

PECULIARITIES OF INNOVATION AND INNOVATION PROCESSES AND THEIR IMPACT ON REGIONAL DEVELOPMENT

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Abstract

A characteristic trend of the current stage of development of entrepreneurship worldwide is its regional orientation. Considering the innovation process on a territorial scale gives us reason to bring entrepreneurship as a source of opportunities for development of the region. This predetermines the definition of concepts about the elements and characteristics of the regional business system and the innovations in it. In the exposition we accept that the region is a system of relations for ensuring the production processes within a specific territory, in which intensive innovation processes take place, influencing the regional development of the territory.

Key words: innovation, regional development, governance, environment, policy, solutions and space, territory.

Abstrakt

Ein charakteristischer Trend in der derzeitigen Entwicklungsphase des Unternehmertums weltweit ist seine regionale Ausrichtung. Die Betrachtung des Innovationsprozesses auf territorialer Ebene gibt uns Anlass, das Unternehmertum als eine Quelle von Chancen für die Entwicklung der Region zu betrachten. Dies setzt die Definition von Konzepten über die Elemente und Merkmale des regionalen Geschäftssystems und der darin enthaltenen Innovationen voraus. In der Darstellung gehen wir davon aus, dass die Region ein Beziehungssystem zur Sicherstellung der Produktionsprozesse innerhalb eines bestimmten Gebiets ist, in dem intensive Innovationsprozesse stattfinden, die die regionale Entwicklung des Gebiets beeinflussen.

Stichworte: Innovation, regionale entwicklung, governance, umwelt, politik, lösungen und raum, territorium.

Résumé

Une tendance caractéristique de l'étape actuelle du développement de l'entrepreneuriat dans le monde est son orientation régionale. En considérant le processus d'innovation à l'échelle territoriale, nous avons des raisons de considérer l'entrepreneuriat comme une source d'opportunités pour le développement de la région. Cela prédétermine la définition de concepts sur les éléments et les caractéristiques du système d'entreprise régional et les innovations qu'il contient. Dans l'exposition nous acceptons que la région est un système de relations pour assurer les processus de production dans un territoire spécifique, dans lequel les processus d'innovation intensifs ont lieu, influençant le développement régional du territoire.

Mots clés: innovation, développement régional, gouvernance, environnement, politique, solutions et espace, territoire

Introduction

Against the background of the economic downturn and slow pace of development in many segments of the industry on a global scale and in our country, the trading companies demonstrate enviable business activity. This activity is caused by the imposition of new business models based on electronic technologies and local spaces that have reliable information accessibility. Especially after the appearance of Covid-19, the world's major retail chains continued to expand their territorial presence, opening new hypermarkets in the electronic environment. Of course, this requires new logistics and management of goods and services in spatial and territorial terms. However, this creates new conditions for economically active people and their development. In practice, developing their business, trading companies pay great attention to optimizing operating costs, as well as increasing customer loyalty. Against this background, among the main trends in their informatization are updating of the used information systems, introduction of electronic document circulation. Also the possibilities for servicing the citizens, as well as for systems for financial planning and budgeting, integration of the applications and development of mobile solutions in the administrative units. At the same time, regional development and the penetration of information technologies in them lead to regions where there is a sufficiently high level of demand for the services and goods they offer (Barzilska, 2012). This necessitated, in view of spatial development, that we focus on innovation as a factor in promoting regional development.

It is important to note that in addition to the existence of a separate structure of spatial planning, the mechanism of functioning of the relevant bodies and institutions is also important. In this regard, there are different ways of locating the authorities worldwide and, accordingly, different status, specific to individual countries. The bodies of the administrative-territorial unit differ in their way of constitution, mandate and respectively competencies (Dimitrova, 2012). The modern paradigm of regional governance considers the competitiveness of regions depending on their capacity to generate technological innovations. Innovative regions are studied as an innovation environment, which is embedded as a concept in a number of theoretical approaches related to regional development.

Results

Nature of innovation and innovation processes. Different and numerous definitions of the term "innovation" are known. As a complex complex phenomenon, it is the subject of attention by sociologists, lawyers, economists and psychologists. Authors who have thoroughly studied innovation conclude that all definitions could be summarized in six groups: new idea, impetus to new idea, invention, introduction of invention, idea different from existing forms, approach that disharmonizes with most of the prevailing behavior. What unites the different definitions is the creative nature of the process of searching for and implementing the new in all spheres and areas of human activity (Dokova and Petrov, 2015).

The concept of innovation was first introduced in the 1920s. Then innovations are defined as mastering new production functions, or "new combinations" (production of new goods with new properties, change of technology and use of new equipment, opening of new markets, changes in the organization of production and its material and technical insurance, etc.). Innovation is the introduction of a new or significantly improved product or production process, a new marketing method or a new organizational method in commercial practice, the organization of workplaces or external relations. A minimal feature of an innovation is the requirement that the product, production process, marketing method or organization be new or significantly improved for the practice of a company (Dimitrova, 2012).

This includes in the category of innovation products, production processes and methods that companies have created first and / or products, production processes and methods borrowed from other companies or organizations.

Different types of innovation are the result of different content and structure processes and, therefore, the solutions associated with them require different scope, accuracy and time horizon of information obtained through different sources and channels.

- Six features divide innovation into groups:
- According to the site where the novelty is realized;
- According to the degree of novelty and lag between the invention and its practical application;
- According to the degree of novelty for the company, the market and the consumers;
- According to the extent to which innovations change consumer behavior;
- According to the reason for creating and implementing the innovation;
- According to the degree of compulsion to innovate;

A common feature of innovation is the fact that it must be implemented. A new or improved product is considered to have been introduced when it has entered the market. New production processes, marketing methods or organizational methods are considered implemented when they are actually used in the company's activities. The nature of innovation activities in different companies is different (Barzilska, 2012). Some companies are engaged in very clear innovative projects - including the development and implementation of a new product, while others are mainly concerned with making new and new improvements in their products, production processes and operations. Both types of firms can be considered innovative, as innovation can consist of the implementation of a single significant change or of a number of less significant improving changes, which together form a significant change (Krasteva, 2013).

The innovation process, in turn, is defined as the preparation and implementation of innovation changes. The goal of the innovation process should focus on the use of available resources in the institution, to increase and improve the creative processes for acquiring new knowledge and original and feasible ideas. The innovation process becomes mandatory for every company. It is a complex, creative, complex, iterative process, between the stages of which there are direct and feedback. It is a set of interconnected and complementary activities, the implementation of which is carried out in a specific chronological and logical sequence, depending on the source, purpose and type of innovation. The innovation process can be viewed from different positions and with different levels of detail. But every innovation process is characterized by a beginning and an end. Although there are different opinions in the literature on the question of the boundaries and structure of the innovation process, a number of common features can be established in the individual structures, which form a generalized idea of this concept (Krasteva, 2013). The beginning of the innovation process is considered to be the activity directly related to the formulation, argumentation and concretization of the innovation idea (invention). The end of the innovation process is identified with the full exhaustion of opportunities to disseminate the product or technology in other areas and enterprises, as well as to significantly improve their characteristics. Or this is the end of the diffusion phase of innovation. The innovation process made up of interconnected phases, forming a complex whole, results in the realization of the innovation. It is associated with the

transformation of the idea into a product through basic and applied research, development, marketing, production and others (Dimitrova, 2012). The effectiveness of the innovation process depends on many conditions, experiencing the influence of various factors. Studying and researching their action allows companies to stimulate the positive influence of some and ignore the negative influence of others. The choice of innovation management model plays a key role in the success of the innovation process, so it is necessary for each manager to determine which model is best applicable, taking into account both external and internal environment of the organization (Petrov, 2016); (Petrov and Borisov, 2021). Innovation is different from the innovation process. Its success requires research, ensuring the advanced development of the company, production with modern equipment and marketing. This company, which has the ability to ensure the most efficient operation of the three areas, can count on success in the competition. In regional development, the innovation process is related to the structure of the territory and its management. The arrangement of the territory is a system of measures, acts and actions of factual legal nature, which aim to create normative conditions for the use of the earth's surface for work, recreation and restoration of the population. The territories in the country are divided into groups according to different criteria. Through this division, the state determines which parts of its territory can be used for what purposes, regardless of their physical and geographical location. Until now, according to the law on territorial and settlement organization, there was one main division. It depended on the purpose of the territory. Applies to urban and non-urban areas. It seeks to eliminate the separation of urban and non-urban areas and to create a unified regime that depends only on the specifics of the territory and its purpose according to the adopted plans. In the modern world there are more than 190 state entities, and depending on their characteristics and structure, they determine the respective competencies of government and regulate the relationship between the state and citizens. In this regard, public administration is regulated by the basic laws of the parties or in other words by the Constitution. Accordingly, the requirements for the development of the territories are determined by development schemes and plans in accordance with the current regulations. In the separate states according to the separate constitutions the level and character of the legal regulation of the administrative-territorial structure is determined. In most countries, the regulation of the administrative-territorial structure is at the constitutional, legal and by-law level. Territories with special territorial protection, including territories with specific characteristics, determined by the order of separate laws, may acquire a special regime of structure and control. The scope and mode of their device are determined by development schemes and plans (Solins, 2015). The territorial structure analyzes the current state of the settlement network, the problems and trends of the urban environment. The ratio between urban and rural population, territorial scope of urbanized and non-urbanized territories, depopulated settlements, unusable building stock, environmental problems related to urbanization, expansion of urban areas at the expense of agricultural land. Municipal and settlement network, number and type of settlements, density, density (altitude / 100 sq. Km.), Infrastructure provision. The visualization (depiction) of the territorial structure in the separate territory reflects - the agricultural territories, the forest fund, the urbanized, protected and disturbed territories. Assessment of their condition and ratio, opportunities for development and improvement of this structure (3).

In search of the connection of innovation and trade local plan. The definition of the term "trade" is an exchange of goods and services that can take place between two (bilateral) or more persons

(multilateral) trade. In modern society, trade also plays the role of a link between different economic sectors and regions. In trade, product innovation is the introduction of a good or service that is new or significantly improved in terms of its properties or uses (Stoyanov, 2010). This includes significant improvements in technical specifications, components and materials, firmware, usability, or any other functional features. New product or technology can be used in product innovation, or it can be based on new usage techniques or new combinations of existing knowledge or technology. The term "product" is used to denote both goods and services. The concept of 'product innovation' includes the introduction of both new goods and services and the implementation of significant improvements in the functional or consumer characteristics of existing goods and services (Dimitrova, 2012).

The complex knowledge of the separate territorial and administrative units requires the accumulation and systematization of huge and diverse information, due to which the methodological tools for analysis of the condition of the administrative territorial units become wider. In this regard, they are used through some adaptation and methods from other sciences, with which it interacts in solving complex and dynamic problems of economic and social development of individual regions and territorial production complexes. The management of the economy of the territorial units includes a fully unified reproduction process (Barzilska, 2012). In practice, this means managing the productive forces in material production and the service sector, managing settlements, municipalities and infrastructure. A characteristic feature of the management of the economy of the territorial units is its complex nature, the expression of which is the unification in a single system of all subsystems of the reproduction process in the respective territory. The implementation of such an approach makes it possible to make the fullest use of available and potential resources, to combine local and national economic goals as much as possible and to carry out the most effective proportional socio-economic development of the respective territorial unit. Marketing innovation is the introduction of a new marketing method, including significant changes in the design or packaging of the product, its storage, advertising on the market or in determining its selling price. Marketing innovations are aimed at better meeting the needs of the consumer, opening new markets or gaining new positions for the company's products in its market in order to increase sales (Tsvetkov, 2015). The ever-increasing competition between retail chains has, to put it mildly, spoiled buyers. They no longer want to stand in line. For many of them, the gathering of people in front of the cash registers at peak hours is a sufficient reason to give up shopping.

In addition, it is perfectly understandable that consumers want to receive as much information as possible before the purchase about the goods offered, their properties, composition and quality. And among other things, buyers are strongly influenced by price changes - the lower price or additional discount in many cases predetermine the choice of store (Tsvetkov, 2015).

All of the above gives rise to commercial companies to use the latest technologies available on the market, including in terms of equipment. Here are some solutions that are already proving their benefits:

- Mobile terminals or "shop without a queue". In Western Europe and the United States, the so-called Queue busting technology has been used for 10 years to solve the problem of uneven loading of crates. The insufficient capacity of the cash registers during peak hours is compensated in the following way - as soon as there is a danger of a queue, the cashiers are assisted by employees who use mobile terminals to scan customers' purchases while they wait their turn. The scanned goods are packed in a package for

which a special label with a bar code is printed. Thus, the cashier only has to scan a bar code, issue a receipt and accept the customer's money (Petrov, 2016).

- Guided Selling. In order to make a purchase decision, customers often need a detailed consultation on various parameters of the product they are looking for. Sellers are not always able to provide such advice - sometimes they simply do not have the necessary information. As a result, the customer may remain dissatisfied with the quality of service and cancel the purchase. Guided Selling solutions help buyers make their product choices. This can be done on your own with the help of an information kiosk located in the store or with the help of mobile terminals used by sales consultants

Mobile Guided Selling solutions allow sellers to advise customers in detail on any characteristics of the goods, to select analogues, as well as to control stocks in the warehouse. There are already enough examples in practice around the world to confirm that Guided Selling solutions significantly increase the quality of service and customer satisfaction, which has a positive impact on store performance and increases sales.

- Mobile printers - always current prices. As already mentioned, flexible pricing is one of the tools to attract and retain customers. With the help of mobile devices, which enable the printing of price labels in real time, the managers of the trading halls solve the tasks of operational monitoring and revaluation of goods (Tsvetkov, 2015).

- Increasing the importance of e-commerce. E-commerce is a business transaction made in real time through telecommunications networks. This term has a wide application, including the virtual examination of goods, their selection for purchase and payment methods. In e-commerce there is no prior agreement between the parties - customer and seller. It is carried out over the Internet through the use of all or a combination of technologies designed to exchange data, access data and record information (Yumurova, 2014).

Some new trends in e-commerce are:

- Responsive design. This is a commonly used word for design these days when people talk about new and innovative web development technologies. Responsive design is a way to design a website so that it automatically adjusts and reformats according to the user's screen resolution. By building an adaptive website using a convertible grid, images and CSS media queries, it can work on most devices and web browsers.

Of course, in addition to all the benefits and advantages, Responsive design has some disadvantages related to resizing images, downloading data and speed.

- Remarketing is a new technology in the field of e-commerce. It uses several methods to generate a lasting effect on the product. If you've ever noticed that the ads and apps that appear on the pages you visit online reflect your interests a lot, then you're already facing remarketing. The danger with this type of marketing is the tendency of consumers to be annoyed by the "sinister" nature of the Internet ads that follow them. However, if consumers have not yet made their choice to purchase a product, the emerging mobile advertising may lead them to make the specific purchase (Yumurova, 2014).

- Omni – channel. A common sight in malls are customers standing in front of products while looking for their smartphones. Their purpose is to compare prices with other retailers. Alternatively, they may try to find a replacement product that better meets their needs.

- Online magazines. An important role is increasingly played by eBay Inc., which is an American Internet company that owns www.ebay.com - an online trading website. The goods are offered in the form of auction or direct sale at a fixed price. Participants are both individuals and large companies. They all have the ability to sell or buy goods through eBay. The goods can be both new and used. eBay is known for the fact that the price of many goods is significantly lower than the market. The site is gaining over 200 million users. The company announces that it will launch a new digital media - "The Source Inside". This is the newest magazine on the market, which will publish information about the trends and desires of consumers and what are the most sought-after items from more than 89 million active users of the online auction, what are the latest goods they are looking for, buying and sell within the site. The content will focus on various topics of life, such as fashion, technology, cars, home and garden items and others (Krasteva, 2013).

- Discount coupons. Google Inc. plans to offer discount printing coupons that allow consumers to shop at stores found through Google Maps. The company will adapt an existing tool for this purpose, which has so far been used only by business users. In this way, Google will offer a way to users of their services in the US to save on shopping from local chains of shops, restaurants, pizzerias and more. Google also plans to support merchants to create their own online coupons through a small program, thus enabling merchants who do not have websites to offer online promotions (Petrov, 2016).

- Fingerprint shopping. With the help of the cameras on their mobile phones, customers scan special labels on the goods they are interested in. The camera is directed to a special bar code and after a few seconds, brief product information and price appear on the display. If the purchase is completed, the amount is calculated automatically and reappears on the display as a barcode. The customer has three options to pay: in cash, by card or with the help of a fingerprint.

- EDI invoices. EDI has established itself in international business, and now in Bulgaria, as a modern and efficient system. It creates prerequisites for standardization of document turnover and traceability of the process, reduction of data processing time, minimal human intervention and, accordingly, reduction of possible errors. A significant advantage of EDI is that it is practically paperless for exchanging documents. The use of this electronic communication provides a secure and fast exchange of information between the parties in the trade process.

- E-commerce and social networks By the end of 2021, about 50% of new customers of online stores will register in e-commerce resources through their social media accounts. The active use of social media accounts will be one of the determining factors influencing access management practices and identity data over the next few years.. However, convenience is associated with additional risks - social networks often use weak authentication systems. Some e-commerce site operators allow social media registration, but use additional verification tools when trying to access personal information and make a transaction. Other e-commerce resources may decide to take action against the increased risks personally. If they succeed in attracting a significant number of customers through social networks, the growth of their business will enable them to transfer security efforts to payment system operators who have reliable means of detecting fraud and risk management (Yumurova, 2014)

Conclusion

In the conditions of dynamically changing economic environment, innovations are among the most important elements for the successful development of commercial enterprises. Logically, the

increasing competitiveness of production systems located in economically weak regions or disadvantaged areas is linked to the innovation of small firms, which predominate in the regional economy (Petrov, 2016). In this way, the systems approach differs from both the linear model, in which innovations follow a “mechanical sequence from research to production and to the market. This predetermines the focus of the modern world on regional development, which requires the introduction of more and more innovative solutions. The management of regional development is associated with specific business and innovation culture and the introduction of a system structure in which the various elements are embedded and intertwined. The present study analyzes the factors that support innovation activities and stimulate entrepreneurial activity and decision-making to start a business in certain regions. Many commercial companies are preferred precisely because of the innovation that brings them to the forefront of other operators in the same market. Buyers prefer these businesses precisely because of the conveniences they offer, such as easier shopping or receiving information. The arrangement of the territory is a system of measures, acts and actions of factual legal nature, which aim to create normative conditions for the use of the earth's surface for work, recreation and restoration of the population. A territory acquires the character of protected in connection with its specific natural, historical, climatic or cultural features. For the territories or parts of them, which are for public, state and public property, no change of purpose is allowed. An exception may be made in the first place if there is a permit from the regional governor for state public property or from a municipal council for public municipal property. The structure of the territories and the specific purpose of each part of these territories depends on the provisions, which are normatively established by a development scheme and development plans (Dokova and Petrov, 2015). Innovation in trade plays a key role today. They impose both national and global leadership in customer choice. That is why companies are introducing new technological solutions, striving to be the first on the market.

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