THE IDENTIFICATION OF INNOVATION OPPORTUNITIES BY SEARCH ENGINE OPTIMISATION AGENCIES: SMALL FIRM CASES IN A UK CLUSTER

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Abstract

The aim of this thesis is to further knowledge of how digital marketing agencies identify opportunities for innovation.

Being innovative within digital marketing is an issue faced by many of the small digital marketing agencies. Recent research that has been carried out on SME innovation has focused on networking and integration. It could be said that this research is largely not applicable to the SEO (Search Engine Optimisation) industry when competitive advantage is such a major factor. Furthermore, the research suggests that many small agencies would take an ad-hoc approach to innovation. Other research has also shown that innovative companies can grow faster and become more profitable. Therefore, agencies that can become more advanced in their innovation capabilities could see competitive advantages come from this.

This thesis investigates the emerging processes that are currently being used within digital marketing agencies to identify opportunities for innovation. It specifically looks at the identification stage of innovation rather than the entire innovation process. Breaking the innovation process down into various sub-processes enables a far greater depth of insight to be drawn.

The research approach was qualitative with four in depth interviews of experts within the field being completed. Then based on these findings a further 17 interviews were completed in five agencies located within the Brighton and Hove area. All interviews carried out were semi structured.

The contribution to knowledge is based around four key areas. Firstly, a definition of innovation is developed specific to the digital marketing agencies. Secondly, a model of innovation identification is constructed. Thirdly, key insights around time pressures within the industry are put forward. Finally, the concept of open innovation is considered.

Within this project it was found that those companies more adept within their innovation capability were able to provide an appropriate definition of innovation. These companies also had a process for identifying innovation opportunities in place. In addition, time to complete innovation will always be an issue within this industry. However, there are some limited long term ways in which this can be mitigated through management support and company structure. Finally, within the concept of open innovation, there was found to be a disparity

within the industry which thinks of itself as open when the reality points towards it being more closed than it believes.

This thesis produces rich insights into the ways in which creativity is developed into innovation and how companies within the digital marketing industry may be able to absorb ideas from creative employees into the business in order to improve their innovative capabilities.

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ORIGINAL IN COLOUR

Note that pages using colour are clearly marked with 'Original in Colour' at the top of the page as required by University of Brighton regulations.

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Declaration

I declare that the research contained in this thesis, unless otherwise formally indicated within the text, is the original work of the author. The thesis has not been previously submitted to this or any other university for a degree, and does not incorporate any material already submitted for a degree.

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1   Chapter 1 – Introduction

1.1   Aims and Objectives

Aim:

The aim of this thesis is to further knowledge of how digital marketing agencies identify opportunities for innovation

Key Objectives:

- Document the emerging management processes used within SME digital marketing agencies to identify suitable areas for innovation
- Put forward a model (specifically for digital marketing agencies) to aid in the identification of innovation
- Contribute to the theory of innovation management

1.2   Scope

Considering the scope of a project can be difficult. Too broad and the project will lack focus and not bring about any discernible outcomes. However, the opposite of this is also possible, where a project focuses on the minutia of an area of study. Here the outcomes can be far too specific, offering no generalisability and minimal applicable outcomes. Therefore, it is necessary to strike a balance between the two. By doing so, an appropriate area of the topic is covered and it delivers sufficient outcomes.

It is therefore worth noting that this project does not cover the entirety of the innovation process, merely the identification stage. Nor will it cover the resourcing, design or environment needed for creativity.

Further to this, as this project focusses on small firms, the management process of R&D is not covered as this is usually indicative of high tech, scientific or research intensive firms. This is backed up by theory with the strategic/innovative task of monitoring and assimilating new tech knowledge in larger firms being carried out within their own R&D and external networks. However, for smaller firms they must use journals, training and advisory services, consultants,

suppliers and customers (Tidd, Bessant & Pavitt, 2009, p 157). This is also the authors own experience from working within a small SEO agency.

The focus of the project is on IDENTIFYING innovation opportunities within digital marketing agencies.

1.3   Structure of the Thesis

This PhD consists of 6 main chapters:

Chapter 1 - Introduction: In this chapter the overall topic is introduced. This includes a background on the industry as a whole to provide a context to the rest of the work. From there a brief history of search is considered so that knowledge of where this relatively new industry has emerged from can be understood. Finally, within this chapter a top level explanation of how search works is given. Due to the highly technical nature of this it is presented to explain some of the difficulties experienced by digital agencies with a focus on Googles search engine.

Chapter 2 - Literature Review: This chapter is a structured review of the existent literature relevant to the project from which the research propositions were derived. It covers the main themes considered within the study and allows for an appreciation of where this work positions itself within current knowledge. At the end of this chapter the research propositions are put forward.

Chapter 3 - Methodology: This chapter considers the authors own sociological assumptions and the impact that they may have on the method chosen. This then sets up a discussion of those methods used. These are described and a rationale for the choice is given. Building on this a detailed discussion of the sample used is considered and a consideration of ethical implications put forward. Finally, developments that were made as the project went ahead are considered.

Chapter 4 - Expert Results: Within this chapter the expert interviews that were carried out are presented. The responses interviewees gave are put forward. Four experts were interviewed, comprising of an SEO conference organiser, an academic covering the area, a practitioner course leader and a technical expert.

Chapter 5 - Company results: In this chapter the interviews that were carried out within companies are presented. In total 17 interviews were carried out in five different agencies.

Chapter 6 - Analysis and Discussion of Results: The sixth chapter discusses the main findings of the project. These revolve around 4 key areas. A definition of innovation, a model of innovation, time pressures within the industry and finally open innovation within the digital marketing industry.

Chapter 7 - Conclusions and Recommendations: This chapter considers the propositions that were put forward within the methodology chapter. Then the contribution to knowledge is put forward and recommendations for future research are made.

1.4   Structure of the Chapter

The purpose of this chapter is to introduce the topic and provide a good level of background knowledge so that the rest of the thesis can be understood. This will be the knowledge that is built upon in subsequent chapters, being fleshed out through the use of relevant literature, findings from the study and then finally the contribution to knowledge. It is important to note the difference between this chapter and the Literature Review. In this chapter, we will be looking to provide an outline for the topic, explaining the industry, providing some history and gaining a basic level of understanding on how search works. The literature review will review the existent literature, critiquing and establishing gaps where appropriate.

This chapter should therefore be looked upon as providing a lay person with the knowledge of the industry so that they may be able to understand how future chapters relate to the industry. It also serves as an opportunity to understand why the author chose the topic for study. As we will discover search is an interesting and growing industry and provides an ideal opportunity for study as a PhD topic.

This chapter will firstly consider the digital marketing industry, gaining an idea of the size of the industry. Then a brief history of search will be presented, considering where the industry came from and looking at some of the main timeline events involved. Finally, the way in which search works will be briefly considered, without getting into the minutia of the subject so that an overall understanding can be gained. This will then give some framing to the topic which can then be built upon within the literature review in chapter 2.

1.5   Industry background

Econsultancy (2012c) carry out market research within digital marketing and suggest that overall UK internet advertising accounts for 30% of all ad expenditure. This is not surprising with 72% of UK adults regularly using the internet via PC or laptop. However, integration of online marketing is becoming prevalent with 28.7% of advertisers saying search is fully integrated with the rest of the marketing mix, yet 99% said there is a greater opportunity to integrate. Therefore, more and more what were considered traditional SEO (Search Engine Optimisation) agencies are now moving to being fully integrated digital marketing agencies with an increasing number offering SEO, PPC (Pay Per Click) and SMO (Social Media Optimisation) services amongst others. However, many of these maintain SEO as a core business activity (Econsultancy, 2012c).

The SEO industry is thought to be worth in the region of £436.4m (Econsultancy, 2012a) (estimated only UK ad spendexpected to grow 14.4% to9.96bn accounting for more than 40% of the digital ad spend in Western Europe, Econsultancy,2017a) with this amount set to grow over the coming years with around 66% of companies planning to increase their SEO spend (28% increase of 11-20%, Econsultancy, 2017)(Econsultancy, 2012b). Whilst some are spending a relatively small amount on this each year (35% spend £5,000 or less on their SEO campaigns(44% spend less than £10,000, Econsultancy,2017)) spends can be considerable - 14% spend more than £100,000 (12% £100,001-£500,000) including 3% having budgets in excess of £1m per annum (2%£1m+, Econsultancy, 2017) (Econsultancy, 2011).

The UK search market could be characterised as an oligopoly/monopoly with just a few key players but with one main player with a large market share. Google is by far the most predominant search engine within the market with more than 90% (90.28%, Econsultancy, 2017) of searches being completed on its properties (Murray, 2012) and accounts for 93% of search spend (Efficient Frontier, 2012). Other competitors within this space include Microsoft (Bing) and Yahoo which have recently merged their operations in order to increase their competitiveness. In some areas the vertical market is also coming into play such as directory-style sites, Rightmove, Expedia and Amazon. There are also emerging sites like Facebook, Twitter and Pinterest who are trying to gain traction within this market. See Figure 1.1 (p5) for a 5 Forces Analysis of the search market.

Threat of New Entrants (High)

Apple, Twitter

Expensive to enter market
IP in the form of algorithm
Economies of scale
Service offering (eg people have brought in to Google's system – Google+, Gmail, calendar, drive, maps, news)

Threat of Substitute Products (Medium)

Facebook, Pinterest, Rightmove, Expedia, Amazon, Ebay, Yell, Display Advertising

Substitutes for specific products

Rivalry Among Existing Competitors (Medium)

Google, Bing, Yahoo

Low switching costs
High customer loyalty
High cost of leaving market

Bargaining Power of Suppliers (Low)

Information Storage, Websites

Large number of suppliers
Various sizes of suppliers
Cost of storage decreasing
Able to change easily

Bargaining Power of Buyers (Low)

Companies must advertise their products on the most popular option. Can use more specific services (see substitute products)

Few large competitors
Low switching costs
Information Storage, Websites

Figure 1.1 Porters 5 Forces, Adapted from Porter (2008).

Companies are realising what an important marketing tool SEO is in reaching their target market with 91% of companies using SEO in their marketing mix (Econsultancy, 2011).

Consumers also place a lot of trust in Google's ability to give accurate, reliable and relevant results within the natural search results with 4 out of 5 of 18 to 24 year olds preferring and trusting them over the paid search results (Tamar, 2010). Only 4% of consumers would choose paid over natural when researching a purchase online (Tamar, 2010). This highlights the

importance of ranking number one with CTR (Click Through Rate) being best when appearing in position 1.

Competition on Google is high with a keyword often delivering 1m+ results. In order to return the most relevant results first there are apparently 200+ ranking factors that the Google algorithm considers (A list of possible ranking factors from 2013 and 2015 is provided in appendix A p273). These ranking factors aren't released to the public to maintain the integrity of the algorithm and to stop "foul play" (referred to as "black hat" SEO practices). These "black hat" SEO practices can be defined as "an active attempt to manipulate or 'game' the search engine ranking algorithms" (Heinze, 2017, p164). The opposite of this is "white hat" SEO techniques, defined as "techniques that adhere to the rules and boundaries of practice set out by search engines" (Heinze, 2017, p164). Due to the complicated/specialised nature of the ranking factors companies will often employ an SEO agency to optimise its website and content in order to improve its rankings. 52% (53%, Econsultancy, 2017) of companies carry out SEO in house whilst 17% (20%, Econsultancy, 2017) outsource it entirely to an SEO agency. A further 29% (25%, Econsultancy, 2017) of companies use both in house and an agency for their SEO (Econsultancy, 2011).

Agencies innovation agendas are often set by the improvements and adaptations put forward by Google. The search market has a unique set of characteristics which is why the area was selected for study. Google hold much of the power with almost perfect competition existing between sites appearing on the search engine. Companies then carry out SEO (by themselves or through agencies) to improve the company performance (usually online but SEO is increasingly being use to drive offline sales too in the form of local SEO). However, as Google releases updates to its algorithm and website owners become increasingly aware of SEO and the value of the links that they can provide, SEO agencies need to be progressively more innovative in their approach (Miles and Green, 2008).

Much of the innovation carried out in agencies is reactionary and ad hoc in nature. As a result, these opportunities can be missed. This is especially true within the high technology, dynamic and relatively new digital marketing industry. Many, even at the agency level, are led by innovation leaders through blogs and then merely copied into client campaigns within agencies rather than the agency looking at their own strengths and capabilities, identifying the opportunities and developing their own innovation. This means that these agencies can only keep pace with the competition rather than setting themselves apart and gaining competitive advantage.

When Google does make changes to its algorithm these are usually well publicised within the industry. The purpose of these changes is usually to inhibit "black hat" SEO practices. For example, in February 2011 Google put out the Panda update (Singhal & Cutts, 2011) to stop lower quality sites, such as "content farms", gaining good rankings and passing link equity to other web pages. SEO agencies often used these sites to gain links to client's websites (volume of links are widely felt to have a large impact on rankings). SEO agencies that had placed a large reliance on these pages therefore saw large decreases in rankings and had to change their campaign strategies. Being able to identify opportunities would have aided this process.

Utterback and Aberthnathy (1978) created an innovation life cycle to gain an idea of how innovations change through an industries life and identify ways in which companies can change and move their innovative capability forward. It is an ideal exercise to go through this and ascertain where digital marketing sits within this life cycle. By doing this it is possible to gain a greater understanding of where the industry sits, the innovations that are prevalent now and the ways in which they may search for and develop in the future.

Their model puts forward three lifecycle stages. These are fluid pattern, transitional pattern and specific pattern. Industries in the fluid pattern are attempting to meet an existing (as yet unfulfilled) need or identifying new ones and is heavily related to entrepreneurialism. They are therefore typically industries with many small, agile firms competing based upon product performance. Once an industry moves on to transitional pattern, processes are becoming more set as an appropriate design has emerged. This stage is more about the refinement of that design through processes and specialisation. Once an industry reaches the specific pattern a very clear product with little variation between firms has emerged and competition tends to be around cost reduction and production costs. At this stage very minor changes are being made to improve efficiency and specialisation in production is key.

If the digital marketing industry is placed within the stages of the model put forward by Utterback and Aberthnathy (Figure 1.2, p8) then the following emerges:
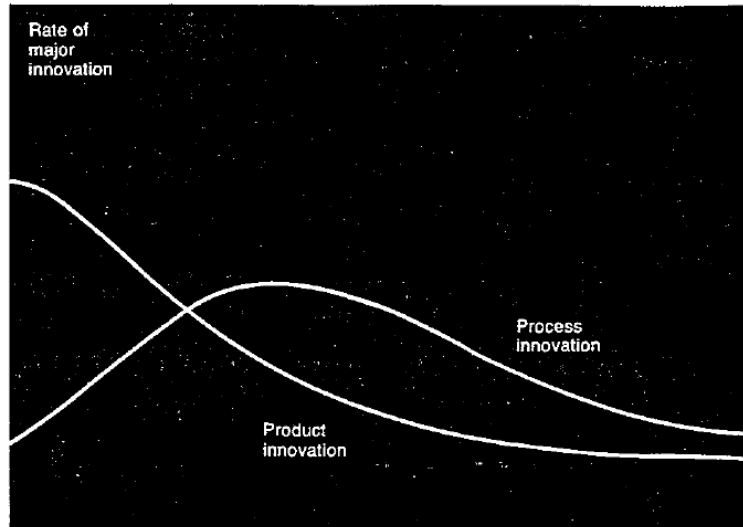
	Fluid pattern	Transitional pattern	Specific pattern
Competitive emphasis on	Functional product performance	Product variation	Cost reduction
Innovation stimulated by	Information on users' needs and users' technical inputs	Opportunities created by expanding internal technical capability	Pressure to reduce cost and improve quality
Predominant type of innovation	Frequent major changes in products	Major process changes required by rising volume	Incremental for product and process, with cumulative improvement in productivity and quality
Product line	Diverse, often including custom designs	Includes at least one product design stable enough to have significant production volume	Mostly undifferentiated standard products
Production processes	Flexible and inefficient; major changes easily accommodated	Becoming more rigid, with changes occurring in major steps	Efficient, capital-intensive, and rigid; cost of change is high
Equipment	General-purpose, requiring highly skilled labor	Some subprocesses automated, creating "islands of automation"	Special-purpose, mostly automatic with labor tasks mainly monitoring and control
Materials	Inputs are limited to generally-available materials	Specialized materials may be demanded from some suppliers	Specialized materials will be demanded; if not available, vertical integration will be extensive
Plant	Small-scale, located near user or source of technology	General-purpose with specialized sections	Large-scale, highly specific to particular products
Organizational control is	Informal and entrepreneurial	Through liaison relationships, project and task groups	Through emphasis on structure, goals, and rules

Figure 1.2 Patterns of Innovation, Adapted from Utterback and Aberthnathy (1978).

It can therefore be said that the digital marketing industry is between fluid and transitional pattern with many of the points spanning between patterns with more advanced companies moving forward into the transitional pattern. Many of the above points are indicative of an entrepreneurial "spirit" within the industry. However, it is now getting to a size whereby larger companies are starting to emerge. It is within these larger agencies that technical capabilities are leading to the furthest innovations. See "1.8 How Search Works" p14-15. It is also the case

that within some agencies that processes are starting to be automated through the use of tools. The highest performing companies are also building relationships and taking advantage of skills from surrounding industries.

It could be said that it will be hard for a dominant design to emerge with constant changes being made by Google. This means that campaigns are necessarily bespoke due to different companies needing different strategies depending on their individual wants and needs. A strategy created for a youthful, exuberant energy drinks manufacturer would, through necessity, be different to that targeting potential purchasers of stair lifts. However, there is some emergence of a dominant design through agencies not concerning themselves with the minor updates Google makes to its algorithm and instead focusing on quality links and content gained naturally. Therefore, looking at the model, it would seem that those companies that can identify the dominant design and start taking advantage of it through process implementation will be the most successful.

1.6   Business Models

The Brighton Fuse Project (Sapsed et al, 2013) looked at the business models of the Creative Digital and IT (CDIT) companies in the Brighton and Hove cluster. The digital marketing agencies found within this PhD are part of that CDIT cluster. The report found that the typical business model was that of a retainer, in which a client pays the agency a set fee over the course of a month or a year for services provided. One difficulty identified by the report in this situation is building in the time for Innovation, "The retainer model allows for this innovative work to be captured and paid for as a legitimate cost of the service provided. The difficulty and the challenge is to be extremely adept at using that time, since many competitors will not be charging for such innovation work and it may be perceived as a premium by the client comparing the bids" (Sapsed et al, 2013. P25).

Another model used less by the digital marketing agencies included project models, whereby agencies are provided a set amount with which to complete a specific project. These were found to often have issues with creative creep, where the client wants revisions and extensions on top of the original jobs but is unwilling to pay. It is therefore incredibly difficult to build in charges for innovation time.

There are also online business models that are being explored by some agencies within this space whereby a subscription is a source of generating revenue. These are being explored by

agencies in this sector. There are other models that do exist which are far less frequent around training and education. These can take the form of classes, webinars, events or conferences and enable agencies to charge for their expertise, additionally, if the education becomes popular enough then there are additional revenue streams that become available in line with traditional event management (Park, 2008, BrightonSEO, 2017).

1.7   A Brief History of Search

Throughout the history of the internet information search and retrieval has been of high importance. In the early days this was relatively easy due to the small amount of information and a relatively specialised and hobbyist scene that has developed around the internet. However, as the amount of information increased, searching through it all to find what was wanted become increasingly problematic. The internet was a collection of File Transfer Protocol (FTP) sites and you would need to know the exact address of a particular file to find what you were looking for. What follows is a brief history of search detailing some of the milestones in the development of internet search.

An early attempt at simplifying the process of finding information on the internet was Archie, conceived in 1989. This was a program written by Alan Emtage. This started out as a program that would help out Emtage in his day to day work but as he received more requests from colleagues he released it for others to use. Archie would return documents from a selection of pre-discovered sites. However, it was a tool for system administrators and as such Archie was not particularly user friendly (Gillies and Cailliau, 2000).

In the early 90's a more user-friendly tool for finding and viewing information was Gopher. This was comprised of a browser and data transfer protocol and allowed users to view text documents held on remote computers, originally just at the University of Minnesota. It used hierarchical menus to make navigation easier, users simply clicked on the file they wanted and it opened in browser. Gopher was then released to the wider internet community in 1991. In 1992, at the University of Nevada, Veronica was released as an add-on to Gopher. This was an indexing spider that went through directory and file names and created an index which could then be searched. Jughead was also released as an accessory similar to Veronica and searched a single server each time (Moschovitis *et al*, 1999).

In 1980 Tim Berners-Lee, working out of CERN, became frustrated at the lack of network links between all of the information held at CERN. He therefore, created a program that would

facilitate this. However, shortly after its inception Berners-Lee left CERN and the program received little more attention. In 1989 Tim Berners-Lee returned to the organisation as an expert in networking technologies and set about making information easier to receive and read. He put forward that hypertext protocol would be the most efficient way for this to be achieved. Initially his idea was set back by higher levels of management. The proposal was then re-submitted in 1990 by which time management had been given enough time to come around to the idea. He was granted permission to develop the system and with a few fellow employees set about making it happen. The development takes advantage of object orientated technology and gives an output in WYSIWYG (what you see is what you get). Once initial development was underway the programmers initiated more tools with which the system works, putting in place Hypertext Transfer Protocol (HTTP), Universal Resource Locator (URL) and Hypertext Markup Language (HTML). In 1992 these were released to the public and programmers begin to use these tools to create and develop what we know as the World Wide Web. (Berners-Lee & Fichetti, 1999).

In order to automatically discover new sites built on the web Matthew Grey created the first web spider called the Wanderer. Conceived as a way to measure the growth of the internet the wanderer began crawling the internet in 1993. This was then used to create a rudimentary index of the web called Wandex (Gray, 1996).

Aliweb was another pioneer in web crawling. In 1993 Aliweb was set up to crawl the internet and returned results based on the special index files that were created by site owners. This proved to be an issue as Aliweb required site owners to create index files. However, as the service was not well established there was little incentive to create these files meaning that the crawler didn't find many sites (Sherman, 2002).

Jumpstation, created in 1993, was the first internet search engine that behaved like the ones operating in the market today. It had three separate parts, crawling, indexing and searching capability. This means that it crawled websites looking at the titles and headings to form an index of what was on those pages and enabled a search of the index to be completed, resulting in a list of pages that contained the searched for words in their titles (Miller, 2013).

In 1995, AltaVista moved this on further still and became the first search engine to attempt crawling and indexing every word held on every page on the internet. Additionally, AltaVista was the first search engine to offer search of multimedia such as video, audio and image. The company, through a series of buyouts, is now owned by Yahoo! (Knowles, 2008).

The web was growing at such a rate navigating around it, even with the usability options put forward by Berners-Lee, was difficult. To aid this, simple directories were created. These directories list the websites that are available on the web, usually by category and in the early days of the web were maintained by hand and therefore maintained their "quality standard" through their originators.

From this point portals became more prevalent on the web, these are considered to be the starting location for browsing the web and finding what you need. These commonly differ from directories in that they contained a web directory alongside a search engine.

In 1994 Yahoo! followed the above process by first creating a directory that was maintained by two friends as a way of sharing sites they liked with each other. This quickly grew and became difficult to manage so they broke the list down into categories and subcategories. One of the friends also started work on a search engine and it became one of the most visited properties on the web, receiving many offers from venture capitalists and buyout offers (Koogle, 2000).

Portals increased in popularity with many others being created including; excite, GoTo and Lycos amongst others. Largely this increase in new properties came from their ability to gain venture capital in the start-up phase of the dot-com boom. As Portals started to offer more and more services, advertising became easier to sell and therefore generated greater revenue. In the early days of portals, venture capitalists were reluctant to come on board for a service that was essentially given away for free. However, within the late 90's advertising became more prevalent on these services, in some cases to the detriment of the sites popularity. Many would sell the top rankings within their search engine and therefore the most relevant results to the user's search would not always be the top-ranking page. Additional services were also offered alongside the directories and search engines, they varied from email to the more simplified web widgets such as top news or weather (Gillies & Cailliau, 2000).

Google was originally a PhD project started by Larry page and Sergey Brin who were students at Stanford University in 1996. They created a search engine that based the importance of a particular page on the number of other pages that linked to it. Initially called backrub the algorithm was eventually to be called PageRank. The main draws of Google were its simple to use search engine and improved search results due to PageRank. Previously, search engines had mainly been looking at the frequency with which a search term appeared on a given page. Through investment and public offerings, the company grew quickly and it is now also known

for its mergers and acquisitions. These have allowed the company to increase the numbers of services it offers. Additionally, employees are able to use 20% of their time on personal interests and this has led to the creation of even more services for the company to offer its users. Its popularity has increased and it is now the most visited website in the world (Alexa, 2014, Vise, 2005).

MSN Search was launched in 1998 as Microsofts search engine. It originally used a variety of other search engines results to provide to users search queries, including Inktomi and AltaVista. However, Microsoft developed its own search engine algorithm. This was then developed into Widows Live search which offered more search options including proprietary image and news search amongst others. From here the product was re-named to Live Search but after a series of company re-structures Microsoft realised that there may be a branding issue and finally re-named the service to Bing in 2009 (Reddy, 2011).

Google remains the most prominent search engine within the UK and is where UK based SEO companies are likely to focus the vast majority of their resources when looking to gain improved position for client's sites. However, due to the nature of search within the UK, what positively effects rankings on one engine is likely to positively affect the sites ranking on another.

There are some locations where Google does not dominate with over 50% of the market, these include "Russia (where Yandex is #1), Japan (Yahoo), China (Baidu), Taiwan (Yahoo) and South Korea (Naver)" (McGee, 2011).

1.8   How Search Works

The way search engines work is highly complex. In Googles (2013) own explanation of how search engines work, it puts forward that the process begins with using crawlers to build up an index of the web. This is done through exploring the links on various sites, it then applies various factors to those pages, sorting them by the content they have on them. Then, using algorithms, they return relevant pages from the index when searches are conducted on its search engine. Over 200 ranking factors are used to rank those pages and return what Google feels are the most relevant pages to that user search term. Google then goes on to very briefly explain how they counteract spam (low quality, high volume links that may have been purchased or manually gained so that a search engine will view a site as popular due to the number of external links it has). Much of the work conducted in this area is automatic.

However, sometimes this may be analysed manually and if Google then finds the website to be spammy then they will issue manual penalties to the site which show up in Googles webmaster tools. This then allows the website owner to take action and remove the content that Google is seeing as spam.

This is Googles version of how a search engine works and whilst much of what is put forward is applicable to all search engines, the algorithms that are applied to the gathered index varies across the different search engines. Each engine will also build up its own index of the web.

The majority of work carried out by an agency regarding SEO will be looking at ways to improve how Google sees the site through its 200+ ranking factors. However, from Googles perspective this manipulation of the site to appear more relevant could make the results a searcher sees less applicable to the search term. Google prefers natural looking link profiles that would have been accrued in the normal operation of the site. Therefore, cases can exist when a site is over-optimised, this is usually what Google sees as spam.

There are two different ways in which a site can be optimised, on and off site. On site looks at the technical construction of the site and attempts to make it easier for Google's crawlers to see what the site is, and discover all relevant pages. Offsite focuses more on the links that come into the site. This is where links will be asked for or content created and can include social media aspects. Links form a kind of recommendation of the sites content in Googles eyes. However, if all of these links came from one place then that would be seen as an un-natural link profile.

There is a constant battle between the ways in which Google updates its algorithms to counteract spammy websites and the tactics used within search agencies to improve a client's ranking results. It can be the case that a client that is doing very well, will, after an algorithm update, see all of its rankings disappear. This is what contributes to SEO being such a fast moving market, search innovations that work today could negatively influence results tomorrow, all at the whim of Google. Therefore, there has been a shift in focus away from pure focus on rankings (which can change depending on the user due to personalised search) to a more ROI based model. Additionally, more focus has been placed on "ethical SEO", including on-site content, in the hope of gaining a more natural link profile, including social media aspects.

Recent advances within the Google algorithm now mean that it uses machine learning to improve its search results. This has been coined as RankBrain and, in basic terms, has been

used to look at longer, more complicated search queries which Google may struggle to correctly rank results for. Essentially "RankBrain helped Google better understand that these longer queries corresponded […] to the shorter queries where it had a lot of confidence about the answers" (Schwartz, 2016). It does this by analysing the patterns in search terms and their results that are essentially unrelated and understands ways in which they may be similar or in some way connected, the Google algorithm can therefore now identify associations that may appear over time (Broadbent, 2017). Advances in this area have led to companies now trying to learn how this is happening and, using their own forms of machine learning, are considering the impact it may be having. In an article, Scott Stouffer, co-founder of Market Brew (marketbrew.com, 2017) (one of the companies attempting this predictive machine learning) described it as serving to "machine learn the machine learner". These advances are another factor that SEO agencies are having to consider in their attempt to improve clients rankings.

1.9   Conclusion

In this chapter the Digital marketing industry was considered and we gained an idea of its size and the state in which it is currently in. Then, a brief history of search was considered, providing some historical context to the industry and the work as a whole. Finally, the way in which search works was considered, providing us with some of the issues facing what is a very dynamic and quickly changing industry. Now that we have the grounding on which to build our understanding on innovation within this space a literature review of innovation can be considered. This will be completed in chapter 2.

2   Chapter 2 – Literature Review

2.1   Introduction

The purpose of this chapter is to review the existent literature within the field of innovation. This is to help to build up a three dimensional view of the literature in which the thesis will sit. It also aids us in identifying the knowledge gap that this thesis will contribute towards. This is important as the thesis must make a significant contribution to knowledge. In order to achieve this, a comprehensive review must be carried out of knowledge already created and the recommendations for future research considered. It must also highlight any disagreements or criticisms that may exist within the field so an impartial viewpoint can be gained and build upon in subsequent chapters. This will finally lead to a development of the authors own perspective on the matters uncovered based on the findings of the research conducted.

This will be achieved through three key areas: Knowledge, Justification and Focus

- Knowledge

  The literature review will establish the author's knowledge of the field of innovation, compiled of more than a basic report; literature will be critically evaluated demonstrating an in-depth understanding of the subject area. Knowledge of the strengths and weaknesses of the literature will be shown, highlighting important issues within the field and any areas that have been neglected. Finally, drawing on the work already carried out by various authors, a review of where the field of innovation study is going will be considered.

- Justification

  Through gaining knowledge of the current landscape of Innovation research and where it is going, it will become obvious where the gaps in knowledge currently sit. This thesis will then seek to fill this gap in the literature through the research carried out. However, it is not merely enough to identify a gap. The research must also have a demonstrable purpose and it is this that will form the justification for the research. It is most likely that this justification will come from recommendations for future research provided by authors that have written within the field. However, this could also be from other disciplines where similar research has been carried out but not within the field of digital marketing.

- Focus

Once the justification has been shown the literature review will also need to apply some focus to the work. This will be achieved by establishing the theoretical frameworks in which the work will sit. Although the project will result in the identification of a new model, predecessors of this must be understood before this new version can be placed and accepted within the field. In other words, an understanding of the theories that have come before this work must be gained and understood in order to propose a new model. In addition to this, methodological frameworks used can be investigated in this stage, assisting when finding the focus of the method adopted for this work.

Once these three areas have been satisfied the thesis will have a sufficiently strong foundation from which it can build upon.

2.1.1   Scholarly application of the literature

The types of literature that will be reviewed will be carefully selected ensuring that their scholarly application is both justified and required for the integrity of the project. Whilst most of the literature reviewed will be of academic quality it will be necessary to include practitioner information, data from industry groups and various other online sources due to the topic under investigation. Digital marketing is a relatively new field and inherently will have sources that are not written by academics but still hold an intrinsic value to the field. However, during the critical investigation all literature will go through, the source of the work will be considered.

2.1.2   Structure of the chapter

In order for this chapter to achieve its purpose it must be a structured review of the literature that currently exists. Therefore, it will begin with a review of the differing definitions of innovation, highlighting the differences between them and the different perspectives that have been adopted in their creation. Secondly, the models of innovation will be considered in some depth, looking at how they have developed through history and where the area stands today. Then differing degrees of innovation will then be looked at in order to ascertain the extent of innovations. Next there will be a review of the types of innovation used to establish which are most common within the creative industries. Then New Product development and how it relates to the process of innovation will be considered. Creativity will also be considered, looking at where it sits in the identification of innovation opportunities, the difference between the two and how it can be managed within businesses. The way in which

innovation is used within businesses is then considered in relation to a variety of the main complementary aspects of innovation.

Once the above has been put forward the research propositions of the thesis will be considered.

2.2   Innovation Definition

In order for firms to identify opportunities for innovation we must first gain an understanding of the different ways in which innovation can be defined. Varying definitions of innovation exist, coming from a variety of different perspectives and specialisms.

Goswami and Mathew (2005, p371) state that innovation success can be for a variety management reasons "for example, R&D expenditure, technological advancement, an organisation's market orientation, capabilities and many more". To back this view up Damanpour and Evan (1984) highlight that the way in which innovation is commonly defined heavily depends on the specific study. In the same study they put forward that innovations are defined differently in organisations too with primary and secondary attributes coming into play. The secondary attributes are subjective and therefore result in different categorisation. This was however, heavily refuted by Tornatzky and Klein (1982, p28), who looked upon primary aspects of innovation as being perceptive too, providing the following example "the cost of the innovation [considered a primary attribute by Demanpour and Evan] is evaluated by the potential adopter relative to his or her financial resources. The innovation's cost may seem inexpensive to one, exorbitant to another". To avoid this potential contradiction, most authors talk about innovation typologies in terms of being relevant to the unit of adoption.

Walker (2006, p313) defines innovation as "a process through which new ideas, objects and practices are created, developed or reinvented and which are new and novel to the unit of adoption" going on to mention a need for implementation, without which it is merely an idea. Damanpour and Evan (1984, p393) define innovation as "responses to environmental change or means of bringing about change in an organization", this obviously takes a more organisational view of innovation (for more on types of innovation please see "2.5 Innovation Levels" p27). They also take a similar viewpoint to Walker and highlight the need for adoption, in this case, within the organisation.

Drucker (2007), comes from a management theory perspective and says innovation can either be defined in terms of supply when the yield of resources is changed or in terms of demand when the satisfaction obtained from resources by the consumer is changed. It is the second of these that is more relevant to SME SEO companies as innovation in this sector is better defined by consumer values and satisfactions rather than the supply perspective.

Myers and Marquis (1969, p7) place additional weight on the process of innovation "Innovation is not just a single action but a total process of interrelated sub processes. It is

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not just the conception of a new idea, nor the intervention of a new device, nor the development of a new market. The process is all these things acting in an integrated fashion". This has then been agreed with more recently by Trott (2008, p15) saying that innovation should be viewed as a process and not a single event - "innovation is the management of all the activities involved in the process of idea generation, technology development, manufacturing and marketing of a new (or improved) product or manufacturing process or equipment". The book then goes on to state how a practitioner (senior vice president for research and development at 3m) defines innovation:

- Creativity: the thinking of novel and appropriate ideas.
- Innovation: successful implementation of those ideas within an organisation.

Defining innovation is however a complex area. As Stamm (2008) notes, creativity and innovation are often used interchangeably. The text also goes on to look at the ways in which innovation is achieved providing the following "equation":

Creativity + Commercialisation = Innovation

For more on the differences between innovation and creativity please see Difference Between Innovation and Creativity (section 2.7.2 p43).

Damanpour (1990, p 126) defines innovation as "the adoption of an idea or behaviour that is new to the adopting organisation". This put forward that pre-existing knowledge can form innovation as long as it is new to the company. This is also put forward by West and Farr (1990, p9) who highlight that it must only be relevant to the unit of adoption. They define innovation as "the intentional introduction and application within a role group or organization of ideas, processes, products or procedures, new to the relevant unit of adoption, designed to significantly benefit the individual, the group, organization or wider society".

Looking at the topic of innovation from a purely managerial perspective Birkinshaw *et al* (2008, p825) define management Innovation as "the invention and implementation of a management practice, process, structure, or technique that is new to the state of the art and is intended to further organizational goals".

Due to this thesis focussing on the first stages of innovation, more specifically the identification stage, the definition adopted will be that of Myers and Marquis (1969). Although old, the definition is still widely used within the literature and really highlights that innovation is a process, that is then made up of various other smaller processes, fitting nicely with the

identification stage that is under investigation. Now that we have looked at the definitions of innovation it is possible to consider the models of innovation that exist within the literature.

2.3   Innovation Models

Although this thesis will only be looking at the identification stage it is important to gain a wider view of the academic models that already exist. This allows us to build up the theoretical framework in which this work will sit.

There has been extensive academic review of modelling innovation which has developed over time. This development has largely been due to the increasing interaction, integration and networking that has become so prevalent in today's business environment. However, as discussed within the definition of innovation there are a variety of viewpoints that have also been developed across various disciplines and sectors.

These different models have been summarised by Rothwell (1992) into five generations of innovation models. These are:

> 1/2. Linear models
>
> 3. Coupling model - Interaction between elements and feedback loops
>
> 4. Parallel model - integration with suppliers and customers. Emphasis on linkages and alliances.
>
> 5. Systems integration and extensive networking, Flexible and customised response, continuous innovation.

The first generation model of the 1950's and 60's simply assumed that scientists would make unplanned discoveries that would then be applied and manufactured by other functions throughout the business until it reached the sales stage where the product would be sold. This overly simplistic model has limited application potential and is largely thought to only have applicability to the pharmaceutical industry. This is the "technology push" model.

The second generation model developed in the 1970's, whilst still linear, looked at the marketplace as the main driver of innovation (Von Hippel, 1978). This put the customers' needs first, these would then be passed to the R&D department who would develop a product

for manufacturing before it was presented to the market. This "market pull" model is most applicable to FMCG (Fast Moving Consumer Goods) industry.

The third generation, coupling model from the early 1980's (Galbraith, 1982) built an understanding of the inter-relationships between the Manufacturing, R&D and Marketing department in innovation. All of these departments will have input into the innovation simultaneously. It also built on linear models by proposing that the point for innovation could not be known and that innovation was not just a downstream activity.

In the mid 1980's and early 90's this was then developed into the Interactive model (Rothwell and Zegveld, 1985) that noted how the firm and its various functions sat between the ideas of technology push and market pull. This is also the first model to really note the significance of the idea at the start of the process to be lead through the business, with its various feedback mechanisms, to the eventual commercial product being produced.

More recently in the late 90's and 00's, the 5th generation network model notes how not only does the firm sit within the marketplace but also that the firm has networks, systems and links, both internal and external that influence how innovation takes place.

Many other innovation models exist with many being relevant to particular industries and sectors. This is also true of the digital sector. In a relevant piece of work Carlo *et al* (2012, p890) highlight a knowledge based model of innovation within software firms which provides many lessons also applicable to the digital marketing industry. The work speaks of knowledge diversity, external relationships and knowledge depth stating that firms need to gain an understanding of each, and know when to expand and manage each. So, for example, "Building strong relationships within the environment is beneficial for radical base and process innovation, but not instrumental for service innovation". The below diagram looks at how the firms absorptive capacity (made up of the knowledge base of employees and the behaviours) lead to different types of radical innovation. The below model (Figure 2.1, p23) also considers the internal and external factors that influence innovation and which types of innovation that they have an effect upon.
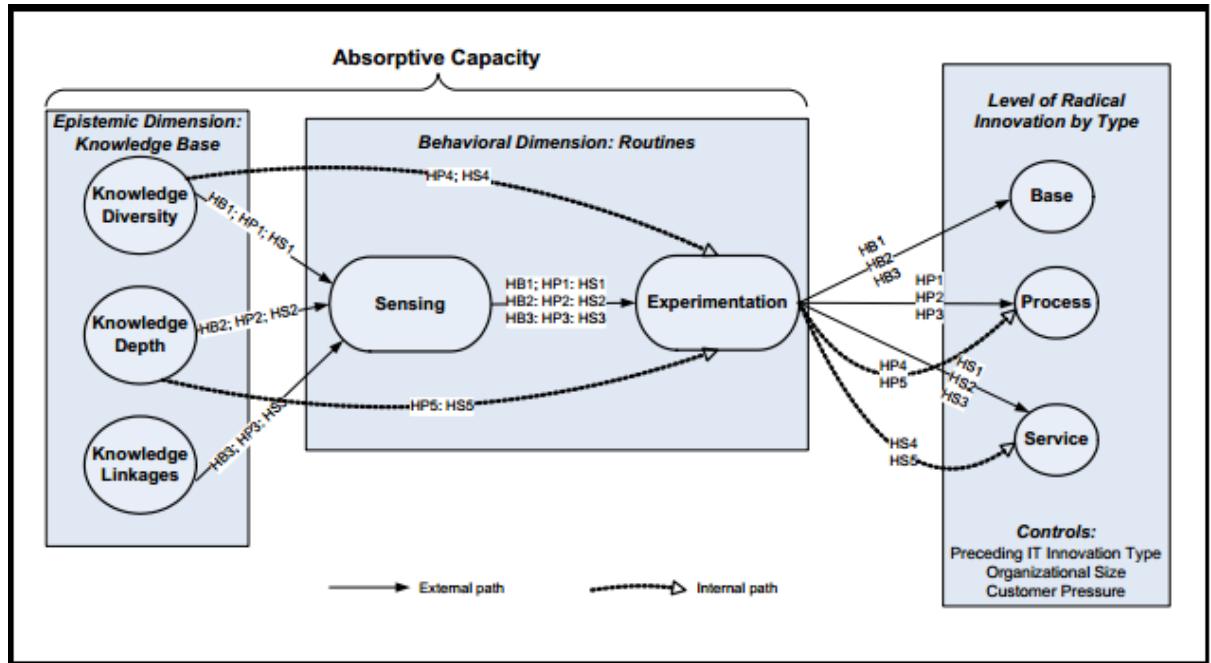
Figure 2.1 A Mediated Knowledge-Based Model of Radical IT Innovation (Carlo *et al*, 2012, p865).

The model (Figure 2.1) looks at the firm's knowledge base as having three parts; knowledge diversity, depth and linkages, all which link to the behavioural routines involved in sensing. Knowledge diversity and depth also have a direct influence on the firm's ability to experiment and make up the overall absorptive capacity of the firm.

Rickards (1999, p191) criticises many models by stating that they have an initial stage where creativity is said to occur and through doing so "the whole tricky question of discovery process has been got out of the way so that subsequent stages can be presented as rational and logistical sequences of activities". This PhD will seek to solve this dilemma by putting forward a process at the initial identification stage. This ties in with Trott (2008) who not only recognises there is an underlying process common to all firms but also says we need to understand ways in which innovation can be encouraged so that new products and services can be developed (Trott, 2008).

Many authors note that identifying innovation is not about flashes of inspiration out of the blue. John Hunt said in an interview for the innovation exchange "creativity is not something where someone who has never worked in that field suddenly gets this marvellous idea. Creativity is relating a concept to a particular body of knowledge. The existing body of knowledge is as vital as the novel idea and really creative people spend years and years acquiring and refining their knowledge base" (Hunt 1999, cited in Stamm, 2008, p2).

Although focussing on larger, complex products and systems (project based) Davis and Hobday (2005, p11) heavily criticise the best practice tools and techniques for innovation management by pointing out they "have been developed for mass produced goods, and as such are either inappropriate or at the very least need substantial modification for project business". This is relevant because as Tidd, Bessant and Pavitt (2009) state irrelevant of scale the overall process is the same.

Now that the development of models have been considered it is possible to build upon that knowledge by considering the different degrees of innovation

2.4   Degrees of innovation

Tidd, Bessant and Pavitt (2001) consider that there are variations in the degree of innovation, noting that small incremental changes are very different to changes that transform an industry. In order to illustrate the dimensions of the innovation space they put forward the below model (Figure 2.2).
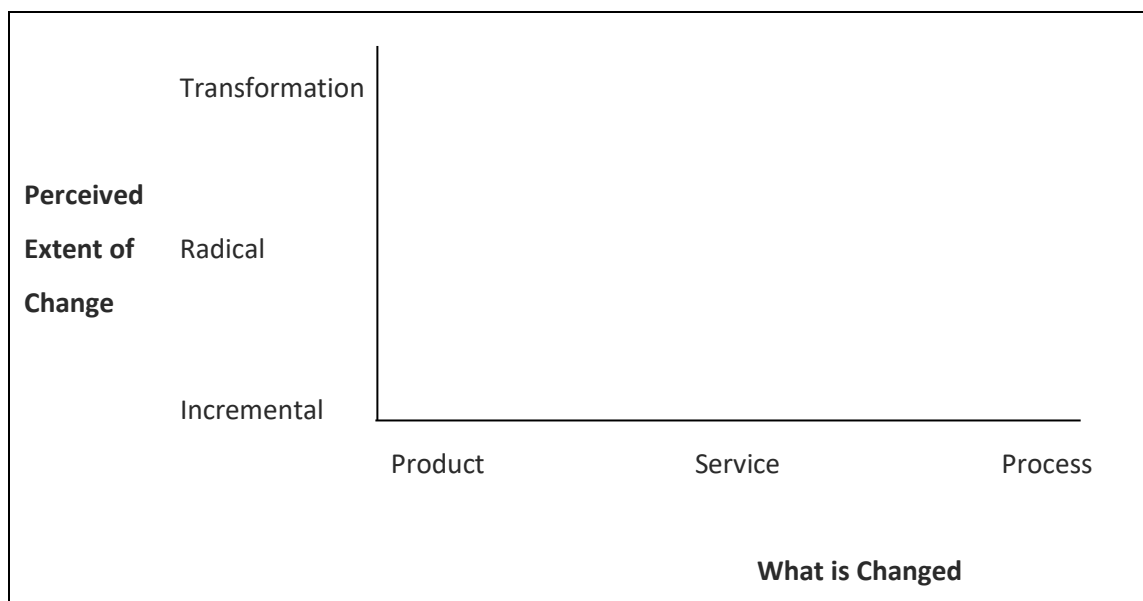
Figure 2.2 Dimensions of innovation Space (Tidd, Bessant and Pavitt, 2001).

The model (Figure 2.2) maps the perceived extent of change (which can be smaller incremental changes, radical changes and large transformational changes that may have the capability to alter an industry) against what is changed (product, service and process). This can then be used as a management tool enabling accurate mapping of a firm's innovation portfolio.

Research within service innovation is a new area of study (Bryson and Monnoyer, 2004) and has received little attention within the literature (Aas and Pedersen, 2010). This is however starting to change with many different research streams emerging.

Ostrom *et al* (2010, p5) suggest that service innovation "creates value for customers, employees, business owners, alliance partners, and communities through new and/or improved service offerings, service processes, and service business models".

In an attempt to further distinguish service innovations in particular Dotzel, Shankar and Berry (2013, p259) put forward a definition of service innovation as "a new or enhanced intangible offering that involves the firm's performance of a task/activity intended to benefit customers". This references more of the incremental innovations whereas Berry *et al* (2006) looked at the more transformational service innovation which they call Market-Creating Service Innovation which they define as "an idea for a performance enhancement that customers perceive as offering a new benefit of sufficient appeal that it dramatically influences their behaviour, as well as the behaviour of competing companies".

Berry *et al* (2006, p56) go on to put forward a typology of market-creating service innovation based on the type of service and the type of benefit offered (Figure 2.3).
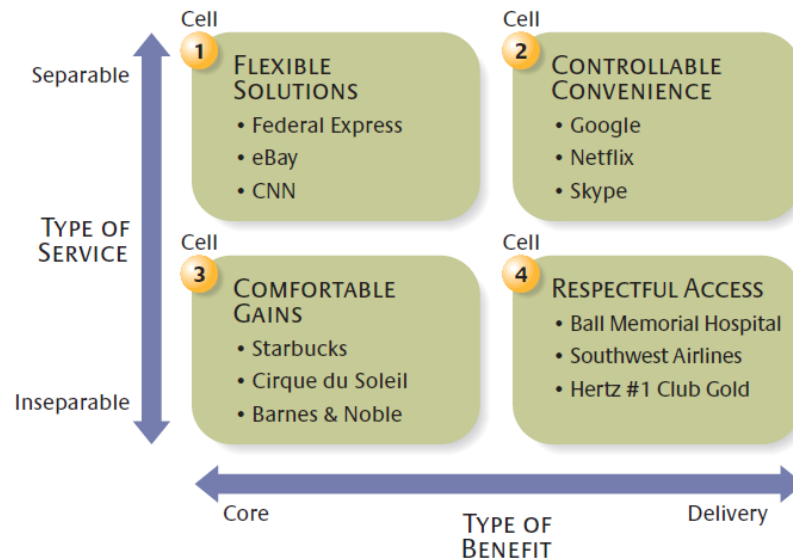
Figure 2.3 The Four Types of Market-Creating Service Innovations (Berry *et al,* 2006, p59).

Cell one looks at flexible solutions where a new core benefit is offered and the service can be used at any time/place. Services that can be consumed separately from the provider offer an

opportunity for innovation opportunities that spawn new markets. This cell is based on flexible solutions to problems. Cell two represents innovations that can be consumed anywhere and the benefit comes from the delivery method. This means that consumers have a great deal of control about how and when they use a service and offers up market creating innovation opportunities. This cell is based on controllable convenience that can be enjoyed by the consumer. Cell three looks at core benefits to the consumer that can be consumed at the time and place of production. This allows for the consumer to have an improved experience at the time they are using the service. This cell is based on comfortable gains that can be experienced by the consumer. Finally, cell four looks at the services that are delivered at the same time and place of production and have a key benefit in the method of delivery. Through this the consumer is able access the service in an easier way and this ease is a way of creating new customers/markets. This cell represents respectful access and really considers the customer's time and convenience.

Hertog *et al* (2010) looked at the types of innovation that can come from services and developed a six dimensional model (Figure 2.4). They then propose that successful service innovators gain competitive advantage by excelling in at least one of the dynamic service innovation capabilities.
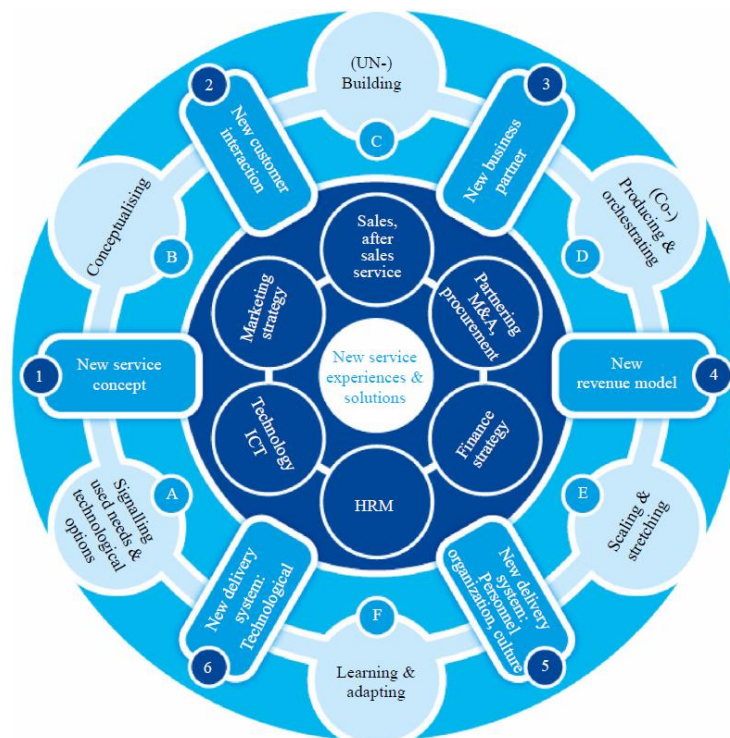
Figure 2.4 Dynamic service innovation capabilities (Hertog *et al,* 2010, p493).

The model (Figure 2.4, p26) has "new service experiences and solutions" as its primary goal and it is the business (and its departments that surround these). The creation of this goal can be through six dimensions, these are:

- New service concept
- New customer interaction
- New business partners
- New revenue model
- New delivery system: organisational
- New delivery system: technological

The new service can be created through a combination of any of these dimensions. There are then innovation capabilities that are linked to these (lettered circles) and these are required to encourage sustained innovation.

Traditionally innovations within the service sector tend to be incremental in nature (Audretsch, Martı´nez-Fuentes & Pardo-del-Val, 2011). Continuous improvement was also highlighted as a possible source of incremental innovation by (Audretsch, Martı´nez-Fuentes & Pardo-del-Val, 2011) in line with Schumpeters (1934) definition of innovation which encompasses re-combination as sufficient for innovation. However, the authors note that this has been contended in the literature as having inadequate "newness" associated with it (Davenport, 1993).

Hsieh (2013) identify that the innovations managers pursue can vary based on factors relating to the business such as company size, service innovation experience and industry life cycle. From this they identify that SME's would be better off taking advantage of their small size and pursuing innovation activities that will result in new service offerings or adaptations of pre-existing services. They say that this is due to the lack of red-tape and bureaucracy that comes with being a larger organisation. The competitive advantage that this may deliver is also noted. For more information on innovation within SME's please see "2.11 SME Innovation" (p53).

This section has looked at the degrees of innovation that exist but it is also possible to consider the different levels of innovation and its possible impact.

2.5   Innovation Levels

One of the more accepted typologies within innovation is the distinction between individual, group and organisational innovation. Staw (1984) first explored these levels of analysis and they do define the ways in which innovation is commonly studied. They also further investigate some of the ideas uncovered within the innovation definition section, predominantly within the impact various innovations have. Whilst some innovations may seem minor and more commonly associated with individual level innovation, some seem more significant and have a wider effect. Staw mentions the importance of study within this area, placing additional weight in areas that bridge the gap between these areas of analysis. It's true to say that study of these areas has increased since the piece was written and has since expanded.

In brief, individual level innovation is "changes that the individual considers to be innovative in terms of personal use, rather than whether the idea or process is unique in any objective sense" (Farr & Ford, 1990, p63). Group level innovation can be considered "invented by an R&D team, adopted by a management group or board of directors, and modified and utilized within a work group such as a primary health care team or a sales group" (King and Anderson, 1990, p 81). Whilst individual and group level innovation has some relatively widely accepted definitions, organisational innovation is less so. Authors tend to take from overall definitions of innovation and apply them to the organisational perspective. Damanpour (1990, p126) looks upon it thus, "innovations pertaining to all parts of the organization and all aspects of its operation are to be considered. The inclusion of all innovations of different types is necessary when the aggregate effect of innovation adoption on the overall performance of the organisation is explored". He goes on to mention that through looking at the overall organisations innovations patterns in adoption may be uncovered. This adoption of wider innovation definitions may be due to organisational level innovation being the more researched area of the three. As this study will be looking at all three levels within the realm of digital marketing agencies all three areas should be investigated further.

2.5.1   Individual

Farr and Ford (1990, p65) put forward a conceptual model of individual innovation that considers some of the influencing factors on an individual's ability to introduce individual innovation into their position. The model is based on four factors and is included below (Figure 2.5, p29):
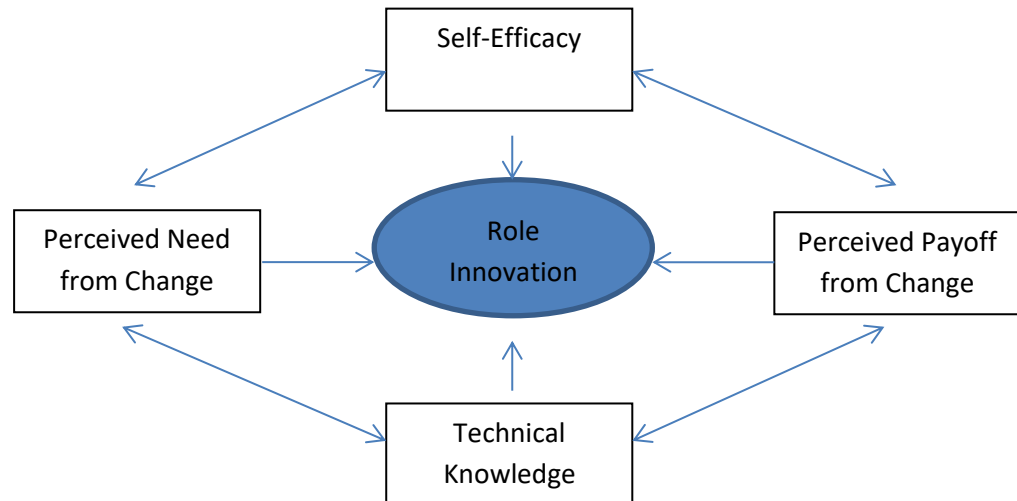
Figure 2.5 Individual Innovation Model (Farr and Ford, 1990, p65).

From this we can recognize how an employee can initiate innovation into their own role and identify opportunities for innovation on that individual level. This is one way in which that innovation then becomes identified within the business (also see 2.7 Creativity p40).

The perceived need for change is undertaken when an employee notices an issue within their own work environment and attempts to fix it. Cowan (1986) put this into the following process (Table 2.1, p30):

Stages	Process Variables	Descriptions of Process Variables
Gestation/ Latency	Scanning	Attending to situational stimuli in one's surroundings
Categorisation	Arousal	Ready to respond; a motivation to clarify an uncertainty
	Clarification	Attempting to understand/verifying
	Classification	Attaching to a discrepancy the label "Problem" or "No Problem"
Diagnosis	Information Search	Gathering additional evidence about a problem
	Inference	Drawing conclusions from information gathered
	Problem Description	Classifying the specific type and nature of problem at hand

Table 2.1 Process for Perceived Need for Change (Cowan, 1986).

Three stages are laid out within this model (Table 2.1). The gestation stage is when the employee is not actively looking for new innovations but instead will be scanning and picking up stimuli from their surroundings that may lead to the next stage. The categorisation stage brings with it three process variables – arousal, clarification and classification. These explain how the problem moves from being identified, understood and classified as a problem that should be solved. Then the diagnosis stage has information search, inference and problem description as its process variables. These describe how information is gained, considered and result in a more formalised classification of the problem at hand.

In a summation of the pre-existing literature Landry (1995) considers 4 stages of a problem:

- Recognising
- Evaluating
- Knowledge
- Action

By this he indicates that people must recognise that an issue exists and gain an understanding of the said problem. Then see if it is deserving of their attention before placing further resources in pursuit of a solution. The individual must also have a sufficient level of knowledge of the problem and its possible solutions. Finally, the individual should take action which Landry sees as an opportunity to produce knowledge.

Placing this within a business context Day and Lord (1992) found that those with expertise within a field are faster at finding solutions and are able to include more information, relevant to the problem, within their decision making. They were therefore found to be faster, more effective problem solvers.

Yuan and Woodman (2010) found that at times employees could be reluctant to suggest innovative ideas due to concerns for their own perception amongst colleagues, suggesting that a company culture that supports and encourages innovation could be one way in which to overcome this hurdle. Further to this, implementing innovation within employees' job descriptions was suggested as another way in which to encourage employees to put their individual innovation ideas forward. Another obstacle found was that many employees failed to see how innovation could have any meaningful impact upon their own work roles, Yuan and Woodman (2010, p337) suggest four areas managers can improve upon to quash this "employee-supervisor relationships, job requirements, employee social reputation and employee dissatisfaction with the status-quo". They also note recognition as having a positive impact on employee's propensity to share knowledge.

Chen *et al* (2011) found that employees who showed willing and had the knowledge and skill within the domain that the innovation would be used had positive effects on individual creativity. They also found that having knowledge specific to the task and creative resources at their disposal influenced the overall creativity of individuals, with those with particularly high skill levels overcoming a lower initiative to complete the task and companies that had large amounts of creative resources having an even greater positive impact on individuals that wanted to be innovative.

2.5.2   Group Innovation

King and Anderson (1990) put forward five antecedent factors of group innovation which they say are:

- Leadership
- Cohesiveness

- Group Longevity
- Group Composition
- Group Structure

In consideration of problem solving Lyles and Thomas (1988) saw that where problems were tightly defined with low uncertainty and where little room was left for truly innovative solutions, agreement would form easily. However, where there was more subjectivity involved there would be more requirements for debate and disagreements, indeed that this should be actively encouraged to find the correct solution.

West and Anderson (1996) found that the processes a team follows in coming to their innovations had an impact on the level of innovation. However, it was the number of innovative people within the team that had an impact on the quality of innovation. Interestingly they held that individual innovation was important at the start of the process as this gave the group a larger pool from which to choose. This indicates that individual innovation is the starting point for group innovation. They then go on to say that in later stages group processes took over and had an impact on the overall way in which innovations were selected.

Hirst *et al* (2011) found that group decision making was important for those group members that wanted to learn, it also reduced the negative effects of those wanting to avoid getting involved in the innovative efforts of the group. On the other hand, formalised processes were found to have varying effects of team members that had different inclinations towards group working. It was also found that although it had positive effects for some members, by its very nature, it could not be adapted depending on group member's inclinations. They therefore go on to say that it is important to correctly select team members for group innovation so that measures can be put in place whereby the best result of the team is achieved.

West (2002) agreed that diversity within groups could prove to be a good indicator of how innovative a group would be but put forward that in order to gain the full advantage of a diverse team, group processes could be put in place and help the team work in a diverse way. "Integrating group processes therefore enable team members to respond to the requirements of the task and innovate by utilising with maximum effort their diverse knowledge and skills, and responding to external demands by developing (in a safe, unthreatening group environment) creative ideas, and implementing them as innovations" (p377). He put forward

a model (Figure 2.6) indicating how these group processes could become part of an innovation model within organisations:

Figure 2.6 Integrating group processes in a model of team innovation (West, 2002, p369).

The model (Figure 2.6) gives key group processes within the central box that enable the team to utilise the group characteristics of the task and the group knowledge, diversity and skills into implementation. However, it also states that external demands will affect both the key group processes and the implementation. Therefore, members of teams should have ability to work well within a supportive, effectively managed group to get high levels of group innovation.

Katz (1982) found that among groups that had been together for a long time communication tended to be less frequent between group members, other departments and external sources. This resulted in performance being lower than in newer groups. Interestingly is was not necessarily that less communication resulted in poorer performance but more related to group members avoiding gaining feedback from those that had been critical in the past. Group members began to understand the intricacies of asking for opinions from certain members and simply avoided chance of negative reactions. In order to counteract this Katz suggests adding and removing team members based upon length of service to the group in order to revitalise ideas and feedback within the group as a whole.

2.5.3   Organisational

Organisational level innovation takes the focus of study regarding innovation. This is largely due to it encompassing most others forms of innovation within a business context. "That is, innovations pertaining to all parts of the organization and all aspects of its operation are to be considered" (Damanpour, 1990, p126).

There are many ways in which this higher level organisational innovation can be considered, where typologies are put forward. These vary from ones by Damanpour (1990), where he breaks them down into Technological, Administrative and Ancillary innovations but as he mentions in a later study (2009, p653) "the best known and most widely studied typology of innovation is the distinction between product and process innovations". However, he then goes on to mention that within the realm of service organisations, such as those under study in this project, there are three types of innovation associated with them, these being:

- Service innovations
- Technological process innovations
- Administrative process innovations

For more information on service innovations – Please see "2.4 Degrees of Innovation" p24.

Within service innovations it is possible to distinguish between certain processes.

Sirlli and Evangelista (1998, p883) point out the issue between what is a service and what is a product within technology firms is difficult due to the intangible nature of each, stating that "the distinction between product and process innovations less clear-cut when compared to the ones used for the manufacturing sector".

Huang (2011) looked at the business advantage to be gained through technical innovation and found that both technical innovation and business re-organisation were independent factors for improving business performance but that gaining ISO 9001 certification aided in enhancing the company's future development due to the rigours that must be overcome to gain the certification.

This section has looked at the different levels of innovation and the findings are summarised below.

2.5.4   Level Characteristics

Through reviewing the literature available on the levels of innovation within a business context it could be said that the levels have certain characteristics associated with them.

Individual Innovation tends more towards problem solving and affects only the individual or their job. Group innovation is mainly concerned with the creative abilities of group members, and its results influence a group or department. On the other hand, organisational innovation has a wider remit where its role is to develop solutions; these predominantly take effect throughout the whole organisation. However, Organisational innovation may also include elements of both individual and group innovation. The differentiators are largely simplified; ignoring many of the intricacies of each level. However, they may help practitioner's cognitive thought processes when thinking about innovation and what is appropriate for their business.

We now have a greater understanding of innovation as a whole. Within this next section New product development is considered.

2.6   New Product Development

Whilst new product development is associated, by definition, with products, there is the previously discussed confusion with products within the service industry. Therefore, it is worthy of inclusion within this study due to parts which may be analogous to the topic of study. This will be looking at new product development as a whole, models that have been put forth to discuss its workings and more in depth consideration of the identification stages, often referred to as the "fuzzy front end". New service development will also be considered throughout.

A businesses market is constantly in a state of flux as new products are produced and competitors come to and leave the market. However, consumers are at the heart of this and are becoming increasingly fickle in their purchasing habits due to the sheer volume of choice available to them (Prahalad & Ramaswamy, 2004). In order to cope with the demand for the new, companies usually have to innovate. This can involve producing new products to replace those that are coming to the end of their product life cycle.

At the heart of new product development once again sits creativity. It is the employees that will identify a need to bring a new product to market. However, a team is then usually assigned to task of new product development and it therefore very much falls within the group level of innovation discussed within Innovation Levels.

New product and service development are more tightly aligned to incremental innovation. Once again it is an area of definition whereby not all NP/SD are to be considered innovation.

Crawford and Benedetto (2008) note the difficulty in defining between goods and services, stating that each had an element within the other. They put forward that both goods and services are products.

However, in a review of the new service development literature Papastathopoulou and Hultink (2012, p705) note that "The vast majority of reported studies in NPD focuses on manufactured products as opposed to intangible service offerings, i.e., services". They go on to note that the research stream has developed in the last few years moving from discussion of critical success factors and the NSD process, now encompassing more such as customer involvement and the organization of NSD. This work will be considering the process of NSD, but in the previously under researched area of digital marketing, and will also be looking at the organisational and managerial practices influencing its development within this area.

Riedl *et al* (2011) highlight that e-service development is different to services that are not electronically based. They put forward that due to a unique set of attributes such as the rapidly changing market and cost structures employed within e-service firms some of the literature is lacking within this area. Highlighting a gap within the literature they note that a need for future research exists around "Are the types of e-service innovation different from those of traditional services?" they also place a heavy focus on open innovation and networking effects as a possible way in which the research could go, an area that will be investigated, leading to an understanding of how this works in aggressively competitive markets (Riedl *et al*, 2011, p19).

The rapid change is also considered by Papastathopoulou and Hultink (2012, p41) but in terms of the development of the service, highlighting that there is no need for a long, drawn out change in a tangible good. This therefore tends towards a more incremental or continuous change, ad-hoc in nature.

2.6.1   Models

The models put forth within the area of NPD have a lot in common, and in certain cases are the same as those within Innovation. However, there are important differences between the two.

Crawford and Benedetto (2008) put forward the following process of new product development:

- Phase 1: Opportunity Identification and Selection

- Phase 2: Concept Generation
- Phase 3: Concept/Project Evaluation
- Phase 4: Development
  - A: Technical Tasks
  - B: Marketing Tasks
- Phase 5: Launch

From this model NPD could be considered a business lead process whereas the common thoughts of innovation tend toward creative employees first generating ideas. Although they do note the difficulty in describing this first stage, generally creativity seems to have been forgotten highlighting Rickards (1999) fear of creativity at the start of the process having been ignored.

Another method is that of a stage gate process such as that put forward by Cooper (1990). Here the stages and gates suggested are:

- Idea
- Gate 1: Initial Screen
- Stage 1: Preliminary Assessment
- Gate 2: Second Screen
- Stage 2: Definition
- Gate 3: Decision on Business Case
- Stage 3: Development
- Gate 4: Post-Development Review
- Stage 4: Validation
- Gate 5: Pre-Commercialisation Decision
- Stage 5: Commercialisation
- Post Implementation Review

Here the initial identification elements do include creativity, in the original idea. However, by the end of Gate 2 much of the identification has been completed, providing little resource to businesses when trying to develop their own management processes. However, it seems that much of the innovation process that is evident within new product development can be adapted to services. Indeed, the advantages put forth by Cooper (1990, p53) seem pertinent within service innovation too: "The model puts discipline into a process that, in too many firms, is ad hoc and seriously deficient".

During the selection phase Ozer (2004, p10) suggests that "new product idea selection is not merely about using a method, but is a process that needs to be managed in order for it to be effective and beneficial". This links in with the Myers and Marquis innovation definition adopted for this project, relating to the process of interrelated sub processes.

In an effort to document the decision making process of open innovation Gronland *et al* (2010, p120) consider whether the planned innovation could be imported from another company or developed in house and then exported out to other companies. Interestingly, this decision tree focuses on the commercialisation of so called open innovation and seeks to address the difficulty involved in companies using innovative ideas.

In Millson and Wilemon's (2008, p42) work they put forward a process (Figure 2.7) that can be followed by networked forms that have formed alliances.
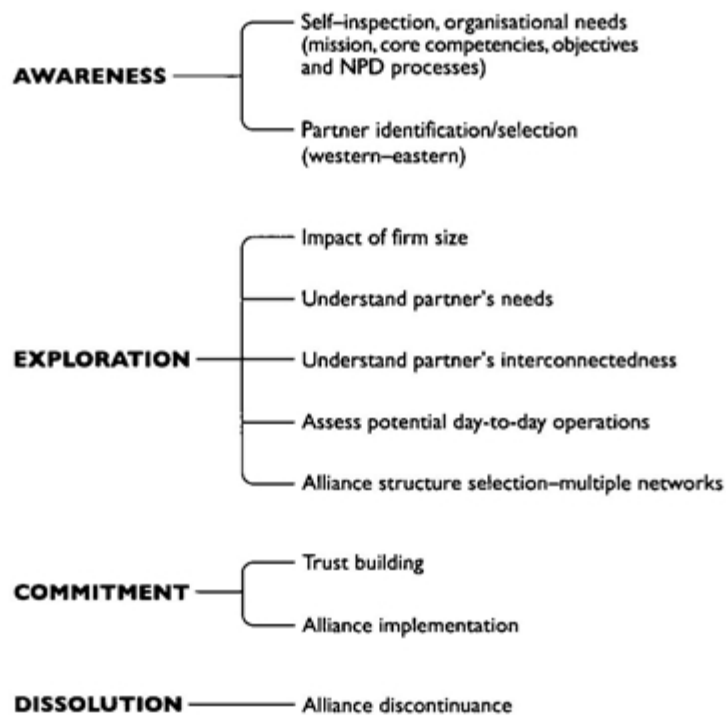
Figure 2.7 NPD Network Maturation Formation Process for Developing New Products (Millson and Wilemon, 2008, p42).

Here they say that the NPD processes feeds into the formation process at the awareness stage. This is put forward as the open exchange of ideas between the two firms but there must be agreements put in place in the form of licences, joint ventures or strategic alliances.

2.6.2   Fuzzy Front End

As touched upon in the previous section the initial stages of NPD are complex and often glossed over in order to get to the more understood parts of the new product development. However, Koen *et al* (2001, p46) note that "the fuzzy front end (FFE) presents one of the greatest opportunities for improving the overall innovation process… we define [this] by those activities that take place prior to the formal, well-structured New product and Process Development or "Stage Gate TM" process". This highlights the importance of the FFE and shows direct links through NPD to Innovation. In addition to their definition they put forward the following model (Figure 2.8):
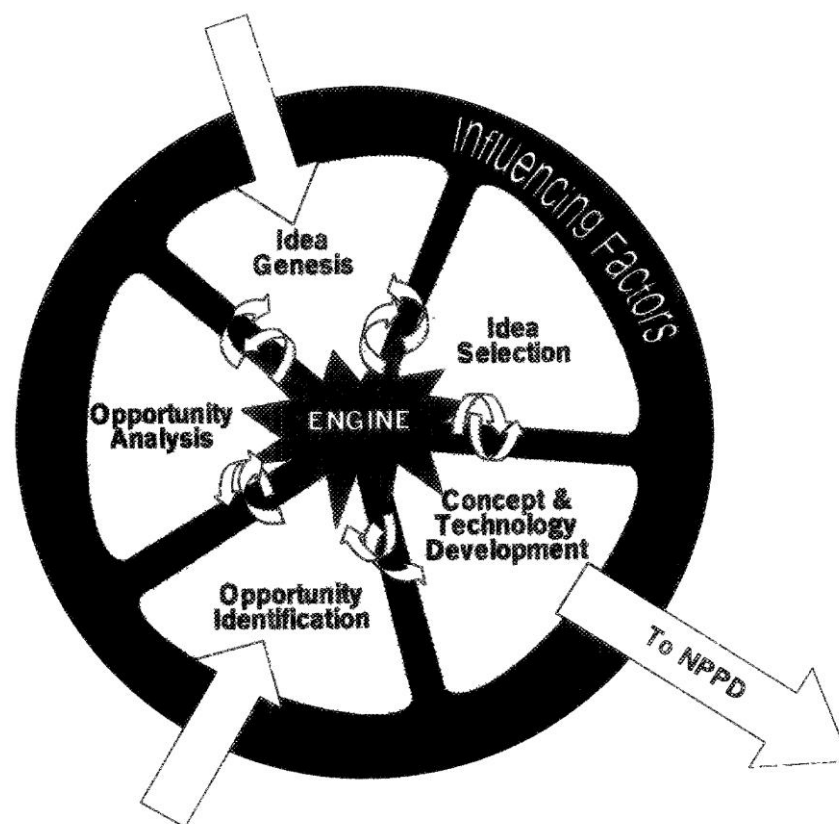
Figure 2.8 The Fuzzy Front End (Koen *et al*, 2001, p46).

The model (Figure 2.8) puts forward five key elements that make up the fuzzy front end that are driven by an engine that is fuelled by the leadership and culture of the organisation. The external factors on the periphery of the model consists of the organisational capabilities, business strategy and external factors (including distribution channels, customers and competitors). These elements then all come together to lead to new product and process development.

The FFE was also the focus of Khurana and Rosenthal's (1997) work where they put forward an early model of the process (Figure 2.9). Here, some consideration is given to creativity (within the Foundation Elements) and identification is explicitly mentioned (within Pre-Phase Zero). They also note the need to integrate processes for successful development performance over time.
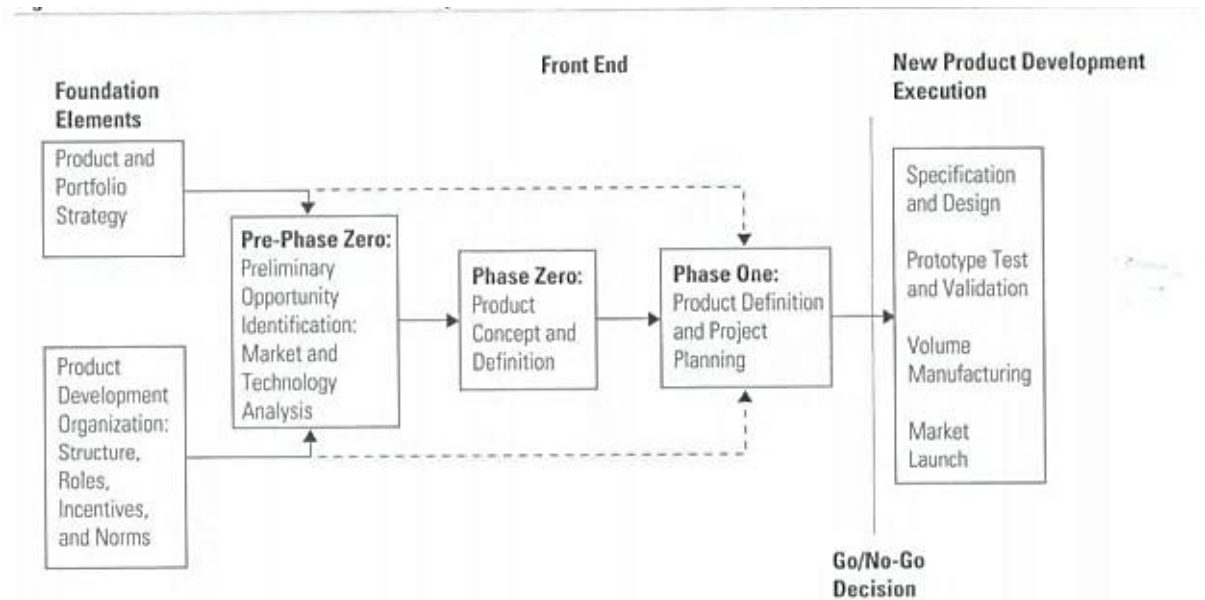
Figure 2.9 A Model of the New Product Development Front End (Khurana and Rosenthal, 1997).

The model (Figure 2.9) starts with the foundation elements which are the business strategy and culture. This then leads to the front end, the first stage of which is pre-phase zero which is a clarification stage. Then phase zero is a defining stage where an initial feasibility is carried out. Then in phase one the product features are considered, making sure they are appropriate to the market. This is traditionally where a decision would be made on whether to take the idea further. If this is taken, then the product, its fit for the company and the fit for the market should be considered in a much greater level of detail as it moves through to product launch.

Now that we understand more about the initial development stages of innovation identification, it is necessary to consider creativity, another factor that leads into innovation.

2.7   Creativity

2.7.1   Creativity Definition

Before looking at the supposed difference between innovation and creativity it is important to gain a full, comprehensive understanding of the varying definitions of the two words. Whilst

Definitions of innovation varied, this is seen to a greater degree within the definition of Creativity. This is, in part, due to the cross disciplinary ways in which creativity can be considered within a business sense.

This is further complicated within the advertising space where creativity and similar words can be used to define a whole sector. In these terms creativity and creative tends to define; arts and crafts, publishing, design, advertising, architecture amongst others (Gov.uk, 2013).

Within this project creativity will be considered in the domain of new/novel ideas, with a specific focus of how creativity can lead to innovation. Indeed, Baer (2012, p1102) states that "Creativity can be viewed as the first stage of an innovation process". This is backed up by Rosenfield and Servo (1990, p252) who posit "creativity is the starting point for innovation". West (2000, p463) also agrees, stating "innovation begins with the creativity of individuals".

However, creativity in itself is defined by Amabile (1996, p1) as "the production of novel and useful ideas in any domain". Earlier work by Amabile (1983) also noted that creativity could be achieved by teams or individuals, an idea still prevalent within the area today. The following model (Figure 2.10) further distinguishes between the two:
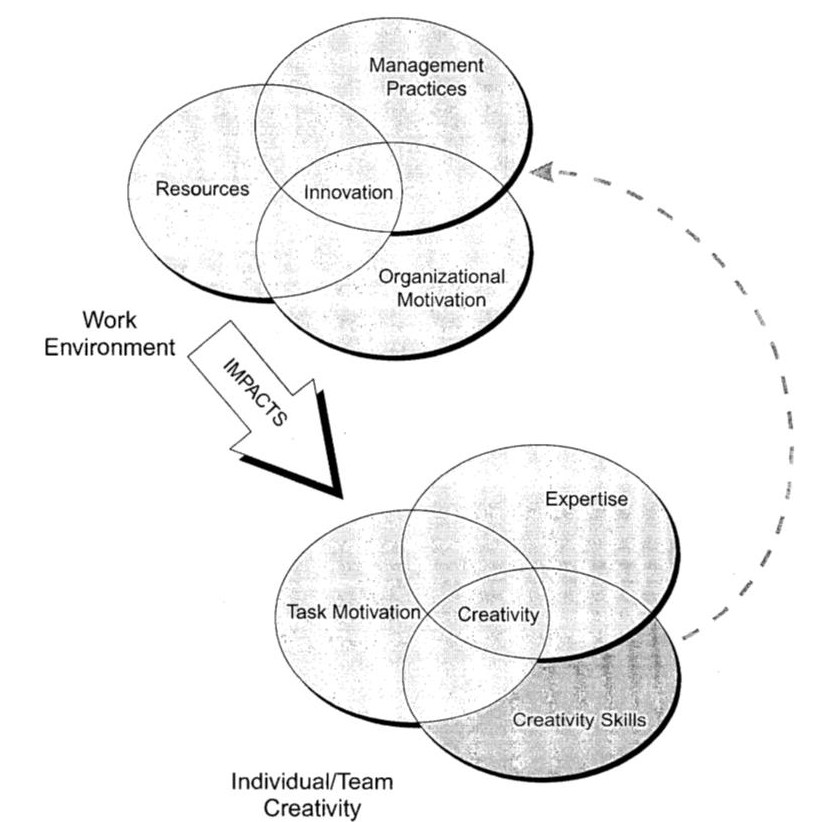
Figure 2.10 The Difference between Innovation and Creativity (Amabile, 1997, p53)

The distinction between innovation and creativity given in the model (Figure 2.10, p41) is with the upper circles giving the organisational components that Amabile sees as necessary for innovation and the lower circle being the components for individual creativity. The work environment then impacts the individual's creativity and that the creativity is a primary source for innovation within the organisation.

Oldham and Cummings (1996, p607) consider the performance of the employees and state that "When employees perform creatively, they suggest novel and useful products, ideas, or procedures"

Moultrie and Young (2009, p300) bring to attention that "From a business perspective, the term 'creativity' is commonly used to describe processes and outputs rather than inherent traits of individuals".

Placing innovation within an organisational context and taking a wider view Woodman, Sawyer and Griffin (1993, p293) state that creativity is "the creation of a valuable, useful new product, service, idea, procedure, or process by individuals working together in a complex social system".

Interestingly, a broad definition from Granot (2011, p161) puts forward that "creativity is defined as the recombination of existing knowledge into novel configurations that is reflected in the meaningful novelty of some output". This definition includes the concept of combining existing knowledge, similar to Rogers (1998) definition of innovation. This is taken further and placed within the realm of the individual by Haapasalo and Kess (2001, p110) who draw on work by a few authors to state "creativity is the ability to produce new ideas, which are novel to the idea producer themselves".

Csikszentmihalyi (1996, p27) looks upon creativity as when a person has "a new idea or sees a new pattern, and when this novelty is selected by the appropriate field for inclusion in the relevant domain". This definition highlights a need for recognition of the idea by a higher authority, not brought up within other definitions.

Creativity is also sometimes defined as including the development of ideas (Runco,2004). However, it is the authors opinion that this then straddles the line between innovation, with the development of an idea more within the domain of innovation.

Throughout the various definitions put forward for use within the organisational domain there seems to be a main theme emerging. This relates to newness, the idea generated must be new, not necessarily to the market but to the person whom generates the said idea.

2.7.2   Difference between Innovation and creativity

The difference between Innovation and creativity is a contested issue with a wide variety of literature from many different authors trying to put forward their own way in which the two interact. One of the more widely accepted definitions between the two comes courteous of Amabile (1996, p1). In the same article she defined creativity, a definition of innovation was also given, "Innovation is the successful implementation of creative ideas within an organization".

Baer (2012) states that "Creativity can be viewed as the first stage of an innovation process" and also noted that "creativity and idea implementation are two different activities within the innovation process" (Baer, 2012, p1102) indicating that creativity is actually ingrained in innovation. This thought is backed up by Isaksen *et al* (2011) who proposes that innovation would be impossible without creativity but you can have creativity without innovation. Khandwalla (2006, p1) adopts a similar perspective stating that "Innovation is applied creativity".

Al-Beraidi and Rickards (2006,p 25) put forward that "the distinction tends to be towards creativity as a process more concerned with concepts, and innovation as a process more concerned with the actualisation of concepts".

Another text within the area by West and Farr (1990) draws a clearer distinction between the two words. They say that innovation is a social process between people and differs to creativity which they describe as an individual cognitive process occurring in the person. This really draws on the individualistic nature of creativity whilst highlighting that innovation is carried out by groups. Put simply, and within a business context, it is the employee that is creative but it is the business that then turns this creativity into innovation.

Woodman, Sawyer and Griffin (1993) agree with West and Farr (1990) and see value in bringing together the two research fields of behavioural research, in regards to individualistic creativity, and organisational research, concerning innovation.

Due to the focus of this thesis being on the process behind the identification of innovation, West and Farr's distinction between the two will be used as the primary differentiator. This means that although creativity will be considered it will be innovation and the management

processes involved under investigation. This ties in the model put forward by Amabile (Figure 2.10 p41).

This also brings to attention the business aspects involved within the two, an area where there seems to be some form of agreement within the literature. Perhaps the most telling of definitions within this area comes once again from West and Farr (1990, p9) where they seek to define innovation, they state that it is "the intentional introduction and application within a role, group or organisation of ideas, processes, products or procedures, new to the relevant unit of adoption, designed to significantly benefit the individual, the group, organisation or wider society". This definition of innovation places it within the realm of the business but widens the benefits, meaning that innovation doesn't always have to seek increased profits. They provide the possible benefits included in this definition as "personal growth, increased satisfaction, improved group cohesiveness, better interpersonal communication, as well as those productivity and economic measures usually invoked". Through doing so we can see that innovation exists within a company whereas creativity happens through an individual and can happen outside of a business environment.

2.7.3   Management of Creativity

Following on from the definitions there has been a lot written on the ways in which creativity happens. We have already discovered that creativity is undertaken within an individual whereas innovation is primarily within the domain of teamwork. Exploring this idea further Hirst, Knippenburg and Zhou (2009) identify that effective managers need to recognise not only how individual employees are creative, but also that the dynamics of their team influences the creativity of individuals. This is also the view from Brodersen and Eisenburg (2004) who add in the point that the workplace itself can have an impact on employee creativity.

This issue was explored further by Shin *et al* (2012) who found that through boosting employee's self-efficacy employees tended to become more creative. This was looked at compared to team diversity, firms with high diversity were not necessarily more creative, self-efficacy tended to have a larger impact. Additionally, transformational leadership tended to also have a positive impact on creativity.

Work by Burroughs *et al* (2011) looked at incentivising creativity and found that when paired with appropriate training it actually had a very positive impact on creativity. They go on to say that this helps managers in two ways, enhancing the creative abilities within the team and serving as a confirmation of good job performance.

Thamhain (2003, p307) found that "Encouragement, personal recognition and visibility of the contributions to customer and company values" all had positive impacts on incentivising creativity and, when conducted in teams, helped solidify that team's creative efforts with the overall goals of the organisation.

Taggar (2002) found that although managers could put together teams of creative people it was also important to have processes in place to draw that creativity out of them. This idea of management control within creativity was considered in more depth by Mumford (2000). He felt that in order to successfully manage creative individuals it was important to gain an understanding of creative thought itself which he breaks down into three main components; knowledge, process and work cycles. He then reviews the available literature and puts forward a clear link between creative thought, employee's creativity and innovation. McLean (2009, p30) considers the cultural impacts on creativity by saying that "in order to promote innovation as an output of creativity, the organisation must itself be creative and imbibe a culture of innovativeness". The relationship between these factors are further considered by Smith (2008) in the below model (Figure 2.11).
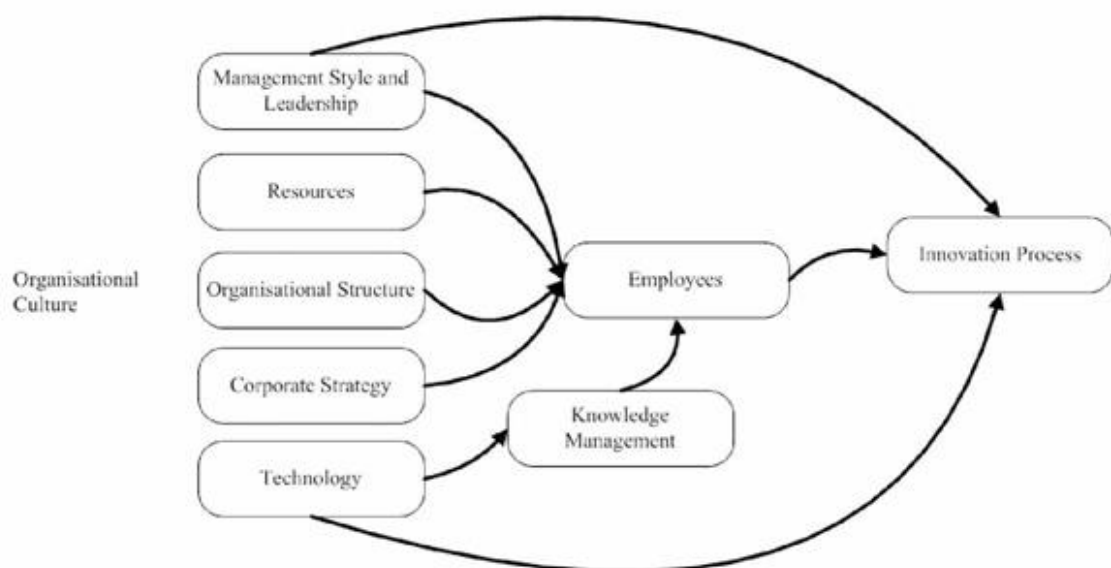
Figure 2.11 Relationship Between the Factors (Smith, 2008, p662).

The factors identified have relationships that are denoted by the arrows. They say there are various parts of the organisations structure that have an influence over the employees but only two of these ("Management Style and Leadership" and "Technology") are given as having a direct relationship with the Innovation process and employees whereas others ("Resources",

"Organisational Structure" and "Corporate strategy") must go through the employees to have the effect on the innovation process. Technology was seen have a relationship with knowledge management before reaching the employees.

Lewis and Moultrie (2005) consider the idea of innovation laboratories, spaces that were found to encourage creativity through the surroundings. An idea also explored within Wycoff and Snead's (1999) work where they highlight that they are not only individual creative spaces but somewhere that collaboration can take place and move the creativity forward into innovation (Innovation labs are considered in more detail within the Innovation laboratories section).

When considering the purpose of management, Suojanen and Brooke (1971, p23) eloquently stated "Management is the best allocation of scarce resources, of which the scarcest is creative human talent".

In order to make use of this human talent it is important to be able to get employees ideas into the business, this is discussed further in the next section.

2.8 Opportunity Extraction

Within innovation we have discovered that creativity is the first step, and that creativity is carried out by employees. However, in order to use the idea and start innovation the business must extract the creative ideas. This can be done in a variety of ways but will usually use a management tool of some kind. Rush *et al* (1997, p418) state "a management tool could be a document, a framework, procedure, system or method which enables a company to achieve or clarify an objective". Through extension of this D'Alvano and Hidalgo (2012, p62) define tools used within innovation management as "The range of tools, techniques and methodologies intended to support the process of innovation and help companies meet new market challenges in a systematic way". These management tools can vary from brainstorming to more defined processes such as TRIZ.

Hidalgo and Albours (2008, p124) found that innovation management tools were used for innovation identification but also noted how they impacted on the overall culture of the company. However, in companies that mentioned the impact on culture it was found that "their appreciation of [Innovation Management Tools] seems to be very superficial".

The use of these tools is usually decided upon at management level but whichever is chosen it is important for managers to recognise that the quality of the output is dependent on their "factual knowledge, technical proficiency, and special talents in the target work domain" (Amabile,1997, p42). She goes on to mention that it is important for creativity to have overall goals but employees should also be allowed to have autonomy over the task.

Work carried out by Hon and Chan (2012) suggested that managers should allow employees time to be creative; this would not only increase their creative output but also positively impact upon their motivation. They also discovered that, through using empowering leadership, employee's self-concordance was increased, once again improving creativity. Zhou (1998) also found that employees were more creative when they received feedback that was encouraging as well as positive in nature. However, employees also needed a high task autonomy work environment.

Managers were also mentioned in work by King and West (1987, p10) where they state "managers must know how best to introduce innovations, and be able to predict how others in the organisation are likely to react to them", indicating a need to strong leadership skills. This was also found to be the case by Taggar *et al* (1999), but extended to all team members;

they discovered that teams that had many members that exhibited leadership skills performed better than those that had one leading figurehead.

Work by Gersick (1989) found that there were transitions that creative teams went through on a creative project and that the timing of the changes had a large impact on their creative ability. For instance, teams were found to be amenable to large project changes at the start and midpoint of a project but would not be so readily accepted in other stages of the allotted timeframe.

Brainstorming is the "most widely adopted process for generating creative ideas within organisations" (Heslin, 2009, p129). The process of brainstorming was developed by Osborn (1957) as a way for a group to present ideas without an immediate round of evaluation but within a set timeframe, the attendees should also try to build on the ideas of others. This is then to be recorded by a non-participant who is just there for note taking. This then helps facilitate the sharing of ideas in a non-judgemental environment where everyone should feel encouraged to bring ideas to the table. However, brainstorming does have some limitations around ideas being forgotten when it isn't a participants turn to speak (Brown & Paulus, 2002). It also requires a capable leader to manage the discussions that go on during the meeting to keep them on track (VanGundy, 1983). There may be occurrences where a lower ranking member of staff doesn't want to surpass a managers idea with one of their own (VanGundy, 1983). There is also a chance that participants may feel that if they fail, they fail as a group and therefore do not feel the need to contribute (Shepperd, 1993).

Now that we have looked at ways in which ideas can be absorbed into the business the ways in which that knowledge can be kept within the business can be considered.

2.9 Knowledge Management

Within innovative endeavours we have already seen how creativity is achieved by employees and then it is up to the business to extract this creativity and turn it into innovation. Therefore, employees, and the knowledge they have, are vital to the innovative efforts of a company. Staff turnover is therefore a large risk to businesses, especially SME's where the loss of an individual can have a significant impact on the creative ability of a small team.

When looking at retention of creative employees Burroughs *et al* (2011, p63) found that training was a key component in increasing employee's creative ability but often found that

"The entirety of these firms' creative strategy entails hiring the right people and simply expecting that they will be creative".

With this in mind it is important for companies to protect the knowledge that they have within staff. This can be achieved in a variety of ways, from the formal rules to less formal "soft" retention methods such as pay and benefits. Olanda, Hermelinna-Laukkanen and Heilmann (2011, p593) consider the tools businesses have at their disposal for retaining knowledge as being "recruitment, education and training on matters of confidentiality, retaining employees, capturing and diffusing knowledge in-house, and monitoring". Through keeping staff and knowledge within the business not only does it mean that they retain creative ability but also their competitive advantage, as competitors are not gaining their employees creative ability.

However, although rules may be put in place through HR departments, it will still be difficult to stop knowledge leaving a business, whether this be from the natural turnover of staff or the informal discussions that may cause knowledge spill over (Delerue and Lejeune,2010).

Tidd (2006) makes the point that secrecy cannot be maintained with the inevitable turnover of staff and industry discussions that go on. In addition to this, firms that do share knowledge have been found to be more profitable. It therefore depends on the individual firm's propensity to share and discuss knowledge they have created. Although it may seem counter intuitive this thesis will be considering open innovation as there may be characteristics that are from open innovation and should not be dismissed (see 2.10 "Open Innovation" p51).

Another way in which knowledge can leave a company is through collaborative efforts or pitching for new business. Whilst this activity is usually supported with standard non-disclosure agreements occasionally this will not be possible or the request for proposal may negate the effect, allowing the external company to then use that knowledge. This dilemma is explored further in table 2.2 below (p50).

	Value/Innovation creation	Value capturing/ Profiting from innovation
Knowledge sharing	Needed for creating new innovative combinations and ideas; may cause losing core knowledge assets to rivals	Needed for getting access to markets; may cause losing competitive edge
Knowledge protection	Needed for safe disclosure of existing knowledge; may prevent adequate knowledge flows	Needed for protecting the investments in innovation, needed for safe disclosure; may cause slower diffusion

Table 2.2 Knowledge Sharing vs. Protection Dilemma in Innovation (Orlanda, Hermelinna-Laukkanen and Heilmann, 2009)

Table 2.2 shows the advantages and disadvantages of firms sharing and protecting knowledge with the market when they are coming up with new innovations and when they are attempting to profit from innovations that have been created. There is a dilemma involved in deciding how much knowledge to share against how much knowledge to protect.

Companies that are attempting to be innovative would predominantly prefer to keep the knowledge in-house where it can be used to gain a competitive advantage against competitors (Chesbrough, 2003). This is felt to be true within digital marketing where innovations can help you to gain enhanced performance over competitors, maintaining competitive advantage.

The digital marketing sector is a sector where it is notoriously difficult to retain staff. In a survey carried out by Brighton SEO (2013) it was found that of 300 respondents only 31 thought it would be more than a year until they changed jobs. Additionally, the experience people have is low in what is still a fledgling industry with the average length of experience for those in an agency environment only being 3.5 years. This then increases to 3.9 years for those working in-house and 5 years for freelancers. These stats also reveal another issue faced in employee retention with many people setting up as freelancers once they have gained the experience from an agency setting. This is due to the low setup costs, again highlighting the knowledge component of the industry.

Leading on from knowledge management also comes the concept of open innovation and how freely ideas can move around within an industry.

2.10 Open Innovation

In a recent review of open innovation, Chesbrough who coined the term in 2003 put forward that the topic had seen a huge amount of growth from its inception. He notes that there are papers, and conferences dedicated to its study. It therefore stands to reason that many definitions and approaches to the term would have been developed. The definition put forward in the review is one from his 2006 work "the use of purposive inflows and outflows of knowledge to accelerate internal innovation and expand the markets for external use of innovation"(Chesbrough, 2006, cited in Chesbrough 2012, p20). Open innovation has been extensively researched by many academics (Cheesbourgh, Vanhaverbeke & West, 2006., Laursen & Salter, 2006., West & Gallagher, 2006., Vrande, Jong, Vanhaverbeke & Rochemont, 2009., Von Hippel & Von Krogh, 2006).

When discussing open innovation's guiding principles Lichtenthaler (2011) puts forward three main characteristics. These are; the available literature on innovation is progressed further through acknowledgement of both in and out knowledge transfer, also that the two of these can happen in unison, finally that many literatures, such as NPD, are brought in to further the discussion. Therefore, it could be said that open innovation is more about the open exchange of ideas, both in terms of those ideas coming in and going out. Additionally, it includes companies working together to achieve a common goal, including opening different paths to market.

In the 2003 work Chesbrough put forward six "notions" of closed innovation in support of his development of open innovation. These are:

- The smart people in our field work for us
- To profit from R&D we must discover, develop and ship it ourselves
- If we discover it ourselves, we will get it to market first
- If we are the first to commercialize an innovation, we will win
- If we create the most and best ideas in the industry, we will win
- We should control our intellectual property (IP) so that our competitors do not profit from our ideas

However, work by Trott and Hartmann (2009) attempts to largely discredit these notions, stating that many of today's firms don't follow these anyway. They also attempt to say Chesbrough was not the true originator of open innovation, stating that many academics before him had already explored the themes involved, which he does not give credit to. Whilst

it holds that much of what was put forward by Chesbrough was seen in earlier literature, it is he who popularised the term and its trappings, bringing the term into the common academic vernacular.

Euchner (2010, p7) puts forward a concept of two types of open innovation, pure "open innovation" and "open-source innovation". He characterises open innovation as "control of the innovation process itself remains with the firm, which defines priorities, chooses how to source them, selects providers, and integrates them into its product roadmap [and maintains that control of the IP remains with the company]". It is open source that the layperson commonly thinks of as open innovation due to its more widespread and public use, it's often used within software development where the code will be released for others to adapt. Euchner (2010) goes on to say that businesses must change their mentality in three main ways if they are to fully embrace open-source innovation:

- Opening and relinquishing IP
- Releasing control of product development directions
- More open business models

When considering open source software Piva *et al* (2012) saw that not only could embracing this help small firms be innovative but also that it could help them gain market traction in hypercompetitive markets where they would have been traditionally muscled out by larger players. This relates back to the competitive world that SEO sits within and may prove to have some applicability to the SME's within this sector.

However, within the SEO industry the results from innovation forms the competitive advantage and the results need to be used internally, if released, it would level the playing field (Chesbrough, 2003). Von Hippel (2011, p36) adds to this by stating "In general, what we see is that the free sharing of ideas goes down as rivalry goes up".

User led innovation is similar in some respect to open source innovation this is more of a market lead approach. Von Hippel (2013, p15) is seen as a leading figure within user led innovation and describes it as "users innovating for themselves to make products and services they want without manufacturer assistance. It's an entirely independent activity; manufacturers can get involved, but users don't need them". Whilst it is commonly associated with manufacturing and users creating the item (the increasingly widespread use of 3D printers is an appropriate example) this concept also has a place within the realm of SEO where individual site owners are now becoming increasingly aware of optimisation techniques

and are now starting to see the value of the links that they can provide (selling links is seen as "black hat" and against Googles terms). User led innovation has two primary impacts, site owners are becoming innovative in how they are providing links and, in seeing the value of their site, they are becoming increasingly adept at SEO themselves.

The literature within this area is still developing and we are seeing an increasing number of research streams emerging. This in a large part is due to the new ways in which companies are breaking down boundaries, both between themselves and with users. As use of open innovation increases it is likely that we will see more perspectives on ways in which it can be adopted within firms. In its current state, less research seems to have been placed on its operation within highly competitive industries. Additionally, due to the relative recency with which the research has been written, less work seems to have been completed in longitudinal studies, investigating performance over time.

2.11 SME Innovation

Geroski *et al* (1993) found that innovation leads to corporate profitability. This has also been found to be the case within SME's where it has been found that "when firms frequently try new ideas, seek out new ways to do things, develop new products/services, and try to be creative in their methods of operations, they become more profitable, get higher market share, and growth rate" (Keskin, 2006, p409). Christenson and Utterback (1997 & 1994, Cited in Tranfield *et al*, 2003) put forward organisations need to be adept in constantly looking for innovation, be able to pick up market signals for change and be prepared for innovation.

Research by Kaminski (1994, Cited in Tidd, Bessant & Pavitt, 2009) found that innovation carried out in firms with fewer than 100 employees is considerably lower than in larger firms. This was also found to be true in a study by Baldwin (1994, Cited in Tidd, Bessant & Pavitt, 2009) where only 9.3% performed their own research and development. SME's therefore need more help in the identification stage of innovation.

It has been found that different levels of innovation require different strategies. Firms that want to make small, incremental changes will be following a different strategy to those that want to make bigger, more radical innovations. Research by Pullen (2009) found that SMEs that wanted to pursue smaller, more incremental changes should adopt higher levels of managerial control and formalisation. Additionally, the marketing and R&D departments should be highly integrated. This is due to market information being highly important

incremental innovations. However, in terms of larger, more radical innovations, the market information is less important, allowing for less formalised processes and a more laissez-faire management perspective. Phillips et al (2006) agreed that this managerial control was required and found that without the support of senior management teams many opportunities would have gone un-exploited. This top-level management support is a well-established view dating back to the SAPPHO project (Rothwell et al, 1974) where it was put forward that innovations were strongly slanted towards success where there was a strong leader who was a proponent for innovation and had a suitable amount of authority to see that innovation was carried out.

It has been seen that most SMEs pursue incremental innovations (Rangarirai *et al*, 2013). This was also seen by Henderson and Clark (1990). However, this work disagreed with Pullen (2009), stating that in order to move beyond the steady state employees needed management intervention and guidance, whereas employees know the "architecture" for smaller innovations, "Given the evolutionary character of development and the prevalence of dominant designs, there appears to be a tendency for active learning among engineers to focus on improvements in performance within a stable product architecture" (Henderson & Clark, 1990, p28). Although this work was focused predominantly on product innovation the ideas still hold for service innovation. Additionally, we have already revealed the relative complexity in defining the differences between the two.

Networks have also been proven to provide SMEs with advantages in their innovation capabilities. For instance, Jørgensen and Ulhøi (2010) found that, when utilised correctly, the networks firms build within the early stage of their life can go on to have larger effects on their innovation capabilities, especially within knowledge sharing, innovation and learning. Networking effects once again take a prominent focus in the work of Anderson *et al* (2011) where joint ventures within the service sector are the focus and it was found that innovation can be gained through joint ventures. However, the applicability of this to the SEO industry could once again be called into question due to the knowledge management aspects.

Tidd, Bessant & Pavitt (2009) note the growing attention being given to the challenge of innovation management and both the generic and firm specific intricacies of dealing with this challenge. This thesis will be seeking to delve deeper into a specific subset (SME's) of an industry (SEO) to solve this issue whilst still remaining relevant on a theoretical and academic level.

2.12 Innovation Laboratories

Innovation Laboratories can be seen as a physical space that employees can go to which aim to help generate innovative ideas. The innovation laboratory's main purpose can be seen as "emphasizing dislocation from day-to-day activity, eliminating hierarchy, encouraging participation" (Lewis & Moultrie, 2005, p73).

The largest impact to employees of innovation labs was seen to be the perception of the company as a reinforcement of the company's commitment to innovation. However, there are also drawbacks to this approach including it not being fit for all types of innovation or learning and a difficulty of feedback. An additional point noted by the author of the work was a positive impact on moral, this was seen as a disadvantage as "the priority of too many sessions had become to make participants feel good – surely an unrealistic expectation if making a true commitment to innovation and change?" (Lewis & Moultrie, 2005, p81).

Building on the work in this area, Magadley and Birdi (2009) found that employees that participated in off-site innovation, within an innovation lab, were found to be in favour of doing so, providing the reason that it took them away from many of the everyday distractions that existed within the office, including phones, emails, answering doors to name a few and helped to place focus on idea generation. This links in with research by West (2002, p39) that put forward that "the group should be given time during the early stages of the innovation process, in an unpressured environment, to generate creative ideas for new and improved products or ways of working. This may mean taking time away from the usual workplace and working in (ideally) a pleasant and relaxing environment".

2.13 Innovation Measurement

Innovation is traditionally measured in the use of patents. However, due to the diverse ways in which innovations can take place within the services sector, measurement becomes much more difficult. Hipp and Grupp (2005, p518) note this, stating "The character of innovation activities and the organisation and implementation differ substantially from those in the industrial sector". Due to this difference in the fundamental nature of innovations, traditional methods of measuring firm innovation are not always a reliable indicator of actual innovation. Gotsch and Hipp (2011) build upon work by Schmoch and Gauch (2009) putting forward that trademarks could be an additional, reliable indicator of service innovation. However, even

they note that "indicators, such as trademarks, in this case, are just an indication of reality, not a direct and complete measure" (Gotsch & Hipp, 2011, p2182). Additionally, the lack of insight on internal process of innovations is noted, with trademarks tending to be more of an indicator for external facing service based product innovations.

A NESTA (2008) report found that, innovation expenditure per employee was actually higher within services than in manufacturing and that comparatively high amount of innovation budgets were spent on marketing and employee training. The report also found that the most important way in which to protect ideas within services was through confidentiality agreements and informal means. This again highlights the difficulty in accurately tracking innovation within services.

Whilst innovation is an integral part of this work the primary focus is on identification of innovation opportunities. Therefore, the front end of measurement will be considered in more depth than the actual outcomes. Within this context the wider definitions of innovation will be used (see "2.2 Innovation Definition" p19).

2.14 Clusters

Although Clusters don't form a main focus of this thesis, their workings should still be considered due to the place in which the majority of companies are located. The research is being conducted at The University of Brighton and it has been found that Brighton's New media/creative sector forms a hybrid cluster (Conway, 2005). This means that the co-location of firms, within the city and surrounding areas, can enhance learning and innovation (Conway, 2005). Not only has the city been found to be a cluster, but also a Superfused city (Sapsed *et al*, 2013). This further enhances the innovation of firms located within it.

Clusters can be defined as a "geographical concentration of interconnected firms and institutions in a particular field" (Porter, 1998, p78). Crespo (2011, p2026) makes the point that clusters exist within a technological field and therefore have a knowledge element to them, "These relations between the cluster and the technological field go in both directions: the evolution of the cluster depends on the evolution of the technological field, and the evolution of the technological field depends on the evolution of the several clusters specialized on it". This brings to consideration a slight chicken and the egg paradox. If the industry needs clusters and the clusters need an industry what comes first? In work looking at embryonic, early stage clusters in the biotechnology sector, Kasabov (2011, p839) found that

clusters could fail due to "the absence of anchor firms and incentives for attracting them, the loss of anchor small and medium-sized enterprises (SMEs), an inadequate or inappropriate inherited infrastructure, a lack of local capacity in basic science[knowledge], and a difficulty in attracting star scientists and managers". This therefore suggests that there has to be some form of naturally occurring, random co-location of firms (anchors) and experts which then expands.

Crespo (2011) also makes the point that technological clusters, which digital marketing sites within, have large knowledge and innovation components, rather than being formed due to some of the more traditional factors such as price competition and productive capacity.

Boschma (2005) makes the point that often only the positive effects of proximity are considered. However, there can also be negative factors unless a happy medium of not too little and not too much is achieved.

2.15 Technological Opportunities

Klevorick, Nelson et al. (1995) looked at 'technological opportunities', considering how different industries look to different sources for those opportunities. They found that these opportunities come from "advances in scientific understanding or technique, technological advances originating in other industries and in other private and governmental institutions, and feedbacks from an industry's own technological advances" (Klevorick, Nelson et al., 1995, p185). Whilst these sources of innovation do exist within the digital marketing industry it has been found that within the creative industries they often go deeper than this.

This can be through fusion, which is when a company offers an interdisciplinary service and skills offering using creative arts and technology (Sapsed et al, 2013). Rather than just offering a single service, complementary products are "fused" and amalgamated into new product offerings. Within this sector, it can be the successful combination of both "hard" technical skills and "soft" design and artistic ability that leads to innovation. Freelancers were also found to contribute to this fusion of ideas. This leads to an industry that's search for innovation is likely to be within the service realm and is less focused on hard R&D. The Brighton cluster has events, festivals, conferences, training courses and networking opportunities that help to bring these disciplines together and encourage interdisciplinary thinking. In addition to this, the city has a vibrant café and nightlife scene that can further aid the informal discussion between disciplines. Rather than merely taking advances from other industries through the search process, this industry fuses the combined knowledge to create something new.

2.16 Innovation Search

Katila and Ahuja (2002) considered the ways in which firms can search for products through solving problems as a way of creating new products. The study found that firms search both in terms of **depth**, considering the use of existing knowledge and **scope**, how widely the firm explores new ideas.

The depth of search refers to factors such as how re-using knowledge can help avoid false starts, how following set paths makes prediction easier as the elements of the problem are better understood and finally, how it can improve knowledge of the area, meaning that they can capitalise and develop upon the knowledge that they have already gained. However, searching with too much depth can also lead to issues whereby building upon the same knowledge has a boundary that will then start to create diminishing returns. Further issues were also found around how re-using existing knowledge can lead to a firm being rigid and unable to capitalise on other methods.

The scope of search refers to how widely firms look to explore new ideas and explored ideas around how searching widely adds many variations and enables choice when selecting the correct option. It also means that searching with a wide scope adds new elements that can be useful in finding new, original combinations of elements. However, scope also brings with it some issues that should be considered in that it can increase costs and take away from the reliability of the findings.

Therefore, firms that are adept at finding the correct balance between scope and depth can improve the uniqueness of the outcomes. They found that it is the combination of both the new and the known that will be most productive.

The scope is particularly relevant to this work whereby innovation can be supported by external funding schemes. There are also two universities within the city which can increase scope both through employment opportunities for graduates and knowledge transfer. In addition to this, the city is a digital cluster meaning that there are many companies in close proximity to each other, resulting in many conferences and workshops that take place within the city.

Laursen and Salter (2014) considered the relationship between the search breadth and depth discussed above and how this related to the appropriability of innovations. In other words, how using existing knowledge and searching for new ideas can lead to a paradox whereby being open can lead to innovations but then those innovations may need protection.

They found that it was easier for firms to conduct external search as it doesn't necessitate the two-way dialogue needed for other forms of open innovation. They also found that firms that did not have interactions with competitors were instead more open with other industries. This meant that with those other industries they were more likely to be open and less likely to protect through appropriability regimes. They also found that firms that can absorb innovative ideas from competitors need to be able to protect their knowledge to gain the full advantage from re-combinations.

Both the Katila and Ahuja (2002) and Laursen and Salter (2014) are quantitative studies. This thesis has investigated the processes they describe and therefore builds upon their work.

2.17 Conclusion

Within this chapter the literature on innovation has been reviewed. This has been done within the context of SME innovation and additional attention was placed on the ways in which innovation is identified within companies. This meant that creativity also had to be considered as a fundamental principle of the front end of the innovation process. In this way NPD was also considered due to the way the literature interacts with one another and the crossovers that exist. Knowledge management has also been considered due to it being such a fundamental part of the digital marketing industry and the innovation process as a whole. Much of the extant literature was found to not have enough applicability within the digital marketing industry. Additionally, it doesn't seem to have been identified how companies are expected to turn creativity into innovation within the context of the innovation process. From this Literature review the following research propositions have been identified (discussed further in chapter 3):

RP0. A common unified, but previously undocumented, process will exist for SME's to identify innovation opportunities within the digital marketing industry.

- RP1. Companies in which the identification of innovation is actively pursued by all levels of the business will have more robust processes for doing so.
- RP2. Companies that have robust processes will believe that process should feature in the definition of innovation
- RP3. Companies that have robust processes will use innovation management tools for the identification of innovation
- RP4. Innovation comes about through using the processes and tools
- RP5. Companies that pursue innovation will expect to gain positive outcomes

- RP6. Companies that pursue innovation will put measures in place to protect those
  positive outcomes although may try to gain innovation from competitors

- RP7. Companies within the study will be actively contributing to the overall
  innovative capacity of the industry

Below is table 2.3, outlining the research propositions and the primary literature
contributing to its formation:

RP	Primary Literature Contributing
0	Davis and Hobday (2005), Lawrence and Lorche (1967), Rothwell (1992), (Von Hippel, 1978), (Galbraith, 1982), (Rothwell and Zegveld, 1985), Carlo et al (2012), Thompson (1967), Tidd, Bessant and Pavitt (2009), Amabile (1997)
1	Hunt 1999 (Cited in Stamm, 2008), Christenson and Utterback 1997 & 1994 (Cited in Tranfield et al, 2003), Lundmark & Björkman (2011), O'Connor & Veryzer (2001), Phillips et al (2006), Tidd & Bessant (2009)
2	Joseph Schumpter (1934), Myers and Marquis (1969), Trott (2008), Drucker (2007), Boer and During (2001), Stamm (2008), Goswami & Mathew (2005), Damanpour and Evan (1984), Mohr (1976), Rogers (1998), Tidd, Bessant and Pavitt (2009) Tidd and Bessant (2009), Amabile (1996)
3	Fagan's (2004), Isaksen & Ekvall (2010)
4	D'Alvano & Hidalgo (2012), Rickards (1999), Trott (2008)
5	Chesbrough (2003), Zhou et al. (2005)
6	Chesbrough (2003), Tidd (2006), Cheesbourgh, Vanhaverbeke & West (2006), Laursen & Salter, (2006), West & Gallagher (2006), Vrande, Jong, Vanhaverbeke & Rochemont (2009), Von Hippel & Von Krogh (2006), Mathisen, Einarsen & Mykletun (2012),
7	Murray (2012), Efficient Frontier (2012), Baumol (2002), Econsultancy (2012c), Hoonsopon & Ruenrom (2012), Kaminski (1994, Cited in Tidd, Bessant & Pavitt, 2009), Tidd, Bessant & Pavitt (2009)

Table 2.3 Research Propositions and the Primary Literature Contributing to Formation

Chapter three will be focusing on how the research will be carried out. This will include an
analysis of the authors own approach to research and the method proposed.

3 Chapter 3 - Methodology

3.1 Introduction

In the first chapter the market within which digital marketing agencies sit was considered, as was the way in which internet search has developed. This allowed us to gain background knowledge to the industry and understand the makeup of the industry as a whole. Additionally, by considering the historical aspects of where the industry has come from and where it is now, it allows us to gain a deeper understanding of some of the issues that firms within this industry must consider. In the second chapter, the innovation literature was reviewed. It is within this literature that the final work will sit, fulfilling the doctoral requirements of an original contribution to knowledge. By reviewing this literature, we have seen that there is a sufficient gap in current knowledge.

Now that we have gained an idea of the market that the work will sit within and reviewed the existent literature on innovation, it is time to move the focus onto how the research was carried out. It is necessary to consider, in-depth, the methodological considerations that will form the base of the project. All research carried out is subject to the theoretical assumptions of its author. Whether it is the research methods chosen or the ontological viewpoint of the author, there can be significant impacts on the way in which the research is carried out and the way in which the results are presented. Therefore, in order to provide the reader with a rationale behind choices made this chapter will be focussing on delivering the philosophical assumptions of the author and describing the methods chosen for this thesis.

Various ontologies, epistemologies, human natures and methodologies exist within the literature with different arguments within each with various branches of views existing. It would be beyond the scope of this chapter to consider each in detail, but the major discussions within the literature will be considered and the authors' opinions examined. Due to the sheer volume of literature and beliefs within this space there is no single "best way" in which to view the world or conduct a research project. Therefore, a certain amount of personal choice comes into play. However, it is the ontological, human nature and epistemological viewpoints that make up the personal choice regarding what the author sees as the best methodology with which to conduct the research project.

Grix (2002) makes the point that the language and terminology used within this area is varied with different terms often meaning similar or the same things. The various approaches available and offshoots make the process more complicated for a researcher to develop a

clear identification of where their own views sit. Therefore, where possible opposing views have often been used to signify extremes of perspectives and then acknowledgement is provided when the author feels he sits somewhere on the spectrum of approaches rather than at the extreme end.

This chapter helps to show how the methodology was arrived at, providing its relative strength and weaknesses, before considering how the weaknesses will be overcome. Due to it being the method chosen, a focus will be placed on interviewing and the various considerations that must go into choosing it as an appropriate research method.

3.2   Structure of the Chapter

In order to form a structure to the chapter, work by Burrell and Morgan (1979) who put forward four main assumptions will be considered. This will be the framework that will help to put forth an understanding of the authors own sociological assumptions.

The four assumptions put forward are:

- Ontology
- Epistemology
- Human Nature
- Methodology

These are described as the meta-theoretical assumptions around social science and the nature of society. Once the debates within this area have been described, where the author sits in relation to these dimensions will be considered.

From here the methodology will be considered in greater depth, looking at the differences that exist between quantitative and qualitative research assessing each of them in relation to the project. Then the reasoning that sits behind the research will be considered, providing the differences between inductive and deductive research. Finally, within this area, triangulation of results will be considered, achieving validity in the results. This will help to build up an understanding of the way in which the research will be considered.

Then the researchers own role will be considered in relation to the method selected. An overview of how the research will be conducted will be given at this stage, with relevant ways in which any limitations of the method could be overcome. Within this, consideration will be

given to the sampling methods and the ways in which the data will be coded. Then ethical considerations that have gone into the project will be accounted for. Finally, analysis of the data will be considered.

3.3   The Four Social Science and the Nature of Society Assumptions

This section will be a discussion of the four main assumptions as put forward by Burrell and Morgan (1979) resulting in an analysis of the authors own views. Within the discussion the far ends of each approach are considered whereas in reality it is a more freeform scale where elements of both can be adopted. This divergence of theoretical opinion is required to more clearly illustrate what the overall spectrums contain. Firstly, lets gain a knowledge of what kinds of questions each of the terms relate to:

Ontology	Is the reality to be investigated external to the individual or the product of individual consciousness?
	Is reality objective or the product of individual cognition?
	Is reality an absolute given or the product of one's mind?
Epistemology	What is knowledge?
	What forms of knowledge can be obtained?
	Can there be absolute truths?
	How can we communicate/acquire knowledge?
Human Nature	Are humans a product of their environment or do they exhibit free will?
Methodology	How do we investigate and obtain knowledge?

Table 3.1 Four Social Science and the Nature of Society Assumptions (Adapted from Burrell and Morgan, 1979)

Chua (1986, p604) states that Ontology should be considered first because "The issue of ontology lies prior to and governs subsequent epistemological and methodological assumptions". Ontology can be described as "claims and assumptions that are made about the nature of social reality, claims about what exists, what it looks like, what units make it up

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and how these units interact with each other. In short, ontological assumptions are concerned with what we believe constitutes social reality" (Blaikie, 2000, p8). Examples of opposing ontological approaches are objectivism and constructivism. Bryman (2001) puts forward that objectivists believe the world and meanings exist independent of the people within it. However, constructivists believe the opposite, that the world is constantly in flux, being conceived by the individual.

Epistemology is about knowledge and concerns "the possible ways of gaining knowledge of social reality, whatever it is understood to be. In short, claims about how what is assumed to exist can be known" (Blaikie, 2000, p8). The two contrasting schools of thought within this debate are positivism and interpretivism. The Positivism approach is more firmly rooted in methods of the natural sciences and concerns using methods to gain understanding of social constructs. They believe that knowledge is added to what already exists with hypotheses found to be false eliminated. On the other hand, interpretivists believe that it is more about gaining an understanding of the social constructs and comprehending the subjective meanings that exist. They believe that knowledge cannot be proven (Burrell & Morgan, 1979, Bryman, 2001).

The human nature debate revolves around how much influence one has on the outcome of a situation. Voluntarism suggests that people make their own future and can decide upon the course of action that they should take. Determinism on the other hand puts forward that the world, situations and environment have a far greater effect and that this will control the outcome of a situation (Burrell & Morgan, 1979).

The below table 3.2 (p65) illustrates the varying points on the spectrum of approaches and also helps to explain the differentiators between each:

	Subjectivist Approaches to Social Science					Objectivist Approaches to Social Science
Core Ontological Assumptions (Reality)	Reality as a projection of human imagination **Nominalism** ←	Reality as a social construction	Reality as a realm of symbolic discourse	Reality as a contextual field of information	Reality as a concrete process	Reality as a concrete structure **Realism** →
Basic Epistemological Stance (Knowledge)	To obtain phenomenological insight, revelation **Anti-positivism** ←	To understand how social reality is created	To understand patterns of symbolic discourse	To map contexts	To study systems, process, change	To construct a positivist science **Positivism** →
Assumptions About Human Nature	Man as pure spirit, consciousness, being **Voluntarism** ←	Man as a social constructor; the symbol creator	Man as an actor; the symbol user	Man as an information processor	Man as an adaptor	Man as a responder **Determinism** →

Table 3.2 Assumptions (Adapted from Holden, 2004)

Burrell & Morgan (1979) also provide an overview of the methodological debate. The two ends of the spectrum here are ideographic and nomothetic theory. The ideographic approach is based around gaining first-hand knowledge of a situation. It puts forward that in order to understand a person's view you must engage with that person, getting inside a situation to build up a detailed analysis during investigation. This approach is more closely linked to interviews. The nomothetic approach puts more stress on traditional methods found within the natural sciences. Here systematic approaches and methods must be used to test hypotheses. This approach tends more towards generalizability of findings and is more closely linked to surveys and tests.

3.4 The Authors View

The author feels that in the ontological debate he sits more toward a nominalist, also known as interpretivist. This was felt to be the stance most closely aligned with his own thoughts as the social world that we live in does not exist as a separate entity to the appreciations that we have of it. Rather than the world existing as a structure outside of a human being, the world is something that the individual creates.

In the epistemological debate the author believes that he tends towards an anti-positivist/interpretivist. This is because he believes the world can only be observed correctly

by the person directly experiencing it. In this way the author also believes that hypothesised regularities can never be verified as being an absolute truth.

In terms of human nature, the author believes more in determinism. This is due to the situation being so important to the activities that are carried out. This helps to gain an insight to the authors understanding of the nature of man and the society in which he inhabits.

Finally, in the methodological debate the author sits more towards the ideographic standpoint. This is due to a view that research can be best understood by obtaining first-hand knowledge of the subject and understanding the history of it.

In terms of the notion of regulation versus radical change the author takes a less hard-line approach with the lines being slightly more blurred. However, he identifies more with radical change as it is important to understand how change happens and identifying alternatives rather than accepting what is. In opposition to this the author also identifies the need for social cohesion and a feeling of togetherness rather than the social upheaval put forward by radical change. The author believes in the aspect of helpful change rather than that of all-versus-all war.

In order to more clearly articulate the authors own views in terms of the various assumptions the following has been created:

Ontology	• Nominalist
Epistemology	• Anti-positivist
Human Nature	• Determinist
Methodology	• Ideographic
Nature of Society	• Radical Change

Figure 3.1 Authors own assumptions

When the outcomes above (Figure 3.1, p66) are placed into the model (Figure 3.2) put forward by Burrell and Morgan (1979, p22) the author comes out as a "radical humanist", meaning that he tends towards the society of radical change and a more subjective way of thinking.
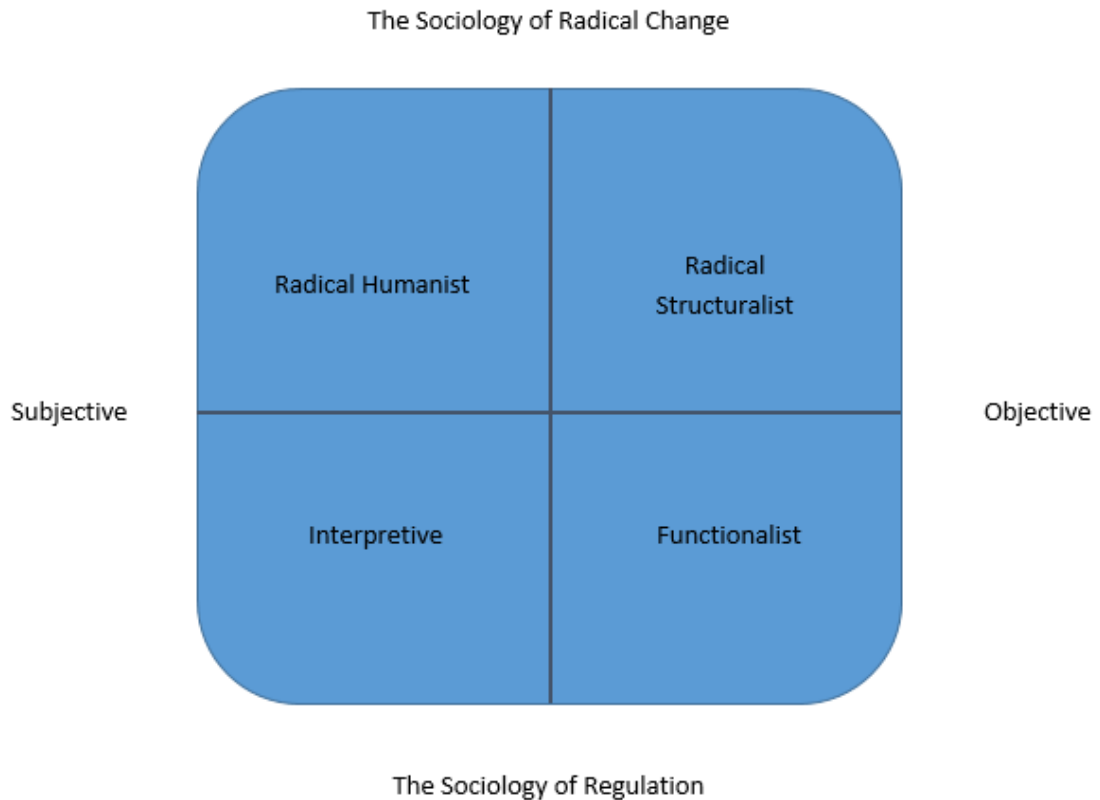
Figure 3.2 Burrell and Morgan Model (1979, p22).

3.5   Pragmatism

The pragmatic approach to research relies more on finding the correct method with which to conduct a particular research question. This is a much more matter of fact way in which to go about doing research. Rather than getting involved in many of the classical debates on which assumptions lead to a more superior methodology, the pragmatist will look at what will work for the particular project (Cherryholmes, 1992, 1994).

Therefore, the author predominantly felt himself to be a pragmatist in this respect. This was due to a realisation that all research methodologies and methods have merits to be gained and compensations to be given. However, it is the research that should take the main focus and the method chosen should always be fit for purpose.

With this in mind the author felt that it may be of benefit to look at where emphasis would be placed within the project at hand. The following table 3.3 (p69) summarises many of the points discussed up to this point.

Quasi-natural Sciences/Positivist

Emphasis on:

- Experimental methods
- Deductive theorising, i.e. hypothesis testing
- Preordained research design
- Objectivity
- Detachment
- Quantitative data to determine significance of results
- Significance or otherwise of outcomes

- Demonstration of changes that have occurred
- Generalizable data sought

- Isolating the elements of behaviour for investigation
- Constructing evidence

Quasi-Judicial/Naturalistic

Emphasis on:

- Non-experimental methods
- Inductive theorising, i.e. hypothesis seeking
- Emergent research design
- Subjectivity
- Participation
- Qualitative data to give meaning to results
- Meaning of processes that lead to outcomes
- Meaning of changes that have occurred
- Generalisation regarded as suspect: the context specificity of data is recognised
- The importance of context in shaping behaviour
- Searching for evidence in context

Table 3.3 Oppositional Comparisons (Gillham, 2000, p8)

Table 3.3 shows two different sides (Quasi-natural Sciences/Positivist and Quasi-Judicial/Naturalistic) and puts forward a series of considerations that researchers must look at and decide what they would put their emphasis on. Through doing this a better picture of an author's view can be gained.

Gillham admits that "like all oppositional comparisons the contrasts here are too simple and too strong, but the dimensions of comparison are essentially correct" (Gillham, 2000, p8). However, the author feels he sits more towards the right side of the table, the Quasi-judicial/Naturalistic point of view. This fits in with many of the points that have been discussed

up to this point but allows us to start to see where the decision about which method to use can start to be understood.

3.6 Method Selection

Now that the authors approach to the project has been discussed it is necessary to turn the attention to the actual methods used in order to collect data. There are a wide variety of methods that can be selected from and each carries with it advantages and disadvantages. Therefore, selection should take these into account to aid in maximising the advantages and minimising the disadvantages. However, what has come before in terms of the authors approach should also be considered. Due to the authors pragmatic approach and research into the meta-theoretical assumptions, interviews have been chosen. This section has been put together to detail the decision making process.

As mentioned previously the method chosen should build upon what has come before. This is put forward by Grix (2002) who put forward the following to show how each of the building blocks of research follow on from one another:
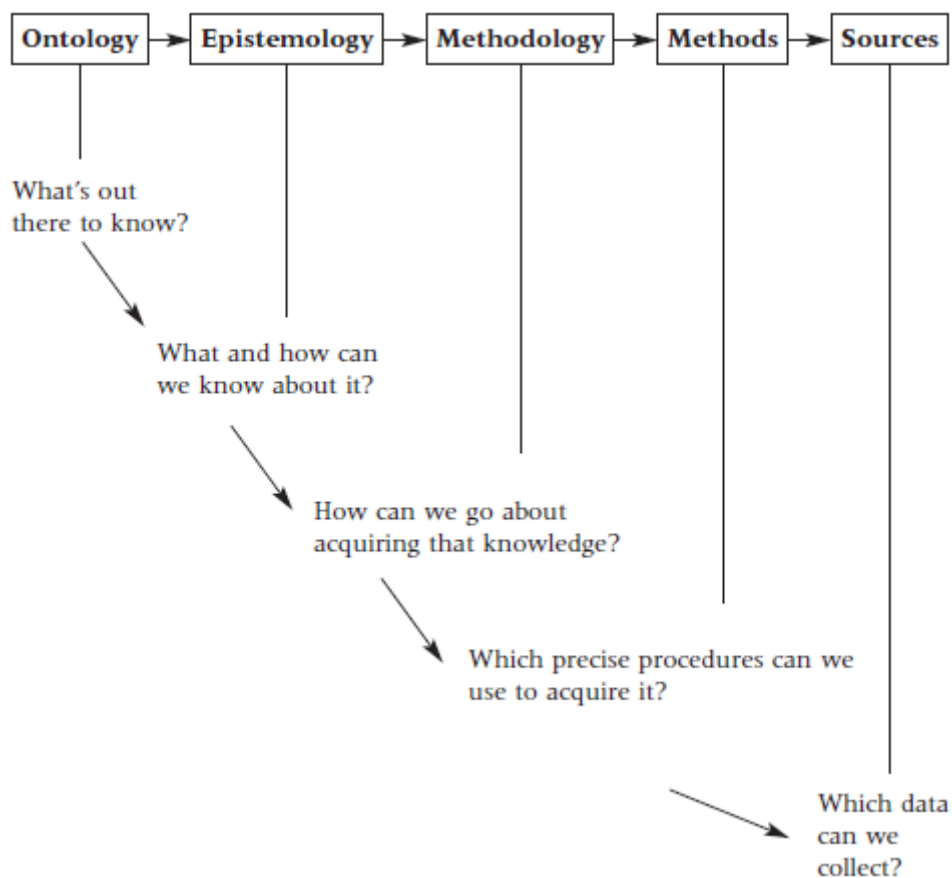
Figure 3.3 The interrelationship between the building blocks of research (Grix, 2002, p180).

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When putting the above model (Figure 3.3, p70) forward Grix highlights that the model follows a logical order towards researchers gaining an understanding of their research views and how they came to them. He also places great weight on the ordering of the blocks, stating that they must be followed in order and each builds upon the ones before. Whilst this may seem that it disagrees with the authors pragmatic approach it is actually quite the opposite. Through going through the steps in the logical order put forward, the author was able to explore his own assumptions, only once at the end, and in a reflective manner could the pragmatic train of thought be seen.

Following on from that point, it is important for the researcher to consider a wide range of methods. Grix (2002, p180) states that "Methods themselves should be seen as free from ontological and epistemological assumptions, and the choice of which to use should be guided by research questions". This leaves the choice of method up to the researcher and ensures fit for the project, the main reasons for which the pragmatic approach was chosen, even though the researchers views fitted those that would be "needed" for the method. It is also up to the researcher to ensure that the method is correctly used, with academic rigor being employed within the collection and analysis of data.

In order for this to be achieved there are aspects to the type of research carried out that need to be considered. These are:

- Quantitative and Qualitative
- Induction and Deduction
- Validity/Triangulation

These must be considered to ensure the academic integrity of the work and confirm that there is ample fit between the method and research propositions.

3.6.1   Quantitative and Qualitative

The debate between quantitative and qualitative research in its simplest form concerns the difference in results that come from numbers and those from words. The benefits of each are heavily debated within the literature. Quantitative approaches generally rely on placing data sets into categorisations, for example surveys, and the measurement of distinct features, for example temperatures or water levels. This approach also lends itself more towards the objective way of thinking. On the other hand, qualitative data looks to gain the full picture through understanding people and the decisions they make. Qualitative approaches usually rely on longer form answers that the researcher picks up through observation or more directly

from in depth interviews. This approach tends towards a subjective way of thinking (Brewerton and Millward, 2001).

Curran and Blackburn (2001) make the point that the techniques involved within quantitative data analysis are relatively easy with it being reasonably simple to code survey results and put those through a statistical package such as SPSS. However, equally when working with large data sets analysis of this kind can be extremely difficult and time consuming. They go on to say that even though this kind of analysis may be able to give the frequency with which a certain event happens or the probability of a particular outcome it cannot deliver the answer to the question *why* it happens. Finally, the generalizability of results, often touted as a key advantage of this type of research, can actually prove to be a disadvantage due to the heterogeneity of small firms, the characteristics of one cannot always be assumed to be the characteristics of another.

In their analysis of qualitative research Curran and Blackburn (2001) state that qualitative research is difficult as it produces a large amount of data that is extremely hard to categorise and does not produce results that can be easily read within a report format. It also requires creative approaches to generating interpretations of the results. This type of research therefore doesn't have the generalizability of results that can sometimes be found with quantitative approaches. However, this type of analysis does provide a real richness to the results that cannot be gained in other ways and can add vital understanding to the ways in which a small business works, an idea heavily featured within the aims and propositions of this project. Additionally, it can provide answers as to the *why* of a particular outcome occurring, developing upon that richness of results.

3.6.2   Induction and Deduction

Trochim & Donnelly (2008) discuss the differences between Inductive and deductive research saying that deductive research is when a general theory is made and then hypothesis are generated to test that theory. It is therefore moving from generalised idea to the more specific end of knowledge generation. Inductive research is the opposite, when a specific observation is made and then moves to more of a generalisation. This is achieved through identifying patters and forming a hypothesis based on this, leading to a broad theory knowledge generation. Deductive reasoning has been related to a more formalised logic, whereas inductive reasoning is a more informal logic, also known as critical thinking. The arguments behind inductive and deductive research seem simple but the characteristics are more complicated than they first seem (Machina, 1985).

It is possible for a researcher to choose either of the approaches, for example if there was a main theory within the field one may want to test that theory in relation to another factor to see if it applies in a similar way. On the other hand, the researcher may want to go into the project with as few prior suppositions as possible in order to find a new way of thinking about an issue, this is the approach taken within grounded theory whereby the first step is data collection. It is also possible to use a mix of inductive and deductive approaches, research may wish to test a theory using data but also from a subset of that data generating its own theory (Curran and Blackburn, 2001).

DEDUCTIVE   INDUCTIVE

```
        Theory                                      Theory

      Hypothesis                              Tentative Hypothesis

      Observation                                  Pattern

     Confirmation                                Observation
```
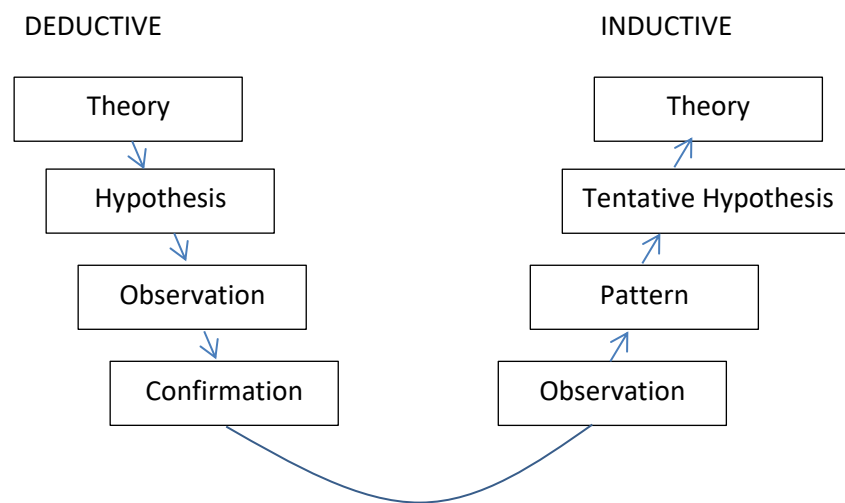
Figure 3.4 Inductive and Deductive Research (Adapted from socialresearchmethods.net, 2006)

Due to the nature of the project and the overall state of literature within this area a mix of inductive and deductive approaches were used. The project is taking from a wide variety of literature, mainly based within Innovation. It critically evaluates how those theories apply within the digital marketing space. This is the deductive approach and confirms or disproves theories within this space, contributing towards the existent literature, one of the key objectives of the project. However, using the data found within interviews also puts forward a model of innovation specifically designed for the digital marketing agencies, another key objective of the project. This was achieved by using the inductive approach and helped to build new theory within an area where very little research has taken place.

Interviews also created an interesting use of inductive and deductive methods whereby the literature review was conducted and based on the findings research propositions were put together. From this point interview questions were constructed and conducted leading to findings. This directly follows the deductive approach to research. From this point forward

however company interviews were carried out. They were then reviewed using Nvivo and manual methods generating a set of findings that were then translated into the theory that this PhD puts forward.

The inductive part of the research is based upon observation rather than data and therefore poses a challenge when thinking about how we can use information captured to develop a reliable theory. In this case, it is important to consider how best or worst practice can be arrived at. When looking at companies it was necessary to consider the answers they gave as contributing to a wider narrative. When this was combined with the answers given in both expert and interviews conducted at other companies, the wider picture could be considered a composite best and worst practice. Therefore, no individual company was singled out as being "the worst" or "the best" instead, when combined, each could help develop an overall picture of what represented best and worst practice.

It is clear to see from this how this project, through its approaches, combines and connects the use of deductive and inductive research. Through doing so it improves the validity and triangulation of the results which will be discussed next.

3.6.3   Validity and Triangulation

Due to the nature of qualitative research it is important to consider the validity of the work carried out. Quantitative research is led by numbers and firm assumptions can be made through the use of results. Qualitative research differs in that it relies on interpretations. It was therefore necessary for the author to mitigate the degree to which the work can be interpreted. Whilst it is difficult to satisfy all potential readers of the work there is a theoretical grounding which the work builds upon rather than merely being an illusion of the researcher's mind.

Small business research is also further complicated by the audiences that it may attract. The findings are applicable to many fields of expertise and viewpoints. The work puts forward the findings from the perspective of the author and it will be the reader that interprets it. All assumptions will be solidified with indicators and findings put forward by others. This strengthens the persuasiveness of the work.

As the work took place over an extended time period the analytical adequacy will have to be ensured. The different components of how the data was interpreted will be put forward in a clear and logical manner.

Triangulation was thought to be a difficulty within the study. In order for the project to achieve its aims and objectives and to truly consider the propositions put forward, in depth, industry specific knowledge was required. Qualitative research is best for achieving this and gaining the understanding required. It was felt that any quantitative research would not have provided the necessary insight and would not have provided interesting data relating to the processes SME digital marketing agencies use to identify innovation opportunities. Additionally, the project was not seeking any statistically reliable results. Therefore, rather than relying on one single view of the industry (that of employees in agencies), four experts that were thought to have a wide knowledge of the industry and have a different view of the industry as a whole (compared to those agency side) were selected. These experts are as follows:

- SEO Conference Organiser (Kelvin Newman)
- Academic (Asher Rospigliosi)
- Practitioner Course Leader (Daniel Rowles)
- Technical Expert (Sam Harries)

Here wider questions effecting the whole industry were selected and mitigated the effects of only having a single focus of investigation.

3.7 Interviews

Interviewing is generally a very time consuming research method that when completed in large numbers can be overwhelming. However, when the correct sample size is selected (see "3.8 Sampling" p77) and a representative sample is chosen they can deliver very strong results. It can be particularly useful when trying to pick up on the subtle clues that you can only gain when conducting a face to face interview. You also gain a real richness to the data. However, this is only possible if the interview is well thought out beforehand and uses questions that allow for the data needed to be gained (Gillham, 2003).

Interviews can additionally be in a one-on-one setting where there is just an interviewer and an interviewee, or can have more people involved moving up to a large group where it goes more into the realm of focus groups. Within this project it is necessary to build up trust with the interviewees as it is important that they are truthful in what they say. Therefore, one-on-one interviews seem to be most fitting as it can help develop intimacy which is necessary to the highest quality of information possible. However, this also means that it will be time consuming and not necessarily the most cost efficient method. These are sacrifices worth

making however as interviewees won't feel the need to hide anything or not disclose information they may not wish their managers to hear (Greenfield, 2016).

Brewerton and Millward (2001) discuss that one significant difference in the way in which interviews can be designed is that of the structured versus unstructured interview. The two approaches are fundamentally different and can lead to results that vary wildly between the two.

Structured interviews are when a set of questions are put together that are then asked to the interviewee in a strict order. They can also involve the use of a limited number of options that must be selected, making coding and analysis easier. However, the approach relies on the options given to the interviewee in much the same way as a questionnaire, constraining the interviewee and leaving them unable to explore their own ideas of what is being asked.

Unstructured interviews on the other hand have the opposite approach. Here the researcher is given "free rein" to explore any topic that they deem relevant to the research being conducted. Most questions are open ended and provide a great depth of knowledge within certain areas. This can result in each and every interview leading to wildly varying results and discussion points, leaving coding an analysing a difficult endeavour.

However, there is a third option, **Semi-Structured** interviews enable the researcher to reach a "happy medium". In this type of interview, the researcher will generally go into an interview with a list of prescribed questions that will be asked that will have a logical order. However, if the interviewee brings up a topic of further interest then the researcher is free to follow the line of thought. It also allows for the researcher to skip to a certain topic to explore if it comes up in the natural course of conversation. In this way these type of interviews are relatively conversational but also allow for some comparison between interviews. This does however mean that although you gain the majority of advantages of each approach the semi structured interview also brings the disadvantages of both. Packer (2011, p43) describes semi-structured interviews as "the workhorse of qualitative research today" and goes on to say that it encourages the person being interviewed to give their own view, enabling a first person account of what actually happens.

This project used semi-structured interviews as it gives more detail than the structured interviews but not so much as to be overwhelming. This means that the author had to be aware of:

- Not spending too long on peripheral subjects – This was overcome through strong planning, pilot testing interviews and keeping an eye on the time whilst not rushing the interviewee

- Loss of control - This was again overcome through strong planning, pilot testing interviews and being prepared to steer the questions back on track.

- Reduction in reliability – Again, retaining control comes into play here. It was necessary to keep interviewees on track and during the interview it was important to keep in mind the core questions, only asking additional questions where relevant.

By carefully planning and piloting each interview, maintaining consistency and gaining control of each interview the semi-structured approach was able to gain the insight needed to achieve the projects aims and objectives

3.8   Sampling

3.8.1   Method and Participants

In order to ascertain what processes SME SEO companies are currently using to identify opportunities for innovation it was necessary to carry out research within relevant companies. Due to the nature of the information to be collected it was necessary for a qualitative method. For this reason, the research method used was be interviews. This enabled the processes to be seen within the individual business environment and within a real-life business context.

In order to gain a full image of an organisation the decision was taken to interview people at a variety of different levels within the organisations. The purpose of this was centred around three main points; depth, viewpoints and honesty.

- Firstly, by interviewing different levels you can build **depth**, gaining a fuller understanding of the business and how it is operated. This allows the researcher to build the idea of the character of the business, appreciating the flow of innovation and how it is brought into the business environment. If only the MD's were interviewed this could lead to a very one dimensional view of the business, whether this centred around purely a big idea or solely on profit, by interviewing throughout the business we can potentially gain a better idea of incremental innovation and lost ideas that may not make it through the chains of communication to the higher levels of a business.

   For one person (at potentially any level of the business) innovation may be a key component to their job, possibly this could be the managing director, but if this isn't

communicated down then lower levels may not be encouraged to innovate. If we only interviewed this managing director then the analysis would point toward an industry where innovation is key, whereas in reality it may be that time pressures mean that innovation cannot be completed, whether it is encouraged by management or not. Of course, the vice versa of this is also a possibility, where staff focus on innovation and management don't realise this.

If only elite interviews were conducted then a lot of depth could be lost, producing incorrect analysis and therefore incorrect results would be the product of this thesis.

- Secondly, we can gain different **viewpoints** on innovation. Each employee, whether they realise it or not, could have a drastic effect on innovation, both positive and negative. They each interact with innovation and therefore have a view on it. Innovation could come from any level of an organisation but to gain an understanding of it each level must be interviewed. Do the lower levels like innovation or do they see it as a hindrance to getting on with "real work"? Alternatively, do they love innovation but never get the time or encouragement with which to complete it? If so, does that generally result in innovation being forgotten or lost? All of these questions and more can only be answered by interviewing throughout the business.

- Finally, there is the concept of **honesty**. SEO agencies compete in a very competitive industry. It therefore may be that higher levels of management would like to present a more innovative focused company than the reality. By interviewing across an organisation and asking the correct questions a more truthful picture can be gained of how innovation is handled within the business. This aids in mitigating withheld information and can develop on the findings from the expert interviews.

By considering the above points it is possible to effectively gain an in-depth insight into how innovation is handled within a company. Through this the findings of the company interviews are able to convey what actually happened within these companies to a greater extent. We are also able to consider the ways in which innovation enters the company and how that is controlled. It also allows for a much clearer perception of where the innovation is coming from within an organisation, top-down where managers are leading innovation practices or bottom-up whereby a larger number of staff are contributing to innovation

3.8.2   Number of Interviews

When selecting the number of interviews there were no definitive rules. However, by no means does this result in a random number selection. Eisenhardt (1989) and Lincoln and Guba (1985) put forward that cases should continue to be selected until a saturation of results have been gained resulting in redundancy of information. This was achieved.

Due to the size of interviews, five SME digital marketing companies were selected for in-depth study. This was felt to offer suitable depth of study whilst ensuring a representative sample could be gained. This resulted in 17 interviews being completed within five companies. Companies conforming to the projects definition of digital marketing companies (see "3.8.3 Definition of Digital Marketing Companies" below) were randomly selected from the Wired Sussex (Industry Body) database and contacted via email. Participants from those companies were both male and female and not from a vulnerable group. Where possible participants were from the following levels to ensure that a holistic view of the company and its innovation capabilities and practices could be gained:

- Technical/Consultant
- Account managers
- CEO's

However, due to the various different organisational structures used within the digital marketing industry these levels may not always be obvious. Therefore, those taking on similar roles will be selected. Snowballing was then planned to increase the sample size. However, due to the market having been extensively researched looking for potential participant companies this didn't yield any further avenues to be explored.

3.8.3   Definition of Digital Marketing Companies

In order to adequately limit the number of companies that suit the project it was necessary to define the companies that investigated. To do this rules were put in place by which the companies were defined. This had a variety of different intentions, firstly it ensures that the companies that are investigated are similar and the results produced could be applied to the majority of digital marketing companies of this size. It also ensures that they are stable, suitable for study, of similar business models and had similar service offerings that are under investigation.

From this, the project defined digital marketing companies as:

- Having been trading for at least 3 years so they have had time to establish themselves in the market and have gone through the typical innovations of early start-ups (Romijn & Albu, 2002).

- Having 10-49 employees so they can be defined as small sized enterprises (ec.europa.eu, 2017).

- Offering digital marketing services to external clients (not in-house teams) so they have the challenge of keeping clients satisfied and have a large variety of clients which has been found to be of importance to the innovation process (Miles & Green, 2008).

- Having SEO as part of their service offering as this was the main sector under study and means that similar results may be expected for predictable reasons (Yin, 1994).

- Have the equivalent of department managers and account manager/consultant/technical level employees. These were the people interviewed as they have a direct knowledge of the innovation processes being implemented. (Goyal & Sampath, 2007).

- Have access to the CEO so that a top-level view of innovation could also be gained (Vioilo, 2006).

It was considered that clients should also be interviewed. However, on reflection this was felt not to be of relevance to the title which focussed on the process of the start of innovation. This is specifically the case here as the companies investigated were smaller agencies, pointing towards smaller clients, who would be looking towards the agency for innovation rather than leading it themselves. In addition to this it was felt that gaining access to clients would be difficult therefore the decision was taken not to include them in the study.

Limiting the study purely to agencies that deal with a particular sector (e.g. finance, gambling, e-commerce/retail etc.) was also considered. However, it was felt that this could limit the study too much with most agencies not just focusing in on one particular type of client and therefore the idea was dismissed.

Originally, SME SEO agencies were chosen for the ease of access and the authors own interest within the sector. However, when asked to define the company this made it particularly difficult. SEO is not completed within a silo anymore, agencies now offer a more "full service" approach, entailing various aspects of digital marketing with almost no true single focus SEO agencies existing. It was therefore decided that changing the title would give a truer representation of the actual study being undertaken. However, SEO still formed the main focus of the study but with the realisation that SEO is now carried out within an integrated

marketing strategy. Further to this, the titles focus mitigated some of the risk around carrying out research in a fast paced, relatively new sector. Should the industry change over the course of the project and SEO had become vastly less important in online marketing, then it would have been possible to capture the end of this era of digital marketing and build the understanding of the new innovations within the sector. Fortunately, this didn't occur and the project was able to continue as planned.

3.8.4   The Choice of Small Agencies

It was originally planned that this work would focus on firms fitting into the SME category. However, upon looking at the European Commission definition of SME's agencies with as few as 10 and up to 249 employees would have to be considered (European Commission, 2012). It was considered that the range was not suitable for this study. Firms at the top of this range would not have been comparable to those at the bottom in terms of their ability to identify innovation opportunities. Additionally, in The Brighton Fuse Project Sapsed et al (2013, p25) found that "the cluster is largely a business-to-business service economy of small and very small firms". This is backed up by looking through the digital marketing agencies held within the Wired Sussex database which is where the sample was selected from. Therefore, the selected firms will be ranging from 10-49 employees and defined as small by the European Commission (ec.europa.eu, 2017).

3.8.5   How, where and when the data was collected

The data was collected in semi-structured interviews; most were carried out on the individual company's premises. Where this wasn't possible the option to have the interviews within the university was also presented as an option but never used. However, some interviews were conducted in nearby cafes. When this was the case the author visited the location beforehand and attempted to plan sitting locations. Ultimately though, the participant was able to choose the option that was most convenient to them.

The interviews were audio recorded and then transcribed into written format. Whilst the researcher transcribed many of the interviews some were sent to a transcription company. Data was only collected once Ethics approval had been gained (see "3.9 Ethics" p82).

Due to the interviews being semi-structured it is not possible to provide an exhaustive list of the questions that were asked. However, the author feels that the lists within appendix C (p302) gives a comprehensive sample of finalised questions, including those that may be of a more confidential nature. All questions were asked without reference to particular tactics that the company uses. As mentioned above, this point was also made at the start of their

interview, in their written consent and when they were asked to review their transcripts (if requested).

All participants were given the option of receiving a copy of the doctoral thesis as a thank you for participating in the study and to hopefully improve their own innovation capability, fulfilling the contribution to knowledge for practitioners.

3.9 Ethics

It is vital that all researchers consider the ethical impacts of their research. These can vary from topic to topic and depending on the way in which the project is carried out can involve very complex areas of ethics. The project did not encounter any of these issues. However, in order to protect all participants these must be considered. This ensures that the research project is completed in an ethical manner. This project was granted tier 1 ethical approval.

Brewerton and Millward (2001) suggest that the below ethical issues could be unethical practices and need to be considered when completing research project:

- Involving people in research without their knowledge or consent
  Within this project all participants were be asked to complete the standard consent forms. They also had multiple opportunities to ask the author about anything that may be of concern. In the information sheet, supervisors contact details were also given had they of wanted to discuss further without the authors knowledge. All participants were also told that they could withdraw from the study at any time, this was never enacted.

- Coercing people to participate
  This concerns an infringement of choice and when a participant feels compelled to participate, rather than doing so of their own free will. This was not felt to be an issue within this project. The author was not felt to have any authority over the participants and due to being self-funded, no issues of funding organisations had an impact.

- Withholding from the participant the true nature of the research
  All participants were provided with an information sheet, detailing the project. An abstract was also provided. In addition, all participants had the opportunity to ask questions about the project throughout, before and after the interviews were conducted. Due to the possibility of participants saying something in the "heat of the moment" within interviews, they were also given the opportunity to review their

transcripts before any analysis took place. Some interviewees asked for this, which was provided.

- Deceiving the participant

  The author was always honest about the research project and what taking part would involve. The function of the research was never concealed, nor was anything expected of the participant

- Leading participants to commit acts that diminish their self-respect

  This issue concerns having participants do something that may lead to them feeling elements of shame or regret. This is usually around issues such as stealing or harming others, not an issue within this research. However, a situation may have been encountered when a participant says something in an interview that lead to them regretting what has been said. This is why all participants were given the opportunity to review the transcript before any analysis took place, where they were able to remove any information that they preferred not to be included within the final project. All interviews were conducted in a professional manner to avoid any embarrassment and set the correct tone for the interview.

- Exposing the participant to physical or psychological distress

  The topics covered within the interview stuck to the topic at hand and did not cause psychological distress for the participants. Additionally, no physical distress was encountered.

- Invading the privacy of the participant

  Due to the method selected, the privacy of individuals was not violated. If there were any questions that the participant would prefer not to answer then they had the option of passing, and the author moved on without asking for a reason. There may, to a certain degree, have been information collected about the participating organisations during the course of visiting their places of work. However, this did not affect how the authors sees these companies and it was the interview transcripts analysed rather than what the author witnessed. Additionally, all companies have been anonymised.

- Withholding benefits from participants in control groups

  This issue is usually for those where a placebo has been provided, this did not effect this research.

As can be seen most of the above issues did not apply to this project but have been considered in order for the project to be, at every stage, an ethical endeavour.

3.9.1   Researcher Role

When interviewing all respondents, it was made clear that the project would be carried out as part of a PhD project. It was also stated that the author was interviewing them as a PhD student of the University of Brighton. It was not expected that any of the respondents would feel influenced by the authors position as a student. Indeed, it is true to say that the position as a student encouraged a free flow of information without any company affiliation. Additionally, the work has in place various ethical procedures that were followed and signed off by the author and supervisors.

3.9.2   Data Protection

Precautions were taken to prevent any unauthorised access to the data collected. Any information relating to the project was be handled and stored securely:

- Desks or filing cabinets will be locked
- Computers will be password-protected
- Password will be kept secret and secure – and changed regularly
- Data storage devices containing personal information will be kept safe
- Papers will not be left out on desks or tables
- Information on computer screens will not be accessible/visible to other than authorised users
- All data will be secure and subject to very limited access

The above was also made clear to the participants in their written consent.

3.10 Carrying out the Interviews

3.10.1 Linking the Research Propositions to the Interview Questions

Based on the literature review that has been carried out a number of research propositions have been identified. These are the key themes that have been uncovered within the literature and develop further on the main aims and objectives of the project. The research propositions for this project are:

RP0. A common unified, but previously undocumented, **process** will exist for SME's to identify innovation opportunities within the digital marketing industry.

- RP1. Companies in which the identification of innovation is **actively pursued** by **all levels** of the business will have more **robust processes** for doing so.
- RP2. Companies that have robust processes will believe that process should feature in the **definition** of innovation
- RP3. Companies that have robust processes will use **innovation management tools** for the identification of innovation
- RP4. Innovation comes about through using the processes and tools
- RP5. Companies that pursue innovation will expect to gain **positive outcomes**
- RP6. Companies that pursue innovation will put measures in place to **protect those positive outcomes** although may try to gain innovation from **competitors**
- RP7. Companies within the study will be actively contributing to the overall innovative capacity of the industry

These research propositions then lead to an identification of many questions. These questions are in-depth and will therefore lead to a highly targeted and concise set of results. Additionally, each question has been linked to a research proposition which came from the literature review and the aims and objectives, this ensures the project will meet its original aims and objectives.

Question	Research Proposition
Do you feel its possible to put in place a model/process for innovation?	0
Is innovation actively encouraged in all departments and levels within the business?	1
Do you feel that companies need to be prepared for upheaval when making big innovations? Why?	1
Do you have to be in the industry for a long time to be innovative?	1
How would you define innovation?	2
Do you think innovation includes the spreading of pre-existing knowledge?	2
On this scale where do you think innovations within digital marketing tend to sit?	2
Do you feel that firms should look for creative conflict or creative debate in their innovation practices?	3
How do you think opportunities for innovation are identified within the digital marketing industry?	4
(not for experts) From this list what innovation management tools do you use?	4
Do you feel that innovation can form a competitive advantage?	5
Do you think firms should share knowledge between each other?	6
Have you ever spoken at an industry conference/event? If not, Why?	6
Do you have a flexible structure that is able to adapt to market needs?	0
Is your level of management support key to the innovative effort of the team?	1
Who's responsible for innovation?	1
Is your company: Constantly looking for innovation? Able to pick up market signals for change? Prepared for innovation? How?	1
Is innovation fundamentally about entrepreneurship?	2
How does that effect the teams overall creative ability?	5
What do you expect to gain from innovation?	5
Do you select leaders based on their creative personality and behaviour?	6
Do you share innovations made within the business with competitors?	6
Have you ever employed someone from a competitor?	6
Did the knowledge of the competitor's innovations influence that decision?	6
Is the innovation strategy that you pursue dependant on your own resources and external pressures or lead by the market?	7
As a business in the SME category do you find it hard to innovate?	7

Question	Research Proposition
Which level of management support is most important to the innovative effort of the team?	1
Do you feel managers are ready for innovative upheaval?	1
Do managers provide clear issues that must be tackled?	1
Are managers key to energising the creative effort?	1
Do you share innovations made within the business with others?	6
How many people do you involve in innovations	1
Do you feel like you have a climate for innovation and creativity?	1
Does this influence others to get involved in the creative process?	1
How does that effect the teams overall creative ability?	1
Is your level of management support key to the innovative effort of the team?	1
Do you have creative barriers? What are they? What do you do to overcome these?	3
Do you feel this influences staff's decision to stay at or leave the company?	6
Do you feel you were selected based on your creative personality and behaviour?	6
Do you share innovations made within the business with others?	6
Have you ever employed someone from a competitor?	6
Did the knowledge of the competitor's innovations influence that decision?	6
Tasks with variation have more opportunity for innovation so should companies be trying to find a process for innovation or will companies eventually become hamstrung by this?	0
Is there an innovation model used throughout the digital marketing industry? Do you think one could be created?	0
Which level of management support is most important to the innovative effort of the team?	1
Is innovation fundamentally about entrepreneurship?	2
What do you think firms expect to gain from innovation?	5
Do you think SEO companies need to be secretive about the innovations they make?	6
Is innovation key for economic growth?	7
Do you think that the Digital Marketing industry has a unique set innovation challenges? If yes, what are they?	7

Question	Research Proposition
Do you feel that innovation within digital marketing has been adequately academically researched based on the fact that overall UK internet advertising accounts for 30% of all ad expenditure?	7
Do you feel Googles dominance of the search landscape inhibits or encourages innovation?	7

Table 3.4 Preliminary Question List

From here these questions were linked back to the relevant literature (please see appendix B p285).

3.10.2 Purpose

Overall, the purpose of the expert and company interviews differed. Taking these one-by – one, the expert interviews were set up to gain a greater understanding of the industry as a whole and the factors that influenced innovation. The purpose of the company interviews was to pick up, on a more granular level, how innovation was perceived and the ways in which it was encouraged and implemented.

3.10.3 Pilot Study

In order for the full scale study to go ahead with as many issues sorted beforehand it was decided that a pilot study would be carried out first. This was for the following reasons:

- The researcher is not a trained interviewer, by completing a pilot study it was possible to refine technique without it affecting the overall full scale research project.
- Any design issues that had not been identified presented themselves and solutions were incorporated into the final interviews (see 3.10.4 Changes p89).

Due to this being a pilot study and forming a testing ground for the final work, the results secured in the pilot study were not included in the final piece of work. However, all aspects of the full scale research project were tested to ensure any issues that came up were dealt with and solutions incorporated into the final project.

One of the predominant findings from the pilot study was understanding just how difficult it would be to gain access to agencies. Even taking part as the pilot, meaning that the interviews wouldn't be included as part of the final study, they were cautious of other agencies taking part and generally wary of the release of private information. This resulted in long delays, a

great number of emails and many meetings before they were willing to take part. They were also strongly against allowing the release of any documentation relating to their own innovation practices which was noted and thus none were asked for in the final study. Although this was a long and arduous process it did result in it being easier when questions did come up around the anonymity of agencies as the questions had previously be dealt with as part of the pilot study. The pilot therefore served its purpose in terms of preparation for recruiting participant companies.

3.10.4 Changes

There was an initial round of preliminary analysis undertaken on the expert interviews. However, this was mainly to ensure that the wording of the company questions was correct. It was not the intention of this analysis to build a narrative or lead to any conclusions. If this had of been done it may have led to bias questions and those that would lead in a particular direction. Additionally, had the experts have said something happened then it is the intention of the company questions to discover if this actually happened rather than creating a narrative that confirms it. It was therefore the intention to pick up on main themes to be discussed further within the company interviews, made possible through the interviews being semi structured.

The advantage of this approach is that it leads to very open discussions where areas could be explored in greater depth and it was easier to pick up on areas that may have been of interest to the larger area of SEO. However, the slight disadvantage of this is that there was not the very prescribed list of questions that were tackled one by one and therefore some of the questions were very much tailored to one expert or in some cases were not able to be asked multiple times. However, on balance this was not felt to be an issue, as previously discussed, it was not the intention of the expert interviews to confirm a pre-existing narrative, the interviews were conducted to discover areas that could then be covered within the company interviews.

The wording was altered on some of the questions in the course of carrying out the interviews. This mainly affected the Asher Rospigliosi interview. The main changes were moving the questions away from the digital marketing industry as a whole and more into the more specific area of SEO agencies. However, the questions that were answered related heavily to the overall marketplace and some of the wider issues being faced and therefore offer up a different viewpoint that still contribute to the overall discussion. Therefore, the changes to the questions were to clear up some of the intentions of the questions and whilst it did slightly

change the emphasis of the questions it was ultimately thought that the answers should remain as part of the analysis where appropriate.

It was also felt to be of great importance that none of the questions be leading, pushing the interviewee to give a specific answer. This was felt to be an issue with some of the questions included. Additionally, it was felt that the question list would have been too long using these original questions. A full list of preliminary questions is included previously in this chapter in subsection 3.10.1, these are also matched against expected outcomes in appendix B p285. Then, in addition, full finalised question lists for the experts and all levels of company interviews are included in appendix C p302.

In addition, as discussed above, due to the difficulty in getting any evidence from the pilot study, the participating companies were not asked to provide such documentation as it may have deterred them from taking part.

3.10.5 The proposition and question ordering

The purpose of the qualitative data analysis was to investigate the propositions. These were:

RP0. A common unified, but previously undocumented, process will exist for SME's to identify innovation opportunities within the digital marketing industry.

- RP1. Companies in which the identification of innovation is actively pursued by all levels of the business will have more robust processes for doing so.

- RP2. Companies that have robust processes will believe that process should feature in the definition of innovation

- RP3. Companies that have robust processes will use innovation management tools for the identification of innovation

- RP4. Innovation comes about through using the processes and tools

- RP5. Companies that pursue innovation will expect to gain positive outcomes

- RP6. Companies that pursue innovation will put measures in place to protect those positive outcomes although may try to gain innovation from competitors

- RP7. Companies within the study will be actively contributing to the overall innovative capacity of the industry

As the interview design was to follow these in logical steps it could be said that the interview moves from some of the aspects that the industry faces more broadly, down to more specific to the company and individual topic areas. This is considered below:

STARTS BROAD

- Opening questions
- Definitions/terminology (Understanding of the subject area)
- External influences
- Opportunity identification
- Why opportunities are pursued
- Company approach to innovation
- Open Innovation
- Uni/Closing questions

QUESTIONS BECOME MORE SPECIFIC

This helped to create a flow to the questions, settling in the interviewee with autobiographical questions, setting up definitions to key terms and then investigating their views on innovation at the company.

The qualitative research was undertaken in two parts. Firstly, this consisted of interviewing experts within the field. The information from this was then preliminarily analysed after each interview with minor changes being made to the lines of questions to clear up any misunderstandings. From this a final question list was developed for the companies. These were then asked in accordance with the semi-structured interview style as discussed in section 3.7 Interviews p68.

3.11 Analysis

Once the interviews were completed each was transcribed. A first round of analysis was then undertaken. The data points were then revisited and transferred across into Nvivo. The purpose of this was twofold. It enabled the interviews to be analysed twice, ensuring that no pertinent information was missed. Additionally, by completing a round of analysis from the transcribed interviews it was possible to pick up on more in-depth themes and areas that may link ideas together. Once this was then transferred over into Nvivo they could be explored in greater depth and allow for a richer narrative to emerge. Through this, an additional "closeness" to the data was achieved and an additional layer of validity and reliability to the data collected.

Additionally, the act of transcribing the majority of interviews and reading through/checking those which were outsourced lead to an improved understanding of the interviews. However, it was expected that the impact of Nvivo would be greater. The program was predominantly used within a confirmatory role.

3.11.1 Nvivo

Once interviews were carried out, transcribed and approved for use by the participant, the resulting transcripts were analysed first manually with printed copies and then using Nvivo, a qualitative data analysis software package. Nvivo helped to identify overall, high-level links between the data collected.

The NVivo software package is tailor made for analysis of qualitative research data. It enables the user to segment the data, finding links between the source material placed within it. Through doing this a systematic analysis of the data was carried out.

Each new project within Nvivo starts by creating a specific project area where all sources can be placed. Within this project sources included interview audio and transcriptions of each. The transcripts will then be placed over the audio recording so that specific questions and answers can be viewed.

Once this had been done nodes were created. These are key themes that emerge from the analysis. As many of these can be created as needed, larger nodes included the propositions discussed earlier. However, smaller nodes also emerged which were coded to as needed. Nodes were set-up within a folder like system where key themes had many different sub-themes below it. Therefore, the coding process was an iterative one, re-examining nodes where there was opportunity for further subdivision.

Through carrying out data coding in this way it was also possible to enable the audio recordings to be listened to as analysis takes place, this allowed the researcher to pick up on many of the audio cues that a simple transcription would miss. This also means that the context was not lost when analysed.

3.11.2 Usefulness of data collected

During these various analysis stages there was a surprising amount of information that came from each interview. The author was not trained in the process of interviewing but felt it necessary to conduct the interviews himself, both to have a closeness to the data and to grow as a researcher. The pilot interviews helped with this and greatly improved over the five conducted. However, whilst conducting the interviews it was important to be "in the

moment" listening to the interviewees answers, considering the next question, building a rapport etc. It was only when the transcripts were analysed that a true understanding of what was said could be gained. The interviewees gave good answers to the questions asked and allowed for the analysis to be of a high quality. Even interviews that were thought to have gone poorly or not to have yielded such a high quantity of information were better than expected when analysed without the pressure of actually conducting an interview.

3.11.3 Presentation of findings

Due to the volume of information and to improve the readability, the expert and company results have takeaways at the end of each section and then a conclusion at the end of the chapter.

For the company interviews interviewees and companies were offered anonymity. So that this was ensured, whilst making sure that interviewees responses could be tracked, each interview was assigned a unique interview identifier made up of the following:

- 1st Letter (Company)
- Number (Person)
- 2nd Letter (Level) – T = Top / M = Middle / B = Bottom

3.12 Conclusion

In this chapter an analysis of the authors own approach to research has been undertaken and based upon this, the chosen method has been put forward. Overall this chapter was written to gain an understanding of how the research would be conducted. This has been achieved.

Research methods should always be specific to the project being undertaken. Therefore, although the authors own viewpoints were considered it was the pragmatic approach that was ultimately chosen. By completing this chapter, the author is able to take on board both the advantages and disadvantages to the chosen method and be aware of biases that may arise, building in measures to mitigate these. Also an analysis the type of information to be found was considered, ensuring that the method correctly lines up with the aims and objectives of the project.

In conclusion, this chapter provides a rationale to the way in which the research was conducted. The next chapter will present those results.

4   Chapter 4 – Expert Results

4.1   Introduction

In the preceding chapters the industry background was presented and then that knowledge was enhanced through a literature review in which existing knowledge of the area was put forth. Then the way in which this project was conducted was discussed within the methodology chapter which also included the authors own positions. This allows readers to understand why the project was conducted in a particular way to a greater extent and helps to ascertain the authors own thought and beliefs. It is now time to put forward the research conducted.

The purpose of this analysis chapter is to clearly present what was found during the expert interviews that were carried out. This is completed for both the expert and company interviews but the two are tackled separately due to the purpose of each asked being different.

The purpose of the qualitative analysis section is to present the information found within the interviews. Some analysis of the interviews will also be presented within this chapter in order to avoid a wall of text that would then quickly be disconnected from the findings if these were separated into different chapters. This will also aid the readability of the work, ensuring that the analysis is presented alongside key parts of the interviews. Due to the initially intimidating nature of the amount of data to be analysed it is necessary to only bring forth parts of the interviews that develop the argument. This is not to say that data should be withheld should it provide an interesting perspective, merely that the quotes chosen should be in service of displaying the thoughts put forward by the interviewee.

4.2   Structure of the Chapter

To effectively structure the chapter, it has been necessary to organise the data in an efficient way. Without this it would be easy to lose information gained within the interview resulting in a substandard series of findings. To find this correct way of organising the data the questions are presented in the order that they were asked and are then followed by the answers given by the experts.

In the preceding chapter (methodology) the development of the questions was considered. This was achieved after much thought and it therefore feels fitting to use this order to present the results. This is for two primary reasons:

- Logical

  The question ordering was chosen because it gave a logical ordering to the questions and enabled the conversation to flow naturally. The same is true of the ordering within the results. Just as the conversation found a natural flow so do the results leading one question and area of analysis onto another.

- Ensures no information is missed

  By tacking each question one by one it makes sure that important parts aren't missed, making for an easier process in the analysis and therefore better results.

This means that the questions follow the following order:

- Opening questions
- Definitions/terminology (Understanding of the subject area)
- External influences
- Opportunity identification
- Why opportunities are pursued
- Company approach to innovation
- Open Innovation
- Uni/Closing questions

In addition, each question section starts by listing some of the questions that apply to the section and gives a summary as to why those questions were asked. The propositions covered within the question block are also listed. Then the answer discussion follows which is then followed by some brief conclusions and takeaways from the section.

The ways in which the expert interview answers relate to the literature review is then considered before the chapter is concluded

4.3 Expert Overview

The first interviews analysed will be the expert interviews. In total four interviews were completed to get an overview of the industry and current practice.

The leaders are all experts within their field and range from an academic, practitioner trainer, technical SEO practitioner and an SEO conference organiser. This means that a variety of views were sought from across the industry rather than focussing on one particular area.

4.4   Expert

4.4.1   Opening questions

- First of all can you tell me a little about your role here at [company]?

- How did you get involved in digital marketing?

4.4.1.1   *Why ask these questions*

These questions were initially written to settle the interviewee at the start of the interviews. They were autobiographical in nature and prompted longer form answers. By asking these questions it also allowed the interviewer to gain a deeper understanding of the interviewees current situation and an understanding of their background. These were initially thought to have limited benefit to the wider study and purely written for the aforementioned reasons.

4.4.1.2   *Propositions covered*

None – Purpose of these questions was to settle the interviewee.

4.4.1.3   *First of all can you tell me a little about your role here at [company]?*

As would be expected from the expert interviewees they were all in high ranking positions of responsibility. Their position was why they were chosen as expert interviewees.

4.4.1.4   *How did you get involved in digital marketing?*

As for how they originally got into digital marketing most had an entrepreneurial element to their story:

> "I got into it primarily because I was trying to make money on the internet" Harries

> "I formed a dotcom company in 1995… and was looking for ways to build financially on my interest" Rospigliosi

> "I went off and stared a web development company" Rowles

Only Kelvin had a more "traditional" entrance to the industry through an expanding role at a publishing house trying to increase its online presence.

4.4.1.5   *Key Takeaways*

- Most experts got involved to make money on the internet, building on their passion in an entrepreneurial way

- However, it is possible to get into the industry and build a personal presence through traditional means.

4.4.2   Definitions/terminology

- How you would define innovation?
- Do you feel pre-existing knowledge influences innovation?
- Do you think there is any difference between innovation and creativity?

4.4.2.1   *Why ask these questions*

These questions are set up to gain an understanding of how the interviewee views innovation. By getting them to define the terms early on in the interview it is possible to have a set understanding of the terms and understand what they mean when they are mentioned throughout the interview. Through doing this it's also possible to consider what this means for the wider definitions of innovation and whether current definitions are enough or need further development.

4.4.2.2   *Propositions Covered*

RP2. Companies that have robust processes will believe that process should feature in the definition of innovation

4.4.2.3   *How you would define innovation?*

Firstly, in defining innovation most of the experts put forward that it must be "new" to be innovation:

"A change in a process, product that hasn't been done before, so that is new" Rospigliosi

"I think that the reality is that being truly innovative and doing something that is perceived to be completely new" Rowles

"It's about trying new and different. So I think the two key words there would be new and different." Newman

However, two mentioned that within the digital marketing concept it can be difficult to prove originality and that there is an expectation of innovative practices that don't always result in innovation:

"I'm not sure how often it actually exists in the agency world because I think what it is and what it is perceived as are two quite different things so I think that a lot of the time is what happens is that every single digital agency wants to be seen as different from the others, this is what's so special about us and we do all this really, really clever stuff. If you look at the market actually most of those digital agencies, search agencies,

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whatever they are, are delivering extraordinarily similar processes and services. So they always try to hang their hat on one particular thing and that normally starts off as a kind of brand thing that they hang themselves on, we are the smartest, we're the fastest we do something slightly different, or we're more creative, whatever it might be. Innovation is really the way to stand out but a lot of it is putting it across as innovation and our SEO processes are truly unique and we don't do things like anyone else but actually there's not that much innovation kind of going on." Rowles

"I think that it's, kind of, there's an expectation, especially in digital that there's this kind of constantly changing, dynamic marketplace, and innovations kind of almost a cost of doing business, if you see what I mean. That you know because the parameters are changing, that tactics or approaches that might have worked a couple of years ago, you can codify them and turn them into process but if you were following them now you might not have the, either same effect that you had previously or you might actually be working in a way that no longer has a benefit" Newman

Therefore, from these interviews it could be said that although "new" is important, it is new to the company that is key within the digital marketing industry. Although the industry is seen as innovative it is more of a marketing ploy to tempt in new customers and in reality there is limited innovation actually taking place. Additionally, the innovation that is taking place is more to do with keeping up with the changing marketplace rather than having a sustainable competitive advantage.

4.4.2.4   Do you feel pre-existing knowledge influences innovation?
Two of the experts said that whilst formal definitions of innovation may not include pre-existing knowledge, they probably should:

"I don't necessarily think that that would be the job of innovation [to include pre-existing knowledge] but it probably should be though" Newman

"I think technically it might not but in real world, in business yeah, it's not always inventing new stuff, its taking something someone else has done before" Rospigliosi

One of the other experts mentioned that it helps to improve and iterate on ideas:

"if you've done things before then you're going to have a better idea of how they can be done better in the future" Harries

Another built upon this idea speaking about length of time in the industry. When asked do you feel pre-existing knowledge influences innovation, he answered:

> "Hugely, absolutely hugely. Generally, in a positive way, I guess there's the whole thing that you can be bedded in to something so you don't really, you get locked in the way the way you are, but I think actually the other way round, the more in depth knowledge you have or pay particular industry the processes the past successes and failures the more likelihood you are able to see, ah ok everyone is having this kind of same problem, I can see they've solved it in different ways, that would be a good solution." Rowles

4.4.2.5   Do you think there is any difference between innovation and creativity?

In terms of the differences between innovation and creativity all of the experts noted that the two were different:

> "sometimes you'll need to be creative to come up with the innovative solutions for things" Harries

> "I think you can have incredibly creative people that are working creative industries, in terms of design and all those sorts of things as well, and they'll come up with original solutions to a particular problem rather than coming up with an ongoing pattern that can be used to solve problems going forward" Rowles

> "I think people might describe themselves as creative but not necessarily innovative" Newman

> "I think that innovation probably implies, certainly in a business context that it has utility but I think creativity could be wacky crazy stuff that may not be useful for anyone" Rospigliosi

However, it was clear from the above answers that innovation and creativity meant different things to different people and there wasn't necessarily a clearly defined difference shared amongst the experts. The difference most commonly accepted within the academic world was that given by Asher but this is largely to be expected due to his background.

> "So creative people may come up with ideas and they may be very interesting and if they're in a creative industry or an industry that values creative input they may get

played out but I don't think that they necessarily have much utility, whereas I think innovation, to my mind, is largely about something that you can apply and use." Rospigliosi

This was also touched on by one of the other experts

"I think innovative is perhaps seen as a little bit kind of business-y. Whereas creativity is perhaps seen as a bit more of a kind of art-y or cultural if you see what I mean" Newman

Another noted creativity more in relation to brainstorming and innovation with the sense checking and optimising of steps:

"Well it's true that some people are just more naturally gifted to think about solutions to things in different ways, one of the big things we do is try to work in teams for things, if we're ever brain storming stuff or working on wider company initiatives or changing up what we're doing then it never ever sits with just one or maybe just two people it will be three, four, five people working on something because we typically find that in addition to the… a big part of innovating is also sense checking what people are doing so making sure that is not just what you're doing is better but you're also making sure you're not doing unnecessary steps, you're doing the right things." Harries

Another expert put a far greater emphasis on process:

"I tend to think that true innovation is something that can be applied again and again by using a similar kind of process or thing or whatever it may be whereas creativity is something slightly different that is playing around with things that already exist but using it to solve a problem once, rather than multiple times and I see it more on that kind of direction." Rowles

4.4.2.6   Key Takeaways
- "new" is considered a key component in the definition of innovation but can be new to the company rather than to the market as a whole
- Can be used as a marketing tactic rather than true innovation
- Iterative innovation is still considered innovation

- There wasn't a widely-used definition of Innovation or creativity within the digital marketing industry but there was an appreciation that they were similar in nature but defined in different ways

- There was some understanding around the business utility of innovation

4.4.3   External Influences

4.4.3.1   Questions

- Do you feel government policy influences innovation within digital as a whole?
- Do you feel that Googles dominance of the search landscape inhibits or encourages innovation?
- Are there any factors that make innovation difficult within the SEO industry?

4.4.3.2   Why ask these questions

The purpose of these questions was to follow up on where the conversation had already gone up to this point and to gain an idea of some of the larger factors influencing innovation within the industry. This section saw the largest variation of questions being asked based on where the conversation had gone up to this point. It is therefore the largest reflection of these being semi-structured interviews. It reflects that these interviews were with experts with the interviewer probing and looking for interesting avenues of questions that could be taken forward with the in-company interviews. The questions focussed on external influences that companies within the industry may face. The questions and answers selected have the largest contribution to the overall discussion.

4.4.3.3   Propositions Covered

RP7. Companies within the study will be actively contributing to the overall innovative capacity of the industry

4.4.3.4   Do you feel government policy influences innovation within digital as a whole?

One expert said:

> "I think up until fairly recently people would have said that the government policy wasn't helping with things because there was too much red tape and you were so worried as a small organisation the tax and the VAT and the company rules and all of those sorts of things, however, just from the last couple of years there seems to be a lot more focus on SME's, I think because of the recession, there was the realisation that small businesses contributed a huge amount to the economy and if you look at the recent numbers in terms of the amount of people that are now self-employed its hugely important because people have kind of said right I'll start something for myself. I think the government has actually reacted fairly well to that and there's a lot more programmes, there's a lot more funding in helping small businesses establish themselves, do original things, partner with larger organisations, take on interns and

all of those sorts of things as well, so I actually think that things have got a lot better in the last few years." Rowles

When asked if there was anything more that could be done, he went on to say:

"the more you can minimise the amount of red tape and you can keep taxes as low as possible and all those sorts of things as well, it's obviously going to help as it eases up your business environment generally anyway" Rowles

He also mentions business mentoring schemes:

"I think that having some sort of ongoing programme where people educate, upskill [and give] networking opportunities as well and I think those networking opportunities are probably some of the most important things that come out of it as well, it's not just the formalised stuff, so I think those longer term programmes that involve that networking opportunities are probably key" Rowles

One expert mentioned more of the implications around what could be said to advertise products:

"what you can say online is so limited, it's very strict … So you have to be creative to get around… not so much get around as work within the set boundaries that the government has laid out for the industries" Harries

4.4.3.5   Do you feel that Googles dominance of the search landscape inhibits or encourages innovation?

On this question the experts gave mixed answers with one saying that it inhibits, two saying that they were undecided/could see both sides and the other one saying innovation is encouraged by Googles dominance. This reflects an uncertainty in the effect it has although there is a tendency towards encourage. This is further backed up with 3 of the experts using the words "suspect", "might" and "I think". The experts then went on to expand on their thoughts:

"I feel it definitely inhibits it". Harries

one initially said:

"I would suspect that its neutral" Rospigliosi

But once he had time to reflect on it:

> "It might even encourage it, because all digital marketing agencies are playing against the same goalposts [...] They're all thinking, if we want to be found then we have to be found by Googles rules. In some ways that allows differentiation to be more easily realised because if two companies are saying we want to be found by Google then the one that thinks of cleaver things to play the Google algorithm is the winner." Rospigliosi

Another was less decided:

> "There's this whole school of thought that creativity works best where elements of the parameters are constrained, so there's infinite abilities to do anything then actually its quite hard to be original. So perhaps only working with one parameter, or one set of rules is helpful, from that perspective. But then it does mean that perhaps that there's kind of a narrowness of vision because it's all about how do I do well for Google rather than how do I do well for marketing as a whole that sometimes might lead [to a] narrow approach to solving problems." Newman

One expert was more confident that innovation was encouraged:

> "I think it actually encourages… they are very powerful but they've been able to invest so much in research, in to doing things that don't make them any money, they've done some hugely creative things and I think actually there's been, there's a real atmosphere at the moment of start-ups and funding for start-ups and I think they've helped that culture quite a lot as well, they've done lots of interesting programmes … so there doing lots of things that aid small businesses and start-ups particularly and I think they've created a culture of start-ups to some extent as well and by nature of that its made Google more confident and actually what's happened is that I think entrepreneurship and being a start-up is quite trendy and fashionable now, it's quite a creative thing to do, therefore people are more willing to try new things out." Rowles

4.4.3.6   *Are there any factors that make innovation difficult within the SEO industry?*

On expert focussed in on Googles algorithm:

> "There's the whole algorithm thing, so most agencies spend most of their time chasing and trying to understand the Google algorithm. Google will never release the algorithm for a very good reason in the fact that it's there to improve the quality of

search and I think there's always going to be a conflict between the two things, between search agencies trying to understand the algorithm and Google trying to protect it to some extent. That's not to say that stops innovation it just means that something that seems innovative at one moment can be seen as black hat or dubious SEO practice at other times as well, so I think that there is a careful balance between the two things. I think that to some extent the algorithm has become so complicated and now we're getting theories of artificial intelligence and semantics and all of those sorts of things we need to stop worrying about the algorithm so much and focus a lot more on the quality. What is it that Google wants to do fundamentally is provide good quality search results so if we focus on that and I think that industry has changed because of that you've now got search and there are content agencies, there's social media agencies and there's this huge overlap and because of that overlap the space for innovation is growing but there is a tension between the old fashioned approach of SEO which was algorithm working out and where it should probably be now which is much more consumer focused or end customer focused approach to things." Rowles

When speaking of how these could be overcome he mentions:

"I mean if you look at a couple of terms social media, well everything's social and it starts to become a bit of nonsense. Digital marketing, well it's just marketing really so I think a lot of the time if you go back to the fundamentals that's where the space for innovation is and say right ok what are we trying to achieve how can we do that in a slightly smarter way and I think it's that step back that's what gives the space for the innovation, I think what's really exciting is that there is so much cross over now between these different things, by taking that step back and looking at solutions to problems is really where things are." Rowles

Another expert took a much more focussed, technical slant on the question and said:

"A lot of it is around legal teams and that they are happy doing and signing off … Even if there's not really a problem with it they always want visibility. So if we send something over it might take their team a month to sign off and they will sign it off without any changes or anything but it will take a month to do and it will just delay everything massively. This gets better with smaller teams and smaller businesses, it's not so bad, but then another issue comes which is web development resource so in

the smaller businesses you won't necessarily have as many people on staff or with the necessary technologies for implementing changes that might need to be made" Harries

This speaks of the push and pull of correct sizing, not just in terms of agency size but also client size. He also spoke of how this could be overcome:

"A big issue for SEO is that its seen almost like an aside where it sort of needs to be integrated with the rest of the team, it needs to be integrated with your marketing team, it needs to be integrated with your PR team, you need to be working with your, you know, above the line TV ads, if they are not just afterthoughts, and they are involved at the planning table on a lot of issues that arise can be negated or worked through better." Harries

Another gave a more personal and specific example that still speaks to some of the issues faced within the industry when pursuing opportunities:

"my time within the agency has a billable rate at which I can be charged out at and a cost incurred to the business and the innovative project can be generating revenue and profit but not if you're really, or at least not the same amount that you would be making if you were doing conventional work at the agency and that can be tricky because there's an opportunity cost where if my time can be billed out at, I don't know, £1,000, £1,500 a day, potentially even more if you want to go down that route you've got to be making quite a lot of revenue on that project to juggle the cost of that. I don't think that initially we were but I think in my case there was an understanding that career development wise, I wouldn't have remained at the company had I have continued to work in the same format that I had done previously. So there was a risk management aspect to it as much as anything I think." Newman

4.4.3.7   *Key takeaways*
- Governmental influences could be said to be helping in an economic sense

- There were mixed impressions on whether Googles dominance of the search space encouraged or inhibited innovation

- There were a variety of different factors that could make innovation difficult

4.4.4   Opportunity Identification

- Within agencies how do you think opportunities for innovation are first identified?
- Do you think processes are used within SEO to identify those innovation opportunities?
- Do you feel that SEO agencies should be trying to identify a process for innovation?
- Do you think that innovations made within SEO agencies tend to be small steps forward, larger leaps or things that completely change the industry?
- Are there any off the shelf tools that can be utilised to help the company become more innovative?

4.4.4.1   Why ask these questions

These questions were primarily concerned with trying to understand current practices within the SEO industry for identifying innovation opportunities. This included finding out if processes were already within use and whether they should be or whether this impacted innovation at all. It also considered how often innovations were made and how big these innovations tended to be. Additionally, whether there were tools on the market that enabled a greater level of innovation to be achieved was considered. These questions were concerned with the individual company level and therefore had a larger impact on the questions that were asked within the final work. Additionally, the answers also prompted the questions being used within the final company interviews. This was due to a combination of the expert answers and their relevancy to the company level.

4.4.4.2   Propositions Covered

RP0. A common unified, but previously undocumented, process will exist for SME's to identify innovation opportunities within the digital marketing industry.

RP1. Companies in which the identification of innovation is actively pursued by all levels of the business will have more robust processes for doing so.

RP2. Companies that have robust processes will believe that process should feature in the definition of innovation

RP3. Companies that have robust processes will use innovation management tools for the identification of innovation

RP4. Innovation comes about through using the processes and tools

4.4.4.3 Within agencies how do you think opportunities for innovation are first identified?

One expert said that often it was the technical SEO's that identified the innovation opportunities:

> "It depends how the agency's structured a lot of the time but the smartest, the most savvy people are the people doing the real kind of hard core SEO stuff, and they will identify a technical issue or they will identify something that's changed, they'll play around with it and they'll start to do some testing, so I think the culture of where the consultants and the staff have time to actually try things out and test and learn is the most important thing." Rowles

He then goes on to explain why this is the case:

> "the SEO industry is based on the fact that we don't actually know the rules, we're making assumptions the whole time so unless you've got a good industry of test and learn what ends up happening is you just follow that same old practices, it stops working fundamentally, so I think it is that really on the coal face of things, trying things out and testing them but that takes leadership to give people the space and the time to do those kind of things." Rowles

When asked if he saw the business as enabling the staff to innovate he commented:

> "Completely, and I think if you look at what Google always did originally, they do it a bit less now but with the whole you know a certain percentage of their time was for them to do projects like that. That kind of culture can be hugely affective; you know that you are allowed this much time to do stuff that might not have a direct return. What tends to happen though, agencies work on billable hours, so they sell a number of hours to a client and they just want the efficiency between volume of staff, the resources and essentially what they're delivering to the client, so the two things are diametrically opposed against each other so it does take a leadership decision to put that together in the first place." Rowles

Another expert agreed with parts of this, mentioning that it depended on the level of seniority:

> "in most cases or at least my expectation of other agency's is that its someone working on a project will have an idea and they will informally suggest that to their peer's/line manager and if they, in the process of doing that can get them informally excited they

might be able to secure some budget of time, mostly time rather than funds I think. And then they had to go off and do that depending on the level of seniority of the person in question. Often if they are more senior like a head of department or something then they might just find the time to do that off their own back. But yeah not a formalised process I don't think, in smaller agencies at least" Newman

The above quote also mentions the power of getting agreement from peers and managers. Further to this, time and resource are also key factors. Time and resource was also mentioned by another expert:

"It typically comes down to a number of things if you have additional resource within the team if you have additional time to look towards being innovative because often you need to spend some time to save some time or to improve your offering you can't just on the fly whilst you're doing something make it better so typically, I wouldn't say that if you are over resourced but if you are adequately resourced you are going to be in a better state for identifying these sorts of things and also if the teams are comfortable enough with saying that they think there is another way of doing stuff." Harries

Interestingly this expert mentions his experience of this:

"I've worked in businesses previously when speaking up about something like that would probably, either it would go nowhere or it would be scorned a little bit. Where I am currently it's absolutely cherished and it shows in our work we deliver much better work because of it." Harries

4.4.4.4   Do you think processes are used within SEO to identify those innovation opportunities?

One expert said:

"I'd like to say yes, but, I think a lot of agencies don't currently map their processes tight enough and they don't, process mapping and process application and training and all those sorts of things are fairly dull in its own right and it's perceived that way as well. The reality is, that, I think is where the depth of huge opportunity is in all this because you change the process, you innovate it and you iterate it and you try two different processes and all those sort of things, that's what can lead to small changes that can actually have quite a big impact. Now this is where definition of innovation comes in again, is it incremental or is it something that just fundamentally shifts

things, and what we're really talking about is quite incremental I guess in terms of process I guess. But looking at a process and seeing that it's not actually working can drive the leap to the let's do something completely different thing. So I think that processes aren't really taken seriously enough." Rowles

Following on from this when asked whether agencies were more ad-hoc in their approach to innovation another expert said:

"Yes, certainly more tactical than strategic. So to use the Brighton SEO example that wasn't like we identified that an events business would be a good growth opportunity for the agency. I was arranging to see a few people in the industry, we had a good time and thought ok let's do this again but next time lets conference talks because that means we can have a longer day. And it was successful so we did it again and then when it was again it was like ok this is getting bigger we're going to need to secure some money to fund it so we went to sponsors and that went well and then eventually you're at this point when you're making reasonable amounts of revenue and you see that if there's revenue here then there should be profit … that we ought to be exploring." Newman

Another expert mentioned that they take a more structured approach to process mapping in his current role:

"Well I mean that for instance we've got a for all of our core main deliverables if they haven't been reviewed I think everyone has a timeframe we have a spreadsheet with when everything was last reviewed and when they need to be reviewed again so regardless of ad hoc updates that we may need to make to improve a report. If it is not being fully reviewed say every three to six months it does get pulled up for a full review by a few people that would have time that month that's what happens in my organisation. So we are always trying to make sure that are offering is up to date because in SEO it changes every week or so if you take a week off the whole game could change." Harries

4.4.4.5 *Do you feel that SEO agencies should be trying to identify a process for innovation?*

Very much leading on from the above question the experts were asked if agencies should be looking to identify a process for innovation. This was to discover whether they saw value in agencies doing this. Three of the experts agreed that it should be done:

"Definitely, I think what happens is that agencies start off very, very small and the expertise is locked up in a couple of people, they do things a certain way and therefore the process is in their head and it's not then scaled up and it's not scalable and it's not been set and analysed what's going on and there's probably a lot of space for efficiency and those sort of things to be brought in so I think it's not taken seriously enough and it's by the nature of how these agencies grow a lot of the time and it does take someone to take a step back and say let's take this down, lets write it down, let's put a process where this can be improved." Rowles

"Yep definitely, I mean in my example where we have we have our core deliverables that need to be updated every few months or so. That is a really basic way of doing it but I've seen previously that that isn't done, it can be time-consuming but in order to deliver a good product that's what needs to be done." Harries

"Yes … it's a very fast changing industry and where there's fast change there's a need for innovation" Rospigliosi

However, one of the experts wasn't so sure, saying that there are perhaps other elements that could be focussed on beforehand:

"I think that anything that can increase the likelihood of success is a useful thing to do. Pragmatically, I would think that many of the smaller agencies don't have processes for their fundamental core competencies in the business, so it's perhaps a little bit lower down the list than other ones, but, certainly I can definitely see that there would be value in that." Newman

4.4.4.6 *Do you think that innovations made within SEO agencies tend to be small steps forward, larger leaps or things that completely change the industry?*

This question was to understand the scale of the innovations made within the SEO industry. Typically, the experts said that the SEO can be seen as a very innovative industry, but were these innovations truly transformational or were they more on the incremental level, making small steps forward. One expert said:

"I think that mostly its incremental, we see a slightly different way of link building, we trial it out, we see some improvement and it gradually improves and those small innovations are important but I think what can happen sometimes is that you start banging your head against a brick wall and you take that step back to go why is this not working anymore, that's when the bigger innovations come out because you're

kind of forced to do something and I think a lot of innovations for businesses is forced by commercial reality. That is their not delivering, or their overheads are too high, it may be that they need to do something radically different and I think that's where a lot of it can come from. So it's not for observation it's just that we have to do things differently otherwise we're not going to make the money." Rowles

Another agreed that they tended to be smaller steps but noted that there was change going on in the industry currently:

"I think that most of them probably are small steps whereas kind of you know, we'll try this new tactic, and if this new tactic is successful then we will roll it out to all of our clients. I think that many of them are looking for those bigger leaps in terms of pivots in business models, I know a lot of SEO agencies want to launch software, they want to… I host events where there's MD's of SEO agencies there, most of them are working on, their issue or concern is the scalability of a model where you're selling peoples hours. Right? Your fixed costs go directly in line with that. So if you want to make more money then you need more people and there comes a certain point when that becomes tricky. So many of them thought how can we grow our business without growing our headcount and software is often seen as a means of doing that." Newman

Another expert said that it was likely a combination of all of them, noting that the bigger leaps seem to come from algorithm changes:

"To be honest it can be a mix of every single one of them. You'll have little tweaks where maybe a different type of graph displays the information better to a client, something very minor in our deliverables or something is identified that gets it across to the clients better one of the key issues we face is well I'm from a technical background and I can't get things far too technical trying to be able to put across information in an easily accessible way to executive staff… so it's a mix of all of them the bigger leaps are a lot harder to deal with and are usually forced by an algorithm change so Penguin or Panda coming in, that's going to cause a big update or change to peoples processes but the people in the big leagues don't have to be reactionary." Harries

4.4.4.7   *Are there any off the shelf tools that can be utilised to help the company become more innovative?*

One expert noted that there aren't really many innovation tools around:

> "I don't really… I think a lot of it is in the process mapping and the planning areas and there has been around for a long time but without the leadership commitment to innovation there's planning tool so it takes a commitment to use them in a certain way to actually turn it in to innovation." Rowles

Another expert said:

> "Probably I don't use any though myself I'm not aware of any." Harries

However, coming from a technical background when asked if he built any tools to improve the offerings of the company himself he said:

> "Yes at our company we have a development team and we have a host of our own proprietary products so we have an entire team devoted to producing these things and it's brilliant to be able to just walk down the hall and ask them for a new, for something to happen with a product. It usually gets a few scratched heads and then it's happening next week which is brilliant. I've done a bit myself trying to code my own crawlers to do a specific thing I want it to do, and it is a massive time sink if you're not someone that does it on a regular basis, so building your own tool is where you want to be a larger agency so you can hire your own staff that specialise in that sort of thing or it will drain in a lot of your time." Harries

He was then asked if in smaller companies, staff worked on projects outside of work time:

> "From my own personal experience, absolutely yes. Often in smaller agencies you just won't have the time, at larger agencies there is a lot more people and there is a lots more floating resource that might go away or come back at any point in time so people just have extra time whereas in my own experience in a smaller agencies people just run into catch up almost people have got more work than they have, you know that they have got time for, so you know having more time to sink in to making a product better is going to come not as easily as in a larger agency." Harries

This shows the difference between larger and smaller agencies and the reliance that may be placed on staff to work outside of work time on projects. It also speaks to the time pressures faced within smaller agencies.

4.4.4.8   Key Takeaways
- Lower level employees tend to come up with innovation as they are closest to the project

- Needs management approval due to constraints placed on innovation

- Processes are more ad-hoc in approach

- It was generally thought that innovation should have a more defined process

- For some agencies, there are things that should be looked at before innovation that are more core to the business

- Innovations tend to be smaller steps forward and incremental in nature

- Larger changes tend to be prompted by algorithm changes

- There is a lack of innovation tools to help a company

- Within smaller agencies staff may work on projects outside of work time

- Time pressures permeate many parts of the innovation process

4.4.5   Why opportunities are pursued

- What do you think agencies expect to gain from innovation?
- Do you feel it is more advantageous to be first to market an innovation or follow a proven method?

4.4.5.1   Why ask these questions

This was a relatively short period of the expert interviews where they were asked why opportunities were pursued. The purpose of this was to gain an understanding of the impact innovation has on companies and the strategy behind it. This was to see what points were brought up that might not provide questions to use within the company interviews but would enlighten on the advantages of innovation and provide background for the discussions with companies. As these questions were asked to the experts it was more of an industry wide viewpoint that was sought.

4.4.5.2   Propositions Covered

RP5. Companies that pursue innovation will expect to gain positive outcomes

4.4.5.3   What do you think agencies expect to gain from innovation?

On expert immediately put the main pursuit of innovation to be financial gain:

> "More profit. I think that it all comes down to the bottom line" Rowles

He goes on to explain:

> "I think that will either be by they can do things more efficiently in terms of delivery more or it might be getting more from what they've already got or it may just be differentiation to stand out in the market because I think that is one of the key challenges all the time" Rowles

Another expert agreed, also mentioning time as being a driving factor:

> "if you are doing something, ideally innovative, it is going to be saving time on something and time is money especially within an industry where we charge so much for our time" Harries

Also building on what the first expert said, marketing was also brought up by another:

> "I don't think that digital agencies do a particularly good job of, considering their specialism is marketing, I don't think they do a particularly good job of positioning themselves in the market. So if you were to ask most digital marketing agencies what

makes them special and why someone would choose them over someone else? I don't think many are particularly articulate at getting that across and I think they see innovation as perhaps, sometimes they'll recognise that and see innovation as getting some of that uniqueness." Newman

Another also built on the advantages against competitors:

"Competitive advantage [...] market position, market visibility, client benefits" Rospigliosi

4.4.5.4   Do you feel it is more advantageous to be first to market an innovation or follow a proven method?

One expert said:

"I think there's a huge advantage to being first to market, but its quite easy to lose that quite quickly as well, because you'll do something, people steal the idea and they kind of refine it." Rowles

However, ultimately he said that it was likely to be better to be first to market:

"I think that if you can be the first to do something there's a huge advantage to doing that because it does differentiate you, even if other people do come along and follow afterwards anyway." Rowles

Another expert also recognised advantages to both:

"Yeah there is arguments for both, if you are first on the scene with things then there are often issues that have not been tested well enough and there are things with bits that need to be updated and changed. There are numerous examples of such, but there is also a massive bonus for being that first for SEO being an example, being the first on alternate language mark up getting with that product completed once they first released it so many really big companies that implemented that saw a huge advantage out of it whereas smaller agencies didn't have the time for its staff to learn about this new product that had come about or even to develop the product to work with the client on so the smaller agencies can be behind on the bigger changes sometimes." Harries

When asked what strategy he thought smaller agencies should follow he said:

"I don't know I think that there is an argument for both, if a small agency can distinguish themselves with something to truly innovative that's how a smaller agency becomes a larger agency but there is also the potential for them to try something out that doesn't work which happens and within a small agency that is going to be a bigger loss so it is riskier." Harries

4.4.5.5   Key Takeaways

- Profit is a key driver of innovation but this may come about through time savings, market positioning and a variety of other benefits
- Being first to market with an innovation was generally well regarded but the benefits of following a proven method were also noted

4.4.6   Company approach to innovation

- Within an SEO agency do you think that innovation tends to come from them top level of management or do you feel it's the consultants that generate the innovative ideas?

- To what extent do you think that different management levels contribute to innovation?

- So in your opinion is it better to have one strong leader enforcing an idea or is it more beneficial when the team collaborates and discusses ideas?

- In your opinion is there an ideal length of time to have been in the industry to be innovative?

4.4.6.1   *Why ask these questions*

These questions were asked to get into the detail of how people within an organisation can influence innovation. It was also to discover any differences in approach across the different levels. These were asked to experts so it generally meant that the answers given were industry wide but gave both background and areas for further discussion within the company interviews.

4.4.6.2   *Propositions Covered*

RP1. Companies in which the identification of innovation is actively pursued by all levels of the business will have more robust processes for doing so.

4.4.6.3   *Within an SEO agency do you think that innovation tends to come from them top level of management or do you feel it's the consultants that generate the innovative ideas?*

When asked one expert said that he thought it was mainly from lower levels:

> "I think it is the consultants in most cases, or at least the middle management I suppose for a better description. Where, there's a level of experience and confidence in expertise and their abilities." Newman

He went on to explain how it's easy for companies to "lose" innovation:

> "I think SEO's quite interesting as well because the opportunity cost of setting up an agency are so low and the ability to go Freelance is so easy. There's certainly an expectation amongst management, senior management team that their most effective consultants are going to have these project ideas and things that they can do." Newman

And then said what companies can do, with an example:

> "It about retention sometimes, where it's like particularly, I mean, my case is a particular example, the freedom I had to develop these products, these services that we've done off the back of that was entirely about retention, rather than, necessarily the business opportunity. I think the business opportunity helped and I think that there's certainly, there are examples where I've seen other peers, work on interesting projects because their value to the company as a whole is seen as - let's give them the freedom to work on this side project in work because we know they'll do it outside of work and then they'll leave, you know." Newman

4.4.6.4   *To what extent do you think that different management levels contribute to innovation?*

Very much related to the above question, the experts were asked what impact different levels of management had on innovation. One expert said that it was higher levels that have the largest influence:

> "I think that the most important thing is that the very highest levels of leadership commit to it otherwise it won't go anywhere. But also the recognition from managers at different levels that are under a lots of pressure to deliver whatever their targets may be. When a member of staff says I'm really frustrated this isn't working or I don't like the way we are doing this rather than seeing it as something where we need to get rid of the problem there needs to be more of a culture of what can we learn from it and how can we do things better in the long term and I think The problem is that at a lot of management levels people this comes down to the leadership again really is that they are targeted on certain things and they just worry about their monthly targets and there is isn't the time to take a step back and say actually we need a three month mapping process to fix this because I am too focused on my monthly things. So I think it is the very highest leader commitment that is the most important" Rowles

When asked how monthly targets can be balanced with innovation time he said:

> "There needs to be space in that when agreeing targets in the first place there needs to be enough flex so there is enough time to focus on these other things as well and it's about managing up and it's about being realistic about resource planning as well to say yes we can achieve these targets but they are completely... Going to be very difficult to achieve in the short term in the long term we can maybe do it but we are going to need to spend some time so there is going to have to be a sacrifice

somewhere along the line there as well and I think that's about managers managing up as well The expectations of the people that are leading them to say yes we can do this but we are going to need to do something original to get there so that will take some time" Rowles

This expert says that managers really need to be realistic about the targets they are setting and allow the time and the space for that innovation to happen.

Another expert said that innovation comes from every level:

"So it comes out every level but typically you need to have people driving it, the management team driving it, and making it an environment where that is cherished" Harries

When asked how smaller agencies could encourage innovation he said:

"It's a difficult one but you need some time people need time in the day to day, maybe a few hours a week or something just dedicated to doing something. I guarantee you can ask anyone in any digital media agency if they have got a better idea on how to do something better, every single one of them will have a list of things to do and if they are given time to do that then they absolutely can. I know people that have got lists and lists of things that they want to re-do that they're not happy with so time give them time as we mentioned earlier people in smaller agencies work in their own time on innovation a lot and that drains people." Harries

This builds upon the other expert by saying that yes, time is needed, but if that time is allowed then there is potential innovations sitting within a company that need to be explored. Additionally, the fact that it drains people could be seen as a huge risk factor in them leaving and either taking those ideas elsewhere or leaving to start their own projects, building upon the retention strategy of allowing/encouraging innovation, built upon by another expert.

4.4.6.5   *So in your opinion is it better to have one strong leader enforcing an idea or is it more beneficial when the team collaborates and discusses ideas?*
One expert was very much in favour of the collaborative approach

"It has to be collaborative, I really think that it has to be collaborative across the organisation, it has to be ingrained into the company culture and I think that is half of the problem, you get someone's saying "hey were in innovative company and we really believe in these kind of things" but unless it is embedded into the culture if you

just have a long hour's kind of culture and all that sort of thing then it's not going to work in the same way. Not that there's anything wrong with long hours per se but it is more the fact of why are you doing those long hours and what are you focusing on. So I think it's it needs to be throughout the organisation it does take strong leadership to do that but it needs to be throughout the organisation." Rowles

Another expert recognised that it depends on the size and nature of the company but did say:

"I would have thought that in most instances it would be a mistake to supress bottom up" Rospigliosi

Another expert said:

"I think it's tricky for anyone to own it entirely, or at least own the ideas. Also, kind of pragmatically, my experience of large organisations, and even small organisations, is that anything that's run by committee has the potential to struggle on delivery. I think projects work if there is a strong lead." Newman

He did also say that collaborative approaches can work to an extent:

"If you can build the business case and if you can convince your peers to invest their time in it then that's the time it works well" Newman

Another expert said that there needed to be a bit of both involves within innovation:

"You need to have an original driving force behind it but then the rest of the team needs to be working towards that goal, so it's kind of a bit of both. I know that that is kind of a non-answer but I do think that you need someone that says you know this deliverable takes too long and the client doesn't understand it but from there you need to be working with the rest of the team, so how can we make this better, so how come we make them understand this more, how can we speed this up, what can we automate, I think lots of times this shouldn't be a single person's job." Harries

There was therefore a mix of different answers from across the experts. However, all of the experts identified that that it has to at least include a collaborative element. They have previously mentioned that there is a lack of time within these agencies. In other time limited industries it would usually be a strong leader that says what has to be done (e.g. chef).

4.4.6.6   In your opinion is there an ideal length of time to have been in the industry to be innovative?

The answers to this question were quite similar, to an extent. It was the reasoning that differed. One expert said:

> "I don't think so, I think you can have a new entrant come in and just shake things up completely because they are doing things somewhat differently." Rowles

He then expanded on this:

> "I think that the reality is that you need a good understanding of the market but you can do that at a very early stage within the company." Rowles

Another expert said that there would be very little to stop someone being innovative straight away and may be more likely to be innovative based on their viewpoint:

> "No probably not, almost probably the reverse that new entrants might be able to see the affordances of what's on offer today that people who are still hung up on the impact of Panda might not. I think this is probably an industry that suits new entrants" Rospigliosi

Another expert identified that experience might give confidence but that didn't necessarily denote how innovative someone could be:

> "The longer you've been in the industry the more confident you are in your abilities to do something new and original, and be certain of it. But certainly I think coming from outside of the space and having a different frame of reference can allow you to approach problems in a different way." Newman

Only one expert gave an actual timeframe on this:

> "I think once you have got enough experience with the task or the sort of thing you are trying to do that is when you are able to start making changes. I think there may be a concern with trying to change up products if you are new to the industry and you sort of miss out on why something is done in a certain way, but once you have been around for long enough you kind of understand why something is done in a particular way, so again this one isn't a definitive yes but you know six months you know it's going to be dependent on the task and especially within digital media because with staff changing all of the time people have to be innovative on a much faster basis

because things change all the time from the search algorithms. So once you have got

a good overall knowledge of things it makes it much, much easier." Harries

When asked he also differentiated between different areas of SEO:

"Within technical SEO it is quite nerdy, you need quite a lot of time to learn everything

so I would say there is a lots more that you would need to sit down and learn about

the technical stuff but then it also depends on the person." Harries

Within this, two experts mentioned that the industry changes at a fast pace as their reasoning

behind not needing much time in the industry to be innovative.

4.4.6.7 Key Takeaways
- Companies could lose innovation through consultants leaving to pursue innovative
  ideas
- Innovation could therefore be thought of as a staff retention strategy
- Higher levels have impact on innovation through their support (or lack) of it
- Realistic targets could help to free up time for innovation
- Staff can become drained by constantly chasing unrealistic targets
- Innovation potential is most likely there, it just needs time to be allowed to be acted
  upon
- Collaborative approaches to innovation are usually preferred
- There is a potential dichotomy between this collaborative approach and the time
  pressures
- It is generally thought that very little experience is needed to be innovative

4.4.7   Open Innovation

- What common factors do you think can influence an SEO's decision to stay at or leave their current company?
- Do you think SEO agencies should share innovative knowledge between each other?

4.4.7.1   Why ask these questions?

The purpose of these questions was to get an overview of some of the influences on open innovation that may occur within the SEO industry. It was always the plan to tackle this subject in greater depth within the company interviews as it is where it actually happens. A lot of these questions do speak to wider issues than purely open innovation which was a decision taken due to lack of time with the experts and the questions therefore had to cover a lot of ground. Additionally, this is an area that grew in focus after the expert interviews due to the below answers.

4.4.7.2   Propositions Covered

RP6. Companies that pursue innovation will put measures in place to protect those positive outcomes although may try to gain innovation from competitors

RP7. Companies within the study will be actively contributing to the overall innovative capacity of the industry

4.4.7.3   What common factors do you think can influence an SEO's decision to stay at or leave their current company?

One expert said:

> "Frustration with the way things are being done currently so they feel like they are not given enough time or that the process they are following isn't the right kind of process and those kind of cultural things or its money" Rowles

He then went on to discuss the money point further:

> "What's happened a lot within the SEO world is that there is a lack of skills therefore salaries grew very quickly and people would move positions very quickly as well and you've got problems in places like Brighton particularly as well where is a few agencies Who will get salaries that will grow your get to a certain point and someone will offer you 20 grand more to go and work in London because the salary is that much higher so there has been a real drain of talent between places which means you are constantly as an organisation recruiting and trying to up skill people and you lose your best skilled people all of the time. Which is why the cultural thing of making it so

appealing to stay can help and a commitment to innovation would be part of that I would suggest as well" Rowles

Another expert put much more of a focus on the culture and in particular the management:

"I've always said that people don't quit their jobs they quit their boss. That is the single biggest factor in my mind. The next one being, especially in digital media, better opportunities, that will be the next one digital media has a much shorter cycle of being in a job where is our parents and grandparents might spend 30 years in a role or 30 years in a company, if you have been in the company for longer than a year and a half that is considered a long time in digital media. I worked for an agency for three years and that was considered ancient, part of the furniture." Harries

He was then asked:

"Do you think that's almost more prominent within a small agency where there is less opportunity to take the persons above you roll? So therefore you hop onto a new company to try and get up the ladder that way?" Interviewer

And responded:

"Yeah, so if you are at a smaller company and then there are going to be less opportunities for promotion so that goes to the second point of looking for opportunity. Or going for the first one about bosses if you are in a larger company there is a good chance that you would be able to move line managers, as well we have just had a big line manager shift up at work, anyway there were a few people that were unhappy where they were and made that known to the head of the department and that has been rectified. It's the sort of thing that if you are working in a small ten-man agency it is very unlikely to happen." Harries

4.4.7.4   *Do you think SEO agencies should share innovative knowledge between each other?*
One expert said:

"It's a knowledge-based industry so you want to keep your cards close to your chest, but then there is also when you want to brag about it to win new clients. So if you are pitching then you want to lay it all out and brag about it regardless of how many other agencies are going to be pitching for the work. But the people that blog about every little thing that they are doing online and every little thing that they have changed and

updated are typically behind the times and they think they are a lot further than they are. Bigger agencies […] they know so much more that isn't out there on Moz, that isn't out there on search engine land and all of those sites. There is a lot of stuff that people keep close to their chest. So unless you work in these bigger agencies and have time to experiment because essentially you need to be a scientist, you need to have scientific type of people messing with the algorithm to come out with these type of things, and in a large agency you are going to have that." Harries

Another expert commented that sharing information could have benefits to companies specifically in the SEO field:

"SEO isn't the only topic we cover now at [Brighton SEO], so we've got Analytics and CRO and various other ones, biddable media, paid search and that type of thing as well and there certainly is a greater tendency to share that knowledge within SEO than in some of the other sectors […] bizarrely one of the aspects of SEO is that to be successful in search you need to be well referenced and well cited amongst other websites so that means that often SEO agencies, in the process of doing that, realise that content is a good way of doing that, so there is certainly a tendency to share it on their website, in whitepapers, and at conferences and events. Which is kind of good for us because, it's much easier for me to find speakers willing to share innovative approaches in SEO than in Biddable media, or than analytics, or than content marketing" Newman

When asked if that had the potential to level the playing field he said:

"In SEO you can learn a lot by going to a number of free conferences and hearing what everyone else is up to. We do our podcast as well and I've had people come email me and say… "I listen to your podcast and you've taught me everything I know and I set up a business" so there's certainly that potential there that allows them to do it, but it's all in the execution, if you see what I mean. So, it's easy to get an idea of how someone else is doing something, it's very different thing to actually deliver it. But there's certainly a levelling of the playing field in terms of ideas, that's for sure." Newman

Another expert said:

"If you come up with something that allows you to do a better job than your competitors and through that you're able to win client contracts and satisfy them it

would seem a bad idea to share that but by en large the strength of internet technologies, the impact of internet technologies has been greatly enhanced by people sharing innovations. On the whole I'm in favour of it but I can see that it might be anti-competitive in some contexts […] any particular company may think what we know here allows us to not be on a level playing field and thus provide a better service to our clients and thus be more profitable or win contracts". Rospigliosi

In a follow up question asking if he thought agencies headhunt staff specifically for innovations one of the experts said:

"Oh yes! I have seen that happen myself. We specifically hired someone, I wouldn't say specifically hired, but not just for that reason but it was in their list of pros, we were discussing who to hire out for a few roles so this person worked for big agency A and the other person worked for medium agency B. Big agency A probably knew a bit more stuff and they were in comparable roles but I think that we went up going for the first one, mostly because we had already had someone from the other one." Harries

When asked if he saw this as a good or bad thing:

"It's a bit of both, it's probably a bad thing if people are leaving your agency and sharing your secrets […] initially you are going to have tricks that you are doing that no one else is doing but eventually people are going to pick that up, eventually it is going to get out and then everyone is going to start doing it and then it becomes that everyone starts doing it. And then rather than making your bit a positive, it's now just something you have to do because everyone else is doing it." Harries

He then goes on to describe it as a "search peer pressure":

"so if you are trying to sell make up and everyone within the search results has star rating snippets and you don't then you are left out, you are peer pressured somewhat into doing it, you have to do it, or you are left behind." Harries

Another expert also spoke of some of the difficulties around retaining staff within this industry and getting people that possess the correct skills.

"There's two things one you have got people that are in very senior positions that aren't actually all that experienced. The easy thing about making leaps is to change company so therefore people move a lot more quickly and they end up in senior roles.

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There's a lack of skill which means that a lot of people that are very good at one technical skill haven't necessarily got much of a business background so that can be a bit of a challenge […] You need a long-term commitment to grow something you need people that understand the culture and so on as well and if you're constantly having to retrain and kind of reskill people and you are so focused on that it drains a lots of energy from the rest of the business so it can be very expensive for a business in terms of time and management commitment to do those things and the time to be spent elsewhere. So a very clever way of retaining staff can be very helpful in terms of building the maturity of the business" Rowles

He then builds upon this:

"[Larger organisations have] time, [it can be used] to innovate, to be lazy, you can use it for any number of different things really that aren't always the most efficient but also I think it's smaller businesses they have to be more lean so you're a lot more focused on how much money is each person making and therefore it's a lot scarier to give people free time, but in the long term it's going to pay dividends and actually it's going to help you retain staff as well so I think it is important" Rowles

This is a key point about why even smaller agencies have to innovate, it also gives evidence to information given by another expert:

"perhaps historically my role within SiteVisibility was to see what other people were doing in other companies and then tell the company about it, who, you know, they're busy doing the work and my job was to be the earpiece of the company." Newman

4.4.7.5   Key Takeaways
- Staff leave companies due to a variety of reasons but tended to be around cultural elements
- It is also seen as a key way to get more money in smaller agencies where there may not always be the opportunities to progress
- Sharing innovation is thought of as promotional in nature
- It has the potential to level the playing field
- Headhunting for innovation does occur

4.4.8   Miscellaneous

Due to the nature of semi structured interviews it was felt that some of the questions asked didn't necessarily fit neatly into any of the above boxes. However, they did lead to interesting discussions and have therefore been included below.

Do you see a difference between product and service within the SEO industry?

> "So I don't see that difference, so I mean if one said the product is a website and the service is writing and designing the website then one might be able to say there is some difference [but] … its much less clear than it would be where there are physical, tangible products" Rospigliosi

Do you think people share innovations in a less formal way for example in the pub, events and that kind of thing between friends?

> "Oh yes! Brighton SEO is a great example of this. I know a few people who have, whilst the talks are great they don't typically go to the talks and they go to the after parties and they target some people that they know and just get them drunk, asking for their thoughts on something and who knows what you will find fishing. There is all sorts of really interesting stuff." Harries

When asked if companies should almost try and stop that or encourage it he replied:

> "It's a difficult thing to stop, I don't think that's that they would encourage it, but I don't think they can stop it really either. There can be negatives as people are sharing their secrets but then there are positives [such as] trying it out for free before we had to pay for it, and we got to bend the ear of the creator as it was being made, so we managed to help improve their product for them and as such we now have a license with them and we got it a bit cheaper because mates rates." Harries

4.5   Expert Interviews Connection to the Literature Review

When we compare the expert interviews to the literature "new" was considered a key component in the definition of innovation by the experts, this is confirmed with lots of the definitions available (Walker (2006), Myers and Marquis (1969), Trott (2008), Damanpour (1990), West and Farr (1990), Birkinshaw et al (2008), Ostrom et al (2010), Dotzel, Shankar and Berry (2013), Berry et al (2006)). The experts also noted within the definitions section of the interviews that they thought innovation could be used as a marketing tactic rather than true innovation. Interestingly using the concept of innovation as a marketing tactic wasn't

highlighted within the definitions literature and goes to show how the importance of appearing to advance is within this industry. Those that do make metion of the marketing are Trott (2008) who mentions the marketing of the innovative product and Berry et al (2006) who mention services perceived as new to the customer. However, Goswami and Mathew (2005) do mention that one of the benefits of innovation may be the businesses market orientation. In the experts opinion Iterative innovation was still considered innovation which backs up the thoughts of Dotzel, Shankar and Berry (2013), Audretsch, Martı´nez-Fuentes & Pardo-del-Val (2011), Schumpeters (1934), Papastathopoulou and Hultink (2012) and Rangarirai et al (2013). However, it is important to note that there wasn't a widely-used definition of innovation or creativity that the experts gave but there was an appreciation that they were similar in nature but defined in different ways which agrees with the research of Amabile (1996), Baer (2012), Isaksen et al (2011), Khandwalla (2006) and Al-Beraidi and Rickards (2006). The experts also showed some recognition of the need for business utility in innovation linking to the work of Al-Beraidi and Rickards (2006) Woodman, Sawyer and Griffin (1993) and West and Farr (1990).

The experts tended to think that lower level employees come up with innovation as they are closest to the project and managers were the ones who guided it through the business which links to work by Phillips et al (2006) and Pullen (2009). The experts also thought that innovation processes are more ad-hoc in their approach which is considered within work by Papastathopoulou and Hultink (2012). When the experts were asked there was also thought to be a lack of innovation tools to help a company, therefore, even though D'Alvano and Hidalgo (2012) say that there are a range of tools they are not being utilised within this industry. However, building upon the work by Amabile (1997) this could be because of a lack of management of those tools. The experts also stated that within smaller agencies staff may work on projects outside of work time and that time pressures permeate many parts of the innovation process. These thoughts build upon work by Zhou (1998) as autonomy may only be found at home and Hon and Chan (2012) who stated that time was necessary for the creative process.

The experts thought that companies could lose innovation through consultants leaving to pursue innovative ideas and that Innovation could therefore be thought of as a staff retention strategy. Both of these points link to Burroughs et al (2011) who said that you cannot hire and just expect creativity or the employee may leave and the idea elsewhere. The experts also felt

that Realistic targets could help to free up time for innovation which once again links back to the innovation time work of Hon and Chan (2012) but also to Zhou (1998) where it was found that negative feedback (which are a by-product of unrealistic targets) could discourage creativity. Within agencies experts thought that collaborative approaches to innovation were usually preferred which was also found by Wycoff and Snead (1999) who noted the need for collaborative innovation.

The experts said that staff leave companies due to a variety of reasons but that ultimately it tended to be around cultural elements which was also found by Olanda, Hermelinna-Laukkanen and Heilmann (2011). Therefore these elements are key as the experts said that innovation leaving the company had the potential to level the playing field which matches up with the thoughts of Chesbrough (2003). However, the experts thought that headhunting for innovation was thought to occur within the industry. There are many academics who speak about retention issues (Burroughs et al (2011), Olanda, Hermelinna-Laukkanen and Heilmann (2011) Delerue and Lejeune (2010)). In addition the BrightonSEO (2013) survey talks about the large amount of employee movement within the industry. An additional point made by the experts was that ideas can leave the business in less formal situations agreeing with the work by Delerue and Lejeune (2010) and Tidd (2006).

4.6   Conclusions

In this chapter the results from the expert interviews have been presented. They offer three distinct elements in our understanding of identification of innovation.

The first of these is background to the industry. It was important to gain this from the experts as they could provide their thoughts on the industry from a place of clarity without the difficulties and potential biases that would come from company affiliation.

Secondly, they offer up different perspectives. Through the choice of experts, a wider viewpoint of innovation within digital marketing agencies has been gained and as such we are no longer looking at the industry with a purely academic perspective. It is now possible to understand the industry on a new level as we have gained the opinions of experts that operate from within it.

Finally, this chapter has allowed us to gain a greater understanding of the main themes within the project at hand and has improved the authors own knowledge.

Through understanding the background of an industry, through different viewpoints and apportioning that knowledge to the project we are now in a much better place to continue with the study.

All three of these elements allow for a richer narrative of the industry to emerge. Furthermore, having these elements at our disposal was vital in being able to converse with the interviewees in companies, this is tackled within the next chapter.

5   Chapter 5 – Company Results

5.1   Introduction

In the previous chapter the expert results were put forward, it is now time to present the company results.

The purpose of this chapter is similar to that of the expert results chapter, to present the answers given within the interviews conducted.

A challenge faced when analysing the company research was that it could not be completed in the same way as the expert where quotes were included from most interviewees, this would generate a wall of text, losing a lot of the detailed and more nuanced points. Therefore, quotes were selected based on their contribution to the overall discussion at hand. It was important to keep in mind that none of the quotes should be chosen to prove or disprove one side without giving the other side equal merit.

5.2   Structure of the Chapter

The overall structure of this chapter is like that of the Expert interviews whereby the data has been organised in question order. This is both because there is a logical ordering to the questions and it ensures that no information is missed. The question order is:

- Opening questions
- Definitions/terminology (Understanding of the subject area)
- External influences
- Opportunity identification
- Why opportunities are pursued
- Company approach to innovation
- Open Innovation
- Uni/Closing questions

Each section of questions also follows the structure used within the expert questions. Firstly, the questions asked are listed and a summary of why those questions were put together is given. Then the propositions they are related to are listed. They the answers given are discussed and some brief takeaways and conclusions are given.

The ways in which the company interview answers relate to the expert interview answers is then considered before the chapter is concluded.

5.3   Company Overview

In total five different companies were visited with a total of 17 different interviews being completed with people from across the organisations. As discussed in the methodology chapter the interviewees came from three different levels; CEO's, Account managers and those of a Technical/Consultant level. As a reminder, the anonymity codes at the end of each quote mean the following:

- 1st Letter (Company)
- Number (Person)
- 2nd Letter (Level) – T = Top / M = Middle / B = Bottom

This was so a larger appreciation could be gained on where the innovation was originating from, the managers (top-down) or from lower level members of staff (bottom-up). In addition, it improves the depth of the study, gaining a better idea of how innovation moves into the business. It allows for different viewpoints to be gained from across the business. Finally, it helps to gain honesty and improves the validity of the results.

5.4   Company

5.4.1   Opening questions

- First of all, can you tell me about your role here at XXX?

- How did you originally get into digital marketing?

5.4.1.1   Why ask these questions

Similar to the expert interviews these questions were largely autobiographical in nature and allowed the interviewees time to get into the mentality of answering questions with longer form answers. Additionally, they allowed the interviewer to gain an insight into their current job and from the answers given determine that the questions asked in later sections would be of the correct level and would receive good answers. Although a variety of job titles for different levels are used within the digital marketing industry it was never the case that a whole set of higher, or lower level of questions were asked than initially thought of when the interviewer was given a list of people they would be interviewing. However, as is the case with semi-structured interviews occasionally questions would be asked that allowed the interviewee to expand on or clarify something that they had said. Additionally, these opening questions were originally not felt to have much use within the final analysis. However, a surprising amount of information came from how these people initially got into digital marketing.

5.4.1.2   Propositions Covered

None – Purpose of these questions was to settle the interviewee.

5.4.1.3   How did you originally get into digital marketing?

In contrast to the expert interviews only one of the heads of department and company heads had an entrepreneurial edge to their story:

> "I had my own IT support company and as part of that I kind of branched into SEO a little bit" C1M

Some higher level staff didn't:

> "I worked for a small business" A2T

> "My first career was in public relations" B4T

However, when other levels were included there were a variety of different ways of getting into the industry, including internships, working for free, moving across departments and chance meetings. No two stories were exactly the same but the overall route taken to get into

the industry were generally people who had expanding job roles that included digital and grew from there:

> "I had an internship at [company] where I didn't really realise that I was doing digital marketing but I was. I wanted to go into radio so I got in there but ended up doing a bit of a blog for them, as well as doing other audio stuff." A1B

> "I was writing a lot for free for websites and magazines and stuff and not really making any money off it. So while I was doing that I was having like, you know, waitressing jobs, just something to keep the money going." A3B

This person summed up how they got into the industry by saying:

> "[I] Kind of fell into it actually" B5T

> "Kind of fell into it actually" A3B

A point that was heard from quite a few people:

> "it was kind of by accident" B2M

One story was particularly memorable:

> "The way that I ended up working at [company] was that I was on my way to London to visit a friend, and I got on the train with my laptop, and I realised I hadn't applied for jobs for a couple of days. So I had my laptop, and started typing away, and started emailing [industry person] at the [rival company] team, just asking if there were any jobs available. And I wrote how passionate I was, and how I'd met him at [industry event], and like everyone's met [industry person] at [industry event] [LAUGHS], like he didn't remember me, although I did think he'd remember me because I was wearing a sharp suit at the time. I was so overdressed for an SEO conference it was unbelievable. And I was typing away, and this guy gets on the train and stands next to me, and I notice he sort of is taking an interest in what I'm writing. And then he says to me out of the blue, "I know that guy". I said, "ok, right so?". And he said, "he is one of my competitors your applying to work for [rival company]. My name's [name], and I work at [company]". So it was a chance meeting on a train, and I had him pinned for 40 minutes, and I had my CV and all my stuff on my laptop. I was saying, "this is what I'm interested in, I love digital marketing, I want to do this, I want to do that". And I gave him a copy of my email and CV, and he sent me a message on

twitter inviting me to come in for an interview. Then I came in for an internship and I did an internship, and then I stayed on" D2B

Very few had formal digital marketing training but most had been to university and could be considered well educated. It was often tangentially related degrees that lead people into the industry:

"I did Fine Art at university" B2M

"I did a degree in Applied Psychology and computing, which, at the time, I didn't know what I was going to do with it really, because it was learning about humans and what we do and how we see and perceive things and how we use our brains to memorise things and but the other side of it was computing, so it was kind of like the combined degree was more about how you can make computing and technology better for people" B1B

Although some did say that it was related to their degree:

"So it kind of follows on quite well with my degree, I think at the time I didn't really know what I was, how my degree would relate but it's worked out very well." B1B

5.4.1.4   Conclusions/Takeaways
- It is an industry that most don't have a formal training for
- However, most do have a degree level education
- Therefore, it is an industry that many feel they fall into rather than through career planning

5.4.2   Definitions/terminology

- How you would define innovation?

- How do you feel pre-existing knowledge influences innovation?

- Do you think there is any difference between innovation and creativity?

5.4.2.1   *Why ask these questions*

In much the same way as the experts had been asked for their definitions of key terms this was completed with the company interviews too. This enabled the interviewer to gauge an employee's understanding and better recognise their viewpoint. Whilst the interviewees were not asked to look up any information before the start of the interviews it may have happened. This couldn't be enforced and therefore it should be recognised that the answers may skew slightly more towards known definitions than had it of been possible to ensure no prior research had been completed.

5.4.2.2   *Propositions Covered*

RP2. Companies that have robust processes will believe that process should feature in the definition of innovation

5.4.2.3   *How you would define innovation?*

Within a lot of the definitions there was a link back to digital and mentioning that it was a very fast changing industry. Interviewees were only asked for a definition of innovation, not innovation in digital. This indicates a close tie between innovation and the digital marketing industry.

Many said that innovation could include building on pre-existing knowledge:

> "Innovation to me is finding ways of improving or changing things, to make them more interesting, better or more productive" B5T

> "Constant change and betterment, that's how I'd define innovation" B4T

> "Making sure that you are always improving on what you are doing. Competing, not competing but keeping up with others. Obviously digital is really fast paced and things change really quickly so just making sure that you are always improving on what you are doing and looking at what others are doing." B3B

> "generally most of the stuff out there, most of the innovation isn't true innovation it's kind of just building upon the knowledge that is already out there but making the best use of it, I guess within the constraints. So I guess innovation for one client The context

of it might be completely different compare to another client for example. It's just creating new value out of changing what we are doing, to be better in one-way shape or form or to deliver better results for either us or our client." E1T

Some stated that innovation needed a certain newness to it:

"I see innovation as a challenge, I see it as trying new things, testing new things and getting great results out of it. I see it as forward thinking, as well. I think within digital marketing that if people don't innovate then they'll be left behind, because it's a, you know, it's an industry that is evolving as I speak, right now, things are changing, so if you're not up to date with things and you're not innovating within digital marketing then you will, you know, you'll be left behind compared to your competitors. So, very forward-thinking, bigger picture ideas" B2M

"Innovation? To me, doing something that no one else has ever done, it's not that to everyone, to some people it's doing something that your company hasn't done before. It doesn't even have to be things that work, it's just trying something new, and, in our industry, that's more important than a lot of other things, because it's a very difficult industry to be bland... no, it's very easy to be very bland and, you know, down the line and not really doing anything particularly innovative, so you've really got to show that you mean business, because it's such a crowded marketplace." D2B

Whereas some recognised innovation as something that was new or an improvement:

"I'd probably say it's making a change for the better and perhaps trying new things to make something improved, whether that be a process or whether the outcome is completely different. I think it's just going through making changes, I suppose." B1B

This person then expanded on their thoughts:

"I think they can be small changes. I think you can take something, completely change what the output is, or you can innovate on a small process of that output, or a small element of that output. So, it's kind of optimising, don't want to use that too much, but it is kind of optimising what you do to make it better, more useful, so it could just be a small change, or it could be a massive change to something." B1B

Some had a very client focussed view of innovation:

> "It's kind of knowing what would be new and successful within the client's remit […]
> innovation is something that probably quickly delivers leads and sales in a nutshell".
> D1T

Through this it was possible to see that there was quite a mixed understanding of innovation and what it means within the digital marketing industry. This is both important and interesting because it is thought of as an innovative industry but without the people working within it having a clear, consistent definition of innovation this may not actually be the case.

Within the definitions there were some that identified the process of innovation without prompts. However, equally others didn't. This could mean that the process isn't of sufficient importance to fall within the definition or it could mean that it didn't occur to them. There are a series of questions regarding the process of innovation that were asked later in the interviews. However, at this stage it is important to note that process wasn't the focus of definitions, it also wasn't the case that it received no mention within the definition.

Some also showed some real passion about the definition, including words such as exciting:

> "A better way of doing something or something that is new and exciting something
> that no one has ever heard of before something no one has ever seen before." A1B

5.4.2.4   *How do you feel pre-existing knowledge influences innovation?*
Interestingly within the definitions very few of the interviewees believed in the notion of true new ideas.

Some did but even these were limited through taking benefits and learnings from previous projects:

> "So if we were an agency that was very sector specific, which we are not particularly,
> then we could develop a technology that allows innovation within the industry.
> However, if we were only making websites about socks then we could develop some
> sort of incredible new knitting pattern system then the whole industry sock industry
> would be like "oh my god that is amazing for socks, let's get on board" but we are not
> we will work with industries in a wide range from festivals to b2b marketing
> companies like (company name) Who we are working together with for example, [lists
> different industries] and that really does two things, it stops us from being too tied in
> to one particular industry and it stops us getting caught up in that and it allows us to
> take all the inputs from the diversity of all of the industries we work with, learn our

lessons everywhere we go and apply those lessons into new markets. And then that's the kind of hyper-jump but makes every client to go "okay, yeah good idea" because we have tried it out over here and it has worked well and then you tried it over there and it explodes because the market is perhaps more suited to it, or more matured and something like that, and then the idea is to cross pollinate between projects and that's really useful. In terms of what agencies are trying to get out of it, that pollination between projects, I'm not sure if it counts as innovation in your eyes but it certainly feels like innovation to our clients if you see what I mean and it is really useful to them I guess to them and it feels like an innovative approach that is being taken." A2T

Some also saw the pre-existing knowledge as being the building block to new innovation:

"I guess it is kind of like the starting point". A1B

Additionally, some saw it as a possible prediction of future success:

"Background knowledge helps you to know whether that will work or whether that won't work." A1B

5.4.2.5   Do you think there is any difference between innovation and creativity?

Many of the interviewees also seemed to be aware of the differences that exist between innovation and creativity. Whilst many weren't able to deliver what would be considered standard academic distinctions between the two there were many that could and even those that couldn't showed a high level of understanding of the issue. Additionally, many did agree that there was a difference between the two and were able to put those differences into words, impressive for what is a very abstract and semantic conversation. This again built upon the thoughts around all of the interviewees being highly intelligent and coming from well-educated backgrounds.

"I guess creativity, even if you're doing the same kind of thing that you have been doing for years on end then you can still kind of do it in a creative way ... Whereas I guess with innovation it is probably a bit more, you are obviously being creative to be innovative but maybe it is that step further than creativity. So yeah I guess in terms of levels creativity is kind of a level of doing something where innovation is maybe one step further, a step beyond that to make it new and even better than something was before." A1B

This agreement was in contrast to the disparate definitions of innovation. It is therefore clear that parts of innovation are very well understood but there are also parts that mean different things to different people.

5.4.2.6   Conclusions/Takeaways

- Overall this is probably the section of the interview that would have been most subject to prospective bias through the potential for interviewees to have investigated what innovation was before the interviews were conducted. Additionally, all interviewees were sent an overview of the project which may have guided their thinking within this section. Whilst this sounds troubling these factors have been identified and considered but due to time, ethical and practicability constrains cannot be further rectified. Additionally, the advantage of people POTENTIALLY looking up these details means that they are more educated on what innovation is (a guiding aim of academia) and would be able to provide more insight into the following questions, providing an overall gain to this project.

- Having noted the above, whilst process did feature in some definitions, it didn't in all and no pattern emerged

- Innovation within digital marketing isn't necessarily based solely on new to the market ideas, ideas new to the company are considered innovation by many

- Many felt that there were differences between innovation and creativity and they were able to express those differences

5.4.3   External Influences

- How do you feel government policy influences innovation within digital?

- To what extent does government regulation affect your day to day operations?

- How does regulation affect your ability to innovate do you think?

5.4.3.1   *Why ask these questions*

These questions were asked in order to find out how governmental policy regarding innovation affects companies operating within this sector. This was something investigated within the expert interviews and whilst not the focus of the thesis it is important to understand the external influences that affect these companies. Additionally, there are various schemes available to these companies and it was of interest to discover whether or not the companies had heard of them and took advantage of them. However, it was also important to avoid leading questions on this point as discussed further in the methodology (Chapter 3).

5.4.3.2   *Propositions Covered*

RP7. Companies within the study will be actively contributing to the overall innovative capacity of the industry

5.4.3.3   *How do you feel government policy influences innovation within digital?*

The majority of participants had a very limited understanding of the governmental influences upon the company that they own/work for. Some found it difficult to think of any influence.

"I don't know that I've come across any particular government stuff" A1B

"Nothing springs out to me." B3B

"Not sure to be honest" C1M

"Copyright is an issue, in terms of like image sourcing and stuff, we have to think about that daily. Apart from that... oh, some of the clients we met with sort of health and fitness brands and stuff and they have like regulatory bodies that govern what they can and can't say, so if we write copy for someone then we have to be, you know, bear in mind those regulations as well. Other than that I'm not [too sure]." A3B

Some lower level employees said they didn't really have to think about it:

"I don't know I don't really have to think about government regulations I will go to my manager and I'll say oh I have had this idea or go to them to the AM you know and

say I've had this idea and they might say we can't do it because the client can't do that." A5B

Some had a limited knowledge:

"It doesn't feel like a lot, no. The only times that regulations at all really affect what we do is in terms of copyright, because obviously a lot of... when we create a blog post we need to make sure we've either created a completely new image to go with it, or that you source something that's Creative Commons and also at end of it, from the other angle, if you've got some really, really great IP that you want to use for a campaign and you know that this is amazing and you don't want to let go then you've got to look at copyrighting it and I think I that kind of falls into the category of regulations, but personally other than that I don't really see any of that affecting." D2B

"Mine personally, very little. Because I don't think about it, I assume that someone else is dealing with those type of things." E2B

Very few came up with practical implications from government policy, but those that did were able to give a fairly concise, impact of the business side of things. These tended to be from higher level employees:

"Drastically. Everyone has had to innovate themselves out of the last massive recession. Which you could argue has been brought upon us by some elements of the previous government's policies. So although I haven't had a great deal of interaction with the direct result of government policy. However, things like the enterprise growth fund we have helped a lot of businesses with so yes I am feeling some of the benefits of schemes like that. As we are a provider under that scheme. Up until that point, not hugely, don't often feel the effects. The big concern for us as a business is the government's lack of understanding of the technologies and their potential, trying to impose serious curtails on the operation of the internet and the duty of ISPs, preserving the free flow of information which has allowed all of these innovations to take place. I mean that's where having a well-informed government is a really important part of the continued success of the innovation within this country in a commercial perspective because they have people fumbling around not understanding what they are closing off when they censor things, you'll rapidly find that the platforms and the tools and the communities stagnate" A2T

> "I'm pretty much certain that the cookie type legislation, well, if you call it legislation, the privacy directive from the EU and all of that legislator that's behind that have stifled innovation within website, because having cookie notices appear on a million sites just turns people off, it's like going to the shops and having a security guard at the front door, before you get in." D1T

This interviewee then went to talk more about the schemes available through the government:

> "Most of the businesses that I have spoken to haven't heard of it before. So perhaps there is some work to be done helping people find out about it. I think that they did a pretty big YouTube campaign, but I guess the companies that need help with innovation would have responded better to direct mail or something like that, yes, they could probably do a bit more because most people that I've talked to haven't heard of it before" A2T

> "The research and development scheme that they operate to allow businesses who do develop new tools and software is a big help, so we do take advantage of that scheme. It's allows us to divert resources into research and development projects with a little more security knowing that the outcomes will not just benefit our clients and our internal business processes but there is just that little bit more margin of safety within that scheme." A2T

> "Yeah I would say it is a positive one yeah. But we can always do with more help of course!" A2T

Another also mentioned funds being available:

> "I don't think I have any idea how it does. I think there are a few pots of money available. That's usually from my experience, it's been to help you grow your business, and elements of that might be innovation. But I don't necessarily think there are pots just to help you innovate. I think we have had a bit of funding, for innovation and growth program, so I guess they do go hand-in-hand. But I don't think they're throwing huge amounts of money at it" B5T

> "I would say that we can often tap into things…. have you heard of growth accelerator programs? There's lots of different funding that businesses can tap into, to enable them to develop, or enable them to grow. And I think that one of the ways in which

they can encourage innovation or creativity is by, maybe apportioning some of those grants, simply innovating a business, as opposed to growing a business. So that might be one way of doing it, actually putting a ring fence around a pot that says you can have access to this pot of funding to help you innovate your business, or help you develop in a different way. Because I think there's a difference between having to demonstrate return on an investment, and 'ok if I invest this much money thank you very much Mr Government, my business will grow, or I can get this much return'. Actually sometimes when you are innovating or developing something, or thinking creatively around solutions, you don't know what the returns going to be. So it's a bit of an experiment, so maybe if there was an experimentation port to tap into, that would be good" B4T

However, this person thought they were hidden:

"Totally hidden, because they don't really want you take the money, do they? [LAUGHS] Cos then they can say, that they've had this massive pot available to people and some people have tapped into it, and aren't they clever. But actually at the end of the budget year it all goes down onto the bottom line, so they haven't lost it" B4T

Company E had just recently heard about a scheme but talked positively of it and were using it to fund innovation:

"I would've had no opinion on that up until about a year ago when we were made aware of a Government tax back scheme called Corporation tax back scheme to help with innovation specifically that has helped to fund some of our SASS application building. So we were just funding through the Business anyway so we were kind of carving out you know money from our own profits to help, we were just doing it anyway and then just as we were starting to tune into this World a little bit more, One of our, our financial director was just at a conference and happened to be made aware of this scheme where it was almost like "wow, we can actually… " [Interviewer: You can actually get money back from that…] Yeah, it's just money back, as long as we qualify it's money back and we did qualify for some money back and it was a lovely bonus and… Yeah it's an odd one where we would probably actually do it anyway it wouldn't be the, it wouldn't stop us from doing it but it is lovely benefit to have it and it certainly facilitates The speed up of some of these things and things have been sped up in certain areas because of it. So on that basis thank you very much government,

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so it's good, I guess their challenge is but have released the money but they have zero money to promote these things so I do wonder how many of these initiatives out there, it's probably a full-time job just to go looking for them." E1T

5.4.3.4 To what extent does government regulation affect your day to day operations?

When they were asked further around how the government influenced their day to day operations some more standard responses came out, however, some still had to be prompted at this stage. This was asked to all interviewees and it was once again felt to be surprising just how many said that they felt no influence.

"I wouldn't say that government regulations affect my ability to innovate" D2B

"No, I don't think we're restricted by any particular government guidelines on marketing" B5T

"I have worked with the financial companies as well and a lots of what we did for them had to go through compliance and more often than not it was just kind of a hassle between us and the client rather than anything that a government change would make a difference to I think. It's more just a case of the client wanting to be really careful" C1M

"I'm not too sure what to say on that one really […] I honestly don't think that it does impact" C2T

5.4.3.5 How does regulation affect your ability to innovate do you think?

Some felt that "red tape" stifled innovation:

"if you've got red tape, if you've got bureaucracy preventing you from delivering commercial results for a client then everyone suffers because you can't generate wealth, you can't generate revenues for those companies, you can't... it's... I think there's always a trade-off between legislative function of a country and what the business is doing." D1T

There was also some that felt that it would be possible to circumvent the rules

"I guess if somebody puts a rule in place then it's going to stop you from doing stuff and that's an impact straight away. But then if the client wants you to do something

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or we want to do something really good for the client, yeah there is a rule in place but we can kind of go around the rule. in terms of competitions, there is a rule in place that maybe we can come at from a different way for them to enter, come up with a different way for them to communicate with us. So yeah you can kind of get around it." A1B

This person then went on to say that rules and regulations could help you to be more innovative:

"it kind of pushes you to come up with something, New, new for us, new for the client. So yeah in a way rules are put in place that obviously limit you at first and then when you can go around the rule I like to think that it gives us the opportunity to come up with some think that is a little bit more innovative. Almost pushing the boundaries, I guess." A1B

Furthermore, some didn't feel that it was so much the government itself that had an impact but instead saw Google as providing a pseudo legal framework.

"Yeah, well essentially, I mean they've got a huge monopoly really, and if anyone wants to rank well, you've got to follow whatever Google says." B1B

"You know Google, especially in this country, they have a complete monopoly. So I'm totally will to accept what they lay down, because they got themselves to where they are, by providing a really good search engine. I've never particularly disagreed with any of the guidelines that they've laid out. And as an agency…you know there are some agencies who hate Google because they're constantly trying to find their ways to trick Google, and get round it. And then Google betters them by producing some guidelines, which means they then have to change their tactics. Because we've always done, even our technically based services, we've always done it with the view of what's best for the customer, and what's going to work best for our client's customers. We've never been in a position where Google has done something, and we've been penalised, as a result of their guidelines. We're almost like, 'ah, Google are agreeing with the way that we approach that'. So you know we all roll our eyes every time Google does something which again expands their grip on everything. But I don't personally feel anger towards them for it, because I think they've got their…. but I'm much happier to follow their guidelines, than if the government tried to tell me how to run my business" B5T

> "we also have to sit within our Google guidelines, and search engine guidelines. You know, we don't just sit within those, we try and be at the cutting edge of that. Because if you don't keep within Googles guidelines, and you do stuff that they don't like, your client's campaigns fail. So we are very comfortable, keeping abreast of what's happening, in the different guidelines that we're sent, and kind of keeping on top of them". B4T

Company E linked the money they received through government schemes to a new business model that they claimed to be creating through the development of a tool. Higher level management spoke of how it freed up resource to follow that idea:

> "Yeah I think, it's certainly, So, trying to create a whole new business model here which is in effect what we are doing. So our agency business model is fairly successful and we get the world of client retainers and we understand that and it has been achieved as a business model and that's where it makes all of its money. That's been good but trying to introduce a completely new business model that helps, you might need some explanation as to why we're doing that, but it certainly helps to ease the path of doing that. Sub for the money came back from the government initiative like half of my team that are now working on this product we were all splitting our time between client work to cover all of our costs entirely versus product time so we were very much like doing it as a side thing whereas actually it got to the point where I had to stop being a side thing because we were actually getting some traction with what we were doing and we needed to dedicate sort of full-time to it. So by having that cushion it helps to make decisions quicker about moving people full on to these projects so I guess on that basis it helps." E1T

Within company E standard responses were given around data protection but more innovative uses of the law in campaigns:

> "One positive thing, we did a link building campaign, where we were looking for targets for this particular client. They appeared to be a semi government ran company, and they were doing a lot of things around exporting. And so they asked us to help build links. And it's really, really hard to get people to talk about exporting, it's like one of those drier subjects. And so I did some research, and I found that they had four or five links from government websites. And then I saw that those government websites were local councils that had business departments on each of

their websites. So I used the freedom of information act to pull a list of all government websites, and then I searched, and filtered that list down to websites that were only councils. And then I created a list, based on the back of that, of high value council websites, that we then contacted with the organisations permission.   With the permission of [company name]. And so we were able to call up these councils, and say, "hi I'm calling on behalf of [company name], about this particular thing, can I speak to someone in the business department?". And we'd talk to someone in the business department, and we'd say, "have you heard of this new product service, and if you like this service will you please", and we ended up getting 30 or 40 really high links. And they went from not being anywhere, on any pages, to being on page 1 for exporting. So we were quite happy with that success story. But that's how I think a positive government regulation, and the freedom of information and that kind of stuff does kind of help us." E3B

5.4.3.6   Conclusions/Takeaways

- Most lower level employees didn't think that regulation had an impact on their work
- Google was seen as providing a pseudo legal framework
- Some managers knew of schemes from the government that helped with the costs of innovation

5.4.4   Opportunity identification

- How are opportunities for innovation identified here?

- Do you have a process for innovation?

- Are there any factors that make innovation difficult within [Company Name]? – How do you feel these could be overcome?

- To what extent do you feel this influences employee's decision to stay at or leave the company?

- How do you go about building a company culture that encourages innovation and creativity?

- Do you have a flexible structure that is able to adapt to market needs?

- Are there any off the shelf tools can be utilised to help a company become more innovative?

5.4.4.1   Why ask these questions

These questions were asked to gain a deeper understanding of how the individual companies actually came up with new ideas. This was the primary way in which an understanding of their approach to innovation was gained. In addition, it brought insights into the ways in which innovation was encouraged and how the companies were dealing with innovation. As a whole these questions dealt with how advanced and capable of innovation each company was.

5.4.4.2   Propositions Covered

RP0. A common unified, but previously undocumented, process will exist for SME's to identify innovation opportunities within the digital marketing industry.

RP1. Companies in which the identification of innovation is actively pursued by all levels of the business will have more robust processes for doing so.

RP3. Companies that have robust processes will use innovation management tools for the identification of innovation

RP4. Innovation comes about through using the processes and tools

RP5. Companies that pursue innovation will expect to gain positive outcomes

5.4.4.3   How are opportunities for innovation identified here?

Very few of the companies had developed innovation strategies, this wasn't felt to be a surprise as it was expected that these smaller companies would be more ad-hoc in their approach to innovation.

"just have a comfortable chat about things and workout, right, what can we do for them, let's just brainstorm ideas, come up with loads of different things that we might be able to do for them and yeah start from there really I guess." A1B

"Chiefly through conversation" A2T

"I don't know […] in the past tried to put in place processes to foster innovation such as, we had a thing, a system wide by everyone could submit ideas to it and the board would look at the ideas and invite them in kind of dragons den where they'd invite people if they thought it was a good idea to pitch but we found that nobody really bothered to submit ideas. [it didn't work] I don't know why but maybe it was because they felt too pressured, submitting it through an interface and thinking that's going to go to the board and that's got my name on it. […] what I try to do in [Company Name] is pretty simple I just try and make sure that it is an environment where no one is scared to say an idea or say is that we are doing something wrong or say if they think there is a different way of doing things even if that idea is stupid they don't feel particularly, there is not a rigid structure of hierarchy or anything, we are small so it helps. There's only a few of us so it doesn't feel like you're talking to your manager when you mention an idea." C2T

Some also mentioned looking at industry blogs but as described by the experts many of these are actually behind the innovation that is actually happening within the industry:

"I guess there is kind of the other side of like reading industry blogs and Reading up on you Facebook posts for example and thinking "oh we can do that for our clients" all we can do that and go one better and make some think really cool out of it" A1B

When interviewing a new manager who had been hired for innovative expertise it was clear that company A was going through a period of change and processes were starting to be put in place:

"We actually have innovation as one of our company values. So we kind of try and push it so we are trying to have it as every day and I do you find that it is something that often gets set aside because with time in an agency, in a really fast paced agency you often get things like what have we done before that we can use. But I have come up with a process that basically is a way of capturing as much data about the client as possible which we need from sales people or the account managers before we will start work as before they didn't have any information about the client but it is really

difficult to innovate when you don't understand what the client is trying to achieve and stuff like that. So part of this is what's innovative, so what's worked for the client before, whether that's with us, previous companies or with themselves and then there is a section "what's innovative" we look at the client, it might be specifically do it that client, so for example we would say, and example is that we are working with a restaurant, something innovative to them was to use Instagram so we used Instagram but obviously for us it's not very innovative. We then have a section below saying what innovative to the market. So that really pushes the team to look at innovation as a whole, in digital marketing, across the market so that we can try and stay head and try to be… I would like to try and compete with London rather than Brighton, do you know what I mean. So I'm trying to push the team to stay ahead with that and we also… So that is the first part of the process, sorry if I'm bang on, so that's the first part of the process then we have a kick-off meeting normally with the sales people, account managers and then they will go and then we will sit there and brainstorm and I think it is really important to brainstorm because they didn't really do it a lot before but again it is time. Just giving people the time to be creative so that we can then make it an innovation." A4M

When asked if they had a process for innovation at company A interviewees said:

"I don't think so!" A1B

"I don't really know to be honest. It's a bit of a hard one to answer." A3B

"Not that I know of at the moment but I think (colleague) will be looking to do some of that very soon! I know that that is definitely on her list of things." A5B

One interviewee suggested that it would be looked at but mentioned the issue of time:

"She is always quite busy at the moment expanding the team so we are trying to fit it into what day-to-day running and then I'm sure that in the next few months there will be a process where it is look at and grown even more" A5B

Even management said:

"it happens organically and often quickly when we are faced with a challenging problem or scenario that no one can get their head around. It is often because there is a launch deadline or a set of results that don't meet expectations and that creative

> collaborative approach often just arises to solve the problem and then everyone goes
> back to their stations as it were." A2T

However, this meant that where there were measures in place to create a process for innovation they stood out. It was in two of the companies, B and E, that innovation strategies were in place and whilst they varied, staff were aware of them and you could feel that innovation had penetrated into the culture of the company. These were also the companies that were held to be the most advanced in their innovation capacity. This was because of the structures that were in place and the elements of a process for innovation that they had. These processes had a few steps but were clearly defined, in one company (company B) this innovation process took the form of an acronym, and in another (company E) it took the form of "boxes" that innovations at various stages would go into.

Within company B employees were able to talk at length describing their processes for innovation:

> "we have several kind of platforms for innovation, we have Monday morning sharing
> company meetings, where we all get together on a Monday morning, yes, it's a
> Monday morning. So, you know, some might think it's not the best time to open your
> mind and think about opportunities and where we can innovate but we ask everyone
> in the company, even myself, to come to the Monday morning meeting with a piece
> of industry news. So, it could be a new tool, it could be something else that's been
> innovative within digital and the retail arena, and everyone shares that piece of news,
> so it sparks ideas, it gets the juices flowing, and also we use that news when speaking
> to clients as well. So, we can use that kind of... if it's a new idea, we can use that as
> like, you know, our evidence that we'd like to try something new. So we do that, so
> everyone kind of shares any new knowledge together and also we have, one of our
> business values is game-changing, so innovating, that is actually one of our core values
> at (Company Name) and we have sessions called "Afternoon of Game-Changing"
> where we leave all other work behind and we all get together and we brainstorm
> ideas, come up with new strategies, new services and we do it altogether as a
> company and I think that's quite unique in a way because it's not only like the
> discipline teams doing it, but everyone's got the chance to, you know, add to that
> innovation, you know, changing things, yeah, even I have, even though I'm not a digital
> marketing expert, I get joy out of collaborating with the rest of the team on new ideas
> and just because I'm not particularly, you know, I'm not an expert within that

discipline, I may have an idea that sits completely outside that, which will add to it." B2M

"I suppose we do a lot of kind of measurement, so we measure how happy our clients are, so we've got kind of like quantitative measures of how well we're doing and how our clients see our service and that kind of gives us areas where perhaps we need to improve to help us kind of go away and think about it, improve the process and perhaps innovate, but also kind of on a service level, we take a lot of time out to review processes, how we're doing things, is there a new way we can be doing it, it seems like a very sort of fluid thing. We do it quite, on quite an ongoing basis, but also as a company, our MD is very good at we have sort of afternoons where we're all together and we take some time out to kind of look at something and improve it and I don't know, how can we turn it on its head and make it something really exciting? And so I think as an agency, we are quite forward-thinking and we do encourage innovation as a team, as well as kind of a discipline level, as well as improving stuff for clients, you know, off the back of their feedback." B1B

"We are always trying to improve on our services. So our MD, (name), is very forthcoming with innovative ideas and improving on our products. So she has this game-changing process which she has mapped out which helps you take the problem in hand and work out what needs to be changed, the ideal outcome and by going through that process you can improve on something and sort of game change it. Which works really well actually, we've done it on a few instances within our paid search discipline, natural search and also internally where a lot of our colleagues have been feeling that they are spending too much time in meetings so we use that process to work out how we can cut back on internal meetings, people have more time to do the actual work, so that's a good example of that." B3B

"We take a different approach to it, in that we don't sit and wait to uncover opportunities. We try and make them. We have three company values at Leapfrog. One of is happiness, one of them is excellence, and the other one is game changing […] I've decided that every year we will be game changing our discipline. Because things move so quickly. So every single December and January, what we will be doing is a business, is that all the different disciplines within the team, will be looking at all of the services that they do. And if they haven't already addressed how to change what we're doing, we have an annual program of big change, and then on a regular

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basis [...] One of the things that we do every Monday morning, is that we have a Monday morning stand-up meeting. So every Monday we get together for 20 minutes, and everybody has to share, over the course of a minute, something they've spotted in the industry press, that they think is of relevance to us and our clients. And by doing that, we're constantly sharing knowledge, and acting on that knowledge. And my job is to make sure that if somebody shares a great story and it sounds like it's something that we should be doing, that we follow that up, and we take action on it. Also in terms, what else do we do to innovate? Every quarter, we have a managers meeting, which is the managers of all the disciplines get together. We look at all of our clients, and we go, 'ok, how are results?', 'are they going really well?'. 'They are brilliant', if not, 'what can we do as a senior team, to brainstorm what we need to do to make that better?'. Do we need to switch up the campaign? Do we need to something else? Do we need to introduce a new service? Do we need to recommend that the client changes something that they're doing? […] So we innovate across loads of different levels. We innovate our general service, we innovate on an individual basis, on a weekly basis, by new stories we spot ourselves. On a strategic basis, we try and keep on top of innovating our client's strategies, by switching them up every kind of 3 months. And we also have 6 monthly individual client reviews as well. So we review the past 6 months, what worked? What happened? What hasn't? What's changing? In the course of the industry, and then how the next 6 months are going to look for that client. And then as an agency, [Identifying name] who's our managing director […]. Basically once a month for a couple of hours, we get together, and she leads the brain storm, of how we can do better as an agency. And how we can introduce big, new services. So we do it across the board" B4T

"One of our company values is game changing. And we made this one of our core business values probably 18 months ago, because we wanted to make sure that we were building in innovation, and constantly looking to improve what we are doing. And change the game not only for us as a business, but for our clients as well. So as a result of that, we have very specific processes that we've developed. Which we can follow to help us change the game on things, and help us innovate. So we have a structure, because some people don't find it very easy to innovate and change. What I've done is developed a set of actions which you go through, to help you break down something you want to improve, into component parts, and work through what works, what doesn't, what's the impact of that? And if we changed that, how would

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that change the outcome etc.? So that people can follow that method, so they don't have to suddenly go, 'oh here's a lovely thing over here, it's step-by-step, they're innovating without having to have that big picture thinking, which some people don't have. So we have a structure within the business, that teams have used recently, to change the game on their approach to certain things that we do. And it's not just our approach to the way we actually conduct marketing, but it's the way that we work with each other, and our internal processes as well. But also as part of having that game changing value, within the business, we reward each other, or if we're showing game changing in our day-to-day. So those boxes on the wall there, we all give each other tokens for each of the values on a monthly basis, and we will say that person really showed game changing because they did this. So it's instilling into our everyday behaviour, thinking of ways we can improve stuff, and make stuff better" B5T

This employee found the process to be helpful:

"I'm the kind of person that I have to structure innovation, I have to structure when I'm going to do it and make sure I'm prepared for it. I'm not necessarily someone that can easily go and have these amazing, "Oh let's change that, and let's change that!" So, for me it's much more of a structured approach." B1B

This person also mentioned that their line manager would be used to sense check ideas and get their support:

"I'd probably go to my Line Manager, we'd kind of evaluate all of that, figure out whether it's an important thing for right now, or something perhaps we put on the list for a bit later, and maybe just do a bit of research around what other people might be doing" B1B

Company B also had a process for reviewing their services:

"I've done that, looking at all of our services that we deliver as part of an insight strategy project as well as kind of our ongoing sort of monthly retainer work and execution work. But also things like web migration projects, so we've looked at every single element of what we do there and followed this kind of game-changing process and off the back of that it's essentially led a list of actions for us, so our kind of development plan for our sort of discipline team over the next 12 months and we've been able to prioritise stuff, high, medium, low, and sort of divvy them out between the team to make sure that they're actioned throughout the year. So, yeah, I think

that kind of process has enabled us to get to a development plan in quite a structured way, so having that structure has allowed us to be a bit more efficient I suppose in making changes and innovating on what we're doing." B1B

Within other companies innovation would either be considered when required or just be "something that is done" without any process or seemingly any identifiers. There were a variety of different reasons given for this:

One company (company A) was going through a period of change in personnel and therefore staff showed some animosity towards the current innovation practices that were happening. However, these was also a sense from within the team that with recent personnel changes that development of these processes would be forthcoming. Interestingly in this case it was left to one individual manager to be seen to be coming up with these and implementing them, meaning that whilst top level management were keen to see these changes and wanted them made there were not necessarily keen to push them through or, it seemed, very knowledgeable on what needed to be achieved. This was systematic of the entire company with two sides existing within the business. Top management seemed more focussed and trained in the development side, therefore SEO was left up to experts within it but, they were off in a silo, without that top level of management support.

> "So (Employee Name) may well have a more structured plan, you know a more iterative approach, documented process for it, which she will probably run you through when you do your interview with her, but in terms of the crossover between web development and digital marketing, not so much." A2T

The consequence of this was that members of staff- from head of department down- felt that they were their own separate team within the company.

When asked whether management helped with the organisation of innovation, one employee said:

> "Not hugely" A1B

However, sales people would feed back the wants of the customer and without any of the SEO team within these meetings many of the employees knew that promises were being made to the customer that could not be kept. This was however said to be where some innovation came from as they attempted to achieve what had been sold to the customer.

Interestingly management said they liked to include everyone:

"So often in the meeting and analysis of scoping a project a huge amount of work, sometimes speculatively, goes into making sure that we are applying the right tools, in the right sequence with the right specialists and that the client understands why we are choosing those tools and techniques and is okay with it before we start, before we start writing code or copying templates, you know that is one of the best ways that we have found around coming up against a big blockage further down the line and getting buy in from everyone, client, development, project manager, means that you come up against those difficult situations a lot less often and you don't have to innovate your way out of a pickle."A2T

And that they had a good meeting structure with clients:

"we preserve a really good system of meetings where clients are encouraged to meet all members of the team, obviously not simultaneously, but they are in courage to me to exactly is working on their project and building that trust between client and the team means that ideas can take hold and flourish even if it takes a couple of months to build momentum or for them actually start working, trust is there with the clients because they do trust us to chuck some stuff at the wall and see what sticks as it were." A2T

Whereas others said that they were not included in the process:

"most of the data comes from meetings with clients, so a couple of people in the team will have the meetings, and they'll come into the session and go "Right, well, Mr Client says he wants this, this and this" A3B

This interviewee went on to say:

"the sales guy would normally go to the meetings, he would like do the pitching, go to the meeting, secure the job, then come to the team and say "Right, this is their objective, this is what they want, blah, blah, blah" and then we'll draw up a plan on that, which is always, I think it's a bit backward. […] there's sort of a bit of an issue with someone going into a meeting and selling something without talking to the team who's going to create it, and then so, then we get strategy or skeleton document of promises that doesn't necessarily correlate with what we might think, as the "experts"" A3B

Company C had one of the weakest processes for innovation:

> "we have some tools that we are playing with that we created from scratch using APIs and things like that that we are hoping will help to identify potential clients and it's like a six step process if we are going to automate the whole thing but it is a great idea but when ideas like that are brought to the table there isn't really a set process which we probably should have. It's more of a we have got this idea but we often have to chase it because we are not doing anything with it and what's the next step and yeah it's probably not as smooth a process as it should be but it's often a case of you know we will have one of these special meetings we will talk about that idea and then it will maybe to be honest it falls apart a bit and it's a case of someone having to take responsibility and keep chasing that" C1M

Top level management within company D struggled to put into words how they identified opportunities:

> "I think we're always on the ball in terms of what could benefit clients and because we see a potential, simplistically, a potential sale with a customer, in the most positive sense, the sale is delivering success to the customer and they pay for our expertise to install it. So, we are always on the lookout for something that will help the client and for their client I imagine it is always innovative, but we tend to be familiar with it, so it doesn't necessarily... […] does it feel innovative." D1T

When asked if they had a process:

> "Nothing written down, yeah. It's more driven by commercial aspects" D1T

This was backed up by lower level employees who seemed to suggest that really, innovation was actively avoided:

> "in terms of actually identifying opportunities for innovation, it's a risky one, because client's kind of just want what's going to work and don't really want to experiment on innovative ideas" D2B

Company E had a defined process/model for their innovation but prefaced this by saying:

> "No one sets out just to say I'm going to do innovation, certainly I never have. Like I have never sat and thought here is my time for innovation. All of the initial innovation from within our agency happens on client work, that's where all the best innovation happens because it's, you are trying to figure out real world problems and you are trying to solve big challenges and you may have breakthroughs on that but it is always

through A very focused specific client problem it's never A general I think the industry is changing and therefore we should be doing something about it. […] So practically actually focusing on delivering Great work or jumps in work for a client is where the innovation happens but it is then what do you do with it post that, how do you share that with other teams and then with the rest of the agency and how are you begin to… it's almost a decision process was that just a one off thing that you did for that client was it just a bit of innovation that is cool and moves that client forward, it's than creating a process within the agency to say that was just a one off and it is very unique to this client or is it no, this can be repeated, this can be done again and now we are going to teach other people how to do this, we are going to standardise it in some way, It becomes part of our service offering. So that has happened in those sort of stages." E1T

The interviewee then went on to describe the process:

"We almost conceptually had our business split into these three areas, so you've sorted got the active tool box of stuff that we do, or active service lines, they're our products I guess. They are just what you come to the agency to buy I guess are all of these things are all of the capability that we have got in this building. It's what ends up on appraisals, In project plans, we've got kind of Academy learning tools around all of those things, we've got fast track programs, we've got a whole knowledge base of like how we deliver this stuff and a fairly clear structure you know we've got a clear structure of people we hire to deliver this sort of stuff at various levels but then there is almost like a middle tier which is kind of like… I think that we called that (Referring to the first level) live, Live box I can't remember what the exact terminology was. And then in the middle we've kind of got this almost zone where, which is a spot for what I was just talking about then where there may be something where we are going to try something completely different on this one client, maybe because this client is more willing to take risks because that's the relationship that we have with them. So we might see a new thing that we want to play with or a new thing that we think that we want to try out, they're willing to do it so will do that with this client, we don't need to standardise it or share the knowledge around it for hire new people to do it necessarily but it's just a bit more of a kind of play area but it still tends to be something very practical and a link to client revenue so something quite obvious and the point there was that if it was done, if it was captured in this area then could it be

made repeatable then we would make a call as to whether it would move into our live box and it is shared. We actually had another kind of conceptual area. We actually had three rooms downstairs where we organised the building in this way so I could go down and show you, we had this toolbox room which contained all of the stuff that we do and that is kind of the live box and all over the walls there was, we just organised all of our service lines, people's faces and the line to it. So anyone who could walk in there could get a picture of what we do and who owns the knowledge within that area and who to go to talk to if you wanted to know a bit more about that stuff. We had another room which was all of the more experimental projects that we were doing for clients so that people could get an idea of what was going on" E1T

They also had a variety of different meetings in order to encourage sharing of ideas:

"It's shared back Thursdays and it happens every week. We've got things called bite-size briefings so people can call a 15-minute meeting for some subset of the agency and share cool stuff that is going on. We've got new news on Friday where we share back our own stuff but sometimes because a lot of that more experimental stuff quite often involves other people as well so we create spots were maybe we will work with some graphic designer that doesn't work in our building on a particular project. They'll come in and share back some of the work that they have been doing with some of our teams which is why we have got that (identifying factors-space for working). If we've got any guest speakers that are connected to us in any way working on a client then the whole agency gets to hear exactly what we are doing with that stuff, how it is going, what we are learning. So that's kind of the middle space and then there is another space to which I guess… Which we call the padded cell which was kind of a space for (staff member) who was One of the founders that I talked about, And mainly me to come up with, Because we do have a tendency to go off on flights of fancy with all these different sorts of ideas and stuff we could be doing but we could almost conceptually have the space where we could throw in different ideas for service lines or just totally different things that we could be doing there without disruption to the… Knowing that for an idea to come out of that, there is a place there, everyone knows that we are thinking about this different stuff that doesn't get anywhere near proposals for anything else unless it comes through and it was just a useful mental model really to help…"E1T

He then summarised all of this:

"Crazy padded cell, play zone but tending to be linked to real work and then just box ring when you need to standardise to some degree and Connect up with the rest of the agency." E1T

5.4.4.4   Do you have a process for innovation?

In terms of how innovation would be brought within the business it seemed that brainstorm meetings were seemingly as advanced at the innovation process got within most companies.

"Yeah I suppose brainstorming" A4M

Within company C Brainstorming was advanced as it got:

"With regards to client related stuff we have monthly brainstorm sessions so we get the whole team together and because we have the benefits of a group here we tend to pull in one or two people often different people, because we find that it is good to have new views on it like a different mind on it each month. So we might pick a couple of people that we think are quite creative just to get some new ideas to the table and we will have those monthly brainstorming sessions for big client ideas and when it comes to innovation and what we are doing internally and internal processes and things like that, that might even be related to new ways that we can automate our marketing or bring sales in and optimise our inbound marketing and that kind of thing. Again we tend to get the whole team together and have regular, well I say regular throw people into a room and throw ideas on the table" C1M

But they did identify that it was important to have a place where innovative ideas could be discussed:

"so it's by creating a culture where people are not only comfortable with coming up with ideas but also have the forum. So we have the weekly meetings which are a little bit more general we don't put a time limit on it we just have a quick catch up at the start of the week and you try to seed an idea so you say oh I've been having a think myself about our pricing model or whatever" C2T

But this manager did then understand their weakness with this approach:

"the other thing, which probably we don't do well enough, is to actually see them through so that people feel like when they come up with an idea it happens, It is a good enough idea. I think that's what lots of companies struggle with they get into a groove and carry on doing things the same way. Probably the most innovative

companies are the ones that are willing to fail often which is difficult when you're trying to hit a budget."C2T

High level management within company D had the poorest of explanations of how innovation was brought into the business:

"Yeah, I mean our environment, we work, I would have said, tirelessly in a way to make sure we don't have a political type company, and I don't mean that in a party politics type way, it's, I think, you know, we cut... I think it's more identifying people's talents, bringing on and encouraging their ideas, the ways they can contribute to the business, and so from that we get innovation, so we're looking at improving marketing and there are lots of good ideas coming from that. So, I think what the challenge is, is how much work there is to do just day-to-day, daily activities for clients, for their key business administration running that type of thing, so it is... what you're describing is it's difficult to get innovation to flourish or creativity to flourish because we lack time sometimes." D1T

Although this could have just been management not knowing what was really taking place because in another interview, a lower level employee was able to put forward a process that was followed. This was described in detail:

"identify what you want and then identify the traditional ways of getting to it and putting those to one side [get] very granular and thinking about words, so you know, for example if we do (Company Name), we'll say, "Right, let's just put a big sheet on the wall and say, right, 'what words would you associate with (Company Name) at the moment?' […] "these might not necessarily be all the words that you want to be associated with (Company Name), but the ones that are," and then you write out the ones that you want to be associated with (Company Name) and try to move towards the second group of words. From there you can distil these into ideas, so once you've got a bunch of words like, I don't know, "innovative", "popular", "interesting", you know, you'd say "Right, what is innovative? What is interesting? How do you get popular?" and then it's just a case of breaking those down and then coming up with words associated with those and then it's kind of a, just thinking by the very action of performing these tasks you're opening up your sort of – is it left or right brain? - the creative side, so you're opening up the creative potential a lot more. And it's just a process of getting people thinking.

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So from there, you know, once everyone's... once you've got basically a tonne of words up on the board, everyone would sort of pick one and then write three ideas on how to achieve that or that are around that particular thing. I mean it's quite a lot easier for a client, so for example, a hotel might be luxury, it might be about location, it might be about design. So what's design? Design is architecture, design is uniform, so it's actually is a lot easier with a more interesting client, not to say (Company Name) is not interesting but obviously what we do is very sort of spread out so it's less easy to define. So, if we take the example of a hotel, you would say, okay what does this hotel say? You know, what are the central brand points of this hotel? And yeah, like I say it would be luxury, it would be great location, and it would be about design. So, like I say, it could be architecture, uniforms, towel design, then you get really, really granular and before you know it, you've got something that's in, like for example, this hotel, like a towel, that is really as relevant to the design as the architecture and you've kind of got an idea there already, you know, you can spin something out of the towel representing the brand in a big way, rather than saying, you know, "hello, we are such-and-such brand, we are luxurious, we are in the right location, our design is excellent" you could embody that in a very small aspect of what it's about. And, yeah, it's kind of just very quick way of coming up with ideas separately and then going through them. One big part of it that's really good I've found very useful is when you take all the ideas that everyone's had, even if there's duplicates, it doesn't matter, that's good if anything, if people are coming up with similar ideas, because it shows that there's some inherent truth to them […]and of putting them on a board and everyone […] gets to write 1, 2 and 3. So, for example, they get to give 3 points to something, two points to something and one point to something. So, obviously, they've got the favourite, the second favourite, third favourite and that way you'd reach a consensus as to what the most popular ideas are. If everyone's really passionate about this one idea it'll come through, because it'll have a tonne of 3s, but it's not, you know, you shouldn't... at the same time you shouldn't disqualify one idea that everyone had as their third on the list. So, I think it's important that it's not just a case of everything is done by consensus, you don't want to design a camel its individuality has to come through. So, the process is very much one by which you identify the best ideas through consensus but then feel free to admit that it might be wrong." D2B

At the minimum this shows that management interviewed didn't know of the process but it could also show that there is a real issue of management not knowing what is being done by lower levels of staff.

Even when there were processes in place the initial stages of extracting those ideas were found to be weak. These were around team update meetings usually carried out at a specific time within the week. Here discussions would take place within the companies of work that needed to be completed by the end of time period. People tended to feel that they could bring ideas to these meetings or even just go straight to the managers but with the experts stating that innovation was usually down to a groundswell of ideas it was surprising that there wasn't any more advanced method of getting ideas from individual employees. Many said that they had their best ideas when away from work but there didn't seem to be any ways in which the companies capitalised on this idea. Some said that they would email themselves:

> "I'd probably email myself straight away. I've done that before, I've emailed the team on like a Saturday night "Oh, I've seen this, it's really good" and then when I get in on Monday, I've completely forgotten I'd done it, and I've accidentally deleted it or whatever. It's like when you have... when you wake up and you have a dream and you don't write it down. Yeah, I would think I would just email myself or email the team and then actually remember to talk about it." A3B

Whilst this is a good idea it does suffer from a risk of forgetting about it or it being missed within everyone's email.

During one interview the suggestion of an email address specifically for innovative ideas that may be had away from work was put forward by the interviewer and the idea was very well received.

> Interviewer Question: "Do you have any way of getting that idea immediately into the business? So, for example an email address where they can just note down an idea they've just had?"

> Interviewee Response: "Do you know, we don't actually, I'll go and do that this afternoon. Cool, thanks" B4T

This again highlighted how distinct and clear processes were not already in place using practical and easily implementable ideas, even within those companies that did have processes in place.

When asked if ideas came from when they were away from the business one said:

> "In the shower usually! I don't know really I've never really thought about it. I think it's important to bounce, brainstorm sessions do it, bouncing ideas off of each other, taking a little bit off of each person until you have this great idea. I also, one of the things that I am commented at (company name) as soon as I got there I was flexitime because I don't think that you can't will be creative within the 9-5. If someone wants to come in at 11 because they have been up for two hours in the night coding because they think it is going to be an amazing addition to our CMS, then great. Yeah, I suppose it depends, I think it really varies and will depend on the person as well." A4M

5.4.4.5   Are there any factors that make innovation difficult within [Company Name]? – How do you feel these could be overcome?

Difficulties included:

> "Time definitely! I mean the team are so busy all of the time that, you know I quite often have the team come to me and say I don't have the time to do training and I don't have time to do this and you know all of the stuff that you would think they would be driving, or you would want them to drive anyway, including coming up with innovative stuff. So I suppose there is time and costs associated with that. I think it also really depends on The type of client and how cool they are, so their perception of how cool they are. Some clients, if they are not interested in that kind of client then they do struggle so I often have to say "they are all cool!" Talking about a drainage company versus, I don't know, a festival. Anything else... I suppose, I would say peaks and troughs in the employee engagement but I would say that because that's my background but if somebody is not engaged then they are not going to want to give more and also I have worked really hard to make sure that they trust me because I think if you don't have A climate of trust then people won't come up with ideas." A4M

It therefore seems that innovation is left to employees but too much expectation is placed on them in terms of client work. Therefore, innovation feels like rhetoric from management. This creates apathy within the company and although they have a passionate manager they as a team feel as though they are fighting against higher levels (directors etc.).

> "Time. Time. [LAUGHS] I think, yeah, I mean I suppose I touched on it before, because we're quite small it's not like we have endless amounts of time that we can dedicate to innovation and I think because it is quite creative in its nature and because it does require a lot of brain power, rather than just being working robots, you know, it's

something that can take time, and I think it depends who's doing it as well, some people are naturally a bit better at innovation and are likely to be able to do it perhaps more regularly, or dedicate less time to it because they're just a bit more proficient in that area, but some people find it a bit more challenging I think." B1B

"Lack of time to do it" B4T

"Just time, I think coming up with the idea is one thing but actually following them through requires time and that is what we struggle with because there is a big focus on clients" C1M

Time was also an issue within company D where it seemed that they would come up with innovative ideas in the sales process but wouldn't necessarily be able to carry that through to delivery:

"People kind of want to get as much as they can for the smallest amount of money and that's understandable and I think that innovation, innovation requires time, it requires resources, and it requires experimentation in some cases, and it's not always what the client wants. So the ways that...the times that you do tend to come up with innovative ideas are right at the beginning where you are basically pitching for work and you'll spend time making sure that not only you deliver a promise of the things that they want, but you'll show them what you're capable of, so that part of the pitch would be a big idea, so, you know, we try to aim to provide an idea, a big idea that's going to knock their socks off, that they weren't expecting at all, that shows what we can do in terms of creativity and innovation ongoing with working with the client."D2B

5.4.4.6   *To what extent do you feel this influences employee's decision to stay at or leave the company?*

When asked about whether this affected an employee's decision to stay at or leave the company a department manager in company A said:

"Like I said I was bought in to the company because the team kept, well they had hired, they had promoted people based on their technical ability and they didn't have any management experience and the turnover within the team was huge, they were really unsettled every time anyone left, they… So then you are always on the back foot, you are always trying to catch up, you are always training someone so your innovation will suffer because you are teaching someone the basics so whilst you're getting fresh blood in I think unless... Something that I am really conscious of, but then

again I do have a background in HR, but I am watching my team like a hawk because I know that if I don't keep them interested by doing cool stuff, next weekend they are going to be so excited for this thing that we are doing, if I don't keep them entertained then they will go. So entertainment to me is doing cool stuff like, really innovative stuff that is going to make… You know they are going out to the press, they are doing all this, we are actually doing more work than the PR company for this thing so everyone is really into it and doing stuff outside of work because they are really engaged on that client." A4M

Within company B All staff tended to realise the importance of personality on innovation:

"I'd probably bring that back to people's personality traits and how they typically prefer to work. We do things like – I don't know if you've come across the Myers Briggs personality profiles – it's where you can do a test and it tells you what your profiles are like at work, and we've done the exercise ourselves and sort of we know what, how people like to work and there is certainly people that are I think prefer to be a bit more innovative, more creative, work more spontaneously, a bit more on the fly, and there are others that don't. So, perhaps, I think it depends on your, what you get from your position and what you are, you know, I suppose your personality." B1B

"I think it completely depends on your personality, and some people find it hard to look at a blank piece of paper and just be like "Okay, right, I need to do something, I need to change this", so actually having a system whereby there's a start and there's a middle and then there's an end, I think it really helps a lot of people here, who are process-driven, and it's not limited to managers or anyone, anyone can just, you know, say, I don't think this is really working, I'm going to put it through the Game-Changing method, and also involve other people, it's not just a solitary thing and then, you know, see what happens and let's change it and test it and hopefully it will make a difference." B2M

Personality was also felt to be a difficulty:

"Just having certain types of people. There are certain kinds of analytical minds that need to be present in a business like ours. Who therefore have, as a real skill, tactical processing ability. But then, find it really, really hard to step out of the day-to-day, and think big picture, visualise potential outside things. So that's where, particularly myself and [Staff Name] on the board. We are very much big picture thinkers, so

that's when we have to step in and help people to see. Or buy into an ultimate vision, and then work back, and see how we can change day-to-day style." B5T

Company C very much linked it to time and management resource:

"Yeah I think about as long as they can keep on top of things and get support then I think it is all right I think when people start to get frustrated and think about leaving is when they get more and more overloaded and there doesn't seem to be a solution and no one is looking for a solution and they are not getting any support and it is you know it is just going to stay the same this isn't going to get any better type of feeling I think that is when it becomes difficult." C1M

5.4.4.7   *How do you go about building a company culture that encourages innovation and creativity?*

For building a culture of innovation and creativity one said:

"sometimes you have got to run with the idea even if as the manager or the director, you don't think that it will work. You know, if you build a system where you are the last refusal, people realise that their ideas get turned down and you often have to let an idea flourish, even if you are not sure whether it is going to work or not and that is where the risky bit comes in, but if you don't allow that to happen then quite quickly I'm sure the ideas start to dry up because everyone says "no it's not worth it, that would just get turned down" A2T

Another said:

"climate of trust, I think that that is the first point. You have to have a place where people can come, aren't scared to come up with ideas because you know it is really cheesy to say "Every idea is a good idea" but it's true, people need to feel that. And so I have done, I have looked into recognition and of the links to how it enhances innovation and actually I nearly got involved with an innovation management platform A bit like Yammer but it was, I can't remember, are we all going to be a reseller of them. But there is so much work behind recognition and also having the trust so that you can bring up ideas but also having a method of bringing up your ideas so I think that you need to facilitate that someway, whatever way is appropriate for your company organisation or whatever it is. If you don't want to get into a situation where the guy in the post room has got an amazing idea that is going to save The company millions and then the only place that they have got to go is their manager

who then takes the idea or whatever. So recognition, I don't necessarily think reward, like monetary reward. I also think that innovation time, I think if you just give people innovation time and don't really structure it, they don't know what they are doing and they don't know how to monetise anything so they just sit around playing with new frameworks or trying to come up with something completely irrelevant which is not going to make the company any money, So I think that that needs to be really well structured. In fact, that is the underpinning to all of this, people need structure to be able to innovate within because otherwise. I think if someone has given such a broad remit then it can paralyse them in a way." A4M

"I think it comes firstly from the top, you need to have the leaders that are instilling the importance of changing and showing the results. That is one of the main parts of my role in particular. Is getting 'buy in' from that entire company, the way we're heading and the vision for the business. And therefore part of that is that we change ourselves to become this amazing agency. So I think it definitely starts from there. And then from that point on, you have to instil in the managers, that they have their role to play, and make sure that their teams…. like the innovation is trickling down from the top" B5T

Another built this through a game:

"We have our golden games, I don't know if you can see over there, but we've got everybody in the agencies photo next to a little bird house. And basically every month, we have these tokens, they are like tiddlywinks, and there's 2 for game changing, 2 for excellence, 2 for happiness. And like through the month, we put tokens in people's houses, for who've we seen exhibiting these values. And at the end of every month we count them up, and at the end of our company meeting on a Friday, we do special props, which is just, 'these people did brilliant things this month'. At the end of every quarter, we do awards, so you award the people that got the most excellent votes, got the most game changing, got the most happiness votes. And we get them like a little treat." B5T

A lower level employee in company D had a very startling statement about culture:

"Time and resource means that we have to focus on the work that's coming in and the work that we're doing, as we're often reminded, the clients pay our wages so we don't really have time to sit down and brainstorm lots of fun ideas" D2B

In contrast company E had a very strong culture, were clear on it and used it as a guiding principle:

> "We have got a very strong, very important things in terms of building a company is to get clear on what the vision of the company is so everyone can get aligned on why are we here, why are we doing what we are doing. So our sort of core thing is make life better that's what we're here to do, so you're not here just to turn up, just rock up to work and do the same old thing. We are here to figure out all new cool ways to kind of selfishly make life better for ourselves. So just to demonstrate how that comes into decisions at a board level it's there was a very clear opportunity for us to open an office in Australia we have the clients waiting for us to move the business out there so it would not change it for us to innovate and move the business on in that area but then if you ask that one question will it make life better and then ask it in the context and then begin to examine it then it's like well so me, (colleague name), (colleague name) and a few others Will have to check in with the leaders of the business on that side, we can't just open it and forget it, We need to be that we need to be available so what that means, 5 o'clock calls or whatever, In the morning, it sounds quite cool to go and do it but does it make our lives better? No so it's sort of... Well we put the focus to somewhere else and it's kind of like a, should we, could we innovate within the business and how do we more money, well we could just take on more clients, We could just keep on taking floors and we could've gone along that path but we've constrained our innovation and our direction as a business by saying well no, we don't actually think that that is going to make life better so you know if you are earning £4 million from 50 people and then you just turn it into 100 people and you are in £8 million in revenue then what have you actually changed other than probably screwing with your culture you're not really actually making any more money" E1T

5.4.4.8   *Do you have a flexible structure that is able to adapt to market needs?*
When asked whether they have a flexible structure company D said:

> "we try to be flexible because different people have different skills, they come from different backgrounds, different professional level of skills. Some are familiar with video, some are familiar with search more, some are familiar with analytics and we just make sure that those are matched around and surround the client." D1T

This manager went on to say:

> "we build relationships with people who have alternative skills or even higher standard of skills [than us]" D1T

The most comprehensive answer to this question was given by company E. They showed a real understanding of the issue and how it can be an advantage:

> "we took the perspective that within digital marketing there is a lot of potential skill sets required, almost an infinite number when you're thinking of contents or creative concepts for clients, for instance what if you come up with a strategy for a client any day one of the best gaps in their strategy is great video content on their website of a certain style that will fit with the brand personality. We could've made the call that, well we basically made the call that for that kind of thing we were never going to hire, full-time hire a load of people like that for that kind of content which was kind of a decision that affects us commercially because we could have a video team but we kind of felt like that would limit creativity because or solution for most clients, if you've got a video team set up, they're not very busy, your solution for most clients would be oh they've got to do video, so we kind of made to that, and you could kind of make the same sort of thing for animation, All sorts of things graphic design, All sorts of different things so we just made the conceptual call to say well let's create a collective of people, like a trusted network but we will just developed over time which is a great thing to do in Brighton anyway and let's leverage that as our kind of... Which I think is a benefit, to be able to say your brief is this and you are looking for this kind of illustrator here to be true to the strategy and execution. We've got one graphic design a guy downstairs and if you've ever worked with a graphic designer then they are a million different flavours to graphic designers. And I would rather be in a position to use to write a graphic designer for the job rather than the one guy in the building. So we kind of went against full-service agency to a we know where we start and stop so we know when to say and here's where are we bring in these people and that benefits us because I think we end up delivering a better solution for clients and it means that we don't, we are just not constrained by the people within our own building in terms of our creative thinking so... I mean the downside of that is that you need to be really tuned in to what is available out in the market but fortunately we have got people within the building that really take an ownership of this collective they are just constantly you know out making connections with people, always going out and

checking out stuff that is relevant to our clients for the sort of companies, people and freelancers that we could be working with." E1T

5.4.4.9   Are there any off the shelf tools can be utilised to help a company become more innovative?

In terms of how ideas are shared around within the companies, some used slack and various competitors, as a communication tool. This was used to communicate ideas and almost like a chat room, to keep up contact and free up time from emails. Where one of these communication forms were in use it seemed to be liked by those using it.

> "Kind of, I see it mainly as just organisation. So yeah just use it mainly as having to do lists and obviously if you have got ideas you can see things on other people's accounts, we can post it in and say okay then let's go down this sort of route. So it is a big discussion board, a pin board I guess especially for the restaurants that we are working with where social media is obviously quite cool for them and that makes it quite cool for us. So we can just pin board does the things that we like and I guess that helps us come up with a few ideas just to kind of pin what other people are doing, inspiration in that way. Mainly it is for organisational to do lists, knowing what we have done, what needs to be done. Sort of the everyday, day to day running for the clients." A1B

Interestingly, within company B they had a very set process for innovation but then one manager, when asked about tool said:

> "But I don't think there would be a structure that would make innovation happen. Because it's so much about the energy of people. Because people have to actually undertake it. It's not like here's a guideline for HR, and if you don't do this, you will be taken to court. Innovation is a choice. And if you choose to innovate as a business, that means your heart and soul are in it, and you might need some help from people that are good at it. 'This is what we did', but if you don't choose to do it, your business is going to fail naturally, but you're not going to be closed down because of it. You just won't succeed" B4T

Company C used Trello, a collaboration tool:

> "I think ideas capture is really important so one thing that we use and find really important is Trello. We are big fans of using Trello boards up there for a number of things so we use them for clients and we use them for internal things. I've got a

number of other tools that we use as well but I would probably say that that is the most relevant." C1M

"I think that you just have to create a culture where people who are innovative flourish and stay around and maybe the tools help a little bit to facilitate that culture but you know interesting things like Skype, I'm sure that a lot of other agencies have used chat apps rather than email and that does help, it's quicker, it helps you throw ideas around." C2T

Company E used Bloomfire:

"Bloomfire, so it is a pretty cool tool to help facilitate probably a lot of the academy sessions and knowledge that people are creating. So if you went on A bite-size briefing you would have like I have just tried out Twitter advertising for the first time and I've used it on this particular client campaign and I want to share that back with everyone and then we try and encourage everyone to sort of come with a one pager on it to hand out just to encapsulate key learnings, A few checklist items for if you were to do it again what would you do and then we kind of wanted to give that a home somewhere, so it used to be on the wiki but it was quite hard to find whereas with Bloomfire it is just easier for it to have, if that was made in PowerPoint throw it in, take it up and it is just they're so everyone in the building can use it whereas with the wiki you have to learn wiki conventions and you only get the technical SEO people using the wiki which is not super great for cross pollinating ideas and stuff" E1T

Very few of the people interviewed identified that all tools that helped save time could help innovation:

"I think that probably the most interesting area for innovation is automation at the moment I am seeing more off-the-shelf packages that promised to solve my analytical problems through automation. For example, report generation and stuff like that, which may very well be the next laboursaving or may not be the next dash boarding, just taking some of the more repetitive tasks away from the team. I guess that then it is up to us to direct them on the creative and innovative path so that they don't spend the two hours saved on making more tea… I mean it is like how can I put it, business process automation frees up capacity for innovation if that kind of makes sense?" A1B

"I think there are certain tools, I suppose that they would be more communication and productivity tools for us but they kind of take a lot of the c*** out of the day and

save you having to spend time on that and therefore increasing the amount of time you have to be creative and be innovative. So I think that those would probably be the ones. I think that is one of the main tools that we are building right now." E2B

"if I'm given 7 hours to do a piece of work, it takes 3 hours to get all the data, and that gives me 4 hours to analyse it, and produce a result and insights. If I can analyse it in 15 minutes, it gives me 6 hours to analyse it and produce better insights. And it is arguable that the quality and the quantity of insights that I'll be able to produce is better, and therefore can be more innovative" E3B

Even those that said they were time limited didn't put this connection together:

"We have a load of tools that we use, but they're tools to help us do our job. They are not tools that help us innovate, I don't think" B5T

However, some couldn't think of any tools they used:

"I don't know, I'm afraid." B2M

"Not that I know of to be honest. To be honest there's probably a lot out there, there's probably a fair few out there to encourage creativity in the workplace, but I'm not particularly aware of any." D2B

5.4.4.10 Conclusions/Takeaways
- Innovation is pursued by all of the companies within the study
- Some had advanced processes in place
- Those that had the advanced processes in place were able to discuss them at length
- Those that didn't knew that innovation was something that should be pursued but struggled to discuss how it was achieved within their company
- Time is a major barrier to innovation
- A persons cultural fit to the company is important
- Tools are used to organise innovation
- Tools that save time were not usually identified as helping innovation

5.4.5   Why opportunities are pursued

- What do you think agencies expect to gain from innovation?
- Do you feel it is more advantageous to be first to market with an innovation or follow a proven method?

5.4.5.1   Why ask these questions

These questions were asked to gain an understanding of whether companies thought innovation was a good idea commercially. This is in contrast to other questions were they had been solely focussed on their own companies and instead tried to consider some of the wider issues that could influence whether or not companies within the sector pursued innovation. It was also to develop the insight gained at each company through previous questions and understand whether they thought the market was innovative. Through asking the above questions potential leading questions were avoided and instead asked the interviewees to take a step back from their own situations and consider the wider market. In their considerations many still brought in their own thoughts on the matter but the interviewees were more thoughtful of the wider nature of the questions. It also enabled the questions to be asked of lower level employees.

5.4.5.2   Propositions Covered

RP5. Companies that pursue innovation will expect to gain positive outcomes

RP7. Companies within the study will be actively contributing to the overall innovative capacity of the industry

5.4.5.3   What do you think agencies expect to gain from innovation?

In terms of what companies were expecting to gain from innovation most identified that a key reason for pursuing it was down to profit. This was the first thing most mentioned when asked but others also identified that there were other reasons a company may pursue innovation.

> "I think at the end of the day with all business it would be profits! But also with innovation I think that becomes happy staff members if you think that you can be innovative and creative then you're going to be happy in your workplace" A5B

> "Market share" B4T

> "Competitive advantage, but also undoubtedly you want to serve your customer better to continue, hopefully, a profitable relationship." D1T

> "A competitive advantage. I think that would be the main reason why we should innovate. I think there are some more altruistic aspects of it, like innovating to save time is good, because if you can save time, you can reduce work load. And that helps with employees and you can charge the same amount for doing a job twice as quick. So there's financial motivation, but there is also work considerations." E3B

One person in company B had a particularly client focused view of why innovation was pursued:

> "For us I think, because we work with retail clients, they want to see that we are ahead of the curve. It changes in digital at such a fast pace I think that we need to be seen as, especially in digital and SEO, yeah, you can't just carry on doing the same because it has changed so much so clients need to know that we are always improving upon our services and just ahead of everything really." B3B

It was also identified by some that innovation could be used as an effective promotional tool by a company. This was a reason that encompassed a variety of terms in its description but ultimately meaning the same. For example, one mentioned that it was:

> "I think first and foremost obviously there is results for the client and then that gives us good results and then obviously word-of-mouth … Obviously [being] locally based to Brighton helps a lot with that and that is really great and ideally that would bring us more clients they would see what we have done think that that is really cool and then see what we can do for them." B5T

> "To be more attractive in the market" A2T

This was also thought within company C, but in terms of gaining staff:

> "I think staff want to work in a company like that. Clients want to work with agencies that are innovative and I think back to the staff thing I think it makes things more interesting for them, it helps to bring out their creative side and the ideas side as well and what I was saying about at the beginning with keeping ahead of the game, I think that innovative companies often that that keeps them ahead of their competitors" C1M

One also mentioned the difference between competing on price and competing on innovation. This was from one of the less advanced companies in terms of their innovation strategy but it was mentioned that if a company doesn't have time for innovation then they

have to compete on price. This then leaves no time for innovation and becomes a loop. However, even if they employ talent specifically for innovation then that talent needs to "pay their way" meaning you are back to competing on price and without time for innovation that they were hired for. As mentioned this was from a less advanced company but does show why they may be less advanced and speaks to the wider time versus innovation debate. (C2T)

Another said it was key for survival:

> "I think that they would die without it personally. You don't want to be an agency that is doing… The market moves so quickly and the technology moves so quickly that if you don't innovate then you will just die. Or you'll stagnate and people won't be interested in you because you are old school. It would be like me going to my mum and saying can you do my social presence please; she would be like how do you turn it on!" A4M

Company E had a variety of expected gains from innovation, including:

> "So good portion of the reason certain people come to join (company name) is the environment of creativity and innovation that we demonstrate here so it is great for pulling in people, good people are hard to find in the agency world […] The biggest strategy of to make life better is not necessarily to scale The business and just keep on hiring, hiring, hiring. So you get into a real position of where everyone should be precious here because we should make really… You know every seat is precious because if you have got this cap you don't just hire anyone. So by demonstrating innovation and creativity you pull in good people and if you pulling good people then you can deliver Great creative […] My view is certainly innovation great creative delivers value back to the clients that such an order of magnitude that it means they want to keep paying our retainers and if they retain us as a client then that is innovation and creativity when it is applied to deliver real value. So we just need to in our space, more than ever you need to demonstrate innovation and creativity but aligned to create real business value which as a search agency you've got branding in this stuff anyway versus A lot of other industries which aren't that good at articulating return on investment back to people or translating that creativity back to here's how it impacts you. So it's important on that basis because we can leverage it in all sorts of ways but a lot of our business comes from word-of-mouth so it's like if you're doing great cool work then if somebody moves from one friend to another and then we tend

to win that brand when people move on. You can do award wins from it so like we are pretty well decorated for our work in the search space and that helps again to pull in, get awareness for great clients but equally people again so it's kind of an evolving thing and probably the other big thing is keeping people happy, like if there was no freedom to innovate I certainly would have left years ago because it is a big part of getting out of bed in the morning and just been genuinely excited to come to work is because you have got space to try new things within an environment where it is alright to muck up as long as you learn from it and you try new things. So I guess people throughout the business must feel that in different ways but I think as you begin to become more confident in our agency then you begin to realise how much freedom you do have which versus other people I know who work in house in teams you just don't get that space to innovate and that massively impacts your well-being in how you turn up to work each day which is why we are so hot on creativity and well-being because it is so influential on how creative people are or demonstrating innovations. So take care of well-being, take care of habitat, take care of that and it helps to fuel innovation." E1T

5.4.5.4 *Do you feel it is more advantageous to be first to market with an innovation or follow a proven method?*

Regarding whether it was more beneficial to be first to market or follow a proven method a mix of answers were received. Many identified advantages and disadvantages of both approaches.

"Well both are valid business strategies I don't think that one is necessarily a more advantageous than the other. if you are looking for risk versus reward ratio then they both just present different profiles. You can be incredibly risky, first to market but you might skip all of the businesses and take over that market for the next five years before your competitors turn up or you might simply come along as the second supplier but only ever secure 10% of the market and eventually be acquired or something." A2T

"There are pros and cons to each and it depends what you want to get out of it." A4M

"I would probably say first to market, because ultimately that's what everyone wants, they want to do what hasn't been done before and that's really true innovation, isn't it, I suppose, on that bigger scale. So I'd probably say the first one. I don't think you'd

necessarily be that innovative if you were just following other people's footsteps."
B1B

"First to market I think. We have a proposition that we launched, probably 18 months ago. It's a tricky balance, because if you're first to market, and you're before the market is ready to buy, then you're crash and burn and you'll be banging on about something, and investing in something, which isn't going to generate any money. If you leave it to late, then it's commoditized, and everyone's offering it. So you've got to strike it right at the right point. I personally am one for launching, as soon as it's commercially viable, but not to work until you've got a perfect product. I like it agile, I want minimum possible product that will do something, launch it, sell it, test it, refine it, move as quickly as possible" B5T

When asked how they judged whether it was ready they responded with:

"By speaking to people about it. So when you've got something you think is a product, that's buyable. I go out and speak to people I know within retail, and I also get my team leaders to speak to their clients, about, would you be interested in this? Do you think it would be beneficial etc.? And once we get some positive response, then we'll try and get our client to buy in and test it, so that we get some results. So we can then turn it into something which is sellable to the people who don't work with us already"
B5T

Almost all of the employees were able to identify that innovation was a risk but also identified that it was necessary to stay ahead of the competition. When questioned further on this, very few identified that companies could be commercially viable without innovation, it was seen as a necessity.

Management within company D was very favoured toward being first to market:

"Those that are first to market seem to be able to [...] get a critical mass, they seem to get ahead of the rest." D1T

Within this area some of the companies also considered whether or not innovation could be moved across projects. Therefore, making it beneficial to pave the way within one client and then transfer that innovation over onto other relevant clients.

"I know that time goes into developing those processes internally so we can easily transplant technologies from one side of the room to the other, from one project to

the other. So maybe it is the approach that is innovative that allows the mixing of the paints if you like, I can't say if it is. I'm sure all of our competitors are doing similar stuff so everyone is doing it in their own way, yeah I do feel that we are making a really big impact on our clients and I think that they do appreciate that we might take them to 50 ideas and 35 of them will work, two of them will work really well and the rest will fall flat on their face, but that is okay because they trust us to take some risks and try stuff that we think has a pretty good shot of working and we will walk away from the ones that don't work as well or we will just keep on trying new approaches until we find something that works." A2T

"so what if we innovate with one client, we can choose the learnings on that. That's the benefit of having a niche, definitely. And when we've brought technology into the business, we've spread the cost of that, across everyone's retainer. Because we use that technology across all of them" B5T

5.4.5.5   Conclusions/Takeaways
- The expected benefits of innovation go beyond pure profits
- Most took a measured approach as to whether it was best to be first to market over following a proven method, seeing both advantages and disadvantages to each

5.4.6   Company approach to innovation

- How do you think an individual can influence innovation here at XXX?

- In your opinion is it better to have one strong leader implementing an idea or is it more beneficial when the team collaborates and discuss' ideas?

- In your opinion is there an ideal length of time to have been in the industry to be innovative?

- Is the innovation strategy that you pursue dependant on your own resources or lead by the market?

- It has been suggested that innovation should be encouraged in all areas of a business – do you agree? If so, how do you involve everyone?

- In what ways do managers support the innovation practices here at XXX?

5.4.6.1   Why ask these questions

This set of questions was asked to understand the ways in which the company approaches innovation and builds upon the previous questions asked. This sought to understand some of the finer aspects of innovation and the ways that the company both supports and implements the strategies that they have adopted. Further to this, it enabled greater insight into the ways in which innovation is managed through the business. By asking the above questions it was possible to gain an accurate understanding of the culture within the company and how that linked to the innovations carried out.

5.4.6.2   Propositions Covered

RP0. A common unified, but previously undocumented, process will exist for SME's to identify innovation opportunities within the digital marketing industry.

RP1. Companies in which the identification of innovation is actively pursued by all levels of the business will have more robust processes for doing so.

RP3. Companies that have robust processes will use innovation management tools for the identification of innovation

RP4. Innovation comes about through using the processes and tools

RP5. Companies that pursue innovation will expect to gain positive outcomes

RP6. Companies that pursue innovation will put measures in place to protect those positive outcomes although may try to gain innovation from competitors

5.4.6.3   How do you think an individual can influence innovation here at XXX?

Most of the companies that were visited had innovation as a company value, within a mission statement or implemented by management. However, there was felt to be a difference in how it was actually implemented. Some of this came across when asked how an individual can influence innovation. Within this question it felt as though each level gave an answer that very much reflected their level within the business. Therefore, it tended to be higher level employees that that expected innovation from all of their staff, whilst they identified that innovation was important they didn't tend to mention that they as an individual also had a role to play. Middle management tended to identify that it was the company's responsibility to provide the environment for innovation and put the idea generation onto lower level employees. Finally, lower level employees tended to identify that idea generation was their responsibility/they had accountability for it.

At company A it was clear that the employees responsible for the delivery of client work had little to no contact with the client but interestingly this didn't seem to be noted as an issue by most:

> "If an individual has got even a tiny little idea that then everyone else can build on and come up with something really innovative so that way yeah. The company is obviously open enough to let everyone put their ideas out there, whether that be a little idea for others to build on or I guess with the account managers they know exactly what the client wants because they have that direct contact and stuff as well. So they know, right the client wants this, how can we do this, how can we do it the best possible or a really cool new innovative way of doing something then they have obviously got that direct contact so they can feed back into the team that way. So yeah there are lots of opportunities for each employee to come up with something or want to come up with something that will help everyone else." A1B

This was felt to be surprising based on how much many of the employees were simply cut out of client contact altogether:

> "So I think they [sales] do their planning together because then they come back to us and say we have got a new client on board and start off that way" A1B

When asked if the delivery team went to kick of meetings:

> "Possibly some of the designers and developers might go and potentially have a meeting with the clients but we don't, the team doesn't." A1B

In company B management realised that innovative ideas can come to fruition at any time and linked back to ideas coming to staff outside of work hours:

"If you've got those energetic, motivated, enthusiastic people who have developed their minds to think creatively around problems, then they will be coming up with ideas when they are in the shower. Because their brains are operating in slightly different format. If I asked you a question, if I say, 'I would like this watch, but I would really like this watch in rose gold, do you know where I can buy it?' Your immediate reaction is probably 'no'. But what happens is I've asked you that question, that question then goes into your brain and it starts processing, it starts processing. What happens is that question starts moving back into the incubation part of your brain. And what happens is, you'll wake up at 3 o'clock in the morning in about a week and go, 'oh shit yeah, H.D. Samuels', or 'I must tell her'. And you'll forget it again. So basically what's happened is the knowledge has been incubating, and then it's come back to the forefront. So that process that everybody goes through, that's why everybody has brilliant ideas in the shower, that's why everybody has a brilliant idea when they're in the gym. Because their brain has been incubating on a problem, or on a solution, or mulling something over, and then it will come up with the answer. So your subconscious is always at work, your conscious brain doesn't quite get that. And that's why the majority, if they're working hard, their brain isn't incubating stuff, because it's focussing on the work in hand. So that's why the majority of people will always have ideas. I always have an idea for the business when I'm at home or walking into work" B4T

An interviewee from company D spoke about getting groundswell to get an idea off the ground:

"By coming up with an idea and sharing it with everyone and encouraging everyone to think about it. I think everyone is in a position to, I don't know, if they've been inspired by an article they've read in the morning, to share that article and get people thinking. It's a very collaborative thing, I think. You know, there's been a bunch of ideas and there's one particular idea that I won't spoil for us, because it's actually quite neat, that came out of a joke, it genuinely came out of a silly little thing that was happening in the office and we made a joke out of it and then we thought, hang on, what if we flip that on its head and took that seriously, that could work. That might just work. And, I think you've not just got to be creative, but you've got to be creative

about the way you think and I think you need individuals that are willing to be creative and the way they think about other people's creative ideas." D2B

An interviewee from company E mentioned anyone could bring forward an idea for any area of the business:

"Well we have a very open, democratic floor or set up or however you want to think of it. People from whatever position and whatever part of the business can always raise any suggestions or ideas and often that comes from the people who work in more of the technical side of SEO, they might have a brilliant idea that's going to use something that the PR teams might use but yeah I think it is a completely open, there is no, There is no hierarchy that says you can't do this stuff because you are not of the right level and there is no nicking, you told me a good idea but I'm going to town presented as my idea, there is none of that stuff going on. So it is quite carefully managed to keep it like that. And it's happened to some people who have maybe not being here all that long, have shot up to really high and creative position is because they have shown the talent for that and that was recognised." E2B

5.4.6.4 *In your opinion is it better to have one strong leader implementing an idea or is it more beneficial when the team collaborates and discuss' ideas?*

On the question regarding strong leadership versus collaboration a mix of answers were received. Whilst this question was considered as one that may struggle as a slightly leading question in that its widely considered that innovation required collaboration and would be seen as the "correct" answer to give, the answers received didn't reflect this. Most identified the root of the question and stated that strong leaders that enabled communication were needed to get ideas implemented. Very few said purely collaboration and it was surprising how many identified this. Additionally, collaboration could have been put forward by lower level employees as a management style they would prefer to work under. This didn't seem to be the case with the majority of interviewees seeing the benefits of strong leadership.

"I feel the function of a leader is to write a plan and the plans function is to remove fear. So if people feel that there is a plan and a framework and everything is going to be fine, then they are much more likely to participate, come forward with ideas and that's the kind of structure we are here to foster. So if you come in with "oh my god we have got to make £1 million how are we going to do it?". For five minutes everyone's going to just jibber, not say anything and maybe not even come in the next day, but if you say "hey guys we have got this terrific new project, it's really exciting

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and we've got loads of budget, let's run through a few ideas" to give an extreme example, you are then facilitating that participation and that's when you get the best out of people, when they feel "yeah we've got a deadline" but you don't make it sound as impossible as it is, and then you gradually reveal the impossibility!" A2T

"there are so many different leadership styles and so many different kind of people who need different leadership styles I would say that I probably couldn't say one or the other. Personally I am a very collaborative leader of my team and in this instance we collaborate on ideas and brainstorm but I have to help implement them and to be quite strong sometimes on "no you have spent too much time on that" because otherwise people will get really into it. So I think a bit of both but it depends." A4M

Some that did identify the collaborative approach as best usually felt that there wasn't any difficulty in implementation but some contradicted themselves within their answers:

"I wouldn't say that that is an issue. I think it is better to get all ideas out into the open and I guess because we are also time limited as well within both, meetings collaboratively but also time-limited with clients as well, so maybe with a couple of things we just haven't had the time to." A1B

"Collaboration I think. Yeah. If you've got one person calling all the shots, then there'll be difference of opinions and you won't be able to challenge it and stuff". A3B

"I think people coming together and collaborating is a lot better" A5B

When asked if there was a struggle in getting this implemented they did say:

"At the end of the day it is difficult because you do need that person that will make the final decision and says "you have all made great excellent cases but this is what we're going to do". I think if it was all diplomatic then you would be fighting for days and days about one tiny issue that doesn't really matter because I think it is really difficult to strike the balance but it is a balance that needs to be found because you do need everyone's opinion but then you need someone there to say "thanks for your opinion but we are going with this one". A5B

One employee in company B sided with collaboration:

"I think when the team get together and collaborates, especially within the structure here." B3B

When asked whether implementation struggled, they answered:

"No, I think we have processes in place so that we can act upon an idea." B3B

Interestingly management within this company sided with strong leader:

"I think it's really important that it's done on a team basis, but you need a strong leader of that team. Because if you have a team that needs a collaborator on it, and then no one will then will stand up and put the stake in the ground and lead it. Then the team will just talk about it eagerly for a long time, and not do anything. But it shouldn't just be driven by one person, saying, 'we're going to change this, and this is what you're going to do'. Because if you don't get everyone involved buying into it, and why they are doing it, then they won't be up for changing, when it comes to it" B5T

This was felt to be a considered strategy, when the team felt that they were collaborating but the managers understood their roles and lead them forward.

Another higher level member of staff agreed in part but recognised the value of both and their own role within the business.:

"I think there absolutely has to be collaboration, to make sure that you work through all eventualities around an idea, to make sure it as robust as possible. Because if I have an idea for something within the business, I might think it's the most amazing thing. But if I don't discuss it with anybody, and I just go and do it, there could be loads of aspects of that idea that I hadn't thought through properly. So I totally believe in coming up with an idea, discussing it as a team, working through whether it's going to work. Then once we've got the final idea of what that looks like, one person has to be accountable for making that change happen. Otherwise it will be idea by committee, and it will just go on and on and on" B4T

Company C saw benefits from both sides:

"As far as developing those ideas go it's better to have the team together discussing those ideas because I have seen ideas start of something very small and not so impressive to a discussion growing those ideas into something really promising but at the same time I think it's really important to have someone managing the process of following it through because often if there are too many people involved in that it falls apart somewhere." C1M

Even at the highest level they realised that you may have to progress with ideas you don't necessarily think will work:

> "You have got to have an influential strong leader who gives everyone the confidence and ability to fulfil their ideas but I think you don't want that person to be the only decision maker I mean yeah you are always going to get someone who has to sign off everything but I think as a lead that you probably have to assume maybe that even if you don't think that it is a great idea I think that you have to give people the chance to prove you wrong, Because, just because it wasn't your idea doesn't mean that it isn't a good idea. So yeah it is a bit of both but you need to buy in to succeed with an idea, from other people, and also you don't want an environment where the person where the only idea is that get done all the ones that come from the boss" C2T

Company E noted the benefits of both:

> "I think it definitely varies. From time to time, if there is one strong leader then things tend to get done quicker and then that's possibly because you don't have as much discussion on the way there. If it's a more democratic thing, then you tend to have more discussion but you probably produce a better end result. People can present or suggest potential problems initially before you have spent and invested time in working before you spot it. We tend to be pretty collaborative as a general rule, as I say there is no, people have different ranks of seniority I guess but there is never a feeling that you can't say something if you are in another position. It is very much an open floor and that tends to be what works for us." E2B

This interviewee went on to note that if you had knowledge or expertise in a particular client then you could be asked to attend those meetings:

> "It does vary a little bit like they tend to always try and get a good mix of people. So, they won't just get the PR guys to do it even though they are the ones that are going to be selling those ideas, they won't just get those to do it because they want to get all of the perspectives. There will always be A couple of technical people, a couple of creatives, maybe one or two strategy people and then some account directors so it will be a really broad mix of people from various ranks and levels that will often be picked more for the relevance for the client rather than actually saying… Not just taking The top three technical people. If you've got children, then you will be invited into the brainstormed that is about kid care or kids wear. or if you are into mountain

biking it doesn't matter if you are A technical person or not, you will be in that session because you have got expert knowledge as a person who is actually using those products, so it's done like that really". E2B

5.4.6.5   In your opinion is there an ideal length of time to have been in the industry to be innovative?

Interestingly there were a variety of answers given on the length of time someone would need to be in the industry to be innovative. These were well thought out from all interviewees with some identifying that it was a fast changing industry and therefore you may need very little time to "get up to speed" as new things influence the industry regularly. However, some recognised that there would be a benefit to having a vast amount of knowledge of the industry, its history and the changes that have taken place over a period of time. Although not always the case it did seem that many of the senior positions took the viewpoint that you would need longer in the industry whereas lower levels said less time was necessary. This could show that people always feel *they* have the right level of experience, no matter how new they are to the industry.

> "I've obviously only been in the industry for about a year and a half so again I think that that is good for me as I am really fresh on everything and I'm not stuck in the past or anything so yeah like with any company a good mix is needed. Especially within this industry where everything is so fast moving." A1B

> "I don't think so no because I Think it obviously helps with experience and things like that but by having The experience you sometimes get blinkers on so you've done it in such a set way for a number of years and you can't see any other way of doing it and then someone else might come in who is new and then is like well why don't we try this and then it might completely change the way that you do it and make it brilliant again" A5B

However, some identified that it may not actually even be necessary to be in the industry to be innovative:

> "I think maybe you don't even need to be in the industry to be innovative, you could be an observer, I don't know you can just be kids who are on Facebook and have made an app and make millions of dollars because of it and that is the first step into the industry, so no." A4M

The founder of company B said:

"I think someone could walk in here on their first day and innovate something" B5T

However, they didn't think it was specific to the SEO market:

"No I think it's specific to the type of person you are. Because I'm not just talking about innovation in SEO. Yes, someone who is new, within digital, could come in, and on their first day, innovate and change, and it would be okay, because digital is a very fast moving discipline. But likewise, I could have an office manager come in, and on their first day innovate an internal process, would be just as dramatic for the business, but then it's not because it's a digital agency, it's because I've hired someone who is innovative and can spot where improvements can be made" B5T

Company C thought:

"I mean there are people out there that haven't been in the industry long and they can be I mean they are quite creative but they probably couldn't develop an idea take it and run with it or anything like that. But the people that are up there that have been there for maybe a couple of years plus could definitely." C1M

Later in the interview this was expanded upon:

"Year-ish. I think you can… Experience is important as well, you know it is not something that you can train them in really quickly and give them the experience like that so I think you can, as long as you've got time to invest in that training and support them a lot. Yeah I think after a year you can let them loose running with quite a lot really." C1M

However, top management took a different view:

"Probably zero days! I don't know, in a way I think your peak innovativeness would be early on when you are not set in any way of this is how it works."C2T

"Your start up could be innovative. You could have literally just come from a completely different background, had an idea one day, found the backing to do it and do it, I don't think you need to have been in the industry for a long time at all, although it's certainly worth seeking out doing your research" D2B

One interviewee in company E noted that sometimes new hires can be innovative, but they only create something that already exists, a previous innovation that has become the norm and that this could be considered discouraging:

"I think if you innovate and you create something that already exists, I think for me that sometimes puts people of. But for me that allows me to think that I'm actually on the right track. That if I can think of something that someone else has thought of, then that exists and someone else is doing that, that's encouraging. So someone's doing that great, what's the next step" E3B

5.4.6.6   *Is the innovation strategy that you pursue dependant on your own resources or lead by the market?*

Another question that received interesting answers was the regarding how much the companies looked into what the competition was doing versus making decisions based on their own capabilities in terms of innovation. In this question most stated that they didn't look at the competition. Those that were able to give more detailed answers to this put forward a mix of both, identifying the strengths of the company and putting in place ways in which to exploit that to cope with the market advancements.

"Vision first, so it's kind of not just resources, but the vision constrains the resources. So, you'll see the revenue is the real core KPI metric that's aligned to that. We have a revenue per head metric, how much money do we make each month, how many people are in the building, Divide it, that's how many per head. So, a lot of the innovation is around how do we increase that number, not through breaking people, but through working smarter, by doing higher value work that we can maybe charge more for, that's how we push that number up. But with the agency model we are constrained to 50 because truly we don't want to get bigger, and that is why we are exploring the second side of the SASS type of business […] because the client model is restrained by people. So, we've got 50 people, revenue per person, no matter how good someone can become there will be a cap on revenue per person on that kind of a model. Whereas on a product model, the highly optimistic view, but it's a risk, is that software, we can scale software […] The strategy to our innovation and creativity around building the product is being limited by [the number of people] and constrained by it but in a really good way". E1T

"There are bigger players that us in the game, we have browsers, we have mobile device manufacturers, we have Google. Our boats are necessarily going to be blown by the wind's, to a degree. We can select the best approach for each client subject to the current environment we are all in, us and the client. So, the market does the lead us in that regard, we are led by the prevailing technological mix but we do have a choice about how we respond to that". A2T

5.4.6.7   It has been suggested that innovation should be encouraged in all areas of a business – do you agree? If so, how do you involve everyone?

For some this was a very done at a very basic level:

> "Gathering of the whole team together […] for brainstorming" C1M

However, for others is was a key way in which they managed the business:

> "Well we have the company wide sessions once a month. So, everyone can have an input into changing something. And then I give specific targets to different parts of the business to innovate their particular accountabilities. So, it doesn't matter who you are at [Company Name], there is something that you could innovate on, and improve. So, the people that actually do the delivery work, yes they could innovate the actual digital marketing work. But my sales teams, they can innovate the way they're approaching new business. You know it goes across the business, and it's very much, that's why we built game changing as a core value for the business, so that it filtered down to every part of the business" B5T

Company E said:

> "In basic terms, [we involve people by] creating the structures that we have talked about and genuinely linking a lot of this stuff up. Really caring about the habitat and the environment that people are working in and investing in that appropriately. Creating resource space for people to actually have time to do [free] days. Everyone gets a [free] day to either go and work on something that is related to the workspace or just something completely different. You know that's very different to other agency environments where everyone gets okay you are billed at, you are 180 hours of billable work to me and therefore would I give you eight hours? No. Because we are going to max you out. So, but I think it's the right decision to take the approach that we are doing so I guess there are elements like that. Leading by example for a lot of the stuff is probably one of the other strongest ways in which leaders and managers help to facilitate innovation, just by doing it themselves. So that is the big area of focus, making sure that we are all checking in on one another." E1T

5.4.6.8   In what ways do managers support the innovation practices here at XXX?

In terms of what support was given lots of different answers were provided here. Most managers identified that it was their job to take the day to day running of the business away from the staff in order to promote successful running of the business.

> "Taking away the administrative and financial pressure, a little bit shielding if you like some of the commercial aspects from the creative teams and celebrating successes and recognising achievement. Those are the critical functions I think of the managers, imbuing confidence with a plan and then celebrating and recognising what has gone really well and then spotting opportunities across the business and within teams and between projects" A2T

It was felt that the most successful companies share that information back in digestible chunks at company meetings. Within some of the weaker companies it was identified that time made any support difficult, this was especially prevalent in company A:

> "I think that you often get situations where people think "oh I am too busy for this innovation stuff"" A4M

However, one of the lower level staff that had this individual as their manager identified their desire and passion for innovation:

> "Obviously they are really into stuff, especially (employee name)! She is all like yeah let's do something really cool you know let's get something new and exciting what can we do for this client and this client. So yeah really supportive in terms of getting asked to get the ideas. Yeah she is obviously really into innovation herself. So in terms of some of the other managers they might be more client focused, I don't think that they would ever put an idea down or shoot something away but they are a little bit more client focused. They talk to the client and staff so they might be a bit more grounded in terms of do you call staff but make sure it can be done. But yeah (employee name) is really supportive." A1B

One lower level employee that had been working there for two months said:

> "I have only been here for two months so it is difficult to know exactly how they are... [supporting innovation]" A5B

Another said:

> "There's a bit of a communication lapse sometimes with account managers and clients and then what we need the account managers to do or what they need us to do, because sometimes we need to bridge that gap a little bit." A3B

It was clear that this person wasn't happy in the way in which company A was managed and wasn't actually clear on their own role:

> "I don't think they do, I think they just, they like just, they're the client-facing people. They deal with... they kind of just manage the projects, we do the work. At my other place I was Account Manager/what I am now, which is... I don't know what I am now, like Project Manager and Account Manager. Yeah, so I suppose, I suppose we're project managers aren't we, in that we're managing the projects and they're account managers and they manage the accounts and the clients and stuff. I did both at my other place. So, it was quite hard to come here and then not have that client contact, which I was really excited about at first. But then it got a bit sort of annoying because it's just "I can just ring them up and ask, because otherwise I'm going to have through three people, to get an answer for something." So you'd be doing some work and then you think "Oh I need this, I'll have to ask this person to ask that person, they'll go to the client and then about a week later, I'll get a response" or like a few hours later, by which time, you're kind of waiting, so you're like "Oh, I'll do that later, I'll do that later" and then you get lots of half-finished jobs." A3B

In company B there was more identification of the management enabling innovation:

> "Well, really I suppose it's enabling the team to lead innovation" B1B

> "Yeah as I said our MD and insight and strategy director are really keen on that, they never want things to sit still so they are always encouraging people to come up with ideas to game change on certain things. I report into (MD) and each week she will ask me is there anything that has worked well, is there anything that we can do better, is that just a crazy idea that you think that we should do and then we might not have the budget or be able to do it but we will always reign it back in to something that is manageable. That is really encouraged." B3B

The feedback meeting also encouraged an open feeling towards the company:

> "We're a really open and honest and transparent agency, and we always have been, so everyone knows the financials in the business, they get spoken about, presented,

every month, so we could look at how we're doing before. So, we create this kind of atmosphere and environment where people can come to people with new ideas and not be afraid." B2M

"Managers have responsibility, it's a part of their job role to encourage innovation within their discipline or within their area of the business. So we expect it of them, […] we went through a programme last year of basically taking all of our processes at Leapfrog and putting them through the game-changing process. So, every single one of the managers within the business has had responsibility for supporting that." B4T

Company C took a more relaxed view:

"as much as possible we try to make it feel like they are not managers until there is something that needs managing so if there is an issue then yeah the manager steps in and manages" C2T

Company E had very advanced practices that helped deal with the time element of innovation:

"One of the things that we do is a certain portion of each person's time is always kept away, kept reserved from doing client work and stuff like that so if you have got a portion that you can use to pursue anything that you have an interest in that could be relevant for work. So it used to be that we would have about 40% of our time was available for that, that's for research and staying ahead of the game, 60% would be spent on client work and it turned out that that wasn't quite being utilised by everyone because just demands of busy clients would mean that some people weren't getting to do that. So what we do now is we have One day every month you can take what is called a (identifying factor) and that is the whole day, do whatever you want at home, in a cafe, pub, however you want to do it, where are you just spend the day doing could be research, could be going to a conference or whatever but it is your choice and as long as it is something that could potentially provide money to the business then that is fine so they allow us to do that which I think is supported across the business and managers and I think that is how people get inspired have ideas and stuff. Other stuff that is encouraged is to look outside of The marketing staff and look into other areas. So a couple of the guys went to a script writing conference. So this was budding screenwriters from around the world, a top level one with very serious people who are investing their lives into that and the guys from here went, they are not looking to write any Scripts what any films or anything like that but it is a

completely different thing but it is still innovation, it is still how do you Think, how do you plan out the stories and obviously this is all about stories within marketing. So yeah they are drawing inspiration from other areas and yeah like I say it is supported across the board." E2B

5.4.6.9 Conclusions/Takeaways

- Clear lines existed between roles of individuals within innovation
- Most realised the importance of collaboration but also identified that a strong leader would be required to see projects through to completion
- Interviewees tended to think that they had the required knowledge to innovate, regardless of length of time within the industry
- The competition wasn't given as a key reason for innovating but some were able to articulate how they utilised the strengths of the company and used those to be aware of how the market was advancing
- Most companies encouraged innovation

5.4.7   Open Innovation

- Do you think firms should share knowledge between each other?

- Do you share innovations made within the business with competitors?

- What potential advantages or disadvantages are there to SEO agencies sharing innovative knowledge between each other?

- What common factors do you think could influence an SEO's decision to leave their current company?

- What do you think can be gained by headhunting from a competitor?

- Have you ever spoken at an industry conference/event?

5.4.7.1   *Why ask these questions*

These questions were asked to discover what each companies approach to open innovation was and whether or not they thought it was a good idea to share innovations that they had made. It also allowed for an understanding of how formal those exchanges of ideas were and whether innovations were a specific factor when hiring into positions. Additionally, it sought to understand if, how and why ideas moved within the industry.

5.4.7.2   *Propositions Covered*

RP0. A common unified, but previously undocumented, process will exist for SME's to identify innovation opportunities within the digital marketing industry.

RP6. Companies that pursue innovation will put measures in place to protect those positive outcomes although may try to gain innovation from competitors

RP7. Companies within the study will be actively contributing to the overall innovative capacity of the industry

5.4.7.3   *Do you think firms should share knowledge between each other?*

When asked if they thought they should share knowledge with other companies most said that they should:

> "Yeah, definitely. Yeah because I think the industry probably wouldn't be the industry without people sharing" A1B

> "I think yeah, I think it's important to have like an industry kind of repertoire between you, I think so. Like Brighton SEO is coming up, so we'll go down to that." A3B

> "Yeah […] firms should" B1B

"Yeah, I think so." B3B

"To a point yes." B5T

"I think yeah" E3B

Company C was more willing to be secretive depending on how big the idea was:

"I think if something is a really big idea and is unique enough and could really make your company stand out then obviously it is something that you would want to keep to yourself and develop that further but as far as… I mean that things like Brighton SEO I think are great for knowledge sharing. Everyone is in the same industry and more often than not they are competitors anyway but people are standing up there saying that we have done this test and that test and this works or that works. That sort of thing I think is great because we are all trying to do the same sort of thing but they are not big ideas that is just a bit of knowledge sharing really as far as I see it so I think it depends how big it is and what it means to your company." C1M

5.4.7.4   *Do you share innovations made within the business with competitors?*
However, when asked whether they share ideas with competitors almost all said no.

"No…" A1B

"if I share mine with you, who's to say that you haven't got something terrible to show me!" A2T

"Not really, no, because I kind of feel like it's our thing and we don't want to give it away." A3B

"Not really" B1B

"I wouldn't say so, no." B5T

This was the same in company C:

"No […] with big ideas it's not something that we would want to be throwing out there because someone could easily take stuff like that and run with it quicker than we could" C1M

"We don't" C2T

It was then found that ideas that are shared are old, non-specific or purely to gain customers from a marketing angle:

"No because where I spoke a lot of the people were less knowledgeable."C1M

"No" E3B

One person at company B was quite happy to be open with information that did give then a competitive advantage within the market:

"Yeah, we speak at events. So I think we are doing an event next month where we are talking about how we are integrating the customer into all aspects of our digital marketing. Which I think is a fairly new idea may be focusing more on the customer than the actual tactic so we are going to be sharing how we are doing that and I don't know whether that would be considered… other agencies might be thinking oh we need to be saying more about this to retailers, because I think that is a really key aspect for the retailers, the customer experience." B3B

In contrast to the other companies was company E:

"I don't think [of] just the SEO industry, I see opportunities far beyond that now. […] whilst we've got some background in sharing, things like BrightonSEO and things like that but we don't tend to do a lot in that space but a big area in which we are working on right now, which I am sort of leading, is us sharing our knowledge back to the PR industry. So we have actually run workshops and things like that about the work that we do, Our background, how we fused PR skills and how will that benefits our SEO work, so we are going to completely the... Yeah going quite big in sharing with this industry to make friends and get over this we are not actually at war with each other we are actually, we've got complimentary, The beauty of having our 50 client model is that we don't need to keep on winning a load of new clients, it won't kill us to share our knowledge with other people and make Friends and actually it will be a benefit to us in a way by making friends in different industries because we will learn from them and they will learn from us. We will break down the barriers of their perceptions of us and what we are about as an agency Who come from a search background. So it's kind of, that was one point that we took, most digital agencies will say that they see a particular industry as a threat content, the PR world so we took again a positive stance on that and said what tools… so all of our tools and apps are geared towards the PR industry, and the knowledge is all geared towards the PR industry to help with

workflow and better collaboration. So we are very much coming from the lens of we will destroy you PR agencies because we know what do you know but we have got all of this extra stuff. Because there will be PR agencies saying war we can hire all of these SEO people and take… so whilst they going to go through that it's quite nice to be thinking well we are actually happy to share back so we are actually doing a lot more of that and we have created a bit more of a movement which is called we need a resolution so we are trying to take the forefront of leading The conversation about how people can actually stop being fearful of all of this sort of stuff and actually let's start getting work done again so yeah, check it out, weneedaresolution.com. And that has had a great response, but it is geared predominantly at the PR space and leaders of the PR industry to break down barriers and just have a conversation and share what we know, share back and lead the conversation moving forward." E1T

Although there were clearly still limits to this it was still mentioned by other employees from company E:

"we just had an email yesterday from one of the competitors of the product that we are making. They were asking to demo our product so they were obviously, I don't know, whether they are worried or whether they just want to keep an eye on what is going on and we were just talking about how that fits in. But essentially you don't want them to steal your ideas but it is going to be there one day so you might as well put it out in the public eye. Whether it is too soon now because we are early with the product is another question but I certainly think of the most conversations that you have with competitors the more likely you are to strike up some good relationships and maybe… It's a kind of natural human feeling that maybe I shouldn't give this stuff away but usually finally when we do we get more stuff back than we gave away anyway so…" E2B

Some lower level employees knew that they had to be cautious in sharing information at events:

"Funnily enough I met a woman from (competitor) last night and I remember thinking that they were really lovely but I shouldn't say too much because you can't really but I asked her because they have the software (software name) so I asked them about that and how are use it for their work because we received an email from it so that was kind of innovation I guess and she was quite open about it but how open is open

> I'm not sure! It's difficult but you never want to, imagine if you let something slip and it came out and I've just had too many pints! So yeah it's difficult." A5B

Within company B one manager had a very negative view of industry conferences, not being concerned about giving away too much information:

> "No, not at all. Half of those industry events are all about, you know, who's got the biggest f***ing d*** anyway, so, you know, to be quite honest, it's just about "Oh, we're amazing and you're all s***!" So, they're a bit tiresome to be honest." B4T

However, in the very next question regarding whether they encourage employees to go along to them:

> "Oh yeah, totally, yeah, we're all about sharing and kind of soaking up other people's experience." B4T

However, they then went on to explain how people only tend to be open about old ideas:

> "Sometimes it can get frustrating because we have been at the cutting edge of SEO, or natural search for such a long time that we're going and seeing stuff that people are presenting now that they think is ground-breaking, we're like "Oh f***ing hell! Do you know what, we've been doing that for years," and that gets really annoying!" B4T

This meant that companies were more likely to share ideas with potential clients at events. However, they know that the audience is unskilled so only share basic, unskilled or old ideas. This meant that sharing is seen as more of a marketing tactic.

It was expected that a lot of the sharing taking place within the industry would be informal. This was anticipated to be at events or at the pub after work. However, when asked interestingly most said that it was more formal sharing rather than informal. This included presentations and events.

The difficulty with this type of question was that the interviewees may have been conducting these type of conversations but know that they shouldn't have been. The experts felt that these type of informal conversations did go on but it is very difficult to ascertain in actuality whether they do or not. Some managers identified that the conversations may go on but also identified that there was little in the way of stopping them from happening.

5.4.7.5   What common factors do you think could influence an SEO's decision to leave their current company?

One area that was expected to reveal a heavy link to innovation was around why an employee would leave an organisation. It was thought that people would list innovative ideas as a reason for leaving their current position. However, no one listed "ideas" as a reason people might leave. The reasons listed tended to be more around freedom, time, a never-ending drive for results, lack of support.

One interviewee said:

> "The thing is with this industry it's quite... it's acceptable and its kind of common place to go to a job for two years and then move to a new one in two years and move to a new one in three years, move to another one in six months. It's not the end of the world" A3B

In one interview it was discussed whether smaller agencies suffer more from not being able to satisfy an employee's career trajectory:

> "Oh we struggle with that, we've lost really good people because we can't just create a really senior position for them, when we're a smaller agency. So those people who were always going to be on a career driven trajectory. If we get a really good few years out of them, then that's thumbs for me, and I know that we're going to lose them at some point, unless someone higher up in the business moves and goes, of their own accord." B5T

5.4.7.6   What do you think can be gained by headhunting from a competitor?

Headhunting for ideas was largely avoided with many having quite negative feelings towards the practice. It was noted by most that instead they employ the person based on their fit for the team and culture of the company.

> "We try to avoid it as much as possible, because really it's just not nice, especially in the local area. There are definitely local agencies that we wouldn't touch, we would never approach their staff. We maybe competitors but we get on well, we may not share our working practises, but we wouldn't try and poach each other's staff. But I wouldn't have any issue in approaching outside agencies, and we've done it a couple of times." B5T

Company C saw it as a better way to ascertain that people had the skills they were looking for:

"I think that headhunting is good in the sense that you can get people that you know are skilled. We were recruiting a while back and we tried Linkedin and we got a lot of applications through and 99% of them were awful. So it's hard to recruit its kind of even when a CV looks kind of decent you get them in for interview and just from looking at CV it's really hard to distinguish between who has got the knowledge there and will work well with clients and some people may say that they have got this experience or that experience whereas actually they've just been doing a bit of freelancing and they haven't got any experience before that so their kind of just really self-learning. Where is with headhunting you know those people are doing the same kind of work looking after the same kind of clients and that they tend to be the sort of people that you want. It's then just a case of are they the right fit for the company I guess." C1M

Company D saw it as an advantage:

"More knowledge, more experience, ability to, hopefully, sell more of your business to more clients. It's an investment I suppose in your business and hopefully it'll pay off." D1T

Company A took previous innovations the employee may have made into consideration but only as part of discovering that individuals talents

"I don't have the figures but it is a competitive job market we have a lot of job applications for all, across all disciplines, which gives us the opportunity to select not just on competency but also on culture. We look for examples of innovation in our potential applicants history, what have they built off their own back, what have they done that is different, what have they done that is disruptive, you know we were a lot with disruptive clients who are the disruptive force in their market who are pioneering a new cost model for example, or are changing industry standards, resetting them and everyone else is going to have to get in line, so yeah looking for that glimmer of that innovative spark in the work history or the project history of an applicant is a really good indicator of how well they will adapt to the culture, continuous sort of changing of processes and technologies"A2T

Company E realised that there was a lot of friendships within the SEO industry across businesses and capitalised on this in their hires:

> "We don't really headhunt per se. It tends to be that we get; we actively try to cultivate relationships with good people over years but we are quite hot on staff recommendations here. So it isn't uncommon for someone very good to come and work here and then they still maintain relationships with those that they thought were very good. And then when the requirement is right we may start to court those people and start today explore potential opportunities. So I guess if that fits into your definition of headhunting then to some degree we will. Again, especially because finding the right kind of people limits, it just becomes very important." E1T

Many of the businesses said that they do employ either from universities, of which there are two in Brighton, or from within the SEO community. Additionally, recommendations from existing members of staff were felt to be an important factor.

One of the reasons given from hiring graduates from the local universities was felt to be the pull that that these smaller agencies have. They didn't necessarily feel they had the reputation or budgets to entice talent from larger agencies, both in Brighton and beyond with some feeling that they are competition from other agencies within the UK was too high for the benefits package they could offer.

> "I would but my hands are slightly tied by salary bands I guess. So if I had a magic wand and budget wasn't an option yes I would go for the top, the crème de la crème of each of the agencies and bring them all together into one sort of X-Men style troop and be the best agency in town! However, salary budgets are a challenge." A4M

Company C were also limited by budgets and gave that as a reason headhunting may not be possible:

> "Yes potentially but because we are still growing and are still quite small it's whether we could pull them from a company like that. So for example we see great examples of stuff like distilled are doing and that might be internal stuff with their academy and things like that but also their client work and some of the examples of client stuff that they throw out there you think they clearly know that their stuff but at the same time they are a massive company and trying to pull someone skilled from somewhere like distilled to (Company Name) would be a real challenge you know. So yes, the answer is yes but it is whether we could or not."C1M

But also said the same reason for university graduates:

"drawing straight from the University it's a lower risk in terms of financial outlay but at the same time you are getting people with a good education and high level of skills that tend to know what they are talking about anyway because they have covered it to a certain degree maybe and more often than not they are fairly easy to train because they have got the learning built into them really" C1M

The location of Brighton was felt to contribute to the openness of the industry, both in terms of the concentration of the businesses within the area and the events that are therefore held. Brighton SEO was mentioned in many interviews across the interviews conducted and almost exclusively in a positive way.

5.4.7.7   Have you ever spoken at an industry conference/event?

Most of the interviewees had spoken at events but it tended to be at lower level or client based events. Therefore, they were often speaking to an unskilled audience and therefore didn't have to be too concerned about revealing innovations. It tended not to be a major consideration.

"I was addressing an audience of tourism business people in Brighton, which is the biggest business sector here and I wasn't too worried about revealing our methods, our methodologies or our recent successes or tactics because I felt that the industry was sort of in that phase 1 stage where everyone was grappling to get their heads around the technology. So I could present (Company Name's) solutions clearly then there was nothing to lose and we got a lot of business off the back of it and some of those clients are still with us today. Again, who are you sharing it with is the big question." A2T

"No not that one in the sense that there wasn't any SEO's at that one they were traders it was a pitch to be honest but it was more of a basic instruction for their businesses. Yeah so if I was to speak at an industry one BrightonSEO or whatever I think I would first be concerned about what I could say […] The industry is such that any tactic tip or technique works to a point before you have to move on to something else and a different way of doing it because you know you have got to Google there sort of chasing your tail for your tactic and you have got other people Who either get wind of it or stumble upon it as well and it loses its value […] So I think that that's why I'm mostly happy to give stuff away because by the time that they posted or the times that they speak about it they have moved on to something else once they have finished with it" C2T

Lower level employees were more affected by this:

> "yeah. Obviously, as an agency, it's very much like you give them the basic information
> that I guess if they did a bit of Googling they'd probably find out themselves. Obviously
> we can give them kind of our interpretation and our understanding of like what works
> best and in our experiences and stuff what's worked the best. But yeah, there was
> almost like a cut off line kind of a call to action, get them to come to us for further
> work. So yeah, it was very much you don't want to give too much away." A1B

5.4.7.8   Conclusions/Takeaways
- Most think of the industry as open
- However, most wouldn't share ideas
- Those ideas that are shared are basic, unskilled or old ideas
- No interviewees mentioned taking innovative ideas and becoming a freelancer
- Headhunting is generally frowned upon

5.4.8   Uni/Closing questions

- How do you feel universities could further support SEO agencies?

- Do you have any questions for me?

5.4.8.1   Why ask these questions

These were the closing questions of asked to the interviewee primarily intended as a tapering of the questions rather than abruptly ending the interview. They concerned questions on how the universities could further support the industry and were meant for the interviewer's own knowledge. Similar to the opening questions no real outcomes were expected from these questions. However, they once again proved to be quite informative with many giving experiences that they had had either at university themselves or providing experiences of graduate that had come through the business. This also highlighted some location and clustering aspects to the sector within the Brighton and Hove area.

5.4.8.2   Propositions Covered

RP7. Companies within the study will be actively contributing to the overall innovative capacity of the industry

5.4.8.3   How do you feel universities could further support SEO agencies?

Many of the interviewees had positive stories of people that had been hired from the local universities, in some cases including themselves. These hires were identified as a lower risk and brought the advantage of being able to be trained within the company, not bringing any bad habits from previous companies with them. However, some did note that graduates tended not to be properly prepared for the working world (B4T, B5T)

Also interviewees said it would be good to know what is being taught to students within the local universities which opens up possible knowledge transfer between practitioner and academic worlds.

Many also noted the lack of communication between the academic and practitioner world. A typical quote was:

> "[Universities could provide] Research, […] but people don't really look at university research that much when they are actually on the job, it's all blogs." A4M

However, some did have quite a negative view:

> "it is very, very rare that I can get a university graduate who understands what it's like [...], the level of excellence you have to be at in order to look brilliant in front of a client. [...] I would positively discriminate for people that hadn't gone to university

because their life experience and therefore how they hold themselves in front of a client is better than somebody that's just stepped out of a university." B4T

5.4.8.4   Do you have any questions for me?

This last question was an option where interviewees were able to add anything to the conversation and ask about the project. Many were interested in the area and were surprised at how much it encouraged them to think about innovation within their own organisations.

5.4.8.5   Conclusions/Takeaways

- Universities were generally well regarded
- Interviewees mostly wanted more communication with the universities and businesses within the Brighton digital community

5.4.9   Miscellaneous

As with the expert interviews and purely due to the nature of semi structured interviews some of the discussions moved away from the prescribed questions but still have value to the thesis. These are included below to add more to the overall context.

For example, one interviewee discussed logging time:

> Interviewer Question: "So, do you know how much time you have to spend on each client?"

> Interviewee Response: "We do now, yeah, from the beginning we do and then we dish out the tasks on that spreadsheet and say, like there's 2 hours for this task and 3 hours for that task. But sometimes what we estimate is nowhere near, it's like nothing, it's a fraction of what it takes. Like for the [client name] we went way over, because we just put so much into it but it did take time, it was a massive campaign and it wasn't just digital, it was outside, so we had to like run around the town and [staff name] and [staff name] had to work the weekend basically, and didn't get paid... well, I think they might have got paid, but we didn't log it, we didn't log that time to the client, because their time isn't billable but ours is and it's kind of if you deliver that to a client and then from the beginning they kind of expect [that to continue], so now we're in a situation where we would now have to say to them, "Right, well, we actually... it was a great success, but we did go over, this is what we're going to have to do in the future," or "Can you give us some more money to keep that level up, otherwise we're going to have to scale it back". So it's just difficult to kind of... but then I don't think even if we did have the warnings and stuff with the time, if we hadn't spent that much time on it, it wouldn't have been as successful as it was". A3B

> Interviewer Question: "Do you ever find that time ends up getting [hidden] within the system?"

> Interviewee Response: "Yes. Yeah, definitely. I've done a bit of strategic logging in my time […], because otherwise like what are you going to do, like just not do the work?" A3B

Another discussion was around whether innovation was client led:

> Interviewer Question: "Have you ever had a client come to you and say, 'I want to do this?', and it's not something you've considered before? Who leads innovation?"

Interviewee Response: "We are usually the ones trying to innovate, and say, 'try this, try this, try this'. There have been times where clients have asked us to do stuff which we don't agree with, and we think that's going down the wrong route. And we will tell them that we think that's going down the wrong route. But it's very rare and I can't record an incidence where a client has known better than us on what to do". B5T

5.5   Company Interviews Connection to the Expert Interviews

Whereas the experts had entered the industry due to their love of digital and to build financially on their interest, those working in companies had largely "fallen" into the industry. They also tended not to have a formal training although many did have a degree level of education.

The experts felt that new was a key component to the definition of innovation and this also featured in some of the definitions put forward by the company interviewees. As with the experts there was no single, agreed upon definition of innovation. The experts had also said that iterative steps forward could be considered innovation and this was also agreed upon within the company interviews where most considered that truly new ideas didn't exist and that it was a case of building upon past knowledge. Interestingly, many of the company interviewees could not only state that there were differences between innovation and creativity but they could also build upon this and reflected what the experts had said around the need for creativity to have a business use before it could be considered innovation.

In terms of governmental influences the experts said that they were helping from an economical perspective and this was seen within the company answers where some knew of funding schemes that helped with the cost of innovation. However, both the experts and company interviews stated that there were issues in finding these sources of funding. Google dominance of the search landscape had a mixed response from the experts and this was largely seen within the company interviews too but Google was seen by some as a pseudo legal framework by which they had to live by.

Although the experts thought that there may be elements of the business that should be considered before innovation all the companies that took part were pursuing innovation but to varying degrees of success. The experts thought that the processes that were in place would be ad-hoc. However, some companies did have advanced processes in place and could discuss

them at length. Time was identified as a barrier to innovation by both the experts and company interviewees with the experts saying that things were worked on at home. This was found to be the case in the company interviews were some interviewees found that they had their best ideas away from work. Whereas the experts stated that there was a lack of tools to help within innovation this didn't seem to be the case. Most of the companies were using tools for innovation and they tended to be around the organisation and management of it. However, because many of them are for communication they didn't tend to be identified as innovation tools.

The experts stated that profit was the key driver of innovation but other benefits may come of it and the company interviews followed a similar line of thinking. In regards to the question looking at whether it was more advantageous to be first to market or follow the proven method there was consensus here with both the expert and company interviewees recognising the benefits of each.

Relating to where in the organisational hierarchy ideas were generated the experts felt that managers should be putting their support behind it and managing it effectively meaning that creation of the ideas was left to the lower level employees. This was also the case in the company interviews where clear lines existed between the roles of individuals within innovation. However, collaboration was found to be key in the development of those ideas by both the experts and company interviewees. In regards to the length of time someone needed to be in the industry to be innovative it was mostly found in the expert interviews that very little experience was required. However, within the company interviews it related to how long the interviewee had been in the industry, with most people saying it took however long their own career had been to be innovative.

The experts thought that the sharing of innovations within the industry was largely promotional in nature. This was agreed upon with the company interviews when most said that firms should share knowledge with each other but when asked whether they did the answer was no. Therefore, those ideas that were shared are basic, unskilled or old ideas. Within this section of the interviews the experts largely agreed that headhunting did occur but within the company interviews it was very widely frowned upon with a potential hires' fit to the organisation being a greater factor than previous innovations. The company interviews also made no mention of employees taking innovative ideas away from the business to pursue as a freelancer whereas this was considered a possibility within some of the expert interviews.

Between both the expert and company interviews the universities were generally well respected. There were exceptions to this, with a few company interviewees having negative views. The major outcome from the discussion had around the universities is that most wanted to see more communication between the two.

5.6 Conclusions

Through conducting the company interviews it has been possible to gain knowledge from those within the industry. These are the people that are dealing with the themes of the topic on a daily basis and are as such in a great place to be able to give their perspectives.

The results of these interviews are key to the project in two very core ways. The first being the sharing of the knowledge they have, the second being an explanation of the issues and difficulties that they come up against.

They have imparted knowledge

- By gaining knowledge from people within the industry it is possible to gain an even greater understanding than would have been possible from speaking to the experts alone. Indeed, it builds upon that knowledge and allows for a rich narrative. The knowledge imparted is based upon their own practical experiences of dealing with innovation within the industry on a daily basis.

They have explained the difficulties that they face

- Through gaining an understanding of the issues that affect those working within the industry it is possible for the outcomes of this project to greater reflect the actualities. The experts were able to provide great knowledge of the industry as a whole but the company interviews were able to give a more detailed, individual, practitioner-based view of what is happening within the industry.

Having completed the presentation of both the expert and company results we are now at a stage where we can begin to consider the findings that this project has made. Within the next chapter the analysis and discussion of results can take place.

6   Chapter 6 – Analysis and Discussion of Results

6.1   Introduction

The results of both the expert and company results have now been presented. It is therefore possible to now analyse those results and discuss them. Obviously there is a huge amount that could be considered within this chapter but much the same as the results, where only quotes that contributed to the overall discussion were selected, it is vital that this stage of the project also has a great deal of focus.

In order to achieve this focus, it is important to consider the themes that emerged. This is not just from the last two chapters but also the aim of the project as a whole. Therefore, with everything that has preceded this point four key areas have emerged:

- Definition
- Model
- Time
- Open Innovation

These are also the areas that have the most to add to the current literature that exists and the analysis and discussion of the results are presented below.

6.2   Structure of the Chapter

With the above in mind this chapter has been structured around those four key points (definition, model, time and open innovation).

Firstly, a definition of Innovation is developed, specifically for the digital marketing industry. Then a model of innovation within digital marketing is put forward based on the composite best practice discovered within the interviews conducted. The concept of time constraints the industry faces is also considered. Finally, open innovation is looked at, specifically how the industry thinks of itself against the responses given within the interviews.

6.3   Definition

There were a large variety of different definitions that emerged from the interviews carried out. The interviewees were however able to give their own definitions. Sample academic definitions were taken to interviews for those that were less sure of possible answers but were only offered if the interviewee was unable to think of an answer. It was expected that these

would be used frequently. However, they were only used on 2 occasions. It therefore seems that although slightly varied, those within the digital marketing industry feel that they have a good idea of what innovation is and what it means. This was good for the overall project as it was always a goal to develop a definition that was specific and applicable to the digital marketing industry as a whole. From the variety of answers given it is clear that there is not a specific definition that currently exists. Instead there are elements that are taken from various definitions. The following definition has been developed:

"Innovation within the SEO industry is employee creativity that has gone through a process to be absorbed into a business in order to create a new idea to that company that has potential business utility"

This was one of the areas where Nvivo really did aid in the analysis of the answers interviewees gave as it enabled a better understanding of the key themes that emerged. The answers both the experts and company interviewees gave to question "How would you define innovation?" were placed into a specific node and word frequency report with synonyms was completed. This allowed for the creation of the following table where the top 25 results have been included (Table 6.1):

Word	Length	Count	Weighted Percentage (%)	Similar Words
think	5	61	4.55	consider, guess, mean, means, reason, suppose, supposed, think, thinking
innovation	10	51	4.02	creation, innovate, innovating, innovation, innovations, innovative, innovator, invented, invention, inventions, original
making	6	53	2.85	brand, build, building, crap, create, created, creating, doing', form, get, getting, give, make, makes, making, work, worked, working
something	9	31	2.59	something
things	6	30	2.50	thing, things
new	3	28	2.34	new, novel
way	3	29	2.14	agencies, agency, mean, means, way, ways
really	6	32	1.96	actually, really, truly
like	4	24	1.86	careful, compare, compared, like, probably, similar
kind	4	22	1.77	form, kind, sort
just	4	29	1.70	fairly, good, hard, just, right
one	3	20	1.67	one, ones, single
process	7	28	1.67	action, operates, process, processes, refining, work, worked, working
ideas	5	20	1.63	idea, idea', ideas, mind
better	6	18	1.50	best, better, betterment, improve, improved, improving
change	6	17	1.42	change, changes, changing
always	6	16	1.33	always, constant, constantly, ever
know	4	17	1.33	know, know', knowing, knowledge, love, loves
lot	3	17	1.32	hat, loads, lot, lots, much
different	9	15	1.25	different, differently
get	3	33	1.25	come, coming, developed, find, finding, generation, get, getting, going, start, starts
see	3	23	1.24	consider, date, figure, find, finding, look, looked, looking, picture, see, seeing, understand, view
business	8	15	1.17	business, line
done	4	11	0.92	done
people	6	11	0.92	people

Table 6.1 Word Frequency Report to "How Would You Define Innovation?"

The same process was also undertaken for the question "Do you think there is a difference between innovation and creativity?" due to the difficulty in distinguishing between these two concepts found within the literature review. The following table was generated (Table 6.2):

Word	Length	Count	Weighted Percentage (%)	Similar Words
think	5	90	8.12	believe, guess, mean, means, reason, think, thinking, thought
creative	8	85	8.11	creative, creatively, creativity, original
innovation	10	65	5.97	concept, concepts, creation, design, designers, innovate, innovating, innovation, innovative, original, pioneering
kind	4	22	2.14	kind, sort, sorts
something	9	22	2.14	something
make	4	32	2.04	clear, create, creating, drawing, established, fix, get, give, make, makes, making, name, work, working
different	9	20	1.95	difference, differences, different, differently
like	4	22	1.85	like, potentially, probably, similar
things	6	19	1.85	thing, things
need	4	18	1.69	involve, necessarily, need, needs
new	3	16	1.56	new, newness
use	3	20	1.46	applied, apply, applying, enjoyment, practical, practice, purpose, use, used, useful, using, utility
really	6	15	1.36	actually, really
ideas	5	17	1.35	idea, ideas, mind, thought
way	3	19	1.34	direction, mean, means, room, way, ways
just	4	15	1.33	good, hard, just
come	4	16	1.18	approach, come, comes, coming, get, occur
people	6	12	1.17	people
yeah	4	12	1.17	yeah
know	4	13	1.12	experience, know
process	7	14	1.04	process, work, working
quite	5	10	0.97	quite, rather
see	3	19	0.93	experience, find, finding, hear, look, looking, meeting, picture, project, projecting, see, view
product	7	10	0.88	product, products, profit
even	4	10	0.83	even, level, levels, still

Table 6.2 Word Frequency Report to "Do You Think There is a Difference Between Innovation and Creativity?"

As can be seen from the above there are several words and concepts that appear within the definition given:

"Innovation within the SEO industry is employee creativity that has gone through a process to be absorbed into a business in order to create a new idea to that company that has potential business utility"

It is important to note that simple word counts cannot paint an entire picture. It was therefore necessary to couple this with manual analysis and gain an appreciation of the concepts that were discussed throughout the length of all the interviews. This allows for the word frequencies to supply a base to which the wider concepts could build upon. If only word counts had been used to generate the definition it would be possible to miss points when a single word encapsulates many others. However, the word counts do give a clearer idea of how they were used in conjunction with this analysis and where the concepts discussed within the definition come from.

Most within the interviews identified that innovation had to have a newness to it. However, interestingly this didn't have to necessarily be new to the market, just perceived as new within the company. Innovation is also seen favourably within the industry, with a degree of excitement around it.

Through the interviews it was discovered that there was felt to be a difference between innovation and creativity. This was key as there is some debate on this within the current literature with the two terms occasionally being used interchangeably. The key difference between innovation and creativity was found to be whether or not the idea had business utility. It is easy to see how the terms innovation and creativity may be misused by the industry, with only relatively small differences between the two. Initial thoughts did seem to be towards creativity being with the person and innovation being with the business. However, the actual answer is more nuanced than this and is where the utility comes into play. Through adding this differentiator, it is much clearer to a business as to whether they have innovation that can be absorbed into the business or creativity generated by the employee. Additionally, it is important to note that the utility doesn't have to be proven or followed up, once the concept of idea control has passed into the business the idea becomes innovation as long as it has business utility as defined by that company. It is therefore possible for a potential innovative idea to be dismissed as not having utility and finish as creativity.

From what has been discovered so far the following can be said:

All innovative ideas are creative but not all creative ideas are innovative.

So, looking at this from a company viewpoint these delineators mean all innovation is creative but not all creativity is innovative. It is the crossover of these two that this under investigation within this thesis. Govindarajan (2010) states "Usually, managers equate innovation with creativity. But innovation is not creativity. Creativity is about coming up with the big idea. Innovation is about executing the idea — converting the idea into a successful business". Therefore, we can see that creative ideas might be thought of, even come into the business, but without the execution of that idea will fall short of being innovation. However, all of those ideas that do go on and undergo development will become innovation and therefore must have creativity as their origins. Please see Appendix G p352 for more on creativity gaining utility to become innovation.

This thesis identifies how businesses absorb creativity from their employees and therefore ultimately how they identify opportunities for innovation. However, as we have seen above, this PhD does not investigate the process of creativity and is instead coming from the business perspective. There must be a process, formal or informal, by which creativity is absorbed into the business and turned into innovation.

6.4 Model

Generating a model documenting the process of innovation within digital marketing agencies was an objective at the very start of this thesis. Having conducted the interviews, we are now at a stage where this can be completed. However, it is important to note that rather than coming together as a cohesive whole at the end of the project the model has been under constant development from the very initial stages.

It was found in the literature review and backed up within the interviews that generating a model for identifying innovation can be a complex process. Many people who identify themselves as "creative" feel that any process placed on that can stifle their creative ability. Therefore, could the very act of generating a process supress that creative spark that leads to innovation? The answer is possibly, it depends on the individual and the processes already in place at the specific companies. However, this thesis does not attempt to place a process onto creativity, instead it looks at how innovation is identified. Does this suffer from the same issues? The answer here is less so, dependant on the process created. When done correctly the process should allow identification of areas of responsibility and allow members of staff a greater level of autonomy, ensuring that there are structures in place enabling those staff member's opportunities to be creative and bring those ideas to the forefront to see them through to innovation. Without these clearly identified stages of identification there is more chance that creative and potentially innovative ideas can be ignored leading to missed opportunities, employee dissatisfaction and ultimately less creativity.

Therefore, whilst some may feel that it stifles their creative ability it ensures that the business can bring those creative ideas into the business on a more regular basis. These creative ideas can go on to generate competitive advantage, encouraged further by a collaborative approach. The business can continue operating, ensuring survival and far outweigh the possible negatives, especially with the correct staff in place. This further supports what the

higher performing companies mentioned, employee fit into the organisation is more important than creative ability, although it may be a by-product of it.

In reality there are many different strengths of company operating within the SEO industry. Some have very well defined innovation strategies and execute on them well. However, others have very little innovative strategy and tend to be more ad-hoc in their approach. This once again brings to the forefront that it is therefore somewhat difficult, as stated within Kelvin Newmans interview, to generate a one size fits all innovation strategy that all companies can follow. Some companies may need to improve other parts of their business before focussing on innovation.

Through analysis of the data it is possible to identify stronger and weaker companies in terms of innovation. The stronger companies seemed to be those that had processes for identification in place. They encouraged and nurtured their creative employees and cherished ideas they had, giving them opportunities to develop them and provided a structure to absorb the ideas into the business. Weaker companies had a lot to say about innovation, indicating its importance to the industry, but when investigated further did very little to encourage it, merely thinking it was just something that happened.

Bringing ideas into the business can be tricky and depends on a multitude of different factors. Whilst stronger companies within the study identified these factors and actively sought to overcome them, weaker companies did not. This was especially true of the market conditions they operated within. The strongest were able to identify the weaknesses of search and look to other industries, such as PR, to overcome these. This is already a weakening tactic as many from the PR industry are being hired into the SEO sphere and bringing the skills they possess with them. The absolute strongest look beyond this at potentially unrelated industries and see how this can be folded back in. Additionally, top level management support was always evident with employees speaking highly of their managers. This was further cemented with a lack of them vs us culture identified in middling and lower end agencies. This extended down into to culture of the company, all of the agencies investigated highlighted innovation as a priority within their mission statements. However, it was the strongest that used methods to encourage this and set a culture within the company that not just enabled sharing but stimulated it. This then enables the ideas to come forward and be developed within the business environment and be seen though to innovation.

Therefore, to recap, the best performing companies have top level management support which empower creative ideas. The company culture generates a groundswell of those ideas and there are then enablers to develop those ideas, improve feasibility and ideally lead to innovation.

For an explanation on how the model developed throughout the project please see Appendix E p333. However, the first model (Figure 6.1) is shown below in figure to provide an idea of the development it has seen over the course of the thesis.

Identify

Isolate
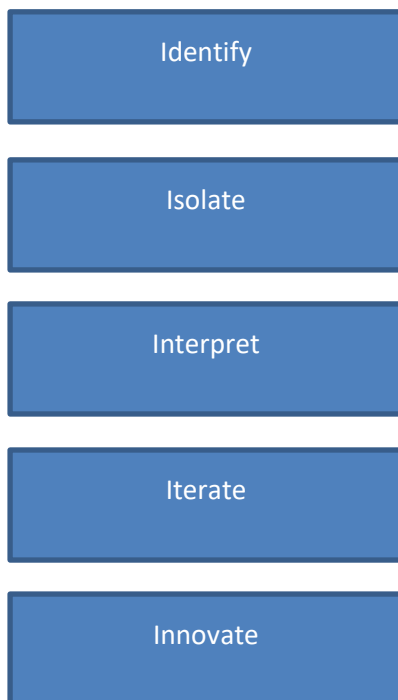
Interpret

Iterate

Innovate

Figure 6.1 Initial Model

From this initial starting point it has developed, using the findings of the literature review and interviews into the below model (Figure 6.2, p221).
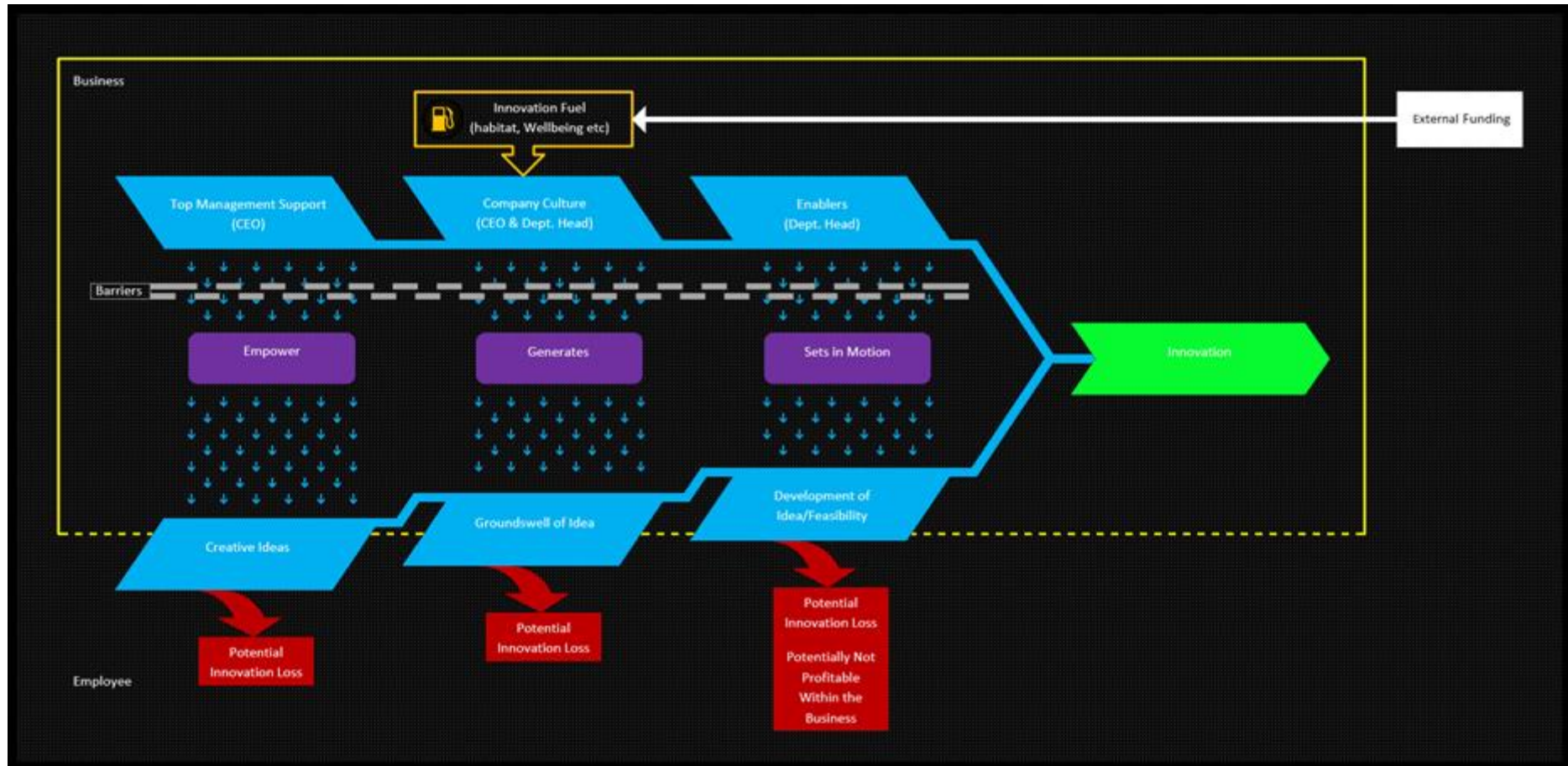
Figure 6.2 Developed Model

A key to the model is provided below:

 - Business

 - Employee

 - Business Implementations

 - Employee Creativity Efforts

 - Management Effects

 - Barriers

 - Potential Innovation Losses

 - Internal Inputs

 - External Inputs
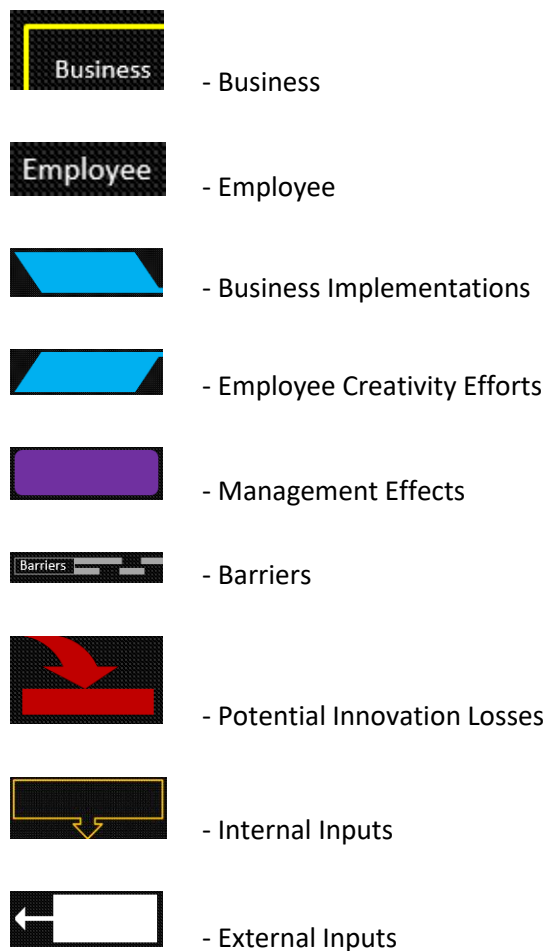
These are then discussed within appendix F on p347

Weaker companies tended to lack that top level of management support and therefore the pipeline of innovation crumbles. In this case it is left up to the employees to carry this through but they don't have the required level of support to do so it is unlikely to become truly the businesses innovation and could easily be lost.

Looking at the above model (Figure 6.2, p221) where do middle to weaker companies fall short? By far the most common and main way is in the top level of management support. It is not enough for top management to say they support innovation and move on, they must prove it. What was seen in the weaker companies was innovation was said to be encouraged but then no measures were put in place by which to actually encourage. Therefore, employees are at a stage where they know they have to be innovative but receive no help, therefore it is up to them to come up with creative ideas but have no way of doing so. They therefore look elsewhere, blogs conferences etc. This non-original idea is then brought into the company. They tended to have no way of sharing this within the company and therefore kept the idea

to themselves, not allowing any groundswell of the idea. It was then implemented into their own campaigns, regardless of fit and they ended up surprised when the idea didn't work.

The above is not an extreme case, only created for the purpose of example, it identifies a real case of what actually happens within the industry. It also identifies how, although an academic model, it can be applied to real business cases.

An additional outcome of the questions asked was that only a few of the companies mentioned that they knew of external funding available to help with the cost of innovation. This wasn't a widely tapped resource and seemed that it was only the more advanced companies that knew of it. Was this causation or correlation? It's difficult to tell and goes beyond the scope of this thesis, but it does seem that the weakest companies are unaware of its existence and may be another reason contributing to their lack of innovation skill and time.

6.4.1   Maturity Model

Maturity models typically have different levels that show a pathway that businesses can follow to improve their capability within the area. There are many different maturity models that exist focussing on different areas of the business. They also can have a different number of levels, typically having between three and five levels (Van Looy et al., 2013).

Within this study three levels have been identified throughout the work. These are strong, middling and weak companies that have had various strengths and weaknesses. Therefore, in creating this maturity model for the identification of innovation opportunities, three levels will be used. It is hoped that this will show the progression that UK based companies can take to improve their innovation capability.

By using these three levels it is possible to look at the characteristics found within the agencies and translate them into a maturity model. Through completing this it provides companies with development pathways to improve their own maturity. This is specifically focused on the identification of innovation within the UK digital marketing industry.

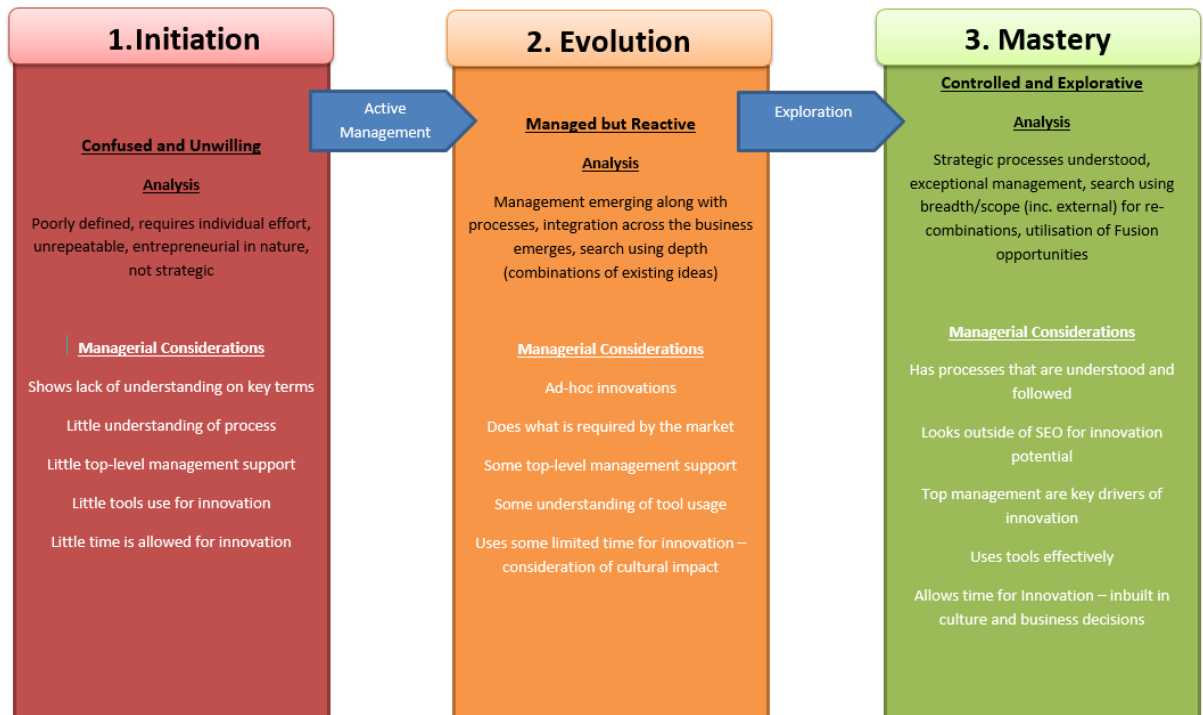The maturity model developed is shown below (Figure 6.3, p224):

1. Initiation		2. Evolution		3. Mastery
Confused and Unwilling	Active Management	**Managed but Reactive**	Exploration	**Controlled and Explorative**
Analysis		**Analysis**		**Analysis**
Poorly defined, requires individual effort, unrepeatable, entrepreneurial in nature, not strategic		Management emerging along with processes, integration across the business emerges, search using depth (combinations of existing ideas)		Strategic processes understood, exceptional management, search using breadth/scope (inc. external) for re-combinations, utilisation of Fusion opportunities
Managerial Considerations		**Managerial Considerations**		**Managerial Considerations**
Shows lack of understanding on key terms		Ad-hoc innovations		Has processes that are understood and followed
Little understanding of process		Does what is required by the market		Looks outside of SEO for innovation potential
Little top-level management support		Some top-level management support		Top management are key drivers of innovation
Little tools use for innovation		Some understanding of tool usage		Uses tools effectively
Little time is allowed for innovation		Uses some limited time for innovation – consideration of cultural impact		Allows time for Innovation – inbuilt in culture and business decisions

Figure 6.3 Maturity Model

The three levels have been named as Initiation, Evolution and Mastery (Rummler-Brache Group, 2010, cited in Van Looy et al., 2013). These have then been given sub-titles to more clearly explain the typical characteristics of the level.

The initiation level is subtitled with "Confused and Unwilling" as this sums up some of the feelings found within the weaker companies. This level is typified with a lack of understanding on key terms. The innovation that does happen will often require individual effort. It is therefore usually unrepeatable and inherently entrepreneurial in nature. Due to the individualistic nature, it is also not strategic in its execution and is typically carried out against management wishes.

The main bridge between the first level of the model (Initiation) and the second level (Evolution) is thought to be active management.

The evolution level is subtitled "Managed but Reactive" and describes the processes found within the middling companies. Here a lot of things are starting to be implemented but have not yet reached maturity. Therefore, management of a process has likely been thought about and present within the business. However, innovations are still ad-hoc in nature only doing what is required by the market. Here, there is likely to be some integration across the business as the process is created by management. There is also likely to be search using depth using combinations of existing ideas, an idea discussed by Katila and Ahuja (2002).

The main bridge between the second level of the model (Evolution) and the third level (Mastery) is thought to be exploration.

The mastery level is subtitled "Controlled and Explorative" and describes how the strong companies demonstrated expertise within the area. At this level the strategic processes are understood at all levels of the business and are exceptionally managed. Search for innovations is carried out through breadth and scope meaning that recombination's are coming from both inside and outside of the industry (Laursen & Salter, 2014). There is also a utilisation of fusion opportunities, creating a two-way innovative dialogue with freelancers and partners (Sapsed et al, 2013).

Through the above model (Figure 6.3, p224), it is possible for managers to identify where their own company sits and discover the development pathways for innovation progression. Some managerial considerations have also been given at each level to enhance and illuminate the analysis. This should further aid managers in their understanding of the maturity model.

6.5   Time

Considering the interviews that took place it was clear that across the industry the biggest barrier to innovation was that of time. Due to the industry being so hours based with clients receiving a set amount of hours for their retainers there is only so much work that can be done for a particular client across a month. Much of this time is taken up with reporting and completing prescribed work. Therefore, within a company with many clients and few staff finding time for extracurricular innovation is difficult. This becomes worse on poorer performing clients and smaller clients where there is a drive to be "doing stuff" with the time available that gets results rather than thinking about innovative ideas that don't have any guaranteed benefit.

So, with employees being limited to the amount of time they have for a particular client how can this be overcome?

The first option here is held within the culture of the company. Within company E there was a conscious decision to not increase the number of clients beyond a particular level. This was a level that allowed them to retain enough time knowing how many staff they had against how many clients. It also limited their expansion plans, ensuring that the top level of management could still closely support the business and successfully lead the culture they already had in place. Although the decision to keep the company small could be seen as limiting, through knowing how their company runs at its optimum they have successfully

navigated to a client model that works for them. Additionally, through that top level of management support this allows them to not become complacent and continues to drive them forward and be one of the most innovative companies that was visited.

The second option is to more fully embrace the tools that are available. Indeed, company E once again excelled here as they had not only embraced the tools available but had instead begun to develop their own, this was mentioned by the experts as being a potential further revenue source that could scale without increased staff levels. Through using and developing tools this actually has the added benefit of freeing up time to focus more on innovation and it was surprising that this was not mentioned more by interviewees at all companies visited.

Finally, although a tricky issue, from the analysis it does seem that there is a variety of measures that can be put in place in order to encourage innovation. Whilst they may not work for every business they are key components that may be able to transfer a business towards becoming more innovative. There often seems to be a mentality that growing is key to innovation however, if agencies were to keep a smaller number of really happy clients and stop trying to make short term gains then they may find that they have the opportunity to focus on innovation with the clients that they do have. This could potentially mean that they gain better results and become evangelical clients. The company would then be able to share what they consider to be old innovation at a faster rate meaning it is new to others, further cementing their position as an innovative company and then upgrade their clients/staff if any do leave.

Tools aid the organisation of innovation and staff have a greater ability to focus on the work that they are completing. The tools in use tend to be those that aid discussion around a particular project and allow the staff to better organise the day-to-day running of that project. However, it was also noted that innovation could be stifled through the use of tools and instead it was down to how they were used, and by who, that makes the most amount of difference. However, these discussion tools do facilitate of a culture of sharing, allowing ideas to be explored. They can also help to cross-pollenate ideas, allowing teams from different areas of the organisation to be privy to conversations that go on outside of their typical department of interest and provide them with the ability to share their own thoughts.

Within the industry tools are also a key element linked to time. Where tools were identified as freeing up time for innovation it tended to be automation that was most beneficial with

one saying "process automation frees up capacity for innovation" (A1B). The tools took the simple tasks away from the staff members and allowed them to use that time on innovative projects. It also allows for that time to permanently become available for innovation rather than just being for one week of report time saving. This is still a relatively untapped source of innovation time though and some companies weren't able to put together that the time savings of tools could be put towards innovation.

6.6   Open Innovation

The digital marketing industry is generally thought of as an open one. It is clear to see why this is the case with many conferences, training events and local events put on by trade organisations taking place where the conventional wisdom is that knowledge is shared that will help to further the knowledge of attendees. Indeed, within the Brighton area one of the UK's biggest search conferences takes place, a trade organisation exists and many training courses take place.

This thought was shared by the interviewees who, when asked, almost all thought that the industry was open, citing many of the above reasons for thinking this. They, with a few exceptions, were thought of positively and people tended to state that they thought they did learn new things. Others, whilst they thought the learning was minimal, saw it as an occasion to catch up with friends and as a valuable networking opportunity. It was predominantly within the more innovatively advanced businesses where negative views came from where they tended to state that there was little to be learnt.

However, when these answers are contrasted with whether or not they would share ideas with competitors the answers were overwhelmingly stating that they wouldn't. So how can this be? On the one hand they think the industry is open but on the other they aren't willing to share any information. Well, what seems to be happening is that the only information shared is basic, unskilled or old ideas. Other times only limited information would be given to obfuscate the way in which results would be achieved. Of those that had spoken at events they admitted that it was largely in order to promote the business rather than any altruistic elements of enhancing the innovative capacity of the industry. Therefore, it is reasonable to consider whether the networking that happens at these events is more informal channels of sharing innovations made, another key reason as to why these are said to be attended. However, only the experts were able to agree that this does take place with in-company

interviewees stating that they didn't have informal sharing along these channels. One reason this may have been sated is fear of saying that they did give away company "secrets". However, this wasn't felt to be the case as other elements were discussed in the interviews that would have suffered the same issues without any holding back of information.

Other enlightening answers came from this section of the interviews. The barriers to entry for new digital marketing agencies are limited, it is relatively easy to become a freelancer and develop further from there. It was therefore thought that one of the key reasons people within the industry may leave a company they work for was to take an innovative idea and develop it. However, this wasn't actually mentioned by any of those interviewed with other reasons for leaving being given.

Another point discussed was headhunting from competitors and the reasons this may be done. It was expected that this would be widespread within the industry and that one of the reasons for doing so would be to gain innovations from competitors. In actuality, it was largely frowned upon by many and only done because they thought that the potential hire would be a good fit for their business and would therefore develop innovations for them, not bring current innovations with them. The preferred strategy was to hire based on recommendations from current staff members.

6.7   Key Confirmations and Qualifications of the Literature

"New" was frequently used to define innovation within the literature review (Walker (2006), Myers and Marquis (1969), Trott (2008), Damanpour (1990), West and Farr (1990), Birkinshaw et al (2008), Ostrom et al (2010), Dotzel, Shankar and Berry (2013), Berry et al (2006)). The interviews also revealed this to be a key part of the definition for the digital marketing industry.However, there is a qualification to this in that it must only be new to the company and not necessarily new to the market. This agrees and builds upon work by Walker (2006) and Damanpour and Evan (1984). However, they didn't go as far as Berry et al (2006) who mentions that it could be as little as perceived as new to the customer. It should however, have business utility, agreeing with Al-Beraidi and Rickards (2006) Woodman, Sawyer and Griffin (1993) and West and Farr (1990).

The idea constituting innovation doesn't have to be big and can be more iterative in nature (Dotzel, Shankar and Berry (2013), Audretsch, Martı́nez-Fuentes & Pardo-del-Val (2011), Schumpeters (1934), Papastathopoulou and Hultink (2012), Rangarirai et al (2013). Some even felt that it could be merely a marketing tactic (Trott, 2008).

There wasn't a widely-used definition of innovation or creativity Amabile (1996), Baer (2012), Isaksen et al (2011), Khandwalla (2006) and Al-Beraidi and Rickards (2006). However, the differences between the two were slightly better understood in that they saw innovation as a business process whereas creativity didn't need to have utility and could ultimately take place outside of the business environment. This understanding is important as digital is a creative sector and therefore gaining an impression of the differences they see is vital in furthering our understanding. However, the scope of the study should be noted here in that it focused on small digital marketing agencies within the Brighton and Hove cluster in the UK.

Katila and Ahuja (2002) considered the use of depth and scope in terms of how firms explore new ideas. Within this industry this is done through government schemes, universities, competitors and conferences. Depth is often seen as a safe way to innovate but may lead to some stagnation. It is therefore the more advanced agencies that are looking beyond this and searching through scope. Interestingly, conferences would be considered scope but within this industry it may not be the most effective search strategy with ideas shared there not being the latest advancements. The stronger companies are therefore looking at conferences in other industries were there may be more to gain.

This strong and weak dichotomy also relates to work by Laursen and Salter (2014). They found that it may actually be easier to pursue the strategies that the stronger companies are following as there is less risk of revealing your own innovations to different industries. It also provides the opportunity for transformational innovations when innovations from other industries are absorbed.

Within the expert interviews it was thought that companies may lose innovation due to employees leaving to take innovative ideas to other companies or for freelancing. However, within the company interviews this wasn't brought up as a potential reason. Therefore, the fear of Burroughs et al (2011), that employees may leave and take the idea elsewhere, may be unwarranted. There was another disagreement between the experts and company interviews in regards to staff retention on the subject of headhunting. The experts thought that headhunting for innovation was thought to occur within the industry which agrees with many academics (Burroughs et al (2011), Olanda, Hermelinna-Laukkanen and Heilmann (2011) Delerue and Lejeune (2010). However, the companies stated that hiring was more likely to be on the basis of cultural fit and that headhunting was generally frowned upon. This may mean that the BrightonSEO survey (2013), which notes the large amount of employee movement within the industry seems to be less to do with headhunting and more due to

career progression, financial reward and cultural fit which were considered aspects related to the size of company involved within the study. An additional point is around the less formal situations in which innovations may leave the business, the experts said that this would happen in agreement with the work by Delerue and Lejeune (2010) and Tidd (2006). However, secrecy was generally said to be maintained within the company interviews.

7   Chapter 7 – Conclusions and Recommendations

7.1   Introduction

It is the purpose of this chapter to sum up and deliver all the findings. It is therefore fair to say that this is the most important chapter of the entire thesis.

This thesis began with the overall aim of furthering knowledge of how digital marketing agencies identify opportunities for innovation. A brief overview of digital marketing was then given. The existent literature was reviewed, looking at the area of innovation and creativity. It was then researched how the two differed and specifically the ways in which innovation was identified. Within the methodology chapter the authors own views were considered, looking into how they may affect the project and the method chosen, that Interview method was then discussed. From there the expert interview results were put forward, followed by the company interviews. After the results were completed they were then analysed with discussion of the findings. That then brings us to this point of the thesis.

7.2   Structure of the Chapter

This chapter has three component parts. The first of these is a section where the research propositions, which were made at the end of the literature review, are considered in detail. Secondly, the contribution to knowledge is made. Then finally, recommendations for future research are put forward.

After the literature review had been completed research propositions were created. In the first section of this chapter these will be considered in greater depth now that the research has been completed. Based on the findings these research propositions will then be given an outcome relating to whether they were confirmed or not. Once this has been completed the contribution to knowledge will be put forward. This is comprised of four main points discussed in Chapter 6 definition, model, time and open innovation. Finally, recommendations for future research will be put forward based on the research that has been carried out, bringing together the learnings of this project and potential future developments of the field.

7.3   Further considering the Research Propositions

7.3.1   RP0

A common unified, but previously undocumented, process will exist for SME's to identify innovation opportunities within the digital marketing industry.

Interestingly, here, there was not one process that was used throughout the industry, instead practice was widespread. The literature suggested that there would be an ad-hoc process in place within these smaller businesses. It was therefore expected that during the course of analysis all companies would be following a similar path, especially within the framework of innovation. Whilst it was not expected to be advanced, all of the companies that took part within the study were of a similar size, involved in the same industry and located in the same place. Therefore, the market conditions that they operate within are the same. However, it was clear that some companies were more advanced than others.

All of the companies that took part were interested in the study and the field of innovation. It is seen as an innovative industry and, as stated by the experts, innovation is seen as a differentiator within the industry. Therefore, it was expected that those companies operating within the industry would like to press home this advantage and use it as a differentiator within the cluster.

When taking an overview of the stronger companies there was a much better parallel, more focus was placed on staff and providing the top level of management support that continued on through to the culture of the company. There were more opportunities to discuss and work on ideas that had been thought of and a more direct route into the business. These staff members were able to speak at length on the processes used and they were clear with steps that must be completed. This was often backed up with rewards and served to continue the free flow of ideas within the company.

Weaker companies were much more ad-hoc in their innovation practices. They often lacked the top level of management support and were instead expected to do it on top of an already extreme workload. Further to this there were no set processes in place and therefore even if an idea did make it into the industry it would be difficult to call it innovation and instead existed outside of the company, becoming lost.

The hope of the proposed model is that it will aid these companies in developing more robust innovation processes.

RP0 – A common process did not exist [Research Proposition Unsupported]

7.3.2   RP1
Companies in which the identification of innovation is actively pursued by all levels of the business will have more robust processes for doing so.

Where innovation was pursued by all levels of the business there were more robust processes. This comes back to the point of top level management support. Where this was present innovation flowed nicely from creativity. There were also clear steps of what each staff member would be doing to encourage innovation from top to lower levels. The management were usually the sources of the processes and had developed them themselves or had been reading literature on the subject.

Within companies that didn't have the top level of management support it immediately created a "us vs them" situation. They were usually pushed so tight for time that there was little to no time for developing creative ideas. This effectively shuts off the supply of innovation and whilst companies are all pressured with market realities it was a very short sighted policy.

RP1 – Companies in which the identification of innovation is actively pursued by all levels of the business did have more robust processes for doing so [Research Proposition Supported]

7.3.3   RP2
Companies that have robust processes will believe that process should feature in the definition of innovation

Many of the interviewees mentioned process and it wasn't just those from the stronger companies. This seemed to come generally and from across all companies interviewed. It therefore seems that process is key to innovation. This was originally deemed a surprising result but upon further reflection many of the interviewees realised that there was a difference between creativity and innovation. They also realised that one lead to the other. Through this, it is possible to see why process would feature in their definitions.

Overall it seemed that people within the industry were quite knowledgeable on innovation and it was something that interested them. However, many of them just aren't given the resources with which to pursue creative and potentially innovative ideas.

It was the stronger companies in which there were defined and well laid out processes and a very important point here is that they were in use. That's why interviewees from these companies were able to speak about them. Many within weaker companies simply didn't know whether or not they had processes. It therefore may be that they exist, but, without the time for implementation they are pointless and go un-noticed.

> RP2 - Process featured in many different definitions of innovation without a significant pattern emerging [Research Proposition Partially Supported]

7.3.4   RP3

Companies that have robust processes will use innovation management tools for the identification of innovation

Once again it was the stronger companies that were using tools to actually aid creativity and innovation. Additionally, very few of the interviewees were able to identify that tools had the ability to save time, which could then be put towards innovation.

A couple of the weaker companies used tools meaning that their use was throughout the industry but they didn't seem to be used to their full potential. The strongest were those that had trialled a variety of different options before finding the one that worked for them. Any tool used must be able to fit within the daily workflow or it is very likely to become forgotten or, at best, used incorrectly.

> RP3 - Companies were using innovation management tools for the identification of innovation [Research Proposition Supported]

7.3.5   RP4

Innovation comes about through using the processes and tools

It was found that companies that were using tools and processes together were the stronger performing companies. The coupling of the two management practices was enhancing the innovation outcomes. Processes were the first part of this and enabled employees to see a path that their idea could take in order to become innovation. However, an additional step was discovered in that the processes must have a top level of management support in order to be used effectively. Without these employees don't have the knowledge, skill or time to use the process put in place effectively. Tools can aid in this but should not be considered an area to be put in place and then neglected.

If a company is able to offer the top level of management support for using both processes and tools, then the general workflow within the company can be improved. This then allows the process to help employees bring ideas into the company, tools to help build support for that idea and then the company processes can turn that idea into innovation.

It can be said that effective processes and tools in conjunction with top level management support can lead to innovation. However, if any one part of this is neglected then innovation can fail. It may be helpful to think of this as a three legged stool. If one leg fails or is not present, then the stool cannot stand.
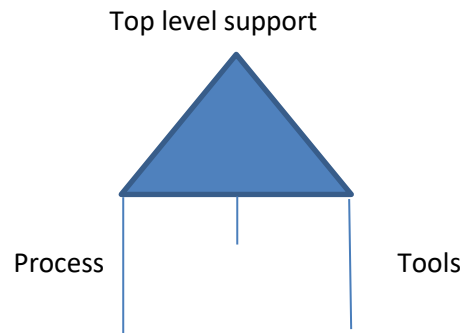
Top level support

Process   Tools

Figure 7.1 Innovation Identification Stool

RP4 – Given the correct circumstances tools and processes, when coupled with top level support, can aid innovation [Research Proposition Partially Supported]

7.3.6   RP5
Companies that pursue innovation will expect to gain positive outcomes

All companies expected their innovations to yield positive outcomes. However, not all were able to realise those outcomes.

This gives some indication as to why innovation is so highly thought of within the industry. If it is expected to give positive outcomes, then it is clear why a company would pursue it. However, having the resources to effectively do so is what many companies struggle with.

The predominant expected outcomes were profit and increased exposure.

This is why many of the weaker companies like to think of themselves as innovative. If they can seem forward thinking to the untrained eye of a potential client, then the client would be more likely to come on board. The innovative ideas are sold by sales people but those actually doing the work have little idea of what is effectively being promised to the new client.

Therefore, the company struggles to deliver. In an already time limited environment the problem is exacerbated by exorbitant results that have been sold. Therefore, innovation is put on hold in order to "stabilise" the client. However, the downward spiral has begun and it could be unlikely that the innovation will come to fruition.

Increased exposure was another potential outcome but, as with the above example, innovation is not just simply saying that you are innovative, it must be proven, both inside and outside of the company in order to bring in further business. For some companies it seems that innovation is just rhetoric.

RP5 - Companies expect positive outcomes, but not all can realise them [Research Proposition Supported]

7.3.7   RP6

Companies that pursue innovation will put measures in place to protect those positive outcomes although may try to gain innovation from competitors

Firstly, within this discussion we have already heard that all companies involved within the study were pursuing innovation, regardless of whether they achieved it or not. However, regarding the protection of those outcomes, none was really found. Although in some cases lower level employees realised that innovations were the property of the company and would not openly discuss these at informal occasions.

In regards to whether companies attempt to gain innovation from competitors this was investigated in greater depth as it could be seen as a method of identification. However, headhunting from a competitor was frowned on within the industry and instead all of the companies tended to look for fit within the business in terms of skills and ability. Many seemed to suggest that looking to only gain one innovation from a competitor was a very short sighted way of viewing things and instead like to hire people that will continually develop innovations for them whilst developing retention strategies to retain the innovative talent that they already have.

RP6 - Protection measures were not in place and headhunting was generally frowned upon [Research Proposition Unsupported]

7.3.8   RP7

Companies within the study will be actively contributing to the overall innovative capacity of the industry

All of the companies taking part in this study had innovation happening within them. Admittedly this was at various levels but it is fair to say that they are all contributing to the overall innovative capacity of the industry. It didn't seem that any company was solely taking the innovation of others. Indeed, this in some respects would have been an impossible feat. Even when innovation is found from elsewhere there is still some adaptation that must go on to make it applicable to a particular client. Whilst the idea isn't a new one, it is to the company and therefore has the potential to become innovation. Indeed, some interviewees felt that there were no new ideas, just adaptations of old ones.

> RP7 - All companies were actively contributing to the overall innovative capacity of the industry [Research Proposition Supported]

7.3.8   RP7

7.4   Contribution to Knowledge

In order to satisfy the requirements for the completion of a PhD it is necessary to make a contribution to knowledge. Throughout the course of this thesis the ways in which companies identify opportunities for innovation has been under investigation. The contributions are based on this.

Digital marketing, as a topic of academic study, has seen a lack of in-depth research that focuses specifically on the topic. Looking deeper into this, SEO has also seen very little research but forms a major part of how we use the web and find information effecting our everyday lives. But as discussed at the start of this work. There aren't many agencies that would define themselves as purely being an SEO agency anymore, instead their remit goes beyond this, with an increased number and type of capabilities. This is especially true of a city such as Brighton where they have attached themselves with other creative industries to improve their potential offering and reach, for example, video has become a larger piece of the online jigsaw, as have branding, graphic design, PR, UX and copywriting. Many of the so-called SEO agencies now offer these as part of their services, either from their own staff or contracting with freelancers to extend their offerings. In addition, there is also the technical side of the industry which has more in common with web development, including data and analytics. Social media, paid media and email marketing also have their part to play within the makeup on "Digital Marketing". It is clear to see from this that the industry is multi-faceted. None of these areas have seen the kind of significant research that traditional marketing methods have seen, predominantly because of the relative newness of the industry.

Large companies in the search space, the likes of Google and Bing, are independent of the search agencies that have been investigated within this work. The start-ups and SMES that have developed around those big players are also separate from those traditional advertising houses offering their marketing services. The digital agencies were born out of those early adopters of the internet who could see how search engines worked and could understand they ways in which they could be manipulated to show a particular page.

As discussed above, there are many different areas of digital marketing and it is important to highlight the distinctiveness of SEO within the topic. SEO is unlike most of the other forms of digital marketing in that it is not born out of any other form of marketing. As an example email marketing could be said to have come from and be analogous to direct mail. Whereas SEO has a degree of individuality about it.

Therefore, any insight into how these agencies identify opportunities for innovation will inherently be a contribution to knowledge.

This research focussed on the identification stage of innovation within the digital marketing agency environment and represents the first study of this area.

7.4.1   Definition

Firstly, the below definition was developed:

"Innovation within the SEO industry is employee creativity that has gone through a process to be absorbed into a business in order to create a new idea to that company that has potential business utility"

It was found that there is a difference between innovation and creativity within the digital marketing industry which is widely understood by those in the industry. The key difference here was that Innovation within the context of digital marketing is creativity with business utility. Therefore, it can be said that all innovation is creative but not all creativity is innovative.

This PhD identifies how companies absorb creativity from their employees, how they identify innovation. This PhD does not investigate the process of creativity and is instead coming from the business perspective. It was found that there must be a process, formal or informal, by which creativity is absorbed into the business and turned into innovation.

7.4.2   Model

Utilising inductive research based on the findings from the interviews carried out the model was also developed. It is shown on the next page (Figure 7.2, p 240).
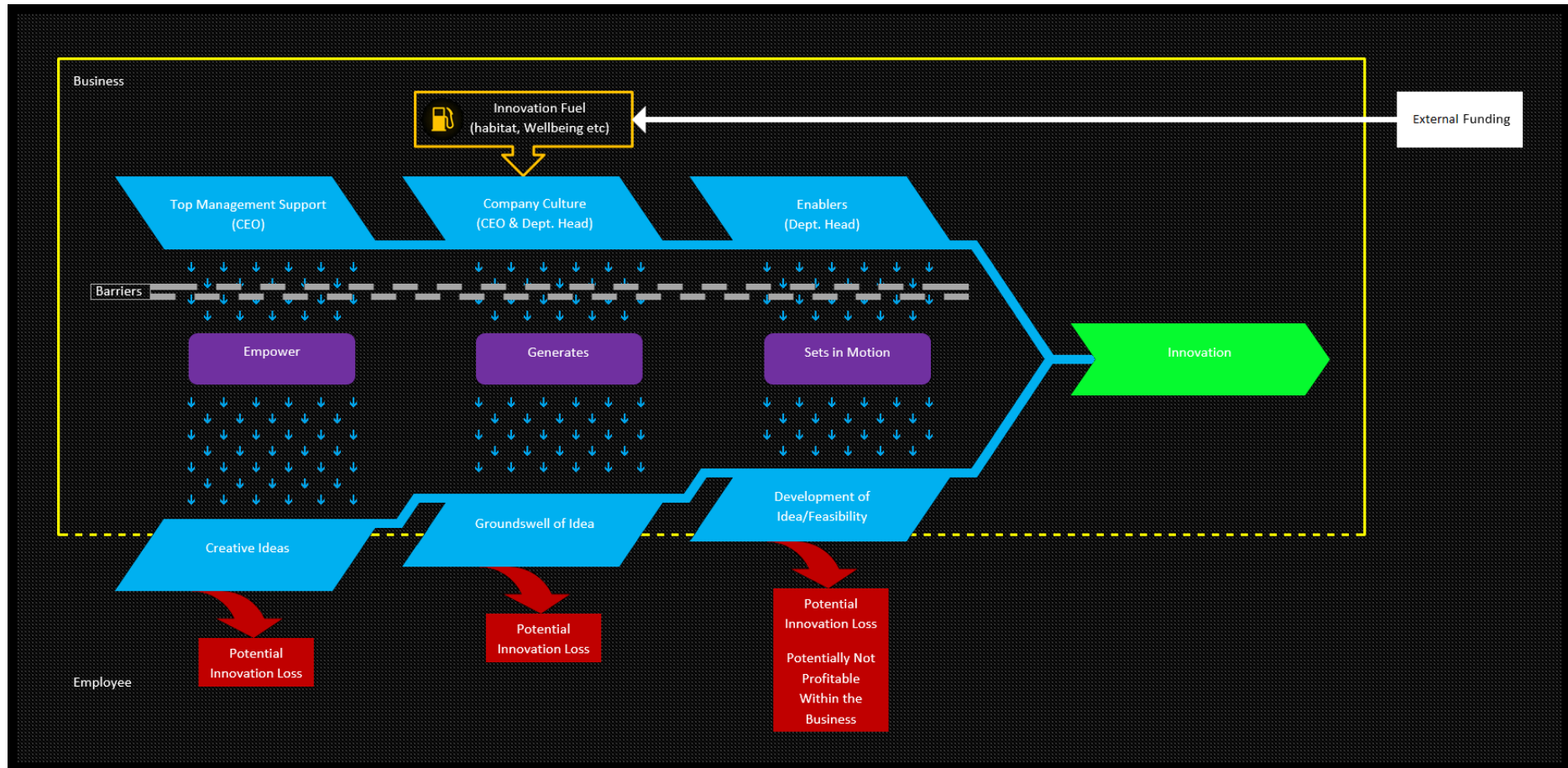
Figure 7.2 Developed Model

For more detail on the development of this model (Figure 7.2, p240) please see Appendix F p347. Within innovation identification it is the CEO that empowers creative ideas. The company culture then generates groundswell of ideas which requires the correct environment, employee wellbeing etc. Then there are enablers that set in motion development of idea. This leads to innovation. However, there is the potential to lose innovation at each stage and a multitude of barriers do exist.

In reality there are strong companies and weak companies, stronger companies have defined processes in place. It is the strongest that identify weaknesses of the market and actively look to solve those issues. Additionally, they have top level management support and a culture that encourages innovation. Middling companies have weak processes and syphon innovations from others through blogs, conferences etc. Weak companies are ad hoc in their innovation practices and have no defined strategy in place.

7.4.3   Time

Time was a major barrier to innovation. Within the industry it is accepted that innovation takes time. However, it is a very time limited industry with the constant pressure from clients. This is somewhat dependant on culture of company. However, it is not necessarily an issue that can be solved, instead it should be managed effectively with focus being placed on keeping a sustainable number of clients.

7.4.4   Open Innovation

The digital marketing industry is thought of as open industry, even by people in it. However, they tend to avoid sharing ideas. If ideas are shared then they are basic, unskilled or old ideas. It was therefore found that there is a disparity within the industry which thinks of itself as open when the reality points towards it being more closed than it believes.

The above represents the previously unexplored areas of identifying innovation opportunities within digital marketing agencies.

7.5   Recommendations to the Sector

The study is complete and has made a contribution to knowledge. However, a PhD should go further in relating the findings back to the sector. Whereas the contribution to knowledge is primarily an academic pursuit, this part of the thesis instead looks at the practical implications of the work. By doing so the knowledge traverses the gap between academia and the real world. It also provides a wider appreciation of where the work fits and how it can be useful. Unlike the contribution, this section will be based around the ways in which the findings can be absorbed and utilised by companies within the sector.

For this to be of use it is vital that the section be organised appropriately and not contain so much information as to overwhelm a casual observer. Therefore, the recommendations will be made around the 4 areas of contribution to knowledge. This was chosen so that the values of the findings can clearly be related back to the sector.

The solutions and recommendations put forward won't be suitable for every business and should not be followed blindly. The business environment is complicated and each business is unique in terms of their own strengths and weaknesses. Therefore, it is up to managers to decide whether to follow these prescribed recommendations to the sector and they do so at their own risk.

7.5.1   Definition

The first section of the recommendations is made around the definition. It seems important for this to be discussed with employees within a suitable meeting. This will allow them to understand how those within the team understand innovation. It should also be noted with the employees that the definition includes utility. This will help to make it clear that the work should relate to the business and provide some benefit. It may also help to encourage them to get involved in stating why their idea fits within the definition of innovation. This will effectively pre-screen the idea and help them to develop a business orientated mindset when bringing ideas forward. This would also be aided if use of the definition was encouraged when talking about ideas generally. One of the most important things to note here is that there is very little use in printing out the definition and putting it on the wall to be forgotten about. Instead employees should be encouraged to constantly challenge their own ideas against it and see if it can be developed even further. Therefore, in summary:

- Discuss with employees

- Get them to understand that the work should have utility

- Get them involved in stating why their idea fits within the definition of innovation

- Encourage the use of the definition within the company when talking about innovative ideas

- Don't just put it on a wall and forget about it

- Constantly challenge against the definition

7.5.2   Model

The next section is around the use of the model. The first and most obvious point here is that companies within the sector should use the model. So, that this is effective it would be advantageous to discuss it with everyone so that they can gain an understanding of how the model works and where they sit within it. It is important for managers to understand the influence they have on innovation where their responsibilities lie. Additionally, higher levels of management should be looking for innovation fuel, considering ways in which they can improve the environment and well-being of employees which could then funnel down into the culture of the company and improve both formal and informal discussion of ideas. Although a clichéd idea, installing a foosball table will help encourage the informal sharing of ideas, as will more formal methods such as weekly meetings, innovation days etc. It is also worth considering whether there is any external funding available that may help ease the financial burden of innovation. Along these same lines it is important to consider what the barriers there are to innovation within your business and look at where those barriers sit in relation to the model and see how to overcome them. It may also prove beneficial to sit down with employees and understand if there are innovative ideas that they have but, for whatever reason, don't share or bring into the business. The key here is gaining an understanding of why those ideas don't make it into the business and discovering ways in which these can be overcome. Finally, it could be worth creating testing grounds such as internal projects or designating a particular client whose account will use the model for innovation to see if it does help to bring ideas within the business. Therefore, in summary:

- Use the model

- Get everyone to understand where they fit within the model

- Managers understand how they influence innovation

- Look for innovation fuel

- Look for external funding

- Consider what the barriers are within your business

- Have a frank conversation with employees and understand if there is any innovation they have that they are not bringing into the business, understand why

- Create testing grounds/projects on which to use the model and see if it helps to bring ideas within the business

7.5.3   Time

The third area of recommendations based on the contribution to knowledge is time. Within this area it is important to gain a realistic and truthful idea of where the company currently sits. Therefore, it is wise to investigate this, looking at timesheets that are filed but also having an "amnesty" of time that may have been used but not "fully logged". The idea here is not to get employees in trouble, but instead to gain that accurate idea of how time is currently being used. If it turns out that employees are working on client ideas outside of work time they should be encouraged to share these through tools currently in use or even a specific email address to quickly file ideas. It may help them. Related to work that may be going on outside of business hours' managers should be constantly considering ways in which this can be used as a staff retention strategy. Additional consideration should be given to whether these activities could add potential revenue streams to your business. Another potential area to explore within time is where clients are in terms of their innovative potential and whether they may be receptive to potential upsells. Alternatively, the opposite of this may be true where they're a very demanding client for the work they are currently getting, meaning that time more time is being logged to the client than they are currently paying for. This is not sustainable over the long term and takes away potential innovation time from other clients. Pitching for new business may also offer the opportunity for innovative ideas. However, these should be developed by the delivery team after receiving a brief from the sales team. This avoids the potential for sales teams to over-promise meaning that the sales team under-delivers. There is also the financial health of your own business to consider, it may be possible to grow the business but does this have an impact on the amount of time staff have for innovation and their work life balance? If so, it may be that the business is not scalable in its current state and the culture you have now would be disrupted through additions to the agency. Therefore, in summary:

- Gain a true understanding of how much work is being done

- Have a "work time" amnesty where employees can discuss issues without feeling as though they will get in trouble

- Encourage staff who are working outside of work to share their ideas – email specific innovation address

- Consider ways in which personal innovation may be able to be used as a staff retention strategy and add potential revenue streams to your business

- Consider what stage your clients are at in terms of their innovation potential, are there upsells that are available? Are they too demanding and taking away from potential innovation time that may help other clients? Don't be afraid to lose these clients

- Take clients that will be open to innovation, but make sure development of what's being sold has agreement from the delivery team.

- What is the financial health of your business looking like? You may be able to grow the business but does this have an impact on the amount of time staff have for innovation and their work life balance

7.5.4   Open innovation

The final area in this section looking at recommendations to the sector considers the concept of open innovation. Within the work it was found that whilst many considered the sector to be an open one, they were not keen to share ideas and when they did they were basic, unskilled or old ideas. There are many different factors that come into this but it is recommended that managers think about whether they want to share the best ideas they have. In making this decision it's important to think of not only where you sit within the market but also how advanced your innovations are. One way of testing this is to speak at events, if the feedback you receive is people telling you how it went when they tried the tactic, then it may not be as innovative to the market as you thought. Publicly sharing innovation like this can also be a marketing tactic. However, when this is the case it's important to truly be putting your best work forward as it is showing both potential clients what you can do as well as potential new employees who may also be looking at the work you are doing. You may decide that you do not wish to share your ideas. In this case cultivate a skunkworks style of culture where you generate ideas that are worthy of secrecy but be aware that there may still be informal conversations that happen within the industry and you should be cognisant of this

and let staff know where the boundaries are. Finally, when sourcing innovative ideas consider looking outside of the industry in potentially unrelated sectors.

- Think about whether you are open to the idea of open innovation!

- This will depend on many different factors but need an honest evaluation as to where you sit within the market, are you at the forefront or do you find most of your ideas in blogs and other online material that others would have seen

- Consider sharing your latest ideas and asking for feedback, if others come back and say they have tried it before and received similar results then you know that it may not be as innovative as you think. On the other hand, if they come back and say that they are interested in trying it on their own campaign then the idea may have merit

- Think of innovation as a marketing tactic, innovative people want to work with other innovative people.

- Alternatively, you may not wish to share ideas as it has a chance of levelling the playing field, in this way cultivate a skunkworks style of culture where you generate ideas that are worthy of secrecy

- Be aware that informal conversations may go on within the industry, let you staff know what you are ok with them sharing and what you would prefer they didn't.

- Consider looking outside of the market for potential innovative ideas.

7.6 Recommendations for Future Research

Digital marketing is a rich and developing field of study. As the first investigation of its type there is much more that could be covered within the agency side of the digital marketing industry. Others have looked into the creative industries as a whole but focussing in on a particular area allows for a more specific analysis to emerge. This deeper analysis opens up new avenues of investigation and leads to a variety of interesting potential study areas.

- Due to the clustering effects of the digital marketing agencies it would be interesting to repeat the study in other locations to see if the results differ (for example, London, Birmingham, Newcastle etc.). This could be done both on the national and international level within clusters and outside of them.

- Due to the limitations of being an individual researcher it would be interesting to see if the results can be replicated as part of a larger study, perhaps coming from a quantitative method offering a greater level of generalisability and statistically reliable results.

- Longitudinal case studies could also be used to investigated the proposed model further. This could confirm if the model is beneficial and whether adoption of it leads to success. As it stands the model lays out the best practice that was found during the study but as the market and our understanding of it develops, so will the required model.

- It would also be of great interest to specifically investigate the identification of innovation within other creative industries. This work looked at the agencies within the digital marketing industries but are similar innovation processes being used within the music, games or art scene?

- This work focussed on the identification stage of innovation but the whole of the innovation process could be investigated further. How ideas are developed within the business, the success of those innovations and the profitability of ideas provide rich sources of investigation.

- Building upon the last point, the stages of creativity could be a topic for further investigation. This project looked at the process from an innovation standpoint. However, investigating what encourages creativity could yield some interesting results.

- One of the key findings of this work was around open innovation. The industry sees itself as open but in actuality does not seem to be. This should be investigated further and within this industry.

- Finally, the policy implications of hidden funding need to be investigated (as discussed in chapter 4 subsection 4.3.3 and chapter 5 subsection 5.3.3), making sure that the correct level of advertisement of the schemes available is being produced as at the moment it seems lacking.

As can be seen from the above, work within this area is only just beginning and sits far behind work within more traditional marketing fields such as television, print, radio and direct mail. That is however, what makes it such a rich and exciting topic of study. Digital marketing is far removed from traditional marketing channels and represents a field of its own. This is now being seen with the slow adoption of digital marketing specific degrees and an ever increasing amount of research within the area. The field of study will see quick advancement over the coming years. Just as the field will change so will the technology and the major players within the digital marketing sphere, creating more opportunities for research.

This PhD has competed its aim of furthering knowledge of how digital marketing agencies identify opportunities for innovation.

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9   Glossary

Algorithm	A complex mathematical code for a search engine to decipher a search term and generate a page of results based on that
Google Analytics	A measurement tool offered by Google to measure traffic to a website
Biddable media	Media brought through real time bidding eg display ads
Bing	Microsoft search engine
Black hat	Unscrupulous search tactics
Brighton SEO	Local SEO conference
Content marketing	Creation and sharing of online material
CRO	Conversion Rate Optimisation
CTR	Click Through Rate
FTP	File Transfer Protocol
Google	Company and Search Engine
HTML	Hypertext Mark-up Language
HTTP	Hypertext Transfer Protocol
MD	Managing Director
Moz	Company and tool/software provider
NPD	New Product Development
NSD	New Service Development
Paid search	Ads that are bid for, primarily on search engines and content networks
Panda	Google Update
Penguin	Google Update
PPC	Pay Per Click

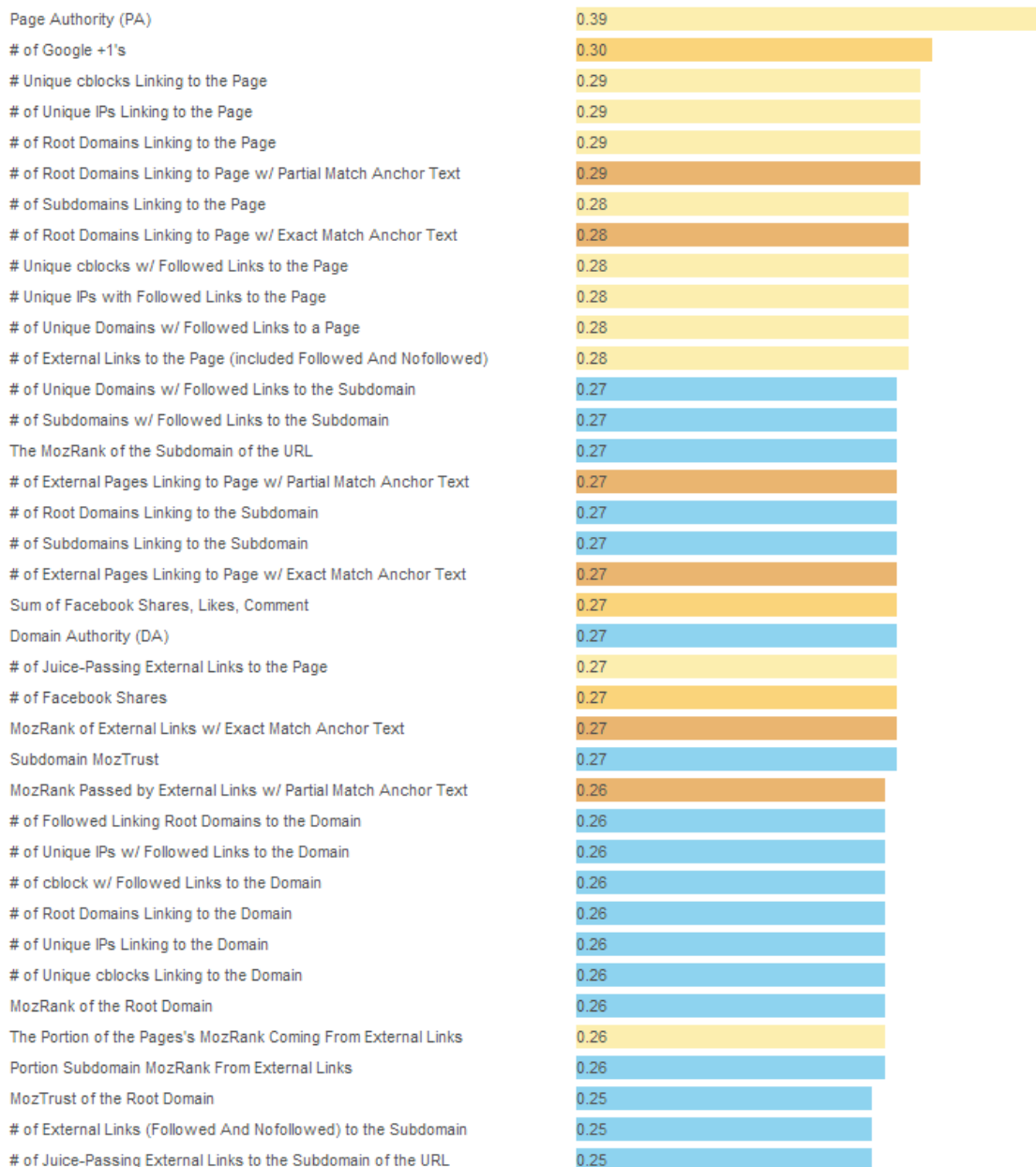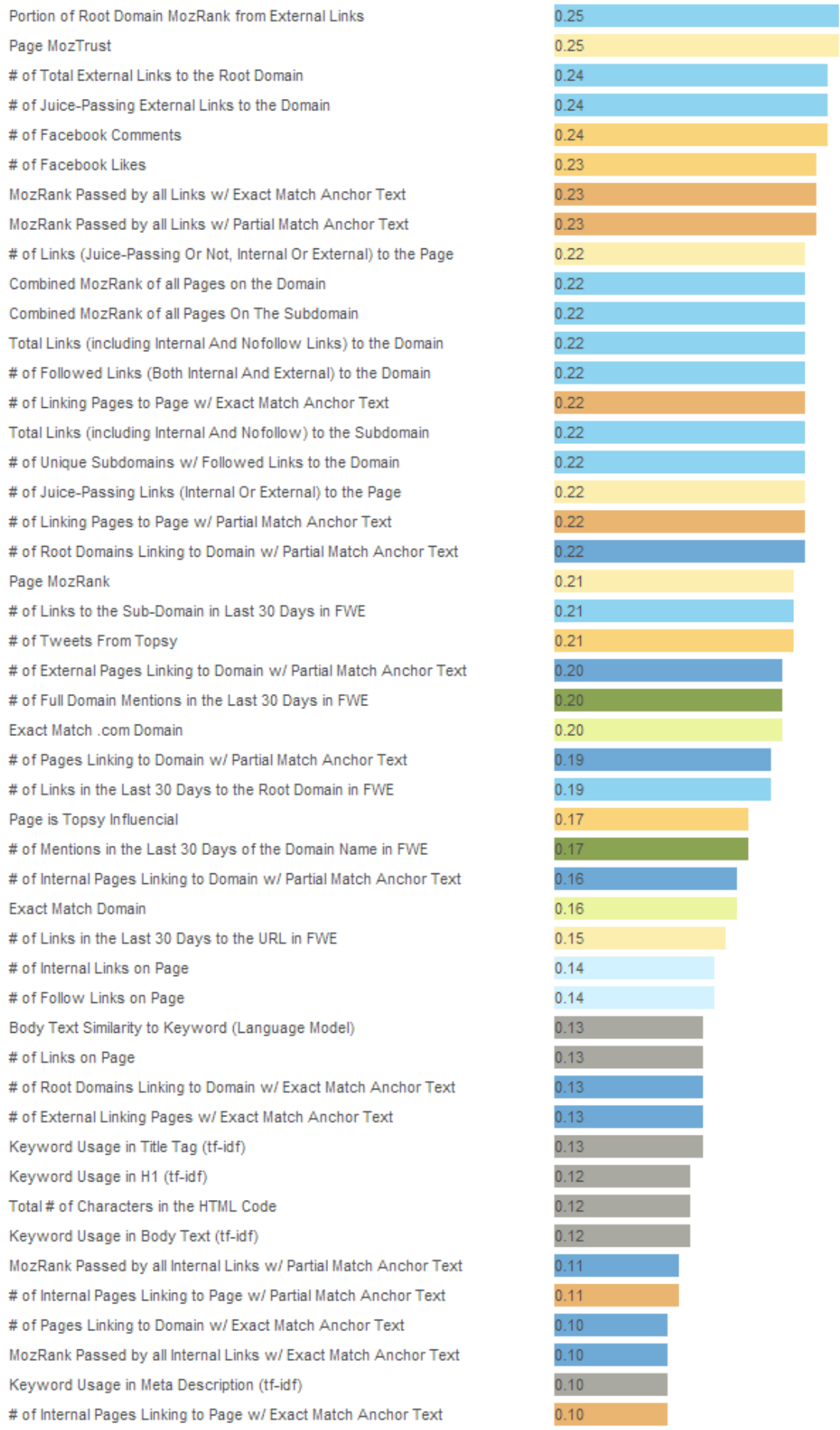|	
R&D	Research and Development
ROI	Return On Investment
RP	Research Proposition
SEO	Search Engine Optimisation
SME	Small and medium sized enterprises
Social	Marketing on Twitter, Facebook, Snapchat etc.
Spammy	Poor quality website links
White Hat	SEO Practices that follow suitable guidelines
Wired Sussex	Industry body
Yahoo	Company and search engine

10 Appendices

Appendix A – Possible Ranking Factors

2013

Sort by Category	Select/Deselect All

- ○ Page Link Authority Features
- ○ Page Level Social
- ○ Page Level Anchor Text
- ● Page Keyword Usage
- ○ Page Keyword Agnostic
- ○ Domain Link Authority Features
- ● Domain Level Anchor Text
- ○ Domain Keyword Usage
- ● Domain Keyword Agnostic
- ● Brand Metrics

Factor	Value
Page Authority (PA)	0.39
# of Google +1's	0.30
# Unique cblocks Linking to the Page	0.29
# of Unique IPs Linking to the Page	0.29
# of Root Domains Linking to the Page	0.29
# of Root Domains Linking to Page w/ Partial Match Anchor Text	0.29
# of Subdomains Linking to the Page	0.28
# of Root Domains Linking to Page w/ Exact Match Anchor Text	0.28
# Unique cblocks w/ Followed Links to the Page	0.28
# Unique IPs with Followed Links to the Page	0.28
# of Unique Domains w/ Followed Links to a Page	0.28
# of External Links to the Page (included Followed And Nofollowed)	0.28
# of Unique Domains w/ Followed Links to the Subdomain	0.27
# of Subdomains w/ Followed Links to the Subdomain	0.27
The MozRank of the Subdomain of the URL	0.27
# of External Pages Linking to Page w/ Partial Match Anchor Text	0.27
# of Root Domains Linking to the Subdomain	0.27
# of Subdomains Linking to the Subdomain	0.27
# of External Pages Linking to Page w/ Exact Match Anchor Text	0.27
Sum of Facebook Shares, Likes, Comment	0.27
Domain Authority (DA)	0.27
# of Juice-Passing External Links to the Page	0.27
# of Facebook Shares	0.27
MozRank of External Links w/ Exact Match Anchor Text	0.27
Subdomain MozTrust	0.27
MozRank Passed by External Links w/ Partial Match Anchor Text	0.26
# of Followed Linking Root Domains to the Domain	0.26
# of Unique IPs w/ Followed Links to the Domain	0.26
# of cblock w/ Followed Links to the Domain	0.26
# of Root Domains Linking to the Domain	0.26
# of Unique IPs Linking to the Domain	0.26
# of Unique cblocks Linking to the Domain	0.26
MozRank of the Root Domain	0.26
The Portion of the Pages's MozRank Coming From External Links	0.26
Portion Subdomain MozRank From External Links	0.26
MozTrust of the Root Domain	0.25
# of External Links (Followed And Nofollowed) to the Subdomain	0.25
# of Juice-Passing External Links to the Subdomain of the URL	0.25

Metric	Value
Portion of Root Domain MozRank from External Links	0.25
Page MozTrust	0.25
# of Total External Links to the Root Domain	0.24
# of Juice-Passing External Links to the Domain	0.24
# of Facebook Comments	0.24
# of Facebook Likes	0.23
MozRank Passed by all Links w/ Exact Match Anchor Text	0.23
MozRank Passed by all Links w/ Partial Match Anchor Text	0.23
# of Links (Juice-Passing Or Not, Internal Or External) to the Page	0.22
Combined MozRank of all Pages on the Domain	0.22
Combined MozRank of all Pages On The Subdomain	0.22
Total Links (including Internal And Nofollow Links) to the Domain	0.22
# of Followed Links (Both Internal And External) to the Domain	0.22
# of Linking Pages to Page w/ Exact Match Anchor Text	0.22
Total Links (including Internal And Nofollow) to the Subdomain	0.22
# of Unique Subdomains w/ Followed Links to the Domain	0.22
# of Juice-Passing Links (Internal Or External) to the Page	0.22
# of Linking Pages to Page w/ Partial Match Anchor Text	0.22
# of Root Domains Linking to Domain w/ Partial Match Anchor Text	0.22
Page MozRank	0.21
# of Links to the Sub-Domain in Last 30 Days in FWE	0.21
# of Tweets From Topsy	0.21
# of External Pages Linking to Domain w/ Partial Match Anchor Text	0.20
# of Full Domain Mentions in the Last 30 Days in FWE	0.20
Exact Match .com Domain	0.20
# of Pages Linking to Domain w/ Partial Match Anchor Text	0.19
# of Links in the Last 30 Days to the Root Domain in FWE	0.19
Page is Topsy Influencial	0.17
# of Mentions in the Last 30 Days of the Domain Name in FWE	0.17
# of Internal Pages Linking to Domain w/ Partial Match Anchor Text	0.16
Exact Match Domain	0.16
# of Links in the Last 30 Days to the URL in FWE	0.15
# of Internal Links on Page	0.14
# of Follow Links on Page	0.14
Body Text Similarity to Keyword (Language Model)	0.13
# of Links on Page	0.13
# of Root Domains Linking to Domain w/ Exact Match Anchor Text	0.13
# of External Linking Pages w/ Exact Match Anchor Text	0.13
Keyword Usage in Title Tag (tf-idf)	0.13
Keyword Usage in H1 (tf-idf)	0.12
Total # of Characters in the HTML Code	0.12
Keyword Usage in Body Text (tf-idf)	0.12
MozRank Passed by all Internal Links w/ Partial Match Anchor Text	0.11
# of Internal Pages Linking to Page w/ Partial Match Anchor Text	0.11
# of Pages Linking to Domain w/ Exact Match Anchor Text	0.10
MozRank Passed by all Internal Links w/ Exact Match Anchor Text	0.10
Keyword Usage in Meta Description (tf-idf)	0.10
# of Internal Pages Linking to Page w/ Exact Match Anchor Text	0.10

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Factor	Value
# of Characters in Body Copy	0.09
# of Indexed Pages On The Site in The Last 30 Days in FWE	0.09
H1 Similarity to Keyword (Language Model)	0.08
Title Tag Similarity to Keyword (Language Model)	0.08
Meta Description Similarity to Keyword (Language Model)	0.08
# of No Follow Links on Page	0.07
# of Img Tags	0.06
# of Partial Matches in Domain Name (Pmd)	0.06
# of External Nofollow Links on Page	0.06
# of Internal Pages Linking to Domain w/ Exact Match Anchor Text	0.06
# of Partial Matches in Full URL	0.06
# of Internal Nofollow Links on Page	0.05
# of External Links on Page	0.04
Keyword Usage in H2 Tag (tf-idf)	0.03
URL Starts with 'www'	0.03
URL Contains an Underscore	0.02
H2 Similarity to Keyword (Language Model)	0.02
Page Has Schema.org Markup	0.02
URL Contains a Query (example.com/page?id=1)	0.01
Page Has Google+ Publisher Markup	0.01
Total Area of All Images on Page	0.00
Page Has Open Graph Markup	0.00
Page Has Twitter Card Markup	-0.02
# of Large Images (Greater Than Or Equal to 1024X768px)	-0.02
Folder Depth of URL (# of Trailing Slashes)	-0.02
# of Videos On Page	-0.03
Page Contains Google+ Authorship Markup	-0.03
# of Google Adsense Slots in The Page	-0.03
Domain has Numbers (example123.com)	-0.03
# of Hyphens in Domain Name	-0.03
Total Area of Adsense Slots on Page	-0.04
# of Characters in the Title	-0.04
URL Contains Hyphens	-0.04
Total Length of the Full Domain (www.subdomain.pld.com)	-0.09
URL Length in Characters	-0.10
Response Time of Page in Seconds	-0.10

Table A1 Possible Ranking Factors Moz (2013)

2015

Page-Level Keyword Usage Features

These features describe use of the keyword term/phrase in particular parts of the HTML code on the page (title element, H1s, alt attributes, etc.) as well as semantic relevance and language modeling of the given keywords.

We continue to see lower correlations between on-page keyword use and rankings. This could likely be because Google is smarter about what pages mean (through related keyword, synonyms, close variants and entities) without relying on exact keyword phrases. We believe matching user intent is of utmost importance.
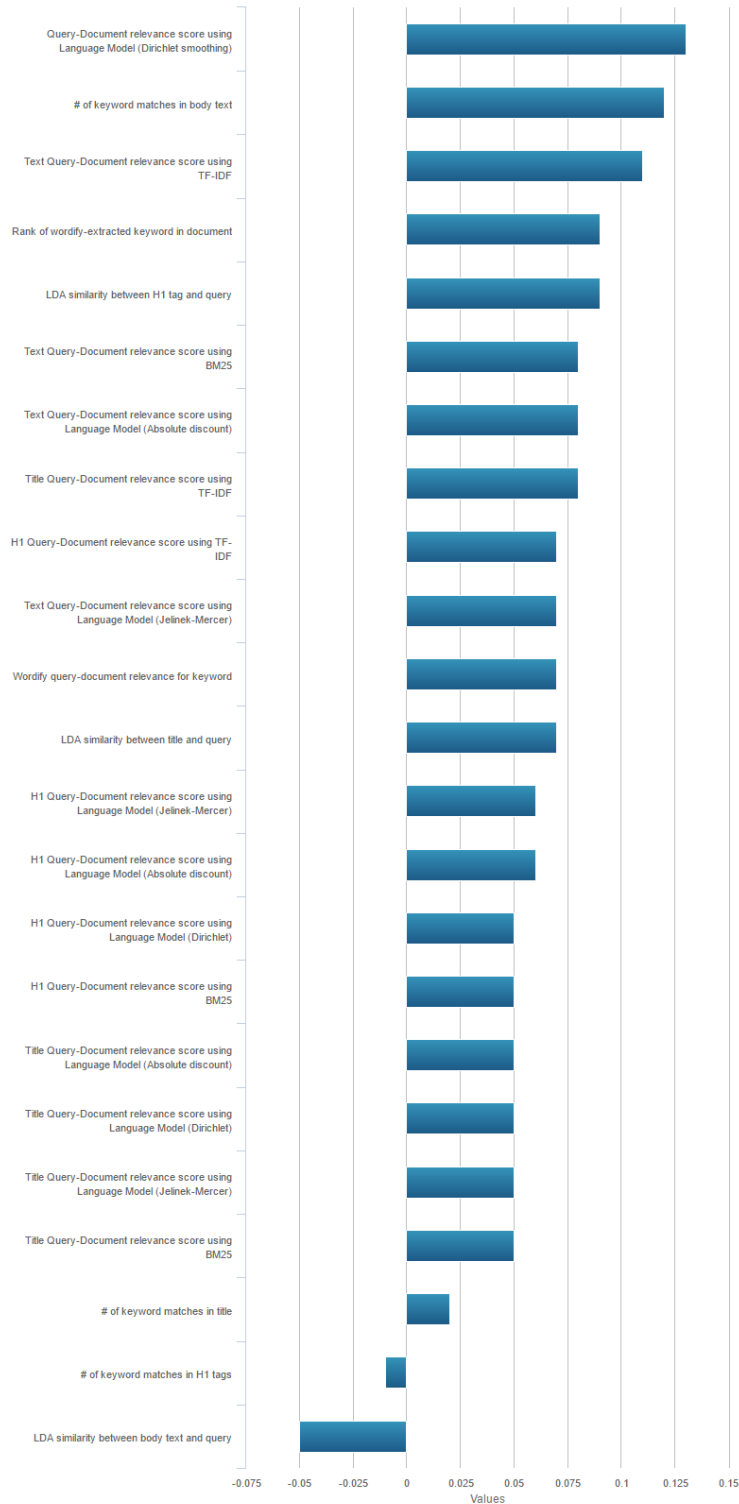
Page-Level Keyword Agnostic Features

These elements describe non-keyword-usage, non-link-metrics features of individual pages (such as length of the page, load speed, etc.).

While page length, international targeting, and total number of links all show moderate association with Google rankings, we found that using HTTPS has a very low positive correlation. This could indicate it's the "tie-breaker" Google claims. Negative associated factors include server response time and the total length of the URL.

Page-Level Link-Based Features

These features describe link metrics to the individual ranking page (such as number of links, PageRank, etc.)

Despite rumors to the contrary, the data continues to show some of the highest correlations between Google rankings and the number of links to a given page.
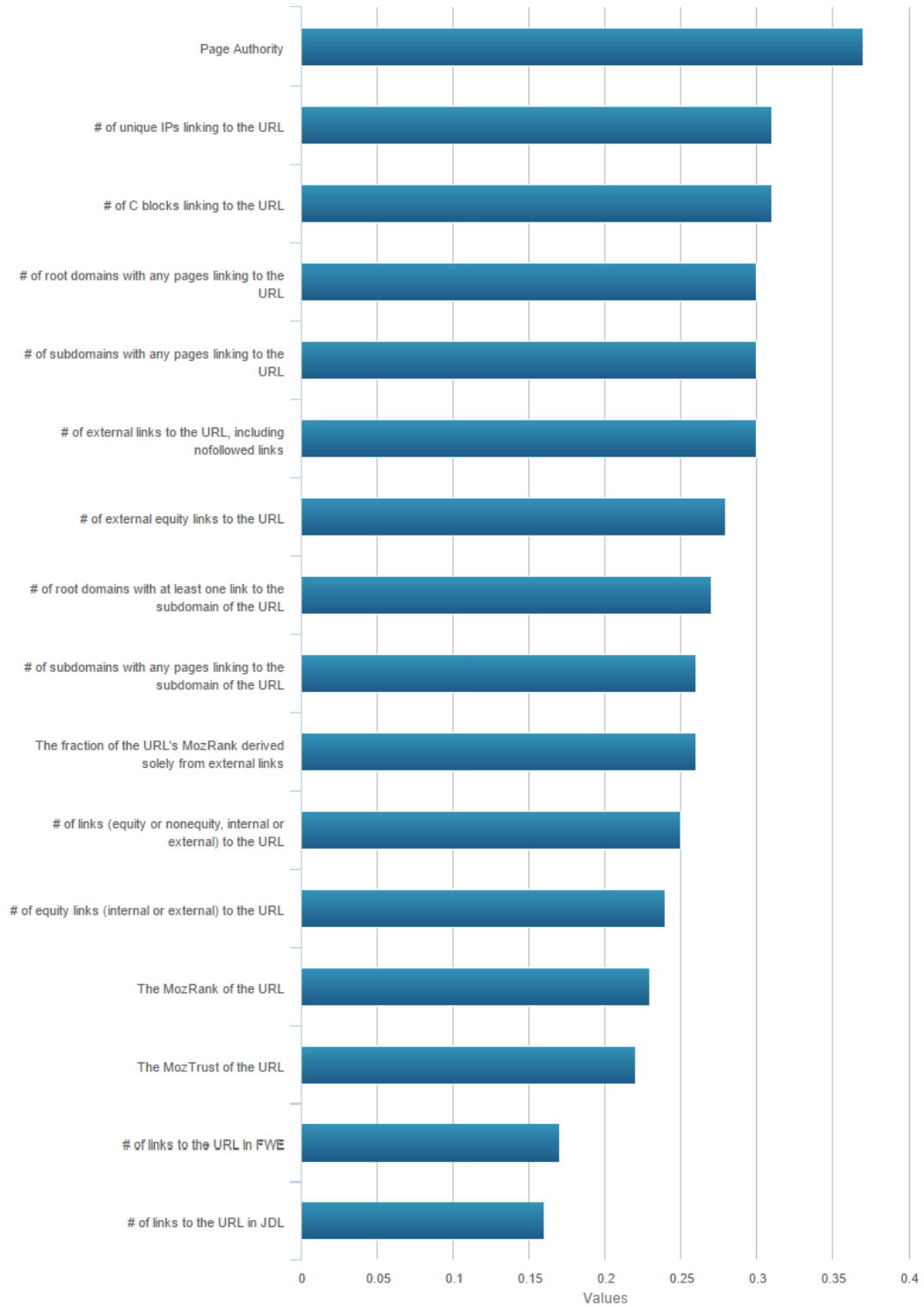
Domain-Level Keyword Usage Features

These features cover how keywords are used in the root or subdomain name, and how much impact this might have on search engine rankings.

While there exists a decent correlation between exact match domains (domains where the keyword matches the domain exactly, i.e. redwidgets.com) and rankings, this is likely due to the prominence of anchor text, keyword usage, and other signals, instead of an algorithmic bias in favor of these domains.
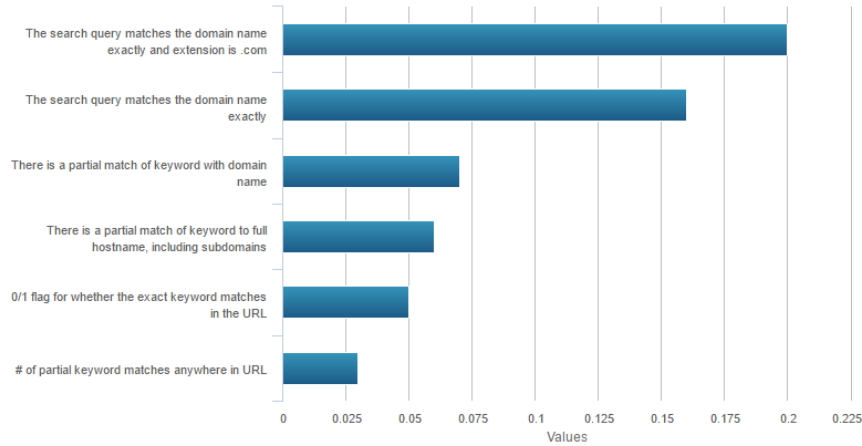
Domain-Level Keyword-Agnostic Features

These features relate to the entire root domain, but don't directly describe link or keyword-based elements. Instead, they relate to things like the length of the domain name in characters.

Our study showed little relationship with the type of top-level domain (.com, org, etc.) and rankings in Google.

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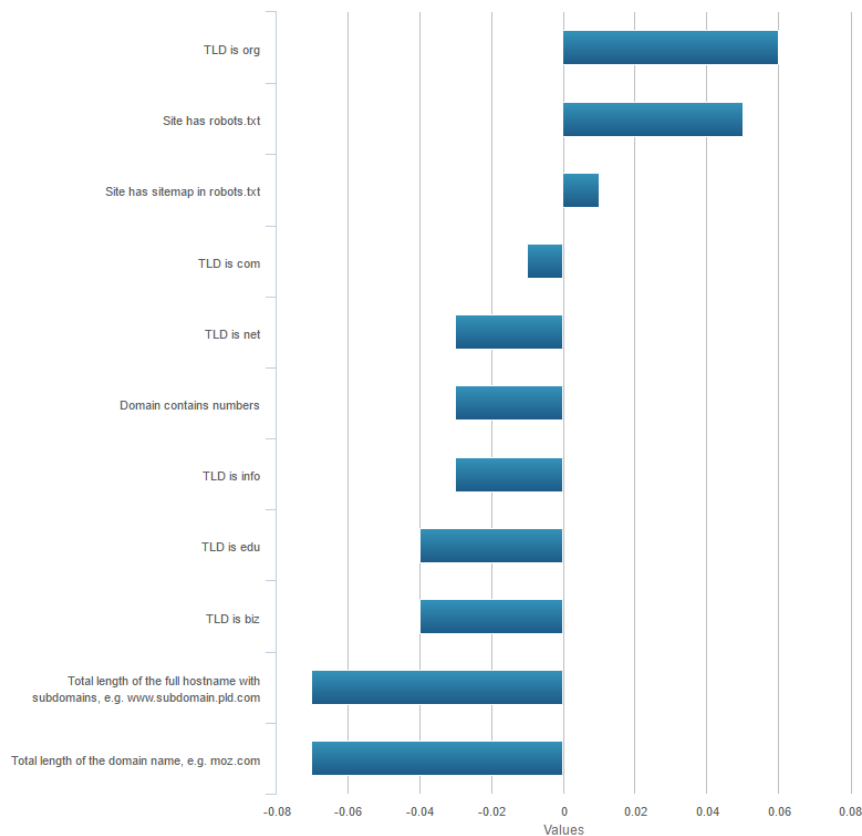
Domain-Level Link-Authority Features

These features describe link metrics about the domain hosting the page.

While not quite as high as page-level link metrics, the overall links to a site's root and subdomain showed a reasonably strong correlation to rankings. We believe links continue to play a prominent role in Google's algorithm.
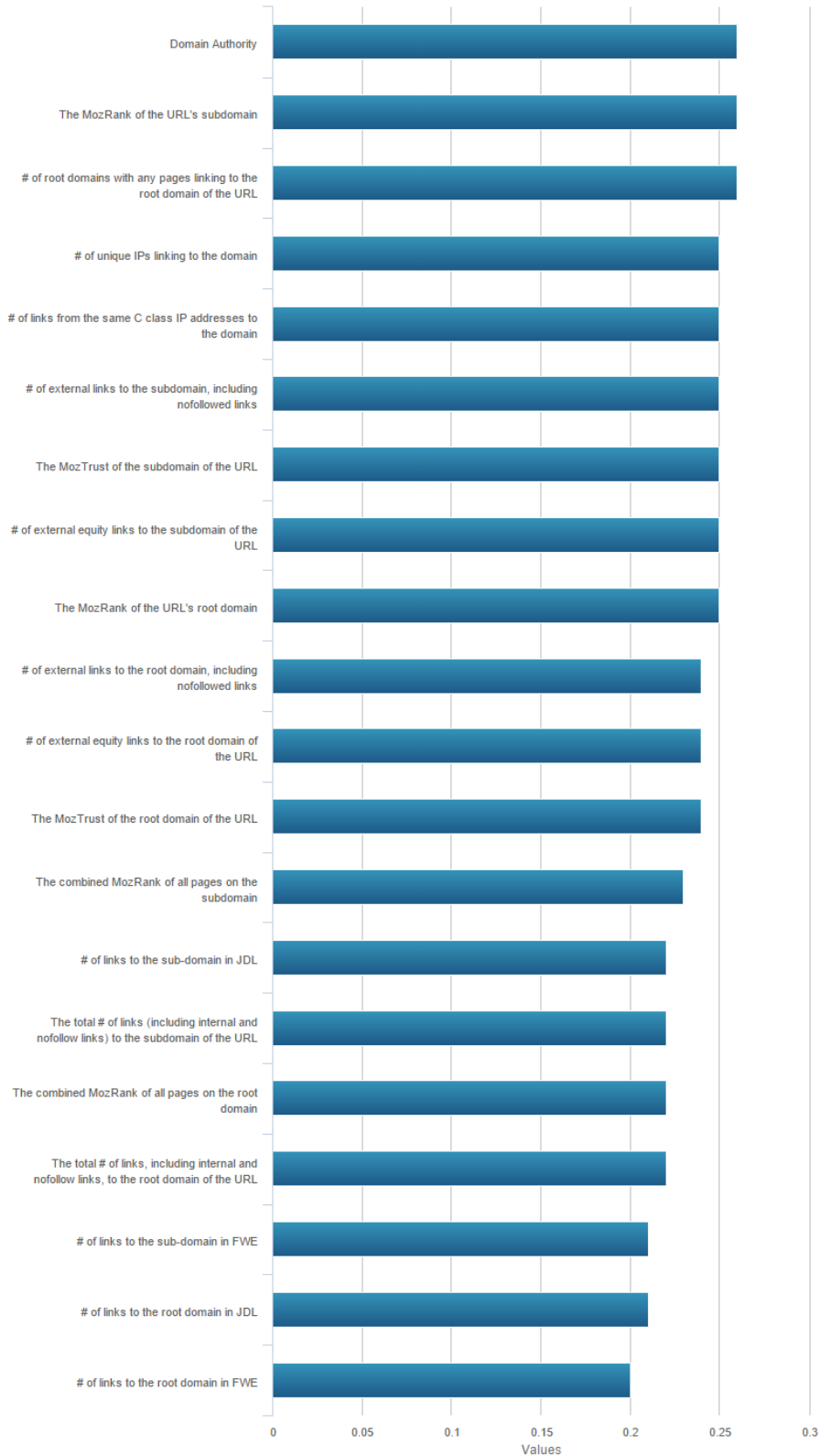
Anchor Text Features

These features describe the anchor text of the links pointing to both the page and domain.

Use of anchor text was another prominent feature of high-ranking results, with the number of unique domains linking with partial-match anchor text leading the way.
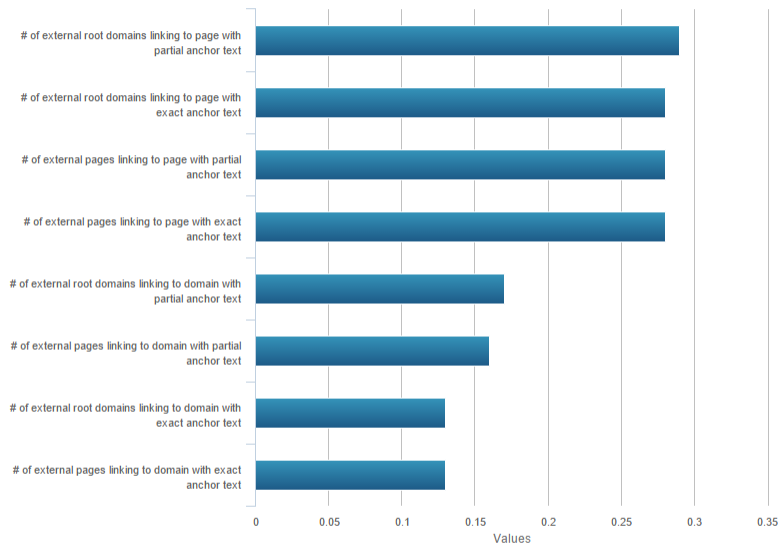
Social and Brand Features

These features relate to third-party metrics from social media sources (Facebook, Twitter, Google+, etc.) for the ranking page, and also to brand mentions across the web.

Always controversial, the number of social shares a page accumulates tends to show a positive correlation with rankings. Although there is strong reason to believe Google doesn't use social share counts directly in its algorithm, there are many secondary SEO benefits to be gained through successful social sharing.

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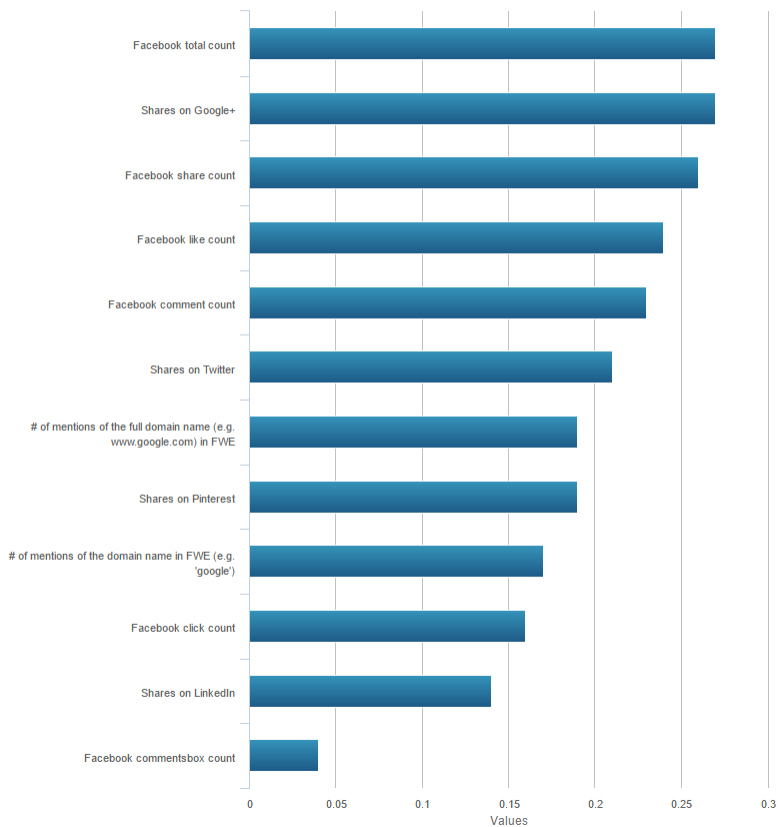
Spam Flags

These features relate to features often associated with banned or penalized domains, as defined by Moz's Spam Score.
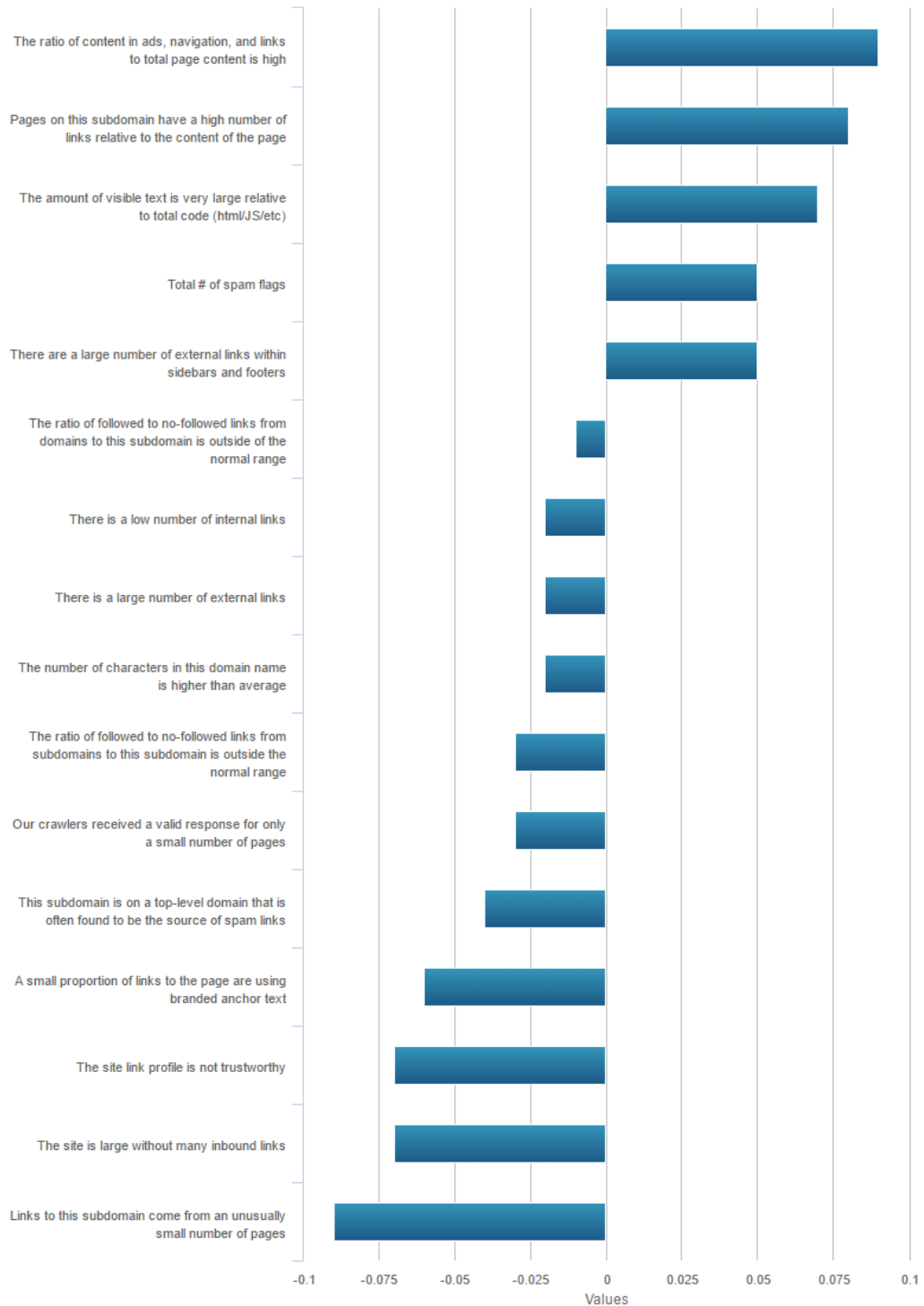
Link Metrics from Ahrefs

These features relate to link metrics from our data partner Ahrefs.
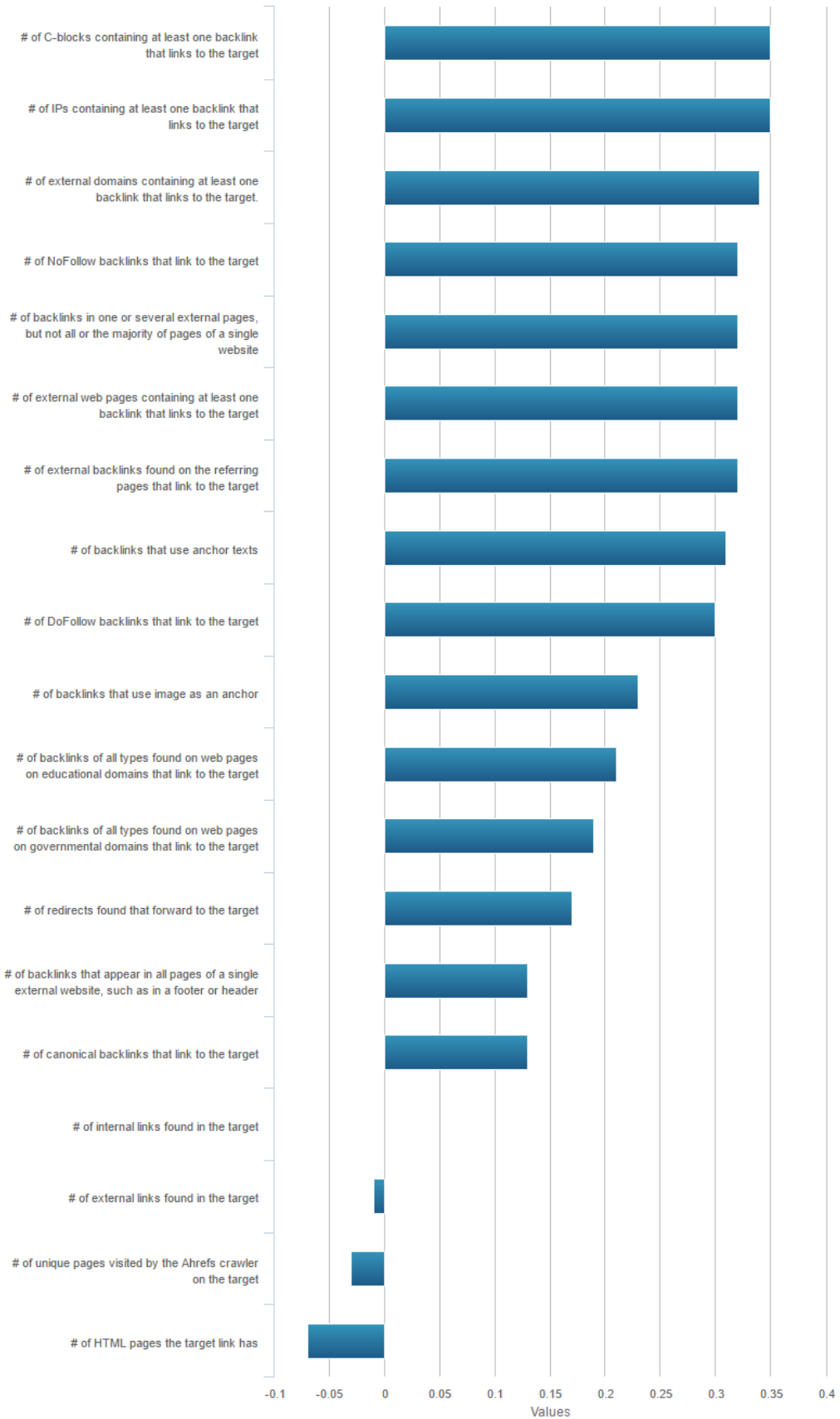
Traffic and Engagement Metrics from SimilarWeb

These features relate to traffic and engagement metrics from our data partner SimilarWeb. Traffic data is from April and May, 2015.
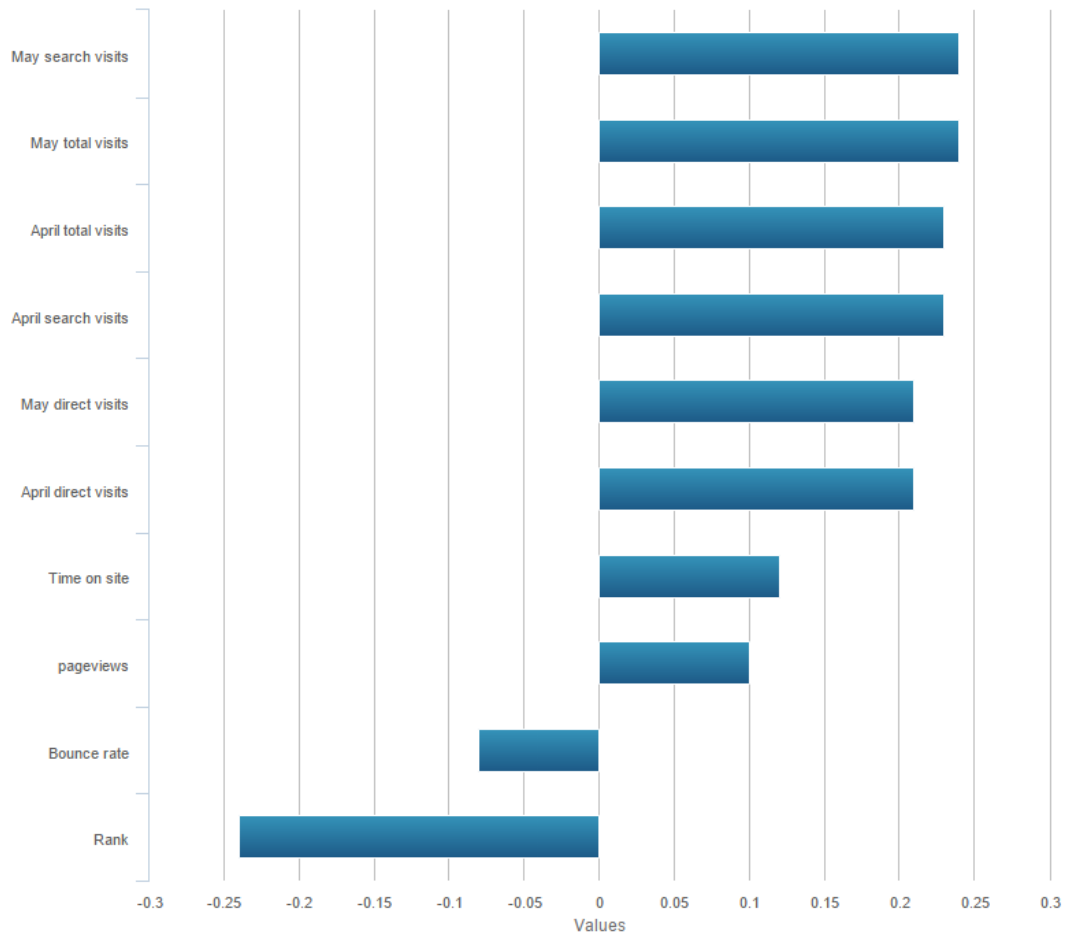
Domain Registration Features from DomainTools

These features relate to traffic and engagement metrics from our data partner DomainTools.
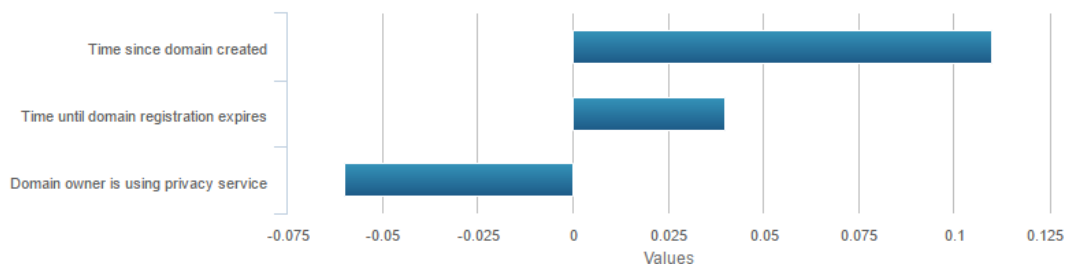
Table A2 - Possible Ranking Factors Moz (2015)

Appendix B – Preliminary Question List

Preliminary Questions for All

Question	Expected Outcomes	Relevant Literature
How would you define innovation?	Most participants will be able to give an approximate definition but there will only be a small amount of commonalities between them	Joseph Schumpter (1934), Myers and Marquis (1969), Trott (2008), Drucker (2007), Boer and During (2001), Stamm (2008), GOSWAMI & MATHEW (2005), Damanpour and Evan (1984), Mohr (1976), Rogers (1998), Tidd, Bessant and Pavitt (2009)
Do you think innovation includes the spreading of pre-existing knowledge?	Most participants will say no, with some citing blogs as an example	Rogers (1998) says it does (interesting due to blogs)
Is innovation actively encouraged in all departments and levels within the business?	Most participants will say yes	(Tidd and Bessant, 2009, p3) state that innovation should happen throughout the business
Do you feel that firms should look for creative conflict or creative debate in their innovation practices?	Most participants will say creative debate, mentioning that creative conflict will be needed at times	Isaksen & Ekvall (2010) also found that creative debate rather than creative conflict was more conducive to innovative practices

Question	Expected Outcomes	Relevant Literature
Do you feel that companies need to be prepared for upheaval when making big innovations? Why?	Likely to be an even split between yes and those arguing that happy employees will be more innovative	Phillips *et al* (2006) highlight that to get beyond the "steady state" innovations, companies must be ready for upheaval, both in terms of staffing and processes
Do you feel it's possible to put in place a model/process for innovation?	Most participants will say yes	Rothwell (1992), (Von Hippel, 1978), (Galbraith, 1982), (Rothwell and Zegveld, 1985), Carlo *et al* (2012),
How do you identify opportunities for innovation? OR How do you think opportunities for innovation are identified within the digital marketing industry?	Most participants will say blogs and other internet sources, some may mention elements of team innovation and/or open innovation.	Rickards (1999) criticises many models by stating that they have an initial stage where creativity is said to occur and through doing so "the whole tricky question of discovery process has been got out of the way so that subsequent stages can be presented as rational and logistical sequences of activities".

Question	Expected Outcomes	Relevant Literature
		Trott (2008) not only recognises there is an underlying process common to all firms but also says we need to understand ways in which innovation can be encouraged so that new products and services can be developed.
Do you have to be in the industry for a long time to be innovative?	Most will say no due to it being an industry of younger, predominantly less experienced individuals when compared to long established industries	"creativity is not something where someone who has never worked in that field suddenly gets this marvellous idea. Creativity is relating a concept to a particular body of knowledge. The existing body of knowledge is as vital as the novel idea and really creative people spend years and years acquiring and refining their knowledge base" (Hunt 1999, Cited in Stamm, 2008)
On this scale where do you think innovations within digital marketing tend to sit?	Most will say incremental service innovations. May be some confusion over service vs product innovations.	Tidd, Bessant and Pavitt (2009) Model - What's changed? Perceived extent of change?

Question	Expected Outcomes	Relevant Literature
(not for experts) From this list what innovation management tools do you use?	Only a few from the list will be chosen, Search engines will rank higher.	Taken from D'Alvano & Hidalgo (2012)
Do you think firms should share knowledge between each other?	Most will say officially no but many will admit to informal communication with friends from other businesses	Open innovation - Cheesbourgh, Vanhaverbeke & West, 2006., Laursen & Salter, 2006., West & Gallagher, 2006., Vrande, Jong, Vanhaverbeke & Rochemont, 2009., Von Hippel & Von Krogh, 2006
Do you feel that innovation can form a competitive advantage?	Most will say yes to both but not have put together the fact that they are sharing knowledge with competitors.	SEO innovation forms competitive advantage and the results need to be used internally, if released it would level the playing field (Chesbrough, 2003)
Have you ever spoken at an industry conference/event?	Those that have not spoken at conferences will usually cite not having the opportunity.	
If not, Why?		

Table A3 Preliminary Questions for All

Preliminary Questions for experts

Question	Expected Outcomes	Relevant Literature
Is innovation key for economic growth?	Experts will agree that it is	Baumol (2002) say it is
Is innovation fundamentally about entrepreneurship?	Most will say it is and some may bring up people leaving companies and starting their own companies/going freelance	Tidd and Bessant (2009, p5) say it is
Tasks with variation have more opportunity for innovation so should companies be trying to find a process for innovation or will companies eventually become hamstrung by this?	Most will say that companies should find a process to follow but not be excessively rigid about it	Thompson, 1967 say tasks only needing a small amount of variation don't have the flexibility that's needed for innovation
Which level of management support is most important to the innovative effort of the team?	Most will say senior level with everyone in the business being responsible	Phillips *et al* (2006) without the support of senior management teams many of the opportunities would have gone un-exploited
Who should be responsible for innovation within a business?		

Question	Expected Outcomes	Relevant Literature
Is there an innovation model used throughout the digital marketing industry?	Most will say a model doesn't exist but one could be created.	Davis and Hobday (2005) heavily criticise the best practice tools and techniques for innovation management by pointing out they "have been developed for mass produced goods, and as such are either inappropriate or at the very least need substantial modification for project business"
Do you think one could be created?		
		Tidd, Bessant and Pavitt (2009) "the overall map of the process is the same"
What do you think firms expect to gain from innovation?	Most will say thought leadership and improved results	Zhou et al. (2005) found that product innovation is a way in which firms can differentiate themselves from competitors and provide a unique benefit to customers but as Gatignon (2002), Xuereb (1997) and Porter (1985) mention could also enhance cost advantage, getting the product or service to the consumer for less money.

Question	Expected Outcomes	Relevant Literature
Do you think that the Digital Marketing industry has a unique set innovation challenges? If yes, what are they?	Most will say yes saying that they have to consider Google and competitors	Tidd, Bessant & Pavitt (2009) note the growing attention being given to the challenge of innovation management and both the generic and firm specific intricacies of dealing with this challenge
Do you think SEO companies need to be secretive about the innovations they make?	Most will say it depends on the type of innovation being made	Innovation forms competitive advantage and the results need to be used internally, if released it would level the playing field (Chesbrough, 2003) Tidd (2006) makes the point that secrecy cannot be maintained with the inevitable turnover of staff and industry discussions that go on
Do you feel that innovation within digital marketing has been adequately academically researched based on the fact that overall UK	Most will say no	Econsultancy (2012c)

Question	Expected Outcomes	Relevant Literature
internet advertising accounts for 30% of all ad expenditure? Econsultancy (2012c)		
Do you feel Googles dominance of the search landscape inhibits or encourages innovation?	Most will say encourages it	Google is by far the most predominant search engine within the market with more than 90% of searches being completed on its properties (Murray, 2012) and accounts for 93% of search spend (Efficient Frontier, 2012)

Table A4 Preliminary Questions for Experts

Preliminary Questions for CEO/Founders

Question	Expected Outcomes	Relevant Literature
Is innovation fundamentally about entrepreneurship?	Some will say yes mentioning how they set up the company, who they employed etc. Some will say no saying that those within their company are innovative but have not set up their own companies.	Tidd and Bessant (2009, p5) say it is
Do you have a flexible structure that is able to adapt to market needs?	Most will say yes but there is more that they can do	Lawrence and Lorche (1967) found better coordination was associated with flexible structures that were able to change to the market needs
Do you select leaders based on their creative personality and behaviour? How does that effect the teams overall creative ability?	Most will say yes and that it improved the creativity of the team	Mathisen, Einarsen & Mykletun (2012) found that selecting leaders based on the creative personality and behaviour had positive effects on the teams overall creative abilities

Question	Expected Outcomes	Relevant Literature
Is your level of management support key to the innovative effort of the team?	Most will say yes, saying they guide it from the top. Most will also say they are responsible for innovation alongside other team members.	Phillips *et al* (2006) without the support of senior management teams many of the opportunities would have gone un-exploited
Who's responsible for innovation?		
Is the innovation strategy that you pursue dependant on your own resources and external pressures or lead by the market?	Expect and even split	Hoonsopon & Ruenrom (2012) highlights that the innovation strategy that a firms pursues depends on their own resources and external pressures
What do you expect to gain from innovation?	Most will say increased profits	Zhou *et al*. (2005) found that product innovation is a way in which firms can differentiate themselves from competitors and provide a unique benefit to customers but as Gatignon (2002), Xuereb (1997) and Porter (1985) mention could also enhance cost advantage, getting the product or service to the consumer for less money.

Question	Expected Outcomes	Relevant Literature
As a business in the SME category do you find it hard to innovate?	Most will say no citing the staff they employ being innovative	Kaminski (1994, Cited in Tidd, Bessant & Pavitt, 2009) "innovation in firms with fewer than 100 employees is much lower than in larger firms" Also found to be true in a study by Baldwin (1994, Cited in Tidd, Bessant & Pavitt, 2009) where "only 9.3% performed their own R&D"
Is your company: • Constantly looking for innovation? • Able to pick up market signals for change? • Prepared for innovation? How?	Most will say yes to all, then varying answers are expecting for the how part of the question with little commonality between the various answers with the companies perusing various strategies.	Christenson and Utterback (1997 & 1994, Cited in Tranfield *et al*, 2003), organisations need to be adept in constantly looking for innovation, be able to pick up market signals for change and be prepared for innovation

Question	Expected Outcomes	Relevant Literature
Do you share innovations made within the business with competitors?	Most will say no.	SEO innovation forms competitive advantage and the results need to be used internally, if released it would level the playing field (Chesbrough, 2003)
Have you ever employed someone from a competitor?	All will say yes	
Did the knowledge of the competitor's innovations influence that decision?	Varying answers but expected that most will say no	Tidd (2006) makes the point that secrecy cannot be maintained with the inevitable turnover of staff and industry discussions that go on

Table A5 Preliminary Questions for CEO/Founders

Preliminary Questions for dept. managers

Question	Expected Outcomes	Relevant Literature
How many people do you involve in innovations	Most to say whole team	(Tidd & Bessant, 2009, p115) "Although each individual may only be able to develop limited, incremental innovations, the sum of those efforts can have far reaching impacts"
Do you feel like you have a climate for innovation and creativity?	Most to say yes	Lundmark & Björkman (2011) state that it is important to understand creative climate is it is a large influencer in employee's ability to create and share ideas, as well as employees decision to stay with their current employers
Does this influence others to get involved in the creative process?	Most to say yes	
Do you feel this influences staff's decision to stay at or leave the company?	Most to say that length of service is positively affected	

Question	Expected Outcomes	Relevant Literature
Do you have creative barriers?	Most to say yes	Fagan's (2004) companies that actively tried to lower creative barriers saw a positive relationship with work creativity
What are they?	Most to say higher levels of management and low staff moral	
What do you do to overcome these?	Varying answers with some saying that they control moral in their own teams.	
Do you feel you were selected based on your creative personality and behaviour?	Most to say yes	Mathisen, Einarsen & Mykletun (2012) found that selecting leaders based on the creative personality and behaviour had positive effects on the teams overall creative abilities
How does that effect the teams overall creative ability?	Most will say it has a positive impact on the team overall. Most will say that they lead effectively because of it.	

Question	Expected Outcomes	Relevant Literature
Is your level of management support key to the innovative effort of the team?	Most to say yes and highlight their own involvement	Phillips *et al* (2006) without the support of senior management teams many of the opportunities would have gone un-exploited
Who's responsible for innovation?	Expect an even split between themselves and higher management level (think that the size of business may have some influence on this)	
Do you share innovations made within the business with others?	Some will say they do, but on an informal basis.	SEO innovation forms competitive advantage and the results need to be used internally, if released it would level the playing field (Chesbrough, 2003)
Have you ever employed someone from a competitor?	Most will say yes	
Did the knowledge of the competitor's innovations influence that decision?	Varying answers but expected that most will say no	Tidd (2006) makes the point that secrecy cannot be maintained with the inevitable turnover of staff and industry discussions that go on

Table A6 Preliminary Questions for Dept. Managers

Preliminary Questions for Consultants

Question	Expected Outcomes	Relevant Literature
Do you think tasks with large amounts of variation contain more opportunity for innovation?	Most will say yes	Thompson, 1967 say tasks only needing a small amount of variation don't have the flexibility that's needed for innovation
Which level of management support is most important to the innovative effort of the team?	For both questions: Most will say their direct line manager with some saying the consultant level or senior management.	Phillips *et al* (2006) without the support of senior management teams many of the opportunities would have gone un-exploited
Who's responsible for innovation?		
Do you feel managers are ready for innovative upheaval?	Expect an even split	O'Connor and Veryzer (2001) state that higher level management are key drivers of this activity and should focus on generating clear issues that must be solved by the team as a whole as well as energising the creative effort.
Do managers provide clear issues that must be tackled?	Most will say no	

Question	Expected Outcomes	Relevant Literature
Are managers key to energising the creative effort?	Most will say yes	
Do you share innovations made within the business with others?	Most will say yes	Tidd (2006) makes the point that secrecy cannot be maintained with the inevitable turnover of staff and industry discussions that go on

Table A7 Preliminary Questions for Consultants

Appendix C – Finalised Question Lists

Expert

The plan is to go through a series of questions about innovation in digital marketing agencies. However, I'd like to start by finding out a little more about you. First of all, can you tell me about your various roles at XXX?

How did you originally get into digital marketing?

> What was your first job in digital?

Now I want to move the conversation on to innovation itself.

How you would define innovation?

> Here I have a list of already existing definitions, which one on their most accurately reflects your own feelings on innovation

Do you think there is any difference between innovation and creativity?

> Is a creative person always an innovative person? Why?

How do you feel pre-existing knowledge influences innovation?

> Do you think that for something to be innovative it has to have never been done before? Why?

These next questions are more based around the industry as a whole.

How do you feel government policy influences innovation within digital as a whole?

> What do you think the government could do to encourage innovation within digital?

In your opinion do you feel Googles dominance of search inhibits or encourages innovation? What is the reason for that?

> If there were lots of different search engines all competing equally how do you feel that would change innovation within SEO?

Are there any factors that make innovation difficult within the SEO industry? – How do you feel these could be overcome?

> When you were working within an agency what made your role difficult? Did you do anything to overcome this?

These next questions relate to innovation with SEO companies.

Within agencies how do you think opportunities for innovation are identified?

How do you think innovation happens?

Do you think processes are used within SEO companies to identify innovation opportunities? If so, how?

Do you think you can put a process to innovation? Is this done within companies? How?

Do you feel SEO agencies should try to identify a process for innovation? If so, why?

Do you think processes for innovation are a good idea? Why?

Do you think innovations made within an SEO agency tend to be small steps forward, larger leaps or things that completely change the industry? / Why do you think that is?

When companies are making innovations how significant do you think they are?

Are there any off the shelf tools can be utilised to help a company become more innovative? How?

How do you think companies can become more innovative? Are there any tools you can think of that would help this?

These next questions relate to the reasons innovation may be pursued.

What do you think agencies expect to gain from innovation?

What are the advantages of innovation?

Do you feel it is more advantageous to be first to market with an innovation or follow a proven method?

Prompt:

Which of these statements do you agree with most? Why?

Innovation is key for business growth

You can grow a business without being innovative

The next section relates to how employees can affect innovation.

To what extent do you think different management levels of an organisation contribute to innovation?

Do you think that people at higher levels of management have a different role to play in regards to innovation? Why?

In your opinion is it better to have one strong leader enforcing an idea or is it more beneficial when the team collaborates and discuss' ideas?

What management style do you feel is more helpful when innovating? Why?

In your opinion is there an ideal length of time to have been in the industry to be innovative?

Do you think successful innovation is more reliant on knowledge of the industry or a fresh approach?

What common factors do you think could influence an SEO's decision to leave their current company?

When you've worked in an SEO company and employees have left what have some of the reasons been?

What potential advantages or disadvantages are there to SEO agencies sharing innovative knowledge between each other?

Do you think companies should share knowledge? Why, what are the good/bad points?

Shifting the line of questions again.

How do you feel universities could further support SEO agencies?

If you were given a training session title of "how SEO companies identify opportunities for innovation" what kind of things would you want to be talking about?

Do you have any questions for me?

Top – CEO Level

The plan is to go through a series of questions about innovation in digital marketing agencies. However, I'd like to start by finding out a little more about you. First of all, can you tell me about your role here at XXX?

How did you originally get into digital marketing?

> What was your first job in digital?

Now I want to move the conversation on to innovation itself.

How you would define innovation?

> Here I have a list of already existing definitions, which one on their most accurately reflects your own feelings on innovation

Do you think there is any difference between innovation and creativity?

> Is a creative person always an innovative person? Why?

How do you feel pre-existing knowledge influences innovation?

> Do you think that for something to be innovative it has to have never been done before? Why?

These next questions are more based around the industry as a whole.

How do you feel government policy influences innovation within digital as a whole?

> What do you think the government could do to encourage innovation within digital?

To what extent does government regulation affect your day to day operations?

> Is there anything you do that the government has any influence upon? Eg. Copywriting What is that influence?

How does regulation impact your ability to innovate?

> For example, has any of your work been constrained due to legal reasons? What were those constraints?

These next questions relate to innovation within XXX

How are opportunities for innovation identified at XXX?

> How do you think innovation happens at XXX?

Do you have a process for innovation?

> Are there any processes that would enable an employee to bring an innovation to your attention?

Top – CEO Level

Are there any factors that make innovation difficult within XXX? – How do you feel these could be overcome?

> What makes your role difficult? Did you do anything to overcome this?

To what extent do you feel this influences employee's decision to stay at or leave the company?

> What common reasons do you think there are for an agencies employee to leave their current position?

How do you go about building a company culture that encourages innovation and creativity?

> How would you describe the company culture here? What have you done to foster that?

Do you have a flexible structure that is able to adapt to market needs? If so, in what way is this achieved?

> If you suddenly get more work that was expected within a month, how do you ensure that work is completed?

Are there any off the shelf tools can be utilised to help a company become more innovative? How?

> How do you think companies can become more innovative? Are there any tools you can think of that would help this?

These next questions relate to the reasons innovation may be pursued.

What do you think agencies expect to gain from innovation?

> What are the advantages of innovation?

Do you feel it is more advantageous to be first to market with an innovation or follow a proven method?

> Prompt:
>
> Which of these statements do you agree with most? Why?
>
> > Innovation is key for business growth
> >
> > You can grow a business without being innovative?

The next section relates to how employees can affect innovation.

How do you think an individual can influence innovation here at XXX?

When a potential innovation comes to your attention is it usually through an individual having had a thought or a small group of people having a fairly developed idea?

In your opinion is it better to have one strong leader implementing an idea or is it more beneficial when the team collaborates and discuss' ideas?

What management style do you feel is more helpful when innovating? Why?

In your opinion is there an ideal length of time to have been in the industry to be innovative?

Do you think successful innovation is more reliant on knowledge of the industry or a fresh approach?

Is the innovation strategy that you pursue dependant on your own resources or lead by the market?

Are you more interested in what the competition are doing or do you feel you're the ones coming up with the next big thing?

It has been suggested that innovation should be encouraged in all areas of a business – do you agree? If so, how do you involve everyone?

Do you feel that all departments contribute equally to innovation? Is this encouraged? Why?

In what ways do managers support the innovation practices here at XXX?

How do you feel that you influence innovation at XXX?

These next questions relate to the concept of open innovation and how freely innovative ideas move around within the SEO industry.

Do you think firms should share knowledge between each other?

What advantages/disadvantages do you think there may be to sharing knowledge within the digital marketing industry?

Do you share innovations made within the business with competitors?

Have you ever discussed an innovation made at XXX with a competitor?

What potential advantages or disadvantages are there to SEO agencies sharing innovative knowledge between each other?

Do you think companies should share knowledge? Why, what are the good/bad points?

What common factors do you think could influence an SEO's decision to leave their current company?

What do you think can be gained by headhunting from a competitor?

>Have you ever hired from a competitor? Why?

Have you ever spoken at an industry conference/event?

>If no – Do you mind if I ask the reason for that?

>>This question is around the concept of whether people are hesitant to reveal too much information about innovations made within the business, would that be a contributing factor?

>If Yes – were you conscious of revealing too much about XXX's innovations and work practices?

>>Did you take anything out of the presentation, concerned that it may reveal too much about what you do?

Shifting the line of questions again.

How do you feel universities could further support SEO agencies?

Do you have any questions for me?

Middle – Head of Department Level

The plan is to go through a series of questions about innovation in digital marketing agencies. However, I'd like to start by finding out a little more about you. First of all can you tell me about your role here at XXX?

How did you originally get into digital marketing?

> What was your first job in digital?

Now I want to move the conversation on to innovation itself.

How you would define innovation?

> Here I have a list of already existing definitions, which one on their most accurately reflects your own feelings on innovation

Do you think there is any difference between innovation and creativity?

> Is a creative person always an innovative person? Why?

How do you feel pre-existing knowledge influences innovation?

> Do you think that for something to be innovative it has to have never been done before? Why?

These next questions are more based around the industry as a whole.

To what extent does government regulation affect your day to day operations?

> Is there anything you do that the government has any influence upon? Eg. Copywriting What is that influence?

How does regulation impact your ability to innovate?

> For example, has any of your work been constrained due to legal reasons? What were those constraints?

These next questions relate to innovation within XXX

How are opportunities for innovation identified at XXX?

> How do you think innovation happens at XXX?

Do you have a process for innovation?

> Are there any processes that would enable an employee to bring an innovation to your attention?

Are there any factors that make innovation difficult within XXX? – How do you feel these could be overcome?

> What makes your role difficult? Did you do anything to overcome this?

To what extent do you feel this influences employee's decision to stay at or leave the company?

What common reasons do you think there are for an agencies employee to leave their current position?

How do you go about building a company culture that encourages innovation and creativity?

How would you describe the company culture here? What have you done to foster that?

Do you have a flexible structure that is able to adapt to market needs? If so, in what way is this achieved?

If you suddenly get more work that was expected within a month, how do you ensure that work is completed?

Are there any off the shelf tools can be utilised to help a company become more innovative? How?

How do you think companies can become more innovative? Are there any tools you can think of that would help this?

These next questions relate to the reasons innovation may be pursued.

What do you think agencies expect to gain from innovation?

What are the advantages of innovation?

Do you feel it is more advantageous to be first to market with an innovation or follow a proven method?

Prompt:

Which of these statements do you agree with most? Why?

Innovation is key for business growth

You can grow a business without being innovative?

The next section relates to how employees can affect innovation.

How do you think an individual can influence innovation here at XXX?

When a potential innovation comes to your attention is it usually through an individual having had a thought or a small group of people having a fairly developed idea?

In your opinion is it better to have one strong leader implementing an idea or is it more beneficial when the team collaborates and discuss' ideas?

What management style do you feel is more helpful when innovating? Why?

In your opinion is there an ideal length of time to have been in the industry to be innovative?

Do you think successful innovation is more reliant on knowledge of the industry or a fresh approach?

In what ways do managers support the innovation practices here at XXX?

How do you feel that you influence innovation at XXX?

These next questions relate to the concept of open innovation and how freely innovative ideas move around within the SEO industry.

Do you think firms should share knowledge between each other?

What advantages/disadvantages do you think there may be to sharing knowledge within the digital marketing industry?

Do you share innovations made within the business with competitors?

Have you ever discussed an innovation made at XXX with a competitor?

What potential advantages or disadvantages are there to SEO agencies sharing innovative knowledge between each other?

Do you think companies should share knowledge? Why, what are the good/bad points?

What common factors do you think could influence an SEO's decision to leave their current company?

What do you think can be gained by headhunting from a competitor?

Have you ever hired from a competitor? Why?

Have you ever spoken at an industry conference/event?

If no – Do you mind if I ask the reason for that?

This question is around the concept of whether people are hesitant to reveal too much information about innovations made within the business, would that be a contributing factor?

If Yes – were you conscious of revealing too much about XXX's innovations and work practices?

Did you take anything out of the presentation, concerned that it may reveal too much about what you do?

Shifting the line of questions again.

How do you feel universities could further support SEO agencies?

Do you have any questions for me?

Did you take anything out of the presentation, concerned that it may reveal too much about what you do?

Shifting the line of questions again.

Bottom – Consultant Level

The plan is to go through a series of questions about innovation in digital marketing agencies. However, I'd like to start by finding out a little more about you. First of all can you tell me about your role here at XXX?

How did you originally get into digital marketing?

>What was your first job in digital?

Now I want to move the conversation on to innovation itself.

How you would define innovation?

>Here I have a list of already existing definitions, which one on their most accurately reflects your own feelings on innovation

Do you think there is any difference between innovation and creativity?

>Is a creative person always an innovative person? Why?

How do you feel pre-existing knowledge influences innovation?

>Do you think that for something to be innovative it has to have never been done before? Why?

These next questions are more based around the industry as a whole.

To what extent does government regulation affect your day to day operations?

>Is there anything you do that the government has any influence upon? Eg. Copywriting What is that influence?

How does regulation impact your ability to innovate?

>For example, has any of your work been constrained due to legal reasons? What were those constraints?

These next questions relate to innovation within XXX

How are opportunities for innovation identified at XXX?

>How do you think innovation happens at XXX?

Do you have a process for innovation?

>Are there any processes that would enable an employee to bring an innovation to your attention?

Are there any off the shelf tools can be utilised to help a company become more innovative? How?

How do you think companies can become more innovative? Are there any tools you can think of that would help this?

These next questions relate to the reasons innovation may be pursued.

What do you think agencies expect to gain from innovation?

What are the advantages of innovation?

The next section relates to how employees can affect innovation.

How do you think an individual can influence innovation here at XXX?

When a potential innovation comes to your attention is it usually through an individual having had a thought or a small group of people having a fairly developed idea?

In your opinion is it better to have one strong leader implementing an idea or is it more beneficial when the team collaborates and discuss' ideas?

What management style do you feel is more helpful when innovating? Why?

In your opinion is there an ideal length of time to have been in the industry to be innovative?

Do you think successful innovation is more reliant on knowledge of the industry or a fresh approach?

In what ways do managers support the innovation practices here at XXX?

How do you feel that you influence innovation at XXX?

These next questions relate to the concept of open innovation and how freely innovative ideas move around within the SEO industry.

Do you think firms should share knowledge between each other?

What advantages/disadvantages do you think there may be to sharing knowledge within the digital marketing industry?

Do you share innovations made within the business with competitors?

Have you ever discussed an innovation made at XXX with a competitor?

What common factors do you think could influence an SEO's decision to leave their current company?

Have you ever spoken at an industry conference/event?

If no – Do you mind if I ask the reason for that?

> This question is around the concept of whether people are hesitant to reveal too much information about innovations made within the business, would that be a contributing factor?

If Yes – were you conscious of revealing too much about XXX's innovations and work practices?

> Did you take anything out of the presentation, concerned that it may reveal too much about what you do?

Shifting the line of questions again.

How do you feel universities could further support SEO agencies?

Do you have any questions for me?

Appendix D – Coding Discussion

Manual Analysis

Below is a photo (Figure A1) depicting a sample of the analysis that was undertaken by hand of the interview transcripts. Passages from the interviews that were thought to be of importance were selected and boxed in/highlighted. Additional notes from the author were placed in the margins. These notes consisted of patterns that were developing, initial thoughts and selective highlighting of important parts of the interviews. This was by far the most illuminating analysis as it was the first time through the transcripts and allowed for the development of thoughts. These were the most referred to notes when writing up the analysis and selecting suitable quotes to include. The author found the physical nature of the notes to be the most useful.
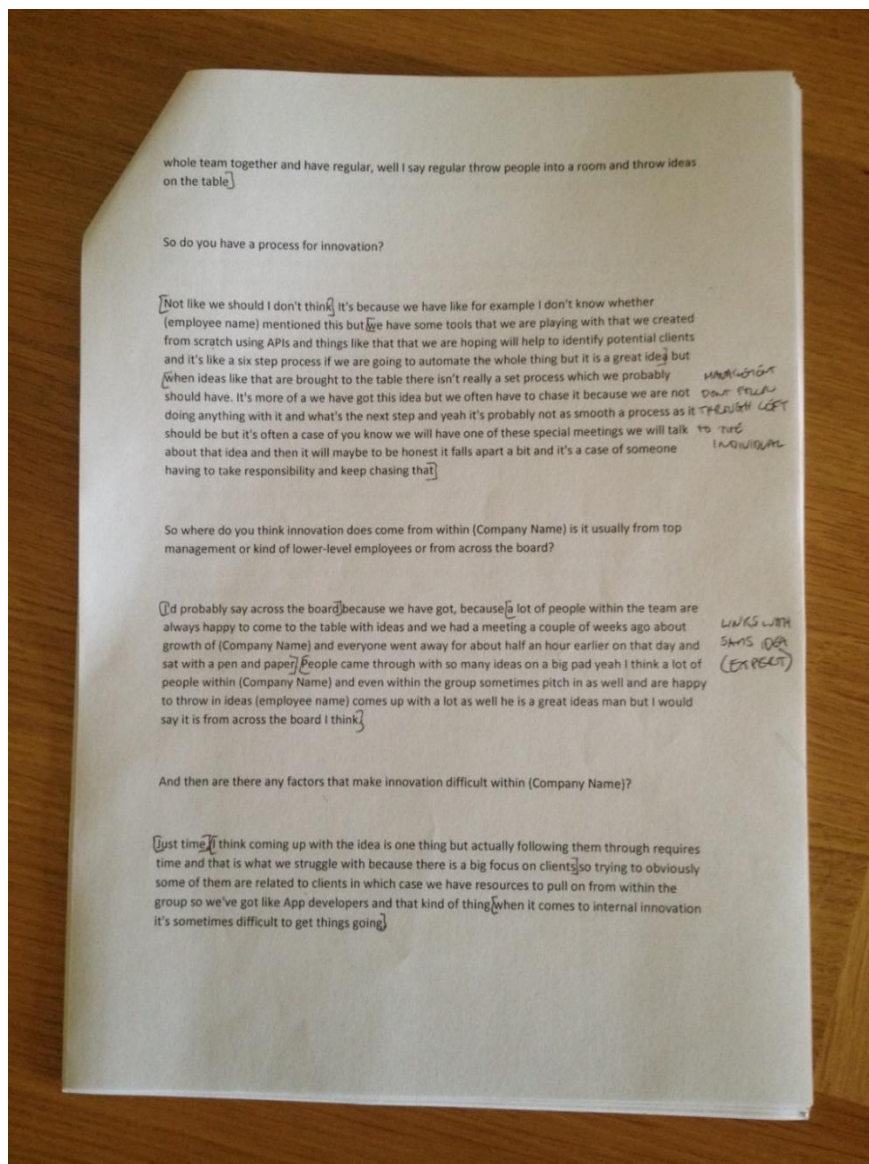
Figure A1 Manual Analysis Example

Nvivo Analysis

Coding was then undertaken within Nvivo alongside the audio files. Each transcript (and this time audio) was analysed, taking across and coding to nodes the work previously carried out in the manual analysis. Here Nvivo was particularly useful when wanting to compare answers from questions and enhanced the high-level analysis of the interviews as answers to questions could be separated out and be compared more easily than their paper counterparts. Occasionally word counts were used. However, a general sense of what was being spoken about within the interviews was taken from the notes that were previously made within the physical versions. It was through an effective combination of both physical and digital analysis that has led to this thesis. For the node creation, each research proposition was firstly broken down into expert and company answers. From here questions asked were placed into nodes and coded to. In addition, all interviews were separately coded into company and expert nodes, the expert nodes held individual names and the company node held companies corresponding letters. The level of each employee was then set up within companies so that these could be analysed where required.

In retrospect, if this project could be done again Nvivo should have been the first method of analysis completed with physical highlighting/notetaking being done second and the findings being brought back across into the Nvivo package. The author was not an expert in Nvivo and whilst a training course was attended a lack of confidence within the program may have led to a heavier reliance being placed on the manual analysis. There was also a conscious decision not to let all the analysis be done by machine and a realisation of the need for the human element. It is not felt that this negatively impacted the quality of the analysis and outcomes.

Nvivo Node Tree Diagrams

On the following page are the node tree diagrams described above created specifically to hold company and expert interviews (Figure A2, p318). In the case of the company their designations and levels were also included:
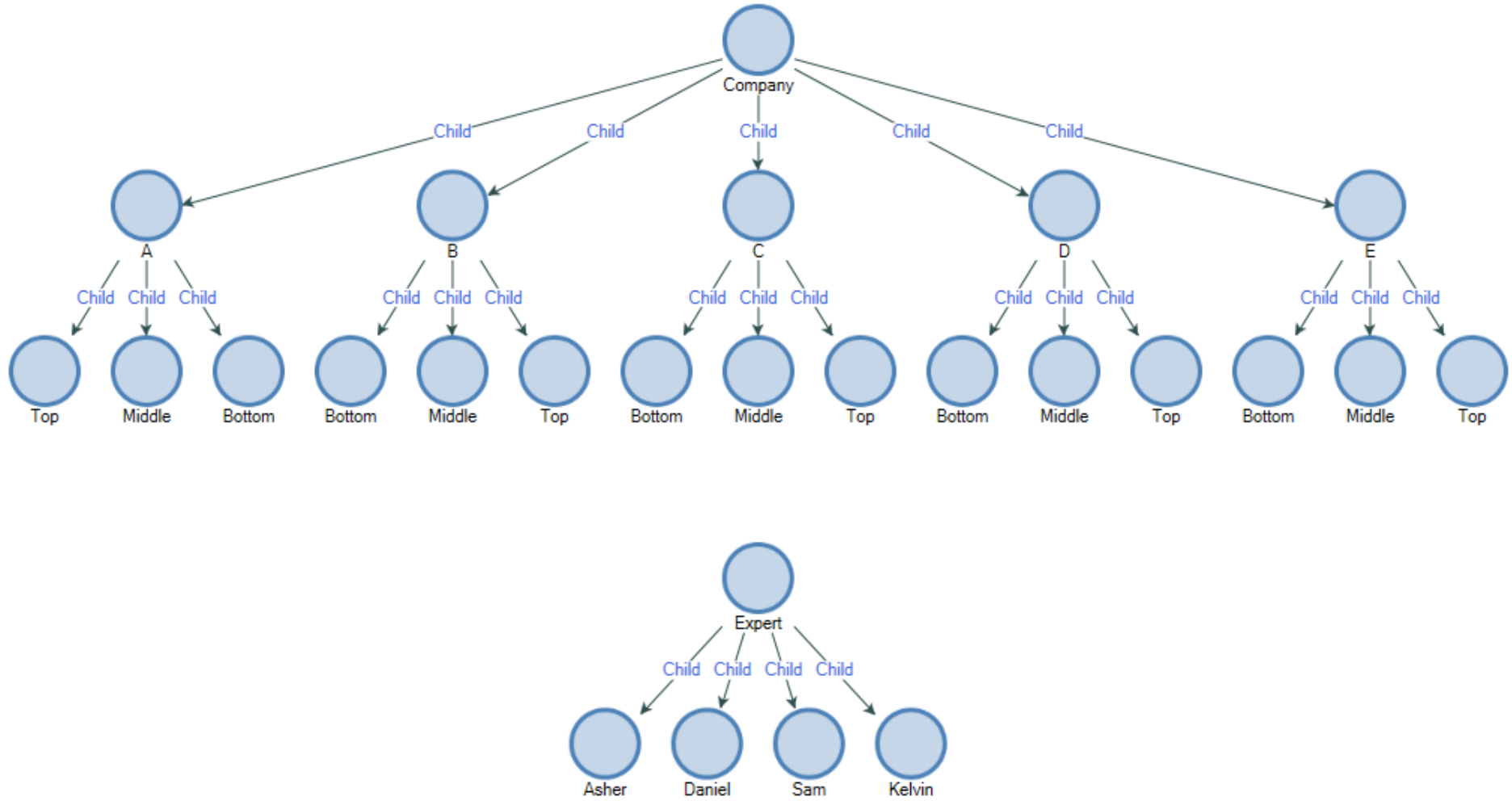
Figure A2 Node Tree Diagram (1)

Across the following two pages is a node tree diagram for RP0, the RP0 node appears on both pages to connect them:
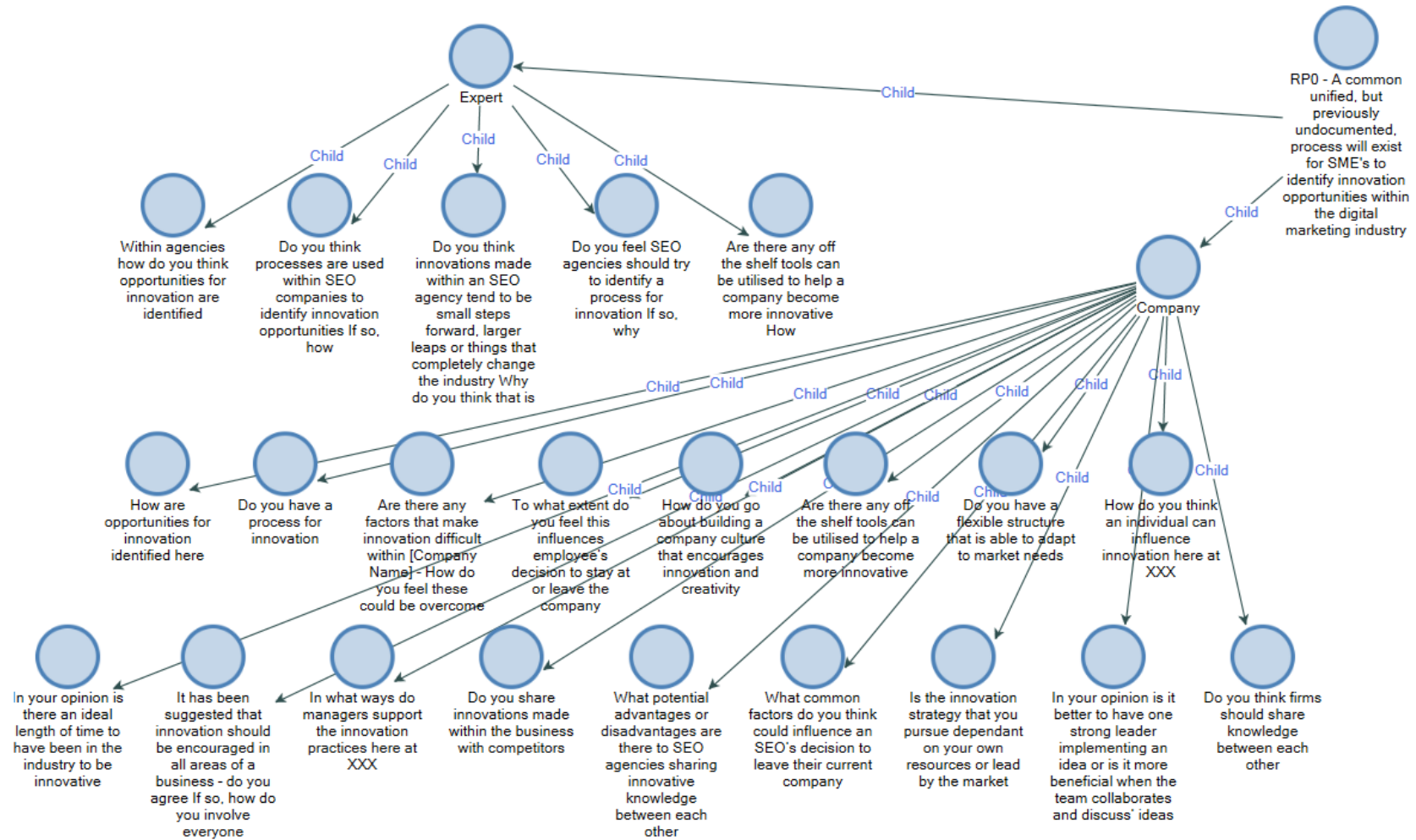
Figure A3 Node Tree Diagram (2)
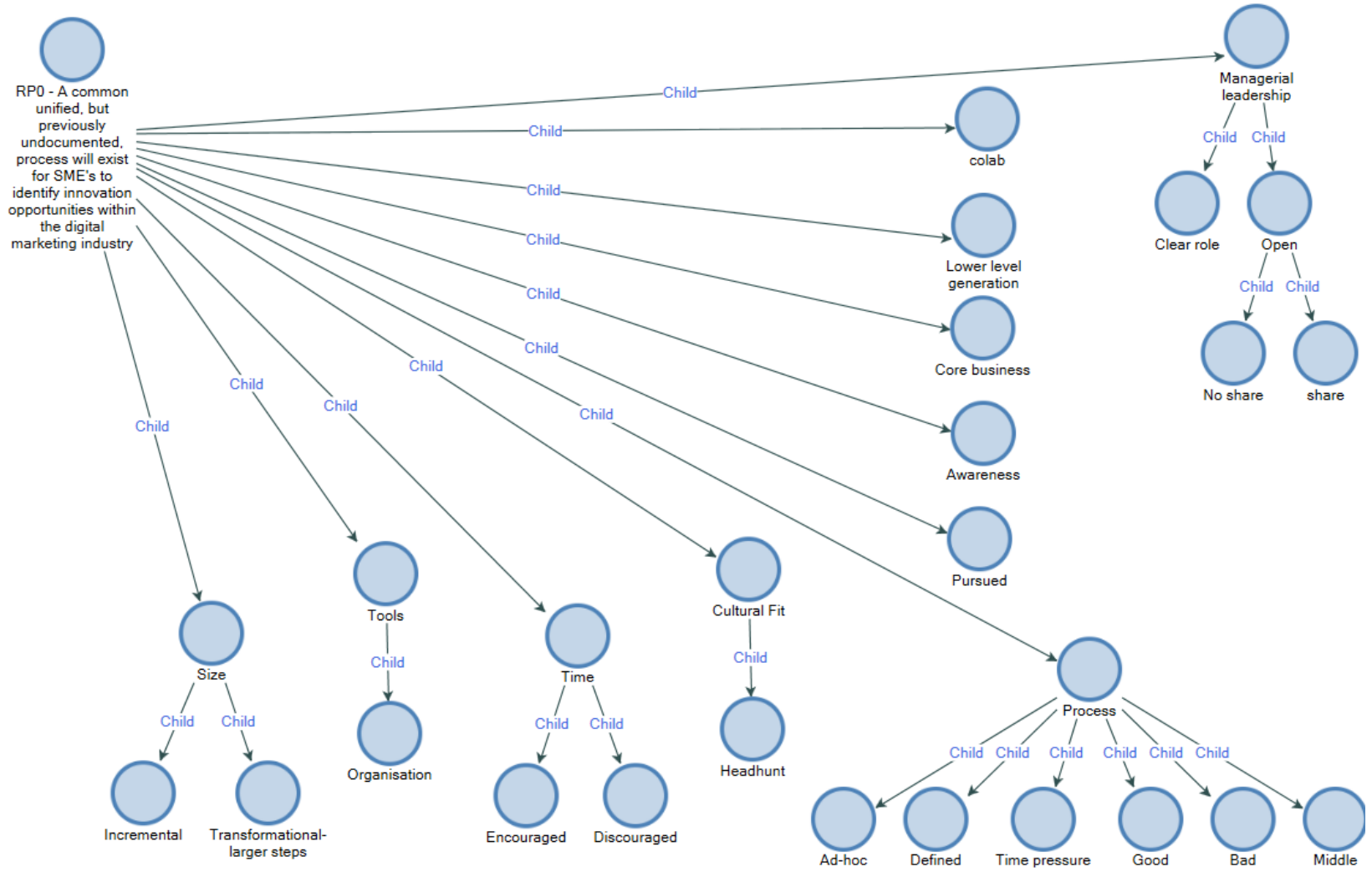
Figure A4 Node Tree Diagram (3)

Figure A3 (p319) has two nodes coming from the research proposition, these are company and expert, these then have the related questions set up as nodes. This research proposition and question relationship can be seen within text through 'Questions Asked' and 'Propositions Covered' headings and the nodes were coded to as appropriate. Figure A4 (p320) shows the nodes that key themes have been coded to, when coupled with the manual margin notes these were particularly helpful in generating the 'Key Takeaway' sections. This is representative of the way in which nodes were created and was replicated for each research proposition.

For reference, list versions of the node diagrams are included below:

RP0 - A common unified, but previously undocumented, process will exist for SME's to identify innovation opportunities within the digital marketing industry

- Expert
    - Are there any off the shelf tools can be utilised to help a company become more innovative How
    - Do you feel SEO agencies should try to identify a process for innovation If so, why
    - Do you think innovations made within an SEO agency tend to be small steps forward, larger leaps or things that completely change the industry Why do you think that is
    - Do you think processes are used within SEO companies to identify innovation opportunities If so, how
- Company
    - Are there any factors that make innovation difficult within [Company Name] – How do you feel these could be overcome
    - Are there any off the shelf tools can be utilised to help a company become more innovative
    - Do you have a flexible structure that is able to adapt to market needs
    - Do you have a process for innovation
    - Do you share innovations made within the business with competitors
    - Do you think firms should share knowledge between each other
    - How are opportunities for innovation identified here
    - How do you go about building a company culture that encourages innovation and creativity
    - How do you think an individual can influence innovation here at XXX
    - In what ways do managers support the innovation practices here at XXX
    - In your opinion is it better to have one strong leader implementing an idea or is it more beneficial when the team collaborates and discuss' ideas
    - In your opinion is there an ideal length of time to have been in the industry to be innovative
    - Is the innovation strategy that you pursue dependant on your own resources or lead by the market
    - It has been suggested that innovation should be encouraged in all areas of a business – do you agree If so, how do you involve everyone
    - To what extent do you feel this influences employee's decision to stay at or leave the company
    - What common factors do you think could influence an SEO's decision to leave their current company
    - What potential advantages or disadvantages are there to SEO agencies sharing innovative knowledge between each other
- Awareness
- Colab
- Core business

- Cultural Fit
    - o Headhunt
- Within agencies how do you think opportunities for innovation are identified
- Lower level generation
- Managerial leadership
    - o Clear role
    - o Open
        - ▪ No share
        - ▪ share
- Process
    - o Ad-hoc
    - o Bad
    - o Defined
    - o Good
    - o Middle
    - o Time pressure
- Pursued
- Size
    - o Incremental
    - o Transformational-larger steps
- Time
    - o Discouraged
    - o Encouraged
- Tools
    - o Organisation

RP1. Companies in which the identification of innovation is actively pursued by all levels of the business will have more robust processes for doing so.

- Expert
    - o Within agencies how do you think opportunities for innovation are first identified
    - o Do you think processes are used within SEO to identify those innovation opportunities
    - o Do you feel that SEO agencies should be trying to identify a process for innovation
    - o Do you think that innovations made within SEO agencies tend to be small steps forward, larger leaps or things that completely change the industry
    - o Are there any off the shelf tools that can be utilised to help the company become more innovative
- Company
    - o How are opportunities for innovation identified here
    - o Do you have a process for innovation
    - o Are there any factors that make innovation difficult within [Company Name] – How do you feel these could be overcome
    - o To what extent do you feel this influences employee's decision to stay at or leave the company
    - o How do you go about building a company culture that encourages innovation and creativity
    - o Do you have a flexible structure that is able to adapt to market needs
    - o Are there any off the shelf tools can be utilised to help a company become more innovative
    - o How do you think an individual can influence innovation here at XXX
    - o In your opinion is it better to have one strong leader implementing an idea or is it more beneficial when the team collaborates and discuss' ideas
    - o In your opinion is there an ideal length of time to have been in the industry to be innovative
    - o Is the innovation strategy that you pursue dependant on your own resources or lead by the market
    - o It has been suggested that innovation should be encouraged in all areas of a business – do you agree If so, how do you involve everyone
    - o In what ways do managers support the innovation practices here at XXX
- Level employees
    - o T
        - ▪ Approval
    - o M
    - o B
- Processes
    - o Ad-hoc
    - o Defined
        - ▪ Discussion
        - ▪ Level
            - • Advanced
            - • Middling
            - • Weak
- Time
- Innovation
    - o Pursued
    - o Encouraged
- Cultural

RP2. Companies that have robust processes will believe that process should feature in the definition of innovation

- Expert
    - o   How you would define innovation
    - o   Do you feel pre-existing knowledge influences innovation
    - o   Do you think there is any difference between innovation and creativity
    - o   Within agencies how do you think opportunities for innovation are first identified
    - o   Do you think processes are used within SEO to identify those innovation opportunities
    - o   Do you feel that SEO agencies should be trying to identify a process for innovation
    - o   Do you think that innovations made within SEO agencies tend to be small steps forward, larger leaps or things that completely change the industry
    - o   Are there any off the shelf tools that can be utilised to help the company become more innovative
    - o   Within an SEO agency do you think that innovation tends to come from them top level of management or do you feel it's the consultants that generate the innovative ideas
    - o   To what extent do you think that different management levels contribute to innovation
    - o   So in your opinion is it better to have one strong leader enforcing an idea or is it more beneficial when the team collaborates and discusses ideas
    - o   In your opinion is there an ideal length of time to have been in the industry to be innovative
- Company
    - o   How you would define innovation
    - o   How do you feel pre-existing knowledge influences innovation
    - o   Do you think there is any difference between innovation and creativity
- New
    - o   Company
    - o   Market
- Marketing
- Iterative
- Level
- Creativity
- Utility of innovation
- Processes
    - o   Ad-hoc
    - o   Defined
- Innovation Core
- Retention
    - o   Innovation loss
    - o   Unrealistic targets
- Time
    - o   Targets
- Collaborative
    - o   Links to time pressures

RP3. Companies that have robust processes will use innovation management tools for the identification of innovation

- Expert
    - o Within agencies how do you think opportunities for innovation are first identified
    - o Do you think processes are used within SEO to identify those innovation opportunities
    - o Do you feel that SEO agencies should be trying to identify a process for innovation
    - o Do you think that innovations made within SEO agencies tend to be small steps forward, larger leaps or things that completely change the industry
    - o Are there any off the shelf tools that can be utilised to help the company become more innovative
- Company
    - o How are opportunities for innovation identified here
    - o Do you have a process for innovation
    - o Are there any factors that make innovation difficult within [Company Name] – How do you feel these could be overcome
    - o To what extent do you feel this influences employee's decision to stay at or leave the company
    - o How do you go about building a company culture that encourages innovation and creativity
    - o Do you have a flexible structure that is able to adapt to market needs
    - o Are there any off the shelf tools can be utilised to help a company become more innovative
    - o How do you think an individual can influence innovation here at XXX
    - o In your opinion is it better to have one strong leader implementing an idea or is it more beneficial when the team collaborates and discuss' ideas
    - o In your opinion is there an ideal length of time to have been in the industry to be innovative
    - o Is the innovation strategy that you pursue dependant on your own resources or lead by the market
    - o It has been suggested that innovation should be encouraged in all areas of a business – do you agree If so, how do you involve everyone
    - o In what ways do managers support the innovation practices here at XXX
- Time
    - o Work
    - o Industry
- Changes
- Cultural
- Tools
    - o Organise
    - o Level

RP4. Innovation comes about through using the processes and tools

- Expert
  - o Within agencies how do you think opportunities for innovation are first identified
  - o Do you think processes are used within SEO to identify those innovation opportunities
  - o Do you feel that SEO agencies should be trying to identify a process for innovation
  - o Do you think that innovations made within SEO agencies tend to be small steps forward, larger leaps or things that completely change the industry
  - o Are there any off the shelf tools that can be utilised to help the company become more innovative
- Company
  - o How are opportunities for innovation identified here
  - o Do you have a process for innovation
  - o Are there any factors that make innovation difficult within [Company Name] – How do you feel these could be overcome
  - o To what extent do you feel this influences employee's decision to stay at or leave the company
  - o How do you go about building a company culture that encourages innovation and creativity
  - o Do you have a flexible structure that is able to adapt to market needs
  - o Are there any off the shelf tools can be utilised to help a company become more innovative
  - o How do you think an individual can influence innovation here at XXX
  - o In your opinion is it better to have one strong leader implementing an idea or is it more beneficial when the team collaborates and discuss' ideas
  - o In your opinion is there an ideal length of time to have been in the industry to be innovative
  - o Is the innovation strategy that you pursue dependant on your own resources or lead by the market
  - o It has been suggested that innovation should be encouraged in all areas of a business – do you agree If so, how do you involve everyone
  - o In what ways do managers support the innovation practices here at XXX
- Size of Innovation
  - o Incremental
  - o Transformational
    - ▪ Algorithm changes
- Pursued by all levels
- Time
  - o Barrier
- Tools
  - o Culture
  - o Organise

RP5. Companies that pursue innovation will expect to gain positive outcomes

- Expert
    - o What do you think agencies expect to gain from innovation
    - o Do you feel it is more advantageous to be first to market an innovation or follow a proven method
- Company
    - o How are opportunities for innovation identified here
    - o Do you have a process for innovation
    - o Are there any factors that make innovation difficult within [Company Name] – How do you feel these could be overcome
    - o To what extent do you feel this influences employee's decision to stay at or leave the company
    - o How do you go about building a company culture that encourages innovation and creativity
    - o Do you have a flexible structure that is able to adapt to market needs
    - o Are there any off the shelf tools can be utilised to help a company become more innovative
    - o What do you think agencies expect to gain from innovation
    - o Do you feel it is more advantageous to be first to market with an innovation or follow a proven method
    - o How do you think an individual can influence innovation here at XXX
    - o In your opinion is it better to have one strong leader implementing an idea or is it more beneficial when the team collaborates and discuss' ideas
    - o In your opinion is there an ideal length of time to have been in the industry to be innovative
    - o Is the innovation strategy that you pursue dependant on your own resources or lead by the market
    - o It has been suggested that innovation should be encouraged in all areas of a business – do you agree If so, how do you involve everyone
    - o In what ways do managers support the innovation practices here at XXX
- Key Drivers
    - o Profit
    - o Time savings
    - o Market positioning
- Innovation should be pursued
    - o Positive
    - o Negative
- Competition
- Strength

RP6. Companies that pursue innovation will put measures in place to protect those positive outcomes although may try to gain innovation from competitors

- Expert
    - What common factors do you think can influence an SEO's decision to stay at or leave their current company
    - Do you think SEO agencies should share innovative knowledge between each other
    -
- Company
    - How do you think an individual can influence innovation here at XXX
    - In your opinion is it better to have one strong leader implementing an idea or is it more beneficial when the team collaborates and discuss' ideas
    - In your opinion is there an ideal length of time to have been in the industry to be innovative
    - Is the innovation strategy that you pursue dependant on your own resources or lead by the market
    - It has been suggested that innovation should be encouraged in all areas of a business – do you agree If so, how do you involve everyone
    - In what ways do managers support the innovation practices here at XXX
    - Do you think firms should share knowledge between each other
    - Do you share innovations made within the business with competitors
    - What potential advantages or disadvantages are there to SEO agencies sharing innovative knowledge between each other
    - What common factors do you think could influence an SEO's decision to leave their current company
    - What do you think can be gained by headhunting from a competitor
    - Have you ever spoken at an industry conference/event
- Retention
    - Culture
    - Money
    - Progression
    - Headhunting
- Sharing innovation
    - Promo
    - Open
    - Talks
        - Skilled
        - Unskilled
- Level the playing field
- External
    - Collab

RP7. Companies within the study will be actively contributing to the overall innovative capacity of the industry

- Expert
    - o Do you feel government policy influences innovation within digital as a whole
    - o Do you feel that Googles dominance of the search landscape inhibits or encourages innovation
    - o Are there any factors that make innovation difficult within the SEO industry
    - o What common factors do you think can influence an SEO's decision to stay at or leave their current company
    - o Do you think SEO agencies should share innovative knowledge between each other
- Company
    - o How do you feel government policy influences innovation within digital
    - o To what extent does government regulation affect your day to day operations
    - o How does regulation affect your ability to innovate do you think
    - o What do you think agencies expect to gain from innovation
    - o Do you feel it is more advantageous to be first to market with an innovation or follow a proven method
    - o Do you think firms should share knowledge between each other
    - o Do you share innovations made within the business with competitors
    - o What potential advantages or disadvantages are there to SEO agencies sharing innovative knowledge between each other
    - o What common factors do you think could influence an SEO's decision to leave their current company
    - o What do you think can be gained by headhunting from a competitor
    - o Have you ever spoken at an industry conference/event
- Economic
    - o Schemes
- Google
    - o Encourages
    - o Inhibits
    - o Legal
- Barriers
- Sharing innovation
    - o promo
- Regulation
- Benefits
- Open
- Share ideas
    - o Basic
    - o Unskilled
    - o Old
- Uni

Matrix Coding Queries

Matrix coding queries were also set up within Nvivo. Rows and columns were set up to show staff hierarchical levels against the capability level of the company. This refers to the seniority part of the anonymity codes (top, middle, bottom) and how advanced companies were thought to be in their innovation capabilities (strong, intermediate, weak).

Within this, the author wanted to show how often the words 'Innovation' and 'Process' were used by the different levels (both staff and company). Because the results were dependant on how long the interviews were and the number of interviews coming from each group, the percentage of words used was sought as it would improve the validity of the results. Nvivo doesn't have this capability.

Therefore, synonym text search queries (for the required word) were created for each staff level. This was then repeated for company level. This creates six text search queries. The results of these were then saved into the results folder. From here a matrix coding query can be created with company level forming the rows and staff level forming the columns. However, this only provides the coding references (total number of mentions). Options for row or column percentage are also available, but not relevant for this purpose. To get percentage of times the words were mentioned against all the words within the interview a further step is involved. Therefore, at this stage the resulting table was moved over into Microsoft Excel.

Another matrix coding query was then created within Nvivo, this time using company level nodes against staff level nodes. When 'Cell Content' is changed to show 'Words Coded' we can get the total number of words used within the levels. So, for example, it was possible to see the number of words all bottom level staff within strong companies used. This table was also moved into Microsoft Excel.

From here it was a relatively simple task of taking the mention count, dividing it by the total word count and multiplying by 100 to get our percentage showing how often the words were used. Graphs were then created to show this.

The expected outcome from this was that the higher levels of companies would have more mentions of 'innovation' and 'process'. It was also expected that within those boundaries, the more senior a member of staff was the more they would mention the searched for words. This would have looked as below (Figure A4, p331):
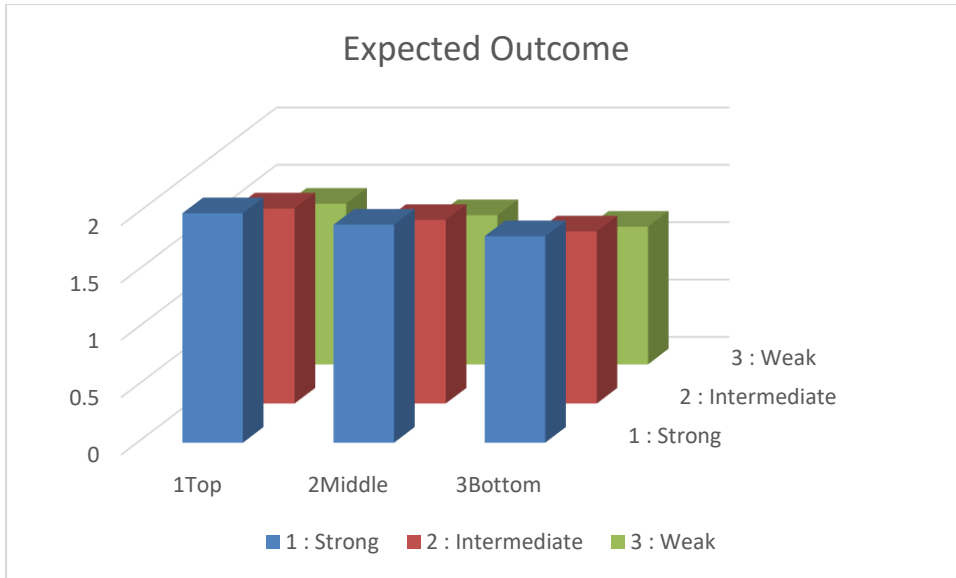
Figure A5 Expected Outcome

This wasn't the case. The actual results were as below (Figure A5, p331 and Figure A6, p332):
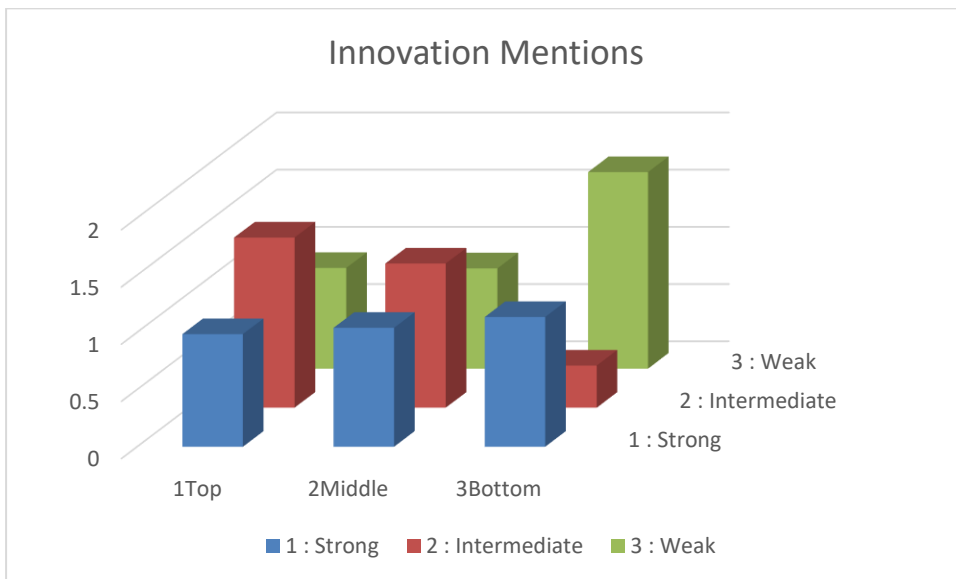
Figure A6 Innovation Mentions
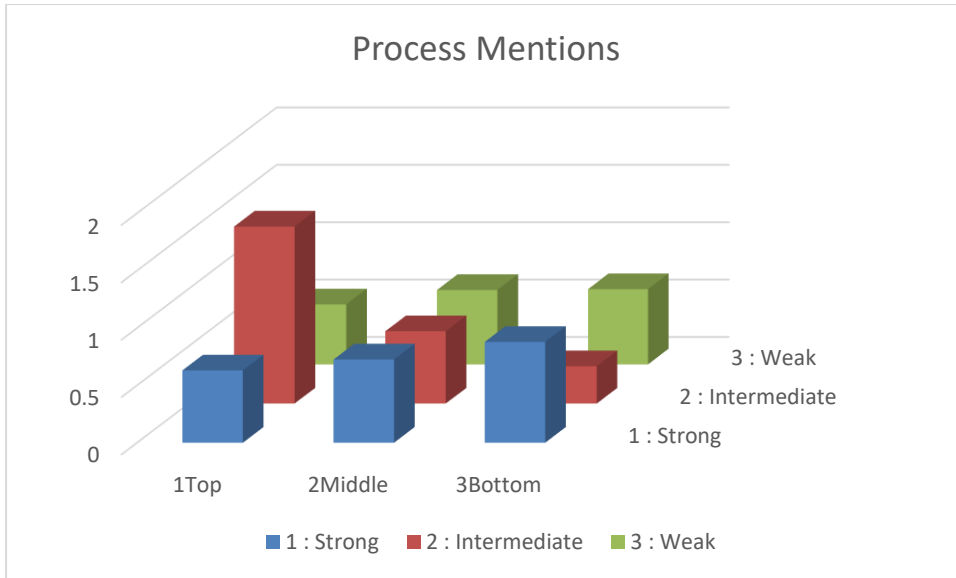
Figure A7 Process Mentions

It is very difficult to discern any real pattern emerging from this. The results are not statistically significant due to the sample size. However, it appears that within this samples strong and weak companies, lower level employees are more likely to mention both 'Innovation' and 'Process' than their top-level counterparts. Whereas the opposite is true within intermediate companies. This may be due to weak companies not having either of these as a focus and strong companies having it as the norm. Within intermediate companies, both words were mentioned more by top level managers than lower level employees. This may be because management is becoming more aware of these terms as they improve their capability. It would be interesting to see more work carried out within this area, perhaps using a survey method where the results could be more reliable.

Appendix E – Development of Model

When generating an innovation identification model suitable for the digital marketing industry an inductive approach was used throughout the whole project. This meant that from start to finish the model was created and then subsequently iterated upon. As understanding of the project area grew so did the complexity of the model. However, it was always the plan to keep the model so that an individual with a base level of understanding would be able to view and understand it. This therefore helped generate usability of the PhD outcomes.

The initial model was created before the application to undertake a PhD was even submitted to the University of Brighton and points towards how far the authors own knowledge of the subject has come. Whilst it does present various stages it is overly simplistic, linear and doesn't offer enough description to be useful.
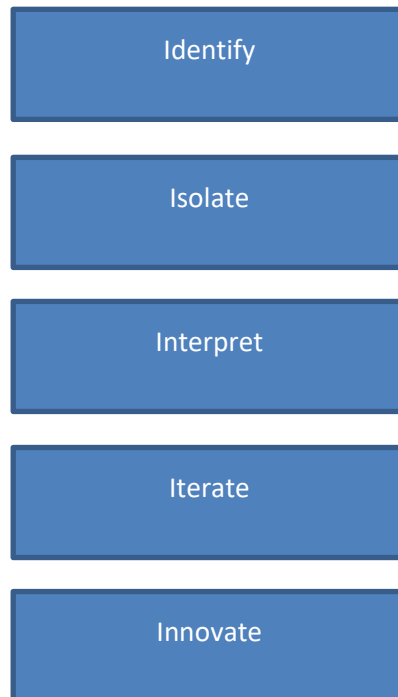
Figure A7 Model Development (Stage 1)

Moving on from this, as the authors knowledge grew so did the model. The following incorporates more of the identification stage and realises the importance of the employee's creativity within the innovation process. However, this model tries to look at the entirety of the innovation process rather than focusing in on the identification stage. It also incorporates the previous model with its aforementioned shortfalls.
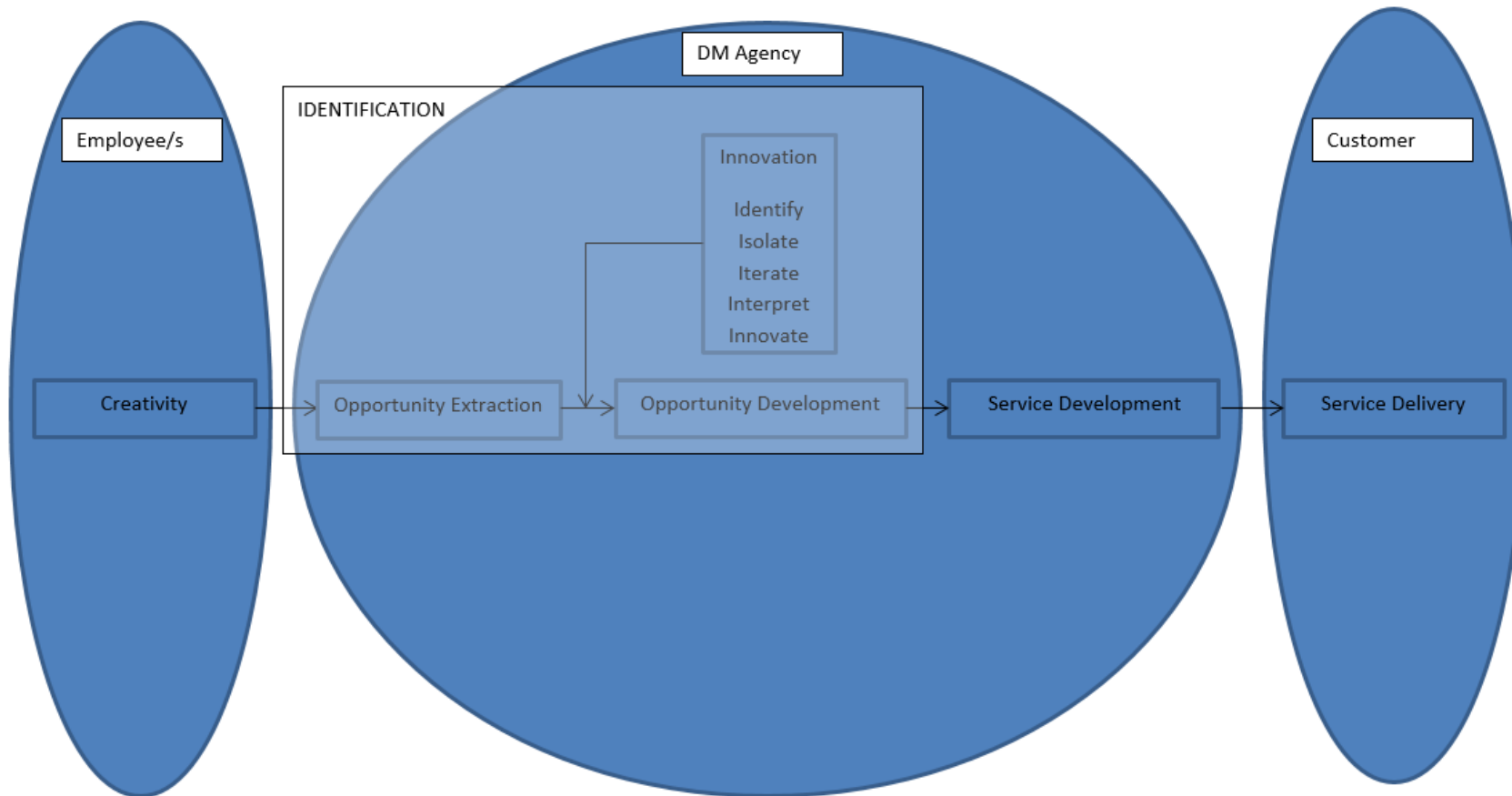
Figure A8 Model Development (Stage 2)

From this point forward Amabiles model of creativity was discovered and this helped to clarify the authors thinking. Additionally, feedback from the progression review helped to identify what was actually being investigated. Whilst the circled areas of the below model don't necessarily show what is covered in the final model its provides a better appreciation of the authors mind set as the project progressed.
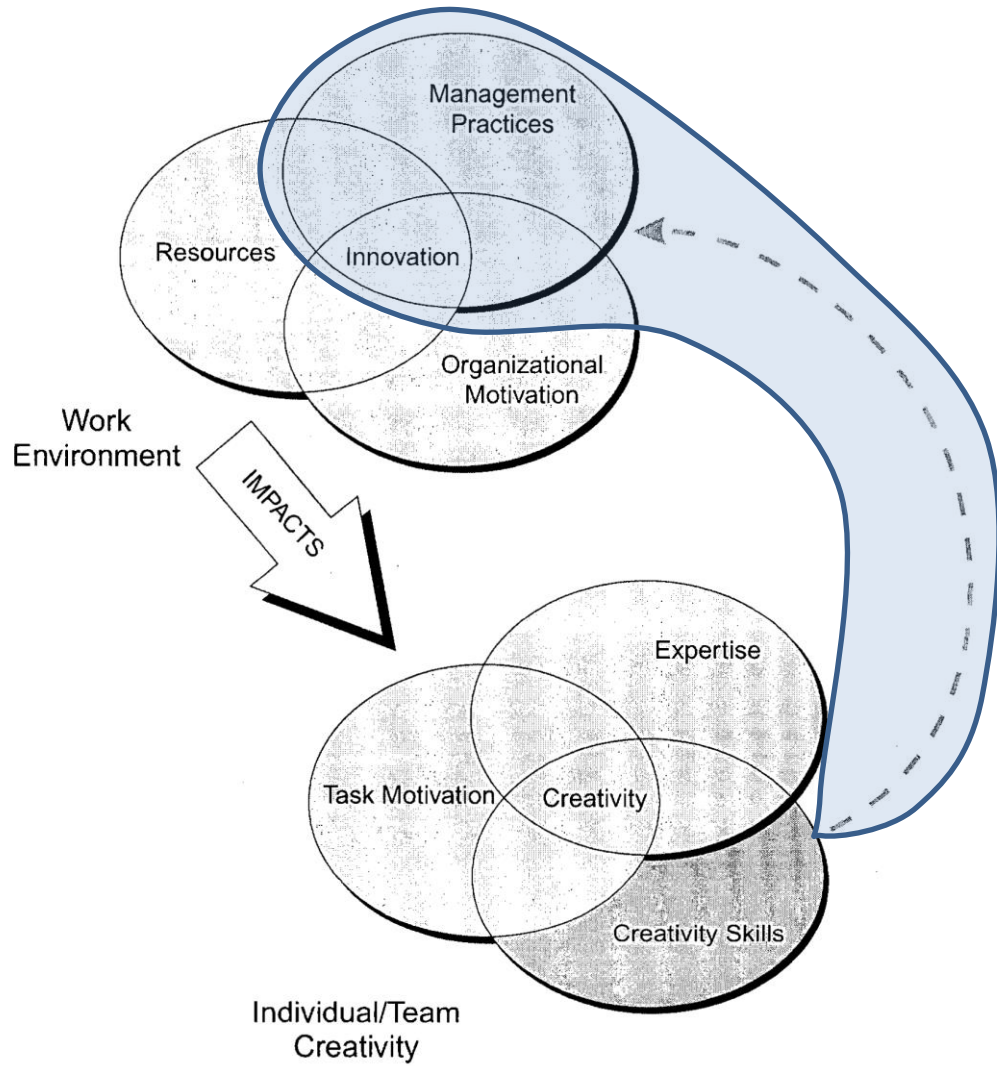
Figure A9 The Difference between Innovation and Creativity (Amabile, 1997, p53).

By this stage the interviews had begun and it was becoming clear that the business and the employee had different roles to play within the identification of innovation. Whilst the below model is far too simplistic it does outline that there are several of these stages that each must follow for innovation to come to fruition. Additionally, this sets up the overall flow of the model that is identifiable as being used within the final version.
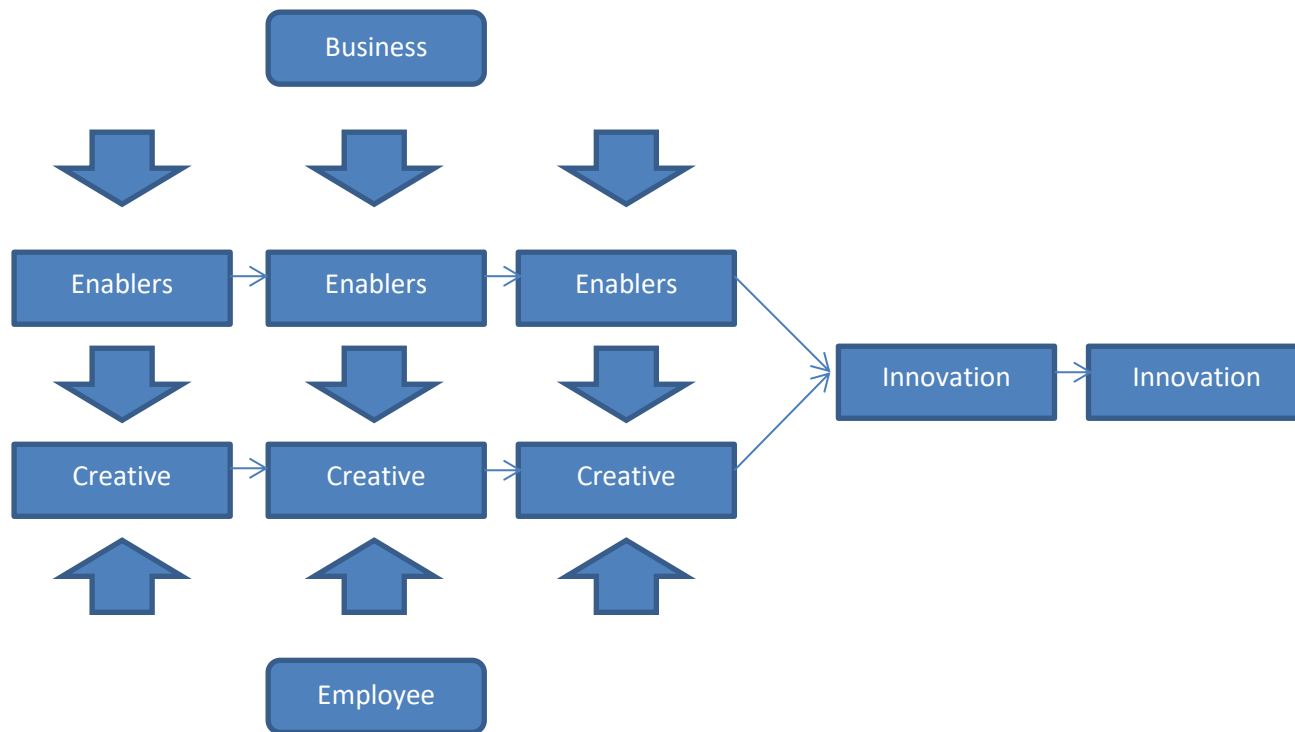
Figure A10 Model Development (Stage 3)

Once the interviews had been transcribed and analysis had begun the model developed quickly into the final version, picking up various points as it went through, these developments are presented over the next few pages and a brief account of the changes are given. For the below model the business is given an outline to show that it is possible for creativity to exist outside of the business. Additionally, the various responsibilities of management are added along with what those responsibilities lead to.
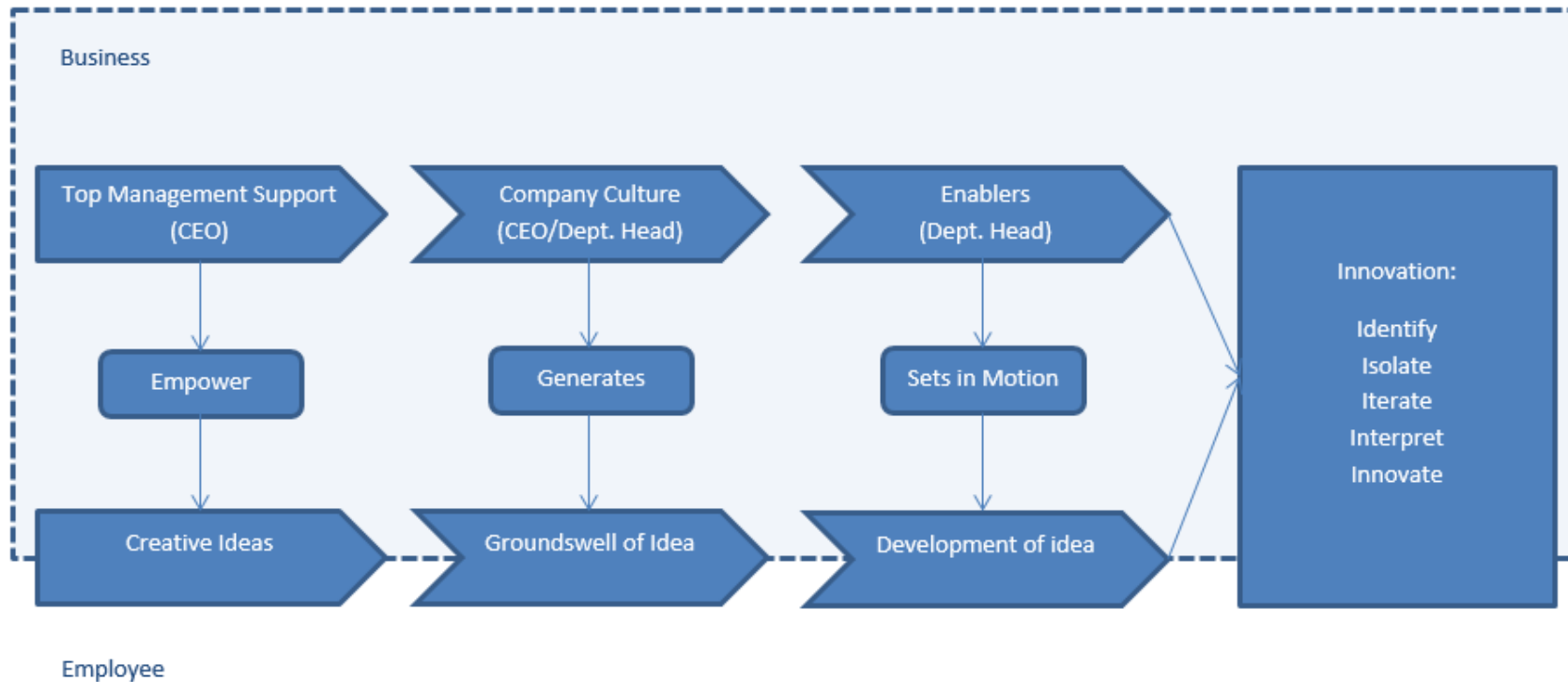
Figure A11 Model Development (stage 4)

The potential to lose innovation at each stage was then added
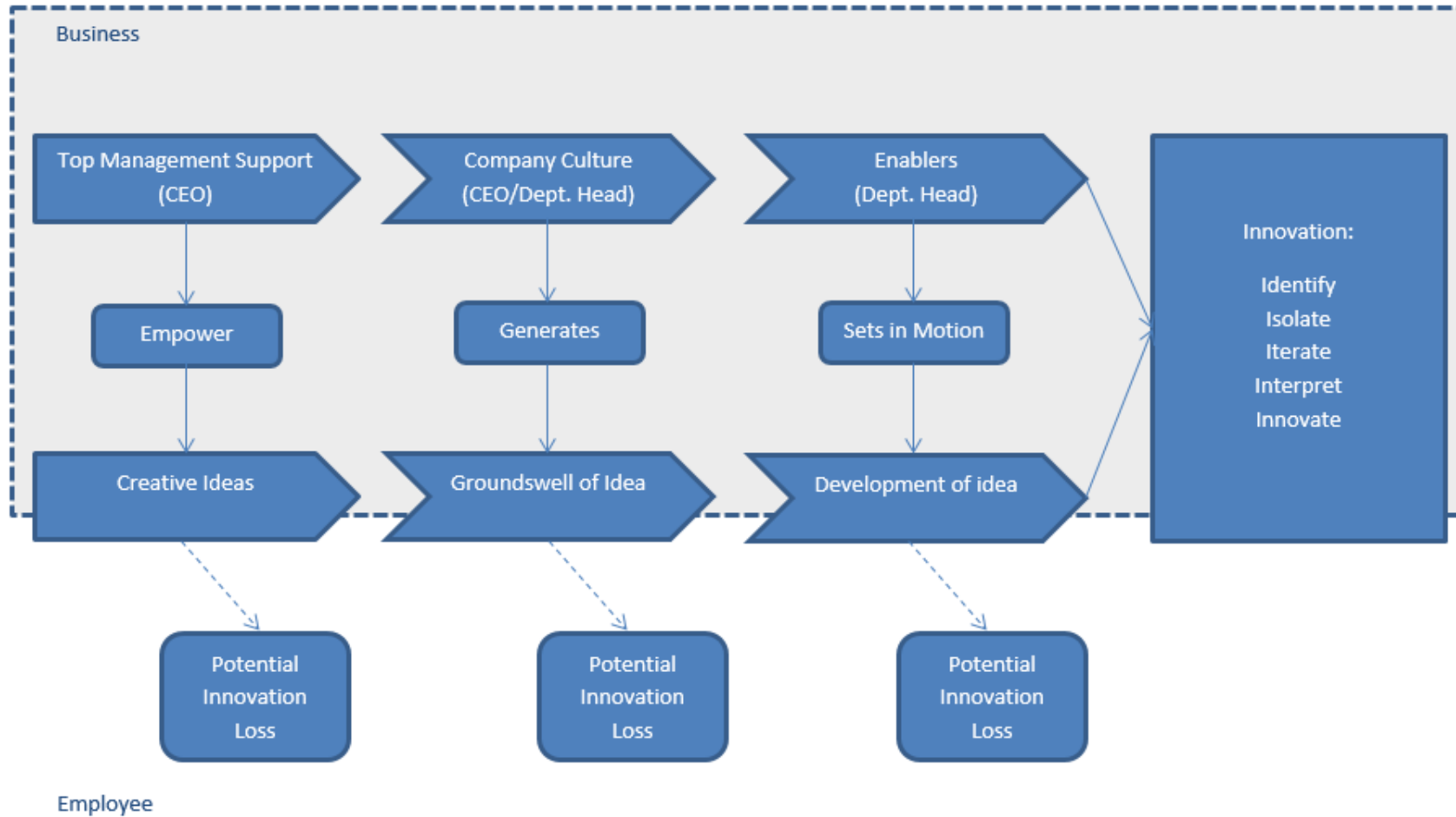
Figure A12 Model Development (Stage 5)

The additional loss of innovation through not being profitable within the business was added alongside considering feasibility within the development of idea.
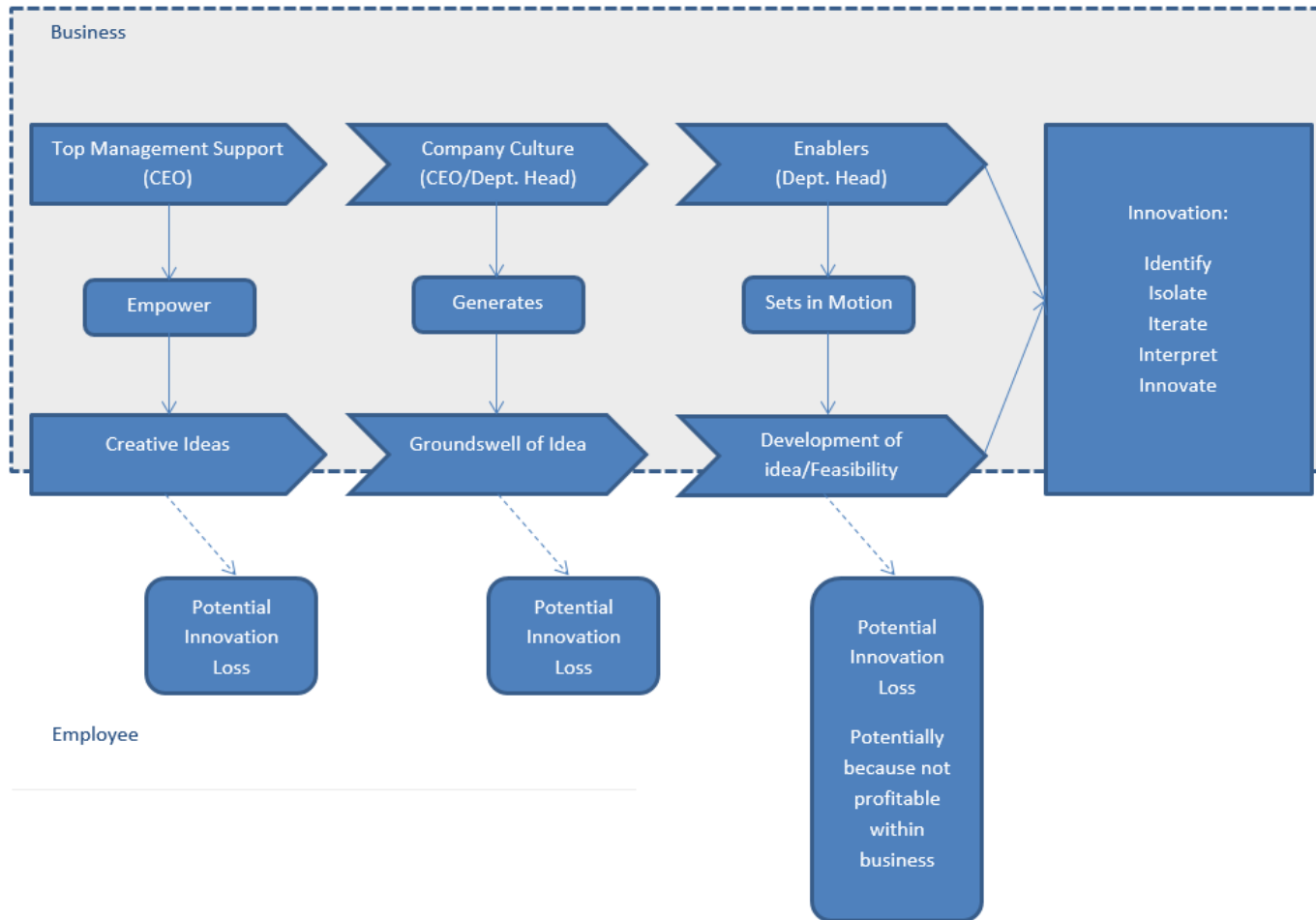
Figure A13 Model Development (Stage 6)

Although slightly beyond the scope of the project it became clear that there were factors around the culture of the company that contributed to creativity and innovation success and this is represented within the model by innovation fuel being added.
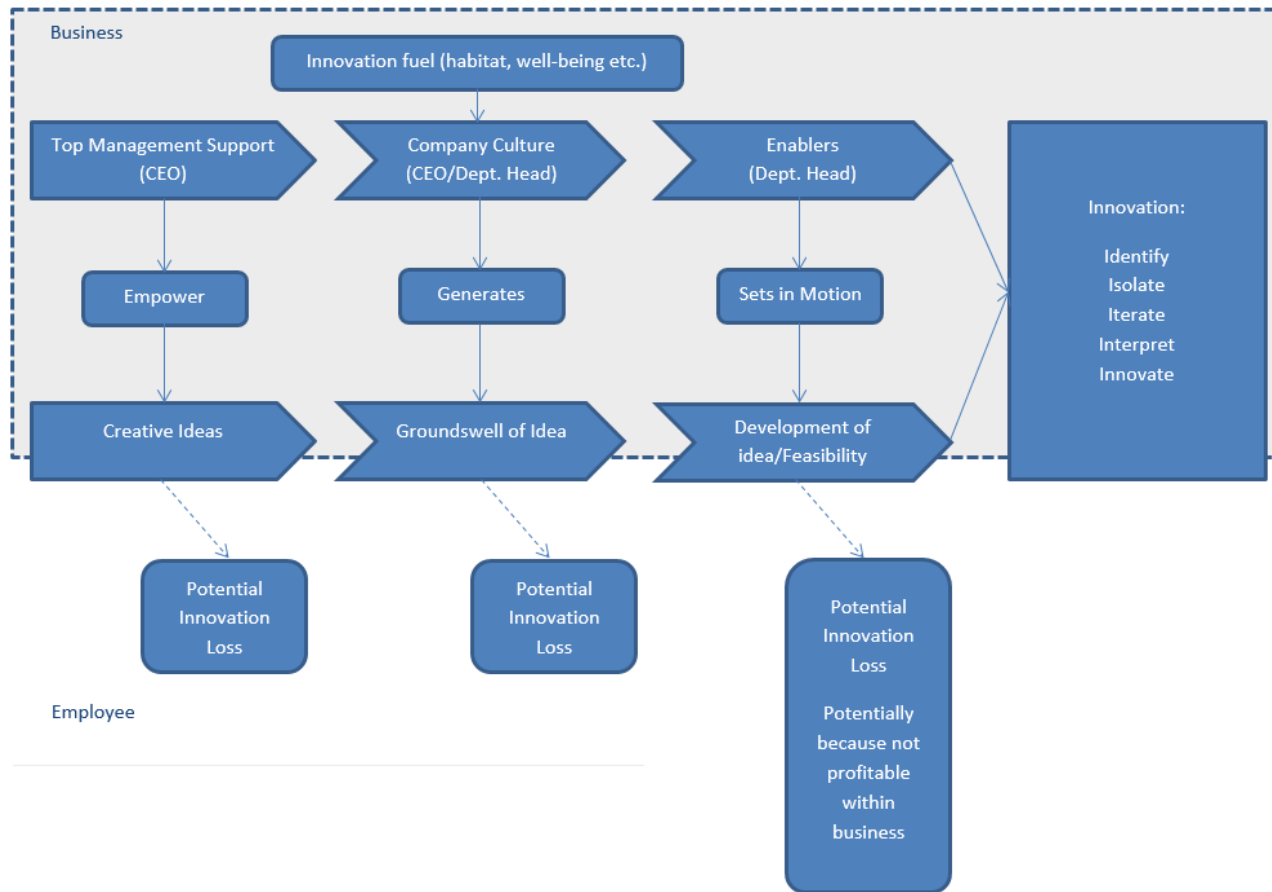
Figure A14 Model Development (Stage 7)

At this stage it was clear that there was a concept of creativity being absorbed into the business and being taken out of the hands of the employee. This was also the stage at which the initial process of innovation (Identify, Isolate, Iterate, Interpret, Innovate) was removed. It didn't fit within the overall narrative emerging from the interviews and was encapsulated to a greater degree within the preceding stages.
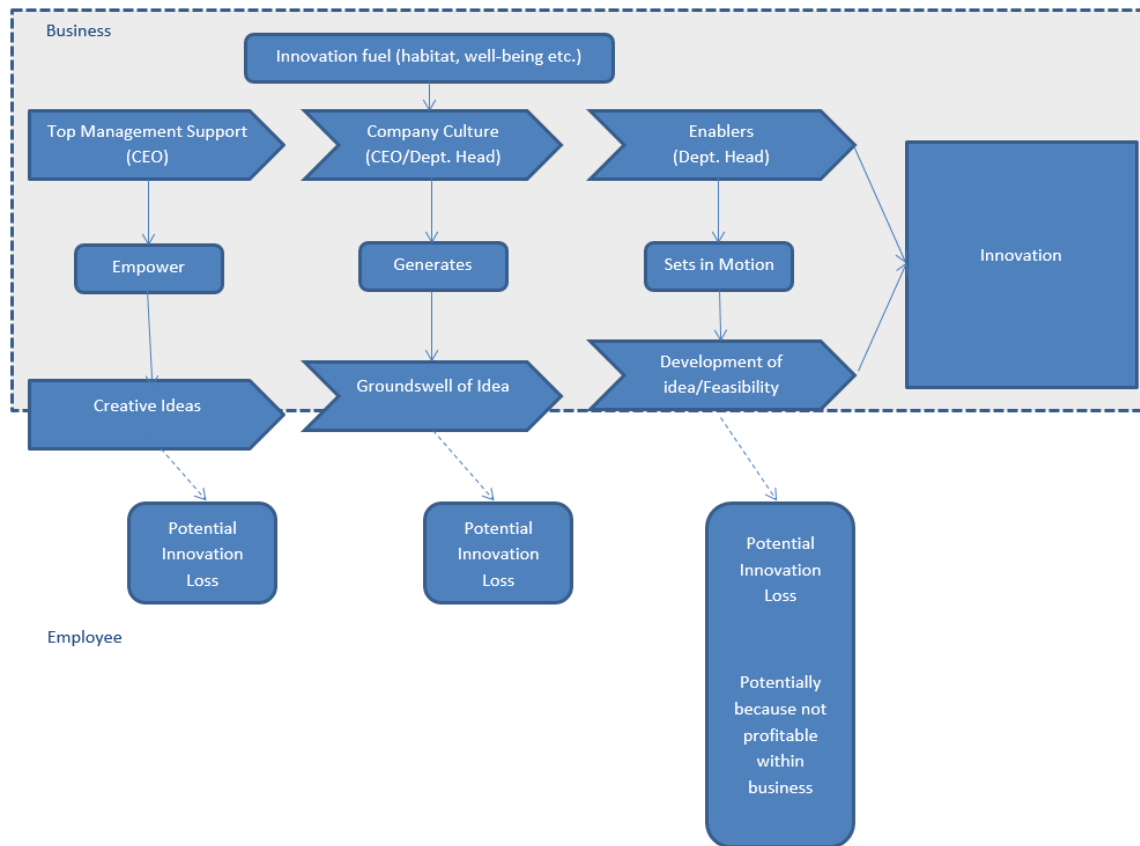
Figure A15 Model Development (Stage 8)

Barriers to innovation were also emerging from the interview analysis at around this stage and weren't previously represented within the model. They affected all stages and were therefore added to the model.
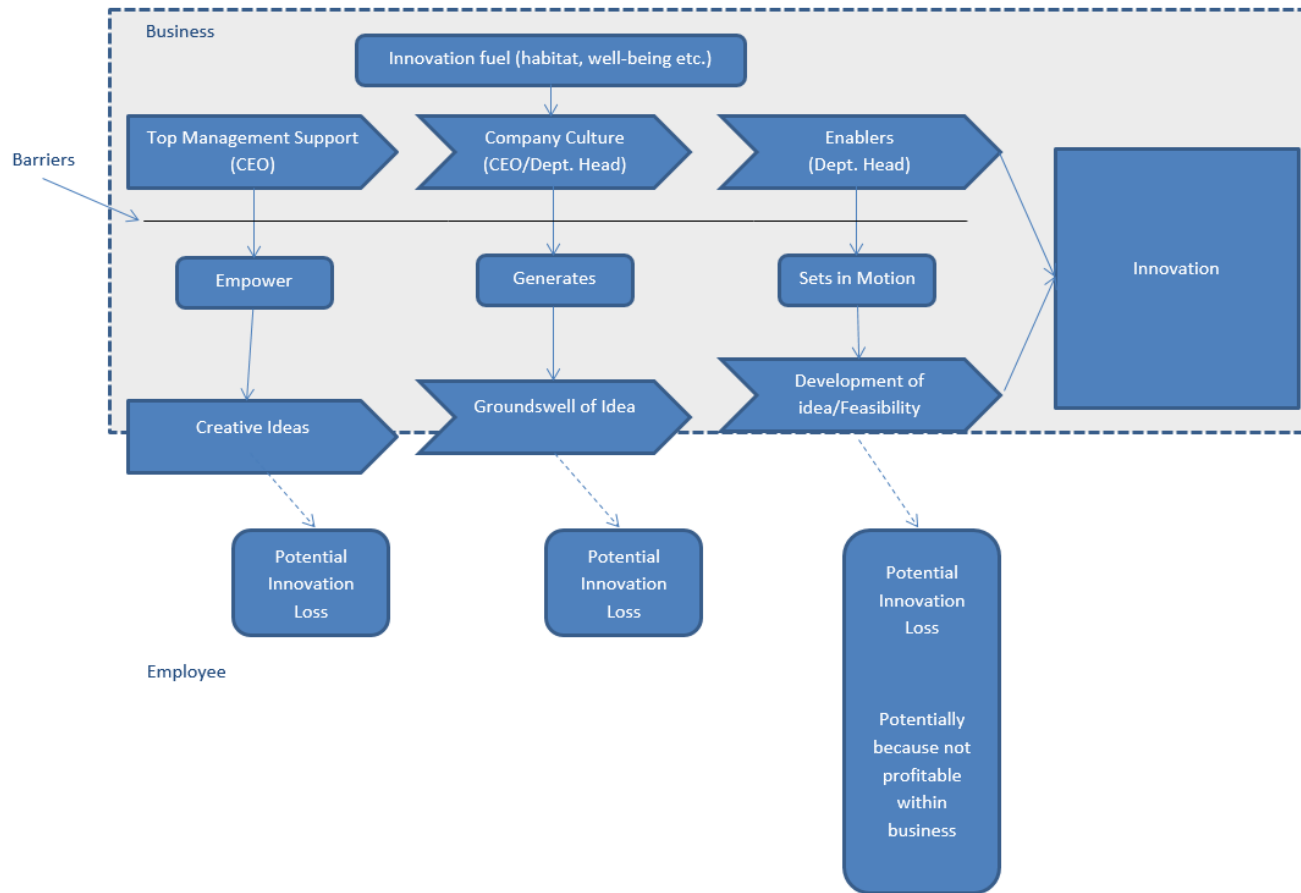
Figure A16 Model Development (Stage 9)

The government policy decisions were largely beyond the scope of this PhD and were definitely thought of as a side aim within the identification of innovation. However, it was becoming clear that they were helping businesses to innovate and really needed to feature within the model. Therefore, they were added and initially they were thought of as an enabler to innovation and this is where the arrow first pointed to.
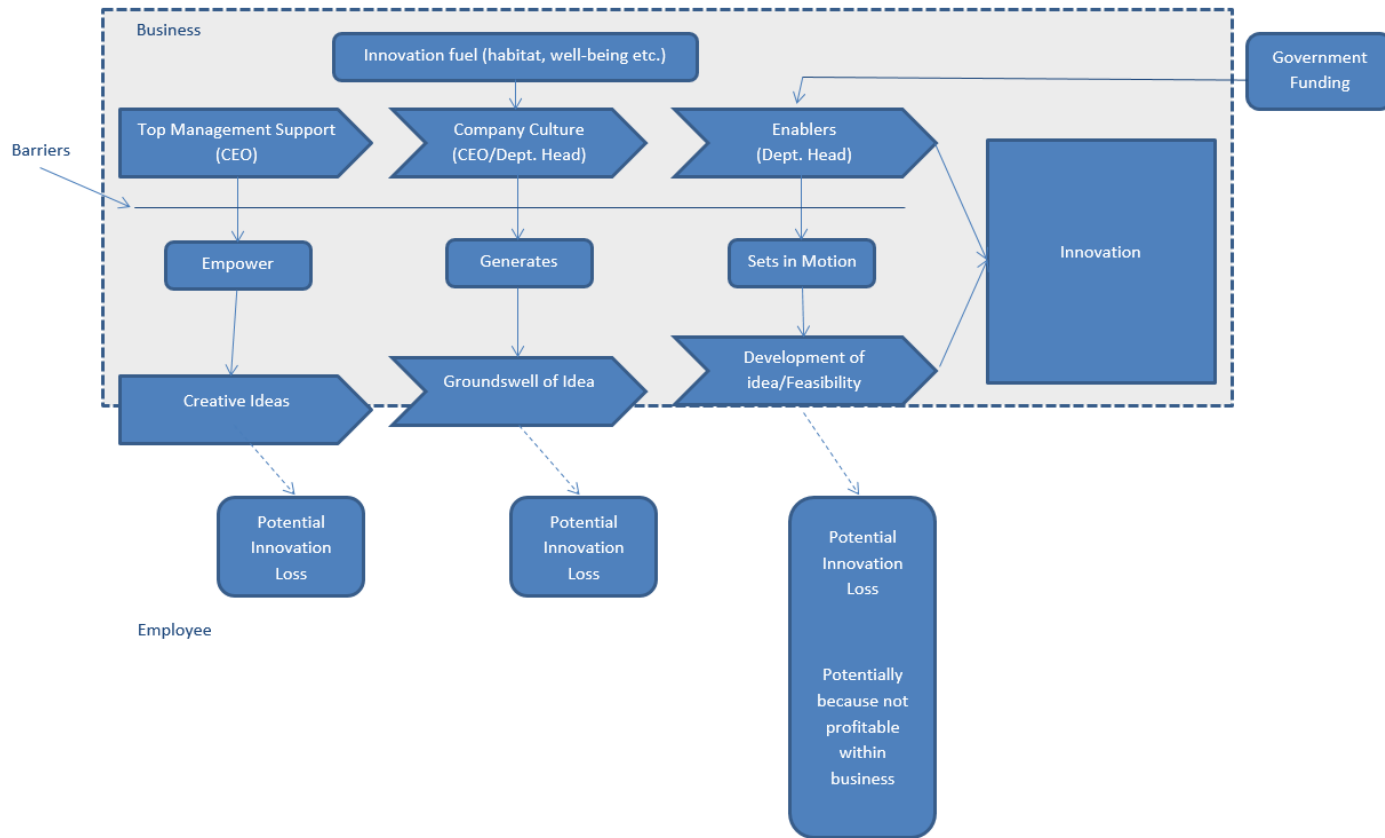
Figure A17 Model Development (Stage 10)

Leading on from the previous addition it was realised that the government funding wasn't only helping the development of the idea and was more closely linked to the innovation fuel, allowing the business to build a company culture where creativity could be discussed which then leads into the development and feasibility of the project. Therefore, the arrow was changed to point towards innovation fuel, this also helps to explain why it was thought of as a side aim.
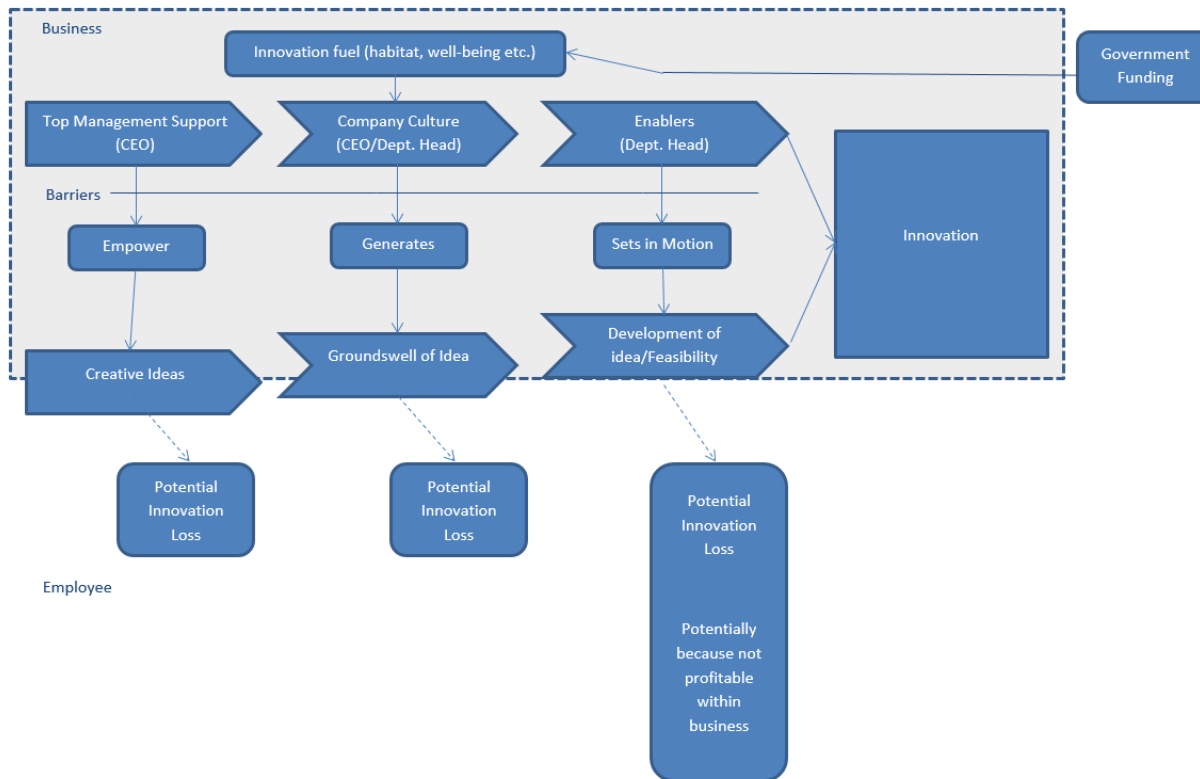
Figure A18 Model Development (Stage 11)

Finally, it was realised that there were wider sources of funding to help with the costs of innovation than just the government. The model was therefore updated to reflect this with "External Funding" being used as a more appropriate descriptor.
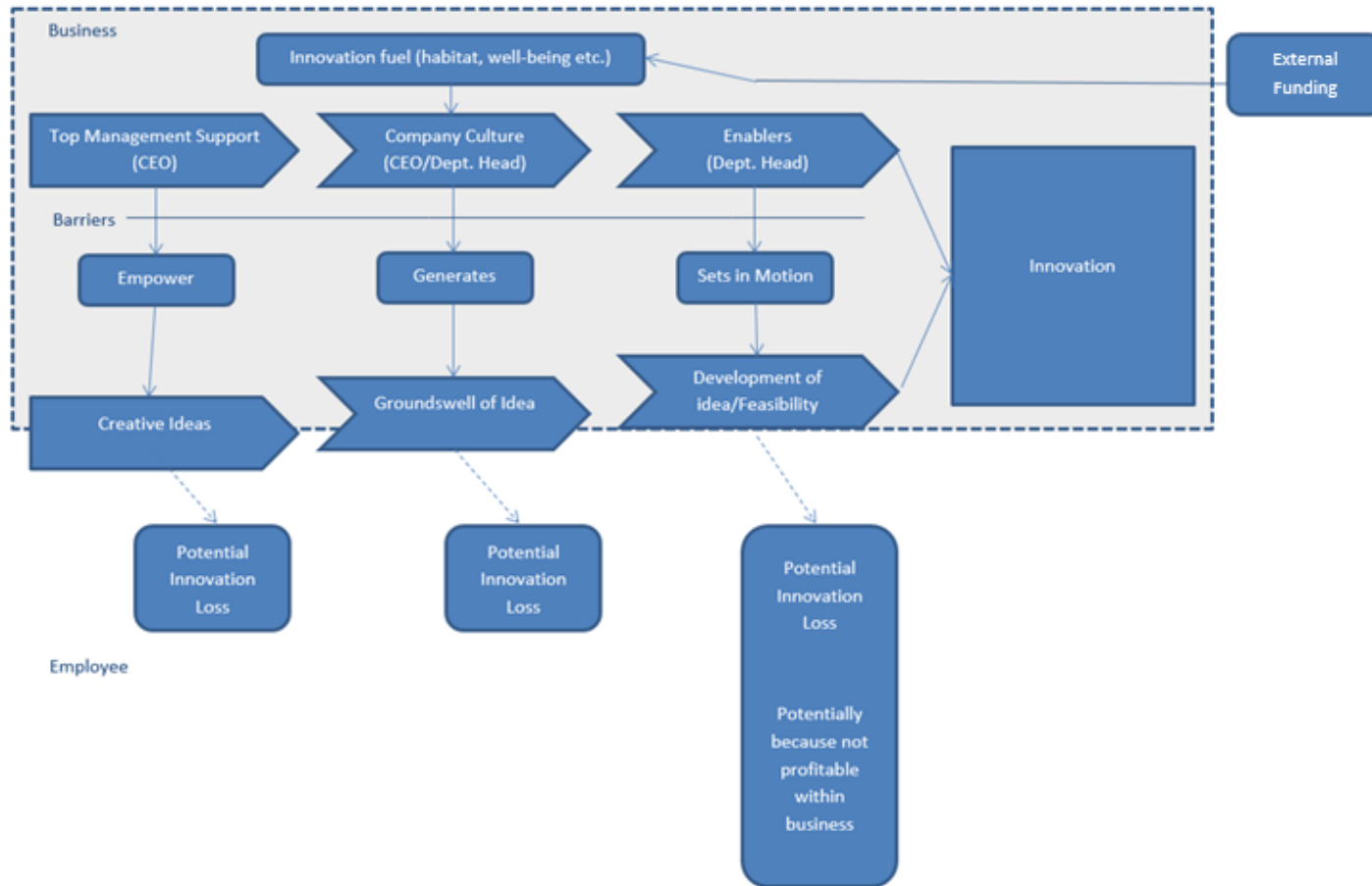
Figure A19 Model Development (Stage 12)

The model was then given a graphical overhaul to aid in identification of its various parts.
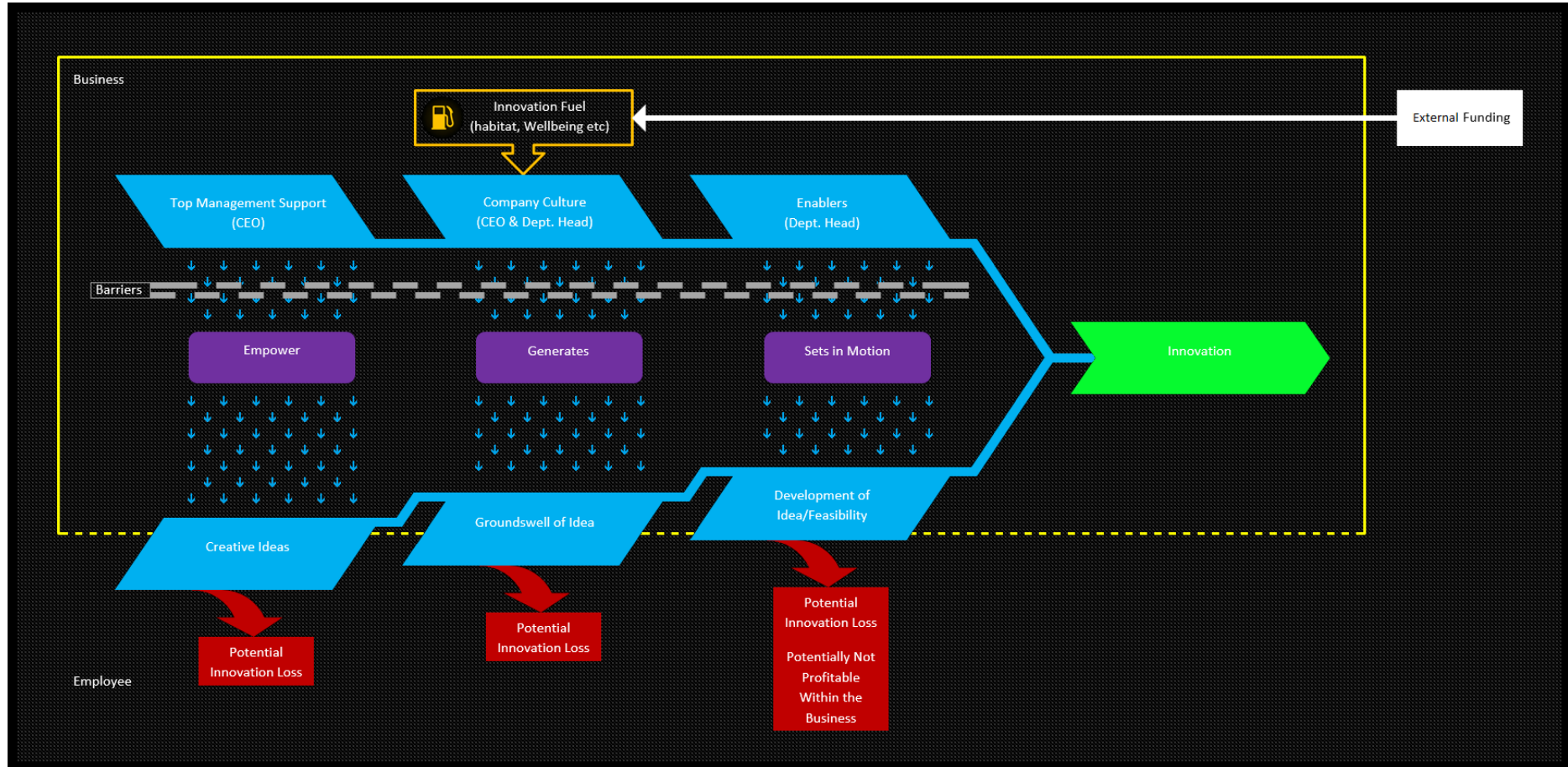
Figure A20 Model Development (Stage 12a)

Appendix F – Model Explanation

If we go through the model then we can see that there are various elements to it. Firstly, there is the line of where the business sits and this shows how employees creative ideas move into it:
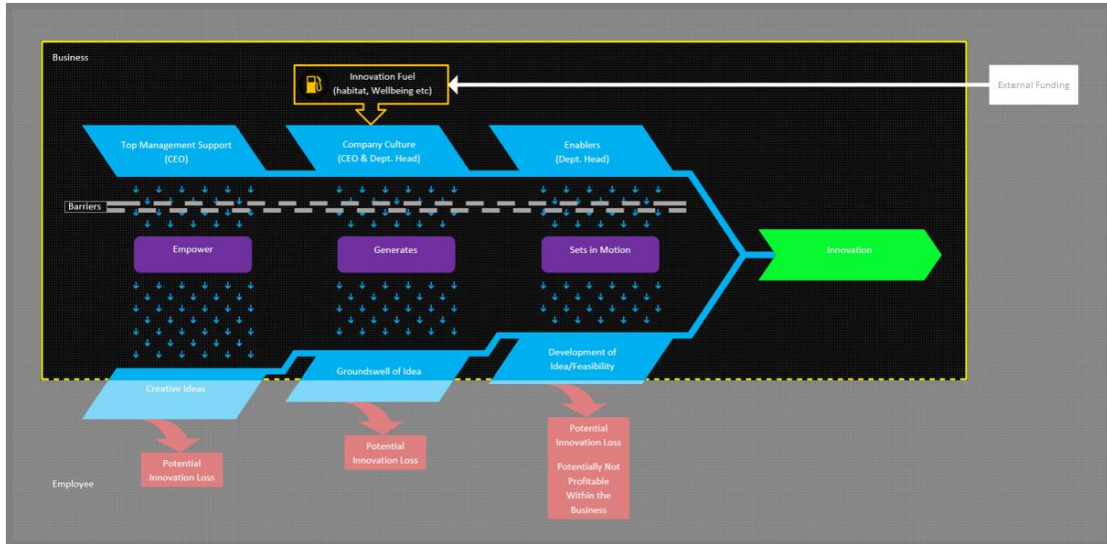
Figure A21 Model Explanation – Business

We then have the area where the employee sits and this shows how employee creative ideas can move away from the employee and into the business:
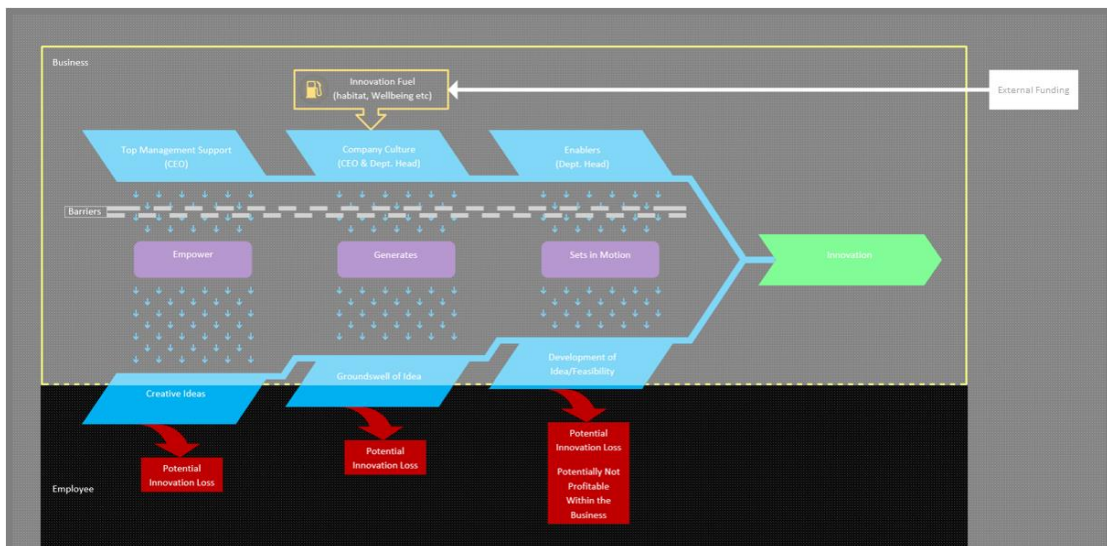
Figure A22 Model Explanation - Employee

Looking at the main elements of the model there are "business implementations" and these are shown on the top row of the model:
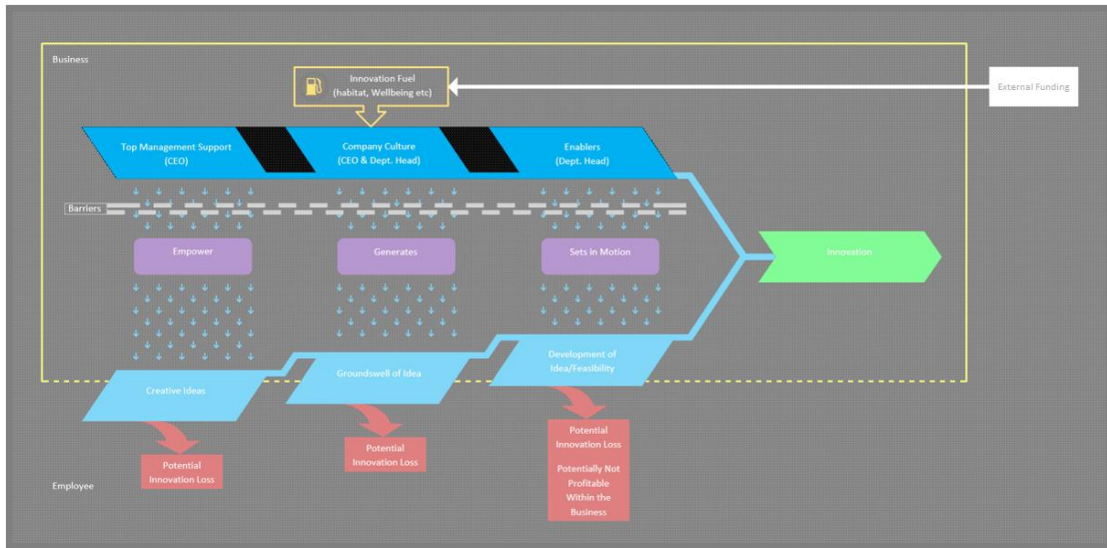
Figure A23 Model Explanation - Business Implementations

The bottom row shows the "employee creativity efforts" which move up into the business to signify how the creative idea becomes business innovation:
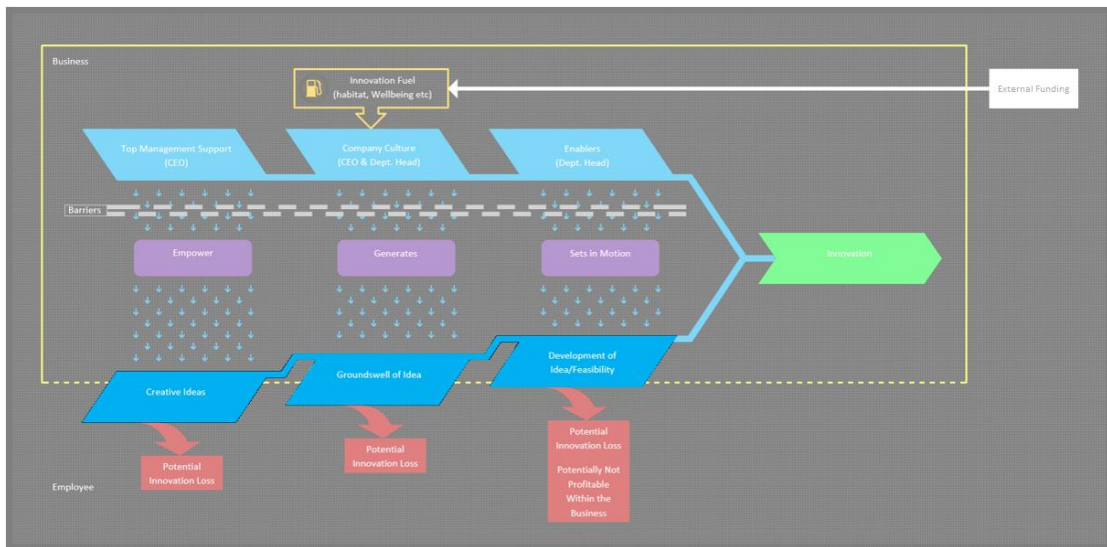
Figure A24 Model Explanation - Employee Creativity Efforts

The middle row are the "management effects" and shows the influence that the top row has on the bottom, it shows the flow of how the "business implementations" go to the "employee creative efforts":
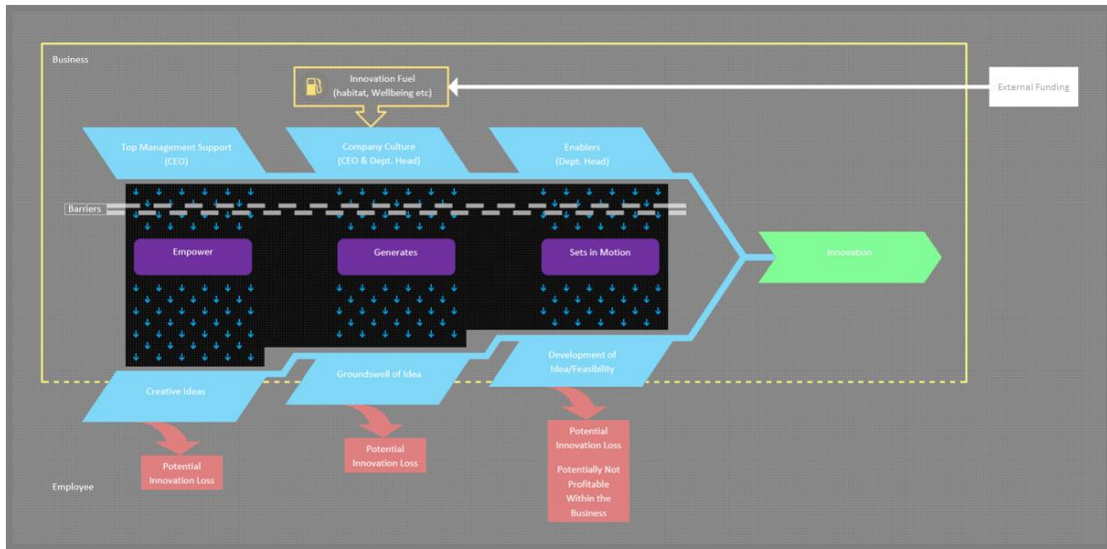
Figure A25 Model Explanation - Management Effects

The "barriers" are also within this section and show how they must be overcome/got past for the "management effects" to take effect and generate the "employee creativity efforts":
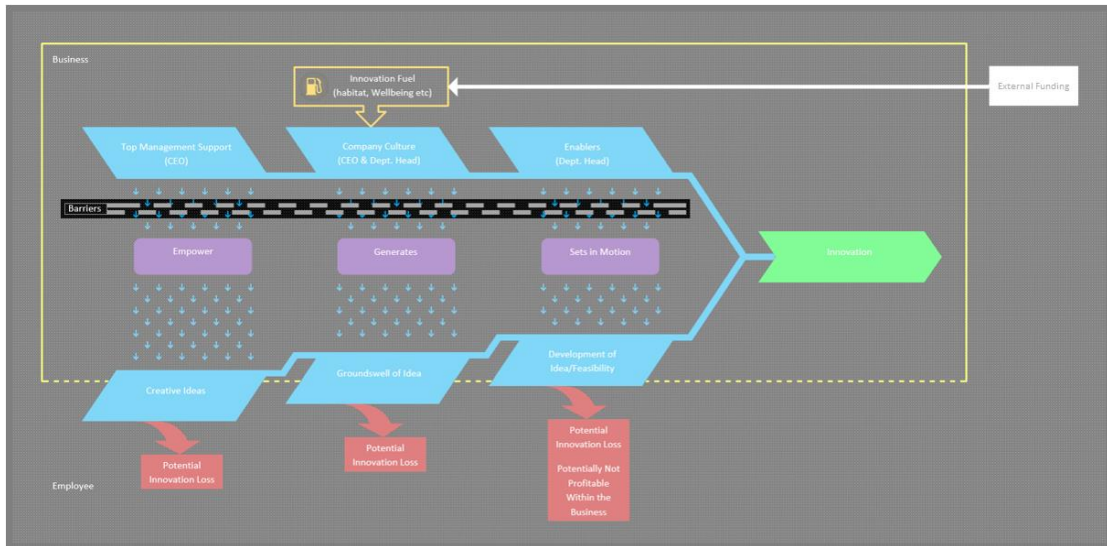

Figure A26 Model Explanation - Barriers

There are also "potential innovation losses" at each stage of the "employee creativity efforts" track to signify that innovation could be lost at each stage and not make it into the business. The final "development of idea/feasibility" stage also has the option for the ideas to have been considered within the business but not be profitable and therefore dismissed:
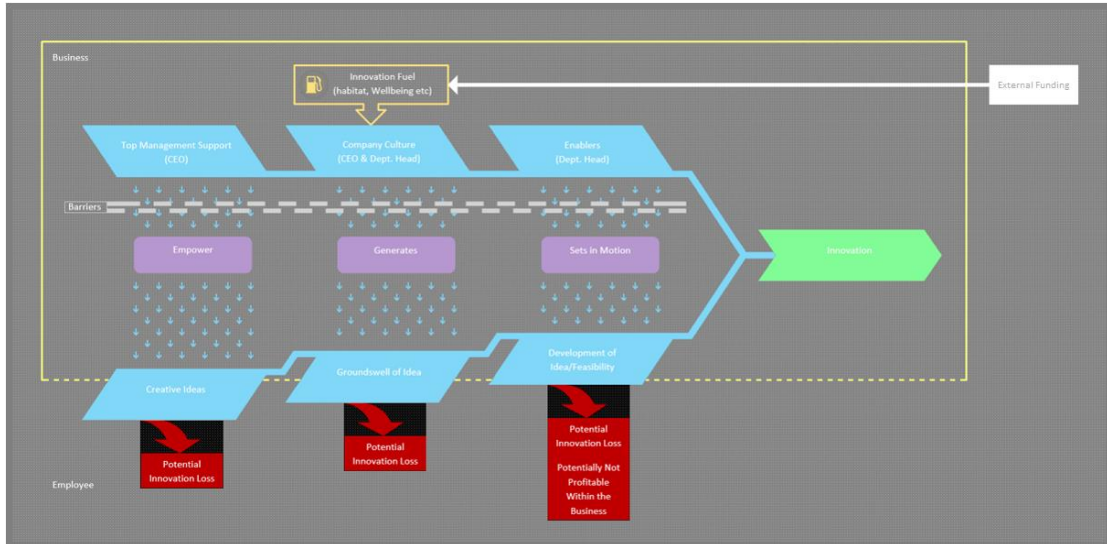

Figure A27 Model Explanation - Potential Innovation Losses

External funding and innovation fuel have also been added to the model as "inputs". They show how external funding comes from outside the business and can be used to create innovation fuel that influence (and can help build) the company culture:
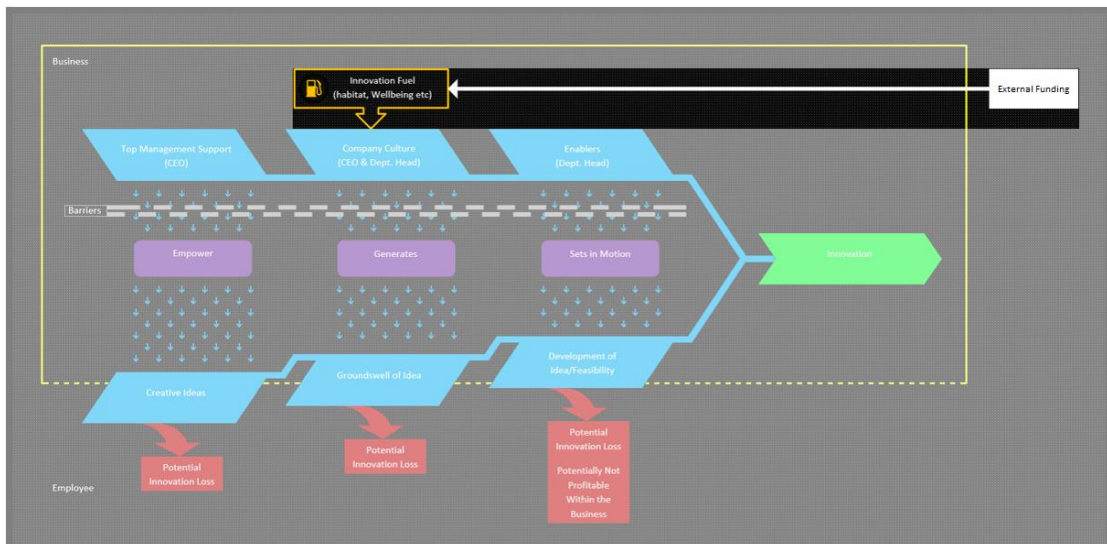

Figure A28 Model Explanation - Inputs

Finally, when all the other elements of the model come together there is "innovation":
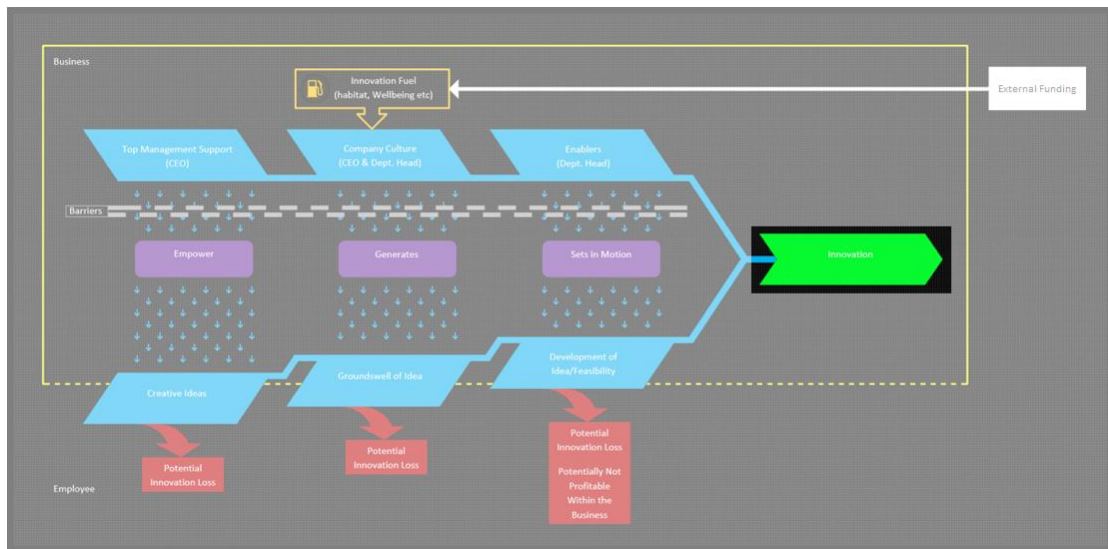

Figure A29 Model Explanation - Innovation

Appendix G – Creativity to Innovation

Stage of identification	What happens	What is it?	Example
Top management support empowers creative ideas	I work at company X, I come up with an idea. I never tell anyone about it.	Employee Creativity.	Our CEO is always encouraging us to come up with ideas. I have always had an interest in cars and discover an amateur rally is happening within the local area.
Company culture generates groundswell of ideas	I work at company X, I come up with an idea. I tell my colleague about it.	Edges towards innovation as its been discussed within the business but still just a creative idea as it has no utility. Employee Creativity.	Later in the day my colleague Dave and I are playing foosball. I tell him that I might compete in an amateur rally, we discuss what taking part might entail. He says that my manager, who is also interested in cars, might find it interesting.
Enablers set in motion development of idea/feasibility	I share my idea.	Really close to being potential innovation as it is now within the business but we still don't necessarily have utility. Employee Creativity.	I go in the next day and have thought about my discussion with Dave, so I put a post on Slack about the rally for everyone at the company.
Potential innovation loss	Option 1: No one else gets involved in the conversation we are having about the rally – the idea doesn't warrant further time.	Employee Creativity – The idea doesn't have business utility	The idea of competing in the rally is just discussed between the three of us. The idea never goes any further.
Innovation	Option 2: A colleague sees the idea and it is relevant to their client. We create a campaign around it.	INNOVATION! – The idea has business utility	Our colleague Peter who runs a campaign for a local mechanics sees the post. He gets in contact with them and they can help us build a rally car. We post build logs on YouTube and create a blog around it. Dave has media contacts and can convince the paper to come along on the day. We can cover the build logs and rally on social media. We also put branding for both ourselves and the mechanics on the car itself. The idea gets good coverage including several links for our company and the client. The creative idea has become innovation.

Table A8 Creativity to Innovation