

УПРАВЛІННЯ ПІДПРИЄМСТВОМ

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CORPORATE SOCIAL BUSINESS'S RESPONSIBILITY AS THE INSTRUMENT OF MANAGING OF THE ENTERPRISE

КОРПОРАТИВНА СОЦІАЛЬНА ВІДПОВІДАЛЬНІСТЬ ЯК ІНСТРУМЕНТ УПРАВЛІННЯ ПІДПРИЄМСТВОМ

Urgency of the research. The place of the traditional understanding of a business aimed at making a profit from the production of goods, services and its distribution between the parties is being taken by the idea of business as a source of social welfare growth, which is achieved through the production and sale of goods and services.

Target setting. Realization of this goal necessitated the following tasks: to explore the nature and significance of corporate social responsibility (CSR), to analyze the implementation of CSR tools for modern enterprises, to explore the development and B2C models and show the effectiveness of their implementation in modern conditions of development, to determine the impact of CSR on building an effective "business to consumers" model.

Actual scientific researches and issues analysis. The problems of research and development of corporate social responsibility has been researched by many domestic and foreign scientists.

Uninvestigated parts of general matters defining. However, despite the existing scientific developments in this area, the impact of corporate social responsibility to build an effective B2C model is not fully defined and requires further study.

The research objective. The aim of the article is that the main directions of corporate social responsibility in relation to clients have been defined and the basic factors that influence consumer's CSR-maturity in different countries have been determined.

The statement of basic materials. The author summarized origin and basic types of models in a segment «business to consumers», and features of their functioning in a modern economy. The considerable attention is paid to the role of corporate social responsibility in the construction of effective intercommunications with consumers.

Has identified how the observance of CSR principles in modern enterprise influences its reputation.

Conclusions. Corporate social responsibility is not just a fashion statement, but a vital necessity. For companies operating in the B2C segment, corporate social responsibility is one of the tools for success. Social innovation strategies implemented under the CSR not only allow companies to demonstrate their citizenship, but also become an important marketing tool that enables stand, develop new products and trends, to create an emotional connection between the brand and the consumer, thus contributing to growth loyalty. Social innovations implemented into strategies under the CSR strategies not only allow companies to demonstrate their citizenship, but also become an important marketing tool that allows to come forward, develop new products and trends, create an emotional connection between the brand and the consumer, thus contributing to the growth of loyalty.

Keywords: enterprise; "business for consumers"; "B2C"; corporate social responsibility; consumer, reputation.

Актуальність теми дослідження. На місце традиційного розуміння бізнесу як діяльності спрямованої на отримання прибутку від виробництва, реалізації товарів, послуг та його розподілу між учасниками, виходить уявлення про бізнес як джерело росту суспільного благополуччя, яке досягається шляхом виробництва та реалізації товарів та послуг.

Постановка проблеми. Реалізація поставленої мети зумовила необхідність вирішення наступних завдань: дослідити сутність і значення корпоративної соціальної відповідальності (КСВ), проаналізувати інструменти реалізації КСВ на сучасних підприємствах, дослідити розвиток моделей В2С та показати ефективність їх реалізації в сучасних умовах розвитку, визначити вплив КСВ на побудову ефективної моделі «бізнес для споживачів».

Аналіз останніх досліджень і публікацій. Проблемами дослідження та розвитку корпоративної соціальної відповідальності займалось багато вітчизняних та зарубіжних вчених.

Виділення недосліджених частин загальної проблеми. Однак, не зважаючи на існуючі наукові напрацювання в цій області, питання впливу корпоративної соціальної відповідальності на побудову ефективної моделі В2С залишається не до кінця визначеним і потребує подальшого дослідження.

Постановка завдання. Метою статті є визначення основних напрямів реалізації корпоративної соціальної відповідальності по відношенню до клієнтів та встановлення основних факторів, що впливають на КСВ-зрілість споживачів у різних країнах

Викладення основного матеріалу. Автором узагальнено основні типи моделей в сегменті «бізнес для споживачів», а також особливості їх функціонування в сучасній економіці. Значна увага приділяється ролі корпоративної соціальної відповідальності у побудові ефективних взаємозв'язків із споживачами. Встановлено, яким чином дотримання принципів КСВ на підприємстві впливає на його репутацію

Висновки. Корпоративна соціальна відповідальність - не просто данина моді, а життєво важлива необхідність. Для компаній, які працюють у сегменті В2С, корпоративна соціальна відповідальність є одним з інструментів досягнення успіху. Соціальні інновації, впроваджені у рамках стратегій КСВ, не лише дозволяють компаніям продемонструвати свою громадянську позицію, але також стають важливим маркетинговим інструментом, що дає можливість виділитися, розвивати нові продукти і напрями, створювати емоційний зв'язок між брендом і споживачем, сприяючи тим самим зростанню лояльності.

Ключові слова: підприємство; «бізнес для споживачів»; «В2С»; корпоративна соціальна відповідальність; споживач; репутація.

УПРАВЛІННЯ ПІДПРИЄМСТВОМ

Urgency of the research. In recent years, the topic of corporate social responsibility is receiving more attention from businesses, government and society. The place of the traditional understanding of a business aimed at making a profit from the production of goods, services and its distribution between the parties is being taken by the idea of business as a source of social welfare growth, which is achieved through the production and sale of goods and services. With the rapid pace of science and technology development, the growth of information technology and the rapid development of business role in the Internet becomes increasingly popular form of e-business - B2C, with the aim to organize direct sales to consumers. The scope of B2C is developing extremely rapidly and corporate social responsibility has, in particular, the significant impact on its development. Therefore, to determine the impact of corporate social responsibility to build an effective "business to consumer" model is an important task in the current economic conditions.

Target setting. Realization of this goal necessitated the following tasks: to explore the nature and significance of corporate social responsibility (CSR), to analyze the implementation of CSR tools for modern enterprises, to explore the development and B2C models and show the effectiveness of their implementation in modern conditions of development, to determine the impact of CSR on building an effective "business to consumers" model.

Actual scientific researches and issues analysis. The problems of research and development of corporate social responsibility has been researched by many domestic and foreign scientists.

Uninvestigated parts of general matters defining. However, despite the existing scientific developments in this area, the impact of corporate social responsibility to build an effective B2C model is not fully defined and requires further study.

The research objective. The aim of the article is that the main directions of corporate social responsibility in relation to clients have been defined and the basic factors that influence consumer's CSR-maturity in different countries have been determined.

The statement of basic materials. The category of "corporate social responsibility" is a phenomenon that is peculiar only to the market economy. Note that the first time the concept of corporate social responsibility - CSR (Corporate Social Responsibility) - has become known since the early 1950s, after the American scientist Howard Bowen published "Social responsibility of businessman" in 1953. This monograph famed Bowen as a "father of corporate social responsibility" by carrying out fundamental approaches to CSR [1]. He proposed the CSR definition as "the obligations of business to pursue those policies, to make those decisions or to follow those lines of action which are desirable in terms of the objectives and values of our society (Bowen, 1953)" [2].

Also, the most common operationalization of CSR has been done in the work of Carroll, who provides the foundational concepts of CSR. The firm's CSR practices should encompass its economical, legal, ethical and voluntary activities for social responsibility, whereas more and more emphasis is only on the voluntary practices that may include philanthropy, corporate volunteerism and corporate citizenship [3].

There are 3 main stages of corporate social responsibility in the US and Western Europe in the XX century:

- first stage (60s - mid 70s) was characterized by the flush of "traditional" philanthropy (charity). Companies provided monetary or material aid to the vulnerable segments of the population, and business and social activities were distinguish at most at that time;

- second stage (mid 70s - early 80s) was the formation of strategic philanthropy. From a desire to get the maximum profit companies came to readiness to receive optimum profit. At the same time they moved from fighting the effects of social problems to overcoming the problems that should be aligned with its strategic objectives;

- third stage (late 80s) is about development of the social investment concept. Commercial, public and government sectors have started together to solve urgent social problems important to local communities. Having business advantage as a priority, companies take into account the interests of all partners [1].

There have been lots of reasons for the emerging and developing CSR. Among them there are the following: significant environmental degradation, moral degradation, terrorism, social inequality,

УПРАВЛІННЯ ПІДПРИЄМСТВОМ

hunger and poverty of the considerable part of our planet's population. In XXI century, the following reasons for implementing CSR by companies were added: increased competition, the need to maintain a positive image and reputation of the company, the need to motivate staff and maintain a constant demand for their goods and services. That is why, today being committed to the main principles of CSR has become the key to gaining favour with customers and keeping high competitive position in the market.

Managers of companies today understand that CSR forms an indestructible part of their reputations and brand identities. They know that a critical source of difference between firms is the resources and capabilities that they possess and contribute to their potential competitive advantage, but CSR represents a very valuable strategic asset. They spend ever-increasing amounts of corporate resources on improving the social, human, and environmental conditions under which companies operate. CSR activities contribute to social progress and are intended to enhance corporate images [4].

In a market economy, business success depends on various circumstances, including market condition, which consists of business professionalism, intuition and simple luck. And those companies which find themselves at a time more successful than others must first understand that in order to preserve a certain balance and stability in society, they need to show corporate social responsibility.

The success of a company depends on the management professionalism and progressive management. One of the modern methods of business is the "business to consumer" model (B2C). The author determined that B2C is a model of electronic business entity which is about the direct sales to consumers.

Overall, there are five business models in B2C segment. The first model is based on an electronic intermediary between distributors (or manufacturers) and buyers of goods. So basically such stores still have no difference what to trade, the main thing is the customers' demand. Thus, prices in stores that sell online are much lower than their offline competitors. This is due to the absence of costs for acquisition or rent, maintenance and equipment of commercial premises and warehouses, and a low level of personnel costs as well as the proximity of "physical" suppliers that provide an acceptable level of transport costs.

The second model is organizing the Internet unit of an offline sales and service company. This model has an advantage over the first one, if the parent company has a well-known brand and, therefore, uses the network as an additional channel of goods or services.

The third model, also called the model of "limited individualization", is mainly used in electronic trade of computers, software, appliances, automotive components, tickets to sporting events, tourism services. Like the first two, this model is designed for the mass market. The principal difference between these models from the previous two is that the virtual merchant provides record of buying advantages. The customer is able to choose a variant of a product or service, or a package that interests him, based on the set of website parameters. Using this model in e-commerce can significantly reduce the inventory in warehouses and get considerable cost savings in comparison with the "physical" shopping complexes.

A distinctive feature of the fourth model is the process of sale in several stages. First, the seller collects applications, then finds out the terms and conditions of the order, next informs potential customers (usually by email) and finally delivers the goods.

The fifth model is the virtual auction. This model in the B2C segment still is not considerably popular. The idea of the model is that the potential buyer "bargains" with the store in real time, trying to "knock down" original price for the goods or service set by the seller [5].

The described models in fact are only the basis for the development and strengthening relations between buyers and sellers. The competition increase in the market of electronic commerce causes the emergence of an increasingly diverse forms and methods of interaction with existing and potential customers. Currently, the development of business models in B2C segment reflects the desire of traders to establish stable relations with customers by providing them additional services and stimulating feedback.

УПРАВЛІННЯ ПІДПРИЄМСТВОМ

The most famous online stores that operate in B2C are the following: Amazon.com, Staples.com, and Apple.com in North America; Mercadolibre.com.br, Netshoes.com.br, and Americanas.com.br in Latin America; Amazon.co.uk in the United Kingdom; Amazon.de, OTTO.de, Bonprix.de and Baur.de in Germany; Amazon.at, Universal.at and Ottoversand.at in Austria [5]. Apparently, Amazon.com, Inc. has branches in more than 10 countries and the company is definitely one of the largest in the world according to its turnover and one of the first Internet services focused on sales of mass consumer goods. In 2013, Amazon's turnover was \$74.452 billion, and their net income was \$274 million. Amazon is an example of the most successful "B2C" model [6].

All considered companies using the model "business to consumer" are successful. CSR takes a significant place in their operation activity, and today it has become an integral part of the effective operation and development of many companies, building effective relationships between the producer, seller and customer.

Companies that operate in accordance with business models in B2C must adhere to the basic principles of CSR not only because it will affect the success of their work, but also because they will show the example of importance of social business to its partners, competitors and customers. Numerous studies show that CSR has a positive impact on the clients' attitude to the organization and its products or services [7].

At the same time socially conscious consumers want to have more information on the companies' activities to distinguish "bad" and "good" ones. Therefore, many companies, including those engaged in electronic commerce try to publish the results of their CSR activities as soon as possible, posting reports on their own online store, light up in the press, hold a press conference or the ad campaign.

The directions of a corporate social responsibility policy regarding customers in the field of "B2C" are not only the launch of quality and safe goods and services, establishing reasonable prices, after sales service, warranty service, creating various bonus programs, special offers and discounts, loans. There are also such important CSR aspects as:

- Sponsorship and corporate charity;
- participation in ecological programs of state, region, municipal corporations;
- interaction with the local community;
- willingness of corporation to participate in crisis situations;
- promoting healthy lifestyles, environmental protection and so on.

As consumers' awareness about global social issues continues to grow, so does the importance these customers place on CSR when choosing where to shop [8].

However, it should be noted that consumers' attitude to corporate responsibility may be different. For example, someone deciding to buy goods or services pays great attention to the social aspects of the company, and someone does not pay any attention to this, and the key factor for choice is the price. Everything mentioned requires consideration of "SR-maturity" of consumers in socially responsible activities.

"SR-maturity" of consumer is a factor that determines the degree of influence on consumer decision concerning buying goods, information on the level of social responsibility of the manufacturer of such goods. In this sense, "SR-immature" consumers do not pay attention to the fact how much the product itself, technologies, productions and subsequent recycling, and company image meet the standards of socially responsible business. By contrast, the decision to purchase "SR-mature" consumers affect the level of compliance of the company better standards of CSR, customer knowledge that the company has no hand in the scandals related to breaking ecological rules, child labour exploitation, etc.

Markets differentiation in terms of "SR-maturity" is based on the level of satisfying basic needs of consumers. In Europe, the average wage is sufficient to meet the basic needs of most people, as a result they start taking interest in keeping quality of life and the environment for ethical reasons, indicating a higher level of "SR-maturity" consumers. Manufacturers, through the implementation of JI events, satisfy the higher order consumer needs [9].

Consumers whose main desire is to meet the basic needs according to Maslow's hierarchy of needs feel no ethical obstacles when buying products of companies that do not adhere to the

УПРАВЛІННЯ ПІДПРИЄМСТВОМ

principles of CSR. Therefore, it is not reasonable for the companies operating in countries with below average levels of economic development to pursue a policy of CSR at a level above the usual charity. On the contrary, it is charity valued customers with low "SR-maturity", because the fact of such assistance and its size are evidences of readiness of rich to help the poor.

Another factor that significantly affects the success of a company is corporate reputation. Corporate reputation contains attributes that distinguish one business from other good or bad. It reflects an organization's morality and therefore is a reliable indicator of tendency towards opportunism, such that a reputation for trustworthiness is actually a reputation for not being opportunistic. There is a positive relationship between corporate social responsibility and reputation of an organization. Good image increases the value to how an organization acts and states. Similarly a bad image depreciates the value of products and services of an organization, which can be used as signals to draw further contempt [10].

Corporate reputation is not only financial and business success and stability of the company. Opinion of various target audiences on what methods are used by the company for growth, which is its social responsibility, significantly affects consumer beliefs about what company they deal with. Although corporate reputation is an intangible asset of the company, it can significantly increase the price of the company and its products and services [11]. The reputation of the company is not only how good are its products, services, and how active the company is engaged in business communication (advertising, public relations, corporate publishing). Much more important is not the fact that the company is "talking" about itself, and what it "does". In addition, society increasingly reflects how well the company moral and ethical side is. Attitude to the companies that provide CSR are much more loyal than to those which think only of economic benefits.

Supporting social projects is one of the most important components of corporate reputation today. First, the social projects that receive support from businesses, mainly aimed at helping the most vulnerable segments of the population (street children, children of boarding schools, disabled, etc.). Looking after the weak sets the company up as a caring, worried and strong one. Secondly, social projects are often aimed at community development and civil society, which confirms the desire of the organization to invest in the future, the further development, and therefore it means its willingness to work in the market for a long time.

Any commercial organization supporting children's institutions, medical institutions, social-oriented projects, public authorities and NGOs is a social investment. Such social investment, on the one hand, leads to positive changes to improve the life of a particular community and its members, on the other - provides a specific business organization relevant reputation in the eyes of the general public and specific groups of public and legitimizes its activities within a particular community. Supporting social projects is one of the most important components of corporate reputation today. First, the social projects that receive support from businesses, mainly aimed at helping the most vulnerable segments of the population (street children, children of boarding schools, disabled, etc.). Looking after the weak positions the company as caring, worried and strong. Secondly, social projects are often aimed at community development and civil society, which confirms the desire of the organization to invest in the future, the further development, and therefore it means its willingness to work in the market for a long time.

Conclusions. Thus, corporate social responsibility is not just a fashion statement, but a vital necessity. For companies operating in the B2C segment, corporate social responsibility is one of the tools for success. Social innovation strategies implemented under the CSR not only allow companies to demonstrate their citizenship, but also become an important marketing tool that enables stand, develop new products and trends, to create an emotional connection between the brand and the consumer, thus contributing to growth loyalty. Social innovations implemented into strategies under the CSR strategies not only allow companies to demonstrate their citizenship, but also become an important marketing tool that allows to come forward, develop new products and trends, create an emotional connection between the brand and the consumer, thus contributing to the growth of loyalty.

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