extend even further by offering internal company support in the innovation process as well (McAfee 2006; Bertoni and Chirumalla 2011). In addition to the classic forms of personal communication, special blogs can also be set up within innovation teams for the purpose of exchanging and collecting product ideas. Whether one chooses to set up a blog for specialists or a blog inviting staff from other departments will depend on the degree of openness that innovation process offers.

With regard to communication contents, during the phase of idea generation, communication focuses on directing the quantity and quality of the product ideas. In addition to stimulating participation in the innovation process, information relating to the central framework conditions for the development process should be fed into the “fuzzy front end” of the innovation process as early as possible. This applies internally, but at the same time pays particular attention to the external “innovation community”.

In connection with the communication deficiencies discussed earlier at the beginning of this paper, the greatest *need for integration* arises in the idea generation phase in order to align internal and external communication. Here, especially, the product ideas that have been generated internally have to be aligned with those generated externally so that they can be jointly evaluated later on in the process, and, if necessary, developed further. If communication deficiencies arise at this stage, there is the danger that promising ideas (in particular, those acquired externally) may go unnoticed and “founder”. Apart from aligning internal and external communication processes, the requirements for innovation can also be positioned internally: This may be done horizontally within the individual development teams, or vertically by aligning operational units with management. This insures that the innovation framework conditions are clearly communicated (Rothwell and Robertson 2002). Improvements to external communications should also be considered, where the use of different communication facilities causes deficiencies (e.g., idea generation via blogs, communities, etc.). The more comprehensively that a company can satisfy its coordination needs in the idea generation phase, the better prepared it will be in the idea screening phase.

Idea Screening Phase

In the framework of the idea screening phase, the main task is to sort out less promising ideas effectively and efficiently, reducing the risk of failure so that available resources can be concentrated on the ideas that have the best chance of success (Trott 2011).

Points of interaction occur throughout the idea screening process from the broad and narrow selection of ideas through to the feasibility check. While the phases of the selection processes have both internal and external interaction points, the points of interaction in the feasibility analysis phase are mainly internal.

During the idea screening phase, the *principle communication target groups* consist of employees who have been commissioned with individual ideas. In addition to the R&D departments, these areas also have direct contact with customers and have first-hand experience of the product's use. At this stage, the production area and the finance area should also be viewed as communication target groups and thus guarantee the smooth running of the economic feasibility study. With regard to the external online community, communication at this stage concentrates on the active innovation community: Starbucks, for example, at www.mystarbucksidea.de asks its customers and readers not only to suggest product ideas, but also to discuss and appraise the ideas of other participants. Moreover, select customers may even be personally contacted and enlisted for special phases of the idea screening process, such as (Web-based) conjoint analyses (Gustafsson et al. 2007).

The *communication goals* of this stage are concerned principally with directing and controlling monitoring activities. It is not only important for a company to gather information: The information has to subsequently be actively fed back into the innovation process so that a real exchange of ideas is guaranteed. This is important as it demonstrates the company's recognition of the innovation community's contribution and cements its commitment to the on-going innovation process. In this phase, generating positive word-of-mouth is an important communication goal. Members of the innovation community should be inspired to publicize the innovation process in their context and, in so doing, either bring more innovators on board or arouse curiosity in the new product (Horbel and Woratschek 2009).

Personal communication has an important role internally as one of the *communication instruments* in the monitoring phase. Communication can be conducted externally via online platforms. Where select external target groups are to be drawn more tightly into the process, a transition to more personal forms of communication is recommended.

The content of communication can be subdivided into rational and emotional messages during the idea screening phase. While, on a rational level, products are primarily appraised on a technical basis, companies will employ emotional communication to strengthen and extend the bonds they have with innovation communities, not simply allowing the associations to fade out once the idea has been acquired (Kunz and Mangold 2004; Teichert et al. 2004). It is not unusual for

communication managers to assume the role of moderator during this phase and to mediate between parties when critical idea appraisals take place.

The *requirements for integration* during the monitoring phase primarily concern coordinating the evaluation of the idea. A large number of employees and departments may be involved in the innovation process, which spans from product idea selection to the feasibility analysis, and only an on-going and comprehensive information policy can ensure that ideas are monitored and justified as being suitable and consistent. This is all the more important when external target groups are also drawn into the process. Basically, the requirements for integration are satisfied in this phase, once all the relevant ideas have been thoroughly checked, all the internal and external innovators have been informed about the monitoring process and the selected ideas have gained a high level of acceptance.

Idea Realization Phase

The idea realization phase focuses on building and testing prototypes as inexpensively and as quickly as possible, terminating the development process: The aim is to secure the product's market success with appropriate budgeting and to plan its market introduction.

Interaction points between internal and external target groups arise principally during the individual product tests of the idea's realization. A wide range of procedures is available here, from the concept test to mini test markets, each of these occasioning different interactions (Mahajan and Wind 1992).

When following a closed innovation approach, the innovation process is opened for the first time to technically unqualified people during the product tests. Acceptance tests are conducted to determine specific design features such as color matches and packaging sizes. The importance of external interaction points is well established with open innovation. In this phase, the communication target group is no longer the Internet innovation community, but is now made up of "real" customers who actually test the products in the field or in laboratory experiments.

During the idea realization phase, communication measures concentrate on promoting the efficiency of the realization process. *Communication goals* are particularly concerned with sustaining the exchange of information between staff involved in the realization process. Feedback from the test procedure has to be obtained, evaluated, and fed back into product development process. With regard to external target groups, communication primarily focuses on securing suitable test individuals as well as informing the innovation community about main developments and sustaining their commitment.

Communication instruments that transmit information on the results of the relevant product tests are especially important during the realization phase. This may be communicated personally and also impersonally in the form of protocols and experiment documentation. Established blogs and online forums can be used for external communications. For the recruitment of test subjects, individuals must be contacted personally or at least in writing. The larger the company's data repository of customer contacts is, the smoother this process usually is.

The idea realization phase is all about exchanging information on the test results and forwarding suggestions for improvements. *Communication contents* consist of rational data and facts. In spite of the large number of external interfaces, the requirements for integration in the realization phase should, primarily, take place internally. Here, a continual exchange of information between the development team and the managers in charge of the test procedure must be guaranteed. The external requirement for integration consists in keeping the innovation community regularly informed about the realization process.

Once the test phase has been successfully completed, commercialization begins when the new product is introduced to the market. Innovation communication as part of the development process is followed by innovation communication as part of the implementation process.

13.4 Integrated Innovation Communication in the Implementation Process

The implementation process for innovation communication consists of the communication phases that involve internal and external target groups that are involved in scheduling the market development of a product or service. This process usually consists of the phases: introduction, growth, maturity, saturation, and decline (i.e., Meffert et al. 2012, p. 849f.; Bruhn 2011, p. 63f.). To simplify this somewhat, a three-stage lifecycle is also introduced here, consisting of the phases: introduction, growth, and stagnation (see, Table 1).

While innovation communication still focuses on a limited target group in the development phase—even if this is relatively broad where open innovation is concerned, in the implementation phase the communication process is open to as wide a public as possible in order to achieve the greatest possible market saturation.

Introduction Phase

The introduction phase is often the most important phase for a new product. Here one decides whether the original product ideas can be feasibly turned into a financially successful product. Often the introduction phase carries the greatest marketing and communication costs, which often means calculating with losses. It is all the more important, therefore, that communication measures are specified by precise directives and synergy effects are exploited.

Interaction points are established in the introduction phase through the sales and distribution of the new product on the market as well as through the launch of supportive, sales-promoting communication activities.

Often these measures are aimed at external *communication target groups* during the product's introduction. In particular, innovators and early adopters should be identified as potential customers and measures aimed at stimulating purchases should be used to provide them with information about the new product. In addition

to potential customers, media representatives and other opinion makers should be considered as an important target groups during the introduction phase. Ideally, these target groups will have already participated in the innovation process, producing synergy effects across the different phases. In addition to customers and opinion makers, internal target groups should be purposefully involved in innovation communication during product introduction. Where the communication of innovation is directed towards the outside arena, (product-) marketing and (product-) PR assume a central role. These departments can only fulfill this function however, if they have received adequate and timely information about the new product. The same applies to staff working in Sales and Distribution or in Customer Service or all staff in general who deal with customers and make use of the new product themselves or issue information on its use.

A central *communication goal* during the introduction phase is the goal of advertising the new product, its features and advantages in order to stimulate trial samples and first purchases. In addition to this, communication measures aim at activating opinion makers and generating positive word-of-mouth and contagion effects. Opinion makers are not necessarily or solely taken from the ranks of press representatives, but are to be found more and more in the Internet, and often have a substantial negative or positive influence on product appraisals (Helm et al. 2010). Only recently the biggest diaper innovation in 25 years by Procter & Gamble almost failed due to negative word-of-mouth on the Internet claiming the new pampers would cause itchiness (N.U. 2010).

When selecting *communication instruments*, the company has more or less the whole spectrum of marketing communication at its disposal in the introduction phase. This spans from traditional media advertising, to direct marketing and sales promotion at the point of sale, and on to the interactive possibilities of online and social media communication. The possibilities offered by social media can also be employed for addressing internal target groups, promoting the new product through blogs, for example, and by simultaneously setting up a platform for exchanging experiences (McAfee 2006; Bertoni and Chirumalla 2011); however, workshops and user training courses are necessary for conveying more detailed product information relating to particularly demanding business areas.

Communication content in the introduction phase features both factual and emotional messages. While factual *communication content* deals primarily with sales arguments relating to product features, price advantages, and application possibilities, emotional communication content deals with building up a particular image of the new product.

The *requirements for integration* during the introduction phase correspond largely to the classic alignment requirements for integrated communication: The coordination of the content and scheduling of all the market communication measures is of particular importance in order to create a uniform and convincing market appearance. Here, it is equally necessary to integrate internal and external communication measures in order to guarantee that employees are informed about the product features that are advertised on the market and respond adequately to them.

Growth Phase

The use of marketing and communication measures usually increases awareness of the product, leading to above-average rates of growth.

The *points of interaction* in this phase correspond substantially to those in introduction phase, whereby, having gained initial experience in using the new product, the focus, here, is on the external interaction points.

Communication activities thus focus on external *target groups* in the growth phase. Here, early adopters are no longer of prime interest, but rather first-buyers and recurrent purchasers who contribute to the increasing market saturation of the product. Media representatives usually become less important in this phase, while the (critical) online community is more important. In view of the fact that product descriptions gain a high level of credence in online-user forums and other communities, they can both positively and negatively impact the success of a product.

On the one hand, *communication goals* in the growth phase are associated with increasing emotionalization, and an increase in purchasing frequency. On the other hand, the observation of Internet target groups once again becomes more important in this phase, for the purpose of identifying evidence of product faults and clues to product improvements.

Communication investments are generally recouped in the growth phase, whereby, depending on the level of communication pressure one wishes to apply, media advertising and sales promotion are still employed as *communication instruments*. A professional monitoring system should be set up for observing target groups in the Internet and be capable of not only analyzing product commentaries but also of entering into direct dialogs with the target groups (Berkman 2008).

In the growth phase, companies do not usually channel new *communication content* into the communication process. Here, it is more a matter of ensuring that the messages already communicated in the introduction phase are consistently repeated and reinforced. Beyond this, communication content consists of consumer comments, complaints about insufficient information ascribed directly or indirectly to the company, and how the company responds.

In the growth phase, *integration requirements* are concerned with aligning the different forms of market communication. At the same time, the need for alignment between external and internal communication increases as commentaries on products are picked up externally and have to be referred to internal desks.

Stagnation Phase

In the stagnation phase product turnover becomes regressive for the first time. Market potential has been exhausted and the market is saturated. Consequently, the intensity of communication activities also declines.

This does not mean, conversely, that the *interaction points* between internal and external target groups become less important: On the one hand, the sales process has to be precisely aimed at target groups just as before. On the other hand, it is now important to engage more intensively with product users in order to discover the reasons why sales have fallen as well as to identify new ways of improving or adapting the product.

External *target groups* therefore are of central importance during this phase. Current product users should be observed on online platforms and “listened to”, to gain indications of the product’s weak points (Berkman 2008). Beyond this, one can seek direct contact with select customer groups in order to collect concrete details for improving specific product features. At the same time, internal target groups can also be drawn into the communication process in order to pursue possible (further) product development from within the firm. Most often, the core team of developers is permanently occupied with product improvements; however, in the phase, they should be more involved in confronting requests for improvement from external sources.

Communication objectives are met by following two tracks in the stagnation phase. On the one hand, they aim to stabilize sales at the highest possible level by using emotionalization to limit the trend. On the other hand, the company must prepare a transition from the implementation phase to a fresh phase of development by identifying the reasons for the drop in sales and seizing strategies to renew stimulus. This does not necessarily mean that a renewed innovation process will develop out of the stagnation: It is more likely that products will simply be improved or new varieties of the product devised.

In the stagnation phase, costly *communication instruments* are usually dispensed with; however, it is all the more important in this phase, to exploit forms of “passive social media communication” by monitoring, and communicating with members via user forums and blogs (Berkman 2008).

The communication content used in the stagnation phase corresponds to the content used in the growth phase. No new communication content is created; however, it is the way in which a company responds to its customers’ enquiries—be these from the Internet, the company’s Service Center or via sales field services—that is extremely important here. The more open and personal a company’s approach to its customers is here, the more able it will be to win over customer support in a renewed process of innovation and improvement.

Where the *requirements for integration* had essentially concerned the alignment of external communications during the introduction and growth phases, in the stagnation phase the coordination between internal and external communications become much more important. This involves systematically gathering opinions expressed outside the company and presenting these to internal development teams. The achievement of this opens a path to recovery, from product stagnation to a new product idea.

13.5 Elements of Strategic Communication as Joining Brackets

The description of the individual phases of the innovation process highlights the complexity of the process, from idea generation through to market implementation. Coordination requirements arise in response to communication goals,

communication instruments and contents, and, not least, in response to the communication target groups.

In order to guarantee the integration of these components, a strategic concept is required that can stipulate and coordinate communication programs that are consistent over the long term, plausible and synergistically aligned. The development of a comprehensive *integrated communication strategy* is core to such a concept. This strategy must apply throughout, irrespective of the actual phase of innovation communication, in specifying the common framework for all communication measures. There are fundamentally three core components for guaranteeing integration in this context:

1. *Strategic positioning of the innovation*: Strategic positioning is the desired image that a company aims to achieve for its innovation: what it wishes to communicate about its product. Here the company decides which of its new product’s features should primarily be promoted, where the main customer benefit is, what advantages the innovation has over competitive products. Independent of how definitive and concrete the innovation’s image is within the company and of how “open” the company’s innovation process is, the innovation’s strategic positioning can be decided early at the beginning of the development process or concretized during the idea generation phase. Strategic positioning provides a map for all of the communication measures and presents communications’ overriding aim. To achieve this, it has to be formulated in general terms on a composite level so that it is not compromised by the component interests of specific target groups. The relevant features of the innovation have to be reduced to a “common denominator” (Fig. 13.2).

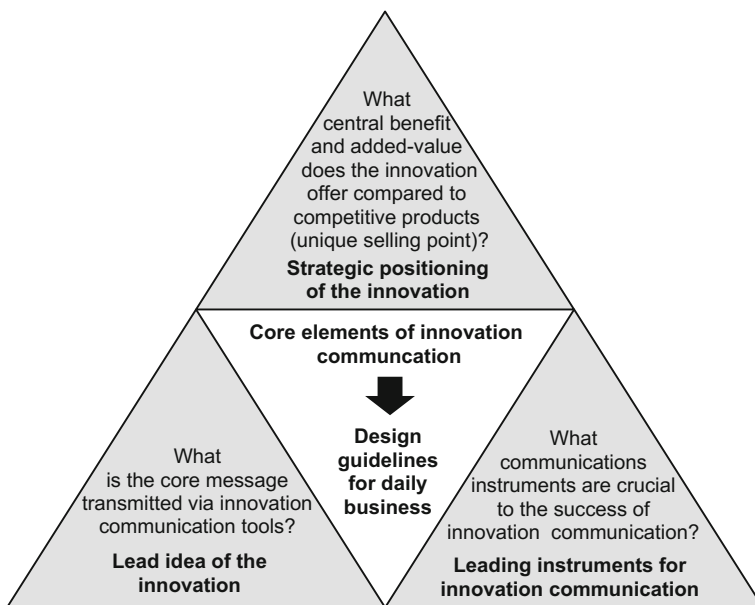


Fig. 13.2 Core components of an integrated innovation communication strategy

2. *Lead idea of the innovation*: The strategic positioning of the innovation has to recur in all communication messages. A lead idea is developed for the innovation for this purpose; i.e., a fundamental statement containing the most predominant features of the innovation. This lead idea has to be considered for all phases of the innovation process and lays the guidelines governing communication with both internal and external groups. The characteristic “optimized user friendliness” thus provides the innovation community with bearings for its activities in the development process as well as a core message for advertising the innovation in the implementation process.
3. *Specifying the leading communication instruments for innovation*: The palette of communication measures available to innovation communication is almost limitless today. However, these communication measures, which are so essential to the success of an innovation and which provide the crash barriers for implementing other communication instruments, have to be defined. Here, it is recommended that a maximum of two leading instruments are employed for the development and the implementation phase together. During the development phase, Internet forums and communities are suitable in the framework of open innovation processes, in addition to personal internal and external communications. Media advertising, as ever, holds a position of major importance in the implementation phase for many branches of industry, whereby forms of social media communication are becoming ever-increasingly important, in particular for stimulating contagion effects.

The three core elements outlined above, the definition of strategic positioning for an innovation, the formulation of a lead idea and the specification of leading communication instruments, constitute the essential guidelines for establishing consistent innovation communication during the development and implementation phase of innovation. The formulation of these guidelines must necessarily remain relatively abstract at this level and need to be substantiated and elaborated explicitly for the purpose of practical application in communication and innovation activities. These three strategic elements have to be specifically defined for each of the individual phases so that they are provided with explicit procedural instructions. The strategic positioning of the innovation has to be explicitly laid out, stipulating which communication goals have to be realized in each of the individual phases so that the strategic positioning of the innovation is achieved on the market. In the development phase, these goals may relate to activating the “right” external innovators, for example, or in the implementation phase, to building up a sufficiently high level of brand awareness for the new product. The lead idea should be “broken down” until the central core statements addressing the internal and external target groups are documented for each phase of the innovation process. In the development phase, the core messages contain the requirements that are demanded of the innovation, while in the implementation phase, the formulation of the unique selling propositions (USP) of the innovation focuses on real target groups. Ultimately, it is a matter of defining a kit of communication tools that will provide optimal support at each phase of the innovation process and facilitate the exploitation of synergy

effects. This serves, particularly in the implementation phase of innovation communication, to substantially increase the effect of media advertising through the use of promotions and targeted PR-sales promotions.

The strategic components of innovation communication constitute the content of the mission statement for coordinating all communication activities within the framework of the innovation process. They establish the conceptual foundation for efficient and effective innovation communication and are of central importance to the innovation process. Apart from providing this conceptual basis, successful innovation communication also places demands on cultural, employment, and organizational measures within the company. The major success factors arising from a company's culture of open innovation are its willingness to collaborate across departmental boundaries as well as its cooperation with external innovators and the establishment of cross-functional forms of collaboration.

Communication thus presents companies, researchers, developers, and communication managers with numerous new challenges in the open innovation process. The opportunities and enormous innovation potential that are made available in this way can only boost impetus to embrace these challenges.

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