

A GENERAL OVERVIEW OF INNOVATION AND INNOVATION STRATEGIES

İNNOVASYON VE İNNNOVASYON STRATEJİLERİNE GENEL BİR BAKIŞ

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ABSTRACT

In today's fast-paced economy, the concept of innovation often comes to an end as one of the key elements for businesses to succeed and survive. The notion of innovation, which is closely related to academics, business executives, CEOs, marketing practitioners and business people, is often referred to as a new intellectual mindset, theoretical practice, or a transformation into practice. In order to realize this idea or theoretical transformation that can be seen as a reflection of science industry cooperation, it is thought that the conceptual bases of innovation and innovation strategies should be placed in the mind first and this concept should be subject to further research. For this reason it is crucial to provide basic information that can be useful for industry, business world circles and local and central decision-making bodies, which are working actors. The aim of working towards this importance is to create a conceptual framework on the innovation and innovation strategies by making a literature review and to raise awareness about the subject. It is also aimed to prepare the ground for examining the relation between the concept of innovation and different concepts.

Keywords: Innovation and Innovation Strategies

ÖZET

Hızla gelişmekte olan günümüz ekonomisinde işletmelerin başarılı olmaları ve hayatta kalmalarını sağlayabilmek için önemli unsurlardan birisi olarak inovasyon kavramı sıkça gündeme gelmektedir. Akademisyenlerden işadamlarına, devlet yöneticilerinden CEO'lara, pazarlamacılaran ekonomistlere iş dünyası ile ilgili hemen herkesi yakından ilgilendiren ve sıkça söz edilen inovasyon kavramı zihinlerde oluşan yeni bir fikrin hayata geçirilmesi, teorikten pratiğe ya da düşünceden uygulamaya dönüşümü olarak nitelendirilebilir. Bilim sanayi işbirliği olarak yansıması görülebilen bu fikri ya da teorik dönüşümün gerçekleştirilebilmesi için öncelikle inovasyonun ve stratejilerinin kavramsal temellerinin zihinlerde yerli yerince oturtulması ve bu kavramın daha fazla araştırmaya konu olması gerektiği düşünülmektedir. Bu nedenle çalışma sahası aktörleri olan sanayi, iş dünyası çevreleri ile yerel ve merkezi karar mekanizmalarına inovasyonla ilgili faydalı olabilecek temel bilgilerin sunulması son derece önemlidir. Bu önem doğrultusunda çalışmanın amacı, inovasyon ve stratejileriyle ilgili literatür özeti yaparak konuyla ilgili kavramsal bir çerçeve oluşturmak ve inovasyon hakkında ilgili çevrelere yönelik farkındalık oluşturmaktır. Ayrıca bu çalışmayla birlikte inovasyon kavramının farklı kavramlarla olan ilişkisinin incelenmesine yönelik zemin hazırlanması da amaçlanmıştır.

Anahtar Kelimeler: İnnovasyon ve İnnovasyon Stratejileri

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INTRODUCTION

Innovation is among the concepts understood to be especially important in recent years. This is evidenced by the fact that in countries both nationally and internationally, countries and companies have incentives for innovation, the creation of company departments, training and conferences, and the role of consulting firms in innovation actively take place in the market.

In the interest of this importance, the definition, importance, objectives, resources, types and strategies of innovation have been included in order to provide brief information about the innovation.

1. Innovation Definitions

When examining the national and international literature on innovation, it has been seen that innovation has different definitions and meanings. Some of these definitions are as follows:

Becker and Whisler (1967): "An idea developed in line with the goals and objectives of organizations is to be implemented for the first time."

Knight (1967): "Innovation is the realization of a change that is new in and around an organization."

Downs / Mohr (1976): "Outstanding practices in organizations."

Freeman (1982): "Design, production, management and commercial activities for the marketing of a new product, for the first time use of a new process or equipment."

Rogers (1983): "Innovation is a new idea, practice, or product."

Drucker (1985): "Innovation is the means by which entrepreneurs make changes to create a different product or service."

There are similar concepts in the literature which seem to be related to the concept of innovation. These concepts are creativity, change, technology, research and development, and entrepreneurship. These concepts have been found to have a positive influence on innovation. It is important to make use of these concepts when working on innovations.

2. The Importance of Innovation

In a fast-growing competitive environment, consumers are interested in new products that are far from ordinary, aesthetic, always offering a surplus value and coming to the forefront with their visual characteristics. Consumers can express their wishes and desires with sudden and rapid changes. In such a challenging environment, it is possible for all companies, small or large, to protect their competitiveness and survive by innovating in the products and services of these companies. Today, companies can only innovate to meet the rapidly evolving needs of consumers and can go one step further than their competitors. In this context, the innovation mentioned in innovation is not only new, improved and doing something different, but also making new things that can create economic value for the firm (Işık ve Keski, 2013: 44).

3. Objectives of Innovation

Today, especially in the globalized world, increasing competition has made enterprises inevitable to undertake a number of innovative (innovative) studies from the production process to the marketing process so that they can sustain their assets.

One of the most important issues for businesses to gain competitive advantage in the market is to ensure that the products or services produced are preferred by consumers. Consumer expectations, wishes and needs are constantly changing. In the face of this change, if the products and services of the enterprises remain the same, the competitive advantage can be lost. For this reason, in order to be preferable to the enterprises, it is necessary to try to innovate by taking into account the market structure of their products / services in line with their economic goals. One of the most important indicators of the success of businesses is profitability. A certain expenditure is required for the innovation activities in the enterprises to be realized. Although this attitude shown at first seems to reduce profitability, it will be seen that the opposite is true. When innovations succeed, costs will decrease, production process will be shortened, performance and productivity will increase. All that is done increases the profitability of the business. However, all these things can take place as soon as they can not be realized. Because it seems impossible to get immediate results from the innovation projects. Innovations made can be of great benefit in operating long-term leases, as well as indirectly and directly in raising profits (Deniz, 2012: 13).

As a result, innovation is a new way to create value and it will be seen that the business will serve the purposes of increasing competitiveness in the market, increasing the awareness of the original and others, and increasing the profitability of the leader by maintaining its presence in the first place.

4. Innovation Resources

It has been seen that in the globalizing world, increasing competition among businesses, technological innovations, social and cultural interactions and changes, national and international economic factors, consumer needs and expectation have been pushing innovation into innovation. For this reason, enterprises that have difficulties in innovation may be exposed to certain effects and events, starting from the stage of creation of the product or vehicle and going through different processes until the stage of commercialization.

Peter F. Drucker has identified seven Innovation sources. Four of these are related internally, namely changes within the business or industry. The other three are external, ie, business or non-industry changes (Drucker, 2002).

Internal resources;

- Unexpected developments,
- incompatibilities,
- Process requirements,
- Changes in market and sector structure are possible.

External sources are;

- Changes in the demographic structure,
- Detection changes,

- New knowledge.

All of these resources seem to influence businesses closely and create innovation opportunities for them. These resources will be beneficial in making necessary use of the innovation potential in the business and creating a new environment (Durna, 2002: 41).

5. Types of Innovation

Today, economic markets that develop and change rapidly in a global fashion have been shown to differentiate and innovate companies. It has been seen that companies that have to innovate are fed or referred from different fields and different concepts.

We will consider the types of innovation in the literature survey (Oslo Manual, 2005, Grant, 2007, Hamel and Breen, 2007, Johansson, 2007, Coşkun et al., 2013: 107);

- Product innovation,
- Process innovation,
- Marketing innovation,
- Organizational innovation,
- Social innovation,
- Radical and incremental (gradual) innovation.

6. Innovation Strategies

Today, companies that face competition in a fast and violent manner need to resort to different strategies so that other companies can be ahead and outperform. Companies will innovate and gain competitive advantage over their competitors, which is expected to lead companies to have a longer lifespan and gain more share from the pastry on the market.

Innovation has become a strategic issue for businesses. Innovation strategies, on the other hand, have shown that businesses are concerned with innovation at a certain level. Generally speaking, the innovation strategies that will emerge as a consequence of the basic strategies of the enterprises are the sub-strategy in terms of firms. For example, "a business that makes a growth decision is likely to follow an aggressive strategy accordingly". The main aim of innovation is to gain a competitive advantage and move forward one step forward or to maintain a superior position in the face of market competitors by continuing to live. In this case, businesses should adopt and use the most appropriate one from their various innovation strategies. Businesses can apply only one of these strategies, or they can apply a few of them according to different product groups. At the same time, as in the case of the basic strategies, the business can change in these strategies in order to adapt to changing circumstances and situations. (Gökçek, 2007: 69).

Innovation has been overlooked and neglected by many businesses for many years. For a long time, strategic thinking and planning gave priority to how best to make low-cost production. Reducing production costs and increasing the efficiency of production is one of the key elements of a successful business strategy, but the innovations made by the business are thought to bring more potential power to operate to achieve financial and strategic objectives. It can not be said that the role of innovation in the creation of

the strategy has been understood and accepted in the past. Today, most managers see innovation as a means of growth to increase their incomes. Nevertheless, it is seen that many managers are not regarded as a basic business strategy for innovation. Every manager should see innovation as a powerful competitive weapon in the formation of the business strategy (Durna, 2002: 124-125).

It is envisaged that enterprises that give importance to innovation and innovate and that provide competitive advantage will increase the sustainable competitive advantage with innovation strategies. Innovation strategies should not be regarded merely as competitive strategies in the market, but should also be compatible with the strategies of the business and provide benefits. At the same time, the growth target-strategies and market share of the operator were found to be decisive factors in the innovation strategy of the business (Adıgüzel, 2012: 68-69).

When a literature survey on innovation strategies was made, it was seen that different classifications were made by different authors. These innovation strategies are;

- Aggressive innovation strategy,
- Defensive innovation strategy,
- Imitator innovation strategy,
- Dependent innovation strategy,
- Traditional innovation strategy,
- Innovation strategy following opportunities

These strategies have been summarized in the following topics.

6.1. Aggressive Innovation Strategy

It can be said that companies have innovativeness process, factors affecting the way to follow and accumulated information and absorption capacity of new information. It has been seen that companies have adopted different strategies in this way. It has been perceived that the aggressive strategy must be embraced and implemented by companies' global research capabilities and central research laboratories. A laboratory that is capable of doing any important development that can be done on the same, ie equal conditions, has been found to include important elements such as high cost, many research materials and high-level researchers. This strategy is the strategy of the companies that are in the sector, namely the leading companies in the market (Sati, 2013: 317-318).

The aggressive innovation strategy seems to have been to develop a new product or a new production process before the competitors in the sector and present the market to seize the lead in the technical field and the market. This strategy requires the company to have a special relationship with the world-wide science and technology system, and to be able to leverage a strong R & D, and quickly benefit from the new technical capabilities and advantages it enables. High-risk prospects seem to be in addition to the high return, or profit expectation, of companies adopting an aggressive strategy. Because there is a possibility of failure. For this reason, it is obvious that the R & D department plays a very important role in companies adopting this strategy. Apart from the small companies that are established to take advantage of a specific and unique

technological invention, ie inventions, the enterprises following the aggressive strategy are based on intensive R & D work (Kılıç, 2011: 118).

As a result, it can be argued that aggressive innovation strategies can be used by a small number of companies. Because it will be the first time in the market, it is likely that the company faces high costs, losses and even bankruptcy. For this reason, while using this strategy, companies should make the necessary research and development properly and should be able to establish superiority on the market.

6.2. Defensive Innovation Strategy

A defensive strategy of innovation can be said to be a strategy of exploiting the opportunities that emerging from businesses that are often firsts to the market, avoiding the risks that will be brought to the market by being first in the market. It can also be regarded as a strategy used by enterprises aiming at applications such as creating and developing an original product at a lower cost, designing it with a different design, and adding different qualities and features. R & D studies are also on the defensive innovation strategy. The reason for this is that the risk-taking businesses first need to learn about the deficiencies, flaws and mistakes and follow the strategy of innovation. Following the aggressive strategy, the follow-up businesses were found to be able to pass the strategy to defend in some cases (Coşkun, 2013: 60).

Innovators following a strategy to defend can reduce capacity for a more original innovation type and either have special power or talent in production engineering or marketing. These strategies have been found to confront questions that leave him at odds, such as when he will leave the successful existing product and technology, or if he will abandon it, or continue with the existing successful product. Finally, it can be said that small developments in the design and / or in the content of a new product introduced to the defensive innovation market can successfully respond to its competitors by producing lower costs, evaluating the mistakes made by the competitors of the new product, or adding local features to this product (Durna, 2002: 134 -137).

6.3. Imitator Innovation Strategy

Imitators can be said to be enterprises operating innovation strategy, following innovative companies and adopting low labor, energy, materials and investment costs and not allocating more resources to R & D. Such companies are more concerned with allocating resources for innovation activities than licensing the products of leading market operators. It is a strategy based on taking advantage of other ways. It has been seen that it is important for companies to retain the cost advantage in the implementation of this strategy. Imitator innovation companies have to be active in the production process in order to maintain their low cost advantage. This, in turn, requires that they be strong in production engineering and design (Adıgüzel, 2012: 71).

Companies following the copycat innovation strategy have often seen trying to use existing technology and information in the market by tracking innovation at a certain distance. It is the result of such a strategy to expect that patented patents will be filled in patents protected by patents. With this behavior, the operator will not be required to pay any license fees. If such businesses can find new markets, they can make more profit than innovations they can imitate. These types of enterprises, which have lower overhead and expenditures, have the opportunity to present the product to the market at a lower cost because they have a cost advantage (Gökçek, 2007: 74).

6.4. Dependent Innovation Strategy

Enterprises using the dependent innovation strategy can be said to be small and capital intensive businesses that have virtually no initiatives in product design and research and development. Dependent businesses have been seen to work as part of a large business or as a workshop. However, they may not want to lose their formal independence by changing their current situation by trying to differentiate or expand their markets in the future. Accepting a dependent business as a subsidiary industry and maintaining customer relationships can also benefit from the impact of economic fluctuations on the big business side. These businesses, despite their weakness in bargaining power, can provide sufficient profits due to their ability to intervene, low general and administrative costs, specialized knowledge and special regional advantages. Despite the prevalence of companies drawn from the market and taken over by large businesses, it has also been observed that such enterprises are highly established (Sarı, 2013: 321-322).

Generally speaking, large enterprises operating in industrialized nations have lost all their initiative in designing businesses that have adopted this strategy, which serves as a supplier around the market. For this reason, it can be said that it does not have any research and development units (Kılıç, 2011: 120).

6.5. Traditional Innovation Strategy

Traditional innovation strategies, which are innovation strategies, are generally seen as strategies applied by businesses in markets with slow, stagnant and less competitive markets. It has been observed that the demand for change from outside the market is expected to be small, and that there is very little need for innovation due to the fact that the competitors in the market are not forced to change or develop. It has been observed that such enterprises do not allocate the necessary precaution and payment for research and development activities. For this reason, it can be understood that it is not so easy to deal with technological innovations. Such enterprises are not skilled in scientific and technical ability to innovate a product, goods or service. Such businesses are developing a new technique and can make some design changes in the sense of "fashion" too. In order to do this, there is no demand from the market and the competition does not push. It is the product feature that the enterprises adopting the traditional innovation strategy produce for the reason that they keep their assets by holding on the market (Coşkun, 2013: 61).

6.6. Innovation Strategy Following Opportunities

According to Durna (2002: 143-144): "The efforts of businesses to sustain their lives, make profits and grow themselves lead them to apply one or more strategies. But against changing circumstances, businesses are able to provide many different possible responses. These are described as opportunistic strategies. In a rapidly changing marketplace, entrepreneurs are always likely to identify new opportunities. This does not require in-house research and development or complex design, making it possible to succeed in establishing a significant gap in the marketplace and establishing products and services that satisfy consumer needs that no one else considers" .

Businesses that implement an opportunistic innovation strategy, like the military strategy, have seen their competitors seek the weaknesses. It can often be very difficult for an operator to compete directly with the same innovation as another. Therefore, by analyzing the weaknesses of the competitor in the market and using the same

technological innovation as that of the competitor, it is seen that it will be possible to gain advantage over the competitors' market weaknesses and increase the market share (Adıgüzel, 2012: 73).

It can be said that companies implementing the strategy of monitoring opportunities are innovative. The research and development work expects the opportunity to offer intensive and differentiated products. They have the ability to easily pass from one product to another by finding the weakness of their opponent in the market. In this direction, they are trying to outsell other companies and increase their market share. (Coşkun, 2013: 62).

CONCLUSION

As a result, when it comes to innovation strategies, it has become difficult to hold on to the market due to the rapid technological developments that have led to different strategies. Businesses should try to apply the innovation strategies in the production process and in the marketing process by choosing the one that best suits their own structure in order to reach their goals and sustain their assets.

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