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Dimension of marketing innovations and marketing of innovation in enterprises

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Summary. Marketing and innovative operations are closely connected areas of enterprising activity. 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. Nonetheless, it appears that marketing innovation itself is not obviously considered in activities of SME sector. It is often misguidedly identified with marketing of innovation. The purpose of the paper is to raise the question of innovations and the classification of them with specific compliance of marketing character as well as dimensions of marketing innovation and its customization for the management of service companies.

Introduction

Marketing innovations and marketing of innovation are quite similar terms 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. The goal is also to define economic dimension of knowledge in innovation process. Knowledge contained in people's minds and technologies has always possessed central meaning for economic development. It is stated that economies of highly developed countries become increasingly addicted to the ability of producing,

distributing and using all kinds of information. The knowledge as well as ideas resulting from it constitute the most significant competitive superiorities nowadays.

Economic dimension of knowledge and innovation in SME service enterprises

The core of knowledge can be considered as comparison of accepted, valuable information, integrating data, facts, experience, intuition or even hypothesis (Brilman, 2002, p. 295). The knowledge constitutes essential component element of the process creating innovation, nonetheless possessing it is not a guarantee of inception of innovation in a company. Usefulness of knowledge, as the competitive superiority results from the activities leading to its creative creation as well as collective using, which, as a consequence, leads to insurgency of widely respected innovation (Baruk, 2006, p. 18). Knowledge in service companies is a significant advantage, often more important than, for example, technology. It evinces in the form of new makings, processes, organizational structures as well as new methods of proceeding which support the company in effective action and create the atmosphere for the growth of entrepreneurship (fig. 1).

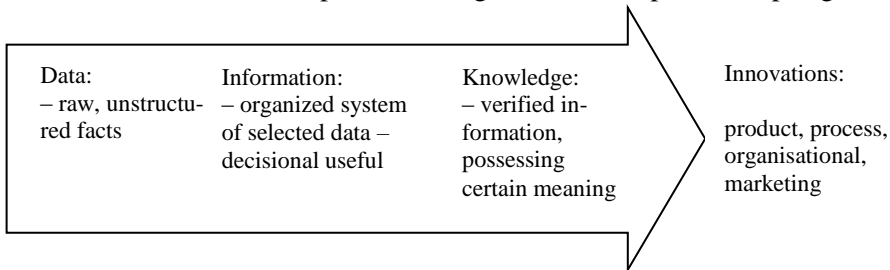


Figure 1. Generating knowledge in process of creation of innovation

Source: own elaboration on the basis of: Szarecki, 2012; Baruk, 2010, p. 54.

Innovations are products of human invention and thus they are function of knowledge possessed by humans. The scope and scale of innovativeness illustrates changes, which are accomplished in the sphere of human knowledge and the definition of innovation itself is more and more used to describe phenomena and processes of economy on the level of micro-, meso- as well as macroeconomic (Markiewicz, 2010, p. 14).

The phenomenon of innovation is inseparably connected with the concept of change, novelty, reform or idea perceived as new (Stawasz, 1999, p. 11) which make them suitable for service companies. In addition to that the tempo of innovative changes and the speed of its diffusion stimulates the intensity of knowledge development thus confirms its importance and indispensability. As a result, present and future structural and technological solutions will depend on

the ability of formalized and unformalized technological learning by service enterprises.

Companies desiring to function in competitive environment, have to participate in creative creation of knowledge (Stawasz, 1999, p. 11). Independently to other factors such as capital or work, it becomes the most important determinant of economical success of the enterprises in new conditions of competition and development of globalization (Niedzielski, Rychlik, 2006, p. 155). According to J.A. Schumpeter – the main motor of economy development is variability of the environment (Janasz, 2004, p. 52–53). The service enterprise, in order to be effective, cannot allow itself for temporary retention, it should progress. According to P. Drucker, the company does not have to become bigger but it has to become better and better (Schumpeter, 1960). Every enterprise should, taking into consideration the character of the environment, modify their resources in the way to gain superiority over other competing enterprises.

Competitive superiority, the way of forming it, should constitute important value in preparation and realization of marketing strategies. P. Drucker states that marketing and innovation belong to basic function of every enterprise, not only service and not only technological (Drucker, 1992, pp. 52–55). The basis of marketing management are continuing innovations, thanks to which the enterprise fits the environment in its actual and anticipated shape. Thus, innovations can be treated as the marketing aspect, in understanding, that with their action the results of marketing operations arise (Bielski, 2007, p. 6). Enterprises desiring to compete on the open market, should declare the awareness of innovation as well as effectively use it. Experiences expressed in the tendency to innovation, in the understanding of leading new products, technologies and services, are respected nowadays as one of the basic attribute of economical competitiveness worldwide (Janasz, 2004, p. 28).

In case when the marketing entities will not increase the scope of their abilities to create and absorb the innovation, it leads to placing such an economy on the periphery of the economic space. Low level or lack of innovativeness will lead to addiction in economical aspects, political and scientific at the same time (Kukliński, 1995, p. 7). For many enterprises of SME sector, the biggest challenge connected with innovations, is not a creation of new concepts but effective management, thanks to which novelty brings required reimbursement of invested by the service company inputs in the form of money, work and time.

The concept and classification of innovation and place of marketing

Innovations became very commonly used term both in the theory of economy and economical practice, in the debates over the market situation, among the politics as well as entrepreneurs. It was accepted that innovations were considered as determinative of the enterprises development as well as determinative of

the whole countries in the economical – social dimension (Janasz, 2004, p. 12). It is similarly said that innovations can be treated like some kind of a „key word” intuitively understood. In spite of already existing scientifically thesis showing certain problems of general innovation theory, we can notice the lack of universally binding definition of this phenomenon (Pomykalski, 2001, p. 15).

The word „innovation” comes from the Latin notions of „innovare”, „innovatis”, „innovatio”, which constitute the terms of creating something new or revival (Niedzielski, Rychlik, 2006, p. 17). Table 1 exhibits isolated notions of definitions, together with surnames of authors of definitions, as well as main assumptions within the analyzed terms.

Table 1

Selected innovation definitions

Author	Assumptions
J.A. Schumpeter	<ul style="list-style-type: none"> – manufacturing of new product or introducing the goods with new properties on a market – introducing of new method of production – opening the new trade area – acquisition of new sources of raw materials – leading new organisation of some industry – application of new ideas, discoveries, inventions, effects of creative thinking, for technical and organisational changes
H.G. Burnett	<ul style="list-style-type: none"> – capacious aspect of novelty – solution substantially differing from solutions used hitherto – changes possessing original characted, which arise for the first time
E.M. Rogers	<ul style="list-style-type: none"> – idea, practice or object perceived by the individual as new, thus everything which is perceived as new, independently to objective newness of particular idea or thing – it is not significant if some idea is objectively new , newly discovered or created but if it is treated by people as pioneering
W. Niesierkowski	first practical usage of invention
S. Kasprzyk	the way of satisfying new needs, unknown before
E. Jantsch	innovations embrace sequential set of proceedings, comprised of creative preparation and formation of new state of thoughts, satisfying certain needs of consumers, then transforming it in certain segment into one of sub-schemes of global scheme
S.P. Robbins, D.A. DeCenzo	transformation process of creative idea into useful product, service or way of operation
S. Kuznets	<ul style="list-style-type: none"> – innovation can be an application of a new method for gaining the useful aim – essential are all three properties in the form of: occurrence of a new method, positive outcome as well as application, which distinguish the ideas of innovation from theory or project.
M. Abramovitz	innovation focuses on explaining, at the level of enterprise, the processes of growth of the production and efficiency, which can not be assigned to the bigger use of productive sources in the conditions of unchanged market factors and scale benefits

R. L. Daft	share of innovation on the areas describing at the same time the process of the birth of innovation, in a form of following events : the need, the idea, the reception, the implementation as well as the potential
M. Porter	<ul style="list-style-type: none"> – exploitation of new ideas – continuum of technical - organisational changes embracing on the one hand simple modifications of already existing products, processes and practice to completely new products and processes
A. Pomykalski	<ul style="list-style-type: none"> – innovation is a process embracing all operations connected with creation of idea, formation of invention and then, implementation of the new product, process or service – the result of technical processes, social, economical, legal, cultural, as well as organisational, that can be shaped, which allows for interpretation of economical - social connections characterizing the innovations
P. Niedzielski	novelties in the competitive area of enterprise, thus in the market area, in which companies offer the same or similar products (or services), fight for client and profits
L. Białoń	introduction new goods to production, but also start-up of new technological processes and organisational systems for achieving higher effectiveness of management, where as an effective we understand the growth of the degree of realisation of the aim in particular organisation with particular means
L. Giermakowski	the change, referring to the means of production, the objects, methods and conditions of production, is led by a human in order to achieve particular profits either economical or / and social
S. Kwiatkowski	innovation is an inner process, equally technical, social, cultural, organisational

Source: own elaboration on the basis of: Schumpeter, 1960, p. 103–104; Burnett, 1953, p. 7; Dworczyk, Szlasa, 2001, p. 17, 74; Rogers, 1962, p. 13; Nisierkowski, 1997, p. 45–46; Kasprzyk, 1994, p. 11; Jantsch, 1972, p. 30.

Nowadays taxonomy led by the Oslo Manual is very popular – it embraces four kinds of innovations in the form of products, process, organization, marketing. This classification is completed with technological innovations (product and process) as well as non-technological (organisational and marketing) according to service and technological enterprises.

In the literature, the classification of kinds of innovation is often based on the criterion of the manner of their production, thus the process of innovations creation differentiates their character (Keeley, Walters, Pikkel, Quinn, 2013, pp. 16–18). Ampleness of this taxonomy shows the broadness of the notions division and how voluminous it is. While analysis of kinds of attempts to the innovation classification, it can be noticed that authors use slightly distinct ascertainties while describing close or similar issues.

The common feature of aforementioned kinds of innovations, regardless to their criterion of division, is fulfillment of client preferences (either internal or external) in completely new or even more perfect way. What's more it is noticeable that in classification of innovation the dominant attempts are to group them relying on the dimension of the novelty of particular conception as well as its rendition for functional features (Chandy, Prabhu, 2011, p. 7).

Marketing aspect in innovations is noticeable not only in definitions of innovation, but also in its classification. What is more, if it is not included in literal definition, it often possesses its „overtone”. Alluding to J.A Schumpeter definition, we can notice the connection between innovations pointed out in original definition in the scope of entering into a new market and then conception of marketing innovations that fructified with the individual term of marketing innovations. This connection establishes in some way the position of the kind of innovation as an important issue, not one of those resulting only from temporary trends. Moreover the aspect of marketing in innovations becomes more significant from one year to another, which is reflected not only in the theory of literature but also in business practice.

The scope of application of marketing innovations and marketing of innovation in SME service enterprises

Marketing, as a one of key areas of managing in enterprises, appeared in theory and practice of business in the period of 50-ties in previous century. During decades major changes took place and marketing itself became philosophy of action penetrating all cells of organization in enterprises.

Changes happening on the market, the pressure of arising competition were throwing down new challenges, thus the need of marketing thinking and acting became stronger and stronger. Similarly, the knowledge about innovation was developed and systematized. Nonetheless progressive development of economy caused rapid obsolescence of earned theories in favor 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 the 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 third edition (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 (Forin et al., 2010, p. 19). Entities, on which marketing innovation is based, are shown on the figure below, they are the same for technologically oriented and service companies (fig. 2).

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, p. 56).

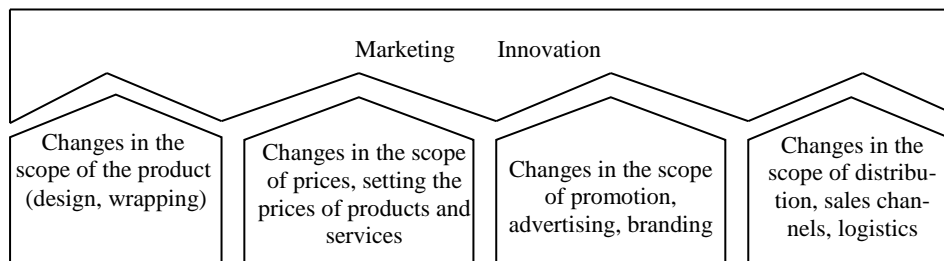


Figure 2. Marketing innovations according to Oslo Manual

Source: Oslo Manual, 2005, p. 56.

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.

Conclusions

The areas which pertain to marketing innovations, are so close and easy to define for every entrepreneur 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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Wymiary innowacji marketingowych oraz marketing innowacji w firmach

Słowa kluczowe: marketing, innowacje, innowacje marketingowe, przedsiębiorstwa usługowe, sektor MŚP

Streszczenie. Marketing i innowacje są bliskimi obszarami działalności przedsiębiorczej. Wsparcie marketingowe procesu innowacyjnego jest wpisane w zakres badań nad ekonomiczną transformacją wiedzy w formie praktycznej implementacji rezultatów badań. Mimo tego wydaje się, że innowacyjny marketing nie jest w jednoznaczny sposób brany pod uwagę przez sektor MSP. Często jest błędnie interpretowany jako marketing innowacji. Celem artykułu jest podniesienie kwestii innowacyjności i klasyfikacja innowacyjności ze szczególnym uwzględnieniem ich marketingowego charakteru, a także wymiarów innowacyjnego marketingu i jego dostosowania do zarządzania przedsiębiorstwem usługowym.

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