

National Football I

Despite its success — or maybe because of it — the National Football League is rarely thought of as innovative. Lisa Baird, the NFL's senior vice-president of consumer products and marketing, readily admits that the league is not exactly a bastion of new ideas, but just as readily asserts that she is out to help change that.

"You are right, we are not thought of as innovative," says Lisa. "However, our new Commissioner, Roger Goodell, is deeply committed to innovation. In fact, innovation was one of the themes that convinced our ownership to elect him. He is committed to driving innovation through every element of our organization."

She adds: "I think the NFL and its partners do have a long history and tradition of innovation — from breakthroughs like how NFL Films developed a revolutionary new style of photography to the concept of the on-air first down line. Or, most recently, the launch of our own network, the NFL Network."

Lisa certainly brings her own history and tradition of innovation to the NFL, having served in senior-level marketing positions with Procter & Gamble, General Motors and IBM before joining the NFL almost a year-and-a-half ago. And as a woman in a decidedly male-dominated culture, she is both acutely aware of the challenges of innovation as well as uniquely qualified to help make it happen at the NFL.

**Lisa Baird
of the NFL says
innovation is the
name of the game.**

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What is your greatest obstacle?

Fear of failure. In terms of innovation, our success is the hardest obstacle to overcome. If you're in a successful company, that has a successful business model, it's hard to create and go somewhere new because people are very afraid of disturbing that success.

So how do you encourage innovation at the NFL?

We use a thoughtful process. We use research, we do a lot of analytics, and we do financials. We study other categories for insights. The bedrock of innovation really is understanding your customer and the market.

Because the NFL has its own continual, live testing-ground, we can be very quick and flexible about how we test new ideas or where interesting ideas can come from. The NFL happens every day in every city with 150 million fans. We're actually pretty good at keeping our pulse point on an enormous market and making sure that we're on top of trends.

Innovation is one of my biggest priorities. Right now I run licensing of all products as well as marketing. Innovation is the core competency we're building in both of these areas.

What kinds of people do you need to be innovative?

Our people have very diverse backgrounds. They're not just the stereotype of people who love football and want to work at the NFL. We have people from other licensing backgrounds and who come from interesting areas within the NFL system. We have people who come from different sports arenas but have done very interesting or unusual things.

We need extraordinarily creative people because our job is to create assets that a lot of people use at the NFL. So the very act of creating those assets has to be very innovative. The assets we create are used by our sponsors, by broadcasters, and by retail partners. These assets are how our teams create their revenue every day. We need people who understand our brand, where it's elastic and where we keep limitations on it.

Where do you see the greatest elasticity for innovation today?

It's in the area of convergence, collision and different categories morphing together. That's the area of

exploration we are paying attention to—what happens when categories morph, when different technologies collide and how you deal with convergence when it happens in real time.

The best example of convergence creating increased opportunity is the way Fantasy Football players are using real-time information to change how they play the game. Fans are using different devices to access information on players to improve their play and different pieces of information from different access points.

Among kids, we're seeing it with online communities, like Club Penguin. Technology and security have enabled a whole new generation to play safely and securely online. That's an area the NFL is studying intensively.

How do you approach innovation?

There are three things we think about: design, desire and differentiation. That's our mantra. First, desire. We very much look for categories and properties that are highly desirous. Our brand is so strong that we could do a licensing deal in every category. The NFL is that ubiquitous. But we are selective in what we do, and we absolutely look for categories that are highly desirous.

Second, we really care about differentiation. To that end, we are always looking to be the premium brand within our particular category. I'll point to the success of NFL Madden in the videogame category. Fifteen years after its introduction, it's still the number-one selling videogame. It has continued to set new standards of game excellence every year.

Innovation v. R.O.I.

When Lisa Baird was a vice president at IBM, she participated in a HUB roundtable called, "What's Your Return on Innovation?" (May/June 2005). Her comments then are just as relevant now, and so we have excerpted a few nuggets.

We started by asking Lisa whether she thought the marketing industry's near obsession on R.O.I. has tended to inhibit innovation. She said she thought it was just the opposite: "When you think of innovation from a true impact standpoint, I keep going back to that visceral, that incredible, relentless focus on customer needs, customer *pain points*."

"The best ideas come from an understanding of who your customer is, what they're buying, what they're doing, what they care about, and planning innovation against that. So, I think this focus on R.O.I. has helped innovation. It's helped it become real, and important and market driving."

Lisa also noted that good research was, of course, essential: "If you, as a marketer, conduct fundamental research, combined with people either within your own company or outside business consultants who can frame a strategic plan against those needs, you are going to make innovation a driver of ROI."

As to *where* the ideal, innovative, R.O.I.-driven marketing department should focus, Lisa summed it up

succinctly: "I'd have to say it in one word—*headlights* into what the future's going to hold. It's not just about insights into what your consumers need today."

She continued: "Marketers today are pretty good at obtaining that kind of understanding. But where's technology going? Where's the market going? Where's demand going? What's happening in whole new areas where you can have those headlights in the future?"

She offered this intriguing opportunity for innovation from a rather unlikely, mundane, source: "Think about weather. People have treated weather as if it's pretty unpredictable. It just happens. But so many things can be impacted by the weather. Now, think of what people are doing in industry today to forecast weather and put together entire programs against weather risk management."

Finally, we asked Lisa whether innovation was more often the result of internal or external resources, and she said it was a little of each: "Short answer is that your internal resources know the company strategy. But you need to mix it up with good external thinking and open your mind to true collaboration from the outside."

It's not just that there are new players each year; there's something fundamentally different about that game itself. It will focus on a particular aspect—like the running game or the passing game, for example.

The final area is design. The design aesthetic is critical because our brand is worn by people. We have an internal executive creative director who is charged with maintaining the brand look across all categories and carefully guarding what we think is the design, but also exploring new design directions underneath that for different audiences.

How do you see the fan experience changing over the next several years?

You'll see the digital experience growing. We've just made the decision to bring that in-house and push the digital fan experience to next level. So that will be an exciting area for us.

As we look to go global, we plan to extend our experience to different cultures and languages. You will see us carefully change that experience for the German audience, for example. The pre-game experience in Germany is very different from what it is in the U.S. In Germany, we have a very cool experience that's like a giant tailgate, called the Power Party, before the games. It's just because the way the Germans want to celebrate pre-game is very different.

Even within our 32 teams here in the U.S., we definitely see regional differences. The teams drive different experiences because their brands are different from one another. An Eagles game is different from a Seahawks game, and that's different from a Bengals game. There are cool things you'll see in Buffalo that are so endemic to that culture.

But the NFL is still a mass-market brand. How do you reconcile that at the local level?

It goes back to the discipline of the brand, the thinking of where we want to go strategically, where we want to build. That's very important and that's how we carefully move our assets. And we're selective about the areas that we innovate in.

Your fan base is still mostly men.

No, absolutely not! We're almost fifty-fifty now. It's 55-45, men to women, or somewhere in that range. More women watch the Super Bowl than the total audience for the Academy Awards. Women are critical to the NFL. They are huge fans who engage a lot with

our teams and also watch on TV. You go to a game and there are tons of wonderfully loyal female fans there.

But think about it. Women are the gatekeepers of youth football in many cases. They are growing our next generation of players. They are hugely important in buying our products. We carefully target a lot of our commercial properties to them.

My favorite example is that in last year's Super Bowl, Dove was one of the Super Bowl advertisers. They aired the *Real Women* campaign that targeted little girls. They didn't do that just because it was the Super Bowl. They did that to reach their audience.

Are you afraid of alienating men as you try to appeal more to women?

Oh, definitely. It's something I'm very conscious of. I wouldn't call it a tightrope, but we're a big, iconic brand, we're written about every day by a lot of newspapers and we're talked about on TV. So, yes, we're cautious. We're definitely cautious. And I think that's right. But that doesn't prevent us from trying new things.

What are you trying that's new?

I'll give you one new thing for us this year. We have a long history of advertising the NFL itself on the Super Bowl. This year, we are asking our fans to submit their ideas for our advertising. That's certainly innovative.

But a lot of brands are doing that. Isn't it just a fad?

I definitely have heard that critique. But when you are face-to-face and are hearing a fan's story about what we should tell our fans on the Super Bowl, the last thing in your mind is that we're sitting there doing this because it's a fad.

NFL fans have fantastic ideas, they love our sport and they're passionate about their teams. The NFL is like oxygen to people. They're great. I love our fans. When you sit there and you listen to that fan, you think—you know what—something special could come out of this.

At the end of the day, that's what we really want—a really special story about a really special fan. I don't think that's a fad at all. If you haven't been to the website, go to www.nfl.com/superad. We posted some of the outtakes of some of the ads our fans have created and they just put a smile on your face.

What else are you doing to get at those kinds of fan insights?

We launched *www.nflrush.com*, which is giving us an immediate and daily connection with kids and what they like about the NFL. That's teaching us some very surprising and insightful lessons about where we need to go with kids.

I would say that's probably the richest vein of learning for us, not only because they are telling us what their perspective is, but they are teaching us about the NFL brand.

Kids are smart and they are very comfortable with all kinds of technologies. They're extremely candid and creative in their own right. I'd have to say, for me personally, that's where I'm loving most of the insight coming in. Kids are completely honest in what they tell you.

What have they told you?

It's just this idea of letting them play and express who they are, and giving them some things to really turn into their own. I'm not being very specific because it's nascent learning. Their creativity, playfulness and how they express themselves is really amazing.

It's surprising to me how young it goes. Six-, seven-, eight-year-olds — they are creating their own avatars. They are very playful and hugely imaginative. If you can give them the right fun and assets, there are valuable life lessons that we can help teach kids.

For me, as a marketer, a caretaker of the NFL brand, I'm very desirous of building that next generation of fans. I want them to know that the NFL is for them — we're not just taking the adult NFL and making it in small sizes for kids. We're really ready to meet them, eye-to-eye, at a really young level.

How has your career path informed your outlook on innovation?

I've applied a lot of lessons from IBM in terms of how we do advertising, how we're using digital, and the role of different marketing tactics. I have taken a lot of lessons from IBM in terms of how we have segmented our fan base at the NFL. How IBM did its segmentation, and how insightful it was, is very applicable to how we do segmentation at the NFL.

I also still carry that wonderful appreciation for the discipline of thinking that Procter & Gamble taught me. It's still one of the best places — packaged goods — to not only learn the basics of analytics and

how to think, but how to be disciplined in how you enact innovation. I still have a lot of those lessons learned — and no, I am not going to say how many years it's been since I've been at P&G!

What's it like to be a woman running marketing in a male-dominated enterprise like the NFL?

It's challenging. There's a lot to learn. I bring different perspectives to the table, and a different way of managing. That's both because of my different background, and because I'm a woman. I sit there at the table, and I'm like, yeah, I'm a mom. I have three kids. I know what this is like — let me tell you about that. I'm not afraid of being who I am at the NFL. I'm not trying to be someone I'm not.

I'm someone who's had a lot of experience in Corporate America. I'm a fan, but I don't know every single detailed statistic. I bring a mainstream fan perspective, a mother's perspective and a woman's perspective when I look at retail licensing. Growing our women's business is very important, and I push back a lot in terms of the stereotype of what people think a woman's apparel line should look like.

What's the most the challenging thing you face?

It's something that the previous commissioner, Paul Tagliabue said — it's the breathless rate of change in the media that keeps us up at night. Everybody says that in the next ten years there will be more change in media than there has been in the previous 90 years.

What that change is, how we can capitalize on it, how can we be the best we can be? How is that going to affect our fan experience? How do we keep the fan experience at the game strong? How do we keep the TV experience strong? How do we look at this whole fan experience as digital?

That's the most challenging thing we face, by far. ■



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