

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.

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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-

ucts to the purchaser. Broadly speaking, activities such as sales promotion, advertising and market research are covered. It would be possible for the factory simply to produce a motor car and then hope that it sells. However, it takes a long time to set up a production line for a car assembly plant and even minor modifications can prove difficult and expensive. It is much better to discover what people are looking for when they buy a car and then try to satisfy their needs. Do car drivers want speed – or safety? Are they looking for the power to accelerate – or comfort? Is their aim to impress their neighbours and other road users, or are they just concerned with getting from A to B and back? How important is the price, and the cost of petrol and maintenance? Which designs and colours are preferred? Who is buying the car? It is questions like these the marketing department will have to answer even before production commences.

It becomes obvious that making and selling are two facets of the same undertaking. The marketing manager and the production manager are two members of the same team, depending on each other in much the same way as the players in the Liverpool football team. What good does it do if our strikers are scoring goals but our goalkeeper keeps having to pick the ball out of the back of the net? This situation could be compared to the marketing team who make great efforts to find customers for their cars, only to find the cars cannot be delivered on time, or that the cars develop faults as soon as they arrive.

New technologies have an even more devastating effect on the markets. Once upon a time there was a very successful company which made gas mantles. The whole country was lit by gas. Then electric light came. The sales of gas mantles plummeted. Today we look to oil for our energy.

The rapidly changing world is both a headache and an exciting challenge to those engaged in marketing. If they predict correctly their business will survive and prosper. If they misread the signs the business will fail and, perhaps more importantly for all of us, valuable economic resources will be wasted.

MITTELSTAND IN DEUTSCHLAND UND ALS POSITIVES BEISPIEL DER ENTWICKLUNG DES MITTELSTANDES IN WEISSRUSLAND

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Was treibt die deutsche Wirtschaft an? Es sind vor allem die kleinen und mittleren Unternehmen, geprägt von starken Unternehmerpersönlichkeiten, die auf Menschen und Ideen setzen und flexibel auf Märkte reagieren.

Kleine und mittlere Unternehmen sind das Rückgrat der Wirtschaft der BRD. Die soziale Marktwirtschaft wäre nicht denkbar ohne wettbewerbsfähige, leistungsstarke