

# Innovative Service Marketing: Russian Experience

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**Abstract.** The meaning and role of innovation marketing in the marketing policy at the Russian companies is determined in this article. The modern varieties of innovation marketing during modernization are presented in the article. The author concluded the article with the key marketing ways for the development of Russian companies.

**Keywords:** Innovations, the modern varieties of innovation marketing, innovative way of development for Russian companies, sense marketing, aroma marketing.

## 1. INTRODUCTION

The concept of innovation refers not only to technology in the narrow sense, but also to the ways of marketing, positioning products and delivering services. The most dynamic and innovative companies can outperform their competitors anywhere in the world, and even structures that are firmly established in their positions through the use of cheap inputs or economies of scale, but use outdated methods in their marketing operations.

The concept of "marketing" covers almost all areas of the company's activities insofar as they affect sales - from research and development to the purchase of raw materials, packaging, transportation, sales, service, etc. Another equally important activity is innovation, the development of new goods and services of higher quality on terms acceptable to the client. All kinds of innovations are not only the most important components of marketing, but also the means that help to survive in the market.[2]

Innovations at present are not just one of the phenomena that determine the economic growth, development and structural changes of the company, they have become the essence of modern development in all areas of the economy.

The concept of innovative marketing is the basis for market research and the development of a company's competitive strategy. The complex of innovative marketing includes innovative strategies, market analysis and operational marketing.

## 2. THEORETICAL APPROACHES OF INNOVATIVE MARKETING

One of the fundamental points in the formation of innovative marketing theory is the creation of an organizational and economic mechanism for managing innovations, which requires taking into account the features of the innovation process, covering the cycle from the emergence of an idea, the development of a strategy, to its practical implementation. These features stem from the predominant type of innovation that constitutes the process.

The logic of the development of an innovative (innovative) company leads to the transfer of the center of gravity from operational tactical planning to the strategic level, to the level of formation of a new type of management - innovative marketing. Innovative marketing in the modern sense is a unity of strategies, business philosophy, functions and procedures of company management[1]. In industrialized countries, the innovative strategy of the marketing concept of the development of the company has been one of the main places for decades.

The pace of development of production in the world is accelerating every decade, but at the same time, the economy continues to develop cyclically, only reducing the time it takes for the next round of renewal to pass. If earlier a company could have a monopoly on knowledge and technology for a long time, prevented competitors from copying their products and services, then the rapid development of the market reduced this process first to several years, then months, and now days.[5]

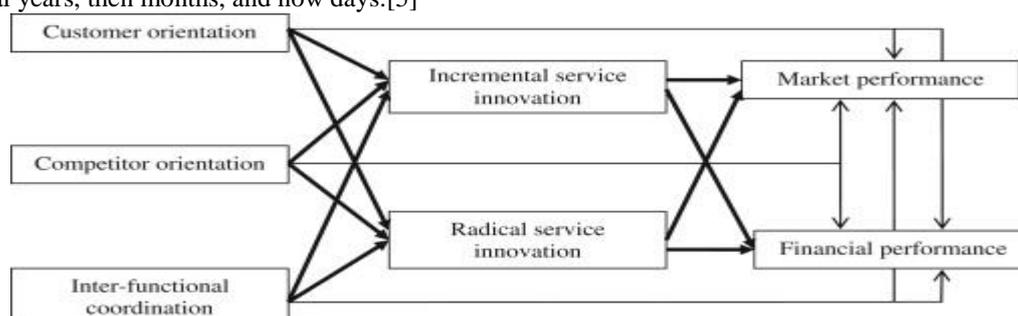


Fig.1. The role of service innovation in the market orientation [8]

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Aroma marketing is an integral part of sensory marketing that affects the senses or, more precisely, the emotions of a person. Scent marketing uses the sense of smell to attract attention. Aroma marketing - aromatization of air to stimulate sales and a favorable effect on the buyer. Aromas (smells) affect the subconscious of a person, prompting him to make more emotional decisions, including the purchase of a product (brand). Technologists and marketers are looking for new opportunities to exploit this human weakness. According to experts, smell is one of the dominant factors influencing the purchase [3].

Smell gained the status of a full-fledged marketing tool thanks to Martin Lindstrom, who preached the theory of sensory marketing. At the same time, the American psychiatrist A. Hirsch became a pioneer in the study of odors in modern psychology. He found that certain smells cause specific actions and affect human behavior.

In addition, Susan Shichman, professor of medical psychology at Duke University of North Carolina, and David Boshum, director of the Center for Chemical Research in Philadelphia, believe that despite the differences in interests, tastes and views that often occur in marriage, couples still do not separate if they like each other's scent. Moreover, this smell cannot be blocked by any perfumes, deodorants, etc., but with the help of perfumery, you can only deceive your partner for a while.

### **3. INNOVATIVE SERVICE MARKETING: RUSSIAN EXPERIENCE**

Marketing research shows that the presence of pleasant aromas forces shoppers to spend 15-20% more time in stores than usual, which has a positive effect on sales. A pleasant aroma encourages impulsive purchases. Aroma marketing allows you to stand out among competitors, emphasize the style, image and status of the company. In

Hugo Boss clothing stores, for example, it smells of flowers, most often lilies. Stores that sell leather and leatherette products often spray a natural leather fragrance. It is believed that this improves the idea of the quality of the goods. So, in the Russian shoe network "Econika" they considered that the consumer excitement is kindled by the smell of blossoming buds.

The uniqueness of sensory marketing lies in the fact that it is possible to influence the audience not only through direct contact at the point of sale, but also through advertising, sending customers not so much rational purchase motives as an emotional call to remember, feel, touch.

Of course, a company cannot always predict what exactly a person will like, so leading manufacturers try to dictate fashion themselves with the help of an advertising and marketing press.

The activities of many companies and their success prove that marketing in the right hands is a powerful tool and long-term investment in innovative development that contributes to the modernization of the economy.

The transition from an economy based on the extraction and processing of minerals to an innovative economy is not easy enough. In our opinion, modern types of innovative marketing should become a tool that influences the development of Russian companies in the context of economic modernization.

Innovative technologies for the provision of services is an area in which an integrated approach ensures the promotion of fundamentally new service complexes on the market, including both the services themselves and their product support, permits and licenses, and a new regulatory legal framework. Marketing ensures the promotion of goods and services on the market, and innovative technologies for the provision of services should be systematized and provided with a conceptual apparatus in order to form appropriate marketing approaches.

Innovative marketing for countries with economies in transition is itself essentially an innovation. In industrialized countries, the marketing concept of the development of industrial complexes and services has taken pride of place for decades. At the same time, it should be noted that the formation of a scientific direction in marketing, which can be described as "innovative marketing", took place only in recent years, a full analysis of its capabilities is yet to come.

At present, Russia does not yet have a legislatively fixed conceptual apparatus of innovation activity, which is a significant obstacle to its activation and development. The problem of forming the conceptual apparatus of innovation activity, defining the essence of innovation and classifying innovation has not been solved so far [1]. There are more than twenty variants of definitions of the term "innovation" in the literature, which have significant differences [2]. The lack of formation of the conceptual apparatus and, above all, the concept of the term "innovation" itself was the main reason for the rejection by the President of the Russian Federation of the draft Federal Law "On Innovation Activity and State Innovation Policy". The rejected draft law mentioned above proposed the following [3] definition: "...innovative activity is the performance of work and the provision of services for the creation, development in production and practical application of new or improved products, services or a new or improved technological process."

In the second half of the last century, innovations were mainly considered from the point of view of the development of science and technology. Thus, the recommendations of the Organization for Economic Cooperation and Development (OECD) that have been in force so far have been developed and applied exclusively for technological innovations. At the beginning of this century, innovative technologies are spreading more and more widely: to medical, educational services, culture, management (for example, municipal) and other areas of social development. Innovations themselves are considered as the basis of the knowledge-based economy [4-6]. If this approach is adopted, then the definition of innovation can be formulated as follows: a process culminating in the introduction of an innovation that provides a positive economic, scientific, technical or social effect, as well as an increase in the quality of life of the population.

Based on the uncertainty in the terminology of innovation processes, the simplest definition of innovation marketing can be given: it is "marketing associated with the promotion of innovations to the market". Other, more detailed and meaningful definitions of innovative marketing can be given in the future with the legal support of all innovation processes and the formation of a national innovation system. It seems that innovation marketing as a concept or as a scientific discipline should be broader than just innovation marketing. During its development as a discipline, it may contain specific elements of the philosophy of thinking, improvement of the style of management and behavior in the market, the purpose of which is organic, and not innovation imposed from outside, the formation of a special type of market relations, which include the full acceptance of risk as one of the elements of the market development.[7]

The theoretical analysis of methodological approaches to innovative marketing gives grounds to state the existence of a number of problems, the solution of which requires the development of practical recommendations. When implementing innovations in the service sector, it is necessary to conduct research in the field of trends in the formation of the corresponding market, to identify the main development problems. The development of standards in the field of consumption, especially for services with a noticeable social significance, can provide

guidance in the formation of markets with regional characteristics, the consideration of which makes it possible to determine the geographical scope of certain market niches. The provision of high-tech services is most often accompanied by the release of high-tech products, the use of which is a significant part of the service process. Obviously, the effectiveness of the final result depends on what components will be included in the implementation process, and on how they will be implemented.

In innovative marketing, it is important to single out the stages of market perception of innovations, at each of which it is necessary to develop specific methodological methods of influencing the minds of consumers, which has yet to be developed in the course of the development of innovative marketing as a scientific discipline.

Innovative marketing can be considered a stage in the development of marketing as a scientific discipline. In the course of the historical development of marketing, trend analysis allows us to state that from the doctrine of the sale of goods, the concept of the marketing process evolves in the direction of consumer satisfaction. The profit of a market subject as a result of consumer satisfaction is realized in the course of processes, the essence of which is described by the results of marketing research. An integrated approach to marketing research, the results of which make it possible to reveal the essence of innovation in customer service, is formed on the basis of the separation of the stages of strategic and operational innovative marketing.

For the service sector, much more than for the commodity production, the characteristics of consumers or customers, their attitude to innovation and the susceptibility of new products or services play a role. Classification of categories of consumers of innovations is based on statistical regularities, the analysis of which is carried out for a long time and in various subject areas. The market community can be characterized as five groups of consumers or customers with different attitudes towards innovation.

In addition to the general properties necessary for introducing innovations to the service market, the qualitative indicators of a particular novelty are of great importance for potential consumers: the design characteristics of the devices and units used, design, consumer properties, operational capabilities of the systems proposed for use (hotels, cars, etc.), the comfort of using certain new products.

#### **4. CONCLUSIONS**

According to the views of foreign marketers, innovative monopolistic competition begins at a very early stage — the stage of capital mobilization for an innovative project. The subsequent stage of development of the innovation sequence is carried out by deploying research and development, obtaining new scientific, technical and technological information and researching the future market. The final stage is the introduction of innovation into production and widespread use in the market. At the same time, the author of an innovative product or service occupies a monopolistic position in the market. The price and profit are the highest, which activates potential competitors. Competition is one of the leading indicators of the external environment. Ultimately, the success of competition in the innovative market is determined by the internal characteristics of the producer of new goods or services and their interaction with external factors. Management or management consists of a set of economic and organizational tools. Innovative marketing is an effective tool in this competitive struggle, which is able to ensure victory in the market battles.

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