Marketing Innovations: Conceptual Approaches, Impact and Analytical Tools

MS Received March 18, 2013; Reviewed August 08, 2013; Accepted Nobember 18, 2013

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Abstract

The role of innovation in today's economy is quite imperative. With the advent of globalization business houses all around the world are under pressure to innovate in their diverse aspect of operations and improve their competitive position. The main objective of this paper is to present a concise literature review on non-technological innovation i.e. marketing innovation, highlighting various connotation of marketing innovation, its importance, perceived tools, and measurement issues. This review intends to highlight the main ideas that have come out of research on the marketing innovation within the framework of marketing orientation, attempting to integrate diverse and analogous perspectives on the subject.

Keywords: competitive advantage marketing innovation, marketing orientation, non-technological innovation.

Introduction

Today is the world of globalization which is characterised by higher intensity of competition in the product market, large number of brands, and high degree of consumer awareness via development of mass communication technologies. A new era is unfolding in the field of advertising, product promotions and marketing communications. The business houses keep a keen eye on changing preferences of the people so as to leverage it in the market as the source of competitive advantages. Competitive advantage is defined as "a value creating strategy not simultaneously being implemented by any current or potential competitors" (Barney, 2000). In recent years, marketing innovations have emerged as an important source of competitive strength, and firms in many industries have achieved success by competing through marketing innovation. Pursuit of competitive advantage for sustainable profitability is the chief and preferred trigger for market leaders and innovators. Innovation is widely regarded as a critical source of competitive advantage in an increasingly changing environment (Dess & Picken, 2000; Tushman & O'Reilly, 1997). Innovation could be introduced in any aspect of business operation. Schumpeter (1934) described different types of innovation: new products, new methods of production, new sources of supply, the exploitation of new markets, and new ways to organize business. Drucker (1985) defined innovation as the process of equipping in new, improved capabilities or increased utility. Innovation strategy has taken on a broader scope these days, increasing emphasis on "non-technical" forms of innovation especially market driven innovation. Although, technological innovations are significant for developing and introducing new products and services in the market but alone they are not sufficient for turning any firm into the market leader. The twentieth-century model of innovation was about quality control, cost cutting, and operational efficiency. Today, this scenario has taken a different stance. Now innovation is more about reinventing business procedures, collaborating and integrating within the firm, and creating entirely new markets to meet unexploited customer needs. According to Damanpour (1992), "organizational performance may depend more on the congruency between innovations of different types…"

In the OECD Oslo Manual (2005), four different innovation types are introduced:

Product innovation: A product innovation is the introduction of a good or a service that is new or significantly improved regarding its characteristics or intended uses; including significant improvements in technical specifications, components and materials, incorporated software, user friendliness or other functional characteristics.

Marketing innovations: A marketing innovation is the implementation of a new marketing method involving significant changes in product design or packaging, product placement, product promotion or pricing.

Process innovation: A process innovation is the implementation of a new or significantly improved production or delivery method. This includes significant changes in techniques, equipment and/or software. Process innovations can be intended to decrease unit costs of production or delivery, to increase quality, or to produce or deliver new or significantly improved products.

Organizational innovation: An organizational innovation is the implementation of a new organizational method in the firm's business practices, workplace organization or external relations. Organizational innovations have a tendency to increase firm performance by reducing administrative and transaction costs, improving workplace satisfaction (and thus labor productivity), gaining access to non-tradable assets (such as non-codified external knowledge) or reducing costs of supplies.

Increasing globalization, the growth of the Internet, and more demanding customers are forcing firms to find innovative ways of conducting business. Firms are focusing more on innovation which is market driven rather than that which is R&D driven. Marketing innovations are aimed at better addressing customer needs or opening up new markets with the objective of increasing the firm's sales. Marketing is an organizational function and a set of processes for creating, communicating, and delivering value to customers and for managing customer relationships in ways that benefit the organization and its stakeholders (American Marketing Association 2008). Marketing innovation, thus defined as the improvements in product design, placement, promotion or pricing, is a possible contributing factor to firm survival in an economic crisis (Deshpande, et al., 1993; Hurley & Hult, 1998; Naidoo, 2010; OECD, 2005). Marketing innovation has recently gained prominence as one such dynamic capability that distinguishes firms which outperform their counterparts.

The study provides a comprehensive definition of innovation, which corresponds to the broad scope of our research objective: Marketing innovation is the adoption and practice of various tools, processes, schemes, offers attached to the marketing mix elements: product, place, price and promotional strategies employed by the firms with the objective to bring novelty in procedures. This definition captures several important aspects of marketing innovation: it includes any adoption which brings individuality and newness to the existing processes and it extends its area of operation beyond marketing department to production department, sales department, and R & D department.

Methodology

This study is a comprehensive overview and a conceptual, rather than an empirical, consolidation. It is based on secondary sources drawn from peer-reviewed journals. The main objective of the study was to understand the broad theoretical foundations of the area of marketing innovation covering its various aspects. Thus, the approach was methodologically limited to descriptive rather than statistical methods in the analysis of the results. The initial step of the study was review and categorization of the findings. Further, a synthesis is sought of the finding into a comprehensive multidimensional framework of marketing innovation, consisting of the five sequential components: association between marketing orientation and marketing innovation, inevitability of marketing innovation in today's economy, impact of marketing innovation on firm's performance, implementation of marketing innovation as a process, and measurement issues related to marketing innovation.

The broad premise of this literature suggests that the ability of the firm to innovate in the field of marketing could prove to be a powerful tool of competitive advantage. This article studies the basic aspects of marketing innovation within the framework of marketing orientation since marketing orientation encompasses marketing innovation.

Market Orientation and Marketing Innovation

According to Drucker (1985), "Because the purpose of business is to create a customer, the business enterprise has two-and only two-basic functions: marketing and innovation." The relationship between market orientation and innovation is not yet fully explained (Augusto & Coelho, 2009; Lukas & Ferrell, 2000). Most studies examining market orientation have investigated a direct relationship with performance. Market orientation promotes the satisfaction of market needs with a higher degree of excellence than competitors. Slater and Narver (1994) propose that innovation is a core value creating capability that drives the market orientation and performance relationship. Marketing orientation is defined as understanding and satisfying customers and other relevant stakeholders (Day, 1994; Narver & Slater, 1990). It is, in other words, "the implementation of the marketing concept" (Kohli & Jaworski, 1990). With a primary objective of innovation being the development of new or modified products/processes aimed at improving organizational performance and with superior performance inherently dependent on understanding and satisfying customer needs better than one's competitors, market orientation and innovation are intrinsically linked constructs (Augusto & Coelho 2009; Hauser, et al., 2006). Slater and Narver (1994) propose that innovation is a core value creating capability that drives the market orientation and performance relationship. Deshpande, et al. (1993) further suggest that market orientation might facilitate innovation en route to organizational performance. A very successful innovation can turn into a failure just because they are not known to consumers, i.e. it fails in the marketing phase (Garcia, 2011). Good integration of the marketing and the R&D

departments inside the firms is one of the biggest indicators for market success of the innovation (Gupta, et al., 1986). Thus, for any new invention to have an impact, market orientation is the prerequisite.

Marketing Innovation: Inevitable in Today's Economy

In the era of globalization, no country can grow or prosper in isolation and the same is true for a firm in the market. Globalization brings opportunities and pressures for domestic firms in emerging market economies to innovate in their different aspects of operations and improve their competitive position. Management expert Peter Drucker (1985) said that if an established organization is not able to innovate, it faces decline and extinction. The main reasons for the firms relying more on marketing innovation to establish their competitive advantage is firstly, economies from product innovation have been reaped and exhausted to a large extent and secondly, the atmosphere of consumerism provides a huge potential in exploring the psyche of the consumers and catering to their whims and fancies, which still remains largely untapped. Furthermore, business firms cannot escape the influence of the change in the operating environment: competition is intense, knowledge dissemination is wider and faster, investment in R&D is galloping and life span of a product is shrinking. A large number of firms are competing for market share and far more product are available in a range of features and prices. It has become natural for the customers to filter out those products that don't appeal to a particular need or interest. On the other hand, as marketers, leave no stone unturned to reach the consumers when they are interested in value proposition. During the last decade, the intensification of global competition has resulted in the emergence of new approaches to technological and non-technological innovations. Organizations innovate to adapt to their external environment and to respond to perceived external and organizational changes. A firm which follows old and traditional methods of conducting business often suffers from decreasing sales performance. So, changes in business practices by the rival firms and decreasing level of sales have necessitated the firms to adopt new business procedures to sustain in the market. The interesting part may be the connection of marketing and innovation that Richard, et al. (1992) proposes as an evolution of marketing concept. "To remain competitive and survive into twenty-first century, companies can combine the Marketing Concept and cross-fertilization of ideas for innovative strategies."

Major aspect of globalization is the business and trade links between various countries across the globe. In order to face the challenges posed by globalization, firms need to devise strategies which are consumer focused or market oriented. Today organizations have realized the importance of innovations in marketing. Traditional ideas about marketing strategy began to change forever during the mid- 1990s. Advances in computer, communication, and information technology forever changed the world and the ways the marketers reach potential customers. Today, the primary focus of a business firm is the consumer. Perhaps the single most important change during the last two decades is the shift in power from marketers to consumers (Ferrell & Hartline, 2010). Marketers are skilled in stimulating demand for their products. However, this is too limited a view of the tasks that marketers perform. Just as production and logistics professionals are responsible for supply management, marketers are responsible for demand management. The achievement of the firm's goals and objectives depends on its ability to create differentiation i.e. to introduce innovation in any of its aspects of operation which is based on its strength & capabilities. In the words of Edward Chamberlin, "it may be real or fancied" (as cited in Gardner, et al., 1990). Marketing innovations are the vital source of competitive advantage if they provide better value to customers.

Impact of Marketing Innovation on Firms' Performance

One of the principal research domain in the recent innovation literature aims to find out the affiliation between marketing innovation and firm performance. Marketing innovation is conceptually demonstrated to have a direct impact on firm performance because it effectively captures the ability of an organization to innovatively implement marketing activities that are embedded in core business processes. Bhaskaran (2006) in his study finds that SMEs focusing on marketing innovations are profitable and can compete with larger enterprises. Consumers often see any form of marketing innovation as something that adds value to a company or to its products. Applied properly, marketing innovation can offer the firm a commercial advantage - especially in saturated or rapidly shifting markets. Customers may be willing to pay a higher price for a well-designed, novel and innovative product or service rather than choosing a cheaper but unattractive option. Most studies examining market orientation have observed its direct relationship with the firm's performance. However, a few others have inferred innovation as a moderating variable between market orientation and performance (Deshpande, et al., 1993; Hurley &

Hult, 1998; Jaworski & Kohli, 1996). These studies conceptualize innovation as the actual mechanism that transforms market orientation into superior performance. Slater and Narver (1994) propose that innovation is a core value creating capability that drives the market orientation and performance relationship. Innovation plays a significant role in creating the differences of performance and competition among firms, regions and even countries. McAdam and Keogh (2004) found out that the firms' inclination to innovations was of vital importance in the competitive environments in order to obtain higher competitive advantage. Introduction of marketing innovation is not only essential for big business houses but it is equally crucial for small and medium firms. For instance Moffett, et al. (2010) suggested that SMEs should use innovation as a means of seeking competitive advantage where innovation includes both technological and organizational perspectives.

Garcia (2011) focuses on marketing expenditures and their relation with R&D investments and innovative sales. Through empirical investigation, the study reveals that the size of the marketing coefficient is double that of R&D, a quite surprising result considering that a very little importance is given to marketing in innovation studies. Apart from the success of the interaction between product and marketing innovation, pure marketing innovations can be successful without acting as complementary to new products. Even when the product is not modified or reinvented, yet changes brought in through innovative marketing strategies can lead to increase in sales.

Slater and Narver (1994) highlight that market orientation leads organizations to adopt an external focus and commitment to innovation, which in turn allows them to achieve and sustain superior performance. In the current day economic scenario, innovativeness has become a crucial factor in determining strategic planning. It has been acknowledged that marketing innovation leads to wealth creation via increase in profit rate. Even though competence measured in terms of technology, manpower, resources etc. is essential for business success, in the long run, it cannot ensure survival and sustain business growth. The firm must possess any competitive advantage strategy based on marketing innovation. For instance Naidoo (2010) in his paper investigates the importance of marketing innovations for small and medium manufacturing enterprises (SMEs) in withstanding the challenges of operating under the current economic conditions where the global manufacturing sector is collapsing due to economic downturn. Naidoo finds that the examined Chinese manufacturing SMEs had a greater perceived likelihood of survival had they developed and sustained a competitive advantage based on differentiation and cost leadership strategies. A very contemporary example of marketing innovation application is Google, Inc. It has one of the most innovative marketing team in the world. Google has the most powerful search engine in the world and their marketing team saw niche on online advertisement and took advantage of the situation. Today of over 98% of Google's revenue is generated from online advertisement. Google is ranked as the most innovative company in the world.

Although it is worth noting that not all studies confirm the positive outcomes of being market oriented (Diamantopoulos & Hart, 1993; Harris, 2001), the aggregate conclusion attributes a positive relationship between market orientation and organizational performance.

Marketing Innovation: Tools and procedures

The development of new marketing tools and methods plays an important role in the evolution of industries. In recent years, companies keep on devising new marketing tools and procedures to attract the customers and to trounce their competitors. Instead of thinking about innovation merely in terms of what firm's provide (i.e. products and services), the firm's should be looking at ways to innovate across the entire business model in an effort to meet customer needs in unconventional ways. According to CIS4 marketing innovation was defined as "the implementation of new or significantly improved designs or sales methods to increase the appeal of your goods and services or to enter new markets". Chen (2006) in his study provides the economic analysis of marketing innovation in a dynamic oligopoly model. He studied two forms of marketing innovation tools: one that allows firm to acquire consumer information and another that reduces consumer transaction costs. The first dimension could be referred to as marketing intelligence and second could be associated with the innovation in the sale channels. According to the Oslo Manual (OECD & Eurostat, 2005) new marketing methods in product placement primarily involve the introduction of new sales channels. New marketing methods in product placement primarily involve the introduction of new sales channels. Sales channels here refer to the methods used to sell goods and services to customers, and not logistics methods (transport, storing and handling of products) that deal mainly with efficiency. An example of marketing innovation in placement may be online shopping stores like e-bay, snap deal, flipkart etc. Modification in selling procedures is also a form of marketing innovation in placement since it replaced the conventional stores with internet.

Some authors have asserted that an important tool of marketing innovation is marketing information. External and internal information is required to compete in the market. As such, work of Luo and Park (2001) demonstrates, the market environment directly influences a firm's selection of strategy, where initiatives directly come from the environmental context in which the firm operates. The information revolution is sweeping through our economy. It creates competitive advantage by giving companies new ways to outperform their rivals. It initiates whole new businesses, often from within a company's existing operations. It is affecting the entire process by which companies create their products. Furthermore, it is reshaping the product itself: the entire package of physical goods, services, and information companies provide to create value for their buyers. Professor Michael J. Mazzeo (2011) recently looked into this in his article "Information for Competitive Advantage - Three Central Issues." According to him, given the size of organizations and their global reach, it has become almost impossible for managers to know everything that is going on within their organization. Yet having the right information is critical for everything from strategic decision making to operational excellence. In businesses of all sizes, firms can use effective policies for obtaining the best possible information from both inside and outside of their organizations as a basis for sustainable competitive advantage. Successful knowledge management is believed to have the potential of enhancing an organization's competitive advantage, customer focus, employee relations and development, innovation, and lower costs (Zheng, et al., 2010).

In order to turn firm's strength and capabilities into competitive advantages, the marketing manager must be aware of the current trends and state of affairs in the peripheral environment. Focusing only on internal strengths while ignoring external circumstances can lead to an organization to fail to cater target market and even give sturdy competition to its counterparts. For the purpose SWOT (strength, weaknesses, opportunities, threats) analysis considered to be very useful.

According to Hemmatfar, et al. (2010), information can be used to support a variety of strategic objectives, including creation of innovative applications, changes in business processes, links with business partners, reduction of costs, acquiring competitive intelligence, and others. For instance, Lee, et al. (2010) have shown in their studies that knowledge management has a positive impact on marketing performance. Chen (2006) has also dealt with marketing innovation tools that allows firm to acquire consumer information. Similarly Erdil, et al. (2005), has concluded that the collection and use of market information is positively correlated with the development and implementation of market-oriented strategy which in turn positively affects the innovation performance. Market orientation, therefore, focuses the organization's ability to be responsive to customers and other relevant stakeholders (e.g. competitors and employees) in order to be profitable.

Besides, innovation in sales channels and information some authors have also dealt with other procedures of marketing innovation. Marketing innovation is defined as the degree of novelty in the implementation of three core business processes: (1) product development management, (2) supply chain management, and (3) customer relationship management, as identified in the Srivastava, Fahey & Christensen (2001).

For instance Human & Naude (2009) has talked about the importance of relationships within and outside the organization. Relationships between a company and their customers, distributors, employees, referral sources, are vital to continued, sustained growth, and stability. Loyal relationships with these valued individuals make for a strong bottom line. Relationships marketing could prove to be a vital source of competitive advantage to the companies. According to Human & Naude relationship orientation has positive impact on firm's performance. The ultimate outcome of relationship marketing is the building of a unique company asset called a marketing network. A marketing network consists of the company and its supporting stakeholders (customers, employees, suppliers, distributors, university scientists, and others) with whom it has built mutually profitable business relationships. Increasingly, competition is not between companies but rather between marketing networks, with the profits going to the company that has the better network. Godson (2009) in his book "Relationship Marketing" has emphasis that relationships orientation can help the organization to meet marketing objectives. In 2005, the AMA changed the definition of marketing to better reflect the realities of competing in today's marketplace: "Marketing is an organizational function and a set of processes for creating, communicating, and delivering value to customers and for managing customer relationships in ways that benefit the organization and its stakeholders."

Implementation Process of Marketing Innovation Strategy

Today in the dynamic and ever changing environment innovation is crucial. Yet, many teams and organizations fail to realize the expected benefits of innovations either technological or non technological that they introduce. Even if the innovative product or procedure is effectual and prospective of yielding good results yet any recklessness in the execution stage will not result in expected returns but may even leads to complete failure. A key reason is not innovation failure but implementation failure (Klein & Knight, 2005). Peter Drucker (1985) observed that "a plan is nothing unless it degenerates into work." Yet a poor plan with great implementation is no better than a good plan with poor implementation. A great deal of innovation failure can be attributed to ineffective implementation process, rather than attributing failure to the innovation itself. A generic innovation process model by Tidd and Bessant (2009) divides the innovation process into four phases:

- Generating new ideas - how can we find opportunities for innovation?
- Selecting the good ones - what are we going to do and why?
- Implementing them - how to make it happen?
- Capture - how to get benefits from it?

Tidd & Bessant (2009) states that the implementing phases of innovation always contain uncertainty and risk, especially related to cost. There are two stages of innovation: initiation and implementation. A critical element of the initiation stage is the openness and willingness to innovate (Hurley & Hult, 1998). With market orientation representing organization-wide responsiveness to market information (Kohli & Jaworski, 1990), Jaworski and Kohli (1996) suggest that market orientation is an antecedent to innovation. For any new process or product to be introduced in the market, setting up of stage is prior requisite so that it is eagerly accepted by the target market. Market orientation, can thus serve as the catalyst for innovation implementation, since it opens up the firm to new customer needs and new business processes. In other words, market orientation can be a critical part of the initiation stage of innovation implementation (Hurley & Hult, 1998). Pang & Qu (2010) asserted that for the successful marketing innovation implementation scanning of external environment, market information and use of technology plays very important role. There cannot be any universal implementation guidelines for marketing innovation plan. It depends on various factors like scale of operation, type of market, level of competition, preferences of the people, organization's climate for innovation implementation, availability of financial resources, learning orientation, role of managers etc. Innovation implementation may require individuals who have previously worked quite independently to coordinate their activities and share information (Klein & Sorra, 1996). To turn potential customers into end users, sustained and skilful use of marketing innovative procedures & practices must be employed with great attention, conviction, and resources devoted to the implementation process.

Measurement Issues of Non-Technological Innovation

As innovation is a necessity for any organization today, the ability to assess and measure the progress and impact of innovation efforts is very essential since it is an indicator whether the innovation process is moving on the right path or is there any deviation from the desired objective. A measurement result helps the organisation to take decisions whether to preserve the ongoing process or to take corrective actions so that the resources are not wasted. Innovation technological or non-technological is difficult to measure, because no direct measurement of it exists. Measurement of the process of marketing innovation is critical for both practitioners and managers, yet the literature is characterized by a diversity of approaches, prescriptions and practices that can be confusing and contradictory. In a report to the US Secretary of Commerce, the Advisory Committee on Measuring Innovation in the 21st Century Economy (2008) suggests, "innovation measurement to date has been largely piecemeal, incomplete, and accidental". Though different methods of measuring innovations are being used by the various authors such as Scaling or test techniques, Reliability Analysis, Factor Analysis and Optimal Scaling, such as HOMALS, all which can be used to combine existing innovation indicators into new, reliable and valid innovation constructs. Millot V. (2006) utilizes trademarks, their potential link with innovations and their main statistical properties, to see if they may actually serve as an innovation indicator. As defined by law, a trademark is a sign (a word, a logo, a phrase, etc.) that enables people to distinguish the goods or services of one party from those of another. Trademarks constitute one of the most important assets of firms. According to Millot a patent may indicate the prior art; nevertheless it does not indicate the commercial value of an invention. Trademarks are obviously linked to the commercialization of products, as they are fundamentally used to sell products or services on the market. There are other measures also that are being employed by different countries to measure technological and non technological innovation. For instance, European Innovation Scoreboard (EIS) is an attempt initiated by the European Commission in order to compares the innovation performance of EU Member States. Similarly Community Innovation Surveys, CIS, have been an important source of information regarding data on non-technological innovation. Schmidt and Rammer (2007) have compared, using German CIS4 data, non-technological innovations (organizational and marketing) with technological ones. For measuring Marketing Innovation, Efi (2010) has established scorecards from Europe, US and Australia and also alternative approaches like LBIO (Literature-Based Innovation Output) data, patent, design, copyright, and trademark. An alternate tool of measuring innovation is “smoot”, a variable measure that is redefined according to the time reference, the company and the industry, efficient enough to face up this complexity since the continuous review helps the measurement system to keep up with the novelty of each innovation.Conceptualized as a process; innovation measurement lends itself to disaggregation into a series of separate studies. The consequence of this is the absence of a holistic framework covering the range of activities required to turn ideas into useful and marketable products.

Conclusion

Marketing is an art that is used by the companies to sell a product, idea or service to their consumers. Being innovative in marketing can help the firms not only to survive competition but to give rivals a new high bar for competition. The review of empirical studies shows that, in general, marketing innovation leads to better firm performance. However, it was also quite noticeable that there are some obvious difficulties in measuring a comprehensive and subjective phenomenon like marketing innovation. Moreover, marketing innovation of any kind is not the only cause of better business performance. Issue such as globalization and outsourcing, organizations need to offer differentiated products and services to survive; they require innovative processes and management that can drive down costs, improve productivity and increase demand.

The conclusions which emerged from the review of important studies on marketing innovations and their impact on a firm's performance are outlined, in decreasing order of importance and relevance, as under:

Information gathering and Knowledge Management: In this era of communications revolution, the first and most important factor of marketing innovation that has a significant impact on a firm's performance is Information Gathering and Knowledge Management, which implies organization-wide generation of market intelligence pertaining to current and future customer needs, dissemination of the intelligence across departments, and organization-wide responsiveness to it. Accurate information is the life blood for the success of any organization. Knowledge management is important as it is one of the primary ways to differentiate the firm's product from that of the rivals. Further, Knowledge management helps to discover what opportunities and prospects exist at the current point of time, or are likely to emerge in the future. Therefore, successful companies not only respond to the volatile environment but also use the knowledge management to anticipate future trends and develop an idea, product, service or marketing procedures that allows them to meet future demand rapidly and effectively. Therefore, a well planned information gathering and knowledge management exercise will help firms to stay ahead of competition as markets, technologies or trends shift.

Relationship Orientation: Second important domain of marketing innovation is Relationship orientation. The competitive climate in today's world has been influenced by variation in consumer behavior. Consumers these days are showing less brand loyalty and more brand switching. As a result, companies have to devise such innovative competitive strategies that are more customers oriented and also give due considerations to distributors, competitors and other relevant stakeholders. Relationship orientation proves to be strongly associated to organization's performance, its impact being measured in terms of increase in sales/consumer share/market coverage and also the contentment of old and loyal customers. It is important to note that the relationship orientation can only be achieved when the firm has a robust and full-fledged information gathering and knowledge management arm, which gives its up-to-date feedback to achieve the best possible customer orientation practices.

Product Innovation: In this era of Technological revolutions, one cannot avoid it's obvious outcome on the firms performance, therefore, the third most important factor of marketing innovation would be Product innovation which includes a new product's invention; technical specification and quality improvements made to a product; or the inclusion of new components, materials or desirable functions into an existing product. A point to be noted, that the real improvement in product innovation could only be achieved using the best possible customer orientation program, which gives the real time feedback on customer's likes-and-dislikes and its aspirations, which would again outline the importance of information gathering and knowledge management in a firms marketing innovation domain.

Innovative Promotional Strategies: The fourth significant factor in marketing innovation practice would be its promotional strategies, to sell the product or just to create attentiveness in the market, that have not been used previously by firm as it may prove to be a crucial source of competitive advantage to the firms. The significance of such promotional strategies increases manifold if the firm has some disadvantages such as; it can't compete on the price basis or market share or location or branding limitations. Even development of novel and valuable product needs sound and innovative promotional strategies for its success otherwise even an innovative and better product may remain inaccessible to the end users. Therefore, any product innovation would not only need the customer orientation and information gathering and knowledge management program as mentioned above, but also need the innovative promotional strategies.

Marketing Innovation: Components and Outcome

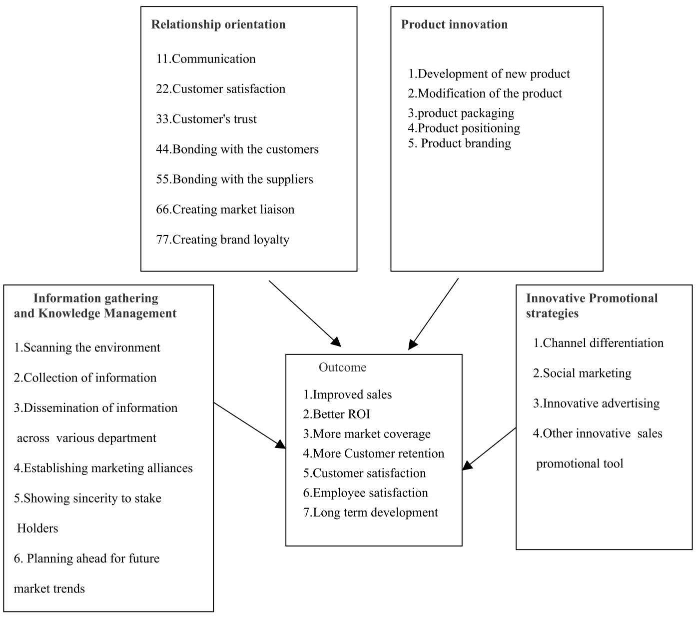

Fig.1. Marketing innovation: Components and Outcome

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