

SOCIAL MARKETING ORIENTATION OF COMPANIES IN SLOVAKIA

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Abstract: *Nowadays there is a growing trend of concerning the social issues in business practice. Profit has been the main goal of companies for ages; they were usually looking for competitive advantage and tools how to be the best on the market, how to beat competition and how to ensure high market share. However, this situation has been slowly changing and the problems of people and society are more topical issues, now. Nowadays new questions arise: Are there companies which modify their activities and involve also social aspects in doing their business or are they oriented purely on their profit? This paper tries to answer this question. The main goal is to examine in what extent the profit sector contributes to solving the social issues, what the perceived benefits of this “social marketing orientation” are and which obstacles the companies face in its implementation. The results are based on empirical research involving 20 companies operating in Slovak market.*

Key words: *social marketing, social issues, marketing, benefits, society*

I. INTRODUCTION

Our world is not ideal. There are many social problems that call for solutions. Drug abuse, child abuse, drunk drivers and pollution are just a drop in the sea among all social problems that the world nowadays has to face. There is a great consumption among people and companies are trying to persuade them to buy more and hence ensure their desired profit and position on the market. They develop attractive marketing programs to evocate customers' needs and motivate and reinforce their consumption. They invest resources into products and processes for further improvements to keep the profit (Elexa, 2008). But is there a possibility for companies to address also social issues besides profit, market share and other “typical” business aims? How is it possible to connect these two “opposite” aspects? How to put marketing and business focus with social one together? One of the solutions is called social marketing.

With the birth and development of marketing also different marketing concepts emerged. They came into existence thanks to the changes in market conditions and customers' needs. According to different authors (Kotler,

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1992; Adcock, 2000; Sandhusen, 2001) there are several divisions of marketing orientations in businesses. After combining all the approaches we gained these six concepts: production, product, sales, marketing, relationship and social marketing concept.

The last one is different in comparison with previous approaches since it involves also considering the interests of society besides interests of buyers and sellers when planning their marketing goals and strategy. The satisfaction of the customers should be done in the form of maintaining or increasing the well-being of the customers and society (Sandhusen, 2000, p. 14; Kotler, Armstrong, 1992, p. 10).

When talking about social marketing as affecting the people's actions it is definitely not a new idea. Social marketing "was born" as a discipline in the 1970s, when Philip Kotler and Gerald Zaltman realized that the same marketing principles that were being used to sell products to consumers could be used to "sell" ideas, attitudes and behaviors. Social marketing started to be the toll of how to use the commercial marketing techniques to promote the adoption of a behavior that will improve the health or well-being of the target audience or of society as a whole (Weinreich, 1999, p. 3). Social marketing seeks to influence social behaviors not to benefit the marketer, but to benefit the target audience and the general society. It is the use of marketing principles and techniques to influence a target audience voluntarily accept as new behavior, reject a potential behavior, modify a current behavior or abandon an old behavior for the benefit of individuals, groups or society as a whole (Kotler, 2002, p. 5). Unlike traditional marketing social marketing is not primarily focused on selling a product or service. It is about a social change.

There are now several indicia that attest to the broad acceptance of this field. Conceptual, theoretical and also practical indications include the following (Andreasen, 2002, p. 3):

- Several general textbooks (Andreasen, 1995; Kotler and Roberto, 1989) have been published, along with several specialized management books.
- Chapters devoted to social marketing are now included in basic marketing textbooks (Baker, 1999), nonprofit marketing books (Sargeant, 1999) and health communication readers (Glanz, Lewis and Rimer, 1999).
- A journal entirely devoted to the area, the Social Marketing Quarterly, was founded in 1994.

- There are now three annual social marketing conferences, and the first Innovations in Social Marketing Conference produced a major readings book in 1997 (Goldberg, Fishbein and Middlestadt, 1997).
- Social marketing centres have been established in Scotland, Canada, and Poland, and social marketing training programs have been held in several parts of the world.
- The Social Marketing Institute was established in 1999.

There exist also similar terms used in the meaning and related to social marketing, like corporate social responsibility, corporate social orientation, marketing/business ethics, cause-related marketing, societal marketing, PR, corporate social marketing or corporate philanthropy (Pride, Ferrel, 2000; Adkins, 1999 and many others). The main difference between social marketing and other terms is that the main aim of social marketing is behavioral change whereas the other initiatives want mostly bring the attention to some cause; the change is not the most important issue for them. Social marketing asks: What would be the benefits for the society? To sum up all definitions social marketing will be understood as an innovative approach used by many different kinds of organizations, bringing benefits for society, particularly influencing people to change their behavior towards given situation with the assistance of commercial tools. For the purpose of our research we will consider every activity that can be beneficial for the public and society undertaken by profit sector companies as belonging to social marketing orientation.

We can find many different areas of social marketing application: professionals working for governmental agencies and organizations (e.g. National Institute of Health, WHO); professionals working for non-profit organizations, foundations and associations (e.g. Greenpeace, Red Cross); professionals working for profit organizations responsible for marketing or community relations; and marketing professionals providing services to organizations creating social marketing campaigns like advertising agencies or PR companies (Kotler, 2002, p. 12). In our paper we will focus only on profit organizations and their social marketing activities.

Since the concept of social marketing is still quite new, not all companies know exactly how to implement it and whether it would be beneficial for them. We have to say that when companies apply social marketing in their business practice, they expect not only benefits for the society, but secondary also some benefits for them. Social marketing represents one of the most efficient ways how to support key marketing objectives like brand positioning, brand preference and increased sales. The main reason is seen

that if people benefit from the change they made thanks to the company, they are very likely to be positively associated with the company that motivated the change.

One research was undertaken in order to compare the corporations that utilize the social approach with those that do not use it. It was found out that the economic performance of the companies that are utilizing social approach is much better in comparison with companies that do not use it. It showed that the excessive focus on maximization of profit was even contra productive. Although, this research observed not only social marketing activities, but also the activities included in CSR, it can serve us as an example that the companies that are on the way to implement social marketing strategies are successful in their attempts (Coughlin, 1991, p. 194).

Many successful companies are using social marketing. Here are some examples:

- Procter and Gamble started with production of fat free oil for prevention of the heart diseases.
- Different car manufacturers concentrate mainly on producing of cars that are economical and at the same time environmentally friendly.
- Many companies are utilizing recycled paper to help the environment.
- ADIDAS has started with several projects: higher salaries for local workers in under-developed countries; prevention of hiring the under-age people; supporting of local community sports; sponsoring of sports events; help to build the sports events; providing lower prices of some products in certain countries.
- Coca Cola supports local water supply.
- McDonalds have programs to provide scholarships for talents

Social marketing is really useful, but there are some obstacles due to which it is not possible to utilize it to its full potential. There are some major problems according to Social Marketing Institute why it cannot grow in a proper way (Martinsen, 2003):

1. Social marketing is not appreciated enough on the top management levels what causes that there are not sufficient financial means provided for preparing high-quality marketing campaign.
2. The concept of social marketing is not clearly specified. It means that there are too many definitions and social marketing is often misunderstood as some other kind of marketing.
3. The success of the social marketing campaigns is not promoted in the sufficient way.
4. There is a lack of academic legitimacy.

There are also some other limitations of this concept. First of all social marketing is not able to solve every social problem and also if the company does not have enough funds to make worthy social marketing campaign, it should not even start. As the concept of social marketing is still quite new and not explored in sufficient extend there are many things that should be removed on one side or improved on the other side (Weinreich, 1999, p. 4).

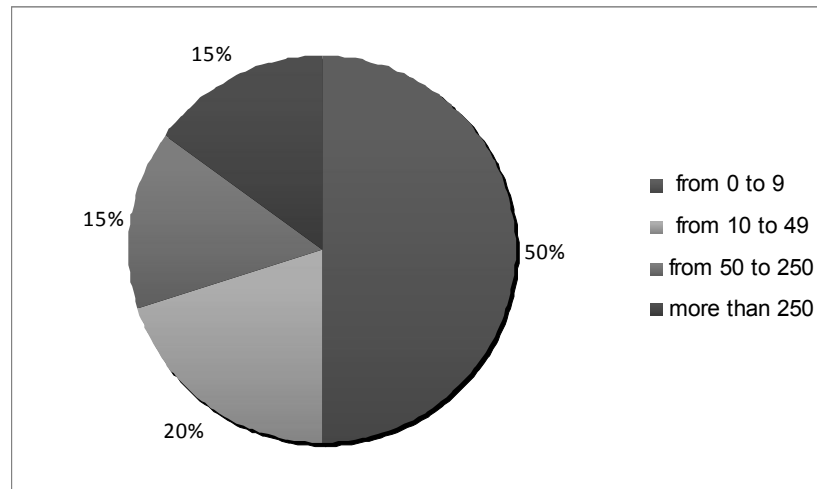
II. METHODOLOGY

The goal of our research was to examine the extent of the social marketing in the companies in Slovakia. Partial aims have been formulated to achieve the main one:

- Finding out to what extend companies use social marketing and in what way.
- Exploring the conditions under which social marketing activities are conducted.
- Identifying the benefits and obstacles connected with implementation of social marketing.

As a method we have decided to use questionnaire consisted of 15 questions that we sent to the Slovak companies through e-mail. We will present just chosen results from more complex research². The examined sample has been created from the selected Slovak companies. We have sent 100 questionnaires and tried to focus on the companies that we consider as potentially marketing socially oriented. The respond rate was 20%. We got responds from the companies like Alfa Bio, IBM, Topvar, Timus Safety, Oriflame or Tesco. The structure of the sample according to the size (number of employees) and location is showed bellow in the text.

² The data were gathered within a thesis of Saladiaková, Z. 2009. Exploitation of social marketing orientation in selected slovak enterprises, supervised by Ing. Janka Petrovičová, PhD.

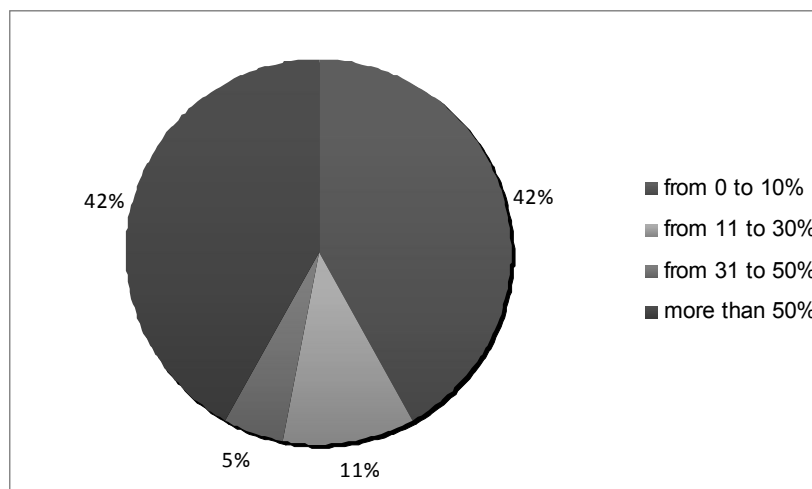


Graph 1. The number of employees

Source: own research

The prevailing companies are of the small size. It's caused by the fact that bigger companies were not willing to provide us with such information, because they considered them too private to share them. We had representatives from almost all districts in Slovakia. Majority of the companies operated in service sector. However 40% from the sample operated in more than just one field and the production was dominating field in 75% of these companies. Majority of respondents (interviewed representatives of the companies) worked either in the marketing department (most of them) or in other (personnel, economic, production ones).

The majority of companies has either very low or very high share of foreign capital in their companies. The reason why we considered this fact as relevant was that companies abroad utilize the social marketing concept in a great extent, therefore we assumed that if the company is either a daughter company of some foreign one or its capital is mainly from foreign companies it is more likely that the company would have the tendency of utilizing the social marketing concept. The details are shown in the Graph 2.



Graph 2. The share of the foreign capital in the company

Source: own research

III. EVALUATION OF THE SOCIAL MARKETING ACTIVITIES

To find out whether the companies in Slovakia are using social marketing or not we have asked them in what extend they agree with the statements concerning social marketing (we used so-called Likert scale). The following table 1 shows the results.

In general we found out that except of one company, all of them conduct more than 5 of these social marketing activities. For detailed results interpretation we divided all activities into 3 categories according to the answers of respondents. The first group – best results (1. – 4. place in the ranking); the second group – average results (5. – 8. place), the worst results (9. – 11. place).

Within “the best, most desirable results” we can see that all the companies are starting their strategies with the focus on customer and they are aware about their competition; they gained the overall value of answers that placed them on the 1st and 2nd place within all 11 activities. These two questions, however, even if they might not seem to be directly connected to social marketing, they are basis for “upgraded” marketing concepts, so they do apply also for social marketing concept. Another activity that is carried out by almost all companies (95%) is stressing the benefits of buying the products or accepting the idea. It means that the companies really try to focus on making customers aware of the benefits that their products or

services have. The positive result (90%) was also the fact that one of the companies' goals is to improve the quality of life. It directly indicates that companies have also the interest in general well-being while offering the products or services.

Within the second group of "average" results we found out that 85% of respondents make the promotion in the way that helps us to maximize the responds of the customers; 65% try to educate the society through their campaign (this is a typical social marketing activity); 65% test their products in advance in order to see whether the society will accept them; 70% segment the market according to the idea or behavior that they want the audience to accept.

The "worst" group of results showed that almost half of the respondents (45%) don't misuse the advantage of the cheaper workforce in order to lower their costs; the same number (45%) don't differentiate price of the products according to the region in which they sell it (offer lower price in the poorer regions). And the most typical social marketing activity when marketing strategy is created in the form of education or counter campaign was not the relevant activity for almost two thirds of companies (70%).

Based on these results we were interested whether the companies that have greater share of foreign capital have higher potential of being marketing socially oriented. We found out that from 8 companies with the share greater than 50%, 6 are doing almost all (9, 10) mentioned social marketing activities and two are doing seven of them. Since our sample and its size are not representative, we can just provide the preliminary assumption according to our research that the companies with great share of foreign capital tend to have quite string social marketing orientation.

What is interesting is comparison of this reality with the answers on question: Do you think your company is using social marketing? The result was that one quarter (25%) think that they are not doing so and other three quarters think they do it. From this 75% of companies 93.75% is correct about their own perception with the reality. On the other hand companies that don't think they use social marketing concept, all of them showed a certain extend of this approach. This comparison shows that companies might be socially marketing oriented even if they do not perceive themselves to be.

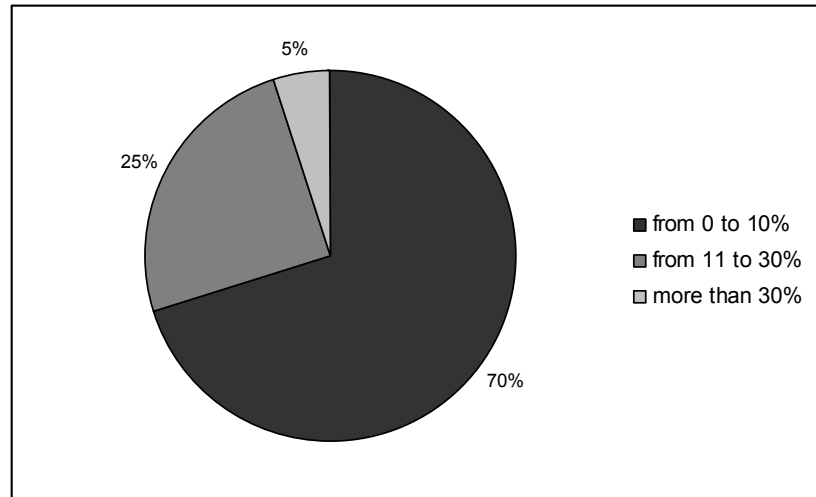
Table 1 Social marketing activities in the approached companies

Range	I strongly disagree (-2)	I rather disagree (-1)	I rather agree (1)	I strongly agree (2)	Ranking
We are differentiating price of the products according to the region in which we sell it (we offer lower price in the poorer regions).	20%	25%	40%	15%	10.
Our strategies begin with the focus on customer.	0%	0%	25%	75%	2.
Our marketing strategy is created in the form of education or counter campaign (e.g. signs that smoking is dangerous on the packages of cigarettes).	15%	55%	25%	5%	11.
We test our products/services in advance in order to see whether the society will accept them.	15%	20%	40%	25%	7.
We segment the market according to the idea or behavior that we want our audience to accept.	10%	20%	65%	5%	8.
One of our goals is to improve the quality of life.	5%	5%	35%	55%	4.
The aim of our campaign is to educate the society.	5%	30%	35%	30%	6.
We do not misuse the advantage of the cheaper workforce in order to lower our costs.	20%	25%	20%	35%	9.
We make the promotion in the way that helps us to maximize the responds of the customers.	0%	15%	30%	55%	5.
When doing our marketing campaign we try to stress the benefits of buying the product/accepting the idea.	0%	5%	35%	60%	3.
We are aware about our competition, about their strengths and weaknesses	0%	0%	20%	80%	1.

Source: own research

Another issue that we were interested in was how much the companies invest into social activities, because it is other factor that can tell us whether the companies are marketing socially oriented or not. The graph number 3 shows that only 5% of companies invest more that 30% from their budget into social activities. However, 25% invest from 11 to 30% from their

budget into such activities what bring us to the conclusion that they consider also social issues while doing their business.



Graph 3. Money invested from the companies' budget into social marketing activities

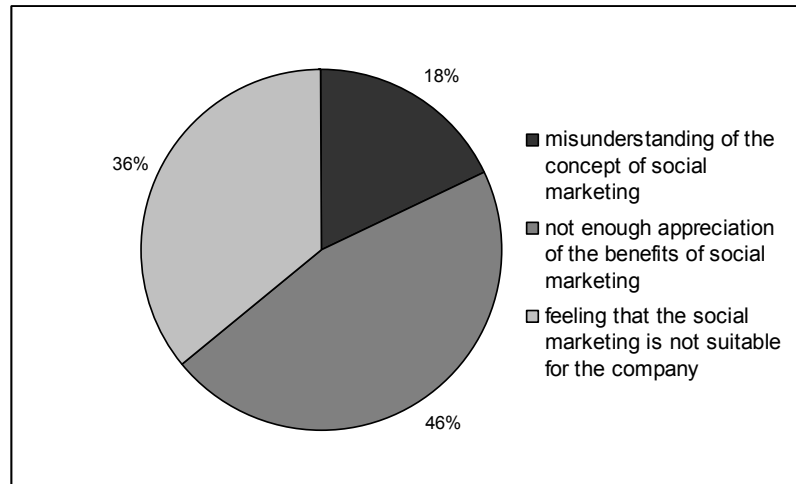
Source: own research

The other issue we were interested in after analyzing the extent of social marketing orientation was the pros and cons of this approach. We found out that the main benefits of the social marketing are: 1. better image of the company, 2. better perception by the customers, 3. then more customers and at last 4. better economic results. Here it is visible that companies mostly expect from this concept what the theory states – usually rather qualitative (1, 2) than quantitative (3, 4) effects.

Regarding the difficulties or obstacles while implementing social marketing into the practice, the research showed that major problem lays in the fact that the benefits of social marketing are not appreciated enough. Significant percentage admitted that they feel social marketing is not suitable for their companies. We have asked also about some other difficulties and 10% stated they did not meet with any problems by implementation. Graph number 4 depicts the detailed results.

To conclude our results we can say that social marketing is used in certain extent almost by all companies, the best results were in the area of usually considered as marketing activities (still it is necessary to fulfill this level for

further implementation of social activities), but typical social marketing activities like educating the society and doing counter campaigns were rather neglected.



Graph 4. Obstacles when implementing social marketing

Source: own research

The companies usually correctly perceive their reality about implementation of social marketing activities in their practice, but at the same time they might be socially marketing oriented even if they do not perceive themselves to be. Most of the companies don't invest much into social issues from their budget (it is quite logical that they have other priorities); they usually correctly expect rather qualitative effects (awareness and reputation) in comparison with quantitative ones (number of customers, economics results), what is on the other hand perceived as an obstacle why social marketing is not implemented in desired extent. However, companies should realize that these qualitative effects will be transformed to quantitative ones after certain time. They should be think more strategically, be patient and expect not just immediate effect, but wait for long-term that can persist also in the future. Not only the company and the customers, but also whole society will profit from this approach.

IV. MANAGERIAL IMPLICATIONS

Within our research we gained also some good practices that were used to implement social marketing and that could be shared among other companies.

Here we state some of the recommendations for the business practice:

- The company should implement it for sure. Even if they would face some difficulties in the beginning they should not give up. Social marketing might not seem very attractive from the first sight, but after some time you will reveal great advantages and you will be really satisfied with it.
- The most effective for us was logical planning of the processes that are oriented on the customer, market analysis, determination of goals and identification of the strategy. Even if social marketing is more difficult than the common one it provides complex change of economic and social environment that can help to improve the quality of life of the customer.
- Thanks to social marketing we achieved focus on the customer from the side of the company and also the image of our company improved.
- It is worthy to pay attention to the given problem; profit and other things will come later.
- If the management believe in benefits of social marketing and knows how to communicate it to the subordinates there would be no problems with implementation.
- It is important to communicate and explain the employees in advance why it is suitable and beneficial for the company to use such concept and what you want to achieve by using it.

From the gathered recommendations we can see that the majority of the companies do not regret implementation of social marketing even if it did not seem very helpful at the beginning. According to the companies the greatest attention should be paid to the right communication and the reasons for implementation, so that all employees are clear about the benefits it can bring. Companies can use this concept to improve their image and reputation and ensure desirable positioning on the market.

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