

THE SCOPE OF APPLICATION OF MARKETING INNOVATIONS AND MARKETING OF INNOVATION IN SERVICE ENTERPRISES OF SME SECTOR

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ABSTRACT Marketing support of innovative process is inscribed into the stream of researches over the economical knowledge transformation, in a form of implementing the results of research to practical application. Marketing innovation is often misguidedly identified with marketing of innovation. Article raises the question of marketing innovations, the goal is to describe the scope of application of marketing innovations and marketing of innovations in service SME sector. The desk research analysis has been used.

Introduction

Marketing innovations and marketing of innovation are quite similar terms for example for entrepreneurs but they are not the same. It is very important to have in mind those differences to maintain innovation process in more effective way. During decades major changes took place in nature of marketing, and marketing itself became philosophy of action penetrating all cells of organisation in enterprises. Article raises the question of marketing

innovations, the goal is to describe the scope of application of marketing innovations and marketing of innovations in service SME sector. The desk research analysis has been used to define various forms of marketing innovation and marketing of innovation.

Area of marketing innovation

Changes happening on the market, the pressure of arising competition was throwing down new challenges, thus the need of marketing thinking and acting became stronger and stronger. Similarly the knowledge about innovation was developing and systematizing. Nonetheless progressive development of economy caused rapid obsolescence of earned theories in favour of completely new trends. Nowadays we can observe strong growth of complexity of the knowledge and technology, meanwhile the parallel phenomenon occurs and gains significance especially in economies of highly developed countries – it is a growth of innovations which are not connected with technology. This phenomenon alludes primarily to the sector of the services, where the trend found a reflection of non- technological innovations.

Together with an appearance of Oslo Manual (Oslo Manual, 2005), also marketing innovations were included to the cluster of innovations, understood as application of a new marketing method in the action of an enterprise, which was not applied in the company before and which results from a new marketing strategy differing essentially from the previous one. Entities, on which marketing innovation is based, are shown on the drawing below (Forin et al., 2010). Entities, on which marketing innovation is based, are shown on the figure below, they are the same for technologically oriented and service companies (Figure 1).

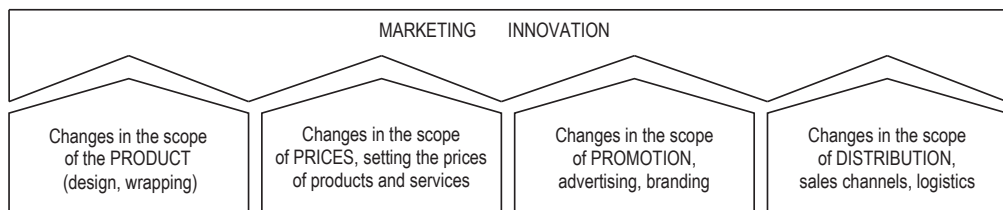


Figure 1. Marketing innovations according to Oslo Manual

Source: Oslo Manual (2005).

In practice, the cases of innovation can appear and be regarded both as product innovations and marketing innovations. The situation occurs when companies introduce changes in already existing products. These changes are followed with major changes in functions or application of product as well as significant changes in form and appearance or wrapping of the product, which all constitute the element of new marketing concept (Oslo Manual, 2005). In case of service companies author also suggest to add personnel to a consideration. Particular components of innovation may, similarly as in marketing, constitute the close- coupled bunch or appear individually, nonetheless their penetration can be perceived as inevitable.

A broader concept of marketing innovations

The preparations for study on marketing innovations should be connected with creation and implementation of conception in at least one of four types of marketing instrument. Their number depends on examination of marketing theory. Relying on the classic marketing – the mix of the 4P examines the bunch in a way to the prepare the implementation of new marketing methods in construction, project or wrapping, in the methods of establishing prices, in product distribution and in its promotion (Oslo Manual, 2005). Nonetheless, the development of marketing theory led to expansion of this concept thus it constitutes a cornerstone for examination of the grounds for creation of marketing innovations, as well as broader notions e.g in the scope of human resources (5P – people, personnel). The table below (1) exhibits the chosen possibilities of creating innovations within the human resources.

Table 1. Possibilities of creating marketing innovations within the human resources – mix: 5P people

People (5P)	
Workers	Implementation of innovative benefits, awards for supporting the creativity of the workers
Culture	Implementation of innovative methods connected with the culture of supplying the services, organisational culture
Customer service	Implementation of innovative marketing relation conception, innovative way of supplying the service by customer

Source: self elaboration.

According to the author it is well – founded to include to marketing innovation also the area of human resources, particularly in the context of marketing innovation created by the service companies, where human factor is extremely important.

The aim of marketing innovation is common marketing endeavor to satisfy the client needs better, open new trade areas or newer positioning of product on the market for incensement of sale (Oslo Manual, 2005). Marketing support pertains to the whole innovation process, as of the stage of forming the idea to its implementation and commercialization. Such a marketing support can be called the marketing of innovation (European Commission, 2012). This notion has to be distinguished from the term of marketing innovation occurring in Oslo Manual, which means application of new forms and marketing techniques unused until now in the action of enterprises. Thereby, marketing of innovation and marketing innovations become same when the realization of new marketing ideas causes the activation of innovation process (Bialoń, 2010). Thus marketing innovations can be subsumed into three main dimensions presented in Figure 2.

The significant feature of modern organisations is innovativeness of marketing operations conducted. It is connected with creative problem solution and application of new technologies. The source of this kind of process is flexibility of reaction for signals coming from surrounding in order to adjust to them and provide the competitive superiority for the company (Nowacki, 2010).

The preparation to implementation of marketing innovations embrace actions connected with creating and implementing new marketing methods, not applied by the company before. These actions alluding to marketing innovations embrace only this, which is connected with creating and implementing new marketing methods, but do not embrace the expenditures for application of these methods in everyday activity. The expenditures for advertisements are precluded, same to promotion actions (events), marketing actions or sponsoring during the application of new marketing method (Chesbrough, 2003). Similarly, according to new Oslo methodology

of operation in the scope of marketing innovations, they do not include: secondarily connected with them, acquisition of new external knowledge, machines, devices, capital items or training the staff.

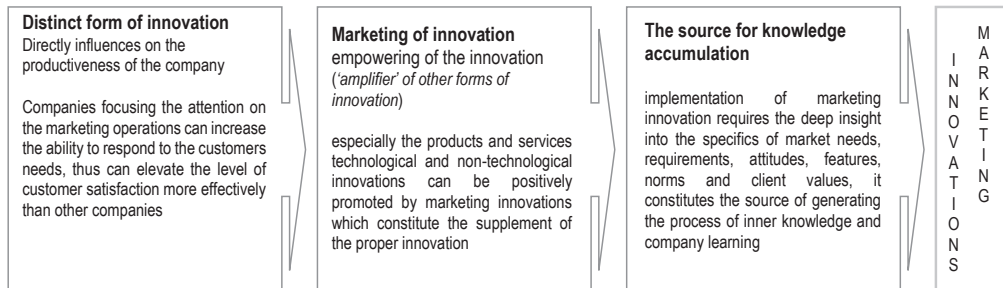


Figure 2 The dimension of marketing innovation

Source: European Commission (2012).

In the areas of marketing and innovation more and more issues covering this subject occur and cause additional strong merging of the series of notions connected with this current. The complexity of technology increases the role of connections and cooperation between the companies and other entities, comprising the institutions of business, as the way to gain specialized knowledge and build enduring relations with contractors. This trend found an estuary in the uprising of open innovation.

Consumer role

The high competitiveness of economy led to the necessity of focusing on the consumer. Nowadays the consumers are ones who dictate the conditions on the market. While knowledge administration as well as possession of bargaining power, the consumer sets himself in co-creation and promotion of his favorite brand products, remaining at the same time its purchaser which provides him the rank of prosumpt (Domańska, 2009). This trend is reflected in additional designation of innovation based on customer' needs (user-driven innovation). It should be noticed that innovations quit with being used only in the context of economical notions or benefit understood only in aforementioned categories. The re-orientation occurs on a behalf of embracing the innovation as the way to continuous improvement of working conditions, participation in the private life of the personnel also after working hours, as well as facing the needs of local community. This trend found reflection in uprising of social innovations.

New tendencies in marketing innovations give the entrepreneurs the broad area of possibilities in practice and do not require high financial means, long term of return of undertook investments or too high risk. Marketing always was a driving force, creative strength of enterprise, stimulating the company with delivery of new ideas and information coming from the workers as well as from the market. Its idea has a lot in common with the idea of innovativeness. The significant role in the modern economy play not only the technical innovations (widely used both in theory and practice) but also non-technological innovations, including the marketing ones.

Innovations require the readiness for searching the changes as the way of more effective operation. Aspect of introduction of marketing innovation can pertain particularly to the creative enterprises, either micro, small or medium, which dynamically react for market changes. The limit in its application can be only the lack of interesting concepts among entrepreneurs. It is not advisable to downgrade the meaning of marketing innovations, thus ignore them in economical practice in enterprises of SME sector. The scope of innovation broadens, fitting to the economical reality as well as facing the notions of organisational innovations as well as marketing innovations, already successfully used in many economies worldwide.

Conclusions

The areas which pertain to marketing innovations, are so close and easy to define for entrepreneurs, that can be an effective tool in rising the competitiveness, regardless of the size of the company, generated incomes, the scope or the sector of the marketing operation of the company. Notion of marketing innovations and marketing of innovation should not be used interchangeably because both of the concepts are supported with different actions of the organizational and managerial character.

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