

# Marketing in social entrepreneurship

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## Abstract

The object of the research are the social entrepreneurs and its business development. The aim of the research is to discuss existing marketing strategies applied to social entrepreneurship and to offer possible ways of their improvement. The research is relevant and consistent with the increasing role of social entrepreneurship taking the full power thro the fast changing political, economic, socio cultural and technological circumstances of the 21<sup>st</sup> century. While marketing the social entrepreneurship, the focus on marketing strategies must be revised. The research methodology includes both traditional and modern elements of marketing, such as marketing mix, strategies, customer segmentation and targeting, pricing altogether with the main elements of social entrepreneurship, such as social and economic aspects.

The results present that in standard marketing strategies, the strategy for social entrepreneurs should include segmentation of the customers and consumers by taking into consideration standard criteria (such as geographical, demographical, psychographic and behavior segmentation) but also implementing own criteria most adequate for the products they are currently interested to produce. It is important which factors are significant enough to take decisions of expansion, harvest or liquidation of products.

*Keywords:* marketing mix, marketing strategy, social entrepreneurship, social sustainability

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## 1 Introduction

Every type of business consists of following market participants: suppliers, intermediaries, companies, competitors and customers. Social entrepreneurship, as an object of the research, is also a part of the modern business environment with the one exception – customers of the product or service produced by such companies are not often the consumers or targeted customers of the related goods. In many cases the decision maker is that paying part, such as the government, a foundation, an individual sponsor or a funder. The ultimate consumer in many cases gets an access to services at no cost or at discounted prices through the payer. This additional customer profile makes an issue of this research as in the case of social entrepreneurship the focus on marketing strategy should be slightly different from traditional businesses.

**The aim of the research** is to discuss existing marketing strategies applied to social entrepreneurship and to offer possible ways of their improvement. **The research is relevant and consistent** with the increasing role of social entrepreneurship taking the full power thro the fast changing political, economic, socio cultural and technological circumstances of the 21<sup>st</sup> century.

While marketing the social entrepreneurship, **the focus on marketing strategies** must be revised. For social entrepreneurs sometimes main benefit is not a profit but grow of positive reputation. This can be achieved thro dissemination of marketing strategies, devoted to enhance the image through public recognition. The same can be stated both for customers of socially related goods and for the final consumers. The goods they buy may mean to them not only profitable deal and cost optimization but also can increase their intangible sense of social outcome.

**The research methodology** includes both traditional and modern elements of marketing, such as marketing mix, strategies, customer segmentation and targeting, pricing altogether with the main elements of social entrepreneurship, such as social and economic aspects. **Works of various authors related to the research field were analyzed, such as Ph. Kotler (Principles of Marketing) [8], J. Dees (Entreprising nonprofits...) [3], J. Boschee (Strategic Marketing...) [2] and others [5, 7, 9].** Tools of the research include observation, experiment, analysis of the specific literature and statistical methods, interviews with participants of social entrepreneurship. Ethics of the research must take into consideration specific groups of the targeted consumers that often represent different minorities, people with disabilities, low income population and taking into attention rapidly changing political situation in European Union – refugee groups.

**While discussing** a role of marketing in the social entrepreneurship an additional element should be stated among the main elements of marketing mix – and this is a social impact. The social mission, its goals and objectives should be analyzed altogether with product, its price, distribution place and necessary promotion. When evaluating special target group for social business following questions should be stated and discussed by decision makers:

1. Most segments of the final consumers should be stated.
2. Which of them are reached and served in a most effective way with the most limited resources?
3. How is it possible to attract more of prospective consumer segments? Which customers should be involved then?
4. Is the cost consistent with the social outcome?
5. Are there certain ways to decrease the cost without

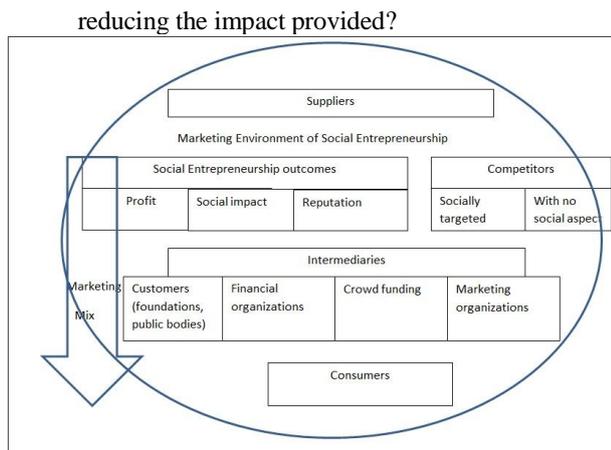


FIGURE 1 Marketing environment of social entrepreneurship

On a figure 1 there is marketing environment of social entrepreneurship analyzed. Unlike the tradition entrepreneurs, social entrepreneurs should take care not only about their profit maximization. Social impact and increase of positive brand or company's image reputation must also be taken into attention. As a company, it meets on a market with competitors who could have better market proposition or have/ have not been socially targeted. In this case there also should be different strategies applied. Sometimes socially targeted competitors have the same intention with the company and their interests intersect or match. In this case competitor may become a partner or even intermediary on a way to a related targeted auditorium. For example a company that produces food with the purpose to disseminate for a special social group (as homeless people) and sponsored by a public body or a foundation may join with food disseminators on wheels that serve the same or similar groups of people. In this case resources spent on promotion and distribution elements of marketing mix will be decreased and total cost of the product will become lower as well.

## 2 Conclusions

While marketing the social entrepreneurship, the focus on marketing strategies must be revised. For social

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entrepreneurs sometimes main benefit is not a profit but grow of positive reputation. This can be achieved throug dissemination of marketing strategies.

In the social entrepreneurship an additional element should be stated among the main elements of marketing mix – and this is a social impact. Intangible outcome customers and consumers get when purchasing goods or services from social entrepreneurs. This outcome should be positioned as an additional element of customer's response to the marketing mix. Social impact from marketing mix meets intangible outcome, the sense that customers get while buying socially related products.

It is stated that making strategic marketing decisions, however, is more difficult for a social entrepreneur than it is for either a traditional nonprofit or a commercial business, both of which are primarily concerned with a single bottom line. A traditional nonprofit will continue offering products and services that have a significant social impact even if they lose money; commercial enterprises will not. Social entrepreneurs, on the other hand, are equally concerned both with social impact and income, and that means they must simultaneously analyze the social impact and financial viability of each product and service - and only then they are ready make decisions about which ones to expand, nurture, harvest or kill.

The same as in standard marketing strategies, the strategy for social entrepreneurs should include segmentation of the customers and consumers by taking into consideration standard criteria (such as geographical, demographical, psychographic and behavior segmentation) but also implementing own criteria most adequate for the products they are currently interested to produce providing also a social impact.

To measure which factors are significant enough to take decisions of expansion, harvest or liquidation of products, following then should be taken into attention: significant success factors; environment forces; competitors and their power.

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