

**ЕКОНОМІКА ТА УПРАВЛІННЯ НАЦІОНАЛЬНИМ ГОСПОДАРСТВОМ**

UDC 330.101:338.2

УДК 330.101:338.2

**I. Ju. Gryshova**, Doctor of Economic Sciences, Associate Professor,  
**P. V. Voronzhak**, Candidate of Economic Sciences, Associate Professor,  
**T. L. Shestakovska**, Candidate of Economic Sciences

**I. Ю. Гришова**, д. е. н., доцент,  
**П. В. Воронжак**, к. е. н., доцент,  
**Т. Л. Шестаковська**, к. е. н.

**THE IMPLEMENTATION OF THE PRINCIPLES OF CONSUMERISM IN THE STRATEGY OF THE DEVELOPMENT OF BUSINESS****ІМПЛЕМЕНТАЦІЯ ПРИНЦИПІВ КОНСЮМЕРИЗМУ В СТРАТЕГІЮ РОЗВИТКУ БІЗНЕСУ**

**Urgency of the research.** In the conditions of a globalized economy and the sharp polarization of the society there is an urgent need for scientific understanding of problems of formation of domestic consumerism, the formation of the value attitudes of citizens for organizing the structures of protecting their consumer interests. Therefore, the research of the peculiarities of the mechanism of the implementation of the functions of consumerism is relevant, it meets the demands of the theory and practice of modern economy.

**Target setting.** The inherent features of national economic development are associated with the low purchasing power of Ukrainian citizens their lower awareness of their rights as consumers, a steady trend to an increase in violations of those rights and make impossible the effective functioning of consumerism.

**Actual scientific researches and issues analysis.** Such domestic and foreign scientists as J. Bremond, R. Valeeva, J. Hobson, A. Gorelov, N. Dochynets, P. Drucker, J. Dudley, A. Zheledana, F. Kotler, N. Kudelia, T. Kahal, M. Kazakov, L. Lipych, V. Opryshko, V. Pavlova, L. Rosenberg, J. Hirst, M. Shapoval, A. Shlyka, O. Yazvinska etc. have dedicated their works to the studying of consumer protection issues.

**Uninvestigated parts of general matters defining.** Despite significant scientific achievements the analysis of recent publications shows the need to study the principles of consumerism and their implementation in the strategy of the development business.

**The research objective.** The article aims at structuring the directions of the implementation of the principles of consumerism in the strategy of the development of business.

**The statement of basic materials.** Based on the synthesis of the theoretical basis and the content of consumerism the article deals with the ways and approaches to implementing the principles of consumerism in the strategy of the development of business. An expediency of implementing the principles of consumerism in the strategy of business development simultaneously at the strategic, tactical and operational levels of management to gather with the instrumental support of its stages are offered and worked out.

**Conclusions.** The results of the research have developed into measures to enhance the implementation of the principles of consumerism in the strategy of business development on the level of tactical and operational management.

**Keywords:** consumerism; the principles of consumerism; public policy; the strategy of business development; social development; the interests of consumers.

**Актуальність теми дослідження.** В умовах глобалізації економіки та різкої поляризації суспільства постає гостра потреба в науковому осмисленні проблем становлення вітчизняного консюмеризму, формування ціннісних установок у громадян на організацію структур захисту своїх споживчих інтересів. Тому дослідження особливостей механізму реалізації функцій консюмеризму є актуальним, відповідає запитам теорії і практики сучасної економіки.

**Постановка проблеми.** Притаманні розвиткові національної економіки особливості пов'язані з низькою купівельною спроможністю українських громадян, меншою їх поінформованістю щодо своїх прав як споживачів, стійкою тенденцією до збільшення порушень цих прав унеможливають ефективне функціонування механізму консюмеризму.

**Аналіз останніх досліджень і публікацій.** Вивченню проблем захисту прав споживачів присвятили свої праці вітчизняні й зарубіжні вчені, зокрема Бремонд Ж., Валеева Р., Гобсон Дж., Горелов А., Дочинець Н., Друкер П., Дудла І., Желедана А., Котлер Ф., Куделя Н., Кагал Т., Казакова М., Ліпич Л., Опришка В., Павлова В., Розенберг Л., Хіртс Дж., Шаповал М., Шлійка А., Язвінська О. та ін.

**Виділення недосліджених частин загальної проблеми.** Незважаючи на значні наукові напрацювання аналіз останніх публікацій свідчить про необхідність дослідження принципів консюмеризму та їх імплементації у стратегію розвитку бізнесу.

**Постановка завдання.** Стаття покликана структурувати напрями імплементації принципів консюмеризму у стратегію розвитку бізнесу.

**Виклад основного матеріалу.** На підставі узагальнення теоретичного базису та змісту консюмеризму у статті обґрунтовано шляхи та підходи до імплементації принципів консюмеризму у стратегію розвитку бізнесу. Запропоновано та обґрунтовано доцільність імплементації принципів консюмеризму у стратегію розвитку бізнесу одночасно на стратегічному, тактичному та оперативному рівнях управління разом з інструментальним забезпеченням його етапів.

**Висновки.** Результатами дослідження є розроблені заходи щодо активізації імплементації принципів консюмеризму у стратегію розвитку бізнесу на рівні тактичного та оперативного управління.

**Ключові слова:** консюмеризм; принципи консюмеризму; державна політика; стратегія розвитку бізнесу; соціальний розвиток; інтереси споживачів.

---

**ЕКОНОМІКА ТА УПРАВЛІННЯ НАЦІОНАЛЬНИМ ГОСПОДАРСТВОМ**

---

**DOI:**10.25140/2410-9576-2017-1-2(10)-41-48

**Urgency of the research.** The creation of a socially oriented market economy in Ukraine is closely linked with the creation of decent living conditions for the life of population, the protection of human rights in all spheres of life. The implementation of these strategic objectives requires an effective socio-economic policy, where a significant place is taken for ensuring consumerism as a system of consumer protection, an important factor of improving the quality of life of the population. The effect of consumerism on socio-economic processes is primarily manifested in stimulating business activity: more and more businesses realize that the market leaders are the ones who most actively meet the requirements of consumers and primarily a socially responsible business has got prospects for growth.

**Target setting.** Political, economic and social changes taking place in Ukraine in recent years, are changing the priorities of the strategy of development of most companies. Of particular importance is the management from the positions of socially responsible behavior, which takes into account the interests of consumers, staff, businesses, stakeholders and local communities. The processes of globalization, a policy of a sustainable development, the choice of Ukraine towards European integration, are reinforcing the need to implement the social responsibility of domestic enterprises and keep to the principles of consumerism, which is an important factor for a positive image, the increase of the reputation of Ukrainian producers, their competitiveness in domestic and global markets.

**Actual scientific researches and issues analysis.** The study of the nature, the role, the objectives and the peculiarities of the forms of consumerism is paid much attention to by modern Western scholars. Among them: P. Kotler, J. Drucker, L. Hirst, Rosenberg, J. Hobson, J. J. Lamben, J. Bremond, A. Zheledan and others. Our domestic science has just begun to accumulate the developments on this issue. Among the first turned to by analyzing the mechanisms of consumerism in Ukraine V. Mandybura, O. Yazvinska, S. Gerasimov. These achievements are the general qualitative assessment of consumerism as a social phenomenon and economic mechanism, the study of its history of development in different countries of the world. The issue of consumer protection in Ukraine was also studied by T. Gorodetsky, I. Slabkovska, L. Galat, V. Kravchenko, T. Kysilova and others. A number of national scientists discovered the legal aspects of consumerism, particularly T. Kahal, A. Mazaraki, L. Nikolaeva, N. Prytul'ska, L. Ivanenko, S. Kosinov, V. Andruschenko, I. Lusta and others.

**Uninvestigated parts of general matters defining.** Despite the wide spectrum of research on the development of consumerism, the works of these scholars almost did not reflect the issues of implementation of the principles of consumerism in the strategy of business development.

**The research objective.** The aim of the article is to search the theoretical principles and practical peculiarities of implementation of the principles of consumerism in the strategy of business development in the current market conditions based on the systematization of the best international experience.

**The statement of basic materials.** Marketing is considered to be the highest form of realizing the concerns of producers in meeting the needs and interests of consumers today. The system of marketing is designed to predicting, servicing and satisfying customer's needs and raising their quality of life. However, the widely known is the fact that the main purpose of the business is to maximize profits, so the practice of marketing is not without negative traits and is perceived by consumers mostly as the complex of tools of exposure to business representatives in order to enrich, rather than concern about their welfare [1].

These and other problems are causing discontent of individuals and society as a whole, bringing their action aimed at regulating the marketing, namely, protecting the interests and improving the rights of customers, strengthening their impact on the salers of products. Combating the phenomenon of mass marketing excesses and arbitrary behavior of the representatives of the business market, which is widespread in the world and has become increasingly important in the social and economic relations of the former Soviet Union, today is called consumerism.

---

**ЕКОНОМІКА ТА УПРАВЛІННЯ НАЦІОНАЛЬНИМ ГОСПОДАРСТВОМ**

---

Consumerism as a social movement is a systemic and complex phenomenon. It includes three main groups of participants (actors): the first - consumers acting individually and collectively; the second - the state, affecting the consumer market indirectly through legislation and regulation; the third - business, acting through competition and self-regulation in the interests of consumers. On conditions of the balanced activity and the constructive engagement of all three groups, there is a positive impact of consumerism on the qualitative development of goods and services to overcome consumer market discrimination on the part of manufacturers and commercial agents [2].

A theoretical and methodological basis for the implementation of the principles of consumerism in the strategy of business development has been chosen and reasonable systematic and logical approach has been worked out (Fig. 1).

It has been Determined that the implementation of the principles of consumerism in the strategy of business development is a complex, continuous multilevel process that means developing together the key elements and their coordination with key elements of the strategy of business development.

We coordinated the objectives, tasks, instruments, processes, of management, the levels of responsibility and expected the results in order to select the ways of implementation.

At the level of details the goals and objectives of the implementation are related to: - identifying the key elements of competence (experience, skills, opportunities, potential, education of the public and the public); - identifying and analysis of the key groups of stakeholders; - the formation of strategic alliances, influencing the competence of the company; - the implementation of the principles of consumerism and training of the staff; Evaluation of results from the implementation of the principles of consumerism in the strategy of business development [3-4].

The coordination of the instruments is of fered according to the levels of management in the respective groups: strategic, tactical, operational. Three levels of responsibility are pointed out: strategic (economic, legal, environmental); for information (its transparency and accountability); for the fulfillment of obligations to consumers, the environment, investors and future generations.

The results of the implementation of such different nature can be measured as:

- economic (reduced operational risks, increased capitalization, growing financial performance and labour productivity, investment attractiveness and competitiveness of products, the development of innovation);

- social (creating a positive image, strengthening confidence, PR-support, labor, health and safety protection);

- ecological (environmental policy, resource conservation, environmental protection, environmental investments, integration into international environmental programs, reducing the energy intensity of business processes) [5; 6].

As a way of implementing the following directions of the improvement of relationships of consumerism and strategic management are recommended:

- 1) the formation of clear ideas of the managers of the enterprise about the content of social responsibility as a social phenomenon, whose development should be involved;

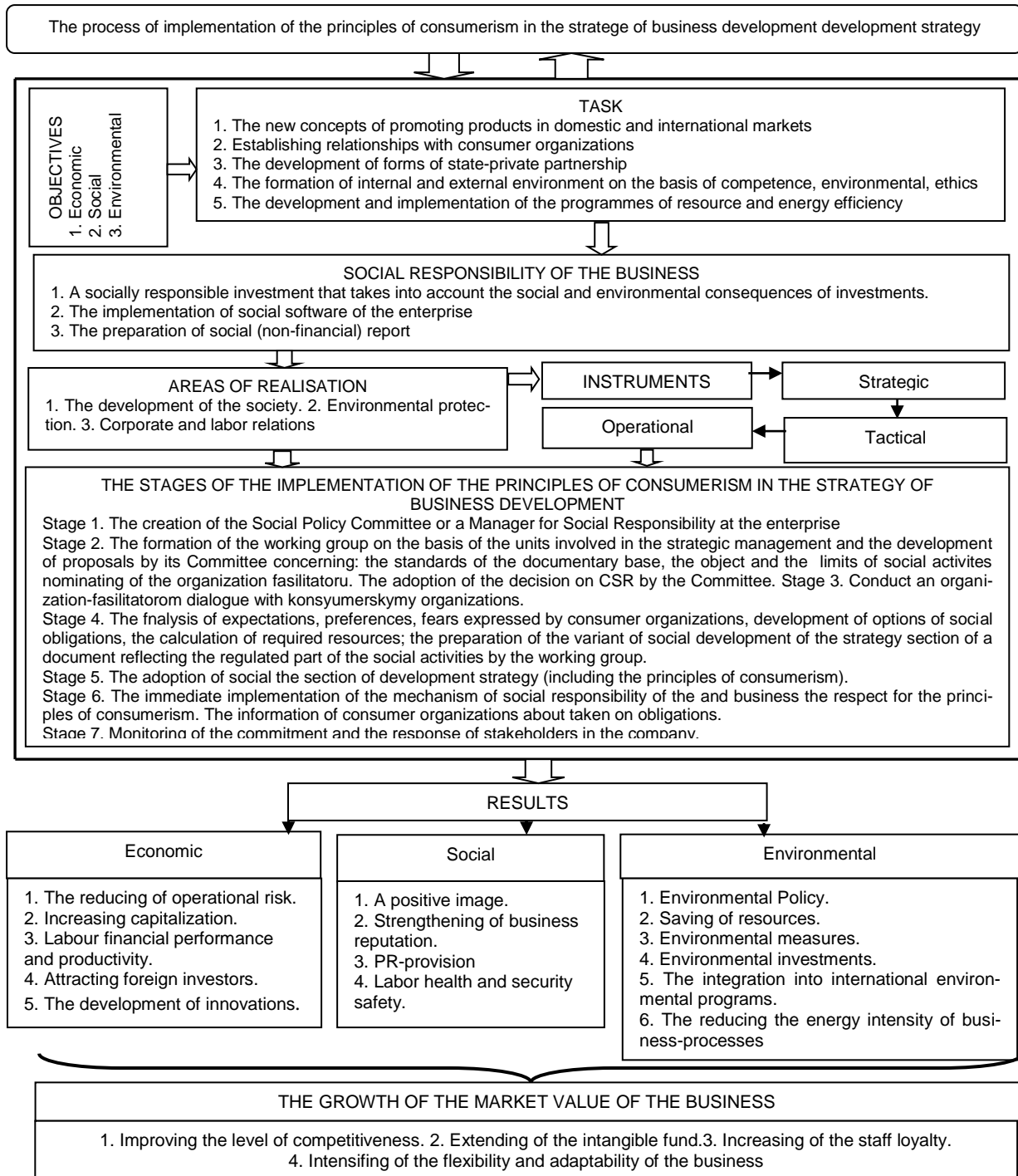
- 2) the transition from the administrating of social programs to the developing cost-effective business relationships with customers, the state and local communities;

- 3) a radical strengthening of the links between enterprises and non-profit organizations in determining the priorities of consumerism;

- 4) the improvement of the quality of business culture, the importance of ethics in the relationships between business and society;

- 5) the increasing of the degree of the information openness, the conservation of the structure of the recipients, the development of new communication channels with various social groups.

**ЕКОНОМІКА ТА УПРАВЛІННЯ НАЦІОНАЛЬНИМ ГОСПОДАРСТВОМ**



**Fig. 1. Schematic representation of the process of implementing the principles of consumerism in the strategy of the business development**

---

**ЕКОНОМІКА ТА УПРАВЛІННЯ НАЦІОНАЛЬНИМ ГОСПОДАРСТВОМ**

---

According to the model suggested by M. Porter and M. Kreymmer [7] social responsibility of the business has two types: regulatory and strategic, one of them may be chosen by enterprise choose. The regulating type of social responsibility in business is aimed at reducing existing problems and negative effects of the activity of the company. The strategic type involves embedding of the mechanism of social responsibility into the strategy of the company and focuses on creating long-term competitive advantage. This type is the best match for the transition from the "social costs" to "social investments".

Implementing the principles of consumerism in the strategy of business development involves keeping to the methods and developing appropriate instruments. The formation and functioning of the mechanism of consumerism is based on a set of principles that are offered on the ground of the analysis of regulations and best practices of the activities of the companies:

1. Voluntaryism. The fundamental principle of consumerism. Regulations and International Standards create only conditions for the development of consumerism. The decision to implement the principles of consumerism is a voluntary initiative of the management.
2. Accountability. It gives documented basis for defining the role of businesses in the social development and the impact of its activities on the society and the environment.
3. The respect for the rule of law. Strict adherence to the law is the second universally acknowledged fundamental principle consumerism.
4. Transparency. It provides opportunities for understandable disclosure in a balanced and true form of policies, decisions and activities for which the company is responsible. Transparency does not mean the disclosure of proprietary information, as well as the information which is protected by law or may result in a breach of legal obligations.
5. Ethical behavior. The adoption and Application of the Standards of Ethical Conduct, which most completely meet the purpose and scope of the company.
6. Compliance with international norms of behavior. Acquiring new global markets.
7. Cooperation with stakeholders and respect for human rights. Taking into account the interests of consumer organizations and interaction with them, taking measures regarding the respect of consumer rights [5].

Applying these principles, the company can further continue to develop their own principles which have to be reflected in the strategy of business development, in order to examine them both by the staff and any interested parties. The work on the implementation of the principles of consumerism in business activities should be accompanied by the information through the channels of internal and external communications. In particular, we need to develop a structure of management in the way that it would promote to spread the principles of ethical behavior both inside it and in the process of interaction with organizations of consumerism.

The fundamental principle of consumerism is a strict compliance with the law, so the first thing a company committed to social responsibility, has to do, is to create a legal base level of social responsibility, an analyzing their activities to bring it into line with the law. On the next stages it is necessary gradually expand social responsibility through the implementation of voluntary initiatives over the legislation aimed at solving social and economic problems, improving the ecological environment, improving the quality of production, promoting innovations and so on.

We offered to consider the social responsibility of business in close connection with the strategy of business development. For this the model of the context of formulating competitive strategy of Michael Porter is used [7], in accordance with it four main factors influence its formation. One of the key external factors are broad social expectations, and thus meeting the needs of the social environment of the company, which is one of the main objectives in determining competitive strategy. In its turn, it is namely a social strategy to become an important part of the overall strategy of business development designed to meet the broad social expectations. Therefore, the presence of social strategy is a prerequisite for the successful implementation of business strategy.

---

**ЕКОНОМІКА ТА УПРАВЛІННЯ НАЦІОНАЛЬНИМ ГОСПОДАРСТВОМ**

---

The basic methods of implementing the principles of consumerism in the strategy of business development can be based on the following elements:

- environmental management as part of the overall enterprise management system, including the activities in the planning and management by the impacts of business on the environment;
- the system of managing the quality as a set of elements of organizational structure of a company and the mechanisms ensuring quality control of the production process and products according to the standards and regulations;
- donations and sponsorship of enterprises for implementing social programs in cash or in kind (products, administrative offices, facilities for various events, transportation, equipment, prizes, etc.);
- equivalent funding as co-financing of social programs by the enterprise, state authorities and the representatives of non-profit sector;
- social investments as the funds allocated for the implementation of long-term, joint partnership social programs aimed at reducing social tension where your business is located, and the improvement of living standards of different groups of the population;
- delegating the company's employees as a voluntary employee engagement in social actions through giving them free opportunities to gain the knowledge, skills, information etc.
- socially significant marketing as a form of targeted financial assistance, which has to remove a certain percentage of sales of a particular product on the social programs of the company.

The choice of the methods of implementation of the principles of consumerism means the way of incorporating social responsibility in the strategy of business development, so it requires understanding of its essence, the impact on the enterprises performance in different conditions. Accordingly, we must perform the required work:

- to analyze the conditions that will determine the procedure for inclusion of the principles of consumerism in the strategy of the development of the company;
- to clarify the perception of consumerism by the management of the companies (recipients, effects, advantages, disadvantages, prospects);
- to define the priority areas and the forms of realization of the principles of consumerism;
- to establish and evaluate the impact of the operating conditions of business on consumerism and personal involvement of managers in social programs.

Taking it into account, as well as the suggestions of domestic scientists it is advisable to highlight the following key elements of the process of implementation of the principles of consumerism in business strategy:

- 1) identifying the key elements of competence (experience, skills, opportunities, potential, education of the public and the population);
- 2) identification and analysis of the key groups of the stakeholders;
- 3) strategic alliances, influencing the social responsibility of the company (non-governmental organizations, interested groups, government, other businesses);
- 4) a phased introduction of the principles of consumerism and staff training, team building, goal setting, experimentation, dissemination of ideas;
- 5) business benefits as a result of introducing the programs of consumerism: reducing the costs, increasing the efficiency, reducing the risks, creating additional value, ect.;
- 6) social benefits as the original and the result of the implementation of the programs of consumerism: the formation of conscious communities, strong relationships with local communities, the productivity of the staff.

The areas of implementing the principles of consumerism in the strategy business development, determining the nature of the relevant instruments include: organizational, economic and regulatory guidance.

Although the instruments of the management typically include the strategic decisions of the organization of the influence of these instruments affects the operational and tactical levels of the management. Strategic instruments are quite developed, but tactical and operational ones have also acquired

---

**ЕКОНОМІКА ТА УПРАВЛІННЯ НАЦІОНАЛЬНИМ ГОСПОДАРСТВОМ**

---

distribution but they don't have methodological basis. In particular, this applies to ethical cards, conducting social audits and preparing a social report. Although they provide a quick solution of the current problems, increase labour productivity, strengthen corporate culture, reduce communication costs in the workplace.

To solve the tactical problems of social responsibility the most effective are ethics committees, conducting ethical examinations, ethical counseling. Created to solve unexpected resonance problems, they positively affect the public image of the business, strengthen corporate culture, make the correct methods to achieve goals.

In the process of gaining the strategic goals such instruments of the management as ethical codes, social reporting and social investments (social programs) come to the fore. They raise the reputation and the investment attractiveness of the business the level of trust on the part of the stakeholders, reduce transaction costs, lead to growing the capitalization of the businesses.

As a result of the study we have proposed the measures of enhancing the implementation of the principles of consumerism in the strategy of business development on the level of tactical and operational management:

1. Organizational: the formation of the organizational unit whose, competence will include the responsibility of the business in implementing the principles of consumerism and social reporting; the establishment of the information centre of the company on a "hot line" principle on the questions of implementing the programs of consumerism that will provide the informative and methodological support; the Company's participation in the annual Ukrainian national competition of quality; the introduction of the enterprise business competitions on relevant topics; the participation in educational events for this sector.

2. Economic: Reviewing the rationing system of preferences for the units of enterprises that pursue the policy of social responsibility of the business and realize important social consumer programs;

3. Informative: the creation of CSR page of the business on the website of the company to highlight the measures of its socially responsible behavior; participating in information campaigns, publishing articles and the preparation of TV programs of CSR; the exchange of experience on the participation in the programs of consumerism with other enterprises.

**Conclusions.** The suggested ways and approaches to implementing the principles of consumerism in the strategy of business development allow it to create and execute the strategy aimed at achieving both economic performance and long-socially responsible interaction with the environment. As the way of implementing the principles of consumerism in the strategy of the development of business it is recommended in such main directions of improving relationships and strategic management of the business: the formation of clear ideas of the leaders of the business on the content of consumerism as a social phenomenon, in whose development we should take part; the transition from the administration by the social programs to the developing cost-effective connections between business, state and local communities; the radical strengthening of relationships of the business with non-profit organizations in determining the priorities for social responsibility; increasing the quality of business culture, the importance of ethics in the relationships between the business and the society; the increasing of the degree of openness of information, the development of new communication channels with various social groups.

**References**

1. Gryshova, I. Y., Shestakovska, T. L. (2016). Rol konsumeryzmu v socialno-ekonomichnykh protsesakh [The role of consumerism in the socio-economic processes]. *Naukovi zapysky zakonodavstva* [Scientific notes of Verkhovna Rada of Ukraine], № 6. – pp. 75-81 [in Ukrainian].
2. Gryshova, I. Y., Shabatura, T. S. Naumov O. B. (2016). Kapitalizatsia brendu yak instrument maksymizatsii rynkovoyi vartosti biznesu [The capitalization of the brand as a tool for maximizing business value]. *Naukoviy visnik Polissya – Scientific bulletin of Polissia*, 3 (6), pp. 168-175 [in

**Література**

1. Гришова, І. Ю. Роль консюмеризму в соціально-економічних процесах / І. Ю. Гришова, Т. Л. Шестаковська // Наукові записки законодавства Верховної Ради України. – 2016. – № 6. – С. 75-81
2. Гришова, І. Ю. Капіталізація бренду як інструмент максимізації ринкової вартості бізнесу / І. Ю. Гришова, Т. С. Шабатура, О. Б. Наумов // Науковий вісник Полісся. – 2016. – № 3 (6). – С. 168-175.
3. Gryshova, I. Yu. The estimation of enterprise trade name competitiveness / I. Gryshova, O. Mityay, S. Stoyano-

**ЕКОНОМІКА ТА УПРАВЛІННЯ НАЦІОНАЛЬНИМ ГОСПОДАРСТВОМ**

Ukrainian].

3. Gryshova, I. Y., Mityay, O., Stoyanova-Koval S. (2016). The estimation of enterprise trade name competitiveness. Scientific bulletin of Polissia, 2(6), pp. 85-91 [in Ukrainian].

4. I.Y. Gryshova, W. Strielkowski (2016). Ukrainian labour migration in the Czech Republic. Scientific bulletin of Polissia, 3 (8), pp. 224-231 [in Ukrainian].

5. Shestakovska, T. L. (2016). Osoblyvosti formuvannya sotsialno oriyentovanykh klasteriv v Ukraini [Features of formation of socially oriented clusters in Ukraine]. Naukovy visnyk Polissja, № 1. – pp.46-55 [in Ukrainian].

6. Lashchak, V. V. (2015). Administratyvne reformuvannya systemy zahystu prav spozhyvachiv yak skladovoi derzhavnoi sotsialnoi polityky v Ukraini [Administrative reform of consumer protection as part of government public policy in Ukraine]. Collection of scientific works of Bukovynian University. Economic Sciences., № 11. – pp. 13-21 [in Ukrainian].

7. Dochynets, N. M. (2009). Konsyumeryzm v Ukraini : sotsialno-ekonomichni realii ta perspektyvy rozvytku [Consumerism in Ukraine : the socio-economic realities and development prospects]. NAS of Ukraine. Institute for Regional Studies, p. 280 [in Ukrainian].

va-Koval // Науковий вісник Полісся. – 2016. – № 2 (6). – С. 85-91.

4. Gryshova, I. Yu. Ukrainian labour migration in the Czech Republic / Wadim Strielkowski, I. Yu. Gryshova // Науковий вісник Полісся. – 2016. – № 4 (8). – С. 224-231.

5. Шестаковська, Т. Л. Особливості формування соціально орієнтованих кластерів в Україні / В. Ф. Савченко, Т. Л. Шестаковська // Науковий вісник Полісся. – 2016. – № 1. – С. 46-55.

6. Лащак, В. В. Адміністративне реформування системи захисту прав споживачів як складової державної соціальної політики в Україні / В. В. Лащак // Збірник наукових праць Буковинського університету. Економічні науки. – 2015. – Вип. 11. – С. 13-21.

7. Дочинець, Н. М. Консюмеризм в Україні: соціально-економічні реалії та перспективи розвитку: монографія / Н. М. Дочинець; НАН України. Інститут регіональних досліджень; [наук. ред. У. Я. Садова]. – Львів, 2009. – 280 с.

Received for publication 10.03.2017

**Бібліографічний опис для цитування:**

Gryshova, I. Ju. The implementation of the principles of consumerism in the strategy of the development of business / I. Ju. Gryshova, P. V. Voronzhak, T. L. Shestakovska // Науковий вісник Полісся. – 2017. - № 2 (10). Ч. 1. – С. 41-48.