Social responsibility in the application of integrated marketing communication

Abstract: Modern business entities that operate independently or are integrated within modern market-oriented systems interact with the environment in which they operate. By promoting social values and norms, companies achieve a significant competitive advantage over companies in their field, increasing their market share, which results in an increase in the total profit of a particular company. Business entities have a major role in developing and nurturing activities related to social responsibility, especially in the field of environmental protection and the provision of satisfactory quality products and services. The aim of this paper is to point out and present changes in socially responsible behavior in relation to trends in the marketing environment.

Key words: social responsibility, integrated marketing communication, consumers

1. Introduction

Modern business entities are daily involved in all opportunities and relationships concerning the community and through various activities of their employees show increasing interest in the area that regulates their social responsibility. Social responsibility implies the obligation of the management of the business entity (company management) to perform certain tasks, taking into account broader social goals, which will contribute to increasing the welfare of the entire community and the business system itself (Živković, 2011, 124). Conducting an adequate business policy requires the management of the business entity (manager) to conduct ethical and responsible behavior with the aim of improving existing patterns of behavior concerning traditions, customs, beliefs and norms aimed at preserving traditional values.

In recent years, there has been a growing interest and need of both trading companies and financial institutions to create closer ties with regular customers and potential consumers. The reason for developing long-term good business relationships with customers is to reduce the rate of abandonment of specific companies by customers, increase the rate of their loyalty, reduce the cost of hiring to acquire new ones and increase the profit rate of the company itself. Most of the companies themselves want to build good relationships with their clients, but most also feel a commitment to their potential and regular customers. In most cases, trading companies in practice feel that they have built relationships with their customers and every day they try to strengthen them even more and position them on a long-term level. Creating a long-term level of projected profit is the basic goal of every company, and in order to achieve forecasts, one of the crucial targeted goals is the existence of a base...
of loyal consumers. Therefore, the company must first research and examine consumer attitudes about the quality of its own products, services, prices, types of promotion and distribution system.

After the conducted research, it is necessary to create marketing strategies through which consumer satisfaction will be ensured, ie long-term consumer loyalty will be ensured. Consumer behavior under the influence of marketing-oriented companies indicates the need to conduct consumer research if a particular company wants to withstand the pressure of competition in the current turbulent environment. An approach based on building long-term relationships with marketing-oriented companies enables the company to achieve a good image and market position for a longer period of time, a better image of the company in the eyes of the public and gain a recognizable and sustainable competitive advantage. Caring for consumers and solving their consumer problems and fulfilling wishes has over time become one of the main points of business and further survival of a particular company. One of the main features is that the actors understand the necessity of recognizing the values of loyal consumers.

Under the influence of the trends of the modern business environment, there has been a change in the behavior of consumers, which is reflected in the growing number of their demands, desires and expressions of demands for new needs in terms of satisfying their growing and very transparent desires. With the advent of the Internet and the expansion of the digital revolution, consumer behavior towards marketing-oriented companies has gained a new dimension that has imposed a new task on companies in terms of retaining existing ones, attracting new customers and increasing their satisfaction. The Internet has contributed to the creation of online commerce, online portals and websites, and has provided the ability to follow the then traditional media such as television, radio, newspapers and magazines digitally, which has resulted in questioning the very survival of these media.

2. Literature review in the field of social responsibility in the application of integrated marketing communication

2.1. Corporate social responsibility

Corporate social responsibility is defined as a concept that requires businesses to take care of all stakeholders who have an impact on the business activities of the company. The concept of corporate responsibility towards society includes the responsibility of managers who, when implementing their strategies, tactics and operational tasks, must take into account all elements of the social environment in which a particular company operates (Marić, 2012, 9). It is also of great importance to enable the actions of the economic entity to act in accordance with and in interaction with the factors and elements that act from the internal and / or external environment.

Many companies consider it very important to participate as an active factor in the environment in which they operate. From the very beginning of business, every business entity is obliged to take care of its social responsibility and take care of positive values, ensuring a secure future for new generations. Within the concept of social responsibility, among the numerous activities, which are supported by economic entities, include cultural and sports events that are successfully realized with the support of companies. This type of corporate social responsibility is usually of a humanitarian nature and is implemented under the auspices or sponsorship of a specific company.

Most companies have focused their business on improving and free education for both employees and users of their services in the field of improving health and habits related to nutrition and physical activity. All companies are required to adhere to HACCP standards in their business, which refers to the production and distribution of food to service users. Employees in the facilities must respect the most important aspects of this standard, such as the quality and food safety of users of these types of services. HACCP is an integrated food safety control system at all stages of its production and distribution.

2.2. Dimensions and aspects of corporate social responsibility
Companies are constantly committed to achieving positive business results in a socially responsible way with constant care for the local community, and to the satisfaction of customers and employees with minimal negative impact on the environment.

By integrating social responsibility through their core business to enable sustainable business growth and increase their market share reflected in the number of satisfied customers, companies pay special attention to the population that falls into special categories such as children, youth, people with disabilities, etc. Most are focused on the development of products and services that contribute to the fight against harmful effects on health (tobacco, alcohol, physical inactivity) and improve the quality of life. At the end of the 20th century, great attention began to be paid to business systems that perform their activities in accordance with all the rules concerning a successful business entity. Many business facilities have become aware that only in the process of continuous business improvement and respect for business ethics have they been enabled to grow and develop successfully while increasing the efficiency and productivity of business facilities. The rules of business ethics include business that will increase welfare from the point of view of social equality and individual development for a particular company, as well as its stakeholders, customers (service users), suppliers, employees, shareholders, the environment.

One of the most important dimensions of business is their socially responsible business, which represents the company's commitment and effort to contribute to increasing the quality of life of employees and their families, as well as the economic development of the local community and national economy and society as a whole. Being a socially responsible company does not only mean fulfilling legal obligations, but also includes investing in human capital, the environment and in relations with stakeholders (Milisavljević, Todorović, 2000, 194).

Corporate social responsibility implies that for the profit they make, companies are not only responsible to shareholders, but also to individuals and groups to whom the profit is reflected in any way. An equally important aspect of social responsibility concerns the employees themselves, improving their skills, developing teamwork, motivation and morale within the organization itself. Most of the socially responsible business initiatives, related to the community or the environment, come from the employees themselves. The media and the government are important incentives for social responsibility in the company's operations, and internal public relations at the macro level can potentially be more important than external ones due to the large number of employees who need to form a sense of belonging to the company. Therefore, vertical two-way communication that includes informing and motivating employees, their placement in appropriate jobs, as well as their continuous improvement is aimed at creating a good corporate culture that results in an appropriate corporate identity and image in the external public.

Corporate social responsibility, understood in the way described above, aims to develop mechanisms that encourage positive or reduce the negative effects of the global economic crisis on the development of business entities, as well as the economy as a whole. When evaluating the business of a company, the following characteristics must be taken into account (Ristić, 2008, 94):

1) external appearance of the company and infrastructural elements: possibility of free parking, access to the business facility, proximity to shopping centers, cultural and historical sights, etc;
2) condition of the building, as well as its complete functioning;
3) lighting in all parts of the facility that contributes to the safety and comfort of employees;
4) the existence of handrails (handrails) on the stairs and paths (in the garden and in the parking lot), ramps for people with disabilities;
5) hygiene of the business facility;
6) appearance, clothing, behavior, kindness and competence of management and staff;
7) organization, information and manner of work;
8) structure of employees (miles, atmosphere, eminence);
9) affection towards children, families and disabled persons expressed through the equipment intended for them, as well as the behavior of employees;
10) conducting environmental protection policy.
Classification in a certain category related to the corporate social responsibility is done with respect to the overall impression of the company or its equipment, services, space intended for the use of free time, as well as its management.

1.1. Trends in corporate social responsibility

Since the last industrial revolutions, economic activity has been used as a process that involves the exploitation of natural resources, processing them, creating them in the final or semi-finished product, distribution, use and disposal. Such a model of attachment is recognized as a linear model of the economy that implies that waste, as a by-product of the production process, is disposed of in the environment. The concept is based on the principle of take, make, use, reject and transform the infinity and easy availability of material resources (Stojanović et al., 2019, 37).

This concept of economic development leads to the memory of economic performance, but also by nature, natural resources, as well as human life and health. However, economic development without the preservation of natural resources and the environment can be neither economically, nor socially justified nor acceptable. Therefore, it is necessary to apply a new development model that was stable, efficient, cost-effective but also sustainable in the long run. Consequently, sustainable development is today accepted as a universal development paradigm applicable to all countries of the world. It is a multidimensional concept that represents the weight to create a better world, to balance economic, social and environmental factors in order to preserve natural wealth for future generations. The first big step in changing the way of thinking in the direction of sustainable development is recycling and waste treatment. Some countries, such as Germany, the Netherlands and Denmark, have made a significant step forward and used a strategy to implement a (circular) circular economy (Stojanović et al., 2019, 36).

1.2. The importance of corporate social responsibility

Based on Germany's many years of experience in introducing a circular economy, 5 phases have been defined in the process of improving the waste management system, such as waste disposal, waste collection, waste sorting, recycling and the use of raw materials obtained through recycling.

Online sales of non-food products online account for 24.1% of UK purchases in 2017 (Stojanović et al., 2019, 35). The convenience of online shopping means that consumers buy in the form of several different packages delivered to their homes, so the packaging must be adequately designed to enable products to be delivered to consumers through different channels. In addition to helping brands be competitive, packaging to prevent product damage can be easily recycled when the product expires.

As these changes in product packaging become part of everyday life, recycling systems must be adapted to be able to ensure the collection of packaging for recycling. Packaging designers and suppliers, local authorities and the recycling sector must work together to ensure that packaging can be easily recycled and thus contribute to the circular economy. There is already disposable packaging, a hard-to-recycle recyclable packaging material such as cardboard, which in the UK accounts for 82% of the total recycling of all recyclable materials. The challenge is to maintain and improve recycling by users, given that retailers take advantage of the possibilities of recycling cardboard packaging of well-known brands and brands (Stojanović et al., 2019, 36).

1.3. Communicating social responsibility through integrated marketing communications

In the modern business world, there are many examples of how companies can see how they communicate with their consumers through integrated marketing communications within the norms of social responsibility. The world-famous company H&M (Hennes and Mauritz) is the world's leading fashion company with more than 3,600 stores worldwide and online shopping in 23 countries. The H&M range consists of 6 independent brands, such as H&M, COS, Monkey, Weekday, Cheap Monday and Other Stories, with almost 4,000 stores in its sales network. H&M is working on a strategy based on a 100% circular economy. The company collects and recycles old clothes in its stores, and since 2013, the H&M Company has collected more than 55,000 tons of reusable materials to produce new clothes. As a global partner of the Ellen McArthur Foundation, H&M is intensifying its cooperation with the Foundation in the coming years, in order to explore new possibilities for applying the
principles of the circular economy throughout the organization. H&M is currently working on updating sustainability strategies so that it can fully adapt its business to the principles of the circular economy. Including only recycled or other materials with sustainable sources in its production, the company strives to become a core company, which makes and uses its clothes in the circular economy (Ellen MacArthur Foundation, 2017).

During 2013, H&M introduced a clothing collection system in stores around the world and this way, the company collected over 28,000 tons of clothing and textiles by the end of 2016, which greatly helps to expand the disposal of textiles in landfills. The collected clothes, after that, can be reused, as used on a foundation. A large part of the clothes is recycled, and a cleaning cloth or insulating material is obtained as a base coat, and fabrics for new clothes are produced from individual collected clothes. In 2014, H&M managed to make the first clothes with 20% recycled cotton. During 2015, H&M increased the number of such products by 300% to over 1.3 million units (Ellen MacArthur Foundation, 2017). However, at this time, it is not possible to use more than 20% recycled cotton per product, without losing quality and durability. H&M hopes that in the coming period it will successfully respond to all challenges and therefore actively promote innovations in recycling by directly investing in new solutions in the field of circular economy.

1.4. The role of ethics in modern business

Ethics in modern business is a set of rules and standards of conduct that must be adhered to by employees in the company to which the code applies to consumers and businesses. Accordingly, the business entity will be understood as a socially responsible business entity. If they do not adhere to the ethical codes of business, companies are not socially responsible and therefore it is considered that the implementation of business ethics management in the business of economic entities is the main condition for building a business environment that will be socially responsible. Companies that have accepted the respect of the principles of business ethics in most cases have a code of ethics that represents the expected and standard rules of conduct for employees, in order to implement the business policies of specific companies. The code of ethics itself must contain general guidelines for achieving the goals of the organization in the prescribed manner. Drawing up a code of ethics is a good way to instruct the responsible person in certain guidelines on ethically correct conduct in making decisions concerning the overall business. The code of ethics of the organization is most often promoted by the person who is at the head of the business entity, and he is also in charge of rewarding ethical and punishing unethical behavior. This, as well as their own business procedures and decisions, provides a positive example for employees.

2. Corporate social responsibility and the domestic market

Corporate social responsibility in the domestic market implies procedures for testing compliance with technical regulations and standards. Some countries and regional economic integrations have enacted product labeling regulations to protect consumer rights, which prescribe a minimum of information that a product label must contain. Sometimes these regulations represent a significant barrier for foreign goods especially when they must contain appropriate signs and the like (Božić et al. 2014, 93).

National designations of origin are a right that protects two types of designations, such as designations of origin and geographical indications. The name of origin is the geographical name of a country, region or locality that serves to indicate the product from which the product originates, whose quality and special properties are exclusively or essentially conditioned by the geographical environment. National designations of origin include natural and human factors that perform production, processing and preparation as a whole in a certain limited area.

A geographical indication is a designation that identifies a particular good as goods originating in the territory of a particular country, region or locality in that territory, where a particular quality, reputation or other characteristics of the goods can be essentially attributed to its geographical origin. Products marked with geographical indications are natural products (stone, marble, wool, glass, etc.), agricultural products (tomatoes, peppers, peas, etc.), food products (cheese, cream, prosciutto, etc.), and handicrafts products (carpet, opanak, and other similar products that are produced by hand), industrial products, as well as home-made products (handmade products). Products with geographical origin are products that differ from other, similar products due to the typicality they received due to the specific
environment from which they originate and which gives them specific characteristics, reputation and reputation that consumers recognize (Veljković, 2010, 106).

A geographical indication points to the consumers that a particular product has certain characteristics which are such because of the place of origin of that product. A geographical indication is a collective right of local producers and can benefit all producers in the region because it links a specific product to a specific territory. The added value of these products comes from the consumer and can be further strengthened by the legal protection of product names that define a specific quality. A geographical indication is a right that protects two types of designations: the name of the origin and the geographical indication.

3. Methodology

3.1. Systematic review protocol

The methodological basis of this paper is based on a combination of several different methods. In order to satisfy the methodological procedures (generality, reliability, objectivity and systematicity), various scientific research methods were used.

An exploratory research method, ie the use of existing literature and electronic sources, was used to determine the current state and development trends. Adequate integrated marketing communication will use the classification method to identify the basic factors that affect the degree of its implementation. In the development of the paper will use the method of analysis, as well as a comparative method.

The exploratory method will help to determine the current positions in the field of social responsibility and its application in the process of marketing integration, and the classification method will identify differences and compare current, ruling trends in the field of social responsibility. In further analysis of the work and the obtained results, the statistical SPSS method will be used.

A complex methodological approach and the application of several scientific methods is necessary due to the complexity of the problem that is the subject of research in this scientific paper.

5. Results

<table>
<thead>
<tr>
<th>Profitability</th>
<th>Calculation method</th>
<th>Unit</th>
<th>Reference value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yield on assets (ROA)</td>
<td>ND/TA</td>
<td>ratio</td>
<td>≥0.1</td>
</tr>
<tr>
<td>Return on equity (ROE)</td>
<td>ND/SE</td>
<td>ratio</td>
<td>≥0.15</td>
</tr>
</tbody>
</table>

Source: according to Horngren et al., 2012; Waltz, 2003.

For the purposes of comparative analysis of the impact of social responsibility in the field of integrated marketing communications, companies are divided into two groups.

The first group consists of companies that respect the principles of social responsibility, and the second group consists of companies that are in the system of marketing integration.

The study was based on a sample of 20 companies, which were divided into two independent groups of samples, 10 from each group. The analysis of the profitability of companies was conducted in the period April - July 2020. The following table shows descriptive statistics for ROA and ROE profitability indicators at the group level made up of companies from both analyzed groups.
Table 2. Descriptive statistical analysis at the group group level

<table>
<thead>
<tr>
<th></th>
<th>ROA</th>
<th></th>
<th>ROE</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>April</td>
<td>May</td>
<td>June</td>
<td>Julz</td>
</tr>
<tr>
<td>Social Responsibility</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Significance</td>
<td>-0.099</td>
<td>-0.011</td>
<td>-0.012</td>
<td>-0.010</td>
</tr>
<tr>
<td>Minimum</td>
<td>-0.129</td>
<td>-0.117</td>
<td>-0.516</td>
<td>-0.168</td>
</tr>
<tr>
<td>Maximum</td>
<td>0.165</td>
<td>0.186</td>
<td>0.172</td>
<td>0.104</td>
</tr>
<tr>
<td>Standard deviation</td>
<td>0.093</td>
<td>0.081</td>
<td>0.188</td>
<td>0.074</td>
</tr>
<tr>
<td>Variance</td>
<td>0.009</td>
<td>0.006</td>
<td>0.005</td>
<td>0.006</td>
</tr>
</tbody>
</table>

Marketing Integration

|                      |        |        |      |       |        |        |      |       |
|----------------------|--------|--------|      |       |        |        |      |       |
| Significance         | 0.053  | 0.079  | 0.077 | 0.088 | 0.143  | 0.209  | 0.339 | 0.385  |
| Minimum              | 0.007  | -0.116 | -0.029 | 0.002 | 0.011  | -0.538 | -0.105 | 0.018  |
| Maximum              | 0.386  | 0.217  | 0.205 | 0.346 | 0.769  | 0.922  | 1.709 | 0.649  |
| Standard deviation   | 0.099  | 0.086  | 0.052 | 0.099 | 0.204  | 0.378  | 0.498 | 0.213  |
| Variance             | 0.008  | 0.006  | 0.007 | 0.009 | 0.048  | 0.148  | 0.253 | 0.047  |

Source: SPSS author’s calculations

Table 3. Statistically significant difference in the level of ROA between companies that respect the principles of social responsibility and marketing integration

<table>
<thead>
<tr>
<th>Source</th>
<th>Type III sum of squares</th>
<th>DF</th>
<th>Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interceptions</td>
<td>0.029</td>
<td>1</td>
<td>0.029</td>
<td>2.218</td>
<td>0.138</td>
</tr>
<tr>
<td>Principles of social responsibility</td>
<td>0.169</td>
<td>1</td>
<td>0.169</td>
<td>10.073</td>
<td>0.002</td>
</tr>
<tr>
<td>Fault</td>
<td>0.289</td>
<td>14</td>
<td>0.012*</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: SPSS author’s calculations

4. Discussion

Comparing the social responsibility of companies and their degree of marketing integration, ie whether they generate net profit or net loss, it can be seen that a number of companies, which respect the principles of social responsibility, managed to operate positively in the period April-July 2020. In the period from April to July 2020, all companies from the sample of the group social responsibility made a net profit. Based on the previous facts, the following tasks are set:

1) To examine whether there is a significant difference in the level of profitability between companies that respect the principles of social responsibility and marketing integration;
2) To identify the causes of these differences, if there are significant differences in the level of profitability among participants.

In accordance with the needs of the research, and having in mind that profitability is most often measured on the basis of two analytical indicators, ROA and ROE, the following hypotheses were set:

**H1:** There is no statistically significant difference in the level of ROA between companies that respect the principles of social responsibility and marketing integration;

**H2:** There is no statistically significant difference in the level of ROE between the principles of social responsibility and marketing integration.

Differences in profitability of participants within the respect of the principle of social responsibility were examined using the statistical method ANOVA. For companies that respect the principles of social responsibility and marketing integration, profitability is measured based on ROA and ROE indicators for a period of four consecutive months. The results of the statistical test show whether there is a statistically significant difference in the level of profitability between the two groups of participants, in this case companies that respect the principles of social responsibility and the sphere of marketing integration. The results of ROA measurements indicate that companies from the group of social responsibility have a higher level of average profitability compared to companies that belong to the group in the field of marketing integration. In accordance with the established research program, a statistically significant difference in the level of ROA between companies that respect the principles of social responsibility and marketing integration is tested using statistical methods by re-measurement using the ANOVA test.

5. **Conclusion**

Modern marketing integrated business systems represent a place of socially responsible behavior that allows companies to invest part of their profits in the market economy system in activities related to long-term social responsibility. Requirements from different stakeholder groups, external and internal stakeholders for responsible activities of a particular business system make the system complex but also flexible. In this way, business systems are forced to implement in their business part of the tasks related to respecting the well-being of the entire community. In addition to the implementation process, the management of a particular company must regularly control and audit part of the business and tasks related to the part of the business aimed at respecting standards and rules in the field of social responsibility. In the process of their business, companies are obliged to apply the ISO standard which refers to the respect of the principle of social responsibility, as well as the HACCP standard which regulates the area related to the food safety system. By adopting and respecting the mentioned principles and standards, companies are enabled to operate efficiently, profitably and profitably, which aims to meet the needs of employees, interest groups (stakeholders) and the community as a whole. Effective and efficient business requires the management of the company to operate effectively and efficiently, regularly monitoring that will warn him in time about the social consequences of business decisions. Making related business decisions and their implementation requires long-term training in the process of making a profit, because, recently, the market has become extremely demanding in terms of respecting the proper conduct of companies and their social responsibility.

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