Socially Responsible Activities - An Efficient Tool for the Companies for Marketing Communication with the Consumers

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Abstract   Every company, organization and institution use tools for communication with existing and future customers. The changing conditions of the global and local markets, the increased resistance to traditional advertising campaigns, and the plethora of commercials, lead to a condition that necessarily requires changes in the integrated marketing communications in terms of structure of elements. One way to improve the performance of the marketing communications mix is a reallocation of the leading role of advertising in the public relations. In this paper special emphasis is put on the research how much the Macedonian companies implement socially responsible activities and which is the most typical form of realization of marketing communication with consumers. The results confirm that the majority of the companies in the Republic of Macedonia apply socially responsible initiatives, which should be an integral part of the communications mix, indicating a growing awareness of the importance of this discipline. But some companies still record an inadequate approach to the social responsibility. From the research we can see that there is a strong correlation and necessity of integration of the marketing communications with socially responsible activities in order to increase the efficiency of action and communication and in that direction it is time the companies that do not apply them yet to accede to their implementation.

Key words   Public relations, communications mix, social responsibility, business model

1. Introduction

In recent years there has been significant growth of socially responsible behavior of the companies (Dawkins, 2004). Besides the remarkable intensification of socially responsible behavior of the companies, it is noticed an upward trend in structuring processes through: increased reporting of international organizations, increased regulations and norms of socially responsible projects, strategic linking of the business mission and forms of socially responsible projects, connection of the integrated marketing communications with socially responsible projects and activities, as well as changing the perception of the standpoint of commitment to the standpoint of strategy (Schultz and Patti, 2009).

The support of the companies to socially disadvantaged groups can come in many forms: financial funds, donations of equipment, human resources, expertise, publicity, product donations, volunteerism, and more. The donations of money can come directly from the company, in partnership with non-governmental sector or through foundations. Black and Hartel (2002) explain that the internet is a place where people organize, discuss about social activities, and therefore the balance of power between the business and the society should focus on society at the expense of business, and with mediation of the social media. Accordingly, with this increased focus on corporate activities, the customer perception of companies and their subsequent buyer's habits and behavior, are fundamentally changed (Ellen *et al.*, 2006).

This causes a significant financial impact on the business because the corporate social responsibility is no longer treated as a regulated or potential expense, but as an investment that brings a return, especially in increasing the visibility and the image of the company's brand (Fitri *et al*., 2016). Hence the need for its more thorough understanding and use to accomplish business and communication goals.

2. Socially responsible activities

The social and corporate responsibility of the organizations, the companies and the individuals is a discipline that almost does not have systematic belonging as an activity within the structure or the corporate hierarchy, both procedural and budgetary aspects. The Corporate Social Responsibility concept (Mwatsika and Chitulu, 2016) came into popularity in the late 1960's (Copper and Madden, 1995). Each social care or socially responsible company campaign is subjective or individual decision of the management of the respective company on the manner of its implementation. In part it belongs to management functions in another part to marketing, and in many instances hovers in the hierarchy, at the same time not belonging to any department or category (Villiers *et al.*, 2011).

Due to the increased efforts of the corporate sector in social segments, using donations, sponsorships, sales actions with humanitarian character, and other forms of corporate social responsibility that support socially vulnerable groups, it is required to clearly define and structuring of this discipline with a view to a clearer understanding, planning and implementation, especially due to the fact that these activities of the companies are transparent to the public in most cases, and significantly affect the reputation and the image of the company (Giannini, 2010). Therefore, the application of the social responsibility of companies is a public activity of full or partial transparency to the public and the application of it is inevitably tied to the integrated marketing communications. Hence, it is required not just clear defining but also forming a useful model for the integration of corporate social responsibility with strategic marketing communications. The companies through active and continuous application of corporate social responsibility, can contribute to improving the image and the reputation, and thus the company's business results, and wider, the social trends of the environment in which they operate in order to improve the welfare, and potentially, through networking with global social movements can affect of the global change (Luo and Bhattacharya, 2006). The public increasingly perceives the companies that make socially responsible activities as good companies, building strong associations of a good brand or brand which is preferred by the audience compared to the competition (Kotler and Lee, 2005).

According to McWilliams *et al.* (2005), "social responsibility is the responsibility of an organization for the impacts of its decisions and activities on society and the environment through transparent and ethical behavior that is consistent with sustainable development and welfare of society; It takes into account the expectations of shareholders; in accordance with applicable legislation and is consistent with international standards of behavior; and it is integrated throughout the entire organization". Generally, this discipline is a way in which companies integrate social, environmental and economic interests into their values, culture, decision-making, strategy and operations in a transparent and accountable manner and thereby establish better practices within the company, to create wealth but also prosperity and improve society. In this sense, an organization should create an environment that encourages individual innovative behaviors which would contribute to the organization, ultimately leading to an organizational innovation (Gozura and Yildirim, 2016). Since achieving sustainable development becomes more and more important question of how businesses treat all parts of society also becomes an element of corporate socially responsible behavior of the business community (Kolter and Lee, 2005).

3. Types of socially responsible activities

In theory, there are many standpoints on the type and divisions of social responsibility initiatives and practices. According to Menon and Kahn (2003), there are four types of socially responsible projects:
1. Economic;
2. Legal;
3. Ethical;
4. Philanthropy Social Responsibility.

But the most exploited and applicable model for separation of the types of socially responsible activities is according the processing and the targeting, model according to which are identified six socially responsible initiatives as a form of action (Kotler and Lee, 2005):
1. Promotions with a cause;
2. Cause related marketing;
3. Corporate Social Marketing;

4. Corporate philanthropy;

5. Social volunteering;

6. Socially responsible business practice.

4. Reasons for the growth of company's activities in the field of social responsibility

A number of factors and influences have led to increased attention being paid to the role of corporate social responsibility activities of companies. These include (McWilliams and Siegel, 2011):

• *Sustainable development*: Most of the current economic and technological development is unsustainable - could not continue due to practical and moral reasons. Related problems include the need to devote more attention to poverty reduction and respect for human rights. Corporate social responsibility is an entry point to understand the issues of sustainable development and to respond to them through business strategy of companies.

• *Globalization*: With the present focus of international trade, the multinational companies and the global supply chain of products and services, the economic globalization largely highlights problems of corporate social responsibility associated with the practices of human resource management, environmental protection and health and safety . Corporate social responsibility can play a vital role in the discovery of how company policies affect working conditions, local communities and economies, and what measures should be taken for international companies to be able to help to maintain and build public good (Villiers *et al.*, 2011). It may be particularly important for companies in emerging economies that are export oriented (Maignan and Ferrell, 2001).

• *Management*: Governments and intergovernmental bodies such as the United Nations, the Organization for Economic Cooperation and Development (OECD) and the International Labor Organization (ILO), developed various declarations, guidelines, principles and other instruments that set standards for what it is considered socially acceptable business management. The instruments of corporate social responsibility express the internationally agreed goals and human rights law, the environment and anti-corruption.

• *Influence of the corporate sector*: Larger corporations have the power to influence political, social and ecological system, and consequently, primarily among them imposes the need to promote social awareness in the environment in which they operate. Even small and medium enterprises, which together represent the largest employer at the level of the national economy have a significant impact on society. The companies are global ambassadors for change and values; hence, the way they behave becomes the object of increasing interest and importance.

• *Communications*: The advantages in communication technology through the more intensive use of the Internet and mobile phones, make it easier to monitor and review corporate activities. It facilitates the management and the reporting. Externally, the non-governmental and non-profit sector, the media and other organizations can quickly assess and profile the business practices that are considered problematic or criminal. In the context of corporate social responsibility, modern communication technology offers the possibility of improving the dialogue and partnership, on multiple levels of society (McWilliams, 2005).

• *Finances*: Customers and investors are showing increased interest in supporting the responsible business practices and require more information on how companies deal with the risks and opportunities associated with social and environmental matters. Good socially responsible approach can help to build capital value, lowers the cost of capital and provides a better response in the markets for companies that implement it (Maignan and Ferrell, 2003).

• *Ethics*: More serious breaches of corporate ethics cause devastation to the employees, shareholders, communities or the environment and may affect the cost of action (Papasolomou and Yioula, 2012). Socially responsible approach can help improve the corporate governance, transparency, accountability and ethical standards, and thus the value of the company.

• *Consistency*: In the context of corporate social responsibility, the companies can help to build a sense of community and collective approach to addressing the everyday problems through the power of lobbying they own and influence to create awareness and education on specific topics.

• *Management*: There is a growing awareness of the limits of government legislation and regulatory initiatives to effectively address all aspects that treats the corporate social responsibility. Social

responsibility can offer flexibility and initiative for companies to work on moving the regulations to improve. Commitment is defined as the connection between the organization and the employees (Fabiene and Kachcnnap, 2016).

• *Business Tools*: The companies recognize that adopting an effective approach to corporate social responsibility can reduce the risk of disruption to the business. It creates opportunities for stimulating innovation, improving the position of the brand and reputation of the company, and even to improve the business performance and the results (Knippenberg and Sleebos, 2006).

The above mentioned reasons encourage the growth of the applicability of socially responsible actions by the companies and their dedication to a particular cause. As influential factors of the society in which they operate, the companies often react more flexibly and more quickly to current causes than the governments and the regulators, especially due to the clumsiness of the system and the bureaucracy. Therefore, the responsibility for socially responsible behavior naturally arises and is expected from the corporate sector.

5. The relationship of socially responsible activities with the integrated marketing communications and public relations

In the process of building a strategy for social responsibility from the beginning, in addition to determining the cause, you need to anticipate the shape of the strategic marketing communication for the purpose of sending a real message to the targeted audience and of course keeping the synergy with the culture, vision and the company's mission.

The companies that practice social responsibility activities, whether as part of a strategic plan or unplanned ad hoc activities in the process must communicate with an external party. This feature gives the socially responsible project or campaign character of external communication, including at least two parties with an interest in the process. Hence, we conclude that the company through the practice of socially responsible projects and campaigns sends a message to its target audience. Naturally, because of the contact with the external target, the general public becomes a witness and recipient of the message. Therefore, socially responsible activities have the character of external communications of the company, which inevitably involves the inclusion of integrated marketing communications in order to control the process of external communications and possibly highlighting a particular message. Many organizations all over the world are currently engaged in branding themselves or their products in order to position themselves competitively in the market (Muchina and Okello, 2016).

Bearing in mind that through the projects and corporate social responsibility the companies manage to achieve pre-defined communication and business goals, it is more frequent the integration of socially responsible projects in the marketing communication campaigns in the process of conveying a message or communication with external audiences. According to the World Organization of the Center for Public Relations Nessmann, socially responsible communication activities can be directed to (Nessmann, 1995):

1. establishing a leadership position in the industry;
2. brand launching;
3. penetration on a new market;
4. profiling of a new product or service;
5. increasing of the customer loyalty;
6. increasing the commitment and loyalty of employees;
7. enhance the corporate reputation.

When associating the social responsibility as a discipline with marketing communications mix, there are certain guidelines and positions determined by the practice and the theory has adopted as relevant for sending messages. They vary depending on the type of the message, the audience and the form of corporate social responsibility (McWilliams, 2005):

• *Traditional advertising channels*

This form is commonly used by companies whose purpose is through socially responsible campaign to launch a new product or increase the sales of an existing product. A typical example worldwide that practice this form is the brand Coca Cola.

• *Product packing*

The companies choose this form of communication on social responsibility projects such as promotions with cause or to refer to a specific audience for socially responsible practices related to healthy eating or raising environmental awareness.

- *External communications that are partly or completely uncontrolled by the companies* (blogs, forums and social media)

In the process of external communication if the message has social significance, the audience responds so that through dialogue undertakes the communication. In this case it is very important the company not to allow to lose complete control over the message and the determination.

The management of the successful companies can recognize that public relations are not targeted at a limited audience, nor have a communication goal, as exemplified by advertising. Communication with the public and audience exists whenever a representative of an organization interacts with the external audiences and that affects the sales or the reputation of the organization (Gianinni, 2010). Consumers' willingness to buy is influenced by different types of green marketing communication messages (Tascioglu and Rehman, 2016). In fact, the public relations play an important role in the process of creating the perception and the image of a company, institution, person or product (Grimmer and Woolley, 2014). In other words, public relations as a communication tool involve the attempt to define reality in a way favorable to the company, i.e. the sender of the message.

6. Research how the socially responsible activities and what is their relation to marketing communications

For the purposes of this research were taken 62 Macedonian companies from different industries, business orientation and size. The selection of companies of different industrial activity, size and business orientation leads to a more objective analysis of socially responsible initiatives undertaken by companies on the Macedonian market and helps in finding an acceptable and useful model for the integration of social responsibility with the marketing communications. With quantitative analysis through interviews and qualitative analysis of the focus groups of managers from local companies, are made more detailed researches of socially responsible projects that the companies in Macedonia undertake, their integration with the marketing communications mix, as well as the perceptions of the manager – company representative responsible for building a new marketing communication model that would include social responsibility as a new element. The respondents were asked 10 questions, whose answers are analyzed through individual depth interviews and group by focus group.

From the survey below are set aside some of the questions that are key to this research.

Regarding the first question, *does your company apply socially responsible activities?* Were obtained the following results graphically represented as follows:
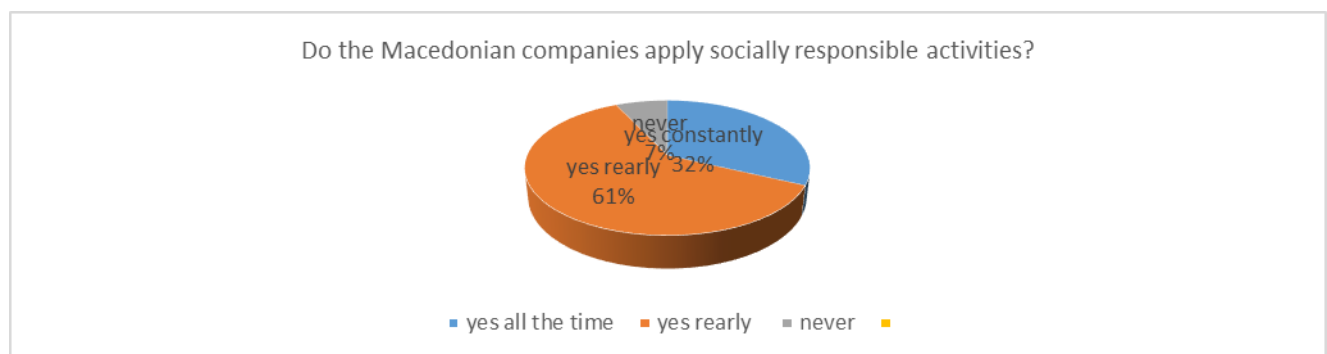

Figure 1. The application of socially responsible activities by Macedonian companies

According to the chart 32% of the companies constantly apply socially responsible activities, 61% apply, but it is rare and 7% did not apply socially responsible activities. The fact that the dominant percentage of companies, are practicing socially responsible activities indicate growing awareness of the importance of this discipline.

Asked *which of the following forms of socially responsible marketing have you applied*? It was possible to give multiple answers, and was obtained the following results, graphically represented as follows:

Figure 2. The illustration of the social responsibility form applied by Macedonian companies

According to the chart 17% of companies apply Sales promotions with humanitarian character, 12% Promotions and movement with a cause, 11% Corporate - Social Marketing, 46% Corporate Philanthropy, Volunteerism 8%, 6% Socially responsible business practice. This shows that the most used form by the Macedonian companies is the corporate philanthropy.

Asked *how would you evaluate the impact of the use of socially responsible campaigns on the image and the reputation of the corporate brand?* Were obtained the following results graphically represented as follows:
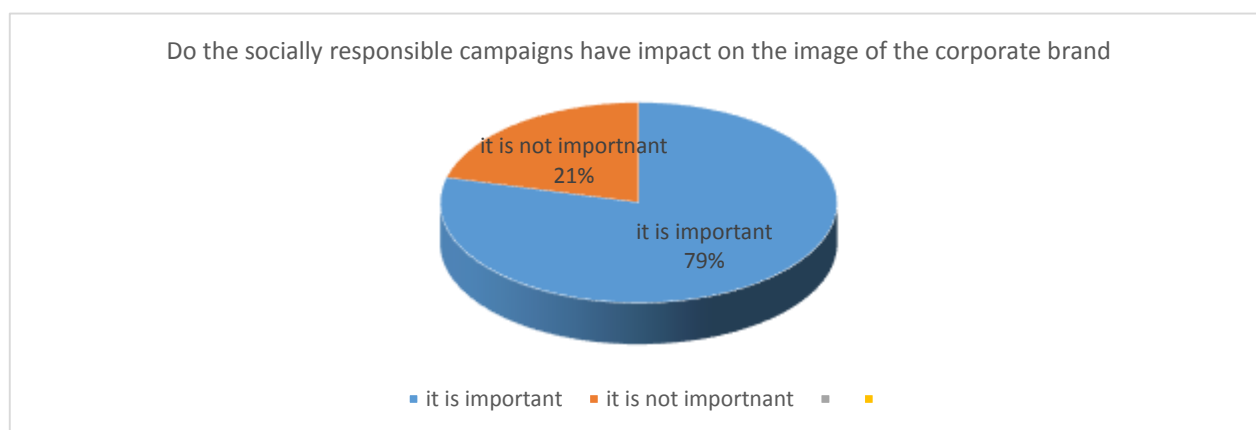

Figure 3. The impact of the social responsible activities to the company's brand

According to the chart 79% of companies believe that it is very important the impact of socially responsible campaigns on the image and the reputation of the corporate brand, while only 21% think it is not important. This high percentage indicates the awareness of the companies about the positive impact of socially responsible activities on the image.

Asked *with which elements of the integrated marketing communications do you combine socially responsible activities?* Were obtained the following results, graphically represented as follows:
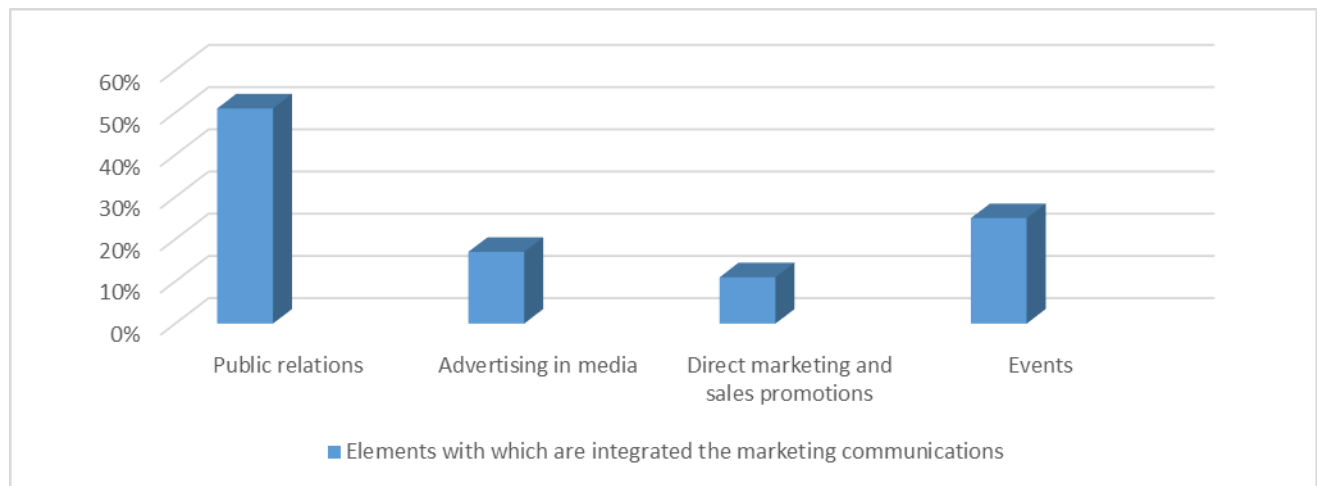
Figure 4. The integration of social responsibilities activities with marketing mix elements

According to the chart 51% of companies believe that socially responsible activities should be integrated with public relations, 23% of companies believe that they should be integrated with events, 10% of companies believe that they need to be integrated with direct marketing and sales promotions, 16% of companies believe that they need to be integrated with advertising in the media.

7. Research results

According to the analysis, dominated responses and comments are those that highlight the preference of the companies to socially responsible initiatives, which should be an integral part of the communications mix. From the research we see that there is a strong correlation and need of integration of these two disciplines in order to increase the efficiency of acting and communicating. In choosing the forms of social responsibility were obtained different answers, which are expected due to the different industrial activity, but still dominated are two forms that are commonly applied: the corporate philanthropy and the sales promotions with humanitarian character. To the question related to the elements of the marketing communications mix that are the most favorable for integration with social responsibility, according to the answers of respondents, the most preferred are public relations and events. Asked about the position of the companies for integrating the social responsibility in the marketing communications model, dominated are the positive answers. After answering the questionnaire, the same representatives of the analyzed companies have formed a focus group, which discussed the provided answers. The comments and the explanations of the answered questions within the focus group are qualitatively complementing the research and are subject to analysis and complementing of the conclusion.

8. Conclusions

The companies in modern conditions of acting and ambitious business goals, led by the need to create and improve the confidence of its customers as a key objective in building a modern strategic communication strategy, an increasing importance should be attributed to a social and socially responsible projects and campaigns. However, some companies still record an inadequate approach to the social responsibility. Namely, there is a non-systematic and non-strategic application of socially responsible activities that in absence of expertise and strategy, make mistakes like the following:
• Insufficient knowledge of social responsibility as a discipline, lack of application, the types of social responsibility and ways to integrate into the business model and the marketing communication mix of the company.
• Lack of strategy in the implementation of socially responsible projects, resulting in ad hoc social responsibility campaigns, inadequate to the image of the corporate brand, the business model of the company, the communication objectives of the company and the sales focus.
In the majority of answers to questions related to the impact of social responsibility for the overall marketing communication, we received positive evaluations, indicating awareness of the existence of a

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strong relationship between social responsibility and strategic marketing communications. Social responsibility must be integrated into the model of marketing communications mix. That means the five elements of the marketing mix socially responsible activities to become a new element. This model offers integration of the marketing communications and social responsibility in a way that will offer increased functionality and efficiency in realization, as well as a model by which companies and organizations in an easier way will interactively discuss with their audience, fully meeting the expectations of the contemporary buyer. Due to the nature of modern marketing communications, this model needs to be applied with flexibility in terms of implementation and control, due to forecasts for continued dynamic trend of changes in the marketing environment. In any case, the application of this model from all forms of companies and organizations will contribute to improving the efficiency of modern marketing communications.

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