

# [In innovation. amongst the two opposing types of](https://assignbuster.com/in-innovation-amongst-the-two-opposing-types-of/)

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In this highlycompetitive and fast paced economy, businesses fight to be dominating worldmarkets. The business environment in today’s world is experiencing significantchanges such as increase in competition, advancement of technology andincreasing globalization. This in turn reflects market opportunities fordevelopment to business firms. Market development refers to a type of businessstrategy by which a business tries to expand to new groups of buyers for itsexisting products, meaning to expand to untapped markets. Moreover, what can beheld from this is that in order to survive in this ever-changing economy, and essentially a key factor, is the concept of innovation. The notion of innovation can be interpreted andexecuted in many different ways.

With the main four types of innovation beingincremental, disruptive, architectural and radical, firms can implement one ofthese types as a business strategy in order to enhance their competitiveness inthe market. Taking Japan as a compatible example shows how innovation candevelop an economy into one that is now highly developed and market orientated, accommodating some of the worlds leading industries such as motor vehicles andelectronic equipment to just name two. Japans economic outlook has been veryinteresting and has experienced spectacular growth in three different periods, in particular post the defeat of World War 2 in 1945 when the island nationrose to become one of the worlds largest economy. Currently Japan is amongstthe leading innovation countries, as well as being the world’s third largesteconomies.

Innovation is akey term, which is the basis of the point to be expanded in this essay, beingthat of the use of innovation within Japanese firms. A plethora of definitions for innovation types has resultedin an ambiguity in the way the terms ‘ innovation’ and ‘ innovativeness’ areoperationalized and utilized in the new product development literature. Theterms radical, really new, incremental and discontinuous are used ubiquitouslyto identify innovations (Garcia, R, Calantone, R, 2002: 110). With the concept of innovation alreadyhighlighted the main type of innovation that will be focused is radicalinnovation. Amongst the two opposing types of innovation namely radical andincremental innovation, there is a crucial factor distinguishing them.

To startwith, innovation involves introducing a new concept towards existing productsor services to make them better. Innovationis “ the process of translating an idea or invention into a good or service thatcreates value or for which customers will pay” (www. businessdictionary. com, 2014). Creativity can overlapwith innovation where creativity is the idea, innovation is the process toimplement the idea into real product or service, both of which are import tobusinesses.  The two main typesof innovation that businesses adopt is radical and incremental innovation. Despitethe fact that companies may choose to adopt both types of innovation, incrementalinnovation is the more popular style chosen, given the low risk compared toradical innovation. Incremental innovation is a less extreme measure because itimplicates the method of progressive developments of innovation that happengradually over time.

Incremental innovation can be thoughtof as cost cutting or feature improvements in existing products orservices (Leifer, 2000). Businesses tend to utilize incremental innovationmethods to stay ahead of their competitors and so they do this by enhancing andimproving their range of established products and services. From the point ofview of a business, it is necessary in the efforts to secure their success. Implementing an innovative culture is a rewarding strategy a manager can apply.

Nonetheless, by itself incremental innovation is never enough to assure the long-termsuccess of an organization (Morris, 2006).  The reason for this is due tothe fact that incremental innovation only advances existing products and doesnot create a new product or effect a drastic change.  Some companies don’t just innovatetheir products and services, they take it a step farther and fully innovatebusiness models within an industry.