

# MARKETING DEVELOPMENT OF INNOVATIVE PRODUCTS

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## ABSTRACT

The study of the marketing development of innovative products is crucial due to the active implementation of scientific and technical achievements, the rapid spread of digital technologies, globalization of the economy, the division of labor and involving different participants in production and economic activity, increasing competition between producers of various forms of management and countries of origin, the transformation of innovative products into a commodity for which demand is constantly growing. It is determined that the development of the marketing of innovative products is based on the ambiguity of a new socio-economic phenomenon, the system of properties of which characterizes innovation. It is proved that the properties of the product are inherent in both the innovative product - the result of research and development, and innovative production - new competitive products. The object of research is the processes of economic, institutional, and environmental nature, the integral unity of which reflects the development of marketing of innovative products. The subject of the study is a set of theoretical and methodological and practical aspects of the development of the marketing of innovative products. The purpose of scientific work is to substantiate the theoretical and methodological provisions and develop scientific and practical recommendations for the development of the marketing of innovative products. As a result of research, the urgency of development of marketing of innovative products is proven; the functional content of innovation marketing is determined; the characteristic features and properties of innovations as a market commodity are established; the importance of the strategy for constant updating of products is substantiated for market participants; the socio-economic expediency of marketing innovations for business entities is substantiated; the main sources of generating innovative goods are identified; the affiliation of human needs to the factors that combine innovation and marketing activities is proved; the institutional components of innovation marketing development are singled out.

**Keywords:** innovative goods, intellectual property, marketing, market demand, commodity offers, differentiation of production and economic activity, diversification, management, consumer, market activity.

## INTRODUCTION

The relevance of scientific research of the problem of marketing of innovative products is due to a number of objective and subjective factors, the main of which should include:

- acceleration of scientific and technological progress and the spread of digital technologies, the achievements of which are actively implemented in business practice. The technologies also reduce the life cycle of goods and require their constant updating;

- orientation of production and economic complexes to meet market demand, which is growing due to the steady growth of human needs;

- deepening the division of labor in the field of innovation, the results of which require transfer to product offers on the market;

- globalization of the economy, the marketing principles that serve as a common denominator for producers of goods of different organizational and legal forms of management and countries of origin;

- intensification of competition in the domestic and world markets, the advantage of which economic entities provide innovations in product, production, administrative, organizational and marketing format;

- features of innovative products, tangible and intangible nature of which are largely determined by the scope of applied use in society;

- transformation of innovations into commodity offers, the demand for which is constantly growing.

The object of research is the processes of economic, institutional, and environmental nature, the integral unity of which reflects the development of marketing of innovative products. The subject of the study is a set of theoretical and methodological and practical aspects of the development of the marketing of innovative products. The purpose of scientific work is to substantiate the theoretical and methodological



provisions and develop scientific and practical recommendations for the development of the marketing of innovative products.

The logic of the study of the problem of marketing the development of innovative products involves the consistent solution of such tasks as: clarifying the essence of innovative products; establishing the functional content of innovation marketing; identification of characteristics and properties of innovations as a market commodity; substantiation of the importance for market participants of the strategy for constant renewal of products; argumentation of socio-economic expediency of innovation marketing for business entities; identification of the main sources of generating innovative products; bringing human needs to the factors that combine innovation and marketing activities; identification of institutional components of innovation marketing development; identification of promising areas for further research into the development of innovation marketing.

## RESULTS AND DISCUSSION

Studies show that current legislation of Ukraine interprets innovations as newly created (applied) and (or) improved competitive technologies, products or services, as well as organizational and technical solutions of production, administrative, commercial or other nature that significantly improve the structure and quality of production and (or) social sphere. The Law of Ukraine "On Innovation" states that innovation is an activity aimed at using and commercializing the results of research and development and determines the release of new competitive products on the market [1]. Such institutional support corresponds to the origin of the term from the English language "innovation" - an innovation, or a new one that has recently or just been introduced.

The concept of "new" explanatory dictionary of the modern Ukrainian language is interpreted in the meanings:

1. Which recently arose, appeared, did not exist before; recently made, created, etc.
2. Concerning the near future; modern. Which replaced the old one.
3. Recently discovered, invented, bred, created, etc. Manifested recently; unknown. Still unknown, unknown. What has recently appeared was not previously known.
4. Quite different, not the one that was before. Which comes directly after something.
5. Whom they have not seen before, with whom they were not acquainted; unknown, unfamiliar. The first to arrive appeared somewhere. A newcomer to a job does not have enough experience, inexperienced in anything.
6. Who replaces the previous one, replaces it (about people). Introduced to replace the old one.
7. Next, next. Grown this year or made from the last harvest [2].

The given list of interpretations testifies to the existence of a number of approaches to the new as a certain socio-economic phenomenon, the system of properties of which characterizes innovations. The qualitative side of innovations reflects their usefulness (consumer value) and is the ability to meet certain human needs. The quantitative side of innovations is based on the costs incurred in their creation, forms the exchange value and is used in exchange for other goods. The ability to meet a certain human need and suitability for exchange for other goods are properties of the product that are inherent in innovative products - the result of research and development, as well as new competitive products.

The modern market of innovations reflects economic relations, the level of development of which involves meeting the identified and formed demand for newly created (improved) goods on the basis of their purchase and sale to achieve predetermined by the market entity socio-economic goals. Functionally, this process includes marketing activities to identify needs and demand, production (services) for identified demand, pricing, distribution, communication to promote newly created goods. The integral unity of these processes reflects the phenomenon of a real market economy, which is defined as the marketing of innovative products. The core of innovation marketing is market demand, the satisfaction of which requires manufacturers to find tools that, unlike existing ones, allows you to do it better, more efficiently, faster.

As a sphere of direct exchange, the market of innovative goods functions effectively only in conjunction with other markets - investment, labor, services, capital, technology, technology, etc. They are united by: independence of buyers and sellers; independence and equality of all market participants; the ability to choose market partners at their own discretion and respond to market demands; the importance of the impact on the pricing of supply and demand; the presence of competition. It was found that the market of innovative products has a number of characteristics, the main of which should include:

- belonging of the product of the innovation market to the result-intellectual and (or) creative activity;
- protection of most innovative products by intellectual property rights as objects of copyright, related rights, industrial property rights, brand and commercial names, plant varieties and animal breeds, etc. ;

- a variety of innovative goods that have an intangible (ideas, inventions, discoveries, projects, innovation proposals) and material (trial product, models, industrial designs, batch of innovative products) nature, and which are offered as ready for sale on the market;

- the need to coordinate the possibility of using innovative products with the owner of intellectual property, which retains the right to it for possession, use, disposal;

- the global market for innovative products, covering all national economic complexes;

- lack of balance of supply and demand in the innovation market.

Innovations as a market product are offered in the form of objects, which include:

- innovative programs and projects;

- new knowledge and intellectual products;

- production equipment and processes;

- production and business infrastructure;

- organizational and technical solutions of production, administrative, commercial or other nature, which significantly improve the structure and quality of production and (or) social sphere;

- raw materials, means of their extraction and processing;

- marketable products;

- mechanisms for the formation of the consumer market and sales of marketable products.

From a marketing standpoint, the product is recognized as new on the market under the following conditions:

- satisfies needs that were not previously met;

- is fundamentally new in relation to existing analogue products;

- has improved operational and (or) design characteristics;

- offered for the first time in a specific market;

- used in a new field of life.

The strategy of market participants for constant product renewal is based on objective laws of development of the modern economy and takes into account such its characteristic features as:

- accelerating economic globalization and involving the vast majority of countries in world economic relations;

- reduction of product life cycle;

- increasing demand for goods from consumers;

- strengthening state regulatory policy on consumerism and environmental protection;

- intensification of competition between producers of various forms of ownership, management, production and economic parameters and countries of origin of goods.

Under such conditions, only the accelerated introduction of new products into business practices allows businesses to be competitive in domestic and global markets. After all, traditional products, as a rule, are in conditions of significant competition. While the introduction of products with new characteristics (quality, technical, design, etc.) gives the market entity an advantage and allows some time to be out of competition.

Arguments in favor of the socio-economic feasibility of marketing innovations for businesses is the opportunity to:

- to meet ever-increasing human needs;

- increase the number of supporters of their own products;

- expand the range of consumers in different market segments;

- work in a market that has a constantly growing demand;

- to support active business activity;

- to avoid direct competition with other manufacturers, including with recognized world brands;

- to diversify business and focus it on the most attractive and promising sectors of the economy and national economic complexes;

- increase the share of intangible assets;

- to start production and economic activity and to steadily strengthen resource potential without significant previously accumulated material and financial resources;

- to dictate its own pricing policy by being on the market for a certain period of time as a monopolist;

- to receive income from an inexhaustible source, which is intellectual work;

- to position own goods as modern and high-tech;

- to conduct in the market of economic entities effective branding;

- use state support in terms of its legal framework and economic mechanisms that stimulate innovation;



- to stand out with their products and have an advantage over competitors in terms of quality, technical, design and other product characteristics;

- belong to the cohort of world market leaders, which are characterized by constant updating of their products and the practical implementation of the principle: "Make your own products obsolete before anyone else does";

- to supplement new existing sources of cash income;

- to show new knowledge in a certain sphere of society, which is positively assessed by the community in relation to the business entity and increases the social status of its management and professionals;

- to maintain in market subjects the most rational ratio of goods with different stages of the life cycle, thus obtaining the highest in absolute and relative terms of income and profits.

The institutional basis for the development of innovation marketing in the country is the Constitution of Ukraine, Laws of Ukraine "On Innovation", "On Scientific and Scientific-Technical Activity", "On Scientific and Scientific-Technical Expertise", "On Priority Areas of Innovation in Ukraine", "On the special regime of innovative activity of technology parks", "On the special economic zone "Yavoriv" and other normative legal acts of state authorities and local self-government. They regulate public relations in this area and create legal, organizational, managerial and socio-economic conditions for the effective reproduction, development and use of scientific and technological potential of the country. The empirical basis of innovation marketing is formed by business entities and individuals

Innovations are generated by the needs of specific consumers, various spheres of life, market competition, research and development, and other product innovations. At the same time, human needs act as a common link and combine innovation and marketing activities. The systemic integrity of marketing and innovation creates a new quality, the synergy of which is manifested in economic, social, institutional and environmental results.

In strategic terms, the development of innovation marketing meets the main goal of the state innovation policy, which means the introduction of modern environmentally friendly, safe, energy and resource-saving technologies, production and sale of new types of competitive products in domestic and global markets. This should be facilitated by:

- focus on the innovative way of development of the national economic complex, its sectors and business entities;

- ensuring the interaction of science, education, production, financial and credit sphere in the development of innovation;

- creating conditions for the preservation, development and use of domestic scientific, technical and innovative potential;

- implementation of measures to support international scientific and technological cooperation, technology transfer, protection of domestic products in the domestic market and its promotion on the foreign market;

- financial support, implementation of favorable credit, tax and customs policies in the field of innovation;

- maintaining the functioning and development of modern market and innovation infrastructure;

- information support of subjects of marketing and innovation activity;

- formation and implementation of state, sectoral, regional and local innovation programs;

- protection of the rights and interests of the subjects of innovation activity;

- stimulation of commercial banks and other financial institutions that lead to the implementation of innovative projects;

- establishment of preferential taxation of subjects of innovative activity;

- training of specialists in the field of marketing, management and innovation;

- marketing approach to the management of production and economic activities of economic entities to balance the interests of producers, consumers, society and the natural environment.

The main source of initiating the creation of new products and marketing innovations is market demand. To satisfy it, business entities are pursuing a strategy of constant updating of product offers. The practice of implementing such a strategy is based on the differentiation and diversification of production and economic activities of market entities.

Problems of further development of marketing of innovative products are related to the need to meet the growing needs of man. Today, for this purpose, the use of natural resources is increasing in production and economic activities, the volume of which is limited by the scale of the planet, and some of them are non-renewable. There is an intensification of production, which increases the anthropogenic pressure on the environment, which is losing biodiversity. For the economic interests of market participants there is

interference in natural processes, which creates conditions for mutations of biological organisms with not always predictable behavior. Introduction of scientific and technical achievements into the practice of management, such as robotization and computerization of production and economic activities, frees up labor resources and increases unemployment. As a result, the climate is changing in a negative direction,

Prospects for solving current and future problems are based on the socio-ethical principles of marketing. At the same time, highly effective innovative activity of business entities is real provided that a combination of marketing tools and a balanced state regulatory policy. An obligatory condition is to bring both goods and their production in accordance with technical and social safety standards, provisions for the protection of the natural environment, moral and ethical principles of specific regional markets both in the country and abroad. It is important to align the level of consumer properties of the product with modern requirements.

Therefore, the further development of marketing of innovative products should include:

- satisfaction of market demand on the basis of harmonization of interests of commodity producers, consumers, community and natural environment;
- encouragement in production and economic activities of technologies that minimize the cost of material resources and use renewable energy sources;
- preservation of the natural environment and increase of productivity of use of flora and fauna;
- formation of human-centered behavior of market participants;
- involvement in new types of economic activity of persons who are released as a result of the introduction of innovative achievements in the practice of management;
- stimulation of the growth of the educational level of the population and their development of the results of the latest scientific thought.

## CONCLUSION

1. Marketing of innovative products involves the implementation of a set of measures carried out in the field of design, production and marketing of newly created products, quantitative, qualitative, range and price characteristics which are consistent with the needs of specific market segments and meet both strategic and current socio-economic goals business entities.
2. The legislation of the country determines the legal, economic and organizational provisions of state regulation of innovation processes, establishes forms of their stimulation in order to guide the development of the economic complex on an innovative basis.
3. Innovations in Ukraine have legal support, scientific and technical support and significant opportunities as a market product.
4. Further research on the development of marketing of innovative products should harmonize the interests of producers, consumers, society and the environment.

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