



Module 3

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Module 3 Social Enterprises' Marketing

Entrance

Keywords

social marketing, social good, customer engagement, marketing plan, positioning

Learning Objective



The purpose of this module is to give you an overview of what social marketing is, why you must consider it as part of your social enterprise (SE) marketing strategy and how you can achieve maximum results and contribute to social issues using marketing theories, tools and techniques.

Social enterprise is a unique way of doing business so you need a unique concept to implement in your marketing strategy! Planning your marketing activities involves assessing who your target market(s) are, how you meet their needs with your products and/or services and how to market your SE, your products and services effectively.

Everything you have to do is to look at marketing in general, to think creatively and tailor the knowledge to the individual circumstances of your SE.

Estimated time



It will take about 90 minutes to go through this module. The application of tools and exercises will require additional time.

Introduction

What is social marketing and why it is particularly relevant to social enterprises? Can we sell causes and ideas in the way we sell our products? All these are questions which answers will influence your decision whether or not and how to implement your marketing strategy in terms of doing social good.

5.1 Social Marketing and Social Enterprise



Social marketing is the systematic application of marketing along with other concepts and techniques, to achieve specific behavioural goals for a social good.¹

Social marketing was "born" as a discipline in the 1970s, when Philip Kotler and Gerald Zaltman realized that the same marketing principles that were being used to sell products to consumers could be used to "sell" ideas, attitudes and behaviours. Kotler and Andreasen define social marketing as "differing from other areas of marketing only with respect to the objectives of the marketer and his or her organization. Social marketing seeks to influence social behaviours not to benefit the marketer, but to benefit the target audience and the general society."²



Now you probably think where is the link between social marketing and social enterprise? Maybe you will find your arguments below:

On one hand we have social enterprise...

As you know, social enterprise is an organization or venture that achieves its primary social or environmental mission using business methods.³ Another definition says that "A social enterprise is a business with primarily social objectives those surpluses are principally reinvested for that purpose in the business or in the community, rather than being driven by the need to maximise profit for shareholders and owners."⁴ In a conclusion there can be seen that social enterprise often combines social or environmental change with a business that reinvests that surplus into the organisation.

On the other hand there is social marketing...

Like we have already said before the primary aim of social marketing is to achieve and sustain behaviour goals on a range of social issues or changing behaviours and attitudes in order to achieve a social good.



Think about what your enterprise has to sell? Products? Concepts? Do not you think that social marketing can be particularly relevant for your SE in "selling your concept"?

¹ National Social Marketing Centre 2006

² *Marketing Social Change: Changing Behavior to Promote Health, Social Development, and the Environment* (October 1995)

³ Social Enterprise Alliance, 2009

⁴ Department of Trade and Industry, 2002



The true is that social marketing will support your social enterprise in communicating your vision and mission. It will involve people and evoke passion in them for your cause. Social marketing will ease you to change business behaviors and to sell your products/services in a competitive way. Social marketing also will use the benefits of doing social good to secure and maintain customer engagement with your social enterprise.

5.2 Designing your marketing strategy

Every time someone speaks about designing a marketing strategy, the air in the office seems to become charged with a sense of mystery. This unlocks creative thought, entrepreneurial initiative and uncovers new horizons, possibilities and perspective, as if everything is possible in marketing.



You should also learn how to think this way. Designing your marketing strategy is neither a one-time nor a standalone activity. It is a string of ordered actions that form the marketing activity of your social enterprise.



Use the following **six simple steps** to attain and practice the skills that will give you the courage to put to use the marketing of your social enterprise.

5.2.1 Define your marketing goals

Start with defining your marketing goals. They will form the compass of your overall activity. Marketing goals should answer your desires on what you want to achieve by using the tools of marketing. It is very important that goals are clearly and exactly stated and give concrete results.



What should you have in mind while defining marketing goals?

- Define the best achievable results (the so-called optimal results) and what the necessary timeframe of their realization is.
- Aim high. This is a precondition for getting good results in case you need to compromise. The reason for this is that compromises will be done regarding the ideal option for the situation.
- Define what external factors could aid or hinder your ability to reach ideal results. External factors include everything that may impact you – the state of the economy, competition, legislation, the public sphere, population and others.



Gather sufficient information to have a clear picture of the real challenge ahead of you. Take a look at the market size, plan the size of the market share that coincides with your goal, and track the strategies of your competitors.

- Judge what resources you have at your disposal. Do you have a sufficient budget to realize the marketing activities in order to achieve the goal? Do you have enough time and human resources?
- After collecting all this information, you can juxtapose the ideal results with the market realities and your resources. Now you can make a decision on the goals and how long you will need to achieve them.



The following exercise will help you structure the information when setting your goals. If possible, involve the other members of your team. Use different methods for generating ideas such as brainstorming, mind map and others. When formulating more than one goal repeat the steps for each one.

Take a blank sheet and write down the answers of the below questions:

1. What are the optimal results (goals)?
2. What external factors could help or hinder you in achieving optimal results?
3. What resources do you have? What part of your time and resources can you put into marketing activity?
4. What are your realistic goals and their timeframe?

5.2.2 Differentiate and position!

The key to competitive advantage on the “colourful” global market is hidden in differentiation. You need to create a difference that defines your project and makes it superior, ahead of the rest, achievable and winning. Your market offer can be differentiated by the product or service, the personnel, support, brand image, the way you offer the product and others.

Do not forget that as an enterprise working towards a social good you have several advantages traditional market actors do not. We live at a time when there is a public expectation that business should do good. It is no longer enough to create high-quality products at a good price; a growing part of society wants businesses to be engaged in solving problems important to society. This has led to a different approach in company strategies, related to the so-called “Corporate social responsibility”, which from a novelty quickly became a popular practice.



Maybe the most complete definition for CSR we can find is that in “Business for Social Responsibility”: „managing the business in a way that answers or exceeds the ethical, legal, market and social expectations that society has of it. “⁵



This way of managing a business is deeply ingrained in your practice as a social enterprise. Bring it up it for everyone to see! Present it as the distinction that makes you unique. This can be one of your biggest competitive advantages and quickly increase sales and market share. Why?

Because:

- 84 % say, that they would have better view of companies that do something to make the world a better place;
- 78 % of adults say that they would be more likely to buy a product associated with a cause they themselves are interested in;
- 66 % say that they would change the brand to support a cause they are interested in;
- 62 % say they would change where they shop to support a cause;
- 64 % say that marketing involved with a cause should be part of the standard practice of a company.⁶

In addition to a higher market share, doing business involved with a given cause also helps for:

- Stronger brand placement;
- Better image and influence;
- Better ability to attract, motivate and retain employees;
- And others.



Positioning is “action, aimed at having the offer and the image of your business occupy a certain place in the consciousness of the target market.” Simply put, the end result of positioning should be a good reason why people should buy your products, and not anyone else’s.

According to Hamish Pringle and Margery Thompson better positioning is tied to a cause. This is due to the fact that consumers look for something more than the “practical side of the product or its rational advantages and even more than the emotional and psychological aspects of brand and its image. Consumers move towards the top of the Maslow pyramid and seek self-expression and self-realization.”⁷ They strive to demonstrate good will.

⁵Business for Social Responsibility, “Introduction”, <http://www.bsr.org/BSRResources/whitepaperdetail.cfm?DocumentID=48809>

⁶ “The Cone Roper Study – A Benchmark Survey of Consumer Awareness and Attitudes Toward Cause Related Marketing, Cone Communications, 1993/94

⁷ Brand Spirit: How Cause Related Marketing Builds Brands (London: Wiley, 2001), 5-9 p.



What are your differences that make you better on the market? Which will you push forward? Will you use the traditional approach by following a single approach that will become your “core” or would you use the positional approach by stressing several benefits... This is a very hard decision, which you must take after following the six steps of the positioning process:

- 1) **Identify your competitors.** One thing, which should be clear to you, is that there is basically two types of competitors:
 - - Primary competitors i.e., competitors belonging to the same product class;
 - - Secondary competitors, those belonging to other product category.
- 2) **Determine how your competitors are perceived and evaluated.** You have to understand exactly how each competitor is positioning their products. This will give you a comparative view: Why competitors’ products are successful? Here you should chose an appropriate set of your product attributes.



The term ‘attributes’ includes not only product characteristics and consumer benefits but also product associations such as product use or product users.

- 3) **Determine your competitor’s positions.** Are they claiming to be the fastest, cheapest or largest? You have to determine how different brands (including your own brand) are positioned with respect to the relevant attributes selected under the previous step. What is the image that customer has about the various product brands? How are they positioned in respect to each other? Which competitors are perceived as similar and which as different? However a research can be taken up for getting the answer of these questions.
- 4) **Analyze your customer.** You have to analyze customers’ habits and behaviour in your market segment. Understand your customer and market!



See through customer’s eyes! When choosing between competing products and services, customers select the proposition that meets their needs better than any other. To win market share, therefore, a company must ensure that their offers meet these needs better than any other.

- 5) **Develop a distinctive, differentiating and value-based positioning concept.** The above four steps provide you useful information before taking any decision about your positioning concept.
- 6) **Create a positioning statement with key messages and customer value propositions.** Use it for communications development across the variety of target audience touch points (advertising, media, PR, website, etc.).

5.2.3 Analyze the marketing situation

The evaluation of the marketing situation will help you determine if you have the right product to offer the right group of customers and how can you harmonize other elements to reach the desired results. This is how the ideal variant of your marketing mix should look like:

Product – you can offer a quality product or service which can satisfy people’s needs.



In order to have a viable product, people must first perceive that they have a genuine problem, and that the product offering is a good solution for that problem.

Publics – you know exactly who your potential clients are and which are the benefits they find in your product.

Price – you have determined the right price that is neither too high nor too low.



If the benefits are perceived as greater than their costs, chances of trial and adoption of the product is much greater.

Place – the product is accessible for the consumers.

Production – you are capable of meeting demand.

Promotion – you are using powerful methods that motivate people to buy your products.



Let us now realistically assess those six P’s. Please answer the following questions; they will help you do a brief analysis of your marketing mix at the moment.

Product:

1. Does your product meet the needs and expectations of the users for which it is designed?
2. Does it have the necessary quality?
3. Is there something that hinders the use of the product?
4. Do the customers value the product highly?

If you detect problems with your product in any of these categories, you must change it so they are removed. Not doing so will lead to lack of satisfaction in the existing clients and hamper your efforts to attract new ones.

The Public...

1. Make a list with every group of representatives of the stakeholders (those who matter for your social enterprise). You can choose one, two, three or more depending on the marketing goals you have set. Choose the basic public among them, determining by the following criteria:
 - a. Groups with the highest potential to be your customers
 - b. Groups with the highest need of your product
2. After you already have a list with your common consumers, it is exceptionally important to know what they most like about your product. Each of the groups may value different characteristics of your product. Use different methods and surveys to analyze the motivation behind the purchase in your customers. You can use these results and modify the product so it is closer to their needs.

Price....

1. How much does a unit of the product cost to produce?
2. What part of the potential customers have the necessary funds to pay the end price of your products (full expenses + profit margin)?
3. What part of the potential customers can pay a higher price?
4. Do the customers see enough benefit of the product in order to pay the price you request?
5. What is the price your customers ask for a similar product?

Placement...

Decide how to ensure accessibility of your product and quality of the service delivery. By determining the activities and habits of the target audience, as well as their experience and satisfaction with the existing delivery system, you can pinpoint the most ideal means of distribution for your product.

Production...

Think whether you can satisfy the demand. Do not publicly announce something you do not have the capacity to fulfil! Ask yourself hypothetical questions such as *“If the promotion is more successful than expected, can we service everyone,”* and *“Can we survive if we need to wait an entire year before sufficient demand is generated?”*



You can easily lose your clients in case you are late or cannot fulfil your deliveries.

Promotion...

Promotion consists of the integrated use of advertising, public relations, promotions, media advocacy, personal selling and entertainment vehicles. The focus is on creating and sustaining demand for the product. Public service announcements or paid ads are one way, but there are other methods such as coupons, media events, editorials. Research is crucial to determine the most effective and efficient vehicles to reach the target audience and increase demand.⁸



Make a list of the methods you have used and how effective they have been (from effective to ineffective). Collect all old promotion materials and evaluate critically the results of their use.



Do not rush into always applying new methods. We know that the method that worked once will probably work again.

You can create a short summary or a report based on the established marketing analysis, with which you can present the results in a brief form. From then on you can start working on a marketing plan, with which you can achieve the designated goals.

5.2.4 Develop a marketing plan

The marketing plan is one of the most important results from the planning of the marketing process. This is the plan you need to follow to reach your goals.

In developing a marketing plan you must first decide if you will keep the goals you set in point 5.2.1 or you will need to revise them based on the data you have received and analyzed since.

Before you start with developing the marketing plan itself, you will need to consider all the problems we identified during the analysis of the marketing situation in the last point. In case you spot anything unclear or unsure about the customers' needs, views or any other possible, but undiscovered reasons for a possible marketing problem, you need to carry out a market study. This will help you catch all possible hot spots, based on which you can re-examine your goals and thus achieve maximum effect in carrying out your marketing activity. If you think that the previous steps of designing your strategy have given you sufficient and adequate information, you can start planning immediately.



After formulating the final version of our goals it is time to make a draft plan, which we will discuss with the other members of our social enterprise. Write down in this exact order:

⁸ Hands-On Social Marketing: A Step-by-Step Guide to Designing Change for Good (2nd Ed.)

- 1) Our product is:
- 2) The product will be offered at the following basic groups of consumers, who value the following concrete benefits : (list the major groups/segments and the corresponding benefits)
- 3) At price:
- 4) It will be available at the following sources:
- 5) The basic characteristics of the product, which we will stress in the promotion campaign:
- 6) Our chief approach in the promotion of our product will include:

Now you have a plan. Time to realize it!

1. **Tasks** – note the main tasks (activities) that you need to achieve the marketing goals you set;
2. **Persons responsible** – choose the people responsible for the execution of every task in the marketing plan;
3. **Timeframe** – before setting the timeframe, prioritize your tasks! Some may be more urgent and may need to be finished before others.
4. **Budget** – the larger part of fulfilling the tasks involves expenses. Make sure that all the people responsible are aware of the parameters of the budget your social enterprise must adhere to for realizing the current marketing activities.



Be flexible in the realization of the marketing plan. Routinely evaluate and correct it; sometimes unforeseeable problems will arise in the execution process. In such cases devote some time to revise and correct the marketing plan.

5.2.5 Develop the best promotion campaign

The promotion campaign aims to “invite” your potential customers to choose your product. According to Frederik Beigbeder it is calculated, that between birth and the age of 18 every individual has been exposed to roughly 350,000 advertisements. A Western person is exposed to 4000 commercial messages and advertisements daily.⁹ Given the huge competition for the potential customers’ attention and the limited time you have to influence them, your promotion must say something, say it fast and say it well.



In order to successfully realize a promotional campaign, it is advisable that you go through several stages:

⁹ Beigbeder, F. 99 francs (2000)

- **Define your image** – a well-defined image says exactly what you want to say and expresses your unique identity, separating you from the competing players on the market

Make a list with clear and descriptive words and phrases that best describe how you want to be perceived. You can borrow ideas from the positioning strategy that you already created. After compiling the list, choose the descriptions that best match the image that you want.

- **Define your message** – a well-formulated message motivates potential clients to carry out a concrete action. The message should be “presented” to the target audience in such a way that it is easily understandable and accessible, and must also say the vital information that the audience needs.

Answering the following questions will help you formulate your message:

1. Describe the “average” person that your message targets?
 2. What action do you want your potential clients to take as a result of the message?
 3. What are the biggest benefits that you offer?
 4. What are the possible barriers and resistance that you may encounter?
 5. What is your message?
- **Choose promotion methods.** They represent the concrete instruments and channels that you use in order to carry your message to the target audience. Re-read point 5.2.3 (Promotion), revise, add to and change the list of ideas and the used methods and choose the best among them.
 - **Carry out your promotion campaign.** This stage includes the “manufacturing” of promotion materials and control over the implementation of each of the listed techniques. You need to assign the responsibility, the timeframe and the budget for each task.

5.2.6 Evaluate the marketing activity

Evaluation gives you insight in the progress in setting the goals, coordinating the components of the marketing mix, the choice of promotion material and many others. The evaluation process is the natural conclusion of the marketing activity. It will guide your following work and lead you in the right direction. Here are a few questions that will help in evaluation.

1. How successful were you in meeting your goals?
2. What worked?
3. What didn't work?
4. What would you do differently the next time?
5. What would you repeat?

Social enterprise marketing: case study¹⁰

Wave Design

Wave is a graphic and website design co-operative serving the not-for-profit sector. They are located in the South East of England and have been successfully operating for 19 years.

From the original member start up of 3, they have now grown to 14 members. Every member of wave becomes involved in all aspects of running the company, as well as maintaining their own specialist area.

As the size of the co-operative has grown, so has the number of their competitors who want to work for the same target market.

By sticking to their principles (although it was deemed as by some as a risky strategy) they have continued to work for clients that have an ethos of social responsibility.

They have managed to do this by building on and maintaining excellent working relationships with their clients. They strongly believe in the skill of communication with their clients and each other. Word of mouth and the reputation they have gained, as a professional and reliable design agency has been their strongest marketing tool.

There is a lot of movement within the charity sector and a lot of their work is gained by clients leaving one organisation and starting up with another. Once an organization has found a supplier they know to be reliable, professional and communicative, they are reluctant to leave them.

They have always had a promotional brochure that showcases their most recent work. They have bought in contact lists and sent out packs to cold contacts. By following up with a call, the mail out has proved very successful. Some potential organisations that received a pack called up over a year later having kept the mail pack for a more appropriate time. A website is continually updated with their latest news and work and although they state that this is not a marketing tool that they rely on for sales, it is an easy and cost effective way of showing their work.

¹⁰ Social Enterprise London, Marketing your social enterprise, <http://www.sel.org.uk/uploads/Marketing-Your-Social-Enterprise.pdf> (2012)

Marketing is something that can easily become a low priority within SMEs. It can be seen as a wasted expense. This is something wave strongly disagrees with. It is very important to have a clear marketing strategy to make sure that you have direction and that time and money isn't wasted. You need to know who your market is and become knowledgeable about that sector. You need to know their issues and changes that maybe forthcoming in your sector. Once you understand and know your clients' industry, you can approach them with appropriate and creative solutions. Wave's sector is fairly niche but by concentrating on this segment, they have become specialists in that field. This has proved more effective than cold calling, knocking on doors or advertising in trade publications.

Most importantly, be open and honest with everyone you deal with. It certainly has helped wave.

Summary of Learning Objectives



In this study unit we looked at the basic definitions involved in social marketing and recommended steps you need to take to effectively develop the marketing activity of your social enterprise. The module briefly presented important and ordered information which aims to create a concrete image of your marketing activity and guide you during its implementation.

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