

MARKETING INNOVATIONS IN DIGITAL RETAIL

The digital retail industry is undergoing a period of rapid change. When rapid change occurs in any industry, marketing innovation becomes a necessity. Digital retailers need to innovate is driven primarily by marketing technologies that are simultaneously empowering customers, creating new types of competition and new weapons for existing competition, as well as bringing into question the relevance of traditional relationships between customer and retailer. In some cases, these factors have combined to create a platform where the ongoing existence of long-established retail brands is in doubt unless rapid marketing innovation takes place.

Various aspects of marketing innovations in retail has been investigated by scientists and economists, among which it is necessary to mention D. Bonnet, J. Hargan, A. McAfee, N. Negroponte, G. Westerman [1–4]. However, the features of marketing innovations usage in digital sphere require details. That is why the aim of this work is to explore the features of marketing innovations in digital retail.

Marketing innovations exist both in the front-end of the digital retail operation, through what is visible to customers (in order to create sustained customer preference), as well as in the back-end (to increase productivity, efficiency, and achieve a faster time to market). The main aim of marketing innovation in digital retail at the front-end is to improve customers' quality of life in their shopping process. This means that marketing innovations devised by putting the customer in the center (so-called "customer-centricity"). Innovation through substantially reducing customers' efforts is based on the idea that, if the retail firm makes the online shopping experience much easier and more comfortable, customers will return to the chain's shops [1].

Digital retailers have a stronger need to innovate than others do. The need to innovate will be a product of customer expectations, competitive forces, other external factors and the changing role of the retail industry as they apply to your specific business. In some cases, they may add up to a burning platform where innovation is imperative. In all cases, the underlying driver of need will be digital disruption.

Do an assessment of enterprise's capacity to execute a program of marketing innovation. In this case, the business structure, processes, culture and resourcing all need to be considered by the management of the digital retailer. Successful marketing innovation tends to be fostered in a horizontal business structure with a connected innovation team as the focus for activity, where processes are agile and collaborative, where marketing

innovation measures are built into strategic and individual performance plans, in a culture that embraces change and accepts the possibility of failure in some projects and where resourcing of marketing innovation is planned.

Digital retailers agree that most of the significant marketing innovation over the last twenty years has been facilitated by digital technology and that this trend will continue in the future. However, it is not a retailer's job to understand long-term technology trends. A retailer's job is understanding customer needs and fulfilling them today. On the other hand, it is an information and communications technology company's job to understand long-term technology trends. This is necessary because of the long development cycles and large capital investments involved in product development. Digital retailers and the right information and communications technology companies are natural partners in marketing innovation [2–3].

Marketing innovation is changing the digital retailers' landscape at breakneck speed. The opportunities for digital retailers are threefold: they can enhance traditional business models and processes with digital technologies, digitally transform existing business models and processes and/or invent entirely new engagement models or business models. Marketing innovation is the application of new technologies to existing business problems or practices [4].

Therefore, to remain competitive in the digital age, every digital retailer must realize marketing innovations and consider themselves a technology business. The customer journey now starts digitally. By leveraging opportunities to develop digital products, and using predictive data and analytics to understand both customers' behavior and internal performance, businesses can grow revenue, cut costs and even build additional revenue streams with new digital capabilities.

References

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