

Use of innovative marketing in the development of the service sector

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Abstract: The article presents the content and correlation of the concepts of innovation marketing, innovative marketing, marketing innovations. The necessity of innovative transformations in marketing practice is substantiated. The objects and technologies of innovation marketing and innovative marketing are described. Approaches to the interpretation of marketing innovations, types and content of marketing innovations are considered.

Keywords: innovation marketing, innovative marketing, marketing innovations.

Introduction

Innovative technologies of service provision is an area in which an integrated approach ensures the promotion of fundamentally new service complexes on the market, including the services themselves, support for their products, permits and licenses, as well as a new regulatory legal framework. Marketing ensures the promotion of goods and services in the market, and it is necessary to systematize innovative technologies of service provision and provide conceptual apparatus for the formation of appropriate marketing approaches.

For countries with economies in transition, innovative marketing itself is essentially an innovation. At the same time, it should be noted that the formation of a scientific direction in marketing that can be described as "innovative marketing" occurred only in recent years, which creates the need for a full analysis of its possibilities [1].

The service sector occupies a special place in the world global processes, it is increasingly becoming one of the dynamic sectors of the economy with the main factors of sustainable economic growth: scientific developments, intangible assets, information technologies and innovative potential. It is experiencing significant changes in the structure and implemented functions, while the service itself is also changing, which has a significant impact on the process of transformation of the industrial economy into a post-industrial economy.

The existing systems of management of enterprises in the service industry are mainly adaptive in nature, based on traditional methods of management. In such conditions, the role of innovative marketing activities is based on the applied types of marketing, the feeding tool is universal, fundamental marketing, which is stimulated by the new technological order for its development. The joint development of general and applied marketing gives rise to the concepts and technologies of company management adapted by service enterprises, meeting the requirements of the time, which allows to increase their competitiveness and market efficiency. There are necessary conditions for the formation of new types and paradigms of marketing, which require the development of new approaches and specific methods, whose role and importance are increasing in the process of modernization of the economy. These circumstances determine the relevance of the topic of the scientific article.

Literature review

A competitive environment is often characterized by price wars and low profitability because customers use price to make purchasing decisions. Consequently, firms operating in a competitive environment focus on using more resources to remain competitive. In competitive conditions, only high satisfaction can lead to customer loyalty and prevent customer churn. Anning-Dorson & Nyameke investigated the interaction mechanisms of competitive intensity in different contexts [2]. Nevertheless, the moderating effects of competitive intensity on the performance of service and marketing innovations, and how they affect customer satisfaction, have not been sufficiently analyzed in marketing. In a highly competitive environment, customers have several alternatives to meet their needs. It is possible that the impact of service and marketing innovations on customer satisfaction may depend on the intensity of competition [3].

E. P. Golubkov interprets innovative marketing as an independent concept, according to which the organization must constantly improve products and marketing methods. At the same time, innovative marketing is created and works for innovative products, which may include industrial and technical products, consumer goods and service products. Each group of goods has its own "specific characteristics of using marketing tools depending on the type of innovative product" [4].

Considering innovative marketing as a concept, T. Korotkova and A. Vlasov notes "a more effective process of creating, developing and selling innovative products compared to competing companies" in innovative marketing as a feature. This implies the use of innovative methods in marketing activities [5].

As specific features of innovative marketing technologies V. D. Sekerin distinguishes work not by the physically existing product, but by the development of its concept [6]. Therefore, there are specific methods that distinguish innovative marketing from traditional.

Thus, innovative marketing is a special direction of modern marketing, based on the use of innovative methods and technologies specific to marketing. For various aspects of marketing activities (purchases and product marketing, small and medium business marketing, etc.), there are important features of the operation and use of individual technologies and methods of innovative marketing.

Among the structural elements of innovative marketing, D.V. Erokhin singles out "innovative market research, market testing, analysis of the market situation with further development of market segments, organization and formation of demand, modeling of customer behavior" [7]. All innovation marketing activities can reduce market risk and uncertainty, increase market acceptance and perception of innovation.

Analysis and results

There are three main groups of changes taking place under the influence of innovation in service enterprises:

- changes resulting from transformations in the external environment;
- changes related to the needs of the enterprise in the course of its activity with preservation of its functions (stabilizing changes) or changes;

- stimulating internal changes due to changes and "feedback" resulting from the results of the enterprise's activities in the external environment.

All three types of changes are aimed at ensuring stable operation. If the result of innovative activity is considered as a coherent chain of new values and needs, then all kinds of changes can be implemented.

In modern practice, changes in the service sector are either extensive or intensive. Extensive development implies changing the volume of products and services within the existing capacity of enterprises. This is typical for dynamically developing service markets, where demand significantly exceeds supply, and service consumers have new requirements for the content and quality of services. Intensive development is aimed at increasing the capacity of the service sector due to the rational use of internal resources of enterprises, which is possible only if the enterprise is clearly competitive.

These directions of change are not accompanied by the formation of new capabilities of service enterprises aimed at future changes in value directions and consumer preferences, which are possible only through innovative activities. The latter provides enterprises in this field with a stable position in the market throughout the entire life cycle of goods and services, flexible maneuvers in providing services to consumers in conditions of uncertainty. In fact, we are talking about a constantly updated process of changing the service industry.

This process, in our opinion, is multifaceted and includes issues of strategic planning and management, activation of scientific research, marketing, organizational design of the service sector, formation of a team of performers whose activities are innovative.

It can be said that the innovative process of forming the service sector corresponds to the consumer market, with the understanding of the reasons for the emergence of innovations, their importance and necessary direction, the scope of their application, the level of innovation, and the level of innovation. characteristics of the structure of the life cycle, the depth and scope of changes, as well as differences in meeting needs in certain segments of the consumer market.

The appearance of a new product in the consumer market affects the relations of economic entities in providing services to consumers. As a result, innovative activity can be characterized as the development (implementation) of large-scale innovations in industry, organizations and economy related to:

- production of new products and services;
- application of new technologies and/or development of new equipment;
- use of new sources of resources;
- introduction of new forms and methods of organization of production, labor and management;
- exploring or mastering new markets.

Consequently, innovative activities serve as organizational and managerial support for the implementation of all stages of the product life cycle. The range of innovation management tasks is expanding and includes marketing support for innovation and management of intellectual property being created, organizing

investment in innovation and overcoming employee resistance to change. All this requires the formation of a scientific, methodological and theoretical foundation and the development of appropriate tools. Inadequate assessment of the characteristics of innovative activity and insufficient development of theory and methodology in the service sector lead to a significant decrease in the effectiveness and efficiency of innovation, which often affects the competitiveness of the organization.

Marketing innovation is the successful implementation of new techniques and methods designed to improve results and increase efficiency. Innovative marketing is the synthesis of various combinations or knowledge in a specific activity, the introduction of new products, services or activities. Innovation in marketing is a multi-stage process in which the organization transforms ideas into new or high-quality products and services in order to compete, develop and succeed in this market sector. This type of marketing involves a creative approach in creating an idea for a significant difference in the marketing field. Innovation always begins with the creative idea of individuals or groups that become the starting point for innovation. Innovative marketing, like economic marketing, is a management process that requires certain tools and standards. It should be remembered that innovation often intersects with the concept of creativity.

Innovations in marketing can be different and may include:

1. Introducing a completely new product or improving the quality of an already produced product.
2. Introduction of the latest production method and another method of commercial processing of products.
3. Purchase of the latest resource or goods free of existing or newly created resource to capture the market.
4. Increase the competitiveness of existing new or improved products, improve their image and increase their market power.
5. Reducing the resource intensity of the product and increasing the amount of cash flow.
6. Creating competitive advantages for a new product.

The concept of marketing innovation is part of the basis of market analysis and competitive strategy selection. As a complex, innovative marketing can include strategy creation, market research and operational marketing. This marketing is carried out in five stages: consumer analysis, search for possible risks in the introduction of innovations, analysis of strengths and weaknesses in the competitive environment, strategy selection, control of the marketing plan (Figure 1).

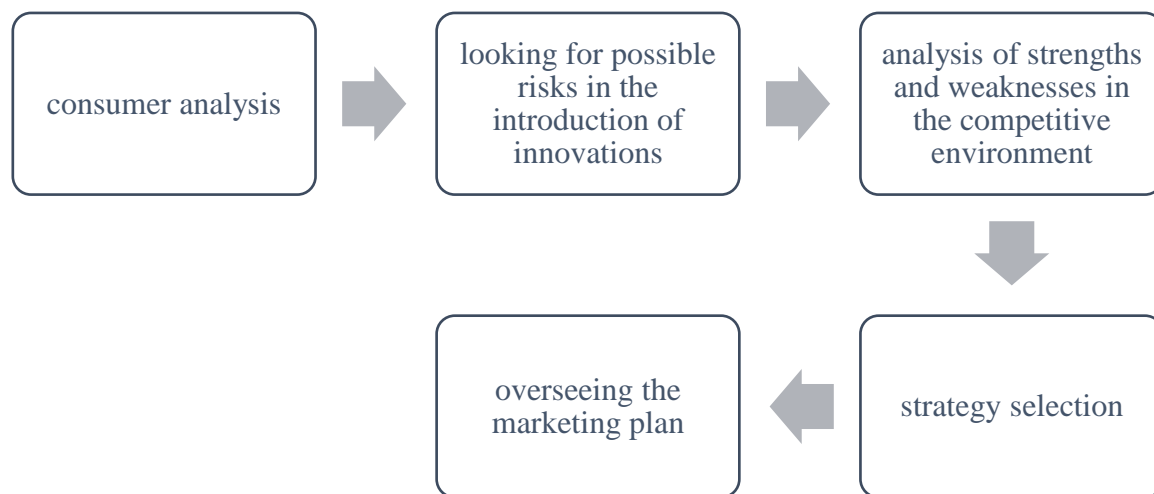


Figure 1. create an innovative marketing strategy

**figure compiled by the author*

Businesses innovate in a variety of ways, often focusing on scientific research for the positive results of innovation. But innovation can also be produced in many other ways, such as by combining skills and changing exchange activities. Customers who buy goods or use services are key facts in the field of choice and innovation. Strategic marketing of innovations is determined by product positioning and market segmentation.

An important point in the selection of innovations in marketing strategies is to study and forecast the demand for the introduced new product or service. This happens as a result of an in-depth study of the perception of buyers of a potential innovation. In the process of introducing innovations, strategic analysis of the project is considered necessary, during which it is necessary to decide what product, what quality and to whom it will be offered. Therefore, strategic marketing of innovations is carried out by marketing staff and social services of the organization in direct contact with the consumer (it can be questionnaires, surveys, etc.). But a business cannot grow by cutting costs, innovation is a key element that leads to strong revenue growth and improved bottom lines. In today's era, when the economy is constantly developing, innovative marketing assumes a concept based on the continuous improvement of marketing methods and products. Innovation is, first of all, continuous development, and development in the field of marketing means increasing the profitability of production and expanding the types of products for sale.

According to O. M.Hotasheva, the following can be distinguished among the most common types of marketing innovations:

- use of new methods of marketing research;
- use of new market segmentation strategies;
- choosing a new marketing strategy to reach and develop the target segment;
- change the concept defined in the assortment policy;

- change the life cycle curve;
- repositioning of goods;
- change the existing or use a new pricing strategy, new methods of installation initial price and/or discount system [9];
- building new trade channels, changing the direction of the company's trade policy, entering new trade markets;
- use of new forms and means of communication policy: new type, nature and means of advertising or selection of non-traditional methods for promoting sales and attracting consumers for firms, etc. [8].

It should be noted that marketing innovation can be developed in parallel with technological or product innovation, slightly changing, supplementing or updating the final product. Marketing innovations can be separate, act as a separate product that is offered to the market and developed in accordance with the needs of consumers. Marketing innovation can be used to more effectively promote an existing product or service based on innovative marketing technologies [7].

Thus, there are three main approaches to understanding marketing innovation:

1. Marketing innovation is the result (or parallel process) of introducing other types of innovation (technological, product, environmental and other innovations).
2. A marketing innovation is a distinct product offered to the market.
3. Marketing innovation - innovative marketing technology (method) (Figure 2).

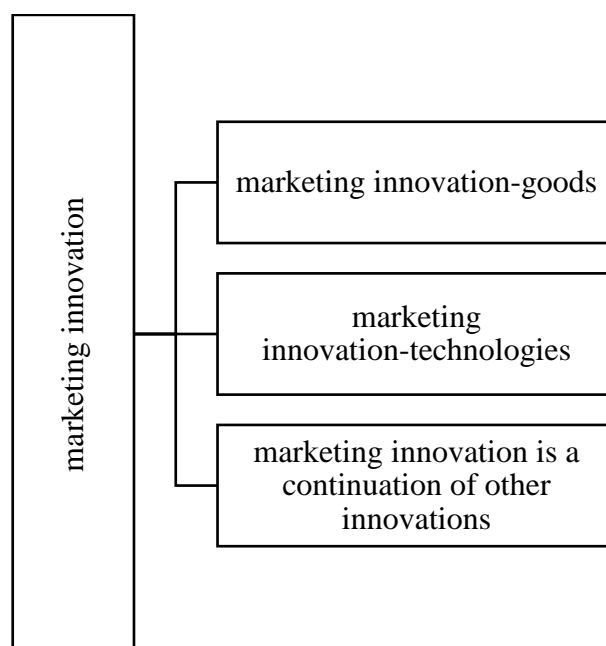


Figure 2. Definition of marketing innovation

**figure compiled by the author*

Conclusion and recommendations

In conclusion, the following can be given:

- Innovative marketing – use of traditional marketing tools, technologies and methods to bring innovations to the market.
- Innovative marketing - use of innovative marketing tools, technologies and methods to promote innovations or existing products (services) to the market.

- Different technologies and innovative marketing tools are used at each stage of the product life cycle.
- Marketing innovation can act as a stand-alone product or be an innovative marketing technology.
- Costs of marketing innovations are less than costs of other types of innovations (technological, technological, organizational, product innovations).
- Marketing innovations can be developed separately or in parallel with other innovations or be the result of other types of innovations (technological, technological, organizational, product).
- Marketing innovations are two-sided and can be considered from both the producer and consumer side.
- The shorter the period associated with the development and implementation of a marketing innovation, the higher the company's opportunity to get the maximum benefit from the service.

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