

# Marketing Innovations - A Different Paradigm

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**Abstract-** *Firms have realized, how valuable is it to be a first mover, fast follower, or perhaps an imitator. Today innovation has become a major concern for firms in competing markets. Innovation can be adoption and also be in one element. But such innovations give temporary advantage and do not give foundation for progress. Innovation that permeates all levels of organization creating a customer centric innovation culture is necessary for integrated innovative marketing.*

**Keywords-** Innovation culture, Innovation strategy, New campaigns, New models, New products.

## I. INTRODUCTION

Innovations are important for sustaining market share as well as market development. In the present era of marketing, firms have to meet the changing expectations of consumers who have become global in outlook and knowledgeable in selection of products. While Facebook was growing, so were m-commerce, native apps, QR Codes, augmented reality, Internet TV, webcasting, neuromarketing, and new techniques such as geo-location, daily deals, and on-line communities. If you look into past, it took decades for new technologies such as radio and TV to gain critical mass. But today new technologies are emerging every day and reaching critical mass in unprecedented time. (Ed Gaskin, 2014).

## II. WAYS OF INNOVATING

Innovation helps differentiate product with those of competitors. Marketing is about creating differentials. Difference can either be developed by the innovating firm or adopted from other firms or organizations. New marketing campaigns can be implemented for both new and existing products. But to see marketing innovation as a campaign or program is not correct. It has to go beyond covering entire scope of marketing, touching every element of marketing mix. Firms like to be reactionary as it is an easy way. But initiatives taken for adopting emerging technologies on a reactionary, ad hoc basis are siloed, and not synergistic. Adopting new technologies has to be done opportunistically.

Most companies have an explicit or implicit innovation strategy (e.g. an approach underlying their R&D or new product development thinking). Firms appoint a Chief technology officer (CTO) who focuses on technology development questions full-time. Beyond new product development, CFOs may have very aggressive approaches toward adopting the latest innovation in financial instruments. Companies that are good at combining different types of innovation can create what economists call “temporary monopolies” that tend to dominate a market space for a period of 5-10 years.

## III. INNOVATION CULTURE

What’s the secret behind Apple, Google, IBM, Nike, Toyota, and all the other much-lauded innovators on the list? Innovation inside many of these companies is characterized by strong teamwork across disciplines, business units, and functions. Most successful innovations draw on multiple perspectives: technology development, customer insight, business model development, marketing, and design. And they seem to do it simultaneously. That is: the marketing people and the R&D actually work together in high performing firms.

For firms committed to be innovative, their company’s culture has to be more innovative so that marketing reflects that cultural values. Innovative culture offers opportunities for creativity, respects ideas, values experimentation and rewards both success and failure (failure is stepping stone to success). Firms with innovation culture may encourage employees in many ways: (i) they permit employee a certain percentage of time to work on projects that are outside of their area (3M, Google)., (ii) they set metrics to have a certain amount of revenues from products developed within the last few years. (Hewlett Packard) and (iii) senior management lets employee know that risk taking will be rewarded.

## IV. INNOVATION CASES

Marketing innovation is the act of incorporating advances in marketing science, technology or engineering into marketing strategy, research, communications, operations, and analytics, increasing your marketing efficiency or

effectiveness, resulting in complete advantage and/or increasing shareholder value. Mikkel B. Rasmussen (2014) lists the examples of innovation types as given in Table - 1.

Table - 1 Innovation Types

Company	Innovation
IKEA furniture	New business model, unique customer experience, new process.
Johnson controls	New business model, new customer interaction model, unique product systems.
BMW's Mini Cooper	New product system, Unique customer experience, new sales channels.
Google's AdSense	New business model, Unique customer experience, breakthrough service, improved process.
Lego's Mindstorms	Unique customer experience, breakthrough product, differentiated services.
Nike's Nike+	Unique customer experience, breakthrough product, differentiated business model.

IKEA, pioneered a new business model (low cost, high design value), a new process (customers assemble the product), and a new customer experience (plug and play home design). While shopping for durable goods is best done in person, wandering through the abyss of an Ikea store can be confusing, since shoppers often don't know how a sofa or table will fit in a room, instead having to rely on memory and imagination. Complementing the Swedish furniture maker's 2014 catalog, the iOS and Android apps were updated with an AR feature that lets users visualize in real time how furniture would look in a given room. The app launched three years back was downloaded by 8.5 million users in 2012, uses the sensors of mobile devices to give 360 and 180 degree views of rooms and 3-D furniture renderings. Very recently they launched 2015 catalog. While this clever use of augmented reality could help boost user engagement (and ultimately sales) for IKEA, a company historically focused on bringing convenience to consumers.

Johnson Controls transformed the business model of the building component industry (from products to services), developed a new customer interaction model (helping customers optimize their buildings instead of buying components), and created a range of very advanced product systems (for example systems around green buildings).

BMW has fundamentally changed the sales channel (a product brand with its own retail universe), the customer experience (a car that is fun), and the product systems around the car (an extensive accessories program).

Google.com earns most of its revenue by allowing other website owners to advertise on their search results pages. All this is managed through a program they call AdWords (pay per click marketing). You see these ads displayed above the free/organic results and along the right side of the page on Google.com search results. These are called Sponsored Results, and the advertisers are paying a certain amount of money per click for these ads. This improved process becomes a new business model for Google.com to yearn revenue at large.

The Lego Mind-storms series of kits contain software and hardware to create customizable, programmable robots. They include an intelligent brick computer that controls the system, a set of modular sensors and motors, and Lego parts from the Technic line to create the mechanical systems. By means of this differentiated breakthrough product customer can make their own model of robots.

The Nike+ sports kit is an activity tracker device developed by Nike, Inc., which measures and records the distance and pace of a walk or run. The Nike+ consists of a small transmitter device attached to or embedded in a shoe, which communicates with either the Nike+ Sport band, a receiver plugged into an iPod, or directly with a specified form of iPhone, or a Nike+ Sport watch. If using the iPod or the iPhone, iTunes software can be used to view the walk or run history. By means of the differentiated product customer is getting unique experience.

**V. INNOVATION IN CAMPAIGNS**

PepsiCo's digital marketing has made a mark in recent times. Two of the company's biggest needs are innovative marketing to revitalize some of its brands, and keeping pace with big competitors in the industry to expand its presence in emerging national markets. For this, it launched PepsiCo10 incubator program to India and Brazil. It is estimated that Brazil has 100 million internet users in 2015. India already has 125 million internet users in 2011 and it is estimated that it will be more than 300 million internet users by 2015. "What's interesting is that in 2012 there were 40 million internet users in India already are using the net to make purchase decisions, and almost 70 percent are using the web to learn about products."

Launched in 2010 in the United States and expanded to Europe by 2011, PepsiCo10 is "a way to help us see around corners and identify interesting technologies and emerging digital entrepreneurs to understand and learn" from them, especially in location-based and mobile marketing as well as social networks.

In the United States under PepsiCo10, the company received about 500 submissions from interested entrepreneurs and then narrowed it to 75 companies that it invited to deliver more detailed briefs. Then 25 finalists made presentations to about 100 PepsiCo brand-marketing and communications executives. From there, the PepsiCo10 were selected and supported.

The PepsiCo10 effort in each country will be heavily oriented around each national market, they are going to leverage ideas that work and replicate them in other markets. But these efforts will be authentic to each of these markets really locally run. (Dale Buss 2012)

## **VI. CONCLUSION**

Traditional innovation has relied a lot on in-house problem solving and generating idea with less or no cross-functional interaction but in the new innovation model it is much more open with organizations seeking contribution and mutual aid from their whole society.

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