

Why is *social marketing* particularly relevant to *social enterprises*?

Sarai Barton – Researcher

Rory Ridley-Duff – Senior Lecturer/Researcher

0114 225 3771

S.Barton@shu.ac.uk

0114 225 5247

r.ridley-duff@shu.ac.uk



Sheffield
Hallam University

SHARPENS YOUR THINKING

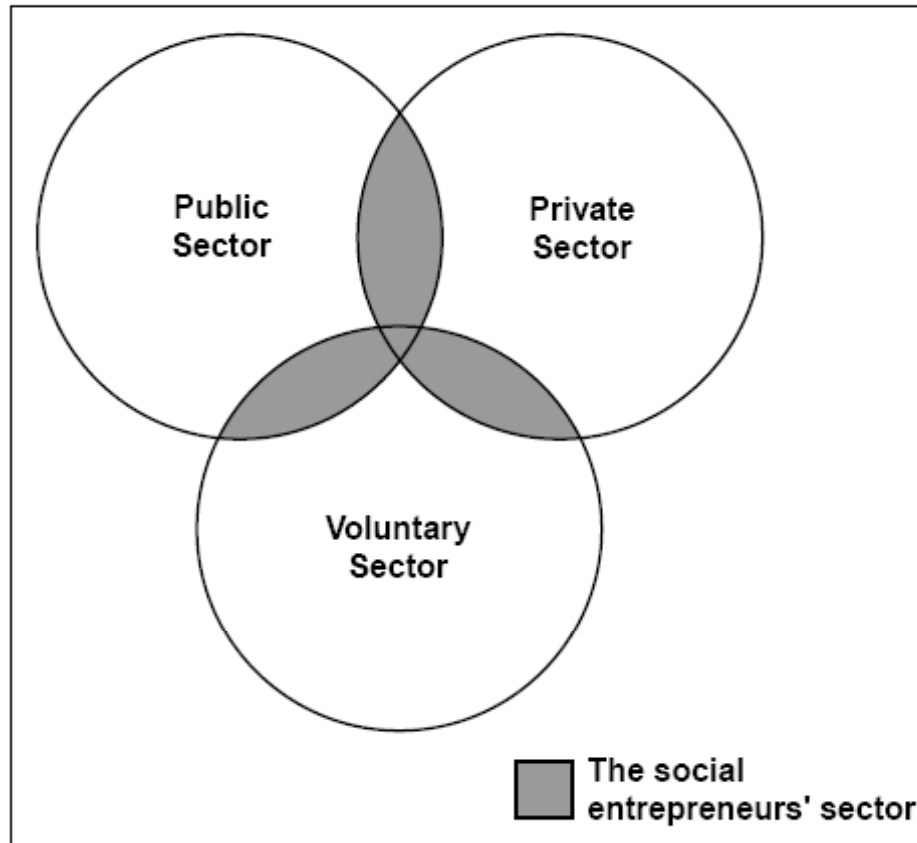
Introduction

- Social enterprise can be defined in terms of:
 - Balancing economic and social goals
 - Developing social capital
 - Hybrid forms of organisation
 - The purpose of a project or activity
- Social enterprise is possible in all sectors of the economy.

A Brief History

- **Social entrepreneurship**
 - School for Social Entrepreneurs (UK) – 1997
 - Community Action Network (UK) - 1998
- **Social enterprise**
 - EMES European Research Network (EU) - 1994
 - Social Enterprise London – 1998
 - Social Enterprise Coalition – 2002
- **“Strategy for Success” (DTI, 2002)**
 - Invited the entire voluntary/charity sector into the social enterprise debate
 - Transformed the promotion of social enterprise within the UK.

Cross-Sector Theories



Source: Leadbeater, C. (1997), *The Rise of the Social Entrepreneur*, London: Demos, p. 10

Cross-Sector Theory of Social Enterprise

Type A	<p><i>Non-Profit Model</i></p> <p>Public interest outlook, hostility to private sector ownership and equity finance.</p>	<p>Between public and third sectors.</p> <p>'Non-profit' - obtains grants and/or contracts from public sector and third sector organisations - structured to prevent profit and asset transfers.</p>
Type B	<p><i>Corporate Social Responsibility Model</i></p> <p>Suspicious of the third sector as a viable partner in public service delivery and economic development.</p>	<p>Between public and private sectors.</p> <p>Corporate social responsibility projects - environmental, ethical or fair trade business - 'for-profit' employee-owned business.</p>
Type C	<p><i>More Than Profit Model</i></p> <p>Antipathy to the state (central government); realistic about the state's capacity to oppress minorities.</p>	<p>Between private and third sectors.</p> <p>Single or dual stakeholder co-operative, charity trading arm, membership society / association, or a trust that uses trading surpluses to increase social investment.</p>
Type D (ideal)	<p><i>Multi-Stakeholder Model</i></p> <p>Replaces public, private and third sector competition with a democratic multi-stakeholder model.</p>	<p>At the overlap of all three sectors.</p> <p>Multi-stakeholder, democratic enterprise using direct and representative democracy to achieve equitable social and economic benefits.</p>

Adapted from Ridley-Duff, R. J. (2008) "Social Enterprise as a Socially Rational Business", *International Journal of Entrepreneurial Behaviour and Research*, 14(5): 291-312.

Social marketing and social enterprise - where's the link?

- **so-cial en-ter-prise (n.)** - An organization or venture that achieves its primary social or environmental mission using business methods. (SEA, 2009)
- “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.” (DTI, 2002)
- Social enterprise therefore can be defined in terms of: often combining social or environmental change with a business that reinvests that surplus into the organisation.

Social marketing and social enterprise - where's the link?

- "Social marketing is an adaptable approach, increasingly being used to achieve and sustain behaviour goals on a range of social issues. Its primary aim is to achieve a particular 'social good' (rather than commercial benefit), with clearly defined behavioural goals." (NSMC,2009)
- Social marketing can thus be thought of as being about: changing behaviours and attitudes in order to achieve a social good. Amongst its armoury of methods, it can involve personalising the impact of trading with, and supporting an organisation through, story telling.

Social marketing and social enterprise - where's the link?

- *Social enterprises* have two things to sell
 - their products
 - their concepts (reasons for being)
- *Social marketing* can be particularly relevant for social enterprises in "selling their concepts" - their reasons for being
- Social marketing can support social enterprises in communicating their vision and mission, exciting people to become involved, evoking passion about their issues in people.
- Importantly, social marketing can personalise their messages so that people "buy" into social enterprise concepts.

Social marketing - selling social enterprises...examples

Broomby / Buster's - Mark Powell

- Mark uses social marketing in selling his concept of supplying sustainable employment to people that are disadvantaged in the labour market.
- Mark wants to change peoples' attitudes and behaviors. He does this through story-telling, explaining how the work his employees undertake impacts upon their lives for the better.
 - For example: J1 and D.

Hill Holt Wood - Nigel and Karen Lowthrop

- Use social marketing to sell their concept of *economic conservation*
- Change peoples' attitudes / behaviors through story-telling.
 - For example: [Video interview with Nigel Lowthrop](#)

Conclusions

- Social marketing fits well with that part of the social enterprise movement accepting of 'business behaviours'.
(Larger non-profits / charities, some co-operatives)
- Social marketing fits less well with social enterprises attempting "pattern-breaking" change in social organisation and commercial practice.
(Radical co-operatives and voluntary groups)
- Social marketing challenges social enterprise to take a holistic view of how to communicate effectively with its stakeholders, and challenges commercial marketing to reflect on its underlying social values.

References

- Channel 4 (2009) [online]. Hill Holt Wood interview. Last accessed 26 February 2009 at <http://www.channel4.com/lifestyle/green/green-people/hill-holt-wood.html>
- DTI (2002) *Social Enterprise: Strategy for Success*, London: HM Treasury
- Leadbeater, C. (1997) *The Rise of the Social Entrepreneur*, London: Demos
- National Social Marketing Centre [online] Last accessed 24 February 2009 at <http://www.nsms.org.uk/public/default.aspx?PageID=10>
- Ridley-Duff, R. J. (2008) "Social Enterprise as a Socially Rational Business", *International Journal of Entrepreneurial Behaviour and Research*, 14(5): 291-312.
- Social Enterprise Alliance [online] Last accessed 22 February 2009 at <http://www.se-alliance.org/>