

Innovation, Business Models and Entrepreneurship
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Lecture – 21
Marketing of Innovation

Welcome again, now after a broader discussion on business models, business scenario and business models and thinking associated with innovation, in terms of business models as well specially in terms of divergence and convergence. I would like to move towards marketing aspect of innovation. One can always think in terms of marketing of innovation or marketing and innovation. But whenever we think in terms of marketing associated with innovation we definitely are talking of processes products or services.

And to further deliberate upon one definitely has to think in terms of how do we define marketing in contemporary times. What are the elements of marketing and how marketing is to be seen, I would simultaneously take up in subsequent discussions. But at this moment it is largely to be addressed that how one has to look towards marketing and then we can associate marketing with innovation and innovation perspective largely.

So, there are several definitions, there are several websites and repositories and there is a lexicon which defines definition of marketing as well. There are marketing associations which talk of marketing, I have chosen definition by American Marketing Association a widely accepted definition which was deliberated upon and finally, once again approved in July 2013.

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Now, this definition says that “Marketing is the activity, set of institutions and processes of creating, communicating, delivering and exchanging offerings that have value for the customers, clients, partners and society at large”.

Now, if one looks at the elements of this definition slightly separately for example, when we say that marketing is the activity and just for a while do not say that it is it is set of institutions and processes. We say that marketing is the activity of creating, communicating, delivering and exchanging offerings that have value for customers, clients, partners and society at large. So, we would recall those activities which fit into this kind of a frame.

Now, for a while we put on hold the terms activity and process and then we say that marketing is the set of institutions of or for creating, communicating, delivering and exchanging offerings that have value for customers, clients, partners and society at large. And finally, we try to reiterate this definition once again with the perspective of marketing is the process of creating, communicating, delivering and exchanging offerings that have value for customers, clients, partners and society at large.

All the three elements when we reiterate already you know say separately we recall the businesses or the products or the services or the processes related to these keywords, these terms. A set of institutions you may you may recall any form of or any form of institutions basically which can be which can fit into the frame of creating,

communicating, delivering and exchanging offerings. Now, when you say that an activity is creating, communicating and delivering and exchanging offerings; but what does that imply.

You know a physical product or a service is being created, one has communicated about that that thing is delivered somehow at a place. And you know it something in exchange comes for that and that has a value, particular value which definitely can be a derivative of values and some other factors also or purely can be can have a utilitarian kind of a perspective or an exchange aspect associated with that. So, that has value for customers, client's, partners and society at large.

But when we say that society is included in such kind of a thing then we definitely have to acknowledge that the products should have you know an association with a social development. If I must say or let us say social benefit or societal gain at large if I may choose to say. So, I would not deliberately you know focus upon the products which cannot come into the framework. But definitely one would acknowledge after this you know definition and then the reiteration of this definition with different perspective so many times, that ultimately some of the products or services would get eliminated out of this framework; which is not bad if we are talking in terms of you know incremental perspective or innovation.

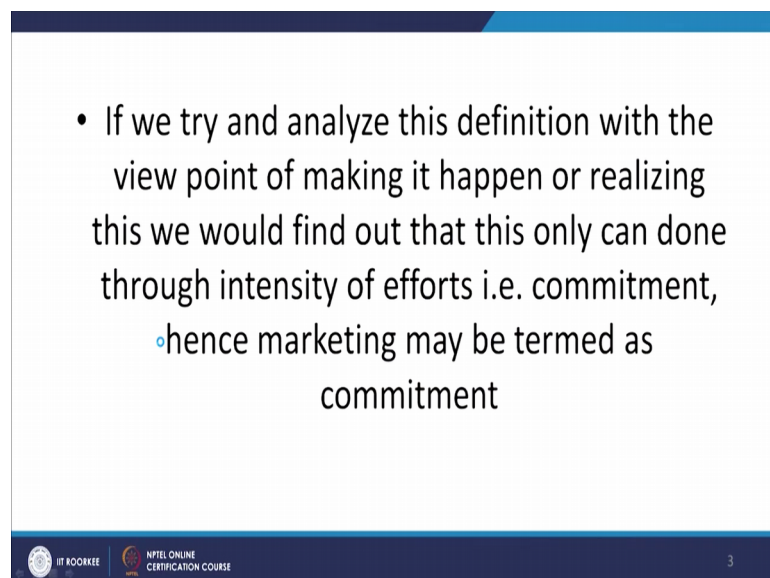
And the products detrimental to society definitely may have a innovation associated with as far as production process goes, but then the benefit would not be incremental as far as the attribute or characteristic goes. So, now looking at this situation and to associate this definitional framework with the innovation one can come with you know a thought of marketing of innovation and marketing and innovation. Now for example, you would have heard of a bulb which can be associated with mobile application; LIFX is a bulb which is being marketed and produced and marketed by the organization would probably the same name.

Now, what they have done is and the other organizations are also doing that, what they have done is that you know you can put that bulb in an a normal holder and then you can you know associate that bulb or you can link that bulb to the download easily downloadable mobile application. So you can dim the light, you can you can enhance the

intensity of light, you can change the color of the light, you can you can change you know you can flicker the light and so on.

So, here you have an example where in a general bulb is associated with mobile application in a very innovative way and now you are marketing that bulb with you know a several other features getting involved with that light bulb. So, that is where we think in terms of marketing and innovation and marketing of innovation in a you know simultaneous go. And that is why I tried to use this phrase interchangeably in and using and in both with marketing and innovation.

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- If we try and analyze this definition with the view point of making it happen or realizing this we would find out that this only can done through intensity of efforts i.e. commitment,
 - hence marketing may be termed as commitment

Now, as I said that if we try and analyze this definition with the viewpoint of making it happen or realizing this would find out we would find out that this only can be done through intensity of efforts. Innovation also requires intensive intensity of efforts, innovation as we understand is associated with you know a self generative process wherein you are actually having a product and you feel like that some other features can be added to that or on the other side, when you are actually selling a product or marketing a product for the customers and customers give you an insight that this is how they want some changes in this kind of a particular product.

Then you think like innovating upon that or you feel like addressing additional problems or additional warrants with that kind of a particular kind of a product. But and or even if you are going for a radical change as far as innovation go this product goes then

definitely you require committed commitment. Now, once you require commitment you require you know a regularity associated with your efforts and that is why marketing at large can be seen with the perspective of commitment. And once we say that marketing is associated with lots of intensity and commitment, the societal element of serving the society at large that looks like as a reality in a larger terms.

And let me explain that with examples of let us say again for example, health. Now, you know the several organizations are trying to treat their patients whosoever reaches them, they are committed towards treating them. Several organizations have gone a step ahead of finding out patients and then treating them, now that requires lot of intensity and effort. Some several organizations have gone further, not only in finding out patients but also you know providing solutions at their doorsteps and reducing the cost of their elements as well through technological interventions or let us say a low cost medicine interventions and so on.

So, there is a large aspect to be catered to the organizations who are working on patients who are approaching that organization on let us say a profit basis, large profit basis are also committed; they are also marketing health. But the other two are further ahead with there as far as the commitment aspect goes. So, and all of them are living with that phrase of creating communicating and delivering and exchanging offerings which are value for the client's, customers, partners and society at large.

So, that is where things are and no one is working at a loss. They have different measures of profitability, they have different measures to enhance that profitability and they look at customers with a different kind of a perspective. For example, many a times I have been interacting with education institutions and many education institutions have suggest have been suggesting that they look at their students as their customers; which I personally do not agree to most of the times. Because you see if you look at students and the as the customers then you think in terms of satisfying customer needs.

So, it becomes a complex kind of a thing because then you have to co-create with if you look at them as customers you have to co-create with them and they should be also equally involved in the process basically. And then where do the customer go on, customer becomes a product after if a customer wants to sell himself or let us say present

himself or herself in front of the companies or prospective employers so that that becomes slightly complex when you say that students are customers actually.

But what I foresee it is large and a again it can come in, I look at organizations who would be employing your students later on as your customers. And then here you are producing a product, definitely you are recovering your cost from somewhere. But again this product should be you know that have that have value for as far as future customers go, that can also be a way to look upon. Although it is debatable people have people definitely have divergent views on this actually.

So, that is that is where we are looking at the marketing; marketing definitional frame, but why we are trying to understand this within so much of depth is because we want to associate innovation with marketing now onwards. And because we want to understand that how to and why to innovate and to what extent we should innovate, as far as our products process and you know a methods or kind of services we intend to.

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So, now look at some examples and then we would focus upon what we are deliberating upon all through. Look at Apple; these are innovative companies who have been pondering upon the definitional framework which we have discussed right away. Along with you know putting that definitional framework for developing innovation as well as you know utilizing that innovation to further enhance their marketing efforts and vice versa.

Now look at Apple, Apple as we all know that they have been you know into mobile phones ah, but they produced iPods also, iPads also and then they incorporated all the features into mobile phones as well and so on. So, they have been working on so many elements of as far as innovation and marketing, marketing of innovation and marketing and innovation. Google definitely is a very large example of as far as what I has been has been done, whatever you know and it is a witnessable example so not to be deliberated too much upon.

Toyota, Toyota motors or many other motor companies for that matter, but I look at Toyota with a different kind of a perspective. Because not only they have been working on different procedures or processes of producing different types of model simultaneously and with frequent changes in the process to produce one kind of a model at one time. And then frequently going switching over to other process for developing, for producing other kinds of model also ah, but they are trying to produce models you know as per the needs in the real time, as per the orders coming from the customers or as the likability of the customers.

And on the other side I have witnessed or all of us have witnessed Toyota selling products with lots of marketing innovation. For example, giving one product or two products to the market and then vigorously marketing those products to the segment they have decided. For example, they in India they launched Qualis and it was sold to the kind of large target segment which they decided and they successfully did that.

Innova they have been doing this and several other vehicles they have been successfully producing and projecting those vehicles for several kinds of utilization and several kinds of customers simultaneously at a at a time. Innova is being marketed for comfort and ease and power and driving pleasure as well as other you know utilization as well as so many other usage. So, that is that is where marketing innovation of Toyota also works.

General Electric is definitely a very large organization, Thomas Alva Edison has have not visualized at that time what General Electrics would do after you know so many years. And would keep on replicating as far as their innovative procedures and products grow. Microsoft is there, Procter and Gamble is there, 3M is there, Walt Disney is there. And Walt Disney has you know so many accolades to it is name and fame. Sony has

been there, Walmart is there, Honda is there, Starbucks is there, BMW is there, Samsung is there, Patanjali is there, LIC is there, Amul is there.

For example, if you look at Amul is one of my favorites. Amul focused upon collecting milk from several societies as we all know and process that milk and to distribute or supply that milk in different forms to different customers, within a particular region. The objective was generating a cooperative movement and a sort of a white revolution or contributing in white revolution. But today if you look at Amul they have been innovating on products, processes as well as distribution and marketing efforts.

And they have been very successful in their integrated marketing communication, wherein they have always have had this successful campaign of utterly butterly delicious Amul. And they have you know that the packaging the colors, the deformed and kind of the name which is being projected rightly and it resonates with everyone's thought process in this country.

Today you earlier they did not distribute milk to all the regions of this country ah. But today you find milk also and milk in different forms also, a milk in different kinds of you know packages or sizes also. So, then they are into ice-cream also there are in other associated parts also. So, they have been innovating a lot as far as complete gamut of as far as the definition which we have just seen. So creating, communicating, delivering, exchanging offerings which have value for clients, customers, partners and society at large.

On the other side for example, you would have heard of Mitticool. Now, this product actually being produced with the help of mud has you know different kinds of usage. For example, mitti refrigerator has been produced and on the other side casseroles are also being produced utilizing the properties of mud basically.

And such a basic kind of form which was earlier utilized during our civilization or earlier days and that basic form has been converted to replace the modern products and its quite successful as far as its approach goes. Although it is not very widely distributed, but as far as the information goes it has flown like anything about. This product late President of India, late Shri A.P.J. Abdul Kalam [FL] used to say that it is one of the best and brightest of the innovations as far as he has witnessed across the products.

So, the this kind of a product also focuses on product innovation and definitely process innovation. And but, but they have too slightly work upon as far as marketing innovation goes. So, here I would try to sum up and collate our discussion in terms of you know as far as a definitional frame of marketing and innovation goes.

Innovation is seen to be or unless in relation to providing newer solutions, or in providing incremental or sometimes fundamental changes to the form or structure or features of a of an existing product, or usage of that product or the processes associated with producing that product or processes associated with providing provision of that service and this whole understanding has to be associated with marketing of this and this innovated product or service and marketing and innovation in this product or service largely.

It looks slightly complex ah, but once you reiterate and look at these examples which have been reiterated now in front of you, you would realize it is it is quite a simple thing, if we focus on creating value or let us say co creating value. For example, Patanjali again it is one of our favorites now in our contemporary discussion. For example, they chose to start with providing low cost ayurvedic medicine solutions to several health elements through traditional knowledge which has been existing since centuries in our system.

On the other side they also simultaneously went for suggesting that yoga is a mode of or a way of life which can keep you healthy. And then they started associating all these elements to a good living and once they had so many people related to them, they started providing or converting their offerings into products as well. For example, they sort of went ahead with providing you know Dant Kanti as a toothpaste based on herbs and you know other ayurvedic properties.

And they said that it they are everyone also believes that that it not only prevents the deterioration in your gums and teeth, but also would remove if elements are there to an extent I presume. So, but they have been focusing largely on process, product as well as you know marketing, innovation and that is where we say that marketing of innovation or marketing and innovation. So, I rest the case here and.

Thank you for listening to me.