



**MARKETING
INNOVATION**

CHAPTER 5: INNOVATION IN PRODUCT STRATEGY

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OBJECTIVES

- 1 Understand the definition of products & services to build an appropriate innovation strategy
- 2 Understand and apply common innovation strategy
- 3 Clarifying many definition closely related to products/services that businesses need to know when developing products.



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- 1 Definition of product & service
- 2 Seven types of product innovation



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- 1 Definition of product

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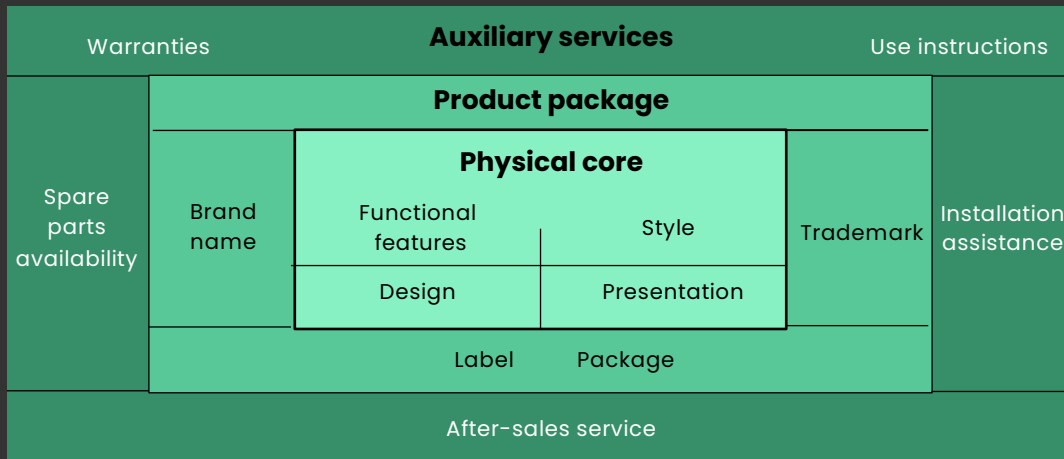
ANYTHING THAT CAN BE OFFERED TO A MARKET FOR ATTENTION, ACQUISITION, USE, OR CONSUMPTION THAT MIGHT SATISFY A WANT OR NEED.

(Armstrong & Kotler, 2017, 234)



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1 Definition of product



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1 Definition of service



AN ACTIVITY, BENEFIT, OR SATISFACTION OFFERED FOR SALE THAT IS ESSENTIALLY INTANGIBLE AND DOES NOT RESULT IN THE OWNERSHIP OF ANYTHING.

(Armstrong & Kotler, 2017, 234)



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SEVEN TYPES OF PRODUCT INNOVATION

Product innovation pertains to market offerings such as new products, new services, or new programs. While denoted as product innovation, the terms 'service' or 'program' could be readily used instead. Because innovation ranges from incremental to radical offerings, different types of product innovation are possible. Seven types of product innovations are generally recognized:

Cost reductions	Product improvements
Line extensions	New category entries
New markets	New uses
New-to-the-world products	

The slide features the same social media icons and logo as slide 7. The logo "ĐƠN GIẢN LÀ KHÁC BIỆT" is located in the top-left corner of the slide content area.

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COST REDUCTIONS



Nintendo



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PRODUCT IMPROVEMENTS



Laundry detergent



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LINE EXTENSIONS



Toothpaste



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NEW MARKETS



Bristol-Myers Squibb's hepatitis B drug
in China (2005)



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NEW USES



Arm & Hammer baking soda



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NEW CATEGORY ENTRIES



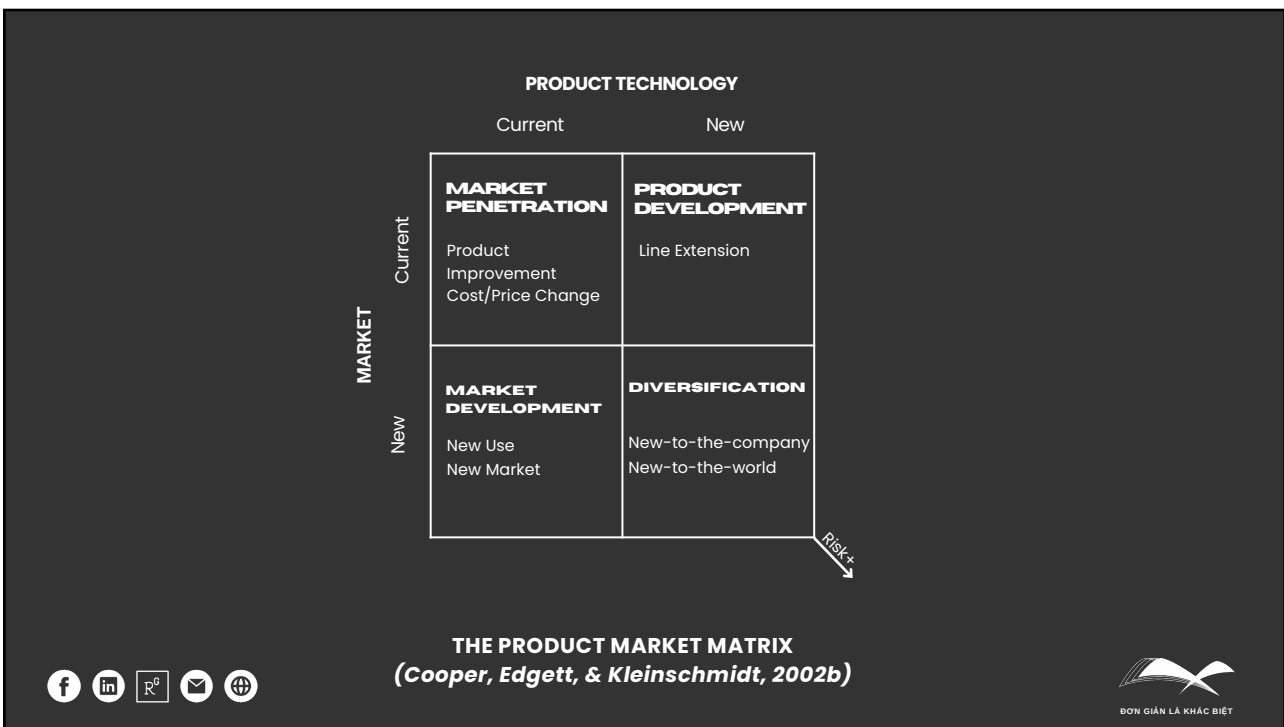
Apple Watch



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THE END

