

Democratic and Popular Republic of Algeria
Ministry of Higher Education and Scientific Research
Higher School of Management – Tlemcen –



**Thesis Submitted in Partial Fulfillment of the Requirements
for the Degree of Master's in Management**

Major: Marketing

Theme

**The Impact of Marketing Innovation
on The Competitive Advantage
Case study: Algeria Telecom**

Presented by:

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Academic Year: 2019/2020

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I am beyond grateful for my parents, the members of My family who helped, supported and trusted me and thought me patience and courage to achieve this modest work, I wouldn't do it without you.

Dedication

I dedicate this modest work

In loving memory of my dearest mother

To My parents who loved, raised and were the reason to become the woman I am now, I will never forget their favors towards me, the strength they given me and the unconditional love, support and motivation I was overwhelmed with, May Allah reward them with all good

To My MINA, my confidence, who taught me almost everything I know right in this life, you're a source of courage and light

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General Introduction

General introduction:

Marketing is a discipline that seeks to determine the offers of goods and services depending on the attitudes and motivation of consumers. It plays a central role as a decryptor of customer expectations, interface between the internal and the market, responsible for the marketing of goods and services, it is at the forefront. However, , Global economic events and ongoing changes in the business environment have contributed in shifting culture of societies, increasing needs, varying requirements and the level of awareness among consumers raised. So the comparison is therefore made and standards heightened. which resulted intense competition among businesses, and achieving economic privilege to differentiate and overcome competitors has become the main mean to achieve continuity and survival. These factors prompted many firms to pay attention to innovation to change its vision towards it. in order to keep pace with these changes and adapt to its results, many specialists in the field of management and marketing, including P.Drucker considered Innovation besides marketing are the two main functions in any project, as the purpose of any project is to create and maintain the customer and overcome competition, and this is not done except through these two functions¹.

Innovation is the most important mean of differentiation, as it allows the organization, in light of these changes, to achieve a continuous competitive advantage that enables it to face the challenges dictated by the environmental conditions. It has emerged as a prerequisite for survival, and to the development of many companies, through its strategic role as a facilitator of entry into a new market and repositioning in a market already explored. It is also the process that enables change in the social and economic potential of a company, allowing the generating of value and wealth.

Institutions are always looking for a place at the leading edge, And strives to compete and achieve better results, Certainly, the distinguished companies are those that are able to innovate on a permanent and continuous basis, as there are several entrances to innovation, and marketing innovation is one of the most important areas of innovation, given the importance that marketing plays. From here emerged the concept of marketing

محمد سليمان، 2007، الابتكار التسويقي وأثره على تحسين أداء المؤسسة¹
دراسة حالة: مؤسسة ملينة الحضنة بالمسيلة، شهادة الماجستير تخصص علوم التسويق فرع التسويق، شهادة الماجستير، جامعة المسيلة

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innovation, in light of the ongoing competitive factors and various environmental pressures, it was imperative to excel in marketing through innovation, which has become the latest trend in marketing development, and became the subject of interest of many academics and practitioners in the field of marketing because of its positive impact on the success of the organization in marketing and the consequence of its success in general.

Marketing innovation reflects the firm's ability to improve products/services, prices, sales methods and promotional methods continuously, which lead to achieve huge and new benefits to its clients and satisfy their needs in a unique way. This in return, may result in creating a competitive advantage for the firm in question through identifying needs and translating them into tangible specifications in the firm's products and distinguishing the firm from its competitors by making its presence remarkable.

Under current circumstances intense competition, variety of products in the market and the continuous change in customers' needs and wants, achieving competitive advantage has become the center of attention of organizations and the focus within any activity they do, in order to survive adopting marketing innovation seemed like the win card to achieve it.

The problematic:

From the above, the main problematic of study can be formulated as:

To What extent marketing innovation can put impact on the competitive advantage?

In order to answer the problematic question, the following sub-questions were raised:

- What is meant by innovation and how the concept of marketing innovation appeared?
- Why marketing innovation is important and what are its dimensions?
- What's meant with competitive advantage and competitiveness?
- What is the impact of marketing innovation dimensions on the competitive advantage In Algeria telecom?

Through this research, we try to verify the following hypotheses:

- ✓ There is an availability of marketing innovation dimensions in Algeria telecom
- ✓ There is an availability of competitive advantage dimensions in Algeria telecom

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- ✓ There is a statistically significant relationship between the dimensions of marketing innovation (innovation in product/service, innovation in pricing, innovation in Promotion, innovation in distribution) and competitive advantage

The importance of the study:

The importance of the topic is embodied in the effectiveness of innovation in the field of marketing, as it is the most important factor contributing achieving the competitive advantage. Marketing innovation is considered as one of the most important factors that contribute to strengthening the organization's competitive advantage by improving performance, increasing profits, achieving growth and gaining market share. Hence the importance of the study shows in:

- Highlighting the role of marketing innovation in pushing enterprises to produce new products and services.
- The role of marketing innovation in strengthening the competitive advantage of Algeria Telecom Company
- To show the particularity of the telecommunications sector, which makes it a fertile field for marketing innovation and to make companies achieve a competitive advantage?

The objective of this study project is to know the impact of marketing innovation in achieving the competitive advantage in Algeria Telecom Company, and this study also aims to achieve these goals:

- Understand the importance of innovative marketing, Try to discover its concept and the positive effects resulting from its application.
- Domains of application of marketing innovation in Algeria Telecom Company.
- Highlight a current vision of achieving competitive advantage through marketing innovation in Algeria Telecom Company.

The Approach used in the study:

Concerning the approach used in this study, and in order to answer the questions raised, the descriptive and analytical approach was chosen, which aims to describe the different variables under study and to indicate their characteristics and dimensions from a theoretical point of view,

General introduction

On the practical level, the analytical approach was used, based on an online questionnaire due to the current situation of the Corona pandemic, to achieve the most important results and recommendations.

Reasons for choosing the topic:

Several reasons motivated our choice:

- The topic is related with the specialty studied Marketing
- My wish to know more about this topic, marketing innovation and competitive advantage learn about the concepts related to them. Their importance, And how to achieve competitive advantage through marketing innovation.
- Knowing the extent of application of marketing innovation in economic Algerian firms
- The student's awareness of the importance of the subject for its modernity and for the broad interest it has at present, which will become an indispensable basis for firm's survival from competition.
- Personal interest to study marketing topics, especially those related to innovation
- The limited amount of research devoted to the subject in the Algerian company

Study difficulties:

The most important difficulties I encountered during my course of this study are the following:

- The difficulty of carrying out the study on a practical level, especially in order to obtain sufficient statistics and information on the subject matter because of the Corona pandemic that the world is going through.
- Lack of references and sources on this subject cause if its novelty
- Lack of previous studies dealing with this subject and the difficulty in obtaining them.

Work Methodology:

General introduction

In order to answer our problematic, and in the perspective of verifying our hypothesis (confirm or deny), we proceeded on the theoretical level to present the theoretical and conceptual framework of marketing innovation, by a bibliographic and documentary research based on various books, reports, academic works and websites. It consists of theoretical elements in order to master the basic concepts and identify dimensions that will allow us to see how marketing innovation puts impact on the competitive advantage

On a practical level, we supplemented the theoretical framework with an online questionnaire, to verify the practice of marketing innovation within Algeria Telecom Company and its impact on achieving a competitive advantage.

The structure of the Thesis:

To carry out our research work, we have structured it into three chapters.

- The first chapter will be dedicated to retracing the theoretical and conceptual framework of both innovation and marketing innovation. It will be divided into two sections; one will discuss theoretical aspects of innovation, its main categories, its importance in marketing, and concluding it by discussing why from innovation to marketing innovation and how the concept emerged. In the second section we are taking into research the concept of marketing innovation, its role, and its main dimensions.
- The second chapter will discuss theoretical of competitive advantage its characteristics and conditions of effectiveness, its types and dimensions, in the first section. And in the second section will be dedicated to discuss the theoretical impact of marketing innovation on the competitive advantage.
- On the practical side, an attempt was made to project theoretical concepts on Algeria Telecom Company. We tried to answer the problematic, and a survey was conducted among its subscribers to find out their opinions about the practice of innovative marketing within the company. The data was analyzed by the Statistical Package for Political Science (SPSS) program

Chapter I:
**Evolution and Basic Concepts of
Innovation and Innovation
Marketing**

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Introduction of the Chapter

The dynamic nature of the current markets requires that the organization be vigilant enough to keep pace with the changes and developments taking place in its environment in order to ensure growth and continuity, as it is necessary to act before competitors or anticipate change, so the opportunity for survival has become associated with adopting innovation which became a source of success, sustainability, expansion and value creation for a company.

One of the ways to face the challenges and have the advantage of quick reaction is to adopt the concept of innovative marketing which is an entrance to innovation, and one of the most important areas of it, it emerged as a modern input that helps the organization implement its plans and achieve its strategic goals and attract and maintain customers. Through this chapter we will try to address basic concepts for both innovation and marketing innovation and their importance for the institution

The first section discusses the evolution of the concept of innovation, its characteristics, its main categories, its role in marketing and finally the passage from innovation to marketing innovation.

The second section defines the different basic concepts of marketing innovation, why it is important in firms and its dimensions and how far it affects marketing mix.

Section 1: innovation: theoretical aspects

In light of the intense competition and the constant change in customers need and wants, economic business is realizing more than ever that innovation plays a crucial role in building a sustainable competitive advantage, and a necessary factor to support the competitiveness of the company

In this section we're going to define innovation, discuss its types and its role for business economics in marketing

I. What Is an Innovation?

Innovation has been a difficult term to define with any level of particularity or broad acceptance, a basic distinction can be made between definitions that see innovation as a product or outcome and those that view innovation as an evolving process in the workplace.² many definitions from each viewpoint have been pre-written, but an example of each will be enough to show the difference in emphasis

1. Etymology:

The word innovation comes from the Latin «*innovatus*», which is the noun form the verbe «*innovare* » & it means "to change or to renovate"³

2. Definition:

The term innovation is a concept rich in meaning, it covers several meanings. Economists, managers and marketers are constantly adding other elements to the term innovation.

Starting from the most common definition found in the dictionary Le Petit Robert

² King. N.,& Anderson. N. R., 1993. Innovation in organizations. *International review of industrial and organizational psychology*, 7:p. 1-34

³ Cortes robes G. ,2006. Management de l'innovation technologique et des connaissances : synergie entre la théorie TRIZ et le Raisonnement à Partir de Cas. thèse de doctorat : Systèmes industriels l'institut national polytechnique de toulouse 1, 268 p

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Innovation is « Action to innovate. Result of this action; newly introduced thing (something new) □ change, creativity, novelty. Technical innovations. Discovery, invention, originality»⁴

The concept of innovation refers to a diversity of terms & we note that this definition points us to several aspects that are not quite equivalent: Discovery invention creativity **or novelty** cannot be considered as synonyms to innovation neither to one another. However it is better define them to make the differences clear.

2.1 Conceptual difficulties:

The term innovation evokes other concepts in common parlance:

2.1.1 Innovation & invention:

The invention is often confused with innovation. In principle invention is science and discovery, as opposed to innovations that are intended to be commercialized. Invention is therefore the prerogative of researchers and creators, while innovation is intended to be mass-produced and sold. Marketing is concerned with innovation and not invention.⁵

Same as for Schumpeter, invention is a scientific and technical field, while innovation is an economic field. Invention is exogenous, it is without cost, without economic considerations, whereas innovation is endogenous⁶.

This means that the invention can be considered an innovation only after having achieved success in a market

2.1.2 Innovation & discovery:

Discovery: means to show something that is already in nature or to show how it was manufactured or used, meaning to reveal something that was there before but is unknown until science has come to know it⁷

⁴ Le robert dico en ligne, available on : <https://dictionnaire.lerobert.com/definition/innovation#definitions>. page viewed on 01/05/2020

⁵ Le Nagard-Assayag, E., Manceau, D., & Delerm, S. M. 2015. *Le marketing de l'innovation: concevoir et lancer de nouveaux produits et services*. 3eme édition Dunod édition. P3.

⁶ Chouteau, M., & Vievard, L. 2007. L'innovation, un processus à décrypter. *Millénaire, le Centre Ressources Prospectives du Grand Lyon*. :p. 1-24.

⁷ الصادق لشهب، أحمد بوريش، الشيخ هتهات، 2017، دور الابتكار في تنمية الميزة التنافسية للمؤسسة دراسة ميدانية بشركة الهندسة المدنية بتقريت ولاية ورقلة، المجلة الجزائرية للتنمية الاقتصادية

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It can be fortuitous or the result of induction. Its appearance leads to a new series of innovations and the generation of patents.⁸

2.1.3 Innovation & creativity:

For many writers, creativity is the source of innovation...

Creativity according to Gawan is a mixture of capabilities, preparations and personal characteristics that, if any suitable environment exists, can be enhanced by mental processes that lead to original and beneficial results for the individual, organization, community or worker.⁹

More commonly is to consider creativity a mental process, which means the use of the human mind to create ideas, concepts, art forms and theories characterized by modernity.

So creativity consists in finding a creative solution to a problem or a new idea, but innovation is the creative or appropriate application to it

2.2 Concept Evolution:

Joseph Aloïs SCHUMPETER an economist who explained economic growth by "innovations" and insisted on the decisive role of the entrepreneur defines innovation in 1942 "As the result of the establishment of a new production function, a change in the set of possibilities defining what can be produced and how it can be produced"¹⁰

Schumpeter distinguishes between invention and innovation, which he calls "the integration of the invention into a market, thanks to the entrepreneur".¹¹

The economist was only interested in technological innovation, which he believed to be the only one capable of causing the imbalances through which capitalism evolves.¹²

⁸ Cortes robes G., op.cit.

⁹ هتهات الشيخ, & الصادق لشهب, أحمد بوريش, op.cit.

¹⁰ SASSI, H, 2007, Sciences du langage : Stratégie de l'innovation et sémiotique du positionnement marketing, thèse de doctorat, université de limoges école doctorale Sciences de l'Homme et de la Société faculté de lettres et sciences humaines département Sciences du Langage, limoges, France, p50

¹¹ Romon, F, 2003, gestion : le management de l'innovation. Essai de mondialisation dans un perspective systémique, thèse de doctorat, école central des arts et manufactures « école centrales paris », paris, France, p16

¹² Ibid. p16

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Also the economist in 1926 sees that innovation is the ultimate reason behinds the economic change & it takes the form of a "new combination" of production, which can be presented in five ways:

- A new good.
- New production method.
- New outlet.
- New source of raw materials or semi-finished products
- New market organization ¹³

The OECD in the "Frascati manual" 1980 provides us with another definition which is widely used by analysts:

"Scientific and technological innovation may be considered as the transformation of an idea into a new or improved saleable product or operational process in industry and commerce or into a new approach to a social service. It thus consists of all those scientific, technical, commercial and financial steps necessary for the successful development and marketing of new or improved manufactured products, the commercial use of new or improved processes and equipment or the introduction of a new approach to a social service".¹⁴

This definition points on the transformation of an idea into a marketable product, so there is a conversion of an intellectual concept into a tangible good (or intangible in the case of services).

& it also highlights the difference between a new product and an improved product. However, often the new product is simply an existing product that has been improved in some way.

In corporation with the National Science Foundation Myers, S., & Marquis, D. G. in 1969 define innovation as "A complex activity that goes from coming out with a new idea to finding a solution of the problem and then to the actual use of a new element of economic or social value. In other words innovation is not a single action but a whole process of interdependent sub-processes. it is not just the conceptualization of a new idea,

¹³ Deblock, C., & Fontan, J. M. (2012). Innovation et développement chez Schumpeter. *Revue Interventions économiques*, (46).

¹⁴ Frascati manual, 1980, the measurement of scientific & technical activities, fourth edition, OCDE edition, , p15.

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nor the invention of a new device, nor the development of a new market. The process encompasses all of these elements in an integrated manner".¹⁵

Freeman 1982 & Roberts 1988 note that Innovation is "the use of new knowledge to offer a new product or service that customers want. It is invention plus commercialization".¹⁶

Rogers in 1998 defined innovation as a term that defines a series of significant changes in company's activities. This last leads directly to an improvement in business performance. These changes can be related to new or ameliorated goods, investing in new machinery, opening new outlets «investing in learning «marketing investments & creating new technologies. The multi-dimensional nature of innovation makes it impossible to measure innovation concisely and appropriately for all the firms as a result firms will use different methods of innovation and even adapt and improve their methods of innovation over time"¹⁷

According to Porter 1990 innovation is a new way of doing things that is commercialized.¹⁸

LENDREVIE and LINDON, two marketing researchers, define it as follows «innovation is the set of activities of a company whose purpose is the research, development and launch of new products".¹⁹

Also the European Commission, as early as 1995, defines innovation as "the renewal and enlargement of the range of products and services and the associated markets; the introduction of new methods of production, supply and distribution; the introduction of changes in management, work organization and the working conditions and skills of workers".²⁰

¹⁵ Myers. S ., & Marquis. D. G., 1969. *Successful industrial innovations. A study of factors underlying innovation in selected firms* (Vol. 69, No. 17). National Science Foundation.

¹⁶ Albers, J. A., & Brewer, S. 2003. Knowledge management and the innovation process: the eco-innovation model. *Journal of Knowledge Management Practice*, 4(6), 1-6.

¹⁷ Rogers M., 1998. the definition & measurement of innovation. *Melbourne. Institute of Applied Economic and Social Research. The University of Melbourne*, p. 1-27.

¹⁸ Albers, J. A., & Brewer, *op. cit.*

¹⁹ Sassi, H, p51, *op.cit.*

²⁰ Marbach, C. (2006). PME et Innovation Technologique Pour une Relation Plus Naturelle. *Regards sur les PME*, (10)

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The Oslo Manual (1st version in 1992, updated in 1996, then in 2005) focused primarily on technological innovation of product and process. But the last edition of the manual has evolved to take into account the evolutions of the concept with non-technological innovation and thus offers the following definition “innovation is the implementation of a product (good or service) or a new or significantly improved process, a new marketing method or a new organizational method in business practices, organization of the workplace or external relations”.²¹

The five aspects of innovation proposed by Schumpeter are concentrated in the Oslo Manual definition under the four concepts: new product, new process, new organization or marketing innovation.

For innovation to take place, at least, the product, process, marketing method or organizational method must be new (or significantly improved) to the firm

The concept of novelty comes in three forms: novelty for the company, novelty for the market and novelty for the whole world.

A common feature of all categories of innovation is that it must have been implemented. A new or improved product is implemented when it is introduced to the market. A process, marketing method, or organizational method is implemented when it is actually used in a firm's operations & firm will be considered innovative if it has implemented at least one innovation during a given period.²²

However, this definition only applies to the business sector²³ mentioned in the Frascati Manual 2015 and it appears that this definition does not take into account the multiplicity of forms of innovation that can be encountered today. The concept of innovation is today often taken in the broad sense and no longer focuses only on the company²⁴

For that, a revision of the Oslo Manual started in 2015 to provide a broader and more generalized definition of innovation and its applications, in order to present options for moving from innovation in the enterprise sector to innovation in all sectors, & the

²¹ Manuel d'Oslo, 2005, principes directeurs pour le recueil et l'interprétation des données sur l'innovation, troisième édition, édition OCDE, p54

²² Ibid.

²³ Frascati manual, , 2016, Mesurer les activités scientifiques, technologiques et d'innovation, septième édition, édition OCDE, p66

²⁴ Document de travail MAAF- contribution DGPE,2016, p2

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resulting generalized definitions would be applicable to all sectors. The objective of all this is arriving at a more comprehensive understanding of innovation²⁵.

More recent, in 2007 CHOUTEAU. M and VIEVARD.L have defined innovation as a way to gain a competitive advantage. An innovation responds to the needs of the market. Innovation enables the creation of new products, the development or improvement of existing products, the optimization of a production system or the adoption of new technologies²⁶ others as Corbel (2009) sees innovation as "a judgment made on an existing object. A product or service is qualified as innovative by experts in the field or by consumers. »²⁷

The concept of innovation is a polysemic concept each author will have their own definition of innovation which will vary depending on the context in which it is used or the angle it will be seen from either for the firm the market & consumers or the whole world.

II. Characteristics of Innovation:

Five characteristics of innovation are identified: Relative advantage, compatibility, complexity, testability and observability. In addition to these five traits, other attributes that differ from one research to another are.

- **Relative advantage:** is the change in value perceived or experienced by the individuals about the new innovation replacing the old one, or between the new state resulting from the innovation and the old one. This advantage can be expressed in terms of profitability
- **Compatibility:** it is the degree of compatibility between the innovation & the values, past experiences and needs of the potential adopter & norms of a social system in general.
- **Complexity:** refers to the perceived lack of understanding of the principles, functioning and use of innovation.

²⁵ Gault, F., 2016., Defining and measuring innovation in all sectors of the economy: Policy relevance. In *Proceedings of the OECD Blue Sky Forum III, Ghent, Belgium* (pp. 19-21).

²⁶ Chouteau, M., & Vievard, L., op. cit, P5.

²⁷ ZOUAOUI, M., & HAMDOUN, M. Filemanagement environnemental et l'innovation technologique: Une modélisation théorique du rôle des compétences d'intégration

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- **The possibility of testing an innovation:** this describes the ease with which the innovation can be tested on a small scale or in a small area before it has to be fully adopted.
- **Observability** of the benefits of the innovation by the potential adopters. The more visible and communicable the effects of an innovation are from one individual to another, the more rapidly the innovation spreads.²⁸

III. Main categories of Innovation:

Innovation is a concept that is both polysemic and polymorphic which means that it doesn't only has several meanings but also it can come in different forms, that is to say that innovations are not all identical & it is necessary to distinguish the different types of innovation

1. Typology according to the nature of the innovation (the field of application):

We can classify innovations according to their intervention in the company's activities and for this purpose we distinguish four categories: product innovations, process innovations, marketing innovations and organizational innovations (Oslo Manual 2005).

1.1 A product innovation:

It is called product innovation or the launch of a new product it is defined as “the introduction of a new or significantly improved good or service in terms of its characteristics or the use for which it is intended”²⁹

Which means to provide a new product (or service) that at least has one new feature compared to existing offers or it is an existing product or service that is significantly modified & ameliorated

Product innovation concerns product characteristics, in the form of significant improvements in technical specifications, components and materials, integrated software, ease of use or other functional characteristics. These improvements can use new knowledge or technologies, or build on new uses or combinations of existing knowledge or technologies to ensure better product performance.

The development of a new use for a product whose technical specifications are only slightly modified, or Significant improvements to existing products occur through

²⁸ Bouali, A.2018, processus d'innovation et competitivite des pme algeriennes à l'heure de la globalisation, thèse de doctorat en sciences de gestion, Université Abou Bekr Belkaïd de Tlemcen

²⁹ Manuel d'Oslo, op. cit, p56.

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changes in materials, components and other features that make these products more efficient. Are a product innovation.

New products are goods and services that are significantly different in terms of their characteristics or intended use from the firm's previous products & in services it may include significant improvements in the way these services are provided (e.g. in terms of efficiency or speed), the addition of new functions or features to existing services, or the introduction of entirely new services³⁰

1.2 Process innovation:

A process innovation is defined by Tarondeau in 1994 as “Process innovation consists of a transformation of industrial processes implemented works to design, produce and distribute products and services³¹”

The OCDE in the Oslo manual defines it as “the implementation of a new or substantially improved production or distribution method. It involves significant changes in techniques, hardware and/or software”³² also "Process innovation includes new or significantly improved production technologies, new or significantly improved methods of providing services and delivering goods. The result should be significant in terms of the level of production, the quality of the products (goods/services) or the costs of production and distribution”³³.

Production methods include the techniques, hardware and software used to produce goods or services. Distribution methods are related to the firm's logistics and include hardware, software and techniques for sourcing inputs, allocating supplies within the firm or delivering final products.

Process innovations aims to lower unit costs of production or distribution, increase quality, or produce or distribute new or significantly improved products³⁴

1.3 Organizational innovation:

It is defined as “the implementation of a new organizational method in the firm's practices, workplace organization or external relations³⁵”.

What distinguishes an organizational innovation from other organizational changes within a firm is the implementation of an organizational method (in company’s practices,

³⁰ Ibid.

³¹ ZOUAOUI, M., & HAMDOUN, M., op. cit.

³² Manuel d’Oslo, op. cit, p57.

³³ Marbach, C., op. cit.

³⁴ Manuel d’Oslo, op. cit. p60.

³⁵ Ibid.

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the organization of the place of or external relations) that had not previously been used by the firm and which is the result of strategic decisions made by management

Organizational innovation refers to organizational transformation, such as the implementation of just-in-time or total quality. These innovations require changes in the hierarchical structure of the company, in labour relations, in short, in the entire organization. It's not just a matter of changing the way things are done, but also of changing the philosophy.³⁶

Also organizational innovation may affect company practices, workplace organization or external relations. It then translates into the establishment of databases, staff training, production or supply chain management systems, and quality management systems. The implementation of production systems integrating sales and production or new methods of integration with suppliers also illustrates this type of innovation³⁷.

1.4 Marketing innovation:

Defined as “Marketing innovation is the implementation of new or significantly modified concepts or sales methods to facilitate product access to the market. Changes in design or packaging are marketing innovations”.³⁸

Marketing innovations are customer and market oriented and are aimed at increasing sales and market share & to gain customer satisfaction, to enter a new geographic market, or to reposition its products and services.

Marketing innovation is the main topic of my paper, in the next section I'm going to take this concept broadly

2. Typology according to the degree of novelty:

The distinction between degrees is based on the technological intensity of the change introduced. This is referred to as disruptive (or radical) innovation as opposed to progressive (or incremental) innovation.

³⁶ CROTEAU Julie. 2003. Innovation de produit dans les PME manufacturières: relation entre le fonctionnement, les ressources et le taux d'innovation, mémoire de maîtrise en gestion des PME et de leur environnement, Université du Québec à Trois Rivières, 102 p.

³⁷ Funel, C., Vigoureux, M., & Vittori, A. (2012). L'innovation commerciale: quelles innovations commerciales au regard des attentes des consommateurs. *Cahier de recherche*, (291).

³⁸ Emballage et marketing au cœur des nouveautés, Agreste n° 192, mars 2007, cité dans : <http://agreste.agriculture.gouv.fr>.

Tableau 1: The different types of innovation

uses and habits of consumption	new	Radical innovation	Behavioral innovation
	old	Technological innovation	Incremental innovation
		new	old
		technology	

Source: ¹ Le Nagard-Assayag, E., Manceau, D., & Delerm, S. M. 2015. *Le marketing de l'innovation: concevoir et lancer de nouveaux produits et services*. Dunod.

2.1 Radical Innovation:

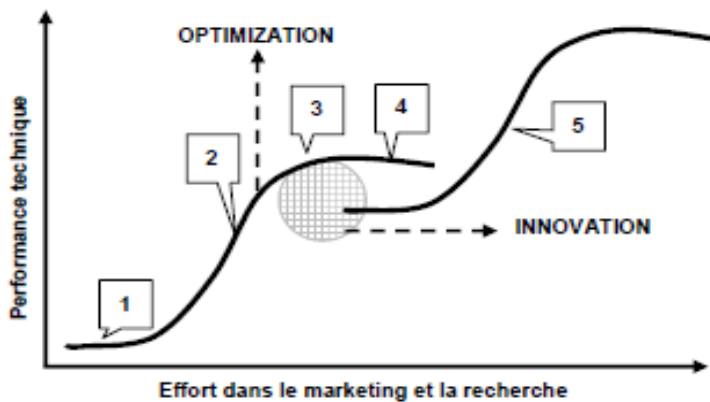
“Breakthrough innovations, also known as radical innovations, are technically and behaviorally innovative products that introduce new technology and change uses. it does not address an identified demand, but instead create a demand previously unrecognized by the consumer. Examples include the first mobile phones, MP3 players, digital cameras. In the field of services, we can mention amusement parks, places of entertainment that create new types of holidays and leisure activities. Breakthrough innovations are relatively rare. They are associated with a double risk that the company must control: the technical risk that the new technology does not work as expected, and the commercial risk that the targeted customers refuse to change their consumption habits and do not adopt the innovation.”³⁹

A tool that allows the identification of a radical innovation is the S curve. This curve indicates that the technological performance of a product moves along an S curve, until it reaches its limits. This curve is made up of four segments: genesis, growth, maturity and decline (figure 1.1).⁴⁰

³⁹ Le Nagard-Assayag, E., Manceau, D., & Delerm, S. M. 2015. *Le marketing de l'innovation: concevoir et lancer de nouveaux produits et services*. Dunod.

⁴⁰ Cortes Robles, Op.cit.

Figure 1: Ideal curve of a system: radical innovation



Source : Cortes Robles, Op.cit.

1. Start of the technology
2. Region with the highest rate of technical progress
3. Limitations of the technology
4. Established product
5. Replacement technology or product⁴¹

Figure 1.2 suggests that the technological performance of a product moves along an S curve. Also the technological maturity of a system can be observed on the same curve.

2.2 Technological innovations:

Technological innovations are built on a completely newly developed technology yet it does not radically affect the behavior or attitudes of customers, like Blu-Ray or hybrid cars. More, in food industry, cholesterol-lowering margarines, like Pro.Activ from Fruit d'Or. These innovations are primarily associated by a technical risk linked to the mastery of a new technology. Economically speaking, if the benefits of the new technology are noticeable to customers, the obstacles to the adoption of the innovation are lower than radical innovations case, as it does not require a major change in usage habits.⁴²

2.3 Behavioral innovations:

Behavioral innovations induce new attitudes without relying on new technology. This is the case, for example, of the first cosmetics for men or the first drinking compotes. In

⁴¹ Cortes Robles, G. 2000. *Management de l'innovation technologique et des connaissances: synergie entre la théorie TRIZ et le Raisonnement à Partir de Cas. Application en génie des procédés et systèmes industriels* (Doctoral dissertation, Institut National Polytechnique de Toulouse).

⁴² Le Nagard-Assayag, E., Manceau, D., & Delerm, S. Op.cit.

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the services sector, let us mention the example of the drive that allows people to do their shopping on the Internet before picking it up at the entrance or exit of the store (drive attached), or in a dedicated space (drive solo). These innovations are mainly accompanied by a commercial risk, either because the new target group is not attracted by the product or because customers are not willing to change their behavior.⁴³

2.4 Incremental innovation:

Concerns the improvement of an existing product / service or precedent and involves minor changes or small improvements to existing technologies

Incremental innovation does not require new knowledge. It does not lead to radical change but to a series of learning acts on a given technology. It is common and does not lead companies to profound changes in their organization. Incremental innovation is the basis for a firm's growth and competitiveness and also helps to initiate new strategies when new opportunities arise in the market.⁴⁴

Incremental innovations are a continuation of what already exists, both technologically and behaviorally. They account for the vast majority of new products on the market, even if their style or performance makes them perceived as innovative by the market.⁴⁵

Incremental innovation is important for two reasons:

1. It is a strategy for increasing a company's competitiveness.
2. It allows a company to keep a watch on its business and also allows it to undertake new strategies when new opportunities arise on a market.⁴⁶

➤ The role of marketing depends greatly on the nature of the innovations. When this last requires an evolution in usage among customers, market acceptance becomes critical and marketing plays an essential role so that innovation take place in the market. When it is based on a new economic model, it is necessary to analyze in detail who is ready to pay what amounts, requiring a detailed analysis of the value placed on the service by each actor in the ecosystem. When innovation is technological, it is necessary to be certain that the contributions of the new technology will be perceived and valued by potential customers.⁴⁷

⁴³ Ibid.

⁴⁴ Al Bachawat, E. (2015). Innovation et compétences: une analyse du comportement innovant de la firme française (Doctoral dissertation). Économie sociale. L'université de Toulouse

⁴⁵ Le Nagard-Assayag, E., Manceau, D., & Delerm, S. Op.cit.

⁴⁶ Cortes Robles, Op.cit.

⁴⁷ Le Nagard-Assayag, E., Manceau, D., & Delerm, S. Op.cit.

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Its missions also vary according to the origin of the innovation. Two approaches appeared in the 60s and 70s which formed the essential chapters in the Innovation Economy. a first led Joseph Schumpeter maintains that technological and scientific determinism is the strongest so that it is the push of fundamental research which is at the origin of innovation ("Technology-Push Innovation").

A second approach by the economist Jacob Schmookler, believes that innovation is rather demand-pull innovation which is based on identified needs on the market and customer dissatisfaction with existing products.⁴⁸

A. The Technology Push Approach:

In technology push approaches, the innovation process starts with a new technology, without making sure that it will gain an interest in the market. So marketing's function is delicate. It must identify an application of the technology that meets a market expectation, influence product development, and develop a launch plan that explains to customers what the new product is all about that they may not have expected. Briefly marketing will stimulate the demand & create a new need to the potential customers

While marketing is not the source of innovation its role is overlooked and only relevant to the downstream process and release plan, which is wrong and it must be integrated upstream. The detailed market analysis must identify the uses of this new technology, with an intimate comprehension of customer behavior and expectations in order to identify the potential customers and build adequate communication messages to convince with an innovation they are not expecting.

In the case of radical innovation which provoke changes in customers behavior it is important to integrate Market research methods based on ethnography, immersion & design thinking help to apprehend such situations. It is therefore essential to involve marketing earlier and closely in the process in order to build in the market vision⁴⁹

B. The Market Pull Approach:

The validity of marketing is much more obvious when the market is at the origin of the innovation. Through market study of behaviors and perceptions, a perceived demand in the form of dissatisfactions and unfulfilled desires that could be responded with a new product. The R & D and engineering departments then work to develop an innovation that meets the identified needs. The role of marketing is to ensure throughout the design

⁴⁸ Errabi, K. (2009). *«Demand-Pull» ou «Technology-Push»: Survey de la littérature récente et nouveaux tests économétriques* (Doctoral dissertation). Sciences Économique, Université Lumière Lyon 2

⁴⁹ Le Nagard-Assayag, E., Manceau, D., & Delerm, S. Op.cit.

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process that the prototypes meet the initial specifications and do not deviate from the original idea added to that developing the conditions for commercializing the innovation.

Its difficulty shows in that is the market is characterized by an overabundance of supply, unsatisfied needs are rare and dissatisfaction with products in limited number It also happens that an identified trend is less buoyant than expected or only concerns a few atypical customers. & it can lead to focusing on the current customers of a category and neglecting non-customers, who nevertheless could become ones⁵⁰.

IV. The Role of Innovation in Marketing:

Marketing allows the organization to determine the needs and wants of consumers, and thus determine the appropriate product to meet those needs and wants, but the continuous change in consumer tastes and needs due to the impact of a disparate set of factors has made it difficult for the organization to provide an appropriate product, changing this product by making new improvements or arriving at a new and better product is an alternative to meet these changing needs. as said brilliant ideas are always needed to fuel marketing ^{51/}

& in view of the ongoing changes in the business environment, the Firm has been compelled to change its vision of innovation, in order to keep pace with these changes and adapt to its results, which made many of the specialists in the field of management and marketing, including P.Drucker considered Innovation besides marketing are the two main functions in any project, as the purpose of any project is to create and maintain the customer, and this is not done except through these two functions⁵²

In the same context, meeting customer's needs is the main key to gaining their loyalty & eventually creating new markets or conquering existing ones. Business growth in the economy is no longer a problem of scale of production but a problem of innovation, because it is through innovation that companies compete. in fact, it is considered a major source of change in the conditions of competition ⁵³& Firms that possess high innovation orientation differentiate themselves from other companies mainly with degree of

⁵⁰ Le Nagard-Assayag, E., Manceau, D., & Delerm, S. Op.cit.

⁵¹ محمد سليمان. Op.cit

⁵² Ibid.

⁵³ Ginting, R. (2000). *Intégration du système d'aide à la décision multicritères et du système d'intelligence économique dans l'ère concurrentielles: application dans le choix de partenaires en Indonésie* (Doctoral dissertation, Aix-Marseille 3).

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innovation they build into their offerings (Hooley and Greenley, 2005)⁵⁴. & it shows in remaining competitive in the company's current areas of activity such as improving products, increasing the range, launching products that are more attractive to the consumer, also entering new areas, diversify to survive or develop & find fields of activity in which investments could generate higher returns than current operations⁵⁵.

V. Why from Innovation to Marketing Innovation?

There are some factors that changed the marketing environment & there perception to innovation, and forced companies to develop new methods to present their offers.

- **Failure rates for new products:**

Innovations can fail at two points:

First, during their development: about 19% of projects disappear before they are commercialized. The Novaction research firm reports that 81% of projects fail during pre-launch testing, which can lead to major modifications or abandonment of the project. However, these figures are not necessarily alarming, since the development and testing process is precisely designed to identify projects with strong commercial potential and to distinguish them from projects that are too uncertain.

Second, a failure when commercialized which is more serious: the innovation has been launched by the company after a very costly development phase, & usually linked with substantial investments, and a significant mobilization of internal staff. In addition, this failure can undermine the credibility of the company with customers, distributors, and various partners. Failure rates are around 20 to 25% in industrial sectors, 30% in services and 70 to 90% in high tech. and in mass consumption, studies lead to figures between 35 and 95%.

And we note that: 45 to 48% of new products do not meet their sales targets and 44% of the products are below their profitability objectives. This figure is high, but it is common for sales targets to be overestimated by project managers in order to better sell the product to distributors, or to improve the internal negotiation of the project's budgets.

Another failure concerns the withdrawal of products from the market connected with the life cycle of a product, noted that that 76% of new products do not survive beyond the

⁵⁴ Hooley, G., & Greenley, G. (2005). The resource underpinnings of competitive positions. *Journal of Strategic Marketing*, 13(2), 93-116.

⁵⁵ Ginting, R. Op.cit.

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first year and 75% withdrawals within two years, with the second year of existence often being a critical cut-off point.

1. The Alliances Between Innovation and Marketing:

Several researchers establish a link between marketing and innovation. In the writings of Rogers in 1983, the notion of marketing is added to innovation. Marketing managers have long been concerned with how to launch new products more effectively. Their interest in this topic arose following the regular launch of a large number of new consumer products, which resulted in the failure of several of them. In fact, Rogers' writings on the diffusion of innovation deal with the marketing through which innovations are diffused to consumers. It brings the notion of diffusion of innovations to determine the reasons why the launch of consumer products often fails. Marketing therefore comes into play here.

Drucker in 1984, on the other hand, makes a link between innovation and marketing functions by pointing out that there are two fundamental functions in any business: marketing and innovation. & the Nagard-Assayag and Manceau in 2011 argue that the role of marketing in innovation is well known, as it enables the study, anticipation and optimization of the market's reaction to goods and services that do not yet exist, that customers don't always imagine and expect even less. It is therefore possible to say that marketing represents a relevant discipline with regard to innovation, because it makes it possible to define the needs of customers, to encourage participation in the design of innovations and ensure that they are marketed adequately Dubé in 2012, and the two authors affirm that the role of marketing is essential since it is responsible for analyzing which innovations are likely to interest and 'attract customers, participate in their design, and then successfully market them.

And McGowan and Rocks in 1995 categorize innovative marketing activities along the same lines as other innovative activities. As mentioned, in addition to establishing a link between marketing and innovation, authors start to discuss the concept of innovative marketing.⁵⁶

⁵⁶ Boyer-Turp, L. 2018. L'impact des perceptions du marketing innovant sur des indicateurs majeurs de performance d'une entreprise touristique. Université du Québec, Montréal. p18

Section 2: Marketing Innovation

Marketing innovation has been and continues to be of interest to academics and researchers in the field of marketing and started to take a major importance because of its positive impact on the success of the firms in achieving efficiency and effectiveness,

Through this section, we will try to know what is meant by marketing innovation its importance and the main dimensions

I. Definition of Marketing Innovation:

Innovative marketing is a broad concept, which intrinsically does not differ from innovation. It involves the fresh or ongoing renewal of multiple marketing functions and activities, primarily defined as: "Putting new and unconventional ideas into practice in marketing techniques"⁵⁷. Innovative marketing in this way does not stop at the end of research and the generation of new ideas, but goes beyond that to put those ideas into practice by focusing on developing the mix of a target market, while determining how companies can serve them best., it is described as "The successful exploitation of new ideas"⁵⁸

"Market innovation refers to the new knowledge embodied in distribution channels, product, applications, as well as customer expectations, preferences, needs, and wants. The main idea of marketing innovation is the improvement of the components of the marketing-mix, that is, product, price, promotion and place (Kotler & Armstrong,1993). The Frascati Manual (2004) specifies that market innovation concerns marketing of new products and covers activities in connection with the launching of a new product. These activities may include market tests, adaptation of the product for different markets and launch advertising, but exclude the building of distribution networks for market innovations"⁵⁹.

Marketing innovation, also known as "commercial innovation", is defined as "significant changes in design or packaging in terms of shape and appearance, design, or

⁵⁷ خلوط زهوة، التسويق الابتكاري و أثره على بناء ولاء الزبائن دراسة حالة "مؤسسة اتصالات الجزائر"، مذكرة تدخل ضمن متطلبات نيل شهادة الماجستير في العلوم التجارية تخصص تسويق، جامعة أمحمد بوقرة بومرداس 2014

⁵⁸ محمد سليمان، op.cit

⁵⁹ Popadiuk, S., & Choo, C. W. (2006). Innovation and knowledge creation: How are these concepts related?. *International journal of information management*, 26(4), 302-312.

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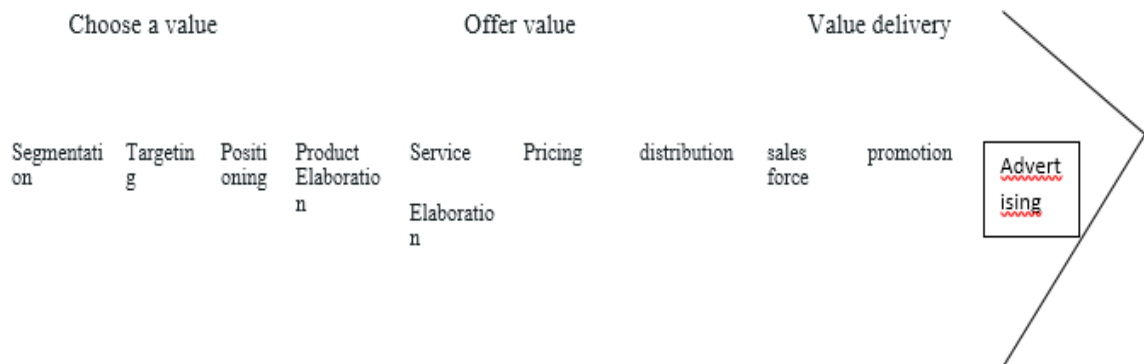
even taste. It can also take the form of new sales channels or new methods of presentation, exhibition or promotion (new type of packaging, new logo, loyalty card, etc.)”⁶⁰.

Innovative marketing may focus on one or all elements of the marketing mix at the same time, as it may be in the field of marketing research, or it may take the form of adopting a specific issue or differing from competitors in their position towards a specific issue or subject. It includes all marketing activities related to a specific product, such as how it is offered, distributed or promoted⁶¹. & the thing that distinguishes marketing innovation from other changes in a firm's marketing techniques is the implementation of a marketing method that the firm did not previously use. It must be part of a marketing concept or strategy that represents a fundamental change from the firm's existing marketing methods. This new marketing method can either be developed by the innovative firm or adopted from another firm⁶²

According to the Oslo manual, a marketing innovation is defined as “the implementation of a new method of marketing involving significant changes in the design or packaging, placement, promotion or pricing of a product”⁶³

Marketing innovations are aimed at better satisfying consumer needs, opening up new markets or repositioning a firm's product on the market in a new way to increase sales...⁶⁴

Figure 2: Marketing practices involved in marketing innovation⁶⁵



⁶⁰ VITTORI, A., FUNEL, C., VIGUOUROU, M., 2012, l’innovation commerciale, Credoc, cahier de recherche n° 291, p. 17

⁶¹ خلوط زهوة. Op.cit.

⁶² Manuel d’Oslo, principes directeurs pour le recueil et l’interprétation des données sur l’innovation, troisième édition, édition OCDE, 2005, p58

⁶³ Ibid.

⁶⁴ Ibid.

⁶⁵ كباب. (2017). الابتكار التسويقي كخيار استراتيجي لتحقيق الميزة التنافسية في المؤسسات الجزائرية.

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Source: كباب. (2017). الابتكار التسويقي كخيار استراتيجي لتحقيق الميزة التنافسية في المؤسسات الجزائرية

Through the figure, we find that innovation in the marketing field is through: Renewing a commodity itself, creating a new position for the current commodity in the market, a new use of a well-known product, innovation in sales methods, creating new systems for the physical distribution of goods, creating advertising and promotion methods and methods of displaying the commodity.

From the above, it can be said that marketing innovation is the development and implementation of a set of creative and unconventional ideas which can create a new marketing situation and transforming them into practical applications in one of the areas of the marketing mix or all of them In this way, every distinctive and unique act in marketing makes the organization different from others on the market, it falls in the field of marketing innovation.

Table 2: Examples of Marketing Innovation

Marketing Activity	Marketing Innovation Examples
<p>Creating Value</p> <ul style="list-style-type: none"> • Marketing research • Product • Post-purchase warranties, service, etc. • Pricing (strategies, discounts, allowances, payment periods, credit terms) 	<ul style="list-style-type: none"> • New research methods and tools (virtual reality test marketing, new quantitative models for assessing customer future worth, database marketing, data mining, on-line marketing research) • Mail order, customized products • Post-purchase activities of 24/7 multi-lingual hotlines, help lines • Alternative pricing (Priceline.com), product bundles/pricing
<p>Communicating Value</p> <ul style="list-style-type: none"> • Advertising • Promotion • Personal selling • Public relations 	<ul style="list-style-type: none"> • New direct mail approaches of personalized catalogs, videos and CDs with free trials • Infomercials • “Advertising” in films and video games
<p>Delivering Value</p>	<ul style="list-style-type: none"> • Multi-pump gas stations; Self service gas stations • Factory Outlets; Warehouse clubs, Hypermarkets, Strip Malls; Chain Stores • Vending machines; Kiosk marketing • Home Shopping Networks
<p>Managing Customer Relationships</p>	<ul style="list-style-type: none"> • Loyalty programs • Rewards programs

66

⁶⁶ Tinoco, J. K. (2010). Marketing innovation: The unheralded innovation vehicle to sustained competitive advantage. *International Journal of Sustainable Strategic Management*, 2(2), 168-183.

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Source: Tinoco, J. K. (2010). Marketing innovation: The unheralded innovation vehicle to sustained competitive advantage. *International Journal of Sustainable Strategic Management*, 2(2), 168-183.

II. THE IMPORTANCE OF MARKETING INNOVATION:

“Organizational strategy and innovation interact for two reasons. The market-driving reason focuses on developing new market needs, in order to obtain a high satisfaction, customers have to be persuaded about new types of products and services. This is where marketing innovation leads to strategy (Menon et al., 1999; Verhoef & Leeflang, 2009). Besides marketing innovation activities can help firms to enter and satisfy new markets (OECD, 2005; Schubert, 2010; Varis & Littunen, 2010). The rationale here is that a firm that have innovation in marketing may better understanding of both customer needs to satisfy, and the ability to have a very good image of products and services offered.”⁶⁷

New rules of marketing should be embraced by organizations in order to develop direct relationships with consumers, The key objective of marketing innovation is satisfying consumers better than competitors through improving skills in defining their needs and desires and eventually meeting them, and aligning them with the capabilities of the firm, also bring customers to a situation where they become the promoters of the organization & recommend the company’s products to their reference groups⁶⁸. On the other hand, compatibility as a characteristic of Innovation, it measures a technology’s consistency with users’ values, past experience, and needs (Rogers, 1995). Agarwal & Prasad (1999) describe a positive relationship between an individual’s prior compatible experiences and acceptance of new innovation, and satisfaction. In this sense, Lee & al (2015) describe the use of marketing innovation as a way that improves customer satisfaction⁶⁹.

In addition of assuring costumers satisfaction Marketing innovation stimulates the generation of new ideas, and whereas it is the development, adoption and successful application of innovative ideas in the field of marketing⁷⁰, marketing innovation helps to complete the functional characteristics of a product, as these are no longer sufficient to make a difference, especially in a market where companies have the same means of

⁶⁷ Zuñiga-Collazos, A., & Castillo-Palacio, M. (2016). Impact of image and satisfaction on marketing innovation. *Journal of technology management & innovation*, 11(2), 70-75.

⁶⁸ Ilić, D., Ostojić, S., & Damnjanović, N. (2014). The importance of marketing innovation in new economy. *The European Journal of Applied Economics*, 11(1), 34-42.

⁶⁹ Zuñiga-Collazos, A., & Castillo-Palacio, M. , op.cit.

⁷⁰ كياب, op.cit.

production and products end up looking alike. Hence the role of marketing innovation, which transfers and communicates these functional characteristics through the corresponding packaging, design, price, promotion..., and therefore ensures the success of the product on the market⁷¹

Marketing innovation directly affects company's performance, it focuses on fundamental differences in products that enables to obtain a continuous competitive advantage for the organization and distinguishes it from competitors, and it gains the positive mental image in the social field and thus achieves its privilege, and this competitive advantage achieves positive results for the organization such as maintaining its market share, increasing its sales and profits, and access to the leadership position in the market and winning clients Renew while maintaining existing customers penetration into new markets⁵ improving the visibility level and presence of the product in the market⁷²

III. The Dimensions of Marketing Innovation.

Marketing innovation is based on the promotion of the four instruments that are inter-related and focused on meeting the consumer needs by achieving a sustainable competitive advantage (Ferrell and Hartline, 2011). Using completely new marketing strategies that have never been applied in the organization, they are based on the combination of the marketing mix elements⁷³

Marketing innovation which is described as a progress in marketing mix⁷⁴, usually seen as being applied in the field of products only. However, Innovative marketing is based on the idea that one tool cannot achieve the goals and objectives in the best formula, so mixing all the elements of the marketing mix will be more able to meet the goals sought by organizations⁷⁵

1. Product Marketing Innovation:

The product is considered the main component of the marketing mix, as it represents the focal point for orienting all marketing decisions and maximizing the satisfaction

⁷¹ BOUGHERABA, O., 2016, L'innovation marketing : Etat des lieux de quelques entreprises de la wilaya de Bejaia, thèse de Magister, Gestion des entreprises, Université A.MIRA-BEJAIA, Algérie

⁷² كيباب, op.cit.

⁷³ Ilić, D., Ostojić, S., & Damjanović, N. op.cit.

⁷⁴ Aksoy, H. (2017). How do innovation culture, marketing innovation and product innovation affect the market performance of small and medium-sized enterprises (SMEs). *Technology in Society*, 51(4), 133-141.

⁷⁵ خلوط زهوة. Op.cit.

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required by consumer needs, thus ensuring the continuity and growth of the organization⁷⁶. Knowing that a product is an offer presented on a market, whether it is a service or a good⁷⁷, the accelerated shortening of its lifecycles and the emergence of new global competitors is forcing companies to accelerate the renewal of their offerings to adapt to this dynamic of continuous change⁷⁸.

So we find that **Product marketing innovation** could come in term of a tangible product (good) or an intangible one (service)

1.1. Product marketing innovation (goods):

The launch of a new product is "the transformation of a market opportunity into the marketing of a new good or service"⁷⁹. The new product is anything that can be changed, added, improved, or developed on the product specifications and characteristics, whether tangible or intangible material or services accompanying it, and leads to the satisfaction of current or prospective customers' needs and desires in targeted market sectors, this product is new to the organization or the market Or customers, or all of them together, regardless of the degree of technological progress used in developing the new product⁸⁰. However Product marketing innovation concern changes in the shape and appearance that do not alter the functional or usable characteristics of the product⁸¹

Marketers distinguish the notion of “products which are new” and that of “new products”. The first refers to improvements to already existing products that fall under small innovation (providing better design, more security, ease of use). The second concept corresponds to a brand new product launched for the first time

Indeed, the distinction between product innovation and marketing innovation in terms of products is made on the basis of these two notions. The difference lies in changes in the functional or use characteristics of the product. Product innovation is about the introduction on the market of a good or a service. New or substantially improved in terms of its characteristics or intended use. These innovations are aimed at making products more efficient. Design changes that do not involve significant changes in the functional

⁷⁶ Ibid.

⁷⁷ Lendrevie, J., Lévy J., 2014. Mercator, 11emeEdition, Dunod Edition, Paris, France.p188

⁷⁸ BOUGHERABA, O., op.cit.

⁷⁹ Mulotte, L. (2007). *Modes de lancement de nouveaux produits et performance. Le cas de l'industrie de la construction aéronautique (1944-2000)*, doctorat en sciences de gestion, école des hautes études commerciales de Paris

⁸⁰ خلوط زهوة. Op.cit.

⁸¹ Manuel d'Oslo, op.cit.

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characteristics or intended uses of a product are not product innovations but marketing innovations.⁸²

Marketing innovations include significant changes in product conception that are part of a new marketing concept these changes are resumed in both **design** and **packaging**⁸³

A. Product marketing innovation: innovation through design:

Design is defined by Kotler as “The design brings together all of the elements that affect function and appearance of the product. It determines its ergonomics and mode of use, the emotions it generates, its symbolic dimension and the meaning it has for customers”⁸⁴. And Product design is becoming more and more decisive in influencing the perception of the brand, and considered as a tool of differentiation.

Innovation in product conception/design is the creation or improvement of the shape and aesthetics of a product, for better ergonomics and ease of use, and to increase the perceived value to the customer⁸⁵. it can also include the introduction of significant changes in the appearance or taste of food or drink products, such as the introduction of new flavors for a food product in order to reach a new segment. of customers. As an example of marketing innovation related to product design, there is a significant change in the design of a line of furniture to give it a new look and make it more attractive.⁸⁶

Design affects the consumer & the company:

- According to Peter Bloch, product design will affect the consumer. Firstly, it is likely to attract their attention. and have an effect on the perception of the design of competitive products: the launch of a product with an innovative design will often make the design of existing products obsolete. Secondly, it is a means of communication with the consumer, of getting a message across, which will influence the perception of other attributes of the product, depending on its aesthetics, it will be perceived as more or less durable, sophisticated, easy to use, prestigious and will be classified in this or that category by the consumer.⁸⁷
- Without design, the products would be identical. It is therefore a differentiating element of the product which makes it easily identifiable and which allows

⁸² BOUGHERABA, O .op.cit.

⁸³ Manuel d’Oslo. Op.cit.

⁸⁴ KOTLER, L., KELLER, P., & MANCEAU, K., D. 2015. Marketing Management, 15^{ème} édition. p 413

⁸⁵ BOUGHERABA, O .op.cit.

⁸⁶ Manuel d’Oslo. Opcit.

⁸⁷ Bloch P. H., 1995, "Seeking the Ideal Form: Product Design and Consumer Response", *Journal of Marketing*, vol. 29, pp. 16-29

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consumers to understand the offer and to assert their belonging to a group. It also improves products by seeking to offer more services to improve the quality of life of individuals and better meet consumers' expectations.

- The importance of design for the company is to enable the optimization of the costs of designing a product. It is also a source of innovation that allows us to better meet customer expectations. In addition, good design creates added value because it plays on the perceived value of the product⁸⁸.

B. Product marketing innovation: innovation through packaging:

Packaging is defined as “the whole of the material elements which, without being inseparable from the product itself, are sold with it in order to allow or facilitate its protection, its transport, its storage, its presentation in shelves, its identification and its use by customers”⁸⁹. Packaging is often an essential element in the success of a new product, especially in the context of self-service sales where packaging is often the first (and sometimes the only) contact between the product and the potential customer. It is often through a statement on the packaging that the product alerts the consumer to its novelty.⁹⁰

The innovation on packaging is the implementation of new methods or techniques to better present the packaging and the appearance of the product and make it more desirable on the market. These are changes in the packaging which do not change the functional or use characteristics of the product. It is considered to be a creative and technical activity that consists of designing the volume and decoration of a package. It is a very important differentiation tool, especially in consumer products. It allows to emerge on the shelf and to differentiate itself from competitors' products⁹¹

Marketing innovation in terms of product packaging would include significant changes in the following elements: significant improvement of the packaging protective function, materials, reliability and satisfaction when opening and using packaging, significant improvement of packaging identification that includes additional information on the use, promotional and sales actions, significant improvement of the package shape and size.⁹²

1.2. Service Marketing Innovation:

⁸⁸ BOUGHERABA, O .op.cit.

⁸⁹ Lendrevie, J., Lévy J., op.cit

⁹⁰ Le Nagard-Assayag, E., Manceau, D., & Delerm, S. M. op.cit

⁹¹ BOUGHERABA, O .op.cit.

⁹² Ilić, D., Ostojić, S., & Damjanović, N, op.cit

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Innovation in the field of services plays an important role in the success of commercializing it and in distinguishing it from competitors. Therefore, it is imperative that companies develop new and improved services to meet the needs of their customers before competitors move towards them, in order to ensure its continuity, grow and remain competitive⁹³

Creating services is one of the main challenges facing marketing planning in organizations. Organizations must think about finding and providing innovative or new services that replace services that have reached the stage of decline in the life cycle. The concept of service innovation involves one or more of the following:

- Adding a new line to the existing production lines.
- Adding a new service to the existing product line.
- Amending, developing and line expansion of existing services.
- Deleting or dropping existing services and stopping their production

Lovelok sees that the intangible property of services makes it often easy to make slight changes to an existing service, because a new service term can mean anything from a slight change in style to major innovation, in the same context he adds:

-Improving the service, which includes a physical change to the characteristics of the service already provided in the market, such as automatic processing of travel agency information and reservation procedures.

-Style changes, including changes to decor and logos⁹⁴.

➤ **Marketing innovation** in terms of service would go in two options:

1. By Acquisition: the firm must adopt one or more of the following three methods:

- The 1st method: The company searches for existing service institutions to purchase it.
- The 2nd method: the company purchases the rights of innovations from other institutions.
- The 3rd method: the company purchasing franchises from other existing service institutions.

In these three methods, the organization concerned does not innovate or develop new services, but simply owns the rights of existing ones.

بن نامة نورية، كربالي بغداد، 2016، الابتكار التسويقي و أثره علا تطور أداء المؤسسة الاقتصادية دراسة حالة شركة اتصالات الجزائر - مديرية مستغانم، مجلة دفاتر بوادكس العدد رقم 5، 101 - 132

⁹⁴ Awsow, D. 2010. The Role of the Market Knowledge in Realizing a Marketing Innovation An Exploration Study for a Number Of Tourist Organization in Dohuk City. *TANMIYAT AL-RAFIDAIN*, 32(97), 243-263.

2. By developing an entirely new service: The process of developing a new service will take two main tracks:

-The 1st track: an institution innovates and develops new services entirely dependent on its material, intellectual and human capabilities

- The 2nd track: the institution contacting a number of researchers, such as independent consultants, who specialize in developing new services⁹⁵

1.3. Price Marketing Innovation:

Price is one of the most important elements of the marketing mix, as it directly influences the size of the organization's expected income, and is also an important factor in the customer's decision to purchase or not. Defined as “the monetary expression of value and, as such, it occupies a central position in the competitive exchange process”⁹⁶

According to the economic theory, price is a balance between supply and demand. that is the reason why the pricing strategy uses the turning profitability point as the basis of innovation⁹⁷. Marketing innovation in pricing involves the use of a completely new pricing strategy that the organization applies for the first time in its products and services in a particular market⁹⁸. Examples include the first use of a new method to modulate the price of a good or service according to demand (e.g., when demand is low, the price drops) or the introduction of a new method that allows customers to choose the product characteristics they are looking for on the firm's website and then see the price corresponding to what they have specified. New pricing methods whose sole objective is to modulate prices by customer segment are not considered innovations.⁹⁹

- Some pricing innovation methods:

Contingent pricing: As an alternative to a fixed high- or low-price strategy, contingent pricing is an arrangement to sell a product at a low price if the seller does not succeed in obtaining a higher price offer during a specified period

Bundling: Bundling is, selling two or more products or services as a package increases profits since it allows companies to appropriate a larger share of customer surplus if customers differ in their relative valuation of single components. Vacation packages, car accessories, software, and subscriptions (e.g., Internet and print editions) are prime

⁹⁵ بن نامة نورية، كربالي بغداد، op.cit.

⁹⁶ Lambin, J. J., & De Moerloose, C. (2012). *le marketing Stratégique et Opérationnel. Du marketing à l'orientation-marché*. P456

⁹⁷ Ilić, D., Ostojić, S., & Damnjanović, N., op.cit.

⁹⁸ Manuel d'Oslo. Op.cit.

⁹⁹ Ibid.

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examples of bundling. Here also, innovative pricing tactics allow an increase in both customer satisfaction and firm profits.

Individualized pricing: Information technology enables service companies (e.g., insurers) to charge substantially different prices for identical products or services based on individual customer data.

Creative discounting such as Bonus packs, Cross-market discounts, Participative discounts and discount presentation

Psychological pricing: Psychological aspects of pricing seek to understand how customers form perceptions of value and how companies can favorably influence this. Advertised reference prices (e.g., manufacturer-suggested retail price \$299, now only \$99) influence customer behavior, even if customers themselves know that these reference prices are inflated. Endings have both level and image effects. More than 50% of posted retail prices end in the number 9. Customers perceive prices ending in 9 as lower than they actually are; they also associate 9 endings with special offers. Despite their widespread use and possible wearoff effects, 9 endings still seem to lead to higher sales. A judicious use of advertised reference prices can thus influence customer choice toward higher margin products. The compromise effect is a phenomenon whereby brands gain market share when they become intermediate, rather than extreme, options in a choice set. Customers are averse to extreme options.¹⁰⁰

The importance of innovation and price marketing innovation has increased significantly because the price is the variable that is directly related to the revenues of the organization, has a significant impact on the volume of total sales, and an important determinant of market demand. Notes that the importance of marketing innovation in pricing varies from one firm to another, according to its competitive position. And innovation in the price field is an important entry point to achieving marketing differentiation and gain a competitive advantage, and it is also one of the sensitive aspects that face providing services, and the marketing department has to deal with it seriously because it has a direct impact on the psychological perspectives of consumers who will depend on the price as an indicator of product quality, so In the case of improving the

¹⁰⁰ Hinterhuber, A., & Liozu, S. M. 2014. Is innovation in pricing your next source of competitive advantage? . *Business Horizons*, 57(3), 413-423.

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quality of products, the decision to increase the price cannot be taken without considering its market acceptance¹⁰¹

1.3. Marketing Innovation in Distribution or Sales Methods:

In a context of globalization of trade, acceleration of technological advances and changes in consumer behavior, the distribution function, in relation to other corporate functions, must be increasingly creative. “It is vital to the success and survival of every firm. In fact, firms that neglect the distribution component of marketing strategy face a different kind of “D”—death”.¹⁰²

The distribution sector is under pressure to be responsive to its environment, Distributors, unlike manufacturers, are in direct contact with the consumer, which this last's behavior is constantly changing, and always ending up revisit their trade-offs. So they are obliged to be reactive and to respond with concrete solutions. Without forgetting that Gaining market share is becoming increasingly difficult due to the intense competition that is manifested by the easy and quick imitation of commercial innovations, so the comparative advantage gained by its innovations is short lived. Distributors are then forced to be highly responsive to the constantly changing market environment, because if the reaction is not fast enough, the penalty is immediate and market share collapses¹⁰³. Due to these two reasons innovation in the distribution sector became an imperative to survive.

“The new marketing methods in the area of product placement concern above all the establishment of new sales channels. Sales channels are defined here as the methods used to sell goods and services to customers and not the logistical methods (transportation, warehousing and product handling), which are primarily concerned with efficiency. Examples of marketing innovations in product placement include the introduction of franchising, direct sales or exclusive retailing and the licensing of a product. Innovation in product placement may also involve the use of new concepts for the presentation of products”¹⁰⁴.

عبد الرحمان رايس، 2017، الابتكار التسويقي وأثره على تنافسية المؤسسة دراسة ميدانية، أطروحة مقدمة لنيل شهادة الدكتوراه علوم في العلوم التجارية تخصص تسويق، جامعة باتنة

¹⁰² Ferrell, O. C., & Hartline, M. (2012). *Marketing strategy, text and cases*. Fifth Edition, Nelson Education. P263

¹⁰³ BOUGHERABA, O .op.cit.

¹⁰⁴ Manuel d’Oslo, op.cit.

- **Some distribution innovation methods:**

Marketing innovations in developing a brands' new offer and customer satisfaction in a modern retail distribution channel is an important factor in the success of innovation, also marketing is their acceptance by consumers. The essence of trade innovation is the change in the fulfillment of the function of trade as an intermediary in the exchange of goods and services, which requires acceptance by buyers of value for money. As a result of the implementation of new solutions, there is a change in the way a commercial company operates and changes in market behavior of consumers.

Marketing innovations in retail outlets in the modern distribution channel are varied, among which are identified actions such as:

— stores with new sales formats or pop-up store (as a short-term business activity in the chosen location – testing a new offer or brand activation).

— localization of stores in many geographically different locations e.g. multichannel distribution integrating various channels of offering products and services.

— changing the structure of the trade offer – as an extension of the offer with new Personalization services.

— expanding marketing communications – with the growing share of mobile technology personalizing the activities.

— presence and expansion of e-commerce and mobile shopping applications,

— brand positioning of the store (private label) and its offer with the growing share of the brand itself in the structure of the offer of modern channel.¹⁰⁵

The automatic sale: means the use of machines in the disposal of products, and it is considered one of the important innovations in the field of direct distribution, as it does not require large areas or sales representatives, and is used in selling many of the accessible products that the consumer usually buys from his nearest location and time He needs it like drinks of all kinds

—Providing the shopping cart in large stores with a calculator installed in it, so that the consumer can use it to calculate the value of his purchases in advance in order to determine whether was within its budget.

¹⁰⁵ Szopik-Depczyńska, K., & Wala, A. (2018). Marketing innovation in the modern distribution channel with use of own brand. *Studia i Prace WNEiZ US*, 52, 167-177.

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—Mega stores: It is considered one of the forms of innovative stores in the distribution of products, which are stores that combine shopping in supermarkets and shopping in discount stores, dealing with various products ¹⁰⁶

E-commerce, also called electronic commerce, corresponds to the sale or purchase of goods or services over computer networks by means of methods specifically designed for receiving or placing orders, even if the goods or services are ordered electronically, payment and delivery do not need to take place online. Unlike physical points of sale where the customer relationship is indirect or even impersonal insofar as the distributor rarely comes into contact with consumers in stores, ecommerce offers the possibility of an individual and personal customer relationship. It then allows companies to forge closer relationships with their customers and partners. E-commerce is not just the act of selling itself, but encompasses all the traditional stages of selling. E-commerce activities can target consumers (b to c) or other businesses (b to b).¹⁰⁷

1.4. Marketing innovation in Promotion:

The promotion seeks to achieve communication between the organization and its target customer, by delivering information related to the rest of the elements of the marketing mix. It is the part of marketing where you advertise and market your product. Through it, you let potential customers know what you are selling. In order to convince them to buy your product, you need to explain what it is, how to use it, and why they should buy. The trick in promoting is letting consumers feel that their needs can be satisfied by what you are selling.¹⁰⁸

New marketing methods for product promotion involve the use of new concepts to promote a firm's goods or services. For example, the first use of a significantly different medium or technique - such as placing a product in films or television programs, or using celebrities to promote it - is a marketing innovation. Another example is the development of branding, such as the development and launch of a fundamentally new symbol (not to be confused with a new product). This is not to be confused with the regular updating of the appearance of the symbol, intended to position the company's product in a new market or to renew its image. The introduction of a personalized information system, obtained through loyalty cards, for example, in order to adapt the presentation of the

¹⁰⁶ خلوط زهوة Op.cit.

¹⁰⁷ BOUGHERABA, O .op.cit.

¹⁰⁸ Acutt, M., Marketing Mix – Promotion (Promotional Strategy), available on:

<https://marketingmix.co.uk/promotion/>, consulted on 07/28/2020.

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products to the specific needs of individual clients can also be considered. as a marketing innovation¹⁰⁹

To spread innovation, new products & services firms are compelled to adapt marketing methods.

The advertising message: which makes it possible to visualize future profits? For this purpose, it may be appropriate to use results-oriented mental simulation & create notoriety. Meaning, to encourage the consumer to imagine scenes in which they enjoy the benefits of the future product¹¹⁰. Whenever the advertising message is innovative, the advertising campaign can build a good mental image of the organization and create preference for consumers.¹¹¹

Means of communication: necessary to choose which communication tools to use. Today we talk about 360 ° communications to show that brands must jointly mobilize all the levers of communication at their disposal in order to effectively reach the target and to send a coherent message by different means. Such as:

- In-store demonstrations, distribution of samples, refund offers
- Advertising in the media (press, television, radio, cinema, web)
- The non-media Advertising (Direct marketing, Trade Shows, Public Relations, Sponsorship, The creation of events, Field marketing)¹¹²

Companies are aware of the role of new technologies in the diffusion of promotional offers and advertising, and are looking for new alternatives to communicate. Indeed, there are several ways to promote sales via the Internet, including the following: ¹¹³

Cross-selling: The consumer is confronted with a complementary product to the one he has just added to his shopping bag, the site suggests other complementary products according to the products in his shopping bag. For example, if the customer has bought a camera, the site suggests camera covers or memory cards. Its aim is to increase the number of products purchased by the consumer.

Upselling: This is the same process as cross-selling. When the customer studies a product sheet on the site, he is suggested products similar to the one he consults but of a higher range. For example, if the customer consults the product sheet of a 5000 DA camera, the

¹⁰⁹ Manuel d'Oslo, op.cit.

¹¹⁰ Le Nagard-Assayag, E., Manceau, D., & Delerm, S. Op.cit.

¹¹¹ خلوط زهوة. Op.cit.

¹¹² Le Nagard-Assayag, E., Manceau, D., & Delerm, S. Op.cit

¹¹³ BOUGHERABA, O .op.cit.

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site will suggest products of the same category at 7000 DA. It is therefore intended to increase the amount of the average basket.

Viral marketing: is a phenomenon that has developed with the advent of the internet. It is defined as "the exploitation for the benefit of a brand on the internet or mobile phones, creating a reaction leading to an exponential diffusion of the message". The interest for the brand is to increase its speed of communication tenfold. Viral marketing is carried out through videos posted on content sharing sites, email messages, comments made on blogs or community sites with the presence of a file to be transmitted. The company can broadcast spots and advertising messages in video format through the Internet.

Conclusion

In an environment characterized by intense competition, innovation appears as a real driver of competitiveness. As said Brilliant ideas are always needed to fuel marketing

Innovation is seen as the creative factor of the development of new sectors of economic activity, and is taking on new roles and functions & it is qualified to be the key to achieve the objectives set by companies, however it is a broad and complex concept and submitted to different representations.

Its high failure rates forced researchers to find alternative solutions to create, present their new or improved offers with smaller risk and that when marketing innovation took place

Marketing innovation, unlike marketing, meets the underlying needs that consumers cannot express, or are afraid to express on them by introducing new products that satisfy these needs, and sometimes we may need new technology to embody these new products.

Marketing innovation in the elements of mix marketing affects the firm positively, as creating a new product and making improvements to an existing product or finding a new method of pricing or promoting or even designing a new distribution method that will make grow the firm's performance by increasing its sales and growth its market share, increase its profits compared to competitors, and most important gaining a competitive advantage that guarantee its survival in the market

Chapter II:

The Impact of Marketing Innovation on The Competitive Advantage

Chapter II: The Impact of Marketing Innovation on The Competitive Advantage

Introduction of chapter

In light of the intense competition in the markets and the focus of economic companies today to adopt strategies based on innovating products or improving available ones, to differentiate from competitors and offer better than them seems the main solution to survive and maintain positioning in the market. Due to those factors researchers thought that to be distinctive in this competition means to strategically exploit in company's resources that competitors don't possess, from this need the concept of competitive advantage was born.

Through this chapter we will try to address basic concepts of competitive advantage, and link it with the first chapter by showing their impact towards each other which is the main purpose of my paper

The first section discusses the evolution of the concept of competitive advantage, its types, determinants and concluding it by discussing its main dimension

The second section the impact of marketing innovation on the competitive advantage, will discuss both the impact of innovation on the dimensions of competitive advantage and the impact of the dimensions of marketing innovation on competitive advantage as a whole concept

Section 1: Competitive Advantage: Theoretical Aspects

In light of the developments and changes brought about by globalization, and as a result of the technology and information revolution, all companies seek to differentiate themselves from other competing companies operating in the same market, by developing competitive strategies that help them achieve a competitive advantage that guarantees differentiation and surviving competition.

In this section we are going to define the competitive advantage, discuss its types and dimensions.

I. What is competitive advantage?

The Company's business in a competitive environment requires diligence in order to surpass its competitors in the market place. This can only be achieved if it is able to acquire one or more elements that differentiate it from its competitors in the marketplace, which is called competitive advantage.

1. Definition:

Starting with what was presented by Michael Porter in 1993, who was the first to develop a theory of competitive advantage. "A competitive advantage is the value that a firm can create for its clients over and above the costs incurred by the firm to create it. It is therefore crucial for a firm to identify its sources of competitive advantage, before exploiting them".¹¹⁴ We can say that a competitive advantage can take the form of lower prices compared to its competitors' prices with equal benefits, or by offering unique product advantages that compensate for the imposed price raise. By the same author "competitive advantage comes into play as soon as the firm has discovered new methods that are more effective than those proposed by its competitors, where it is able to put this discovery into practice in the field".¹¹⁵

Lendrevie & Levy define a competitive advantage as "a decisive and sustainable competence which, through its adaptation to the market, improves the company's

¹¹⁴ De Lavergne, Ph, L'avantage Concurrentiel Comment devancer ses concurrents et maintenir son avance Michael Porter, *Résumé de l'édition, DESS Contrôle de Gestion*

¹¹⁵ كباب منال, Op.cit.

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competitive position and leads to higher profitability”. And In competitive markets, any offer must have an advantage over competing offers.¹¹⁶

Harsch sees it as the influencing factor that allows institutions to differentiate their goods or services to compete with others which will result an increase in the market share¹¹⁷. Also seen as “It means the company's capacity to provide products and services to customers with higher quality than other competitors in the world market. It means also the capacity to produce new product with higher quality, preferred price and favorable time it is the capacity to innovate new products in order to be more competitive through: quality, higher techniques, perfect marketing...etc. for attracting customers”¹¹⁸

In the same context of achieving value & profitability or In order to generate increased future rates of return with reduced levels of risk, the business must have developed a strong ‘sustainable competitive advantage’, which is, of course, the main objective of modern corporate and competitive strategies. A strong sustainable competitive advantage should enable a company to increase its future rates of return. However, its sustainable competitive advantage could also mean that, even in the event of a downturn in the market, its rates of return are less volatile in the future than those of its competitors. If this is the case, the company’s risk profile will be lower than its competition, which could result in a lower required rate of return.¹¹⁹

A key aspect of a competitive advantage in terms of its ability to create value is its sustainability. If competitors can match the competitive advantage immediately, or even relatively quickly, the company will be unable to exploit it to achieve a super profit.¹²⁰

The competitive advantage refers to the fields in which the company can compete in a more effective way, as it represents a strength that characterizes it without its competitors in one of its production, marketing or financing activities, or in its human resources competencies or activities. The competitive advantage depends on the results of examining and analyzing both internal strengths and weaknesses, in addition to the

¹¹⁶ Lendrevie, J., Lévy J., Op.cit.

¹¹⁷ حجاج عبد الرؤوف. 2015، دور الإبداع التكنولوجي في تنمية الميزة التنافسية للمؤسسة الاقتصادية، تخصص اقتصاد وتسيير مؤسسات، أطروحة شهادة دكتوراه، تخصص اقتصاد وتسيير مؤسسات، جامعة قاصدي مرباح ورقلة

¹¹⁸ Reguia, C. (2014). Product innovation and the competitive advantage. *European Scientific Journal*, 1(1), 140-157.

¹¹⁹ BAKER, M. J., 2003, *The Marketing Book*, Fifth Edition, p548

¹²⁰ Ibid.

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opportunities and risks surrounding and prevailing in the enterprise environment compared to its competitors.¹²¹

From the definitions above we can say that a competitive advantage is distinctive point that differentiates and privileges the company then its competitors in the market, this distinctive point manage the firm to survive and to increase its profitability and gain customer's preferability, it is characterized by durability and exclusivity for the firm.

2. Characteristics and conditions for effectiveness of competitive advantage

Competitive advantage characteristics: it has the following characteristics

- Built on difference, not on similarity
- It is established in the long term, as it is concerned with future opportunities
- Usually focused geographically¹²²
- Difficult to imitate by competitors
- Provides a base for subsequent improvements, as well as provides direction and motivation to firms
- It breaks from the customer's desires and needs and is not constant
- Provides the most important contribution to business success
- It derives from management, innovation and development efforts & to achieve them requires high-level skills and capabilities at the same time it fits of the institution's resources and opportunities¹²³

2.1. Conditions for Effectiveness of Competitive Advantage:

For competitive advantage to be effective it must be:¹²⁴

- Decisive, which means giving priority and advantage over competitors;
- Continuity over time
- The ability to defend it in the sense of difficulty to be imitated simulated or cancelled by competitors

¹²¹ عبد الرحمان رايس، op.cit.

¹²² بن نذير نصرالدين، منصورى الزين، الإبداع كمدخل لاكتساب ميزة تنافسية مستدامة في منظمات الأعمال، جامعة-سعد دحلب- البليدة، كلية العلوم الاقتصادية وعلوم التسيير الجزائر

¹²³ Op.Cit.، كباب منال

¹²⁴ Ibid.

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In order for these conditions to ensure the effectiveness of the competitive advantage, the company should not look at them separately, but rather they must be activated together because each component is linked and dependent on the other.

3. Competitive advantage and competitiveness:

Competitiveness is gaining an importance despite the globalization and the dynamics of business and internationalization of the market. It is the ability of organizations and the economic branches to operate, maintain, advance, and work according to the principles of efficiency and effectiveness to surpass the competition. Thus, competition is superiority over rivals and other competitors in the market.¹²⁵

And INGHAM Marc sees that "the competitiveness of a company would be its capacity in conditions of free and open competition to produce goods that pass the test of international markets while allowing it to maintain or improve its profitability over a long period".¹²⁶ and G Kooenig (1996), "a competitive company is a company which does not put itself in danger and which knows how to combine effectiveness and efficiency, being effective means that the company achieves its objective, efficiency is the capacity to save the resources to achieve the set objective"¹²⁷

Organizations get involved in the fight for a better competitive position and increased market share by applying the appropriate strategies of competitive advantage¹²⁸. and Competitiveness can be assessed most importantly on product price and product quality. At the same time, according to porter the competitive advantage can be obtained either by reducing costs (which could result in a decrease of the sale price) or by the product quality differentiation.¹²⁹

Competitiveness can be evaluated through company profitability. When studying competitiveness, it has been *equivalent to the competitive advantage*, meaning that the company creates some products or provides services that are superior from that point of view that is significant to the consumers, in comparison with the offer of similar products

¹²⁵ Kareska, K., & Marjanova, T. J. (2016). Aspects of Competitiveness-Achieving Competitive Advantage of Organizations in Macedonia. *Journal of Economics*, 1(2).

¹²⁶ Marc, I. (1995). Management stratégique et compétitivité. *Canada, Editions: De Boeck Supérieure Université*.

¹²⁷ Sauvin, T. (2005). *La compétitivité de l'entreprise: l'obsession de la firme allégée*. Ellipses.

¹²⁸ Kareska, K., & Marjanova, T. J., op.cit

¹²⁹ Ionescu, A., & Dumitru, N. R. (2015). The role of innovation in creating the company's competitive advantage. *Ecoforum Journal*, 4(1), 14.

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from the majority of competitors. Experience demonstrated that the competitive advantage is difficult to maintain and to consolidate, as it fundamentally results from the value that the company can create for its buyers. It can come under the form of prices that are lower than those of the competition for equivalent benefits, or as the supply of unique benefits that do more than make up for the price increase¹³⁰

3.1. Types of competitive advantage:

Michael Porter has made a major contribution to the understanding of corporate strategies by identifying two categories of competitive advantage:

- Cost advantage, this advantage generates low-cost strategy
- Advantage based on the perceived value of the offer “differentiation”, this advantage generates differentiation strategy

Porter's initial distinction is a simplifying formalization, but one that remains fundamental to understanding business strategies.¹³¹ Porter pointed out cost advantage and differentiation. The firm surpasses competitors either by reducing its costs, and thus achieving the advantage of low price, or by distinguishing in the various marketing mix policies (product, price, distribution, and communication).¹³²

3.1.1. Cost advantage:

Such an advantage can only be obtained by carrying out value-creating activities at a lower cumulative cost than competitors. Using the value chain as an instrument of analysis. This last allows the costs associated with value-creating activities to be studied, rather than the costs associated with the firm as a whole. It then becomes possible to associate costs and assets with these activities. The resulting comparison can reveal potential for cost improvement.

However, it is the analysis of the cost behavior of the activities, and therefore of their development factors, that should be the focus of attention here. According to porter these factors are:

¹³⁰ Ionescu, A., & Dumitru, N. R. op.cit.

¹³¹ Lendrevie, J., Lévy J., Op.cit.

¹³² عبد الرحمن رايس, op.cit.

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1. Economies of scale, 2. The learning effect, 3. the configuration of capacity use, 4. the liaisons, 5. Interconnections, 6. Integration, 7. The calendar, 8. Discretionary measures, 9. Location, 10. Institutional factors.

These factors combine to determine the cost of each activity and therefore the firm's competitive position.

A study of cost dynamics must be done, which aim to predict the direction of variation of the factors of evolution and thus to identify the activities whose costs will increase or decrease. and a firm can determine its relative position with regard to costs. Even a rough comparison with the situation of its competitors allows it to choose between gaining an advantage by controlling cost drivers and reshaping the value chain (by improving design, manufacturing, distribution, etc.). It is also possible to carry out these two actions at the same time.

A sustainable cost advantage can only come from a combination of these measures.¹³³

- **Low cost strategy:** “low cost is a business strategy in the sense that the whole company is configured around a business model of price reduction, achieved by reducing costs”.¹³⁴

It means the firm's ability to produce a product at the lowest cost compared to competitors, which ultimately leads to achieving greater returns¹³⁵. And increasing market share. To achieve this feature, it needs to understand and analyze various internal activities. This is known as the value chain. Which is one of the important tools in strategic analysis in order to obtain a competitive advantage, which is explained by Porter in his saying: "The nature of the cost to the organization reflects the total cost of accomplishing all activities of value, compared to its competitors, as each activity includes cost factors, which determine Different sources of cost advantages¹³⁶. Among the low cost strategies, we can distinguish between

¹³³ De Lavergne, Ph, op.cit.

¹³⁴ Lendrevie, J., Lévy J., Op.cit.

¹³⁵ حجاج عبد الرؤوف , Op.cit.

¹³⁶ عبد الرحمان رايس , op.cit.

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Purification is a low-cost strategy that consists in degrading the offer produced in relation to the reference offer. The lower costs make it possible to offer a lower price than the reference offer, the price being the main motivation for purchasing.

The limitation of the offer also corresponds to a low cost positioning, but leads the company to target its offer on a particular segment of the market. The removal of these characteristics deemed unnecessary makes it possible to reduce the cost and price of the offer without leading to a degradation of the perceived value.¹³⁷

3.2. Differentiation advantage:

The firm's ability to present products with unique features, making them more valuable than their product counterparts from the consumer's point of view (quality, usage characteristics, after-sales service),¹³⁸ and this the differentiation achieved by a firm is the value it creates for its clients by meeting all buying criteria.

There are many sources of differentiation. They result not only from product attributes or trade policy, but from all activities in the value chain, there should therefore be no confusion with the notion of quality, which is only one component of differentiation. . The customer only pays for value perceived. He may even pay a higher surcharge for a lower value, if the value is better reported. The success of such a strategy depends as much on signage criteria (advertising, notoriety) as on the criteria of use (value actually created: product quality, delivery time, etc.).

Differentiation gives higher returns when the value perceived by the customer exceeds its cost. This last is linked to the cost factors in the activities that generate the uniqueness of the firm. Performance will be all the more sustainable as customers will permanently perceive the added value and competitors will not be able to imitate it.¹³⁹

- **Differentiation strategy:** a differentiation strategy consists in making an offer with a specific character that is recognized and valued by customers. They agree to pay a price for proposals with high perceived benefits.¹⁴⁰

¹³⁷ Leroy, F. L. Lehmann-Ortega, B. Garrette, P. Dussauge, & R. Durand (Eds.). 2016. *Strategor*. Dunod. P166

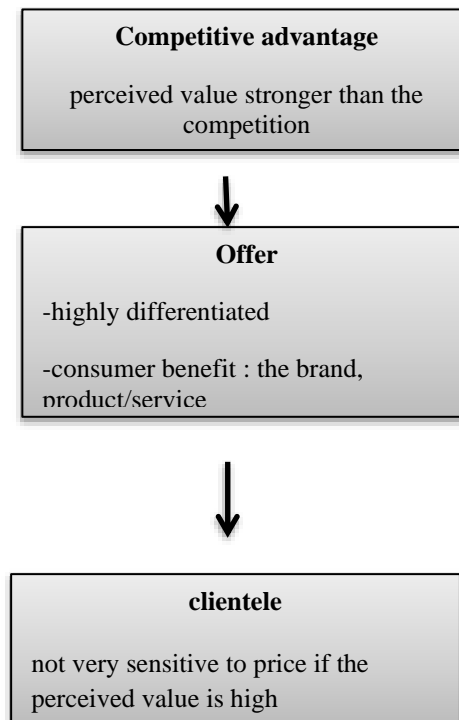
¹³⁸ حجاج عبد الرؤوف , Op.cit.

¹³⁹ De Lavergne, Ph, op.cit

¹⁴⁰ Lendrevie, J., Lévy J., Op.cit.

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Figure 3: differentiation strategy by perceived value



Source: Lendrevie, J., Lévy J., Op.cit.

The differentiation of the offer can be based on many elements which we will first group together into three main sources of differentiation:

- Product attributes and performance, such as innovation, quality, design, scope of functions, etc.;
- Adaptation to specific customer needs, consumption patterns or occasions, such as place of consumption, adaptation of the product to the time of day or year, etc.
- The intangible elements of the offer (which can be found in the brand), such as the universe of reference, originality, prestige, etc.¹⁴¹

¹⁴¹ Lendrevie, J., Lévy J., Op.cit.

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- Profitability comes from the company's ability to add enough value to its offer that the customer prefers it to that of competitors and is willing to pay a higher price than basic products. And strategies that are based on a differentiation advantage are therefore the preferred area of marketing, as its role is to create economic value for the company by building a perceived value higher than that of the competitors.¹⁴²

Differentiation strategies include improvement and specialization.

- **The improvement** corresponds to a redefinition of the offer; at equivalent price, the offer is "improved" in order to be preferred to the reference offer. The division of the market between the improved offer and the reference offer is based on both price and perceived value.
- **The specialization** is also a form of differentiation; the firm proposes an offer aimed at a particular customer segment that is fairly narrow but is likely to value the specific character given to the offer and willing to pay a higher price than the reference offer.¹⁴³

3.3. The Determinants of competitive advantage and success factors in competition:

The fierce competitiveness and the changing environment of markets, have affected marketing and business strategies. and as a result it affected determinants of competitive advantage.

Determinants of competitive advantage in markets are defined by firms, considered as follow:

- **The pattern of competition:** The pattern of competition differs markedly from industry to industry. Industries can be classified along a multidimensional spectrum in their competitive scope
- **The choice of strategy:** There is no ideal strategy; there are several ways to get involved in competition which imply for each of them geographical choices, and choices about the activities' co-ordination.

¹⁴² Ibid.

¹⁴³ Leroy, F. L. Lehmann-Ortega, B. Garrette, P. Dussauge, & R. Durand. Op.cit. P166

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- **The pioneer's advantage:** react early to any structural change is as important. In lots of industries, those who win are usually those who were the first to perceive a new strategy, the pioneer's advantage is geared down by the competitiveness
- **Alliance and strategies:** strategic alliance is a key option in strategy¹⁴⁴

3.4. Dimensions of competitive advantage:

These dimensions are defined as "the set of tools and means that they seek to achieve the competitive advantage"¹⁴⁵. It is the dimensions that the firm chooses and focuses on when presenting its products and satisfying the market demand and it is through which the organization achieves a competitive advantage¹⁴⁶.

- The Quality:

Quality also plays an important role. The consumer is price-sensitive. But also to the quality of the products they buy.

It is no longer defined as achieving a specified level of defects. Instead quality can be defined according to a number of dimensions of importance to the customer. The role of quality in a firm's competitiveness has evolved into a strategic one and, as a result, quality is an imperative that no firm can ignore. Effectively competing on the basis of quality requires the identification and enhancement of those dimensions from which the firm can gain a strategic competitive advantage. To facilitate the incorporation of quality into firms' strategic planning¹⁴⁷

A product is said to have superior quality when customers perceive that its attributes provide them with higher utility than the attributes of products sold by rivals. Customers evaluate the quality of a product, according to attributes related to quality as excellence & others related to quality as reliability. From a quality-as-excellence perspective, the important attributes are product's design and styling, its aesthetic appeal, its features and functions, the level of service associated with the delivery... the point is: when excellence is built into a product offering, consumers must pay more to own or consume it. With

¹⁴⁴ Küçükaslan, A., & Ersoy, N. F. (1997). The Determinants of Competitive Advantage and Success Factors of Firms within the Global Competition. *Management*, 18, 509-533.

¹⁴⁵ كباب منال, Op.cit.

¹⁴⁶ بن عاشور ليلي، ضحاك نجية، 2018، الإبداع والابتكار وتأثيرهما على الميزة التنافسية للمؤسسات الصغيرة والمتوسطة في الجزائر، مجلة أداء المؤسسات الجزائرية – العدد 2018/14

¹⁴⁷ Withers, B., & Ebrahimpour, M. (2000). Does ISO 9000 certification affect the dimensions of quality used for competitive advantage?. *European management journal*, 18(4), 431-443

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regard to quality as reliability, a product can be said to be reliable when it consistently performs the function it was designed for, performs it well, and rarely, if ever, breaks down. As with excellence, reliability increases the utility a consumer gets from a product, and thus the price the company can charge for that product¹⁴⁸.

The impact of high product quality on competitive advantage is twofold. First, providing high-quality products increases the utility those products provide to customers, which gives the company the option of charging a higher price for the products, Second, greater efficiency and lower unit costs associated with reliable products of high quality impact competitive advantage. When products are reliable, means higher employee productivity and lower unit costs. Thus, high product quality not only enables a company to differentiate its product from that of rivals, but, if the product is reliable, it also lowers costs.¹⁴⁹

- **Customer Responsiveness:**

To achieve superior responsiveness to customers, a company must be able to do a better job than competitors of identifying and satisfying its customers' needs. Customers will then attribute more utility to its products, creating a differentiation based on competitive advantage. Improving the quality of a company's product offering is consistent with achieving responsiveness, as is developing new products with features that existing products lack. In other words, achieving superior quality and innovation is integral to achieving superior responsiveness to customers.¹⁵⁰

An aspect of responsiveness to customers that has drawn increasing attention is customer response time: **the delivery** (the time that it takes for a good to be delivered or a service to be performed) "delivery of the required function means ensuring that the right product (meeting the requirements of quality, reliability and maintainability) is delivered in the right quantity, at the right time, in the right place, from the right source (a vendor who is reliable and will meet commitments in a timely fashion), with the right service (both before and after sale), and, finally, at the right price". Delivery capability is a time issue where it reflects the following concepts: the number of aspects

¹⁴⁸ Charles W. L. Hill and Gareth R. Jones. 2012. Strategic Management: An Integrated Approach, Tenth Edition. P96

¹⁴⁹ Ibid.

¹⁵⁰ Charles W. L. Hill and Gareth R. Jones. op.cit . p98

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of an organization's operations; how quickly a product or service is delivered to a customer; how reliably the products or services are developed and brought to the market; and the rate at which improvements in products and processes are made¹⁵¹... Customer survey has shown slow response time to be a major source of customer dissatisfaction

Another factor that stands out in responsiveness to customers is the need to customize goods and services to the unique demands of individual customers or customer groups. Other sources of enhanced responsiveness to customers are superior design, superior service, and superior after-sales service and support. All of these factors enhance responsiveness to customers and allow a company to differentiate itself from its less responsive competitors. In turn, differentiation enables a company to build brand loyalty and charge a premium price for its products¹⁵²

- **Cost:**

The companies that seek to obtain a greater market share as a basis for achieving their success and superiority are the ones that offer their products at a lower cost than their competitors. The low cost is the first competitive dimension that institutions seek to achieve. Authors refer to these factors as they have an effect in reducing the cost:

- Less investment in resources.
- High levels of energy use.
- Granting low salaries and wages compared to competitors.
- Direct selling to the customer and reducing the number of distribution outlets.¹⁵³

The company can reduce costs by efficiently using its production capacity. Rather than the continuous improvement of product quality and creativity in product design, this is an important basis for reducing costs as well as assisting the company's strategy to be a leader in the field Cost¹⁵⁴

Porter (1980) argues that competitive advantage can be achieved by adopting:

¹⁵¹ Awwad, A., Al Khattab, A., & Anchor, J. R. (2010). Competitive priorities and competitive advantage in Jordanian manufacturing

¹⁵² Charles W. L. Hill and Gareth R. Jones .op.cit. p98

¹⁵³ هتهات الشيخ & الصادق لشهب, أحمد بوريش Op.cit

¹⁵⁴ بن عيشي بشير، بن عيشي عمار، أثر المسؤولية الاجتماعية على الميزة التنافسية في مؤسسات الصناعة الجزائرية، 154 جامعة محمد خيضر بسكرة

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1. Cost leadership: the features of this strategy are: low cost relative to competitors, related and standardized products, and economies of scale. A cost leadership strategy requires intense supervision of labor, tight cost control, frequent and detailed control reports and structured organization and responsibility.
2. Differentiation: this strategy is described in terms of product uniqueness, an emphasis on marketing and research, and a flexible structure.¹⁵⁵

- Differentiation

Is to differentiate the company from its direct competitors. The difference relates to the actual offering, the brand image, the quality, the technical and / or technological advantages, the customer experience, etc. The company must rely on key elements that its competitors will not be able to copy or match in order to make a difference in the minds of consumers, customers and business partners.

It aims to maintain an advantage over competitors and gain a solid market share, even if it may be relatively small in percentage terms, differentiation makes it possible to value the company's knowledge and to promote its unique character. And This difference makes it possible to negotiate with business partners, suppliers, producers, distributors, customers, without being subjected to too much downward pressure, the remarkable difference of the company justifying the costs charged and the prices offered for sale.¹⁵⁶

¹⁵⁵ Awwad, A., Al Khattab, A., & Anchor, J. R.

¹⁵⁶ Dufour. L, La Stratégie De Différenciation : Définition, Avantages Et Mise En Oeuvre , 13/03/2020. Available on : <https://www.leblogdudirigeant.com/strategie-de-differenciation>. Viewed in 03/08/2020

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Section 2: the impact of marketing innovation on the competitive advantage

Today, marketing innovation represents an important source for the growth of firms and the distinction of brands, in a market characterized by the increasing and variety of new products, and the fast change in desires of consumers, it has become necessary for companies to double their efforts through the continuous improvement of existing products through design and packaging improvements, new prices strategies, new sales methods and even brand promotional techniques, to achieve a certain perceived differentiation and gaining a competitive advantage. In this section we are going to discuss the impact of marketing innovation on the competitive advantage.

I. The Necessity of Innovation in Order to Maintain Competitiveness and Competitive Advantage:

In a world characterized by increasing and accelerating technological development due to the multiplication of inventions, and the amazing change in keeping pace with the needs and desires of consumers. Innovation is today the first and most important source of enterprise growth and brand recognition, it was seen as the combination of knowledge techniques and management skills from different areas, that by strengthening these areas, the company can build its organizational competitiveness,¹⁵⁷ and has become necessary for firms to increase their efforts to keep pace with the change, adapting their products and come with more innovations.¹⁵⁸

The competitive advantage is volatile, difficult to obtain and even more difficult to maintain and consolidate, the consumers being the ones who, through the bias of their individual options, acknowledge the performance and grant competitive advantages, thus implicitly determining the competitive hierarchy of companies that are present on a certain market. The competitive advantage occupies the company's central point of performance on a competitive market, and innovation is a source to obtain and consolidate it.¹⁵⁹

¹⁵⁷ Azubuike, V. M. (2013). Technological innovation capability and firm's performance in new product development. *Communications of the IIMA*, 13(1), 4.

¹⁵⁸ عبد الرحمان رايس, op.cit.

¹⁵⁹ Ionescu, A., & Dumitru, N. R. op.cit

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If, initially, the meaning of innovation covered only a small part of a company's field of activity, innovation being represented by an idea a practice or a product recently developed and adopted by a company, later on, in accordance with the amplification of the competition and perception of innovation as an important source of creation and affirmation of the competitive advantage, one could notice the opportunity to extend the proficiency field from the achieved products to the means to obtain such products. Thus, all activities that play a part in obtaining the product within the limits of a company have been implicated in the competitive struggle¹⁶⁰. And consequently achieving competitive advantages can only be achieved through increased innovation.¹⁶¹

1. Innovate to improve quality

Organizations compete with each other by the quality of their products (goods and services). In order to be successful, organizations must be responsive to changing market situations and strive for distinctively outstanding and excellent products in an efficient way. this has been solved through applying continual improvement methodologies. which lead to innovations in the products and business processes of organizations. In fact, there is not any real improvement without innovation, and on the other hand all the innovations are for quality improvement¹⁶².

By achieving one of the factors of competition represented in quality, gives the firm a good reputation, reduces costs and increases productivity, as well as reduce the risk of debts that the company uses in order to achieve quality and improve it¹⁶³. As we note process innovations eliminate defects or errors from the production process reduces waste, increases efficiency, lowers the cost structure of the company, and increases its profitability¹⁶⁴.

2. Innovate to gain customer responsiveness:

Achieving responsiveness to customers means giving customers value for money, and steps taken to improve the efficiency of a company's production process and the quality of its products should be consistent with this aim. In addition, giving customers what they want may require the development of new products with new features. In other words,

¹⁶⁰ Ionescu, A., & Dumitru, N. R. op.cit

¹⁶¹ Medina, S. A. P., & Guerrero, N. A. (2017). Innovation and competitive advantage: Findings from organizational culture and business model. *Dimension empresarial*, 15(2), 15-25.

¹⁶² Juhani A, 2013, Venture Knowledge's Quality Integration, available on: www.QualityIntegration.biz

¹⁶³ حجاج عبد الرؤوف , Op.cit.

¹⁶⁴ Charles W. L. Hill and Gareth R. Jones (op.cit, p144)

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quality, and innovation are all part of achieving superior responsiveness to customers. There are two other prerequisites for attaining this goal. First, a company must develop a competency in listening to its customers, focusing on them, and in investigating and identifying their needs. Second, it must constantly seek better ways to satisfy those needs and innovation seem the best way to¹⁶⁵

Establishing closer and more collaborative relations with customers makes it easier to understand and meet their needs through innovative proposals. It also allows for better alignment in the exchange of value with the customer, leading to greater competitiveness for the firm in different areas, such as profitability, cost reduction, improvements in quality or product design or the use of technology and most importantly gaining Customer Responsiveness¹⁶⁶

3. Innovate to reduce costs:¹⁶⁷

The highest cost advantage: Innovation in the new product comes entirely as it may result in a rise in cost and consequently the selling price will rise also, but this innovation allows the company to be in a monopolistic position, even temporarily, the company will achieve additional profits from its monopoly position on the new product

But what must be pointed out is that the company operates in the market, and therefore there are competitors will have a reaction either by imitating the product or through reaching new product innovations better, and therefore the additional temporary profits will soon disappear because of competitors have joined the competition, but the innovative company during a period of imitation catchers will have achieved another advantage is the lowest unit cost as a result of the learning rate that reduces the costs, and this leads to a decrease in the price to the normal market price .

The lowest cost advantage: Innovation can be represented in raw materials, more productive processes (technology), or more efficient methods, which is reflected in a reduction in production costs, and this makes the innovative institution able to reduce the

¹⁶⁵ Charles W. L. Hill and Gareth R. Jones .op.cit. p146

¹⁶⁶ Sánchez-Gutiérrez, J., Cabanelas, P., Lampón, J. F., & González-Alvarado, T. E. (2019). The impact on competitiveness of customer value creation through relationship capabilities and marketing innovation. *Journal of Business & Industrial Marketing*.

¹⁶⁷ الشيخ هتهات, أحمد بوريش, الصادق لشهب . Op.cit

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price to a lower level than the normal price in the market, which makes it able to increase The amount of its sales thus increasing its market share.

4. Innovate to differentiate:

Innovation is an essential source of differentiation, as the characteristics, creative designs and new technical methods are an important source of product differentiation, as producing high-quality goods or services, or providing fast services or creating new products give an additional motivation for customers to buy them even if they are at high prices, though The differentiation achieved by the organization through innovation helps it to gain a strong competitive advantage, ensuring it a distinguished and sufficient position in the minds of consumers¹⁶⁸.

Companies that implement a strategy of repositioning the offer (differentiation strategy & low cost strategy), generally seek to find product and positioning innovations that modify the value proposition, These innovations aim to strengthen the company's positioning in relation to the reference offer . These offers (products and/or services) introduce new value attributes that are valued by the target, or they remove attributes that are not well adapted to the target¹⁶⁹.

The impact of innovation on the organization's differentiation strategy can be addressed through the following points:

1. Companies that create new products of high quality can earn additional profits, and this is because they have the advantage of new products, Thereby maintaining and developing differentiation advantage
2. Adding new or improved features to the existing product, by adding a new component, or a new development to the process, leads significant improvement, its design, Its level of quality, ease of use, suitability for purpose or use by the customer, leads to product excellence.
3. Through its orientation towards innovation, the organization seeks to improve the product, improving the product image perceived by customers, to maintain its competitive advantage, and in order to that, the organization must work on these

¹⁶⁸ كباب منال. Op.cit

¹⁶⁹ Leroy, F. L. Lehmann-Ortega, B. Garrette, P. Dussauge, & R. Durand. Op.cit.

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innovations on an ongoing basis and in accordance with the requirements imposed by competition, and that In order to maintain consumer loyalty to the product.¹⁷⁰

II. The impact of marketing innovation on the competitive advantage

Marketing innovation: is an innovation that satisfies customer needs and develops a competitive advantage through differentiation along one or more of the following: Desired Product Features and Design, Size, Usability, Quality, Time, Price, Cost savings/ Incremental Revenues... in other words is the implementation of new marketing method involving significant changes in product design or packaging, product placement, product promotion or pricing¹⁷¹.

Greater contact and sensitivity toward relationships allow firms to understand their customers' needs better. However, to obtain advantages in the market, firms should convert this into value offerings. In this context, Marketing innovation capabilities are an important source of advantages and the ability to encourage new marketing actions leads to greater differentiation and such a capability is an alternative way to capitalize on opportunities stemming from adjustment to market needs ¹⁷²

From a strategic marketing perspective, innovation and competitive advantage are closely related concepts (Porter, 1991); and all kinds of marketing innovation, if effectively managed, can contribute toward generating advantage (Naidoo, 2010; Desouza et al., 2009)¹⁷³. Kamp & Parry (2017) proved that modern innovative marketing has a beneficial impact on boosting sales and reducing costs, thus improving competitiveness.¹⁷⁴

So it is mainly based on finding Innovative marketing ideas, methods and put them into practice in a way that benefits the company and contributes in developing a competitive advantage.

¹⁷⁰ Op.cit . الشيخ هتهات, أحمد بوريش, الصادق لشهب

¹⁷¹Cherroun, R. 2014. product innovation and the competitive advantage, European Scientific Journal June

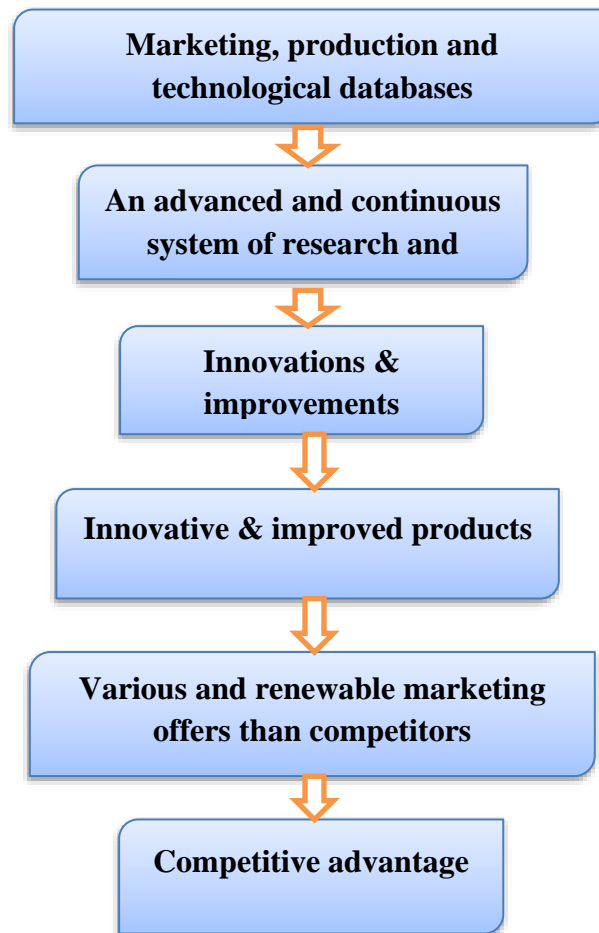
¹⁷² Sánchez-Gutiérrez, J., Cabanelas, P., Lampón, J. F., & González-Alvarado, T. E. op.cit

¹⁷³ Zuñiga-Collazos, A., & Castillo-Palacio, M. (2016). Impact of image and satisfaction on marketing innovation. *Journal of technology management & innovation*, 11(2), 70-75.

¹⁷⁴Ungerma, O., Dedkova, J., & Gurinova, K. (2018). The impact of marketing innovation on the competitiveness of enterprises in the context of industry 4.0. *Journal of Competitiveness*, 10(2), 132.

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Figure 4: the relationship between marketing innovation and competitive advantage



Source: كياب منال. Op.cit

The organization can achieve competitive advantage through innovative activities if the four factors were available:

- The innovation should not be easy to imitate, in order to become difficult for competing firms to benefit from it, and thus the firm guarantees a permanent uniqueness and distinction.
- This innovation should be a response to real needs of consumers, which ensures its continuity and survival when the need is provided
- The innovation enables the firm to take advantage of the appropriate timing factor to enter the market or to apply administrative processes or systems if it is slow to enter the market and waits for lower costs and risks

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- That innovation is based on capabilities available at the institution only and not available to competitors, even in particular, it is desirable that these capabilities are cognitive so that the resulting competitive advantage is high and difficult to imitate at least in the short term¹⁷⁵

1. The impact of product marketing innovation on the competitive advantage

It is clear that product continues improvements has become a necessity for the companies seeking to excel and survive under strong competition, as it is a major source of competitive advantages as it gives the organization something unique that its competitors are missing, through its impact on competition factors and competitive strategies

The define of product marketing innovation is an effort to create value and develop products and improve them through changes in the shape and appearance that do not alter the functional or usable characteristics of the product within new design or packaging

- Design and packaging in term of competitive advantage

Design: New product designs used to restrict to certain corporate and industry only, because market environment tended to be stable , so that the product designs and new product development techniques did not change rapidly. At present, product life cycle is perceived to be faster than ever before. and the current era of market competition has changed, and companies realized the need for changes to product design.¹⁷⁶

Mappigau & Hastan (2012) explain that the core competence of a company may create competitive advantage. Their finding also shows that core improvements and development will focus on the development of design, color and exclusiveness of motives for new materials. Through innovative product, customers gain benefits from the sides of the new feature, design or function

Competitive companies no longer keep offering similar products or only competing based on traditional reasons such as price and quality. The inevitable trend is to differentiate product offering through design and packaging in gaining competitive advantage over competitors¹⁷⁷

¹⁷⁵ كجاب منال, Op.cit

¹⁷⁶ INDONESIA, M. P. I. (2018). Competitive advantage and product innovation: Key success of Batik SMEs marketing performance in Indonesia. *Academy of Strategic Management Journal*, 17(2).

¹⁷⁷ Ibid.

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Packaging: Packaging involves promoting, protecting and enhancing the product and In case of product improvement new packaging can make important difference in a new marketing strategy by meeting customers need better.

Numerous factors have made packaging an important marketing tool. Increased competition and clutter on retail store shelves means that package must now perform many promotional tasks - from attracting attention, to describing the product, to making the sale. Companies are realizing the power of good packaging to create instant consumer recognition of the company or brand.

Packaging can be the competitive edge that makes the difference in the marketplace. Even a low investment in changing the package can drive significant gain in brand sales compared to advertising and promotion activities. In this highly competitive environment, the package may be the seller's last chance to influence buyers.

It becomes a "five-second commercial." The market these days is full of goods presented by the marketers in very attractive manner. The packaging is becoming attractive, user friendly, trendy, easy to carry and store, beautiful shapes, sizes according to requirement- that the customer is tempted to purchase these products.

The researchers discussed that the consumers perceived a higher quality of product in the more expensive packaging. They were willing to sacrifice the ease of opening in order to obtain a higher quality. The product should give the appearance of better quality whether or not it is superior to its competitors. Since prestigious products usually have a smaller market, there is a less money available for advertising and sales promotion. Therefore the package must carry the message¹⁷⁸

- Service marketing innovation on the competitive advantage

Some indicators need for a specific approach in the service industry Among these indicators we enumerate: the intangible nature of service, customer involvement in the process, the lack of information..., For this reason it is accepted by the literature that achieving competitive advantage in service industries will indicate unique characteristics. For example rarity, the lack of substitutes and possibilities to imitate will be harder to be obtained in service firms.

¹⁷⁸ Nancarrow,C,. Wright L,T,. Brace, I. Gaining competitive advantage from packaging and labeling in marketing communications. Available on:
http://14.139.116.20:8080/jspui/bitstream/10603/9801/6/06_chapter%201.pdf

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Services providers can hardly create sustainable competitive advantages and they should try to add superior value by innovation or service integration. Because of the importance of people component in service industry, culture, organization and human resources management are also added to the model of competitive advantage for services.

For that there are three key success factors that have been general accepted by the focus groups in order to differentiate services

Explicit service quality: This means to communicate explicitly the quality they offer.

Proactive, total solution: This means a high degree of customization and explicit client specifications. In this way we can have satisfied customers, stronger market position and a positive reputation.

Timely, emphatic design of new services: Innovation contributes to high performance. Service providers have to prove that they are more innovative than the competitors. New services must be developed in order to reach an excellent fit with the market

The study also added skills and culture organization and human resources management as key drivers

Skills: The Company needs trained employees. Service providers need to have excellent technical competence and a high degree of customer empathy. And It is important to establish strong bonds with the clients and to keep an informal relation. Listening the client is the starting point of the relation.

Culture, organization and human resources management: Customers want a flexible supplier of services with a transparent organization and they want to be treated by a team of specialized consultants. It is also often required a selling team because of the complexity of services with the participation of commercial, quality specialists and the integration of diverse types of expertise.¹⁷⁹

- **The impact of price marketing innovation on competitive advantage:**

The second strand of marketing innovation is pricing innovation. It is the use of a completely new pricing strategy that the company applies for the first time in its products and services in a market.

Price is one of the most important components when it comes to creating marketing strategies. For consumer price is at the top or near the top of every consideration set when

¹⁷⁹ Suci, A., & Borza, A. (2010). Achieving Competitive Advantage in Service Industry. Managerial Challenges of the Contemporary Society. Proceedings, 206.

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it comes down to choosing products or services. He bases his decision on price and then evaluates the price/value tradeoff in the end, which determines whether they want to choose a different competitor the next time around. The key is to offer quality service for a reasonable price. If your price sets you apart from your competitors without sacrificing quality, then yes, it's a competitive advantage¹⁸⁰.

Effective pricing strategies are essential for a business. The company can set a price to stop competitors from entering the market, or to increase its market share, or simply to stay in the market while maintaining a good profit margin. The competition in the market has gotten much more aggressive, especially in the age of comparison prices. This means that businesses need to keep an eye on their competitor's pricing strategy while setting prices in order to get the much needed competitive edge in the market knowing that customers are well aware of the monetary value of a product.¹⁸¹

Price marketing innovation demonstrates the impact on developing the enterprise's competitive advantage through:

- Reaching the largest number of customers, achieving an appropriate return on profit in the short term, and maximizing this profit in the long run, thus staying and continuing
- Price innovation is used to get more profits, meanwhile considering the competitive conditions
- Differentiating and building a good reputation among customers on the level of product prices.
- Satisfy the needs of the consumer considering their incomes
- Survive competition and achieve market share¹⁸²

“Innovation in pricing is a source of competitive advantage . It is less about numbers and much more about the appropriate model that will enable a company to grow profitably while at the same time provide superior customer satisfaction”¹⁸³

¹⁸⁰ George K. 2011, Is Price a Competitive Advantage?. Posted in [Market Research](https://rmsresults.com/2011/01/13/is-price-a-competitive-advantage-marketing-research-syracuse-ny/). Available on: <https://rmsresults.com/2011/01/13/is-price-a-competitive-advantage-marketing-research-syracuse-ny/>

¹⁸¹ Competitive Pricing Strategy – See How Products Are Priced, Available on: <https://www.intelligenode.com/blog/competitive-pricing-strategy-see-products-priced/>. Viewed: 05/08/2020

¹⁸² عثمان ليلي، 2017 ، دراسة تحليلية لدور الابتكار التسويقي في تنمية الميزة التنافسية للمؤسسات الاقتصادية الجزائرية. دراسة ، تخصص اتصال تسويقي. درجة الدكتوراه. جامعة البلدة CONDOR 2 حالة: مؤسسة الصناعات الإلكترونية والكهرومنزلية

¹⁸³ Hinterhuber, A., & Liozu, S. M. op.cit

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- The impact of distribution marketing innovation on competitive advantage

Distribution is one of the four aspects of marketing. A distributor is the middleman between the manufacturer and retailer. Market globalization and deregulation has intensified competitive rivalry and developing successful strategy in distribution in today's fierce competitive environment became a complex undertaking

The “ideal” distribution system is one determined by exploring what the consumers want in terms of service outputs from the distribution channel, how much they are willing to pay for a given service level, how the services can be provided to them, and what the costs of the alternative distribution channels are. It can be pointed out that the distribution channel strategy adopted by a firm should take a customer perspective and relates it to the customers’ costs and benefits in order to maintain their responsiveness¹⁸⁴

Distribution is crucial in the eventual acceptance and sales of a new product in the market as it determines the availability of the new product to customers. Company has to take care in designing the distribution systems of innovations during its launch because changing them is both resource and time demanding. As distribution strategy plays a role in enabling the availability and application of the product in the marketplace, therefore the distribution strategy employed by the organization would impact the nature of “market support” capability that can be provided to the innovation.¹⁸⁵

Innovation in distribution promotes competitive dimensions, as its success can reduce prices compared to competitors, while maintaining an acceptable level of profits by increasing the volume of sales, which gives the institution a competitive dimension that achieves a high market share as well as enables it to prevent new competitors from entering the market.

Thus, distributive innovation leads to enhancing the competitive dimension that focuses on cost and quality of services provided by developing skills and using modern methods in transportation and storage operations, all of which would contribute to

¹⁸⁴ Mwanza, P., & Ingari, B. (2015). Strategic Role of Distribution as a Source of Competitive Advantage in Fast-Moving Consumer Goods in Kenya. *International Journal of Scientific and Research Publications*, 5(4), 54-67

¹⁸⁵ *ibid*

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providing a better level of services to customers in terms of speed of delivery which creates the climate to respond with great flexibility to changes in the market¹⁸⁶.

- The impact of promotion marketing innovation on competitive advantage

Promotion is one of the most powerful elements in the marketing mix, it means Effectively communicating the product to target market. it is defined by Kotler and Armstrong as "human activities based on a communication process that can be directed via personal selling points or indirectly via advertising messages through the media"¹⁸⁷. Promotion marketing innovation is about new marketing methods for product promotion involves the use of new concepts to promote a firm's goods or services¹⁸⁸.

Promotional innovation is one of the mechanisms to achieve, develop and maintain competitive advantage, as it creates a kind of harmony by making the firm a source of strength by working to achieve crypted desires, especially if the organization is able to create what the market and target customer requires, which makes it a first to serve customer satisfaction. ¹⁸⁹

The company, through promotion, aims to achieve its competitive advantages, which are represented in the totality of properties and attributes that the product or brand possesses, which give the company some advantage over direct competitors. in other words, it is the group of distinctive and sustainable competencies that create this advantage by adapting it to the market and competition conditions that lead to the best profitability. The organization through promotion innovation strategy achieves:¹⁹⁰

The promotion in any industry aim principally to supply current and prospective audience with everything that is new and useful information about the products they handle, Correcting errors in the perception of consumers about products offered to them and what resulted from their previous situation with the organization products, Building a bright picture about the company and its products among consumers and increase their

¹⁸⁶ عثمان ليلي. Op.cit

¹⁸⁷ Al Badi, K. S. (2018). The impact of marketing mix on the competitive advantage of the SME sector in the Al Buraimi Governorate in Oman. *SAGE Open*, 8(3),

¹⁸⁸ Manuel d'Oslo. Op0cit

¹⁸⁹ عثمان ليلي. Op.cit

¹⁹⁰ *ibid.*

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loyalty to their products or its brand, and facing of competition existing in the market, and seeking the best market share¹⁹¹

- The effect on the purchase decision for the consumer This sometimes appears when the consumer enters a market and you see that he buys other goods in addition to what he plans as a result of the influence of purchasing efforts
- Increasing sales and increasing the value of the product, as most promotional strategies aim to show its product benefits, which will contribute to increasing the value of the product from the consumer's point of view, thus enabling the organization to set a high price as a result of this?¹⁹²

¹⁹¹ shehadeh, h. k. the impact of marketing mix on competitive advantage among communications companies in the hashemite kingdom of jordan (case study).

¹⁹² عثمان ابلي. Op.cit

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Conclusion

In this chapter, we looked at how marketing innovation can affect competitive advantage.

Innovative marketing is the key of survival for the company under changing circumstances of the market. It includes innovation in all elements of the marketing mix of product, pricing, promotion and distribution, it affects directly the competitive advantage in the firm and improve its competitiveness.

Cost and differentiation as competitive advantages enable the firm to gain quality, customer responsiveness, cost advantage and differentiation advantage. Which achieve increasing market share, meeting needs and wants of customers, and most importantly beating the intense competition.

Chapter III:
Case Study of Algeria Telecom

Introduction

After looking at the theoretical side to the most important concepts of innovative marketing and its importance, as well as the competitive advantage and the contribution of innovative marketing in achieving it, an attempt will be made to present these concepts on one of the Algerian institutions, the Algerian Telecom also called Algeria Communications Complex which is operating in a market characterized by dynamism and development and considered new and fertile field for innovation.

Algeria Telecom is the leader in the market¹⁹³, seeks to provide many diverse offers in the field of communications, including fixed telephony, internet connectivity, mobile phone and other services, and in view of the development in the telecommunications market, the complex adopted a strategy based on entrepreneurship, innovation and priority to respond customer's expectations

This chapter will include an introduction to the Algeria Communications Complex and a marketing study of the institution, as well as a field study to find out the opinions of Algeria Telecom customers about the how innovative marketing lead the firm to possess a competitive advantage.

¹⁹³ <https://www.algeriatelecom.dz/fr>

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Section 01: Presentation of Algeria Telecom company:

I. About Algeria Telecom company:

ALGERIE TELECOM, is a public limited company operating in the market for electronic communications networks and services. It was created by Law 2000/03 of 5 August 2000, relating to the restructuring of the Post and Telecommunications sector, which separates in particular the Postal and Telecommunications activities.

ALGERIE TELECOM is therefore governed by this law which confers on it the status of a public economic enterprise in the legal form of a public limited company (SPA) with a share capital of 50,000,000,000 Dinars.

Its ambition is to have a high level of technical, economic and social performance to remain a long-term leader in its field and a competitive environment, while it is involved in the world of information and communication technologies with three objectives:

- Profitability;
- Efficiency;
- Quality of service.

In 2019, the capital of all the subsidiaries of the group was 220 billion Algerian dinars (\$ 1.71 billion).

Table 3:Identifications of Algeria Telecom:

Name	Algeria telecom / Algeria Communications Complex
Logo	
Legal and economic form	Algeria telecom company by share (SPA)
Headquarters	National road n°5 five houses Mohammedia Algiers
Capital	100,000,000 DA

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Phone / Fax	(213) (21) 82-38-38 / (213) (21) 82 -38-39
Website	www.algérietelecom.dz

1. Activities of Algeria Telecom:

The main activity of Algérie Télécom is to:

- To provide telecommunication services enabling the transmission and exchange of information (voice, text messages, digital data, audiovisual information).
- Develop, operate and manage public and private telecommunications networks.
- Establish, operate and manage interconnections with all network operators.

2. Objectives of Algeria Telecom:

Algeria telecom is engaged in the world of information and communication technologies with the following objectives:

- ✓ Employing an innovative marketing approach and an effective communication policy.
- ✓ Increasing the supply of telephone services and facilitating access to telecommunication services to the largest possible number of users, particularly in rural areas
- ✓ To improve the quality of services offered and the range of services rendered and to make telecommunications services more competitive
- ✓ Develop a reliable national telecommunications network connected to the information highways.
- ✓ Become a multimedia operator and acquire new market shares.
- ✓ Implementing significant means to connect isolated localities and educational establishments

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3. Objectives Achieved:¹⁹⁴

- On March 30, 2014 Algeria Telecom launched its new range of internet offerings called "Idoom ADSL", with speeds ranging from 1 to 8 Mbps.
- On May 28, 2014, Algeria Telecom introduces unlimited fixed telephony with its new "Idoom Fixe" offer.
- On September 8, 2014, Algeria Telecom launched the fourth generation network in fixed mode for its resident customers.
- On April 20, 2015, Algeria Telecom launched the first community wireless network in Algeria, dubbed "WiCi", an innovative solution that allows large urban areas to be covered in wireless broadband.
- On June 6, 2018, its monopoly to provide access to the Internet ended with the opening of the local competition.
- On April 25, 2016 Algeria Telecom launched its new unlimited ADSL offer at speeds of up to 20 Mbps.
- On July 31, 2016, Algeria Telecom announced the marketing of the first VoLTE service in Algeria.
- On November 21st, 2019, Algeria Telecom launched the "electronic payment space for customers" application to recharge Idoom accounts and pay phone bills.

4. Future Perspective: ¹⁹⁵

Algeria Telecom is looking to increase its turnover in order to double it and reach the threshold of \$ 2 billion by 2024. And that the turnover that reached \$ 750 million 10 years ago was not developed enough, reaching only \$ 997 million in 2019. And that the current turnover the institution is obligated to undertake direct research and development work, to reduce the prices of its services and offers, and to establish a performance management system, and the percentage that was to be allocated to research and development is used to cover the costs of wages.

Algeria Telecom employs 20,000 workers and is obligated to control its current burdens, among which is the total wage costs that are close to 40% of its turnover, while global standards in this field are estimated at 7%.

¹⁹⁴ Le capital du Groupe Télécom Algérie triplé". 5/12/2019 . <http://www.aps.dz/>. Viewed on : 06/08/2020

¹⁹⁵ Nouvelle gamme d'offres de forfaits illimités sur le fixe. 02/01/2020. Available on : [www.algeriatelecom.dz.](http://www.algeriatelecom.dz/), viewed: 07/08/2020

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It is looking to reach other sectors of the market, by sponsoring some activities such as those related to the subcontracting related to the last kilometer of its network. Algeria Telecom launched activities in other fields, such as escorting economic actors involved in promoting electronic commerce and electronic payment. And that Algeria Telecom has modified its services and prices related to establishing and hosting websites, especially commercial websites. it had discussions with Algeria Post to allow them to market their products. Algeria Telecom also devised a new strategy, mainly based on customer needs. In order to ensure that, as from the second semester of the year 2020, it is provided.

The speed of the internet flow is stable and guaranteed. The applicable rates for Internet offers from 20 Mbps and 100 Mbps will be reasonable and affordable for the Algerian consumer. The global needs in terms of data are rising rapidly, which will inevitably affect the Algerian consumer.

II. Marketing Innovation of Algeria Telecom:

Algeria telecom is based on a set of policies to guarantee its survival and continuity, it always offers what is new and different, with adequate prices, and it adopts means of communication and distribution to always remain close to its subscribers. In addition, it offers high quality product/service offers in order to gain customer responsiveness.

1. Products/services:

Within the framework of the reinforcement and diversification of its activities, Algeria telecom has implemented a subsidiary plan for activities related to mobile and satellite which has resulted in its conversion into a group to which two subsidiaries are attached:

- Algeria Telecom Satellite (ATS)
- Algeria Telecom Mobile (ATM)

Algeria Telecom offers a branch of products/services characterized by diversity and specification, Its product line includes a variety of products divided into four sections according to the payment formula and the category to which it is directed, each of which is distinguished by its peculiarities in line with the various market sectors and is also supported by a bundling of complementary services.

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Personal services: They mainly use 2nd, 3rd and 4th generation mobile networks and are marketed under the Mobilis brand (mobile telephony, mobile Internet, mobile multimedia).

Residential services: They mainly use the traditional fixed line, possibly equipped with ADSL, and are marketed under the brands of Algeria Telecom, fixed telephony and low speed Internet (by modem), high speed (by ADSL) and very high speed (by optical fiber).

Business services: They are more specifically intended for professional activities (fixed and mobile telephony, data transmission, Internet)

So Algeria telecom has a large range of different product/services offered by the parent company and its subsidiaries, in our paper we're only taking to study the most used products/services mentioned in the survey which are internet services, Algeria Telecom Mobile and Fixed phone service.

- ✓ **Fixed phone service:** Algeria Telecom provides an ideal communication network and guarantees high quality communication thanks to the fixed wire phone network, which covers the entire national territory.
- ✓ **Internet service:**

The IDOOM FIXED Offer:

The fixed idoom offer is dedicated to each Algerian person who has a telephone line. A new unlimited offer from 250 DA HT per month. Subscribers will be able to talk unlimitedly with their contacts living in the same city (intra-wilaya).

There are three (03) telephony offers, more generous for the customer

- **250 DA HT / Month:** Unlimited communications to the local landline (intra-wilayas), the rest of the communications being metered
- **500 DA HT / Month:** Unlimited calls to local and national landlines, the rest of the calls being metered
- **1000 DA HT / Month:** Unlimited calls to local and national landlines, and discounts ranging from 10% to 30% to mobile and international networks, the discounts are as follows:
 - 10% to France, Tunisia, Morocco, Saudi Arabia, Belgium and Turkey
 - 20% to the United Arab Emirates, Germany, China, Spain, Italy and the United Kingdom

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- 30% to the United States, Canada and Switzerland

IDOOM ADSL Offer:

There are 4 ADSL idoom offers for households that have a high speed connection. The classification of the offers will be as follows:

- **1600 DA / Month:** Unlimited connection up to 2 MBPS plus email and parental controls (fi @ mane)
- **2599 DA / Month:** Unlimited connection up to 4Mbps plus email and parental controls (fi @ mane).
- **3599 DA / Month:** Unlimited connection up to 8Mbps plus email and parental controls (fi @ mane) and premium priority support service
- **7900 DA / Month:** Unlimited connection up to 20 Mbps plus email and parental controls (fi @ mane) and a premium priority support service

Fi@mane: A solution proposed by Algeria Telecom for parents who wish to protect their children from the dangers of the Internet

IDOOMLY

Emergency recharging is a service that allows residential ADSL subscribers to reactivate the Internet connection for 36 hours in the event of the subscription expiring at late hours, on weekends and on public holidays.

Reloading takes place at any time and in complete safety

4GLTE

Algeria Telecom is the first operator to see the 4 GLTE marketed in North Africa, and the second in Africa after South Africa, The 4GLTE (long-term evolution) of Algeria telecom is a technology that allows very high speed internet access, wireless using radio waves, the speed is shared between clients connected simultaneously on the same radio station (Enode B);

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In telecommunications, 4G is the fourth generation of standards for mobile telephony. Succeeding 2G and 3G, it enables "very high mobile speed", that is to say high speed data transmissions; Telephone communications from a 4GLTE access are made possible by VOLTE technology. The latter noticeably improves listening quality but also latency.

- **Residential offers:** intended only for Residential customers who has fix line
- ✓ Internet offer including Telephony, IDOOM 4G LTE modem 30 GB of free internet valid for 1 month Unlimited calls to local and national landlines + VoLte at 4,500 DZD price you can benefit from until the expiration of the validity period
- ✓ 5 GB for 500 DZD / 10 days
- ✓ 20 GB for 1000 DZD / month
- ✓ 50 GB for 2,500 DZD / month

The WICI offer:

WICI is a "WIFI Outdoor" wireless internet service allowing the general public to offer high-speed internet in urban and rural areas, tourist complexes, university campuses, living centers in the South.

WICI is particularly suitable for people who want to access high-speed internet while staying on the move on their smartphone, tablet or laptop.

There are three types of cards:

Top up your account will be done using a top up card available for sale at a modest price:

- 100 DA for one day of internet connection.

-500 DA for a week of internet connection.

-1000 DA for one month of internet connection. *

- ❖ We notice that Algeria telecom doesn't have only diversity in its offers but also specifications that meet exactly the requirements of customers and even potential customers. And through the achievements mentioned earlier we can say that it improves its service/products and bring out new ones constantly, so it does apply product marketing innovation strategy

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Mobilis internet service:

- Internet Pass

Mobilis is launching its new Internet Passes to offer its clients even more connectivity and freedom at the best price.

- 30 DA 300 Mo + Facebook / WhatsApp valid 24H
- 100 DA 1 Go valid 24H
- 500 DA 4 GB valid 7 Days
- 1000 DA 10 GB + 500 MB Mob Sound valid 30 Days
- 2000 DA 25 GB valid 30 Days

The BeKING Offer

- Pass FB / WhatsApp 50 1Go valid 24H
- Pass 3 GB 300 3 GB Match billing cycle
- Pass 7Go 500 7 Go
- Unlimited social media pass (FB + Instagram + Whatsapp) 500 Unlimited

WIN Max Free: deposit of 1000(DA), validity of 2 months for all the levels

- WIN 1300 with a welcome Bonus 30 GB, Internet plan / Month 18 GB & voice to all package / Month 6 Hours
- WIN 2000 with a welcome Bonus 60 GB, Internet plan / Month 35 GB & voice to all package / Month 8 Hours
- WIN 3500 with a welcome Bonus 100 GB, Internet plan / Month 60 GB & voice to all package / Month 12 Hours

Plus, a Free Call and SMS To Mobilis Free H24, Free sites: Facebook / WhatsApp

Win Max Control 3G / 4G: bonus of Free Call and SMS To Mobilis Free H24 and Free sites: Facebook / WhatsApp

- WIN Control 1300: Purchase price 1300 DA/ Voice to all package / Month 5 Hours & Internet plan / Month 15 GB
- WIN Control 2000: Purchase price 2000 DA/ Voice to all package / Month 5 7 Hours 30 GB & Internet plan / Month 50 GB

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- WIN Control 3500: Purchase price 3500 DA Voice to all package / Month 5 10 Hours & Internet plan / Month 50 GB

Navigui 3G/4G: The subscriber can purchase the new Internet Passes via * 600 #

- Pass 1000 DA: 10 GB + 500 MB MobSound valid 1 month
- Pass 2000 DA: 25 Go valid 1 month
- Pass 6000 DA: 80 Go valid 3 months
- Pass 15000 DA: 300 Go valid 6 months

Navigui 4G: With the acquisition of the new Navigui 4G offers its clients will benefit from a welcome bonus of 3Go + FB & Whatsapp valid for 30 Days in addition to 2GB each month for a period of 6 months. At an Activation fee of 2400 DA

Navigui Modem: With the Navigui Modem offer, Mobilis offers its clients the possibility of sharing connection with friends in complete freedom thanks to the Navigui 3G / 4G Internet SIM and the Huawei modem that can support up to 10 devices at the same time

- 50 GB at a rate of 25 GB/ month Two-month validity at 5 500 DA

Price: Fixed phone pricing:

- 1- Fixed phone to Fixed phone (local) 3 DZD
- 2- Fixed phone to mobile phone 8 DZD

As for international calls, the countries were divided into 5 groups as follows

- 1) Group A: Europe; to Fixed phone 12 DZD & to mobile phone 26 DZD
- 2) Group Two: Morocco and the Arab Countries; to Fixed phone 20 DZD & to mobile phone 34 DZD
- (3) Group C: North America (USA, Canada); to Fixed phone 21 DZD & to mobile phone 21 DZD
- 2) Group of Four: South America, Africa, Asia, and Oceania; to Fixed phone 34 DZD & to mobile phone 34 DZD
- 5) Group E: Other countries (Cuba, Guinea-Bissau, Somalia, and Korea.); to Fixed phone 55 DZD & to mobile phone 55 DZD

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E-Paiement:

Algeria Telecom launches the **khlass** service to strengthen its service for recharging and paying bills online at any time and in complete security and comfort from a CCP account, the company offers its customers advantages on these Idoom Internet and Idoom Fixed offers, for any online payment.

For the three Idoom Fixed offers, in addition to unlimited access to the local and national network and other advantages, for any online payment of the telephone bill, a bonus of 30 minutes is offered to national mobile networks.

Algeria Telecom's online payment service is available via the customer area <https://ec.algeriatelecom.dz> and that payment transactions can be done directly and instantly via "EDAHABIA" card or "CIB" card.

- ❖ Through this initiative, Algeria Telecom aims to improve and strengthen the customer experience of its subscribers and at the same time demonstrates that it is attentive to their expectations.
- ❖ the prices vary from one offer to another, which are competitive prices sometimes lower than the prices of its competitors, and this is the policy that I have pursued in order to attract the largest number of subscribers

5. Distribution:

It follows both direct and indirect distribution strategies, within the first strategy, dealings are made directly between the commercial agency and the subscribers, as the main agencies distributed across the country perform a set of functions, while the second strategy requires an intermediary of distributors between both the commercial agency and the subscribers.

The functions of the agencies are divided:

Reception desk: The employee directs the customer to the services he wants and also displays the various available services

Multifunctional customer office: Its mission is to record business operations, inform the customer of the progress of the process of fulfilling his requests, inform him of the pricing of various services, and review his invoice and details of all calls

Adsl office and wireless telephone lines WLL: its mission is mainly limited to providing inquiries and explanations to customers, as well as ensuring the direct sale of these services;

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Treasury office: Its mission is financial collection through invoicing, printing and approval of purchases through stamping, monitoring the treasury

Customers order office: recording customers 'written requests, distributing telephone lines and telephone numbers, processing requests from customers who have not paid their dues within their due dates, studying requests for inquiries

Website:

Algeria Telecom offers, through its website, several electronic services, which are requested and received via the Internet, which are free services that fall within the framework of customer services, including: viewing the invoice, telephone directory for individuals, institutions directory, knowing the nearest commercial agency.

Promotion:

In order to promote its product and to influence the attitudes and behaviors of the different audiences in which it is interested, Algeria Telecom communicates with them, through various means of communication.

The firm has opted for different means of communication, these means are grouped into two large families

- media communication
- non-media communication

Media communication: To market more, Algeria Telecom uses:

- **Television:**

This is the most important technique used by Algeria Telecom because it is the only means that allows to present the services and products of Algeria Telecom through sound and image aimed at a large audience.

Broadcasting of a commercial message on the following channels: ENNAHAR TV, A3, CHAINE TERRESTRE and CANAL ALGERIE

- **The radio:** It is a complementary technique that includes the same commercial message
- **The press and magazines:**

Algeria Telecom used the daily state press to get its announcements

Presse: Echorouk, Ennahar, Liberté, Le soir d'Algérie

Magazine : Dziriet, NTIC magazine enquête ECO

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- **The display:** It consists of displaying information relating to the activities of Algérie Telecom, in the form of:
 - Advertising panels
 - Illuminated signs

It is a question of posting in public places, in places that are very frequent by usage, or they present a good orientation in relation to the main road.

- **Non media communication:**

As part of its communication strategy, Algeria Telecom has strengthened its media communication by:

- **Direct marketing:** Includes all communication actions aimed at eliciting a more or less immediate response from the client.

Through a call center, Algeria Telecom promotes its products.

- Via received calls: phone operators take advantage of all telephone calls received in order to make the product known even if the customer calls for complaints or information that does not concern the product.
- Via outgoing calls: in this case, the choice of prospects is not made by chance but is based on a database. These prospects are generally potential customers, customers who have not had the opportunity to have an internet connection because of the saturation of ADSL.

Events: Algeria Telecom took advantage of the exhibitions and fairs organized to promote its products

Section 02: The presentation of the structure and Analysis of the Results

Quantitative study

Part 01: the method and tools used in the study

Part 02: Empirical study of the impact of marketing innovation on the competitive advantage in Algeria telecom

1.1. The method and tools used in the study

After presenting the theoretical framework of the research and the purpose of our study, also a presentation about the company in question. this section describes the method used to conduct our survey. From this we will be able to confirm or invalidate the previously established hypotheses.

A questionnaire aimed at the users of the services of Algeria Telecom will be applied (Annex n°01).

The objective of this survey is to be able to answer the main problematic:

To What extent marketing innovation can put impact on the competitive advantage in Algeria telecom?

A. Study Approach:

The relational descriptive approach was adopted to suit the objective of the current research, which is to investigate the correlation relationship that exists between marketing innovation and competitive advantage. In other words, The extent of the impact of marketing innovation in creating a competitive advantage for Algeria Telecom in the Internet services market.

B. Population and period of investigation:

The study will be conducted through an online questionnaire distributed, the study population included all age groups that use the Internet by sending the questionnaire to their e-mails, as 83 questionnaires were received out of 400 sent during the period: 04/08/2020 until 08/08/2020

C. Realization of the questionnaire

Our questionnaire contains 38 phrase and divided into three sections

Section1: phrases about the dimensions of marketing innovation and contains 16 question

Section2: phrases about the dimensions of the competitive advantage and contains 16 question

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Section3: 4 personnel information's phrases and 2 phrases to make sure that the person questioned is a client of Algeria telecom and to know for how long.

D. Statistical methods used:

In order to analyze the data collected through the questionnaire lists, the process of unpacking the data in (Excel) and using the program SPSS (Statistical Package for Social Sciences) version 19, was carried out on a set of statistical methods as follows:

Percentages and Frequencies:

- Percentages and Frequencies to identify the personal characteristics of the study sample and determine the direction of their opinions regarding the paragraphs of the axes included in the study tool
- Arithmetic means and standard deviations to find out the degree of respondents' agreement with the questions
- The (Cronbach alpha) test to see the stability of the questionnaire paragraphs
- Correlation coefficient (Spearman) to reveal the correlation between the independent variable and the dependent variable
- Anova variance test to differentiate more than two averages, And the "T" test is the difference between two averages

The use of the SPSS software saved us a lot of time and made it easier for us to process the collected data with more certainty about the result found at the end.

E. The scale used to measure:

To answer the expressions of the first and second parts of the questionnaire, a "Likart" scale of 3 degrees was used; Workers are required to give their degree of agreement with each of the statements on the "Likart Triple" scale as follows

Response	Agree	neutral	disagree
degree	3	2	1

- Analyze the extent of approval of the study dimensions

The arithmetic average field is determined by calculating the range ($3 - 1 = 2$), then we divide it by the largest value of the scale to obtain the cell length ($2/3 = 0.66$), Then

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add this value to the lowest value on the scale, which is (1), to determine the minimum for that cell, and so the cell length becomes the following:

Arithmetic mean fields	Level of approval
From 1 to 1.66	Disagree(weak)
From 1.67 to 2.33	Neutral (Average)
From 2.34 to 3	Agree (high)

F. The validity and reliability of the study:

The statements of the questionnaire were examined by the Cronbach alpha scale, shown in the table below, to calculate the reliability of the scale, and it was noticed that the stability coefficient in Algeria telecom is an acceptable ratio.

This percentage is of a high statistical significance and meets the purposes of the study, and the value of the coefficient must not be less than (60%) in order to approve the results reached in the research.

Cronbach alpha coefficient	0.915
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- It is noticed through the table that the "Alpha Cronbach" coefficient is greater than (0.6), So the measurement tool has acceptable stability with regard to the study sample, which was estimated at (0.915), that is, 91.5% of the sample repeat the same answer, which It is a percentage that expresses the reliability of the respondents, and thus the results are generalized at the level of the study

G. Analysis and discussion of results

After ensuring the validity and reliability of the questionnaire and its validity to be applied to the basic study sample, the results of the study are presented and analyzed and discussed in light of each of the study objectives, We begin by presenting the personal characteristics, then analyzing the details of the data and presenting the results through the statistical treatments that were conducted on the study sample, and then analyzing and discussing the results.

1.1 View the characteristics of the study sample:

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❖ Distribution of the study sample according to the gender variable

Gender	Frequency	Percentage
Male	32	38.6%
Female	51	61.4%
Total	83	100%

- Reading this table, we can see that 61.4% of the people surveyed are women, and Men, for their part, participate in the survey with a rate of 38.6%

➤

1.2 Distribution of the sample according to the age variable:

Age	frequency	Percentage
Less than 20	4	4.8%
20-35	74	89.2%
35-55	4	4.8%
Over 55	1	1.2%
Total	83	100%

- We notice in this table that the results obtained are dominated by people aged between 20-35years (89.2%), and then similarly by those aged Less than 20 and those between 35-55years (4.8%), and only one person aged over 55 years. this result indicates that the youth group is the most interested and used of Algeria telecom internet services and most interested in innovation.

1.3 Distribution of the sample according to the social category variable:

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social category	frequency	Percentage
Employee	6	7.2%
student	64	77.1%
Free profession	5	6%
Not Working	7	8.4%
Retired	1	1.2%
total	83	100%

- We notice from the table below that the sample questioned is dominated by 64 student by 77.1% of the total, and the other categories left by only 22.9%, divided 8.4% not working, 7.2% employee, 6% with free profession and only 1.2% retired.

1.4 Distribution of the sample according to the Social status variable

Social status	frequency	percentage
single	46	55.4%
married	37	44.6%
total	83	100%

- 55.4% of the sample questioned are single and 44.6% are married

1.5 Distribution of the sample according to the service period of use of Algeria Telecom service

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The services	frequency	percentage
The internet	37	44.6%
Fixed phone services	16	19.3%
Mobile phone internet services (Mobilis)	30	36.1%
total	83	100%

period	frequency	percentage
Less than 6 months	5	6%
From one to two years	11	13.3%
More than two years	67	80.7%
Total	83	100%

Analysis:

- Through the first table it is clear that individuals use the Internet as a service to a large extent, as the table shows that the number of individuals in the sample who use the Internet amounted to 37, or 44.6%, the difference between them and other services is large.
- As we have noted through the table (...) the subscription period is that most of the subscribers for the service are more than two years at a rate of 80.7%, that is, an old subscription, which allows us to build a study on them and take their answers into consideration.

2. Analysis of the results and hypothesis test

In order to analyze the phrase data, we relied on the 3-degree "Likart" scale that was mentioned previously, and the following results demonstrate that:

2.1 The independent variables; marketing innovation dimensions

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Innovation in products/services dimension:

	statement	agree	neutral	disagree	average	Standard deviations
Q 01	-Algerian communications is characterized by providing different & innovative products/services to meet the needs of customers	34 41%	18 21.7%	31 37.3%	1,9157	,89993
Q 02	- There is a distinction and diversification in the established products / services compared to the competitor's (we define internet offers for djezzy and Ooredoo)	28 33.7%	14 16.9%	46 55.4%	2,0361	,88958
Q 03	- The company introduces new methods and methods for its service operations to deal with customers on a permanent basis	23 27.7%	14 16.9%	46 55.4%	1,9036	,87811
Q 04	- Enterprise works on achieving changes in the design and providing of products/services to be In line with the quality of modern technologies	21 25.3%	18 21.7%	44 53%	1,7229	,87392
Overall average of innovation in products/services dimension					1.8945	0.8853

Comments:

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Q1: Through the results, it was observed that most of the respondents stated that Algeria Telecom seeks to meet the desires and requirements of consumers through the services provided as well as the innovative ones, where the answer was 41% in agreement, while the other sample members answered 37.3% in disagreement. And this is a contradiction that will be resolved during the next questions

Q2: It appears that more than half customers questioned 55.4% disagree on that There is a distinction and diversification in the established products / services promoted by Algeria Telecom compared to the competitor's while the other sample members answered 33.7% are in disagreement

Q3: From the results it becomes clear to us that most consumers have noticed the absence of new innovative methods by Telecom Algeria, where the percentage of those who answered disagree was 55% more.

Q4: Through the results, it is clear to us that consumers have noticed that Algeria's communications do not keep pace with the new technology compared to competitors, as the majority answers 53% disagree.

Analysis:

The previous table indicates the level of innovation in products/services at Algeria Telecom, as its arithmetic averages ranged between (1.90-2.09), compared to the general arithmetic average.

In general, it appears that the level of innovation in products/services in Algeria Telecom has been clearly low with an average of (1, 8945) and a standard deviation of (0.8853), and this indicates that the institution is not interested in innovation in products/services according to the results of the questionnaire.

This explains that customer is not satisfied with the innovative product/ service provided by the institution compared to its competitors in terms of the diversity in the variety of services provided.

Innovation in pricing dimension:

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N°	statement	I agree	neutral	disagree	average	Standard deviations
Q1	The prices of the services provided by Algeria Telecom are very appropriate compared to the competitor's (we define internet offers for Djezzy and Ooredoo)	25 30%	14 16%	44 53%	1,7229	,84555
Q2	The enterprise's diversity and renewal in its prices enhances the value of its services to its customers	18 21.7%	12 14.5%	53 63.9%	1,7711	,88793
Q3	The payment services offered to customers characterized by variety innovation and ease compared to competitors such as E.payment	25 30.1%	19 22.9%	39 47%	1,5783	,82817
Q4	The new prices offered by the company take into account customer's characteristics & the market requirements	22 26.5%	17 20.5%	44 53%	1,8313	,86700

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Overall average of innovation in price dimension	1.7259	0.8571
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Comments:

Q1: From the results, it is clear to us that consumers have noticed the attractive competitive price differentials by competitors instead of Algeria Telecom, where the percentage of those who answered: I disagree was 53%

Q2: From the results, it becomes clear to us that the price approved by Algeria telecom is not consistent with the service provided, and this is according to the subscribers 'answers - 63.9% disagree.

Q3: It is clear to us that the payment methods for Algeria Telecom are not approved by most subscribers compared to competitors, where the percentage that did not agree was 47%

Q4: From the results, it becomes clear to us that the price approved by Algeria telecom doesn't take into account customer's characteristics & the market requirements to be in line with the service provided, and this is according to the subscribers 'answers - 63.9% disagree.

Analysis:

The previous table indicates the innovation in pricing followed by Algeria Telecom, where the arithmetic averages ranged between (1.5-1.8), compared to the general arithmetic average,

In general, it appears that the innovation in pricing adopted by Algeria Telecom does not meet the customers' desires, and is not consistent with the offers made by competitors and the results in the table detailing that an average of (1,7259) and a standard deviation of (0.8571)

This explains that the price offered by the institution is not considered an innovative price in the eyes of the customer compared to its competitors, and that the value that he gets for the costs he pays is the same as any other institution.

Innovation in promotion dimension

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N°	statement	agree	Neutral	disagree	average	Standard deviations
Q1	The enterprise displays and promotes its services through various means (newspapers, TV, Internet, billboards ...) in an attractive and appropriate manner	22 26.5%	10 12%	51 61.4%	1,7349	,85660
Q2	The enterprise introduces new offers and discounts On its services continuously and appropriately	29 34.9%	21 25.3%	33 39.8%	1,6506	,87560
Q3	The enterprise works on achieving contact with customers and identifying their needs by surveying their opinions	49 59%	17 20.5	17 20.5%	1,9518	,86819
Q4	The enterprise seeks to participate in various events, celebrations or competitions through which it awards prizes to improve its	35 42.2%	20 24.1%	28 33.7%	2,3855	,80896

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	perceived image with existing customers and attract new ones					
Overall average of innovation in promotion dimension					1.9307	0.8523

Comments:

Q1: It is clear to us that consumers did not notice promotional campaigns for Algeria Telecom services through various means (newspapers, TV, Internet, billboards ...) compared to competitors, as the percentage of those who answered 61% disagreed

Q2: Through the results, it became clear to us that there isn't an introduction of new offers and discounts in Algeria's telecom services and this is what consumers answered by about 39.8% disagreeing.

Q3: Through the results, 59% agreed on that the enterprise works on achieving contact with customers and identifying their needs by surveying their opinions

Q4: Through the results, 42.2% of the sample questioned agreed the enterprise seeks to participate in various events, celebrations or competitions through which it awards prizes to improve its perceived image with existing customers and attract new ones

Analysis:

The previous table indicates the innovation in promotion followed by Algeria Telecom, where the arithmetic averages ranged between (1.7-2.8), compared to the general arithmetic average,

In general, it appears that the innovation in pricing adopted by Algeria Telecom is somewhat absent compared to the competitors and the results in the table detailing that an average of (1.9307) and a standard deviation of (0.8523)

This explains that the customer is not satisfied with the promotional policy taken by the institution in promoting its services and that it is not creative or innovative.

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Innovation in distribution dimension

N°	Statement	agree	neutral	disagree	Average	Standard deviation
Q1	The enterprise goes beyond the traditional methods of distributing its products compared to the competitors	29 34.9%	21 25.3%	33 39.8%	2,0843	,87241
Q2	The enterprise relies on the website to distribute its products to a large extent	13 15.7%	13 15.7%	57 68.7%	1,9518	,86819
Q3	The enterprise provides commercial agencies and points of sale close to the customers	10 12%	14 16.9%	59 71.1%	1,4699	,75446
Q4	The enterprise relies on distributing its services quickly and efficiently to make it easier for its customers to obtain service in terms of time and effort	34 41%	21 25.3%	28 33.7%	1,4096	,69906
Overall average of innovation in distribution dimension					1.7289	0.4985

Comments:

Q1: from the table above, we notice that 39.8% of sample questioned disagrees on that the enterprise goes beyond the traditional methods of distributing its products compared to the competitors

Q2: from the table above, we notice that 68.7% of sample questioned disagrees on that the enterprise relies on the website to distribute its products to a large extent

Q3: from the table above, we notice that 71.1% of sample questioned disagrees on that the enterprise provides commercial agencies and points of sale close to the customers

Q4: from the table above, we notice that 41% of sample questioned agrees on that The enterprise relies on distributing its services quickly and efficiently to make it easier for its customers to obtain service in terms of time and effort

Analysis:

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The previous table indicates the innovation in distribution followed by Algeria Telecom is very low, where the arithmetic averages ranged between (2.08-1.4), compared to the general arithmetic average,

In general, it appears that the innovation in distribution adopted by Algeria Telecom does not meet the customers' desires, and from the above table, it is evident that the majority of the study sample does not agree with a high degree of all innovation in the distribution of product/services, with a mean of (1.7289) and a standard deviation of (0.4985).

This explains that the institution's distribution of its services is insufficient and does not include all areas of the customer's presence and that it does not contain the required areas

✓ Hypothesis 1 test:

The first hypothesis states that " There is a of availability of marketing innovation dimensions I n Algeria telecom."

The following table represents the results of testing the first hypothesis about Algeria telecom applying the dimensions of marketing creativity in its activities

Innovation marketing dimensions	average	Standard deviat ions
Innovation in product/service	1.8945	0.8853
Innovation in price	1.7259	0.8571
Innovation in promotion	1.9307	0.8523
Innovation in distribution	1.7289	0.4985
Overall average of marketing innovation variable	1.8200	0.7733

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- ❖ From the table, we notice that the arithmetic mean of the marketing innovation is equal to 1.8200 with a standard deviation of 0.7733, which means the marketing innovation in a medium and very close to low in Algeria telecom.

And this negates the hypothesis according to which the marketing innovation is available in Algeria telecom, So the firm does not apply the concept of marketing innovation in its activities from the customer's point of view

2.2 **Second:** the dependent variables; competitive advantage dimensions

The competitive advantage represents the dependent variable of this study, so that the following table shows the arithmetic averages and standard deviations of the answers of the study sample individuals about investigating the extent of adopting the dimensions of the competitive advantage which are quality, customer responsiveness, cost and differentiation

Quality dimension:

N°	Statement	Agree	neutral	disagree	average	Standard deviations
Quality						
Q1	The enterprise is trying to keep pace with technological development in order to provide a high-quality service (we specify for internet offers)	23 27.7%	16 19.3%	44 53%	2,0723	,86649
Q2	The enterprise is working to implement international quality standards (in an effort to adopt 5G in the future)	32 38.6%	27 32.5%	24 28.9%	1,7470	,86734
Q3	The services provided by the enterprise are distinguished by the difficulty to imitate by competitors (we determine the Internet offers for djezzy and Ooredoo)	31 37.3%	29 34.9%	23 27.7%	2,0964	,82068
Delivery						

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Q4	The enterprise seeks to reduce the time between requesting and providing the service	20 24.1%	19 22.9%	44 53%	2,0964	,80569
Q5	The enterprise has the ability to deliver customer ordered services fast	28 33.7%	17 20.5%	38 45.8%	1,7108	,83418
Overall average of Quality dimension					1.9442	0.8388

Comments:

Q1: We note that Algeria Telecom did not seek to raise the quality of its internet services, and this is what consumers responded to by a large percentage of 53%

Q2: It also turns out that consumers have noticed that Algeria telecom, through what is provided by the quality of the internet, is far from the global level of the internet and has been evident in the answers

Q3: 37.3% of the sample questioned agreed on that The services provided by the enterprise are distinguished by the difficulty to imitate by competitors, while 27.7% of them disagreed

Q4: From the results, we notice that Algeria Telecom seeks to reduce the time of requesting, providing the service, and this is what was noticed through the answers provided.

Q5: From the results, we notice that the current speed of service delivery is not the speed that the consumer aspires to

Analysis:

From the above table it becomes evident that the majority of the study sample do not agree with a high degree on all the expressions related to the quality dimension, with an arithmetic mean of (1,9442) and a standard deviation estimated at 0.8388

This explains that Algeria telecom does not apply the quality standard in its products/services from the customer's point of view.

Customer responsiveness dimension:

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	statement	Agree	neutral	disagree	average	Standard deviation
Q1	The enterprise works to respond to the changing needs and desires of customers continuously	32 38.6%	17 20.7%	34 41%	1,8795	,88892
Q2	The enterprise aims to satisfy its customers through differentiation in its services	21 25.3%	30 36.1%	32 38.6%	1,9759	,89682
Q3	The firm is working continuously on improving weaknesses in its products/services.	29 34.9%	20 24.1%	34 41%	1,8675	,79282
Q4	The firm works on getting close to its customers and knowing their desires through surveys	44 53%	24 28.9%	15 18.1%	1,9398	,87443
Overall average of Customer responsiveness dimension					1.9156	0.8632

Comments:

Q1: We notice that Algeria Telecom does not work to meet the needs and desires of customers according to their opinions, and this is evidenced by the results, with a percentage of 41%

Q2: from the table above, The enterprise doesn't aims to satisfy its customers through differentiation in its services and the sample questioned is disagreeing with 38.6%

Q3: It has been observed that the organization does not seek to increase its strengths in the market, and this is what the survey results show, according to 41%.

Q4: From the results, we can see that Algeria Telecom does not seek to know the customers' desires, and this is what the results showed by 45%.

Analysis:

From the above table it becomes evident that the majority of the study sample do not agree with a high degree on all the expressions related to the customer responsiveness dimension, with an arithmetic mean of (1.9156) and a standard deviation estimated at 0.8632

This explains that Algeria telecom does not seek to achieve customer responsiveness from the customer's point of view

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Cost dimension:

N	Statement	agree	neutral	disagree	average	Standard deviations
Q1	The firm seeks to enhance its position in the market by relying on reducing costs and prices (we determine the Internet offers for djazzy and Ooredoo)	25 30.1%	19 22.9%	39 47%	2,3494	,77197
Q2	The firm seeks to reduce the cost of its services while maintaining its quality	28 33.7	24 28.9	31 37.3%	1,8313	,86700
Q3	The enterprise offers additional services at lower prices than competitors	33 39.8	19 22.9%	31 37.3%	1,9639	,84746
Q4	Are you willing to pay any cost to acquire the enterprise products / services?	33 yes 39.75%	50 no 60.24 %		2,0241	,88312
Overall average of cost dimension					2.0421	0.8423

Comments:

Q1: Through the results, it was found that there are ways to reduce costs, and this was noticed through the competitive price proposed by the institution

Q2: Through the results, we note that Algeria Telecom does not seek to reduce costs, and this is from the consumers' point of view, as the answers "I disagree" and "neutral" are much greater than I agree by almost 70%.

Q3: We note that Algeria Telecom does not offer additional services at lower prices or attractive price compared to competitors, according to the answers provided

Q4: from the above, 60.24% of customers questioned are not willing to pay any cost to acquire Algeria telecom products / services

Analysis:

From the above table it becomes evident that the majority of the study sample do not agree with a high degree on all the expressions related to the cost dimension, with an arithmetic mean of (2.0421) and a standard deviation estimated at 0.8423

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This explains that Algeria telecom does not have cost advantage comparing to competitors from the customer's point of view

Differentiation dimension:

	statement	agree	neutral	disagree	Average	Standard deviations
Q1	The company's products are differentiated compared to the products of competitors (we define the internet offers for djezzy and Ooredoo).	27 32.5%	26 31.3%	30 36.1%	1,6024	,49238
Q2	The prices of the firm's products are differentiated and appropriate compared to the products of competitors (we determine with regard to Internet offers for djezzy and Ooredoo)	28 33.7%	28 33.7%	27 32.5%	1,9639	,83295
Q3	Distributing the company's products is differentiated and makes them more available compared to the products of competitors (we determine for Internet offers for djezzy and Ooredoo)	24 28.9%	21 25.3%	38 45.8%	2,0120	,81889
Q4	Promoting the enterprise's products introduces customers to the products and their characteristics and attracts the attention of potential customers	34 41%	20 24.1%	29 34.9%	1,8313	,85282
Overall average of differentiation dimension					1.8524	0.7492

Comments:

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Q1: from the table, It appears that consumers do not see any difference in the product/service provided by Algeria telecom compared to competitors by 36.1%, while 32.5% sees that Algeria telecom differentiate compared to competitors

Q2: from the results, 33.7% of the customers questioned they find that The prices of the firm's products are differentiated and appropriate compared to the products of competitors, in contradiction with 32.5% that disagreed.

Q3: according to the table, consumers do not see that distributing the company's products is differentiated by 45.8%

Q4: Through the results, consumers do not see any difference or distinction that characterizes the promotional offers of Telecom Algeria

Analysis:

From the above table it becomes evident that the majority of the study sample do not agree with a high degree on all the expressions related to the differentiation dimension, with an arithmetic mean of (1.8524) and a standard deviation estimated at 0.7492

This explains why Algeria telecom does not apply the standard of differentiation dimension in its products/services from the customer's point of view

Hypothesis 2 test: There is a of availability of competitive advantage dimensions in Algeria telecom

Competitive advantage dimensions	average	Standard deviations
Quality	1.9442	0.8388
Customer responsiveness	1.9156	0.8632
Cost	2.0421	0.8423
differentiation	1.8524	0.7492
Overall average of competitive advantage variable	1.9385	0.8233

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- ❖ From the table, we notice that the arithmetic mean of the competitive advantage is equal to 1.9385 with a standard deviation of 0.8233, which means the competitive advantage in a medium and very close to low in Algeria telecom.

And this negates the hypothesis according to which the competitive advantage is available in Algeria telecom Therefore, the firm does not have a competitive advantage from the customer's point of view

- ❖ The previous tables indicates the standard of the dimensions competitive advantage and its attempt to project it to the institution under study, but the arithmetic averages ranged between (1.5-2.8), Compared to the general arithmetic average, it appears that there is an absence of competitive advantage standards at the level of Algerian telecommunications.

This matter may have two answers. Either the institution has a culture of monopolistic market, which makes it not seeking to gain a competitive advantage compared to competitors, or that there is a strategy and policy that customers did not realize for reasons that are not the subject of our study.

Analyze results and hypotheses test:

After presenting and analyzing the various answers of the study sample about the parts that are included in the questionnaire related to the personal characteristics part, the marketing innovation part, the competitive advantage part, this section comes to try to find out the extent to which the adoption of marketing innovation contributes to achieving the competitive advantage in the institution under study relying on the data that has been achieved and processed Statistically using SPSS.

We discuss the results of testing the study hypotheses to ascertain their validity or invalidity using Pearson coefficient and its statistical significance to test the study hypotheses related to

General hypothesis test:

Hypotheses3: There is a statistically significant impact between of the dimensions of marketing innovation (innovation in product/service, innovation in pricing, innovation in Promotion, innovation in distribution) on the competitive advantage in Algeria telecom

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We put the null hypothesis H0 and the alternative hypothesis H1

Hypothesis H0: there is statistically significant impact of the dimensions of marketing innovation on the competitive advantage.

Hypothesis H1: There is no statistically significant impact of the dimensions of marketing innovation on the competitive advantage.

The correlation coefficient:

		Innovation in products/services	Innovation in pricing	Innovation in promotion	Innovation in distribution
Competitive advantage	Pearson Correlation	.486**	.467**	.499**	.570**
	Sig. (2-tailed)	.000	.000	.000	.000
	N	83	83	83	83

From the table we note that:

- Pearson correlation coefficient between innovation in product/service and competitive advantage is equal to .486** at the level of significance sig = 0.00, It is inferior to the level of significance $\alpha = 0.05$. Hence, there is a statistically significant relationship between product/service innovation and competitive advantage, and the relationship between the two variables is a direct
- Pearson correlation coefficient between innovation in price and competitive advantage is equal to .467** at the level of significance sig = 0.00, It is inferior to the level of significance $\alpha = 0.05$. Hence, there is a statistically significant relationship between price innovation and competitive advantage, and the relationship between the two variables is a direct
- Pearson correlation coefficient between innovation in promotion and competitive advantage is equal to .499** at the level of significance sig = 0.00, It is inferior to the level of significance $\alpha = 0.05$. Hence, there is a statistically significant

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relationship between promotion innovation and competitive advantage, and the relationship between the two variables is a direct

- Pearson correlation coefficient between innovation in promotion and competitive advantage is equal to .570** at the level of significance sig = 0.00, It is inferior to the level of significance $\alpha = 0.05$. Hence, there is a statistically significant relationship between promotion innovation and competitive advantage, and the relationship between the two variables is a direct

Results

- A high correlation between innovation in product/ service and the competitive advantage that distinguishes the organization from its competitors
 - A high correlation between innovation in pricing and the competitive advantage that distinguishes the organization from its competitors.
 - A high correlation between innovation in promotion and the competitive advantage that distinguishes the organization from its competitors,
 - A high correlation between innovation in distribution and the competitive advantage that distinguishes the organization from its competitors.
-
- ❖ In general, and as shown in the table, most of the results of the analysis of the dimensions of marketing innovation was its correlation was high with the competitive advantage, and from it there is a positive relationship between the results of the analysis of marketing innovation and the competitive advantage of the enterprise, and this proves the validity of the hypothesis.

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Conclusion of chapter:

This chapter, discussed the introduction of the Algerian Telecom, also includes an empirical study aimed at knowing the impact of marketing innovation through its dimensions (service/product, price, promotion, distribution) on achieving a competitive advantage in Algeria Telecom.

The questionnaire was used throughout this study as the main tool for data collection and analysis. Where clients of Algeria Telecom were targeted as individuals of the study sample, whose number is estimated at 83 individuals, For the purpose of helping to link the study variables through the simple correlation method, where it appeared that there is a statistically significant relationship between marketing innovation dimension and competitive advantage with a difference in the degree of influence. The Statistical Package for Social Sciences (SPSS) has been relied on for data processing and analysis.

The general hypotheses presented within the study were tested, so that the result's analysis of the impact of the dimensions of marketing innovation on the competitive advantage led us to: finding a statistically significant high correlation and strong relationship for each of the marketing innovation variables with the competitive advantage which validated the hypothesis.

The other hypotheses presented within the study about the availability of both marketing innovation dimensions and a competitive advantage dimension in Algeria telecom was tested and was rejected and from customer's point of view Algeria telecom does not apply the concept of marketing innovation in its activities, Regarding product/service marketing innovation customer were not satisfied with the innovative product/ service provided by the firm compared to its competitors in terms of the diversity in the variety and the improvement of services provided, about price marketing innovation customers finds the value that he gets for the costs he pays is the same as any other firms. And that the prices are not adequate to their requirements, also the customer is not satisfied with the promotional policy taken by the firm in promoting its services and that it is not creative or innovative, and about distribution marketing innovation he finds it insufficient and does not include all areas of the customer's presence and that it does not contain the required areas. In conclusion Algeria telecom is not applying marketing innovation concept.

The second hypothesis about the availability of competitive advantage dimensions in Algeria telecom was also rejected, and according to customers the company's quality

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standard in its products/services is low and doesn't meet their needs, also the firm does not seek to achieve customer responsiveness, does not have cost advantage comparing to competitors, and does not apply the standard of differentiation dimension in its products/services. Hence Algeria telecom didn't achieve a competitive advantage.

General Conclusion

General Conclusion:

Changes in the environment surrounding the businesses have placed before it opportunities and threats that have forced them to adapt with the changing situation and seek to find ways to solve its problems in order to continue and grow, but more than that, to achieve the ability to respond to the changing tastes of consumers by gain their satisfaction and loyalty. And this can only be achieved by distinguishing from the competition, and achieving a sustainable competitive advantage has become the new direction in the company's business

To ensure a high level of competitiveness and performance, companies must adopt new practices to adapt to the new context, that of the transition to a market economy. It is in this context that marketing has emerged as an alternative that allows for companies to be competitive and make themselves known in the market. The companies preferred in the contemporary economic conditions are the ones managing to link innovation and marketing successfully. Innovation can be seen as an asset of the company, which is directly related to the feedback of marketing. Innovation is the main driver of competitiveness.

Marketing innovation is the implementation of new or significantly modified concepts or sales methods to facilitate product access to the market, such as changes in design or packaging. It is one of the most important pillars for building and strengthening the competitiveness and allows differentiating from the competitors, as it enables the organization to produce new high-quality products at the right price, and deliver them in the specified deadlines by developing means, mechanisms and systems for production characterized by speed, flexibility, abundance of production and high quality, which gives the institution the possibility of progress more with lower costs, faster delivery of products in less time, gaining a good reputation and other competitive advantages, thus strengthening its competitive position and gain market share.

And from here came the main problematic that was addressed in this research, which were presented as follows:

To What extent marketing innovation can put impact on the competitive advantage?

General Conclusion

And an attempt to answer this problem, in our study, the two variables were described and diagnosed: marketing innovation with its elements: product/service marketing innovation, price marketing innovation, promotion marketing innovation, distribution marketing innovation, and the competitive advantage in its components: quality, cost, customer responsiveness, and differentiation. With the purpose to study and show the relationship and impact between the two variables. And Algeria Telecom has been established as a field of application of the previous concepts.

On the basis of this study, both in its theoretical and practical aspects, the impact of marketing innovation on competitive advantage was discussed. The most important results obtained in this study were presented, analyzed and interpreted in light of the hypotheses presented in the research. And to provide a set of recommendations, suggestions and research perspectives for further development in this area, which we conclude below:

Theoretical results:

- Innovation responds to and fulfills human needs and desires, creating entirely new opportunities and new sources of value in the marketplace
One can seek to innovate in order to develop a product or service, a production or organizational process, or a marketing method. No one type of innovation is better than another. But no classification can account for the fact that innovation is first and foremost a state of mind, which is expressed through attitudes and behaviors.
- Innovative marketing is the development of new and non-traditional ideas into actual application and marketing practice, and it works to discover new and potential needs that the customer cannot or does not want to express, and then search for ways and solutions to meet and satisfy these needs.
- Innovative marketing also includes the implementation of all marketing efforts to create an integrated marketing mix that contributes to customer satisfaction and competitive advantage for the organization, ensuring its distinction and survival in the marketplace.
- Competition is the main determinant of marketing innovation within these companies. It is a source of progress which forces companies to innovate. And the main goal of marketing innovation is to stay ahead of the competition. The

General Conclusion

objective of gaining market share is the objective of a tiny part of large companies; the others aim rather to safeguard the shares already acquired

- Achieving the competitive advantage in the organization is based on several dimensions, including quality, differentiation, customer responsiveness and cost. And Sustaining and developing competitive advantages enables the organization to occupy a good competitive position in the market
- Productive innovation aims to improve the company's competitive position, since the most important method used by the company to achieve and improve quality is to adopt it to develop products by working on the development of periodic programs to reform quality levels competitively, rationalizing the production process and adjusting the share of purchases and creating a distinct value that satisfies the consumer.
- Price innovation arises by impacting on the development of the institution's competitive advantage through differentiation and building a good reputation among customers for the level of product prices to obtain more profits, taking into account the conditions of competition.
- Promotional innovation is considered a mechanism of achieving, developing and maintaining competitive advantage, by vehiculating the wanted information to customers and build notoriety, also seek to achieve and embodying the implicit desires of potential customers
- Distribution innovation seek to find the best new ways to deliver the products to customers in limited time

Practical results:

- The results showed that the study sample's evaluation of the marketing innovation with its four dimensions: product/service marketing innovation, price marketing innovation, promotion marketing innovation, distribution marketing innovation, weren't positive and showed a medium close to low score Through arithmetic mean and standard deviation. Through this result, the first hypothesis "There is a of availability of marketing innovation dimensions in Algeria telecom" is invalidated and hence rejected
- The results showed that the study sample's evaluation of the competitive advantage with its four dimensions: quality, customer responsiveness, cost and

General Conclusion

differentiation weren't positive and showed a medium close to low score through arithmetic mean and standard deviation. Through this result, the second hypothesis "There is a of availability of competitive advantage dimensions in Algeria telecom" is invalidated and hence rejected

- The results showed using correlation coefficient that there is a positive statistically significant impact between the dimensions of marketing innovation (innovation in product/service, innovation in pricing, innovation in Promotion, innovation in distribution) on the competitive advantage in Algeria telecom, which validate the third hypothesis

Recommendations and suggestions:

Based on the previous results we reached through the study, the following recommendations can be made:

- With the aim of creating innovative economic businesses that seek to develop competitive advantage, paying attention to the research and development function and activating it at the company's level is the key
- The necessity to study the market in order to identify the available opportunities and exploit them in order to distinguish from competitors
- So That Algeria telecom adopt the concept of marketing innovation, this needs to be continuously evaluated during the implementation of its strategies, and to ensure that the restriction of this creativity takes place within what is planned, to achieve the objectives of the institution without facing any obstacles or difficulties.
- Enhancing the marketing mix of Algeria Telecom, while maintaining clarity and attractiveness in its announcements, and continuing to offer offers and discounts
- Adopting a customer-oriented culture within the organization and among its employees in order to achieve customer responsiveness
- Developing and improving distribution channels by providing points of sale and improving the general appearance of commercial agencies and directorates in terms of design, general atmosphere, provision of modern equipment and means that ensure customer satisfaction when visiting them.

General Conclusion

- Reduce prices while improving the quality of products to meet the needs of customers and gain their loyalty.

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Appendices:

1. Appendices (01): Study Questionnaire

The People's Democratic Republic of Algeria
Ministry of Higher Education and Scientific Research
Higher School of Management - Tlemcen -
marketing specialty



Respected ladies and gentlemen

As a part of a master thesis in the domain of marketing. We are dealing with a practical investigation on the Algerian communications innovative marketing.

We are kindly requested you to fill in the following questionnaire with a full anonymous of your identity with the use of the given data for the analysis.

First: Phrases related to the dimensions of marketing innovation: Please put an X in the box that you think is appropriate.

What services do you get from Algeria Telecom?	
• (We determine there are questions related only to the Internet offers, and also includes the Internet offers, the Mobilis network)	
- Internet services	
- Fixed phone services	
- Mobile phone internet services (Mobilis)	
How long do you deal with Algeria Telecom?	
- Less than 6 months	
- From one to two years	
- More than two years	

N°	The question	I agree	neutral	disagree
Innovation in products/services				
01	-Algerian communications is characterized by providing different & innovative products/services to meet the needs of customers			
02	There is a distinction and diversification in the established products / services compared to the competitor's (we define internet offers for djezzy and Ooredoo)			
03	The company introduces new methods and methods for its service operations to deal with customers on a permanent basis			
04	Enterprise works on achieving changes in the design and providing of products/services to be In line with the quality of modern technologies			
Innovation in pricing				
01	The prices of the services provided by Algeria Telecom are very appropriate compared to the competitor's (we define internet offers for Djezzy and Ooredoo)			
02	The enterprise's diversity and renewal in its prices enhances the value of its services to its customers			
03	The payment services offered to customers characterized by variety innovation and ease compared to competitors such as E.payment			

04	The new prices offered by the company take into account customer's characteristics & the market requirements			
Innovation in promotion				
01	The enterprise displays and promotes its services through various means (newspapers, TV, Internet, billboards ...) in an attractive and appropriate manner			
02	The enterprise introduces new offers and discounts On its services continuously and appropriately			
03	The enterprise works on achieving contact with customers and identifying their needs by surveying their opinions			
04	The enterprise seeks to participate in various events, celebrations or competitions through which it awards prizes to improve its perceived image with existing customers and attract new ones			
Innovation in distribution				
01	The enterprise goes beyond the traditional methods of distributing its products compared to the competitors			
02	The enterprise relies on the website to distribute its products to a large extent			
03	The enterprise provides commercial agencies and points of sale close to the customers			
04	The enterprise relies on distributing its services quickly and efficiently to make it easier for its customers to obtain service in terms of time and effort			

Second: Phrases related to the dimensions of competitive advantage

N°	The question	I agree	neutral	disagree
Quality				
01	The enterprise is trying to keep pace with technological development in order to provide a high-quality service (we specify for internet offers)			
02	The enterprise is working to implement international quality standards (in an effort to adopt 5G in the future)			
03	The services provided by the enterprise are distinguished by the difficulty to imitate by competitors (we determine the Internet offers for djezzy and Ooredoo)			
Delivery				
01	The enterprise seeks to reduce the time between requesting and providing the service			
02	The enterprise has the ability to deliver customer ordered services fast			
Customer responsiveness				
01	The enterprise works to respond to the changing needs and desires of customers continuously			
02	The enterprise aims to satisfy its customers through differentiation in its services			
03	The firm is working continuously on improving weaknesses in its products/services.			
04	The firm works on getting close to its customers and knowing their desires through surveys			

Cost				
01	The firm seeks to enhance its position in the market by relying on reducing costs and prices (we determine the Internet offers for djezzy and Ooredoo)			
02	The firm seeks to reduce the cost of its services while maintaining its quality			
03	The enterprise offers additional services at lower prices than competitors			
04	Are you willing to pay any cost to acquire the enterprise products / services?			
Differentiation				
01	The company's products are differentiated compared to the products of competitors (we define the internet offers for djezzy and Ooredoo).			
02	The prices of the firm's products are differentiated and appropriate compared to the products of competitors (we determine with regard to Internet offers for djezzy and Ooredoo)			
03	Distributing the company's products is differentiated and makes them more available compared to the products of competitors (we determine for Internet offers for djezzy and Ooredoo)			
04	Promoting the enterprise's products introduces customers to the products and their characteristics and attracts the attention of potential customers			

Third: Phrases related to personnel informations

gender	male			female	
Age	<20	20-35		35-55	>55
Social status	single			married	
Social category	student	employee	Free profession	not working	retired

Appendix (02): calculation of correlation coefficient

		Innovation in products/services	Innovation in pricing	Innovation in promotion	Innovation in distribution	Competitive advantage
Innovation in products/services	Pearson Correlation	1	.386**	.506**	.506**	.486**
	Sig. (2-tailed)		.000	.000	.000	.000
	N	83	83	83	83	83
Innovation in pricing	Pearson Correlation	.386**	1	.294**	.294**	.467**
	Sig. (2-tailed)	.000		.007	.007	.000
	N	83	83	83	83	83
Innovation in promotion	Pearson Correlation	.367**	.272*	.455**	.455**	.499**
	Sig. (2-tailed)	.001	.013	.000	.000	.000

	N	83	83	83	83	83
Innovation in distribution	Pearson Correlation	.506**	.294**	1	1	.570**
	Sig. (2-tailed)	.000	.007			.000
	N	83	83	83	83	83
Competitive advantage	Pearson Correlation	.486**	.467**	.499**	.570**	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	83	83	83	83	83