

# Innovative Marketing Tools as a Factor for Increasing Competitiveness of Enterprises

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**Abstract.** This article is devoted to the consideration of Internet marketing as one of the important tools for innovative marketing. The author explores and describes the basic concepts of innovative technologies used in modern marketing. It also conducts research on technologies used in the country.

**Keywords:** Innovative marketing, internet marketing, foreign experience, consumer demand, business structures.

## 1. INTRODUCTION

Competitive advantages generate greater value for a firm and its shareholders because of certain strengths or conditions. The more sustainable the competitive advantage, the more difficult it is for competitors to neutralize the advantage. The two main types of competitive advantages are comparative advantage and differential advantage.

Competitive advantage is the favorable position an organization seeks to be more profitable than its rivals. To gain and maintain a competitive advantage, an organization must demonstrate a greater comparative or differential value than its competitors and convey that information to its desired target market. For example, if a company advertises a product for a price that's lower than a similar product from a competitor, that company is likely to have a competitive advantage. The same is true if the advertised product costs more but offers unique features that customers are willing to pay for [13].

## 2. LITERATURE REVIEW

In the 1980s, professor Michael Porter at the Harvard Business School looked at successful businesses and created a framework for how leaders could think strategically about beating the competition. Porter suggested that companies analyze five important criteria, which Porter called the Five Forces, to gain an understanding for the competitive landscape. Once achieved, he recommended the use of three generic strategies to help leadership make the best choice about which type of competitive advantage they should pursue.

Porter's Five Forces is an alternate model to SWOT (Strengths, Weaknesses, Opportunities, Threats), an analysis tool credited to Albert Humphrey at the Stanford Research Institute to help companies get a sense of their position within a competitive landscape. Porter taught his students at Harvard about SWOT analysis but felt the tool had limitations because it placed too much focus on individual companies rather than on industries. Porter saw the need for a framework that also looked at the competitive landscape holistically, in the context of an entire industry. The simple framework that Porter developed for achieving a competitive advantage in the marketplace is still being taught in business schools today.

In his 1980 book *Competitive Strategy: Techniques for Analyzing Industries and Competitors*, Porter maintains that the appeal of a market segment is determined by the following five competitive forces:

- Threat of new entrants. How easy is it for a new competitor to enter the market?
- Rivalry among existing competitors. How many competitors offer a similar product at a similar price?
- Threat of substitute products or services. What is the likelihood a customer will switch to a similar product?
- Power of buyers. How easy is it for buyers to drive prices down?
- Power of suppliers. How easy is it for suppliers to drive prices up?

The first three forces are sometimes referred to as horizontal competition. Variables in horizontal competition include the possibility of new competitors entering the market, the rivalry among existing competitors, and the threat posed by substitute products or services.

The last two forces are sometimes referred to as vertical competition. Vertical competition is dependent upon supply chain; the price of raw materials; the cost of labor; and the customer's relationship with a product, brand or company [5].

Finding an innovative idea is as difficult as it needs to be simple, like everything ingenious. "If a company works

with the same customers, products and markets, it will surely fail," - said Philip Kotler (Philip Kotler).

Marketing innovations in the scientific economic literature are presented as the creation and provision of goods or services that offer consumers benefits that are perceived by buyers as new or improved, while distinguishing between inventions and innovations.[6]

G. Foxol, R. Goldsmith, S. Brown raise the question of the need to distinguish between the concepts of "innovation in marketing" and "consumer innovation", which closely interact with each other. Innovation in marketing, according to the above authors, "is something (trademark, product, idea, service, experience) that members of the social system perceive as new" [7].

Innovation can be a technological change, a new activity, the use of new materials in the production of goods, a new brand. The perception of an object as innovative depends on its perception by each of the participants in the sphere of exchange.

### 3. ANALYSIS AND RESULTS

The marketing structure always has four main components:

- 1) goods (product) - the provision of services or the production of goods needed by potential consumers;
- 2) distribution (place) - the definition of methods and effective channels for marketing products;
- 3) promotion (promotion) - effective presentation of information about the product to potential customers;
- 4) price (price) - determination of the optimal pricing strategy.

Important, in the interests of the entrepreneur, are such skills as the ability to attract, retain and constantly increase the target audience [5].

The term "traditional marketing" implies a set of principles, concepts, methodological developments accumulated by scientists, practitioners, brand managers, consultants over the past century. Marketers say: "Keep your finger on the pulse of the processes taking place around you." Although they themselves do not always respond to changes that relate to the scope of their professional activities.

Traditional marketing is mostly focused on the functional properties and benefits of a particular product or service. Proponents of traditional marketing believe that different customers (professional or end users) of any product or service are aimed at the presence of certain properties in them, evaluate these properties and ultimately choose the product that, according to their criteria, has the maximum set [2, p. 10].

The characteristic features of traditional marketing are shown in Figure 1.

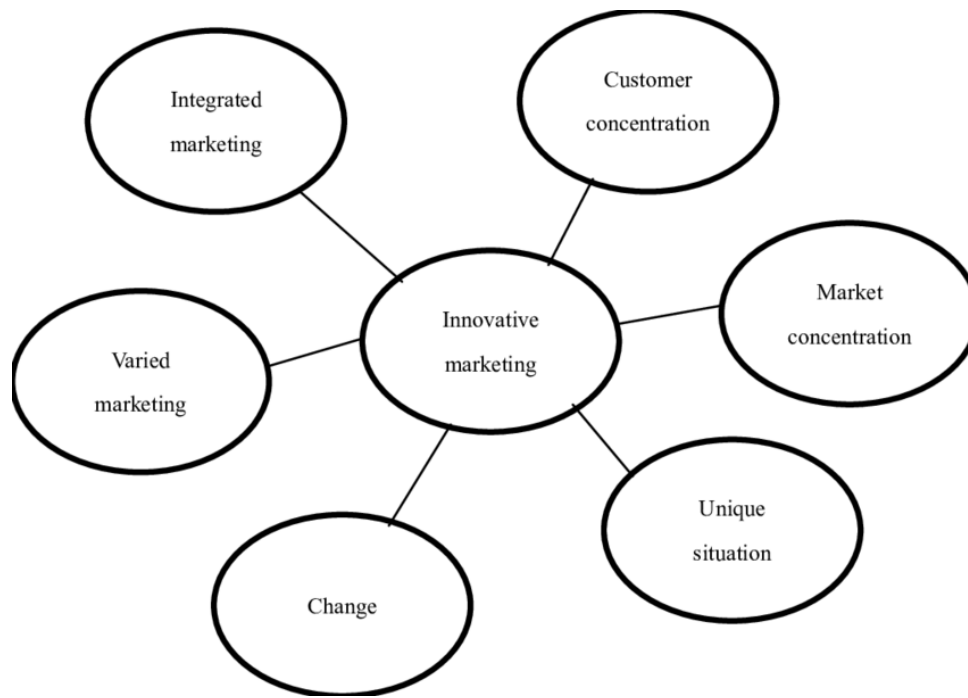


Fig. 1. Innovative marketing strategies

Michael Eugene Porter, a marketing strategist, defines product differentiation in a competitive environment precisely as acquiring an exclusive position in a feature that is most valued by a particular customer.

Philip Kotler explains this concept with the prime example of Procter & Gamble, which owns nine laundry detergent brands: Tide, Cheer, Gain, Dash, Bold, Dreft, Ivory Snow, Oxydol, Era, differentiated by the nature of the benefits that consumers expect from the product. So, "Tide", according to the company, is so effective that it destroys everything except the very texture of the fabric. In turn, "Ivory Snow" is 99.44% pure and safe and is ideal for children's clothing. "Bold" is especially gentle, it cleans and softens the fabric and gives it antistatic properties. And "Dash" is advertised by the company as a universal product that can deal with severe pollution at a very low price [2, p. eleven].

The Internet plays an important role in modern society. Due to the fact that every home and almost every phone has access to the World Wide Web, information marketing is very relevant, integrated with marketing communications, lateral marketing (a system of views, approaches based on associative logic), changing the idea of direct traditional methods of business promotion.

The following types of marketing are widespread: sensory marketing, aroma marketing, mobile marketing, SMS and MMS advertising, viral marketing, guerrilla marketing (flash-mob), noise marketing, blog marketing.

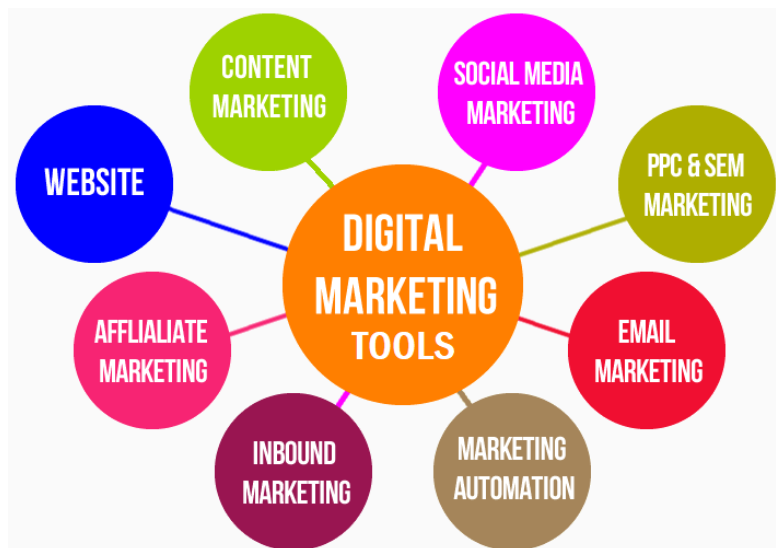


Fig.2. Digital marketing tools [12]

Despite the rich types of innovative marketing, there are real threats in the networks of the digital space that have an impact on the personality of a person. These include the following:

- 1) with the help of the Internet, you can nurture a consumer who is not very active and demanding;
- 2) there are discussions on the network on various topics that have no barriers of shame, in the future this can be considered the norm;
- 3) senseless and aimless wandering on the network forms a fragmented consciousness, which subsequently leads to the fact that a person cannot build a logical chain and his thought processes deteriorate;
- 4) the Internet stimulates and shapes impulsive behavior.

At present, the development of Internet marketing cannot be stopped: the information flow controls the movement of goods and money, forms new quantitative characteristics of the new innovative economy, and provides qualitative changes in Internet marketing associated with the development of innovations [3].

New types of marketing form the evolution of innovative marketing theory associated with non-standard approaches to the company's activities in the market that affect consumer perception and behavior [3].

Since the market is very young and geographically the competition is developed mainly in large subjects, marketers are seriously thinking about the effective attraction of the Russian consumer. Today, one well-known brand is no longer enough: people no longer line up for hours at a time when they hear the name Pepsi-Cola. New requests - new opportunities - new marketing approaches. Today, marketing is creativity [1].

In today's society, updating information and technology is very fast. Many people, for example, the elderly do not own a computer and the Internet. In such a situation, integrated marketing companies that combine the advantages of digital and traditional technologies will become an effective solution. This strategy is called omniscience.

The experience of highly developed countries that have achieved success in the implementation of innovations, the production and export of science-intensive products, makes it possible to identify certain types of innovative strategies.

- 1) The strategy of "transfer" is to use the existing foreign scientific and technical potential in their own economy [4].
- 2) The "borrowing" strategy consists in the fact that, first, relying on cheap labor and using part of their own scientific and technical potential, they master the production of high-tech products that were previously produced in developed industrial countries. Subsequently, increasing the engineering and technical support of production, reviving their own scientific and technical potential, capable of conducting research and development work, and using the state and market economies in combination, they achieve the intensification of their own innovation activity [4].
- 3) The "growth" strategy is followed by highly developed countries, including the USA, Great Britain, Germany, and France. It consists in the fact that by using our own scientific and technical potential, attracting foreign scientists and designers, integrating the fundamental science of universities and applied corporate science, new products and high technologies are constantly being created, which are implemented in production and the social sphere. So there is a constant build-up of innovations [4].

Any state needs to develop its own innovation strategy, which would require the intellectual potential of the country, scientific personnel, scientific, technical and raw materials. Highly qualified personnel predetermine the success and competitiveness of practical innovation activities.

The rapid development of market relations has led to a tougher competitive situation in the economy. A significant number of modern companies are daily on the verge of survival. The current situation is pushing organizations to look for other (more effective) forms of promoting goods and services. Progress in communications opens virtually unlimited opportunities for enterprises.

The presence of the theory of the life cycle of a product involves the removal from production of obsolete and not in demand goods on the market and the development of new ones. In the marketing system, the introduction of new products to the market is the content of innovative marketing.

Based on this, four types of innovations are distinguished. The first type of innovation is the repositioning of a mature product that is old or familiar to both the seller and the buyer: offering new value to the consumer and changing the promotion strategy.

The second type of innovation is established brands and products that the consumer market perceives as new, original or unfamiliar. But from the point of view of the organization investing in innovation, this product is not new, it is simply offered in a new target market or segment.

The third type of innovation is products that are familiar to the consumer but new to the organization. This difference in perception may be one of the reasons for failure in the market. Many products are not successful in the market, as they are only analogues and do not offer the consumer any new consumer value.

The fourth type of innovation is "genuine innovation" both from the point of view of the manufacturer, being its technological achievement, and from the point of view of consumers.

In this regard, the concept of "consumer innovation" is used, which can be defined as the tendency to purchase new products in a particular product category after they enter the market much earlier than most other consumers in the target segment. J.-J. Lambin, who has made a significant contribution to the theory and practice of marketing, notes that the invention is a creative act that underlies innovation. He identifies three components of marketing innovation. Needs to be satisfied or set of functions to be fulfilled. The concept of an object or collection of objects capable of satisfying a need, i.e. new idea. Components, which are a combination of existing knowledge, materials and available technologies to bring the concept to a working state.

It should be noted that this is a brief analysis of existing approaches to the definition of marketing innovations. When considering this problem, one of the most significant is the problem of failures of marketing innovations.

The first is at the macro-marketing level, where they believe society is hurt by the inability to understand why and how people accept or reject new products, and valuable resources are wasted. The success of a firm today increasingly depends on the sale of new products to a slowly growing or decreasing (in a slow population growth) number.

The second aspect of anxiety is at the micro level. On the one hand, an important element in achieving long-term competitive advantage and profitability is the successful development of a new product, and on the other hand, changes in tastes, values, lifestyle, consumer preferences, and increased competition are opposed.

The development of market relations leads to a significant increase in competition. Most modern enterprises face the challenge of survival in the market every day. This situation forces enterprises to search for new forms of promoting their goods (services) that will be more effective.

Internet marketing is a modern stage in the development of marketing, which involves the use of both traditional marketing mix tools implemented via the Internet and innovative tools used in an interactive format. The use of Internet technologies in innovative marketing allows you to speed up, reduce the cost and better implement all marketing processes [8].

The breakthrough of digital technology and Internet communications allows organizations to open up great market prospects and opportunities.

Internet marketing is one of the fundamental elements of e-commerce. In various sources, you can find the concept of "on-line - marketing". Globalization is one of the main elements of the modern economic system. Technologies (including information and communication) help entrepreneurs overcome time and distance, which is the driving force behind the globalization process. Under the current conditions, traditional models of command and factors of consumer motivation are undergoing transformation, and at the same time, the system of economic relations of market participants is changing [9].

#### 4. CONCLUSIONS

As the main goal of modern Internet marketing, one can define attracting as many potential buyers (consumers of services) as possible to your Internet resource. This Internet resource serves as a kind of advertising platform that stimulates the promotion of goods on the market.

Internet marketing contains three main advantageous differences from traditional tools:

- is integrated, i.e. you can directly contact potential customers;
- targeting - a mechanism that makes it possible to single out the target audience from the entire huge audience;
- web analytics - the ability to analyze and determine which actions have attracted more customers.[10]

The Internet allows you to significantly change the temporal and spatial scales of doing business. In recent years, it is he who serves as the global means of communication, which has no temporal and spatial restrictions. At the same time, the cost does not depend at all on where the project manager or author is located.[11]

As a result of the fact that the communicative properties of the Internet are quite high, it becomes possible to reduce the time spent looking for buyers, partners, suppliers, etc.

Another advantage of Internet marketing is the ability to work around the clock. The high flexibility of the system allows you to constantly make adjustments to the Internet marketing project without high costs - time and money.

At the same time, the cost of an Internet marketing project will be significantly lower than all alternative tools.

Thus, the growth of sales in Internet marketing is based on attracting visitors, improving the effectiveness of the site and customer relationships. But it is not enough just to attract visitors, you need to turn them into loyal customers. All these points should be taken into account by an organization that uses Internet marketing in its practice.

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