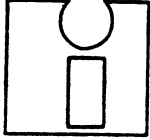


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**PUBLICITY FOR THE COMMERCIALIZATION OF PATENTED INVENTIONS
OTHER MEANS FOR THE MARKETING OF PATENTED INVENTIONS**

*Lecture presented by Ms. Teoh Kim Ean,
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INTRODUCTION

I am pleased to be given the opportunity by the World Intellectual Property Organization (WIPO) and International Federation of Invention Association (IFIA) to share with you some thoughts on publicity to effectively commercialize patented inventions.

Our discussion today will hopefully answer two questions.

Firstly, what are the factors to be considered in planning publicity or marketing communications for patented inventions.

Secondly, what communication mix or strategies could be used to publicize and market the product.

FACTORS THAT DETERMINE PUBLICITY / MARKETING COMMUNICATIONS

You have heard distinguished speakers on feasibility studies, market surveys, valuation and advertising of patented inventions for their commercialization. Nevertheless, it may be useful to recap the essential factors to be considered in planning communication strategies. The objective in any marketing or commercialization of patented inventions is to sell profitably to the ultimate user. Marketing is communication of your product to the consumer.

Successful marketing is achieved when the product (your invention) is at the right place (distribution) at the right time, at the right price (pricing) and benefits effective communication to potential customers (promotion) for them to buy the product.

So, the primary factor we need to examine is the customer.

1. The Customer

What does the customer want?

What are his needs, his preferences and motivation, i.e. customer behavior, customer attributes.

Suppose a customer wants to buy a motorcycle. As he looks at the options, two thoughts might occur to him - one the utilitarian concept of a bike as a means of transport; the other might be the irrational fantasy induced by the image the bike has for him, i.e. his image. Or customer attitudes could be based on demographic and socio-economic groupings.

By knowing the customers, or understanding which market segment they belong to we can communicate with them effectively, i.e. publicize the product. It should be remembered that our ultimate objective is to find out what the customer wants and give it to him.

2. The product

In analyzing patented inventions we can roughly classify them into four categories:

- a consumer product or “end product,” e.g., a lead pencil;
- an improvement of an existing product, e.g., a mechanical pencil;
- a process - e.g. a waste-water treatment;
- an improvement of an existing process, e.g. waste-water treatment with zero effluent discharge.

For our purposes today let’s treat all these categories of inventions as products.

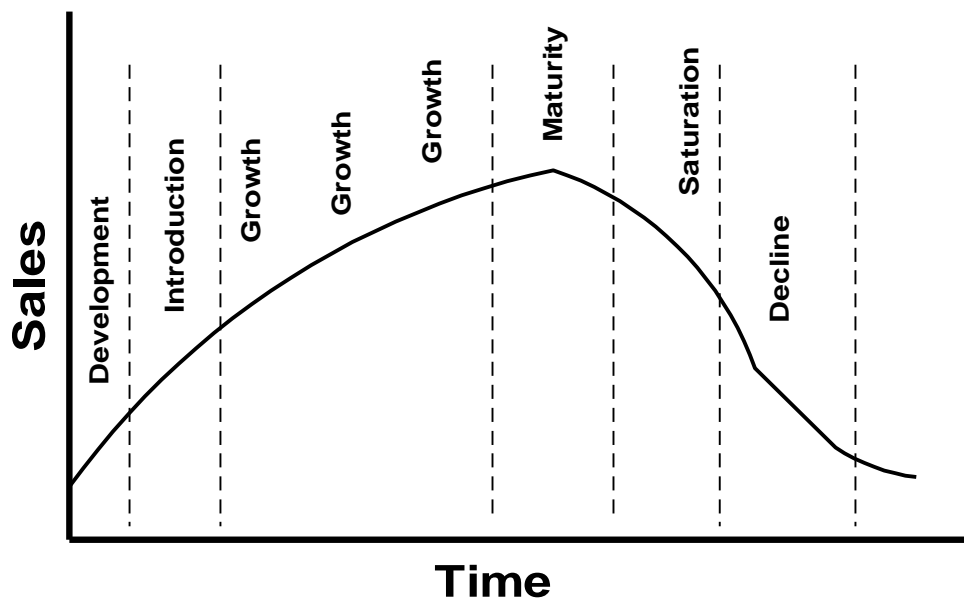
But what is a product?

For instance, when a consumer buys a can opener. Is the opener what he wants or is it the opened can.

When a new, easier way to open a can appears on the market, the consumer may move from the old to the new. This is because people buy **benefits** not products.

Another important characteristic of products to bear in mind is that each product has a life cycle.

First there is the initial development; the introduction of the product to the market, a succession of growth periods, when improvements are made and competitors enter the market; then come the phases of maturity, saturation and decline.



Hence the need to speedily communicate the benefits of your product to your identified customers and market it.

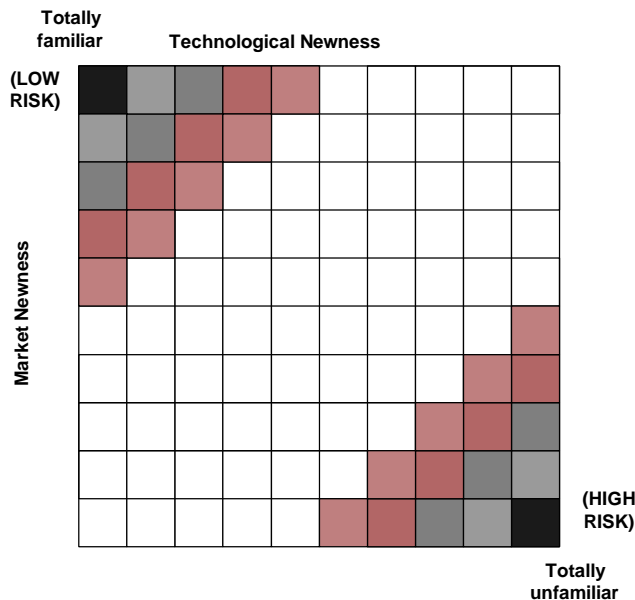
3. The market

This brings us to the third factor in marketing patented inventions - the market. Traditional marketing strategies are based on permutations of products and markets as in Ansoff's matrix.

Markets	Existing Product in Existing Market	New Product in Existing Market
	Existing Product in New Market	New Product in New Market
	Products	

“New products’ means technical innovation.

‘New markets’ refers to changing markets.



How we market a product depends on its permutation - the matrix. With most patented inventions it is a question of diffusion of an innovation. There are various degrees of technological 'newness' in every product and there are many shades of familiar and unfamiliar situations in every market. The degree of 'newness' of innovation or unfamiliarity in the product or market creates a corresponding degree of risk faced by the entrepreneur who ventures into new products or new markets. Each market is divided into market segments. As we saw, with customers, they are not all the same. The market is not a mass. Each product must match different segments of customers' needs. What has happened to the market? Why has this happened?

4. The business environment

Briefly, to answer these questions we need to look at the fourth factor which will determine our strategies - the business environment.

(a) Demassification of the market

Alvin Toffler coined the word demassification in his book "The Third Wave" 15 years ago. He said that *"the mass market has split into ever-multiplying, ever-changing sets of mini-markets that demand a continually expanding range of options, models, types, sizes, colors and customizations."*

Ten years later, in "Power Shift," Toffler noted that the process has accelerated. He described the "super-symbolic economy."

"This new system takes us a giant step beyond mass production towards increasing customization, beyond mass marketing and distribution towards niches and micromarketing, beyond the monolithic corporation to new forms of organizations."

In the fifties or sixties there was one kind of cola soft drink for the thirsty. One kind of Holiday Inn for the traveler. Today, there is Coke, Coke Classic, Cherry Coke, Diet Cherry Coke, Diet Coke, Caffeine-free Coke, Caffeine-free Coke Classic, and Caffeine-free Diet Coke each available in different sizes. No longer is there simply a Marriot Hotel chain. Now you can choose from economy price to moderate price and full service resorts.

(b) Decline of brand loyalty

In time past, people used to swear by certain brands, Arrow shirts, or Colgate toothpaste and Ford cars.

Now no-name generic products in plain wrappers have caught on, supermarkets have their own brands. Promotions like "cent-off coupons" are rife and the consumer is tempted to jump from brand to brand.

(c) New ways to shop and pay

Projections show that by the end of this century, the world will have almost 700 million telephone lines operating, all of them interconnected and almost all accessible by direct dial.

The toll-free telephone, the fax machine, the credit card and now on-line shopping services - all these have revolutionized how people shop and pay around the world.

The remarkable spread of credit card usage has built a broad base of credit worthy customers and has made possible extraordinary ease of ordering through toll-free telephone numbers.

Catalogue marketers are constantly using new technologies to support their promotions. At the same time, thousands of people are watching the home-shopping networks on TV.

While on-line shopping by means of the home computer is still in its infancy, merchants on CompuServe, Prodigy and America On-Line are selling everything from books, CDs to shirts and sunglasses. Within just a few months of setting up shop in cyberspace, 1-800 Flowers was getting 10% of its direct order business from the on-line services.

(d) Database Marketing/Direct Marketing

Another significant development is database marketing. Many consumer marketing companies and almost all business-to-business marketers, now maintain some form of detailed prospect and customer profile using geographic, demographic and psychographic characteristics and purchase history. Marketers can tailor special products, services and offers to selected segments of the database to increase both market share and customer satisfaction and loyalty.

Keeping track of the customer's personal characteristics, preferences and purchases in a relational marketing database and pushing a customer-focused marketing strategy, together represent the single most significant development of modern-day marketing.

(e) Rise of the Information Society

As Toffler pointed out: *"The advanced economy could not run for thirty seconds without computers, and the new complexities of production, the integration of many diverse technologies, the demassification of markets, continue to increase by vast leaps the amount and quality of information needed to make the system produce wealth."*

Almost daily it becomes easier for individual consumers to learn more about products, services and companies.

According to the Electronic Industries Association, US manufacturers shipped over a million consumer fax machines and almost 10 million home computers in 1994.

Varying reports on the number of people using the Internet have led to much debate.

At this point, from a salesperson's point of view, it does not matter if there are 30 million or 60 million users. Whatever the exact numbers, it's too big to ignore.

(f) Multiplication of Distribution Channels

Changing households and lifestyles have stimulated new thinking about distribution. Companies have come up with new forms and combinations of distribution methods. For instance, the personal computer industry has added one distribution channel after another, from value-added resellers to specialty retailers, department stores or direct sales.

(g) Problem of Advertising Clutter

Over the past 20 years, charges for Network television commercials have gone up much faster than the rate of inflation, while the audience for programs has fallen.

The clutter of commercial messages that bombard the average household is causing many viewers to avoid commercials in every way they can.

The TV menu in the US and in Malaysia has a profusion of cable network choices. And of course video games, movie on video-cassette, pay-per-view and surfing the Internet all compete for the viewer's time.

For the advertiser the issue isn't network television versus everything else. The real issue is how do you connect most effectively and affordably with your target market.

Taken collectively, these new circumstances represent nothing less than a new playing field requiring a new set of ground rules for business management.

We are moving from living in our industrial society to living in an information society where more and more digitized information is produced and exchanged to meet the different needs of different people. At such a time all the marketing assumptions that once worked so well must be re-examined to determine our publicity plan.

THE COMMUNICATION MIX

This brings us to the second part of our discussion - the communication mix. Given the current playing field, to publicize and market products effectively you need to put together a communication mix that includes packaging, advertising, public relations, promotions, direct mail and presentations. Successful marketing is rarely ad-hoc. It needs to be planned and coordinated.

Whatever you do, whatever techniques you use, each activity must play its part in initiating, increasing and maintaining awareness of what you offer to your customers. The intent is to move customers from a total lack of awareness through to the point at which they actually buy. And, hopefully, buy again.

Overall, the intention of publicity and marketing is to change attitudes and ultimately the aim is to change from non-usage of a product to usage or repeated usage.

To get a better picture let's examine the stages in the buying process

Unawareness

Awareness

Interest

Evaluation

Trial

Usage

Repeated Usage

i) Unawareness > Awareness

This is the stage during which a buyer moves from no knowledge of a product or situation towards where the buyer knows about it. The buyer's attitude is nearly passive with a major need to be informed.

Publicity and promotion are targeted at:

- telling the buyer that your product exists
- creating an automatic association between the needs area and the products

ii) Awareness > Interest

This moves the buyer from a passive stage to an active stage of attention. The buyers will have their curiosity aroused by the product's newness, appearance or concept. The buyer's response can be conscious or subconscious.

Publicity objectives are to:

- gain the buyer's attention through the 'message'
- create interest (motivation)
- provide clear information of the product

iii) Interest > Evaluation

The buyers consider the effect of the product upon their personal motivations - lifestyle, image and then look at the effect on external factors. They pass through a process of reasoning, looking for advantages and benefits. They might look for improved efficiency or uniqueness or safety.

Publicity attempts to:

- create a situation that encourages the buyer to start this phase of reasoning
- discover the buyer's relevant needs
- segment the target buyers according to their needs

iv) **Evaluation > Trial**

This is a key movement from a mental state of evaluation to a positive action of trial. The buyer's requirement is an opportunity to use the product.

Publicity objectives are to:

- clearly identify usage opportunities
- suggest usage when these opportunities occur

v) **Trial > Usage**

If the trial has been successful, the buyer will move to usage .

Publicity objectives are to:

- provide reminders of key elements, such as brand, advantages, etc.
- emphasize success and satisfaction
- remind the buyers of usage opportunities
- provide supporting proof through third-party endorsement

vi) **Usage > Repeated Usage**

This is the final objective for publicity. When a buyer moves from occasional usage to constant usage he will have moved into a state where selection of your product is automatic.

Publicity objectives are:

- to maintain the climate that has led to satisfaction,
- to maintain an acceptable image,
- to keep confirming the key qualities of the product.

A. PACKAGING, TRADEMARK, LABELING, LOGO, DESIGN

With this understanding let's consider a powerful technique in publicity: packaging, trademark, labeling, logo and design.

Back in the days when few people could read, pictures substituted for words. Then trades people put up a sign over their shop picturing what they were selling. These signs were the first brand marks - the first logos. For years, simple signs depicting bread, beer, barber and blacksmith services, were informational symbols.

Early marks were pretty straightforward, but as competition increased, humor, puns, satire and even whimsy began slipping into the picture. Take for instance Mr. Peanut and Shell. Both were designed to identify a product.

Mr. Peanut is still around, still carrying his cane and still looking at us through his monocle. Shell over the last 100 years has maintained the basic design but with slight amendments to cater to different design trends over the years.

Today, with the proliferation of new products and services in the market, a trademark, logo, design, labeling and packaging for a product or service are essential in any publicity or communication plan. The trademark not only protects the patented invention but also gives it an identity.

It differentiates one product from others, especially when the patented invention is an enhancement of an existing product; or when there is only a perceived difference between the products.

An important factor in successful packaging is the proper use and design of the company name or identity. For example, think about such names as Citibank or Malaysian Airlines. These names reflect an imposing and powerful character. However, names like Ramli Burger, or the Little Tea Shoppe imply a totally different feel, though they may be appropriate for what they do.

Now when we mix them up a little and get Ramli Airlines, Malaysian Tea Shoppe, The Little Bank, Citiburger, we see how a name can imply a feeling about the product and even the company behind the product.

The company name should be appropriate to the product line, easy to read and, most importantly, easy to remember. An easily identifiable and attractive logo, brand name, or company name will add substantially to repeated sales and integrity and will promote familiarity, confidence and appeal in the product.

Take for instance cigarette brand names like Salem, Marlboro or Dunhill. Millions have been spent on building up these brands. It has reached a point of recall where even though cigarettes are not allowed to be advertised in Malaysia, the names are used to promote other products such as clothes, expensive accessories and a certain lifestyle and these serve to keep the cigarette brand names in the public eye.

This emphasizes the importance of packaging especially when your patented invention is a consumer product. The last time you were in the store, did you notice the hundreds of products along the aisles. On any crowded shelf, did a particular product grab your attention? If so, you were most likely attracted by the packaging.

The first impression a prospective customer gets of your product is from the package. Visually, you must ensure quality and confidence in the product. Appropriate packaging will effectively display your product in its best light to a targeted market. Your package must present a clean, efficient and attractive way of getting a product from the manufacturer to the consumer.

Today's packages must not only be attractive, they must also be easy to read, resistant to damage, simple to pack and unpack for bulk shipment and lightweight.

Packaging is important enough to be one of the largest categories of patents. It's important enough for Procter and Gamble to invest millions of dollars in packaging Pringles potato chips, a product which had more advertising about the package than the product itself. The quality of novelty of packaging is an important factor in marketing consumer products.

B. ADVERTISING

Advertising has a role to play in this process. However, as it has been discussed by Ms Joanne Hayes-Rines we shall not dwell on it here.

C. PUBLIC RELATIONS

Let's now review public relations.

The aim of public relations is to create or maintain a favorable climate of opinion in which the company can operate to achieve its business objectives.

Public relations plays an important role in cultivating an image and can take a form which prompts greater change in the potential customer's attitude, perhaps even prompting inquiry or better still, purchases. It serves to manage perceptions of identified target audiences. Some of the things that come into this area may seem obvious, but all are important and the effect is cumulative, with seemingly small things contributing to what ultimately becomes a noticeable positive effect.

This is an area, for the most part of low cost approaches but the benefits are multiple.

Public relations enables a company/inventor to:

- establish a presence,
- build brand awareness,
- introduce new products,
- create and cultivate new markets,
- involve people with products,
- extend the reach of advertising,
- tell the product story in greater depth,
- reach demographically and psychographically defined markets,

- tailor marketing programs to local audiences,
- gain distribution.

These can be achieved in varied forms through different channels and using different tools as we will discuss shortly.

In using public relations as part of the communication mix, the first task is to define the 'public' among whom the company or inventor wants to have a favorable reputation. Having identified the target groups the next step is to find out what image these groups currently have of you.

- Do they know the company and its product/service
- What is the perception of both

Sometimes formal market research may have to be undertaken to answer these questions.

Once the present awareness has been identified public relations targets can be set, i.e. who should know and perceive what about the firm and the product. We can then decide which public relations and promotional techniques or tools will be most cost effective in achieving the desired goals.

Let's begin with the question of image and identity. Every company will have an image. The question is whether it projects the right image and how strongly. It is therefore important that the actual image reflects what is wanted.

In his book, "How to Develop and Market Creative Business Ideas," Dale A. Davis recounts an episode to demonstrate the importance of a professional image and approach. An inventor had complained to Davis that he never received a reply to his letters to manufacturers. In talking to him, Davis learned that the inventor had handwritten his letters on note book paper and that the letters had not been sent to the attention of a specific person. Davis explained that his letters were most likely being trashed by the first secretary to open them. Quite simply his letters gained little or no respect in the business world. After explaining that if an inventor expected to be treated professionally he must act professionally, and that business people rarely considered inventors to have good sales potential, Davis and the inventor resubmitted a typed letter requesting a quote using the inventor's business letterhead. The result: the inventor not only received a prompt reply but also a company catalogue, sales ads and free samples.

Using public relations, you can achieve the identity you want through the company collateral such as business cards, letterheads, business name, and adopting a distinctive house style for brochures and written material.

Another very important part of public relations is media relations; i.e. you get the help of others, particularly the media, to help you to communicate a message. This is not buying space as in advertising. You should interest the media to publish your story. Publicity can be through news releases, feature articles or interviews wherein the product, services, invention or company are mentioned.

Choice of the medium to communicate to targeted public needs careful consideration. With the current increased interest in the Internet, it's worthwhile putting some thought to getting on the web to reach audiences internationally especially when the inventor is thinking of sourcing financing or manufacturing of a patented invention.

You must remember, however, that much of the impact of such material is possible only over time. To achieve this cumulative impact you need to maintain visibility in the public eye over the long term.

If you become known as a source of good comment, or stories, then the press will start to come to you and the process gains continuity and momentum.

Another approach would be to gain membership of influential organizations. For instance, if your invention is to do with medical devices such as a blood-test device, you might want to participate in medical device trade associations.

Public speaking engagements could be another channel for publicity. However, these have to be sought out and you have to field the right spokesperson, i.e. someone who can make a presentation of a quality that will get them asked back (not necessarily the inventor or someone senior). If done well, presentations can certainly produce awareness of the patented invention and inquiries.

D. Promotions

In a larger context, public relations takes in development of publicity and organization of promotions. In today's marketing environment, as discussed earlier, a public relations campaign would combine image projection and marketing communications such as promotions.

In this sense, sales promotion provides a prompt to purchase and to purchase now. It is an aid to selling not a substitute for it. Promotions need to fit in comfortably with the other activities in the communication mix and be specifically designed to meet objectives you have set. It is a creative area where good and often inexpensive ideas can prove very useful.

Promotional schemes can be used to:

- introduce new products and encourage trial
- attract new customers to buy for the first time
- maintain attention and competitiveness through price variation
- increase frequency of use or purchase
- increase the level of stocks held by distributors or retailers.

To do this effectively, you must focus on the customer first and foremost. Then consider the many types of promotion. Not all are right for any one kind of business and the trick is to choose those which work for you and suit the kind of business you are in.

Some categories of promotion include:

- In-house promotions reach consumers in their homes leading them directly to your place of business.
- In-store promotions in retail outlets such as shopping malls or anywhere your customer visits. This has the advantage that they take place where the final decision is made.
- Immediate benefit promotion is important to anyone selling down a line of distribution. In such a case promotion is aimed at these groups rather than the customer. Some such schemes include bonusing, incentives, cooperative advertising and provision of display material.

It cannot be overstressed that originality and creativity are two very important aspects of any successful promotion. This is not to say that there can be no copying of ideas already tested and proven. On the contrary, a new slant to an existing idea may work. What is most important is that whatever is done is well suited to the company, product or service and market involved.

E. DIRECT MAIL

We could consider direct mail as a particular form of advertising, promotion by post encompassing all the elements of the promotional message delivered through brochures, letters, flyers, and postcards. This would have been discussed under advertising. Nevertheless, a few brief thoughts on its complementing other strategies in the communication mix might be helpful.

With the expansion of databases this form of publicity would be suitable when you have identified your particular customer segment or niche.

Carried out selectively and progressively it can be cost-effective and can produce good results. An added advantage is that it provides opportunities for your customer to get back to you on their preferences and attitudes.

The idea is to maintain awareness of the company, provide information of new products or services. The result would be business coming in.

F. FORMAL PRESENTATION

Formal presentation is another powerful communication technique that you can use to publicize your company or your invention. This can be to individuals or to specific groups of potential customers. Such events can be cost-effective, manageable, directed precisely at target groups and focused on individual aspects of the products or services.

The effect is immediate and can lead to a longer term awareness. It can:

- offer opportunities for direct communication between the inventor and the consumer,
- provide feedback on customer concerns and attitudes,

- introduce new or varied products or services.

CONCLUSION

Briefly, let's recap the main points of our discussion:

In planning publicity for the commercialization of patented inventions and considering ways and means for their marketing you need to bear in mind:

Firstly, the customer - find out what people want. Does your invention answer a need?

Next, the product - determine the benefits, its probable life span.

Thirdly, the market - which market should you target, what are its characteristics?

Fourthly, the business environment - what are the current trends and opportunities?

These factors will govern your publicity and marketing communications plan.

The second part of our discussion considered the communication strategies and techniques that could be used to publicize inventions. They include:

- **Stages in the buying process**

What are the phases customers go through to be brought to the point of buying a product?

- **Packaging, trademark, logo labeling and design**

How they help towards creating an identity for your invention or product?

- **Advertising**

How to use the media to publicize the invention (as presented by Ms. Joanne Hayes-Rines, document WIPO/IFIA/KUL/96/5).

- **Public relations**

What tools to use to create the desired image for the company or invention and how to create a conducive environment for the marketing of products.

- **Promotion**

What ideas encourage purchase of products and maintain awareness of the products/company in the market?

- **Direct marketing**

What are the advantages of publicizing the invention to identified market segments through the postal services or the Internet?

- **Formal presentation**

The use of direct presentations to specific groups.

Key to successful publicity for the commercialization of patented inventions is setting clear marketing objectives, strategies, planning the appropriate communication mix with due consideration given to customer wants, the benefits of the product or service, the market and business environment.

One last piece of advice from Dale A. Davis to inventors may give you food for thought: consider that 50% of the consumer products now on the shelves were not there five years ago. The average life span of a consumer product is only about five years, and if you do not improve your product someone else will. Of the products currently available for consumer use only 25% will survive more than five years.

One fact which inventors do not consider in the beginning is that when marketing slows down, so do profits. When starting out, consider the long-range plans that must accompany the excitement of seeing your product on the shelf. Profits and only profits keep distributors, store owners and manufacturers happy.

Remember, marketing is finding out what people want and giving them more of it.

Always remain flexible and listen to market demand. Communicate accurately to the market to give them what they want. Your survival depends on it.

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