

MARKETING AND INNOVATION: YOUNG PEOPLE'S ATTITUDE TOWARDS NEW PRODUCTS

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This paper explores the perceptions of young students, who are training in the field of economics, to the very new products and outlines the role that marketing plays in bringing to market products based on innovative technologies. The study is conducted in Romania and tries to highlight Romanian specific features about the relationship between marketing and innovation. The goal is to outline in a clear and actual image of young people thoughts about new technologies insertion on the market. The pursued objectives are: motivation investigation of option for new products; determining predisposition to the radical or incremental innovations, assessing perceptions of the link between marketing and innovation.

Research have been made in this field on various areas of activity. At the level of the European Community there are several organizations which activate in the field of innovation research. Eurobarometer through its subdivision Innobarometer brings in the attention of the public on a regular basis, through a series of publications, the results of researches undertaken from the business perspective, and are concerning all areas of action.

Research aims to identify the impact that new technologies have on the consumers most open to innovation. This exploratory research is based on a direct gathering of information, using an online questionnaire. Data are processed using SPSS software package, and the results show the type and nature of links between variables to be examined by applying bivariate and multivariate correlation tests.

Analysis report provides descriptive, easy to follow, for all the situations covered and investigated in the questionnaire. The results show a clear output of the relationship between compromises that those open to using new technologies are making to obtain superior advantages from the newest products on the market. Research carried out by the author being the first one in this area, only manages to outline the general framework of marketing in the process of bringing new innovations to market. Other research focused on several areas of participants in the process of bringing innovations to market, like inventors, distributors, intermediaries and final consumers, will be undertaken in the future.

The study bring into the attention of all participants in economic exchanges that marketing tools can be used to accelerate or to stop different directions of development. Marketing strategies and techniques can be implemented centrally in the economic environment of a country or communities, with immediate impact in the development (subject to certain priorities) of the society as a whole. Marketing can facilitate all socio-economic activities, starting from helping people interested in obtaining patents, attract their results into the economic cycle (production), going through transfer of the products to consumers (distribution), continuing to explain and inform all parties involved (promotion) and ending with the recording and collection of profits (price) of any kind (tangible or intangible).

Although the literature treats for a long time and in various ways the relationship between marketing and innovation, research on this direction in Romania are relatively few undertaken. Identification and assessment of consumer perceptions is an important step in any development process, especially in processes with a high innovative component, and this study tries to highlight Romanian characteristics of the relationship between marketing and innovation.

Keywords: radical innovation, incremental innovation, marketing, young consumers, Romania

I. Introduction

The study starts on the premise that marketing tools and its specific elements of action may attenuate undesirable effects that can be recorded at the time of the adoption of new thinking and new lines of action on all plans and in all areas, especially when there are forecasting an imminent series of elements that may make it more difficult for transition from one form of economic organization to another. The study tries to highlight features noticed by Romanian about the relationship between marketing and innovation. The aim is to have at the end of the research a clear and present image of young peoples ideas about the marketing of new technologies. They are more oriented towards radical or incremental innovation? They realize that there is a close link between marketing and innovation? And if so, what motivates them to seek products that incorporate innovative technologies? These are questions to which this research is trying to answer.

II. Literature review / previous research

In a proinnovative approach, various authors (A. Coskun 2011: ix) (Lederman 2010: 606) argue that innovation is a very important economic factor which cannot be ignored. Marketing and innovation (Maciariello 2009: 35) can be viewed as two basic functions of any economic activities. Innovation may determine the position that a company or even a country can hold at a time. Companies that rely on innovation activity may call for an economic growth sustained by influencing other industries or by creating new jobs in new established business segments. Innovation can trigger, the development of niche markets (Fig. No. 1) and overall socio-economic advancement. Development of trade, growth and emergence of market niches, all can lead to the development of new industries. These new industries can contribute greatly to the economic development of a country, on one hand, but they also have incorporated related risks to the dissolution of other industries, and can contribute to this end, on the other hand, to the increase of unemployment.

Another approach (Ram and Sheth 1989: 5) comes from the consumers of innovative products, which in the industrialized countries adopted an proinnovative attitude, but when they must opt for innovative products or services, are reluctant to do so. The more radical innovation is, the more opposed to adopt it were the consumers. Researchers believe that this kind of rejection of products incorporating the most advanced technologies, is due to several factors including insufficient motivation for consumers to make a change, augmented perception of the risk of new discoveries and personal beliefs of each person. All these obstacles found were classified into different market entry barriers to innovation. Of these are to remember the barriers of use, barriers on perceived value of the benefits gained against a greater price paid, physical and personal security, economic, social, and functional or psychological barriers related to traditions or certain image formats.

Researchers found the answer on how to implement the marketing tools used to achieve success in the adoption of innovation, and that is not laid in adapting and bending of these barriers to consumer requirements in the face of change, as well as in understanding the causes of resistance and its removals.

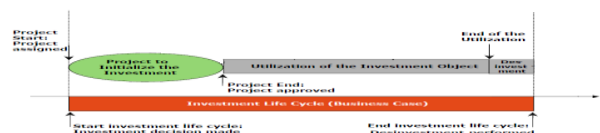


Figure 1: The general model of innovation's role

Source: A. Coskun, 2011:ix

Figure 2: Outcomes of nurtured thinking

Source: A. Coskun, 2011:34

The option to bring to market innovative solutions of the two methods, the method of small steps (successive improvements of existing products) and new methods, independent (radical invention/development of innovative approaches are totally different solutions on the market at a given time) some authors believe that radical solutions must be preferred to incremental solutions. And opt for this version under the premise that "what we have is good, but what we may have is infinitely better" (A. Coskun 2011: 33). Figure no. 2 illustrates that thinking, showing the difference between adding value to and create real benefits to enterprises and human society as a whole. Radical innovations can be successful even if they are not taken immediately. Some experiences have shown that other breakthroughs have been waiting even 20 years before they has been widely adopted and start to make profits for the companies which have placed it on the market initially (Lee Blaszczyk 2002: 96). Fast rhythm of development has however, a negative impact on radical innovation, while on incremental innovation has a positive impact (Hoonsopon 2009: 159).

For removing or shortening the time needed by diffusion of innovations, were composed by researchers from all over the world (Frenzel and Grupp 2009: 49) (Fanelli and Maddalena 2012: 648) (Sorescu et al. 2011: 14) theoretical models on diffusion of innovation to come in practical helping of the marketing people. These models take into account the most diverse aspects relating to both on those who bring innovations to the market, as well as the users or consumers.

III. Research methodology

Direct exploratory research has been undertaken based on a questionnaire completed online, to study youth perceptions about brand new products that incorporate innovative technology. The main reason to chose this form of information gathering, has been the attraction of a large number of participants, for reduced costs in a short period of time. The online environment is, as it will be seen from the analysis of data, the place where subjects subjected to investigation, spend a significant period of time. While electronic completion of a questionnaire provides comfort and great flexibility for participants. A disadvantage of collecting data needed for research may be the lack of representation among young people, being only selected students who are preparing for economics, are in the last year at the university and are enrolled at the Faculty of Marketing from The Bucharest University of Economic Studies.

The invitation to complete the questionnaire has been made in class, and participation was not imposed. Have filled in the questionnaire only students who have wanted to do so. Data was collected at the beginning of April 2012 and it made up a sample of 142 persons, 83% females and 17% males. And as an area of residence, taking into account major geographical-historical Romanian areas, 91,7% of them are from Muntenia, 6,3% of Moldavia and 2,1% from Transylvania.

Have been three categories of questions:

- filter questions, to separate respondents are not concerned about the innovative aspects of economic activities, or have not heard about them from those who are interested;
- questions used in the analysis of youth perceptions about marketing and innovation;

- demographic questions.

The objectives were:

- delimitation of the people who have heard about the innovative processes of those who have not heard, and the latter were investigated for the reasons why they have not heard, and has been composed a profile of the sources of information they use;
- defining the motivation for which they are or are not inclined to use innovative products;
- determination of their option for incremental or radical innovations;
- evaluation of perception of subjects of analysis about the link between marketing and innovation.

IV. Research results

Among those 142 people, 25.5% haven't heard of innovation or innovative processes and the remaining 74.5% have heard and will constitute the basis for the subsequent interpretations that follows. People who are not concerned with new discoveries of the present time, do not read newspapers, books or brochures and leaflets and have never participated in conferences or discussions or scientific meetings. The main sources of information used by them are browsing the Internet or talks on the phone with family members or friends or colleagues and watching the television. Unlike those people, the ones interested in innovation, are using all available media of communication, mainly browsing the Internet and online social media. When they want to inform themselves about certain issues, use the internet or read books, newspapers, are discussing with the members of their family, friends or colleagues.

Based on research it has been identified what primarily young people understand through innovation. Summing ideas provided, innovation means for the people investigated, bringing a change, an improvement, enhancing the usefulness or registration of added value and contribution to development. On their vision (Figure no. 3), products based on innovation, in the first place must use renewable energy and materials which can be recycled, and then must have a reduced impact on the environment, and for their arrival on the market, companies must use transparent business practices.

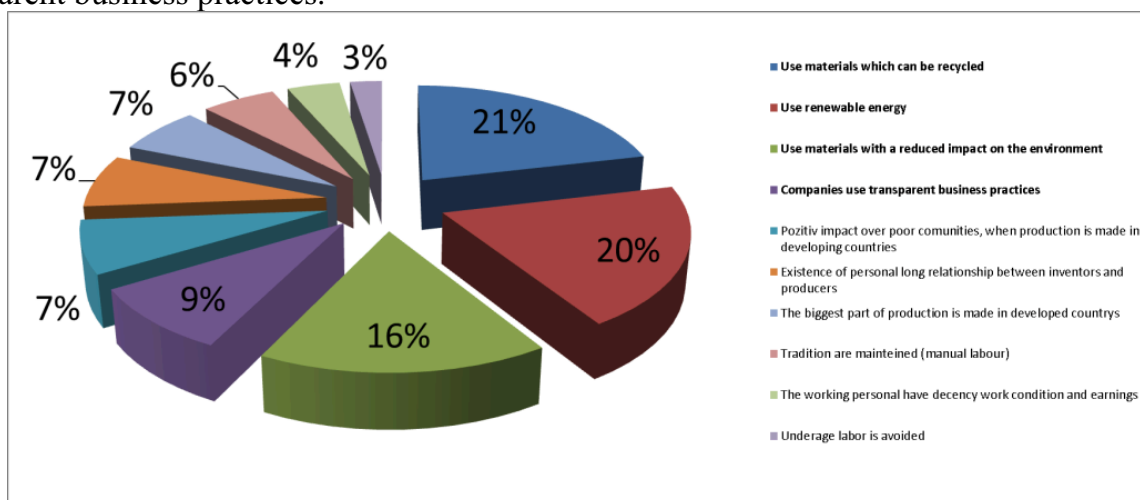


Figure 3: The sense of the concept of innovation

Source: own research

Most of the people have declared that they use or want to use products that have built-in innovations, out of curiosity, for performance, in order to contribute to the process of innovation but also by the desire to differentiate and to keep up with time fashion. All have recognized, however, when given the option of choosing a very new product they are documenting more than they would do, for a typical product. On the whole, a technology to be considered innovative by young people, must be new, must contribute to current improvement, need to contribute to increasing personal comfort and must be environment friendly. In the decision to use these

products (Figure no. 4), the most important weighting is assigned to desire of being among the first users of new discoveries, widespread adoption and to the maintaining of the latest fashion. The barriers that stop to purchase new products (Figure no. 5) are prohibitive price and scarcity of resources in the market.

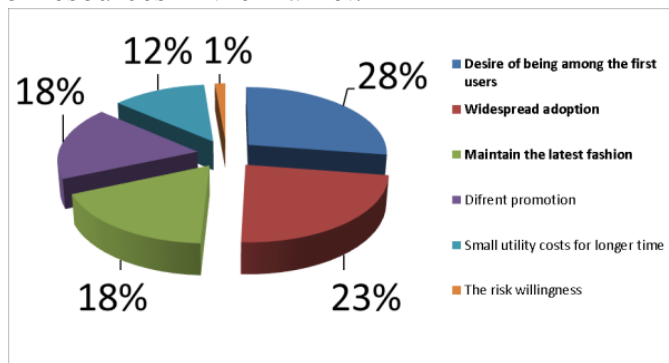


Figure 4: Proinnovative motivations

Source: own research

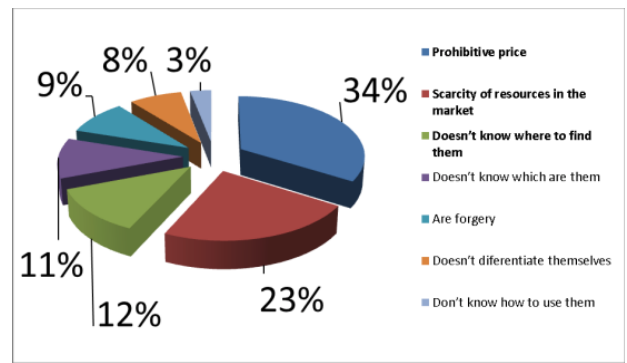


Figure 5: Proinnovative barriers

Source: own research

From the perspective of companies that introduce products made with innovative technologies on the market, young people believe that companies are more motivated to do this for the gaining of a better position on the market, in the attempt to differentiate themselves from their competition and to rise the improvement of competitiveness (Figure no. 6). After which take precedence recording of greater profits and the facts that there would be a demand for such products or that will contribute to the increased quality of life.

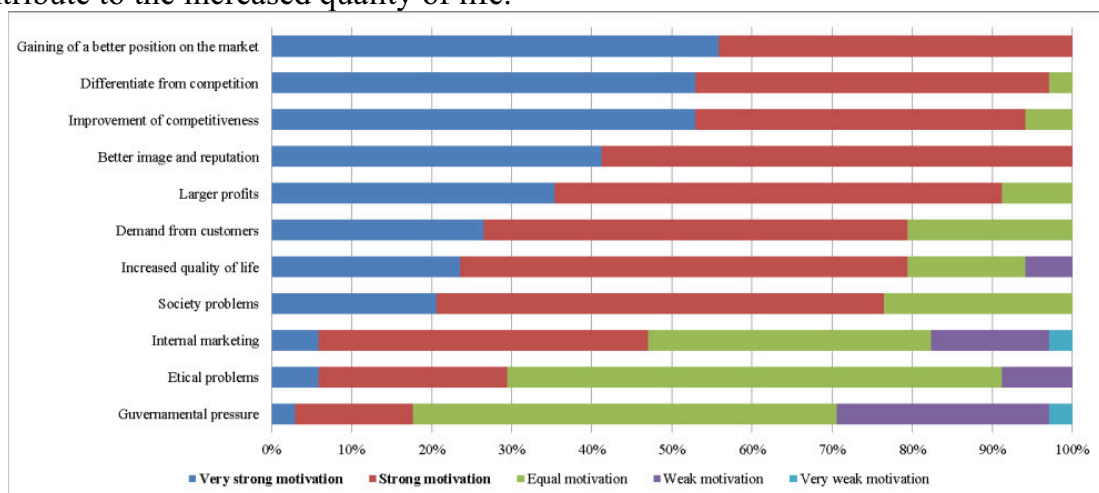


Figure 6: Motivations of open to innovation companies

Source: own research

Running at a more general level, above companies, promote innovation to consumers is determined in the first row, by the concentration of research on the new challenges of the moment (such as climate change, more efficient exploitation of resources and the energy of any kind). In the second row, on the existence and the increase in the financial support allocated to research, and in the third row, young people have identified the role played by *setting up and ongoing campaigns of marketing for improvements* in all of the areas of activity. Then encouraging cooperation between researchers, and free access to information.

Returning to the opinion of the consumers of very advanced products, they said that they had a positive inclination to companies which adopt innovative processes or promote products obtained from these processes (Figure no. 7), related in direct proportion to the level of high confidence that they have in the proinnovative companies (Figure no. 8).

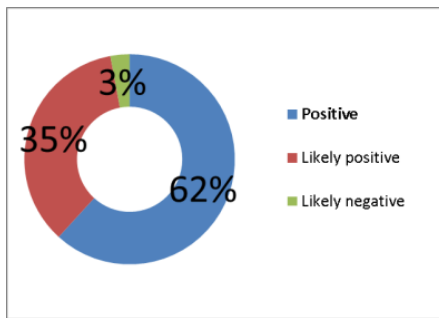


Figure 7: Image of open to innovation companies
Source: own research

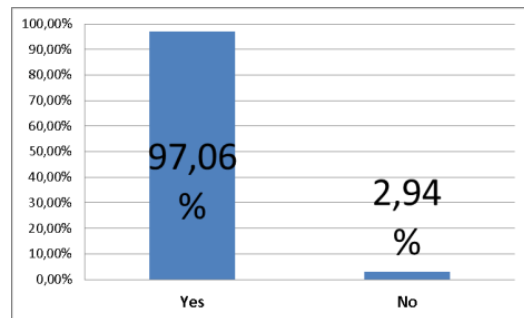


Figure 8: The trust in open to innovation companies
Source: own research

As a method of bringing innovative solutions on the market (Figure no. 9), students considered that would be more adequate, the small steps method, i.e., bringing successive improvements to existing products on the market, and not the method of radical inventions that involve development of approaches totally different from previous solutions.

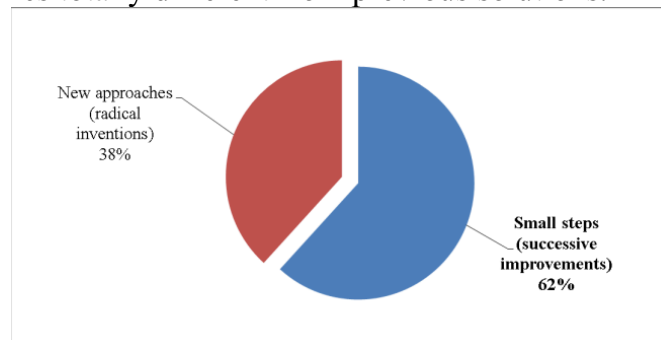


Figure 9: Bringing innovative solutions on the market
Source: own research

There are many who believe that innovation can be brought to market without expensive research and development, but recognize that progress depends on innovations in research and development investments. This shows that young people are aware of the individual capacity of each of us to come up with new approaches. *Ideas should not be investigated, but research helps maturation and putting ideas into practice.* Responsibility to generate innovative strategies after rank ordering analysis (Cătoiu et al. 2009: 168) falls under the authority of research and development departments, *marketing* and production. On the following places, young people are putting, management departments, consumers, any employee - regardless of the position they occupy, NGO's and other entities (Table no. 1).

Table 1: Responsibility to generate innovative strategies

Entities responsible for the generation of innovative strategies	Rank I (%)	Rank II (%)	Rank III (%)
Management departments	14,71	20,59	17,65
Departments of research and Development	55,88	23,53	14,71
Department of Marketing	26,47	32,35	20,59
Departments of production (engineers and technicians)		14,71	35,29
Any employee, no matter what position he occupies		2,94	
There mustn't be a (Department) responsible within the company premises			
Other institutions (governmental bodies and/or non-governmental)		5,88	2,94

Entities responsible for the generation of innovative strategies	Rank I (%)	Rank II (%)	Rank III (%)
Consumers	2,94		5,88
Other entities			2,94
Total	100	100	100

Source: own research

Other research results indicate that innovation is perceived as an element which leads always at much higher earnings than would be recorded in the absence of it. Respondents have confidence in future use of products which are very new and think that the appearance rhythm of the innovative products on the market, if it will not be maintained close by the current one, for sure it will increase. Are willing to pay greater amounts of money, counting between 21-30%, on new products that they have other benefits in addition to the usual ones. And with regard to the marketing techniques used in placing on the market of new technologies, considers that, they must be different and must be highly innovative too.

In evaluating online social networks, it is recognized that can be used to debate controversial and may possibly ensure political support in the promotion of innovations. But are seen as a new form of manipulation of information, a good environment in which they can express their views and comments on the decisions, and political factors can motivate people, this way, to take part in the implementation of various measures with economic impact. Exploring the Internet and socializing online occupies the first place among methods of information of the moment. However, young people are not considered very much aware of the level of knowledge and some information can still be kept away from the great mass of the population.

As an specific indicator of purchasing products that incorporate brand new technologies, was considered the change rate of personal mobile phone for a period of time. Thus, 97,1% have changed mobile phone in the last 5 years, mostly due to the fact that they have received a new phone as a gift. However, those who have deliberately changed the phone were the ones who wanted to benefit from increased performance, followed by those to whom the phone have failed. Of those *who have changed*, in the last 5 years, mobile phone *to get increased performances* 41,2% of them have done it twice, 20,6% only once, 17,6% three times, 11,8% four times, and 2,9% have either changed five or more often times, or have not changed at all. Young people have a horizon of time ranging from one and a half to two and a half years, during which time they collect information about a new product and acquires it. Or in other words they are willing to buy a product based on new technology once at a time, which varies between 1 and 6 months to 2 years and 6 months.

V. Conclusions

In summary, the conclusions drawn are:

- ideas should not be expressively researched, they may come from any person or individual, but research activities helps in the development, maturation and in the act of translating them into practice;
- proinnovative people, are heavily internet users, they socialize online, read specialized books, newspapers and are discussing every mater with their family's, friends or colleagues;
- Politics does not play an important role in bringing innovations to market, rather innovations reach the market first and afterwards the governments think about and attempts to reshape hostile legislation to accommodate innovative ideas.

Since the identification and evaluation of consumer perceptions is an important step in any development process, especially in processes with a high innovative component, the main contributions of this article are related on shaping and presenting a clear picture of what the Romanian young people think about the introduction on the market of new technologies, the role

of marketing in innovative processes and awareness of the close existing links between marketing and innovation.

Limitations of this study are related to the low rate of response, which led to the formation of a reduced sample, further research will be undertaken and it will try to cover wider categories of respondents.

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