Innovation/Entrepreneurial Mishaps

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Innovation refers to new ways of doing things. In business, it may refer to coming up with a completely new commodity or improving on an existing one. It may also mean coming up with a new way of service delivery. Business firms strive to be as innovative as possible so as to continuously bring a competitive commodity to the market. Failure to be innovative a business will lose competitiveness and sequentially be wiped out of the market. It is unfortunate that some of biggest companies of their time fell short of innovation. Blockbuster is a perfect example. During Blockbuster’s time, the company sat at the helm of the film distribution industry in the United States. With such a huge local customer base the company could have made its way to the top of the global market had it taken advantage of technological features presented to it by Netflix. Blockbuster operated physical stores while Netflix was an upcoming virtual store for films at the time. Netflix had approached Blockbuster for a partnership deal that could have resulted in the two companies marketing each other on their respective platforms. Establishing virtual presence was an innovation that could have enabled it escape market onslaught that befell it shortly after rejecting the Netflix deal (Satell, 2014). Taking the use of the internet, Netflix replaced the traditional film stores ran by Blockbuster and within few years Blockbuster was downright driven out of business. Netflix took over the industry with a storm; offering home deliveries and cutting on fees. Blockbuster had no choice and after struggling to keep up with the pace, its stores were abandoned. The stores were closed down, of course, and the company closed down its doors.

Another example is the Blackberry Limited Company. The company sat at the top of the mobile phone industry up until late 2000’s. BBM feature was the most preferred mode of business communication at the time. In 2007 the iPhone was launched with the touchscreen technology. Blackberry ignored this new innovation and because the new entrant struggled at the beginning, the company though it would remain at the top of the market with its form. The company was wrong. Shortly after Apple’s entrance in to the market, it redefined the industry and took over the market. Blackberry sat at the comfort of its initial success and failed to foresee the need to innovate and improve its brand (Bessen&Meurer, 2008). Since then, the company has been struggling in the market with less than 1% market share.

Yahoo is yet another example of failed innovation. By 2005 Yahoo sat at top of online advertising industry with at least 21% of market share. Currently, the company is struggling to at least maintain a mere 4% market share with Google, Facebook and Microsoft above it. The innovation the company failed to adopt was that it concentrated on becoming a strong online portal while outsourced its search engines to Bing. Yahoo had an opportunity to buy Google but failed. The company could have purchased DoubleClick well ahead of Google but yet again failed and Google grabbed the opportunity. In 2006 Yahoo had an opportunity to buy Facebook but missed out on the opportunity.

In today’s market, these companies can revive by adopting proactive innovative strategies. This would include installing a strong research base that finds out what customers are looking and grab any technology that comes up faster than the competitors (Peterková&Gruberová, 2012). This will help the companies stay ahead of technology. The companies can also make use of disruptive innovation. This is based on finding out what the competitors are missing out on and creating a whole new market on which it automatically becomes a leader. Instead of trying to compete with the existing strong companies, they can study the market inefficiencies and develop a whole new product and a way of operating just like Netflix did.

References

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