

The Influence of Product Development and Innovation on Capturing Market Dominance

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Abstract

New product creation is the primary calculate of financial progression laying out the monetary strategic advantage. The life cycle of products turns out to be moderately concise and it patterns to be more limited step by step. It implies that innovation turns into the key driver force in the economy. The innovation level is not adequate in Latvia. Perhaps of the most significant member in the innovation business will be business hatcheries in Latvia. This examination concentrate on burdens the job of assessment of each phase of innovation processes. The creators present an original strategy for the assessment of innovation processes stage by stage. This philosophy permits to distinguish the key difficulties that repress innovation. This technique permits to make substantial thoughts for improving the imaginative environment in the country. The consequences of the overview were broke down using the Likert model through SPSS examination, as it is the situation with this type of analytical exploration. Likewise, proposals and conclusion were made in light of the discoveries, and ends were delivered focusing on the fundamental worries of the review.

Keywords: Capturing Market Dominance, Customer Needs, Globalization, Marketing, Market Share, New Product Development, Product Innovation, Product Life Cycle, Product Quality, Promotions, Test Marketing

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1. Introduction

Any nation may advance and gain an advantage in the global marketplace by investing in the research and development of new products. Production technology and service organization are undergoing changes, which are impacting businesses globally because of the incredibly short product life cycle compared to in the past (Auernhammer & Roth, 2021) developing new products is a top priority for businesses (Bouncken *et al.*, 2018). Mainly relying on tried-and-true ways of boosting competitiveness, such cutting costs, will not get you far in this industry. The only things that can help a business succeed are maintaining a consistent approach and coming up with fresh concepts. The development of new products and services is crucial to the expansion

of any economy and the advancement of social welfare (Chang, 2019; Simms & Trott, 2022). Utilization of business incubators is one avenue open to Latvian entrepreneurs seeking to create novel goods. Latvia is lacking in terms of innovation development. No evidence of this issue has been found. To find out what's causing this issue, there isn't enough high-quality methodology (Gawer, 2022).

Both producers and consumers must remain adaptable in the face of ever-increasing globalization, innovation, and change. Trendy terms like "Consumerism," "Fast Fashion," "Sustainability," and "Upgradation" appear every so often.

There is great hope for India's manufacturing sector, and the country is doing all it can to help it thrive. It is up to organizations to figure out how to adapt to the ever-

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increasing demands of expansion, competition, and innovation (Giachetti & Pira, 2022). The vast majority of India's technically-skilled populace finds work in the country's thriving manufacturing sector (Gilal *et al.*, 2021).

However, industrial organizations must pay attention to the factors that stimulate their profitability if they want to remain viable. The three most critical prerequisites for establishing and, more crucially, maintaining success have been defined in the literature as production cost, delivery time, and customer quality assurance (Peruta *et al.*, 2018; Legenvre & Gualandris, 2018; Lahindah & Siahaan, 2018). Thus, businesses gain an edge in the market when they can consistently come up with new ideas, learn how to make those ideas a reality, and meet the demands of their customers.

The manufacturing sector, like any other, must place a premium on innovation and the delivery of ever-newer products (material or otherwise) in order to survive the inevitable rise in prices brought about by increased competition. Innovations and new products are crucial in today's competitive market since change is constant (Jang *et al.*, 2021; Gosens *et al.*, 2021), regardless of how much we hate it. Therefore, for these businesses to succeed and remain secure in the long run, it is critical to develop and commercialize products and services quickly.

2. Objectives of the Study

- i. To learn how the Fast-Moving Consumer Goods (FMCG) sector rates the perceived quality boost from new product innovations.
- ii. To learn how consumers, play a part in the product innovation processes and what they can bring to the table.
- iii. Examine the role that product development initiatives play in helping FMCG companies run more successful product promotions.
- iv. Determine whether product development has a positive influence on team dynamics in organizations, specifically looking at how team members work together more effectively.

- v. To get insight into how efforts to improve products serve to promote a culture of learning and information sharing inside organizations.

3. Literature Review

eSilva and Zancul (2023): Studied that Scholars and practitioners alike are taking an interest in design thinking as a method for promoting innovation in a variety of settings. Having said that, there are many different schools of thought when it comes to design thinking, which can lead to a lack of clarity and unity in understanding. This study adds to the growing body of literature that aims to clarify design thinking in more detail. This article delves into new solution development initiatives, specifically looking at how design thinking helps to go from value creation to value capture, two essential goals of effective innovations. This analysis suggests that design thinking is more likely to encourage value creation than value capture, based on three comprehensive case studies of new product development in healthcare innovation projects. The development team follows the concepts of design thinking like a map, using user feedback to steer value creation. To generate value-creating solutions, the study also highlights the significance of combining design thinking with specialized knowledge.

Hermes *et al.* (2020): Businesses who have figured out how to use digital platforms have become industry leaders very quickly. No study has offered a framework that combines the new knowledge on digital platforms' winner-take-all markets, envelopment, transparency, or governance with the existing literature on these topics and how they relate to market domination. So, to find out how platform owners become so dominant, we look at the literature. Our research is a part of a larger framework that shows how different firms' strategies interact with one another and with external circumstances, and how different strategies affect market dominance. From the standpoint of platform owners, the framework provides a way to conceptualize platform dominance. From the perspective of competitors, it helps to cope with the phenomenon, and from the perspective of policymakers, it regulates the phenomenon. First, the part played by national factors in achieving dominance; second, the elements that allow platforms to maintain supremacy; and third, methods to

topple dominating platforms are the three directions we recommend further study go.

Smith (2022): Achieving corporate goals has never been more dependent on digital technology, and the ubiquitous implications of this technology have caused entire industries to undergo significant transformation. It is thus not unexpected that managers are highly interested in managing digital innovation. Recent studies have shown that digital technologies open up an enormous, unpredictable, and hard-to-control potential for new product and service innovations. Thus, businesses necessitate adaptable resources to aid in the administration of evolving digital innovation processes. As a result of these processes' inherent characteristics, businesses are compelled to question long-held beliefs regarding their digital ecosystem, innovation work organization, and product and service portfolio. Here we lay out a management structure that can help businesses with this task. The five main areas covered by the framework—user experience, value proposition, digital evolution scanning, skills, and improvisation—are designed to help with digital innovation management and its continuous improvement. In addition, we provide a diagnostic tool that businesses can use as they start to apply the framework. Our discussion comes to a close with some last remarks regarding the framework's management implications for the future of digital innovation in this dynamic environment.

León et al. (2022): researched the impact of the IT industry's growing dominance on the car industry and how the emergence of AVs is changing power dynamics. We examine the efforts of both established businesses and upstarts to shape the nature, trajectory, and infrastructure of a developing market by presenting the idea of market capture. The AV sector went through a period of remarkable expansion and consolidation between 2011 and 2018, which we illustrate by analysing alliance networks and technological acquisitions during that time. To better understand the inter-company dynamics that have shaped the development and growth of the AV industry, we analyse firm transactions using a variety of centrality metrics and their geographic locations. Market capture provides a valuable paradigm for analysing emergent sector transaction networks, including competitiveness, collaboration, regional patterns, and power asymmetries, as this research shows.

Gawer (2022): What are the most important ways in which the current digital revolution will impact management and organization? In this essay, we'll look at how digital innovation has opened up whole new possibilities for creating and capturing value. In my opinion, the most defining feature of modern digital organizations is the ecosystems that support digital platform enterprises. I outline the key points about innovation and competition that the proliferation of digital ecosystems and platforms has to say. While decentralized patterns of value creation characterized the conditions that gave rise to digital platforms, the present organizational shape of these platforms has resulted in a centralized mode of value capture due to the commercial models they have embraced. This has led to notable cases of digital platform companies abusing their economic power over ecosystem members and has sparked broad worries about other aspects of power, such as privacy and labour relations, that these companies exploit. Finally, I stress the need for more studies on ecosystem governance and argue that platform companies should be held to a high standard when it comes to their social obligations.

Khademi (2020): To thrive in today's corporate world, you need to know how to collaborate, co-create, and compete. Ecosystems today provide a plethora of chances to produce far more value than earlier methods of doing company independently. While ecological success is possible, there are also risks to be aware of. The concept of Ecosystem Value Creation and Capture (EVCC) has been more popular in recent years among management and business scholars. However, the existing contributions are fragmented, with scholars researching diverse elements of EVCC. This is because of the complexity of ecosystem structures and the uncertainty in understanding how value is created and captured in ecosystems. The topic did not receive significant attention until 2016, according to the content analysis of a fine-grained selection of articles pertinent to EVCC, even though conversations on the subject began in 2007. In the time after, the number of publications increased by a factor of 150. By reviewing the literature, shedding light on ongoing EVCC investigations, and pointing out future directions for study, this article adds to the growing body of work at the crossroads of strategy and EVCC studies.

Walsh et al. (2020): Headways in Science, Innovation, and Innovation (STI) are essential for making ready for earth

capable and comprehensive financial development. Thus, we spread out a financial system that shows how STI needs to change to find a place with the SDGs, and we go over the numerous public strategy decisions that can change venture designs in STIs to find a place with the SDGs. For the SDGs to be understood, it will be important to reorient STI and make new modalities of money, administration, and public strategy at all levels. This will include mixing the Method for Execution (MoIs) of the UN 2030 plan. The review starts with a structure and afterward examines the ramifications of our examination for the Unified Countries worldwide Innovation Help Component (TFM). The TFM is devoted to advancing access, move, and limits of science, innovation, innovation, and limit working across countries to achieve the SDGs.

Shim (2021): There are various manners by which shoppers pursue choices inside a solitary product classification. Through the mental, close to home, and conative stages, this study investigates the individual-explicit assignment processes associated with the reception of new products. Our study information on devoted digital book per user take-up was utilized to foster a general and adaptable Bayesian multivariate relapse model. Except for the conative → mental → emotional way, every one of the six of the other potential progress ways are suitable for the dynamic cycle, as indicated by the information. The market share is most noteworthy for the people who stick to the mental → full of feeling → conative interaction depicted by the progressive system of impacts, and it is least for the individuals who follow the emotional → conative → mental way. This examination has two principal commitments. Hypothetically, this examination laid out an admirable model to catch customer dynamic heterogeneity. By investigating review information from the Korean digital book peruser market, the review gives observational proof that numerous dynamic pathways exist. Inside the domain of substance, understanding the variety of shopper direction could offer marketers important data for buyer profiling and customer division.

4. Research Methodology

- i. **Research Type:** This study uses a cross-sectional approach and is quantitative in nature.

- ii. **Population and Sample Selection:** Product creators, marketers, advertising professionals, salespeople in businesses, and direct sellers are among the populace. Using a purposive sample technique, 50 individuals in total—four distinct FMCG producers, resellers, advertisement executives, and salespeople—were included in the study.

4.1 Data Collection

- i. **Questionnaires:** intended to collect quantitative information on a range of topics related to the influence of product development and innovation.
- ii. **Direct Observation:** used when introducing new products to gauge the response of direct sellers.
- iii. **Participants:** Product developers, marketers, advertising professionals, salespeople, and direct sellers provided the data.
- iv. **Data Collection Process:** Questionnaires were sent to participants who were difficult to contact, and follow-ups were made to guarantee a satisfactory response rate. To complement the quantitative results, qualitative information was gathered through interviews. Real-time reactions were sought through direct observation during the launch of new products.

4.2 Variables

- i. **Respondent:** Categorized from 2 to 5.

Impact of Product Innovation: Assessed using factors including teamwork, information sharing, consumer involvement, improved product promotions, and new product quality.

5. Data Analysis and Interpretation

Interpretation: Table 1 displays quantitative information obtained from a sample of fifty respondents in the FMCG industry, evaluating their opinions on a range of topics related to product development and innovation. The “Respondent” category had an average score of 1.80 among respondents, suggesting a modest level of agreement

Table 1. Descriptive statistics of the responses

Variable	N	Minimum	Maximum	Mean	SD	Variance
Respondent	50	2	5	1.80	0.880	0.790
How has product Innovation improved new product quality?	50	2	5	1.30	0.650	0.350
Were customers involved in the innovation process?	50	2	5	1.06	0.193	0.050
How did product development improve product promotions?	50	2	5	1.20	0.410	0.150
Did product development improve organisation's team dynamics?	50	2	5	1.10	1.250	0.100
How did product development improve the sharing of knowledge in the organisation?	50	2	5	1.45	0.700	0.450

Source: Primary data

Table 2. Correlation analysis between variables

		How has product innovation improved new product quality?	Were customers involved in the innovation process?	How did product development improve product promotions?
How has product innovation improved new product quality?	Person correlation	2	0.550**	0.300**
	Sig. (2-tailed)		0.000	0.006
	N	50	50	50

Source: Primary data

**Correlation is significant at the 0.02 level (2- tailed)

with the study's goals. Positive perceptions are shown by the noteworthy mean scores of 1.45 for the influence of product development on knowledge sharing and 1.30 for the impact of product innovation on new product quality. On the other hand, respondents' average score (1.06) for customer involvement in the innovation process was lower than expected, suggesting that they felt their involvement was limited. The mean score for the variable "Did product development improve organization's team dynamics?" was 1.10; however, the large standard deviation (1.250) indicates that respondents' opinions differed widely. All things considered, these results offer insightful information about how stakeholders view the relationship between customer involvement, organizational

dynamics, and product innovation in the FMCG sector.

Interpretation: The study's relationship between product innovation and new product quality, consumer involvement in innovation, and product development and improved product promotions are examined in Table 2, which exhibits correlation coefficients between important study variables. A highly substantial positive link ($r=0.550^{**}$, $p=0.000$) exists between product innovation and enhanced new product quality. Similarly, there is a moderately positive correlation of 0.300^{**} ($p=0.006$) between increased new product quality and customer involvement in the innovation process, indicating a statistically meaningful association. There is no

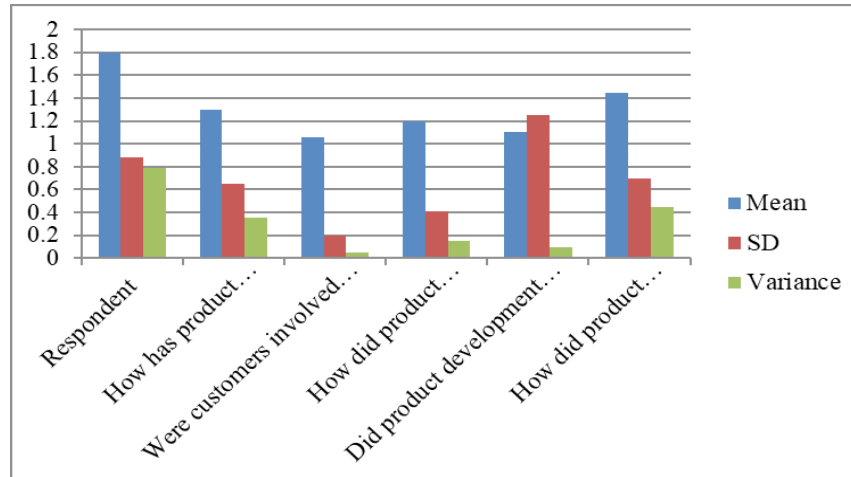


Figure 1. Descriptive statistics of the responses.

Source: Primary data

statistically significant link ($p=0.176$) between the effects of product development on product advertising and the quality of newly developed products. These results suggest that improved new product quality is strongly correlated with increased product innovation, and that customer involvement in the innovation process also contributes favorably, albeit to a slightly smaller degree. Given that the association with product advertising is not statistically significant, it may be necessary to examine other factors that could be impacting this relationship.

6. Discussion and Conclusion

It is possible for any business to significantly boost their performance by actively engaging in product creation and innovation. Having expressed that, it is fundamental to underscore that the method involved with growing new products, improving existing products, and accomplishing elevated degrees of execution is definitely not a simple assignment. Inventive and ground breaking organizations should perceive that product development and innovation are fundamental for their proceeded with presence and capacity to contend. It has been demonstrated through research that actions pertaining to product development and innovation are not, on their own, sufficient to achieve that lucrative market share. Instead, the product development target should be driven to meaningful utilization of resources by a far

clearer alignment of elements. In light of this study, a number of important takeaways have become apparent. In order for the organization that is innovating to realize the benefits of innovation, the quality of the new product must be superior to the quality of other products that are competing with it. Additionally, the value of client participation in the innovation process is demonstrated by this research. Utilizing the knowledge that is offered by market intelligence can also result in an extended good team spirit, which can be beneficial to the organization that is innovating. Without a shadow of a doubt, the findings of this study have the potential to motivate additional research into the subject, particularly when taking into consideration a wider geographical distribution across the country.

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