

Strategic Marketing of a New Innovative Product

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Abstract

A product, new or conventional, is conceived, designed, manufactured and released in the market for mass consumption or use in sectors where large number of persons get benefitted. An innovative product that uses new materials to reduce cost, enhance quality and durability, easier to handle and withstands variable environmental conditions for universal mobility, will require less marketing efforts. Since global environment varies widely from country to country, the original inventor or patent holder, owning the license must set up global marketing chains or outlets with local enterprises. The production can also be franchised to a local manufacturer having qualified and experienced personnel, using local materials of identical quality and properties. In selecting a country overseas, the following factors need to be investigated and host of techno-economic data to be collected, analyzed for assessing the growth potential by converting them to regional hub to encompass adjacent countries to enlarge consumer base at minimal additional expenditures.

In the subsequent paragraphs, the essential steps that need to be considered for selecting a country overseas will be discussed.

Government in Power

A country where the government is democratic, elected by the people, for the people and of the people for a fixed term under adult electoral process, is likely to be stable and the economy also growth oriented. Although the decision making process and implementation may take time and pass through legislative and judicial hurdles, but the evils of dictatorship are kept at bay. A foreign investor may feel safe to invest and realize his investment with good returns. Normally there are possibilities of corruption at different levels but that is risk, the investor must weigh and accept. When the judiciary is fair and independent from governmental interference, the risk factor is much reduced.

GDP Growth

It is one of the barometers to measure strength of the economy. Persistent growth indicates a strong economic policy, formulated by the government. If the country has mixed economy of industry and agriculture then total GDP growth is driven by growth in both sectors. While industrial growth enhances export potential and generation of urban and semi urban employment, growth in the agricultural sector ensures self sufficiency in food

items and reduction in imports. Thus combined growth in these sectors has the unique benefit of increased foreign hard currency inflow and reduced outflow, maintaining a healthy balance of payment situation. The foreign exchange reserves register growth and there are less restrictions on foreign exchange remittance to other countries. Innovative product manufacturers should target such country to open outlets directly or through local franchisee. Returns on their investments will be handsome and payback period small.

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Human Resource Development Potential

A country where the government spends substantial funds for education and skill development, availability of trained persons at every trade should be plenty. The labor cost factor goes down due to employment of local labor force, as compared to dependence on expatriate labor.

Multi Party Government

When the normal electoral process fails to identify a single largest majority party, the government is likely to be formed by combination of parties, sometimes having varying work programs but through marriage of convenience to come to power. Such government seldom lasts full term or not able to govern the country in accordance with election promises. Economy likely to be unstable and often incompetent persons wielding electoral power occupy positions in government, they are incapable of. An investor who has already invested large amount of capital on the basis of earlier stable government should wait and watch till next round of elections when hopefully citizens will realize their mistakes of electing multi party government and take corrective action next time. Investors should try to reduce their operating expenses and prevent inventory build up through export to adjacent countries.

Infrastructure Facilities

A country where good infrastructures like all weather roads railway, ports and airports are available and operate efficiently, the movement of goods and personnel is easy and fast, helping in business growth. Availability of steady power, clean water, education, health care facilities and other essentials of daily life, are fillips of growth, an investor should look to.

Innovative Products

A product can be termed innovative when it is a departure from conventional product through new designs, use of new materials, exhibit improved performance at less cost and availability of repair, maintenance and spares are easy. The other requirements of innovativeness can be, on demands from industry and for mass consumption. These may be electronic items, portable rechargeable power banks, miniaturization of solar power gadgets, medical electronics, clean fuels for automobiles etc to name a few. An investor, in collaboration with research institutes and laboratories, can develop innovative products and through aggressive marketing, achieve his business objectives and fulfill social obligations.

Mathematical Modeling

Based on the above analysis, a mathematical Model will be exhibited for the investor to look out which will be the countries overseas to target under aggressive marketing. Each item above will be allocated a weight which can be questioned but needs to be accepted for this exercise.

Under this model, the aggregate or Total Rating of a country determines the wisdom of overseas investment by an innovative product investor. In this case the total Rating is 115 against ideal 200. If the rating of another country is substantially more than 115 then that country should be the destination. In such cases, the location or distance from the home country should also be taken into account. For example if the distance is 500 kms and the export cargo is 200 tons, at USD 15 per ton km the cost of export will be USD 1.5 million which should be added to the domestic cost of production to arrive at total CIF cost. Accordingly, he can negotiate with the overseas buyer whether he should offer FOB or CIF price.

Model No-1

Total weight = 200					
Parameter	weight	Sub parameters	weight	weighted Rating	Total Max
	A	B	C	D = C/A	E = D/200
Govt in power	40	Democratic	40	100	20
		One party	10		
		Coalition	5		
		Any other	3		
GDP G rowth	50	< 10 %	8		25
		11 to 20 %	20		
		Above 20 %	50	100	
Human Resource	30	Up to 10 % of GDP	20	100	15
Development spending	above	11 %	30		15
Infrastructure	50	upto 2000 kms	20	40	10
Rail & Road		Above 2000 kms	30	60	15
Innovative products			30	60	15

Model No-2

Location of the country from home country - < 1000 kms	= 40
1001 to 2000 kms	= 35
2001 to 3000 kms	= 30
3001 to 5000 kms	= 25
Above 5000 kms	= 20

Conclusions

The aim of this paper is to create awareness among global talents of all ages who have the aptitude and potential to conceive and help create innovative products. Special appeal goes to young talents many of whom are dormant because of lack of opportunities and encouragement. Industries should come forward and help these talents to wake up and lead to the path of prosperity and glory. Elderly people need not feel that their innings are over. Analysis of history will reveal that most Nobel Laureates are over their sixties and seventies. When they can deliver then why not others.

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