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INNOVATIONS IN MARKETING

Introduction

Have you ever heard how the innovations influence the market? What makes huge successful companies be constantly involved in developing a new sort of a product to put it on the market? As you probably know, Procter & Gamble has been putting on sale a new sort of “Tide” every year since 1930.

As a matter of fact, if the company neglects innovations, its production loses customers’ attention. So the purpose of this report is to give the definition of operation innovation marketing, find out the constituents of marketing and research the main concepts of price marketing strategies.

Study

Operation innovation marketing – is the final act of the marketing system. At this stage the concepts of strategy marketing are realized. Operation marketing is connected with the life-cycle of any product item which can be divided into three steps. The first step is to provide product item its position at the market. Here the delivery channels are established. The next step is the stage of growing. At this stage innovation marketing stimulates the growth of demand by involving aggressive advertising. And the last one is the stage of ripeness. It is characterized by cutting down the price of the product and preparations for putting another one on sale.

There are four main constituents of marketing that are known as “4P” – Product, Price, Place, Promotion. All these components are pegged at the fifth “P” – People.

Companies use four different marketing strategies depending on the market situation and the target audience. The strategy of “skimming the cream off” means setting a high price for the innovation product. When the richest customer group satisfies its wants and the sales volume flattens out the seller cuts the prices to make them reasonable for a lower group of customers. Dumping strategy is the penetration into the market by setting the lowest price for the product. The strategy of product image is used to attract quality-oriented customer. It is usual for the companies-leaders of the market. According to the strategy based on customer’s

opinion the price is fixed at the reasonable level.

Conclusion

To summarize the report, I should mention that innovation is the main aspect of marketing. Nevertheless the innovation is not just a creative idea (as such ideas can easily be bought) but a commerce realization of this idea.