Research Paper Economics

Product Innovations-Make in India Initiative

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ABSTRACT

We are living in a global world and facing challenges which have led companies to focus more on creativity and innovation. Innovation is not just about the new products and technology but also new processes, business systems and methods which have an important effect on productivity and growth. These days' products cannot be launched without putting in hard work and research till we finally achieve the stage where it is worth bringing out products for customers. The company's should be sure about the innovation they are investing in after understanding the consumers' needs, market dynamics. Emphasis on technology and product development is crucial for government's 'Make in India' initiative as without it India can never become a "true manufacturing nation". The objective of the study is to understand the concept of product innovations. To study challenges for "make in India" and to highlight on the suggestions to overcome challenges.

KEYWORDS | Innovations, technology, challenges, creativity, productivity, India

INTRODUCTION

Innovation can be defined as the application of new ideas to the products and processes which leads to enhancing "value." The value includes higher value added for the firm in terms of benefits for both companies and the consumers. In fact, Product innovation is the introduction of a new product, or a qualitative change in an existing product. But there is a line of difference between invention and innovation. An invention increases the knowledge but it does not enter the market as a full-fledged product or process. Innovation occurs when bringing to the commercial market new products and processes resulting from applications of both existing and new knowledge. Technological innovation in the form of development of new products gives a competitive edge to firms and enables them to expand their existing market area or penetrate new markets. A majority of the company's carry out innovations with multiple objectives the most important being product quality improvement, cost reduction and increasing market share.

CONCEPT: 4P's OF INNOVATION

➢ 'Product innovation' – changes in the products or services which an organisation offers.

➢ 'Process innovation' – changes in the ways in which products or services are created.

➢ 'Position innovation' – changes in the modes in which the products or services are communicated.

➢ 'Paradigm innovation' – changes in the mental models which shape what the organisation does.

TYPES OF INNOVATIVE PRODUCTS

The following are the various types of innovative products:

Breakthrough: A breakthrough innovation is something new and way ahead of the next best thing. A breakthrough product often combines the functions of several different products all into one. Companies will have to continuously innovate with breakthrough products in order to remain successful.

Sustaining: Sustaining ideas have to do with improving the current product by developing generations 2, 3, 4 and so on until the product reaches the end of its life cycle. Sustaining innovations tend to provide protection for developing a breakthrough innovation for the business. This is why sustaining innovations are so vital for ongoing success.

New Market: A lot of managers think of new markets in terms of geography such as entering an emerging market like India. New market innovations refers to putting forth a current product in a new way and at times for a different segment of customers .

Disruptive: This innovation helps organizations in setting themselves apart as leaders in their respective market. These products initially appeal to less sophisticated customers within a narrow area and eventually these products gain insight to more sophisticated customers who recognize that they don't need all the performance in a product they were paying for. Disruptive Innovation = Simple, Low Cost Solution to the Customer's Problems.

OBJECTIVES OF THE STUDY

- To understand the concept of product innovations.
- To know the challenges for make in India.
- To highlight suggestions to overcome the challenges.

RESEARCH METHODOLOGY

For the fulfilment of the above stated objectives, data is collected basically on secondary basis. The secondary data for the study was collected from different sources such as trade journals, articles and internet. The study is basically descriptive in nature. The period and data of the study is selected on convenience basis in order to fulfil the objectives of the study.

MAKE IN INDIA: CHALLENGES

India is a market both for multinationals and their Indian competitors which provide a lot of opportunities. But the Indian market requires funds and technology transfer across the spectrum. The challenges for foreign companies have been highlighted at various forums and can broadly be categorised as infrastructure, red-tapism, policy-, tax and labour-related issues. Companies looking to invest in India should understand the market in terms of sector opportunities, wage costs, distribution channels for finished products, availability of raw material etc along with a clear understanding of the FDI policy governing the sector that they are planning to invest in.

1. Creating healthy business environment will be possible when the administrative machinery will be effective.
2. India should also be ready to tackle elements that adversely affect competitiveness of company products.
3. India should be more focused towards in novation and creativity for various sectors.
4. India's make in India campaign will be constantly compared with China's 'Made in China' campaign. India should constantly keep up its vigour to surpass China's supremacy.
5. India must also encourage high-tech imports; research and

development (R&D) to upgrade 'Make in India' and give competition to the Chinese counterpart's campaign. India has to be prepared and motivated to do world class R&D. The government must ensure that it provides platform for research and development.

"MAKE IN INDIA" INITIATIVE

The international integration has lead to the formation of a group of socio-cultural and economic exchanges within and across the countries. 'Make in India' is a major initiative undertaken by the Government of India to promote companies to invest in India. Recently some major giants all over the world have announced some of the initiatives taken and to be undertaken by them with reference to "Make In India" Some of the companies highlighted are as follows-The "Make in India" campaign, Spice Group, a leading mobile internet company announced an investment of Rs 500 crore, to set up their manufacturing unit in Uttar Pradesh. The manufacturing unit will strengthen the company's strategy to introduce affordable mobile internet devices in India through domestic manufacturing, thus tapping a larger section of the market by giving the best technology at reasonable prices. Spice Group can therefore achieve its mission and aim to create affordable mobile products for a much larger audience. Samsung's new president and CEO for India declared that it is still the number 1 smart phone company in India. Samsung, Hong said, will continue to manufacture in India "reinforcing its commitment to make in India". He said that the new Z1 smart phone based on its own operating systems will be manufactured in noida itself. Samsung understands the importance of 4G in India and knowing the fact that India is already one of the fastest growing markets in the world in terms of smart phones. At the same time the companies vice-president declared that they will launch new Joy smart TV range (television segment) which it says is "made in India for Indians" Japan's Giant- Hitachi plans to grow its business in India and is committed to Prime Minister Narendra Modi's call of 'Make in India'. The focus areas that the company plans to make is to cope up with the growing healthcare needs and finding solutions. Another area is railway systems where target is metro, rails and high speed trains. The company plan to increase India's revenue to 210 billion yen by 2015. Besides this, the company is planning to set up a manufacturing unit for industrial chemicals and high-end materials in Chennai but by the year 2016. Chinese telecom company, The global information and communication technology giant- Huawei Technologies Co Ltd has planned to open a research and development centre in India and has invested about $170 million as it ties up to Prime Minister Narendra Modi's "Make in India" campaign. The campus in Bengaluru will be used to develop software components-world class products and solutions. This centre can accommodate nearly 5,000 software engineers and it will play a big role in the innovation, research and development. It will create future-oriented technologies and support the digital transformation of society. Huawei's focus on India can be seen as part of the company's commitment to contribute to the 'Make in India' campaign. Big bets are being made on investment in improving technological infrastructure in the country. With Modi's massive push towards 'Digital India' and 'Make in India' initiatives some of the biggest players in the Indian tech sector recommend tax holidays, subsidies, simplification of policies and improvement in technological infrastructure. "Technology has the potential to empower the 1.3 billion Indians through visionary programs like 'Digital India', 'Smart Cities' and 'Skill India'. The campaign "make in India" is a perfect opportunity to frame a good plan in this endeavour thereby providing much needed foundation for growth and development.

SUGGESTIONS

- Let's not overlook innovation in its various forms. When we measure the success of innovation then we need to look at its impact on productivity: the only sustainable form of wealth and job creation.
- It isn't the individual innovations themselves that show their impact on a sector or an economy but the speed and scale at which they are adopted. So the way to higher productivity through innovation is : A company introduces business and technology innovations that improve operations or deliver new and higher value-added products and services.
- Competition is important in the innovation aspect and economic growth. A lack of competitive insight will hinder the process.
- Consolidation is a means of maximizing the scale at which innovation is adopted and hence accelerating productivity. It is the role of anti-trust bodies to look into such matters.

CONCLUSION

We are living in a global world and the international integration has lead to the formation of a group of socio-cultural and economic exchanges within and across the countries. Facing challenges and risks have led companies to focus more on creativity and innovation. Many companies now accept that competition plays an important role in creating favourable conditions for innovation else one would continue to remain in a sluggish economy. It would be wrong to say that the ruling global companies of 2020 will be those that would provide their customers with innovative and creative products. In India, both the product and how it is brought to market have to be innovative and in tandem with serving the special needs of customers segments of the demand pyramid. Innovation for the Indian market cannot be put to separate categories. Making managers think beyond the comfort zone is the key to success. Innovating for the India market needs to touch every element of the value chain and it is the speed and scale at which innovation is adopted, rather than the innovation itself that show the extent to which it will impact productivity and economic growth.

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