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Olga Prygara, PhD in EconomicsORCID ID: <https://orcid.org/0000-0002-8444-819X>*Taras Shevchenko National University of Kyiv, Ukraine***Liudmyla Yarosh-Dmytrenko, PhD in Economics**ORCID ID: <https://orcid.org/0000-0001-9113-7923>*Taras Shevchenko National University of Kyiv, Ukraine***INNOVATIONS IN POSITIONING OF SERVICES DURING COVID-19 PANDEMIC**

Innovations in positioning of services during COVID-19 pandemic are viewed. The relevance is investigated of forming a strategy for positioning of services in response to a high degree of uncertainty in the business environment in the pandemic. The coronavirus crisis forces most companies to find ways to develop new target market segments and change the positioning of goods and services for consumers, focusing on meeting their market needs. The strategy of market positioning clearly outlines the portrait of the target consumer of the product or service, indicates the consumer values of the target audience and the necessary points of brand differentiation in the minds of target consumers. The stages of positioning of goods / services are considered. In service marketing the peculiarities of positioning are primarily related to the most relevant characteristics of a service: intangibility, inseparability, variability and perishability. Considering the changes of consumer behavior in the COVID-19 pandemic (increasing the use of digital technologies, selective purchasing decisions, increasing the role of the content of trust in the company), possibilities are investigated of introduction of innovative solutions in service positioning. Innovations in positioning may be proposed by positioning criteria: quality, assortment, image, additional services, technology of rendering the service, communications with the consumer and the price. In this regard, the change of positioning is often carried out by increasing the complexity of the service by adding services while reducing their variability (through standardization and automation) or increase the ability to personalize services. Possible innovations in positioning today are innovations in service, new delivery technologies, innovative tools of communication with the consumer, expansion of the range of offers, standardization and individualization of services.

Key words: services, innovations, services market, positioning, pandemic Covid-19.

Introduction and problem statement. High degree of dynamism of the modern market environment, high level of competition, oversaturation of most markets and uncertainty of business environment force companies to search for new effective forms and methods of work, the formation of market strategies, including positioning strategies. In order to obtain sustainable competitive advantages of the enterprise and implement effective market strategies, it is important to introduce innovative forms and methods of work.

The Covid-19 pandemic forces most companies to adapt its business or to find ways to develop new target market segments and change the positioning of goods and services for consumers, focusing on meeting their market needs. The spread of Covid-19 around the world has left almost no industry unchanged. The services markets have also faced new risks and challenges. As a result, some service companies were forced to cease their activities, others – to maintain their activities, had to actively innovate in the positioning of their services. The coronavirus crisis has forced businesses to work in new conditions, actively introducing innovations in service.

Analysis of recent research and publications. Aspects of positioning of goods / services of the company are devoted to the work of such scientists as D. Aaker, T. Ambler, M. Blades, B. Gunther, M. Cladwell, F. Kotler, J. Lambin, G. Mintzberg, D. Ogilvy, K. Oates, M. Porter, E. Rice, J. Trout, F. Webster, J. Wind, G. Huley, R. Fatkhutdinov, A. Starostina, A. Dligach, T. Primak, O. Zozulov and others. However, in the modern economic literature there is a lack of scientific developments that highlight the specifics of market positioning of services, and which explore innovations in positioning. The works

of O. Skirbytsky, O. Vynogradova, K. Naumik-Gladka, V. Golubeva and others are devoted to positioning on the market of services. M. Klapchuk, V. Biyan, B. Brukhliy, O. Davydova, N. Polstyana, N. Balatska and others dealt with issues related to the introduction and application of innovative technologies. In an environment where companies operate in markets with a high degree of dynamism of the market environment, the search for innovative approaches to positioning services becomes particularly relevant.

The purpose of the article is to consider innovations in positioning in the market of services in the conditions of fluidity and uncertainty of the business environment during the pandemic in order to quickly adapt the market activities of enterprises.

Presentation of basic material. Positioning is the process of forming a unique, different from competitors, market image of the product based on the selection of its specific attributes to win a high degree of consumer loyalty to the target market¹. The strategy of market positioning clearly outlines the portrait of the target consumer of the product or service, indicates the consumer values of the target audience and indicates the necessary points of brand differentiation in the minds of target consumers. For the positioning of services, it is important to differentiate them clearly from competing offers. And this differentiation should be important from the point of view of consumers. Fig. 1 shows the stages of positioning of goods / services:

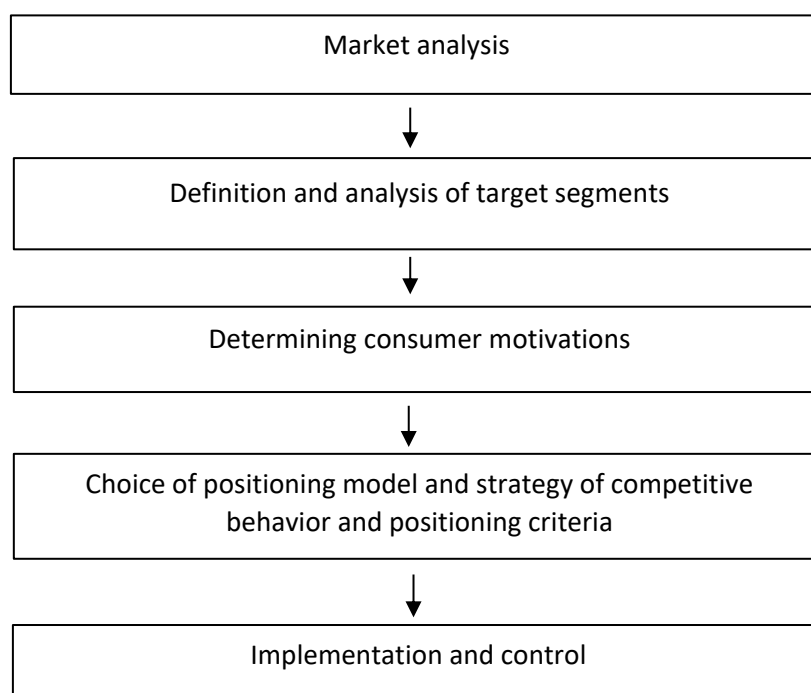


Fig. 1. Stages of positioning of goods / services

Source: developed by the authors based on²

The first stage involves market analysis. At this stage, the level of competition intensity, strengths, weaknesses, threats and opportunities from the competition side should be analyzed. In addition, the level of threat from consumers, suppliers, substitutes, as well as barriers to entry into the industry and potential competition in the industry should be taken into account. The next stage involves the definition and analysis

¹ Старостіна, А. О., Кочкіна, Н. Ю., Журило, В. В. (2017). *Маркетинг: термінологічний словник*. Київ: НВП Інтерсервіс, 154.

² Старостіна, А. О., Кравченко, В. А., Пригара, О. Ю., Ярош-Дмитренко, Л. О. (2018). *Маркетинг*. Київ: НВП Інтерсервіс, 216; Kotler, Ph., Keller, K. (2012). *Marketing management*. Harlow Pearson Education <http://eprints.stiperdharmawacana.ac.id/24/1/%5BPhillip_Kotler%5D_Marketing_Management_14th_Edition%28BookFi%29.pdf> (2021, January, 26); Crawford, C. M. (1985). A New Positioning Typology. *The journal of product innovation management*, 2, 243-253. DOI: <https://doi.org/10.1111/1540-5885.240243>; Hooley, Gr., Saunders, J., Piercy, N. (2004). *Marketing Strategy and Competitive Positioning*. Pearson Education; Ламбен, Ж.-Ж., Чумпигас, Р., Шулінг, І. (2017). *Менеджмент, орієнтований на ринок*. СПб: Питер, 700.

of target market segments. At this stage, it is necessary to continue the segmentation of consumers, the description of the profiles of the obtained segments, to assess the attractiveness of market segments and to select target segments. There are five criteria that indicate the effectiveness of segmentation: size, expected growth rate, competitive position, transition costs, and barriers to market entry. The third involves determining the motivations of consumers, their models of market behavior in the process of making a purchase decision. In order to determine the qualitative and quantitative characteristics of demand, marketing research should be conducted.

On the basis of the collected information on the market, competition, features of consumer behavior of the selected target segments of consumers at the next stage the choice of positioning model, strategy of competitive behavior and positioning criteria is carried out. To determine the current market position of a product / service, market research should be conducted to determine the characteristics that are most important to the consumer, determine the level of perception of different brands by these characteristics, and find ways to improve the product / service to improve customer satisfaction. The collected information allows to make a decision on the choice of the desired market position, criteria and positioning strategy. The last stage involves the implementation and control over the implementation of the positioning strategy.

From the moment of choosing a position, appropriate marketing measures should be applied: the positioning strategy should be reflected in the marketing complex. In addition, the strategy requires constant monitoring and control over its implementation. And decisions about the position of the product / service must be adapted to changes in consumer needs and strategies of competing products. Repositioning becomes especially relevant during a pandemic, when some companies were forced to reduce or stop their activities, and others were able to quickly reorient (for example, there are companies for which quarantine has become a stimulus for development – 71% of organizations have already launched a new product or service¹). The pandemic affected all industries in Ukraine. Most affected branches are: air transport, tourism, entertainment and cinemas, exhibition business, hotel and restaurant business (for example, 38% of restaurants closed during quarantine²). Instead, the use of online banking services has grown steadily. Sectors such as technology, pharmaceuticals, logistics and superfood production also benefited.

According to a study by the International Audit and Consulting Company KPMG (The study was conducted in 12 countries and regions between May 29 and June 8, 2020 and covered more than 12,000 people), the main trends in consumer behavior in the COVID-19 pandemic are the following³: increasing the use of digital technologies, selective purchasing decisions, increasing the role of the content of trust in the company, namely the priority of the consumer's needs, his sense of security and preservation of personal data. The key criteria for making a purchase decision are: personal safety of the consumer (40%), range of goods and services (37%), previous experience (35%). Other indicators are: personnel policy of the manufacturer and direct connection with the brand (19%), compliance of brand values with personal values and social behavior of business (18%), the company's position on the environment (17%).

In service marketing the peculiarities of positioning are primarily related to the most relevant characteristics of a service: intangibility, inseparability, variability and perishability. In this regard, the change of positioning is often carried out by increasing the complexity of the service itself by adding services while reducing their variability (through standardization and automation) or increase the ability to personalize services⁴.

Table 1 shows the option of changing the complexity and variability of the service on the example of the company, which reoriented activities and changed the positioning of services during the introduction of COVID-19 quarantine. Luxury clothing rental company Oh My Look providing the services in the showrooms with the consultations of stylists, during the pandemic created online fitting rooms. Their slogan was: 'If you do not have the opportunity to get into Oh My Look !, then Oh My Look! will come to you online'⁵. The company adapted quickly to the changes by introducing online consultations with stylists who work on creating the image of the client in the online communication mode.

¹ One Philosophy Insights (2020). *Covid-19. Життєстійкі. Перше в Україні дослідження життєстійкості організації* <<https://drive.google.com/file/d/1FrJsm0JkypeWY1sYz0g3-t1DNClbsDQz/view>> (2021, January, 26).

² Чурилова, К. (2020). Аналітики порахували втрати малого та середнього бізнесу через карантин. *Zaxid.Net* <https://zaxid.net/analitiki_porahovali_vtrati_malogo_ta_serednogo_biznesu_cherez_karantin_n1501604> (2021, January, 26).

³ Гаспарян, С. (2020). Covid-19: основні тенденції споживчої поведінки. *Звіт KPMG International* <<https://home.kpmg/ua/uk/home/media/press-releases/2020/07/osnovni-tendentsiyi.html>> (2021, January, 28).

⁴ Пашук, О. В. (2011) *Маркетинг послуг: стратегічний підхід*. Київ: Професіонал, 560.

⁵ Oh my Look! (2021). *Онлайн примерочная* <<https://ohmylook.ua/online-primerka?city=kiev>> (2021, January, 26).

Table 1

Clothing rental service: changing complexity and variability

Low complexity / variability	The current process	High complexity / variability
By phone	Acceptance of applications	Preliminary application online, taking into account your features, filling out questionnaires
Recording for free time, without choosing a stylist	Making an appointment	Record at a convenient time, explain the procedure, choose a stylist
Providing a catalog, self-selection	Selection of clothes	Special selection by a specialist, work with a specialist, explanation, description of models
Ready in advance	Preparation of clothes	Passes preliminary preparation before to issue to the client, (steaming, adjustment on a figure)
Limited assortment	Image selection	Extended range, the possibility of providing additional services (accessory rental, hairdresser, makeup artist)
Standard insurance	Insurance	Providing a number of insurance packages of the client's choice, depending on the distribution of risks
Self-pickup	Delivery	Courier delivery to the post office

Source: developed by the authors based on ¹

Thus, by influencing the two main characteristics of the service – the complexity and variability of quality, there is the possibility of changing the position of the service under the influence of changing market conditions, technology, actions of the competitor. For example, in quarantine, positioning a restaurant as a place to meet friends changes to a place where you can meet them safely on the terrace, keeping the distance between tables, using the electronic menu to minimize contact with the physical menu. In order to expand the range of offers, restaurants are expanding the standard menu with complex orders, introducing new technologies of delivery and communication with the consumer, due to which users will be able to choose conveniently the most advantageous offers for them. An example is the regular updating of the menu (at least the creation of a seasonal menu) to increase the attendance of both regular and new visitors. The introduction of innovative solutions can also have a positive effect on the experience of visitors to the institution – for example, the ability to place an order or call the waiter by scanning the QR-code. Possible innovations in positioning today are innovations in service, new delivery technologies, innovative tools of communication with the consumer, expansion of the range of offers, standardization of services, individualization of services (table 2).

Considering the criteria for positioning the service (quality, range, image, additional services, technology of service provision, communication with the consumer, price) and taking into account the features of the service as a product, you can consider options for finding innovative approaches in positioning.

Positioning on the quality of service is possible by increasing the quality of service, tangibility of the service, changes in variability and complexity of services. For example, during the pandemic, delivery companies significantly increased sales and strengthened their competitive position by offering better, more reliable and faster delivery (Nova Poshta delivered more than 128 million parcels and cargo in the first 6 months of 2020, which is 32% more than in the same period of 2019, due to positioning according to the quality criterion 'Delivery of the future')².

Assortment positioning involves expanding the list of basic services of the company by providing offers of service packages, options for individualization and standardization of services, the provision of self-service. During the pandemic, self-service services become popular: quick car wash yourself; self-service cash registers; use of online payment systems, use of ATMs and payment terminals. Chains of filling stations expand their activities by opening mini-shops and creating networks of their own cafes, restaurants, etc. Car maintenance stations introduce comprehensive services (refueling, car wash, coffee). Uber and Bolt, in addition to providing transportation services, are starting to provide delivery services for various goods during the pandemic.

¹ Пашук, О. В. (2011) *Маркетинг послуг: стратегічний підхід*. Київ: Професіонал, 560.

² Економічна правда (2020). *На тлі карантину "Нова пошта" на третину збільшила доставку посилок* <<https://www.epravda.com.ua/news/2020/07/6/662596/>> (2021, January, 26).

Table 2

Possible innovations in positioning of services

Positioning criteria	Possible innovations in positioning
Positioning on the quality of service	strengthening the quality of service strengthening tangibility of the service changing the variability and complexity of services development of options for offers and delivery of services
Assortment positioning	individualization and standardization of services offer of service packages self-service service providing the main service with accompanying ones
Image positioning	strengthening the image and value of the brand; creating the image of a socially responsible and reliable brand demonstration of the value of the service for the consumer
Positioning on additional services	providing a wide range of additional services around the basic service providing the consumer with the possibility of comprehensive service setting up an operational consumer-oriented system for receiving services (introduction of new delivery technologies)
Positioning on the technology of service provision and communication with the consumer	the latest delivery technologies personalized content of communications with the client online services communication with the consumer through a chat bot, Viber, social networks; creating mobile applications
Price positioning	development of packages of differentiated price offers of the service

Source: developed by the authors based on ¹

Image positioning and creating the image of a reliable and social brand becomes especially relevant during a pandemic. For example, Zoom service has become the main mean of communication for millions of people around the world. Zoom is used for work, study, personal meetings. It became free during the pandemic, but left some restrictions on the number of people and time. Free and unlimited Zoom is for one-on-one communication². Philip Morris implements the principles of a socially responsible company and focuses on education, hunger and poverty, and the environment. During the pandemic, it was reported that the company cares of employees in the company: in addition to health insurance, also includes life insurance and insurance against critical illnesses (the possibility of treatment abroad). During the quarantine period, the company also decided to reimburse the costs associated with COVID-19, even if this is an exception in the health insurance contract³.

Positioning on additional services involves the provision of a wide range of additional and complementary services around the basic service, providing the consumer with comprehensive service, setting up an operational, consumer-oriented system of service (introduction of new delivery technologies). For example, the company Nova Poshta offers courier delivery, receipt of goods directly to the branch or through the post office, possible express and express delivery⁴. An example of the use of new delivery technologies is the emergence of new types of deliveries, such as 'Delivery in minutes', such as Glovo⁵ and Raketa⁶.

¹ Ries, A., Trout, J. (2001). *Positioning: The Battle for Your Mind*. McGraw-Hill-Education, 224; Зозульов, О. В.

(2008). Типи позиціонування товарів і марок на споживчому ринку. *Маркетинг в Україні*, 6, 49-52 <<http://irbis.kneu.kiev.ua:8080/bitstream/2010/4437/1/49%20-%2052.pdf>> (2020, January, 27); Старостіна, А. О., Кравченко, В. А., Пригара, О. Ю., Ярош-Дмитренко, Л. О. (2018). *Маркетинг*. Київ: Інтерсервіс, 216; Пашук, О. В. (2011) *Маркетинг послуг: стратегічний підхід*. Київ: Професіонал, 560.

² Zoom (2021). *About* <<https://zoom.us/about>> (2021, January, 26).

³ Скляренко, Н. (2020). Бізнес під час пандемії: як великі компанії захищають своїх співробітників. *РБК-Україна* <<https://daily.rbc.ua/ukr/show/biznes-vremya-pandemii-krupnye-kompanii-zashchishchayut-1606308864.html>> (2021, January, 26).

⁴ Нова пошта (2021). *Кодекс корпоративної етики* <https://novaposhta.ua/o_kompanii/corporate_ethics> (2020, January, 26).

⁵ Glovo (2021). *Homepage* <<https://glovoapp.com/ru/kie/>> (2020, January, 26).

⁶ Raketa (2021). *Homepage* <<https://raketaapp.com>> (2020, January, 26).

Positioning on the technology of service provision and communication with the consumer involves the use of the latest delivery technologies, introduction of personalized content of communication with the client, online services, communication with the consumer via chatbot, Viber, social networks, mobile applications. For example, Netflix has modernized its design and focused on filling it with original (personalized) content. The use of distance forms and methods of work is relevant today – the provision of services via video communication and messengers (for example, the selection of clothes through online fitting; classes with a fitness trainer online; distance learning and video conferencing).

Price positioning involves finding and offering the consumer acceptable pricing solutions. For example, Netflix offers several packages of its services, where everyone can choose the right content at a reasonable price ‘No extra costs and obligations’¹.

Conclusions. Development of innovative forms and methods of work of the enterprises acquire special urgency in the conditions of pandemic Covid-19. Under such conditions, a key factor in business success is the ability to adapt activities quickly or change the positioning of goods and services for the consumer, focusing on meeting its market needs. The coronavirus crisis has forced businesses to work in new conditions, actively introducing innovations in service. The strategy of market positioning clearly outlines the portrait of the target consumer of the product or service, indicates the consumer values of the target audience and the necessary points of brand differentiation in the minds of target consumers. For the positioning of services, it is important to clearly differentiate them from competing offers and this differentiation should be important from the point of view of consumers. In service marketing the peculiarities of positioning are primarily related to the most relevant characteristics of a service: intangibility, inseparability, variability and perishability. In this regard, the change of positioning is often carried out by increasing the complexity of the service itself by adding services while reducing their variability (through standardization and automation) or increase the ability to personalize services. Considering the criteria for positioning the service (quality, assortment, image, additional services, technology of service provision, communication with the consumer, price) and taking into account the specific features of the service, innovative approaches in positioning can be found. Among such innovations in service are: new delivery technologies, innovative tools of communication with the consumer, expansion of the range of offers, standardization and individualization of services.

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¹ Netflix (2021). *About* <<https://www.netflix.com/ua/>> (2021, January, 26).

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