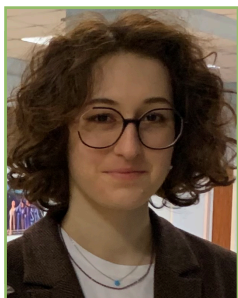


## ORIGINAL PAPER

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# Social and Ethical Marketing: Sustainable Business Practices



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## ABSTRACT

The research analyses the concept of social and ethical marketing and its significance in the modern global economy. The corporate social responsibility and ethical business practices are becoming increasingly important, that proves social and ethical marketing has gained great importance in recent years. The study empathizes the importance of social and ethical marketing in the modern global economy and its role in promoting sustainable and responsible business practices. The research focuses on the study of business transparency, fair treatment of all stakeholders, and honest marketing practices as the most important elements of social and ethical marketing. In addition, the paper provides examples of how social and ethical marketing can enhance the reputation of a company's brand, create a loyal customer base, and attract employees who share the same values. The author analyzes methods of applying social and ethical marketing in foreign markets and highlights the importance of awareness of cultural, social and environmental problems when companies enter international markets.

**Keywords:** social and ethical marketing; sustainable business practices; corporate social responsibility; brand reputation; stakeholder engagement; foreign markets

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## ОРИГИНАЛЬНАЯ

# Социальный и этический маркетинг: инструмент для устойчивой и ответственной деловой практики

## АННОТАЦИЯ

В данной статье исследуется концепция социального и этического маркетинга и ее значение в современной глобальной экономике. Социальный и этический маркетинг приобрел большое значение в последние годы, поскольку корпоративная социальная ответственность и этические методы

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ведения бизнеса становятся все более важными. В статье подчеркивается важность социального и этического маркетинга в современной глобальной экономике и его роль в продвижении устойчивых и ответственных методов ведения бизнеса. В центре научной работы – исследование прозрачности деловой деятельности, справедливое отношение ко всем заинтересованным сторонам и честные маркетинговые практики как важнейшие элементы социального и этического маркетинга. Кроме того, в статье приводятся примеры того, как социальный и этический маркетинг может повысить репутацию бренда компании, создать базу лояльных клиентов и привлечь сотрудников, разделяющих те же ценности. Автором был проведен анализ методов применения социального и этического маркетинга на зарубежных рынках, результаты которого обращают внимание на важность осознания культурных, социальных и экологических проблем при выходе компаний на международные рынки.  
**Ключевые слова:** *социальный и этический маркетинг; устойчивые методы ведения бизнеса; корпоративная социальная ответственность; репутация бренда; вовлечение заинтересованных сторон; зарубежные рынки*

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## Introduction

Social and ethical marketing is a concept that has received bigger interest in recent years, as corporate social responsibility and ethical business practices become increasingly important. This is marketing aimed at promoting goods and services, considering their impact on society and the environment [1]. Along with this term, theoretical, educational, and methodological literature on economics and management often uses definitions that are almost identical and name: *socially responsible marketing, socially oriented marketing* and even *green marketing* and *marketing of good deeds*. We often find the latter two meanings in publications on business ethics. All these expressions are currently popular among the public and contribute significantly to creating an attractive image of entrepreneurs, organizations, and politicians. However, Russian business executives and politicians often make simple oral or written public statements and do not come up with bright and catchy initiatives.

According to modern marketing principles, the primary task of each company is to understand the requirements and interests of consumers in the market and to meet these needs and interests more effectively than competitors. Social and ethical marketing is not about increasing sales, but about encouraging sustainable and responsible company practices. Today's global economy, social and ethical marketing become an increasingly important component of a company's activities. As corporations enter international markets,

they must know the cultural, social and environmental issues that may affect their marketing activity.

## Social and ethical principles of marketing

Marketing activities pursue economic goals and ensure a balance of economic interests of consumers and producers. Environmental protection and business ethics are becoming an integral part of the company's marketing management concept, and current trends and standards in this area should form the basis of the company's marketing policy. The growing interdependence of the economy and society requires that social issues such as employment, improvement of working conditions, training and retraining of personnel, participation of employees in the company's management be considered in marketing [2]. Social and ethical marketing is a relatively recent phenomenon. This important method is aimed at solving the economic and social problems of society, as well as its long-term goals, considering not only the interests of consumers and producers but also environmental needs, ethical standards and regional differences. It is a powerful tool for companies to promote their products and services, considering their social and environmental impact. Social and ethical marketing includes such aspects [1]:

- Social: Means business is aimed at improving the well-being of the least affluent segments of the population and implements measures to meet the needs of society.
- Environmental friendliness: Means the company protects the environment, minimizes pollution in the

Table

## Understanding of consumers' requirements and interests

| Aspects of understanding consumers' needs and interests | Definition   | Assessment methods   |
|---|--|--|
| Market research   | Data collection and representation of the target audience  | Surveys, interviews, focus groups, analysis of consumer behavior and trends        |
| Consumers' segmentation                                 | Dividing the consumer base into groups of similar characteristics and preferences                  | Analysis of demographic data, study of behavioral patterns                         |
| Identifying the needs and pain points of consumers      | Identification of problems and desires that consumers want to solve or satisfy                     | Interviews, surveys, behavior monitoring, feedback analysis                        |
| Creating a value offer                                  | Emphasizing how a product or service solves problems or satisfies the desires of consumers         | Competitor analysis, surveys and consumer research                                 |
| Interaction with consumers                              | Active communication with consumers to receive feedback and insights                               | Surveys, social media, communication with customer service, personal communication |
| Constant monitoring of consumer trends and the market   | Monitoring changes in consumer preferences and behavior, analyzing competitors and market dynamics | Market research, data analysis, trend tracking                                     |
| Evaluation of ethical considerations                    | Highlighting values and ethical principles of consumers in marketing practices                     | Consumer's values research, social and environmental factors analysis              |
| Assessment and feedback                                 | Checking the effectiveness of marketing strategies through consumer feedback                       | Surveys, customer satisfaction research, loyalty and feedback analysis             |

Source: compiled on the basis of [4].

production process and improves the environmental situation by producing environmentally friendly products.

Social and ethical marketing is gradually becoming the most important tool of corporate social responsibility, allowing firms not only to carry out their own socially oriented activities but also to involve consumers of their goods and services in its implementation. Corporate social responsibility includes companies taking responsibility for the impact of their actions on society and the environment, as well as informing stakeholders about their decisions and activities. Its major goal is to achieve long-term social development. This implies meeting the needs of current generations without compromising the needs of future generations. The American economist and marketer Philip Kotler introduced the concept of social and ethical marketing.

Western firms introduced similar marketing methods back in the 1970s [3].

Deep understanding of consumers' needs and interests in successful marketing is fundamental, which allows businesses to develop products, services and marketing strategies that effectively meet these requirements. When companies get an idea of the needs and preferences of consumers, they can develop effective products, services and marketing strategies. Here are the key points to consider when understanding the requirements and interests of consumers (Table).

### Applying of social and ethical marketing to foreign markets

Understanding the requirements and interests of consumers is crucial for successful marketing. When companies get an idea of the needs and consumers' preferences, they can develop effective products,

services, and marketing strategies. In the modern globalized economy, enterprises entering foreign markets must take into consideration cultural, social and environmental aspects that affect their marketing strategies. The application of social and ethical marketing in international markets involves the promotion of sustainable business practices, building brand reputation and increasing customer loyalty [5]. Cultural, social, and environmental aspects play an important role in international marketing. Each country has its own unique cultural values, norms and traditions that influence consumer behavior and their purchasing decisions. Understanding and respecting these cultural nuances is crucial for effective business interaction with foreign consumers. Social factors, such as public interests and ethical expectations, also shape consumer preferences [6]. Environmental awareness and sustainable development have gained prominence around the world, and consumers increasingly prefer products and services that minimize environmental effects. By integrating social and ethical considerations into their marketing strategies, companies can navigate these aspects and find a response from a diverse international audience.

Social and ethical marketing can enhance a company's brand reputation by promoting socially responsible and ethical business practices. It can also distinguish a company from competitors, create a loyal customer base, increase sales, and attract the attention of those who are interested in socially responsible and ethical products and services [7]. Promoting sustainable business practices reduces the negative impact of business on the environment and social sphere and strengthens customer trust by encouraging transparency and accountability of business practices. It also helps to build positive relationships with customers and increase brand loyalty.

Ethical business practices play a key role in attracting talent that encourages commitment to the principles of social responsibility. Also, building a strong corporate culture, and attracting employees who share the same values, which will help the company maintain good relationships with stakeholders, including customers, suppliers, employees and investors. Companies can gain trust and strengthen relationships with stakeholders by demonstrating commitment to the principles of social responsibility and ethical business practices. Enterprises should consider the long-term environmental, social, and economic effects of their marketing efforts and strive to develop products and services that meet

the requirements of current generations without compromising the ability of future generations to meet their own needs. Introduction of environmentally friendly production processes, reduction of waste and carbon dioxide emissions, as well as the use of renewable resources. By demonstrating a commitment to sustainable practices, businesses can join global efforts to mitigate climate change and address environmental challenges. Introducing sustainable methods not only helps to protect the environment but also attracts environmentally conscious consumers who are looking for environmentally friendly products and services. This can lead to a competitive advantage in foreign markets and attract a growing customer base that values environmental friendliness.

### **Instruments and methods of social and ethical marketing**

Social and ethical marketing involves the use of marketing strategies that promote goods and services that have a positive impact on society and the environment [1]. To take part effectively in social and ethical marketing, companies can use a variety of tools and methods that match their values and help communicate their commitment to responsible practice. The first thing to consider is the transparency of business activities and the impact of products and services on society and the environment. This includes providing consumers with clear and accurate information about the origin of the product, the production process, and the environmental impact. This also includes the principle of fair treatment of all stakeholders and honest marketing practices. Companies should strive to avoid actions that harm stakeholders and create mutually beneficial situations, take responsibility for the unintended consequences of their marketing activities for society and the environment, and take active steps to eliminate the negative impact of their products and services on society and the environment. They should also avoid making false statements about their products and services and provide customers with truthful information. Companies should understand the needs and concerns of stakeholders and attempt to create products and services that meet their needs and expectations.

Corporate social responsibility is an important means by which companies promote social and environmental responsibility in the international market. This includes taking responsibility for the social and

environmental impact of their products and services and investing in sustainable business practices. For example, in 2002, the Russian Union of Industrialists and Entrepreneurs adopted a Charter of Business and Corporate Ethics, obliging the country's business executives to "work in conformity with the principles of fighting corruption, fairness and honesty". The Charter of Business Ethics has to optimize marketing relations, improve the Russian business environment, and make Russian business more attractive to investors. Since partners and clients prefer to work with organizations that stick to the code of business conduct and whose policies are recognized, non-compliance with the rules of professional ethics can seriously damage the reputation of the company and worsen its economic situation. Sustainability reports are a tool by which companies report on their sustainability activities to stakeholders such as investors, customers, and the public [5]. Such reporting helps to strengthen the trust of stakeholders to show commitment to the principles of social and environmental responsibility. Ethical supplier selection ensures social responsibility and environmental sustainability of our supply chain, including procurement from suppliers who adhere to fair labor standards and environmental standards. This tool allows us to develop "green marketing" to promote environmentally friendly products and services in international markets. This includes promoting products and services that are energy efficient, use environmentally friendly materials and have a low impact on the environment. Stakeholder engagement and cross-cultural communication can help companies identify opportunities to promote social and environmental responsibility in international markets, as well as understand cultural differences and adapt marketing messages to local cultures and languages [8].

### Social and Ethical Marketing in Russia

Though social and ethical marketing has become widespread in the Russian market relatively recently, more and more Russian brands are striving not only for immediate benefits but also for greater social support. This approach increases the company's status in the eyes of consumers and reveals broader prospects for the successful development of the project. Russian enterprises are gradually adopting the basic concepts of social and ethical marketing and are actively taking part in global initiatives on corporate social responsibility and sustainable

development. One of the key aspects of social and ethical marketing in Russia is the support of local communities and social initiatives [9]. Companies are increasingly partnering with charitable organizations and engaging in projects that address social issues such as poverty, education, health care and human rights. Such initiatives help companies to strengthen their reputation and establish closer ties with local communities.

Another important aspect of social and ethical marketing in Russia is cultural sensitivity. Considering the diversity of ethnic groups and cultural traditions in the country, companies adapt their marketing strategies and communications to the preferences and values of different consumers. This includes understanding local customs, traditions, and communication styles to ensure effective interaction with the target audience and create a positive perception of their products and brand. Social and ethical marketing in Russia includes individual initiatives in sustainable development. Companies develop programs and projects aimed at solving specific environmental problems in the target market. They support local environmental initiatives, introduce sustainable practices into production processes and establish partnerships with local suppliers that adhere to the principles of sustainable development. The example is one of the largest cosmetics manufacturers in the country, "Clean Line". A careful attitude distinguishes this brand from the environment. The company guaranteed that everything produced in making cosmetics did not end up in a landfill but was recycled. The cans in which they stored the products are almost 100% made of recycled plastic, and they made the packaging of cardboard – a biodegradable material. Chain of electronics stores "M. Video – Eldorado" also upholds the concept of socially ethical marketing. The company actively implements social responsibility programs, supports children's and educational projects, and implements sustainable development and energy efficiency practices. Also, this company is one of the first in Russia to realize the need to recycle outdated and worn-out equipment. Obviously, there is a small but permanent group of clients who support social and ethical marketing in Russia. It is extremely important for them to have knowledge about the companies whose services they intend to use. This is especially true for environmental standards, the "transparency" of the company's professional activities, the country of origin and its position in relation to Russia.

## Conclusion

In today's global economy, social and ethical marketing is essential for companies to succeed. In international markets, companies need to be aware of cultural, social, and environmental factors that may affect their marketing activities. The principles of social and ethical marketing are based on the idea of building a sustainable, responsible, and ethical business that benefits all stakeholders. Following these principles, companies can create a strong brand reputation, increase customer loyalty, and contribute to the development of a more sustainable and responsible society.

The important factors can help to promote social and environmental responsibility and build

trust between stakeholders: ability of promotion of socially responsible and ethical products and services in various ways, including building brand reputation; increasing sales; building customer trust; solving social and environmental problems; attracting talent and improving relationships with stakeholders. Also, there are social and ethical marketing tools such as corporate social responsibility, sustainability reporting, ethical sourcing, green marketing, stakeholder engagement and cross-cultural communication. Since companies continue to face pressure to be socially responsible and ethical, then this marketing will become an increasingly important tool for building a sustainable and responsible business.

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