

**Marina Klimchuk***PhD in Economics, Assistant professor of organization and construction management**Kyiv National University of Construction and Architecture, Kiev, Povitroflotsky Avenue, 31, 03680**E-mail: klimarinchuk@gmail.com***Mariia Shehda***Postgraduate of 3<sup>rd</sup> year of study**Kyiv National University of Construction and Architecture, Kiev, Povitroflotsky Avenue, 31, 03680**E-mail: mariia.vasylieva@ukr.net*

# Conceptual principles of socially responsible enterprise marketing management (as example, sales of painting materials)

**Annotation**

Actuality of theme. In today's business becomes especially important concept of social responsibility, based on the principles of increased attention to social problems both customers and personnel. The main purpose of business activity - profit - achieved through the research needs of potential and actual customers, identify the public interest and the desire to satisfy them. The idea of social responsibility is an integral feature of the system of business in modern business practice of advanced countries.

Scientists who researched social - responsible marketing are K.Keller, O.Hrishnova, A.Fedorchenko, P.Orlovoyi and others.

**Keywords**

Social - responsible, socially - responsible business, enterprise, painting materials, market, customer, information

**1 Formulation of the problem**

Today's realities of the national economy that are caused by deep military, political and economic - financial crisis, these processes require a qualitatively new mechanisms of development and operation. In this situation, the role of social - responsible business that determine significantly different character relationships and communication in society. The spread of the concept of social - responsibility in the Ukraine stands thus one of the key elements necessary scale socio - economic transformation. Implementation of the standards and rules of civilized business, implementation of international best practice in entrepreneurship should form the basis of the business practices of domestic enterprises and promote the rise of the national economy.

**2 Analysis of studies and publications**

The problems of socially responsible marketing devoted to the works of foreign scientists: Zh.Lamben, K.Keller and others. Ukrainian scientists worked in this area of social responsibility, as part of which can be identified labors of O.Hrishnova, O.Kanischenko, Ye.Savelyeva, Yu.Sayenko, P.Orlovoyi, A.Fedorchenko, A.Hamidova and others. However, problems of formation and features of the concept of socially responsible marketing still need the research, including in some sectors of the Ukrainian economy.

**3 The goal and objectives of the research**

The goal is a synthesis of theoretical approaches to the formation of the system of social - responsible marketing management, highlighting its importance in modern Ukrainian business, as the example will be companies which sale painting products.

**4 The results of the research**

In today's business the distribution of corporate social

responsibility is expanding its targeted priorities and missions outside the main goal – the profit. Socially responsible marketing approach meant that the company, along with the research needs of potential and actual customers, identifies the public interest and trying to satisfy them. This concept means that competitive advantages are companies which offer best suits the needs of existing buyer, while in its activity the company takes into account the public interest and satisfies them.

Socially - responsible business (SRB) – is a responsible attitude for any company to their service or products to customers, employees, partners; active social position of the company that comes to harmonious coexistence, cooperation and sustainable dialogue with society and acceptance of participation in solving the most pressing social problems. As A.M.Kolot defines “corporate social responsibility - is an implemented in corporate governance specific type of social commitments (mostly voluntary) to employees, partners, government, civil society and the public in general” (Kolot A.M.). Thus, social responsibility - it's a concept that encourages companies to consider the interests of society by taking responsibility for the impact of the company to customers, employees, stockholders and the environment in all aspects of their activities.

SRB is a voluntary operations of private and public sectors in channeling their ideas for maintaining high standards of operational and production activities, social standards and quality of personnel, minimizing harmful effects on the environment and so on. The goal is to develop the existing social and economic relationships and processes; creating trust relationships between business, society and the state. SRB is closely linked to the achievement of business excellence and quality of production.

For a better understanding of SRB, can be represented as a system of values, processes and activities that aim to spread the positive impact of the company's economic, environmental, social areas both inside the organization and in the environment. The

implementation of socially responsible strategies should focus not only on the reduction and prevention of negative consequences, but also to achieve economic, social and environmental effects can be analyzed as a basis for improving the competitiveness of individual companies and the national economy as a whole.

In most countries a socially responsible business activities are the norm, followed by a significant number of large, medium and even small companies in whole world. In some countries, it is integrated into public policy (France, Finland, Denmark, and Sweden), others - socially responsible practices are the exclusive domain of business companies (Ireland, Greece, the Netherlands). In the EU, the main role of SRB based on supporting sustainable development of companies, leading to improvement in the labor market and the quality of the products and services provided by companies.

Recognition of the need to create this concept into practice on a global level led to the adoption of the UN Global Compact. Global Compact - a voluntary initiative that aims to promote social responsibility and support for solving business sector globalization and creating a more stable and inclusive economy (<http://www.viche.info/journal/1811/>). This initiative was on the original in 1999, it promotes corporate social responsibility to achieve the UN goals in 4 main areas: human rights, labor relations, the environment and the fight against corruption. All companies that are members of Global Compact Network publish his reports on the progress or social statements.

SRB in Ukraine is at the stage of development. The most active in this area are representatives of foreign companies that are transfer the modern practices, principles and standards, as well as large and small national companies and organizations that improve their activities based on the concepts of total quality management. However, this process requires stimulation and coordination is impossible without the active participation of the state, which should define SRB as the preferred behavior for business and develop a set of appropriate incentives.

However, we must realize that SRB is directly related to the level of business excellence of enterprises, organizations and institutions. After all, if they are not perfect, they are unlikely to systematically and for a long time to meet the needs of all stakeholders. This is extremely important to pay attention to Ukraine, where the level of business excellence organizations more significantly below the appropriate level in developed countries.

At a time when socially - responsible business is not yet the norm for national business, very important is the role of government in implementing this concept in modern business. It is the state in order to reconcile the interests of all actors (consumers, manufacturers, suppliers, etc) should develop mechanisms for implementing elements of social responsibility.

That is why in Ukraine support of government is need as to emphasize the importance of ethical and socially responsible behavior of companies, promoting best practices of national companies with social responsibility in Ukraine and abroad, and to enhance the prestige of improved organization and processes of continuous system improvement. This will allow most companies to enhance long-term competitiveness and

reputation through the practice of responsible attitude to its employees, customers and other stakeholders.

The main characteristics of SRB are voluntary; integration of business strategy, organization; consistency; benefits for all stakeholders: customers, employees, shareholders, communities, etc., as well as for the enterprise. Socially - responsible business is implemented in the following aspects of: 1) organizational management; 2) human rights; 3) labor relations; 4) ethical operations activities; 5) environmental protection; 6) consumer protection; 7) development of local communities and working with them.

If social responsibility is integrated in all activities of the organization and practiced in its relationships if complies with legislation and international norms of behavior, it is an important factor in the ongoing development of not only business, but also the entire society's health and welfare. The result of the real implementation of the concept of social responsibility of the company is to increase public confidence in it and its products. In this regard, increasing confidence begins to act strong competitive advantage, which brings additional economic benefits.

Orientation of enterprise on principles of social responsibility acts are a sign of its aspirations to achieve not only the short-term goals of maximizing profits as - long-term strategic development, ensure sustainability and competitiveness.

In modern terms the idea of social responsibility has become an integral feature of systems management business. Social responsibility has an internal (responsibility to their employees to ensure their social rights and interests) and external (social responsibility for quality, environmental friendliness of production) aspects. One of the important components of the external dimension of social responsibility acts marketing.

Marketing activity includes such areas as the assessment of opportunities and market demands, development of pricing and communications policy, analysis of the competitive environment; planning system of promotion and marketing. One of the main and most important points of marketing is advertising. The practice and theory of marketing is constantly evolving promoted traditional products are complemented by new tools of influence on various facets of human psychology. One of the most important aspects of economic activity and its results is their environmental friendliness; exercise a favorable effect on the environment.

Try to visualize the concept of socially - responsible implementation at all levels of marketing management company that operates the implementation of building materials. Delivery of construction materials is an important area of building functioning as a basic component of the livelihood of the population. The construction offices where people can live, work, rest, etc., must comply with the principles of environmental, endurance, heat retention and others. The industries of building materials in modern conditions are very dynamic and rapidly developing, which finds expression in the emergence of a qualitatively new materials and technologies.

Marketing management of the company consists of two levels: strategic and tactical level (operational) control. The scope of strategic management include:

determining the company's mission, strategy and activities, management structure, key competitive advantages. In the application, the tactical level, these global parameters are implemented in the market segmentation, setting goals and positioning in the target segment, sales developed business strategies.

Attracting businesses to the principles of social responsibility at the level of strategic management choices mean socially oriented goals. As a mission important to select only environmentally friendly materials and substances. Achieving competitive advantage in the market should be based on the formation of the high reputation of the enterprise, which will contribute a range of factors: the confidence of consumers and business partners, social-oriented management company and its staff; participation in socially important events and processes in society.

Understanding the realities of modern business environment forces to make changes in approaches to the role of marketing in the system of economic activity. By socially responsible marketing strategies may include companies that include various programs and projects, actions that are intended to protect the environment, help in solving other social issues. The contents of international regulations strictly regulates the social responsibility and those businesses that want to be competitive not only on a regional scale.

Determined at the strategic level objectives continue to be realized at the tactical level marketing management. Segmentation by product demand and potential customers allows us to predict the possible markets and identify them in accordance with its business strategy.

Consider several groups of painting materials (PM), namely the groups of eco - materials:

- water-soluble materials;
- paints based on organic solvents;
- oil, oil - wax.

Last year, sales of water-soluble paints amounted to 40-50% of the total sold paints. Paints based on organic solvents provided approximately 30% of total sales paints. Enough new material on the market is oil and oil - wax sales was approximately 20%. As for pricing position, all paintwork materials that are eco-clean, cost 20-30% are more expensive than polyurethane and alkyd paints.

Among the three main groups of painting materials (PM), in terms of social responsibility, preferred is a water-soluble materials. This is due, primarily, strengthening international restrictive requirements for the content of volatile organic compounds (VOCs). Thus, the EU adopted Directive 1999 and 2004, which limit VOC content in certain materials, including most paints. Secondly, in the water-soluble materials no organic solvents (toluene, xylene, mineral spirit, acetone), which have not negative effect on the environment. Thirdly, the group of paints characterized by ease of use, ability polymerization at room temperature, high performance coating capabilities etc [4].

Today activates tendency care of the environment in connection with the aggravation of environmental problems related to basic human needs for quality and clean food, clean environment, which are not satisfied. So promising line of business in favor of marketing policy sales, most favorable to the environment and harmless to the human body. In this context it is

important for the company is to adopt marketing strategy built on the principles of ecology, and its implementation at all stages: development of product range, pricing, promotion and distribution.

An important component of socially responsible marketing is appropriate emphasis advertising campaign on issues of environmental benefits and the least harmful to health products. Socially responsible advertising must necessarily be focused on transparent explanations to consumers the advantages and disadvantages of different products, in this case - paints and varnishes. It serves the logical continuation of the responsible planning by the range of its products.

The company, which sets the strategic objectives, not just getting benefits today, necessarily focuses on the formation of stable confidence to it by customers and partners. Building trust - is a complicated, lengthy and complex process that occurs in the process of complying with all obligations are not evading responsibility, clarity and transparency of its activities and more.

However, the company formed a trust to become a powerful capital imperceptible, but one that brings long-term benefits. These benefits include: improving the quality of business management, strengthen and improve the reputation and financial performance of the company and so on. Thus, socially responsible marketing is a practical expression of the foreign component of corporate social responsibility.

High business reputation of the company and formed credibility from consumers a powerful competitive advantage. In the increasingly competitive market advantage get that companies which offer best meets the needs of the buyer, while in its activity the company considers and meets the needs and interests of the population. The leading idea concept - is the production of products that meet existing needs, to meet the requirements and constraints of society. The main tool - a set of marketing (4R - marketing - mix), aimed at meeting the needs of target customers and markets, and provided that human saving, energy, material and other resources, environmental protection. An important issue in this concept is the prediction of trends and processes that will be relevant in the future.

## 5 Conclusion

In Ukraine, as elsewhere in the world, there is a tendency on the part of enterprises to pay more attention to social responsibility in its activities. And social responsibility principles are implemented in all important areas of the enterprise, including - in marketing management. Marketing is increasingly including in its scope of social aspect: the humanization of working conditions, monitoring service quality, environmental protection and others. The implementation of socially responsible marketing is a necessary part of becoming civilized business, driven not only get today's interest income, but also an important social indicators. In turn, the formation of socially responsible values in a system of domestic business contributes to the development of the national economy Ukraine on the foundation of important human values.

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