

Marketing Potential of Social Innovation Projects of Small and Medium-sized Industrial Enterprises

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Abstract: Successful practices of social innovation have proved the need to activate such efforts not only by non-profit organizations and social enterprises, but also by representatives of the real sector of the economy. The purpose of this study is to determine the marketing potential of social innovation projects in industrial enterprises of small and medium-sized businesses. Three indicators of the marketing potential of social innovation projects are identified and evaluated: the frequency of declared participation in projects of different types of social innovations available to small and medium-sized industrial enterprises; the tone and frequency of mentions in open sources of the project and its participants; the subjective assessment of the marketing potential of the project by employees.

1 INTRODUCTION

Nowadays, social innovations are considered as a significant basis for the development of any modern society. Technological, product, economic, and marketing innovations can indirectly cause social changes in society. Social innovations, by definition, directly contribute to the solution of socially significant tasks that cause social changes in society. That is why it is necessary to simultaneously solve the problems of maximizing the social innovations flow that provides a given set of social changes. The sets of changes, in our opinion, may differ significantly for different societies. Differences will be determined not only by the desired conditions, but also by the society's willingness to change, a clear sequence of the formation of certain institutions in different societies, leading to the achievement of the required social changes. Be advised that papers in a technically unsuitable form will be returned for retyping. After returned the manuscript must be appropriately modified.

Such serious social innovations that demonstrate multi-level macro-effects should be developed within the framework of unified national and international strategies for the development of society. However,

the variety of social problems that require innovative solutions is so great it requires the involvement of all stakeholders and all possible participants in all forms. One of the most accessible forms of development and implementation of social innovations is individual projects.

Contemporary creation and implementation of social innovations is more often viewed as the field of activity for non-profit organizations and companies that carry out activities in the field of social entrepreneurship. The experience of large industrial enterprises implementing social innovations within the framework of the concept of sustainable development or the program of corporate social responsibility adopted for implementation is also widely analyzed. At the same time, the role of small and medium-sized industrial enterprises (SMIEs) in the development and implementation of social innovations has not been given enough attention, in our opinion. The potential of these enterprises is higher in specifically implementing individual social innovation projects, than complete programs. Such projects generate positive external and internal marketing effects for SMIEs, as they have a marketing potential, and require a marketing approach to management.

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2 ANALYSIS OF RESEARCH AND PUBLICATIONS

Innovation is considered one of the most difficult processes to manage. In his research, J. McNeil (McNeil, 2012) notes that even J. Schumpeter (Schumpeter, 2008) in his writings, speaking about the social value of innovation, investigated the problems of social innovation, although he did not directly name them. Despite such a long history of existence, the definition of "social innovation" is still not clearly defined today. It is customary to distinguish three approaches to the definition (Popov, 2015):

- innovations aimed at achieving social goals (Mulgan, Tuckers, Ali, Sanders, 2007; Murray, Caulier-Grice, Mulgan, 2010);
- innovations introduced in the social space (McElroy, 2002; Heiscal, 2007);
- innovations in the public sector (Koch P., Cunningham P., Schwabsky N., Hauknes J, 2005).

In this study, we will understand social innovation as new ideas that meet social needs, create social relationships, and form new collaborations. According to the European Commission on Social Innovation, these innovations can be products, services, or models that can more effectively meet the unmet needs.

A. Polkovnikov, N. Sutko, H. Burr, G. Glshtein, and N. Adamova in their studies looked directly into the management of innovative projects within any organization. The research of Alexandrov A. A. (2013), Zhura S. V. (2014), Karpchenko Yu.V. (2010), Nelyubina T. A. (2010), Rotwell R. (1993) papers were devoted to the issues of innovative activity of small enterprises.

The main research in the field of innovation marketing focuses on the features of creating and bringing innovative products to the market. The results obtained by Rogers E., Bass F., Moore J., Shigin I., Christensen K., and Schneider D. are most commonly used (Makarova, 2009).

3 RESEARCH PROCEDURE

The purpose of this study is to determine the marketing potential of social innovation projects in industrial enterprises of small and medium-sized businesses. To ensure the process of achieving this goal, two stages were implemented within the framework of this study:

1. The main types of social innovation projects implemented by industrial enterprises of small and medium-sized businesses were identified. The frequency of participation of SMIEs in various types of projects is estimated. At this stage, data on implemented social innovation projects of various types in 2020 was collected from open sources. 86 projects were analyzed. The selection is spontaneous. The study continues. Upon completion, the selection will be repaired.

2. The marketing potential of the selected groups of social innovation projects is evaluated. At this stage, we monitored the mention of the projects and their participants in open sources (using the selection implemented at the first stage) and conducted a series of interviews with managers and employees of 7 SMIEs in order to identify a subjective assessment of the internal marketing potential of implemented social innovation projects.

4 RESULTS OF THE STUDY

Within the framework of this study, we will understand the marketing potential as the ability of an enterprise to increase the level of competitiveness through the effective functioning of the entire marketing system, including the ability to form a positive image by participating in socially-oriented projects approved by society and being a carrier of social innovations.

Based on the analysis of Russian and foreign research in the field of social innovation, we have identified the eight most significant criteria for the classification of social innovation projects of the SMIE for assessing the marketing potential. Table 1 presents the results of the analysis of the frequency of implementation of social innovation projects of SMIEs according to the selected criteria. At the same time, the frequency of participation of SMIEs in social innovation projects of each group is evaluated as confirmation of the marketing potential of the project.

The most common for small and medium-sized industrial enterprises are product social innovations. When companies create and bring to market products that solve the problems of health, education, environmental protection, security, and the social sphere at a new level. At the same time, enterprises that implement product social innovations carry out these activities within the framework of their main activities or participate in social innovation projects initiated by partner enterprises.

Table 1: Implementation of social innovation projects at industrial enterprises of small and medium-sized businesses by main types

№	Type of social innovation of the SMIE				
	1	Scale			
Within the enterprise		Local	Regional	National	International
14%		53%	31%	2%	0
2	Source of innovation				
	Staff	Leader	Specialized division	Governmental authorities	Innovations of other enterprises
	12%	48%	1%	6%	33%
3	Novelty Level				
	Genuine novelty	Significant improvements	Market novelty	Software Novelty	Modifications
	0	49%	24%	14%	13%
4	Co-financing amount				
	Full government funding	Partial government funding	Joint financing of several enterprises	No co-financing	
	0	21%	23%	56%	
5	Innovation sphere				
	Healthcare	Security	Education	Environmental protection	Social sphere
	12%	5%	19%	35%	29%
6	Project duration				
	Short-term	Medium-term		Long-term	
	61%	35%		4%	
7	Planning level				
	Spontaneous		Planned		
	46%		54%		
8	Connection with the main activity of the enterprise				
	Connected		Not connected		
	41%		59%		

A large share of social innovation projects (53%) is implemented in the local market, while a slightly smaller share (31%) is implemented in the regional market. These results should be clarified. In our opinion, there are a few possible reasons for that:

- low replication of the result of an innovative project;
- the project product is at the first stage of the market launch;
- the result of the project is not innovative;
- this distribution reflects the real specifics of the social innovations of SMIEs.

At the second stage of the study, we made an attempt to assess the marketing potential of the main types of social innovations of SMIE.

Despite the efforts made, the level of public confidence in business is at a low level in many countries. Russia is no exception. The social innovation projects implemented by the SMIE allow companies to loudly declare their involvement in positive social changes in society, in solving social problems.

All modern marketing concepts emphasize the dependence of the competitiveness of the enterprise and its products on the depth of involvement in solving social problems, participation in multi-level social projects. Participation in social innovation projects that offer new effective ways to solve social problems attracts the maximum attention of the target audience to the companies.

At the first stage of the study, information about the social innovation projects of the SMIE was obtained from open sources: sites and pages in the social networks of the enterprises themselves and individual projects, media publications about the innovative project.

As a result, the types of projects that are leading in terms of positive tone and frequency of mentions were identified:

1. Long-term social innovation projects in the field of environmental protection, social services and education, partially funded by the state.

2. Social innovation projects that significantly improve the usual ways of obtaining social benefits.

3. Social innovation projects with an unusual history of creation and implementation.

The marketing potential of these groups of social innovation projects is determined by the existing fashion for the types of social activity of enterprises. The process and directions of the formation of such a fashion, unfortunately, is not always caused only by the level of urgency of the social problem. But inclusion in current trends definitely increases the positive tone and frequency of mentions of the company, the product of the project, its social innovation and the public face of the company.

The results of the study also confirmed the dependence of the frequency and tone of references on the government's involvement in the project. Today, grant support for social innovation projects implemented by non-profit organizations and social enterprises is very high in Russia. By allocating funds for the implementation of projects, the state and other non-state funds form sets of requirements that ensure the success of bringing the results of social innovation projects to the market, including requirements for marketing and communication support of the projects. Industrial enterprises participating in the implementation of such projects, but not being their initiators, also increase their competitiveness indicators, form a positive image in the eyes of representatives of the target audience.

According to the results of interviews with the managers and employees of the SMIE, it was revealed that innovations initiated by employees and have intra-organizational social effects have a high marketing potential. Participation in such projects actively affects employee satisfaction, contributes to the development of an innovation-oriented organizational culture of the enterprise, and strengthens the company's image in the labor market. The implementation of such projects directly affected the growth of trust in the head of the organization and the translation of the social orientation of the head into the external environment by the company's employees.

A significant result, in our opinion, was the declared willingness of employees to join the implementation of social innovation projects initiated by non-profit organizations and social enterprises. At this stage of the research, the level of declarativeness of these statements has not previously been evaluated.

5 CONCLUSION

The results of the study presented in this paper are intermediate. However, they already allow us to

assess the marketing potential of thirty-one groups of social innovation projects selected according to eight criteria in the formation of a competitive image of an industrial enterprise of small and medium-sized businesses in the minds of external and internal target audiences. The analysis of the frequency of mentions and the assessment of the tonality allowed us to identify the three types of the most mentioned in open sources projects of social innovations of SMIE's, and the conducted interviews confirmed the marketing potential of internal projects. In the next stages of the study, the key parameters of the success of social innovation projects of SMIE will be determined and the technology of marketing selection and support of social innovation projects by industrial enterprises of small and medium-sized businesses will be developed.

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