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## **SOCIAL MARKETING ON THE RUSSIAN MARKET: PROBLEMS AND PROSPECTS**

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### *Abstract*

The social responsibility of business in constantly changing conditions of enterprises functioning is an urgent and the most significant task for the success of companies in a competitive environment. The changing needs and preferences of customers are increasingly inclined towards environmental care, saving of resources and support of unprotected layers of the society by more successful and financially stable market entities. Creation of positive image, respectable reputation and a memorable brand is the key task of marketing activities of companies focusing on the market, on the needs and preferences of customers, both real and potential. The concept of social and ethical marketing takes into account not only consumer preferences management but also the responsibility of companies for the social aspects of society. Social marketing determines the directions for the further development of companies not only in making profit or increasing market share but also in creating socially significant projects relevant both for individual segments of society and for the state. The use of marketing tools and approaches to the effective management of market opportunities and prospects led to the strengthening of positions and the development of social marketing at Russian enterprises aiming not only at satisfying the needs of the market and the external environment. Social marketing is of strategic importance for enterprises, as it develops marketing programs, focusing on long-term interaction with consumers, suppliers, intermediaries and other business partners; on building mutually beneficial and promising channels of interaction, taking into account the existing requirements of the social environment.

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## 1. Introduction

The formation of an integrated system of a marketing approach to the enterprise management requires a systematic approach to the studying of the external micro and macro environment, analyzing of its impact on the enterprise and on the development of optimal marketing programs. The image and reputation of the company on the market today is the most valuable tool that makes its own contribution to the overall success of the brand. Russian enterprises are paying more and more attention to external factors that form general trends in the market and affect the image of the company. Social values, particularly relevant in the society, are the significant and paramount areas for the implementation of special programs and events of social marketing.

The main source of information for the study of theoretical approaches to the organization and management of social activities is foreign authors and their scientific and practical works, which consider marketing as a social concept of market management (Belyaevskiy, 2013).

According to the concept of social and ethical marketing, every enterprise offering a product or service to the market should think not only about its own benefit and performance but also about the problems of the whole society. Changes in consumer preferences regarding the purchasing of goods, higher requirements to the conditions of its release, as well as to public activities of the organization, put companies in more severe conditions of the modern market. The development and implementation of social programs make it possible to increase your market share and gain the loyalty of customers. Long-term strategic projects of the development of companies consider social responsibility as a separate item, thereby forming the image of a company of a new scale, more successful and advanced in terms of modern business, not only satisfying its own ambitions, but taking care of the world around it.

## 2. Problem Statement

Considering the existing approaches to the organization of social activities at Russian enterprises, it is possible to determine their main spheres:

- charity as participation as major donators to large funds or saving the health and lives of individuals or supporting low-income groups (orphanages, nursing homes, hospitals);
- the provision of sponsorship for children's youth clubs and teams, the construction of sports complexes, the organization of major sports events aimed at supporting certain types of sports;
- ecological measures aimed at maintaining a high-quality life style for residents of a particular region (cleaning of territories and ponds, planting of trees, different improvements on the territories of parks) (Fet & Knudson, 2017).

All such events are often chosen spontaneously, without taking into account the development trends of the society, but taking into account the ideas of the company management on the common management concept. However, it is necessary to understand what is the decisive criterion when choosing an event, how the effect of participation in it is determined, what contribution each event makes to the creation and development of the brand. Having correctly defined a promising direction for applying social marketing, the company expands its sphere of influence, improves its reputation and makes it possible for

the society and the state to pay attention to the organization itself as a socially significant object, not just as a profitable company (Melendez & Gracia, 2019).

### **3. Research Questions**

In order to determine the policies of companies in the field of socially responsible activities, as well as to develop strategic solutions for the development of the company and maintenance of its reputation, attention should be paid to the algorithm of events selection. For some companies, an important factor is the health of the nation, so, their actions are aimed at the supporting of the young generation in the field of sports and drawing their attention to relevant and significant events as well as allocating funds for purchasing of common uniform, transport, sports equipment and so on. Other companies pay more attention to the poor people, people in difficult life situations, orphans and those who themselves are not able to provide their own existence. In each case, the determination of choice is a significant and crucial step in the process of image and reputation formation of the company.

Considering the criteria of adequate and reasonable choice of socially significant projects, we should pay attention to two components. Firstly, external factors that influence the activities of all market entities, and secondly, the strategic goals and specifics of companies' activities which also make significant influence on the choice. Integration of social programs in the main activities of the enterprise will be more successful only in those cases when the choice is made with the account of all available resources and the evaluation of the development prospects of the company.

Some domestic and foreign scientists conduct research on the relationship between business success and social responsibility of its head, which is also used in the activities of companies (Pletnev & Barkhatov, 2016).

### **4. Purpose of the Study**

The study of existing approaches and marketing programs in the field of social responsibility allows us to identify patterns and preferences among companies, representatives of the same industry, for the objects of social marketing. The development of social projects is aimed at the creation of the company's positive image necessary in a specific competitive environment, for a specific target audience.

Considering the opportunities and directions for organizing social programs, each company should prepare a product that will be in demand by its target audience. It is necessary to determine what key success factors will allow the company to promote its own offer with the maximum benefit for the society and to the benefit of the company. It is necessary to understand where the information about the significance of this or that event comes from; what determines the prospects of individual projects and how the state, public organizations and the general public will respond to the selected events. Whether the project will attract attention, or, conversely, will be negatively assessed by the society.

Quite often domestic businessmen consider social marketing as a means of achieving their goals, not taking into account the features and consequences that an incorrect action plan may involve. Unreasonable spending of funds for a particular social direction support is not always able to make the

company the industry leader. Moreover, some types of programs can cause a negative reaction in the potential and real target market, which will negatively affect the entire activities of the company.

Identification of such situations, prediction of a possible response of the public groups to the marketing impact, the competitors, the state and other interested market entities is the key task of a specialist in social marketing.

## **5. Research Methods**

The analysis of the social activities of the large companies of the Russian Federation was carried out as a methodology for collecting information. The events covered in mass media and in the Internet make it possible to judge their effectiveness and duration. The development of the domestic market in the field of social activities is only beginning to develop, sometimes making mistakes and choosing the wrong directions, as well as not always correctly evaluating the effectiveness of social programs.

Considering all possible proposals on the areas of social activity, companies rely on the experience of their foreign colleagues, not taking into account the specifics of the development of the Russian market. The special mentality and development path leaves a serious imprint on the perception of the society in general and by individual citizens of the Russian Federation of those social programs that are being implemented by domestic enterprises. Having low level of living, certain social layers of the society consider social programs as excess profits of enterprises or the possibility to avoid the tax burden, not even allowing the possibility that the enterprise might just be interested, for example, in the development of children's football, or that the appearance of the company's building and the territory in front of the office is not only pleasant for its employees, but also has a positive effect on the urban landscape in general. Observation of such trends in the society makes it possible to make conclusions on the development of business and the culture of the inhabitants of the region in which the enterprise is located.

## **6. Findings**

As a result of the analysis, the following trends can be identified:

- most of the companies operating in the Russian market try to show themselves not only as a manufacturer or seller of quality goods but also as a socially responsible company the goal of which is to meet the needs of the population, taking into account social norms and trends;
- the areas chosen by companies for social activities do not always take into account the specifics and characteristics of the activities of the organization itself but, at the same time, large companies are already associated with certain areas of maintaining and developing of the social sphere;
- the budget for social events is usually limited, which does not allow expressing creativity in the development of a social product;
- it is rather difficult to change the point of view of the society on the socially significant events, which often leads to misunderstanding between the company and its target audience.

Considering social marketing as a separate direction in the development of the company, it is possible to identify such a feature that not all enterprises understand the meaning of social projects. Many

businessmen confuse social marketing with the marketing of non-profit organizations, thereby casting doubt in their own participation in such activities (Prokhorova, 2016).

The most commonly used social marketing events are sponsorship and charity. Perhaps, it is stipulated by the legal environment of the activities of the companies. For example, the law prohibiting the advertising of certain types of products and restricting their public display makes companies producing these products sponsor sports events. During the broadcast, for example, of a mass and spectacular game, the sponsors must be mentioned and the company's trademark must be demonstrated, which will once again remind the consumer of the company's existence and its products. The tax code also provides an opportunity to reduce tax deductions by way of implementing of social projects, for example, for transferring certain sum of money from the company's profit to a particular orphanage. These circumstances also encourage unscrupulous businessmen to participate in the socially significant public life of the city and the region.

However, to a greater extent, companies understand their own responsibility for the society, for those social structures that are not able to earn the money they need themselves. In such cases, large companies support local museums, independently create charity funds and environment protection funds; and the report on the work of such organizations is usually available on the company's website.

Using fund raising as a charity tool, companies are increasingly immersed in the problems of ordinary people and begin to understand the vital need for such events. Large hospitals organize days of free comprehensive examination of patients, thereby stimulating the desire of people to take care of their own health. Educational centers, universities and institutes conduct free seminars, educational and informational, aimed at the increasing of general interest and literacy in certain types of human activities. Large construction enterprises organize sport teams; build sport centres for young people providing them with everything necessary. Large monopolists keep sanatoriums and children's camps and develop definite areas in individual regions (Kirillova, Korzhova, Mukhametzyanova, & Banartseva, 2019). All this activities cannot be unnoticed as it is covered by the media; detailed reports are written about it and the development prospects of these areas of activity are considered.

As for small business, it also, as far as possible, participates in the social sphere of society. Small organizations providing services, as a rule, develop a separate price list for pensioners, offer certain types of services as a gift, and set convenient reception hours for this category of the population. In addition, such organizations are engaged in the improvement of the surrounding area, provide care for trees and plants and participate in regional governmental programmes aimed at the improvement of parks, squares and other recreation areas for city residents. Such small contributions to the general concept of the city marketing makes it possible to improve its image for potential investors and to satisfy the population's need for the improvement of the living conditions and quality of life.

## **7. Conclusion**

Changing of the outlook of domestic producers, studying of the possibilities of business participation in social projects, managing of promising opportunities in gaining the attention of consumers – all these are key factors in the formation of a socially responsible business in the common market environment. Identification of promising directions in the development of the social sphere in the

entire flow of incoming information makes the company navigate in the real conditions of the competitive environment. State support of enterprises gives them the opportunity to expand their zone of influence significantly; however, not all the projects can be approved and supported. It should be understood that the society represented by the state gets a great benefit when receiving social assistance, so, it is quite natural that the state encourages it.

Applying the concept of social marketing in the context of the enterprise we should take into account the uniform directions for the development of the society in general. It is impossible to consider only the needs of one group of the population and solve only one social problem. The distribution of the efforts of all companies in the field of socially responsible business for various social objects, with the aim of maximizing their coverage, is the main task of the state's regulatory function in the social sphere. Defining promising directions for the development of the social environment, the state stimulates small organizations and large corporations to identify the weakest and the most unprotected social objects that need help and participation of more prosperous and economically free structures.

However, one should take into account not only the positive aspects that social programmes have for the society but also the possible negative consequences that may be generated by the company's customers, often influenced by the media and the trends in the society. As an example, we can show the experience of a social campaign of a small food store located on the ground floor of a residential building. All customers of this store are the residents of the nearby houses that visited the store daily and almost everyone knew each other.

The owner of the store decided to conduct a social campaign, the essence of which was the free distribution of bread to pensioners in the daytime. The action was held daily from two to four in the afternoon. It was ordinary fresh bread, which the store owner bought at his own expense and put on separate shelves, so that those in need could take it.

In the beginning the campaign caused suspicion and distrust, people could not believe that it could be like this. Then there was the stage of gratitude, when everyone, who took free bread, praised the sellers, the owners and the state. When people came the next day they were more friendly than usual, thereby raising the spirits of others.

Less than couple of months later people began to show their dissatisfaction with the fact that bread was distributed only at certain hours, and this was not convenient for everyone. There were also complaints that the assortment of free bread was meager. Some customers didn't get free products at all, which led to swearing, threats and spilling out negative information that sellers simply don't give all the bread, and in general, this campaign is held by the state for the poor, and this outlet is simply the center for the experiment.

All such statements and actions strongly influenced the activities of the store. The campaign was stopped but displeased people came to the store again and again to show their anger and discontent with those who did not give them anything for free.

Such behaviour may be the result of incompletely thought-out work or poor awareness of potential customers. In any case, an important condition in the development of events affecting the social side of the population's life is to think over, calculate and forecast the effectiveness of their implementation in order to avoid such conflict situations.

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