

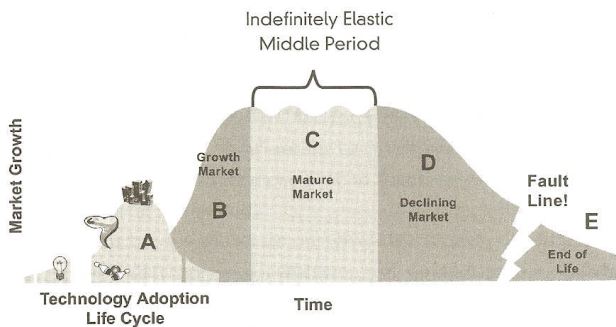
Market Life Cycle Innovation

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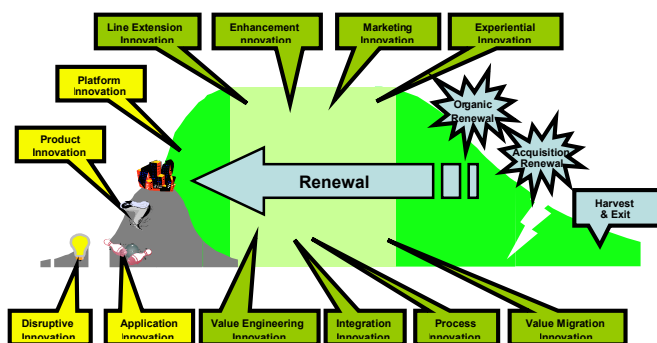
Abstract – In a few pages this paper elaborates on matching innovation to the current maturity of the product or market compared to a standard product market lifecycle, Moore, G. A. (2006).

1 INNOVATION TO MARKET LIFE CYCLE

Moore, G. A. (2006) describes the importance of innovation of a market or product, should be carefully linked to the current stage of the market/product's lifecycle. Claiming that industries, products, markets and concepts all traverses on a trajectory that is comparable to the following lifecycle example:



Moore, G. A. (2006) elaborates on how the innovation effort should be changing according to the stage of the target market's lifecycle, finding that innovation should depend on the maturity of the market, from this Moore; G. A. (2006) derives 15 types of innovation parted in 4 major groups dependant on position in the life cycle. The types and groups are illustrated below and explained in the following subsections.



1.1 Product Leadership Zone

The major target of this zone should be to increase market share. Following types of innovation should be utilized:

Disruptive Innovation can be used to create new markets based on changes in technologies or business models. Disruptive innovation is often based on discontinuities development in technologies.

Application Innovation can put existing technologies into use in new markets or utilizations.

Product Innovation will develop new features and functionality for existing products and markets, increasing value of current portfolio.

Platform Innovation can help reducing complexity of developing new products in the range, by securing reuse of knowledge and earlier innovations.

1.2 Customer Intimacy Zone

The major target of this zone should be to differentiate in the market and fight to avoid products becoming commodities. Following types of innovation should be utilized:

Line-extension Innovation is crucial to add new sub categories to your product range to widen the market.

Enhancement Innovation is about refining your product line, by e.g. adding features already developed in other categories.

Marketing Innovation can help to find new customer through different and new ways of sales and marketing.

Experiential Innovation can improve the customer experience of the product, be even small surface changes of the product.

1.3 Operational Excellence Zone

The major target of this zone is to differentiate from competitors by excellence in operations and the supply chain. Following types of innovation should be utilized:

Value-Engineering Innovation is about cutting costs on parts, suppliers via redesigns and optimization of the design.

Integration Innovation is needed to ensure compatibility, with other products in your portfolio or competing products, and for integration of more products into one new product.

Process Innovation for improving value streams and performance of the processes involved in bringing out

existing products to existing markets.

Value Migration Innovation must be utilized to avoid commoditization of the product in this zone. Parts that are commoditized can be re-launched as replaceable part in a new and improved product.

1.4 Renewal Zone

The major target of this zone is to renew your product or portfolio. Some products must go to end of life whereas other will need to be redefined.

Organic Innovation of your portfolio with regards to products and their applications to greatly improve the value they propose to the customer.

Acquisition Innovation by buying into new technologies, products and markets or on the other side selling divisions of.

Harvest and exit while taking what ever you can get, and then get out of the market.

2 REFERENCES

[1] Moore, G. A. (2006), "Dealing with Darwin", Capstone.