

2010 ICMA Innovation Award | Report

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“Our company will definitely win the award. We never managed to enter the printed classifieds market in the first place, now we have nothing to lose”

- COO, Publishing Company

Foreword

The original idea of the ICMA Innovation Award was born after the ICMA General Meeting held in November 2009 in Budapest. There, a vice-president of Marketing from a large publisher asked during a dinner conversation: "who are the innovative companies in the classified industry?" As there was no clear answer, it seemed better to let the industry players answer this together: thus, an award was born.

This first edition of the award is born from the cooperation between ICMA and Vaibmu Ltd, a Helsinki based consulting and portfolio development company. Together, two goals were set for the award:

1. To identify true innovations and innovation champions within the classified advertising industry worldwide
2. To encourage ICMA members to support innovation and creativity in their organizations

The first ever ICMA Innovation Award has received a total of 19 highly qualified submissions from 14 countries worldwide. The novelty of the contest reduced the number of applicants, but post-promotion surveys have revealed a high interest from participants and non-participants alike to repeat the award on a yearly basis.

In this document we present the details of the **Top 10** submissions which came from six countries (Czech Republic, Finland, Spain, Turkey, United Kingdom and the United States of America).

Innovation in Brief

Definition of Innovation

Wikipedia is an innovation itself, so it is the right place to search for a broad definition of innovation:

Innovation is a new way of doing something or "new stuff that is made useful". It may refer to incremental and emergent or radical and revolutionary changes in thinking, products, processes, or organizations¹.

This defines that innovation can occur in addition to product development also in marketing, sales, production, service delivery and so forth. Innovation is often considered to be the creation of a new product only, but that is rather *invention*. Something else is needed to make an invention become an innovation. Below is Patrick E. Haggerty's² definition on how to differentiate the two terms.

Texas Instruments, as profit-making enterprise, had to aim at the successful commercialization of some product or service with which to serve customer needs at profit. Haggerty defined this as innovation, in contrast to invention³.

Haggerty's "at profit" statement fits very well to the mindset of the classified advertising industry, doesn't it? Though innovation is directly linked to profit it doesn't mean that continuous improvements to existing products or services will create sustainable success. In fact, there are two kinds of innovations, at least according to innovation thought guru Clayton M. Christensen:

There is a strategically important distinction between what I call sustaining technologies and those that are disruptive. [...] What all sustaining technologies have in common is that they improve the performance of established products along the dimensions of performance

“Who are the innovative companies in the classified industry?”

¹ <http://en.wikipedia.org/wiki/Innovation>

² Former President and Chairman of Texas Instruments

³ Mariann Jelinek, Institutionalizing Innovation, Praeger Special Studies, 1979.

that mainstream customers in major markets have historically valued.

Occasionally, however, disruptive technologies emerge: innovations that result in worse product performance, at least in the near term. [...] Disruptive technologies bring to market a very different value proposition than had been available previously. Generally, disruptive technologies under-perform established products in mainstream markets. But they have other features that a few fringe (and generally new) customers value⁴.

In *The Innovator's Dilemma* Christensen describes how even great companies fail to see radical changes emerging in their markets. The book uses a lot of examples from the high-tech sector, but *free classified ad papers* are also an excellent example of a disruptive innovation: they took the C2C marketplaces from under the newspapers' noses while the latter didn't see the different value proposition emerging and gaining ground within the audience.

The importance of a value proposition

Both sustaining and disruptive innovations become successful if they provide a different value proposition to the existing ones. So, the value proposition is important, but what does it really mean? Christensen -who is devoted to creativity- defines it as follows:

Many companies begin with a product idea and a business model and then go in search of a market. Success comes from figuring out how to satisfy a real customer who needs to get a real job done⁵.

Another approach that combines value creation and innovation is called the *blue ocean* strategy. Theory emphasizes the importance of creating new sources of value for customers and thus to find a way to a *blue ocean*. (The name is derived from the analogy versus *red oceans*, where *red* indicates the

"blood shed" from competition between current players and their existing offering).

Value innovation is the cornerstone of blue ocean strategy. We call it value innovation because instead of focusing on beating the competition, you focus on making the competition irrelevant by creating value for buyers and your company. [...] Innovation without value tends to be technology-driven, market pioneering, or futuristic, often shooting beyond what buyers are ready to accept and pay for⁶.

The *Metro* commuter traffic paper is a good example of a differentiated value proposition. Instead of fighting the existing big traditional publishers with the same model, the founders of the *Metro* concept had a better idea⁷ that changed the rules. That idea -or innovation- served them well.

Motivating innovators

There is a lot of discussion and writing about nurturing innovation and creativity in our organizations. We'd only like to emphasize that, to be able to transform *inventions* into profitable *innovations*, the company leadership has to support and encourage creativity among team members.

Creativity is the process of idea generating. To generate ideas, knowledge, discipline and motivation are required, in addition to seeing the world from a unique perspective⁸.

Keeping innovators' motivation up is an important task for all management. In fact, first management should identify the true innovators in their organization and then understand their sources of motivation. The following quote can help to think about how to approach both tasks:

Our research led us to identify five "discovery skills" that distinguish the most creative executives: associating [ability to connect seemingly unrelated questions], questioning, observing [produce uncommon business ideas

⁴ Clayton M. Christensen, *The Innovator's Dilemma*, Harvard Business School Press, 1997.

⁵ Mark W. Johnson, Clayton M. Christensen, and Henning Kagermann, *Reinventing Your Business Model*, Harvard Business Review, December 2008.

⁶ W. Chan Kim, Renée Mauborgne, *Blue Ocean Strategy*, Harvard Business Press, 2005.

⁷ <http://www.a4.se/artikel.asp?id=212&eng=1>

⁸ Minna Forssén, *The Life Cycle of Bottom-up Ideas*, Helsinki University of Technology, 2002.

by scrutinizing common phenomena, particularly the behavior of potential customers], experimenting [try out new ideas by creating prototypes and launching pilots], and networking [devoting time and energy to finding and testing ideas through a network of diverse individuals].

As we examined what motivates them [innovators], we discovered two common themes: 1) They actively desire to change the status quo, and 2) they regularly take risks to make that change happen⁹.

Summary

Innovation allows us to continue serving customers with services they need at profit. Innovation can be a new way of marketing or selling, it can be a change in processes, it can be the improvement of an old product or the delivery of a totally a new one. Often it is a combination of many of these. There are basically two types of innovations: sustaining and disruptive. The latter is also named *game changing* innovation, which may show worse performance in some areas, but ultimately brings outstanding value in areas that were previously unserved.

Successful innovation is often based on totally new kinds of value propositions and some sources even talk about value innovation. Motivating innovative individuals in our organizations is not only related to bonus. Being able to challenge the *status quo* and having room to take risks and sometimes fail might be more relevant.

⁹ Jeffrey H. Dyer, Hal B. Gregersen, and Clayton M. Christensen, The Innovator's DNA, Harvard Business Review, December 2009.

Innovation Award

Evaluation

The Innovations and companies were evaluated by the ICMA Committee¹⁰. The submissions were evaluated from four different points of view:

Novelty | a) Something new or unusual, b) the quality or state of being novel; newness¹¹.

Creativity | Mental process involving the discovery of new ideas or concepts, or new associations of existing ideas or concepts, fueled by the process of either conscious or unconscious insight¹².

Sustainability | Is the innovation a “one shot” or does it have a long term positive impact to the business?

Results | The results of the innovation or new corporate strategy so far. Growth of profit, revenue, number of customers and amount of content were taken into account.

The shortlist

After the Committee analysis, the short list of Top 10 submissions in an *alphabetical* order were:

- Directo del Campo, Spain
- Farm Country Trader, United States
- HürriyetEmlak, Turkey
- IPC Media, United Kingdom
- Mediatel, Czech Republic
- Mobiya, United Kingdom
- News International, United Kingdom
- PennySaverUSA.com, United States
- Sanoma Digital, Finland
- WorkDigital, United Kingdom

In the following chapters we describe the shortlisted ideas and companies.



DirectodelCampo | The innovation in brief

Directodelcampo.com (DDC) is Spain's largest online marketplace for agricultural products, “directly from the producer to the buyer”, without intermediaries. It offers the consumers:

- Direct producer/consumer relations without middlemen
- Highest quality products
- Product search: sorted by categories, fast and efficient, user friendly, simple and convenient
- Product ratings: rate so other users can decide according to your views

For the producers it offers:

- Channel sales efficiently: fair price, without intermediaries
- Internet presence: with the guarantee of a consolidated company (and positioning in Google)
- Sales optimization: increase and improve sales
- Advertising in specific media, trade-shows

This approach has guided the development of the project with the following goal:

Bring groups of farmers and rural producers technological tools to market their products directly in global markets, developing a service to achieve several social contacts, generate synergies and enhance wealth creation

One of the applications they have developed -the innovation proposed- is a service that allows producers to get orders via mobile. The daily activity of a farmer means that much time is spent outdoors, not in front of a computer, so it probably will be more helpful to receive an SMS than an email. Moreover, in many rural communities, these producers do not have internet access, but DDC

¹⁰ Rob Paterson (chairman), Ciler Yildiz, Martha de la Torre, Josef Kogler, Koen Vandaele, Sidharth Gupta, Pekka Ketonen. (Ms Yildiz and Mr. Ketonen did not evaluate submissions by their own group).

¹¹ <http://www.merriam-webster.com/dictionary/novelty>

¹² <http://en.wikipedia.org/wiki/Creativity>

hopes that, with this service, this will not be a constraint.

Another consideration inherent in the innovation and the product lifecycle is “delivery”. DDC proposes three options:

- 1) The producer uses their own means. DDC has spoken with several producers who feel that they themselves can do the deal in a particular geographical area.
- 2) The producer operates with a courier company regularly, with whom they conduct the activity.
- 3) DDC is negotiating discounts with logistics provider Tourline, including the integration of an application that allows buyer/seller to monitor their orders.

The results

So far the results of the project are limited to qualitative issues, such as raising interest among the producer community.

Innovators

DirectodelCampo team

About the company

DirectodelCampo is part of Grupo Intercom's portfolio. Grupo Intercom is a Spanish market leader in creating and developing online businesses. Since the groups foundation in 1995, it has started more than 40 online businesses and has minority shareholdings in another 15 businesses. Key success stories include InfoJobs.net (leading European job portal), Softonic.com (world's second largest download portal) and Emagister.com (Europe's leading portal for education).

Comments

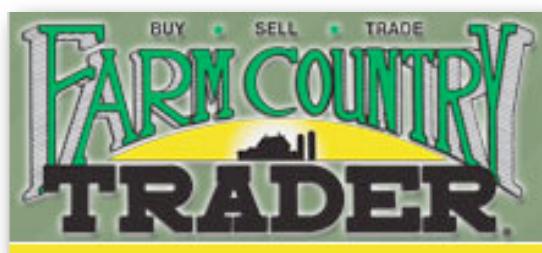
Although it is early to say what is the financial outcome of the project, it is clear that this is an innovative business model designed for a well researched and targeted customer group.

The team behind DirectodelCampo has thought of ways to create additional value for their customer group. From the start it is designed to create efficiency in the producers' value chain by

improving ordering, distribution and marketing processes.

The customer-centric approach of the concept is also visible in the details. They understand that the producers don't necessarily have time to sit next to a computer, so mobility is a *must* feature for them.

With the community features introduced by DirectodelCampo, this kind of service will be needed not only in Spanish markets, but in any other market.



Farm Country Trader | The innovation in brief

“Though we did not realize it at the time, our team developed a SaaS business model well before the model had a formal name”

Farm Country Trader stands apart from others in that they make the services they develop for themselves available to other publishers as well. The other publishers in turn ‘retail’ Farm Country Trader’s services to their own customers. Services such as ‘single click’ website creation, which is their latest development.

The results

What began as a self-service online tool for Farm Country Trader’s own classified publications has quickly proven to be a valuable SaaS tool for other classified publishers as well. So much so, that it has become a completely new division of the company that they call AutoConX Systems.

This now represents nearly a third of total revenue, with the anticipation it may exceed one half by the end of 2010.

Innovators

The development team of Farm Country Trader: Rob Hage, Adam Winter, AJ Lemke, and Dustin Jansick.

The company

Established in 1989 with 2 employees - currently a team of 16 full time.

FCT began as a niche agricultural equipment magazine, and then added automotive and recreational publications in 1993. Followed in 1996 with an online vertical presence for both publications, including online web applications for dealers to manage inventory and publishers to manage web to print. FCT opened their web based, vertically integrated products to other publishers as AutoConX Systems in 2006.

Brands: Farm Country Trader – Car & Truck Trader – AutoConX Systems

Annual revenues in excess of \$1 million.

Comments

Though the innovators say that, at the start, they didn't know that they were actually implementing an SaaS model to their processes, they have done a great work.

The benefits of this model are obvious, as the participants in the ecosystem are benefiting from the innovation potential of others and FCT is expanding its relevance, presence and reach while diversifying its income model.

In a market of multiple small operators or multinational companies with local operations, this kind of networked approach is a worthy and value creating strategy. However, implementing such a strategy is not an easy task, which further confirms that the FCT's team has been not just innovative, but also very pragmatic with excellence in execution.



HürriyetEmlak | The innovation in brief

Posters application

In 2006 HürriyetEmlak launched a marketing initiative which serves the needs of real estate agencies and also provides superior outdoor coverage for the brand.

HürriyetEmlak provides free of charge posters included in its membership program, which will be used by real estate agencies to advertise the "for rent" and "for sale" properties in their portfolio.

Real estate agencies get an opportunity to utilize the HürriyetEmlak brand to differentiate themselves as premium agencies. The innovation also cuts on the operational costs of the agencies.



For HürriyetEmlak the innovation provides a tremendous outdoor coverage for their brand with an extensive exposure for the direct target group. It also helps it differentiate itself from the competitors.

Online-Offline Integration

Hürriyet newspaper is the leader in offline classified business. HürriyetEmlak initiated a system where each offline classified has a reference to an online ad (if available), so that the user can get more information before contacting the agency.

The users see richer and more detailed information online about the ad published in the newspapers classified pages.

HürriyetEmlak gets additional traffic and the Hürriyet newspaper is able to integrate their previously “offline only” operation to online markets too, improving the response rates to their print ads in the process.

million times and creating over 80 million monthly pageviews.

Comments

A simple idea can sometimes have a great and sustainable impact. Think about HürriyetEmlak’s poster marketing program. How much would they have had to invest to get their brand seen in two million locations during past three year? A lot.

While HürriyetEmlak gets extended visibility in the right context, their customers benefit for using a well known and trusted brand which is associated to the biggest newspaper of Turkey.

The results

Posters application

In 3 years, HürriyetEmlak placed close to 2 million posters in 50 different cities. That has contributed to the success of HürriyetEmlak, which is by far the leading online real estate classified player in Turkey, where the company has been selected “Love Mark of the Year” in the real estate classified category in a market research performed by IPSOS KMG (late 2009).

Online-Offline Integration

The majority of ads in Hürriyet newspapers for real estate include Hürriyetemlak ad ID's.

Innovator

Erol Demirtaş, Portal Manager

The company

Hürriyetemlak.com was established in April 2006 with a vision to become the leading real estate classified portal in Turkey. The site is owned by the Hürriyet newspaper which is the flagship title of Dogan Yayın Holding.

Hürriyetemlak.com positions itself as “Turkey’s real estate platform”, gathering all related parties by offering a large and diversified number of ads, sector related news and continuous innovative solutions and services addressing the needs of real estate agencies, contractors and consumers.

Currently, Hürriyetemlak.com reaches over 1.5 million unique visitors, visiting the site more than 4

IPC Media | The innovation in brief

IPC Media created an online interactive digital magazine – *Better Digital Photography* to serve the needs of their photography retail market.

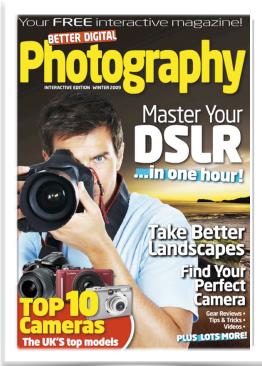
Specialist retailers are under immense pressure from online competitors and supermarkets – their pricing reflects the level of service and expertise that they offer consumers, but all too frequently customers use their valuable and expert advice and then buy online or from their local Tesco.

Key Photography retailers including Dixons, Warehouse Express, and Photobox agreed to distribute the magazine via their e-mail databases – this was a very new way of ensuring strong distribution, and saw *Better Digital Photography* reach over 2m people. In exchange for this, retailers had their own “bespoke” and personalized cover, and the edition carried only their own retail advertising. Dynamic links were created from products to baskets driving footfall and sales.

In addition to IPC's own photography websites, they also promoted this on TrustedReviews.com and Webuser.co.uk. to drive traffic to a generic version of the magazine which is hosted at Betterdigitalphotography.com

Doing this, IPC accessed retail support budgets, rather than traditional advertising budgets, and manufacturer advertising was secured in all editions.

This innovative solution surpassed IPC's launch forecasts, and delivered for their clients. Claudia Armstrong, from Nikon UK said “we're a bit bowled over by it to be honest. It has significantly surpassed our expectations, and I mean that as a compliment”.



The results

Following results were achieved with the new product:

- £10k additional digital revenue for IPC from the retail community
- Increased online spend from retailers by 240%
- Increased the database with 31,500 new names and addresses – customers interested in their products, and they can now communicate with them directly
- Positive feedback from clients

Innovators

The *Better Digital Photography* is a result of real teamwork. Dave Stone and Chris Templeman led the commercial aspect of the project. Alex Robb, publishing director, and the editorial teams ensured the product was delivered to a high standard, and with credible editorial written by experts.

The company

IPC Media produces over 85 iconic media brands, with print brands alone reaching almost two thirds of UK women and 44% of UK men – almost 27 million UK adults – while online brands collectively reach 20 million users every month.

IPC's diverse print and digital portfolio offers something for everyone, with a focus on three core audiences: men, mass market women and upmarket women.

The men's portfolio (IPC Inspire) comprises a wealth of leisure brands including Country Life, Horse & Hound, Rugby World and Decanter, as well as lifestyle brands including Nuts, Mousebreaker and NME.

The mass market women's division (IPC Connect) comprises famous women's weeklies including Look, Now, Chat and Woman; TV entertainment brands including What's on TV, TVTimes and TV & Satellite Week and, online, the goodtoknow network.

The upmarket women's division (IPC Southbank) comprises luxury fashion brands including Marie Claire and InStyle, lifestyle brands including woman&home and essentials and home interest

brands including Ideal Home, Livingetc and housetohome.

Classified Advertising at IPC spans all print and digital brands and is integral to their magazines and websites. Over 100 people are involved in the selling of classified advertising.

Comments

IPC Media's team answered a customer need and expanded into a *blue ocean* of ad budgets with rapid product development. The innovation was to create a modern digital product and use their retail customers' email databases to distribute it.

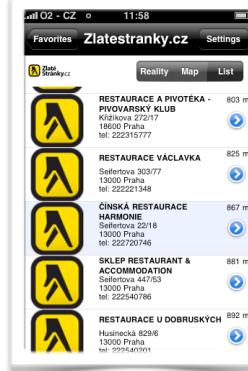
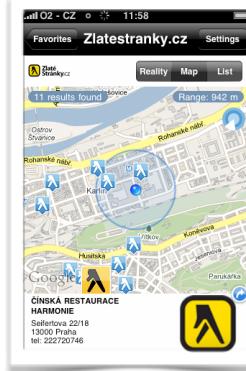
As *Better Digital Photography* is a combination of rich content (video and audio) as well as more traditional magazine-type text and photography, the project creates a lot of knowledge for future product development. It is a product-type which could be targeted for a new generation of light weight browsing devices like Apple's iPad. By creating one product in a specific niche, they might well have opened a route to a broader digital magazine portfolio offering.



MediateL | The innovation in brief

ZlateStránky are available now as an augmented reality search.

Augmented Reality Search on ZlatéStránky was launched in January 2010. The application offers hyper-local search via the camera on a mobile phone. The user just enters what they're searching for and in what distance. The service shows the results in real time on the mobile screen as displayed in the picture below. Naturally, a map based view is an option too (to be found in the images also below).



The service is a new channel for searching and is offered to a rapidly growing smart mobile phone user community seeking new ways to search for relevant information to fulfill their needs.

The results

Augmented Reality Search on ZlatéStránky was awarded 1st place in the “Creative Communication Award” in February 2010.

The application had a lot of buzz in Czech and Slovak Republic media. Czech public TV station - ČT 24 covered the launch of the application on TV. It was also reviewed on technology websites like Mobilmania¹³ and PC Revue.

Innovators

Pavel Kotyza – Mobile & Voice Services Director
Petr Voplakal – Business Development Director

The company

Mediatel s.r.o. has been the incumbent yellow and white pages directory provider in the Czech Republic since 1991, offering a wide portfolio of electronic and printed products for finding contacts. Key brands of Mediatel include ZlatéStránky.cz, TravelGuide.cz, and the B2B company database, Inform.cz.

Mediatel also provides direct-marketing and online services such as SEO and SEM services, click2call and voice services, banner campaign on mobile phones and internet & mobile website building services.

Mediatel's website zlatestranky.cz is among the top 3 business catalogs in the Czech Republic and is #1 in Slovakia. The company now focuses on innovation in online access and hyper-local business & household contact search in the Czech and Slovak markets.

Mediatel s.r.o. is a part of European Directories, a pan-European local search and lead generation company which provides local commercial search for consumers and lead-generation to advertisers.

Currently the company employs 500 people, 250 working in sales.

Comments

Mediatel's augmented reality search is a good benchmark of the kind of functional opportunities that new technologies and devices bring to local

search. Showing available services like restaurants in real time in the camera or map view of the handheld device is a solution that we would not have dreamed of a decade ago.

Mediatel has made this service available to the public by combining high-end mapping technologies, their own service database, and highly relevant location information. This combination is valued by users and serves in an efficient manner -as made evident by usage pattern and welcome- a recurrent user need.

As the service is new, the financial results are not clear yet. However, we can be quite sure that we will see an increasing number of related solutions in most realms of classified service provision.



Mobiya | The innovation in brief

Mobiya's aggregation technology allows them to index all the classifieds in a certain market into their system. Publication of the aggregated classified content is done cross-media (=online + mobile + search + pre-press ready + TV) and over a network of white-label sites that Mobiya manages on behalf of the media publishers looking to outsource classified operations. The novelty is the efficiency in aggregation and distribution, but more importantly, the publication of classifieds with “SMS trigger codes”, which allow buyers and sellers to safely transact over their mobile.

The results

- Mobiya introduced two new revenue streams within the classified advertising industry:
 - 1) Premium rate SMS for the exchange of contact details over TXT messaging;
 - 2) TXT Advertising income over CPC, CPA and CPM agreements
- Furthermore, their next generation classified advertising platform has the latest

¹³ <http://bit.ly/aQ054h>

aggregation technology included and does smart distribution of content over search.

- The mobile interactivity processes are globally patented. Companies across the world can license the technology.

Innovators

Sacha Vekeman and Martin Davis, co-founders

The company

The company was founded by Sacha Vekeman and Martin Davis in 2006 and its mission is “to mobile-enable the classified advertising industry”.

Currently Mobiya has 4 employees and makes £500k of revenue. They re-invest all revenue back into development to make the product better and better. Globalization of the service is next, certainly to countries with high mobile penetration growth: Russia, India, South-Africa among others.

Comments

Since its inception, Mobiya has introduced new and innovative solutions combining online and offline spiced with mobility. Mobiya is a specialized service provider & partner to the international community of publishers. Using their services, (mostly innovative as they are in forerunner applications of technology), classified publishers can experiment and derive value and added revenues from new “access to information” and lifestyle patterns, and can make use of existing technologies such as SMS in novel ways.

News International

News International | The innovation in brief

The diyadvertising.com website allows customers (trade and private) to book advertisements into *The Sun*, *News of the World*, *The Times* and *Sunday Times* 24 hours a day, 7 days a week.

Users can securely create an account, design and view advertisements, amend future bookings, pay via credit card or invoice (account customers) and view transactions and bills online. Above all, diyadvertising.com provides the customers with a facility to book their campaigns, large or small, into their newspapers and online portals at a convenient time for them and their business. The features and benefits to customers are as follows:

- Book advertisements online at a time that is convenient to their business.
- View, amend and re-book past, existing and future advertisements.
- Review 24 months of account history.
- View their advertisement on screen at the time of booking.
- Cut down on paperwork.
- Make bookings 24 hours a day at a time that is suitable.
- Fully secure transactions and messaging.

The results

The advertisers have booked 2,727 advertisements using diyadvertising. A Valentines Day feature gave readers the opportunity to advertise a romantic message using diy and 200 did so.

By putting customers in control of their advertising, the company has also eliminated customer queries and, out of 2,727 advertisements booked (since July 1st 2009), News International has not received a single one. This highlights not only cost savings at News International but also customer satisfaction. According to News International and customer testimonials (below), the customers find the facility “exceptionally functional, useful and meeting their needs.”

“I was impressed at the way the system could be adapted for our needs with regards to payment options and have found it very useful.”

It is simple to use and gives plenty of opportunity for the ads to be viewed before committing. The clear referencing system enables any changes that do need to be made to be done so either in communication with a person or via the DIY system itself. It has reduced the number of errors in the advertisements. I would highly recommend it."

Heather Stanley
County Homeseach



"News International yet again is showcasing just how creative and innovative it can be in finding ways to promote the sale of classified advertising. Patricia Kill's latest DIY advertising system leads the market. Quite simply, no-one else has anything this good.

Trade advertisers can now very easily book ads, create copy and -importantly- fully manage their account. Atex have been working with News International's Classified people for many years, they are always demanding, stretching themselves and us to deliver the best possible options for their customers. DIY advertising is a true example of their commitment to excellence in innovation."

David Hall, MD Atex
Leading global provider of publishing systems

Innovators

The innovation is a result of a cross-organizational project where participants came from Classified Advertising, Sales Support, Technology, and Marketing teams.

The company

News International is the subsidiary of News Corporation Ltd and publishes, among other titles, The Times, The Sunday Times, The Sun and News of the World.

In their own words: "News is our business and our passion. We're delivering more news, to more people, more often, in more ways than ever. And we are continuing to invest in the future of news in print and online. We're investing in our brands, technology, print and quality and effectiveness of the solutions we deliver to our advertising partners. Together we're reaching a global audience numbered in tens of millions. We're read by more people than ever.

The world's most successful and innovative companies choose our brands to reach valuable audiences every day. We create experiences and initiatives that make a difference to customers lives."

Comments

News International's diyadvertising.com is a good example of how to form a customer value proposition with clearly differentiated and studied customer groups, and how to promote it. The team has identified key customer values of the advertising placement process, such as convenience (open 24 hour, multiple payment methods, booking to several titles), efficiency (huge number of readers), usability (simple and intuitive) and security (safe payments, no leaks to competitors).

Providing the right tools and promoting the value added, News International has reached increased customer satisfaction and achieved cost savings by reducing the workload of customer service.



PennySaver | The innovation in brief

Small business owners typically do not have a large amount of discretionary investment dollars to spend. Yet, they need to get exposure (and new business) from the internet.

"In the recent past, our sales reps have been getting asked more and more for help with internet advertising. Specifically, how could our customers get their business online for a price that they could handle...and have it bring response for their respective businesses?"

The answer for this customer need is the PowerSites product, which is a fast and cost-effective way for small business owners to get exposure and results from the internet.

According to the company, the product gives the following benefits to the customer:

- By purchasing a PowerSite, customers get on the web quickly (in as little as 1 week).
- A nominal setup fee and a very low weekly charge
- Each Power Site customer gets a "Featured Ad" placement and exposure on the PennySaverUSA.com website.
- When a customer purchases a PowerSite, their print ads appear online and their web address appears in print.
- Customers see how many visits their site is getting, where they are coming from and which keywords are attracting visitors.
- At no extra charge, a call tracking number is provided with each PowerSite.
- Each PowerSite is built with the best SEO strategies available.
- PowerSites are automatically included into other online business directories.
- Each PowerSite has its own "look and feel"
- The company provides a telephone number and has customer service people ready to help make any changes to customers' sites.

The results

In just the first two months of 2010, the PowerSite customer base grew an amazing 39% (to almost 4,700 customers). PowerSites is also an important "prospecting tool" for print.

Since each customer that is also doing print with PennySaverUSA.com is promoting their print ad in their PowerSite, they now have close to 5,000 websites that are, in essence, promoting the PennySaver brand in print.

The customers are seeing a significant improvement in their online exposure and have provided a long list of customer testimonials that prove the positive impact and warm reception of the innovation.

Innovators

Paul Ezelle, Vice President of IT is the "mastermind" behind the product. Phyllis Clement's customer service team as well as David Onestinghel's product team has a major role in continuous development of the product.

The company

Harte-Hanks PennySaver (PennySaverUSA.com) is the largest free classified publisher (in terms of circulation and revenues) in the United States.

The publication has been providing local classified advertising solutions in print for almost 50 years and the majority of the business customers are small business owners.

"As a large company, we take our role as an innovator very seriously. We are continually looking for unique ways to help bring buyers and sellers together at the local level."

"We may not be the most innovative company in classifieds. But we are passionate about listening to our customers and being the best solution to their advertising needs. By listening to them carefully about their internet needs, we believe we have come up with our most innovative product ever – and we hope you will agree!"

Comments

The SME customers in the classified advertising markets value a lot "accountability", which allows

them to easily calculate their ROI, and cost efficient formats: well, who wouldn't? Moreover, they value advertising formats with low absolute price as their resources are often limited. Online channel provides all of those, but using it right is not necessarily second-nature to many of these SME customers.

By listening to its customers, PennySaverUSA.com progressed in their role as a classifieds marketplace to provide all the necessary tools and training to help their customers' transition to online. The decision includes the risk of cannibalizing its own products, but mitigates a higher risk, which is to let competitors act first and take their customer base online.

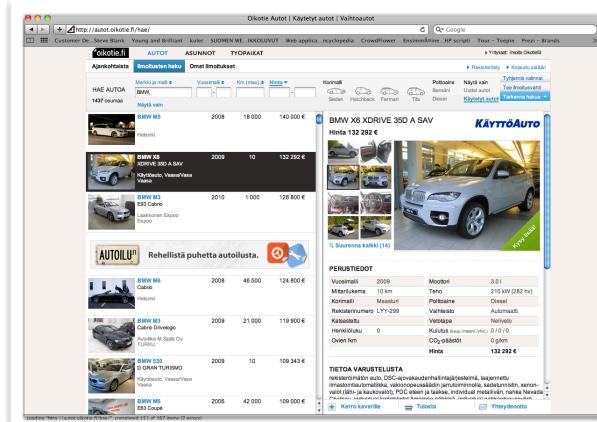
The broad spectrum of functionalities and features on PennySaver's PowerSites, carefully packaged into easy to use and understand products, combined with its tangible business results, is an excellent example of a well implemented strategy for a core customer group, as well as a benchmark in how to build online products that add tangible value to their customer base, while "putting them on the digital path" seamlessly.



Sanoma | The innovation in brief

Sanoma considers their 2009 design of oikotie.fi/autot (vehicles marketplace) to be "the most innovative and ambitious front-end project in the industry". According to the company, they started with a brief to copy the Mobile.de-style faceted search and ended up creating a truly new and extremely fast interface for car search.

In addition to search functions, where one writes rather than selects, they also added interesting small features such as the "ask more" lead button on top of the main picture.



Ad placement was also redesigned and in order to make it as easy as possible, Sanoma is using the national car registry's database. Basically, a user only needs to type the registration number, add a couple of details such as kilometers and price and the ad is done. The car registry provides most of the details, especially the technical details. It thus becomes the fastest and more convenient car search service in Finland.

The results

Most importantly, the new design has increased Sanoma Digital's leads over 20% per month.

Sanoma Digital has received a lot of positive feedback from its clients and the customer satisfaction has been rising steadily.

"Financial results have been in line with the expectation, meaning that with our CPC model

there are indeed more clicks. The service is also meeting our expectations in terms of speed and enabling us to create new innovative advertising solutions.”

Innovators

Sanoma Digital Finland says that the “innovation was a very long process and involved several people and companies”.

The main innovators were product manager Peeter Lange in cooperation with product designer Antero Meuronen. They worked with the help of Reaktor Innovations Ltd, Houston Inc. and Sanoma Digital Finland’s internal ICT and design team, headed by Mikolas Hämäläinen.

The company

Sanoma is a strong European media group with activities in over 20 countries. The Groups’ roots are deep in the media culture of its operating countries.

Sanoma's strategic goal is to be a leading media company in Europe, with a focus on sustainable growth and profitability. It continuously aims at being the market leader in its chosen businesses and markets. It aims also to balance its business portfolio of B2C and B2B products and services.

The Sanoma Group offers challenging and interesting tasks to 20,000 people. As an employer, Sanoma appreciates professional skills and supports its employee's skill upgrades by means of various training and competence development projects.

Comments

Matching buyers and sellers is the mission of all classified advertising publishers. For the seller, it means providing enough relevant leads in order to make the deal happen. In this light, Sanoma Digital Finland has made a major improvement in terms of number of leads, which have grown 20% in monthly basis.

As they are using a CPC-based earning model, the renewal project has had a direct impact on the financial results too. The impact on customer satisfaction, making the ad placement process a much more simple one while increasing the quality

of the ads, is also a tribute to the customer centricity of the service.



Workdigital | The innovation in brief

Products make use of WorkDigital's patent-pending ChatterMining tools and include:

- Real-Time Jobs (iPhone App)
- <http://JobDash.net>
- <http://TweetDeck.com/JobDeck>
- workhound.co.uk
- businessgreenjobs.com
- twitjobsearch.com

WorkDigital uses semantic technology to evaluate classified offers made on social media sites including LinkedIn, Twitter, Facebook, and even Buzz. If they find an offer, they then grab the meta-data to make it actionable.

An example: every day WorkDigital monitors all 40million tweets in real-time to identify job offers. They then index them and spider the pages that they are linked to, to grab more info about the job. From this, WorkDigital has built the only index of real-time job offers and made Twitter a viable channel for recruitment.

The results

The product was launched in March of 2009 and has been featured in more than 400 newspapers globally. The site attracts more than 200k unique users a month and jobs posted to it reach more than 500k job seekers per month. The company was able to bring in international brands like Adidas, KFC, Lloyds, and others as advertising partners from the audience and general awareness that the product has built.

Innovators

The technology development was lead by Howard Lee a former News Corp software engineer and a co-founder of the company.

The company

WorkDigital.co.uk is a natural language search technology company that builds enterprise and consumer facing products that power recruitment and general classified channels. It has been featured in the NYTimes, Financial Times, WIRED, Guardian, TechCrunch and hundreds of other publications.

Comments

WorkDigital's innovation is to use their semantic search technology to analyze product, job and service offerings done in Facebook, Twitter and similar communities in real time.

Without using the technology, the job, service or product offerings wouldn't be available for everyone. WorkDigital makes sense of the fragmented information by structuring, packaging and distributing it.

The idea and implementation with a simple user interface is an eye-opening example of creativity within the classified advertising industry, revealing in a novel manner its product innovation possibilities. It also is a benchmark example of how to implement classified services across multiple fragmented media and social networking channels, making sensible use of disperse information by applying in an innovative manner a layer of technology. In this, they provide sense, structure and distribution to otherwise fragmented and user-unavailable information.



consulting and portfolio company

Vaibmu has worked together with the ICMA in the production and handling of the first ever edition of the "ICMA Innovation Award"

Vaibmu is a strategic consulting & portfolio development company. Our main business areas are consulting & internationalization projects and internet services portfolio development.

Vaibmu's main expertise areas are media and internet (classifieds, advertising, directories, e-commerce).

Our customers are mainly mid-sized and large media companies as well as directories, classified publishers and industrial investors.

Vaibmu's client base is located worldwide, namely in Europe (EU), North America, Russia & CIS, CEE, the Middle East and Turkey.

We provide strategy consulting, business intelligence, M&A advisory and training services.

Vaibmu develops internet projects in the C2C, B2B and B2C marketplace segments via joint-ventures.

Our company is headquartered in Helsinki, Finland.

The word *vaibmu* means *heart* in the Northern Sami language.

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