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### **SOCIAL POTENTIAL OF MARKETING COMMUNICATIONS IN MODERN CITY**

*The paper presents the ways of transforming of a purely economic category – marketing – in the information environment of a big modern city in its social and communication category. To do this, we considered the existing theoretical and methodological approaches to modern marketing communications and marketing opportunities as a social process that promotes productive dialogue between society and business. We proved the existence of inexhaustible possibilities of social potential of marketing communications in the context of the formation of the modern information environment of the big city, and developed practical recommendations in respect of its maximum usage in the modern world.*

Keywords: marketing, social and communication marketing category, social process, dialogue, society, business.

**Problem definition in general terms.** The development of information society in modern conditions causes the development of marketing. In this case such a primary function of marketing as distribution is gradually replaced by the organization of communication between the producer and the consumer, and the subject of their exchange is not only a product, but to a greater extent the information obtained in the social and communication process. In such circumstances, the essence of marketing communications in respect of “adjusting” of the demand to the supply dictate changes and requires rethinking and defining the content of modern marketing activities in the context of social potential. However, this problem is complicated by the fact that the basic concepts of marketing are embedded within the economic theory and significantly restrict methodological research opportunities of modern marketing communications. However, a holistic perception and multidimensional study of marketing communications causes the creation of a coherent communications scheme based on a multidisciplinary approach in the fields of marketing, sociology, social psychology, management, linguistics, economics, ethics, culture, philosophy, anthropology, axiology, ethnography, law, political science, public administration, etc. The development of an appropriate conceptual apparatus should be added here.

**Analysis of recent publications on issues and definition of the general problem parts previously unsolved.** Marketing as a set of communication practices that affects the formation of a social field and stereotypes was studied in the works of A. Sokolov [7], H. Lasswell [10]; as a social process – in the works of P. Berger [1], K. Lukman [1], M. Kastels [2], S. Moryarty [5], etc. The study of marketing in today’s information environment within the socio-economic framework was made by M. Makliuen [4], S. Lash [11] etc.

Classical works in economics, theory and practice of marketing include the works of Ph. Kotler [9], Zh. Lamben [3] etc. The problem of sociological study of marketing

communications, advertising exposure is a subject of research of domestic scientists A. Pavlenko [6], O. Yuldasheva [8], A. Sokolov [7], etc., but they do not reveal marketing as a social process at a scale of a big modern city.

**The article is aimed** at studying the social potential of marketing communications in the context of formation of the modern information environment of the big city and the development of practical recommendations for its maximum use in the modern world.

**Presentation of the main results and their justification.** We know that the basic concepts of marketing were embedded in the economic theory. However, the rapid development of information technology, which changes society and its socio-economic environment, causes unification of marketing communications with the media, which is clearly beyond the economic framework. At the time, the economic function of marketing requires systematic communication with the consumer from the business, which is capable of covering the entire population. In this case mass communications are replaced by personalized communications that facilitate the formation of continuous and interested dialogue between the producer and a specific consumer in order to identify unique needs and consumer values of the latter. This trend is positive and requires further scientific development in part of:

- study of the communicative nature of marketing;
- resolving the existing antagonistic contradiction between a purely economic aim of marketing and non-economic means of its achieving.

This contradiction can be removed by complementing classical marketing tools in the original sense of this definition: the process of messages circulation, which are transmitted in various forms and by various means in order to promote products, services or ideas [8, p. 204-212].

Study of the nature of communication processes by foreign colleagues reached a very high level: from a mechanistic linear model of communication of K. Shannon and W. Weaver (information source, transmitter, signal, receiver) to mathematical models of the communication theory that later “were extrapolated to the social realities” by P. Berger and K. Luckmann [1, p. 75]. In this case, the models geometry varied from simple to more complex: from linear to “triangle” (T. Newcomb), “square” (B. Westley), “circulation” model (G. Maletzke), “spiral” (F. Dance), “mosaic” or “cubic” (L. Baker). However, all of them are based on the classical model of communicative action – “communication formula” of G. Laswell, reflecting a focused “process from the device to the object, namely, WHO reports – WHAT – through WHICH channel – to WHOM – with which EFFECT” [10, p. 37]. It turns out that to study the effect of communication on the audience, to be examined the switch, content and method of communication, audience characteristics and the effect of the message influence thereon must be examined. In other words, the task is to evaluate the effectiveness of information exchange in the society as a result of bilateral subject-object approach. This task has been greatly simplified with the advent of the “two-step communication” theory (B. Berelson, G. Godeau, E. Katz) and use of “intermediary factors” (“opinion leaders” and media), which is based on the improvement of information during its circulation in interpersonal environment (the impact of mass communication) and promotes the search of communication efficiency.

In general, representatives of different scientific schools consider different approaches to the study of the communication process. For example, in the modern philosophy, communication is interpreted as the exchange of information through symbols and images, and in sociology, it is referred to similar sharing of purely social information “in social space and social time” [7, p. 41]. However, it is clear that marketing communications are derived

from mass communications. In this context, it is necessary to make a distinction between the terms “communication media” and “mass media”. The first media aimed at the dialogue between initiators and recipients of marketing communications and characterized as subject-subject and partnership relationships, while others are only aimed at informing, which are characterized as subject-object relationships. It should be noted that the priority for them is the logic of the media development. According to leader of the American information society (informationalism) M. Castells, revolution in the communication field is a “starting point in analyzing the complexities of establishing a new economy, society and culture” [2, p. 28]. Communication systems radically transform the environment in which a modern person lives and works, so it is necessary that he/she (the person) understands their nature, at least for the purposes of self-defense. According to renowned scholar of mass communications M. McLuhan, “it is important for this – to abandon the illusion that the main thing is that how to use communication media, and not their impact on the person” [4, p. 125].

However, the researchers state that the mass media “blur” socio-cultural differences between groups of individuals and the social structure becomes more homogeneous. This fact is widely used in the study of communication processes in advertising and marketing.

When studying marketing communications, one can't ignore the virtuality of modern information flows, that is, a system in which the reality itself – material and symbolic human existence – is immersed in a virtual, fictional world. This virtual approach undoubtedly manipulates the human mind, creates false needs and contributes to the moral degradation of people.

The structure of the concept of marketing communications in the number of components and their hierarchy is ambiguous. For example, S. Moriarty and J. Burnett include “advertising, public relations, personal selling, brand communications, packaging design” in it [5, p. 10]. In addition, there are viral marketing, social media marketing (SMM), etc. In terms of the content, these components are tools to achieve certain economic goals.

In order to complete the study of theoretical and methodological foundations of marketing communications, it is necessary to analyze the concept of “social potential of marketing communications”, based on the analysis of marketing as a system of social communications in the context of the information society.

We know that the marketing potential of the project is defined as a set of tangible and intangible resources and means of their activation, which helps to obtain social consequences in addition to the economic performance: change of behavior, attitudes, values, habits of a marketing messages object. Thus, the social potential of marketing communications shall mean the unity of the system of social and economic resources that exist in the field of marketing companies and are activated by both technical means, modern means of mass media, Internet resources, and socio-economic means that provide significant social impact. The latter are based on the process of bringing to match the interests of the manufacturer (seller) and the consumer. In this case, the consumer is considered not only as a buyer, but as a person endowed with a wide range of purely personal qualities, interests, principles, skills that can be used as part of marketing communication. In this context, the concept of social or socio-ethical marketing is indicative as a means of rationalizing of consumption and economic feasibility of business in the process of solving various social problems: employment, training, environment, social benefits etc. Of course, it helped to deepen the communication of manufacturer (seller) and the consumer “and as a result, the impact on consumer’s behavior on the basis of a full and long-term communication with him/her” [9, p. 157]. In addition, the practice of customer requirements prevailing is common in large businesses and in service

sector, although they tend to change quite frequently. In advanced countries, people increasingly prefer companies that take care of customers and society as a whole. In other words, the relationship with consumers are regarded as one of the resources of economic activity, along with financial, material, information, etc., and the management of these relationships or communications becomes a promising feature of modern marketing.

By the way, the concept of strategic marketing defines it as “a social process aimed at meeting the needs and desires of people and organizations by providing free competitive exchange of goods and services that represent value to the consumer” [3, p. 245], and the use of marketing tools is considered appropriate only in connection with a variable social context. So, based on this perspective, the modern definition of marketing sounds like the process of studying consumers in order to effectively manage demand.

In modern conditions of information and knowledge exchange, the increase in the share of information component in the global gross domestic product, the value of human capital also increases, which is very dependent on information and communication technologies, which greatly simplifies the task of marketing of effective demand management. Marketing communications become the most flexible and sensitive sphere of influence on the public consciousness. They contribute to segmentation of demand features in the society information environment.

The segmentation is performed in order to select and service a narrower target market, allowing it to offer services according to the needs of potential customers, to more accurately determine the size of the market, to carry out targeted advertising, it provides for an opportunity of creating competitive advantages and good reputation in the market [6, p. 72].

So, nowadays, there are changes with respect to the potential users of advertising and other marketing tools, as well as the growing role of marketing communications. It is obvious that the logic of the development of a new information environment of the society and social consequences of interactive communication types are associated with the postmodernism. British sociologist S. Lash, for example, directly links the level of the modern economic system with a new level of society development. He calls it “economics of signs and space” and notes “the growing role of reflexive accumulation of information and images” next to the accelerated flows of capital, labor and goods [11, p. 56]. In particular, a sufficient amount of data that demonstrates the rapid development of the Internet compared to other types of advertising communications, confirms the prospects of this direction. In addition, the Internet is an ideal platform for secondary analysis of information and for understanding of the logic of subject-subject communication development in other areas. It is the Internet that contributes to a deeper integration of marketing communications in the information environment of big cities, overfilling them with different kinds of advertising information and messages that helps to move away from purely economic practices and to develop various social processes. However, in practice, the information environment of big cities is not explored enough, and nowadays the policy of rational use of local resources (a kind of political economy of the city – “urban political economy”), which is capable of converting its intangible resources (information-analytical, intellectual, management, etc.) in one of the main sources of sustainable socio-economic growth, does not work. By the way, in many US states, there has long been a practice of teaching “urban political economy” – the political economy of the city, which considers the mutual influence of economics, politics and culture of the urban environment (economic sociology of the city). Thus, only the integration of economic and sociological research practices and online resources are able to provide the solution of actual problems of the modern market. Development of communication practices can also be

considered as the emergence of viral marketing as a new type of marketing communications, which uses the opportunity of the modern media environment to quickly exchange messages and people's habit to share information with their own emotional assessment (the "word of mouth" effect).

Analysis of the phenomenon of "big modern city" has shown that its political, economic and cultural structural and functional attributes of reality are inextricably linked to corresponding images and brands, emerging in the process of self-organization or political business organization. However, there is a set of social codes and markers characteristic of population of a specific city, the use of which in communication with the population of this city is appropriate and productive. In their forming the crucial role is played by history and traditions of the city, demographics, infrastructure, geographic location, national and cultural differences, etc., which define the uniqueness of each city. It is no exaggeration to say that all the above definitions is the ideological component of the social potential of marketing communication and should not be neglected in the dialogue between the manufacturer (seller) and the consumer (city resident).

The investment by business in a big city, its infrastructure, sports and cultural events, various promotions became particularly popular in developed countries, which certainly creates a commitment of the community and usually compensates the investment costs of business. Educational and youth oriented investments can be particularly beneficial for business in this context, because it is long-term and focused on the vast majority of users of Internet resources as an essential social capital of marketing communications. To do this, it is important to periodically identify practical aspects of the social potential of marketing communications in the city information environment through various kinds of sociological surveys, direct interviews, public discussions, etc.

There are examples of investment in cities by business in our country. For example, the priority type of enterprises that attract investment in Kharkiv is the financial and insurance institutions, organizations engaged in administrative and support services, real estate, industrial, wholesale and retail companies. Total foreign direct investment in the economy of Kharkiv in 2015 year was 7,6 million in USA dollars.

The social projects that are undertaking in Kharkiv now are financed by business too: Kharkiv city public organization of people with disabilities "Kreavita", City Center of early, general social, educational and vocational rehabilitation of disabled children, the project "Support for reforms in Social Services in Ukraine" and other. Basically these projects in area of providing of social services to target groups of people, such as: with disabilities, large families, families with orphans and children with special needs, disabled people living alone, elderly, internally displaced persons from the area of the antiterrorist operation, participants of the antiterrorist operation and their members of families.

There is an increase in attracted funds, that is based on the fact, that donor-organizations, usually the owners of foreign capital (World Bank, MacArthur Foundation, UCAN/ISC, International Fund "Renaissance", Embassy of Netherlands in Ukraine, the USA Embassy in Ukraine, the open society Institute, Philip Morris – Ukraine), more willingly invest money to those NGOs activities that cooperate with local Kharkiv government. Often, donors provide funds to the development of the projects that have already received initial funding from the local budget.

**Conclusions and further research perspectives.** Thus, the urban information environment as a place of the highest concentration of marketing practices is a unique platform for monitoring, analyzing and searching for new social resources. Therefore, further

research should focus not only on the unification of marketing communications with the mass media, practiced at the time, but on the search for new ways to maximize the use of the social potential of marketing communications. It is also clear that the improvement of marketing communications requires further professional discussions of scientists and practitioners in the context of sustainable development of a big modern city.

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## Розділ 2 Інновації у маркетингу

Marketing Communications – Adaptation Landmark of a Marketing Mix to the Requirements of Consumers in Terms of Society Informatization]. *Marketingovyie kommunikatsii – Marketing Communications*, 4, 204-212 [in Ukrainian].

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### Соціальний потенціал маркетингових комунікацій у сучасному місті

У статті представлено шляхи трансформації суто економічної категорії – маркетингу – в інформаційному середовищі сучасного міста у його соціально-комунікаційну складову. Для цього розглянуто існуючі теоретико-методологічні підходи до сучасних маркетингових комунікацій і можливості маркетингу як соціального процесу, який сприяє продуктивному діалогу між соціумом та бізнесом. Доведено існування невичерпних можливостей соціального потенціалу маркетингових комунікацій у контексті формування сучасного інформаційного середовища великого міста та розроблено практичні рекомендації стосовно його максимального використання в сучасних умовах.

Ключові слова: маркетинг, соціально-комунікаційна складова маркетингу, соціальний процес, діалог, соціум, бізнес.

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### Социальный потенциал маркетинговых коммуникаций в современном городе

В статье представлено пути трансформации истинно экономической категории – маркетинга – в информационной среде современного города в его социально-коммуникационную составляющую. Для этого рассмотрено существующие теоретико-методологические подходы к современным маркетинговым коммуникациям и возможности маркетинга как социального процесса, который способствует продуктивному диалогу между социумом и бизнесом. Доказано существование неисчерпаемых возможностей социального потенциала маркетинговых коммуникаций в контексте формирования современной информационной среды большого города и разработано практические рекомендации касательно его максимального использования в современных условиях.

Ключевые слова: маркетинг, социально-коммуникационная составляющая маркетинга, социальный процесс, диалог, социум, бизнес.

Отримано 27.09.2016 р.