

## Chapter 3

# Social Enterprise Marketing Communication

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### ABSTRACT

*The purpose of this chapter is to examine marketing communication tools used by Pietermaritzburg social enterprises to reach their stakeholders. In discussing the marketing activities used by social enterprises it focuses on the use of marketing communication tools of social enterprises in terms of attracting potential stakeholders. For many social enterprises, the use of marketing may be limited to the products and services they offer, the way they approach fundraising and public relations, and how they develop the way they communicate to raise awareness of and change attitudes to various problems. Social enterprises do not have a larger view of using marketing to influence behaviors that benefit individuals and communities.*

### INTRODUCTION

Researchers have over the past years assessed what organisations identify as being “top of the mind issues” (Bonchek & France, 2018). Some of the issues identified in the past are those relating to the use of digital platforms, customer experiences and crisis management (Bonchek & France, 2018). The issue of profit and purpose came to the fore with greater prominence (Bonchek & France, 2018). This pursuit of purpose created an entrepreneurial opportunity to provide goods and services that address “this purpose” in the form of social enterprise.

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In the past social enterprise was modelled as the tenant of non-profit charitable organizations that attracted human and social capital with community uplifting motives (Chell, 2007). It can be argued that social enterprises are businesses set out by social entrepreneurs to provide financial support, social services and bring social change (Larsen, 2012). Most of the social enterprises are operating in an unattractive market whereby it is difficult to attract investors, which are their stakeholders.

Social enterprises have generally operated in resource constrained environments (Satar, Siraj, & Danish Chesti, 2016). This has forced social enterprises to adopt more complex business management activities (Satar et al., 2016). These business management activities have included various marketing techniques to enhance their efficiencies (Satar et al., 2016). According to (Madill & Zieger, 2012; Powell & Osborne, 2015) for many social enterprises, the use of marketing may be limited to the products and services they offer, the way they approach fundraising and public relations, and how they develop the way they communicate to raise awareness of and change attitudes to various problems.

Marketing is essential to social enterprises in communicating with customers (community) and investors as they are the key stakeholders of the organization. Moreover, these stakeholders need to have the necessary information about the organization. According to (Liu, Eng, & Takeda 2015; Webb, Ireland, Hitt, Kistruck, & Tihanyi, 2011) the implementation of marketing concept is considered as a key market-based resource, which is important in recognising the marketing opportunities and it assist the organization to acquire knowledge about customers. Furthermore, the market-based resource assists social enterprises to identify opportunities for commercial trading. Business and marketing scholars - have not paid much attention in improving the effectiveness and the impact of marketing in social enterprises (Petruzzellis, Chebat, & Palumbo, 2015). Hence, Social Enterprises tend to lack when it comes to marketing themselves to customers and investors.

## **Research Problem**

Petruzzellis et al. (2015, p61) state, "There currently exists a lack of published research into marketing strategy in social enterprise organizations". Shaw (2004) and Miles (2014) highlighted that there has been research addressing marketing but research addressing marketing based on Social Enterprises is minimal. Marketing and communication strategies are important to social enterprise marketing because it influences the perceptions of internal and external stakeholders (Smith, Knapp, Barr, Stevens, & Cannatelli, 2010). Since communication or marketing is a valuable tool for social enterprises, the question that surfaces are how effective social marketing is influencing stakeholders or potential investors.

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