

The Application of CSR and CSV Concepts in Company Marketing Activities

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Abstract

Purpose: The purpose of this publication is to attempt to determine the applicability of the basic assumptions of the CSR (Corporate Social Responsibility) and CSV (Creating Shared Value) concepts in the process of building marketing strategies, their types and the use of marketing-mix tools.

Design/methodology/approach: In achieving the objective, a method of critical analysis of national and international literature relating to these issues (CSR and CSV concepts) was used.

Findings: The concepts of CSR and CSV can be applied to the marketing strategies of companies. This applies in particular to the organization of marketing in the enterprise, its mission, the selection of markets, the establishment of the buyer segment and the marketing-mix tools. There should be an extension of the marketing cell within the enterprise, which is responsible for creating the marketing strategy and incorporating shared value into the marketing-mix policy. The selection of buyer segments from the point of view of social needs will make it possible to create the company's offer in the form of shared economic-social value and to include companies from local markets in its creation and distribution channels. Changes to product policy are also needed, which should include the creation of shared-value products.

Research limitations/implications: Difficulties in understanding the distinctiveness of the concepts of CSR and CSV by companies. Further research should focus on these problems and the actions taken by companies as a result of these concepts.

Practical implications: These include proposals to broaden the scope of marketing research conducted by companies and to focus their product innovation policies on products that create shared value.

Originality/value: The text presents issues rarely discussed in the marketing literature on the need for companies to take into account in their marketing strategies changes in the environment, related legislation, the needs of local communities, high levels of buyer education and increasing consumer requirements towards product suppliers.

Keywords: CSR, CSV, marketing strategy.

JEL: M31, M21

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Zastosowanie koncepcji CSR i CSV w działaniach marketingowych przedsiębiorstwa

Streszczenie

Cel: celem publikacji jest próba określenia możliwości zastosowania podstawowych założeń koncepcji CSR (społeczna odpowiedzialność biznesu) i CSV (kreowanie wartości wspólnej) w procesie budowy strategii marketingowych, ich rodzajach i wykorzystania narzędzi marketingu-mix.

Projekt/metodologia/podejście: do realizacji celu wykorzystano metodę krytycznej analizy literatury krajowej i zagranicznej odnoszącej się do tych zagadnień (koncepcje CSR i CSV).

Wyniki: koncepcje CSR i CSV mogą być zastosowane w strategiach marketingowych przedsiębiorstw. Odnosi się to w szczególności do organizacji marketingu w przedsiębiorstwie, jego misji, wyboru rynków, ustalenia segmentu nabywców i narzędzi marketingu-mix. Następować powinna rozbudowa komórki marketingowej w przedsiębiorstwie, która odpowiada za kreowanie strategii marketingowej i uwzględnianie wartości wspólnej w polityce marketingu-mix. Wybór segmentów nabywców z punktu widzenia potrzeb społecznych umożliwi wykreowanie oferty przedsiębiorstwa w postaci wartości wspólnej – ekonomiczno-społecznej oraz włączenie do jej tworzenia i do kanałów dystrybucji firm z rynków lokalnych. Konieczne są także zmiany polityki produktu, która powinna obejmować kreowanie produktów stanowiących wartość wspólną.

Ograniczenia/implikacje badań: trudności w pojmowaniu przez przedsiębiorstwa odrębności pojęć CSR i CSV. Dalsze badania powinny skoncentrować się na tych problemach i na podejmowanych przez przedsiębiorstwa działaniach wynikających z tych koncepcji.

Praktyczne implikacje: obejmują one propozycje poszerzenia zakresu badań marketingowych prowadzonych przez przedsiębiorstwa i skoncentrowanie ich polityki innowacji produktowych na produktach tworzących wartość wspólną.

Oryginalność: tekst prezentuje rzadko podejmowane w literaturze marketingu zagadnienia konieczności uwzględniania w strategiach marketingowych przedsiębiorstw zmian zachodzących w środowiska naturalnym, związanych z tym regulacjach prawnych, potrzeb lokalnych społeczności, wysokiego poziomu edukacji nabywców i rosnących wymagań konsumentów wobec dostawców produktów.

Słowa kluczowe: CSR, CSV, strategia marketingowa.

1. Introduction

In the literature and practice, we encounter the concept of CSR (Corporate Social Responsibility), the development of which is the concept of CSV (Creating Shared Value). However, the issue of relations between these concepts and the marketing strategy of an enterprise and their application in its marketing activities is rarely addressed. Both CSR and CSV concepts, as well as marketing strategies, are discussed separately without pointing out their relations with marketing. The aim of the publication is the attempt to indicate the possibility of using these concepts in the marketing activities of an enterprise. To achieve this goal, the method of critical analysis of domestic and foreign literature on these issues was used. On this basis, conclusions have been formulated defining the scope of use of the content of the above-mentioned concepts in the marketing activities of an enterprise.

2. Basic Assumptions of CSR and CSV Concepts

The concept of Corporate Social Responsibility assumes that the task of modern enterprises should be to learn about and incorporate the increasing social expectations of various stakeholder groups into their strategy to increase the enterprise's market value and competitiveness. The main objective of CSR is to ensure sustainable social development. Already at the stage of strategy construction, the enterprise should voluntarily take into account social interests, environmental protection and relations with various stakeholder groups (Krzepicka & Tarapata, 2013; Żychiewicz, 2015). The CSR activities involve achieving a balance between economic development and the conservation of natural resources (Błach et al., 2017).

In order to achieve the aforementioned goals, enterprises may apply various tools within the framework of CSR. These may include employee volunteering, activating buyers and other stakeholders, social campaigns implemented in cooperation with the media and non-governmental organizations, programs aimed at meeting the expectations of the environment, social reports, product labeling. They may refer to environmental pollution, health risks, organic production, etc. These activities, also known as socially responsible investments, combine the company's internal objectives (e.g., increasing sales and profits, entering new markets, etc.) with external objectives related to solving social problems. The enterprise's activity under CSR cannot be accidental and incidental and should be a permanent element of its strategy. Moreover, it should be comprehensive. Continuity and implementation of these activities generate costs which must be borne by the enterprise. At the same time, the planned and rational application of CSR tools brings positive effects in the form of building and strengthening the enterprise's image and achieving its strategic objectives (Buczkowski et al., 2016).

Many publications on the application of the CSR concept conclude that it is implemented in stages (Mirvis & Goggins, 2006; Witek-Crabb, 2016). In the first stage, the actions taken in this area are sporadic and random. They bring a low economic value to the company. This stage is called the stage of *corporate philanthropy*. The next stage is so-called *strategic philanthropy*. Activities in this area are long-term and undertaken to improve the competitive position of the company. The economic effectiveness of such activities is also improved. However, in practice, the implementation of CSR at both stages was characterized by a number of drawbacks. These include the lack of coherence and coordination of activities with the general strategy of companies, making decisions according to unclear criteria and preferences, treating CSR mainly as an element of additional costs, the lack of measurement of the effectiveness of these activities, and their identification with PR activities (Witek-Crabb, 2016; Urbanowska-Sojkin & Weinert, 2016). Porter and Kramer's (2011; Grzegorzczuk, 2020) response to the faulty functioning of the CSR concept is the CSV concept – Creating

Shared Value – economic and social. In fact, it can be assumed that this is a transition to a more developed stage of CSR (Moon et al., 2011). The CSV concept considers the achievement of economic and social value as benefits in relation to costs. It is about delivering value to buyers while addressing important economic and social needs in the communities in which the company operates, and this applies to all participants in the value chain (Moon et al., 2019). The costs of creating shared value should be weighed against the benefits obtained through incurring these costs. On the one hand, this may reduce the bottom line, but it should bring additional revenues and profits due to entering new markets and offering new products – the effects of shared value creation. Value creation here is closely related to a company's competition and maximization of sales and profit (Porter et al., 2012; Szajca, 2017). Therefore, the priority in building a company's strategy is to recognize social problems and issues in the company's environment. The CSV is not about charity but about formulating a strategy that considers the improvement of the well-being of the environment, the profits of the company, and creates new economic value. This concept can be implemented in three possible variants:

- through the development of new markets by recognizing the problems of local communities,
- by introducing new production, technological and organizational solutions to reduce the negative impact on the natural and social environment,
- by enabling the development of local clusters, including supply processes, production, service provision, etc.

The improvement of the enterprise's competitiveness thanks to the creation of shared value thus takes place as a result of entering new markets and improving the image of the enterprise, increasing the confidence of existing customers. The creation of shared value may refer in practice to solving problems in the field of health care in specific regions, education of young people, counteracting the exclusion of the disabled, combating child malnutrition, increasing employment among local communities and companies, improving infrastructure, etc. Undoubtedly, however, it can be called a concept focused on the coherence of economic and social goals (sustainable development model)¹.

3. The CSR and CSV Concepts and Company Marketing Strategies

The possibilities of using the CSR and CSV concepts in marketing activities of an enterprise refer to the stages of construction of the marketing strategy and the tools and instruments applied within its framework.

Each enterprise that implements strategic management develops its mission, vision and strategic objectives, makes an analysis of the environment and an internal analysis, formulates various variants of the strategy and

selects its specific variant which is then subject to implementation and control.

A company's **mission** is its reason for existence, the needs it seeks to satisfy, and its contribution to society. The mission is also defined as a set of values that customers and other stakeholders expect from the enterprise. The mission of an enterprise can also be seen as a description of its profile of activities and intentions it wants to achieve in the long term. It should be formulated so that it does not undergo too frequent changes. Correct formulation of the mission enables the creation of the assumed image of the enterprise, clear determination of the directions of its operation, satisfaction of its buyers' needs, determination of the mission and objectives of the enterprise. The mission is thus a set of superior assumptions and values enabling the enterprise to develop. On the other hand, an enterprise's vision is an idea of how the enterprise will function in the future. It is also said that the mission is a picture of the target position of the company on the market and that it is a described set of desired future results of activity, possible to achieve in the long term². From the mission and vision of the enterprise, objectives are derived – i.e. the main objective, the objectives supporting its implementation, their hierarchy and time horizon. The objectives should relate precisely to the areas of activity of the enterprise and be formulated in a measurable way. They should also take into account the needs of buyers, the market situation, the financial situation of the company, the principles of cooperation with suppliers, intermediaries and the company's stakeholders, as well as social and environmental problems of the market on which it operates.

From the briefly presented remarks, it can be concluded that the concept of CSR refers in particular to the mission of the company, because it is related, among others, to the answer to the questions:

1. For whom does the enterprise operate?
2. Does it undertake activities for the communities in which it operates and what are they?
3. What is the contribution of the company to the community?

It is therefore a question of formulating a corporate mission which takes account not only of the market situation but also of the social and environmental problems on the markets on which the company operates (Sinthupundaja et al., 2020; Kraus et al., 2017).

Based on the mission and vision, the overall strategy and business unit strategies are formulated and, based on these, the marketing strategy is devised³. It contains, among others, the marketing objectives of the enterprise which result from the conducted analysis of the enterprise's environment and its potential. The marketing objectives should consider the defense and development of its competitive position, the needs of buyers and, in accordance with the CSR concept, sustainable social development (Janeczek, 2014). After setting the objectives, the choice of target markets

on which the company intends to operate and marketing tools with which the marketing objectives will be implemented follows. The use of the CSR and CSV concepts in the marketing strategy is therefore also visible at the stage of selection of marketing tools, the type of marketing strategy, its implementation, and at the stage of controlling the effectiveness and efficiency of the strategy (Pfitzer et al., 2013).

The use of the CSV concept in marketing activities of an enterprise can take place in particular in relation to the type of marketing strategies. In the marketing literature, there are many different classifications of marketing strategies. In the article, the most common types of marketing strategies are taken into consideration. This applies in particular to strategies distinguished in terms of the market on which the enterprise operates and its product offer (*the so-called Ansoff matrix*). Ansoff (1957) distinguished four development strategies: market penetration, market development, product development and diversification (innovation)⁴.

Among the types of marketing strategies mentioned above, the CSV concept can be applied to market penetration, product development and diversification strategies. In the first case, there is an intensified improvement of products, whereby their additional functions are changed or additional services are offered to existing customers or customers of competitors. New product features or new services may result from social needs and create new shared value. In a product development strategy, the aim is to reach all potential buyers with the new products created, creating shared value (Mehera, 2017). Alternatively, local companies may be involved in their development and local clusters may be created, involving raw material supply, production or new distribution systems for products in existing markets. In relation to the diversification (innovation) strategy, already in the selection of new markets, it is necessary to analyze the social and environmental problems of these markets, the needs of the buyers, the structure of the market of suppliers and intermediaries. This forms the basis for creating new products that take these needs into account and for creating local supply and production clusters to enter new markets.

With regard to the marketing objective, expansion, position defense and selective growth strategies can be distinguished. *Expansion strategies*, which aim to develop the enterprise faster than the market develops, should use the assumptions of the CSV concept. Using mainly marketing instruments, the enterprise aims to increase profitability and market share and initiate changes on the market. Development can be achieved by introducing social and economic innovations and by expanding into new territorial markets or searching for market gaps⁵. Similarly, *position defense strategies* can be implemented using the CSV concept. It is the newly created shared values that can be effective in defending a company's market position. *The strategy of selective development* assumes the company's concentration on a selected fragment of the market to achieve a leading position. Marketing research

makes it possible to select such a fragment of the market and learning about its social needs will make it possible to define the offer of the enterprise and create common value. Due to such actions, it is possible to achieve a leading position in a selected fragment of the market.

According to the market share, it is possible to speak of a leader strategy, a challenger strategy, a follower strategy, and a gap-finding strategy. *The leader strategy* refers to companies with a dominant market position that seek out new groups of buyers, create product innovations and actively use other marketing instruments to maintain their market position. *Challenging companies* aim to take a dominant position on the market and then, in particular, apply promotional instruments and product innovations. In relation to these two types of strategies, the possibilities of applying the CSV concept by creating shared value can be seen. Most often, companies implementing such strategies have well-developed scientific and research facilities and marketing research units. This enables and facilitates the creation of socio-economic values by enterprises. *The follower strategy*, resulting from limited resources and experience of the enterprise, consists in imitating the actions of the market leader. In this case, mainly due to relatively small resources of the enterprise, the application of the CSV concept is difficult. *The gap-seeking strategy*, on the other hand, limits the company's operation to a selected segment of buyers, product group or region. It coincides with the strategy of selective development. It can be assumed that it is then that the CSV concept can be applied to a region or group of buyers. In all cases mentioned above, the prerequisite for the application of this concept is the study of the market situation, the needs of buyers, the level of development of the selected market, the infrastructure and – according to these conditions – the creation of common value.

The CSV concept can also be applied if a company carries out *lateral marketing* activities. It involves the development and marketing of product innovations that meet new buyer needs. The novelty here consists in adding value that satisfies new consumer needs and differentiates the product from competitive products (Kotler & Trias de Bes, 2003). It can be done, for instance, by substitution, elimination, combination or inversion of elements in existing products. Substitution is the removal and replacement of certain elements of a product with others, elimination is the complete removal of selected elements, combination in turn is the addition of one or more elements to a product, and inversion is the reversal of the proportion or order of product elements. In lateral marketing, one looks for needs that are not being met by the company and selects a product that has the capacity to meet those needs. At the same time, potential buyers who are not customers of the enterprise are sought, as are the reasons for this fact. As can be seen, such activities relate to the creation of new products and the search for new markets. Innovations in this case can be common socio-economic values in new territorial markets or buyer segments.

Another type of strategy for which links to the CSV concept can be seen is a strategy known as *the Blue Ocean Strategy*. It was formulated by Chan Kim and Mauborgne in 2004. According to it, we face increasingly intense competition on the market, the effects of which many businesses are unable to withstand. Such markets have been described as *a red ocean*. Competition in it forces the elimination of competitors, and existing demand and current groups of buyers are exploited. In order to survive and continue to function effectively, companies should find *the blue ocean* – i.e. such a new market area (industry, sector) which has not yet been discovered. In such a market, the company may itself determine the conditions and principles of operation, there is no competition, which gives opportunities to create demand, expand the target group and achieve profits from sales. In *the blue ocean*, a company does not make comparisons with competitors, because there are none. Instead, it follows the so-called value innovation, i.e. creates new products for new buyers. *The blue ocean* may be created, inter alia, through the search for alternative industries to existing ones, providing complementary products, searching for customers among those groups who buy a given product very rarely or those who have not bought it at all so far. It may also refer to taking into account the social needs of new buyers and the regions in which the company operates to create shared value. The blue ocean strategy also involves significant organizational changes for the creation of shared value. The briefly presented principles of this strategy are based on observations of contemporary markets and differ only slightly from the above concept of strategy division, according to Ansoff. One of these strategies is the strategy of innovation (diversification), i.e. offering new products on new markets. The development of the company takes place by moving away from its current offerings and production methods and from its current market. In both of these strategies (innovation and blue ocean), a company can succeed if it offers genuine value innovations in new markets (Chan Kim & Mauborgne, 2005).

4. The Concepts of CSR and CSV and the Marketing-Mix Strategy

The application of the CSV concept in marketing activities should also be considered in view of their relationship with marketing research, the marketing tools used and the marketing structure of the company.

With regard to *the structure of marketing*, we can use different criteria for the creation of a marketing cell and its location in the structure of the company. A marketing cell can be created according to functional, product, market segments or geographical criteria depending on the size of the company, its offer, resources, territorial scope of activity and groups of buyers. Most often, the selection of the basic criterion is followed by

a combination of other criteria for the organization of the created cell. In turn, marketing research supporting the CSV concept can be carried out by the research cell which is part of the marketing cell. Marketing activities should start with marketing research during which information about the enterprise and its environment should be collected. This also applies to the foreign environment if the company operates or intends to operate there. Thus, it is necessary to collect data on the served and potential buyers, their characteristics and conduct on the market, as well as the conduct of competitors. Assuming the application of the CSR concept, it is particularly important to extend the subject scope of marketing research – i.e. research of general conditions of company operation. It refers to the study of social areas corresponding to the profile and offer of an enterprise. It is necessary to collect data on the economic infrastructure, health care system, education system, state of environmental protection in the regions where the company operates or intends to operate. The data should be analyzed in order to formulate conclusions about possible problems in the above-mentioned elements of the environment. Therefore, the necessity arises for the company to have an extensive *marketing information system*. This may involve the need to increase employment in the research unit or/and its division into workplaces that collect and analyze information about the structure and economic situation on the market and workplaces that collect information about the infrastructure and social needs of regions of activity. It is then possible to confront the resources and capabilities of the enterprise with possible social problems of its environment. As a result of this confrontation, the company chooses the area in which it can start to create shared value, the geographical markets in which it can operate and the segments of buyers. It may then additionally have to deal with new markets and buyer segments. The marketing objectives of the company in the selected regions or with respect to the selected buyer groups are then formulated. The choice of the area to which the creation of common value and the market segment will relate is in turn a premise for the creation of marketing tools, in particular production, technological and organizational solutions in the enterprise.

In the initial phase of the CSR implementation, we deal with *corporate philanthropy*, often implemented according to unclear criteria and not always systematically. Its role in the company's strategy is often reduced to public relations actions. The concept of *marketing 2.0*, which is a consequence of the development of the information society, has emerged in marketing activities. It is strongly oriented towards customer attraction and retention and uses modern technology to communicate with customers, especially with regard to creating a positive corporate image (Aakhus & Bzdak, 2012). In the case of the first stage of CSR, as a rule, charitable expenditures are rarely linked to the future financial results of the enterprise. Consequently, no research on the effectiveness of CSR expenditures is carried out in relation to them.

Most often, the scope of promotional activities and frequency and intensity of use of such promotional instruments as public relations and sponsoring are increased. In literature, such marketing activities are also referred to what is known as *charity-motivated marketing* (Kozłowski, 2008). It is in fact limited to promotional activities related to a specific social problem and the company's charitable efforts to solve it. Potential buyers are informed about the aims of such actions and the connection of the purchase of the company's products with a social action. This has a positive impact on the image of the company as a socially responsible organization that is sensitive to the needs of different communities. This allows the company to stand out on the market and positively position its products, and consequently increase revenues and strengthen its competitive position.

The evolution to *strategic philanthropy* and to the *CSR 2.0* phase has also resulted in significant changes in the understanding and objectives of a company's marketing. It has been recognized that it should not just be a tool for generating profit but must help solve social and environmental problems (Visser, 2012). The concept of *sustainable marketing* or *social marketing* has emerged. It also resulted from changes in the behavior of buyers who are interested in social and environmental problems. They therefore expect ethical behavior from suppliers, ecological, health-safe and good-quality products, reliable information from suppliers, and responsiveness to social needs. This forces producers and intermediaries to present an offer enriched with additional social and environmental benefits. Social marketing can be defined as the process of creating, communicating and delivering value to buyers, which takes into account their needs, social, environmental and ethical expectations and the development of the company's competitiveness (Czubała, 2013). It means building and implementing a marketing strategy taking into account the social effects of decisions made. In practice, the most common form of social marketing is now the so-called *environmental marketing*, also called *green marketing*, *ecological marketing* or *eco-marketing*. The name implies that the activities and marketing instruments used are in line with sustainable development and environmentally and are socially friendly. The company's products are modified, their raw material composition is changed, new eco-products and their ecological packaging are introduced. Social campaigns are also carried out in order to change attitudes and behavior to more environmentally friendly ones. It means building and implementing a marketing strategy that takes into account the social impact of decisions (Czubała, 2013). In practice, sustainable marketing activities in a company are extended compared to traditional marketing. It refers to marketing research, marketing strategy and organization. *The marketing information system* additionally collects information about the above-mentioned expectations of buyers towards suppliers as regards the information received from them, about the quality of products, and about their pro-social activities. Thus, the subject scope of

marketing research is increased by infrastructural and economic factors in the region in which the enterprise operates. Then, this information should be used in the company's strategy.

Marketing activities generally focus on intensive promotion, including advertising, public relations and sponsorship and communication with buyers. What is used is employee volunteering, activation of buyers and other stakeholders, social campaigns implemented in cooperation with the media and non-governmental organizations, program aimed at meeting the expectations of the environment. Such activities can be implemented, among others, thanks to the technological revolution. New technologies with the emergence of social media enable rapid exchange of information and cooperation between buyers in real time. In this case, companies can go beyond vertical communication (company-customer); they can also influence horizontal communication, i.e. between customers. Buyers are increasingly interested in participating in the processes of creating and developing new products. This can be done through their participation in the process. This is also a key element of *marketing 3.0*, to which the company is moving. The purpose of the marketing research unit here is to learn more about customers, their needs, concerns and goals, and to tap into their emotions (Niedzielska, 2011). This makes it possible to provide products that meet not only the consumer needs of buyers, but also their emotional, spiritual and social needs. This requires treating them as partners and trying to engage buyers in cooperation. Marketing 3.0 thus corresponds to the so-called *social orientation of marketing*, in which the priority is the well-being of buyers, and not only satisfying their short-term consumption needs. On the other hand, in the long term, it is the welfare of society that is important, and not only the welfare of individual buyers. In marketing 3.0, social needs represent opportunities for company development, which is fully in line with the CSV concept. Companies therefore formulate their mission taking into account the market situation as much as the need to solve social and environmental problems⁶. There are also new attempts to establish the effectiveness of CSR spending.

The next step of the CSR process is to apply *the concept of Shared Value Creation*. With regard to the product policy, three options are possible here. The first one is to leave the product offer unchanged and use price and promotion instruments in CSV activities. The second option is to make changes to the product in order to create shared value. This activity should be supported by promotional activities and the use of pricing strategies corresponding to the specifics of the selected segment of buyers. Another activity in the product policy is the creation of a new product, taking into account the social needs of the environment. This may be a material product referring to the existing offer or service provided to the community in a specific region. An example of creating shared value could be the organization and financing by a computer and audiovisual

equipment manufacturer of language and computer courses and training for schoolchildren in regions with low household incomes. This will increase the level of education in the region, the chances of further education and employment in the future. At the same time, it improves the company's image and its ability to sell its products.

Within the product innovation policy, we encounter *offensive, defensive, imitative, dependent, traditional and opportunistic* policies⁷. The *offensive innovation* policy is based on the permanent introduction of novelties, but not always in relation to the entire offer of a company. This is because it requires large resources to finance R&D expenditures and to maintain a broad scientific and research base. The *defensive policy* consists in the quick introduction of substitutes to new products of companies applying the offensive policy. Most often, they satisfy the needs created by offensive companies better than their new products. The imitative policy is limited to the rapid adaptation of products through the purchase of licenses. The *dependent policy*, on the other hand, consists in indirectly participating in the creation of product innovations by supplying components for new products or labor. The *traditional policy* boils down to minor product changes, and the *opportunistic policy* consists in reluctance to make product changes due to market dominance and unsatisfied demand. The latter variety of product innovation policy may most often refer to local markets and sellers' market situations.

Among the mentioned types of product innovation policies, offensive and defensive policies are in line with the CSV concept. This is because they assume the introduction of significant novelties, and in their creation the social needs of the regions in which the company operates may be taken into account. It can be considered that the above activities also contain elements of a product differentiation strategy. They lead to offering buyers an original product that is difficult to imitate. Through originality, it distinguishes itself on the market and also allows the company to stand out from other market participants. Its evident novelty characteristics such as a shared value enable sales growth and strengthen the company's competitive position.

In the context of product policy, the company should also analyze the development of local clusters, involving supply, production or service provision processes. It is about the inclusion in the production of products of new or improved companies from local markets where common value is to be created and offered. Such activities may also relate to the sphere of supply, as it is possible to include these companies in the group of suppliers of raw and other materials. Here again, the importance of *the marketing information system* should be emphasized to identify local companies with the potential to participate in the supply chain and create shared value. A particularly important element of CSV is the calculation of the benefits that arise from the creation of shared value. The enterprise should therefore calculate, for each of the shared value options, the costs of product creation and the

revenues from the sale of such products. Then, it can proceed to determine the remaining marketing tools and activities. They concern distribution and promotion and are closely related to the common value. The option of changing or extending distribution channels, which may include companies from the markets on which the company operates, can be applied here. This is particularly true where the creation of shared value requires entry into new geographical markets. The potential of local companies can also be used in shared value promotional activities. Marketing activities supporting the implementation of the CSV concept can be classified as **marketing 3.0** and **4.0**. In **marketing 3.0**, as mentioned above, the target of producers' activities is not only an aware consumer, but one who additionally professes specific values, has emotions and aspirations. It assumes interactivity in contacts with consumers, the value delivered to them is functional, emotional and spiritual, and the goal of the company's activity is not only financial, but the aim is also to improve and protect the environment in which it operates. In **marketing 4.0**, the focus on the buyer comes to the fore even more than before. **The prosumer, the active consumer**, becomes the focus of the company's attention (Nowacki, 2014). Marketing 4.0 is intended to help the enterprise implement the CSV concept in order to differentiate it on the market and to maintain and strengthen the relationship with the prosumer. The prosumer has extensive brand and product knowledge, shares it with others and is a partner for the enterprise, sharing responsibility for the creation of new products and promotional activities. This makes it possible to individualize the offer (Kang & Nu, 2020). Marketing 4.0 uses the latest technological developments, i.e. the combination of artificial intelligence with other information and communication technologies and applications. Thanks to them, the customer can contact the producer at any place and time and participate in the production process or solve problems related to it (Roztocka, 2018). In Marketing 4.0, companies create a platform for ongoing collaboration with the customer for the development of new products. This, in turn, also makes it possible to win buyer loyalty towards a company that acts in accordance with the values of the modern customer – i.e. social and environmental values. Buyers, in turn, see such actions by companies as their duty.

The implementation of a marketing strategy incorporating the CSV concept should be evaluated from the point of view of its effectiveness and efficiency. This is the final stage of the marketing strategy. It is supposed to satisfy the needs of buyers and social needs by creating new socio-economic value and at the same time it should bring profits to the company, improve its competitive position in the region of operation. It is necessary to examine to what extent these objectives are attained and, in relation to the enterprise, what is the relation of the costs of such activities to the effects achieved. It can be assumed that the enterprise, as a rule, sets marketing objectives in a quantitative form (e.g. specified values of sales of new or improved

products, profits from such sales or market share). Then, determining the effectiveness of CSV activities consists in comparing the planned values with the ones that have been carried into effect. On the other hand, determining the effectiveness of these activities is more complex. It is necessary to determine costs of undertakings connected with creation of common value. These may be, e.g., costs of additional marketing research, costs of offering an additional service to an existing product or costs of creating a new product (shared value) and costs of its delivery to the market. It is then necessary to determine the sales revenue of the new product (shared value) and the difference between it and the costs of its creation and sales. The relation of this value to the costs of creating the shared value will allow for determining the effectiveness of marketing activities related to the creation and delivery of the shared value to the market⁸. The improvement of a company's competitive position as a result of creating and delivering socio-economic value to the market is more difficult to establish. Portfolio methods can be employed here, in which a portfolio of factors (e.g. market share and its changes, sales volume and its changes, sales profitability, brand awareness, company reputation) is used to assess the competitive position and its changes⁹. However, in-depth marketing research of the company and the region in which it operates is necessary in order to eliminate the possible influence of external factors on changes in the company's competitive position.

Creating common value and supplying it to the market is also supposed to solve social problems. Therefore, attempts should be made to determine the degree to which this objective has been achieved and the effectiveness of actions taken to achieve it. It can be assumed that the initial state in relation to the specific social problem (e.g. in terms of the level of education or accessibility schools for the youth) is known to the enterprise. In order to determine the effectiveness of actions, the levels of satisfaction of a given social need before and after the introduction of CSV should be compared. It should be noted, however, that such comparisons should be made for medium and relatively long periods of time. As a rule, the improvement of the state of infrastructure takes place over such periods. The determination of the effectiveness of actions related to the satisfaction of a social need by a common (socio-economic) value requires the collection of information about the state of satisfaction of a specific social need and its changes in the period when it was introduced. Then, a comparison is made between the quantities describing the state of satisfaction of this need and the costs of producing the shared value and supplying it to the market. However, such actions are complex and lack the assessment of effectiveness of internal factors of the enterprise and factors independent of it (e.g. actions of other organizations and local or government administration for better satisfaction of social needs). Moreover, they require a developed marketing information system in the enterprise.

As emphasized above, the implementation of CSR, no matter at which stage, requires, among other things, the creation of lasting partnership relations with all stakeholder groups (Kramer & Pfitzer, 2016). Thus, the necessity arises to apply the principles of *partnership marketing (also called relationship marketing)* in an enterprise. Among many definitions of relationship marketing, several can be cited that point to the importance of the company's relationships in its market strategy. *Relationship marketing is used, among other things, to make the buyer a co-creator of the company's product value to permanently bind them to the company*¹⁰. *According to the concept of relationship marketing, it is about creating and maintaining bilateral and multilateral links between the company and buyers and other parties in the process of creating and delivering products and services*¹¹. Evidently, it does not only involve relationships and partnerships with customers but also those with other market actors – stakeholders. These include suppliers, intermediaries (distributors) and influential institutions (e.g. banks, insurance companies, consumer organizations, environmental movements)¹². Thus, relations with actual or potential buyers, suppliers of raw and other materials and means of production, as well as intermediaries in distribution channels (distributors), are gaining importance. Their participation in creating a company offers a contribution to the improvement or creation of a new offer, corresponding to buyers' needs, also taking into account social needs. This fully corresponds to the assumptions of the CSV concept, which assumes, among other things, the creation of shared value through the creation of local clusters from the sphere of supply, through production and provision of services to the sale of new products. As a result, it leads to an increase in social welfare. It was noted above that the consequence of these assumptions is extended marketing research, with more detailed information about the conduct of stakeholders and relations with them. In practice, companies use CRM (*Customer Relationship Management*) programs in their marketing strategies. The CRM relies on available information systems. It involves continuous monitoring of the behavior, needs and expectations of buyers to build and maintain lasting and satisfying relationships. The CRM programs should, in turn, be integrated with the company's marketing information system.

5. Conclusion

The literature review and considerations related to the above-mentioned CSR and CSV concepts allow for formulating conclusions about the possibility and necessity of using these concepts in marketing strategies of an enterprise. Based on the assumptions of the CSR concept, the mission of an enterprise should be derived on the basis of which the marketing strategy is formulated. The last stage of CSR in the form of Shared Value Creation (CSV) implies greater significance of marketing research and,

consequently, the necessity for an enterprise to have a marketing information system. Enterprises should also further develop their marketing units, which should be responsible for creating a marketing strategy, with account being taken of the shared value in the marketing-mix policy. The use of CSV in the marketing strategy refers especially to the assessment and selection of new geographic markets and new segments of buyers. It also refers to changes in the product policy, which should include the creation of shared-value products. This corresponds to the implementation of product innovation policy. The application of the CSV concept can also refer to the distribution policy, which may include the creation of local clusters and the inclusion of companies from these markets in the production process and distribution channels. Similarly, the pricing policy and promotional activities should be adjusted to the specifics of markets where shared value is offered, fulfilling the function of information about a new product, i.e. shared value, and encouraging its purchase. If a company follows the above-mentioned assumptions, it will be able to respond flexibly to changes in the environment and have a chance to defend its competitive position.

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Endnotes

- ¹ Some authors have called the CSV concept a “useful utopia” or a “noble concept” – see Mączyńska, E. (2011). Miary finansów przedsiębiorstwa i ich adekwatność. *Prace Naukowe Uniwersytetu Ekonomicznego we Wrocławiu*, (172), 385–400.
- ² An example of the company’s vision can be the vision of General Electric from the 80s – to take the first place in all markets on which we operate and to transform the company so that it has the clout of a large corporation and at the same time the flexibility of a small company, see Stabryła, A. (2000). *Zarządzanie strategiczne w teorii i praktyce*. PWN.
- ³ For more, see Drążek, Z., & Niemczynowicz, B. (2003). *Zarządzanie strategiczne przedsiębiorstwem*. PWE.
- ⁴ For more, see Garbarski, L., Rutkowski, I., & Wrzosek W. (1998). *Marketing*. PWE.
- ⁵ For more, see Wrzosek, W. (Ed.). (2004). *Strategie marketingowe*. PWE.
- ⁶ For more, see Lambin, J. J. (2001). *Strategiczne zarządzanie marketingowe*. Wydawnictwo Naukowe PWN.
- ⁷ For more, see Dietl, J. (1986). *Marketing*. PWE.
- ⁸ For more on marketing effectiveness, see Lenskold, D. (2004). *Pomiar rentowności inwestycji marketingowych*. Wolters Kluwer.
- ⁹ For more, see Sojkin, B. (Ed.). (2003). *Zarządzanie produktem*. PWE.
- ¹⁰ For more, see Rogoziński, K. (1998). *Nowy marketing usług*. Wydawnictwo Uniwersytetu Ekonomicznego w Poznaniu.
- ¹¹ For more, see Fonfara, K. (1999). *Marketing partnerski na rynku przedsiębiorstw*. PWE.
- ¹² For more, see Otto, J. (2004). *Marketing relacji. Koncepcja i stosowanie*. Wydawnictwo C.H. Beck.

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