Features of Modern Marketing in Innovation for Socio-Economic Development

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Abstract: The modern stage of the innovation policy development has been marked by the major breakthrough and the principal changes of the Russian economy resulting in increasing demand for the practical implementation of marketing concepts as a driver of the performance and competitive growth of the domestic production. The special aspects of implementing the modern marketing concepts of innovations is the necessity of simultaneous application of its main tools, i.e. products, prices, distribution, promotion and positioning. At present, if an organization sets an objective to maximize returns, minimize costs and create a positive image of the company, it needs to implement the integrated marketing techniques in practice. The integrated marketing is a high-performance strategy of market interaction that permeates all organization divisions for the successful market penetration, market share gain, strengthening the corporate influence in the target market segment and business financial stability.

Keywords: Innovations, marketing, production, industry, socio-economic.

INTRODUCTION

The integrated marketing (IM) in innovations is a set of market instruments on providing a variety of marketing services for the science-intensive products, maximum customer satisfaction and development incentives of the scientific and technological progress (Lesnikh *et al*., 2020). The goal of IM is to create and implement innovations that satisfy personal and social needs to improve the population quality of life and society harmonization. IM instruments enable the evidence-based assessment of the market by the supply and demand analysis, making informed decisions on the innovative product development, pricing, optimization of sales channels and informing targeted audience. That means, the modern integrated marketing is a function of managing the process of meeting the public needs for competitive products.

Providing a competitive edge in the market means the active use of integrated marketing instruments in order to maximize the company's income in the overall transactions optimization process (Mykola *et al*., 2020;

Bas 2020; Folayan *et al*., 2020). This becomes possible due to the high intellectual potential of the business structure, if the manager - the head of marketing - has systemic knowledge, professional expertise, lateral thinking, communication skills; is open to innovations; quickly and effectively responds to changes; does not miss opportunities; is able to work under pressure; can resolve a conflict; is optimistic.

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The intellectual potential of a company is a form of expression of the personnel creative thinking as part of the business processes - internal planning, accounting of company resources, interaction with customers, suppliers and business partners, etc. The intellectual potential of the organization reflects the level of professional competencies of the personnel, providing a competitive advantage in the market. The intellectual potential is based primarily on the ideological and methodological basis, including understanding of the corporate principles of the organization development, the assessment of the development potential, the social responsibility of personnel for the company's performance and, above all, the development of the managerial decision models for new challenges of market participation in order to adapt to frequent changes of the marketing environment.

Generation of new forms and methods of the integrated marketing is aimed at achieving the company's goals, developing original consumer values and involves a systematic assessment of the results of market activities. In the Russian business practice, the most effective IM instruments are advertising technologies, personal network sales, fair and exhibition business and virtual marketing (Timofeev, 2020; Aliyev, 2020).

The virtual marketing means the ability of a company to supply products at a competitive price immediately at the request of customers, reduce order execution time and improve the quality of services. Thanks to the virtual marketing it’s possible to build the reliable infrastructure along with optimization of purchase and sale operations.

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The fundamental source of the organization's intellectual potential is the human resources – the employees with creative talents who initiates the use of information and undertakes the responsibility for the decision-making in specific market conditions. First of all, we talk about marketing experts - managers with professional knowledge, competencies and practical skills. A modern marketing expert should have a high level of education, a talent for market interaction with various target audience, and, more importantly, the ability to work virtually. A marketing expert is a leader, a flexible marketing strategist who creates the confidence and creative working environment, inspires with new ideas. He is able to take business risk, admits the possibility of making mistakes, suggests new original solutions (Rodionova & Kuzminykh 2019; Menshikova *et al*., 2020). The effect of the using natural resources was discussed in (Riyadi, & Mustofa, 2020), they have evaluated the parametrical effects of the resources usage from environmental to the political issues and enhance the optimal socio-economic model.

The result of the practical use of the innovative potential in the IM is the transformation of the market knowledge into the main development resource, the use of new business models, launch of innovative products, and ensuring the financial stability of the company. The process of making managerial decisions to market an innovative product requires the company's strategy and tactics complies with the resource potential. The managerial decisions for marketing innovations include a conceptual model of the organization management, preparing alternative strategies for market participation, i.e. mechanisms of knowledge management, creative thinking of personnel. At the same time, it is necessary to have an adaptive organizational structure of the marketing service to implement positioning strategies in the target customer segment, expand consumer potential and build the optimal business portfolio.

METHODOLOGY

In practice, the integrated marketing instruments to market innovations are used to ensure the competitiveness of the organization and improve its performance quality. The Figure **1** shows the managerial decision-making mechanism on the use of the company's intellectual potential in the integrated marketing. The process of making managerial decisions to promote innovations always includes feedback for timely management corrective actions. The subject of strategic innovation planning at the enterprise is an innovative activity. It is reasonable to independently develop the strategy of innovation activity (innovation strategy) at an enterprise based on

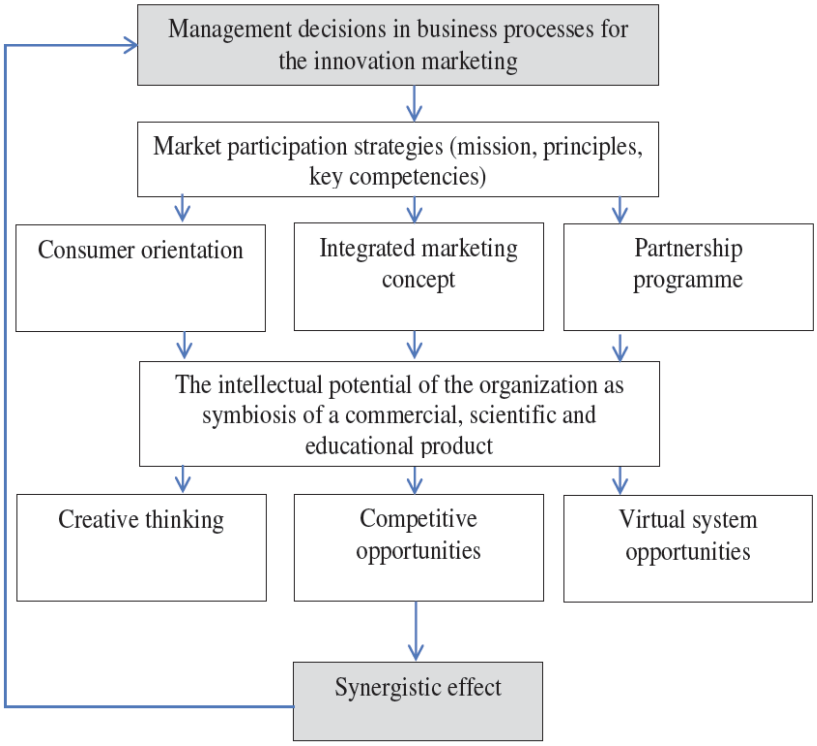

Figure 1: The managerial decision-making mechanism for marketing an innovative product.

the main goals and objectives of the enterprise development, taking into account resourcing and a risks with forecasting the environment and the own innovative capabilities. The effective marketing and sales system that communicates the enterprise with end users in order to continuously identify new quality requirements of customers for the created goods and services is one of the main condition for implementation of innovations. This condition is important, since in practice, innovation is often identified with goods or services that offer consumers benefits that, in their point of view, are new or improved opportunities that arise from new knowledge, but not needs - buyers do not need a new product, but new benefits.

The strategic marketing is based on the market research with the subsequent development of market segments, the demand creation and the modeling of customer behavior. The development strategy is the main area of innovations marketing that the organization follows to achieve its goals. Different types of innovation strategies can be used in the target markets. The operational marketing involves the development of specific forms of implementation of the approved innovation strategy. Operational marketing is aimed at maximizing profits and sales, maintaining the business reputation and market-share gain. It is closely related to the concept of the marketing components.

Integrated marketing instruments help to achieve the competitive advantages and assume compliance with the following principles of innovation marketing:

- the principle of creating the intellectual potential of the enterprise. It involves the formation of the organization's innovative capability based on the creative thinking model, the use of intangible assets to create a new knowledge-based product, taking into account the level of market demand;

- the principle of developing the organization's key competencies. It involves the seamless integration of innovation management processes, production processes and group training. The implementation of this principle develops the adaptability to frequent market changes, mobility and flexibility as the abilities to operate in specific conditions and quickly apply innovations in practice. The link connecting the key competencies is the creative thinking as a combination of rational management decision-making with a deep knowledge of market information, as well as intuition, original ideas for business success;

- the principle of practical use of the integrated marketing. It involves the development of the integrated brand model that combines the mission of the organization, corporate values, quality system and acceptable pricing. Compliance with this principle ensures the stability of production and distribution of new products and contributes to the efficiency of companies;

- the principle of building competitive opportunities. It involves the expectations of consumers and their possible anticipation, the creation of structured system, infrastructural and creative capabilities of the organization for the functional implementation of the innovations in compliance with the quality parameters at different stages of the product life cycle in the total quality management system (TQM)

- the principle of social orientation and economic feasibility of partnership. The implementation of this principle facilitates the effective cooperation between numerous partner channels for marketing innovations in the business environment of mutual understanding and agreement, financial interest of each participant of business activities and increased responsibility for the performance of contractual obligations.

The managerial decision-making for the direct marketing of innovations depends on the level of the company's intellectual potential, which includes creative thinking, competitive potential and the potential of virtual systems. The creative thinking focuses management attention not only on solving future innovation problems, but also on careful forecasting the innovation consumer relationships. The implementation of a pilot business project is always supported by a creative solution, taking into account the monitoring of innovation marketing processes, making forecasts, scenarios and possible algorithms for the practical implementation of innovations, adjustment and control, followed by reproduction of the innovation cycle on a new basis. On the other hand, the competitive potential provides an organization with a competitive advantage by increasing the purchasing cost of its products compared to the products of its main competitors. The

competitive potential of the organization ensures the receipt of the intended income and the synergistic effect.

It is difficult to obtain the synergistic effect without the active use of the virtual marketing (smart electronic systems, including users, databases, communication interface). The interactive marketing contributes not only to effective and efficient accounting of the growing demand level, but also forms the basis for a support system for making managerial decisions on the use of software and possible cooperation with numerous virtual partners. The basis of the virtual marketing is the knowledge base of smart computer systems with the allocation of expert systems, hypermedia systems, automated software development systems, intelligent learning systems with intelligent agents. The intellectual potential of the company as an element of the synergetic system contributes to total performance of the company's market activity, exceeding the results of using the individual integrated marketing instruments.

The word synergy comes from Greek "sunergía" that means assistance, cooperation. Proposed by G. Haken, this term focuses on the consistent interaction of parts in the whole structure. The term synergy was introduced into the economic literature by I. Ansoff in the 1960s to justify the group form of incorporation. Ansoff defines synergy as a measure of collaborative effects from the operations of selling, operational, investment and management divisions of companies with the active use of a complementary element (production potential - tangible assets) and a creative element (intangible assets, i.e. intellectual potential). The synergy model is always based on the contribution of each partner enterprise.

RESULTS AND DISCUSSION

As the basis for the long-term development of the industrial policy, Russia has chosen the production of science-intensive, low-material- and energy-intensive products based along with gradual decline in the export of non-renewable natural resources and a decrease in their consumption within the country. Russian science and technology successfully introduce in the world market the achievements of some investment-attractive, competitive industries, i.e. nuclear physics and nuclear energy, space exploration and space technology, laser technology, microelectronics, bioelectronics, medical and aviation technology, etc. The breakthrough in the technological development of industry should be provided by the research and development in the field of elementary particle physics, astrophysics, astronomy, etc. The innovative products made by the individual industries of the national economy are unique. For example, the largest international airshows have presented the Russian fighter-bomber SU-36 and the fighter SU-37 that are unrivaled throughout the world. The Russian innovative works on the problems of “synthetic diamonds”, “memory areas”, “and nuclear filters as the basis of nanotechnology” are well-known to the entire world community. Scientists made great strides in the development and implementation of innovative products in the processing various types of manmade and natural raw materials based on advanced industrial technologies. These innovative products are successfully used in construction, agriculture, oil and gas industries.

Innovative Strategies for Sustainable Development

Research in strategic marketing shows that company innovation and competitive advantage trends are close to each other and all types of innovation can lead to sustainable competitive advantage. Past research argues that innovation is not only the center of market strategy but the main source. It is a competitive advantage (Spankulova&Tokaeva, 2020) Sustainable development in companies requires new ways of thinking, acting and requires the development of new products, services and technology. Therefore, striving for sustainable development can serve as a driver for organizational change and a non-organizational resource. Innovative opportunities for innovation can be seen (Gorbacheva, 2019.) Innovation based on sustainability strategies can be technologies and products with new processes that tend to reduce the environmental impact of business activities or improve efficiency in the use of energy and materials. When such measures result in cost savings as well as improved quality and compatibility of products and services, they are a major resource. Cost savings, which suggests establishing a link between innovations based on sustainable strategies and competitive advantage.

In recent years, public-private partnerships in the innovation sphere have been developing. The active incorporation of industrial, scientific and banking business continues within the framework of integrated enterprises and sectors of the economy that play the role of indicators of Russian business. Venture capital with a big share of the state, large industrial

companies, banks and other business structures is used to create them. The function of venture capital is to bring the scientific idea to the marketable final product, despite the long payback period of an idea. These typical holdings are not only engaged in research and development, but also hold shares of such major companies as MTS, MGTS, Megafon, Gazprom, RUSAL, Norilsk Nickel, VimpelCom, etc. The leaders in the production of intelligent products in the country are JSF Sistema, Institute of Nuclear Technology named after I.V. Kurchatov, Dubna-Sistema Institute for Nuclear Research, St. Petersburg Nuclear Physics Institute, Troitsk Scientific Center with nine institutes of the Academy of Sciences, Rosatom Scientific Center, MDB 'ISKRA' named after I.I.Kartukov, GKNPTS them. M.V. Khrunichev, the aviation companies MIG, Tupolev and others. This is achieved by sharing risks and responsibility between them (Saseanu *et al*., 2019, Sokolov-Mladenović 2020).

In the innovation sphere, the formalization of relations within the PPP is carried out in the form of a certain program that consists of subprograms. The representatives of the public authorities coordinate the program as a whole, and the state scientific-research organizations and universities, private companies are involved in the operational management of subprograms. The implementation of programs within the PPP involves not only co-investment of the parties, but also the sharing of information, research and development results, intellectual property, new technologies, personnel and capacities.

In the 1990s the PPP became the main form of organization and financing of federal technology programs in Russia. The share of financial responsibility under these programs depends on the interests of the parties in the partnership. So, if the PPP is focused on making a profit in the short term and the research results are focused on the market, then the share of financial participation of the private sector, that gets the major profit, is expanding. If during the implementation of the project the wide technological expansion is expected, then the financial participation of the private-industrial sector decreases and public investment becomes the main one.

The legal background for the development of innovative activities in Russia has taken into account the active participation of foreign investors in this process (this is illustrated by the example of the Skolkovo Innovation Centre). The question arises as to how much of the foreign investment will be raised for the nanotechnology industry? The full inclusion of Russia into the world market as a result of its accession to the World Trade Organization (WTO) made the Russian Federation more open for the foreign goods that are cheaper and more competitive than domestic ones. However, it's questionable whether investments in high-tech industries would flow to Russia. If the investments were very poor before Russia accession to the WTO, then why should they increase after the accession? In fact, the objective conditions will remain the same as before, i.e. the cost of industrial construction will not decrease sharply and the expenses for road construction, energy resources, raw materials will not decrease as well; the importance of competition in the world market will not decline, etc.

Let us mention another problem connected with the expected "advantages" of Russia's accession to the WTO. It's obvious that no developed state is willing to provide high technologies to another country, especially a competitor country in the world market. Rather on the contrary, the weaker the competitor, the stronger the state with advanced technologies. Therefore, the primary task is to manage the processes of developing the favorable internal innovation environment. The creation of the Common Economic Space (including the Customs Union) with the republics of the former USSR may facilitate the innovative activity in the Russian Federation.

CONCLUSION

The goal of IM is to create and implement innovations that satisfy personal and social needs to improve the population quality of life and society harmonization. IM instruments enable the evidence-based assessment of the market by the supply and demand analysis, making informed decisions on the innovative product development, pricing, optimization of sales channels and informing targeted audience. When it comes to the Russian business practice we can conclude that the innovative ideas have the largest synergistic effect. Synergism involves increasing the consumer value of an innovative product, staying ahead of competitors producing a similar product, optimizing transactions and increasing revenues, acquiring corporate knowledge, experience, skills of using advanced forms and methods of market participation, sharing risks and costs between business partners as a part of merger or takeover of companies. For future works it was suggested to evaluate the

green supply chain strategy in the economy by focusing on the export.

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