Reverse Innovation: A Gift from Developing Economy to Developed Economy

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Abstract

In the era of globalization, emerging market economies are surfacing into centers of innovation. These innovations associate with low-cost products like healthcare devices, wind power, microfinance, electric cars and many more. The success of these frugal innovated products enable developed countries to adopt well. Hence, reverse innovation refers to those innovations which are adopted by developing countries first and then by developed countries. These innovative products are a result of cutting edge technology, common sense and ingenious use of local commodities with the price range that is affordable to a huge mass of consumers like Tata’s one lakh ($1677) car Nano, Nokia’s sturdy mobile phones, the Chottu Cool’ refrigerator and many more. These products might be conceptualized for the customers at the bottom of the pyramid still not limited by scaled down versions meant for the lower end. This paper is an attempt to evaluate how reverse innovations are possible in emerging markets and how it can unlock business opportunities at a global scale.

Keywords

Emerging Market, Frugal, Innovation, Product Reverse, Technology

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