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## SOCIAL MARKETING: THE ESSENCE AND DEVELOPMENTAL FACTORS

**Summary.** The concept of social marketing, methodical approaches to the study and development of the theory and methodology of social marketing system formation at the enterprise are considered in the work, as well as the main conditions for the formation of the social marketing system in the sphere of consumption and production.

**Key words:** social marketing, social and ethical marketing, marketing system, competitive advantages, social responsibility.

**Introduction and problem statement.** Historical development of marketing is due to the development of the economy and market relations, the further dynamics and instability of the environment of operation of enterprises. Throughout the twentieth century, marketing has undergone development from the concept of sales (mass sales of simple and relatively cheap products) through the concept of classical marketing (focusing on market needs) to the concept of strategic marketing (focusing on a set of environmental conditions). Accordingly, the idea of goals, objectives, philosophy, and marketing tools changed. Today, ideas and tools of marketing are widely used not only in the manufacturing sector but also in the activities of resellers. The fundamental changes in the system of socio-economic relations create the basis for the emergence of a marketing concept, the guideline of which is the person, the social interests of consumer groups, namely, the concept of social marketing.

Social marketing is a logical step and a further promising stage of its development, which is caused by a number of reasons. In analysing the stages of marketing development through the passing of different concepts, it becomes apparent that originally enterprises took their market decisions, guided mainly by the requirement for profit. Subsequently, enterprises began to realize the strategic importance of satisfying the consumer needs of potential buyers, resulting in the concept of classic marketing. At the present stage of management in making decisions, many enterprises take into account the interests of society that is guided by the concept of social marketing.

Marketing evolution has led to the emergence of its latest concept – social marketing. The problem that requires solving is to ensure consistency between the objectives of the enterprise, the consumer, and the society, implemented within the framework of the indicators of the social marketing system (SMS): the amount of profits received by the enterprise, the level of marketing costs, which meet the needs of consumers and take into account the interests of society. Due to the principles of social marketing, a modern company must make decisions in the field of marketing, taking into account the long-term interests of consumers and the interests of society as a whole. A socially oriented producer seeks to create goods that bring him not only profits but also the necessary consumer benefits to the buyer.

**Analysis of recent research and publications.** In the studies of foreign scientists, social marketing is seen as a concept of reconciliation and interconnection of the interests of the organization, consumers, and society as a whole.

S. Zakharova defines social marketing as setting needs and interests of target markets and providing desired satisfaction more effective than competitors, while simultaneously maintaining and strengthening the well-being of consumers and society [3, p. 37]. Just understand the social marketing of M. Bruhn and J. Tilmes [8], M. Auer and M. Hertz, D. Berre. Among the other names of this concept are the following: socio-ethical marketing (P. Kotler [9, p. 29], I. Aleshin), socio-ethical marketing (V.E. Gordin [2, p. 14], V.V. Ivanov, E.P. Golubkov), ethical and social marketing (I. Berezin), social-oriented marketing (A.P. Pankrukhin), social-oriented marketing socially responsible marketing (M. Simanovsky), public marketing (V.I. Martynov). But all the definitions of the concept, in one way or another, underline the social nature of the phenomenon.

**The purpose of this work** is to find out the nature of social orientation of business, to assess the impact of the social-oriented marketing concept on the adoption of strategic decisions of a strategic nature.

**Research results.** The external requirements to be taken into account when forming the system of social marketing include the creation of a system of strategic management, the development of long-term and mutually beneficial relations with all stakeholders in the process of production/sale of goods and services, including representatives of government agencies, staff, suppliers and consumers; increasing the level of transparency of business; observance of the rights of employees of the enterprise; development of a system of motivation not only managers but all personnel, their business culture, level of qualification; introduction of quality management; development and implementation of advanced corporate information systems; introduction of social and environmental reporting systems.

Thus, the enterprise can function effectively and develop only when the properties of its individual elements do not contradict the conditions of its existence and development. This is the main condition for the formation of a social marketing system in the sphere of consumption and production. The evolution of marketing and the emergence of a concept aimed at combining the interests of producers, consumers and society in general is conditioned by the gradual increase in the degree of maturity of a market economy, the strengthening of its regulatory function and the emergence of a modern socially oriented market economy. The concept of social marketing is characteristic of the current stage of development of the economic systems of the countries of the West, in a situation

where global business practice requires taking into account the provisions of the concept of sustainable development, taking into account the requirements of the new paradigm of the knowledge economy.

According to the researchers, the enrichment of the social content of management, the modern requirement for a higher level of adaptability of the functioning of business structures to social changes, a more complete satisfaction of needs and demands of society in accordance with the concept of economization of production, leads before the change of management paradigm. At the same time, the enrichment of the social content of the planning of production and commercial processes, the cardinal review of the principles of the development of organizations in accordance with the objectives of the concept of sustainable, balanced, flexible and adaptive development. This allows, in our opinion, considering social marketing as a specific function of social management and as a special type of planning activity, a kind of strategic instrument for the regulation of a market economy.

The term “social marketing” was first used in 1971 [8, p. 71]. It meant an attempt “to apply the principles of marketing and its techniques to promote the solution of social problems, the implementation of social ideas, as well as in the process of social action ...” [8, p. 71]. It was then that the sphere of activity of organizations became increasingly intertwined with the solution of various social problems. M. Bruhn and J. Tilmers wrote: “More important than formal criteria for the characteristics of an organization, is its readiness to solve social problems, the ability of the organization to initiate activities in the field of social marketing. Therefore, to assess the value of social marketing, it is necessary to identify the relative importance of staging social issues” [8, p. 23].

It is considered that it is necessary to distinguish between the concept of “social” and “social and ethical” marketing. P. Kotler provided one of the first definitions of social marketing, in which he emphasized the principle of consumer orientation because he tries to understand why certain groups of people have a deterministic attitude to something and what problems arise in connection with the change in this attitude. Thus, targeting target groups is emphasized.

The subject field of such a concept is the development, implementation, and control of the implementation of programs, whose purpose – to achieve perception and change in the positive side of judgments and thoughts of certain target groups about social ideas, tasks or specific activities [9, p. 71]. Researcher fixes in the system of social marketing exclusively

the communication orientation of certain social programs, ideas, tools of attracting the attention of the potential consumer, consolidating his attention to the image characteristics of the new type. It turns out that this is marketing in the social sphere.

Social marketing, which in its essence deals with social ideas, tasks or concrete actions, is not originally socially oriented, because its activity is aimed at certain target groups, and not on the whole society. Firstly, in the process of regulating society’s social changes, the interests of many social groups are taken into account. Secondly, as V. Sombart noted a century ago [4, p. 102], it is economic life in general and the lucrative sector in particular are the main lever of social perfection. Finally, it should be noted that the marketing methods V. Gordin proposes to use in addition to promoting ideas and also to attract resources, respectively, is no longer marketing ideas in pure form, which declared the researcher. Thus, V. Gordin, wanting to show the differences in the social sphere of marketing and linking these differences with the need to use social marketing as marketing ideas that actually proves the opposite: in the social sphere possible the full range of marketing and social marketing focus is no longer the prerogative of marketing services of organizations of social sphere [7, p. 172].

According to the V. Gordina, it is mainly about the marketing of ideas that, in his opinion, is suitable for social interactions as a modernized system of market relations: as a seller of social values, ideas are the society in the person of their institutions, and buyers are members of society [7, p. 102–103]. However, it is noted that as producers of social ideas are increasingly commercial organizations. The question remains that, in fact, social in marketing in general and in social marketing in particular.

V. Gordin connects social responsibility of marketing in the context of managerial behaviour with the combination of corporate good-neighbourliness, formed personal interest, long-term planning, good-neighbourliness of individuals, personal ethics, rational management [7, p. 85–91].

The researchers of recent years should be separately identified with the comprehensive studies of the Russian marketing school, which are presented in the works of G. Bagiev and L. Pushkareva [6]. It is necessary to focus on the fundamental novelty of the position of this researcher, which fixes the need to coordinate the interests of groups of influence on the processes of socialization of business but leaves open the question of the analytical provision of relevant marketing decisions.

Positions of different authors in assessing the essence of the category “social marketing” is presented in Table 1.1.

Table 1.1

The concept of “social marketing” in the writings of various authors

Author	Contents of the term
Kotler P.	The concept of reconciling and linking the interests of the organization, consumers, and society as a whole. Establishing the needs and interests of target markets and satisfying consumers more efficiently than competitors in ways while preserving or strengthening the well-being of consumers and society as a whole [9, p. 14].
Abramishvili G.G.	Social marketing as a set of methods for implementing social programs by state and non-governmental organizations, as well as social aspects of the activities of market corporations [1, p. 21].
Zakharova S.A..	Setting the needs and interests of the target markets and providing the desired satisfaction more effective than the competitors by means of one-time preservation and strengthening the welfare of the consumer and society [3, p. 37].
Gordin V.E.	Marketing of ideas that is suitable for the social interactions as a modernized system of market relations, where a seller of social values, ideas is the society represented by their institutions, and buyers are members of society [7, p. 22].
Melikhovsky V.M.	Social marketing as a system of management perspectives, which always puts the needs of people in the first place compared to the needs of production, along with economic sociology studies the influence of economic factors on various forms of social behaviour of people, small and large social groups [5, p. 16].
Pushkareva L.V.	Socially-oriented marketing is a marketing concept, which aim is to reconcile the needs, opportunities, and interests of consumers, enterprises and society, studying and shaping the needs of customers, taking into account the interests of society and satisfying them with more effective methods than competitors [6, p. 11].

At the same time, in the studies of L. Pushkareva, there is an important criterion, namely, the fixation of competitive advantages of a fundamentally new type, which significantly simplifies the implementation of relevant socially-oriented marketing decisions in the marketing system of the enterprise. Research, which is the basis of the concept of social marketing based on the institutional foundations of economic sociology, human ecology, economic psychology, they use the terminology and tools of these areas actively.

According to the definitions of the authors (Table 1.1), we can conclude that there are three key differences between the concepts of social marketing and classical marketing:

1) marketing should be aimed at the welfare of buyers, and not simply to meet their short-term needs (Kotler P, Zakharova S., Melikhovsky V.);

2) the organization should pay attention to the side effects of its economic and production activities in order to ensure the long-term welfare of the society as a whole, and not only to individual consumers by developing appropriate program measures (G. Abramishvili, G. Bagiev);

3) social orientation of the organization's development can create competitive advantages of a fundamentally new type, increase the level of adaptation and flexibility of the processes of functioning and development (V. Gordin, L. Pushkarev, T. Zagorna, A. Kolomitsev).

Obviously, the social concept of modern marketing goes far beyond the traditional concept of marketing, which involves satisfying the needs of consumers through the appropriate marketing strategies. However, the issue of making appropriate decisions remains open due to the fact that in the activity of modern business structures, there is no appropriate system that should be implemented in a certain way in the existing system of operation and development of the enterprise.

There are two problems with the marketing concept: firstly, the commitment to the concept of marketing does not always guarantee ethical behaviour, companies can create the appearance that they meet the needs of consumers, in fact, they ignore them; and secondly, even if companies really meet the needs of consumers, this may violate the rights of others. The first set of problems relates to the ethical aspect of the responsibility of companies to consumers, another group of questions goes beyond the relationship with consumers and relates to a wider aspect of marketing responsibility to society as a whole. By directing money to social programs, doing their business in such a way as to meet the expectations of society, working in the interests of society, the enterprise reduces its current profits but, in the long run, creates a favourable social environment and, consequently, sustained competitive advantages.

Modern issues of the organization's development are becoming a field of collision of various scientific views in relation to new trends, not traditional for it. In our opinion, one of the following areas is the development of classical marketing towards social orientation. Over the past fifteen years among the practitioners and theorists, there was a rapid process of mastering the whole complex of social marketing – ideas, methodology, conceptual apparatus. Among the opponents of business socialization, there are objections that social marketing theoreticians, in essence, borrowed from the methodology of social management, only brought some conceptual elements of marketing. Different names of social marketing point to its social nature: social and ethical marketing; ethical and social marketing; socially oriented social marketing; social-oriented marketing; socially responsible marketing; public marketing.

The present stage of development of social marketing allows distinguishing the greatest transformations taking place in this social phenomenon. First of all, the transformation of marketing is observed in its integration with the problem

of management of the development of business structures, the formation of their social competitive advantages. For marketing integrated into the management of the development of complex systems, inherent are characteristics such as globalization, universality, as well as the transformation of the dynamic status and expansion of the composition of subjects (groups of influence).

Universality leads to the application of ideas, as well as marketing technologies in various spheres of management, which primarily include education, health, culture, social protection of the population, social and labour relations. Separate manifestations of the elements of universality can be seen in the traditional marketing systems of the complex of tools, functions and activities aimed at creating long-term benefits so that you can observe certain elements of synergy in the development trends.

At the same time, among the subjects of social marketing, there is a use of the whole complex of appropriate measures to achieve the goal of achieving the public consent between subjects and objects of marketing, as well as the balance of interests of groups of influence. Thus, there is a need to link these processes with the task of forming the competitive advantages of a new type – social benefits. Transformation manifests itself in the change of traditional functions performed by marketing subjects, which go beyond the functions of social management and social orientation of the marketing system as a whole.

Considering social marketing as a complex of functions of managing a market structure, one can distinguish its main features.

Firstly, social marketing is a systematic process of planning and managing managerial decisions based on the analysis of different situations and the formulation of social goals. Secondly, social marketing as a set of actions and measures is always aimed at solving social problems, among which the main one is to meet the social needs of specific groups of the population. Finally, the activities of such actors of social marketing as power (state and regional) are carried out in various social spheres. The business community is active in the social and labour sphere. Non-profit organizations operate in the political, religious, and cultural spheres.

The achievement of social goals and objectives stimulates the actors of social marketing to the continuous development and application of various marketing technologies and methods. In the development of such an important social goal as a strategy of social change, subjects of social marketing (possible groups of influence) use the process of planning marketing activities. While this is carried out spontaneously, without reference to the system of indicators of the effectiveness of the development of market structures (it should also be noted that such a system is only formed and, therefore, it is necessary to consider the socially-oriented component). In the process of such an activity, the goals of social change are determined; the analysis of beliefs, relationships, value representations, and behavioural manifestations of representatives of certain social groups; appraisal options for communicating with these community groups are evaluated. Also, various forms and methods of bringing the planned measures to the objects of management are evaluated. Finally, the subjects are developing a plan for implementing activities, often complex programs. In recent years, organizational structures or a marketing organization that implements a particular social project or program, and controls their implementation are often created.

Social marketing is also an activity to ensure the availability of the necessary goods and services for the appropriate group of people at the appropriate time, at the appropriate place, at the appropriate price for the implementation of the necessary communications and sales promotion measures [2, p. 18].

In the structure of social marketing, the relations between its participants are important, which are formed in the process of exchange of results of specialized activities aimed at meeting public needs through the use of specific goods, services or ideas. Such an exchange is mutually beneficial for all parties involved in these relations. Among the participants of the exchange, characteristic of social marketing, it is possible to distinguish such subjects as bodies of state power and local self-government, representatives of business communities and the population.

Social marketing acts as a tool for coordinating interests among all market actors – participants in the socially responsible business. Social-ethical marketing and socially responsible marketing are the forms (forms of manifestation) of social marketing in the practical activity of enterprises, which emphasize only one aspect of the socially responsible business, acting as the dominant one or another period of production and economic activity.

Social marketing is a market research not only from the standpoint of the individual business but all those interested in the successful development of this business group. As a market tool, social marketing is able to identify those “bottlenecks” in the development of the national economy that are not controlled by the market because of the fact that “social goods” are produced in a number of industries, not always even have a commodity form, since they are produced and implemented as “public good”. Here, first of all, we are talking about the so-called social sphere: education, health care, social security.

With the transition to a market model for the development of the national economy, these industries are increasingly commercializing, while maintaining (allocating in other different sectors) socially significant segments that are rigidly regulated by the state since the production and sale of goods in these segments are paid from budget funds. This does not mean that these segments are not part of the market or that there are no market laws that imply the inability to use market-based instruments such as marketing. On the contrary, it is logical to assume that precisely in these segments, market instruments of management and, above all, marketing – are used consciously, most fully realizing its main function: minimizing the contradiction between self-directed external environment (with all its unpredictability) and the strict orderliness of the internal environment of the organization.

The transformation of the concept of marketing management into the concept of social marketing is due both to objective and subjective reasons. Objective reasons are the conditions that have changed in the functioning of the modern economy: the globalization of business and its international character; the emergence of corporate capital; predominance of private-group forms of ownership; the appearance of a new type of employee with alternative sources of income for the owner-owner; the emergence of intellectual capital on the basis of intellectual property growth in intellectual capital; the prevalence of the middle class in the social structure of society.

Subjective reasons are the strengthening of the tendency of state regulation of economic processes: the sharp aging of the population due to declining birth rates and an increase in average life expectancy, which conditioned the strengthening of state interference in the process of redistribution of income from the richer to the poor; a high growth of labour productivity, which, on the one hand, leads to a reduction in wages, and on the other hand, reduces the limits of the working day, which also requires state regulation; the gap in the income level of the population is rapidly increasing, which is explained by the rapid payback periods of fixed capital, on the one hand, and the low rate of wage growth (the main part of the variable capital) on the other, which also requires the state of social

protection of low-paying (low-income, poor) segments of the population; the development of the STP requires a good level of education for both hired workers and for self-employment, which is associated with large public expenditures on the development of the social sphere; the growth of public spending in the social sphere proved to be unsustainable for the budgets of even the most developed countries, which requires the involvement of businesses in solving social problems of society: first of all, environmental and cultural; business has received a direct interest in the implementation of social programs: economic – the use of social funds (charitable, pension, insurance, educational, etc.) as internal sources of investment (self-financing funds); social – the formation of the business image of the firm (its “good will” not only contributed to the promotion of goods in the market but also increased capitalization of the business value).

Actually, the listed subjective reasons – this is the result of strengthening state regulation in the social sphere, an attempt at the macroeconomic level to build relationships between business and government, using market leverage. From these positions, social marketing is an instrument of intra-firm planning and strategic orientation on development, the emergence of which is objectively predetermined by the external macroeconomic environment. In determining social marketing, one can distinguish four characteristics, which are characterized: social marketing is considered as a systematic process of planning and decision making based on situation analysis and formulation of goals; social marketing aimed at solving social problems; social marketing refers to the multilateral forms of the display of non-profit organizations from the political, religious, and cultural environment; social marketing involves the systematic development of a marketing concept that requires the improvement of various marketing tools, namely, strengthening the role of analytics, diagnosis, and evaluation of the effectiveness of relevant program activities.

Our social marketing study uses a two-way approach that manifests itself at all levels of analysis and strategic decision-making. In the general theory of marketing, this is, on the one hand, the active influence and formation of the market, and on the other – is the ability of marketing to adapt to market requirements. In the theory of social marketing as a new level of development of marketing concept, this approach is transformed and filled with new content, taking into account changing marketing tasks, in particular, the ability to solve various social problems and actively influence social processes, and the ability of marketing to adapt to the requirements of society.

Thus, it is legitimate to assert the following: social marketing is a system of principles, elements, forms, and methods of development, production and promotion of the product, taking into account the influence of social norms (social component), ethical constraints (ethical component), and the role of consumers, producers and society interests (social component) on the basis of improving the marketing approach to the processes of adaptive enterprise development. At the same time, under the characteristics of adaptive development is meant adjusting the goals of internal transformations and assessing the criteria for the growth and development of the enterprise, taking into account the strategic orientation of business structures.

**Conclusions.** Social marketing is a system – mechanism for coordinating the needs and interests of consumers (first subsystem), the needs and interests of the enterprise (the second subsystem) and the needs and interests of society (third subsystem). The basic conditions of adaptation of the social marketing system to the conditions and capabilities of the company include the following: freedom of the consumer and the manufacturer; maximum limitation of potential damage;

satisfaction of basic needs; economic efficiency; availability of environmental innovations; protection of consumer interests. Compliance with the above conditions in the work of the enterprise allows more optimal adaptation to external environmental conditions.

By organizing factors of social marketing, it is necessary to reiterate that manufacturers and sellers in the tactical plane obtained exclusively from profit opportunities, but strategic orientation later realize the importance of satisfying a wide range of needs of both consumers and society, therefore, is a transformation concept classic marketing in the concept of social. And at the present stage, when making decisions, many

firms also think about the interests of society that is guided by the concept of socially responsible marketing. But this is not enough, you need a holistic approach that encompasses a large set of strategic, practical, and programmatic measures based on the principle of sustainable development and that is closely integrated with business processes and decision-making in the company. These movements make the business rebuild their views on their strategic development and the formation of a social marketing system. This systematic approach takes into account the interests of business and the public interest and, therefore, provides the basis for the formation of social marketing in terms of existing enterprises.

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#### СОЦІАЛЬНИЙ МАРКЕТИНГ: СУТНІСТЬ ТА ФАКТОРИ РОЗВИТКУ

**Анотація.** В роботі розглянуто поняття соціального маркетингу, методичні підходи до вивчення й розробки теорії та методики формування системи соціального маркетингу на підприємстві, а також визначено основні умови формування системи соціального маркетингу в сфері споживання та виробництва.

**Ключові слова:** соціальний маркетинг, соціально-етичний маркетинг, система маркетингу, конкурентні переваги, соціальна відповідальність.

#### СОЦИАЛЬНЫЙ МАРКЕТИНГ: СУЩНОСТЬ И ФАКТОРЫ РАЗВИТИЯ

**Аннотация.** В работе рассмотрено понятие социального маркетинга, методические подходы к изучению и разработке теории и методики формирования системы социального маркетинга на предприятии, а также определены основные условия формирования системы социального маркетинга в сфере потребления и производства.

**Ключевые слова:** социальный маркетинг, социально-этический маркетинг, система маркетинга, конкурентные преимущества, социальная ответственность.