

Imitation Business: Strategies, advantages and its need in India

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ABSTRACT The purpose of this research paper is to shed some light on the imitation business and its advantages. As India is still in its developing phase we cannot spend so much money on the innovations. It would rather be better for business development that we imitate the technology. This Research paper focuses on the strategies, advantages and need of successful imitation business. Firms adopting the imitation business ideas can leverage this process by transformative learning process, especially provided through a broad industrial and functional experience of members in business model.

KEYWORD Imitation Innovation business advantages key point to get success of imitation business: An explorative study

Introduction

“Good artists copy, great artists steal”, these words are rightly said by Pablo Picasso. Imitative behavior is most easy and adapted widely in Indian business world. In this aspect firms often imitate new products and processes introduced by others. This might be also in the adaptation of managerial methods and organizational forms or in choice of new technology, in the timing and other investments.

It is obvious that if any company's product or service proves successful in the market the competitors will try to imitate it (Wankel, 2008). This kind of behavior is most common for the imitation business. This leads to profit of the firm to fall as imitation business shares the new market. But with the positive effects the innovative firm gets more number of customers as the market develops rapidly. To prevent or reduce this erosion, the innovating firm may be able to create barriers to imitation using various methods, such as patents, copyrights, and secrecy (Business Imitation Research Paper). The innovative firm may also strive to improve its product thereby staying ahead of rivals e.g. Apple iPhone. Innovative firm may devote much time and research to try to prevent imitation on the other hand imitation firm works hard to copy and imitate the products. This type of imitation is fairly simple, and its basic features are well understood (Shenkar, 2010).

The imitation business is rather complex in nature. Online imitation business flourished well in the 90s which attracted many other imitation firm to enter the online market by mid 2000. With more number of imitation firms entering the online business, this market of online business started to fall

drastically within few years.

This phenomenon of large number of firms entering the market is also seen in international context. It is found that when innovative firm wants to enter into foreign market sometimes its rival will also follow the same decision. This can lead to rapid development of the market, this is how sometimes imitation business opens up the new dimension of business. Imitation may have positive or negative implications for individual firms and for society. But imitations of superior process innovation are widely beneficial not only to the individual firms but also to the society as a whole.

Like this “bunching” of entry are also observed in international context. It is found that when innovative firm wants to enter in to foreign market sometime its rival will follow the same decision. This can lead to rapid development of the market, which is potentially to the benefit of everyone.

Some time imitation business opens up the new dimension of business as we can say in 1980 Japan develop the techniques for High definition Television due to the high cost of production but latter become the popular and give the profit. As these shows, imitation may have positive or negative implications for individual firms and for society. In some cases, such as imitation of a clearly superior process innovation, quick and widespread adoption is likely to be widely beneficial.

Even though this is seen so many times those successful businesses ideas of first mover are copied rapidly when it is apparent then also the new business are growing. The technology from the foreign market is copied; the organizational management is also driven from successful firms. That is a wide practice to imitate the successful business ideas. Still then such business are growing. Even the

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technologies from the foreign markets are being imitated.

Imitation Business in India

Indians are very good in coping the thing as we can see that there are so many famous market in India which gives you the replica of the famous brands like Lee, Adidas, Gucci, Ray-ban, apple, Raddo, even in India you get an pirated software, movie, music, and trademark also. But these not mean that Indians are poor in Innovation but they also tell that it is quite difficult to produce the copy thing from the lack of resource.

If we compare the innovation business with imitation, then we must know the data of new innovation and its impact on trade. India and China are not just lagging behind in terms of innovation they are barely off the starting blocks (Pallister, 2017). China only has 1,700 patents granted annually compared to some 80,000 patents of US. Also it should be noted that around half of the patents submitted by the multinational companies are not granted to China. Japan also thrived in the imitation market in its early phase of post second world war. But as the country progressed, Japan achieved milestones of progress through technological innovations.

Still a huge part of the story remains as we know that India and China both are developing nations and they show their presence in world economy by imitation business strategy. With the perspective of imitation, India and China both have to develop the technology which offers the low cost service on doing so, India and China will be able to receive orders from the foreign countries.

China has produced the worlds largest supercomputer. Besides this they have the advanced technology in aviation, high speed railways and nuclear power. Apart from these China manufactures T-shirts, bicycles and cheap cars. On the other hand India successfully launched Tata nano the cheapest Indian car. The Polar Satellite Launch Vehicle (PSLV) in India has successfully launched 31 satellites in orbit which again proves that in low cost technology worlds other innovative countries like Japan, Germany and America cannot beat India and China.

Here we talk about some Indian businesses that get inspired by the success of the foreign businesses. It's noticed so many times that many Indian startups, who have adapted ideas for services from the US and other countries, seem to live by. In India Flipkart is the biggest e-commerce company which comes in idea from US giant Amazon in 2007. Now though Flipkart is imitative but have and great success in India. The same concept is copied by Bhavish Agarwal's OLA which took on US Taxi aggregator UBER. Both are come together in India and both are successful. In India it is tough to get investor attention in past year but now a day people get attracted with small and medium scale company and their profit.

After the Indian economy faced demonetisation, paytm played a vital role in receipts and payments in the absence of currency. But soon many companies followed the suit of paytm such as freecharge, mobikwik, phone pe, pal pay, BHIM etc. In FMCG also we see such examples of imitation among maggi and yippie & Newly Balaji's Gippi noodles.

Advantages of Imitation Business

Refining is easier

In the imitation business you already have a market which is driven by the innovators. As they are the first to introduce the product or service in market now in imitative business they get opportunities to refine the idea which is already successful. From the various options one idea should be selected. To set up the business is quite easy as they simply follow the innovators. Thus in case of imitative business idea is easy to refine (Enkel and Mezger, 2013).

Benchmark your progress

Imitation firms have to analyze where the innovative firms have great success, what are their benchmarks and what is their own current position, where they need to be. Again the imitative firms do have less fear of failures (Ross & Sharapov, 2015).

Spend your money better

The innovative firms have the disadvantage that they spend a lot of money first for research and then after for promotion, because innovative firms have to educate the consumers also. Educating consumers about a new product or service takes effort, time and lot of money. In fact, sometimes it is better to be a second or third mover instead of the first- let someone else put their efforts to educate the public. Then, you can figure out how to do it smarter, faster or better."

Learn from their mistakes

Imitation business ideas are already successful so other firms pick that. It helps to learn how to deal with the problem in same situation. Imitation firms have initial business idea, they can learn from the research and case study. They can also identify major problems and weaknesses of any business. Imitation also guides us to avoid those mistakes and upgrade the product and service from their current position. So in imitative business firms are dealing more smartly with calculative risk.

Stay lively

If the innovative firm has a strong success, then it is the opportunity for the follower to share the market share. Even the imitative firms have better chance to make more up gradation in the product and service line and can take entry at new developing market, by providing the different solution with new amendment.

Research better

Consumer research is better as the consumer is already using that. Even you can ask the consumer about the minus point and what they want further to improve that product. While this kind of the research is not possible for the innovators as the market testing is not done yet. Awareness in consumer helps your firm to manufacture the better product.

Make your product better

After the great success of Patanjali Dantkranti tooth paste, Colgate have to come up with the new tooth paste called Colgate ved shakti. Thus we can say they though colgate created the need and inculcated habit in the customers, still with the launch of Dantkranti tooth paste Colgate adopted

change to improve its product to compete with Dantkranti in the market.

Learn marketing tips

Imitative business have an advantage to learn from their competitors. They get all the needful information regarding their competitors through television services, radio services, print media, facebook, twitter, instagram, youtube etc.

Get funded

It is easy to get the funding for the successful business rather than new innovation. Thus it is easier for the imitating business to have fund as compared to the new innovative business.

Limitations of Innovative Business Models

Increased competition

Innovative business models face tough competition from other businesses that imitate their business approaches. The innovative company, in most cases, will carry more burden of risk at the initial stage of innovation with numerous similar businesses replicating what they have done and with a reduced level of risk (Levitt, 1966)

Uncertainty of returns on investment

Technology changes very fast. Innovation is many times based on a new idea and new research. This can be largely speculative and the innovative business may not be capable to clearly know what profit will be accrued from the innovation.

Lack of funding

Innovative business models require significant funds to build innovations. Given the amount of risk involved, innovative businesses require that innovations bring in a high rate of return. Most businesses do not have the resources to maintain reliable innovation.

Find + Learn + Copy + Improve = Unique Success

The above very simple formula for the unique success is very easy to understand. First rule is don't try to find businesses that's never been tried before as the risk is more in innovative business. Second step is to find your hero in the industry. And the third is to follow them. Forth step is to know and learn about everything you want to start with imitative business. Then copy all success factors in business. And finally implement them with improvement you needed and the unique success is definite.

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