

Socio-ecological innovations in marketing strategy – a comparative analysis of companies operating in Western European countries and Central-Eastern European countries¹

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Abstract: The aim of the paper is to assess the attitudes of company managers in the food and drink sector in Western Europe and Central-Eastern Europe towards implementing marketing strategies that take into account not only economic, but social and ecological aspects as well. Innovation is a growing topic among scholars when discussing issues related to the enhancement of company performance and competitiveness. Such innovation may refer to technological changes (new products, processes), as well as non-technological ones referring to various marketing and organizational methods. In the paper the authors focus on innovations in marketing activities arising from the application of a more socio-ecological orientation. The paper comprises two parts: one theoretical, one empirical. In the first part the role of innovation in the process of creating company competitiveness is presented, as well as the concept of an innovative marketing strategy. In the second part the results of international research are discussed.

Key words: social and ecological innovation, marketing strategy, European countries, food & drink sector.

JEL codes: M31, O3.

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Introduction

The contemporary economic arena in which enterprises and other market players operate creates the need to modify the management systems of these entities, which entails introducing innovative solutions to improve the efficiency and effectiveness of operations. These may be either technological innovations related to new products or processes, or non-technological ones. The latter are connected with new organization, management or marketing methods applied by the above organizations (Caiazza, Volpe, & Audretsch, 2014). Changes in the market and new concepts that emerge as a result of these changes, such as CSR or sustainable development, mean that these innovations increasingly concern social and environmental matters (Finch, Geiger, & Harkness, 2017; Katsikeas, Leonidou, & Zeriti, 2016). Generally they involve changes in the organizational structure or marketing activities which help to reduce or prevent negative impacts on the environment or society while at the same time enabling companies to meet their financial goals.

The authors focus their attention on social and ecological innovations at the level of business entities in relation to marketing. These innovations are understood as the implementation of new marketing strategies and methods which take into account not only economic but also social and environmental aspects, thus contributing to sustainable development, as well as the competitiveness of enterprises (Bossle, Barcellos, & Vieira, 2016). Such innovations play a key role in protecting the environment and improving the quality of life for society as a whole (Smith, Voß, & Grin, 2010). Despite the progress made in research regarding social and environmental innovation in marketing there is still a paucity of research on the topic especially regarding the implementation of marketing strategies based on such innovations. Past research focused more on the influence of such innovations on consumer attitudes and preferences, on their role on product development or their influence on relationships with stakeholders (Katsikeas et al., 2016; Trudel & Argo, 2013). There is also a research gap as far as social and environmental innovations in marketing are concerned with regard to SMEs. Most research so far has focused on big companies. However the practice of including social and environmental innovations in micro, small and medium enterprises is still not widespread.

Creating and implementing innovation, including social and ecological innovation in the field of marketing, seems particularly important in the food and drink sector. On the one hand this is because of the growing global population (it is forecast that in 2050 the population of the world will reach 9-10 billion people) (Tracy, 2017) and consequently the growing demand for food. On the other hand it is connected with the fact that this sector is one of the most environmentally harmful ones. Therefore the introduction of social and environmental innovations in this sector can have a significant impact as regards

changes in food production processes and consumption patterns and thus it can be an interesting area for research.

The authors made an assumption that the level of socio-economic development of a country determines the extent to which such marketing strategies are implemented by enterprises. In this context the aim of the paper is to assess the attitudes of company managers in the food and drink sector in Central-Eastern and Western Europe towards implementing marketing strategies that take into account not only economic, but social and environmental aspects as well. The paper consists of four sections and conclusions. The first two sections present theoretical aspects of the role of innovation in the competitiveness of modern enterprises and discuss the different types of innovation as well as the essence of social and ecological innovation in marketing strategy. This is followed by the presentation of the methodology of the authors' research. The third part presents the research findings. Lastly the main conclusions, limitations and directions for further research are presented.

1. Social and ecological innovation as a special kind of innovation

It is generally accepted that developing new products and implementing innovation play a significant role in determining a company's future market position. According to Drucker (1954), a company has two, and only two functions: marketing and innovation. This is because only these two produce results whereas everything else generates costs. The first definition of innovation was created in the early 20th century by Schumpeter (1960), who identified five types of innovation: introducing a new product, introducing a new method of production, opening up a new market, obtaining a new source of raw materials or half-manufactured good and introducing new forms of organization in an industry. Since then the concept of innovation has evolved but no clear definition of this term has been created to date. In broad terms innovation means deliberately introducing changes which involve replacing existing states of affairs with other states, which are favourably assessed in the light of specific criteria and which amount to progress, or the introduction of a new product onto the market. In a narrow sense innovation can be defined in a specific context which is of interest to a researcher. Hence in this paper, which examines innovation from a marketing perspective, the definition of innovation by Kotler and Keller (2011) has been adopted. These authors emphasize a subjective way of defining innovation describing it as *any good, service or idea that someone perceives as new, no matter how long its history*.

Despite the fact that it is difficult to clearly define the notion of innovation its role in contemporary markets is considerable. This is mainly due to the phe-

nomena and trends which are emerging in the markets of developed countries as well as other countries aspiring to this group and where the importance of knowledge and technology is significantly increasing. Da Penha and Cabral (2010), on the basis of previous research, indicate regularity and that a higher level of innovation is correlated with higher performance. An important role is also attributed to new products as introducing them to the market allows companies to maintain their market share and increase profitability; and the shortened and accelerated process of new product development enables companies to overtake competitors. This poses a particular challenge for small and medium-sized enterprises, which by their very nature have fewer R&D resources than large companies. On the other hand an advantage of SMEs is that because of their size they are more flexible and adaptable to dynamic changes (Bošković, Savić, & Mičić, 2016), in the food and drink sector they additionally have a closer connection with the local community. Thus they are able to monitor changes more closely and respond to them faster. The benefits of implementing changes, particularly those that benefit the environment and which have been identified among European SMEs, include the following (Hamburg, Vladut, & O'Brien, 2016):

1. Improved business models – companies can improve their business models by considering new ways of delivering their services which can reduce resource intensity, bring new market opportunities and make business more resilient in the face of market trends and fluctuating prices.
2. New markets and customers – companies developing and selling new products, services and technologies can access new markets and customer segments to maintain and generate higher profits.
3. Cost-saving – innovations resulting in improved resource productivity save money by reducing the cost of materials and energy.
4. Complying with regulations – many companies innovate their processes and products not only to comply with regulatory requirements but also to meet the growing environmental and social standards applied by their strategic partners and clients (e.g. retailers).

In the literature there are many proposals for dividing innovation types, although the boundaries between the different types are not always absolutely clear. This is due to the complexity of innovation itself, the perspective of the researcher and the purpose of the analyses, all of which are additionally combined with specific stages of socio-economic development. The criteria used for such divisions include the area of knowledge, originality, novelty value, scale and degree of the impact of innovation, the stage of implementation, the entity creating innovation amongst others. The Oslo Manual (2008), a methodology manual for statistical research on innovation, identifies four types of innovation that relate to the area of change: product innovation (significant improvements in products/services); process innovation (significant improvements in production and delivery methods); organizational innovation (new organiza-

tional methods in terms of, for example, workplace organization or external relations), and marketing innovation, which relates to changes in product design/construction, packaging, promotion and distribution as well as the pricing of goods and services.

In considering the aim of this paper innovation should be categorized according to its character. The 20th century, and especially the first half, was dominated by technological innovations as evidenced by unprecedented technological progress. This progress was connected with certain social and environmental costs which were initially ignored. Over time, however, the emerging and growing problems in these areas led to an intensified search for alternative ways of development. According to Dawson and Daniel (2010, p. 16), one such new concept is “a collective process of generation, selection and execution of ideas for people who participate collaboratively to meet social challenges”. Hence innovation can be seen as technological novelties relating to the development of new products and new production methods as well as non-technological ones including social and environmental innovations aimed at achieving qualitative development.

Social innovations are activities aimed at improving the quality of life of people, communities, nations, businesses or social groups. They are defined in different ways. For example, O’Byrne, Miller, Douse, Venkatesh and Kapucu (2014, p. 54) defined them as the “successful implementation of activities, such as ideas, practices, or objects, through new collaborations and partnerships, in ways that positively impact society by improving the delivery of public services”. However such changes are also present and desirable outside the public sphere. They pertain to all goods and services that meet social needs, i.e. those that help build a more sustainable, cohesive and integrated society (Grimm, Fox, Baines, & Albertson, 2013). According to Grimm et al. (2013) the difficulty in defining such innovations is partly due to their potential for meeting growing social needs whilst being applied to social processes. Caulier-Grice, Davies, Patrick and Norman (2012) propose a similar definition. According to them social innovations are “new solutions (products, services, models, markets, processes, etc.) that simultaneously meet a social need (more effectively than existing solutions) and lead to new or improved capabilities and relationships and a better use of assets and resources. In other words social innovations are both good for society and enhance society’s capacity to act.”

The concept of ecological innovation is relatively new, born almost two decades ago. Eco-innovation is defined as any innovation that leads to sustainable development (Rennings, 2000) by means of the following (European Commission, 2012):

1. limiting the negative environmental impact of production processes,
2. increasing the resistance of the natural environment to pressures,
3. ensuring greater efficiency and accountability in the use of natural resources.

From a corporate perspective the aims of implementing eco-innovation, just as in the case of social innovation, are both directly and indirectly linked with economic objectives. According to Graczyk and Kaźmierczak-Piwko (2011, p. 115), they are related to improving the environmental aspects within a company at the technological stage (e.g. reduction of technological waste, reduction of gas emissions, reduction of energy and raw material consumption) and thus lessening the negative environmental impact, for example, by reducing the level of water and air pollution. As regards the activities outside the company eco-innovation concerns the products themselves and efforts to reduce their environmental impacts at the different stages of their life cycle: from raw material acquisition, through consumption and servicing, to recycling (from cradle to cradle). Eco-innovations generate profits but also their social, cultural and ethical contexts should be stressed as their implementation results in a better quality of life.

As noted by Nishitani and Itoh (2016) and Grimm et al. (2013) many manufacturers have recently undertaken pro-environmental activities though whilst maintaining a favourable cost-benefit relationship as ecological innovations are associated with the need to incur additional costs. At the same time, however, such changes offer many opportunities to build a competitive advantage by increasing demand for organic products and improving production processes. It can therefore be argued that increasing expectations towards companies regarding their involvement in addressing social and environmental issues requires them to alter the way they operate and adopt new solutions. At the same time, however, this also opens new opportunities for competition. Thus marketing, which on the one hand is responsible for ensuring the company's growth and building its competitive position and on the other hand needs to respond to the observed needs and expectations of the environment, including its customers, should be deliberately geared towards the creation and promotion of both social and ecological innovations.

2. Social and ecological innovation in marketing strategies

As previously emphasised the undertaking of innovative actions is treated as a key factor in the development and building of the competitive advantage of an enterprise (Klemens & Heffner, 2017). The level of innovativeness determines an enterprise's success four times more frequently than any other factor. Therefore developing innovative strategies in companies becomes a necessary tool of operating in the contemporary market. The basis for the development of innovation strategies entails openness to change, long-term and systematic activity as well as the ability to accumulate resources. Whereas the determinants of building innovation strategies include: opportunities, skills, knowledge, ex-

perience, openness to inventions and/or innovation (Lendell & Varmus, 2011). The impact of external and internal factors also plays a significant role in the development of innovation strategies (Karlsson & Tavassoli, 2016). The sector in which a company operates also has an impact as it exists in a specific market environment and such an environment differs in terms of the scope of the access to external information and knowledge source and networking possibilities offered.

The literature on the subject provides a multitude of definitions of innovation strategies (Katz, Preez, & Schutte, 2010). Their definition depends not only on the type of innovations (ones related to product, process, marketing or organization) (Gault, 2015), but also on how they refer to the manner of perceiving the role of innovation in a company, the type of strategy, the company environment and the marketing concept adopted by it. Various innovation strategies yield different economic results for companies. For instance differences in costs, market share, growth, profitability and competitiveness. Thus it is necessary to define the conditions of various innovation strategies as it will help in understanding the market and the economic dynamics caused by companies' innovation behaviour (Karlsson & Tavassoli, 2016). Changes in the environment (e.g. environment pollution, overconsumption, globalisation, ruthless fight with competitors) or the new trends causing changes in consumer behaviour (e.g. ethnocentrism, eco-consumer, environmental responsibility, social involvement) have a strong impact as well. The implementation of social and ecological innovations in marketing strategies requires that they are of sustainable and long-term nature. Innovations in the area of marketing may concern both instruments of marketing influence and organizational changes, the formulated mission and objectives, relationships with employees, etc., provided that all the actions take into account the economic, social and ecological aspects. Karlsson and Tavassoli (2016) believe that few empirical studies in the entire economy go beyond the impact on product- and process-related innovation. They also point out to today's lack of convincing models that explain firms' choices of innovation strategies. Creation of these innovations in an enterprise is based on the use of both external and internal sources. External sources support the process of partnership development, joint ventures or licence acquisition. Marketing research chiefly constitutes an internal source (BCG Report, 2016) but also managers' attitudes and behaviour. Its results provide knowledge about, inter alia, what type of innovations ought to be implemented, what the needs and expectations of customers or of other company's stakeholders are.

In terms of marketing activities ecological innovations chiefly concern any changes in the manner of product preparation, use and disposal. The aim of such changes is to reduce the pollution and devastation of the natural environment. What is more they will be linked with a management process, organizational or marketing methods, which will be performed in such a way

so as to ensure benefits to the natural environment. Ecological innovations in marketing can be classified in accordance with a product life cycle, taking into account the phases of product creation. Consequently two stages can be differentiated: development and use. The first stage involves the creation of innovative activities and it will entail the following challenges (Zarębska & Michalska, 2016; Baruk, 2013): decreasing material or energy consumption of a product unit; minimising an enterprise's carbon dioxide emissions; reducing soil, water, air and noise pollution; using materials that are less polluting or less hazardous to the environment; aiming to recycle waste, water or materials. The second stage involves the product or service use and the conduct of commercial activity. The following challenges will apply: reducing energy consumption; reducing air, water, soil or noise pollution; increasing the possibility of product recycling after the period of its use; increasing the recycling of waste and materials necessary for the operation of the enterprise. Moreover it needs to be stressed that the implementation of ecological strategies is not easy since it requires the acceptance of the community, particularly of employees and customers. Ecological innovation implementation provides a low sense of achievement of measurable benefits from the implementation of an eco-investment. That is why ecological innovations are combined with social ones since the implementation of changes alone will not be effective unless those changes are accepted by the community and unless it makes an effort to become more pro-ecological.

The second group of investments in marketing includes social innovations which have a very far-reaching impact, since they relate to many areas of life. The development of these innovations results in social changes and improvement of the quality of life (Szulc-Fischer, 2015). The emergence of new areas of social innovations is the consequence of evolving social needs, new visions or problem solving methods. As was described in the first part of the paper the interdisciplinary nature of social innovations results in the emergence of a number of areas of activity, including organization management. Social innovations constitute a particular mechanism stimulating the development of new markets, new work organization, ways of thinking and strategic management (Stawicka, 2016, p. 119). The barriers to introducing social innovations in companies include: low social capital, formalisation, bureaucracy, conservatism and communication problems. More and more often social innovations are related to the use of customer's intellectual resources and the cooperation with particular product users. The task of these groups involves joint creation, provision of consultation and information. It needs to be emphasised that social innovations in an enterprise must not be linked with charitable activities (Bembenek & Moszkowicz, 2017). Social innovations in marketing are linked with the following areas: organisation flexibility, active management, smarter working, continuous improvement of competences and skills, cooperation between employees and organisations.

The development of social and ecological innovations may be conducted in three stages: operational, organisational and network-based. The first stage entails the optimisation of social and ecological activities and their inclusion into the existing system, with a simultaneous consideration of the norms and principles of sustainable development. It involves a traditional marketing concept assuming, above all, the fulfilment of economic and financial objectives of enterprises. At the organisational stage (the second stage) an enterprise implements an organisational or product-related change (launch of an innovative product). At this stage business entities operating in accordance with the principles of sustainable development are established. The third stage entails such an operation that makes a company a part of the eco-system and enables the company to contribute to its development. Therefore the products offered are a result of their joint creation with other stakeholders for the benefit of sustainable development.

Social and ecological innovations constitute the key to the proper understanding and fulfilment of sustainable marketing objectives in a contemporary enterprise. Combining ecological innovations with social ones results from the need to gain social acceptance and behaviour changes in the implementation of an eco-investment. That is why the social pillar has been incorporated into eco-investments as it determines their effectiveness. It is hard to talk of technological and ecological changes without the involvement of employees and their inclusion in the process. The development of marketing activities based on social and ecological innovations plays a special role in the food & drink sector since it involves a dynamic management process and the sector is strongly linked with the development. The processes require that companies should obtain, process and use new as well as existing information and knowledge but that they should also take advantage of their employees' skills and knowledge. Therefore innovation efficiency of a marketing-oriented company will depend on the social and environmental innovations implemented, taking into account the actions based on company resources, internal routine and cooperation with a widely understood environment. In theoretical deliberations the authors strived to demonstrate a wide-ranging background for the marketing activities based on social and environmental innovation strategies. Such a theoretical view resulted from the fact that the study concerned the largest and the most varied sector and the results were obtained from six different countries, each featuring a different level of economic development.

Taking into account the diversity of innovation views, including the social and environmental ones, the authors cannot point towards one solution as there are different methods of developing marketing activities based on such innovations. The success of those strategies is certainly dependent on the nature of marketing activities, their long-term nature, factoring in their economic, social and environmental dimension. These areas were subject to analysis in the research.

3. Research methodology

In order to assess the attitudes of business managers towards the implementation of marketing strategies that take into account not only economic, but social and environmental aspects by companies in the food and drink sector and to determine the differences between countries at different levels of socio-economic development, cross-cultural research was conducted. The study analysed countries in Central and Eastern Europe, which were represented by Poland, Croatia and Russia; and countries in Western Europe, represented by Great Britain, Germany and Spain. In the study we state the hypothesis that the level of socio-economic development of a country determines the extent to which such marketing strategies are implemented by enterprises. To verify this assumption we focused on answering the following research questions: (1) how do companies operating in two different markets (Western European countries and Central-Eastern European countries) perceive the role of implementing social and ecological innovations in the process of creating the company competitive position? (2) do they undertake that kind of activity? (3) to what extent do SME managers in the food and drink sector take into account not only economic, but also social and ecological aspects when designing their marketing strategies and what is the difference between the two group of countries in this respect? (4) how do respondents, in two groups of countries, perceive the essence of marketing activities in the company?

The research was conducted by an international research team consisting of representatives of research centres from all the countries surveyed. The study was conducted between April 2016 and January 2017. The research tool used in the study was a survey questionnaire which was first prepared in English to enable all the partners coordinating the fieldwork in the individual countries to conduct broad consultations and refine the final version. Then, in order to verify the relevance and reliability of the questionnaire as well as the terms, items and measurement scales used, the tool was used in a pilot study. Following the pilot study and consultations with members of the international research team the final version of the questionnaire was determined which was eventually prepared in six language versions.

The research was conducted among micro-, small- and medium-sized enterprises. The choice of this group was dictated by the fact that SMEs represent the majority of enterprises (99%) in the food and drink sector, they generate almost half of the turnover and create over 60% of jobs in this industry (FoodDrinkEurope, 2016). The survey respondents were managers of the enterprises (owners, directors), marketing department personnel (directors/managers/marketing staff), or employees delegated by the owners/managers to be interviewed. In most cases the CAWI (computer-assisted web interviewing) method was used to reach the respondents. However CATI (computer-assisted telephone interviewing) was also used in the process of contact with the re-

spondents. In quantitative research using these techniques is the most effective way of using questionnaires. To identify respondents different databases were used depending on the country. The research sampling was organized using company databases such as the National Statistics Database “Spark” and the Analytical Center Expert Ural (Russia), Gelbe Seiten (Germany), Experian (Great Britain), SABI database (*Sistema de Análisis de Balances Ibéricos*) (Spain). Lists of companies, provided by chambers of commerce in the following countries as well as a company database purchased for the purpose of the field research (Poland) were also used.

The study made use of stratified random sampling and the respondents in the individual countries were stratified according to company size, measured by the number of employees, i.e. micro-, small- and medium-sized enterprises. The size of each stratum was based on the structure of the created gross value added by SMEs in Europe, which is 21.4%, 18% and 18.5%, respectively. It was planned that the survey would be conducted within 150 SMEs in each of the countries (900 companies in total). In the end 770 correctly completed questionnaires were received: 401 from Central and Eastern Europe (52.1%), and 369 from Western Europe (47.9%). The structure of the respondents was made up of 41% micro enterprises, nearly 32% small enterprises and 27% medium-sized companies.

With regard to the type of activities conducted by respondents the most numerous group of companies comprised those which generate the largest part of their revenues from manufacturing – just over 46%. In second place were firms where the dominant type of activity was trade (40%) and in approximately 30% of the enterprises surveyed the largest portion of their revenues came from services. The proportion of manufacturing companies is slightly higher in Central and Eastern European countries compared to those in Western European – 52% vs. 41%. In the case of trade and services the structure corresponds exactly to the overall structure of the whole group of respondents in both groups of countries. Firms participating in the survey mostly declared that, compared to their main competitors, the indicators reflecting their financial position (i.e. sales revenue, sales volume, net profit and market share) had improved over the last 3-5 years. This was stated by between 38% and 43% of respondents depending on the indicator. In turn 35% of the respondents declared that the situation in this respect had not changed significantly in the last 3-5 years whereas for 15% of the companies surveyed the situation had deteriorated over the period analysed.

In the process of the statistical analysis basic statistical measures, such as measures of central tendency (median and arithmetic mean) and measures of dispersion (standard deviation and coefficient of variation) were used. The non-parametric *U* Mann-Whitney test was also used to examine the significance of the differences between the two groups of countries. The data collected was processed using Statistica software.

4. Research results

The research indicates that SMEs operating in the food and drink sector are aware of the role of implementing social and environmental innovations in the process of creating their competitive position and that they undertake such activities. The majority of respondents (60% in total; 61% in Western Europe and 59% in Central and Eastern Europe) agree that their competitive advantage is built not only by creating a better offering but also by including social and/or ecological innovations in their marketing activities. Furthermore they declare that in their business decisions they are always mindful of the idea of sustainability (64% in total; 60% in Western Europe and 67% in Central and Eastern Europe). They accept that, being part of a larger system, they must now operate in accordance with broadly defined social and environmental interests (just under 64% in both groups). Thus it is not surprising that more than half of the respondents (54%) are willing to engage in cooperation with other market players for the sake of important social and/or environmental initiatives. Such attitudes are slightly more pronounced in the case of SMEs from Western Europe compared to those from Central and Eastern European countries. Nevertheless the *U* Mann-Whitney test indicates that these differences are not statistically significant ($Z = -0.2509$, $p = 0.8$). Almost half of respondents are aware that they are part of a broad supply chain and that consequently any action they take has a long-term impact on society as a whole. Respondents' declarations in this respect, however, differ between the two groups of enterprises analyzed in a statistically significant way ($Z = 2.8602$, $p = 0.0$): they were far more frequently made by companies from Poland, Croatia and Russia (54.4%) compared to SMEs from Great Britain, Germany and Spain (45.8%).

Companies participating in the study declared that when preparing a marketing strategy they always considered its long-term impact on the environment and/or the local community (64% of respondents). Interestingly such attitudes were slightly more frequently displayed by companies from Central and Eastern Europe (67%) compared to Western Europe (61%), although these differences were not statistically significant ($Z = 0.2732$, $p = 0.7$). This is reflected in the fact that for 70% of respondents the objectives formulated in these strategies were always not only economic but also social and/or ecological. These observations apply equally to companies from Central and Eastern Europe (69%) and to those from Western Europe (68%).

Analyses of the findings of the research made it possible to determine, amongst other things, the extent to which SME managers in the food and drink sector take into account not only economic but also social and environmental aspects when designing their marketing strategies. The responses indicate that, contrary to previous findings, economic and financial aspects are the key focus of the companies' marketing strategies. These factors are very important for almost three-quarters of the managers in the study. To a slightly lesser extent

marketing strategies include social innovations: for 59% of respondents they are important or very important, but 10% regard them as unimportant. Ecological innovations are to the least extent included in marketing strategies. Less than half of the companies considered them important or very important with as many as 20% considering them unimportant. These results may indicate that marketing strategies (in both groups of countries analysed) still most heavily rely on the principles behind the traditional marketing concept which primarily assumes the achieving of economic and financial goals by enterprises. Analysis of the respondents' opinions in this regard for the two groups of countries revealed only relatively small differences between them (Figure 1 and Figure 2).

The data presented in Figure 2 shows that the largest differences between the groups of countries analysed concern the inclusion of social innovations

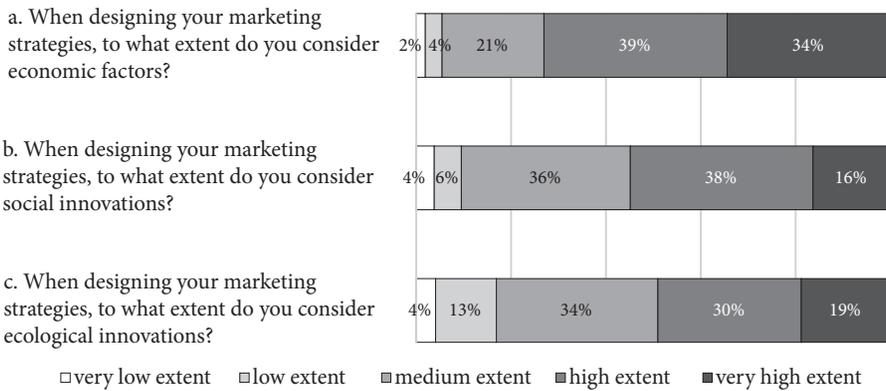


Figure 1. Economic, social and ecological elements in marketing strategies (Western European countries)

Source: own research.

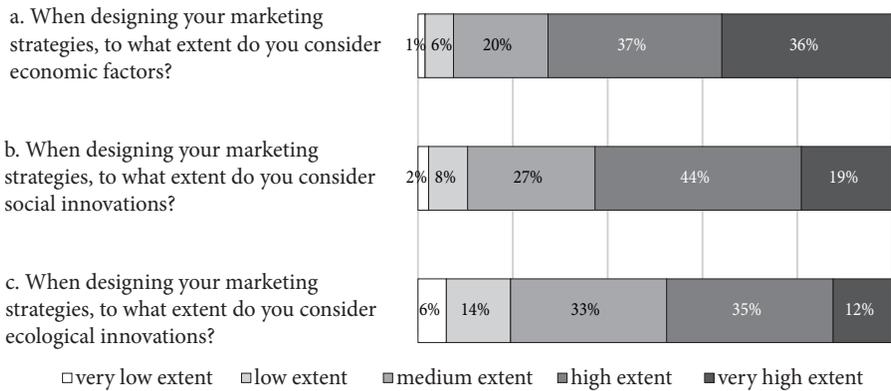


Figure 2. Economic, social and ecological elements in marketing strategies (Central and Eastern European countries)

Source: own research.

in the design of marketing strategies. To a greater extent SMEs operating in Central and Eastern European countries declare the inclusion of social innovations in their marketing strategies compared to those from Western Europe (63% vs. 55%). Companies operating in Western European countries attach slightly more importance to ecological aspects (49% vs. 48%). However the analyses indicate that these differences are not statistically significant (Table 1).

Table 1. Differences in the assessment of economic, social and ecological innovations in the marketing strategies of the two groups of countries ($p < 0.05$)

Item	\bar{X} C&E European countries	\bar{X} Western European countries	Z (U Mann-Whitney test)	Significance - p
When designing your marketing strategies to what extent do you consider economic factors?	4.0*	4.0	0.0545	0.95
When designing your marketing strategies to what extent do you consider social innovations?	3.69	3.58	1.7884	0.07
When designing your marketing strategies to what extent do you consider environmental innovations?	3.35	4.47	-1.3818	0.16

* The items were measured on a 5-point scale.

Source: own research.

Interesting information also emerges from an analysis of the perceptions as to the essence of marketing activities by the enterprises surveyed in both groups of countries. On the one hand, as shown above, a large proportion of representatives from Central and Eastern European countries (60%), similar to respondents from Western European countries, believe that taking into account social and/or environmental innovations when designing marketing strategies is indispensable today for building a long-term competitive advantage. They also declare (and to a greater extent than Western European SMEs) that their business decisions are always driven by the concept of sustainability (67%). On the other hand, when asked to define the essence of marketing activities, the respondents from Central and Eastern Europe emphasized more strongly than those from Western Europe that they should focus solely on increasing sales, promoting products effectively or increasing profit through satisfying customer needs. Only a very small percentage disagreed with this opinion. Differences between the two groups of countries analyzed in this respect are statistically significant (Table 2). This may indicate that SME managers from Central and Eastern Europe continue to perceive marketing activities in a traditional way,

i.e. primarily in terms of sales growth. Nevertheless they seem to be aware of the need for a broader view of the essence of marketing as at the same time 77% indicate that marketing activities should be aimed at the long-term interests of not only customers but also other entities in the environment, namely other stakeholders.

Table 2. The focus of marketing activities ($p < 0.05$)

Item	C&E European countries		Western European countries		Z (U Mann-Whitney test)	Significance - p
	agree (%)	disagree (%)	agree (%)	disagree (%)		
Marketing activities should be focused exclusively on:						
Sales growth in the company	80	7	74	20	3.0497	0.00
Promoting the company's offer	77	9	68	15	2.3769	0.01
Increasing profits by satisfying the needs of existing customers	71	8	43	33	8.3677	0.00
Long-term interests not only of customers but also of a wide stakeholder group (e.g. environmental groups)	77	1	70	10	1.2362	0.21

The greatest differences between SMEs operating in Central and Eastern Europe and those from Western Europe concern the perception of marketing solely in terms of business growth. Only 43% of firms from Great Britain, Germany and Spain agreed with such an approach. At the same time these countries had the highest percentages of respondents who disagreed with the traditional perception of marketing (related solely to increasing sales and profits and effectively promoting the company's offering). This indicates that company managers from this part of Europe more broadly understand the responsibilities of marketing in the modern world.

Conclusions

The results obtained show dynamic changes in the perception of sustainable marketing activities by SME's managers in the food & drink sector. Managers see the need for change and the level of a country's development did not de-

termine in any significant way the awareness and attitude to sustainable activities. The research also demonstrated that the strongest perception of the role of sustainable marketing was observed in the developing countries. Such attitudes may result from a greater sense of social responsibility and more restrictive legal norms existing in those countries. On the basis of the results obtained it is possible to conclude that a high degree of economic development does not translate into a higher awareness or greater involvement in the creation of sustainable activities and the undertaking of innovative marketing activities. The way in which company managers understand and perceive sustainable development and the company's role in the environment is of crucial importance. The use of social and ecological innovations in building marketing strategies is the demonstration of the sustainable activities undertaken. Social and ecological innovations require constant monitoring and continued research in order to provide up-to-date information on the strategies implemented by company management as well as the direction of further changes.

An important limitation in this study was the specialist language (terminology) employed in the research tool which was not understandable to all participants. Small company owners, in particular, experienced specific problems with defining particular issues. Neither did the complexity of the research tool facilitate the study since it required that more time be devoted to providing the right answer. Despite the fact that the study was conducted in one of the largest sectors – food & drink – the phenomena observed did not provide the basis for a generalisation of the results obtained to the entire market. On the basis of the analyses conducted it is possible to specify the scale of implementation of marketing strategies that take into account economic, social and environmental aspects in the food & drink industry. The limitations of the study further pertain to the fact that it was conducted only in six of the forty-six European states.

In future the study should be expanded by adding other sectors, as well as other countries. It seems interesting to examine whether legal norms are indeed a factor affecting the scale of implementation of the marketing strategies based on social and environmental innovations. As was demonstrated in the theoretical part defining innovations may be perceived differently by a stakeholder and by a company. For that reason it would be of interest to ascertain the opinions of both of these groups. Owing to the important role of the human factor in the implementation of marketing strategies it would also be justified to examine the sustainable attitude amongst those managing companies. It further seems to be of interest to analyse the direction of the development of socio-ecological innovations in marketing strategy in the food & drink sector.

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