

TOPIC

Innovation Is the Secret to Bringing Good Old Things Some New Life



There is a widespread theory that all dazzling innovations end their days as commodities, products that anyone can make and that are bought only according to their price. Columbia Business School's Bruce Greenwald once expressed this view with the quip, "In the long run, everything is a toaster."



MIT Media Lab researcher Michael Schrage finds that innovation has a continued role, even in such staid objects as toasters and vacuum cleaners. High-tech companies who panic about the day when everyone can make their latest futuristic doodad at a low price should take note:

Ignoring innovation and focusing on cutting prices can be fatal.

The evolution of the toaster shows that the appliance is in fact "an unlikely symbol of sustainable innovation," Mr. Schrage explains. Since the first commercially successful toaster was made by General Electric Co. in 1909, improvements have arrived regularly: bread grilled on both sides (1919); automated toasters (1940s); toaster ovens (1950s); and digital toasters (1990s). He criticizes Hoover Co. for focusing on making its vacuum cleaners cheaper, when there were innovations still to be had—observe the success of Dyson's expensive and pleasingly bagless vacuums. Price wars for products don't necessarily mean that innovation has reached its limit; but the low prices could be a signal that more advances are needed. Even actual commodities, Mr. Schrage notes, are subject to developments: Look what Starbucks Corp. managed to do with coffee.