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BUS 161 OL B Assignment 4:

Innovation is the driving force behind the growth economies, businesses, product lines. As a matter of fact. By consistently increasing the utility that products offer both business and consumer customers, innovation is what allows companies to stay relevant, competitive, and thriving in an increasingly dynamic market. In fact, some companies even offer innovation itself as a product to other companies. Take for instance Eric Engelmann, former CEO of Geonetric-- a marketing company whose mission is to aide healthcare firms through modern marketing and sales. In a 2017 publishing of Corridor Business Journey, he said:

“Consider Warby Parker, which sells prescription eyeglasses online and allows you to try them on at home and ship back the styles you don’t want, at a fraction of the price of traditional retailers. It’s a $1.2 billion company, and it’s just seven years old.”

It has been through discontinuous innovation that Warby Parker has been able to achieve so much success in such a short amount of time. Steve Jobs, Founder of arguably the most innovative company in recent history Apple, Inc. may have said it best with “You can't just ask customers what they want and then try to give that to them. By the time you get it built, they'll want something new”. While innovation is certainly a key to success when it comes to a selling product, it must be implemented correctly for it to be effective in the long haul. Some examples of this can be found in the ways that innovation affects a product line and the affects that it has on a product’s life cycle.

One of the key variables that innovation affects in a product line is its longevity, and it can do so drastically by shortening or lengthening a line’s duration in a market. For instance, too much continuous innovation too quickly is often the reason that a line is discontinued, at times before a line even finds its place in the market such as how 3D televisions quickly lost their market share to more practical and more affordable L.E.D. models. At other times it can result in a well-established line ending suddenly, an example being the highly popular BlackBerry smartphone line and how it lost its place in the market to its competitors that offered products with more utility.

However, continuous innovation can be equally important int the extension of a product’s life cycle. Consider the product line that (almost singlehandedly) stole BlackBerry’s market-share, the Apple iPhone. When it was launched, the iPhone took the smartphone industry to new levels through more dynamic continuous innovation, Apple has been able to find more prolonged success in this product line through more conventional continuous innovation. One of the ways they have done this is by releasing annual software updates to all their devices (including the ones they have already sold), offering customers new features that are impactful, but familiar. By doing this Apple can keep their product fresh in their customer’s mind with added utility, while making very few annual changes to the products offered in the line overall.

Just as innovation can affect a product line, it can affect a product’s life cycle. Without it, products would not have a life cycle to discuss, and in general it determines how much a product will sell, and for how long. Just as innovation can bolster a product line’s longevity, it too can extend the life cycle of a productby setting itself ahead of the competition in terms of utility, value, and customer benefits. It can also give a product an edge in terms of its sales volume by fulfilling needs in ways that no other products do. While highly innovative products can often take control of market for a very long time due to having little competition, it is important to note that being the first product to market is not a sure-fire path to a long and prosperous product life cycle. For instance, Friendster was a social-media platform that released in the early 2000’s, long before the social media giants that control the market today. This goes to show that even though innovation can be a catalyst in the market share and sales volume growth of a product, it can also be its demise if it is not properly timed or fails to demonstrate value to those in which it is marketed.

(American Psychological Assoc.)

References

Engelmann, E. (2017). Developing Iowa’s innovation economy. *Corridor Business Journal*, *13*(40), 17.