



ROTTERDAM SCHOOL OF MANAGEMENT, ERASMUS UNIVERSITY

- ▶ Finding the tipping point between financial and social incentives
By Frank Hartmann
- ▶ The forces and factors influencing company longevity
Chris Murray talks with Hugo van Driel
- ▶ Managing the supply and demand of creativity
By Berend Wierenga, Niek Althuisen and Bo Chen
- ▶ Selling flowers with analytics
By Eric van Heck
- ▶ Decision-making: are managers biased by their characters?
By Saeedeh Ahmedi
- ▶ Individual creative ability versus group collaboration
By Yingjie Yuan



Managing the supply and demand of creativity

By **Berend Wierenga, Niek Althuisen and Bo Chen**

CEOs frequently talk of creativity as among their top priorities – and they are right to do so. Many of the world’s most successful companies have forged their success on the creativity of their products, advertising or marketing strategies. From the powerhouses of the digital age like Google and Apple, to the “old economy” companies like Unilever, creativity is a leading point of differentiation and competitive edge. Yet while creativity is something that every manager recognises as important, very few know how to manage or generate it.

Few companies have the resources in place to facilitate and support creativity. Employment practices rarely include tests for it in candidates, and the high-tech creativity support tools often available in organisations are underutilised. These neglected resources are the lifeblood of an organisation’s creativity – the untapped supply of its creative ideas. And that’s a problem.

Research reveals the importance of creativity. But as a relatively new field, most insights centre on how to achieve highly original ideas in products and advertising. We know from experience that the most original idea does not always win the race. We also know that creativity is important across the entire marketing mix, not merely in products and advertising. The questions remain therefore: how is a manager to know how best to stimulate creativity in their organisation; which types of creativity should be fostered, and for which element of the marketing mix?

Our paper, *Managerial Decision-Making in Marketing: Matching the*

Demand and Supply Side of Creativity connects what we know about creativity in marketing to provide managers with practical, decision-making advice for managing creativity across the entire marketing mix.

Different shapes and colours

Creativity and innovation are often used interchangeably, but they are distinct concepts. Creativity is the act of thinking up an original idea to tackle a problem, and is the earliest stage of the innovation process. It also consists of two distinct elements: originality and usefulness, with varying weight attributed to each. An advertisement for instance, might use a creative idea that has a high level of originality to

cut through competitive clutter. A new product might use a creative idea that makes novel combinations of existing features, making it low on originality but highly useful in terms of satisfying consumer needs.

When creativity is understood as a diverse concept that must fulfil different needs across the full marketing mix, one can see that highly original ideas could be counterproductive in the wrong context. Managers must therefore not only know how to stimulate creative ideas but also how to stimulate different *types* of creative ideas – a sliding scale from more original to more useful – and how to match them with the right marketing needs.

Three main processes are used to produce creative ideas: fluency, persistence, and flexibility. Fluency is the process of generating a large number of ideas, in accordance with the theory that “quantity breeds quality”. Produce enough ideas, and some are bound to be brilliant. Japanese car manufacturer Toyota, for instance, allegedly generates over two million ideas per year.

Persistence involves an in-depth exploration that doesn’t deviate far from the original idea category, but reaches novel concepts by virtue of digging deeper (using “within the box” thinking). An example is the IKEA hackers ▶

*“Managers must therefore not only know how to stimulate creative ideas but also **how to stimulate different types of creative ideas...**”*

Managing the supply and demand of creativity *(continued)*

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community, who make small innovations to existing products. These ideas are most likely to be useful as well as original.

Finally, flexibility involves switching between idea categories and perspectives with out-of-the-box thinking. These ideas are best for radical innovations as they tend to be highly original.

Matching supply and demand

Managing creativity begins with framing the challenge as a supply and demand situation. On the demand side, managers have to deal with marketing requirements across the marketing mix of the four Ps – promotions, products, place and price, each of which requires variety in their creative ideas. On the supply side, managers must identify and manage all the individual and organisational resources that can generate creative ideas, from the creative capacities of staff and employment practices to managerial support.

1. Choosing between originality and usefulness. Does your marketing need require a creative idea that is more original or useful? Consider this carefully before choosing the process through which you will generate your ideas. Which marketing domain is it – advertising or pricing, for instance? What are the specifics, constraints, and objectives? Is it a utilitarian product or hedonistic? What is your budget?

2. The right process for the desired outcome. In the early phases of a project, the fluency process is a good option for generating a wide range of interesting ideas, some of which could be explored further. When incremental innovations are sought, the persistence process will deliver original yet useful ideas. For radical innovations, opt for flexibility: focus on breadth, use across-category idea generation for the most original ideas.

3. Allocating individual resources to the task. Recruit creative, experienced, and motivated individuals to take on the task. Ask to see a creative portfolio, or use creative ability tests such as the Torrance Tests of Creative Thinking. You can also outsource the task to specialist agencies or consultants, or solicit

creative input from consumers. Boost the creative performance of existing employees with creativity-enhancing practices, such as exposing them to creative employees, or through creativity training programmes.

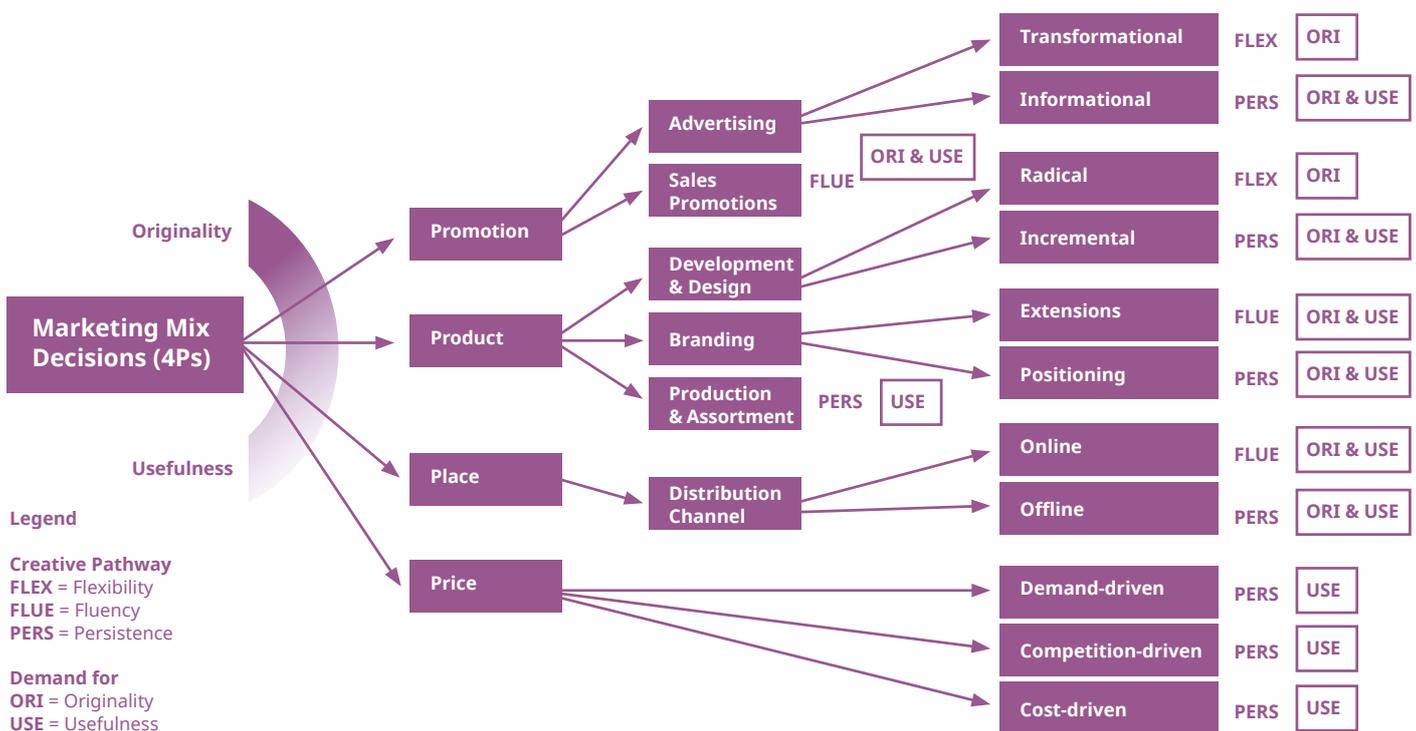
4. Tackling creative tasks with teams. When a task requires in-depth exploration of an ideas category (persistence), compose your team of individuals with substantial expertise within the target domain or analogous domains. When a task demands a large numbers of ideas (fluency) or a considerable breadth of diverse ideas (flexibility), compose your team of individuals with diverse backgrounds and expertise.

5. Choosing the right creativity-enhancing practices and tools. Offer creativity training or workshops for employees who want or need to strengthen their creative thinking skills. Depending on the task, more domain-specific training may be offered. If individuals are not intrinsically motivated, motivate them extrinsically with a reward system that recognises individual contributions. Carefully chosen input constraints (time, money, materials, etc.) can stimulate a deeper exploration of the idea space (persistence pathway).

6. Adopting the best management style. Employ a supportive and encouraging management style without engaging in close monitoring, which could stifle employee creativity. Empower employees by tolerating failure, encouraging risk taking, and letting them do their job in an auton-

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So what steps should they take to stimulate creativity, and when? Fostering creativity is not a science. We do know, however, that the following basic principles can be found in many of the most creative organisations and that their impact has been proven in multiple studies.



omous manner. Feedback should be developmental and creative co-workers can serve as role models.

7. Selecting the right IT-enabled tools. IT-enabled creativity support systems have been spurred into existence by our demand for creative ideas. These use various stimulation tactics to deepen or broaden an individual's search for ideas. The best tools should offer support for knowledge activation as well as idea production.

8. Assessing the outcome(s) of the creative task. Evaluate the creativity, originality, and usefulness of the generated ideas with the help of two to

three domain experts or a survey of target consumers. Pilot test the best ideas within the organisation or within a consumer focus group. If a creativity-enhancing technique has been used, assess its effectiveness in terms of idea quantity and quality. If necessary, adjust the procedure used to obtain the ideas. Assess the likelihood of success and potential resistance for highly original ideas. Where ideas have been implemented, document the results in terms of sales and profitability. ■

The paper *Managerial Decision-Making in Marketing: Matching the Demand and Supply Side of Creativity*, written by Niek Althuisen, Berend Wierenga,

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