# MARKETING & INNOVATION IN BUSINESS

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**Abstract**

This paper is based on the role of marketing and innovation in business. Marketing and innovation play a very important role in business. A business cannot be run without marketing and innovation. In the present scenario, there is too much competition. To cope up with such competition the strong marketing strategies are needed. Now every organization is coming up with innovative and distinct products. So to start up new business innovative techniques are also required. With innovation there comes creativity. So every organization needs to produce or create new innovative products to survive in the present competitive environment. When a new firm starts its business, advertising helps the firm in introducing the firm's products in the market. Advertising is also the part of marketing. It is done through various media such as Broadcast media (T.V, Radio) or Print media (Newspaper, Magazine) etc. With advertising many people come to know about new products of a new enterprise and start using those products. With this, a new firm's sale increases and it generates a lot of profit from its business. Thus Marketing helps in starting up of a new business. Like Marketing, Innovation also helps in starting up of a new enterprise and running its business. When an entrepreneur starts its business, he needs a lot of new innovative and creative ideas so that he might produce a new distinct product in the market and might capture the maximum share of the market. With the help of innovation an entrepreneur successfully runs its business and enjoys with earning a lot of profit from the market. With innovative marketing an enterprise can become a market leader.

**Keywords: - Innovation, competition, creativity, advertising, media, enterprise, business.**

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## INTRODUCTION

Marketing is defined as to understand the needs of the customer and to fulfill those needs with required product or service. Business market research is the process of collecting data to determine whether a particular product/service will satisfy the needs of your customers. With effective market research, your company can gain invaluable information about your competitors, economic shifts, demographics, the current market trends and the spending traits of your customers.

Successful businesses worldwide periodically conduct market research in order to stay tuned to changing market trends and to retain their competitive edge. Whether your business is in a start-up stage or in an expansion phase, market research is vital for understanding the critical characteristics of your target market to increase sales revenue, profit, ROI and overall business success.

Innovation is the application of new knowledge to the production of goods and services; it means improved product quality and enhanced process effectiveness. Innovation generates wide improvements in productivity, which are the primary source of enhanced well-being, higher real incomes and resources for Government.

Small firms are often regarded as driving innovation, as opposed to large incumbents, usually because the small-firm population contains new entrants. But this view needs to be qualified. SMEs perform less innovation than large firms across a range of dimensions covering product innovation, process innovation, non-technological innovation, new-to-market product innovations and collaboration in innovative activities.

It is important to note however that the difference in innovation between SMEs and large firms is due to a lower proportion of small firms innovating rather than a lower intensity of innovation in those that do innovate. In certain high technology sectors (semiconductors, biotechnology), emerging sectors (green industries) and creative industries (film production, publishing, architecture) innovative SMEs have been important drivers of innovation based on a combination of intangibles, new technology and design skills.

**Keywords: -** Marketing, Demographics, Innovations, Product, Technology.

## Marketing in Business

Marketing is perhaps the most important activity in a business because it has a direct effect on profitability and sales**.** Larger businesses will dedicate specific staff and departments for the purpose of marketing. It is important to realize that marketing cannot be carried out in isolation from the rest of the business. For example: The marketing section of a business needs to work closely with operations, research and development, finance and human resources to check their plans are possible. Operations will need to use sales forecasts produced by the marketing department to plan their production schedules. Sales forecasts will also be an important part of the budgets produced by the finance department, as well as the deployment of labour for the human resources department.[1] A research and development department will need to work very closely with the marketing department to understand the needs of the customers and to test outputs of the R&D section.

Without marketing, potential customers may not be aware of the product or service your business is selling. Without customers, your business may meet its demise. Marketing plays a vital role in business because planning how you are going to reach potential customers helps to ensure that people are aware of your product or service and that you have an opportunity to convert that awareness into paying customers. The important functions of marketing in business are follows:-

## Creates a Guide

The achievement of written goals occurs more often than goals that are not written down. Marketing planning serves as a written guide for a business to follow in promoting its products and services. Planning the marketing strategies ahead of time allows companies to be proactively involved in the success of its sales.[2] Because the marketing plan is a portion of the overall business plan, a company can align marketing strategies during the planning stages with its overall business goals.

**Integrates the Business**

Planning marketing efforts involves more than the marketing manager. Marketing planning integrates all of the aspects of a business, ranging from how products and services are priced to the financials of the company. As a result, marketing planning brings upper management and the heads of departments such as finance together. Small business owners may be both the marketing manager and upper management, but marketing planning still plays the role of integrating a business requiring you to analyze your business from all of the different vantage points: finance, operations, legal and marketing.

**Forecasts**

The marketing planning process also plays a forecasting role because it requires you to estimate sales resulting from each marketing effort. A company and operations department uses sales forecasts to create a production schedule.[3] The finance department uses these forecasts to create budgets, while the human resources department looks to sales forecasts to plan for employees. A small business also requires these forecasts to plan for other areas in the business.

**Company Product/Service**

An effective marketing plan takes a close look at a company's products and services and compares these to products and services from competitors in the market sector. The marketing department must review the company's products in terms of quality, customer interest and customer response, among other qualities. An appreciation of these elements helps a company develop new products and improve existing products as the company pursues its goals.

**Pricing**

The marketing plan must keep in mind the company's pricing position for its own products and services. Marketing professionals run pricing comparisons of other company products and services within the marketing sector and then compare these prices to their own company prices. The results help the company develop a pricing plan that serves two primary purposes: enable the company to price itself strategically within the market and assist the company in reaching its own financial goals.

**Customer Needs**

Evaluate and understand the precise needs of potential customers and develop your products and services accordingly.[4] Even existing products and services can be suitably modified based on the results of such market research.

**Customer Behavior Patterns**

Potential customers may exhibit behavior patterns and preferences, such as a preference for only one brand or switching brands frequently; trying out new products; a preference for products of a particular type, size, color, price range, or other such parameters.

**Competitor Analysis**

Research can provide you with valuable information about existing competitors, their adopted strategies, impact on target consumers (and their reactions), and other such details.

**Identify Business Opportunities**

Market research helps identify existing gaps and new business opportunities such as untapped or underserviced markets, as well as changing market trends such as population shifts, higher education levels, increased leisure spends and more.[5]

**Resolving Business Problems**

A market research company can identify the cause of your business problems, if any, and suggest possible remedies. For example, decreased sales could result from the entry of a new competitor, a substitute product, reduced brand awareness or negative brand image.

**Accurate Business Decisions**

The information collected through research can enable you to set realistic expectations and make appropriate estimations about sales forecasting, market share, growth rate and other such critical factors.

**Develop Business Strategies**

Research data can help you in developing strategies for product or service pricing, distribution and logistics, advertising media usage (radio, TV, newspapers etc.), making decisions for new products and services, and timing the market. It can guide you towards better decisions on starting, consolidating, diversifying or reducing business activity.[6]

The significance of market research is seen in the following benefits accrued by businesses:

- Improved communications between the company and its target customers through accurate understanding of customer needs and meeting them effectively, leading to enhanced customer satisfaction
- Minimized risk through precise analysis of the customer's exact demands and developing perfectly matching products and services, thus reducing errors and failures
- Measuring business success through analysis of the research data and evaluation of business progress and growth. Even possible pitfalls and solutions can be gauged.

**Innovation in Business**

Innovation is central to long term economic growth. There has been much fresh analytical thinking on the drivers of innovation, as the dynamic of business activity has evolved in recent years. Business innovation is a broad concept, encompassing performance improvements in products, services, processes, and systems. Competition between firms provides incentives for firms to invest in innovation, whether this involves spending on research, or skills, or simply better management. However innovation is also spurred through relationships and networks – with innovations building on previous innovations, and drawing on knowledge and lessons from a wide range of sources.[7]

To be competitive in the global marketplace, organizations need to be driving more innovation in their products and services. They need to innovate rapidly and they need to do it cost-effectively. This has been a need that has grown over the last several years. Even during the recession, CEOs were already focused on growth, and they expected technology to be the main enabler of innovation. In fact, most CEOs were looking to use technology to gain both efficiencies and differentiation simultaneously. A survey conducted by PwC in 2011 found that 80 percent of

CEOs believed innovation drives efficiencies and leads to competitive advantage.1 For most of them, technology is one way of capturing both. Close to 70 percent of CEOs surveyed were investing in IT to reduce costs and to become more efficient, while 54 percent were also funneling funds toward growth initiatives that leverage emerging technologies such as mobile devices and social media.

**How to drive innovation and growth**

Even the best technology can't deliver success without focus on business strategy and goals. It is important to have a clear vision of where the company is going, as it will define and set the context for the role innovation will play in enabling profitable growth, help determine the type of innovation you want to drive and the way you need to organize to effect change. [8]

Innovation can manifest itself in multiple ways, whether in a technology change that determines the products and services you deliver, or a business model change that defines the value you deliver. Companies must determine the types of innovation they need—incremental, breakthrough, or radical:

- Incremental innovations make small changes to a company's existing technologies and business models.
- Breakthrough innovations make significant changes to the technology or business model, producing significant growth.
- Radical innovations, which take place more rarely, combine technology and business model innovation to create major new industries with exponential growth.

Although breakthrough innovation is transformational, it's often the buildup of incremental but continuous innovation around existing technologies and business models that can transform the way a company does business. In 2012, 69 percent of CEOs reported that they would be changing the company's overall innovation portfolio in new products and services within existing business models.

The innovation has broadened across several dimensions:

- **Across borders** –The scientific researchers have been globally connected for along time. But innovators are also connected internationally, through networks, trade, foreign investment, and global value chains. Although most firms retain strong connections to their home bases, both firms and high-skilled individuals are globally mobile. Firms can and do locate where knowledge assets are to be found. Therefore advanced economies are reassessing their innovative assets with a view to boost their competitiveness. Emerging economies are creating major scientific and innovative capabilities and are directing resources towards these activities.[9] But how well countries do in the new global context continues to depend heavily on the character of their domestic innovation systems and how these systems adapt to an interconnected world of rapid technological and economic change.

- **Across institutions** –The innovation capabilities extend well beyond the innovating firm. They involve interactions between a wide range of private and public actors. Innovation is a joint process between businesses, universities and research labs, and other public organizations that produce knowledge The administrative and regulatory context can play a central role in shaping the innovative dynamism of the economy. What we refer to as the 'knowledge infrastructure' is central to the innovation system. It has two basic elements: the science infrastructure, of universities and research labs, and what we call the innovation information infrastructure. The latter consists of organizations generating and distributing framework knowledge – such as measurement techniques, geophysical information, design principles, or intellectual property rules. All countries possess and maintain such systems, though they take widely different forms and can operate in many different ways, with differing functionalities. The institutional framework for these organizations has changed and is continuing to change. Its effectiveness and functioning is an important issue for public policy.

- **Across processes** –The innovation processes are changing. Digitalization permits new forms of visualization, simulation and experiment; modularity permits new forms of collaboration; and new materials change the ways in which products can be designed and constructed. This is changing the collaborative environment for corporate actors, with important implications for competition policy, intellectual property regulation, and skills.

- **Across industries and sectors** – All industries and sectors innovate but they do so in different ways. High-tech industries are important because they are major investors in research and development and they commercialize new technological tools. However, innovation emerges not only from high-tech, research-based industries but also from the (large and growing) services sector and from low tech enterprises, which may do little or no research (although they draw on the outputs of research organizations). Both high growth firms and highly innovating firms are spread across all sectors of the economy. Investing in innovation usually involves fixed capital investments, but also increasingly encompasses investing in intangible assets, ranging from research and human skills (often firm-specific) to organizational development, design, marketing, and managerial capability. These investments are the defining feature of the knowledge economy and central to the competitiveness of advanced economies. Systems of regulation and corporate governance that affect the abilities of managers to direct resources to such activities have a powerful impact on innovation performance.

- **Across public organizations** – Innovation is not the exclusive realm of the private sector. The public sector strongly influences the innovation performance of the economy as a whole. It does this in four main ways.[10] First; it plays a major role in shaping the innovation environment, especially through producing essential intangible inputs (such as a literate, numerate, skilled workforce) or physical and knowledge infrastructures that are used by all industries. Secondly, the public sector supports innovation through procurement of goods and services (and often by being an early consumer). Thirdly, it directly produces innovations related to its own activities, such as defense technologies or energy innovations. It can frequently foster new technologies and thereby tap into new sources of growth. Finally, the public sector creates new forms of public service delivery, in health, education, transport, as well as in the functions of government itself.

## Conclusion

Marketing and innovation play a very important role in business. A business cannot be run without marketing and innovation. In the present scenario, there is too much competition. To cope up with such competition the strong marketing strategies are needed. Marketing plays a vital role in business because planning how you are going to reach potential customers helps to ensure that people are aware of your product or service and that you have an opportunity to convert that awareness into paying customers. Innovation is central to long term economic growth. There has been much fresh analytical thinking on the drivers of innovation, as the dynamic of business activity has evolved in recent years. Business innovation is a broad concept, encompassing performance improvements in products, services, processes, and systems. Competition between firms provides incentives for firms to invest in innovation, whether this involves spending on research, or skills, or simply better management. The innovation processes are changing. Digitalization permits new forms of visualization, simulation and experiment; modularity permits new forms of collaboration; and new materials change the ways in which products can be designed and constructed. This is changing the collaborative environment for corporate actors, with important implications for competition policy, intellectual property regulation, and skills.

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