

# TREND SCOUTING

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DRIVING INNOVATION THROUGH UNDERSTANDING UNFORESEEN  
NEEDS

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In the present world, change comes at a blistering pace. Today's fad is tomorrow's passé, and keeping ahead of these changes is no small feat. The most revered organizations know that success at innovation and product development requires maintaining a constant vision of emerging trends and opportunities.

## TREND SCOUTING: STAYING AHEAD OF THE GAME

Developing a scouting mechanism to monitor, evaluate, and capitalize on market trends and developments is a crucial tool for organizations operating on the cutting-edge of product innovation. While some organizations may succeed by following trends, the massively successful ones are those that get out ahead of trends and establish themselves as true innovators: think Apple, GE, and Google in the technology space. These companies all place massive emphasis on determining hidden or underlying market wants and needs and then in finding new and innovative ways to meet them.

But generating and cultivating this type of innovation awareness and foresight is not just for technology firms. It is also a crucial business capability in the media, entertainment, fashion, and other fast-moving industries with rapidly evolving consumer preferences. While companies can easily monitor what the masses are wearing or watching, those that truly innovate are the ones that understand the subtle or unspoken preferences while they are latent or just beginning to emerge.

Enter trend scouting, the practice of monitoring not just established trends, but also monitoring the initial seeds of what might become future innovation. The well-known father of strategic management, Igor Ansoff, called these seeds "weak signals" of possible future trends. Ansoff was an early proponent of what many firms have come to discover: it takes an understanding of and ability to capitalize on these signals for firms to develop truly groundbreaking, trendsetting innovations.

## TREND SCOUTING: METHODS AND MODALITIES

While some firms develop trend scouting capabilities in house, management theorists suggest that looking outside a firm's typical knowledge and understanding is

key to being truly innovative. For this reason, many companies look to outside research firms to help them develop a trend scouting capability that effectively serves as an innovation pipeline through which to identify the most promising signals and opportunities. In one form trend scouting involves leveraging a team of trained and knowledgeable "scouts" who regularly scan market developments and frequently report on new ideas. Typically, these ideas are then run through a comparison and filtering process to identify the ones that show the greatest promise.

The key in this filtering process is to identify the underlying and possibly unrecognized currents that are driving innovation in an industry. These currents may be influenced by companies and products already in the marketplace. More often, though, it is understanding underlying consumer demands that drives the most impactful innovations. These underlying demands might be customer desires for simplicity or automation in the technology space, a preference for specific content in the media space, or a developing infatuation with immersive experiences in the entertainment space. A critical aspect to this process is not only understanding what consumers may want now, but what their choices indicate they may want in the future.

The real insights come in analyzing and combining the ideas that multiple scouts provide to identify highly impactful and transformational trends that will revolutionize an industry.

Trend scouts often deploy a variety of methods to identify possible future trends. These include gauging consumer tastes; engaging with innovation centers and innovation leaders; monitoring news reports, industry publications, websites, and social media; and data mining of key databases such as patent registrations.

Output of trend scouts can vary depending on the subject matter. In some cases, scouts provide written descriptions such as "spot reports," while in others they provide pictures, videos, sound clips, and sample items. Oftentimes this output is developed into multimedia storyboards that highlight and define the emerging trends and opportunities. The purpose of this information is to convey not only the genesis or idea behind the emerging trend, but also the attraction the idea generates.

## TREND SCOUTING: EXAMPLES AND OPPORTUNITIES

At Cicero Group, trend scouting is one of the innovation research techniques we offer our clients. Our experience includes helping Fortune 100 technology companies, financial service firms, and media and entertainment organizations understand evolving trends in the marketplace. For example, we recently helped a major internet technology company identify how public sector entities are adopting new uses for sensing

technology to aid in transportation, energy, and utility management. This research is building our client's thought leadership position in the world of next-generation connection technologies.

Other projects that Cicero has been involved in include monitoring upcoming financial and economic trends for a major bank, determining evolving consumer trends in the education technology space, and

helping a national internet service provider innovate product delivery to build customer loyalty.

When Cicero works with trend scouts, we place significant emphasis on recruiting the right scouts. The best trend scouts are those who are well connected to both consumers and to the innovation and incubation process. They have a sense of what consumers want and need while also having a broad knowledge base from which to identify entirely new and creative opportunities. They can judge current innovation options while also envisioning future potential.

## TREND SCOUTING: OUTCOMES AND DIRECTION

At Cicero we find that providing scouts the right creative stimulus is a critical part of the scouting process. The techniques we use with our scouts vary widely: using compensation bonuses to motivate scouts to deliver frequent and quality insights, conducting brainstorming and future visioning activities among scouts to generate ideas and avenues for inquiry, and establishing networked communities to share observations and generate competitive pressure to find the best insights. In one online platform, trend scouts interact with each

other almost every day, eliciting an iteratively creative environment where innovation is born.

The power of trend scouting is that it allows organizations to not only monitor future trends, but also to shape how an industry develops. For example, one U.S. airline utilized a network of 30 frequent-flying entrepreneurs to identify potential opportunities to better cater to their travelling customers. This resulted in an app that now allows travelers on the same flight to connect before and during travel. They also launched a new ticketing website that has redefined the online ticket purchasing experience. All of this innovation landed the airline a spot on Fast Company's list of Top Ten Most Innovative firms.

Companies that identify their customers' unmet and unanticipated demands will find they can fill truly transformative niches in the marketplace. It is what Apple did early on in the personal computing space and with the iPhone, and it is what Google has done in the information industry by innovating the user interface and technology behind their search, mapping, and database capabilities. It is this type of innovation that can be transformational not only for the consumers, but for the companies that have the vision and foresight to bring such innovation to market.

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