

# Marketing of innovations. Innovations in marketing

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**MARKETING OF  
INNOVATIONS.  
INNOVATIONS IN MARKETING**

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The topical issues of marketing of innovations and innovations in marketing, market-oriented management of innovation development, digital marketing, etc. are considered.

The materials are submitted to the author's version. The authors are responsible for the accuracy, reliability and content of the submissions.

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### **ELASTICITY OF OFFER BY PRICE**

According to the law of supply, when the price of the product increases, the supply also increases [1] (provided that the increase in the price of the product entails an increase in the level of profitability for the producer, and is not, for example, a forced measure of compensation for the increase in cost). However, the proposal is a phenomenon that is constructed by human labor, intellectual and physical, therefore, it is one that is formed rationally and consciously. In such a context, it would be interesting to analyze the factors that contribute to its expansion on the market under the conditions of an increase in the price of the product, and affect its price elasticity. As a reference point, it is worth investigating several directions that motivate and contribute to the growth of supply on the market. Basically, we can talk about two main directions: the direction of possibilities (can we do it) and the direction of meaning (does it make sense to do it).

The direction of opportunities includes opportunities of various nature: physical, organizational, financial, etc. With regard to physical opportunities for the growth of supply, the availability of raw materials, production technologies (and their modernization or replacement with more advanced models), adaptability of logistics to increase material and information flows, their accounting and storage, personnel resources, etc. are important. As for the possibility of organizing additional production facilities, this is a matter of no less

importance. For example, certain types of business require project management (the main operational activities of which are carried out in a digital environment), and some require process management (production of industrial equipment, for example). This involves different management skills, technologies and organizational structure. Whether the company will go for the development of the offer within a specific type of business depends on its ability, including to organize growth according to a competitive management model.

The "meaning" direction is related to the company's motivation to increase production, which is defined as objective factors such as benefits from the realization of the effect of scale, optimization of raw material flows, the use of the effect of experience, the need to have the size of the company comparable to the size of the main competitors, or to grow through integration into a growing cluster or network, as well as subjective ones related to the company's current development strategies, balancing its portfolio, and the personal ambitions of the management.

The analysis of price elasticity of supply factors is interesting in the context of influencing competitors with the aim of limiting their activity and freeing up market space for themselves. Obviously, it is possible to use factors, that are related to the resource flows used by the competitor, and factors that affect the situation in which the competitor operates, such as the legislative field.

The factors described above belong partly to the external, market environment, partly to the internal organizational one, so it is possible to influence them by:

- 1) limiting access to raw materials, knowledge, labor force through agreements with suppliers, preventing the dissemination of necessary competitive information, interception of labor force.

- 2) under the condition of being able to influence the political and legal environment – creating conditions or legal requirements unacceptable to a competitor.

Therefore, if the company has the appropriate resources and position in the market, it can try to limit competitors in their growth by reducing the elasticity of their supply.

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### **INNOVATIVE DEVELOPMENT OF SMALL AND MEDIUM-SIZED BUSINESSES IN HUNGARY**

The slow development of innovative processes in Ukraine and Hungary, the difficulties of technological modernization of production, the low rates of economic growth require radical reforms in the direction of innovation. In this regard, the experience of innovative transformations in the field of small business acquired by leading countries of the world is of particular interest. This experience can be considered as a reliable guide for choosing effective methods of implementing innovative reforms in the domestic economy, as a means of avoiding mistakes and unwanted additional costs. Therefore, the problem of studying and summarizing the innovative development of small and medium-sized businesses in the economy of Hungary, in view of the achieved successes and admitted miscalculations, is very relevant [1-11].

Small and medium-sized enterprises play a significant role in all spheres of the world economy. In developed countries, 65-80% of GDP growth comes from this sector, and their weight in employment is similar. Although they use 15-20% of all R&D spending, they develop 65-70% of the most important scientific and technical innovations.

Today, in Hungary, we cannot be satisfied with the modernity and dynamism of the industry, nor with the effectiveness of efforts aimed at promoting progress. Unfortunately, most domestic small and