Product Innovation in the Smart Phone Industry: Giving a New Path to Business

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Abstract

Product innovation is the dynamic marketing practice which helps the business firm to compete in the market. Every product needs innovation to fulfill the requirements of the customers time to time. India is having the third largest market in the world in case of selling the smart phones. The country holds second largest market after China in this area. Now a smartphone user can perform various operations along with calling through its phone such as the function of remote control of the television set and even various medical tests are also available in many smartphones. Product innovation is enabling the smartphone firms to do business with the interest and confidence in the market.

Key words: Smartphone, Product Life Cycle (PLC), International Data Corporation (IDC).

Introduction

A business organization survives on its product or service. Every manufacturing enterprise sells its products to the customers for attaining the growth as well as goodwill. Customers purchase the products as per their requirements. Requirements of the customers change as per their aspirations. Every product needs innovation as time passes to fulfill the requirements of the customers. Every product has its life cycle which is called Product Life Cycle (PLC). PLC of any product includes five stages namely, Product development, Introduction, Growth, Maturity and Decline. In the development stage the firm develops the new product with the latest idea. In this stage the business firm suffers investment costs and there are no sales in this stage. In the second stage product is introduces the market. The rate of sales is very slow which results in lower profits. Heavy expenditure is incurred on product promotion. Growth stage includes market acceptance of the product among the customers. A high sale yields high profits. Sales starts to be slow in the maturity stage of the product. Customers prefer some new features in the product in this stage to fulfill their needs in the competitive environment. In the decline stage product has no sale. Hence maturity stage requires product innovation.

Product innovation has the great importance in this modern competitive era. The main reason of the product innovation is the dynamic market. Product innovation is essential to compete in the market. Various changes are performed by the manufacturer in the product under this process. When existing product looks entirely different from its previous look, then this process is termed as innovation. There are various reasons for product innovation like,
competition, business growth, market change, maximum utilization of resources, reducing the risk, technological development etc.

**Statement of the Problem**

Smart phone has brought revolution in the communication world. In this paper, product innovation by the smart phone firms has been analyzed in the context of Indian market. In India communication through mobiles have prominent place. For the purpose of the study, the author has analyzed the innovative practices by the various leading smart phone firms in India. Product innovative practice has the great role to play in the competitive marketing environment. After the technological revolution all over the world, the rate of obsolesce in the smart phone area has increased. Smart phone manufactures have to be alert in the area of product innovation for attaining the fruitful business in the modern environment.

**Objectives of the Study**

This paper is based the product innovative practices in the area of smart phones. The main objective of this paper is to study the innovative practices by the various smart phone companies in India. Innovative practices lead to enhance the business. An attempt has been made in this study to highlight the impact on smart phone business as the result of product innovation.

**Methodology**

This paper is based on three main segments describing the introduction of the concept, objectives and methodology in the beginning part, information about the smart phones business and innovative practices by the various firms in India in the body text and discussion in the ending part of the study. The study is based on information obtained from various published and online sources. Secondary data have been used for the purpose of drawing the inferences.

**Smart Phone and Product Innovative Practices**

Smart phones have attained the prominent place in the routine life of every person in the modern era. In India smart phone are used at large in the communication process. According to the research firm Canalys, India is having the third largest market in the world in case of selling the smart phones. The country holds second largest market after China in this area. In India, Samsung, Micromax, Motorola, BlackBerry, Karbonn, HTC, Sony, Spice, LG, Huawei and G’Five are the leading smartphones. Manufacturers of these brands are using product innovations for making their phones more competitive.

International Data Corporation (IDC) has depicted in its report that in the second quarter of 2015, India has imported 26.5 million smartphones and this figure is 44 % up for the same period of 2014. This trend shows that the smartphone market is increasing in India day by day.
Figure 1: Share of Smartphone Vendors in India (2015-Quarter-2)

![Share of Smartphone Vendors in India](image)

Source: International Data Corporation AP Quarterly Mobile Phone Tracker, 2015Q2

Samsung is having 23% share in the Indian market and is leading in the business of smartphones. According to the viewpoint of Mr. Anirbn Banerjee, the Associate Vice President of the Research and Advisory Services Division of CyberMedia Research, Nowadays Indian people giving preference to the characteristic phones which offers high speed and power.

Smartphone firms are focusing on fulfilling the aspirations of the customers by making their smartphone more and more innovative time to time. All the leading companies have launched quad-cores and android phones with high quality cameras. Edge-to-edge display feature has been introduced in the phones for attracting the buyers. Various apps related to various aspects of routine life have been uploaded in the phones. Now a smartphone user can perform multitasks through its phone such as the function of remote control of the television set and even various medical tests are also available in many smartphones.

Many companies has introduced phone cum mini-computers which fulfill the requirements of personal computer. These phone are easy to handle and carry at the workplace and moreover less costly to Desktop and Laptop. This type of revolution has totally changed the market scenario of smart phones in the communication world. This fast changing business environment requires more innovative handsets for the smartphone users.

**Discussion**

Product innovative practices have the great importance for competing in the modern business environment. Smart phone market is changing very fast due to technological advances and consumer needs. Smart phones firms are practicing the innovative practices for making their products more useful and
attractive for the modern business environment. This marketing practice is enabling the smartphone firms to do business with the interest and confidence in the market.

References


