COMMERCIALIZATION OF MARKET INNOVATIONS AS EXCLUSIVE TASK OF INNOVATIVE MARKETING

The development of modern innovative economy requires greater use of potential of non-technical (institutional) innovations, especially promotional ones. Commercialization of market innovations is one of the most important conditions for sustainable economic development. Such development requires the active use of innovative marketing. As essentially defining task of marketing innovation, as well the source and means of its development is considered commercialization of market innovations – of goods and marketing approaches. Commercialization presupposes existence of inconsistent («nonlinear») links between tools of the innovative marketing: development of innovation, marketing researches, segmentation, and positioning and management lifecycle.

Keywords: marketing, innovation marketing, market innovation, commercialization, tools of commercialization, positioning, lifecycle management, segmentation.

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Formulation of the problem. In recent years in Ukraine often in scientific publications and analytical surveys referred the need to intensify scientific innovation, which has become one of the determining factors of restructuring the national economy, ensure its competitiveness and sustainable economic growth. Instead in practice this idea remains as «paper-descriptive» – innovative processes in Ukraine have not received sufficient scale and do not become the dominant of GDP growth. Results of innovative activity of industrial enterprises are rather pessimistic, so the potential of economic growth in Ukraine continue to focus in the plane of increasing of production volume mainly in traditional industries that indicates on some kind of «crisis of perspective». In Ukraine, it is almost never used potential of non-technical (institutional) innovations, especially organizational and promotional, which are important components of innovation network structures. Just marketing activity as part of the management of enterprises is the most sensitive to innovation, because it is a specific «intermediary» between the external and internal environment, just marketing system of enterprise should bring innovation to market and commercialize it. Thus, in modern terms the relevance of special study of innovative marketing is due primarily to the fact that the innovative way of development has to become dominant for overcoming the crisis as for the global economy as well for certain countries, and especially for the Ukrainian economy.

Analysis of recent researches and publications. Today the development of ideas about
innovative marketing engaged such theorists of marketing as F. Kotler [10], P. Doyle [4], J.J. Lamben [12], F. Webster [16] and others who in their works distinguished marketing as one of the determining factors of the success of an innovative product on the market. The issue of development and implementation of innovations at enterprises of marketing approaches activity in innovative environment dedicated their works such scientists as N. Illiashenko [6], M. Matviyiv [8], Ya. Matkovska [13], A. Pavlenko [17] and others.

In modern literature the term «innovation» is found in the different interpretations that can be divided into two groups – a process or outcome, as innovation-product or innovation-approach, which in fact is a complex of measures to transform the previous or the emergence of new activity based on knowledge. Moreover, the commercialization of market innovations is one of the most important conditions for the development of innovative economy. For its development it is necessary to actively use innovative marketing.

However, analysis of publications on the subject of research has shown that in most cases have not received enough complete scientific understanding of new theoretical approaches to innovative marketing, its content essence as a separate direction in the marketing system that in economics there is no single concept (paradigm) approach to determining the essential characteristics of innovative marketing. It cannot be also considered as sufficiently revealed in scientific terms issues of theoretical understanding of innovative marketing of the company, its specificity and conditions for its successful development by addressing the basic problem – the commercialization of market innovation.

Formulation of the objectives. In order to develop an innovative economy in terms of Ukrainian realities are needed effective tools for effective organization of innovation and motivation to it, as well as experts who can perform such activities. Partly on resolving these issues correspond the state, competition and science, but much of the responsibility lies on the innovation marketing and professionals in this field.

Modern economy requires experts on innovative marketing, but we should admit that just special literature in this field of knowledge is not enough. Today the most common approach considers the innovation marketing in the context of measures to promote innovation on the market. Certainly it is generally correct, but this approach does not limit the value and importance of innovative marketing.

Aim of the article is to attempt a theoretical understanding of development of innovative marketing through the prism of commercialization of market innovations as the exclusive task of the latter, with a focus precisely on the «market» and not the actual «technical» understanding of the process of commercialization.

Research results. Analysis of the problems faced by organizations in their innovation activities, showed a lack of attention to the issue of commercialization of the creation processes, development, production and realization of innovative products, including the issues of marketing and competitiveness.

In today's post-industrial world main company efforts focused not only on producing of innovations, and greater extent – on exchange of commodities associated with their implementation. Rigid competition, due to the glut of global and national markets, rapidly changing, innovative goods and services, price wars, diverse and often conflicting marketing communications, complicate the choice of consumers. In these circumstances, the winners are those companies that use the whole arsenal of economic and marketing tools to bring new products to their target market and create the best conditions for the processes of purchase and sale of innovations. These processes constitute the core business for companies and innovators [1].

The term «innovation» marks any new ideas embodied primarily in goods and services, as well as various activities. Success in the market of innovative products is ensured only if commercialization of the processes of its creation and development. In this case, the commercialization of innovations is the process of the whole gamut of commercial and marketing tools for intensive promotion of new products.
to market in order to make profit by creating demand and stimulating sales. Moreover, the intensification of sales should take place as due to better satisfaction of potential needs, and by means of forming new needs through innovation activity of all market participants.

The current state of Ukraine's economy is characterized by increased interest to innovation development path. An increasing number of companies choose the innovation type of development different from the traditional. It is caused by, firstly increase of competition from producers, and secondly, more attentive attitude of consumers on goods and services. Manufacturers, focusing on customer needs, try to offer the market better and improved products that will have value characteristics and will be in demand of potential customers [2].

However, according to foreign statistics among the goods of wide consumption do not take root in the market – about 40% of new products, and among the industrial goods and services sector 20% of new products remain outsiders [5]. The main causes of business failures of modern innovative products, according to US experts, are: incorrect assessment of the requirements that are presented by consumers to novelties – about 32%, manufacturing imperfections of new products – 23%, high commodity prices on new products – 14%, imperfect sales activity – 13%, late start of sale of new products – 10%, the policy of competition on the market – 8% [5].

Thus, most of the errors during introduction to the market of innovative products related to marketing component or errors in the field of marketing. This means that companies must pay special attention to marketing support of product on the market or innovative marketing.

Innovative marketing – is the marketing activity of creating and promoting products, services, projects, etc., which have significantly new properties (sustainable competitive advantage) [15].

The object in the innovative marketing itself serves innovation, and the aim is the marketing support of this innovation on the market. A product or service can be served as innovation.

Extending and complementing the concept of «the innovation marketing», Ya. Matkovska uses the term «marketing of commercialization of innovations», which examines the innovation from a position of «commercial aim» or the ability to generate economic benefits, profit to those who it sells [13].

According to Ya. Matkovska emergence of marketing of commercialization of innovations due, firstly, by objective, independent of the marketing activity circumstances (global conditions of competition in world markets, promising circumstances of the transition to the innovative technology of the Ukrainian economy, market conditions, requiring the development of innovation), and secondly, proper marketing circumstances as «determined by the need of marketing as a whole, and as the formation of specific marketing approaches» [13].

Existing publications on the topic of the research show that still there have not received enough complete scientific understanding of new theoretical approaches to innovation marketing as a separate area of marketing. In modern domestic science of innovation there is no single conceptual approach to the formation of systemic characteristics of innovative marketing, and no coherent concept in relation to specific categories and characteristics of marketing innovation.

Trends on the market today and prospects of innovative economy determine the necessity of forming special marketing tool. After all, innovative marketing – it's not just activities focused on the development and promotion of market innovations-goods, but also due to similar actions regarding marketing innovations – approaches for organizing direct marketing activities; besides innovative marketing implies not only the promotions process inventions. The dominance of such «technical» approach caused by the tendency of orientation of innovation activity based on enterprise opportunities, not of the needs of the market, it does not guarantee success on it, in fact contradicts the postulates of marketing and leads to the fact that the latter is subordinated to enterprise capabilities [7]. In this regard, in our view a criticism of this approach is correct; it is given for example by P. Doyle, who particularly writes: «Many managers confuse invention and innovation. The invention – is a new product, innovations – that are new benefits
for consumers. Much of the inventions never find profitable markets, as customers do not view them as beneficial in terms of improving the results of their activities or enrichment of experience» [4, p. 167].

This determines the relevance of determination of the main objective, and innovative marketing purpose. On the first level bases marketing, this is characterized as a task in modern enterprise development, above all in the innovation economy. On the second one settles the innovation marketing as directly modern marketing purpose, objective, adequate to current and future economic conditions. On the third one as criterial task of innovative marketing is defined commercialization in terms of that it and innovative marketing characterize activities related to the development, promotion, and most importantly, with the lifecycle management of innovations-goods, and market innovation-approaches.

In accordance with this, innovative marketing really acts as a key task of modern business, but in terms of the evolution of marketing can be defined as a change of tasks, such as «traditional», «modern», «operational», «strategic» and «therefore the innovative» marketing. However, as the innovative marketing acts commercialization of market innovations, as the innovative marketing is implemented by commercialization of innovations. With that the concept of commercialization of market innovations does not replace the concept of marketing it (commercialization) serves as the appointment of innovative marketing activity because it is related to the formation of the markets, their transformation, lifecycle management of a product, company, etc.

In a broader sense, we can say that the task of innovative marketing inherently represents the appointment of marketing as a whole, grounded, above all, by the nature of marketing, which generally has an innovative character. As proof of such proposition should be first to refer to a number of scientists who pointed out the trend of innovative orientation in contemporary theory and practice of marketing – to F. Kotler, J.-J. Lamben. Second, market orientation of marketing leads to its innovative character, lack of innovation in marketing activity, especially in a competitive market, leads to a loss in the competition. But in terms of non-competitive market is required marketing innovation, motifs for which can be the antitrust legislation, existing and potential substitutes, competition of desires [2, p. 209].

These aspects allow making sure that marketing represents undoubtedly innovative scope of the company to which stimulates the market volatility that makes it to commercialize market innovations-goods and market innovations-approaches.

In works of many (if not most) of marketers it is included the most prominent representatives such as F. Kotler, J.-J. Lamben and followed them many other famous scientists such as F. Webster, P. Doyl, E. Mensfild, J. Berdsli commercialization serving as the final stage of product development. However, the concept of «commercialization», which is defined, for example, by F. Kotler as a «batch production and release of a new goods on the market» [10], contradicts, firstly, to propagated by him and other leading marketers marketing concept as philosophy business, and secondly, to the concept of modern marketing, because it, in fact is equated to strategy of «intensifying of commercial efforts».

Much more prospects of success in terms of practical implementation of the commercialization process of market innovations has «market» view, which, unlike the «technical» one, describes it (commercialization) as a new form of marketing activity, due to the penetration of the market in those areas that still had no idea of commercial interest to businesses.

«Market» idea of commercialization, thus is more promising, as from scientific as well from practical points of view. Usually offer to mean by the commercialization the initiated by the emergence of market innovations a process of transforming the existing market structure in the new [9, p. 19]. In part, this idea of commercialization is based on studies on the transformation of markets as a result of the withdrawal of innovations on the market. These studies include the works of John Moore, K. Christensen and his co-authors – A. Scott, E. Roth and P. Drucker. In the works of J. Moore process of market development related to the expansion originally conquered small market of «innovators» and «early followers» to the borders of the total market and the transition to the mass market, where consumers become even
According to the ideas of K. Kristensen – the logic of commercialization can be represented as a process of market changes caused by «excess» of quality, «development of goods», «non-development of goods» and initiated by subversive innovation [11]. A P. Drucker actually identifies four models in commercialization strategies «ecological niche», and «the concept of creative imitation» models [18].

The logic of commercialization process as converting of existing markets to new ones is dictated, first of all, by the fact that for the commercialization is typical to carry out qualitative transition from one state of market to another one, leading to its restructuring. This process is cyclical and is held in several stages:

1. Introduction of innovations on the market takes away a part of consumers at formed sustainable market – there comes destabilization.
2. To innovators join new consumers of «non-innovative» minded segments of the market or other markets. Some customers remain ahead in the market. The result is a creation of new segment – comes restructuring of the market, not only that existed originally, but other markets, due to the appearance of their attention to market innovations.
3. The market moves into a new phase of stability, when there are segments that vary in stability. Market makes the de - structuring again, and the cycle repeats.

The tools of commercialization as a key task of defined innovative marketing are presented by elements that can be defined as «non-linear communication». This interpretation is due to two aspects, the first of which is that the composition of tools of commercialization as the appointment of innovative marketing differs from traditional understanding of marketing structure: here the key role is given to positioning that is and should be an imperative in the commercialization of market innovations (Fig.1).

Just positioning acts from the side of company as a purposeful organized interactive communication, leading to the formation of a «holistic» goods, but from consumers and the public – as a review and as a result – «the place in the head» of customers and other counterparties (by J. Trout and collaborators E. Rice and S. Rivkin) [13, p. 42].
The second aspect illustrates the «non-linearity» of commercialization and innovative marketing. It should be noted that in most sources commercialization presented as a sequential process, in the above works of marketers and in the specialized literature and modern legislation. An exception can be considered ideas of H. Takeuchi, I. Nonaki and R. Moore. Meanwhile commercialization – is process nonlinear with plural forms of inter-stage interaction. Thus, the stage, «development of market innovation» implies not only the design of a specific market innovation – product, but also marketing innovations, necessary for positioning and lifecycle management, and the implementation of marketing research and segmentation. Designated as a second instrument of commercialization, marketing research also dismembered on researches of the pre-project stage, stage of project development positioning, the management lifecycle, according to the segmentation. Positioning involves the formation of three projects – the first in developing the concept of market innovation, the second – by the results of marketing research and segmentation, the main project – in deriving the market, as well as adjusted projects of positioning in the management lifecycle. Finally, lifecycle management should start before the development of market innovation and connected with preliminary assessment of the potential of its lifecycle, should be adjusted by results of marketing research and segmentation, by projecting of positioning of market innovation. Thus, innovative marketing serves as the marketing activity aimed on commercializing of market innovations and of innovative approaches. The implementation process of commercialization, it may be defined as an exclusive objective, key function, the appointment of innovative marketing.

Conclusions from the research. The increasing role of innovations in achieving long-term competitive advantages enterprises and national economies makes the relevance and significance of the study of the institutional environment of innovations, including marketing support. Awareness of the importance of innovations and institutions by most foreign and domestic economists contributed to the development of innovative marketing theory as one of the areas of marketing system. However, analysis of publications on the topic of the research shows that have not received yet enough full scientific understanding of new theoretical approaches to marketing innovation, its content essence as a separate direction in the marketing system, that economics there is no single conceptual approach to defining the essential characteristics of innovative marketing.

Commercialization of market innovations is one of the most important conditions for the development of innovative economy – and this requires active use of tools of innovative marketing, because it (commercialization) acts as a key, exclusive function (task) of innovative marketing. Just «market view» on commercialization (as opposed to «technical» when it as a task of innovative marketing is subordinated to capabilities of the enterprise) as a new form of marketing activity, due to the penetration of the market in those areas that still have not imagine of commercial interest for business is that theoretical approach, which we believe has advantages and best prospects for further studies. According to this approach, commercialization – is initiated by the emergence of market innovation process of transforming the existing market structure to a new one, conversion of existing markets to new ones, and in that sense commercialization acts as the exclusive objective of innovative marketing.

Author novelty and prospects for further developments. Author novelty of this study and it is to substantiate two interrelated theoretical positions that, in our view, contribute to the formation of the correct conceptual approach to defining the essential characteristics of innovative marketing. The first position that is exactly commercialization serves as a key, decisive, criterial objective of innovative marketing, which most closely defines its deep essence. The second position is the «market one» rather than «technical» understanding of commercialization, when it is considered in the marketing system, not as promoting of innovation in the market by the enterprise, as well as process of transformation of the existing market structure to a new, conversion of existing markets to new ones.

Prospects for further studies within theoretical approach, based on aforementioned two positions
consist, on the one hand, in a deeper theoretical and methodological analysis of the concept of innovative marketing, on the other – in theoretical and applied researches related to the use of commercialization tools of market innovation during transformations of markets in a «nonlinear» connections between instruments.


Бабух І.Б. Комерціалізація ринкових інновацій як витягнуте завдання інноваційного маркетингу


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Комерціалізація ринкових інновацій як витягнуте завдання інноваційного маркетингу

Розвиток сучасної інноваційної економіки вимагає більш широкого використання потенціалу нетехнологічних (інституційних) інновацій, насамперед маркетингових. Коммерціалізація ринкових інновацій є однією з найголовніших умов сталого розвитку економіки. Для такого розвитку необхідне активне застосування інноваційного маркетингу. Як по суті, визначаючи завдання інноваційного маркетингу, я як правило зазначає, що джерело і засіб його розвитку (розділяється комерціалізація ринкових інновацій – товарів та маркетингових підходів. Комерціалізація передбачає наявність непослідовних («чільних») зв'язків між інструментами інноваційного маркетингу: розробкою інновацій, маркетингом, сегментацією, позиціонуванням та управлінням життєвим циклом. Ключові слова: маркетинг, інноваційний маркетинг, ринкова інновація, комерціалізація, інструменти комерціалізації, позиціонування, управління життєвим циклом, сегментація.

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