

UDC 339.9:339.138

DOI: 10.18413/2409-1634-2015-1-4-33-39

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**MONITORING THE REALIZATION DEGREE OF THE SOCIALLY RESPONSIBLE MARKETING POLICY IN THE MANAGEMENT SYSTEM OF TRADE ENTERPRISES**

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**Abstract .**

The present article distinguishes the Ukrainian business-environment's functioning features, forming the requirements and imposing restrictions on the specific character of the modern conception of the socially responsible marketing realization. The implementation of the socially responsible marketing policy conducted by trade enterprises has been estimated; the comparative analysis of the dynamics of the socially responsible domestic companies' development, including those with the foreign capital share, has been carried out. It was found that for the last three years the total number of enterprises, implementing the policy of the socially responsible marketing, has not dramatically changed. In 2015, the policy is being implemented and used mainly by foreign large companies to one extent or another. The positive tendencies and the most problematic aspects in the practice of the socially responsible marketing application have been specified. The analysis of the trade enterprises has also allowed eliciting and systematizing the main objects and target orientation of the socially responsible marketing programs realization: education, health protection, sport, ecology, charity, person's state of mind, motivation of personnel, feed-back. The possibility to establish the benefit from the realization of the programs in the field of the social marketing has been estimated.

**Keywords:** marketing; social marketing; management; management; trade enterprise.

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**МОНИТОРИНГ СТЕПЕНИ РЕАЛИЗАЦИИ ПОЛИТИКИ СОЦИАЛЬНО ОТВЕТСТВЕННОГО МАРКЕТИНГА В СИСТЕМЕ УПРАВЛЕНИЯ ТОРГОВЫХ ПРЕДПРИЯТИЙ**

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**Аннотация**

Выделены особенности функционирования украинской бизнес-среды, формирующей требования и накладывающей ограничения на специфику реализации современной концепции социально ответственного маркетинга. Проведена оценка реализации политики социально ответственного маркетинга торговыми предприятиями и сравнительный анализ динамики развития социально ответственного маркетинга отечественными компаниями, в т.ч. с долей иностранного капитала. Установлено, что за последние три года общее количество предприятий, реализующих политику социально-ответственного маркетинга, существенно не изменилось. Политика в 2015 году внедряется и используется в той или иной степени преимущественно иностранными крупными компаниями. Определены положительные тенденции и наиболее проблемные аспекты в практике применения

социально-ответственного маркетинга. Анализ торговых предприятий также позволил выявить и систематизировать основные объекты и целевую направленность реализации программ социально-ответственного маркетинга: образование, здравоохранение, спорт, экология, благотворительность, душевное состояние человека, мотивация персонала, обратная связь. Оценена возможность установления эффекта от осуществления программ в области социального маркетинга.

**Ключевые слова:** маркетинг; социальный маркетинг; менеджмент; управление; торговое предприятие.

**Introduction.** The concept of socially responsible marketing (SRM) recently receives the increasing recognition as its application is capable to improve not only the production sphere, but behavior of goods and services consumers as well. At the same time, with obvious benefit of applying SRM in domestic trade enterprises, for the last three years the total of such companies did not increase significantly, and that emphasizes relevance of this research.

All-methodical approaches to SRM as to the phenomenon and as to a process, its bases and principles of use in entrepreneurial activity of domestic and foreign companies are analysed in works of such scientists as E.Azaryan, L. Balabanova, E.Grishnova, P. Kotler, M. Kramer, K. Miller, A. Nikitina, A. Sadekov, L. Fedulova, R. Freeman, A. Choubin and others.

Achievement of the research objective consisting in monitoring the extent of SRM policy realization in control system of domestic trade enterprises became possible due to authors performing such tasks:

1) establishment of the Ukrainian business-environment functioning features of forming certain requirements and imposing restrictions on implementation specifics of the modern SRM concept;

2) assessment of SRM policy realization extent by trade enterprises and comparative analysis of SRM development dynamics for domestic companies, including shares of the foreign capital;

3) definition of positive tendencies and the most problematic aspects in practice of SRM application that demands special attention from the company management, shareholders, potential investors, goods and services consumers and other interested persons;

4) comparison of SRM policy realization extent on selection in general and in a section of certain clusters within selection;

5) assessment of effect establishment possibility from implementation of programs in the social marketing field.

As the analysis object within research the SRM policy for seventy trade enterprises located in the territory of Ukraine and different in organizational and legal form, and results of activity for 2013-2015,

which vast majority is average or big, characterizes development condition of national economy in general. Thus two clusters were allocated:

1) the enterprises with foreign investments (the enterprise (organization) of any organizational and legal form created according to the legislation of Ukraine by foreign investment in which authorized capital makes no less than 10% [1]) - 12 enterprises;

2) the domestic companies - 58 enterprises.

The information and empirical base of research is made of:

– official statistics data (Public statistics service of Ukraine; Departments of Economic Affairs, National bank of Ukraine, the International institute on problems of the social and ethical reporting, Association of managers, Company of social marketing "V DVA", Agency *Overbrand* (the first agency in Ukraine specializing in social branding), etc.;

– Internet sites of the trading companies;

– annual financial (on national / to International Financial Reporting Standards) and non-financial reports of the companies for 2013-2014, procedural documents. The reporting for the previous analyzed period becomes public for a wide range of interested users only after its consideration and the statement at General shareholder meeting that negatively influences efficiency of research;

– materials of own supervision;

– poll results and interviewing respondents (the administrative personnel of the studied companies, n = 110);

– other publicly available sources containing relevant information.

Monitoring the SRM police realization extent in a control system of trade enterprises was carried out by means of quantitative and quality indicators.

Among functioning features of the Ukrainian business-environment forming certain requirements and imposing restrictions on specifics of implementation of the SRM concept for the trade area enterprises, we consider it expedient to allocate:

– the general political, economic and financial instability, complicating inflow of both the domestic, and foreign capital to development of the trade sphere that led to business-environment "dying

down". So, according to NBU from January to March, 2015 outflow of deposits made 18 billion UAH, therefore, the lack of "available funds" is observed, and real refinancing of national bank makes 33% per annum in hryvnia;

– deterioration of the main macroeconomic indicators of the country development: reduction of GDP volumes, industrial output and production of agricultural industry, decrease in export and import volumes of goods, home shopping service, decrease in consumer activity of the population, increase in prices for production). According to Public statistics service, all main macroeconomic social and economic development indicators of Ukraine for January-June, 2015 worsen [14];

– the "suppressed" mood of the domestic consumer. So, according to NAN Institute of sociology of Ukraine, 60% of the population are considered living in ecologically dangerous places, 74% constantly feels need of protection against environment, 71% of the population are afraid for own future and future of their children [7];

– closeness of the domestic companies vast majority from the general public on the way of dialog creation on cooperation with all interested persons, including unavailability/unwillingness of the enterprises to do by property of publicity information on own activity, an underestimating of a role of social networks and Internet resources;

– application of unfair competition methods;

– unavailability of the companies to functioning in the conditions of environment risk and inconstancy, etc.

The idea of social marketing introduction by the domestic companies, in comparison with foreign, has small history that also leaves a certain mark on the social marketing concept development. As Golovko A.Y. notes., the scheme of the market coverage for Ukraine by the idea of social marketing as success factor is quite uncommon. After independence finding, in 1991-1999 restructuring of the companies social infrastructure took place during privatization and revival of charity and patronage traditions began. Further, in the period of 2000-2005 transition from single help to physical persons and organizations to purposeful programs financing, formation of corporate social responsibility idea was observed. The period 2006 year marked the beginning of corporate philanthropy institutionalization, allocation of corporate and private social funds, implementation of social programs by the enterprises [4].

Some organizations, enterprises and companies started applying the principles of social marketing from 2000th years. In 2007 the advisory council of "Forum of socially responsible business of Ukraine"

entrusted to organize system of business social responsibility rating was created [5, p. 159].

In such a way that the SRM concept on present stage of business-environment development cannot be implemented actively and fully for the trading companies, for there is a number of obstacles: political, economic and financial instability; deterioration of the main macroeconomic indicators of the country development; the "suppressed" mood of the domestic consumer; insufficient attention in mass media to the SRM problem, lack of the mastered experience in SRM policy realization by the domestic companies. Let us add that the Ukrainian legislation does not provide the requirement to obligatory introduction of the SRM programs, it is exclusively good will of business based on altruistic belief for the purpose of own interests satisfaction and obtaining competitive advantages.

**Main Part.** The main conclusion which can be made by results of monitoring the trading companies, is following: with an insignificant growth of the indicator in 2014, for the last three years total of the enterprises using SRM policy did not change significantly. The SRM policy in 2015 takes root and is used in various degree by mainly foreign companies (9 of 12 studied enterprises) and only by 25 domestic. The share of domestic companies which adhere to SRM policy does not exceed 48% from 58 enterprises, and foreign varies from 67% to 83% from 12 studied companies.

Being asked: "Why is your enterprise not interested in introduction and use of social marketing tools?" 36% of respondents companies which do not use SRM policy, answered that it is "nonsense", expenditure of money and time, 45% - that considerable capital investments are necessary which are absent today, all the rest were at a loss with the answer. In our opinion, the inaccuracy of such positions consists in insufficient attention of mass media to the SRM problem and psychology of a domestic manager who gravitates to high-speed schemes of receiving profit, and of social marketing technology, on the contrary, being a step-by-step factor, unadapt for gaining instant result.

Being asked "What advantages, in your opinion, the enterprise realizing SRM policy can receive?", the most popular answers appeared: improvement of the company reputation among consumers and partners (the 1st place), increase of consumers trust and loyalty (the 2nd place), productivity and quality of work (the 3rd place). 110 representatives of the studied trade enterprises administrative personnel took part in the poll carried out by the author (linear, functional heads, supply department specialists, sale, marketing, accounts department); the 1st place was appropriated to the most important factor (table 1).

**Summary of the questionnaire of the respondents concerning the advantages of the use of policy of the socially responsible marketing by trade enterprises**

Table 1

**Обобщенные результаты анкетирования респондентов относительно преимуществ использования политики социально-ответственного маркетинга торговыми предприятиями**

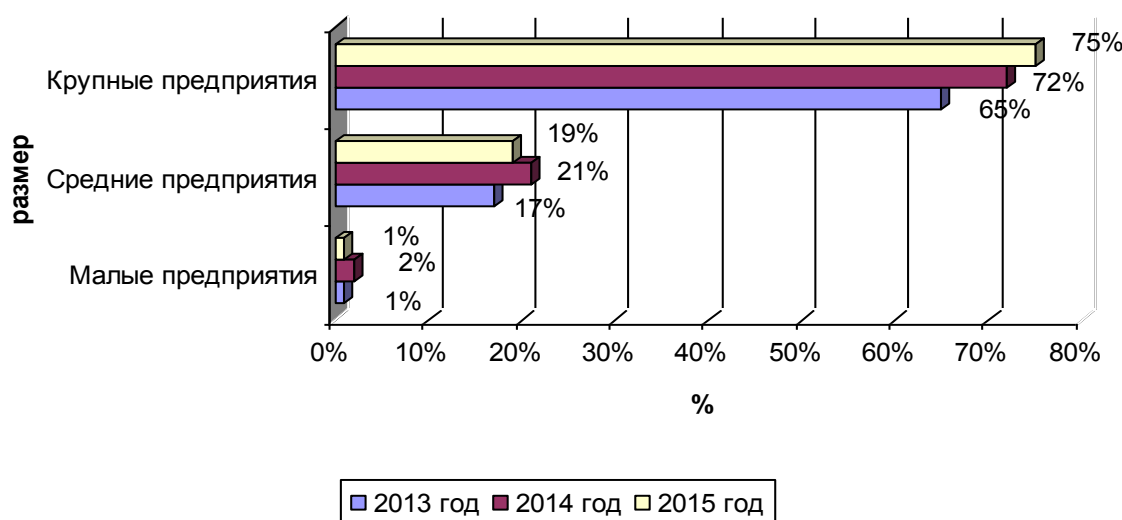
Таблица 1

| Advantages of social and responsible marketing policy use                        | Number of points | Average point | Number of respondents, % |
|--|------------------|---------------|--------------------------|
| Improvement of the company reputation among consumers and partners               | 150              | 1.4           | 1                        |
| Increase of consumers trust and loyalty  | 250              | 2.3           | 2                        |
| Productivity and quality of work   | 370              | 3.4           | 3                        |
| Sales increase   | 420              | 3.8           | 4                        |
| Improvement of financial performance   | 560              | 5.1           | 5                        |
| Possibility of entry into the international markets                              | 700              | 6.4           | 6                        |
| Improvement of production and services quality through honest consumer informing | 720              | 6.5           | 7                        |
| Additional investments   | 830              | 7.5           | 8                        |
| Privileges in taxation   | 980              | 8.9           | 9                        |

The administrative personnel least of all expects to receive additional investments (the 8th place) and privileges in taxation (the 9th place) from use of SRM policy. The greatest coherence of respondents opinions was observed in definition of places: The 9th (91% asked), the 1st and 5th (73%). It appeared that expectation concerning improvement of productions / services quality through honest consumer informing and possibility of the

international markets entry are almost on one place with a difference of 0.1 points.

By results of the trade enterprises adhering to SRM idea monitoring in section of the business volume it is established that in dynamics big enterprises have the greatest growth rates - from 2013 to 2015 – 10%; for other enterprises the change is insignificant (fig. 1).



Under Fig: Large enterprises  
Medium enterprises  
Small Enterprises  
2013, 2014, 2015 year

Fig. 1. Distribution of trade enterprises (based on size) that adhered to the idea of the socially responsible marketing in 2013-2015

Рис. 1. Распределение торговых предприятий по размерам, которые придерживались идеи социально ответственного маркетинга на протяжении 2013-2015 гг.



Being asked: "What did your enterprise induce to introduce the policy of social and responsible marketing?" 47% asked specified "Intra corporate principles and values of the company", 40% asked – "Obtaining competitive advantages"; only 2 respondents chose the answer "The requirement of local government bodies". None of the respondent chose the answer: "Requirements of partners or customers", "Requirements of consumers of goods and services", "Requirements of the legislation" or "Requirement of the organizations of consumer protection". Thus, the trading companies only of own will introduce SRM policy for the purpose of own interests satisfaction and obtaining competitive advantages, and opinions of consumers is studied independently, by questioning/poll, without partnership with the official organizations for consumer protection.

In general the enterprises develop and introduce elements of SRM policy on their own or use practices of the parent (head) company which are realized in intra firm documents: Charter, business plan, Provision on marketing department, Duty regulations of workers, orders.

From the enterprises which adhere to SRM idea, mainly domestic enterprises (60.1%) independently develop and introduce such policy; 24.3% of the studied trading companies use practices of head office, from which 86.3% – with foreign investments. Behind development of the intra firm documents containing policy concerning SRM, only 6.5% of the enterprises addressed or plan to address the foreign organizations; their expenses are in such range: under 1,000 horn. (48.3%), 1,000 – 5,000 horn. (32.5%), over 5,000th horn. (19.2%).

When asked: "Whether the SRM policy is stated in intra firm documents?" 36.5% of respondent answered positively, negatively – 24.2%, 39.3% were at a loss for an answer. The most widespread way of acquaintance with the applied SRM policy for trade enterprises are internal documents or carrying out special explanatory events (table 2). It appeared that the received results insignificantly differ from the researches conducted by the *KSO Development Center for Women's Consortium of Ukraine* within the Responsible Marketing working group [11, p. 19].

**Comparative table of the survey results of the respondents concerning the ways of familiarization with the principles and policies of the socially responsible marketing, %**

Table 2

**Сравнительная таблица результатов опроса респондентов относительно способов ознакомления с принципами и политикой СОМ, %**

Таблица 2

| Research ways   | Results of the "Development of Corporate Social Responsibility" Center<br>* researches | Author's researches of trade enterprises |
|---|--|--|
| The company does not acquaint employees with the principles of SRM policy | 6.2  | 8.7                                      |
| Granting manipulative materials for employees                             | 12.5   | 9.8                                      |
| Holding special events  | 18.8   | 24.2                                     |
| By means of the internal site   | 6.2  | 8.0                                      |
| Through corporate editions  | 37.5   | 38.8                                     |
| By means of trainings   | 18.8   | 10.5                                     |

\* Note: Took part in research: JSC Astelit, MacDonald's Ukraine, Platium Bank, JSC Samsung Electronics Ukraine, Amrita Ukraine, the SUBWAY Cash And Carry Ukraine, Tetra Pak Ukraine, Avon, Carlsberg Ukraine, BDO Ukraine, V. Group, Prikarpatyiaoblenergo, Dream, Yurliga, Sun InBev Ukraine, MTS.

The analysis of trade enterprises also allowed to reveal and systematize the main objects and target orientation of the SRM programs implementation (fig. 2), namely:

1. education (promoting of safety rules for life and healthy lifestyle among children and youth);
2. health care (support and promoting of healthy lifestyle);
3. sport (support and promoting of sporting events and competitions);
4. ecology (environment and ecology care);

5. charity, respectability (drawing attention of society to certain social problem, the help in raising funds for charitable needs);

6. state of mind of the person (improving soul condition of the person);

7. personnel motivation (formation and support of corporate culture; motivation of the personnel to active work);

8. "feedback" with the consumer and other interested persons (assessment of requirements and expectations of consumers and society, improvement of SRM policy in response to requirements of consumers and society).

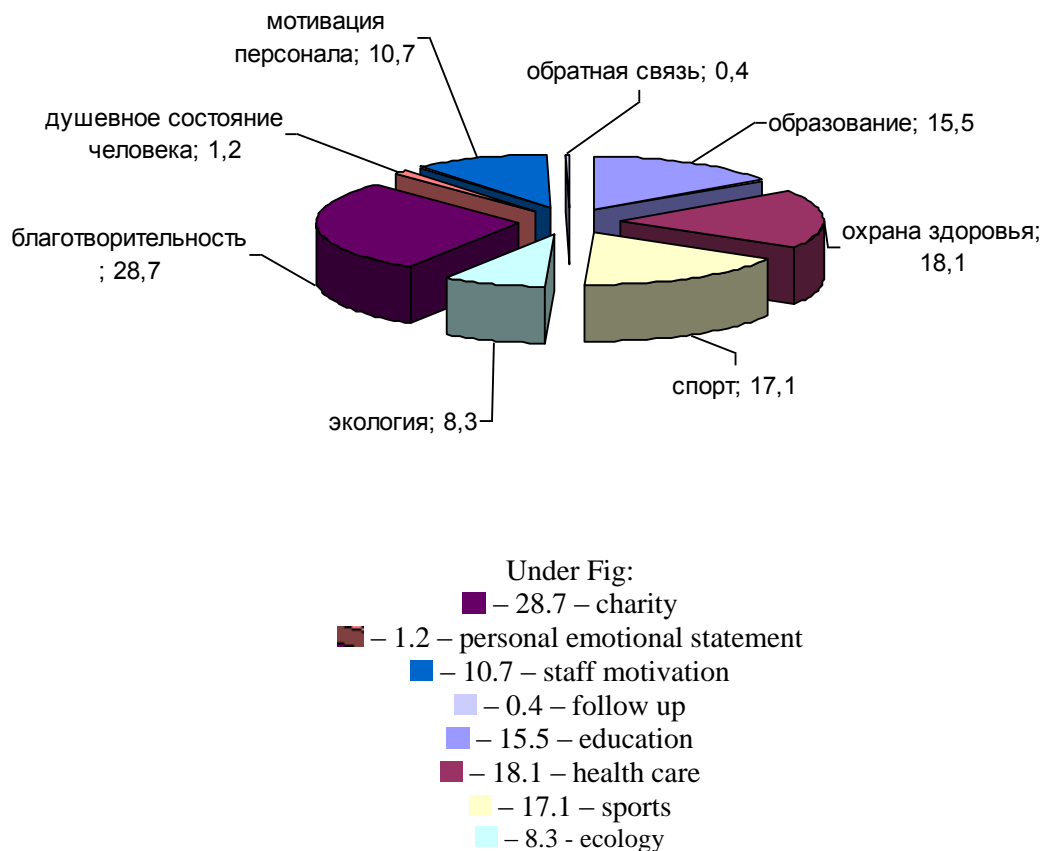


Fig. 2. Objects of direction of the policy of the socially responsible marketing by the trade enterprises (percentage to the general amount of projects) during 2013-2015

Рис. 2. Объекты направления политики социально-ответственного маркетинга торговыми предприятиями (в % к общему количеству проектов) на протяжении 2013-2015 гг.

For the analyzed period (2013-2015) it is established that the most widespread programs among trade enterprises were directed on support and promoting of healthy lifestyle (for example, will prohibit sales of certain production types to children under 16 (alcohol, tobacco products)), sporting events and competitions (annual international competition of the sport dances "Parade of Hopes", TM *Foxtrot. House Equipment*; the Lvov semi-marathon of "Gorgany.Lvov", TM *Arsen*, etc.), drawing attention of society to certain social problems (the charitable project "We Stand Together", TM *Foxtrot. House Equipment*; special cards for immigrants, the program of social support "The good neighbor" from TM *Brusnichka*; charitable project "Creating the New Future", *Ashan*, etc.). Taking part in educational, improving, sporting or ecological events, trade enterprises usually act as co-organizers or sponsors.

As for the "budgetary" actions of SRM police realization, all studied trade enterprises have the Complaint book for identification of the consumer

rights violation facts, for improvements of business, from them 63% of subjects have positive responses (except negative), 4% have no records.

For the analyzed period studying of consumers demand to form assortment of goods and stimulate sales was carried out by all enterprises in the form of questioning, poll, tasting and etc. Thus on the site of the company only 26% of the companies have the separate page for sending offers concerning improvement of business.

If to analyze frequency of carrying out SRM actions for 2013-2015, it is preferred as constantly existing and annual projects that is explained by approach: "it is better to carry out already "familiar", than to begin something anew".

By results of monitoring SRM policy realization extent, uniform approach in definition and planning the sum of expenses on SRM by trade enterprises is not established. Development of the marketing budget on social programs can be carried out with use of typical budget calculation methods, namely: financing "from opportunities", planning on the target

profit basis of indicators, the fixed percent from sale, compliances to the competitor, the maximum expenses, the purpose - task, the accounting of the marketing program [2, 3, 6, 8, 10, 13].

Calculation of effect from program implementation in the field of social marketing by actually trade enterprises is not contained in freely available sources, it is usual adhered as trade secret or considered only in the short term, which is wrong.

Complexity of calculations is explained by the fact that the concept of marketing efficiency can be created on the basis of concept about the marketing orientation of the enterprise added with requirements of social responsibility and coherence with requirement of continuous business and society development [15].

We completely agree with approach of authors [9, 12] that the indicator of marketing policy efficiency has to be created round ability of the enterprise to create new values and to inform their consumers, to adapt behavior of consumers for plans of the company and innovations creation. This indicator has to include:

1. Economic effect of marketing actions in shortly - and medium-term prospect - such as increase in sales volume as a result of marketing actions.

2. Economic effect of marketing activity in the long term - as result of investments into brand creation and support and other intangible market assets, or monopoly creation.

3. Economic effect of creation and (or) introduction of market innovations.

4. Long-term effect from marketing policy in competitiveness of the enterprise: development of the personnel, group dynamics and staff coordination.

5. Effect from marketing policy in region development, market and consumption, improvement of life quality and development of society. The economic component of this effect is connected with creation of structural competitiveness prerequisites of society and the country (group of countries) [9, 12].

**Conclusion.** Stated above gives the chance to formulate conclusions by results of SRM policy realization extent monitoring in a control system of trade enterprises:

1. the SRM concept of the present stage development of the business-environment is realized by the trading companies insufficiently; there is a number of obstacles to that: deterioration of the main macroeconomic indicators of the country development; the "suppressed" mood of the domestic consumer; insufficient attention in mass media to the SRM problem, lack of the mastered experience in SRM policy realization by the domestic companies.

2. it is established that for the last three years the total of enterprises realizing SRM policy did not change significantly. The SRM policy in 2015 takes root and is used in various degree by mainly foreign companies.

3. This research allowed: to carry out distribution of the companies using SRM policy (foreign and domestic); to establish the disinterest reasons in introduction and use of social marketing tools; to reveal possible advantages of SRM policy use by trade enterprises; to distribute trade enterprises which adhere to SRM idea on a way of development of its principles and practices; to reveal ways of acquaintance with SRM policy and principles; to systematize the main objects and target orientation of SRM implementation programs; to investigate frequency of SRM realization actions by trade enterprises.

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