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Innovation and Marketing

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ABSTRACT

Innovation is creativity. Creativity that is very important to develop and design a new product.

An entrepreneur always makes sure that his product and services are unique. The greater challenge is to market the product and service in the dynamic environment. Innovation can also be used as a healthy marketing technique.

Bringing out new ideas by the entrepreneur's effect the environment as it not only generates employment but also gives a layout for other businesses to function. These ideas can be used in every possible field, which includes the tiles and fittings industry.

Our primary objective is to see how effective innovation is as a marketing strategy. Secondary objective being, to understand how an entrepreneur innovates his product. And lastly, to learn how innovation has evolved from the past decades.

Keywords- Innovation, Marketing, Creativity and entrepreneurs.

I.INTRODUCTION

The term 'marketing concept' pertains to the fundamental premise of modern marketing. This concept proposes that in order to satisfy the organizational objectives, an organization, the needs and wants of consumers and satisfy these more effectively than competitors. Innovation is creativity. One ingredient of being able to make connections between seemingly unrelated events or situations. Entrepreneurs often come up with solutions, they enhance the product or present is with a twist which takes marketing into an innovation path. Their basic idea is to attract the potential buyers and customers towards their innovated product creates a marketing strategy. Marketing and Innovation can be thought of as a pair of gears that work together to move your entrepreneurial success engine forward. Ideally, innovation works itself into the entirety of your business culture and as a result it moves itself out into your marketing strategy. Marketers in many industries know that innovation through new product development is vital to remain competitive. But product decisions are not only areas affected by new developments. Innovation can affect almost all marketing areas. To be truly effective, innovation has to be pervasive and consistent in an organization. Marketing and innovation will help participants learn how to drive innovation by generating creative solutions to the challenges of new product design and positioning. The nature of product innovation assumes that potential customers know very little about the newly released item.

II. OBJECTIVE

- Our main objective is to see if Innovation can be used as a marketing strategy.
- Our secondary objective is to see how an entrepreneur and a businessman differ in terms innovation.

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- Our third and last objective is to see how important innovation is for an Entrepreneur.

III. REVIEW OF LITERATURE

Upeka Makumbra (2014) "Marketing innovation refers to companies coming up with novel creative strategies and methods to market a company's product and services"

Young Entrepreneur Council (2014) "The definition of modern day marketing involves any activity that gets and keeps customers".

Pat Hong (2015) "Being able to adapt to customer behavior and add new technologies while maintaining a strong customer focus is essential to great marketing."

Niraj Dawar "The persistent belief that innovation is primarily about building better products and technologies leads managers to an over reliance on upstream activities and tools."

Knight (1995); Thai Chong (2013)" But fear of the unknown deters managers from stepping out of their home country and benefiting from internationalization because growth markets tend to be very complex and they foster competition."

Yan (2012) "A business to business model of distribution allows managers of international firms to successfully deal with entry barriers and enter smoothly into a foreign market and effectively address the complexity of a place that offers high potential of growth to their businesses."

IV. THE IMPORTANCE OF INNOVATION IN ENTREPRENEURSHIP

The economy is composed of enterprises and businesses. Our economy has survived because the industry leaders had been able to adapt to the changing times and supplied mostly the communities' needs. Any small business is integral to the economy. Without it, our economy would not survive. But a business must also sustain itself, be able to constantly evolve to fulfil the demands of the community and the people. In every business, it is imperative to be industrious, innovative and resourceful.

Entrepreneurship produces financial gain and keeps the economy afloat, which gives rise to the importance of innovation in entrepreneurship. Entrepreneurs are innovators of the economy. It is not just the scientist who invents and come up with the solutions.

The importance of innovation in entrepreneurship is shown by coming up with new way to produce a product or a solution. A service industry can expand with another type of service to fulfil the ever changing needs of their clients. Producers can come up with another product from the raw materials and by-products.

The importance of innovation in entrepreneurship is another key value for the longevity of a business. Entrepreneurs and businesses began with a need. They saw the need within the community and among themselves that they have come up with a solution. They seize the opportunity to innovate to make the lives more comfortable. And these solutions kept evolving to make it better, easier and more useful. Entrepreneurs must keep themselves abreast with the current trends and demands. Manufacturers are constantly innovating to produce more without sacrificing the quality.

Companies and enterprises keep innovation as part of their organization. Innovations contribute to the success of the company. Entrepreneur, as innovators, see not just one solution to a need. They keep coming up with ideas and do not settle until they come up with multiple solutions. Innovation is extremely important that companies

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often see their employees' creativity as a solution. They come up with seminars and trainings to keep their employees stimulated to create something useful for others and in turn, financial gain for the company.

Other factors that raises the importance of innovation in entrepreneurship is competition. It stimulates any entrepreneur to come up with something much better than their competition in a lower price, and still be cost-effective and qualitative.

Small businesses see the importance of innovation in entrepreneurship. They were able to compete with large industry and see their value in the economy. Small businesses are important as they are directly involved in the community and therefore, contribute to their financial and economic gain. These small businesses know exactly what community needs and fulfill them. All things start small.

Innovation is important not just in entrepreneurship. As individuals, we are innovators by adapting well to our needs and create our own solutions. Entrepreneurs are the same. The innovation in entrepreneurship helped the country by changing with the times and producing new products and service from ones that already exists. And, being innovative has helped us become successful in all our endeavors.

V.TRAITS OF THE MOST INNOVATIVE ENTREPRENEURS

Entrepreneurship goes hand-in-hand with innovation — the ability to produce new ideas; provide better solutions; and pioneer new products. The most successful entrepreneurs are not simply the hardest working, they're the most innovative. You can hustle and put in 80-hours each week, but if you're not stretching your innovative muscles, you'll never achieve breakthroughs and success.

From Edison, to Branson, and Cuban, here are 10 ways the most innovative entrepreneurs think differently:

1. They constantly look for patterns.

It's called *Apothecia:* the ability to perceive meaningful patterns within random data. It is a pronounced trait among innovative thinkers. Intentionally looking for patterns and drawing connections will allow you to spot potentials for innovations. The ability to "predict" or foresee a problem is highly valuable. Great innovators can see the subtle thread that produces the outlier.

2. They're brilliantly lazy.

Bill Gates said, "I choose a lazy person to do a hard job. Because a lazy person will find an easy way to do it." Gates could substitute "a lazy person" with "an innovative person." Innovators will indeed find the best and easiest route to get a project done. It boils down to efficiency. Innovators live by the saying, "Work smart, not hard." They don't just strive to create the best product, but also the best process.

3. They're obsessive note-takers.

Your conscious mind (working memory) can only process small chunks of information at a time. With a cacophony of streaming ideas, great innovators are incessant note takers. Thomas Edison left 3,500 notebooks behind at his death.

When Richard Branson revealed a key business tool, it wasn't a complicated gadget, but an old fashioned notepad. He's always seeking feedback from flight passengers and cabin crew and using that information to innovate.

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4. They preach perfection, but practice progress.

Perfectionism is seen as the bad guy. It can be crippling, but discarding it opens the door for mediocrity. Great innovators still fervently preach perfection, yet they live in the reality of progress. It's a healthy pendulum-swing between the two. They strive for the ideal and get work done in the real. Millionaire trader, Timothy Sykes says to "aim for perfection, but keep firing to make progress."

5. They're allied with their fear.

Described as a "quirky creative genius," founder of Kidrobot and Ello, Paul Budnitz says the key to innovation is changing your relationship with fear:

"Every one of my successful ventures has faced bankruptcy, come close to losing key employees, or just collapsed along the way. But by welcoming fear you get the benefit of what being afraid brings -- heightened awareness, compassion for others you are working with, and an unbreakable commitment to survive at all costs."

6. They don't wait for things to break.

You've heard the adage, "Why fix it if it ain't broke?" Great innovators don't wait for things to break; they're constantly fixing and iterating. CEO of Selfie Stick Gear Alynah Patel says the key to staying ahead and being a pioneer in your business is to live by the mantra, "It can always be better."

7. They pursue multiple streams.

Elon Musk has Tesla and Solar City. Mark Cuban has too many to name, on top of the Mavericks. It's more than just maximizing income, a hallmark of great innovators is nurturing multiple interests. Just like the creative process, alternative interests overlap and feed off each other. Having multiple projects breaks the psychological-bottleneck and pressure of succeeding in one single venture. It will also expand your breadth of knowledge and overall business acumen.

VI. BUSINESSMAN VS ENTREPRENEUR

BASIS FOR COMPARISON	BUSINESSMAN	ENTREPRENEUR
Meaning	A businessman is someone who sets up a business with an existing idea offering products and services to the customers.	An entrepreneur is a person who starts an enterprise with a new idea or concept, undertaking commercial activities.
Market Position	Market Player	Market Leader
Nature	Calculative	Intuitive
Market	Creates place in existing markets	Creates new market
Risk factor	Less	Comparatively high
Methods applied for doing things	Conventional	Unconventional
Approach	Holistic	Atomistic
Orientation	Profit	People
Competition	Very high	Low

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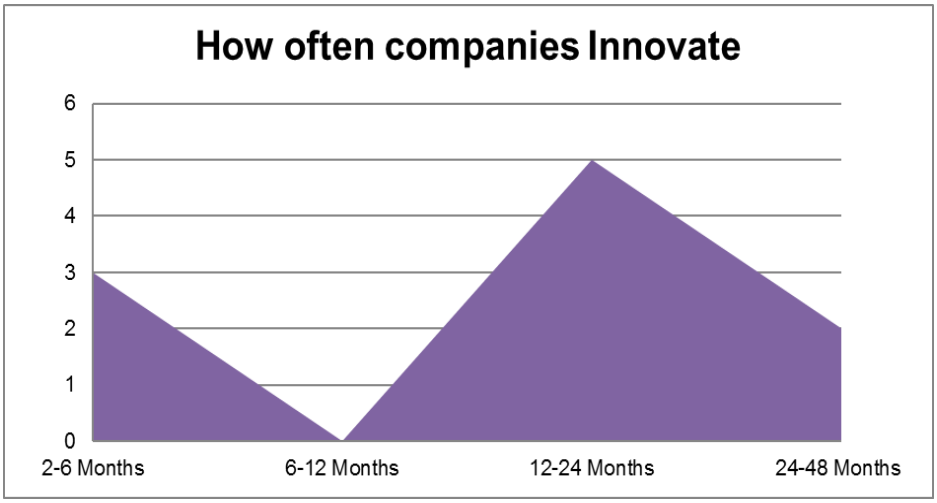
VII. METHODOLOGY

1. Sample Size - 6 Companies.
2. Sample Unit - Manager.
3. Sampling Technique - Convenience Sampling
4. Sampling Frame - Different parts of Bangalore.
5. Collection of Data - Schedule.
6. Analysis of Data - Pie-charts, Area Chart, Bar Graph, Cramer's V, Phi and Chi-square test.

IX. ANALYSIS AND INTERPRETATION

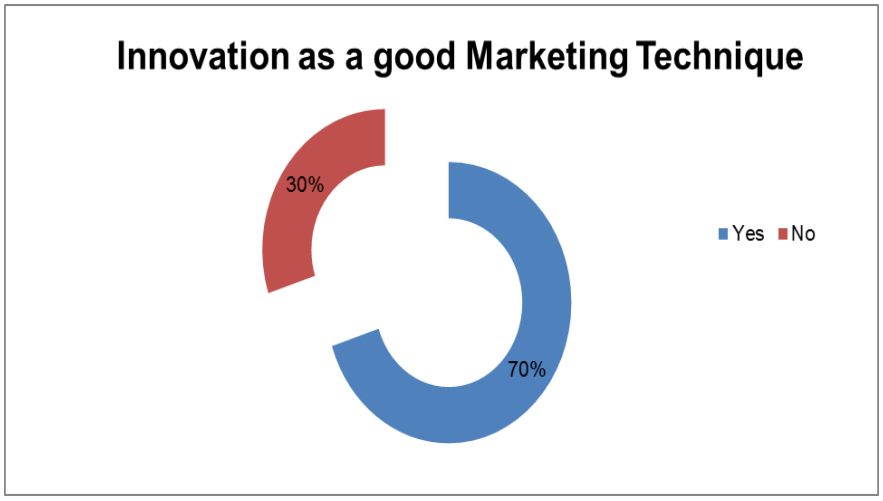
Chart 1.1 showing how often companies innovate



X. INFERENCE

We can infer from the above graph that most of the companies innovate once in 12-24 months, because of the dynamic technological environment and customers preferring new products. Other usually innovates once in 2-6 months and the rest innovate once in 12-24 months. But none of the companies innovate between 6-12 months.

Chart 1.2 showing Innovation as a Marketing Strategy



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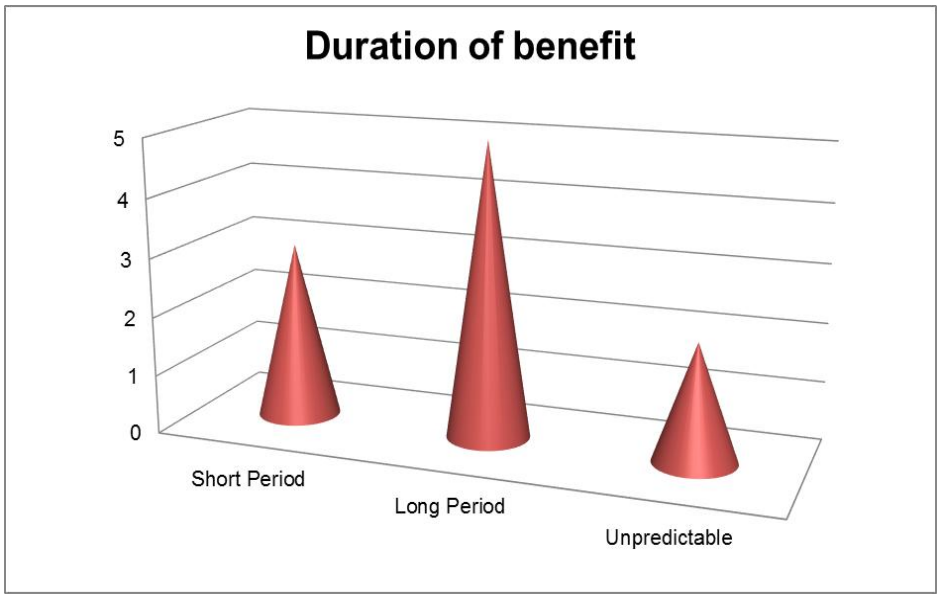
Inference

We can infer from the above graph that 70% of our companies agree that innovation is a good marketing technique as it has helped them to sustain in the market for more than 48 Months. Only 30% i.e. 3 companies has not agreed to innovation as a good marketing technique.

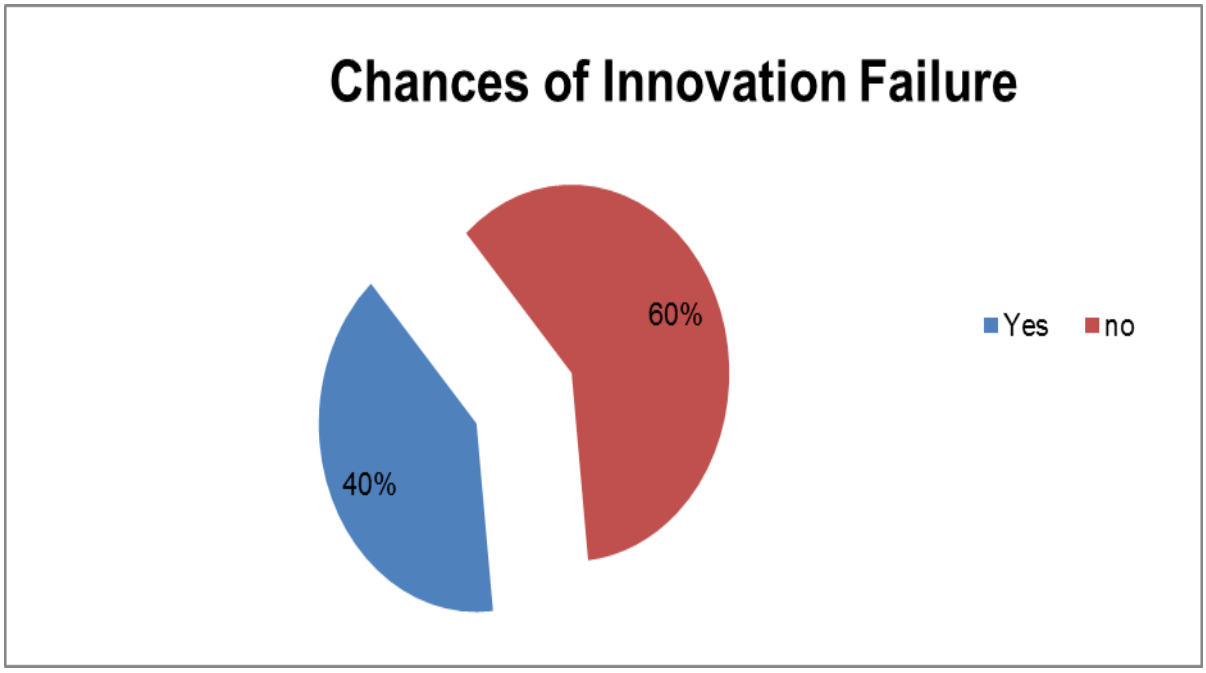
Chart 1.3 showing the Duration of the benefit



Inference

From the above graph we can infer that 5 companies state that Innovation has benefited for a longer run. Moreover 3 companies state that it is for a very short period. The rest of the population consider it to be for an unpredictable time.

Chart 1.4 showing the Chances of Innovation Failure



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Inference

From the above graph it is evident that only 40% of the respondents agree that their innovations have failed. The reasons for failure can be shortage of important ideas, fragmented markets, social and governmental constrains. Majority of deny that their innovation has failed.

What changes did the company make in the failing products?

- There are too many standards the company has to look into which is done as per international standards.
- Innovating out date product with competitors.
- Duplication done by competition.
- It's continue process for further upgrade technical features finish product design. How has the products of the company evolved?
- Products have evolved as per the market needs and also maintaining the green building standards.
- Very late compared to Global standards.
- Technological change.
- It's having an own trial market to get real time experience before its reach to end customer through retail network.

XI. CHI-SQUARE

This is the Chi-square statistic testing that the canonical correlation of the given function is equal to zero. In other words, the null hypothesis is that the function, and all functions that follow, have no discriminating ability. This hypothesis is tested using this Chi-square statistic.

H0: There is no association between innovation and marketing strategy.

H1: There is association between innovation and marketing strategy.

Level of Significance = **0.05**

Chi-square SPSS Output

	Value	DF	Asymp. Sig. (2-sided)
Pearson Chi-Square	8.378[a]	3	.0388
Likelihood Ratio	6.487	3	.0644
N of Valid Cases	10		

XII. SIGNIFICANCE

This is the p-value associated with the Chi-square statistic of a given test. The null hypothesis that a given function's canonical correlation and all smaller canonical correlations are equal to zero is evaluated with regard to this p-value. For a given alpha level, such as 0.05, if the p-value is less than alpha, the null hypothesis is rejected. If not, then we fail to reject the null hypothesis.

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XIII. INTERPRETATION

The p-value **(0.0388)** is less than the alpha level **(0.05)**, and it falls under rejection region. Hence, we accept the H1 which states that there is association between innovation and marketing strategy.

XIV. RAMER'S V

Cramer's V corrects for the problem that measures of association for tables of different dimension may be difficult to compare directly. Cramer's V equals 0 when there is no relationship between the two variables, and generally has a maximum value of 1, regardless of the dimension of the table or the sample size. This makes it possible to use Cramer's V to compare the strength of association between any two cross classification tables. Tables which have a larger value for Cramer's V can be considered to have a strong relationship between the variables, with a smaller value for V indicating a weaker relationship. The formula for Cramer's V is as follows -

$$\phi_c = \sqrt{\frac{\chi^2}{N(k-1)}}$$

- ϕc denotes Cramer's V
- χ2 is the Pearson chi-square statistic from the aforementioned test
- N is the sample size involved in the test
- K is the lesser number of categories of either variable.

XV. PHI

The measure of association, phi, is a measure which adjusts the chi square statistic by the sample size. The symbol for phi is the Greek letter phi, written φ, and usually pronounced 'fye' when used in statistics. Phi is most easily defined as

$$\phi = \sqrt{\frac{\chi^2}{N}}$$

- ϕ denotes Phi
- χ2 is the Pearson chi-square statistic from the aforementioned test
- N is the sample size involved in the test

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Symmetric Measures SPSS Output

		Value	Approx. Sig.
Nominal by Nominal	Phi	.655	.117
	Cramer's V	.655	.117
N of Valid Cases		10	

The above mentioned table indicates the value of V and Phi obtained after the analysis with 10 samples. The value obtained (**0.655**) states that there is a strong relationship between Innovation and Marketing Strategy.

XVI. FINDINGS

- Most of the companies innovate once in 12-24 months, because of the dynamic technological environment and customers preferring new products.
- Other usually innovate once in 2-6 months and the rest innovate once in 24-36 months. But none of the companies innovate between 6-12 months.
- That 70% of our companies agree that innovation is a good marketing technique as it has helped them to sustain in the market for more than 48 Months.
- Only 30% i.e. 3 company has not agreed to innovation as a good marketing technique.
- There is a strong relationship between Innovation and Marketing Strategy. Hence, innovation can be used as a good marketing strategy.
- It is evident that only 40% of the respondents agree that their innovations have failed.
- 5 companies state that Innovation has benefited for a longer run, 3 companies state that it is for a very short period and 2 companies consider it to be for an unpredictable time.

XVII. SUGGESTIONS

- When creating a business idea, many entrepreneurs have to be very creative and take their business on a different and innovative path.
- Dynamic and changing environment affects the way of marketing and innovating. It makes the entrepreneurs prefer new products and their customers.
- Changing marketing strategies may not be the easiest process, but sometimes it's necessary.
- While marketing plan should have some fluidity so that one can continually iterate and optimize pieces of the plan like messaging, channels and tactics, the decision to change direction on strategy shouldn't be made lightly.
- Innovation delivers far-reaching benefits to your team, workplace and brand. And, in this highly-connected world, it will keep you relevant, adaptive, and ahead of the game.

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XVIII. CONCLUSION

Innovation is production or adoption, assimilation, and exploitation of a value-added novelty in economic and social spheres; renewal and enlargement of products, services, and markets; development of new methods of production; and establishment of new management systems. It is both a process and an outcome. Innovation can be used a good marketing strategy.

Innovation gives you advice on planning and creating the right business environment to develop your ideas. It also outlines the help and support available to innovative businesses. From the study we were able to conclude that there is a relationship between Innovation and Marketing strategy.

By drawing a difference between an entrepreneur and a businessman we realize that both businessman and entrepreneur are individuals who enter the business world, but both of them have different objectives. The first wants to earn money the second wants to improve social wellbeing and the existing techniques of doing business.

'Learning and innovation go hand in hand. The arrogance of success is to think that what you did yesterday will be sufficient for tomorrow.' – William Pollard. This quote not only explains how important innovation is for an entrepreneur to exist in this market for a long run but also explains that without the use of innovation an entrepreneur is nothing. Innovation is the required change which brings out challenges and betterment for an entrepreneur.

A lot of companies prosper due to advancement of technology and innovation. It is one of the most important issues in business research today. It has been studied in many independent research traditions

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