

5 types of innovation

Covered in this section:

Five ways in which you can be innovative

- There are multiple ways of creating a new business
- How can entrepreneurs improve the market / service / product?

1) Price

People like lower prices

If you can solve a problem or deliver a service for a lower price, it's a business opportunity

Process innovation can lead to a lower price

Delivering the same product with a higher price increases the perception of quality

2) Convenience

Convenience means how easy it is for the customer to purchase the product / service

Convenience means saving either time or effort

Friction: the required steps for getting what you want

Reducing friction = convenience

3) Speed

How quickly can you deliver the value to the client?

Examples of speed innovation:

- Amazon - you can deliver a package within two days anywhere
- Domino's Pizza - you get the pizza in 30 minutes or get your money back
- IT industry - compute, render, and export faster

4) Quality

Innovating on quality means improving on the individual characteristics that people use to judge if something is good or bad quality: food taste, aesthetics, functions, etc.

You can apply quality to procurement and product areas, but in delivery and promotion it's more confusing

Quality innovation can be confused with other types

5) Self-expression

Customers get self-expressive benefits; they feel better after using the product

➤ GoPro

- They're actually lower quality and more expensive
- It helps you look like an adventurous person

➤ Apple

- They sell a lifestyle more than a product
- The products are not necessarily better

- Look and see if any of these five levers can be pulled - you can improve one or multiple dimensions