
Customer-Oriented Business Companies in Russia: Compliance with Reality

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Abstract:

Purpose: *The article deals with the issues connected with customer focused business in Russia, whether companies in Russia have real or declared customer focused business, and also the authors specify the importance of the social responsibility of business in building relationships with consumers.*

Design / Methodology / Approach: *The article reveals the objectively popular trend in terms of customer-focused business, and also presents the data on the provision of non-financial reporting by companies that indicates their social responsibility. The authors carried out the analytical review of the views on customer-oriented business, social responsibility in improving the competitiveness of companies. The authors analyzed the research results of customer-oriented business in Moscow, Saint Petersburg and in a number of cities in the regions of Russia. The article analyzes the data on insufficient concern of Russians with the social responsibility of business when choosing goods and services.*

Findings: *According to the research results making choice consumers in Russia, with appropriate social information policy, people will pay more attention to the factors such as the responsibility of companies, non-financial open reports and business commitment to sustainable development goals. In modern conditions, companies need to move from a formal client-centric approach to a real one, along with the social values that will strengthen their market positions.*

Practical implications: *The authors suggest the regular monitoring of the empirical research results on the orientation of business to consumers. Spreading the sustainable development economy values in society is significant, it will increase the social responsibility of business and take this criterion into account in the development and the implementation of the client-oriented business program.*

Originality/value: *The author's approach can become the theoretical basis for the transformation of business in the regions of Russia. It will contribute to implement client-centered practices that include the social responsibility of a company and strengthen its competitive positions.*

Keywords: *Consumers, consumer orientation, company, client-centricity, empirical research, social responsibility of business.*

JEL Codes: M19, M39.

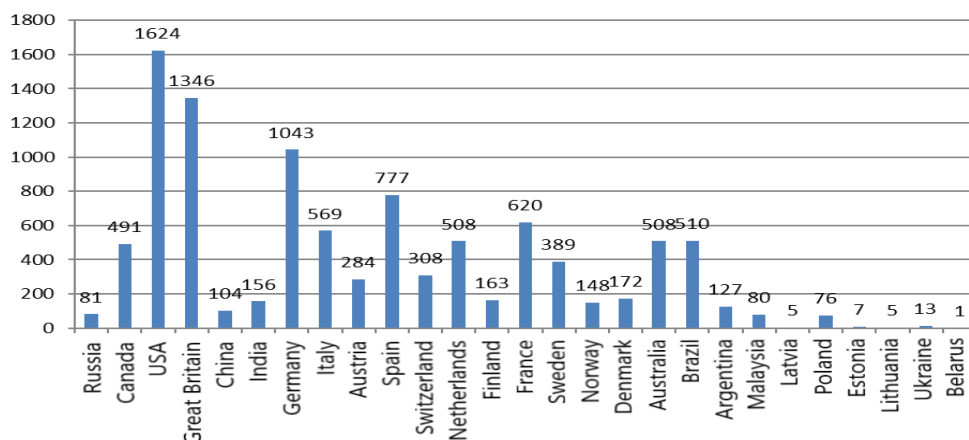
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1. Introduction

Most companies show their interest in the orientation on customers and talk about their focus on meeting their needs. Customers, in turn, are interested in increasing their life standard, which is associated, inter alia, with the environmental situation. The focus on the needs of real and potential customers related to the consumption of certain goods and services and their life standard, as well as the interests of society as a whole, is also manifested in the desire of business to demonstrate in public its responsible attitude, which, in particular, is illustrated by their non-financial reporting (Figure 1).

Figure 1. Companies in different countries that published non-financial reports in 2017 (Dementieva and Sokolova, 2018)



Source: Own study.

This situation is typical not only for Russia, but also for business all over the world. However, in its orientation to the society, business, first, highlights and focuses its efforts on the Interest of customer.

This, in turn, arouses interest in loyalty programs aimed at potential customers with whom long-term relationships are built (Vasin, Lavrentiev and Samsonov, 2007; Dobrovidova, 2005; Savina, 2009). Issues of responsibility and environmental friendliness of business are automatically included in the range of interests of the company when such a request is made by the target audience.

However, it should be noted that not all the companies are successful in implementing loyalty programs. In this connection it is important to investigate such a problem: are companies really interested in building customer-oriented business in Russia. (Gulakova and Rebyazina, 2017; Gulakova, Rebyazina and Smirnova, 2015). It is also important to consider whether consumers have a strong concern

about environmental and other social development issues in terms of focusing on them when building a customer-centric business in Russia.

2. Materials and Methods

In order to evaluate the real focus of business on customer orientation, as well as the validation of consumer engagement in environmental issues and social responsibility of companies, as well as the reflection of these accents in the client programs of companies, we base on the scientific review and the official data on the customer-oriented business formation, both in B2B and B2C segments. We use methods of comparative comparison, description, analysis and synthesis of data.

3. Results and Discussion

The real involvement of customers in the issues of social responsibility of business and, in particular, its concern for the environment and greening of business processes is extremely important. A number of foreign studies show that the growth of social responsibility of business results in the growth of competitiveness, since this criterion is significant for customers (Karagiorgos, 2010; Waddock and Graves, 1997). Domestic experts in their theoretical search wholly agree with them (Anikeeva, 2016).

Speaking about the business orientation to the client, it is important to consider the development of marketing activities of companies and the maximum customer orientation (Oyner and Panteleeva, 2019). Other domestic and foreign authors emphasize the importance of specialization of a business company with its target segments (Yuldasheva and Shirshova, 2013; Narver, Slater and MacLachlan, 2004).

According to foreign researchers such as Narver J., Slater S., McLachlan D. (2004), and Deshpande R., Farley J., Webster F. (1993) and Jacob F. (2006) the client orientation expands the capabilities of companies and affects their sustainability.

Companies' customer orientation is evaluated using different scales based on different metrics (Rozhkov, Rebyazina and Smirnova, 2014; Rozhkov, 2012; Narver, Slater and MacLachlan, 2004; Deshpande, Farley and Webster, 1993; Deshpande, Farley, 1998). In most approaches, loyalty to the organization and employees, the quality of inter-firm interaction and consideration of consumer requests are evaluated.

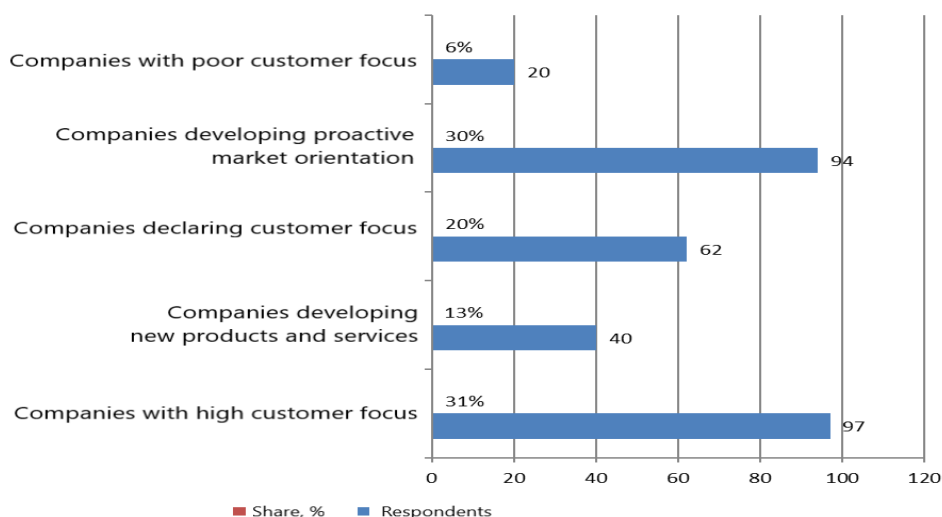
According to specialists in theory and practice significant business processes that indicate customer orientation is getting the information about customer requests, new products brought to the market after the analysis of relevant requests and communication with consumers to clarify their satisfaction (Loshkov, 2008; Oyner and Latysheva, 2009; Gulakova, Rebyazina and Smirnova, 2015; Roersen,

Kraaijenbrink and Groen, 2013; Semenov, Kubakhov and Malkova, 2009; Kohli, Jaworsky and Kumar, 1993).

Different approaches to evaluating the customer orientation of business and the significance ambiguity for modern consumers of companies' social responsibility in terms of expanding business competitiveness actualize research on the customer orientation of Russian companies.

The data on the business customer orientation in Russia, obtained from empirical studies conducted in Moscow, Saint Petersburg and in some other Russian cities in 2014, characterize the results of 313 companies operating in consumer and industrial markets (Gulakova, Rebyazina and Smirnova, 2015). The researchers divided the companies participating in the survey into 5 main clusters (Figure 2).

Figure 2. Distribution of Russian companies by cluster in terms of customer orientation, people, % (Gulakova, Rebyazina and Smirnova, 2015)



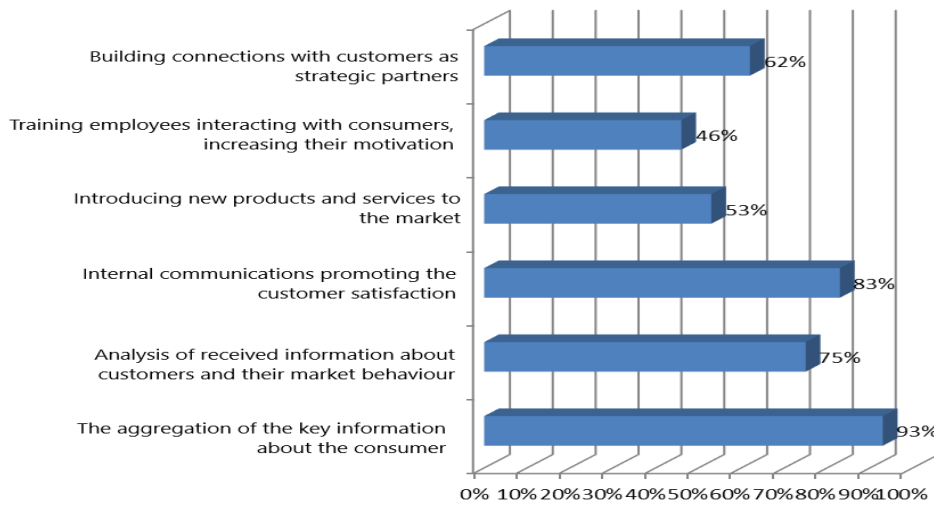
Source: Own study.

According to the data, about 30% of companies show a real customer orientation; about 20% say about this orientation, but, in practice, these are just declarative statements. The rest of the respondents, due to less competition in the market in the field of their activity, are less focused on consumer requests.

According to the data by Gulakova, Rebyazina, and Smirnova (2017), companies focused on consumer needs are mainly concentrated in Moscow and Saint Petersburg, where inter-firm competition is higher. Other organizations declare customer orientation, but do not make appropriate decisions based on the result of customer analytics.

Gulakova and Rebyazina in 2017, as part of an in-depth interview with employees of companies, obtained the data on consumer orientation (Gulakova and Rebyazina, 2017). The information about the demand for business processes that indicate the orientation of companies to consumers is shown in Figure 3.

Figure 3. Demand for business processes that prove business orientation to consumers in Russian companies, % (Gulakova and Rebyazina, 2017).



Source: Own study.

According to these data, it can be noted that most organizations declare consumer orientation, since only half of the companies use the received information about customer preferences in order to offer them products and services adapted to their needs.

The greatest focus on consumers is shown in the B2C segment, since the competition is more visible in it (Oyner and Panteleeva, 2019). It can be attributed to the driver of the development of client-oriented initiatives that are really implemented in the work of companies and are not just declared by them.

We should also note that in Europe, for example, consumers are ready to reject the products of companies that do not show the social responsibility, which leads to the presentation of commitment to social values in customer-oriented processes (Donskova, 2013). At the same time, according to the results of a survey of consumers in Russia on their interest in the social responsibility of business, we can conclude that, despite the predominance of the sustainable development economy values, this criterion is not a priority when choosing goods and services (Litovchenko and Korsakov, 2003). Accordingly, along with the fact that business in Russia now rather declares customer orientation, the issues of social orientation of companies are not much reflected in their work.

4. Conclusion

The focus of business on consumers is the key feature for the success of its implementation in the highly competitive economy, which is proved by a number of theoretical and practical studies. Since customers today, also according to the results of a number of studies, are interested in sustainable development and social responsibility of companies, it is logical to assume that this criterion is significant in implementing loyalty programs and events focused on consumers.

At the same time, according to the results of empirical research in Russia, business companies just declare customer orientation rather than actually implement it. The competition level is higher in the B2C segment, which leads to their greater focus on consumers.

Russian consumers are less susceptible to the information about social responsibility of business companies that show a real focus on consumer needs. Nevertheless, since the Russian economy is aimed at global trends, we believe that in future the real business client orientation, not declared one, will prevail in practice. It is reasonable to constantly monitor changes in the client orientation of business. Making choice consumers in Russia, with appropriate social information policy, will pay more attention to the factors such as the responsibility of companies, non-financial open reports, and the business commitment to sustainable development goals. (Bondarenko, Efremenko and Guzenko, 2019). For this reason, we believe that companies need to move from formal client-centricism to the real one, along with social values that will strengthen their market positions.

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