

Innovative Marketing Decisions for Business Success

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Abstract: *The development of communication and logistic technologies in recent decades has led to reduced effectiveness of traditional marketing techniques. In the conditions of online marketing, multi-channel distribution and fragile market environment, companies are directed to searching for new approaches: development of integrated platforms for marketing and promoting creativity. Marketing in real time is seen as a tool to increase efficiency, achieve conformity in capacity utilization/ distribution channels and improving the market position of companies. Flexible bidding, as part of the dynamic marketing approach, generates results that underline sustainable growth of businesses. Innovative Marketing focuses on the opportunity of influencing key relations (benefits/costs/risks) in search of a favorable change for consumers and companies. The benefits of implementing innovative marketing techniques are utilized by companies, non-governmental organizations, consumers and society as a whole.*

Keywords: *innovative marketing, real time and creative marketing*

1. INTRODUCTION

Decreasing consumer sensitivity to traditional marketing means makes companies seek new approaches and means for attracting their attention to the particular offer. The prerequisites for developing innovative marketing are the high values of MROI in online advertising, the intensive introduction of communication technologies in business and household everyday routine, the high level of competition and the search for opportunities for decreasing general costs for companies and consumers.

2. INOVATIVE MARKETING TARGETING

In conditions of economic crisis and informational accessibility there consolidates the relevance of marketing that is oriented at increasing usefulness and lowering the risk for consumers (Table 1).

Table 1 Target orientation of innovative marketing

Targeting of innovative marketing	Characteristic features
Innovative marketing oriented at decreasing costs (including marketing costs).	It includes the use of innovative marketing approaches and means that considerably lower general costs of companies and increase economic efficiency. One can also link this with solving social issues concerning ecology, urban settings and rational utilization of resources.
Innovative marketing that is oriented at increasing revenues and usefulness for consumers.	There is an emphasis on the chance for the company to have additional revenues and rely not only on net incomes from selling company products. Another aspect of innovative marketing is developing usefulness for consumers through adding properties, functions, services and so on which guarantees competitiveness of the product offer in the target market segments.
Innovative marketing that is directed at lowering risks for intermediaries and consumers.	Working out new stimulating means and conditions which considerably lower the risks for clients.

Marketing innovations based on the combination of variables which favor the relation benefits-costs-risks are exceptionally appropriate for companies irrespective of their size, scale and market scope. While product innovations are the priority of large and medium companies, in general marketing innovations are attractive and possible for everyone who values marketing potential for development (Table 2).

Table 2 Guidelines for developing innovative marketing

Guidelines	Specifics
Innovative marketing means	They are favored by the development and large use of new technologies in business and households. Part of them are directed at keeping the environment and creating attractive urban settings. The use of untraditional marketing means increases.
Innovative marketing approaches	In the last couple of years experimenting has gathered momentum, new approaches for marketing impact on target audiences have been tested.
Innovative marketing concepts	Real-time marketing requires working out and licensing unique marketing concepts that are specific for the particular business.
Innovative marketing platforms	Working out new communication and distribution channels of the type B-B-C, B-G-C and B-C-C contribute for increasing company sales and improving its market position. Of exceptional importance for municipalities and companies is to work out platforms for marketing territories.
Product innovations	Companies invest means in product innovations that are oriented at increasing their competitiveness on the national and international market.
Innovative marketing processes	High technologies result into changes of marketing processes. Working out specialised marketing software is directly linked to innovations of processes.

There are certainly conditions for developing marketing innovations in Bulgaria. An evidence for this are the data about the share of innovative enterprises as part of their total number in the country – according to NIS data in 2008 it accounts for 23.9% (Table 3). Leaders in innovation nationwide are the enterprises in the sphere of industry.

Table 3 Share of innovative enterprises²⁴ from the total number of enterprises

Economic activities (NACE rev. 2) Groups according to the size of enterprises and the number of employees	2008
Total	23,9
Industry ¹⁾	29,2
Services ²⁾	16,3
10 - 49 employees	20,3
50 - 249 employees	32,0
250 and more employees	59,2

¹⁾ Includes sectors B, C, D and E.

²⁾ Includes sectors H and K, and divisions 46, 58, 61, 62, 63 and 71.

Source: National Statistical Institute, Bulgaria

The share of selling new and improved products that are new for the market from the overall turnover of companies in the country in 2008 reaches 7.8% (Table 4). Bigger is the relative share in large companies with 250 and more employees.

²⁴ Enterprises with technological innovations (product, processes, with incomplete or suspended innovative activity). Source: <http://www.nsi.bg>

Table 4 Share of the turnover made by new or improved products that are new on the market, from the total number of enterprises

Economic activities (NACE rev. 2) Groups according to the size of enterprises and the number of employees	2008
Total	7,8
Industry ¹⁾	13,1
Services ²⁾	2,5
10 - 49 employees	1,8
50 - 249 employees	3,9
250 and more employees	12,9

1) Includes sectors B, C, D and E. ²⁾ Includes sectors H and K, and divisions 46, 58, 61, 62, 63 and 71.

Source: National Statistical Institute, Bulgaria

The statistical data on Bulgaria show a tendency of increasing company interest in innovations. This trend also focuses the attention on marketing innovations that are the basic drivers for the prosperity of companies and society as a whole.

3. INOVATIVE MARKETING DEVELOPMENT

Innovative marketing means have two main tracks of development. The first is oriented at the abilities of Internet-based technologies (as well as of integrated technologies) and the second is oriented at ecological marketing. There increases the use of marketing means based on the “snowball” model in a highly technological setting. The reason for increasing their popularity and development are:

- Increased use of Internet from households and companies;
- Increased influence of Internet information in the process of making buying decisions;
- Companies take advantage of the opportunities for C2C communication;
- Some of the regulations (restrictions) regulating company business but not affecting C2C communication are overcome;
- High marketing efficiency of Internet-based means;
- Low-cost budgeting;
- Relatively lower marketing risk ensuing from communication and others.

The second development trend – ecological marketing becomes more popular with its untraditional means of communication. The emphasis is mainly on advertising which goes beyond the usual formats through using the flora and infrastructure of the country. The advantages of eco-advertising are in its contribution for better urban settings which has the potential for considerable social effect. Besides, eco-advertising makes it possible to utilize high communication effect in making popular regional and nationally important events on the territory.

There is a growing opportunity to invest in innovative marketing approaches. Parts of these are aimed at creativity for product development, others – at advertising creativity and flexible price setting. One relies more on consumers for generating creative marketing. Global companies like Coca Cola orientate at utilizing opportunities for marketing creativity through involving consumers.

To work out innovative marketing concepts²⁵ one relies again on the creative resource of consumers. In working these out technological means allow to involve lots of individuals which increase the uniqueness and applicability of the concepts and makes them accessible for company managers in real time.

Creating marketing in modern conditions requires investment in platforms. They can be corporate based and serve the company interests or integrated – of the type B-B-C, B-G-C and B-C-C. Independent marketing solutions, decisions and efforts of companies and local government cannot ensure sustainable development of areas/regions. In the new conditions of social and market developments there is a need to develop an integrated platform for implementing the marketing of territories at the highest professional level. Stand alone, incremental investments on the territory are not sufficient resources for sustainable growth and development. To achieve overall long-term impact of investments in production and trade, infrastructure, education, health, etc., coordination between marketing investment projects is required, to ensure each of the goals is achieved individually as well as overall effectiveness. Integrated platforms for marketing of territories will contribute to adequately inform the target decision groups in the area, combining individual efforts and activities,

²⁵ See the model of Coca Cola: <http://embrioo.com/en/users/register-consumers>

coordinating investment activities of entities, offering complex deals, encouraging public-private partnerships and promoting the regional products and overall brand.

Product innovations directed at improving the balance between benefits/costs/risks/ in conditions of economic crisis are based in priority on low-cost investment. The arguments in favor of making low-cost investments are:

- The continuing crisis that affects companies and households.
- Market instability in particular businesses.
- Higher marketing risk in conditions of instability.
- The opportunities for using information²⁶ for the goals of product innovations and others.

It is important to use incoming information from the feedback with clients which has valuable ideas for innovations and marketing adaptation. It is necessary also to stimulate clients to get involved in the processes of working out new products which would considerably lower the risk of market failure. Marketing researches show that about 23% of the opportunities for innovation come from customers²⁷, 5% come from individuals who sell and 3% come from companies involved in product distribution. The potential of product innovation through using contacts along the vertical of distribution channels will gain more and more importance in marketing and will contribute for balancing financial and social values in innovations.

In the last couple of decades marketing processes fall under the strong influence of information and communication technologies. Horizontal and vertical integrations in the field of information are a prerequisite for designing “real time marketing” which is based on current marketing results and resource potential. For example, if there is marketing in a cinema it means to maximize company revenues through using the capacity of the cinema itself. Static marketing is not able to maximize revenues because of the chance for missing benefits in providing a marketing offer that is not updated. In other words, the difference between dynamic and static marketing is:

- Dynamic marketing takes into consideration the changes of setting which are reflected in the marketing offer immediately. Static marketing is designed long-term for certain conditions and does not allow updating in real time which leads to a number of problems such as unnecessary stockpiling, unrealized benefits from capacity, unrealized benefits from lack of stock and others.
- Dynamic marketing creates customer expectations for favorable changes which generates extra interest in the company. Static marketing is unable to retain customers long-term.
- Dynamic marketing looks for opportunities beyond the planned values, while static marketing is based on the marketing plan.
- Dynamic marketing searches for opportunities to utilize extra revenues (from advertising, commissions, etc.), while static marketing relies mainly on revenues from selling company products.

In order to carry out real-time dynamic marketing the company needs to have capacity, information, updated processes and decentralization of marketing decisions. The conditions presupposing the introduction of real-time marketing in companies are (Table 5):

²⁶ The information positioning of companies in a competitive environment is a factor for improving their marketing performance.

²⁷ Source: Terwiesch and Ulrich survey of 524 managers in diverse service and product industries via K@W, October 2006.