



## Innovation Mix: A Contemporary Marketing Approach

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### ABSTRACT

*This article endeavors to present a unique methodology for entrepreneurs to improve their returns. To be successful in today's environment of cut throat competition we need more than a basic understanding of traditional AIDA model & the 4P's (Product, Price, Place & Promotion). And that important aspect is innovation (A concept evolved by Michael Gerber, a few years ago).*

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*Many organisations are not great at innovation. Often, rules are followed too rigidly, seriously limiting the motivation to do things differently. The position is: 'but that's the way things are done here'. Those charged with coming up by improving the way the organisation works, often fear that their suggestions will be seen as wrong, impractical or too 'off-the-wall', perhaps because those in positions of authority lack vision.*

*If we do what everyone else is doing we will get the same results, but only those can excel in market who are innovators, those who are continually trying new methods of doing business & standing for something unique. This methodology is the key behind major marketing success. Behind most of successes in business whether it be Apple or McDonald or Facebook, under the hood, we will find system for innovation, ways of testing, measuring, implementing & documenting in a seemingly effortless fashion.*

*The most successful marketing programs are always working to improve their ROI (return on investment). The key is to measure each independent element that could possibly improve the result.*

*Companies can tend to look at new ideas through the lens of what has been done before and look to the future in the context of what has gone before. The result is often a series of incremental improvements to existing products or processes, simply trying to refine or reshape old ideas, and implying them, more efficiently.*

*After trying something new & measuring the result, now we know what works & what doesn't. The key is to keep innovating in small ways. Continually testing & evaluating the results. Once we have our success identified, we just need to roll them out in a systematic fashion.*

### KEYWORDS: Innovation, Marketing, Success

#### Introduction:

There are a number of basic marketing fundamentals that everyone needs to know in order to generate attention, interest, desire and action among prospects. But to be successful in today's competitive environment, you need more than a basic understanding of a traditional AIDA model and the 4 P's (product, place, price, promotion). Yes, we are talking about Innovation.

Innovation is the creation of better or more effective products, processes, services, technologies, or ideas that are accepted by markets, governments, and society. Innovation differs from invention - innovation refers to the use of a new idea or method, whereas invention refers more directly to the creation of the idea or method itself.

One survey across a large number of manufacturing and services organizations found, ranked in decreasing order of popularity, that systematic programs of organizational innovation are most frequently driven by: Improved quality, Creation of new markets, Extension of the product range, Reduced labor costs, Improved production processes, Reduced materials, Reduced environmental damage, Replacement of products/services, Reduced energy consumption & Conformance to regulations.

A beautiful example of innovation can be found on the streets of Mumbai, where vendors will offer to sell you "time pass." Time-pass, as it happens, is a paper cone of roasted and salted peanuts. But you don't buy peanuts. You don't even buy a snack. The branding as "time pass" tells you what you buy: a way to pass the time as you stroll along on the beach, or wait for your train to arrive. The customer created by the innovation is the *pattern of modification of waiting and relaxation behaviors*. You used to stroll. Now you stroll, munching peanuts. You used to fret, looking at your watch, cursing railway delays. Now you peacefully munch peanuts instead. This explains why customers need to be created, and what innovations *really* are. Innovation isn't about creating novel products or services only.

Innovation is the key behind major marketing successes like McDonalds, the Four Seasons, and many other well-known brands. If we look

at most major brands or category leaders, under the hood, we'll find systems for innovation, ways of testing, measuring, implementing, and documenting in a seemingly effortless fashion.

If you do what everyone else is doing, you'll get the same results – if you're lucky. Most often, those who excel in any market are the innovators, those who are continually trying new things, creating new methods of doing business, or standing for something unique.

#### Innovation covers:

- 1) The introduction of a new good or a new quality of the good
- 2) The introduction of a new method of production
- 3) The opening of a new market
- 4) The conquest of a new source of supply
- 5) The carrying out of the new organization of an industry

The innovation process encompasses several systematic steps, beginning from problem/requirement analysis to idea generation, idea evaluation, project planning, product development and testing to finally product marketing.

Here we would like to mention about Reliance Money, the financial services and products distribution company of Reliance Anil Dhirubhai Ambani Group, has latched on to a marketing innovation. The firm roped in the Six Sigma perfected dabbawalas to get an edge in their run-up to the Reliance Power IPO, among a host of other tradable financial services. The dabba which arrives on the dot at most office desks, with home-cooked food, will have other steaming offers in a bulging paper envelope. Apart from the full bouquet of mutual funds, insurance products and money transfer services, Reliance Money expects to push demat accounts, and IPO application forms through this channel, beginning with the Reliance Power application forms. The dabbawalas will not only carry Reliance Money's messages across the city, they will even pick up requests and completed forms from customers back to the company.

Innovative marketing technique, 'Exchange coupon scheme' of Big

Bazar, is also a unique effort to attract consumers. Big Bazar gives 10% & 25%, discount on purchase of various articles on exchange of old clothes, newspaper etc. In a personal interview with us big bazaar official revealed that their sale had enhanced by 50% for those two months. They are getting advantage of this innovative idea for past 7 years.

#### **Innovation mix**

Just like, 4 P's of marketing (Product, Price, Place, Promotion). There are also 4 P's of innovation. They are (Product, Process, Position and Paradigm).

#### **Product**

So how would we add innovative feature to our product? First that comes to mind is that we would try new products, new ingredients, new shapes, colors and so on. Here we can also improve on packaging, delivery methods, freshness of the product, and so on.

#### **Process**

There may be processes connected with supplying, selling, recruiting, and even accounting. So, 'process innovation' is anything we can do to improve processes in our organization, so they are quicker, more efficient, or cheaper. All in all, it's any new ideas that applied to the existing processes resulting in increased profitability. It also means innovating new processes to add to, or replace the existing ones.

#### **Position**

We consider 'position' similar to 'promotion' in marketing mix, but it is not. What perception our customers have about us? What about our employees, or business partners, or subcontractors? Do we, pay our bill, or our employee salaries on time? So many things could affect people's perception. Today, on the global marketplace, position is everything. What makes the organization profitable is, not only the quality of product or services, but also what our customers perceive about us. Again it's all about smiles on the faces of our satisfied customers.

#### **Paradigm**

This is somewhat specific innovation category. It concerns the change (sometimes radical) in the way something is done in the organization. It could be anything. Again, to be an innovation, it has to be profitable.

These 'Innovation P's' are not narrow categories. Their borders are foggy and intertwined. Company or organization can use some of them, or all of them at the same time. Improving the processes could result in better products. Better products would result in better position. What is important is that all of them have one single purpose, to make the organization better, more efficient, and at the end more profitable.

It is perfect time to narrate here the story of Kellogg's cornflakes. Leaving some boiled wheat unattended, it went stale. Attempting to salvage it by rolling it into dough, Kellogg (aided by his brother Will) found that it tore into pieces and refused to hold a shape. Undaunted, they toasted the flakes and were pleasantly surprised by the result. After a bit of trial and error, the brothers decided to use corn, instead of wheat, as the main ingredient. The result was deemed tasty enough by patients. Overwhelmed by it, Will founded a company bearing the Kellogg's name to sell their corn flakes, further revolutionizing how the world eats breakfast.

Large, high-tech business firms under Oligopolistic competition, use innovation as a prime competitive weapon, ensuring continued innovative activities and, very plausibly, their growth. In this market form, in which a few giant firms dominate a particular market, innovation has replaced price, as the name of the game, in a number of important industries. The computer & Cellular phone industry are the most obvious examples, whose new and improved models appear constantly, each manufacturer battling to stay ahead of its rivals.

Under capitalism, innovative activity—which in other types of economy is fortuitous and optional—becomes mandatory, a life-and-death matter for the firm.

Once innovation takes off, including in this not only the inventions themselves but also their successful marketing and profitable utilization, this facilitates and stimulates further innovative effort. The obvious connection is that the demonstrated profit opportunity is sure to attract other inventors, other investors, and other entrepreneurs whose task it is to ensure that invention is put to effective and remunerative use.

#### **Conclusion:**

If we are trying to enhance our marketing program, or create one from scratch we must keep this methodology in mind. This process will ensure constant growth and improvement in our marketing results. A good start point for innovation is to focus thinking on key challenges, opportunities & problems, gaining a clear understanding of the issues & planning out of box strategies. After trying something new & measuring the result, now we know what works & what doesn't. The key is to keep innovating in small ways. Continually testing & evaluating the results. Once we have our success identified, we just need to roll them out in a systematic fashion.

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