

APPLICATION ASPECTS OF AXIOLOGICAL APPROACH IN ENTREPRENEURIAL ACTIVITY

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Abstract

The study considers the aspects of application of axiological (value) approach in entrepreneurship and marketing activity of the organization. The algorithm of value perception by a consumer making decision about a purchase was examined. The study reveals the concepts of “intriguing value” and “differentiating value”.

Keywords: axiological approach, entrepreneurial activity, marketing activity, intriguing value, differentiating value, entrepreneurship.

1. Introduction

In current market environment considering the tendencies to overview business-processes influenced by crisis situations it is appropriate to apply axiological approach in marketing activity of the organization. Nowadays the concept of axiological approach is considered only within pedagogical science and educational sphere.

The essence of this approach is based on value appraisal, therefore the mechanism is also called as value approach. That is “the value” that serves as one of the key concepts in economic theory, and means general economy or satisfaction of the consumer as a result of consumption (utilization) of goods, i.e. the benefit delivered to a consumer by a good.

Any goods or services are considered by the consumer as a set of attributes or qualities, each of certain value for a consumer. The aim of the marketing in this case is to determine these important attributes for given target audience and to deliver these qualities to the ultimate buyer through marketing communications.

2. Theory

When talking about a purchase of goods by a buyer, the matter is not the fact of a purchase itself, but the acquisition of some characteristics, given by the consumer to the product based on his desires. Looking after the consumers behavior from this point of view, all desires can be divided into following main types:

- emotional stimulation – meaning that the consumer wants to get positive emotions, to provide that it is necessary to identify the desired emotion of the target audience and through marketing activity to create psychological tie between the product and type of emotion (for example, a good: automobile, emotions: comfort, prestige);
- psychological stress relief – when utilizing one or another product/service a consumer may feel uncomfortable, inconvenience. In case this problem is identified it is necessary to offer to the target audience a good or a service, that may bring relief to the consumer (for example, banking services – queues in banks, inconvenient operating mode (feeling of discomfort), solution to a problem – mobile applications development, internet-banking);
- higher social status – for some consumers certain goods or services may provide higher status, and in case of denial of these goods – this might decrease their status (for example, visiting expensive restaurants, purchasing prestigious automobiles);
- striving for the goods, desired by other people – this wish might be compared with “the effect of ostentatious consumption of goods”, strive to belong some subculture.

Following the overview of main consumer desires, it is worth looking at the algorithm of value perception, tentatively represented in 6 stages:

1. Benefits for the consumer – it is necessary to learn how the consumer appraises the benefits he will get as a result of consumption of the product or service;
2. Relative benefits – on this stage it is required to assess whether the product or services is better or worse compared to similar goods or services of competitors;
3. Perceptible value – need to determine, how the value of the product/service is perceived by different groups of consumers;
4. Price – it is important to analyze, whether the price reflects perceptible value of the good/services, whether the purchase of the good/services is a good deal;
5. Price profitability – when determining the price of goods/services, one need to assess its ability to bring economic benefits to the organization;
6. Assessment from consumers’ point of view – this step is supposed to promote organizations to manage consumers’ perception, to follow new promotions in the market.

Consumers perceive the value of goods and services, based on their compliance to their needs, advantages, objective financial benefits, possible economy, saving of time, complimentary functions in case of the purchase of the service or product.

Value proposition is based on better understanding of the target audience's interests, monitoring and appraisal of competitors activity, focus on the consumer – on his problems, abilities, needs and desires. Would you be willing to solve the client's problem, he will be less sensitive to the price and terms of purchase.

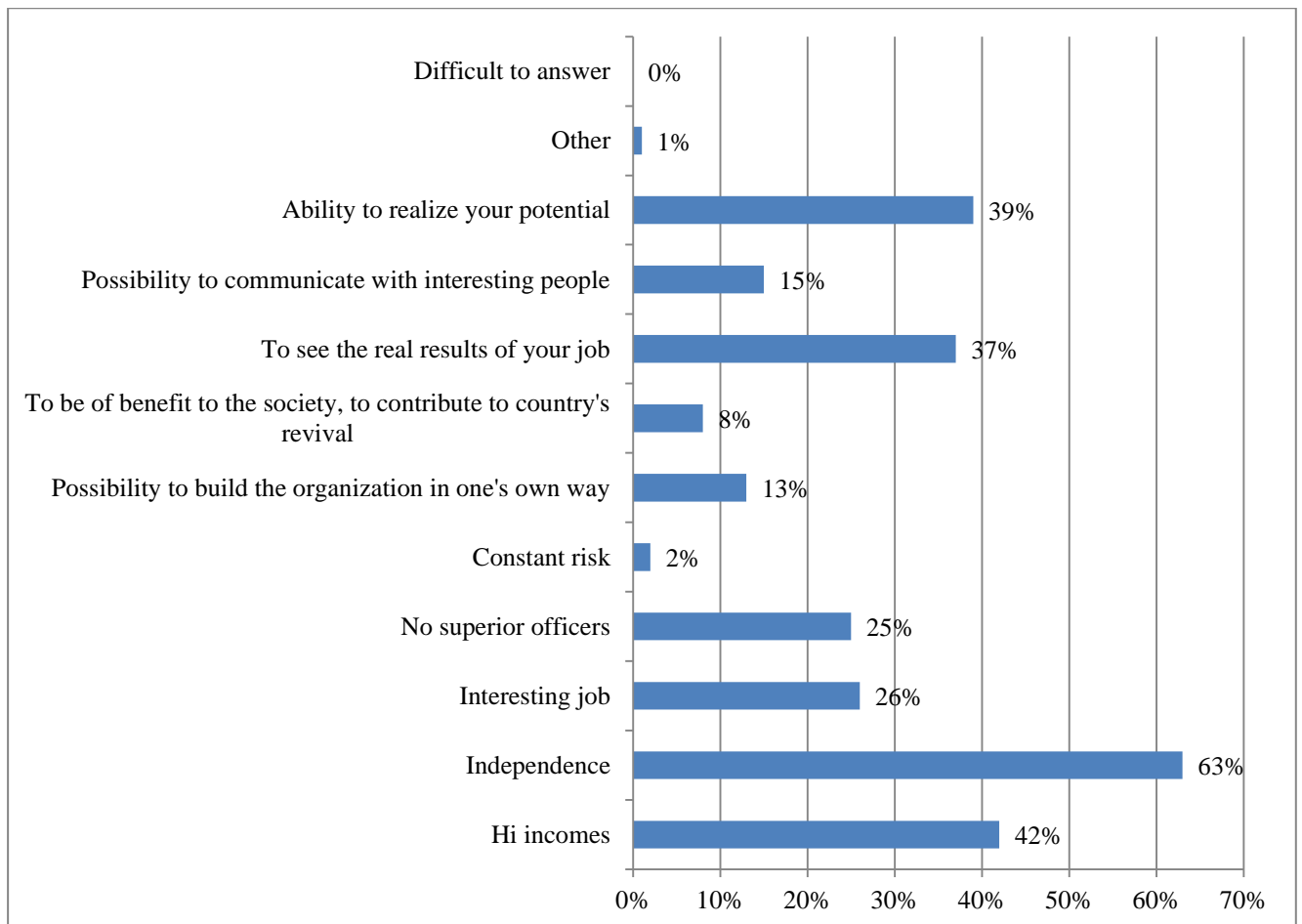
With reference to entrepreneurial activity, value approach may include two key aspects: finding out the values of entrepreneurs and meeting value perceptions of consumers by entrepreneurs.

Discovering value guidelines of entrepreneurs is based on its higher level of riskiness and initiative, compared to other forms of business activities. Therefore, to provide the value for ultimate consumers it is necessary to determine those values of entrepreneurs which form their social and economic activity.

Russian scientists have implemented numerous surveys studying value guidelines of entrepreneurs (Pic. 1. Value guidelines of acting entrepreneurs).

Results of the surveys have revealed the following groups of values, forming the ground for entrepreneurial activity:

- integrating values including values of the family and intercourse within the family, life of a person as a highest value, or self-value, independence, initiative, freedom to meet the needs of a person;
- differentiating values including legitimacy of the business, value of the work as a meaning of life and earning, self-sacrifice (help to other people), as well as respect for traditions.



Pic. 1. Value guidelines of acting entrepreneurs

Integrating values are essentially primary not only for entrepreneurs but also consumers. They are based on assumption of entrepreneur's activity as a social individual.

Differentiating values imply the differentiation of their social activity by entrepreneurs. They mean not so much adherence of entrepreneurs to some social guidelines and values, as negative attitude to some of them, the lowest in the value system of entrepreneurs' community. At the same time this group of values may be on high level in the value system of consumers.

Incompliance of differentiating values of entrepreneurs and ultimate consumers may lead to negative communications, and, finally, to the losses of entrepreneurs (financial losses, lack of initiative activity) and failure to meet consumers' expectations.

Need to be mentioned that many authors giving the definition to entrepreneurship mean “businessman”, and forget about entrepreneurial risks and initiative as a ground for entrepreneurship, not to mention social responsibility of entrepreneurship.

From the other hand, it is important to outline the social basis of entrepreneurial activity in Russia. The character of the development of domestic entrepreneurship is contradictory: the interest of the society in creating a middle class clashes with interests of some social groups (authorities, large businesses), what creates tight conditions for entrepreneurial activity.

3. Results

Within Russian business environment, which does not always provide fair conditions for entrepreneurial activity, entrepreneurs have not only to create and maintain their business, but also meet the consumers’ expectations. Hence, social responsibility of entrepreneurship becomes the mechanism for providing value perceptions of consumers.

Values of the owners of small and medium enterprises

Values	Average		Standard deviation	
	Normative	Resultant	Normative	Resultant
Conformism	3	1,8	0,9	1,2
Traditions	2,4	1,6	1	1,5
Kindness	3,8	2,4	1,3	1,4
Universalism	2,9	2,1	1,1	1,3
Independence	4,1	2,9	0,8	1,2
Stimulation	3,2	1,7	1,3	1,2
Hedonism	2,9	2,1	1,6	1,9
Achievements	4,5	1,8	0,9	1,3
Power	3,4	2,1	1	1,6
Safety	4	2,7	1	1,5

The survey was held by L.I.Dementiy and S.V.Shchepotkin through application of univariate analysis of variance (ANOVA), they have made an attempt to ascertain the fact that values, both normative and realizable, influence the concept of social responsibility of the business.

Studies related to social responsibility of small and medium enterprises divide entrepreneurs into following types:

«Socially irresponsible», influenced by such values as «power» (desire to affect consumers' behavior) and «achievements» (securing high financial results);

«Law-abiding», whose key values are «conformism» (following the ideas of the majority), «universalism» (following universal social values) and «safety» (safety of the business and family).

«Responsible», whose main values are «kindness» (meet the needs of a certain consumer and society in general) and «traditions» (following ethical standards in business).

According to social-value approach, one of the perspective directions in entrepreneurial activity's studies is exploration of personal qualities and mechanisms of moral behavior of entrepreneurs.

Current economic conditions create certain barriers for the realization of entrepreneurial activity: lack of balance between different the development of entrepreneurship in different industries, growth of direct state intervention in economic processes within real sector of the economy, decrease of competitive rate of entrepreneurship in real sector, conflicts between managerial and entrepreneurial approaches to business development provision.

Need to mention, that the key reason for all the problems is lack of any attention toward social component of economic activity. Social result of entrepreneurial activity is considered both by academicians and industry players as side effect of the business.

As a consequence, socially-responsible management is considered as a practice could be implemented for the purpose of the image creation only given that initial economic profitability of the business is safe. Moreover, the development of socially-responsible management is regarded to additional wastes, and not like investments on competitive advantages of the business.

4. Conclusions

Economic activity is considered as «entrepreneurial» when the main aim of the business is maximization of economic effect in long-term (not short-term) perspective,

which means the creation of non-economic (social) values for consumers. Guy Kawasaki, the developer of the concept «evangelism» in AppleComputers company, outlines as the main goal of the entrepreneur «the increase quality of life», «irrational elimination» and «extension of life of beauty». Leading entrepreneurs insist, that the most of their successful projects were based in social, initial motivation, creating the long-lasting competitive advantage.

Thus, axiological or value approach assures planning and realization process with higher possibility of desired results achievement comparing to the one based on intuition of the businessman. Guided by values of consumers, entrepreneurs have to create not only economic values, based in financial results, but also social values effective in long period. Study and consideration of values enable the creation of a flexible system for interaction between consumers and entrepreneurs in the market.

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