INNOVATION AND CREATIVITY IN MARKETING

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Abstract
Creativity and Innovation boost up the market i.e the sales and in-turn the production of any item in the market. In many ways, sales and marketing are two disciplines within the business world that permit—and demand—these approaches. Sales reps need to have bigger visions and find creative ways in the evolving technology and business landscape to achieve their goals. Marketing needs to constantly find creative ways to reach audiences and devise workable solutions to bring their brands to the latest channels.

Key Words: business, creativity, customer, innovation, market, production, sales

Introduction
In an environment characterized by high-velocity change, short product life cycles, mass customization, narrowing customer niches, the successful integration of technological and marketing capabilities for a given product conveys little long term strategic advantage to firms (Fowler *et al*., 2000). More specifically, in the financial sector, the business financial environment has become highly complex, competitive and dynamic. The complexity of this environment stems from the fierce competition, the deregulation policy (Yavas and Yasin, 2001), the removal of restrictions between banks, building societies and insurance companies (Speed and Smith, 1992) and the vast expansion in the adoption and use of information technologies (Bergeron and Roy, 2008). This in return has created unprecedented challenges in developing and presenting new service products which are highly successful and competitive. Such complexity has also influenced the used applications and techniques in producing and marketing such products. Therefore, financial institutions are trying more than any other time to create a sustainable competitive advantage compared to other competitors in order to secure their market share and enhance their presence in the financial market.

The innovation process in presenting new financial products has become an antecedent condition to enhance the growth of the financial institutions (Salazar *et al*., 2007; Eisingerich and Bell, 2006) and face the imposed threats and pressure from the external environment. The importance of a firm's external environment stems from the fact that a firm's innovation process is embedded in an environmental context (Jansen *et al*., 2006). Furthermore, as financial service offerings are hard to be distinguished among competitors, it is argued that financial institutions should use the process of innovation as a platform to achieve unduplicated competitive advantage (Calik and Balta, 2006). This may occur through the continuous screening of a firm internal resources in order to identify their weaknesses and strengths and based on that, the firm might be able to develop dynamic resources and capabilities which are characterized by valuable, imitable and rare (Amit and Schoemaker, 1993; Barney, 1991). Moreover, in order to foster innovation and enhance firms' performance in the financial sector, firms are required to increase their reliance on the external knowledge through extending their knowledge milieu (Ireland *et al*., 2002). This, however, may contribute in upgrading the learning process of the firm in question and increase its ability on creating a sustainable competitive advantage. Innovation is also required to decrease firm competitors' ability and capacity to imitate and to increase casual ambiguity (Helfat *et al*., 2007).

Based on that, financial institution might achieve a superior advantage and performance due to the better understanding of customer needs and this in return, will raise the bar of competition and enable the innovative firm to tailor a distinguished marketing mix, unlike competitors. It could be also argued that as long as firm marketing practices, goods and services reflect its presence in the present time, then the innovation process by its definition and nature will be the only path to the future. Therefore, innovation represents a strategic vision for financial institutions which depend on a strategic ideology as a way to planning their future financial activities. As a result of that, innovation might help firms in mitigating the turbulence of the external environment (Lane *et al.*, 2006) and lead firms to be pioneer in their field.

The changing view of firm's strategic vision regarding marketing innovation and creativity and the incremental investment in the firm RandD department has also contributed widely in overcoming one of the sever problems that faces many firms. This particular problem is related the inability to secure a company's market share and maintain market presence. According to Tushman *et al.* (2002), the presence of pioneering firms is highly remarkable in the business environment due to the speed in improving existing products and the introduction of new and novel products to the market. Kleinschmidt and Cooper (1991) state that innovativeness has a positive effect on new product development and sustainable competitive advantage. Early scholars defined innovation as the firm ability to find, accept and implement new ideas, process, products and services (Thompson, 1965). It is demonstrated that the process of innovation may also reflect the exemplification of firm ability to use uncommon and nontraditional ways to achieve or produce certain thing which basically contain the characteristics of originality. Other scholars referred to the process of innovation as the firm's early adoption/usage of new ideas in comparison to competitors in a specific industry (Torrance, 1962).

According to Clemmer (1998), marketing innovation and creativity is the key success for organizations in business environment, particularly in strategic planning for future growth and for developing new products and services. Haddad and Algadeer (2004) stated that marketing innovation reflects the firm ability to improve products/services 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 technical specifications and distinguishing the firm from its competitors by making the firm presence remarkable. The authors also refers to the marketing innovation process as the continuous improvements of the organizational learning process and conducting new and modern marketing activities and practices which are superior compared to the traditional ones. Therefore, Ettlie (1997) concluded that the innovation process requires proficiency in all organizational functions. However, Rungtusanatham and Forza (2005) argued that the ability to develop new products, as a response to changes in customer needs, is not sufficient enough for a firm to have a competitive advantage. Therefore, Hartley *et al.* (1997) demonstrated that the innovation process is influenced by the following inter correlated parts: (1) firm's organizational structure and processes, (2) suppliers' organizational structure and processes and (3) structure and processes of buyer-supplier interfaces.

Early literatures has shown that the concept of innovation should contain five characteristics namely; fluency, flexibility, originality, problem sensation and realization and elaboration (Cheng and Shiu, 2008). Moreover, according to Henard and Dacin (2010), the innovation may represent a weapon of differentiation, novelty, new combination, top first move and the ability to discovering new opportunities. In addition, previous research has classified the types and the importance of innovation according to product types (Kotler, 2002); organization types (Krajewski and Ritzman, 2002); the aim of innovation and customer types and nature (Varma and Chambers, 1990). Furthermore, It is demonstrated that four requirements should be taken into consideration in the process of innovation, namely; managerial and organizational requirements; requirements regarding the individuals who work in both marketing and RandD departments; requirements regarding the marketing information and finally, requirements regarding the benefits of marketing innovation and creativity.

In the financial sector, innovative financial products represent the firm's ability to innovate and present new and novel product or develop existing products to satisfy client needs. This could be done through the use and adoption of new technology, information technologyand the internet. Innovation, in financial sector, may also represent the introduction of new e-services such as depositing, withdrawing and checking the balance from different parts of the world. Brown and Eisenhardt (1995) demonstrated that for the financial institutions to be innovative, they are required to create a communication web in which information is collected from multiple sources, analyzed, understood and acted on in order to foster innovation. Driva *et al*. (2000) stated that innovation in the financial sector improves the quality of the financial products, increases flexibility to be effective and compresses time to market. Evans and Lindsay (1996), assumed that the benefits of innovation in the financial sector depends on the perceived value of the financial products and hence, innovative firms which continuously improve their financial products would result in enhancing the firm's reputation, corporate image and the perceived value of the product. Thus, the firm can offer the product at a higher price, achieve greater market share and, thereby, maximize its sales revenues accelerating product development.

However, most of the previous studies have examined the concept of innovation from a western perspective and little attention has been paid to the investigation of such concept in the Arab world. Moreover, while a large body of literature exists on the innovation of goods (Bastic, 2004), the innovation of services, especially financial ones, has been given far less attention. Specifically, as far as the current researchers' knowledge is concerned, no previous studies were found that focus on evaluating the impact of the innovation process on financial institutions in eastern countries particularly in Jordan. Therefore, the primary purpose of this paper is to evaluate the extent to which marketing innovation may help firms on creating a sustainable competitive advantage.

In particular, this is the first empirical research of it's kind in the region that tackles in a specific way the impact of (1) innovativeness in marketing mix (pricing, promotion, product and place), (2) management perception and support for the process of marketing innovation, (3) customer perception and involvement in the process of marketing innovation and finally and (4) innovativeness in marketing information, on the potential of creating a sustainable competitive advantage for financial institutions. Additionally, this study contributes to the existing knowledge by drawing and systematically synthesizing literature from disparate marketing disciplines, thus, developing a model which could be used in future studies. This model is designed and developed to measure the impact of marketing innovation on creating a sustainable competitive advantage.

Aydin *et al*. (2007) examined the relationship between marketing and product development process and its effect on firm performance. The authors found marketing performance has an impact on a new product life cycle time and innovation capability. Furthermore, marketing performance, innovation capability and product design capability affect a firm's performance. Managers should consider the crucial role of innovation and new product design capability in order to obtain competitive advantage against potential rivals. However, the firm's RandD activities require increased budget expenditures as well as organizational commitment to learning.

Jantunen (2005) investigated the process of new knowledge development and found that this process requires the acquisition of useful information, the dissemination of the acquired knowledge and its effective utilization in firms' innovation activities. It was also found that the ability of knowledge acquisition and utilization were decisive for innovation activities and success of financial institutions. In addition, the results of the study showed a significant correlation of knowledge acquisition, dissemination and utilization with the RandD intensity and innovative performance.

Haddad and Alghadeer (2004) found that pharmaceutical firms pay a significant attention regarding the introduction of new products and developing existing products, however, these firms did not pay much attention to the ideas that was considered strange for the first glance. The authors also found that there was a significant relationship between firm size and its use to the innovation and creativity. Almaashar and Sabah (2004) reported that management support, independency and low organizational barriers had a significant positive effect on increasing firm ability to innovate. The authors recommended that for firms to be innovative, they had to improve their working environment and delegate their employees more authorities. Aljayyashee (2003) concluded that the degree of innovation in the study sample was below the average. However, the author also concluded that the performance of the firm is highly affected by its marketing innovation and creativity. Furthermore, the results of the study also showed that innovation, in both selling and distributing, was the main factor influenced firm's performance compared to other marketing activities.

Roberts and Amit (2003) found that there were continuous improvements regarding innovative and creativity practices in Australian financial sector. The authors also reported that financial institution which develop and create new financial product faster than competitors, were more advantageous. Finally, Australian financial institutions devoted a huge amount of resources in order to be pioneer in the financial sector. Idwon *et al*. (2002) found that clients appreciated highly the continuous improvements in technology which resulted in saving time and effort in conducting a business with the bank in question and this in return influenced positively the perceived image and reputation of the bank. Tollin (2002) reported that there was a significant relationship between firm marketing strategy which is characterized by innovativeness and creativity and product development process. The study also focused on the necessity of paying more attention to the R and D department in order to achieve a sustainable competitive advantage and finally, the author concluded that for a firm to be innovative then it should concentrate on the internal and external information, particularly the one that pertains customers. Song and Swink (2002) found that innovation is contingent upon the extent to which manufacturing firms applied the concept of marketing in all product development stages.

In addition, the study showed that firms should measure the cost and benefits of producing new products in all innovation levels. Li *et al*. (2001) studied product innovation strategy and the performance of new technology. The result of the study showed that there was a statistical significant relationship between using advanced technology to produce new products and firm financial position. The study also reported that stable environment influenced positively the process of innovation and vice versa. Finally, the author focused on the importance of the synergy between the firm marketing strategy and its environment.

Finally, Rarichandran (2001) carried out study titled innovation assimilation in the presence on knowledge barriers technology uncertainty and adoption risks. The study measured three variables namely; the current customer's knowledge, technological uncertainty degree and risks that were associated with new technology adoption. The study showed that there was a statistically significant relationship between innovation and current customer's knowledge. There was also a significant relationship between risk and innovation.

Interestingly, Amabile (1988) suggests that organizations tend to seek out and hire people with innate creative abilities; however, there is still variance in the creative performance of these firms. This variance is likely the result of the influence of contextual factors on creative personality characteristics. Research in psychology has shown that creativity is the result of a combination of both personal and situational factors (Amabile 1996; Andrews and Smith 1996). Understanding these personal and situational determinants and how they interact will enable managers to effectively create environments that are prone to innovative behavior, an important component in the profitability of the firm.

Traditionally research on creativity has primarily been confined to the disciplines of psychology and management. In marketing, most creativity research has borrowed from management and looked at organizational characteristics that may affect a firm’s creative output and innovative behavior such as interdepartmental interaction and diversification of team members (Moorman and Miner 1997; Sethi, Smith and Park, 2001).

Little research on creativity in marketing has been conducted at the individual level. Given the importance placed on the output of managers and their influence within the firm and the emergence of managerial decision making as an important stream of research in marketing, it is important that we understand creativity from the managerial perspective. In addition, since innovation is generally seen as a desirable firm activity, it is important to understand what characteristics are necessary in order to ensure an innovative organization (Andrews and Smith 1996). Thus, the purpose of this paper is to develop a model of creative marketing decision-making that incorporates the personal and contextual factors that may inhibit or promote its existence.

Creativity

Although research in the domain of creativity is quite diverse, most theorists agree that creativity is more than simply an individual possessing creative traits. Vernon (1989) describes creativity as a person’s capacity to produce new and original ideas or products that are accepted by experts in a particular field as being of some value. Mednick (1962) states that it is the forming of previously known associative elements into new combinations that are in some way useful. Martindale (1989) states that a creative idea is comprised of three components. First you must have a product or idea that is original. Second, this product or idea must be useful in some way or appropriate for the situation that it is intended. Finally, the product or idea must be put to use.

Martindale (1989) further states that creativity in art and science is essentially the same thing as both domains involve the combination of existing elements in new and useful ways. The primary difference is the product of the creative process. For instance, in poetry a creative product involves the arrangement of currently existing words and concepts into a new story, while in business a creative product may involve the combination of currently existing product attributes into a new product.

A person may have a novel idea but unless that idea has some relevance to a field, it remains simply a novel idea. This is an important point to make as it exemplifies the influence that environment and related social groups play in the generation of creative ideas. In the present study, creativity is defined along the lines of Andrews and Smith (1996), who describe marketing program creativity as the extent to which actions invoked to market a product are seen as significantly different from those generally used in the product category. Thus, this definition encompasses not only creative product design but also other aspects of marketing a product such as promotion, packaging, distribution, etc.

Factors that are expected to affect Marketing Creativity

Factors can be broken down into two primary categories. First, there are personal characteristics that are unique to the marketing manager such as innate personality traits. Second, there are factors associated with the work environment itself. Work environment factors can include those aspects that define the job (i.e., autonomy), as well those work-driven factors that can impact performance (i.e., history of past success).

Creativity Components

Creative output depends on both personal and situational inputs (Amabile 1996; Andrews and Smith 1996). In an organizational setting this would include characteristics about the source of the creative product (i.e., the manager) and the dynamics of the work environment. In order for individuals to generate creative ideas, it is necessary that they possess some level of personal creative characteristics. Contextual factors, such as work environment and past performance, are expected to affect creativity by fostering an environment in which creative individuals feel compelled to use their innate creative skills.

Creativity-relevant Skills

With regard to the personal sources of creativity, many researchers tend to converge toward three general elements: task motivation, domain-relevant skills and abilities, and creativity-relevant skills (Martindale 1989; Shalley 1991; Amabile 1996; Csikszentmihalyi 1996). These components range on a continuum of specificity with task motivation being very task-specific while creativity-relevant skills are quite general in nature and tend to exist in an individual regardless of the task they are faced with (Amabile 1996).

Creativity-relevant skills are skills specific to an individual that enable the individual to generate responses surpassing previous responses in novelty and usefulness. Creativity- relevant skills are a necessary but insufficient component for creativity to exist. A high level of creativity is more likely to occur under the condition of high domain-relevant skill (i.e., domain knowledge), high task motivation, and high creativity-relevant skill. Amabile (1997) refers to this interaction of skills and motivation as the “creativity intersection.”

Creativity-relevant skills have been discussed as consisting of two categories (Jones 1964; Montgomery, Bull and Baloche 1993; Amabile96; James and Asmus 2000). For instance, Jones (1964) analyzed 53 test variables used to describe creative individuals and found nine to be valid with four of these aptitudinal or cognitive in nature and five attitudinal in nature. The first category consists of cognitive skills and includes such things as an ability to understand complexities, use of divergent and critical thinking, and an ability to concentrate effort and attention for long periods of time (Jones 1964; Montgomery, Bull and Baloche 1993; Amabile 1996). Although cognitive skills are specific to the individual, it is thought that these skills can be enhanced through training and experience (Vernon 1989).

The second category is comprised of personality characteristics. Personality characteristics are qualities that the individual possesses, which are fairly predictive of behavior and tend to be enduring. As such, these characteristics distinguish those individuals that are more likely to generate creative output from those that are not. Some of the more consistent personal qualities identified in past research are persistence, independence, tolerance for ambiguity, confidence, reflection, egotism, willingness to take risk, self-discipline, openness to experience, imagination, insight, curiosity, and behavioral flexibility (Harrington 1975; Gough 1979; Barron and Harrington 1981; Martindale 1989; Montgomery, Bull and Baloche 1993; Amabile 1996; James and Asmus 2000).

Organizational Characteristics

Work environment has been shown to relate with creativity (Amabile et al. 1996). Woodman, Sawyer and Griffin (1993) categorised environmental aspects into two distinct groups:

(1) Group characteristics, which include group norms, diversity, cohesiveness, roles, and group size. (2) Organizational characteristics, which include resources, organizational structure, and rewards. These characteristics can also be broken down according to their degree of proximity to the daily work of employees (Shalley, Gilson and Blum 2000). Proximal characteristics are those aspects of the work environment that affect an employee on a daily basis such as autonomy, job complexity, and time pressure. On the other hand, distal characteristics are those aspects of the job that do not affect an employee on a daily basis, such as supervisor support, encouragement, and management-subordinate interaction.

Alternatively, according to Thaler and Johnson's (1990) house money effect, the opposite process is expected. The house money effect suggests that under certain conditions, prior gains are likely to result in an increase in risky decision-making, while prior losses are likely to result in a decrease in risky decision-making. The notion behind this phenomenon is the idea of gambling with house money. As long as the possibility of failure does not return the firm below the position it held prior to past successful performance, individuals will be willing to gamble for possible gains.

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