

INNOVATION

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In many industries it has become increasingly risky not to innovate. Both consumer and industrial markets have come to expect periodic changes and improvements in the products offered. As a result, some firms find it profitable to make innovation their grand strategy. They seek to reap the initially high profits associated with customer acceptance of new or greatly improved product. Then, rather than face stiffening competitions as the basis of profitability shifts from innovation to production or marketing competence, they search for other original or novel ideas. The underlying rationale of the grand strategy of innovation is to create a new product life cycle and, thereby, make similar existing products obsolete. Thus, this strategy differs from the product development strategy of extending an existing products life cycle.

While most growth-oriented firms appreciate the need to be innovating occasionally, a few firms use it as their fundamental way of rotating to their markets. An outstanding is Polaroid, which heavily promotes each of its new cameras until competitions are able to match its technological innovation.

Few innovative ideas prove profitable because the research, development, and re-marketing costs of converting a promising idea into a profitable product are extremely high.

But some times effort and money spent in screening and developing new products (50 to 67 per cent) fail in commercialization process if flawed to start with. In others, the product concept is very poorly backell by market research. In some others, the launch process and its execution are at fault.

The mismatches, that is, the shadows and delusions, could be corrected by aligning them with breakthroughs or incrementals. But it is important to drive the analysis, at all times from the customer viewpoint. A proper alignment will not automatically lead to new product success. The nature of the new product development process and the nature of their tasks will have to carefully reflect the nature of the new product. All this is hard work and creative work. But at least if the ideas are right, and when accompanied by good execution, the chances of success are maximized.

INTERNATIONAL MARKETING

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Having made a product the problem becomes to find someone who will buy it. It is the responsibility of the marketing department to promote and organize the sale of prod-