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RESEARCH OF CHARACTERISTIC FEATURES OF INNOVATIVE PRODUCTS SALES

***Abstract.** The problems of innovative products sales has been analyzed in the article, as well as the factors stimulating it. These problems include reduced life cycle of innovative products, imperfect market research tools, technological barriers, insufficient funding, absence of solvent demand, undevelopment of sales network, personnel issues and imperfect marketing communications tools. It has been proved that marketing, including innovative one, is closely correlated with marketing activities. It has been proposed that effective solution of all problems connecting the sales activity of innovative products of industrial enterprises is possible due to the close interaction of the specialists of the sales department and the marketing services with the developers of such products.*

***Keywords:** sales, product, innovation, industrial enterprise, developer, marketing service*

Introduction. In order to ensure the effective operation of the enterprise, the creation of strong competitive positions in the market, the matching of the enterprise resources and its assets to market opportunities, the use of innovations in production is of particular importance. In modern conditions, the technologies of innovative products production are constantly being improved. It stimulates the increase of technological level of production and determines the technical level of industry as a whole. Scientific research creates a variety of innovations in production. To increase the competitiveness of products, enterprise-producers monitor new types of products and technologies of its receipt.

R. Everett first raised the question of the expediency of widespread use of innovations in production. The author also drew attention to the need to delineate the concepts of "innovative product" and "product-novelty" (Everett 1962).

Innovative marketing as the basis of strategic marketing occupies a significant place in the process of implementation and realization of innovative products. Its fundamental principle is the full satisfaction of the needs of target markets, which are becoming more and more dynamic and competitive.

Marketing is known to be closely correlated with sales activities of the enterprise. Innovative marketing is no exception. Thus, these two services activities are aimed, first, at the development and promotion of new products at the market, as well as equipment and services that incorporate the most advanced and modern technologies. In this context, the development of market relations requires a comprehensive market research to identify the needs of consumers in innovative products. It is on the basis of market research findings that the company organizes the process of planning the use of innovations in its own production process and the production of innovative products, carries out segmentation of the market, organizes communications and measures to promote the product, conducts price policy, organizes the process of marketing of innovative products, its after-sales service. All this is the guideline for organizing such production at the enterprise, which will be as fully as possible respond to market demands, achievement of the set goals, in particular profit making, increase of sales volume, increase of the market share, etc.

The main task that marketing research must solve is to provide information on industrial enterprise awareness on the degree of consumer demand satisfaction for innovative products, about the main competitors in this field and the level of their scientific and technical development.

It should be noted that today the market of innovative products is developed sufficiently. It presents a variety of products that contain an innovative component. Therefore, for each business entity that seeks to enter the market with innovative products and technologies, it is imperative to develop a marketing strategy taking into account market requirements and the ability of the enterprise to compete on it (Shelehova 2009).

Innovative process as a concept associated with the creation, development and dissemination of innovations involves a set of scientific, technological, technological and organizational changes that arise during the development and implementation of innovations. This process has cyclical and systematic nature (Fatkhutdinov 2004).

The systematic nature of the innovative process is the purposefulness and balance of interests of all entities involved in the development of innovations and interested in them (research, design, manufacturing, finance and business).

Consequently, the introduction of innovations is an indisputable tool for competitive struggle not only in the field of technical characteristics of products, but also in price, since, as practice shows, the cost of innovative products is less than usual ones. This is explained by the fact that the introduction of innovative technology in production reduces costs, for example, for completing the product. Understanding the need for innovative activity, domestic enterprises often face a number of problems that will be thoroughly investigated.

Problems of innovative activity. The most common problem of innovative products sales among industrial enterprises is the imperfect possession of marketing research tools. This is because of the fact that due to the wide range of innovative products that are produced both in the country and abroad, it is urgent to develop a marketing strategy taking into account market needs and the ability of the company to compete on it. The effectiveness of using a marketing strategy depends on the degree of market saturation with specific innovative products, and the ability of the enterprise to update the range of its products in a timely manner.

The results of marketing research are the basis for forming forecasts of possible changes in the competitive environment and subsequent adjustments in the marketing strategy and technological aspects of production in order to improve the quality of innovative products. First, it allows increasing its competitiveness, and secondly, it determines the flexibility of production, which is a mandatory requirement of the market in modern conditions. Thus, the efficiency of innovations commercialization depends on the effectiveness of marketing research on the market for innovative products and technologies.

Ignoring the reduction of the life cycle of innovative products by industrial enterprises in a context of competition environment is quite common. This leads to the ineffectiveness of the developed strategies. Thus, marketing research of industrial enterprises is not always able to provide relevant and adequate information regarding the market ability to absorb innovative products, the length of this process, and the frequency of changes in the preferences and needs of potential customers. It is important to note that ignoring market opportunities, its segments, and the mistakenness of choosing the most attractive sector for the implementation of innovative products is one of the main causes of its non-viability.

During the release of goods at new markets, the most difficult for implementation are the following types of marketing activities: pricing policy, positioning in the market,

marketing of products through channels (Olefirenko 2013). The complexity of the organization of innovative products sales consists in the coordinated use of the appropriate channels (communications, exhibition activities, sampling – providing for the temporary use of an innovative product for testing, etc.), as well as provision of a permanent guarantee and post-warranty maintenance of such a product. In addition, it is important to pay attention to the market conditions of innovative products. This determines another direction of marketing research, which focuses on studying the market capacity, the main trends associated with its fluctuations, the ratio of demand and supply for innovative products.

A separate place in the complex of marketing of innovative products belongs to marketing communications. Lack of consumer awareness of a new innovative product, as well as obscurity of messages that do not allow us to understand all the benefits of consuming an innovative product, can be one of the main reasons for the loss of an industrial enterprise due to the introduction of innovative activity. Therefore, the requirements for marketing communications policy are very high. The message should be clear, concise, but informative and have detailed information about the innovative product, as well as creativity in order to attract consumers' attention (Krasnokutska 2003). Also important task of the complex of marketing communications is the effective positioning of innovative products, connected with the study of the consumers' reaction to the communication policy of the innovative-active industrial enterprise and the establishment of effective two-way communication.

The sale of innovative products is impossible without preliminary collecting information about it. Thus, the consumer, before making a decision to purchase an innovative product, passes through the following stages: awareness, interest, verification, evaluation and assimilation (Krykavskyi 1998). Marketing communications play a particularly important role in the first two stages.

The presence of technological barriers in the market and the limitations of scientific and technological process in the industry as a whole is one of the obstacles to the intensification of innovative activity of industrial enterprises. Therefore, there may be a situation where the results of marketing research will indicate the presence of demand for innovative products and, consequently, interest from consumers in its acquisition. However, the introduction into the production process of the acquired innovative products is not always possible in the segment of industrial products and equipment. This is because the manufacturing process of the vast majority of industries is very difficult to change. The created technological cycle only works with those parts and equipment that has been installed first. Changing one of the components of a production scheme may necessitate its

replacement as a whole, which may be financially unprofitable, since the company has limited financial resources and is not able to invest in re-equipment of production. That is why the acquisition of innovative products is not always justified in terms of both incurred financial costs and in terms of time spent on modernizing the equipment of the enterprise, the acquisition of the necessary qualifications by personnel for the maintenance of an innovative production system. This can lead to the loss its market share by the enterprise-consumer of innovative product.

Consequently, the existence of technological barriers is difficult to identify, but their availability significantly impedes the sales of innovative products and requires urgent action to adjust both sales and marketing policies and business strategy in general. Failure to take into account the existence of this problem may lead to the collapse of the activity of the innovative enterprise because of inability to realize its products and, as a result, to meet its obligations.

The next important issue of innovative products sales, which needs to be solved, is the staffing of this process. It is known that in order to achieve the commercial success of an enterprise, it is necessary to ensure skilled training of sales art for personnel, the preparation of advertising and communications, practical aspects of commercialization and, ultimately, the acquisition of value building skills for consumers and customers, and the establishment of long-term relationships with them. All this is extremely important in the context of the implementation of innovative products, since access to such a market is difficult and not always possible; therefore, it is strategically important to maintain its competitive position on it. It should also be noted that, along with the above-mentioned areas of personnel training, it is necessary to separately highlight the expediency of raising the level of skills and awareness of employees with the specifics of the application and operation of innovative products. This is important because the potential consumer only contacts the product sales manager, not with a specialist in its development. In addition, in order to coordinate the work of sales managers of innovative products and their suitability with dynamic market conditions, it is advisable to ensure their participation in conferences, seminars, roundtables on relevant topics. This will ensure the exchange of experience with leading specialists and significantly increase the enterprise potential in the market of innovative products.

During the implementation of innovative industrial products, it should be taken into account that the decision on its acquisition is taken not by one person, but by a team of managers who form the procurement center at an industrial enterprise. This significantly complicates sales and requires sales managers to have appropriate skills in conducting long-

-term negotiations, timely application of marketing communications tools (direct marketing, online presentations, articles publishing, catalogs, brochures, etc.).

Managers need to focus on improving the cooperation among sales, marketing, and research and development in the new product development process (Holger E., Wayne D. H., & Carsten R. 2010).

In the context of marketing and personnel problems of innovative products sales, one more aspect is the ability to connect with agents and distributors of products in the case of using the method of indirect sales of innovative products. Mediators usually do not want to take the risk associated with the new product. That is why the role of the sales manager and his level of qualification rises.

To increase the efficiency of sales activities of innovative-active industrial enterprise, it is more appropriate to organize its own sales network. Of course, this requires considerably more investment than when dealing with distributors. However, its own sales network is more controlled and predictable. In addition, one should not neglect the co-branding principle of co-selling. This will significantly increase the probability of implementing innovative products in the shortest possible time due to sales, along with the goods of the well-known brand.

Sales policy is aimed at satisfying the needs of consumers by optimally utilizing the sales potential of the enterprise and providing on this basis the sales efficiency. Therefore, in order to ensure foreign trade activity, it is necessary that the management system of sales policy control effectively functions (Kliuchnyk 2015; Marketing, 2009).

During the analysis of the technological barrier problem, there was a problem of inadequate financing of innovative activity of industrial enterprises. This is because the pace of modernization of the industrial sector is rather slow, and the modernization of equipment and the purchase of innovative products from enterprises lack their own financial resources. One way to solve this problem is to attract investment capital. However, the restructuring of industrial enterprises, as practice shows, is not a common area of investing among investors. On the one hand, this is due to the scale of the funds necessary for the full modernization of equipment at the enterprise. On the other hand, shareholders and investors of an industrial enterprise should have strategic thinking and be interested in the innovative way of the business entity development. One of the current problems faced by investors is the inability of the enterprise management to develop a strategy for introducing innovations and innovative development of the business entity. The quality of developed business plans is also low.

Thus, the investor encounters the following problems when deciding whether to invest in innovations in an industrial enterprise:

- checking the reliability of the submitted data and held calculations;
- the clarity and correctness of the documentation and its compliance with the legislative requirements of the country;
- level of professionalism of the highest level of management;
- the lack of transparency of the industrial enterprise activity and the inability to obtain reliable information from the personnel of the business entity (Kruglova, 2001).

Consequently, the lack of solvent demand for innovative products and the high cost of innovations are among the most acute issues of relevance for the economies of the countries. The high cost of innovative products is associated with a large amount of research costs, design work, preparation of production. However, these costs are quick payback because they allow enterprises that manufacture products for end-use to optimize their own production and reduce direct costs.

Proceeding from the above, it can be argued that the state, in particular its investment, customs and tax policy, also indirectly affects the sales efficiency of innovative products. This raises the question of the legislation development in the field of innovative and investment activity. Its incompleteness testifies about imperfection in:

- state investment policy and policy of interaction of the state and business, especially in the sphere of state financing of innovative projects;
- antimonopoly regulation and policy of industries strategic development;
- customs and tax legislation;
- investor protection issues, etc.

All this creates an unsustainable investment climate in the country, which has a powerful negative impact on the intensification of innovative activity.

Considering the problem of investment attractiveness of the country as a whole, it is impossible not to pay attention to the political factors that significantly affects the activity of innovative active industrial enterprises. Therefore, among the political factors that restrain sales activity in relation to innovative products, one can distinguish the following:

- a small capacity of the domestic market of innovative industrial products, due to the country's policy;
- low degree of interaction between the state and business;
- undeveloped regulatory framework regulating innovative and investment activities;

- insufficient and non-transparent mechanism for obtaining tax privileges, subsidies to stimulate innovative and investment activity in the industry.

Fig. 1 shows the problems of innovative products sales.

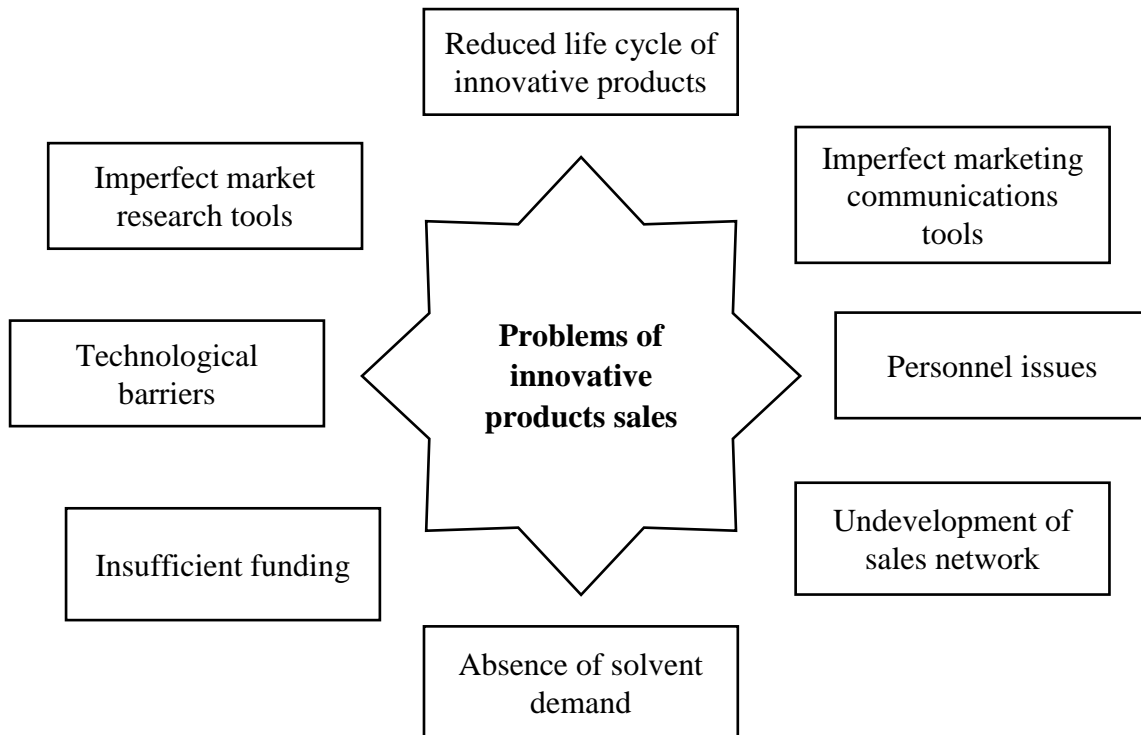


Fig. 1. The problems of innovative products sales

Along with this, there are a number of stimulating factors:

- the availability of strategic guidelines for the country's innovative development;
- globalization and internationalization of market processes;
- availability of state support programs for certain sectors of the economy;
- availability of tax privileges, subsidies to stimulate innovative and investment activity;
- targeted financing programs for perspective innovative projects that are in line with a defined development strategy of the country.

Conclusions. Summarizing, we note that the marketing of innovative products is a complex process that requires detailed preparation and systematization. Innovative active enterprise, planning to enter new markets, should coordinate all business processes from the production of innovative products and the release of them to the market and taking into account after-sales service.

The various groups of determinants of this process determine the main problems faced by an industrial enterprise, implementing innovative products, in particular:

- personnel factors (personnel qualification, level of corporate culture at the enterprise, personnel motivation, productivity, management quality);
- marketing (quality of marketing research, relevance of received information, marketing of innovations effectiveness, speed of entering new markets, marketing communications, product quality);
- research and development works (the degree of novelty of developments, the quality of the proposed innovations, the period of production of innovative products, the tendency to introduce innovations in production);
- state and political (the possibility of developments protection – patents, investment climate, consistency of state policy in the direction of investment and innovations, the level of interaction between the state and business);
- production (efficiency of divisions interaction in the enterprise, volume of investments in innovations, quality of the developed innovative strategy, competitiveness of the enterprise, profitability of activity, etc.).

Thus, an effective solution of all problems arising during the sales activity of innovative products of industrial enterprises is possible due to the close interaction of the specialists of the sales department and the marketing services with the developers of such products. As well as due to thorough and purposeful analysis of consumer needs, innovative potential of enterprises-consumers of innovative products and study of the competitive environment.

Regarding the uncontrolled factors of the industrial enterprise that determine the state's influence at innovative processes in the country's economy, it should be noted that industrial enterprises should initiate meetings with competent authorities to submit proposals and clarifications on the peculiarities of innovative development in the country. Public-private partnership is a powerful tool not only to ensure the profitability and sustainability of industrial enterprises, but also provides for a significant acceleration of the market transformation process, improvement of domestic legislation and its compliance with international standards and trends.

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