

CORPORATE SOCIAL RESPONSIBILITY IN MARKETING RESEARCHES: LITERATURE REVIEW

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Abstract

The meaning of corporate social responsibility and the rating results of the Global competitive index 2011- 2012 of the World economic forum are given in the article. The emphasizing of society responsibility and responsibility for marketing activity and its influence on the society are researched in the work. The socially responsible marketing of the company in the profile of marketing-mix elements are proposed. In the article is determined that implementation of the social responsibility must take place at three levels: primary, corporate and highest.

Keywords: Corporate Social Responsibility, Society Responsibility, Responsibility for Marketing Activity

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1. Introduction

The processes of transformation of Ukrainian economy and its adaptation to the modern global environment led to the change of understanding of the role of business structures as a social institutes and formation of a new approach to evaluation of effectiveness of their activity in the context of corporate social responsibility (CSR)².

CSR is a responsibility of the company for the influence of its decisions and actions on the society, and environment by means of transparent and ethical behaviour, which promote to the stable development, including health and welfare of the society; it takes into account expectations of the interested parties; it corresponds to the current legislation and international norms of behaviour and is integrated into activity of the organization and practices in its relations³.

According to the rating results of the Global competitive index 2011-2012 (The Global Competitiveness Index, GCI) of the World economic forum (WEF) that includes evaluation of 133 countries under 12 criteria, Ukraine has taken 82 place among 142 countries, having got up on seven

positions in comparison with the last year (it has returned to the competitive index 2009)⁴.

Trinidad, Tobago, Namibia, Guatemala became neighbours of Ukraine in rating of the Global competitive index. Russia in the mentioned rating takes 66 position, Estonia – 33, Lithuania – 44. Annual Global rating of competitive index (World Competitiveness Yearbook 2011) of the Institute for Management Development of Swiss business-school (International Institute for Management Development, IMD)⁵ gives Ukraine 57 place off 59 countries of the world. Such estimates threaten to fix lagging of Ukraine, once and for all to undermine image positions of the national producers both at the international and national markets.

Understanding of the modern realities made scientific community to review its approaches to the role of marketing in the system of economic relations. Presently, the vocabulary of American Marketing Association⁶ states that “marketing is an activity that includes complex of instruments and approaches directed at the creation, communication support, supply and change of propositions, that have value for

² CSR – Corporate Social Responsibility: [Electronic resource] – Access available at: http://www.sledopyt.com.ua/misli/sotr/show_228/

² ISO – Management and Leadership Standards – ISO 26000 – Social Responsibility: [Electronic resource] – Access available at: <http://www.iso.org/sr>

³ The Global Competitiveness Index 2011-2012: [Electronic resource] – Access available at: <http://report.weforum/global-competitiveness-2011-2012>

⁴ Official site of International Institute for Management Development, IMD: [Electronic resource] – Access available at: <http://www.imd.org>

⁶ American Marketing Association: [Electronic resource] – Access available at: <https://www.ama.org>

consumers, clients partners and society on the whole [Dictionary, 1995]. Based upon this marketing is considered as “a consistency of well-thought decisions and processes, which raise the welfare of the society by the way of consumers’ satisfaction [Stockdale J., 2011]. As we can see, in these definitions, interests of the stakeholders and welfare of the society go first.⁷

Implementation of our state course for European integration requires acceleration of preparation of domestic enterprises to the strict conditions of the international markets that can be achieved only through usage of modern instruments of conception of the social responsibility⁸, including responsible marketing.⁹

2. Literature review

Responsible marketing as a constituent of the mechanism of corporate social responsibility was first formed by Ph. Kotler: “Conception of the socially responsible marketing proclaim the task of organization of setting demands and interests of the target markets and satisfaction of consumers by means more effective, than competitors’ have, at preservation or strengthening of consumers’ welfare and the society on the whole” [Kotler P., 2011]. S.G. Bozhuk and T.D. Maslova in relation to social-ethical marketing absolutely logically state that: “from the terminological point of view, it is worth of speaking about social responsible marketing, that’s why ethical values of behaviour are considered only as the part of social responsibility” [Bozhuk and Maslova, 2012].

3. The aim of the research is to identify features corporate social responsibility in marketing researches, the emphasizing of society responsibility and responsibility for marketing activity and its influence on the society.

4. Main results of the research

We completely agree with arguments of authors who research this topic: ethical corresponds with social as a part to the whole, that’s why social-ethical marketing should be considered as a private direction of socially responsible marketing. They pay attention to the fact that marketing generally is not social activity, which basis is the idea of satisfaction of

human requirements, but more “narrow” definition “means large in comparison to the traditional marketing, orientation on the social interests” [Bozhuk and Maslova, 2012].

One more argument on the part of the social responsible marketing is that the understanding of the notions “social” and “socially responsible”, in our view, principally differs. Social is not one, which corresponds to the social norms, but social norms in different conditions essentially varied. Their minimal level, set in legislation, is compulsory for execution, however there are social norms of higher level – moral and ethics – and these norms are not regulated by no one legislation. Their accounting in the process of marketing activity is social responsibility itself.

The companies can’t understand the fact of increase of the number of socially deliberate buyers (thus, according to the research of American scientists, today over 75% of consumers are interested in solution of the issues of protection of environment and choose ecologically safe products, and 79% give their advantage to the brands, which are associated for them with “good deals”), thus they had to take into account marketing strategies, which at the same time provide financial profitability, consumptive and ecological activity and realization of conception of corporate citizenship.

In the framework of conception of socially responsible marketing, the company together with research of the demands of potential and real buyers, demonstrates social interests and aspires their satisfaction. Concerning to the legal regulation of the rights and freedoms of the consumers, the basic international legal document that regulates these rights is “Guiding principles of protection of consumers’ interests”, prepared by the Economic and Social Council of UNO. This document was approved by the General Assembly of UNO on 9 April 1985 (res. No. 39/248). Under this international document the rights of consumers for safe means of life, protection of economic interests, and indemnification of damage, information and education, representative office activity were approved as standards etc.

Its contribution was also made by the Consumer Protection Charter, adopted in 1973, guiding principles of UNO, adopted on April 9, 1985. Active position in the development and improvement of the consumers’ rights is taken by Consumers’ International, and European Consumers’ Bureau.

The standards of ISO 9000 series, taken in over 90 countries of the world, can be used for any enterprises independently on their size and area of activity.

According to the official information of the International standardization organization (ISO), over 800 thousand systems of quality management (hereinafter referred as SQM) were certified in the

⁷ CSR – Corporate Social Responsibility: [Electronic resource] – Access available at: http://www.ua-marketing.com.ua/?page_id=667

⁸ Directions of implementation of the system of corporate social responsibility in the practice of Ukrainian enterprises: [Electronic resource] – Access available at: <http://www.economy.nayka.com.ua/?op=1&z=2502>

⁹ Social responsibility of marketing research: fashion or necessity?: [Electronic resource] – Access available at: <http://www.csrjournal.com/lib/networkoverview/469-socialnaja-otvetstvennost-marketingovykh.html>

world in accordance with ISO 9001:2000¹⁰. China, Italy, Japan, Spain, Great Britain, USA, India, France and Germany are the world leaders in this area.

In Europe the largest quantity of certified SQM in Czech Republic is over 11 ths., in Hungary – over 10 ths., in Poland – almost 6,5 ths., in Romania – 6 ths. Latvia (6-fold rise), Czech Republic, Russia and Slovenia (4-fold rise) are the leaders on activation of works relating to implementation and certification of SQM. In the area of system certification of the ecological management (CEM) accordingly to ISO 14001 [9] at the end of 2006 in the world, over 110 ths. systems were certified in the world. Japan, China, Spain, Great Britain, Italy, USA, Korea and Germany were the world leaders in the area. In Europe the biggest quantity of certified CEM is in Czech Republic, Hungary, Poland, Romania, and Slovenia. In Ukraine according to the data of the register of the System of UkrSEPRO, certificates for SQM was received by more than 2000 enterprises and almost 70 – for SEM. The leading enterprises also cooperate with the standards of quality of TUV, PCBC, EVPU, Postest, Testbet, UkrTEST and etc. and mark products by the sign of conformity to the European norms of CE.

The issues of identification of marketing connected with social responsibility of business were not completely solved. Thus, today the specialists separate social, social-ethical, social-responsible marketing etc.

It is necessary to emphasize attention on the fact that conception of the responsible marketing is not identical to the conception of social marketing. The last one first of all takes into account social relations of different levels, while in the basis of the responsible marketing is the responsibility itself. This responsibility have dual character before society generally and responsibility directly for marketing activity and its influence on the society.

T.V. Stal and O.O. Tishchenko distinguish social-responsible and social-ethical marketing as forms of display (varieties) of social marketing. Under social marketing they understand: "...research of the market not only from the position of separate business, but all interested persons in the success of this business group" [Stal and Tishchenko, 2012]. The principal remarks in relation to definition lie in that:

- marketing is not only "market research", but more complex and differentiated activity;
- direct interest in the success of business can be only at the owners of this business and hired workers. All other members of society are interested in satisfaction of their requirements, which by no means are connected with certain success of this business.

Socially responsible marketing (SRM) is called marketing philosophy, that provides activity of the company in the way, which best corresponds to the

interest of the society in today's and long-term perspective [Socially responsible marketing, 2012]. O. Zelenko states that "the process of detection and satisfaction of the requirements of the consumers with taking into account the requirements of all society on the whole. Socially responsible marketing is practically expressed by the outer constituent of conception of the business social responsibility" [Zelenko, 2009].

Thus, realization of socially responsible approaches in marketing lies in understanding of the real requirements and interests of people and environment, in which company acts. This course must be acknowledged, realized and adopted to accounting by each member of organization, and, besides, as it is integrated in different business process with involvement of third parties, must be divided by counteragents (in particular, suppliers of raw materials and stuffs by group traders etc.). As a result, transfer to SRM touches all components of marketing-mix, at that within classical frameworks "4 P", and its "expanded versions"; the company must review or, according to Ph. Kotler, "essentially change their approaches to the researches and developments, production, financial and marketing practice" [Kotler P., 2011]. In table 1 several such changes were proposed in accordance to the classification of marketing-mix elements.

Thus, the practical expression of CRM of the company must include¹¹:

- at the stage of development and production of goods and services – adoption of complex of decisions on the issues, connected with ecological safety, energy-saving, reduction of substance usage, components, which are not prohibited by the current legislation, but potentially can cause damage to the consumers or environment. At the same stage the policy of the company in relation to using of package materials, subjected to the repeated processing or biological decay are defined. Illustration of such decisions is "Danone" company step in the direction of refusal from multipack-package. According to the company site for the period of 2008-2010 emissions CO₂ on the productions in all its subdivisions reduced for 22%;
- fair and ethical policy of price formation in relation to partners and consumers. Thus, in 2012 "Oriflame" company represented the series of cosmetic means "Ecobeauty" at the market, which receive international certificate Fairtrade, i.e. the proof of that the producer makes fair policy of relations with their suppliers from India and Africa, providing them possibility to sell on the optimal

¹¹ Kozin L.V. Socially responsible measurement of marketing activity of modern company // Kozin L.V. IFIM of Ternopil National Economic University [Electronic source]- Access available at: http://economy.kpi.ua/files/files/69_kpi_2013.doc

¹⁰ http://drnona-ik.io.ua/s404039/mejdunarodnye_standarty_kachestva_na_produkciju_dr_nona_gmp_iso_9001

conditions and invest into economic and social development of the society, and the price of production for consumers objectively reflect ecological and social components of its cost;

- organization of product distribution with taking in account the interests of consumers and local community (for example, equipment of the places for ramp places for disabled people); increase of professional servicing of the clients; maximal possible reduction of the level for usage of transport vehicles taking into account pollution of environment, usage of safe technologies of sales;

- ethical and responsible programme of promotion of products and markets; maximal full informing of consumers about its contents and other characteristics, warning about possible consequences in the result of usage. Analogous task is set before advertisement, PR and publicity – avoiding discrimination according to any sign and frank displays of sexism, forming demand for products with real, but not virtual value, cultivating “true” demands, tastes and standards of behaviour from the point of society. As an example wide-scale selling programme “Healthy Children” by “Nestle” company, directed at the development of food culture and healthy way of life in the countries, where company works, can serve as an example.

In our opinion, among basic problems, which are barriers to the active implementation of conception CSR in Ukraine, there are:

- low information distribution of the society and poor understanding of CSR term;
- fragmentary approach to implementation of CSR conception;
- economic state of the country;

- low level (more frequently, absence) of business cooperation and bodies of local authority;
- unwillingness to publish and compose non-financial report;

- absence of legislative norms and regulation in the area of CSM, terminological uncertainty;

- legal nihilism;

- non-stability of political situation in the country;

- post-soviet system of social protection;

- absence of constructive dialogue between business and society;

- lack of information of the society about advantages of socially responsible business, as a result, the absence of social initiatives on implementation of CSR.

The basic motives, which promote domestic and foreign companies to increase corporate social responsibility, may be as follows:

- development of the company staff that not only prevent staff liquidity, but allows to involve the best specialists on the labour market;

- demand in providing the increase of the labour productivity in the company;

- improvement of the company image and reputation growth;

- advertisement of goods and services;

- reveal of company activity in mass media;

- stability and stable development of the company in long-term perspective;

- possibility of involvement of the investment capital for development of socially responsible company;

- preservation of social stability in the society;

- in some countries, where socially responsible companies exist the tax privileges are provided.

Table 1. Socially responsible marketing of the company in the profile of marketing-mix elements

Elements of traditional classification of marketing-mix	Elements of alternative classification of marketing-mix	Basic approaches of realization of socially responsible approaches in marketing
Product	Packaging	<ul style="list-style-type: none"> - development of R&D systems on the basis of responsibility before consumers and environment; - refusal from usage in production of ecologically damaged elements; - reduction and refusal from usage of useless to the secondary usage of packaged materials;
Price formation		<ul style="list-style-type: none"> - fair price, extra charge, discounts and etc. in relation to partners and consumers
Choice of channels of distribution, sales places	Process of sales servicing	<ul style="list-style-type: none"> - programme of cooperation with distributors in relation to common observance of principles of social responsibility; - transit to the safe technologies of transport and sales distribution; - cooperation with the sales places for organization of the best servicing of clients
	Physical conditions, created by the seller for increase of effectiveness of sales (physical premises)	
Promotion of product on the market	Act of product purchase, preconditions to its execution, as well as the consequences of this solution (purchase)	<ul style="list-style-type: none"> - provision of full and objective information on the goods package and in shipping documents; - ethical campaign in advertisement, PR and publicity; - professional consulting of consumers in relation to peculiarities of the products
	Public relations and publicity (PR, publicity)	

5. Conclusion

Analysis of the world experience of implementation of conception of CSR proved that the strategic approach takes into account interests and demands of all interested persons, within which framework CSR will be realized at all levels of bank management acquires peculiar meaning.

Thus, implementation of the social responsibility must take place at three levels – primary (compliance with legislative norms in relation to payment of taxes, wages, creation of working places, rise of qualification of the staff), corporate (development of social area of the economic subject) and highest (solution of the problems and issues, which are beyond the measures of company activity: social investments, social partnership). The Ukrainian business structures must be necessarily involved to the social responsibility gradually, settling all necessary relations – with state, bodies of local authority, non-commercial organizations. Generally, we should notice, that no one economic subject that conducts activity in Ukraine, doesn't realize the CSR conception in full extent that is confirmed by data of research of the charitable fund "Democratic society".

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