

REVERSE INNOVATION

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ABSTRACT

Reverse Innovation is the strategy of innovating in emerging (or developing) markets and then distributing/marketing these innovations in developed markets. Many companies are developing products in emerging countries like China and India and then distributing them globally. Innovation by MNC subsidiaries and affiliates has happened in the past when subsidiaries have had to be locally responsive to competitive challenges. In India, we saw the celebrated case of how Hindustan Lever launched Wheel to combat Nirma in the detergent marketplace. In the process, Hindustan Lever had to “borrow” several aspects of its business model from its local Indian competitors. But, such innovations often remained restricted to the host country market, and in the past were seen more as aberrations than an integral part of the company’s strategy.

KEYWORDS: Reverse Innovation, Products, emerging countries.
