

“DISRUPTIVE INNOVATION: A CATALYST FOR CHANGE IN BUSINESS”

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ABSTRACT

As the business market environment maintains to shift and lengthy-time period balance isn't without problems viable with the steady market disruptions and emerging areas. In order to compete on this platform, businesses model to keep flexibility inside their commercial market models and techniques to effectively capitalize or respond to marketplace disruptions. Innovation is considered a applicable aspect in growing organizational techniques to increase aggressive benefit. The identity of ability demands and the introduction of new products and services to acquire a new marketplace is the inspiration that disruptive era is based totally upon. The gain of using disruption technology can create new revenue streams via the enhancement of deferent's disruptive improvements.

KEYWORDS: *Business Modelling, Market Modelling, Disruption& Innovation.*

Introduction:

In recent years the evolution of the global marketplace has brought on firms to rethink and reconfigure techniques so that you can compete on the worldwide platform. Innovation is taken into consideration a applicable element in developing organizational techniques to boom aggressive benefit. Literature shows with the fast development in technology, boom international change and investment boom, wealth during the globe, and convergence of purchaser demands and wishes are influencing corporations to expand globalization techniques and tactics (Akkrawimut & Ussahawanitchakit, 2011). Additionally, a recent article helps disruptive innovations as not simply technological improvements, but are commercial enterprise version changers (Saravanan, 2012). The following report with overview the concept of disruptive innovation and present strategies to cope with integrating disruptive techniques to advantage competitive benefit thru enterprise version innovation and marketplace model innovation.

Disruptive Innovation:

The disruptive innovation principle became coined by way of Christensen (N.D.) as “A process by using which a products or services takes root initially in easy applications at the lowest of a market and then relentlessly movements ‘up market’, in the end displacing hooked up competitors”. An method utilized by new entrants to undermine incumbents is the release of a services or products into new or unattractive market. By catering to an undefined market can offer the entrant the ability to grasp competitive control and dominate the market). In different instances entrants provide new services or products, which captivate a brand new audience even though the supplying in large nice, but expanded development overtime either by means of the entrant or rapid 2d corporations can restrict the capacity of incumbents to compete (Raynor, 2011). Christensen and Overdorf (2000) describe the method of disruption as “Creating an absolutely new marketplace via the advent of a brand new type of products or services, one that is certainly worse, first of all, as judged by way of the overall performance metrics that mainstream clients value” (p. 72). An instance of become the introduction of cell phones inside the early 1990s. The new era boasted a mediocre product and supplied constrained get entry to to customers. Over time, the commodities were better advanced through disruptive era, which produced a new marketplace demand through innovations in the product and service. Christensen and Overdorf (2000) define this method as maintaining technology, which is “Innovations that make a product or service carry out better in methods that clients in the mainstream market already fee” (p 72). To reference the previous example of disruptive innovation, disruptive technology took the product (mobile telephone) and developed new market opposition that erupted into an epidemic of patron call for through the provision of many product and service options.

The identity of potential needs and the creation of new products and services to attain a brand new market is the muse that disruptive era is based totally upon. The advantages of harnessing new ideas and innovations can create a brand new marketplace of purchasers and be a ruin through point for corporations looking to expand into the marketplace. A top instance was the response of Apple's launch in their product, the iPod. Apple recognized a want for offerings to accompany the growing era of virtual song. The disruptive innovation happened whilst Apple released the iTunes save. The virtual marketplace offers clients direct and on the spot get admission to to an infinite library of song and audio books formatted to play on all MP3 gadgets. The new carrier provided the opportunity for Apple and non-Apple product customers to get right of entry to content material and media, which catapulted Apple to the vanguard of the digital music enterprise. Over time, the disruptive era of on line song marketplaces revolutionized how clients attained tune, video and literature, which displaced many media distribution storefronts into conforming to the brand new widespread to meet purchaser wishes.

The advantage of utilising disruptive generation can create new revenue streams through the enhancement of deferent's disruptive improvements. Consumers' model to a modified product or carrier may additionally yield a higher go back and market reaction primarily based on logo popularity of the incumbent product or service. The mounted product or provider may additionally have gone

underneath scrutiny, which may function out of doors companies or maybe incumbent companies the opportunity to capitalize on the identity of products or services problems. The response to the situation may additionally end result in the launch of new competitive products or offerings to meet the demands of the modern purchasers and appeal to new markets.

The disadvantage to corporations trying to establish themselves via disruptive technology can go through several non-product or provider related attributes. Unknown smaller agency spin-off products and services may also provide a better product at a decrease rate, but lack the popularity of the incumbent groups that draws capacity clients. Though the specifications meet the same standards as the incumbent's product at lower price, the product remained stagnant on the market radar. Larger agencies deliver the advantage of larger resource allocations as compared to smaller businesses and can provide additional provider such as customer service or troubleshooting offerings to support their products and services. The possibility for resource allocation to meet customer desires may additionally be hard for smaller agencies based totally on the marketplace demand. Along with the incumbent's reputation, the offerings can provoke a feeling of security for ability customers searching to invest in a merchandise and service (Droege, & Johnson, 2010). The loss of effective making plans and competitive assessment can also attribute to the overhaul of entrant firms looking for to construct market strength via disruption.

Disruptive Innovation Modelling

The fast shift in customer call for and in technological progression via disruptive innovation has organizations searching for new techniques to preserve marketplace stature and benefit with the aid of venturing into new opportunities to meet client call for. Skarzynski and Rufat-Latre (2011) presents three methods to instigate disruptive innovation because the abilities to identify unmet client wishes, hyperlink incremental innovation efforts, and align innovation and method. By addressing those guiding concepts corporations can development closer to efficaciously disrupting the market.

A. Unmet Need

The rapid shift to globalization similarly to the constant advancement in era has developed into a continuous cycle of customer demand. This scenario offers diverse forms the opportunity for agencies to boom competitive advantage via intervening with modern techniques. Skarzynski and Rufat-Latre (2011) endorse two practices to fulfill shifting tendencies and customer want. First, use remark to address client want in opposition to counting on data. This technique indicates foresight thru statement on modern-day movements and traits might be greater useful as records reviews overview previous moves and results of older traits. This strategy takes on a qualitative street of purchaser observations and interactions to construct a higher knowledge client need. Second, leaders must broaden perspectives when reading trends. In many cases developments aren't stemmed from a unmarried concept however is a matrix of integrated factors, which culminate right into a disruptive exchange. Addressing multiple aspects of

opportunities leaders can higher decide approaches to gain advantage with the moving markets and client desires.

B. Linking Innovation Approaches

In many instances organizational strategies isolate modern efforts in two revolutionary categories, sport-converting (i.e. New or distinct understanding; competence destroying) and incremental (i.e., building upon cutting-edge information; competence enhancing) improvements. Skarzynski and Rufat-Latre (2011) endorse the isolation of the new approaches can avert the modern process as the strategies can be interdependent upon each other and utilize firm capabilities in the development system. Though the alignment of the innovative strategies can offer a proportion aspiration and produce readability to defining a set method to attaining a a hit destiny. In order to warrant the revolutionary techniques are applied, Skarzynski and Rufat-Latre (2011) endorse practices make certain every may be successfully served. First, corporations need to keep away from you make a decision to absolutely hire an innovative approach during the concept level. The concept degree have to be utilized as an method to formulate and develop ideas with consciousness at the ability opportunities and risks concerned. Second, corporations ought to expand a development platform that systematically follows the incremental innovation approach and culminates right into a game-converting strategy. The mingling of those techniques can pose a fine final results inside the innovation technique and ought to be handled and in complementary placing as adverse to isolation.

C. Aligning Innovation to Strategies

A difficulty plaguing agencies is the lack of clarity linking innovation to approach. In order to have a strong strategic approach, organizations ought to efficaciously increase, plan and execute disruptive innovation. Skarzynski and Rufat-Latre (2011) present query which can power the executive selection making manner in regards innovating application. The questions are “What is the role of innovation inside the standard approach of your organisation? Is your innovation functionality aligned with your approach?” (p.Eight). To correctly reply to those query corporations have to develop, put into effect, and execute method-to-innovation relationships. This integration will provide flexibility to the strategy to efficaciously maneuver where barriers get up. Additionally, firms have to put into effect an enterprise associated high-quality-exercise methodologies, which could yield new opportunities for progressive advancement (disruptions) and aggressive edge. Shaping these responses to high-quality match firm is a key factor to aligning approach and innovation.

BUSINESS MODEL INNOVATION

Casadesus-Masanell and Ricart (2011) tasks the destiny of business sustainability may be built upon commercial enterprise modeling. Additional literature supports that disruptive innovation (e.G., new products and offerings) requires new business fashions (Johnson, Christensen, & Kagermann, 2008). Recently, commercial enterprise version innovation has been a subject of difficulty with the fast shift in globalization forcing companies to rethink techniques to incorporate developing industries and nations.

Ghezzi, Balocco, and Rangone (2010) advocate that enterprise models carefully related to organizational approach. In response to those demands the following will observe enterprise model innovation through the lenses of strategy shaping and screw ups as catalyst to re-defining firms' approaches to driving innovation techniques thru powerful enterprise modelling.

A. Shaping Strategy

The idea of method shaping is the assembling of world ecosystems to exchange markets and industries. Hagel, Brown, and Davison (2008) describe shaping approach as, "Shaping strategy is no much less than an effort to extensively redefine the phrases of competition for a marketplace region thru a fantastic, galvanizing message that promises advantages to all who undertake the new terms" (p.81). The technique of shaping strategy is reliant upon three interrelated components of Shaping View, which focuses on changing participant views on marketplace possibility; Shaping Platform, which presents guide to facilitate members to do greater with less normally thru technological improvements or diverse interplay; and Shaping Acts and Assets, which provide credibility to convince participants of the shaper's lengthy time period dedication. The effect of this aggregate can assist shapers in growing a sturdy network of individuals in aid of strategies. To correctly integrate shaping techniques a firm have to determine whether possibilities exist within the firm, industries or market and the fame of the company inside the shaping technique. Hagel, Brown, and Davison (2008) propose a trustworthy approach to evaluate company course and capability to combine shaping strategies referred to as FAST. The idea of FAST contains the four elements of Focus (Postulating destiny situations on mid and lengthy levels); Accelerate (Determine close to time period operation tasks that might increase motion of the destiny); Strengthen (Identify organizational objective which can be hindering the firm from meeting operational desires); and Tie it all Together (Integration of the preceding steps and improve them primarily based on what has been discovered). Hagel, Brown, and Davison (2008) signify that FAST approach, "favours instrumentalism, but above all it values alignment between near-time period overall performance and long-term course" (p.87). By knowledge firm eligibility and standing in the technique of method shaping, leaders can better broaden enterprise fashions to reflect a long-term plan for driving sustainability although innovation.

B. Failure

The element of failure is a not unusual result of innovation throughout organisations, industries, and markets, however in many instances is no longer identified as a ability possibility for advancement. Ghezzi, Balocco and Rangone (2010) mean, "Failures can educate many instructions, and shed light on problems seldom addressed or maybe noticed whilst the case under scrutiny is blessed with fulfillment" (p.213). The approach of failure evaluation is taken into consideration as an essential factor, which instructions can be found out and can attribute to destiny business version innovation. The technique of failure evaluation makes a speciality of factors of unsuccessful activities with the aid of learning the source(s) of the mistakes and the applied techniques used. The technique is going past

looking on the techniques driving the selections but in a broader sense of approach focusing on an array of dimensions that can lead to the development a new standardization of strategies with a purpose to prevent comparable troubles from reoccurring. It is suggested that cognizance ought to shift inward and outward to study how and when failure arise, the findings could end up leverage for exchange to avoid mistake and increase organizational overall performance and competitiveness. Through angle change from rejecting and ignoring failure to constructing a network that embraces failure can decorate the modern method by way of supporting idea and understanding sharing, threat taking, internal and outside evaluation and investigation, resulting in expanded opportunities for innovation.

Market Model Innovation

The emergence of international markets currently and will hold to have a large impact on the business marketplace and require organizations to shift advertising and marketing practices in order to remain competitive (Sheth, 2011). Literature indicates that international marketing techniques play a critical component in firm overall performance inside the international surroundings (Akkrawimut & Ussahawanitchakit, 2011). In response to the global shift and increase in call for, companies should cope with advertising operations on a worldwide spectrum to reach new markets and gain gain. Additionally, corporations should awareness on innovative strategies to utilized technological advancement and methodologies to attach and construct members of the family inside new and existing consumers.

A. Rethinking Perspective and Practices

The emergence of latest markets on the worldwide platform has caused corporations to reevaluate advertising operations to seize a brand new wave of future consumer markets. Sheth (2011) present five traits to area under attention whilst in search of to mission marketing strategies in the worldwide arena.

First, heterogeneity, which is the distinction between product and provider types based totally upon vicinity, financial status, and get right of entry to skills. In the case of rising markets, firm focus isn't be on client need and need, however primarily based upon aid boundaries. By addressing the limitations or a place, corporations can better understand how to have interaction and attain new customers.

Second, socio political governance such as faith, commercial enterprise corporations, authorities, corporations and groups may have heavy have an effect on consumers in rising markets. Addressing this element is key in determining what influences are capacity obstacles or possibilities to leverage new products and offerings into the marketplace.

Third, unbranded opposition considers carrier and merchandise that can be produced or finished via the individuals in the household of emerging markets. In many cases the availability of products is minimal and the lack of economic resources forces families to be reliant upon capabilities and abilities to be imaginative or barter with the area people participants.

Fourth, continual scarcity of useful resource in exchange, manufacturing and consumption is a commonplace trend in emerging markets, which may be attributed to the dearth of bodily space, and get right of entry to make use of it efficaciously. In response corporations can develop low-cost products and services which might be flexible and without difficulty exchangeable.

Fifth, insufficient infrastructure recognition on a areas lack of logistical capabilities (e.g., roads, garage, and so on.) marketplace transaction capabilities (e.g., factor-of-sale terminals, simple banking, credit score playing cards, and so forth.) verbal exchange features (e.g., telephone, Internet, facts, and many others.); and utilities (e.g., water, strength, and many others.). This poses a huge barrier in reaching customer in emerging non-metropolitan areas, as the scarcity of sources does not permit the opportunity for commerce to take location. By addressing those characteristics company can have a higher expertise in developing products, services and advertising procedures to reach rising markets on the worldwide degree. .

B. Consumer Engagement

In the beyond, traditional customer decision-making approaches observed a funnel fashioned version, which starts with a plethora of options and brands that turned into narrowed all the way down to a very last preference of buy. Post buy is in which the courting or notion was constructed primarily based upon the use of the product or provider. These choices had been pushed with the aid of traditional advertising techniques, which centred on media streams (e.g., radio, television, billboards, and so forth.) In today's market, the choice making technique observe the concept of consumer decision adventure, which specializes in purchasers evaluating alternatives previous to making a purchase decision. The evaluation method undergoes the usage of distinct useful resource means (e.g., on-line critiques, blogs, social networks, etc.) with a awareness on other patron advocacies (Edelman, 2011). Social media has been a key venue that permits companies to have interaction with an energetic community with the opportunity to remain in regular connection with customers (Furrow, 2012). In this mode of things driving client choice to purchase is made base upon advocates and experience evaluations and is observed by means of impact of the product or service at the client delight. In a advantageous outcome, this leads to the purchaser becoming an advocate, which creates a bond and stems a loyalty loop that spawns to different customers. Therefore, the point of interest on the future in advertising is constructed on developing a nice social rapport via on line endorse venues in social media to leverage for consumer decision processes.

Discussion

As the global market always evolves and shifts based on disruptions pushed via advancement and purchaser need, companies must be wary of changes and prepared to efficaciously respond in order to continue to be competitive and solid in the volatile market. The strategies of this report cope with responses to better shape method through disruptive innovation modelling, commercial enterprise version innovation and marketplace model innovation. Therefore, the integration of those approaches

can probably increase possibility to develop and preserve market energy at the same time as projecting long-time possibility through instigating disruptions.

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