

MECHANISM OF MARKETING INNOVATION FOR A COMPETITIVE MARKET SUCCESS

The article deals with innovative marketing mechanism for the formation of the competitive success of the company. Shows the characteristics of a phased process of innovation to develop effective marketing strategy of the company in the current economic conditions.

Keywords: innovation, marketing innovation, competitiveness, consumer behavior.

Statement of the problem. In the current economic conditions, the structure of small and medium-sized businesses increasingly significant place is small innovative enterprise dynamic growth which indicates a constant tendency to increase scientific and technological component of social production. Propensity to innovate and the ability to implement them – a necessary feature of a viable competitive enterprises. Neglect of this ability increases the probability of crisis followed by conversion or destruction of the organization. Therefore, the use of innovative marketing in the formation of the competitive success of firms in the market is important and necessary.

Every company that strives to be successful today, have to use innovation to best meet customer requirements. The essence of innovation – in the achievements of the human mind (new ideas, discoveries, inventions, improvements, etc.) to improve the effectiveness of activities in a particular area – in the manufacture of new drugs or products of labor, the use of more efficient technologies, energy sources, improving forms of work organization, financial, trade and socio-political institutions, forms of international cooperation, etc. The list of possible areas of innovation and their application inexhaustible as inexhaustible inventiveness of the human mind and the diversity of economic activity, multiplicity of human interests [1, p. 35, 36].

Analysis of recent research. The concept of innovation has been put into use Schumpeter. Further development of innovations in the works received B. Twist, R. Foster, G. Bahiyeva have not only improved the same concept, but also introduced its specificity for various sciences and activities. Also it should be noted achievements G.Y. Goldstein, V. G. Medynsky and others have introduced innovative marketing concepts directly. However, many studies have presented different approaches to innovation in enterprises, some of which contradict each other.

Purpose of the paper: the definition and implementation of the formation mechanism of the enterprise innovation marketing.

Statement-based material. Begin the process of forming competitive success of firms in the market launch of the new product is set at the intersection of marketing and science and technology decisions. The availability of compatible needs certain market segments and technological capabilities of their software creates a foundation technology-based strategy. However, this is only the beginning. Technologically reliable strategy may not lead to economic success, if the company is no opportunity to organize the production costs of allowing use market prices consistent with purchasing power. Then position the competitive success depends on the status of the company, its resources, strategy and intensity of competitive action by other companies.

Development process and the output of goods on the market comprising the steps of generating ideas prior to commercialization of the product. At this time, the company creates the potential options, consumer receives information about them, assess, eliminate the least attractive, developing experimental models of products, try them and introduces to the market. Savings in the early stages may cause higher costs and even loss on these. Therefore, a reasonable policy consists scrutiny concepts of the goods in the early stages. The main stages of this process are reflected in figure 1.

Overview of the market situation and idea generation starts with awareness of the need to implement a completely new product or, more realistically, to supplement existing product lines. Identified during the analysis of the problem will demonstrate the need for innovation. It is likely that such decisions will follow, and the analysis of trends in the requirements and consumer behavior.

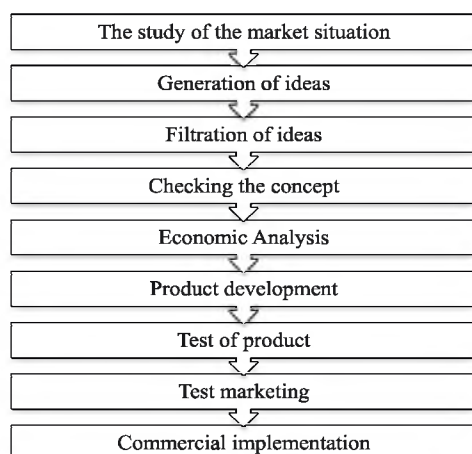


Fig. 1. The process of developing and conclusion of goods on the market
Source: [2, p. 127–128].

In order to determine gap of the markets used gap-analysis. Gap-analysis is performed on the following main elements:

- gap in the product;
- gap in the application;
- gap in the distribution;
- gap in competition.

The ratio between kinds of gap are illustrated by in fig. 2.

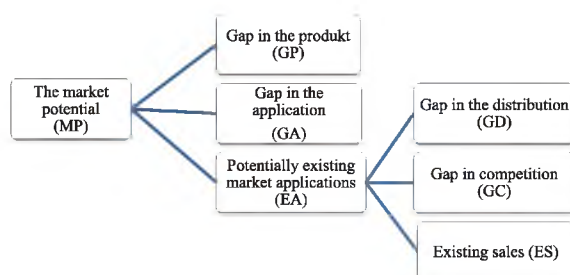


Fig. 2. Scheme of the gap-analysis
Source: [2, p. 138].

During conducting of gap-analysis, the following relationship:

$$MP - EA + GA - GP$$

$$EU - GD - GC - ES$$

$$MS = \frac{ES}{EA}$$

MS – share of occupied by the company.

If the gap-analysis showed the presence of niches, it becomes the next step – the generation of ideas and their filling. Generating ideas – the constant search for opportunities to create new products (services). This includes identifying the sources of new ideas and methods of their generation.

The sources may be members of different services, distribution channels, competitors, government services, etc. Sources, market-oriented, exhibit opportunities based on the wants and needs of

consumers. Source-oriented research and development work, find opportunities to create new products based on fundamental research. In conducting the research and development work should be considered:

- marketing market characteristics;
- competitive status of the company in research and development work, production and management;
- the competitive position of the company and the alleged actions of major competitors;
- socio-economic and political situation in the country.

For today are more than two hundred and methods for generating ideas. These include the brainstorming, morphological analysis, surveys, etc. Appropriate, perhaps more wide collection of any immediate ideas without their critics.

Once the firm has allocated the idea of potential products, it should hold their filtering to exclude from consideration irrelevant. Typically, such filtering is carried out at the initial stage by means of score evaluations ideas on appropriate filter lists, which contained the ideas of assessment criteria, their weight limits and score evaluations. Sample list of such criteria are illustrated by in fig. 3.

1. Market criteria	2. Production criteria
<ul style="list-style-type: none"> • 1.1. The demand for products • 1.2. Prospects of market development • 1.3. The degree of competitiveness of products • 1.4. The degree of market stability • 1.5. Advertising 	<ul style="list-style-type: none"> • 2.1. Equipment and personnel of the enterprise • 2.2. Raw material resources • 2.3. Engineering and technical knowledge and experience of staff
3. Commodity criteria	4. The marketing criteria
<ul style="list-style-type: none"> • 3.1. Quality of products • 3.2. Packing • 3.3. Price 	<ul style="list-style-type: none"> • 4.1. Linking of assortment • 4.2. Realization

Fig. 3. Assessment criteria of ideas
Source: [3, p. 78–81].

The firm should have feedback from customers concerning their ideas and products. Check the concept – then submit a proposed consumer product and assess its relationship to him, and intends to make such a purchase. For customer submitted written or oral information and he is asked to answer the following questions:

- Is it easy to understand the idea?
- Whether there are clear advantages of this product compared to commercially available?
- Evaluation of the likelihood that the information presented?
- Whether there is an intention to buy this product?
- Or will be replaced in the consumer products available new product?
- Whether a new product satisfies the needs of consumers?
- Which can offer improvements in the characteristics of the product?
- What is the estimated frequency of purchases?
- Who exactly will users of the product?

Economic analysis of the ideas of the remaining products are much more detailed than the stage filtration. This is due to the fact that the next stage – the road and continued product development. Therefore, the active use of economic analysis is necessary to promptly remove ineffective options.

Economic analysis should include [4, p. 235–238]:

- 1) forecasts of demand (ratio of sales and prices, the potential short-and long-term sales, seasonality, performance and repeated purchases, replacing the intensity distribution channels);
- 2) cost estimates (total and relative costs, the use of existing facilities and resources, the ratio of initial and operating costs, estimating costs for raw materials and other costs, economies of scale, the cost of distribution channels, the level of achievement of return);
- 3) assessment of competition (short-and long-term performance market position of competitors and companies likely competitor analysis in response to the new products the company);
- 4) evaluation of investment required (in research and development work, testing, promotion, pre-production, distribution and marketing);
- 5) assessment return (period covering the initial cost, short-and long-term overall and relative earnings, price controls, the rate of return on investment and the income from them, risk).

Filtering ideas, concept evaluation, economic analysis – is, in fact, instruments of evaluation and selection of projects.

Please note that the product concept and developed product – very different things. Between them, the huge costs of research and development work and preparation of production.

Following the development of new products working – investment in domestic production. To reduce the risk requires appropriate testing of the product, including the potential consumers. Ideally, the testing process should not be limited to baseline parameters. In order to have paid off the

cost of developing and producing the product, it must maintain its edge in the market for repeat purchases over time. Worth checking maintainability and ease of service of the product and its reliability in continuous operation. Realism – a precious line of business for product development. It is believed that four important developer of evaluation:

1. Test;
2. First recurrence;
3. Addictive;
4. Frequency of purchases.

Test marketing – a perfect tool for product evaluation, promotion and distribution of small-scale [1, p. 35, 36]. Areas conduct test marketing can be different:

1. TV area. In this case, conducted comprehensive campaign using television commercial channels and channels of distribution;
2. Place the test;
3. Local area (for example, next to the supermarket quarters);
4. Test facilities (industrial marketing).

In conducting the test marketing must be received answers to the following questions:

- Which examines the market (which area is best suited for the evaluation of the specific characteristics)?
- What is studied?
- How long is the study?
- What are the criteria for success?
- The decision on how long to continue to work or finish it with test marketing (stay on results or continue in an effort to clarify them, to reduce the risk) is probably the main thing. At the same time a test marketing can also be used to test specific elements of the marketing mix (product releases, features its promotion, environment, distribution channels and price etc.). In this case, can be used smaller amounts of test marketing.

Clearly, the test marketing provides additional information on the eve of release and may enhance its reliability. It should be noted that even at this late stage half of the goods does not pass the criterion of suitability for national release.

However, all test marketing methods have some disadvantages:

- 1) fragmentary (even big test marketing cannot fully present the national market);
- 2) lack of efficacy (often a major part of investments made prior to the test marketing);
- 3) a warning to competitors;
- 4) high cost.

However, only those products that can withstand “market check” can be run in serial or mass production.

Conclusions. That encourages innovation makes them necessary. All exposed above shows that innovation is usually the result of a complex interaction between different areas of the company. Growth and multiplication of human needs, family, society makes all invent new and better ways to meet them. Each successive generation repelled by the achieved level and imposes higher requirements, straining their ability to meet them.

Innovative company – this is not a company in which some truly creative individuals spontaneously coming up with new ideas. Need not only system for ideas. This is not enough. Extremely important

to use all the mechanisms of innovative marketing in the enterprise. Only completing all stages of the process the company will succeed in introducing innovative products to the market.

Also, it is important to handle the needs of consumers to their best satisfaction. After all, only those companies that consistently allocate funds to find innovative solutions and who can mobilize and keep a talented people are truly innovative. Only those firms that are considered innovative marketing as a basis of its strategic development, have the chance to guarantee yourself competitiveness and future success.

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МЕХАНІЗМ ЗДІЙСНЕННЯ ІННОВАЦІЙНОГО МАРКЕТИНГУ У ПРОЦЕСІ ФОРМУВАННЯ КОНКУРЕНТНОГО УСПІХУ НА РИНКУ

У статті розглянуто вплив механізму інноваційного маркетингу на формування конкурентного успіху підприємства. Наведено поетапну характеристику процесу інноваційного маркетингу для розробки ефективної стратегії розвитку компанії в сучасних економічних умовах.

Ключові слова: інновації, інноваційний маркетинг, конкурентоспроможність, поведінка споживача.

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