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## **LEVELS OF THE SOCIAL RESPONSIBILITY OF BUSINESS ENTITIES AND THEIR MARKETING ACTIVITIES**

The global financial and economic crisis continues the ninth year. On the negative social and economic consequences, this crisis has already surpassed the Great Depression of 1929-1932. The problems of the economic crisis and of the Social Responsibility of Business and its marketing are closely linked. Strengthening of the state regulation of the economy allows to identify the enterprises practicing social irresponsibility.

The Social Responsibility of Business is to ensure the comfort and safe working conditions, the fitting salary, the development of social infrastructure, the prevention of evasion from payment of taxes and social charges, the appropriate and sufficient protection of the environment and the introduction and realization of the Social Responsibility of Marketing as well [1]. The most important role in the system of the Social Responsibility of Business belongs to the introduction and realization of the Social Responsibility of Marketing.

The objectives of the Social Responsibility of Marketing were sufficiently reasonable determined in the works written by Kotler P., Keller K.L. and Lamben J.-J. [2, 3]. However, these definitions do not include the basic criteria that determine the level of the social responsibility of business entities and the Social Responsibility of Marketing is reduced only to the voluntary social initiatives realized by companies.

Orlov P. defines the Social Responsibility of Marketing in the enterprise like a strict fulfillment of the requirements of state normative acts in the sphere

of ensuring the social responsibility on the territory of the company's home country and of the countries to which this company exports its products; the prevention of production and realization of products of unacceptable quality and the prevention of unfair advertising and of the methods of psychological influence on consumers with the aim to impose them any purchase; the realization of social initiatives [4, p.112]. Moreover, among the most significant criteria for the Social Responsibility of Marketing the greatest attention should be paid not on the social initiatives, but on the all other criteria.

The Social Responsibility of Marketing is a basis of the Social Responsibility of Business and constitutes the whole of the production relations needed to ensure an effective interaction between supply and demand in the conditions of the competitive exchange for the fullest satisfaction of the needs of society's members through the compliance with legislative requirements, the improvement of product quality, the improvement of working conditions, the protection and restoration of the environment, the realization of the social initiatives in order to obtain the competitive advantages at the market.

Among the actors of the Social Responsibility of Business could be called consumers, employees, investors, shareholders, partners, public authorities, local communities and NGO's. The agreement of the actors' interests in the Social Responsibility of Business allows to form priority directions of the introduction and realization of this concept. The following levels of the implementation of the Social Responsibility of Business were emphasized (figure 1) [5]:

1. The basic level of the Social Responsibility of Business consists in the compliance with current legislative requirements (including the payment of the full amount of taxes and duties), the maintenance of the workplace safety and fitting salary, the social maintenance and development of the social infrastructure, the high level of product quality and safety, the protection and restoration of the environment, the joint implementation of social activities with

other actors. The Social Responsible Marketing is a basis and philosophy of the Social Responsibility of Business, the realization of the social directed initiatives pursues the goal of achieving competitive advantages on the market in the long and middle term perspective.

2. The high level of the Social Responsibility of Business consists in the fulfillment of requirements on the basic level and also in the employees' professional competence upgrading, the social climate amelioration, the forming of corporate culture, the boost of employees' self-actualization, the eco-labeling of products, the transparent informing about products, the renunciation of unfair advertisement, the use of safety innovative technologies in production process, the qualitative development of the social sector, the transparent reporting about the company's activities, and the shareholders' and investors profits increase.

3. The highest level of the Social Responsibility of Business consists in the fulfillment of requirements on the basic and high level and also in the solving of social and local problems, the highly transparent and open business activities, the improvement of the business climate and the company's image, the expansion into foreign markets, the ensuring sustainable development of the region, the realization of charitable activities, the community development, the improvement of the environmental safety.

According to suggested scheme, a transfer from basic to the highest level of the Social Responsibility of Business is accompanied by the transfer from the responsibility for the actors in the internal environment (employees and shareholders) into the responsibility for the actors in the external environment (consumers, investors, partners, public authorities, local communities and NGO's).

**The highest level of SBR**

<b>Actors</b>	<b>Directions of SBR introduction</b>
shareholders	improvement of the company's image, expansion into foreign markets
investors	highly transparent and open business activities
partners	improvement of the business climate, an effective cooperation
public authorities	solving social problems
local communities	ensuring sustainable development of the region, solving local problems
NGO's	charitable activities, community development, improving on the environmental safety

**The high level of SBR**

<b>Actors</b>	<b>Directions of SBR introduction</b>
employees	professional competence upgrading, social climate amelioration forming of corporate culture, boost of self-actualization
consumers	eco-labeling of products, transparent informing about products, renunciation of unfair advertisement, use of safety innovative technologies in production process
shareholders	profits increase, increase of company's value, procurement of high dividends, increase of investment appeal
investors	increase of profits on funds invested, support of managers and employees in the implementation of the project
partners	concluding of long-term contracts, providing of highly transparent and open information about company's activities and their results
public authorities	job creation, construction of infrastructure facilities
local communities	qualitative development of the social sector
NGO's	transparent reporting about the company's activities

**The basic level of SBR**

<b>Actors</b>	<b>Directions of SBR introduction</b>
employees	protection of human rights, workplace safety and fitting salary, health protection, social maintenance and development of the social infrastructure
consumers	high level of product quality and safety, use of quality standards
shareholders	high company's financial stability, procurement of dividends
investors	procurement of profits on funds invested, performance of manager's duties
partners	observance of agreements and fulfillment of contractual obligations, providing of highly transparent and open information about the company's activities and their results,
public authorities	compliance with current legislative requirements, job creation, payment of the full amount of taxes
local communities	protection and restoration of the environment
NGO's	joint implementation of social activities

Figure 1: Levels of the Social Responsibility of Business entities  
and their marketing activities (developed by the author)

The introduction and realization of the high level of the Social Responsibility of business entities and their marketing can be ensured in any country with a market economy exceptionally by the appropriate state regulation of the economy and the development of non-governmental organizations involved in the protection of consumers' rights. This involves: the separation of authority from the business; the presence of qualitatively developed laws and normative acts provided prior to the business orientation on the Social Responsibility of Marketing; the development of effective mechanisms for the implementation of the laws and normative acts on the basis of a strict liability, including criminal liability; the corruption eradication; regular financing from the state budget the laboratory tests of product quality.

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