

SHAPING RELATIONS WITH THE MARKET ENVIRONMENT AND INNOVATIONS IN COMPANIES

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Abstract

Currently, organizational effectiveness is conditioned by the quality of the entire network of connections with the market environment. The survival of the organization in the long term depends not only on the reaction to external changes, but also on the ability to search and exploit strategic variables that can be used for the proper development of its relationship with the environment. Such variables may certainly be cooperation and partnership in business. Thus, the more is known about the conditions of a business partnership and its parameters (in the case of a given organization), the better understood is its identity, specification and opportunities for development. Partnership is defined as a management approach used by two or more organizations to achieve specific objectives by improving the efficiency of the use of resources of each participant of the relationship. The aim of this study is to present selected aspects of the relationship of a given organization with its market environment. This relationship is shown in the context of increasing innovation in enterprises. Reflections contained in the paper do not have definite characteristics and should be treated as an opinion in the discussion in fields' management sciences.

Keywords: Innovations, Relations in Business, Organizations, Cooperation, Management

INTRODUCTION

The modern model of relations between business partners primarily relies on cooperation. It requires the development of a relationship based on trust between partners, with the aim of achieving common objectives. Partners should have agreed-upon methods of problem solving, division of tasks, costs and benefits, and should continually search for ways to improve their relationship.

Forming partnerships (business relations) is a special capability, an asset that creates unique value, and is an inherent and strategic aspect of the functioning of contemporary organizations. Research indicates that the formation of close, synergic, innovative cooperation, in order to increase the possibility of achieving added value by participating in such systems, is becoming more and more frequent. It also constitutes a specific response (reaction) to market uncertainty, particularly through the creation of an area of security that protects and allows the company to cope with competition. In this way, by changing the configuration of partnership networks, formally determined organizational boundaries are becoming less important from the point of view of the realization of business objectives. Development of partnerships allows an organization to be more flexible, and to build a strong economic foundation based on inter-organizational networks.

RESEARCH APPROACH

Business cooperation (partnership) is an area of research that is still quite poorly structured. However, this area is extremely interesting, increasingly appreciated and explored by a growing number of researchers. It is a social phenomenon that requires important strategic skills, behavior and knowledge. Broadly understood partnership is therefore a contemporary model of relations between partners which includes: cooperation, collaboration, equality of rights and duties, tolerance, and the respect for autonomy and otherness.

The author of this paper has attempted to show the mechanisms shaping the proper relationship between business partners in the context of innovation in enterprises. As part of this study, the role of partnerships in the area of economy and business has been presented. Moreover, the various forms and scope of cooperation among enterprises is shown. The Polish economy is used as an example here. The research results conducted by the Polish Agency for Enterprise Development and the Central Statistical Office on economic cooperation in the field of innovation have been used in this paper.

The research methods used will include constructive criticism, a literature review, research synthesis and qualitative analysis. This will enable answering the following research questions - matters:

- the boundaries between competition and cooperation,
- the mechanisms of perception of business relations with the market environment,
- economic relationships and their inefficiencies,
- cooperation between companies and their level of innovation.

Paper contains an analysis of mechanisms and trends of shaping relationships with the market environment. Theoretical considerations were based on studies conducted at foreign

institutions as well as the author's own analysis. Analysis of the results of research carried out by foreign entities was conducted to provide information as to the overall development of business communication systems with the market. The author's own analysis should expand the knowledge available on aspects relating to the efficiency of the process of shaping relationships with consumers (business partners) and should be a starting point for broader comparisons and conclusions.

The issues presented in this work do not exhaust the list of problems that aggravate researchers in this field. The contents (threads) included here give a sketch of the issues in order to stimulate the asking of further questions, rather than looking for specific answers. They are to become an inspiration for further exploration, to expand the boundaries of our knowledge and research abilities in the fields of economic science.

The Boundaries between Competition and Cooperation

Dynamic market changes and their unpredictability mean that individual companies often are not able to cope by themselves with constantly increasing competition on the market. That is why the establishment of cooperation with other enterprises, and the creation of network organizations, can help companies to stay on the market and to reduce the threats that arise from dynamic changes in the environment. When choosing such a strategy, the benefits considered include the positive effects of synergy, strengthening of market position, as well as faster and more efficient development (Wiggill, 2011).

Some analysts argue that accession into network organizations- from the point of view of their participants – is not always the best way to increase competitiveness. It is rather a way to improve organizational efficiency and to increase operational effectiveness through the reduction of certain costs (Dobni, 2010).

The way to achieve advantageous business results from competitive activities increasingly has its source in inter- organizational relationships and in the network approach to cooperation with other organizations. Companies join forces to effectively counter the negative effects of intensified competition and learn how to exploit the opportunities of the modern economy in the best way (Nandita, 2013).

It should be noted that, at present, the sector of new technologies function in networks and hypercompetitive conditions that foster the establishment of relationships of simultaneous competition and cooperation (China, Chan, & Lam, 2008, pp. 439-441). In addition, the increasingly shorter life cycle of high-tech products, heterogeneity, high specialization of resources of high tech companies and high costs of research and development force such enterprises to cooperate on an inter-organizational level, and even with competitors.

Low levels of cooperation and competition often causes isolation. Enterprises, in order to avoid confrontation with challengers, seek safe areas of operating in the market and rather focus on a market niche that is not quite attractive for other competitors (Dufour & Steane, 2006). The strategy of functioning on one's own is mainly carried out by companies that are narrowly specialized, in order to protect their unique resources. In the case of high-tech enterprises, they are mostly concerned with protecting their technological knowledge. Such companies look for monopolistic opportunities with a passive attitude (Costa, Fernández-Jardón & Figueroa Dorrego, 2014).

The situation is reversed in the case of adaptation characterized by a high intensity of competition and cooperation. The strategy of integration is often associated with a clear separation of the areas of cooperation and competition (Kim & Mauborgne, 2005). In the high-tech sector, cooperation is mostly carried out in the area of research and development, procurement, and production. On the other hand, sales, distribution, and marketing efforts are often activities that belong to the realm of competition (Walley, 2007, pp. 11-31).

The Mechanisms of Perception of Business Relations with the Market Environment

The tasks placed in front of modern systems constitute an adaptation of enterprises to market conditions, the overcoming of competition, the skillful exploitation of opportunities and threats created by the environment. The management of a business requires the elaboration of effective concepts and methods to solve tasks that enable the company to develop. The development of a company is determined by a number of factors, such as: potential for development, the environment the company operates in, financing opportunities for development, as well as management concepts related to the strategy of the company (Heidenreich, 2009, pp. 483-494). Development is possible when an emphasis is put on knowledge; in other words, on the process of learning, developing personal skills, and using knowledge in practice. These factors lead, directly or indirectly, to the innovation of enterprises. Business relationship management (partnership management) is the process of analysis and selection of potential partners, planning and implementing partners' cooperation programs and periodic control of the effectiveness of partnerships, whose aim is to create and maximize value. The proper management of partnerships often leads to reliability and a high level of dynamics of the organization.

In conditions of strong competition, specific actions by a given organization are required. The increase of activity and the role of the organization in the chain are very often related to the expansion of manufacturing or trade by entering into various types of cooperation agreements or strategic alliances (Cantner & Joel, 2011, pp. 57-58). At the same time, decisions in this area

depend on the level of possessed competencies, the amount of resources available, expected benefits of scale and the perceived investment risk.

Observation of how and on what levels the organization is able to establish partnerships, allows one to make predictions about its sustainability and long-term competitiveness. Companies that enter into effective, multi-faceted partnerships, with the support of partners, better cope in the market, are able to develop and to obtain a wide range of benefits gained from cooperation in a more dynamic way (Bigliardi, Dormio & Galati, 2011, pp. 2-3).

The business relationship perspectives in contemporary organizations are shown in Table 1. Five approaches (interpretations) of modern business relationships based on partnership are shown below. The following approaches are distinguished: subjective, process, attribute-based, systemic and situational.

Table 1: The Business Relationship Perspectives in Contemporary Organizations

The business relations approach	The perception of the partner company	The method of assessment of business relations
Subjective	Some specific object extracted from the environment (e.g. by name, logo, placement in space - location, address, organizational and legal form, etc.) with characteristic custom formal features.	Evaluation of the identity of the organization (the level of trust generated in the environment), the organizational and legal form, the structure of the business; evaluation of the company in terms of openness to the environment.
Process	Some set of actions that must be performed to create a partnership. The process of developing effective, long-term relationships between customers and suppliers and other partners on the basis of partnership.	Evaluation of the processes that are or should be executed in order to realize the goals of the partnership in a more effective way (e.g. the quality of communication, the effectiveness of processes of knowledge sharing).
Attribute-based	A set of specific features which are gained (or not) through the implementation of partnership ties (e.g. openness to cooperation and collaboration, ethics, autonomy, social responsibility).	Evaluation of the parameters of the organization in the context of relations with partners, for example: the complementarity of resources and skills of partners, the symmetry of involvement (e.g. financial), the durability of relationships, the degree of confidence in partners.
Systemic	A set of certain and interacting elements (subsystems) whose cooperation creates partnership within the organization as a whole and partnership with the environment.	Evaluation of the quality and results of business relationships in various subsystems (the area of partnership) and at the level of organization as a whole (the systemic partnership).

Situational	The system of business relationships with companies such as suppliers, customers, competitors and other industry partners, both in the country and in other countries. Organizations are obliged to maintain proper relations with the external environment because they use the necessary resources from it. In this environment they place products resulting from their work. The partnership with the environment depends on the ability of its management to identify the conditions they face, and how they react to them.	Evaluation of the partnership in relations with customers, competitors, employees, local communities, public partnerships, etc.
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The subjective perspective draws attention to a specific object (entity/ subject) extracted from the environment with characteristic formal features. The form and terms of the cooperation agreement decide, among others, on the rights and obligations of the parties and the principles of shared benefits from the interaction (Blumberg, 2001, pp. 825-852). This area shows the level of trust generated by the company by: identifying the selection of forms of cooperation that creates the identity, the structure of the company's activities, the scope of its offer, the strength of influence in relations with the environment, as well as the level of formality, specificity and nature of signed contracts. The confidence of existing and potential partners is particularly important here (Santos & Eisenhardt, 2005, pp. 491-508).

The process perspective shows the company's ability to act in teams. If the company wants to grow in the long term, it must be able not only to outsource efficiently part of the processes it independently carried out before, but also to tie them skillfully into a set of interdependencies working together for the success of the joint venture. The process perspective suggests that the management of partnerships leads to reliability and high level of dynamics of organization activity.

The attribute-based perspective allows for the determination of the characteristics of cooperating partners, including their strategic objectives, organizational culture, approach to risk, styles (of management, communication, motivation of employees). These features often affect the perspectives for further cooperation with chosen partners in the field of business (Tuli, Kohli & Bharadwaj, 2007).

The systemic perspective provides organizations with the ability to identify individual elements of the system (partial partnerships, detailed partnerships). Moreover, it allows to recognize existing feedbacks between them (behaviors and reactions of partners in certain situations, their readiness for partnership). Thus, the interaction of individual system elements

creates the partnership of the organization as a whole and its partnership with the environment (Hakansson & Snehota, 2006, pp. 187-200).

The situational perspective results from the volatility of the external environment. To survive in such conditions, companies must be able to develop in a sustainable way by adapting to the dynamics of the environment, based on close relationships (Teece, 2010). Organizations must constantly strive for flexibility and innovation.

Table 2 shows a comparison of the concept of market development and the servant leadership approach to satisfying customer needs. The basic characteristics (aspects) of the market development approach and the servant leadership approach to satisfying customer needs have been isolated, so that the main differences between these two concepts could be better understood.

Table 2: Comparison of the Concept of Market Development with the Servant Leadership Approach to Satisfying Customer Needs

Description	Market Development	Servant leadership approach to satisfying customer needs
Entity subject to change	Customer	Company
Customer needs	Undiscovered	Articulated
Nature of activity	Strategic	Operational, tactical
Levels of market activity	Market	Customer relations, market
Communication model	Push	Pull, push
Loyalty	Built by imposing standards, Switching costs	Built by satisfaction
Innovation	Breakthrough	Incremental
Risk	Offer does not correlate with customer needs	Blind to changes in the market
Financial Benefits	High	Low

In the concept of market development, it is customers who must change. They change their needs, preferences or behavior, influenced by the actions of the company. Effectiveness of the actions taken in market development depend on the persuasive ability of the company and the flexibility of customers. In the servant leadership approach to satisfying customer needs, it is the company that must allow for a degree of flexibility in order to provide the client with a composition of values to satisfy his articulated needs (Eggers, Kraus, Hughes, Laraway & Snyckerski, 2013). Change involving the matching of the right marketing mix is therefore a necessary skill of servant leadership companies wishing to satisfy the needs of their customers. Naturally, the division outlined above is rare in practice. Companies within the market, introducing new products, do not do so in isolation from knowledge of customer needs.

Furthermore, if the servant leadership approach induces customers to purchase products, shapes their loyalty, and sometimes even educates them, thereby it also encourages customers to change their behavior or preferences (Lorek, 2015).

Relationships and characteristics that influence consumers' purchase decision between store brand and manufacturer brand product offerings have emerged as an interesting and practical area of research. From a management perspective, understanding the process by which consumers make purchase choices between these brand offerings would lead to both theoretical and practical applications (Tran, Balas, Shao, Dubinsky & Jackson, 2014).

According to Private Label Manufacturers' Association (2013), private label brands garnered 17 percent market share and a record-breaking \$108 billion in 2012, and private labels have been outpacing national brands by more than a 2:1 margin since 2009. Furthermore, the *2013 Private Label Yearbook* averred that almost one-quarter of all units sold in grocery stores in 2012 were private label options (Private Label Manufacturers' Association, 2013). Moreover, a study by Nielsen (AC Nielsen, 2011) found that two-thirds of global consumers in developed markets in Europe, the Pacific, and North America perceived private label brands to be a very viable alternative to national brands. The foregoing highlights the seeming unabated success private label products have been capturing.

Stocking private label product lines gives a retailer more discretion over the products to be managed. Store brand product lines also, among other things, allow retailers to take advantage of the effects of "umbrella branding," which occur when the same brand name is carried across multiple product categories, as is often the case with store brand products.

The Economic Relationships and their Inefficiencies

The workhorse of economic relationships is transaction and exchange; both are the focus of the paper. Information processing efficiency, reduction of inefficiencies and knowledge diffusion are transforming transactions, as well as the underlying communication infrastructure, evolving gradually into the main mechanism to directly drive the collaborative technology revolution in the interaction between markets, customers, firms. Table 3 shows types relationships in business and ways reducing of inefficiencies.

In the next section the link between information and transaction is revisited. An essential tenet of this write-up is that that the collaborative market-is-watching framework reduces the importance of instrumental relations, of market manipulations, lobbying, corruption by freeing-up the constructive forces of efficient economic markets. In order to develop a quantifiable approach to the aforementioned arguments and leverage the advancements in economic theory, we define as transactional inefficiency the value differential locked in by the provider of a

service, or seller, due to information asymmetry between the requestor, buyer (i.e., a typical case is when the information set of the latter is a subset of the former) or value recovery - value loss avoidance under a different set of information. Globally, maximum value creation will occur under perfect information and infinite computational capabilities (Dikos, 2014).

Table 3: Types Relationships in Business and Reduction of Inefficiencies

Drivers of change	Instrumental relations in industrial organization - corporate management	Communication relations in entrepreneurship	Transaction relations in markets and customers
<i>Information processing efficiency</i>	transformation from physical to virtual, increase of variety and sophistication of virtual marketplaces	reduction of technical barriers to entry, informationalization of global markets	reduction of search & transaction costs, reputation-based market norms, reduction of information asymmetries in commerce
<i>Reduction of inefficiencies</i>	transaction efficiency, improved customer experience	standardization, multi-channel access to customers, hyperconnected markets	reduction of transaction costs, productivity improvement frontiers for firms
<i>Knowledge diffusion</i>	knowledge-based relationships with customers and shareholders, emergence of the knowledge organization	Reduced start-up costs and barriers to access talent	increased computational efficiency

To understand how the new collaborative technologies are changing transactions we review the role of information from an economic perspective, discuss how they impact exchange, introduce the mind set for identifying inefficiencies across the value chain, as well as creating value by reducing their cost, and by enhancing the knowledge and computational capabilities of agents.

Cooperation between Companies and their Level of Innovation

In conditions of uncertainty, information asymmetry in the environment, limited rationality of decision-makers, and the conclusion of market transactions may occur to be an action characterized by a relatively low level of efficiency. This situation is a stimulus for the organization to develop cooperation with external entities in the context of innovation (Galavan, Murray & Markides, 2008, pp. 188-192).

The results of research conducted by both the Central Statistical Office and various scientific centers indicate that collaboration between companies in the field of innovation is not their strong point. In 2012, the CSO conducted a study on the innovative activity of enterprises

from 2009 to 2011. The results of these studies are shown in Table 4. Cooperation has been defined as active participation in common projects with other enterprises or non-profit institutions. The main partner for cooperation, both in the case of industrial and service enterprises, were suppliers of equipment, materials, components and software.

Table 4: Types of Partner Institutions That Evaluate Cooperation Among Enterprises In The Years 2009-2011 As The Most Favorable For Their Innovative Activity (In % of Companies That Have Cooperated In The Area of Innovative Activities)

Types of institution	Industrial companies	Service companies
Foreign public research institutions	0,6	0,5
Entities of the Polish Academy of Sciences	2,0	0,9
Competitors and other companies from the same field of activity	2,7	4,8
Consulting companies, commercial laboratories, private R&D institutions	6,6	11,8
Colleges	12,2	8,2
Customers	13,0	10,6
Research institutions	14,6	2,9
Companies within the same group of companies	23,6	24,6
Providers	24,6	35,9

Source: *Działalność innowacyjna przedsiębiorstw przemysłowych w Polsce w latach 2009–2011*, Warsaw 2012, p. 77.

As results show, and what draws special attention, is the relatively low share of industrial and service enterprises collaborating in innovative activities with academic institutions, including universities and colleges. In terms of universities, from 2009-2011 only 12,2% of surveyed industrial companies and 8,2% of surveyed service companies collaborated with others (Table 1). These numbers are confirmed by the results of research conducted by other institutions and research centers. For example, according to research conducted by the Polish Agency for Enterprise Development, only 16% of surveyed companies cooperated with universities in introducing product innovations and 15% in introducing process innovations (PARP, 2007).

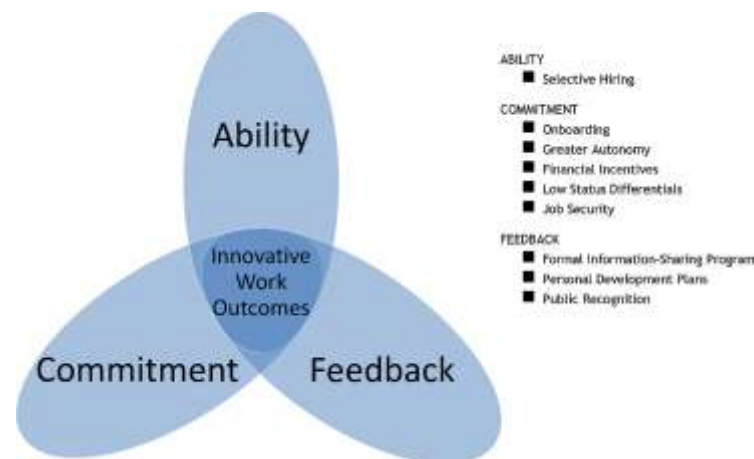
The problem of cooperation between companies and universities in the scope of innovation was one of the basic areas of research conducted in Poland within the framework of the *foresight* regional project for universities of Warsaw and Mazovia "Academic Mazovia 2030" (Poznańska, Zarzecki, Matuszewski & Rudawski, Report, 2012). Among the surveyed companies, research and development projects from 2006-2011 was only declared by 7.2% of small and medium-sized enterprises from Mazovian Voivodeship.

Innovative projects were usually carried out independently by companies as part of their autonomous departments of Research and Development (44,4%). Entrepreneurs who declared cooperation in the field of innovation with external institutions, indicated such institutions as science parks, business incubators, and technology transfer centers as their best partners. The structure of cooperation reflects the significant level of autonomy of conducted operations in the R&D sector. Limited networking among entities translates into reduced possibilities of action in the R&D sector. However, the obtained results cannot be extrapolated to the entire population of enterprises in Poland. They can only point to some trends in the analyzed phenomenon.

From the perspective of contemporary organizations, the environment is seen as a dynamic system of relations in which alliances are created in order to take advantage of emerging market opportunities (Wuyts & Geyskens, 2005). The dynamics of the environment makes concepts of permanence and stability move into the category of “dead concepts”. Whereas new categories, such as cooperation (partnership) and innovativeness, are growing in importance, as variables describing the processes in the global economy (Pathak, Pokharel, & Mahadevan, 2013, pp. 133-157) .

The level of operational efficiency of modern organizations and level of innovativeness can be shaped both by competences necessary to carry out typical activity in the business part of the organization, as well as through the competences needed for relationship management (Ritala, Armila & Blomqvist, 2009, pp. 569-591). The growing importance of network competencies results from an increase in organizations' dependence on interaction with external entities (Martínez-Román, Romero, 2013). Some scientists suggest that the more an organization depends on the specific resources of the environment, the more critical the process of boundary management becomes, and the lower the level of specialization required.

Figure 1: Developing Innovative Work Outcomes



Source: own research based Mazzei, Flynn & Haynie, 2016.

Because ability, commitment, and feedback are key pillars for ensuring success, we use them as a framework to communicate a system of nine specific HPWPs that positively influence an organization's innovation output (see Figure 1). Though each of these practices promotes innovation individually, SMEs will likely obtain the best outcomes if these practices are implemented as a cohesive system of HPWPs that reinforce one another in cultivating a culture of innovation. Undoubtedly, the practices we outline can assist large firms pursuing an innovative strategy; however, we believe these practices offer greater value for growing, yet financially constrained businesses (Mazzei, Flynn & Haynie, 2016).

SMEs are known to rely on strong social networks to share information and inspire innovative thinking. One way to foster open communication is through a formal information-sharing program. Business leaders should hold regular team meetings to set expectations, review priorities, offer feedback on recent work, and share important new information. By highlighting innovative activities during these frequent interactions and soliciting dialogue, employees are made aware of recent successes and innovative efforts currently underway at the firm. Furthermore, such meetings expose employees to greater opportunities to coordinate and collaborate, reinforcing communication and cooperation among the ranks, and serve as an additional platform for a wider employee base to offer their own ideas to peers or senior personnel.

Competitive Negotiations and Cooperative Negotiation

There are two types of negotiation. These are competitive and cooperative negotiation. Competitive negotiation often has a cold atmosphere and both parties are doing everything to get the very best deal for themselves which usually means that the other party's objectives do not come into the equation. The relationship between the people is not important. They do not care about one another or what the other party thinks about them. It is best to avoid this type of negotiation if possible. In competitive negotiation it is important to avoid making the opening bid because it gives a lot of information to the other party. In this situation, less is more. Not showing concern for the other party and not telling too much can give advantage in the circumstances. Competitive negotiation is same as any competition that is to be won or lost but there is always a possibility to just walk away if the situation runs out of hand. The outcome of a competitive negotiation is either win-lose or if the conflict boils up it could end with no outcome. Usually negotiation is seen as a battle where the stronger party beats the weaker party and where there is a winner and a loser. The Table 5 shows a summary of the differences between competitive and cooperative types of negotiation.

Table 5: Differences between Competitive and Cooperative Negotiation

Competitive Negotiation Cooper

Competitive negotiation	Cooperative negotiation
Going to conquest	Going for agreement
Threaten	Offer
Rough and tough	Soft and sweet
Dig in	Suggest deals
Go for what you will settle for	Go for what they will settle for
Argue for own position	Argue for agreement
Push hard	Back down
Distrust	Trust
Increase argument	Avoid argument
Hard	Soft
Make demands as a condition of maintaining the relationship	Concede in the interests of maintaining the relationship

In cooperative negotiation conflict is minimized and the whole idea is to reach a solution where everyone benefits. This approach usually produces the best results mainly because there is much better communication between the parties. Both parties gather as much information as possible and are also duty bound to reveal the information. This way they will come to a conclusion that is acceptable to both parties. Cooperative negotiation is good for long-term relations. The best trick to get as much information as possible from the other party is to ask open questions. Open questions do not have 'yes' or 'no' answers and because of that they will give more precise data. In cooperative negotiations both parties aim at a win-win outcome which is generally achievable because both parties work together (Chebet, W.T., Rotich, J.K. & Kurgat, 2015).

Effective negotiation is a key to the improvement of organizational competitiveness. There is more to negotiation skills than is available in many books dedicated to the subject. Negotiation skills lie at the very heart of business success since business is driven by humans who are social beings. This socialization process involves constant interaction hence the need for negotiation for best outcomes and results.

The Role of Eco-Innovations in Business and Economy

According to the Europe 2020 strategy (European Commission, 2010), the development of EU countries should be based on three interrelated priorities: smart, sustainable and inclusive growth. Smart growth should be based on the increasing role of knowledge and innovation as the driving forces of future growth. In practice, this will require the improvement of both educational quality and the outcomes of research activity, the promotion of innovation and

knowledge transfer within the Union, full exploitation of information and communication technologies, as well as ensuring that innovative ideas are translated into new products and services. The eco-innovations will play a key role in the implementation of two specializations of the Poland: bio-economy and low-emission energy generation (Kasztelan & Kijek, 2015).

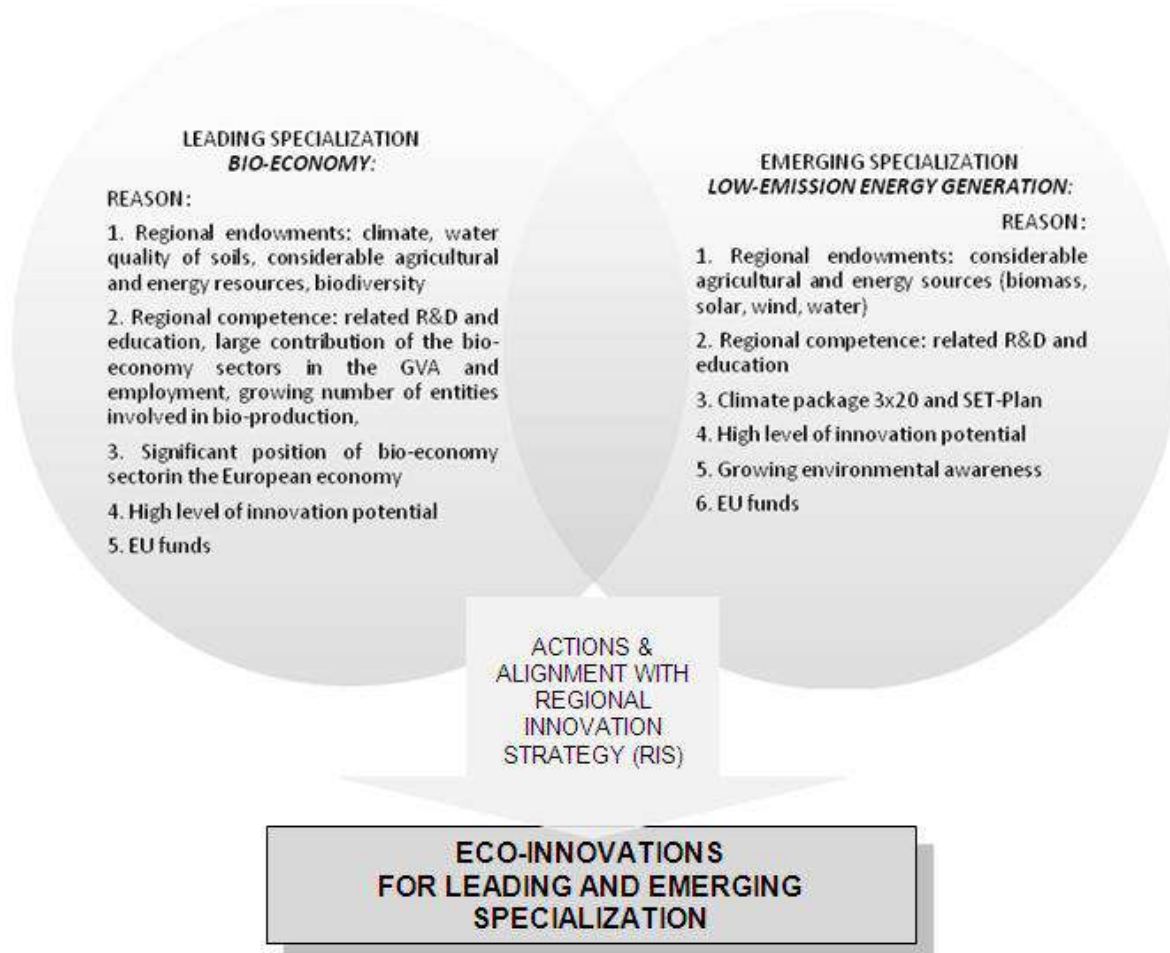
The result of the process of smart specializations identification in Poland is a choice of the bio-economy as the leading specialization (Table 6). In turn, medical and health-oriented services were chosen as a complementary specialization, whereas IT and automatics specialization will be supporting for the development of the bio-economy, as well as medical and health-oriented services. This will also be beneficial for the comprehensive development of low-emission energy generation which is recognized as a potential emerging specialization.

Table 6: The Smart Specializations for Poland

Type of specialization	Specialization	Characteristic of the specialization
Key (Leading)	Bioeconomy	The production of renewable bio-resources (i.e. resources of the world of plants, animals and micro-organisms) and the conversion of these resources as well as waste generated in the processing to value-added products such as food, feed, bio-products and bio-energy, etc. Bioeconomy covers many industries, mainly agri-food sector, as well as the associated sectors of forestry, chemical, biotechnology and energy
Complementary	Medical and health-oriented services	Medical services include health services carried out in the medical field. Health-oriented services include all services for the preservation of human health
Supporting	IT and automatics	Information technology includes such sections as: network administration, algorithmics, architecture processors, security systems, computer graphics, languages and software engineering, computer hardware, computer systems, artificial intelligence, information theory, webmastering, etc. Automatics includes industrial, buildings and transportation systems automatics, as well as biological, medical, environmental and agricultural systems automatics
Emerging	Low-emission energy generation	This includes both the energy production from fossil fuels (e.g. natural gas, coal) and renewable energy (biomass, sun, water, wind). The specialization includes such technologies as: the development of clean fuels (e.g. clean technologies of extraction and purification of shale gas) production of renewable energy from wind, sun (photovoltaic and solar cells), water (hydro, geothermal); capture and storage of CO ₂ ; smart grids and energy storage in the network; improving energy efficiency in buildings, etc.

Eco-innovations will play a key role in two of the five smart specializations adopted for the Poland: bio-economy, that is a leading specialization and low-emission energy generation, defined as an emerging specialization (Figure 2).

Figure 2: Eco-Innovations for Two Intelligent Specializations of Poland



The bio-economy sectors and industries have strong innovation potential due to their use of a wide range of sciences, enabling and industrial technologies, along with local and tacit knowledge. Moreover, bio-economy is to be taken as the basis for smart and green growth in Europe, because, according to the assumptions, it also includes sector of energy from renewable sources. Advancements in bio-economy research and innovation uptake will allow to improve the management of renewable biological resources and to open new and diversified markets in food and bio-based products. Establishing a bio-economy holds a great potential: it can maintain and create economic growth and jobs in rural, coastal and industrial areas, reduce

fossil fuel dependence and improve the economic and environmental sustainability of primary production and processing industries (COM, 2012).

The choice of low-emission energy generation as an emerging specialization of Poland is reflected in the identified potentials of energy development in Poland, which are both conventional energetics based on the rich resources of coal and shale gas, as well as renewable sources based on biomass, solar, wind and water energy utilization.

An important support in this area will be the EU and national policies in the field of the promotion of renewable energy sources in the energy and climate package 3x20 and implementation of the European Strategic Energy Technology Plan (so-called SET-Plan), assuming, i.a., the development of eighteen strategic low-emission energy generation technologies by 2020 (Kasztelan & Kijek, 2015). These technologies include: wind energy, solar energy (photovoltaic and solar), hydroelectric power, geothermal energy, the energy of ocean currents, tides and waves, cogeneration and combined production, carbon sequestration energy production, advanced power generation from fossil fuels; production energy based on the method of nuclear fission, power generation based on nuclear fusion methods, smart grids, bioenergy production in combination; biofuels for the transport sector, fuel cells and hydrogen, energy storage, energy efficiency and CO₂ emission reduction methods in industry (cement, metallurgy and paper industry), energy efficiency in buildings.

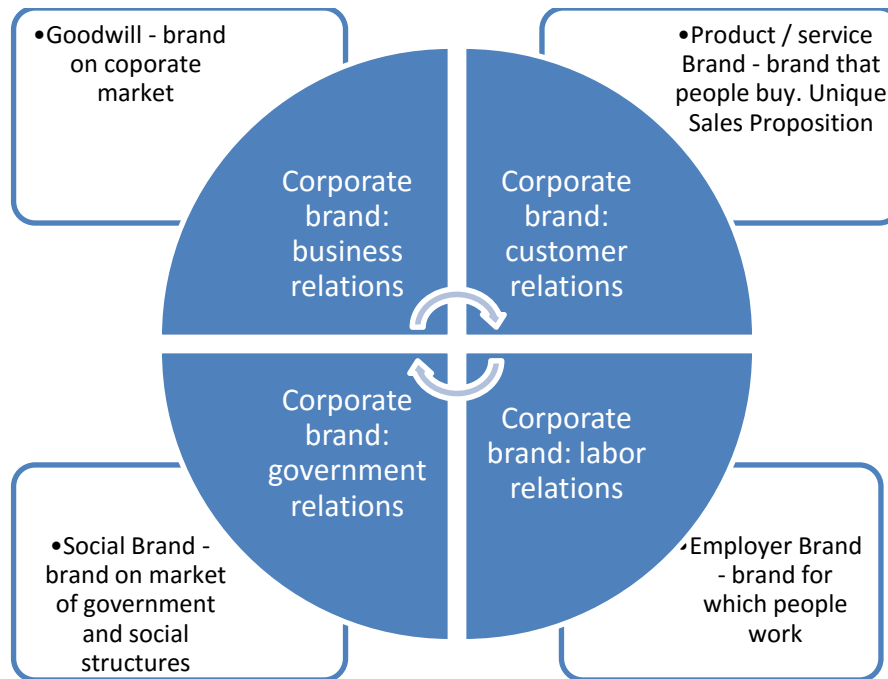
The Concept of Brand Management

Brand is the effect of branding process. Branding is directed to the formation of competitive advantages of organizations that operate in a competitive environment. The first attempts to systematize knowledge about branding took place in the 20s of the XX century in the United States. Since then the concept of brand management has begun to evolve. Here we mean not only the creation and promotion of trademarks, but also brand management as intangible company's assets. The conception of brand management allowed to develop specific marketing strategies for brands and to conduct comprehensive advertising campaigns to promote these brands.

Currently, in the theory and practice of marketing, brand management became an independent discipline and the subject of attention of both foreign and domestic scientists. According to R. Mosley, corporate communications may include HR-practices such as opportunities for advancement and career growth. Although corporate branding focuses mainly on external stakeholders, internal staff plays a key role in delivering corporate brand values to all stakeholders. Reconciliation of corporate brand with HR-practices can be achieved by

identifying and communication of distinguishing characteristics of employment for internal and external target groups (Mosley, 2007).

Figure 3: Relationships between Corporate Brand, Product Brand, Social Brand and Employer Brand



Consequently, the structure of corporate brand is the set of brands (company images), which the company forms in major markets of its activity, creating certain relationships with key stakeholder groups (Figure 3). The components of corporate brand form relationships between different stakeholder groups that correspond to strategic objectives of corporate brand and ensure the preservation and delivery of its core values. By the author's definition, components of the corporate brand structure are:

- Product / service brand;
- Social brand;
- Goodwill;
- Employer brand.

The Corporate Brand is formed image of company in the minds of the major stakeholders; a set of stable associations that personify company and represent all aspects of its operations in all markets (commodity, corporate, labor market and government structures). According to Figure 3, employer brand and product brand are formed on the basis of corporate brand. The basis of communication of product brand is the unique selling proposition to

consumers and customers, the basis of employer brand – the key employee value proposition. The purpose of product brand creation is to form a positive experience that encourages test and repeat purchases of goods and protects the interests of the corporate brand. The purpose of employer brand creation is to form a positive image of employer that encourages engagement, retention, loyalty and involvement of staff and protects the interests of the corporate brand (Mokina, 2014).

The relationship between corporate brand, product brand and employer brand is that corporate brand is the main carrier of values, vision and mission of the company, and the main components of corporate brand interpret corporate values for the target groups of stakeholders. Thus, an employer brand translates corporate values to the labor market by means of employee value proposition.

CONCLUSIONS

1. Currently, an important issue is the collaboration of companies in the scope of broadly understood innovation. It allows for the realization of complex innovative projects and reduction of risk, and allows for access to specific resources and competencies of other entities. An example of a network approach into innovation is the implementation of the concept of open innovation. The cooperation of economic enterprises with the scientific sector is essential in order to develop open innovations, in particular with universities and research institutions. Unfortunately, in this respect, Polish companies do not have any particular achievements.
2. In recent years, growing importance is given to conscious management of the entire partnership process and business cooperation. Management, by its nature, is related to the systematic identification and utilization of the necessary actions, resources, criteria and methods to ensure progress, monitoring, measurement, and improvement of partner relationships. If this management is implemented correctly and comprehensively, it may bring significant synergistic effects, including a high level of flexibility, and increase in the value and innovation of the organization.
3. Due to the dynamics of the environment and the organizations themselves, there is a need to monitor and analyze the organizational boundaries and adjust them consciously, expanding in this way the scope of an organization's activities, and the effective utilization of available potential. By identifying and adjusting borders, awareness about the company's power, competences and identity is gained, as well as awareness about the possibilities and perspectives of development of observed entities.

4. The perception of the organization in terms of an open system that conducts exchanges with the environment, allows for the conclusion that the success of an organization depends on the effectiveness (efficiency) of its cooperation system with the environment, identified by concrete boundaries. Each organization has a unique system of boundaries that, on the one hand, enable sit to preserve its identity, but on the other hand, is a tool for shaping its business relationship with the environment.

FUTURE RESEARCH

Future studies (analysis) should be focused on create new concepts of organization and management in business. Developing countries can improve their growth rates through trade by importing knowledge from selected countries. The benefits (also selected organizations) may occur through increased innovation, imitation or the use of such knowledge in production (services). Market size and competitive are dominant factors in explaining innovation in developing organizations, whereas high-technology imports, human capital to have a stronger impact on developed organizations.

Future empirical research should be focused main in areas high-technology (information technology). Modern information technologies contribute to overcoming physical barriers such as time and space, and greatly reduce transaction costs. The use of technology allows the company to move a part of their activities into virtual space and make their operations more dynamic.

The important of matter in context future research is process creating of specific value for consumer. The aims, participants and conditions accompanying the common creation of value should form a coherent whole, comprising of logical and compact rules of operation. Projects should allow for a high level of individualization of the process of meeting the needs of consumers, while simultaneously allowing the enterprise to maintain efficiency of operations. In the literature and in business practices, there are examples of ideas, approaches, particular actions and solutions that support the formation of proper consumer-company relations, which is often a serious challenge for today's managers. These usually take the form of elaborate management concepts and accompanying organizational procedures.

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