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## Marketing Innovation and Export Efficiency

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### Abstract

The article employed the study and analysis based on concepts, theories and research empirical data on marketing innovation and export efficiency, aiming to: 1) describe the meanings of “*marketing innovation*” and “*export efficiency*”; and 2) to identify the importance and effects of marketing innovation towards export efficiency on the basis of empirical evidences, including the suggestions on how to apply those for the sake of exporting. These can benefit the business owners to thoroughly understand the role of innovation on elevating competitiveness and value adding. To understand the correlation of the two factors, marketing innovation and export effectiveness is very vital.

**Keywords:** marketing innovation, export efficiency

### Introduction

In the reign of globalization, technology development has been introduced to all business sectors. International trade has also been influenced, and has been flourished rapidly. In the meantime, free trade agreement has become one main consideration, leading to a very fierce degree of competition. Most organizations, in particular, public and private sectors concerning international trade, are forced to find ways or strategy to create competitiveness in order to boost export value of the country. One popular answer is marketing innovation.

Marketing Innovation is a marketing process being identified for improving “Marketing Mix” which enhances business to survive under the current business condition. In addition, innovation is applied to develop and form sustainable competitiveness based on the foundation of differences and leader’s strategy. Cost factor is an innovative tool, which responds the diversified needs of consumers. This aims to two targets: 1) to identify new market model with high potential on product / service presentation and launch plan; and 2) to enable



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business operators to select their own market to better their presentation as well as their services to targeted customers.

For business operators, marketing innovation is very important. If the message being delivered strikes the consumers’ attention, meaning they are satisfied and accept that innovation, As a result, those will undoubtedly become the potential customers and build positive behavior, including repeat purchase and recommending others to buy. Therefore, the obvious result is the increase of export figure.

## Innovation marketing

### Innovation

Innovation is rooted from Latin “*Innovare*” meaning that the creation of new things on the basis of knowledge, creativity skills and technological experience / management for new product, new form of service, and new production process. These respond to the market needs. In terms of economic, innovation refers to the application of new concept or benefits of the existences to be used in the new form in order to make advantage to the economic system. It is how to create differences among others by a variety of changes, leading to an opportunity, and the benefits of individual and society, respectively. Therefore, it is the employment of technology to construct value, meaning that innovation is defined as new useful thing. Innovation, for business, is applicable for:

1. The quality development of product
2. The expansion of business area
3. The expansion of area on product quality
4. The reduction of cost and raw material
5. The development of production quality

### Factors of Innovation

Factors which are important for innovation consist of 3 circumstances

1. The newness – new thing being developed from the original one or new invention; product or service or process (Schilling, 2010)
2. The economic benefits – business success by innovation in which more value is direct-financially or indirect financially made (Pece, 2015)
3. The knowledge and creativity idea – innovation must be rooted from knowledge and creativity, not from duplication (Schilling, 2010)





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2.2 Process Innovation: changing on business processes to reduce costs and procedures

3. New marketing strategy: innovation on product and service development (product & Service), innovation and market direction overall (market), and innovation affecting business channels (channel); as details followed:

3.1 Innovation on product and service development (product & service) – innovation has become a business indicator. It can be seen that most businesses have paid their attention and invested more on Research & Development. However, 60% of those were in vain since they counted R & D as a routine. The separation of R & D from core activities has made the loss of real insight of operators. As a matter of fact, R & D must be a systematic usage or be cultivated as an organizational culture. If any business follows this instruction, the success can be doubled.

Upon getting an interesting idea, how to make ideas or concept come true and benefit businesses is another challenge for all organizations, especially the new idea or concept that business does not have knowledgeable or personnel are not familiar with. One of the key factors that can eliminate these problems is a technology called “Crowdsourcing” - an online brainstorming to find solutions. This technology spreads the certain problem to wider members to find the best answers. It can be used to further develop the business according to the problems arisen from R & D.

3.2 Innovation and market direction overview (market) - innovation plays a big role in overall market and it is regarded as an important variable in new business revolution ideas during the new era in which innovations have been applied to startups. Any entrepreneurs who ignore this may lost their marketing opportunity. Innovation has become a determinant of the current market direction. It can also predict the future direction in 7 features:

3.2.1 Accelerated Change – changes will be faster and cover all areas.

3.2.2 Fast Innovation – new innovations will be rapidly developed rapidly.

3.2.3 Smart Technology – science and technology will increasingly play an important role in all factors of business; products, services, business models

3.2.4 Predictive System – all can be measured and predicted for the future; the forecasting system will be very important to the market direction.

3.2.5 Connected Markets – all markets will be globally connected and trading will be more convenient, faster and more secure.



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3.2.6 Digital Everything – all will be digitalized; data collection, processing and operations.

3.2.7 Mobile Commerce – on-the-go trading channels can be conveniently done; making contact, buy and sell over the phone. At all times

3.3 Innovation affecting business channels (i-Channel) - in addition to innovation affecting the product development and marketing overall, another major impact is the change of business operation method and the way of life (Disruption.) One obvious example is financial facilitation and transactions called Fintech, a portmanteau of the terms “finance” and “technology” and refers to any business that uses technology to enhance or automate financial services and processes. Presently, Fintech is not only a facility for financial transactions, but it has also become a key “weapon” to invent innovation. It can be used to create business value added and an opportunity for exponential growth for business model and effectively expanded.

**Forms of Marketing Innovation**

Forms of Marketing Innovation which are popularly employed for business competition to meet the goals expected can be classified into 3 types (Johne, 2009, pp. 320-348):

1. Service and Product Innovation: one of the most important factors for generating income. This innovation will be applied to stabilize the quality; meanwhile, business cost will be reduced. However, the product and service improvement is very important for long-term growth, it will help business to maintain and strengthen its marketing competitiveness properly. The operator must be able to analyze the differences on the usefulness of product or service regularly and continuously. This will enable operator to differentiate product or service to strike attention of consumers, causing demands for targeted groups of customer, simultaneously. (Hart, 2006, pp. 6662-6673)

2. Process Innovation: to combine the quality of existing deployment models and the acquisition of such business processes is not an easy task, so operators must have a clear purpose. Process innovation will increase the productivity of the business, resulting in lower production costs; and consumers will get a product or service at a lower price or at a higher quality at the same price. (Cumming, 2008, pp.193-235.)

3. Marketing Innovation: an innovative model concerning marketing mixes improvement in terms of target customers and the determination on products or services recommendation, and market. Marketing innovation has two main objectives (Johne, 2009, pp. 320-348):



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3.1 How to define new potential markets, including new ways of presenting products and services; and in what way to enter the market.

3.2 Regarding operators, they must be able to select markets offering better products or services to target customers.

### **The relationship between marketing innovation and export efficiency**

Marketing innovation is a creative process, new products or services development, aiming to increase market value. To place strategy for competitive advantages will be a planning development guideline for both short-term and long-term marketing. Activities on marketing must focus on customer needs and serve theirs most, leading to profits gains for to the company.

Worathep Treevichit, Pattarapol Chum-mee, and Preecha Kamadee (2019) found that marketing strategy on product, price, place and promotion had effects on export performance. Piyapa Dangdetch (2518) found that the characteristics of entrepreneurs had a direct influence on export innovation. And export performance; marketing focus had a direct influence on export innovation and export performance; the fluctuation of environment had a direct influence on export innovation, market focus and export performance; and export innovation has a direct influence on export performance with positive significance.

Hussain (2015) revealed that marketing focus provided over-expected value for customers via analyzing customers’ needs, covering the better operations over the competitors. This allowed the organization to operate efficiently, creating the sustainability of the company’s performance in long term.

Kiattisak Rujirathanark, Cattleya Chapawang and Puros Pongpiachan (2517) found that marketing innovation in terms of product appearance and image had a positive correlation and impact on competitive advantage overall. As a result, service providers should focus on creating innovations in product appearance and image in order to strike new interests of customers.

Leelasuwat, Boonchuai, Teianchan (2015) said that operators should explore new distribution channels, in particular, via online in order to create and widely expand the market. It is in paralleled with Tooksoon and Mohamad (2012) that “abilities on sales channel regarding to delivery and distribution will bring quality performance. Vatcharakon Chamnanchol’s and Cattleya Chapawang’s research (2016) on “*The Relationship between Modern Marketing Capabilities and the Marketing Performance of Beverage Business in*



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Thailand” revealed that modern marketing capabilities on marketing channel had an effect on marketing performance.

Kotler and Armstrong (2015) made a notice that product differentiation was essential for products value adding. Suchinda Jearnsripong (2017) mentioned in his research that ability on product development was the ability to create an outstanding competitive advantage in terms of the development and improvement of new unique products. Murray, et al. (2011) also said that ability on product development was the ability to serve the needs of consumers in terms of innovative products and services.

Rattanaphan, Mukdawijitra, Kulthirawong, and Kanchanamukda (2011) said “the application of technology for developing products and services to better the quality, the novelty, and the modernity can serve the needs and behaviors of consumers. The study of Vatcharakon Chamnanchol’s and Cattleya Chapawang’s research (2016) also found that modern marketing abilities on product development had an effect on marketing performance. The study of Tooksoon and Mohamad (2012) entitled *The Marketing Ability of Small and Medium-sized Enterprises on the Success of Export* found that market ability on product development had an effect on success.

## Conclusion

The study and the analysis based on concepts, theories and empirical research works from the past to present are thoroughly concentrated in order to describe, identify and define the meaning and the importance of marketing innovation. It is found that the creation of marketing innovation can elevate the potentials of entrepreneurs in terms of export competitiveness as well as efficiency.

In today’s world, technology has been developed in various aspects. In consequence, international trade has also rapidly grown. The free trade and other forms of agreements seem to be flourished in every corner of the world. One significant impact is the fierce competition among countries. Organizations concerning international trade, both public and private sectors, must be ready for the development of marketing strategy in order to be able to handle the bloody competition in the future. The selection of tools is also vital and should be studied to properly increase the potential and efficiency at the superlative level.





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