

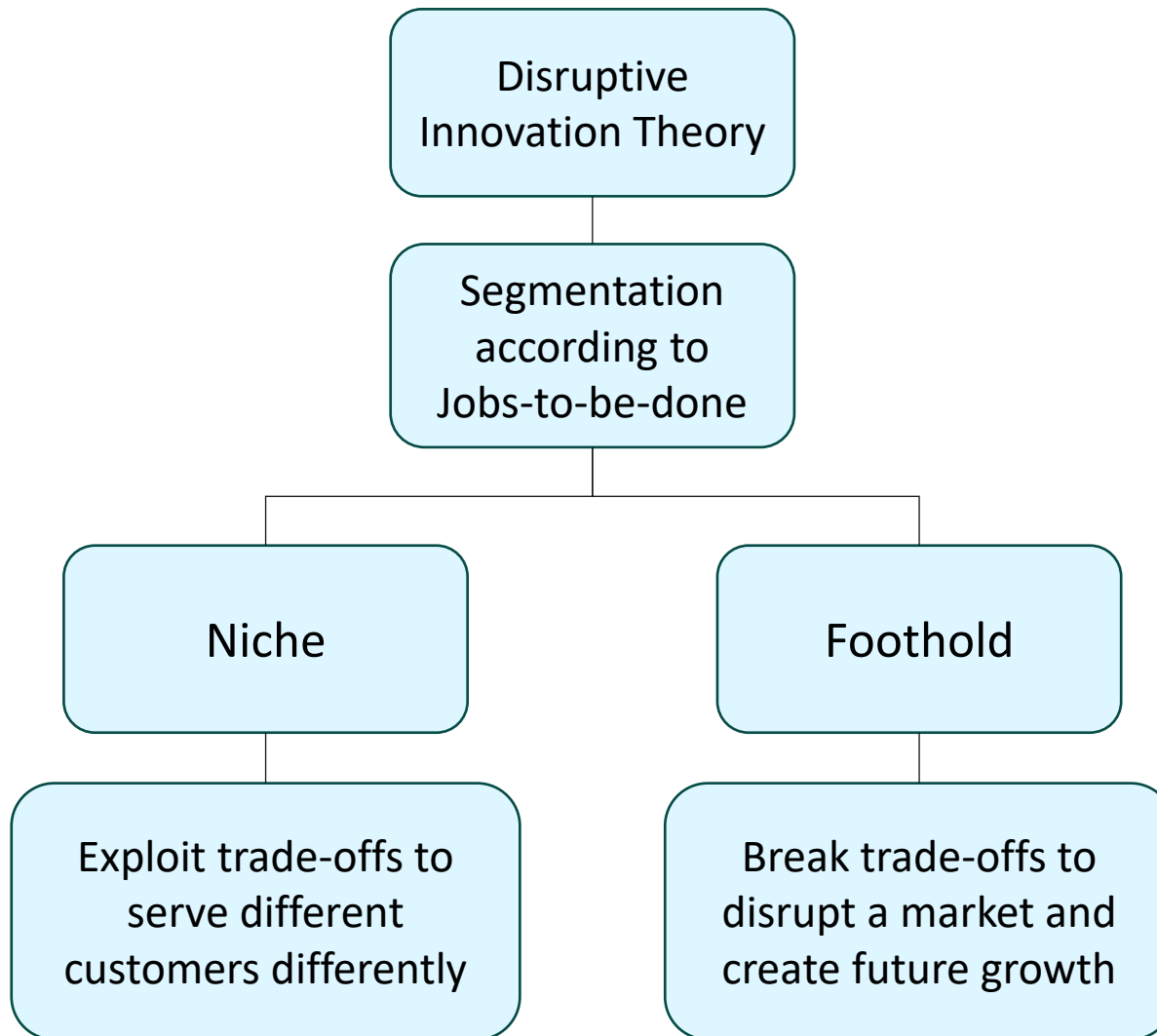
Disruptive Innovation: Applications to Marketing

MASB Spring Summit
March 20, 2025

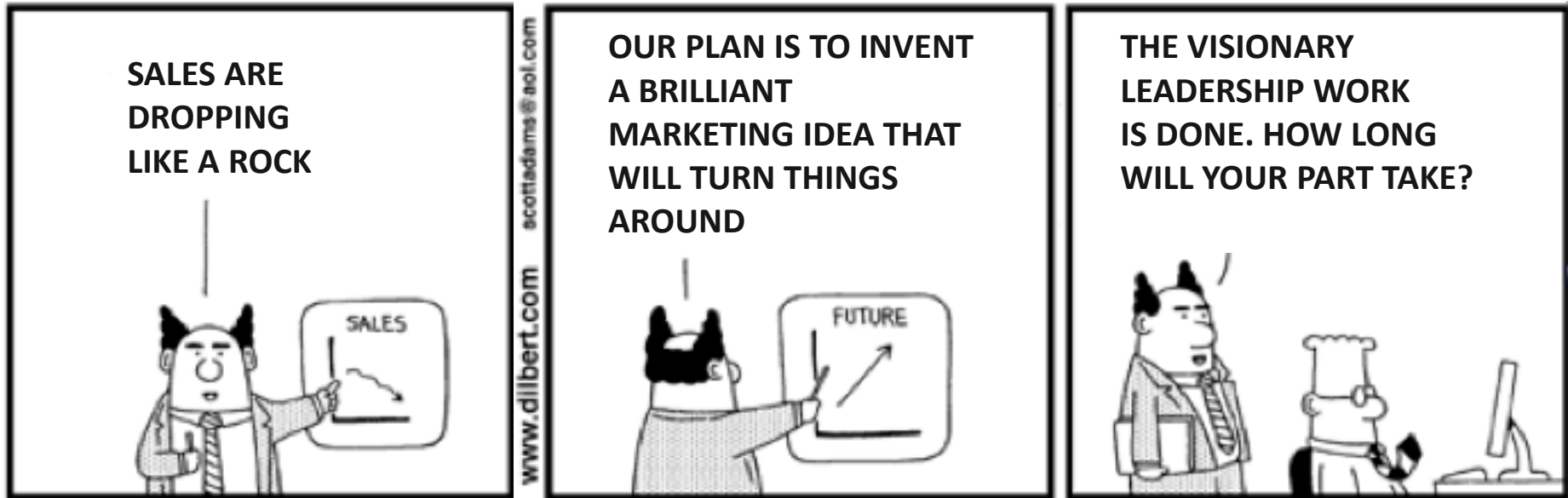
Howard Weinberg
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OPTIMIZING BRAND ALPHA

Application: Market segmentation for innovation



What is innovation?



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Definitions of innovation

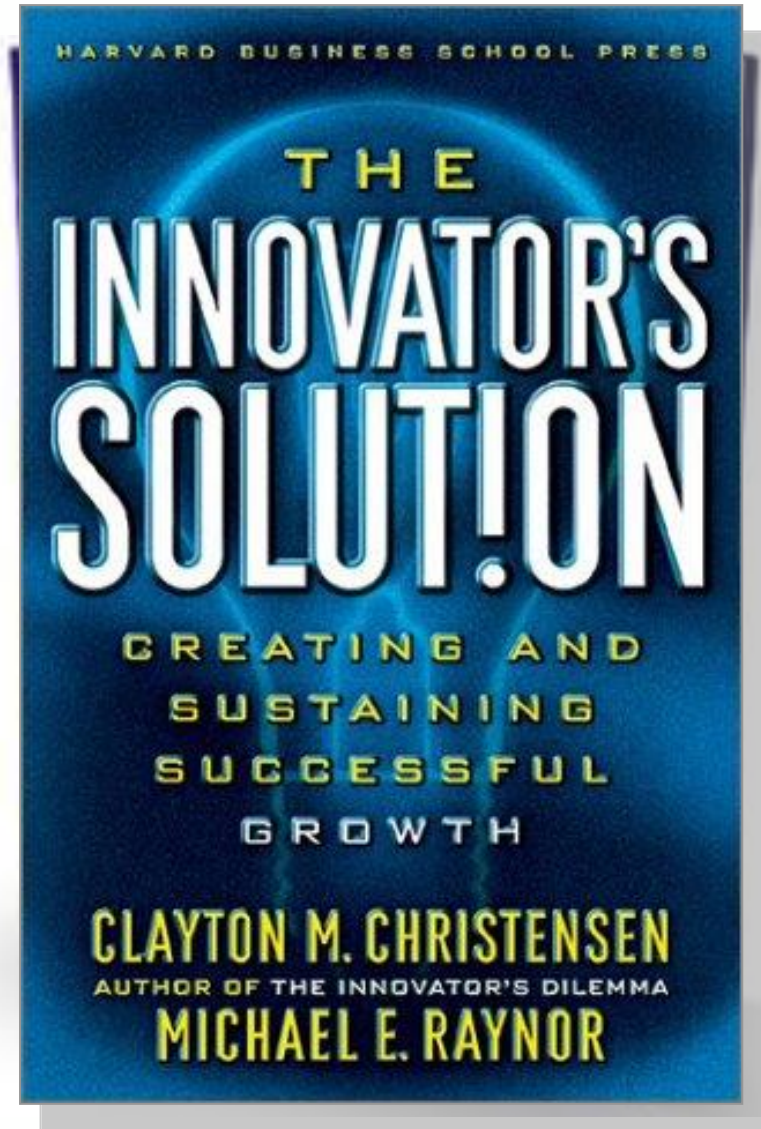
The introduction of something new that customers will pay for.

Innovations require customers to choose something new, to change their behavior.

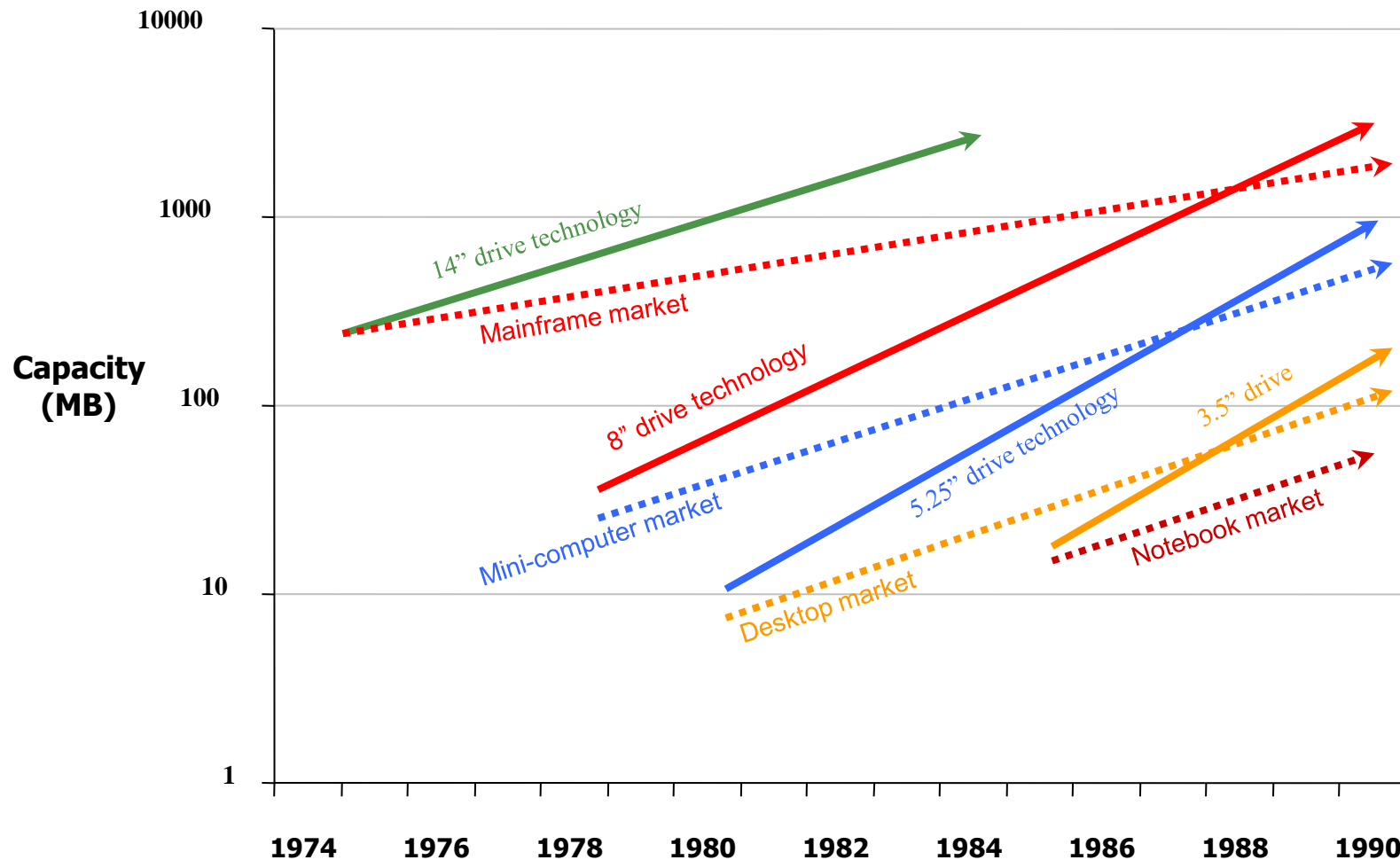
Business model
Distribution
packaging
Incremental
Non-core
Architecture
Component
Product
Core
Process
Radical

The most important definition of innovation

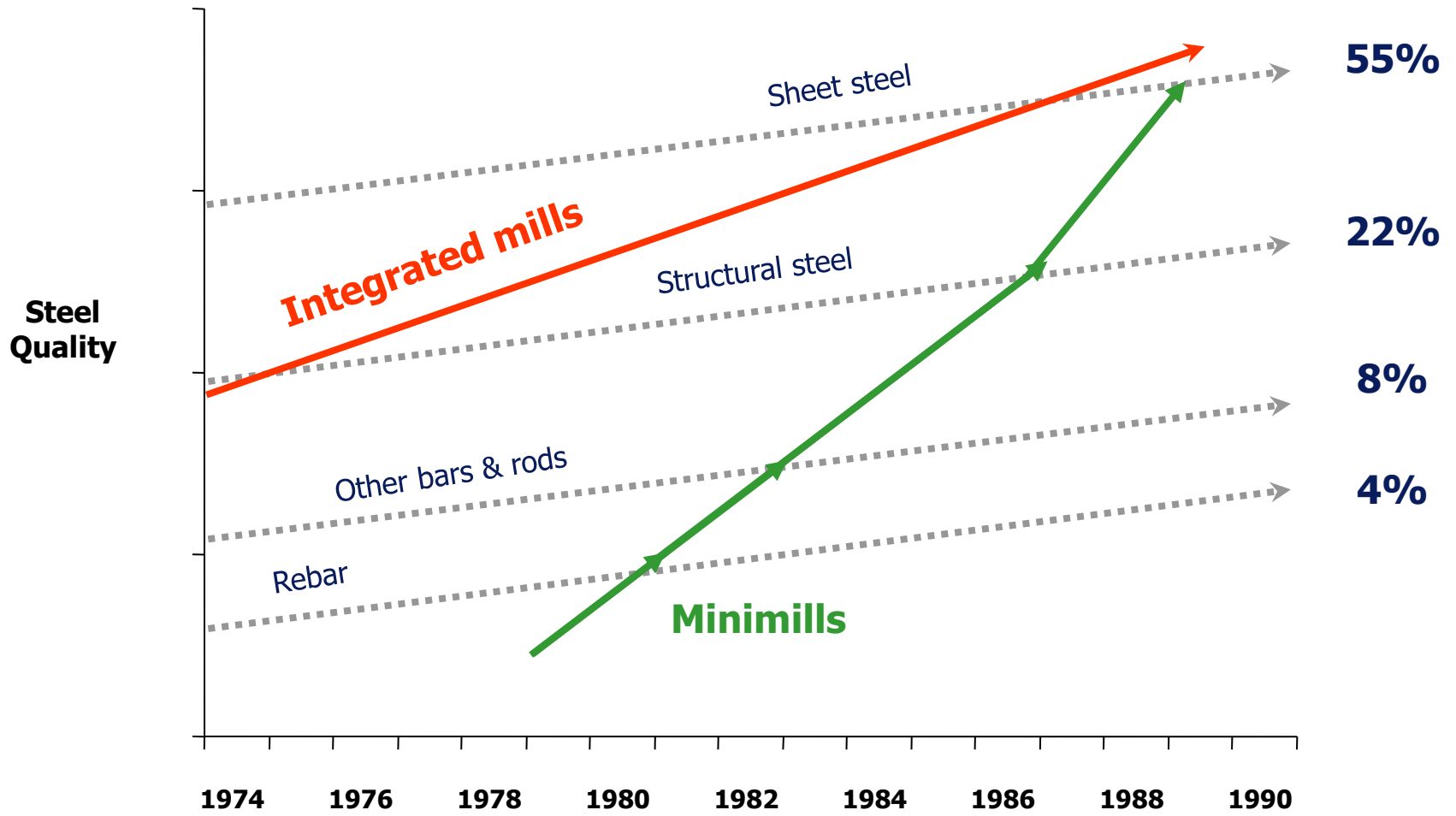
**Disruptive
vs.
Sustaining**



Clayton Christensen first identified disruptive innovation while studying the disk drive industry



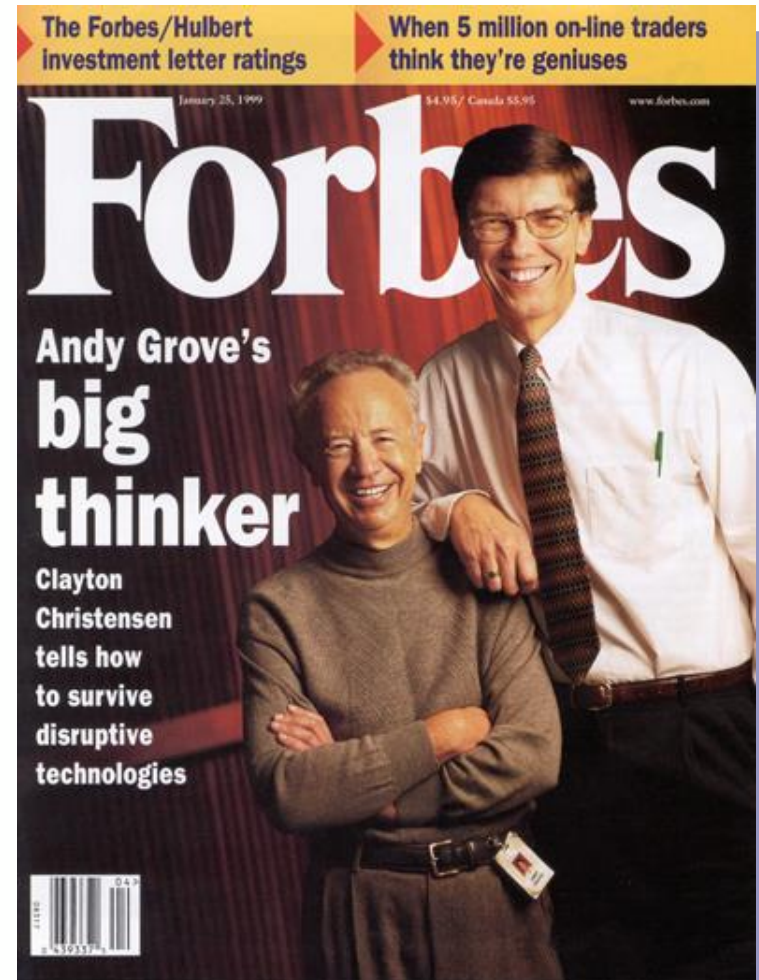
Steel crazy after all these years



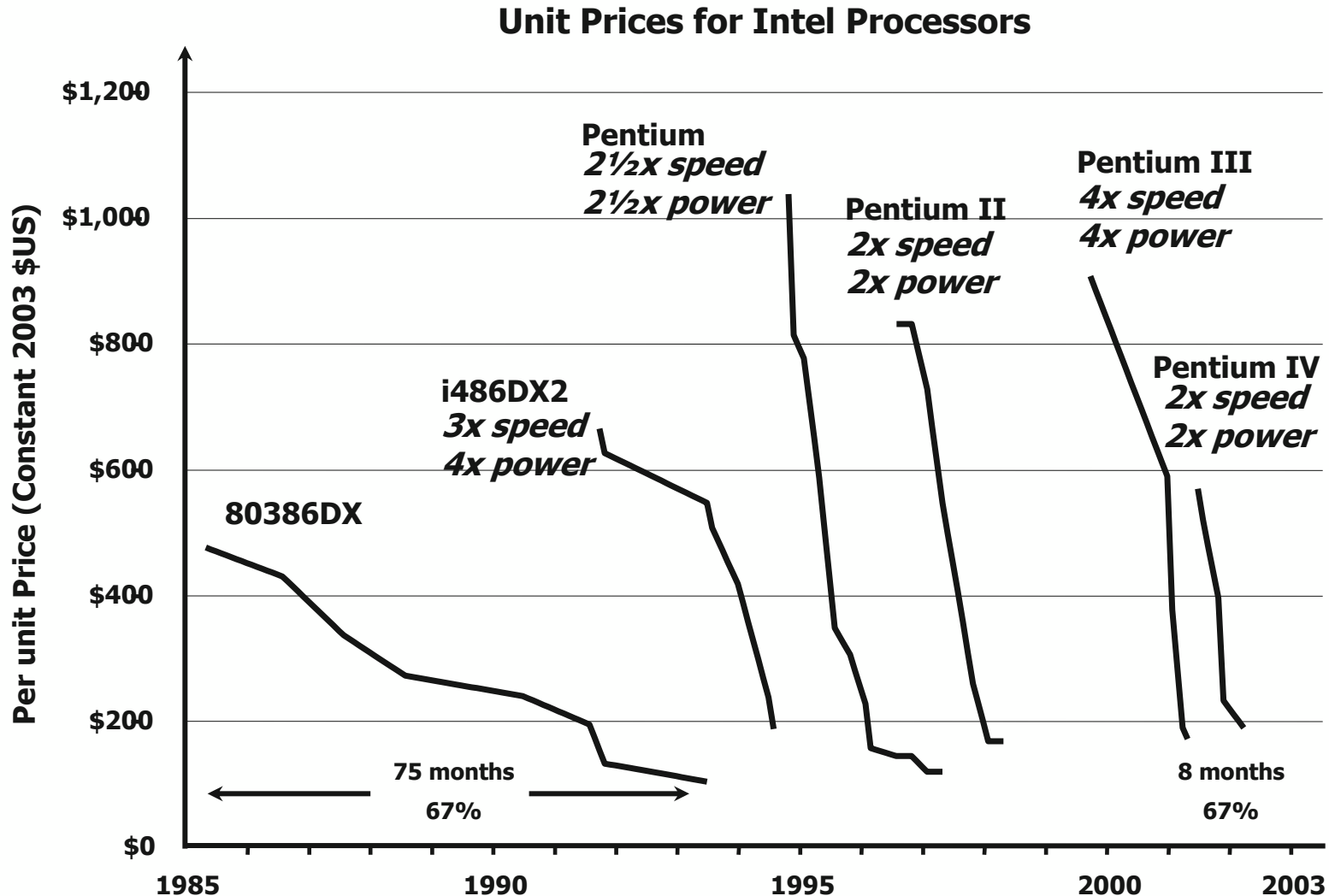
Great companies can leave themselves open to crippling attacks

If you build a great company that consistently exceeds the expectations of its best and most profitable customers, you're doomed.

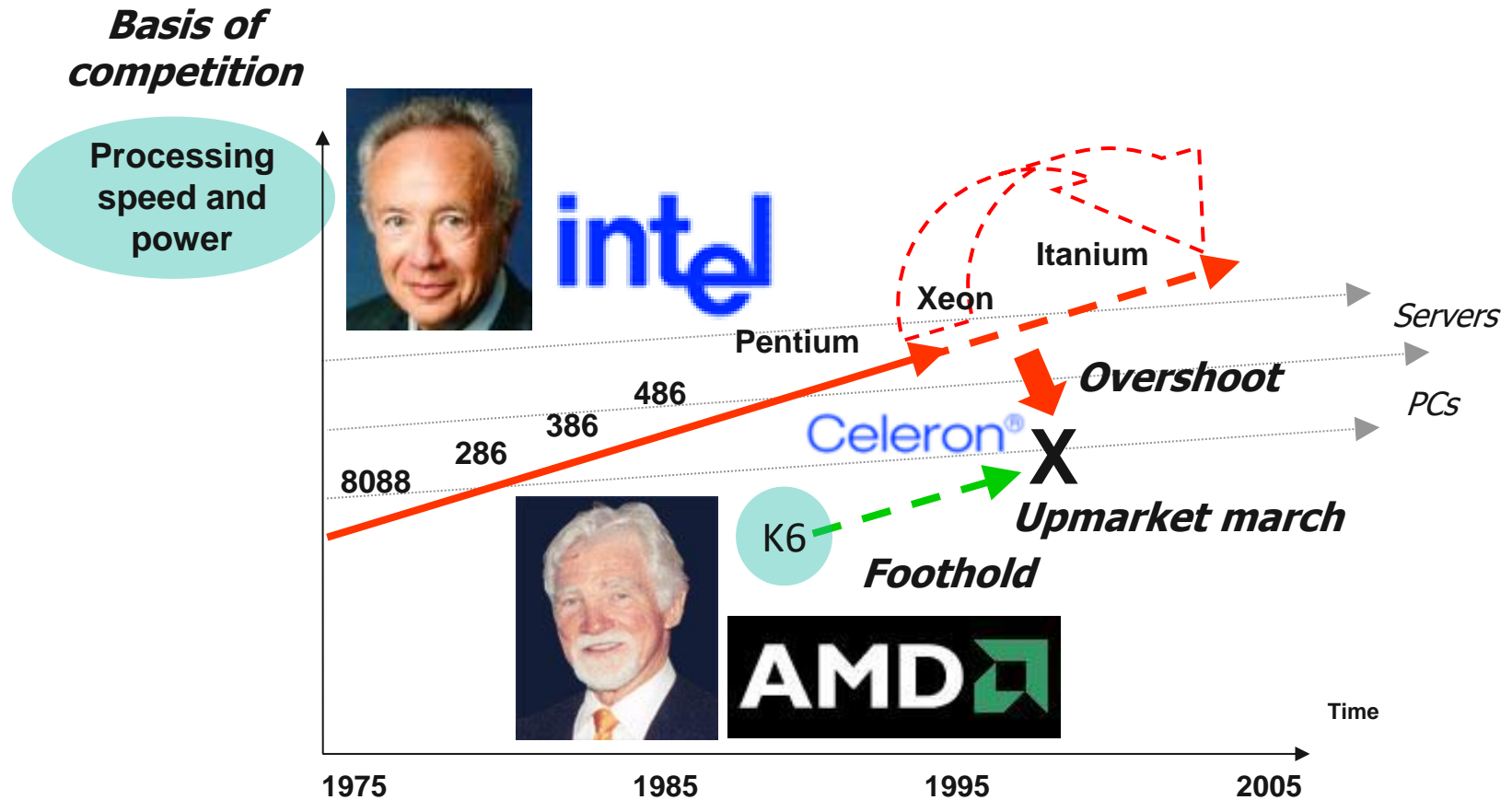
**Andrew Grove
Former CEO and
Chairman of the Board
Intel Corporation**



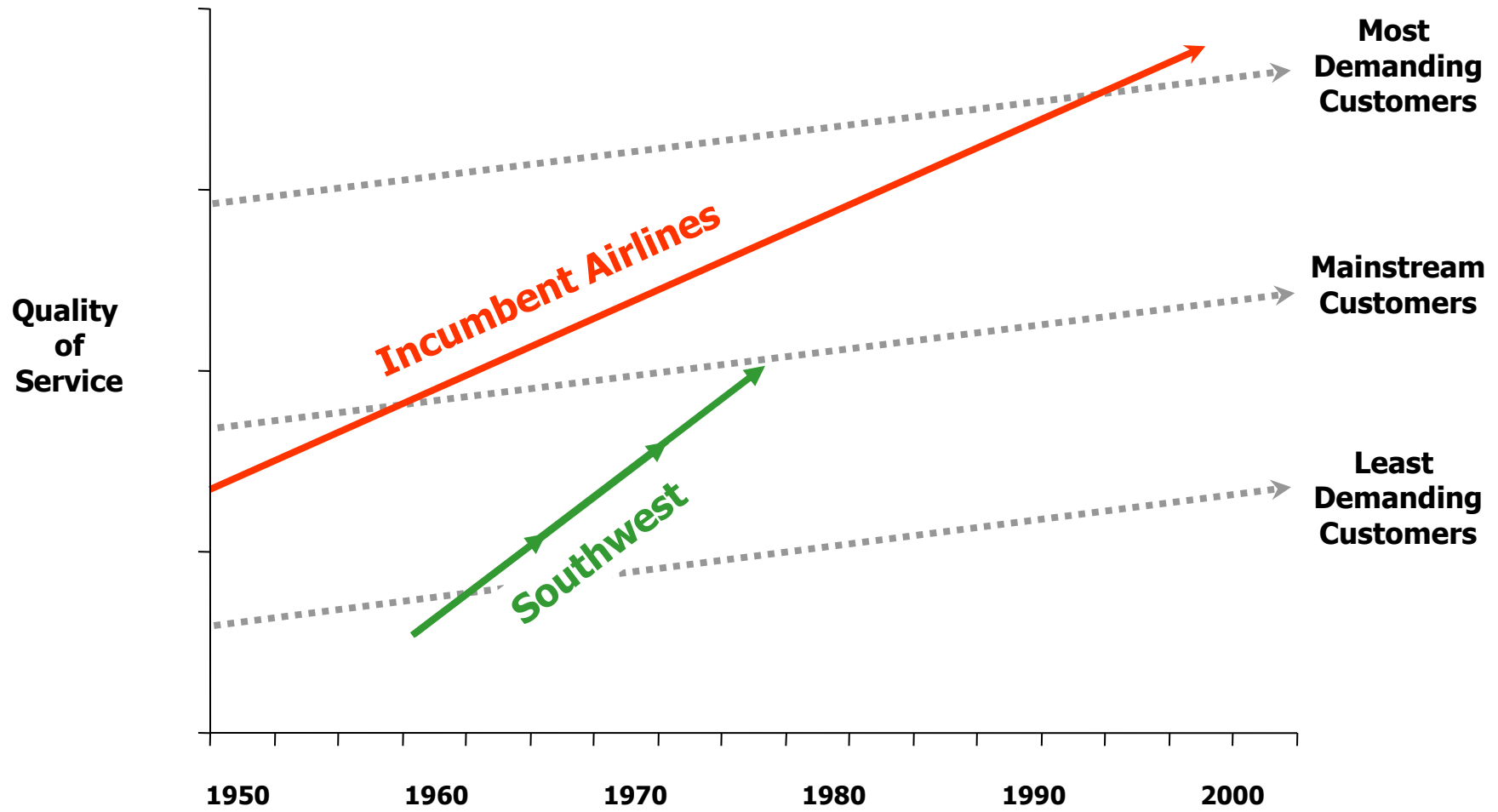
Why did Andy Grove believe Intel could be disrupted?



Intel's response: Sustain *and* Disrupt



Southwest disrupts the airline industry



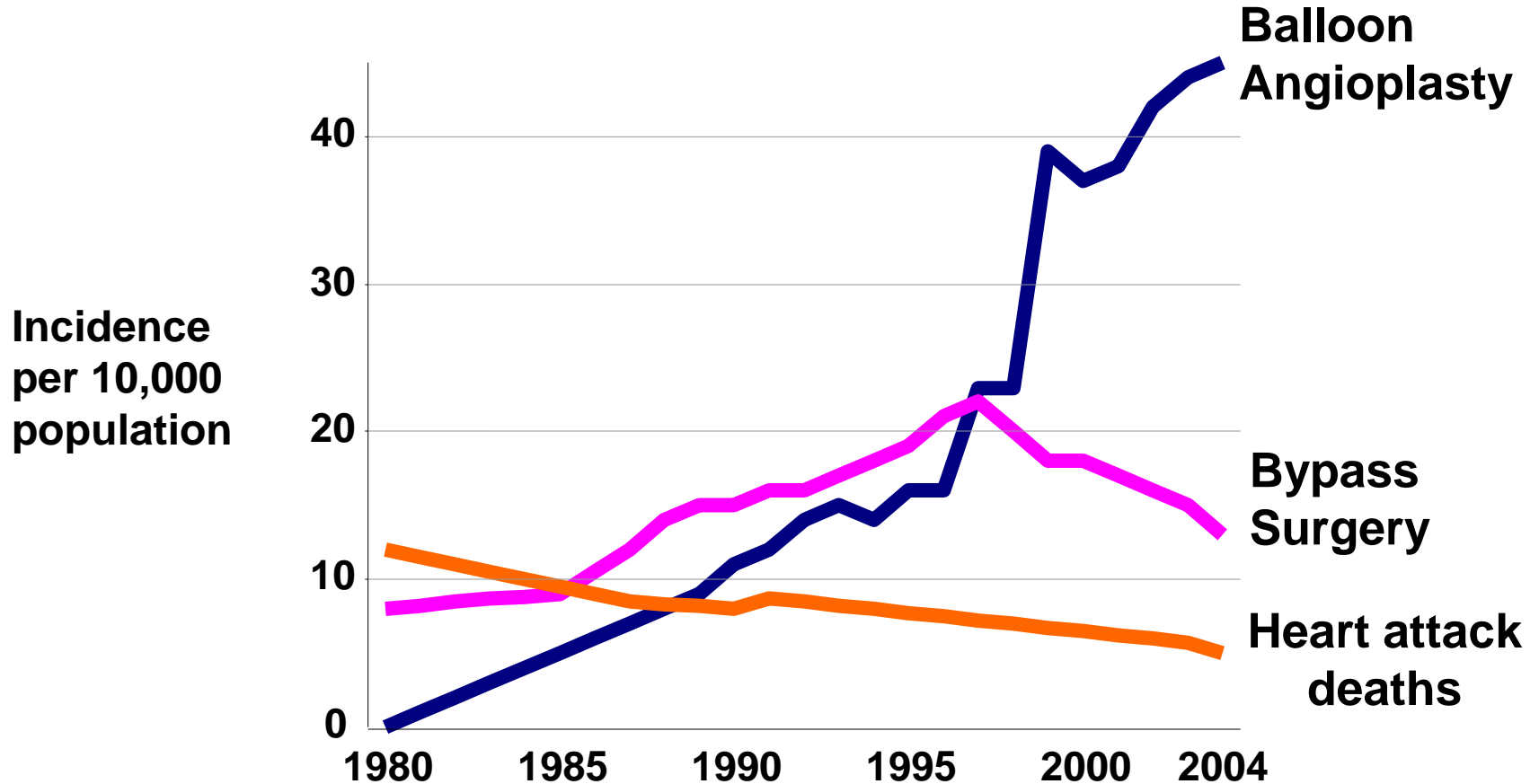
Breaking the tradeoff for coast-to-coast routes

737-300: 2270 km

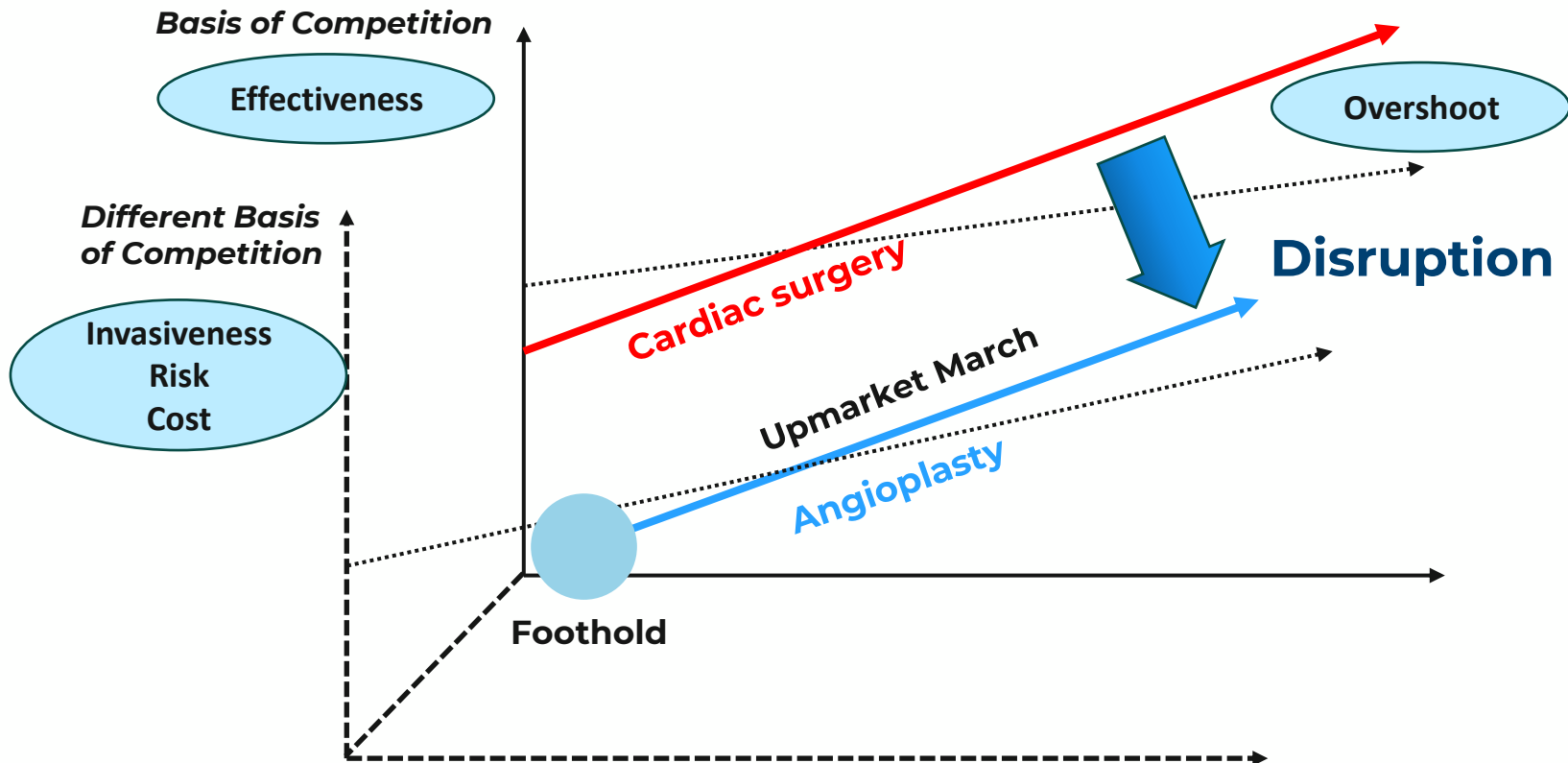


737-200: 3362 km

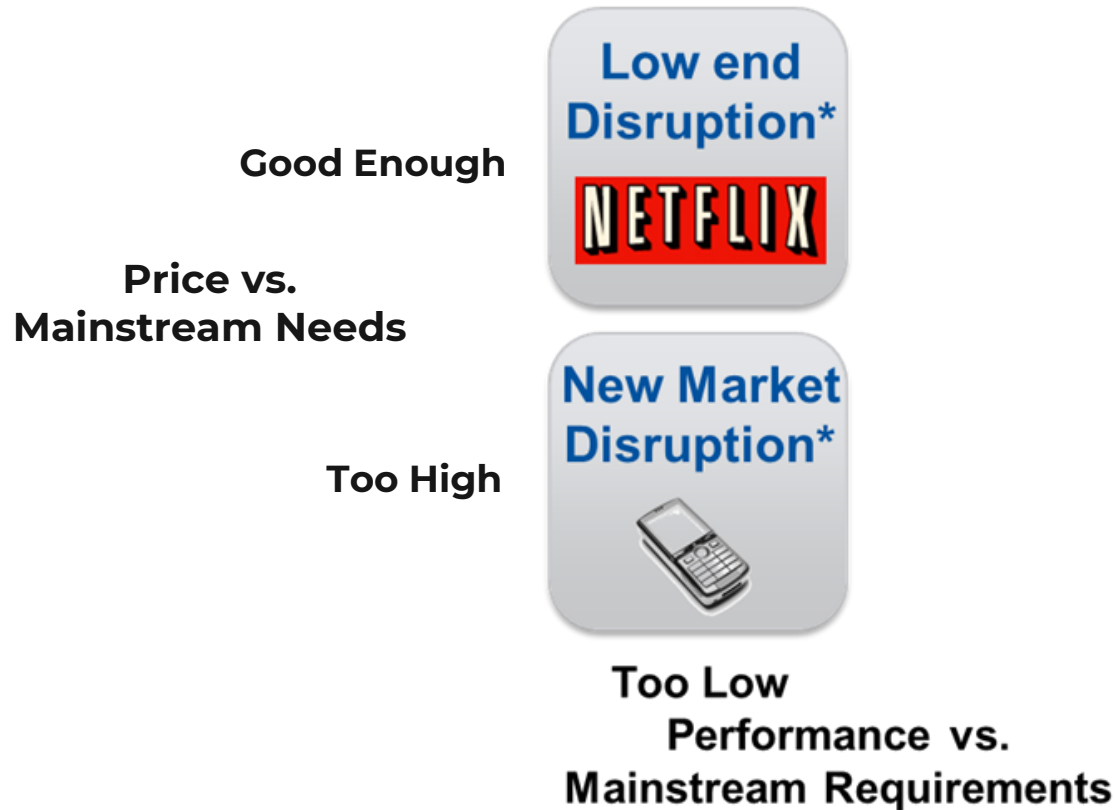
Angioplasty vs. Bypass Surgery



Taking disruption to heart: a new market disruption



Contingencies for choosing an innovation theory



Thank You

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