

# OPEN INNOVATION & MARKETING

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Boost your marketing strategy  
with Open Innovation

agorize

ABOUT  
**agorize**

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Agorize is an 80-person strong startup that specializes in organizing O2O (Online to Offline) marketing innovation challenges.

Since 2011, the company has organized almost 500 challenges involving a community of 5 million innovators through its dedicated platform.

Agorize works with over 200 key account clients, including Pepsi, Airbus, AWS, Philips Lighting, Schneider Electric, AXA, Societe Generale, Deutsche Telekom, Vinci, Capgemini, the U.S. Department of Education and Microsoft.

A multi-award-winning startup, Agorize was voted 'Best Collaborative SaaS Platform' by French Tech in 2016 and is among the top 500 most dynamic tech companies as ranked in the Deloitte Technology Fast500.



**Yohann MELAMED, Yohan ATTAL, Charles THOU**

*Agorize co-founders*



## WHO IS THIS EBOOK FOR?

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Whether you're a Marketing Manager, Head of Product, Communications Manager, Market Researcher or R&D Manager, or if you simply want to reinvent your offerings, develop a market or launch a new product...

## KEEP READING - YOU'RE IN THE RIGHT PLACE!

### WHAT DOES IT INCLUDE?

This ebook contains everything we've learnt and the best practices we've identified over seven years of organizing marketing and Open Innovation challenges for businesses and organizations across all sectors.

We share our experience of using Open Innovation challenges as a key tool in the marketing toolbox, particularly in the process of identifying new consumer insights, new trends or products, and new ways of consuming thanks to co-creation.

### IF YOU ONLY NEED TO REMEMBER TWO THINGS...

Marketing challenges are one of the most effective ways of developing your marketing strategy into a more conversational marketing approach while improving the way consumers perceive the brand image.

Getting multidisciplinary teams involved and asking them to work together and propose solutions to a challenge your company faces helps you to communicate your goals by boosting participant engagement while also identifying your target market's consumer insights.

This method offers double the benefits: it means that the proposed innovative solutions, practices or products are fully in line with new market expectations. The consumers who take part in this process then become committed to your brand and will be the first to consume your innovations and recommend them to others.



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# INTRODUCTION



1

## CHANGING METHODS OF CONSUMPTION

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First came writing, then printing, and then came digital.

And each of these revolutions has brought its own changes – thanks to digital, the concepts of time and space have been completely transformed. The ways we access knowledge have changed. The status of the consumer has also been affected by these transformations.

### FROM CONSUMER TO “CONSUMER-ACTOR” WELCOME TO THE AGE OF HOMO DIGITALIS!



Demanding and aware, consumers are no longer as willing to simply accept the services they are offered – instead, they actively make a choice. They are no longer unwilling to contest businesses’ power if they believe that they do not respect the values that consumers hold dear. A very significant part of the future of brands now lies in consumer support.

These paradigm shifts require companies and marketing departments to develop their strategies in order to address consumers who are less and less captive and increasingly likely to be ‘ruthless’ (i.e. disloyal).

One consequence of the multi-channel approach is that knowledge - now immediately accessible anywhere - encourages consumers to break free from their traditional passiveness. The modern consumer is an “**ACTIVE**” consumer:



## AWARE

As they have much easier access to information, consumers are more vigilant and committed to responsible consumption.

## INVESTED

Consumer-actors' more developed collective conscience makes them more inclined to get involved in processes of co-creation

## COMMUNITY-FOCUSED

This generation could be described as the “Co” generation thanks to their growing enthusiasm for co-operation and co-creation. Consumers have begun what some are calling a “brand relationship revolution”.

## VOLATILE

With a competitive and plural environment, consumers are becoming increasingly disloyal and fickle

## TEMPTED

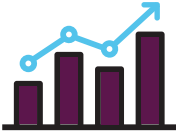
The context of growing ultra-competitiveness creates increasingly dense market offerings and helps to feed into consumer temptation

## EDUCATED

Consumers are digital migrants who have mastered the practices and behaviours of new information technology (NITC) or have grown up with it. They are capable of reflecting on their purchases and make educated choices. This makes them a moving target that is harder for marketers to reach.

# 2

## OPEN INNOVATION AS A MARKETING TOOL



While marketing strategies were historically created within companies through brainstorming sessions in meeting rooms or through studies and focus groups, there are now at least three good reasons to choose an open approach.

By involving consumers or future customers, partners and other stakeholders, Open Innovation challenges offer the benefit of simultaneously tackling the three main stages of the marketing process:



1

**TRENDS  
VALIDATION**



Confirming your target market's trends, practices, and expectations..



2

**REDUCE TIME  
TO MARKET**



Finding solutions that bring value with a reduced Time to Market.



3

**COMMUNICATE  
YOUR LEADERSHIP**



Communicating your leadership, your value offerings, the strength of your innovation and your openness to your target markets.

In a world with a plethora of offerings, reaching the end consumer is the main challenge facing marketing departments. But reaching consumer-actors is no easy task. The current context does not encourage efficient Marcom measures: the advertising market (and marketing is no exception) is undergoing major disruption in terms of both advertising media and professions. The share of voice of a brand's operational communications is often limited by competitors' actions and listeners' propensity to channel-hop.



How can you stand out from the competition while presenting your product or service to your consumer in an innovative way?

How can Open Innovation challenges reduce your Time to Market?

Innovation challenges are a fresh approach to the core of marketing activities. They can be used in a range of contexts and cover a wide variety of concepts, including research laboratories, user acquisition, collaborative design of products and services, establishing partnerships, quick prototyping platforms, innovative recruitment and more.

The main benefit of innovation challenges lies in the reduced Time to Market, allowing you to stay one step ahead of your competitors.

By reducing your Time to Market, you increase your profitability.

Many promises, one benefit - boost your marketing process through Open Innovation.



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## WHAT IS A MARKETING CHALLENGE?

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*Innovation challenges invite participants to submit the most relevant and innovative solutions to an issue faced by a company or by society.*

*They have entered the digital world: from 100% physical events, they have become **hybrid competitions** applicable to all business sectors, businesses and issues, particularly those linked to **marketing**.*

*This hybrid challenge format, beginning online and finishing in the real world, can be referred to as an "O2O hackathon" (short for "Online to Offline").*

*They are aimed at different communities, such as students, consumers, customers, startups and employees, and are designed to identify ready-to-use solutions.*

*By opening up to wider audiences, they have also been extended in terms of their duration: they now take place over several weeks or even months.*

*Innovation challenges are a proven way of creating engagement with your company and boosting your marketing strategy.*

*Especially because the marketing innovation process can tackle three types of marketing issues:*

- *Brand extension: new items, new formats or new packaging...*
- *The creation of new products or services: creating brands, creating new tariffs, or identifying new practices...*
- *The appearance of new businesses: new circuits, new services, new media, etc.*

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## WHY THIS EBOOK?

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Put simply, to share the best practices and the lessons we've learned from our years of experience.

We've given our support and advice to companies since 2011, helping them to better connect to their target markets (of innovators).

We firmly believe that this participatory and collaborative approach is a powerful tool to help people (re)discover and appreciate brands, both internally and externally - whether you already have a strong reputation or are relatively unknown by the general public. Open Innovation is a philosophy that is more in keeping with the expectations of the latest generation of candidates: transparency, collaboration and co-creation. Both in style and content, using an Open Innovation approach demonstrates that you understand new profiles' aspirations and that you are taking them into account.





# SECTION 1



INSTRUCTION MANUAL



AN EFFECTIVE TOOL  
IN YOUR TOOLBOX

1

## WHEN? WHY?

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Organizing an innovation challenge in itself is a complementary approach to the traditional tools and activities used by marketing departments.

If you're looking for an ally to help you implement a collaborative marketing approach, then we've got some good news - we have the solution for you!

An innovation challenge enables you to identify ingenious ideas from your target communities (students, developers, employees, customers, etc.) and work with those communities to co-construct innovative marketing and communication campaigns.



## « Companies, care or die »

Influenced by new services and new technologies, the customer experience and customer expectations have undergone considerable changes.

Allowing your company to set itself apart and to de-silo your way of “client thinking” by involving them in the creative process is a way of enriching your customer experience and - ultimately - optimizing your customer retention.

Whether your goal is to inform customers, co-create products and services with them, innovate with them or find out what they think, organizing a marketing challenge helps to create a continuous bond with the consumer and to improve customer satisfaction, the ultimate aim of any marketing strategy.

For example, each year, PepsiCo launches an international “PepsiCo Go Challenge” aimed at students on Master’s programmes in business, marketing, engineering and management to pinpoint Millennials’ needs and to identify their proposals for new products.



### Why is this essential?

Because the level of care with which you treat your customers is the main element that will set you apart from the competition over the long term.

It isn't your solution or your infrastructure that makes the difference - it's the attention you pay to your customers. According to the new theory of “hacking with care”, the slogan of “Companies, caring or die” is increasingly relevant.

88% of consumers think that companies that use their ideas are more innovative than those that don't, and 92% view the products they offer as better suited to their needs.

“Care” is now becoming a strategic issue for your company.

The principle is simple: value creation no longer simply lies in your service or product – above all, it lies in the way you treat your consumers.

Your customer base is the core of your business – you need to take care of them, especially given that it costs five times more to win a new client than to retain one.

And what could be better than innovation and collaborative marketing as a way of demonstrating that you care for your communities by involving them in your decision-making processes?

Finally, innovation challenges also present the benefit of not being too time-consuming for your marketing team. The schedule for the operational steps that involve you can be summed up in two stages:

1

### FRAMING MEETING

With Agorize experts to organize the launch.

2

### PARTICIPATION ACCORDING TO YOUR DIRECT NEED

At key stages of the challenge: assessments, mentoring, final.

The rest of the process is fully independent for the three to four months of the challenge, right up until the final.

This means that challenges can easily be integrated into marketing teams' diaries and toolboxes.



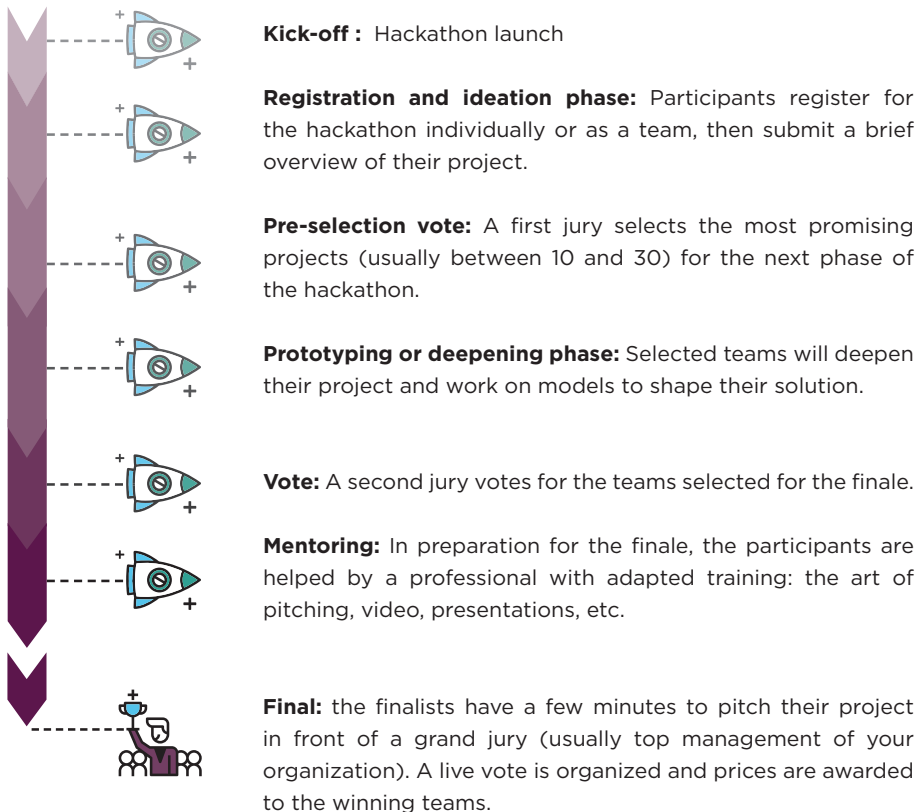
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## THE OPERATIONAL MECHANICS (IDEATION, ENRICHMENT, PROTOTYPING, FINAL)

After helping over 500 companies to organize challenges, we want to share our experience with you on how to involve and mobilize your target markets and help you to get high-quality deliverables that address your marketing challenges.

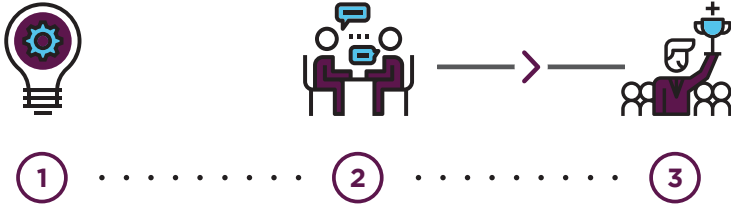
The aim of each innovation challenge is to discover the best projects. This involves a funnel-style selection process, starting with a large number of participants at stage 1 and refining the selection until only a few projects that offer concrete solutions to your marketing issue remain.

Here's an example of a selection process:





Our process is formed of three main stages:



IDEATION



Participants form teams and submit a draft solution. The organizing company select the best ones so that they develop their ideas

ENRICHMENT



Mentored by the company's employees, participants develop their concepts and showcase it in details. The company selects the teams for the final.

PITCH AND FINAL



During the big live event organized for the final, the teams pitch their project in front of a jury, which votes for the winners.



SELECTION OF 20 PROJECTS

JURY SELECTION



SELECTION OF 5 PROJECTS FOR THE FINAL

JURY SELECTION (4 TEAMS)  
+  
PUBLIC «LIKE» VOTE (1 TEAM)



RANKING OF THE 5 BEST PROJECTS

MANAGEMENT VOTE

KEY :

**Public “like” vote:** the public is asked to “like” their favourite projects.

**Jury selection:** the jury assesses and scores each project based on predetermined criteria (see below).

**Management vote:** your organization's top managers decide between the shortlisted projects to appoint the winner(s) of the hackathon.

## IDEATION

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This is the stage where participants register for the challenge individually or in teams. After determining what type of community you want to target (students, developers, customers, employees, startups, etc.), we take care of the process of sourcing and onboarding them via our platform.

Our matchmaking algorithm promotes the creation of multidisciplinary teams, recommending members based on the complementary nature of participants' stated skills. On average, we have around 150 teams, but up to 35,000 participants in some challenges. Then the collaborative work starts and the first deliverables are uploaded to the platform.

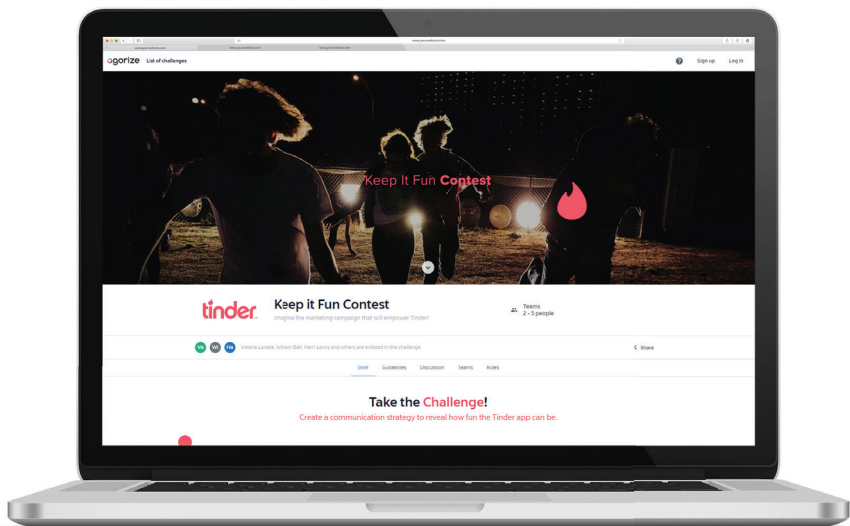
## ENRICHMENT

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Following the pre-selection vote by the jury to choose the most promising projects, the enrichment stage begins.

A mentoring system is then put in place to coach and support around twenty shortlisted teams. The coaches also make sure that the candidates' research goes in the right direction.

A new deliverable is then uploaded to the platform for this second stage. At this stage, the requirements are much higher (Business Model, prototypes, videos, etc.).



## FINAL

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This is a theatrical representation of your challenge's success. Following the second voting stage, the finalists are chosen (in general, five teams). You may choose to help them with their preparations - via workshops on how to pitch, help with their videos and presentations, etc.

The organizational details of the final are decided ahead of the challenge. These include:

- Appointing the jury.
- Organizing and preparing for the final.

Once the operational details have been sorted, the finalists have a few minutes to pitch their project and answer the jury's questions. A live vote is organized and the prizes are awarded to the winning teams.



# AGOTIP

## THE RECIPE FOR A SUCCESSFUL CHALLENGE EVERY STEP OF THE WAY



### IDEATION

- A clear, inspiring and open brief makes the challenge more appealing and increases participation. The clarity of the brief also affects the relevance of the responses you receive, so take care with the wording of your requests and your topics.
- Ask for brief deliverables in the first stage – don't expect fully developed prototypes or models in the first selection & stage. That's what the expansion stage is for.
- Taking a multidisciplinary approach is the key to creating efficient teams.

### ENRICHMENT

- The focus in this stage is on mentoring. "Sharing is caring" – it's essential that candidates are given advice from experienced mentors. This way, you avoid the disappointment of projects that don't meet your needs closely enough.
- Ask for more in-depth deliverables, but in a variety of formats: prototypes, Business Plans, videos, etc.

### FINAL

- Choose an iconic venue – no-one forgets events held in unique settings.
- Offer attractive cash prizes – participants will have even more motivation to give their best and put forward the most innovative solution.
- See the big picture: creating a fantastic event with special guests is the best way to communicate that you're a leader in the field of innovation.

### VOTING STAGE

- Mobilize your network of key partners by asking them to be jury members for your challenges. This helps to create a buzz among your networks.
- Give your employees the opportunity to get involved at one of the voting stages to help bring your teams together – for example, you could offer a "favourite employee" award.
- Involve key managers in the voting stages, as they will be the ones responsible for supporting the roll-out of the innovation opportunities identified through the challenge.



# SECTION 2



**OUR EXPERIENCE:  
CHALLENGE PURPOSES  
AND BENEFITS**

## THE 6 PURPOSES OF CHALLENGES – OUR EXPERIENCE



### IDENTIFYING TRENDS AND OPPORTUNITIES FOR INNOVATION

Used as a marketing campaign, a challenge allows you to achieve a number of prospective innovation goals. Let's take the "L'Oréal Brandstorm" challenge as an example.

The 26th edition of this challenge brought together 34,700 participants from over 63 different countries to achieve an ambitious goal: to come up with a concept for and create the hair salon of the future.

With almost 2,000 universities from all over the world taking part, L'Oréal identified more than 8,000 different ideas from brainstorming sessions – real food for thought for its 10/15-year innovation roadmap.

At the end of each edition, the cosmetics group determines key insights from its target market – millennials – while also pinpointing the trends that will help it to stand out. ●



### COMMUNICATING YOUR VALUES AND THE COMPANY'S VISION TO KEY MARKETS

The benefits of CSR efforts and communication speak for themselves in a context of environmental and social changes. As such, an innovation challenge can be an excellent tool for showcasing the company's vision and values in an innovative way.

The "Make a difference" challenge organized for TD Insurance illustrates this approach perfectly. Some 634 participants from 66 different countries came up with new initiatives to further increase the company's positive impact on society and to improve community life.

The aim of the challenge was to successfully communicate values beyond its core business: reinventing its internal practices to improve well-being at work, giving people a central role by ensuring fair social and economic development, boosting customer peace of mind and the customer experience by offering a solution to make vehicles and

homes safer, and adopting best practices to incorporate sustainable development into its operating model.

All of these topics showcase TD Insurance's reflection on and commitments in a range of fields: social and economic development, sustainable development, well-being at work, and more. ●



### ENGAGING A COMMUNITY AND BUILDING THEIR LOYALTY THROUGH CO-CREATION

Innovation challenges can also be used as a marketing campaign in their own right!

They can be used to achieve a range of objectives, including acquiring users. Tinder, for example, took this approach for its challenge in which the aim was to develop an innovative marketing campaign: "Keep It Fun" contest.

284 participants from 47 different countries contributed their solutions. This type of challenge-based marketing is also an excellent way of creating a community of loyal customers and converting certain consumers into brand ambassadors. This process of collaborative interaction results in a stronger sense of belonging to the brand, and, more generally, to a community of values linked to the brand because participants develop emotional bonds with the brand during the challenge. ●



### REINVENTING THE CUSTOMER EXPERIENCE AND CUSTOMER PRACTICES

Innovation challenges are also an excellent tool for rethinking the customer experience, whether it's digital, physical or phygital.

Singapore Airlines fully understands this, and took the opportunity to launch a major challenge aimed at making travellers' lives easier. The company used a process of co-creation to digitalize its services, seeking to identify new drivers of value creation by improving the customer experience.

The results: by moving from storytelling to storydoing, Singapore Airlines decided to harness its consumers' contributions, thus minimising the risk of implementing solutions that did not need meet end consumers' needs.

405 teams composed of participants from 73 different nationalities took part in the challenge, tackling topics such as offloaded passenger compensation processes, tracking F&B consumption, tracking inventory usage, facilitating the KrisShop experience and improving mobile app engagement. A simple and effective way of improving the traveller experience by digitalizing processes. ●



## CREATING NEW PRODUCT/SERVICE OFFERINGS

It can sometimes be difficult for companies to develop products or services fast enough when relying solely on internal resources. It's time to look beyond your company's walls!

Co-creation is an amazing way of achieving a more open strategy, as well as making sure that the product is fully in line with consumer expectations – no more time or money wasted on pursuing the wrong approach.

What's more, in the current climate, it's difficult to create value without looking to external sources of inspiration. Essentially, creating an innovative product or service requires in-depth knowledge of a range of fields.

The “China Startup Challenge” organized for Société Générale asked participants to propose solutions to achieve customer service excellence in China.

Why is this type of challenge a success? Because it encourages greater transparency and sharing of knowledge between consumers and businesses while also tackling a real issue. ●



## EXPLORING AND OPENING UP TO NEW MARKETS

Challenges can also be focused on prospective new business and be used to identify new and as-yet unexplored market segments.

As part of its “Ask Jerry Challenge”, Pernod Ricard set itself the goal of asking participants to find a way to achieve the company's long-term vision and build a standalone business by leveraging the power of the Ask Jerry WeChat Cocktail platform within 6 months.

The results: 291 participants from 21 different countries took part, and three projects were selected for a 3-month acceleration program following the challenge final, two of which were successfully launched. ●



## 5 KEYS FOR A SUCCESSFUL OPEN INNOVATION CHALLENGE



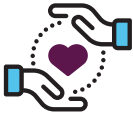
### 1 VISION

A goal, a subject, a message: don't lose sight of the end goal and the expected deliverables.



### 2 PUBLIC

Target ecosystems according to your objectives and the maturity of the desired innovations.



### 3 THEME

Choose an open and inspiring thematic that will maximize participation and projects' quality.



### 4 METHOD

Define the stakeholders, the rewards, the rules, the calendar and digitalize your competition.



### 5 ADVERTISING

Communicate before, at the launch and during your innovation challenge.

2

## ADDITIONAL BENEFIT: COMMUNICATING INNOVATION

### INNOVATION CHALLENGE OR 360° COMMUNICATION PROGRAM?



Organizing Online to Offline (O2O) innovation challenges is a virtuous circle that boosts outreach and visibility after the challenge.

Firstly, the system used to select teams is designed to create User Generated Content, resulting in natural word of mouth that comes from participants.

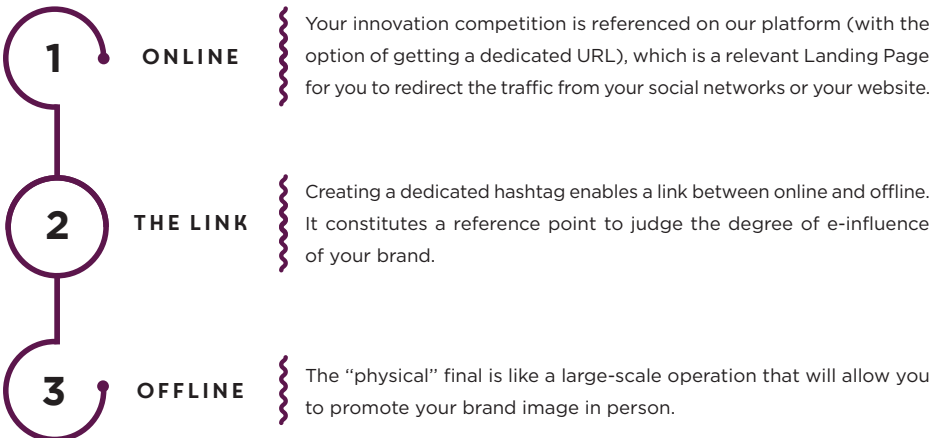
Various communities are encouraged to choose their favourite finalist and select the winning team with a “like”.

This selection process creates enthusiasm towards your company, your challenge topic and any future projects that emerge from it.

As a result, a challenge acts as a full-scale marketing campaign that creates a media buzz around your company.

Your challenge then becomes a banner for your values and your leadership in the field of innovation – a significant competitive advantage for your brand image.

The unique feature of the O2O format is that it gives you 360° coverage for your challenge:



Campaigns of this type also work very well as repeated occasions, creating an unmissable event in your brand's innovation calendar. This reinforces your leadership in these areas in the long-term and allows you to maintain significant coverage in terms of communication.

That's why more than three quarters of companies that we work with make their challenge an annual and scalable event. Take L'Oréal, for example, which is on its 26th "Brandstorm", or Decathlon, which is on the 7th season of its "Coéquipiers" challenge.



To create even more impact after your challenge, you can get your target communities involved in the operational mechanics - why not invite your strategic partners to choose the 'jury's favourite' team?

The more you adopt an approach based on open collaboration, the more the world will see you as an innovative and transparent company that listens to its target markets.

## DIRECT

(to the students)

### AGORIZE'S "STUDENT" COMMUNITY

Email and telephone campaigns to present challenges to our partners schools and stakeholders



### PHYSICAL EVENT

Challenges presentation in schools and incorporation into their curriculum.

### COMMUNITY MANAGEMENT

On Facebook, LinkedIn, Twitter, Instagram.



### CHALLENGE FACILITATION

Reminder campaigns, answering questions, following up with challenge participants.



Sourcing of schools and universities relevant to the challenge theme



## INDIRECT

(by our representatives)

### AGORIZE "TEACHERS & ADMINISTRATION" COMMUNITY

Email and telephone campaigns to present challenges to our partners schools and stakeholders



### POSTER CAMPAIGN

Distribution of editable posters & flyers.

### AGORIZE'S "STUDENT AMBASSADORS & ASSOCIATIONS" COMMUNITY

Reminder campaigns, answering questions, following up with challenge participants.



### AGORIZE "PARTNER WEBSITES"

Partner websites to relay information.



# CONCLUSION



## CONCLUSION

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In a context of shifts in society, the economy and customer behaviour, marketing challenges can be a powerful promotional and prospective innovation tool.

Unlike other tools used in marketing strategies, innovation challenges offer the benefit of reducing Time to Market by centralizing the sourcing of solutions and taking consumer insights as the starting point.

They also reduce the risk of making mistakes or going off on the wrong track due to poorly interpreted or unidentified consumer insights.

Used as part of the co-creation process, innovation challenges are another weapon in the marketer's arsenal, allowing them to move their strategy forwards into a new age of interpersonal marketing.

From storytelling to storydoing, all stakeholders are involved and valued in the way they deserve, which makes a significant contribution to improving the consumer's perception of the brand's image.



**DO YOU WANT TO KNOW MORE ABOUT  
REAL-LIFE CASES IN YOUR INDUSTRY  
OR SECTOR?**

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Agorize has organized more than 500 Open Innovation challenges for over 250 organizations through its online-to-offline platform.

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