

Innovative mix marketing Mechanisms and its impact on the organization's performance

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Summary

given the growing complexity of market desires and argued the environment in which the enterprise operates, innovation has shifted particularly in the catalog to the imperative to continue in an enterprise environment and upgrade its performance, covering innovation today both product pricing, distribution, and promotion policies, the more developmental and innovation activity increased it will result more value and benefit obtained from Of all mix policies , and to understand how to apply innovative thinking as practices on mix marketing we are going through our research to introduced innovative mechanisms and methods which Makes the consumer prefers enterprise products of its competitors , that's why innovative marketing has been tool of creating consumer benefit and improve enterprise performance at the same time.

Keywords: innovative marketing, marketing mix innovation mechanism, improving performance.

Introduction

marketing innovation Turning to modern trends that reflect the evolution of marketing thought by being no longer confined to market needs study nor formulating a marketing mix that meets consumer needs and wishes, it's reached the level of creating a need, by pushing consumer to convict that he needed the innovative product when it is displayed on the market, after that he could easily get it and Realizing value and benefit that had never obtained before, all this is overall the most difficult challenges facing institutions active on national or international market, today consumer is not only looking for the least

expensive product actually he's looking for unique products, prices and innovative payment patterns, methods of distribution of instantaneous, and Persuasive promotion that hard to resist it, all these approaches have forced institutions to adopt innovative direction to avoid the threat out of the market, as happened with Nokia company that refused to change and adapt new innovative practices so it lost huge market share for Apple. Well, consider the wisdom, will find that the real error is in resisting change so why companies must learn from the others mistakes to save him a lot. Thus we will introduce our research to answer the question about how is the practice of innovative mix marketing and its impact on enterprise performance.

2. Innovative mix marketing and its components

innovative mix marketing has being a combination of interactive and integrated activities among themselves, to increase and improve enterprise performance, adopting an innovative orientation based on change and continuous renewal taking into consideration risk factor and the possibility of internal or external opposition that can refuses to accept all new, unfamiliar thought, considering it as an extra cost or running into the unknown. To clarify the mechanism for the formulation and implementation of innovative marketing mix we will look into the four pillars which include:

2.1. Innovative product

innovative product refer to each product presents a new and innovative idea to market, it might take several forms of innovative such as Compensating current product by being presents benefit or design that will be capable to enhance customer satisfaction, or reflect diversification of product forms that is designed to exploit opportunities in new markets. Therefore, it is important to realize innovative institutions relationship between risk and diversification in target markets, under the innovative orientation ¹.

It is noted that the above definition has added diversification into property forms product, as an innovative method with the need to examine the risks that might be included in this decision. Besides the innovative product known as providing a new good or service, or significantly improved product characteristics level of technology

used, materials of the product, or method of use that have been getting used².

The previous definition focused on innovation in the product itself, whether the manufacturing method, the materials employed in production, or presenting a new face to use the product.

Add to that. Innovative product is known as the process of providing all that is new to the market reflecting significant improvement on product quality, for example, Apple has worked to provide innovative iPod, compared with Sony Walkman which was at that time a handheld device to play music³.

The former definition is important in addressing the most important point, namely the importance of delivering the product to market, because product innovation alone is not sufficient unless it is displayed to the consumer, to be judged by the latter if really product innovation is success offer or failed one.

Through the above, we can say that the innovative product reflects to all benefit whether it is material or moral, which characterized by innovation and excellence of the competitors, as it may include value added product displays underwent improvements in terms of characteristics, uses, specifications, and technology employed in Product design and production process.

Innovation in service is harder than innovation in product, in this recent research and development laboratories shall provide designs, and new benefits for the item, while service Foundation required visualizing the need which suffers from lack confidence in their ability to provide new service success ingredients. That's why we found several methods to provide innovation services such as⁴:

- a. non- Money marketing this practice is used service through smart cards replace cash shop, which you can be found on your bank balance services through telephone messages, by keeping the customer informed of new service institution.
- b. Achieve excellence by providing a competitive price achieved by control and reduce cost, o it will attract customers.

- c. Increase and improve service delivery method from a client to another through learning from direct service provider's interaction with the customer and correct service deviations.

Table (01): innovative product classifications by nature

Innovative product type	Its nature
New to world	Specialized technical and scientific developments are often characterized by high risk associated with the level of return on investment in activities that would create new markets.
Create or add a new product line	These products may be new to the distributor who presents it to the market, or just add to the existing market supply.
Product review	Replace and upgrade current products, preferably that this operation could cover most new and developed products, which may contribute to lower costs and economic products, so as it will achieved a noticeable performance improvement .
Reset position	Aims to diversify the sectors targeted by the institution away from existing markets by creating new applications of current products.

Source: Graeme Drummond, op cit, P: 210.

-Innovative products sent stages

success of any institution and its growth is linked to the level of market acceptance of their offer, and their ability to face competition over renewing their products, namely research, development and innovative new products sent as a way to maintain their market share⁵, that's why the process of innovate in product requires good planning and scientific study of the internal and external environment, assessing strengths and weaknesses, and analyzing opportunities and threats, in addition to reviewing and analyzing every stage of product innovation and it's transform from idea to product ended by optimal investment and sustain improvement⁶. From the most important stages of developing new products we found:

- a. **Generating ideas:** brainstorming stage includes both external sources of information such as (consumers, suppliers, competitors, different media), or internal ones (managers of administrative units, they delegates sale, production services, research and development responsible, finance, marketing), beside specialized advisory offices and reading innovative ideas institutions⁸.
- b. **Screening of ideas:** the purpose of this phase is to select the best ideas in terms of its marketing and economic feasibility, and their ability to create an add value to the consumer, in this stage all ideas are evaluated by giving the estimated weights for each idea in the light of the approved evaluation variables, and exclude ideas non feasible in finance feasible, technical, legal, marketing, or charge side.
- c. **Business analysis:** determine which idea is more profitable than others after making market survey, to adapt strengths and weaknesses according to the revenue expected from project⁹.
- d. **Product development:** transforming the product from idea to prototype to determine its quality and its design level¹⁰.
- e. **Product testing:** aimed to find out if market accepted innovative product or not, and for that institutions test the product on a limited group of consumers to see their reactions to it through the total sales achieved and the frequency of purchase by them. This test Give enterprise the opportunity to modify the product design based on its results and evaluation, and the final decision will be continuing or stopping the marketing of innovative product¹¹.
- f. **Intellectual Protection:** at this point the institution record innovation in the customary patent offices to protect intellectual property of innovative product¹².
- g. **Submit the product to the market:** after the success of innovative product in the test, it will be presented with large quantities on the market, where research and development activities reflect new product effectively, together with an integrated marketing program¹³.

2.2. Innovative pricing

Innovative price is an effective way to achieve excellence and create a distinct market position, if it is placed carefully and thorough study of its high-impact as promotional tool on consumer behavior¹⁴. In this context, knows innovative price as use of installment or customization

strategy (frame or new form of split payments), as payment method through loyalty points, or car insurance premiums based on the actual Distance traveled ¹⁵.

-Innovative pricing methods

Multiple styles and patterns of pricing innovation policy are based on objective, field of activity, product nature, target market, or competitive position. That's why Innovation may take several forms including pricing policy such as ¹⁶:

- a. **Self-pricing:** this method Aimed to give consumer the opportunity to develop the price that corresponds to the product value at the price list attached to each product, and if any mistake happen it must be corrected as far as possible without putting the consumer in judging position, from the international words that's say customers is always number 1', and that's what Stolonard who runs the leading international markets want from his staff ¹⁷:
 - First Base: the customer is always right.
 - Second rule: If the customer is wrong, go back to first base.
- b. **Price based on Unit pricing:** this innovative method based on determining the unit price of the product regardless of the packaging size, which encourages consumer demand to buy the product.
- c. **Packet pricing:** usually is offer as discount to buyers who agree to purchase larger quantities at once, or when they are booking it at one time, which stimulates sales and promotional efforts to what is displayed. For what is being offered through consumer awareness that benefit achieved times actually pays for the purchase of products ¹⁸.
- d. **Psychological pricing:** this type depend on the influence and encourage purchasing patterns that Adopt the decision of purchase on emotional side more than rational side, e.g. we find a fractional price policy where product price is based on fractional monetary units Optimum pricing service with 4, 99 Da instead of 5Da, this policy assume that the consumer would be more comfortable on psychologically side because the pricing was accurate and close to the cost Without Deception ¹⁹.
- e. **Activity rate pricing strategy:** this strategy is adopted if most goods and services are homogeneous in a competitive market, with

the lack of clarity in the prices managers must do Marketing Research the to check prices on Internet sites or based on retailers, brokers, they could can also apply style "shopping ghost" by pretending that the responsible for researching is a potential competitor customer²⁰.

3.2. The innovative distribution

innovative distribution is one of vital activity which is based on speed and accuracy in performance and immediate availability of the product supplied with distributive channels design adapted to the nature of the product, as an example that we find Coca Cola distributive policy has marked its product in terms of presentation, promotion, and distribution style, where the Foundation has designed a special refrigerators cans and product bottles handle company and produce image in term of feeling refreshed after consume their product. As you know, innovative distribution strategy based on opportunities and obtains competitors sales through application of Distinct and convenient distribution mechanism. For example, if a consumer drive in highway and he faced problem of fuel car he might not constitute a great importance to the brand as the important of product availability in this position, this case Reflect the effectiveness and the efficacy of the innovative approaches of distributive strategy that it is adopted by the enterprise.

Innovative distribution methods

Innovative distribution activity based on the idea of renewal, excellence and unparalleled performance, which reflected positively on consumer satisfaction, for that we face some innovative distribution methods such as²²:

Postal Sale: this way based on postal enterprise connectivity with its clients through catalogs or promotional brochures sent to them by regular or traditional mail containing a full explanation about the product properties, methods of use, and price levels.

- types put on shelves: this method are very successful innovations distribution, it based on placing items that could attract children attention as candy or games, along with attractive colors and graphics

cartoon characters impressed on the shelves in the level of parents at the supermarket, so that children could see it. Studies have confirmed the success of this innovative distribution despite its simplicity.

-Electronic retail: this method is the most appearing types at present, especially in the field of clothing and cosmetics or fast food, where the Internet is used in electronic retailing. Many retailers have established Web sites (websites) to view information about their company and its products²³.

-Provide Calculator in Shopping Cart: this method was applied by inventive distributional supermarkets, especially in Western countries, while providing shopping carts having a calculator installed, which gives the consumer the opportunity to control its budget and calculate their value before accessing to the accountant, this method reduces the probability of error in calculating the employee purchases at the end of the shopping process.

4.4. Innovative Promotion

Innovative Promotion is the art of communication, attraction, persuasion, what is being offered in the market or what will be displayed.

-innovative mix Promotion

As a result of huge changes of our environment institutions should select right persons and right tools in addition to formulate an intelligent promotional message, that can't be reassessed by target market and from the principal tools of innovative promotion we find:

-Innovative advertising: creative advertising known as 'one of the marketing mix elements which aimed at arousing interest and make the consumer know about all products news, for that it is important to choose words that make the product unique and difficult to obtain for his replacement'²⁵. In order to formulate an attractive, distinct advertising message, institution must provide several points can count on this:²⁶:

-Main title: it help advertiser to focus on the most important information contained in the Declaration, and give comprehensive summary that reflects the content of the message.

-Subtitle: a line between headline and content advertising complements the title idea.

-Advertising content: it shows the product benefits.

-Closing ad: refer to the last message that must be attached in the mind of the advertiser, to make him respond to what was displayed.

-Cartoon pictures, music: the eye is more attracted to the image and music than other communication means, so it's necessary to choose the right pictures and scenes correspond to characteristics of the target audience and simulates the advertiser's need.

- Innovative Offer: it is very important to know how to address the audience; for example, IBM offered its product of Hard Drive disk in an egg to give a dramatic picture of how small is its innovative hardware size ²⁷.

-Innovation in personal selling:

Innovation at the level of personal selling is based on the process of creating new ideas, that Verify effectiveness communications with the consumer, and makes bases of information about consumer behavior, through this relation marketers could correct and develop products ²⁸.

- Innovation in sales activated:

Innovation in sales activated is promotional approach to adopt an innovative entrance with renewed vigor, to ameliorate institution performance in term of new market share and augmentation in sales, and from tools using in this type we found ²⁹:

-Stimulate frequent user.

-Contests and gaming.

-Innovation in publishing

Publication comes in the form of daily news and contains organization facts, innovation in publishing focus on the area of what is published and the time of publication, that's why we faced daily new tools and subject in publishing such as 30:

- Adopting consumer protection issue by the company.
- disseminate news about employment of persons with disabilities.
- Donating to charities, and institutions that work in the field of social work.
- Sponsoring charity or social events.

Performance measurement indicators

The concept of the word goes back to the 13th century with French origins ' performer ' intended ' achievement, or ' implementation '. For English term then appears to perform in the fifteenth century and which is intended as a Word. It also means complete and finish the process, to achieve the desired goals³¹.

Also Larousse has defined performance that it is" objectives achieved by the athlete (the actor), or achievement detective ³²".

In Conventional side performance means objectives and expected results, it refers to the process of creating value that ensures significant revenue and Profit Corporation ³³.

Add to that it can be defined as a system that can handle input and converted into output. The performance includes three key ideas ³⁴:

- Performance is as a result of the level of objectives achieved.
- Performance is the achievement that was translated into actual productivity.

- Performance Might reflect the success achieved through enterprise activity.

4. The impact of marketing innovation on the Organization's performance

The marketing innovation aimed to enterprise's ability of creating multiple opportunities for growth and continued existing in market through different indicators such as profitability, increased sales, and reduction in costs.

4.1. The impact of innovative marketing on profitability

there is what is called innovative and profit that refer to profit resulting from innovation contributed of all aspects of institution activities, whether they are financially, productive, marketing or management jobs, for example innovation product affects on institution success through the new ability of satisfied consumer needs and desires better than competitors, and achieve what is called the highest price and minimum cost feature ³⁵:

- a. **-price advantage:** happen when company create new product, it may result temporarily market monopoly, and more gains through the price.
- b. **The minimum cost:** innovative institution can benefit again from this innovation but otherwise a minimum cost feature, during the period where the competitors are trying to catch up with the institution through imitation, innovative company can used this period to achieve the minimum cost feature by learning curve, or experience with this innovation that reduces production costs in Every process, through continuous improvement of production methods or the introduction of new technology.

4.2. The impact of marketing innovation on the cost reduction and increased sales:

from marketing view offering the same product by competitors but at a lower price because of the lower cost of final production based on optimization process, which falls within the broad concept of

innovation, by removing all kinds of resources waste in the current operation or the current product; beside and cost reduction from dependence on raw materials or more productive technological process, or through efficiency In marketing, as result of that enterprise sales will increase because of the impact of lower cost³⁶.

4.3. Impact of innovative marketing on investment return

At the level of innovation practice institution aimed to develop its return on investment level, in the context of achieving the vision and mission of the institution ³⁷.

Conclusion

Marketing innovation is an act of renewed and develop all marketing activity and policies in addition to rise consumer, through the planning and design of an innovative integrated marketing mix featuring four major policies (an innovative product, innovative distribution, innovative pricing and innovative promotion) to provide benefit design and content, special politic of pricing, distribution method, and a renewed and creative promotion with affect positive performance , either through them to achieve significant gains, cost reduction and increasing the rate of Sales , in addition to guaranteeing the survival and continuity of the institution.

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