CREATION OF SHARED VALUE IN RETAILING

Abstract. The article dwells upon potential possibilities of creation of shared value by the retail enterprises via reconceiving of products and markets, redefining of the productivity in the value chain and enabling local clusters development. The given work analyses factors determining the necessity of transformation of existent business models of enterprises and their re-orientation on embodiment of socially useful initiatives and defines priority directions of the managers in the context of implementation of the socially oriented decisions at the modern stage. Analyzing experience of successful realization of projects creating shared value the authors identified possibilities of commercial benefit through solution society problems by retail enterprises of Ukraine. Besides it the work outlines obstacles that complicate transition to the strategic management of Ukrainian retail companies taking into account the principles of Shared Value. It also identifies factors determining the potential attractiveness of creating shared value in the retailing. Also the authors offer a tool creating an enterprise business model, focused on shared value, and define the sequence of implementation of initiatives aimed at solving the social problems, as well as the methods for measuring achieved social and economic effect.

Keywords: shared value, ESG initiatives, retailing, canvas tool, vector based hybrid value metric

Introduction. Under market conditions entrepreneurial activity is of one of the most important factors of socio-economic development, promoting growth of national wealth and well-being of the nation. Entrepreneurship is the leading economic sector that provides market saturation in goods and services and creates a favorable environment for competition and jobs [Sylkina, Mel`nyk 2014]. However, in today's society, a business activity, being a catalyst of economic development, is mostly considered the cause of many social, environmental and economic problems. To a great extent this is due to the fact that a significant number of businesses indeed ignore certain important problems of society, mistakenly supposing that satisfaction of social needs is incompatible with economic growth. In particular, retailing in Ukraine, being by its content a complex socio-economic system that performs vital functions of social and economic nature such as: filling the budget, forming 1/5th of gross added value
of the country [Derzhavna sluzhba statystyky Ukrayiny 2010-2014]; employment of not engaged in economic activity citizens (16-22% of the total number of employed in 2010-2014 [Derzhavna sluzhba statystyky Ukrayiny 2010-2014]); maintenance of the balance between supply and demand, today is characterized by display of negative trends consisting in accelerated growth of economic components. Managers of trade companies thoroughly examine value creation and focus primarily on maximizing profits in a short term. Trade de-socialization has profound negative effects, manifesting itself in the limited access of certain social groups to trade services, deformed range of products, prices, reduced role of trade in the implementation of state social policy [Apopiy 2007]. As a result this actualizes the task to find possible ways of effective cooperation of retail companies with the society in which they operate, using its resource and consumer potential to achieve formulated goals.

Literature review and the problem statement. An important contribution to the development of research guidelines and factors that determine the success of the trading company was committed by I.Blank [Blank 1997], B. Berman [Berman 2003], Ch. Thomas [Thomas 2005], A. Mazaraki [Mazaraki 2010], E. Pantano [Pantano 2011], I. Vysochyn [Vysochyn 2012], G. Piatnytzka [Piatnytzka 2013], A. Yaremko [Yaremko 2013], L. Fedulova [Fedulova 2014].

Cooperation mechanisms of companies and society in modern scientific literature are the object of scientific interest of the representatives of several influential currents. In particular, the works of R. Freeman [Freeman 1984], J. Davis [Davis 1994], T. Donaldson [Donaldson 1995], S. Walker [Walker 2001] are devoted to the question of the company development considering interests of the groups interested in the results of its operation (Stakeholder theory). The principles of balancing financial and social impact of business activities (Blended Value Concept) have been studied in the works of J. Emerson [Emerson 2003], S. Hart [Hart 2005], K. Lynch & J. Walls [Lynch, Walls, 2009]. Concepts and strategies for achieving satisfaction of social needs by the enterprises (Social Innovation Theory) are outlined in the studies of G. Mulgan et al. [Mulgan et al. 2007], S. Goldsmith [Goldsmith 2010], R. Murray et al. [Murray et al. 2010]. Processing comprehensive approach to enterprise management implementation of social obligations towards employees, partners, government, civil society institutions and the public in general (Corporate Social Responsibility) has been fulfilled by L. Burke & J. Logsdon [Burke, Logsdon 1996], A. Carroll [Carroll 1999], A. McWilliams & D. Siegel [McWilliams, Siegel 2001], J. Margolis & J. Walsh [Margolis, Walsh 2003]. The need to achieve a balance between the satisfaction of modern human needs and the protection of future generation interests (Sustainable Value Creation Concept) is the subject of research of J. Elkington [Elkington 1994], B. Willard [Willard 2012], L. Kahle & E. Gurel-Atay [Kahle, Gurel-Atay 2013], P. James [James 2015].

The common feature of above mentioned mainstream scientific views is the distinction of economic and social value generated by the company, limited connection of social initiatives with the main activity of the company, main focus on improving the brand reputation, reactive nature of the actions recommended to managers, considered as a necessary response to external pressure.

An alternative vision of the interdependency of value creating processes (Shared Value Concept) proposed in the studies of M. Porter & M. Kramer [Porter, Kramer 2011], is, to our mind, of considerable practical interest in terms of potential use in retailing aiming to strengthen competitive advantages of
commercial enterprises. The concept’s authors propose an algorithm to maximize economic value by creating social value, proving the possibility of obtaining commercial benefits solving the problems of society. Experience of such world famous companies as Coca-Cola [The Coca-Cola Company, 2012] and Nestle [Nestle in 2015], which already successfully use in their activities the Shared Value principles, as well as the fixation of recommendations for the creation of shared value in the official EU strategy as to corporate social responsibility [European Commission 2011] demonstrates the practical value and effectiveness of theoretical statements of the concept.

Meanwhile, despite the rapid growth of popularity of the Shared Value Concept, research of management development features of retail enterprises on the basis of shared values has not acquired proper distribution, which stipulates orientation of the article and its aim. The aim of the article is to develop a creation algorithm of a business model that will increase the value of retailing in the long run.

Research results. Modern Ukrainian society is experiencing difficult times, characterized by the existence of a huge number of social problems. The most burning problems include worsening of political and economic situation, accompanied by the rapid collapse of national currency and a corresponding impoverishment of the population [The Economist 2015]. Domestic retail companies are forced to function in difficult conditions. A growing competition on global trading networks, part, unreasonable buyers’ demands caused by the spread of modern information technology, changes in the minds of citizens lead to the need of the trade companies’ managers to reconsider usual scenarios of running a business and of finding new ways to achieve a competitive advantage. The revolution of dignity in Ukraine and further events caused by it have led to significant changes in political and socio-cultural environments. Becoming socially responsible Ukrainian society [GFK 2014; NISS 2014, 2015] and the spread of eco-consumption [GFK 2015] are the catalysts of transformation of existing business models of companies and their reorientation to implement socially beneficial initiatives. Effective interaction with local communities is not just a fashion trend for retail enterprises, but a requirement of modern realities and the ability to earn additional income. Socially-oriented activities cannot stay on the periphery of a business; it must be integrated into the enterprise operational and strategic decision-making. And it is extremely important for retail enterprises to demonstrate their role in the development of a society.

The fact that any commercial enterprise operates for profit is undeniable. However, the narrow view of economic value creation, focus on success only in the short term and ignoring of the social challenges lead to commoditization, price competition, slow domestic growth, lack of benefits of pure competition and they limit the ability of a commercial enterprise to fully fulfill their potential.

Experience in implementing socially oriented initiatives by enterprises around the world indicates the presence of a direct causal relation between efforts to solving acute problems of society and increasing profitability in the long term (Fig. 1).

Most priorities of managers’ attention in the context of socially-oriented solutions at this stage are increase of energy efficiency, health improvement and safety of workers, as well as establishing effective interaction with local communities (Fig. 2).
According to the authors, the most optimal and promising form of interaction between business and society is integration into the activity strategy of the principle of creating a shared value, which includes generating economic value by meeting the needs of society. Shared value is not a social responsibility, but it is a new way to achieve economic success, which can give a serious impulse to the transformation of business ideas (Table. 1).

**Table 1 – Differences between the conception of Shared Value and the conception of Corporate Social Responsibility**

<table>
<thead>
<tr>
<th>Indication</th>
<th>Corporate Social Responsibility</th>
<th>Shared Value</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Value</strong></td>
<td>Creation of the common good</td>
<td>Social benefit and advantage of the accomplished expenses</td>
</tr>
<tr>
<td><strong>Motives</strong></td>
<td>Public stance, charity, sustainable development</td>
<td>Unity of enterprise and society to create value</td>
</tr>
<tr>
<td><strong>Stimulus</strong></td>
<td>Implemented by choice or under pressure of society</td>
<td>Is a part of the enterprise competition</td>
</tr>
<tr>
<td><strong>Connection with maximizing profits</strong></td>
<td>As a rule, absent</td>
<td>An integral component of maximizing profits</td>
</tr>
<tr>
<td><strong>Areas of the actions</strong></td>
<td>Are determined by PR objectives</td>
<td>Are determined by the specific activity of a company</td>
</tr>
</tbody>
</table>

Source: Porter, Kramer 2011
Figure 2 – Top priority targets of enterprises focused on solving social and environmental problems


Table 2 – Practices of Shared Value Creation

<table>
<thead>
<tr>
<th>Method of Shared Value Creation</th>
<th>Company (Country): a brief description of socially-oriented initiatives</th>
<th>Economic Value</th>
<th>Social Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reconceiving of products and markets</td>
<td>Vodafone (Kenya): inexpensive mobile phones with mobile banking service M-PESA</td>
<td>10 mln. of clients during 3 years. The amount of assets, operated by Vodafone, is 11% of GDP</td>
<td>Reliable way to store money for low-income citizens, increase of sales opportunities of small farms</td>
</tr>
<tr>
<td>General Electric, the program &quot;Ecomagination&quot;: the production of environmentally friendly and energy saving products</td>
<td>Sales for the first four years of the initiative is $18 billion. The forecast for the end of 2015 is that revenues from Ecomagination products will double the total revenue amount</td>
<td>Reducing CO2 emissions, the decline in the use of resources</td>
<td></td>
</tr>
</tbody>
</table>
Redefining productivity in the value chain

**Hindustan Unilever, project Shak ti (India):** a system of direct products delivery to consumers (direct-to-home); providing microcredit and training women entrepreneurs for direct sales.

**Unilever (Azerbaijan):** training work with the farmers, investment in technology and equipment to improve productivity and quality of local raw materials.

**Enabling local cluster development**

**Investment company Heirs Holdings (Nigeria):** investments in the construction of a plant producing juice concentrates.

**Fertilizer company Yara (Norway):** large-scale investment in development of barren African lands, facilitating access of local farmers to markets, infrastructure recovery.

<table>
<thead>
<tr>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Redefining of productivity in the value chain</td>
<td>Hindustan Unilever, project Shak ti (India): a system of direct products delivery to consumers (direct-to-home); providing microcredit and training women entrepreneurs for direct sales</td>
<td>Increase in sales and profits, market expansion sales</td>
<td>Development of professional competence of women, increase of income of low-bracket category of the population, expanding public access to personal hygiene items</td>
</tr>
<tr>
<td>Unilever (Azerbaijan): training work with the farmers, investment in technology and equipment to improve productivity and quality of local raw materials</td>
<td>Reduced costs for the purchase of raw materials and logistics</td>
<td>Increasing incomes of local people, development of competence in an agriculture area</td>
<td></td>
</tr>
<tr>
<td>Enabling local cluster development</td>
<td>Investment company Heirs Holdings (Nigeria): investments in the construction of a plant producing juice concentrates</td>
<td>Recycling up to 60% of fruit which were not processed formerly</td>
<td>Increase of the local population revenues</td>
</tr>
<tr>
<td>Fertilizer company Yara (Norway): large-scale investment in development of barren African lands, facilitating access of local farmers to markets, infrastructure recovery</td>
<td>Increase of sales volume</td>
<td>Economic development of rural Africa</td>
<td></td>
</tr>
</tbody>
</table>

Source: Nestlea 2014

The approach to strategic management of a retailer in terms of the Shared Value concept allows not to oppose the interests of the owners to the public interest but it rather creates opportunities for more competitive advantages through solving acute problems of society by reconceiving of products and markets in which businesses operate, by redefining productivity in the value chain or by facilitating the development of local clusters [Porter, Kramer 2011; Prysyazhnyuk 2014].

Survey results of 285 companies from around the world [Watts 2015] show that 28% of respondents are now reassessing the points of intersection between society and business. Besides it they integrate the shared value creation into the company business model (Fig. 3).

Practices of shared value creation by world-known companies, as well as economic and social value, which is generated as a result of solving the problems of society, are given in the Table. 2.
The shared value approach has not appeared on company’s agenda
Managers have not reviewed the case for shared value but they intend to in the next year
Managers have not reviewed the case for shared value but they intend to in the next three years
The case for shared value has been reviewed and changes have been implemented to incorporate it into existing strategies and/or business models

Figure 3 - Current view of managers on the possibility of shared value creation
Source: Watts 2015

In the nearest decades the practical mastering of principles of shared value creation will become a basic competitive advantage for the retail enterprises. Trade enterprises, that aim to remain successful, will have to go beyond the bounds of an established idea about corporate social responsibility and to reform their business model in such a way, that shops would cease to exist only as trade points and would grow into the centers granting services for society [Schifferes 2014].

Creation of shared value is mutually beneficial for all parties (either for the proprietors of trade enterprises or for society), as it favours the decline of investment and informational risks of proprietors, as well as the increase of social and consumer loyalty, which forms stable background for development of profitability of a retail company in a long-term prospect. Possibilities of shared value creation are always related to the basic type of activity of an enterprise. Creation of shared value is not addition to the basic type of activity. This approach must be built-in in all business processes of an enterprise. The important condition of the system solution of social problems is a collaboration of an enterprise with other firms, public and volunteer organizations, as well as strengthening of intersectoral partnership (business, society, state).

Passing to the strategic management of retailing enterprises on the basis of taking into account principles of Shared Value in Ukraine becomes more complicated by a number of obstacles, namely: lack of legislative requirements as to forming of the social accounts by enterprises, manager’s ignorance of standards of corporate social responsibility, imperception of their importance owing to the short-term orientation of activity, low level of an enterprise culture, insufficient level of activity of a civil society, legal nihilizm that became a constituent of a social culture.

Basic factors, that determine the potential attractiveness of shared value creation in the field of retail business, are the following:
- an increase of revenues as a result of the better satisfaction of consumers’ needs on existent markets; inclusion in the assortment range of new
better goods; expansion of access to new markets; price reduction on commodities as a result of introduction of new approaches to their sale; establishment of more loyal relationships with the key groups of consumers, which increase consumption of commodities and services; increase of amount of solvent customers in clusters, that develop also due to payment of an enterprise in their development;

– reduction of charges of a trade enterprise as a result of cluster development (gives such advantages: reduction of prices on services of suppliers, logistic companies; reduction of dependence of a company on suppliers-monopolists; gaining of possibility to hire more talented workers; receiving of possibility to use more developed infrastructure, resulting in reduction of operating charges) and reduction of charges in the chain of creation of value due to the construction of more reliable and mutually beneficial relationships with suppliers, responsible attitude toward the use of natural resources.

Comprehension of social calls of modern Ukrainian society allows to identify directions of realization of socially-oriented initiatives capable to strengthen competitive advantages of an enterprise. The general review of potential possibilities of shared value creation in the field of retailing is given in the table 3.

**Table 3 - Potential possibilities of shared value creation in the field of retailing**

<table>
<thead>
<tr>
<th>Method of Shared value Creation</th>
<th>Examples of Possible Initiatives</th>
<th>Economic Value</th>
<th>Social Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reconcepting of products and markets</td>
<td>Monitoring of assortment quality on accordance with the standards</td>
<td>Increased sales</td>
<td>Improving public health</td>
</tr>
<tr>
<td>How focus on unmet needs becomes a growth driver of revenues and profits?</td>
<td>Sales of environmentally friendly products</td>
<td>Exit to new sales markets</td>
<td>Improving public health</td>
</tr>
<tr>
<td>Updating product range of goods necessary in a conflict</td>
<td>Exit to new sales markets</td>
<td>Promoting peace, support of troops</td>
<td></td>
</tr>
<tr>
<td>Updating product range by goods with Ukrainian symbols</td>
<td>Exit to new sales markets</td>
<td>Patriotic upbringing</td>
<td></td>
</tr>
<tr>
<td>Development of own trade brands and production of products that contribute to solving social problems</td>
<td>Exit to new sales markets</td>
<td>Solution of social problems</td>
<td></td>
</tr>
<tr>
<td>Redefining of productivity in the value chain.</td>
<td>Use of energy saving technologies</td>
<td>Economy on expenses</td>
<td>Environmental defence</td>
</tr>
<tr>
<td>How better management of internal operations increases efficiency and reduces risks?</td>
<td>Giving up polyethylene packing materials</td>
<td>Economy on expenses</td>
<td>Environmental defence</td>
</tr>
<tr>
<td>Contracting with local suppliers</td>
<td>Contracting with local suppliers</td>
<td>Economy on logistic charges</td>
<td>Reduction of CO2 emission. Increase of regional economy</td>
</tr>
<tr>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>Development of educational programs for workers</td>
<td>Increase of the labour productivity</td>
<td>Increase of workers’ competence</td>
<td></td>
</tr>
<tr>
<td>Processing of wastes</td>
<td>Additional financial incomings</td>
<td>Environmental Defence</td>
<td></td>
</tr>
<tr>
<td><strong>Enabling local cluster development</strong></td>
<td><strong>How does the change of social terms in the enterprise management become a mover of new growth and successful economic effect?</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Collaborating with noncommercial public organizations and governmental bodies with the aim of detection of requirement in products or services that will satisfy social calls</td>
<td>Additional financial incomings</td>
<td>Solution of social problems</td>
<td></td>
</tr>
<tr>
<td>Investing is in a local infrastructure</td>
<td>Economy on logistic charges</td>
<td>Improvement of regional infrastructure</td>
<td></td>
</tr>
<tr>
<td>Initiatives aimed at changing models of behavior and tastes of consumers</td>
<td>Additional financial incomings</td>
<td>Formation of a new culture of consumption</td>
<td></td>
</tr>
<tr>
<td>Development of educational and professional programs for a local population</td>
<td>Access to skilled and cheap labour force. Additional financial incomings. Increase of sales volumes</td>
<td>Increase of competence of local population, promotion of employment and increase of profits</td>
<td></td>
</tr>
<tr>
<td>Support, professional preparation of migrants and demobilized persons, their training, employment</td>
<td>Access to skilled and cheap labour force</td>
<td>Assistance in adaptation of population which suffered in the conflict</td>
<td></td>
</tr>
<tr>
<td>A sale of commodities in installments</td>
<td>Increase of sales volumes</td>
<td>Access to the commodities of low-income groups of the population</td>
<td></td>
</tr>
<tr>
<td>Creation in the trading room of a platform for discussions and engagement of interested parties (e.g. on the issues of healthy eating, stiffening the spirit of the population in a conflict, unity, patriotism, stress management, informational-propaganda measures to prevent corruption, etc.)</td>
<td>Additional financial incomings. Increase of sales volumes</td>
<td>Assistance in population occupancy and solution of social problems</td>
<td></td>
</tr>
</tbody>
</table>

Source: compiled by the authors based on own research
The given list of possible initiatives, offered in a table.3 is not full, and it only illustrates possible directions of further surveys, that must be carried out by the leaders of trade enterprises depending on their size, kind and terms of activity, with the aim of realization of projects in creation of shared value.

Shared Value Canvas tool is a comfortable and effective tool, that can be used by the leaders of retail enterprises for the construction of a business model, oriented on creation of shared value (Fig. 4).

<table>
<thead>
<tr>
<th>Problem that must be solved. What problem must be solved for a society?</th>
<th>Key activities What actions must be carried out?</th>
<th>Shared value What will social and economic consequences of enterprise’s actions be?</th>
<th>Existent relations What type of relations does an enterprise support with the potential recipients of benefits that will arise as a result of realization of initiative?</th>
<th>Recipients of benefits Who will the realized initiative be valuable for?</th>
<th>Problem that will be solved as a result of initiative realization. What problem is settled by an initiative that is to be realized by an enterprise?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Society List of participants on whom the actions of an enterprise will be directed to.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Key resources What resources must be used?</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Channels How is it possible to interest the potential recipients of benefits that will appear as a result of initiative realization?</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

It will not work, if... What can impede or present an unacceptable risk for this initiative?

It will work, if... What are key indexes of success?

Figure 4 – "Canvas" of Shared Value Creation

Source: Preston et al. 2015

Successive filling of blocks of the mode, represented on Fig. 4, by answers on the questions marked in them, will allow to form a clear vision of retailers’ top managers as to the sources, ways and a special purpose setting of the created shared value.

Practical implementation of the initiatives, aimed at creation of shared value in the field of retailing, the authors of the article recommend to carry out in the following sequence:

1) Preparation stage: identification of social problems, that are tangent to activity of a trade enterprise, and the solution of which can potentially create pre-conditions for the increase of efficiency of its functioning in a long-term prospect.

2) Analytical stage: realization of a market research with the aim of determination of current state of affairs in a chosen direction, study of experience of other enterprises in realization of initiatives in shared value creation, choice of most acceptable activity strategy from the point of view of balance of social and economic results, identification of aims, actions and resources, necessary for their achievement.

3) Stage of implementation: preparation of a project businessplan in creation of shared value with the estimation of necessary investments and expected profitability, realization of its embodiment, monitoring of progress, adjustment of actions in case of substantial deviations from the pre-arranged social and economic results (Fig. 5).
Important pre-condition of effective realization of the initiatives, oriented to creation of shared value, is the system of measuring the generated economic and social results. Management practices of today use three basic approaches to measurement of shared value [Porter et al. 2011]:

- establishing of a cross-correlation connection between ecological, social and administrative indexes (ESG of indicators) [Federation of European Accountants 2011] and financial results of enterprise activity;
- measurement of return index from social investments (SROI - Social Return On Investment), that represents a correlation of profit, received as a result of realization of the social-oriented initiatives, and of their investments;
- measurement of financial results of initiatives, aimed at solution of social problems.

It is the authors’ opinion, that the comfortable and effective method of shared value measuring, created by a retail company, is a vectorial method (Vector based Hybrid Value Metric), that allows to visualize and to calculate result, that is formed from quantitatively-(economic value) and qualitatively-measurable (social value) indexes (Fig. 6).

At fig. 6 scale of axis (x) corresponds to the numerical value of economic value (financial results of the company activity), the scale of ordinate (y) corresponds to values of quality indicators of achieved social effect (for example, on a scale from 1 to 10, determined on the basis of a questionnaire). The length of vector V, which passes through the origin of coordinates and the point of intersection of these two values, is an indicator of created shared value. Under such approach, shared value can be measured by the formula (1): 

$$V = \sqrt{x^2 + y^2}$$

The angle of slope of vector $\alpha$ allows drawing conclusion about balance of the created economic and social value in a dynamics: if in course of time a corner $\alpha$ becomes sharper, it means that an enterprise creates more economic value, however a social value here has a tendency to destruction. And vice versa - if the angle of slope has a tendency to increase in a certain interval of time, then an enterprise creates more of social value, however it receives less profits here. In both cases leaders of an enterprise should revise the plans of actions and balance economic and social effects.

It is obvious, that decisions, which will be realized by retail companies in accordance with conception of Shared Value, are not capable to liquidate all existent problems of Ukrainian society. It is only a possibility to become familiar with social progress and to get a reward as an increase of profit for it. Wide realization of principles of shared value creation at Ukrainian retail companies also is able to provide a substantial increase of their social efficiency and increase of public respect.

**Conclusions.** Transformations, that take place in modern Ukrainian society, difficult socio-economic terms and changes in consciousness of citizens resulted in the necessity of reconsideration of business role in development of a society. Sphere of retailing, which is one of most influential in the structure of Ukrainian economy and has high potential of economic and social growth acceleration of a country, with the aim of strengthening of competition positions at the market, is forced to reorient on the new business models of value creation. On the modern stage of development one of most perspective business
models is the one, that personifies the operations, aimed at creation of shared value and allows integrating the processes of achievement of social and business-aims. A new business model describes logics of simultaneous retailer’s creation of economic and social value, in their dialectical unity and intercommunication. A process of formation of such a business model is an inalienable constituent of achievement of organizational priorities through a prism of realization of publicly-useful initiatives.

Transition to the business model of creation of shared value gives an opportunity to the enterprise of retail business to get a real possibility to strengthen competitiveness in a long-term prospect and to join solution of public problem through the sale of products and services, that improve quality of social life, through creation of new workplaces with higher level of labour remuneration by investments in formation of new clusters comfortable for running business, through social investments, and also participating in realization of infrastructural projects in the programs of state-private partnership. Today potential possibilities of shared value creation by the retail companies in Ukraine are determined by such public calls, as an unstable political and economic situation. The article offers authors’ vision of initiatives, which realization will allow trade enterprises to become familiar with the solution of these problems and to improve results of financial-economic activity. The authors of this article recommend to use a "canvas"-method for building a business model of shared value creation, and to use a vector method of shared value measurement for measuring received effect.

Creation of shared value in different spheres of activity is able to solve significant amount of public calls. And although not all social problems can be worked out by means of shared value, the business model, considered in the article, gives possibility for the retail enterprises to become conductors of business innovations and social progress.

![Figure 6 – Vectorial method of measurement of shared value](image)

*Source: Daum, Bretscher 2004; Bretscher 2014*
Figure 5 – Sequence of construction of a business model of a trade enterprise, oriented to creation of shared value

Source: compiled by the authors based on own research

References


the Retail Industry. New York: Wiley.


Data przesłania artykułu do Redakcji: 15.09.2015
Data akceptacji artykułu przez Redakcję: 21.09.2015