

A Detailed Study of Marketing Innovation as a Strategy to Develop and Manage Products

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Abstract:-Marketing Innovation is necessitated to delight the customers as their approval and acceptance is unofficially deemed mandatory for any company to keep itself alive. Basically, marketing innovation is a process of bringing a change in the marketing mix new or existing offering. Innovation in any of the ingredients or elements of a product or service transforms it into something different as per the ultimate demand of the customers. Nevertheless, development of any product or service is not enough. It needs to be managed in future for survival and sustenance of a company until and unless it satiates the users till optimality. Marketing innovation is not only a strategy. Rather, it is a whole process right from product design to product management in a cyclical manner. The paper intends to discuss the concept of marketing innovation and show its importance in development and management of products for success of the corporate.

Research Methodology: The paper is exploratory in nature prepared with the help of literature available on the subject.

Findings: The concept of marketing innovation has been in-depth discussed in the paper. It has been found out that marketing innovation has a positive effect and a hard-core importance in development and management of products for success if only the innovation is a valued one.

Keywords: *Innovation, marketing Innovation, new product development, product management, strategy*

I. INTRODUCTION

Innovation as a strategy has become inevitably difficult to resist. No organization seems to dare to develop itself without innovating successfully. The word innovation has crossed all limits and boundaries of watertight compartmentalization and has evolved as an idea which can take birth anywhere irrespective of the functionalities. Marketing is one such functional area which has been deeply affected by innovation. Marketing innovation might be a new term for some but most of us are well acquainted with it. Briefly stating, marketing innovation is the generation of new ideas in any or all the elements of marketing mix. The new feature may be either a completely novel idea or, an addition or enhancement of already existing ideas in the form of products and services.

II. OBJECTIVE

The paper intends to discuss the concept of marketing innovation and show its importance in product development and product management for the success of corporate.

III. RESEARCH METHODOLOGY

The paper is prepared using exploratory research design. Secondary data collection is done by reviewing existing literature on the subject that is relevant to the objectives of the study.

IV. LITERATURE REVIEW

Reference [1] defines marketing innovation as a part of business exchange that covers industrial evolution by new technologies and ways of communicating. Marketing innovation means use of new marketing method to bring about changes in marketing mix [2]. Reference [3] emphasizes on product innovation and marketing innovation to get a competitive edge. He also suggests that innovation should be a valued one to solve both latent and open problems of the customers. Reference [4] regards marketing innovation as a way to get competitive advantage. Marketing innovation helps organizations to continuously develop the products and services for growth and profitability [5]. Reference [6] and [7] too consider marketing innovation as a tool for competitive advantage. Reference [8] mentions innovation and marketing as instruments to fulfill the needs of the customers. Global market is led by innovative firms who work on product development [9]. Company growth depends on valued product innovation [10]. Reference [11] insist that firms with the best product-development track records are more successful than their counterparts. Successful product management resides in continuous improvement of existing products [12]. Reference [13] explains the strategic role of product management of guidance on creation of products based on a market need.

V. MARKETING INNOVATION

Marketing innovation is an ongoing phenomenon because customers are required to be delighted by new products and services every time. Advancements in technologies boost creation of novel products or novelty in existing products so that customers may get what they want at present as well as what they may want in future. It simply aims at value creation for the customers by changing the product in any new form. But at the same time, the technologies used to favour and support the strategy of marketing innovation are easily accessible to the competitors as all have become smarter. Moreover if we talk about similar durable products presented by various companies, they more or less look alike and it becomes difficult enough for the customers to differentiate between them.

Here, the companies need to strategize by bringing change in the products altogether or in elements of the product. The change is needed by the companies to simplify their survival, development and sustenance. Marketing innovation provides a new identity to a product by positioning it correctly in the market targeting the potential customers.

Availability of a new product in the market as a result of innovation aims at creation of new customers, while innovative features introduced in an existing product according to the market demand tries at customer retention. Proper positioning of product and its balanced promotion becomes necessary to attract customers as it straight away becomes difficult for them to accept it because they are totally unaware of the new product. Thus, good positioning is very important to let products make their mark.

Another important point that cannot be overlooked is generation and distribution of goods according to the needs and demands of the customers. Moreover, smooth communication with customers is necessary too to get an idea as what do they want. This makes implication of marketing innovation strategy easier and less risky as customer satiation is the most necessary aim of any organization because until and unless they are satisfied, no organization has the chance to grow, develop and survive profitably.

VI. PRODUCT DEVELOPMENT

Product development, no doubt, is a part of marketing innovation. It simply means adding new features in existing product to develop it from what it was earlier, or to come up with an entirely new product to be launched in the market. No product can be developed without innovation. Newness in the product either internally or externally, a change in the price, expanding its customer base by serving different class of customers, communicating about the product which the existing customers and the prospective ones are unaware of and adopting different ways to provide product or service to

the end user, are the various ways to develop a product through marketing innovation.

New products if positioned and promoted well, do make people think of it. Once positioning succeeds, customers would surely be attracted towards it and thus be provoked to use it even for a trial. If the products come out successfully from the trial phase and customers feel that the developed product is helpful enough to add value, they surely go for it thus increasing sales volume, revenue, growth and development ultimately. New product development with the help of marketing innovation can be said to be a key to unlock many survival problems hovering around. New product development can take place through any of the forms of innovation, namely; radical, transformational or incremental; according to the need, want and market feasibility to protect the business from futility, perish and decay.

VII. PRODUCT MANAGEMENT

Product management complements product development. It covers all the aspects and areas which is to be taken into account to sustain a product for a longer period keeping it afresh as before at all times. Product management is a process which starts from new product development moving towards its marketing, sale, revenue generation, customer satisfaction, growth, productivity, R&D and again back to NPD in a cyclical form on the basis of research and analysis done. It basically works towards how a product is managed to be launched in the market and sustain there delighting the customers. Marketing innovation again is needed to manage products.

NPD focuses on providing the customers with value adding superior product different from what previously was served by the companies. Innovative marketing techniques help the firms to attract the customers towards a new product so that they can get impressed by the valuable diversity and accept the novel product to satisfy their needs. Once the customers accept the product, a bigger challenge poses threat. The challenge is to retain customer loyalty towards the product. Marketing people hold the responsibility to transform simple use of a product to a habit or addiction so that customers even fear to think of losing the product.

At the same time, it also has to be kept in mind that customer s' taste is dynamic. Thus, a continuous research should be done as to keep an eye on changing preferences and new demands of the market. This would surely enable the companies to come up with another innovation in product as soon as the need arises.

VIII. IMPORTANCE

No product can be developed or managed without strategizing for marketing innovation. It is a strategy which is adopted to manage products in a better way so that they experience a longer and successful life. Innovation in the

field of marketing—in the form of any of the ‘P’—is done on the basis of various factors analyzed. The factors can be those that create demand for a particular type of product in the market. The study sometimes brings a clear while at other times blurred yet visible picture of what customers want and what they do not want for some reason or the other.

Any firm if wants to make its product stay in the market for a larger span needs to position it in a better and more attractive manner than before. Better and advantageous positioning can be done just by continuously observing the market and coming up with changed product according to the need of the customers. If innovated successfully; managing creation and retention of customers; marketing innovation becomes a key to gain competitive advantage both by leading existing market and by capturing the new ones. Once a product is developed in lieu of the needs and demands, it requires proper management too. A product can be managed successfully by its positioning in new ways according to what customers want and feel. If that too is not very helpful for the reason of drastic change in customer taste, then the tactic of repositioning is to be used to present it afresh before customers as per their current preferences. If that fails too, the product may immediately be replaced with a new offering which can be acceptable to the customers.

If development in marketing mix is considered as the primary function of marketing innovation, its management is the most critical function to be performed. A product can manage to sustain only if after its development, it adds value to customers and that can be gauged through their feedback only; either direct or indirect. Management of products through continuous marketing innovation is compulsory enough to sustain loyalty of the customers towards the company. A proper study is needed to know what exactly a product should look like to delight its users; and here the concept of repositioning is taken in view.

Marketing innovation helps in generation of customers through image enhancement of products by developing them. If a product seems to be not performing well due to any reason, then marketing innovation is acted upon to reenergize the product with newness the customers want. The product is positioned either by stressing on quality or price factor which are the two major points always focused on by the customers. Marketing innovation helps managing and sustaining a product among the customers for it helps in greater revenue generation based on increased sales volume.

IX. ANALYSIS AND FINDINGS

History has proved that none of the successful companies has ignored marketing innovation to maximize its growth and development. Whenever talked of innovation and success, the very first name clicking the mind instantly is no other than Apple Inc., a name known as innovation diva in the world of gadgets. It is one company that very tactfully

develops and manages its products through marketing innovation.

Some customers are risk takers and innovation loving, thus innovative. They do not resist from experimenting from new products by using them. They by nature are curious enough to put hands on unknown products. While there are other customers who are brand and price conscious. Apple very well caught the nerve of market mongers and this only leads it every time coming up with innovative new products which people either did not know or knew sub-consciously. The same is done with the launch of iphone 5 and subsequent fall in the price of iphone 4 to make it reach to that customer segment that earlier failed to go for it.

Product depth needs to be increased by introducing variants in a particular product to satisfy various customer segments. This again is done by marketing innovation. Well-known products of Maruti --- Wagon-R, Dezire, Alto---- have gone for the same. It introduced multiple variants for different types of customers who differ from each other on minor points but still look towards a product which provides the basic features needed. Price offer of its varied products is flexible according to the additional features needed by customers through continuous incremental innovation. With a variation in products, again through product development and marketing innovation, these vehicles managed to acquire a large section of customers who helped in sale boost of the automobile.

If speaking of Maruti, let us not forget its around twenty year old model Maruti 800 which was then visualized as a car for elites. The company always worked on its development and management by bringing changes in the features and subsequent models so as to keep customers bonded with it. The product was successfully managed for a pretty long time by keeping customer demand in mind. The strategy worked for over a score of years till the product moved towards its decline when it was replaced by another similar car Alto 800 last year that took over the customers of that segment. Zen too was a premium car and its magic worked for a series of years which was later replaced by Estillo but it failed to repeat the history that was created by Zen. Recently, the company has decided to phase out Estillo which once replaced Zen but failed to give results as latter gave and still the company is not indicating which product would fill up the segment. Sometime, Wagon-R was considered as the most desirable car in Japan. The company tried to mesmerize the Indian customers with the same charm and luckily has been successful enough. It is to be noted here that still two versions of Maruti; Swift and Dezire; are continuing to charm the customers to the extent that they happily wait for months to get hold on the models. In this way, the company through continuous innovation in products is moving towards product development and product management thus grabbing around 40% of the market share and having a leadership position.

Volkswagen too tried on marketing innovation by putting stress on the fourth P; that is; promotion. It came up with an eye-catching advertisement blending the use of electronic gadget with print media. Some years ago, the company promoted its vehicle by advertising it in the newspaper with the help of a buzzer which was used to attract the readers towards the product.

FMCG sector cannot be left out because they provide us with basic utilities of a decent life. Any product is launched in the market keeping in mind a particular customer segment. The process thereafter moves towards creating more customers through marketing innovation either by positioning or repositioning of products. The brightest example that can be given here is that of Lifebuoy. A century old product slowly and slowly lost its true purpose and came to be known as toilet soap from a bathing soap with the passage of time. Effort was then made to develop the product and it was repositioned as a soap which is hygienic for the whole family. Other daily use products like; Oral-B toothbrush with changing colour of bristles after its exhaustion, Surf Excel bar with a net holder to avoid wastage, Rin detergent powder with spoon for correct measure needed to wash clothes, Fevistik in the form of solid gum to avoid mess, different bathing bars in various fragrances, anti-perspirant in spray form, liquid starch, Vim dish wash bar with a plastic coat at the bottom, dish washer in liquid form, electrical appliances in light weight and various designs, hair oil bottles with small holes to pour out liquid, biscuits in family pack, shampoos, conditioners, toothpaste, hair oil, etc. in sachet packs, eatables in different flavours and sizes are some examples that speak of product development and its management from time to time through marketing innovation.

CONCLUSION

Marketing innovation has always been seen as an inseparable part of any business. Business sustenance and marketing innovation are both inter related and complimentary to each other. Marketing innovation is done to attract and retain more people towards a product but it needs to be done very tactfully and strategically. Any innovation cannot be successful only for its namesake. It has to be according to the need generated or seemed to generate in near future. Any marketing innovation can be successful only if it succeeds in attracting customers towards itself. That is possible only if it is related to customer needs and demands. A shift in customer preference forces the companies to replace unneeded products with the needed ones. Here, marketing innovation is done by idea generation, its process, new product development, its management from time to time as per the customer demand, thus helping in value creation and value addition for them.

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