## 113 Industries

#### **Blog Articles**

#### **Abstract**

This document contains a sample of blog articles and artwork produced for 113 Industries by Matthew J. De Reno in the summer of 2015.

113 Industries is a technology-driven services company that analyzes enormous volumes of social media data to find consumer needs that drive the development of game changing products and services for Fortune 500 companies.

#### Matthew J. De Reno

email | matt.dereno@scratchwriting.com web| ScratchWriting.com phone | (412) 969-1342

## **Table of Contents**

### **Blog Articles**

Roses are for innovators! How to rekindle your fire for product  Innovation	2
The value of your social data – Whose data is It?	7
How product innovation is being innovated	11
No one ever went broke underestimating the intelligence of typical sentiment analysis	15
How Social Driven-Design Innovation can help us uncover insights beyond black and white	20
Will artificial intelligence drive us toward servitude – or, simply to th	
A marketing trip to The Twilight Zone – It's what you need!	33



# Roses are for innovators! How to rekindle your fire for product Innovation

By Matthew DeReno

Do you no longer love your product line like you did in the early days? Do the markets take a blind eye to your offerings? Are sales stagnant? Perhaps there is a total lack of buzz for your product offerings?

In another lifetime, it seems, I anonymously penned articles for a dating website. At the time, I knew next to nothing about dating. I had, however, a notional sense, that perhaps those that struggled at dating

did so because they totally lacked the perspective of what success looks like in that department. After all, if you are good at relationships, then there is a good chance you got hitched somewhere along the way and you soon forgot what it was like to struggle. You were, dare I say, a victim of your own success!

Yet, within you, still lies the keys to your ultimate success.

In a similar sense, the marketing relationship you have with your products is no different than the relationships you have had on the dating scene or the relationship you have in a marriage.

In the early days, you eagerly innovated to win the affection of your soul mate. You were good at it. You were willing to do whatever it took to beat the competition and you succeeded because you discovered what worked. Over the years you stayed with what worked, because, well, it worked. Why change? Why fix what isn't broke, as the saying goes?

Similarly, you got married to your current product line because at one time you were in love with it too. That relationship worked. After all, your company weathered the good times and bad – and your existing products carried the day. Profits were made. Awards were hung on the walls. More importantly, you delighted your customers. There was no compelling need to change.

But, things changed anyway. They always do.

The markets have moved on and your soulmate has grown restless. You got the marketing itch now. You find yourself looking more and more at sexier products in the market.

You are becoming, dare I say, product curious. Your products seem, well, boring to you now; not as attractive as they once were? So what should you do?

First, take a deep breath. There is a way to spice up your product line and reconstitute that old magic. It is possible to recapture those halcyon days when you and your products were like two love birds that drew the envy of the markets. After all, you still have the key to success – remember?

The key is innovation.

You need to start innovating again. You need to keep innovating too, so you don't fall behind or fall out of love — ever again! You need to always be innovating to keep the markets smiling upon you. In fact, you need continuous innovation to be part of your new organizational makeup.

But, Innovation is risky, you say. Innovation takes time, you clamor. Innovation costs a lot of money and requires tons of resources and you can't afford to be risky like you were in your younger wilder days!

What if I told you that you could innovate more quickly and affordably in a way that minimized the risks you are

## now so averse to taking? Would you want to learn more? Would you sit through that presentation?

It is time then that you learn about Rapid Commercial Prototyping and how it can help you innovate with minimal risk and less costs than traditional approaches to innovation. In fact, within 90 days, Rapid Commercial Prototyping can help you do the following:

- ✓ Go from concept to build rapidly
- ✓ Mitigate the risk of prototyping your new products by leveraging a distributed network of entrepreneurs, data scientists, engineers, industrial designers and product innovators – all with incentives to lend their skills and expertise
- Access a smartly connected, distributed network of over 1,200
   commercial manufacturing shops with state-of-the-art equipment
- Create prototypes Designed for Manufacturing (DFM) and a seamless transition to commercial scale production
- Leverage the power of experienced entrepreneurs to provide oversight and direction for your next generation of product innovations

The power of Rapid Commercial Prototyping lies in its decentralized structure, which then distributes your innovation efforts across a vast network of interconnected resources. Costs are scaled downward for you because they are mitigated across an incentivized network each working to deliver a certain part of your next product innovation – from

product insights, manufacturing process innovations, re-imagined purposes for your existing products, identified new products that your customers want and demand and more.

Now then, is there a twinkle in your eye? Do you suddenly feel younger? Are you ready to innovate again? Is it time to recapture the magic? Are you ready to fall in love – all over again?



## The value of your social data – Whose data is It?

By Matthew DeReno

In the Age of Information today there is one common platform, whether commercial or personal, that all of us are likely familiar with – social media. In that respects, social media is a rather ubiquitous experience, insofar as over one billion Facebook users are concerned.

We are wanting participants in this new age and we don't think much about our participation. Can you blame us? After all, as humans, we like to be informed and included. We like to be social. Our very nature, stemming back to the days of survival in the wild, necessitated that we

be social to live and thrive. However, in the great ages that have been visited upon humanity since we emerged from our humble Paleolithic social gatherings, we learned one thing — it takes a while for the great thinkers of humanity to consider the ramifications of the age from a humanistic social point of view.

The Industrial Age was a period of incredibly mechanistic advancement. Suddenly, factories covered the world and things could be mass produced on a scale previously only dreamed about. The steam engine, the power loom, electric power, running water, the rise of the nation states – all transformed the world as we knew it then, including the people in it.

Such progress also brought the negative side effects of it too. The Industrial Age was dehumanizing in many respects. Children as young as five were sent to work in dangerous factories. Rivers became polluted. Hours were long for the average worker.

Over time, these abuses led to critical thinking about human rights. Things changed. Unions were born. Labor laws evolved. Political and religious philosophies were shaped and imparted upon the masses to address the negative effects of the Industrial Age.

Social media, however, is an aspect of the Information Age, where the negatives are less clear. After all, social

media is too much fun. We love to share pictures of cats. We enjoy posting about movies that we enjoy, products that we use, people we don't like – for reasons political, personal, and cultural. In short, we are empowered to be goofs. In the Industrial Age our humanity may have been slowly stripped away by doing one thing all day. In the Information Age, we might face a similar consequence from social media by essentially doing nothing all day.

Social media is more nuanced when it comes to the pain that the new era of information might possibly be generating. That nuance lies in privacy and data rights. This is the one area where we have not done much thinking. It is the one domain where the great thinkers are silenced under the millions of cat purrs emanating from YouTube videos.

Despite the information cacophony we create, we also generate highly valuable data for governments and commercial interests. That data is intrinsically rooted in our individual human experiences. Yet, when we log into many popular social media platform, such as Facebook, Twitter, Instagram, Pinterest, and others, we sign away rights to it as if it were worth nothing. That valuable data, then, crosses the threshold, into a world where "proprietary" does not mean "propriety", and our return for contributing our data is problematic at best. After all, our rights are gone insofar as most social media terms of use are concerned.

It is time we think about the value of that data we freely give away. Who does that data ultimately belong too? Can you ever give away the rights to your experience as a human? When you give your data to a social media platform, should you have a right to know how they use it? It is an important subject to think about. After all, now that all the good domain names are taken, could our very own names be taken next? It could happen right before our very eyes too. If it did, would we even notice — or would we be too busy commenting on cat videos?



## How product innovation is being innovated

By Matthew DeReno

Innovation can be described as the process of translating an idea or invention into a good or service that creates value for which customers will pay. The process of innovation is complex, expensive, and there is significant risk involved for organizations. This risk is especially greatest for those attempting to introduce new products where markets have yet to be defined.

Yet, innovation is critical to survival. Innovation is what keeps companies alive and competitive. But, are there ways to innovate faster

and cheaper? Smarter? Can you make more informed and therefore less risky innovations? In short, can the process of innovation be innovated?

Let us consider traditional R&D for a moment. Innovation has traditionally been the chief deliverable of the magic-making, mysterious R&D department. After all, this is the place within the enterprise where the latest and greatest versions of products are vastly improved. It is the top-secret area where the next generation of products are traditionally born.

We are inherently fascinated with the inner workings of R&D. How could we not be? After all, R&D is where the toy makers in the enterprise work. It the place where the Dwarves of Middle Earth hammer out their next great blade. It is where James Bond gets his cool, clever, and lethal gadgets. It is where both technology and black latex dress up Bruce Wayne as the Dark Knight.

Talk about product innovations. Bond had a shoe that could extend a hidden blade from its sole. He had cuff links that could fire a bullet. He had a car that could turn into a submarine. He even had a helicopter that could be packed into a suit case. Not to be outdone, the Dwarf Lords of Middle Earth could forge blades that glowed green when the enemy came poking around. Of course, Batman, had the Bat Cave — a dream garage replete with the kind of innovative weaponry that could make DARPA research scientists feel as if they were designing yo-yos for a living!

There are other considerations too when it comes to traditional R&D. It is expensive (a fact which is conveniently overlooked in the movies). There is massive cost associated with traditional R&D product innovation and the cost of doing it the traditional way is only going up.

A 2014 Forbes article concerning the pharmaceutical industry cited industry estimates that the IRR (internal rate of return) of R&D spending had dropped in half since 2010, from 10.5 percent to 4.8 percent. That means it cost double to get the same return on your R&D investments!

So what is the solution? Surrender to Mordor? Capitulate to SPECTRE? Give the Joker his due? The answer is no. Help is available and it is called Social Driven Design Innovation (SDDI).

Social Design Driven Innovation discovers the key insights that can drive the next generation of your product innovation. SDDI is about leveraging new thinking, scientific processes, big data technology and cutting-edge tools to analyze the language, behaviors, and needs of your consumers, not in a lab — or Middle Earth, a Bat Cave, or a Q Branch, for that matter — but in the real marketplace as it is unfolding.

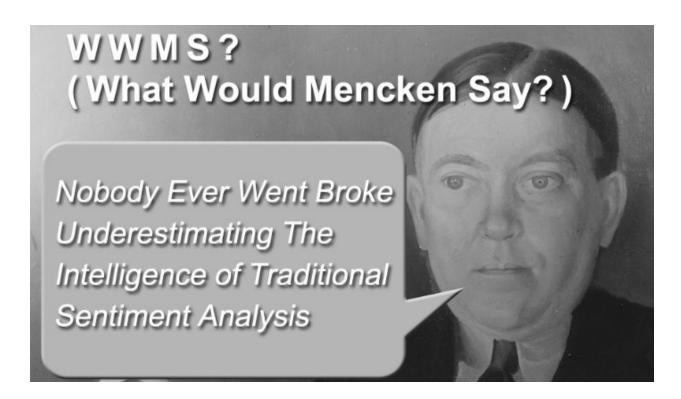
Folks are talking about their needs to their friends. They are discussing your products on Facebook. They are posting innovative uses of

products on Instagram, Twitter, Pinterest, YouTube, and other social media outlets.

SDDI is about catching those conversations, analyzing them, and generating actionable marketing insight from them. These insights are the engine of tomorrow's next excellent product innovations.

How does it work? By leveraging the power of big data analytics, SDDI identifies the compensating behaviors of consumers, which in turn leads to their unarticulated needs. A compensating behavior is when a consumer uses a product in a way it was not originally intended, ostensibly to solve a need that is not currently being met. Unarticulated needs are those needs which consumers don't even know they have. SDDI identifies both to develop new, innovative products that consumers can instantly adopt. SDDI promises to do It fast too, which means it can help you innovate in less time, and less time means you will begin to keep those rising R&D costs in check.

So then, are there ways to innovate faster and cheaper? Smarter? Can you make more informed and therefore less risky innovations? Can you boldly enter the markets of Mordor? The answer is yes, and you won't need a glowing sword to do so – although it might help. You may, however, find SDDI indispensable.



# No one ever went broke underestimating the intelligence of typical sentiment analysis

By Matthew DeReno

Your next excellent product innovation is rooted in understanding consumer behavior in a novel way that the market does not understand now. This will be your leg up on the competition. This will be how your next high-quality product is born. Towards those ends, your

understanding of a consumer needs to be deeper than an emoji analysis.

The problem is that consumers do weird stuff. It's hard to understand why consumers do what they do even if you have newfangled big data software that can chew on big data and spit out who is happy and who is not. But, your true insight lies beyond typical sentiment analysis.

To illustrate this point, let us revisit what I believe is a famous case of consumer behavior frustration — now almost 100 years in the past!

Legendary journalist, satirist, cultural critic, and scholar, H.L. Mencken, famously stated, "No one in this world, so far as I know — and I have searched the records for years, and employed agents to help me — has ever lost money by underestimating the intelligence of the great masses of the plain people. Nor has anyone ever lost public office thereby."

This quote has been tweaked, re-spun, and tossed about like salad, ever since. Over time, the original quote evolved, most notably into the disparaging phrase, "No one ever went broke underestimating the intelligence of the American public."

I believe that at the heart of Mencken's sentiment is a frustration born of struggling to understand consumer behavior. After all, Mencken wanted his paper, the Chicago Daily Tribune, to sell more newspapers. However,

## Mencken was rankled that the tabloids had several advantages over the Chicago Daily Tribune.

In his signature Notes on Journalism piece, published September 19, 1926, he excoriated readers of tabloid papers. He also lamented about the advantages tabloids had over newspapers like the Chicago Daily Tribune: They were lighter and less bulky than daily newspapers; they had two or three sections and weighed only a pound or more; they could be distributed more quickly than the larger papers. He went on explain that a critical mistake that publishers of tabloids often made was that once they were successful and profitable they tried to appeal to more refined readers by increasing the quality of their publication, which never worked.

What does Mencken's frustration tell us? For one thing, it tells us that consumer behavior back then was a tricky thing to understand. It still is today.

Modern sentiment analysis technology wasn't available to H.L. Mencken, but even if it was, would it really reveal anything other than Mencken's frustration? Would it simply confirm his notion that the "near illiterates" (ouch) love tabloids?

That is the problem with sentiment analysis. Typical sentiment analysis far too often leaves out the context of how sentiment analysis can be

applied to a consumer's unarticulated needs and compensating behaviors.

An unarticulated need is one which a consumer doesn't even know they have. A compensating behavior is one where a consumer does something with an existing product in a way in which it was not necessarily designed to do. Think of the myriad of ways one can use duct tape. Think of how people use mason jars to drink beer. Think of how creative parents package lunch snacks in plastic Easter eggs. When you understand those aspects of consumer behavior, you begin to understand the consumers themselves.

With a deeper understanding of the consumer, could the Chicago Daily Tribune way back then have made their papers lighter? Could they publish, under the fold of their publication, content that appealed to the, shall we say, more lowbrow nature, perhaps that dwells in all consumers?

What would Mencken think of today's popular online publications? After all, many presumably smart intellectual consumers, perhaps just like Mencken, might likely read an article about economics, the news of the day, and some new technological breakthrough first. However, afterwards, their eyes might wander, ever so slowly, down to the bottom part of the website — where "sponsored" or "promoted" content lives.

Perhaps once Mencken had his intellectual fill, his reading eyes might gander at the "Controversial 'Brain Pill' Billionaires Use"; or perhaps, he might find himself inexplicably drawn to the link for "210 Kate Upton GIFs You Just Have To see". Mencken, so far as we can tell from historical photos, might then hide the view to his monitor from nearby editors, while he secretly read, "The Botox Alternative That Doctors Don't Want You To Know About."

That is all hypothetical of course. After all, we know very little about H.L. Mencken's consumer behavior, other than his well-chronicled frustrations with tabloid readers. However, we do know one thing: No one ever went broke by underestimating the value of typical sentiment analysis.



## How Social Driven-Design Innovation can help us uncover insights beyond black and white

By Matthew DeReno

Consumers are taking to various online platforms to discuss, compare, champion and complain about all types of products. They do so in real time. Wrangling this information and analyzing the behavior behind the consumer's commentary, companies can discover their next excellent product innovation. The process by which this happens is called Social

Driven-Design Innovation. In a nutshell, it is a process that unearths a consumer's unarticulated needs and identifies their compensating behaviors.

Companies that accrue massive data – big data – know that it is no simple task to analyze their own data. The difficulty most companies have in accessing insights through big data is their inability to sift through the massive amounts of chatter, whittle down the big data to discover the hidden patterns that matter, which must be done to access the marketable data. Now imagine the complexity involved in analyzing a major news event that dominates national and international media outlets.

In previous blog postings, we have discussed how Social Driven-Design Innovation can help solve problems as they apply to product innovation. However, in this posting, we are going to step back from product innovation and think about how the same scientific approach that could help create tomorrow's next useful product could also draw insight from two incredibly complex social events that dominated the U.S. news in the early Summer of 2015.

The first event was rioting in Baltimore. The second incident was the biker gang shootout in Waco, Texas. Both underscore why typical sentiment analysis is not enough to discover true insights about complex events.

Some similarities between Baltimore and Waco were obvious. Both events were marked by wanton violence. In Baltimore, stores were burnt to the ground, rocks were thrown at police. In Waco, nine motorcycle gang members were killed, many by police, and at least 18 others were injured. But what caused the problems in Baltimore and Waco? Were those causes similar or dissimilar?

The riots in Baltimore were predominantly labeled a black affair, while the biker gang melee was labeled a white one. Both events drummed up a fair share of social commentators, who had all sorts of theories to justify why these events happened. These theories included the breakdown of morality in modern society, a lack of father figures at home, high unemployment, kids watching too much TV and more. These were opinions of course – not necessarily backed by data.

Moreover, much of the social sentiment was divided along racial lines. "When are we going to start asking how many of the (people) in the Waco slaughter grew up in single-parent homes? Oh, that's right," one person posted cynically on social media.

We must ask ourselves this: do we have data to make a truly comparative model of both events from which we could draw meaningful insights? Could we go beyond a black and white sentiment analysis?

The problem is that the data sets that might describe the sociological events, such as those that took place in Baltimore and Waco, are simply too big for the unaided mind to analyze without computational help. You need a way to scientifically make true sense of the massive amount of data surrounding both events.

Moreover, at some point, you must scientifically filter that data like a pot of coffee. After all, if you were going to truly compare the events in Baltimore and Waco, you must remove race from the equation, a bitter grind indeed. Big data, it should be noted, is a colorblind coffee maker of insights – and we prefer our insights bold flavored.

So how do you cluster the social sentiment behind both events? How do you filter out the noise? Where might there be true insight into the dynamics of the national events, which might truly serve to support a comparative analysis?

When you consider both events from that point of view, a comparative analysis of these events, is a big data task – and a clear case of why we need to go beyond typical sentiment analysis. Knowing *who* is angry does not tell us much. Knowing *why* they are angry, tells us much more.

A big data scientist might ask if we even have the data to make an informed analysis? They might ask another question too: can that data be curated from both events? What data sources are required to model

both events to generate a scientifically comparative analysis? Could we simply analyze all the twitter postings about both events? Could we draw insight as the events were unfolding in real time? Could we cluster the data? Could we detect patterns in the data? Could we identify a topology that describes the social networks surrounding both events?

Moreover, could we leverage social scientists to make learned conclusions based on computational models rooted in tried and true science? What are the unarticulated needs of the masses that are left hidden in the chatter? What are the compensating behaviors of the under-served, the under-privileged? Is rioting a compensating behavior? If so, for what unarticulated need?

The sheer amount of the data and the speed at which it was generated would have been a huge obstacle to traditional data scientists.

However, with the advent of the Age of Big Data – which we now live in – we have the computing power and the storage capacity to analyze and preserve the massive amounts of data that might enable us to draw some deep, perhaps truly comparative, meaningful insight from the tragic events that took place in both Baltimore and Waco.

Using big data algorithms to analyze both events on a statistically equivalent playing field, we could derive meaning with a degree of color blindness that would previously have been impossible to filter out from any one person. This is the power that big data has the potential to deliver.

Scientifically analyzing the behavior behind the events that took place in Baltimore and Waco and captured the attention of a nation, is a big data task. The big data differentiator for us, when it comes to product innovation, is our approach called Social Driven-Design Innovation. Social Driven-Design is a multi-faceted approached that leverages scientific expertise, big data tools and vast array of distributed analytical resources. A similar approach could be used to draw meaningful insights from the tragic events that unfolded in Baltimore and Waco. These insights could help inform, if not innovate, social policy and would go far beyond a simplistic black and white sentiment analysis.



# Will artificial intelligence drive us toward servitude – or, simply to the beer store?

By Matthew DeReno

Will artificial intelligence one day rule the world and enslave humanity? Or, will it simply get me a cold beer one day?

My modest model for AI technology is not some all-knowing robot that concludes that our existence is futile or illogical. My model for AI, which I would love to see in action, is simply a rolling garbage can-shaped robot that puts me in a good mood and can just about connect to any

device there is and let me know what is going on with my spaceship or on a more pragmatic level, my minivan. Yes, I am talking about R2-D2 – the fictional robot from the Star Wars films. I want one.

Natural language processing, machine learning, robots that can talk to us like we talk to each other? Robots that can learn from us and react? Great. However, I am more than okay with R2-D2's blips, do's, and dahs sufficing as a language – for now at least. In fact, I kind of like the highly emotive universal whistles of R2.

"R2- do I have any beer left in the basement fridge?"

"Dah. Dah... Dooooooo."

Maybe I am not ready for AI that is indistinguishable from humanity. Maybe just short of the Turing test is good enough for me. The Turing test, for the uninitiated, famously tests a machine's ability to exhibit intelligent behavior equivalent to, or indistinguishable from, that of a human. Though it should be noted, we have all worked with some folks at one time or another, that might have

## trouble passing that very same test. So, let's not be too hard on AI. But, I digress.

I don't want to have to listen to my smart device like it is a real person? Not right now. I would like my AI to connect to my house and tell me what is generally going on with my smart house. I want it to tell me stuff that is practical — like the potato salad is going bad in the fridge. Is the water tank about to blow? A pleasant whistle sound will do nicely if everything is running smoothly. In that regards, we can't be that far behind in creating something like an R2-D2 can we? R2-D2 is to me about the equivalent of a super smart phone on wheels that can follow you around.

Maybe we will soon be in an age, where we no longer follow folks on Facebook. Rather, we have an AI buddy who follows us – literally.

And, when it comes to robots driving vehicles for us, or cars that drive themselves. I want my car to have a big hole in the hood, where I can insert my R2-D2 unit and let it drive for me, much like Luke Skywalker would do when he needed a break from piloting his X-wing Fighter. Of course, I would like to drive when the Tie Fighters come around. Similarly, I don't want a car that can drive itself. I want a robot buddy like R2 that can be inserted into my car and drive it when I need it too.

Many technology luminaries and industry tycoons fear AI. Elon Musk is one; Bill Gates is another. Throw Stephen Hawking in and what you

have is trickle down paranoia about technology run amok. They believe we need to think about curbing AI before we even really get into it.

I will concede that Bill Gates does have relevant experience in technology bringing us to the brink (You may recall Windows Millennium). Stephen Hawking, a noted cosmologist, is equally pessimistic about any intelligence outside of our own regarding us with much esteem.

Personally, I think Hawking is fuming mad that nobody showed up at his famous time travel party, in which he created a poster inviting people to the party *after* it happened. His theory was that if time travel was indeed possible then his party would be jumping. However, the fact that nobody showed up does not indicate that time travel is not possible, rather it may simply indicate that nobody wanted to go to Hawking's party. We can't rule that out, can we?

All of them believe if we don't reign in AI now, it will stand to take us over and do great harm. I don't think AI stands to enslave us; rather, I think it will be riend us.

Their fears are not totally unfounded, but I tend to be more of an optimist. I see IoT as half connected; not half offline. I see a more friendly, gradual adoption of AI, IoT, in general. I see more R2-D2s coming our way and less T3s – as in Terminator machines.

The Borg of the Star Trek films had a well-known saying, "Assimilate. Resistance is futile." I believe that is right on. However, maybe the entity saying it and entity receiving this news is all AI backwards?

Humanity has a way of assimilating technology. Could it be that it is the AI that will be assimilated by humanity? That seems to be the leitmotif of technological progress through the ages. When we invent a hammer, we do things with it we couldn't do before. What will we do with AI? What we once thought was impossible will become a nail for us to hammer with AI.

We don't quite live like we did in the Industrial Age. Even Millennials don't live like the Bicentennials do – yes, the 1976 born era. It is different day and age to be a teenager than it was in the 90s – as it will be in the future – as it will be in their offspring's future.

We evolve with our own technology. Most doomsday models I am aware of seem to regard humanity as a static entity – include in that mix Gates, Musk, and Hawking. Who I am to question Gates, Musk and Hawking? I am simply: not alone.

Ian Pearson, a UK-based "future technology consultant" with Futurizon, feels the same as I do. In a July 2015 article, *Connecting artificial intelligence with the internet of things*, which appeared on the Guardian website, Pearson essentially states that IoT will represent a significant good:

"I think if you could guarantee our privacy, most of us would love to have an environment like a smart home that adapts to what you want – lights that dim according to your emotional state, things like that could be a very nice environment," Pearson says, according to the article.

"Right now, a lot of what we have by way of AI is hopelessly rubbish. If it's nice to us, bring it on. If we can get the benefits of AI and connectedness and it's benign, I think it will be fantastic."

Overly optimistic? I don't think so. The real problem, according to Pearson, is the design challenge in getting the Internet of Things to get devices to talk to each other efficiently and securely.

Alas, I grew up with the original Star Wars films. I was the starry-eyed kid watching R2-D2 and his golden companion C3PO bickering across the desert planet of Tatooine. Ever since, I have been enamored with the world of technology and find it a great privilege to revel in its possibilities. Those possibilities, I believe, will be gradual and more benign, rather than cataclysmic and misanthropic.

"Now then R2, can you replay that message again. This time the whole thing."

"Dooooo. Dahh. Dahh. Dooooo."

"What? We are bone dry! R2 – Set our course for the beer store system!"



## A marketing trip to The Twilight Zone – It's what you need!

By Matthew DeReno

Through the wonders of binge watching old TV shows on Netflix, my 12-year-old daughter has recently discovered the magic of the Rod Serling's classic TV show, The Twilight Zone.

For the uninitiated, and any millennials reading this, the Twilight Zone is a legendary American television series created by Rod Serling, which featured stories containing drama, psychological thriller, fantasy,

science fiction, suspense, and horror. The show ran from 1959 to 1964. Oftentimes, the shows concluded with a supernatural or unexpected twist.

I remember watching reruns as a kid and I loved the show. Therefore, the development that my daughter was now into The Twilight Zone, was received with great excitement by me.

"Dad," she said, excitedly. "I watched this black and white show – and it was actually good! It was called The Twilight Zone."

I was humored, but when she launched into a full-blown impersonation of Rod Serling's famous introduction, she got my undivided attention.

"There is a fifth dimension beyond that which is known to man. It is a dimension as vast as space and as timeless as infinity. It is the middle ground between light and shadow, between science and superstition, and it lies between the pit of man's fears and the summit of his knowledge. This is the dimension of imagination. It is an area which we call 'The Twilight Zone'."

She told me about one episode where a man could predict the future, and give people, "What they need." I was so intrigued that I sat down and watched the episode with her.

The episode, "What You Need", has an old man, Peddot, peddling trinkets in a bar. He sells gum, shoelaces and other penny products ("matchsticks, perhaps?"). People at the bar politely buy a thing or two from this gentle old harmless peddler. However, the old man sometimes gets a very bizarre, faraway, dreamy look in his eyes. At such points, he will just hand some odd item to somebody, and then tell them that "It's what you need."

In one instance, he sold matchsticks to a down-on-his-luck, ex-baseball player, only to then to hand him a bus ticket to Scranton, Pennsylvania. The man said, "What is this?" Old man Peddot replied, "It's what you need." The man looked at him oddly, while putting the ticket into his pocket.

Minutes later the phone rings (remember phone booths at the bar?). It is a call for the ex-ballplayer who just received the bus ticket as a gift. It turns out the man got a job offer to coach a minor league baseball team. Where is the job? You guessed it: Scranton, Pennsylvania.

The act repeats itself. Another time finds old man Peddot schlepping more matchsticks, gum and other penny products ("shoelaces, perhaps?"). Only this this time he hands a guy a pair of scissors.

"What's this for?", the recipient asks, perplexed. "It's what you need," answers the old man, blankly.

Later in the episode the man who received the scissors is inside an elevator. The elevator is the old kind where an iron gate closes from top to bottom. As the elevator begins to make its ascent, this man's tie, which was draped over his shoulder, is snagged by the gate. As a result, the man begins to strangle on his taut tie. Suddenly, he remembers the scissors! Frantically, he cuts himself loose – remembering the old man that strangely gave him the scissors, and recalling his melancholic words, "It's what you need."

I couldn't help but think that the strange ability of this old man to see exactly what people need — is kind of what product innovation is all about, especially the kind of product innovation we call Social Driven Design Innovation.

Social Driven Design Innovation is much like the old man's ability to give people, "What they need." It is about providing customers with what they need when they don't know they need it. This is what discovering a consumer's unarticulated needs is all about.

Similarly, many consumers don't know what they need. Instead, consumers do things to meet their unarticulated needs. What they do to satisfy their unarticulated needs is called a compensating behavior. This old man had a special gift to see into the future and know what his

customers unarticulated needs were. He then gave them a product that satisfied that unarticulated need.

Social Driven Design Innovation essentially does the same thing although it is noted it accomplishes this without paranormal abilities. Rather, it leverages scientific approaches, big data tools, machine learning, and distributed expertise, to discover what it is that consumers truly need. Through this scientific and tools-driven process, the unarticulated needs of consumers are revealed – things consumers need but don't know to ask for.

Identifying unarticulated needs is a critical step towards discovering a company's next excellent product innovation. Companies that can understand their customers unarticulated needs can rapidly innovate new products to meet their needs. As a result, when a delighted customer asks, "What is this new product?", that company can confidently answer, much like old man Peddot, "It's what you need."

On that note, and with all apologies to Rod Serling...

"There is a fifth market beyond that which is known to man. It is a market as vast as space and as timeless as infinity. It is the middle ground between products that are in the light and the ones that disappear into shadow, between technology and innovation, and it lies between the pit of a consumers compensating behavior and the summit of his unarticulated needs.

This is the dimension of innovation. It is an area which we call 'The Social Driven Design Innovation Zone'."