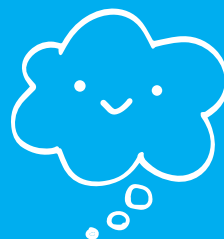




SOCIAL ENTERPRISE MARKETING

Enhancing Effectiveness of Social Business

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Publisher

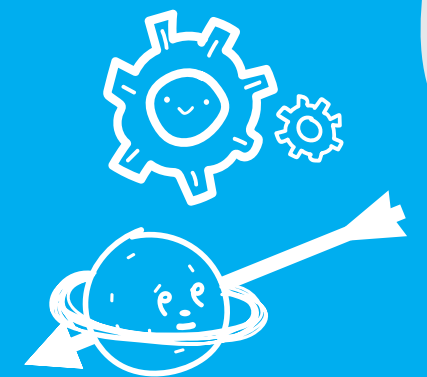
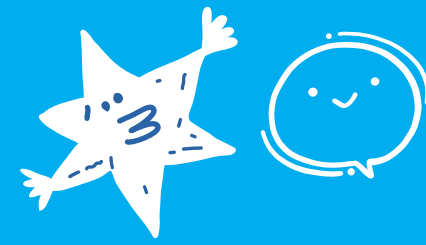
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PREFACE

According to a survey¹ conducted by Fullness Social Enterprises Society (FSES) in 2010, 43% of social enterprises (SEs) find it most challenging to maintain sales and marketing efficiency. The next two key challenges in line relate to management issues (20%) and financial management (11%) as expressed by SE operators. More than a decade from then, capacity building in managing sales and marketing remains the most prevailing problem faced by many social entrepreneurs or SE operators.

The purpose of this book – **Social Enterprise Marketing: Enhancing Effectiveness of Social Business** – is to help filling some of the knowledge gaps in SE marketing. In the discussion, sales and services are considered as parts of the larger social business marketing ecosystem.

This book organizes a set of body of knowledge (BOK) from FSES to address the prevailing problem in social business marketing and operationalization. The suggestions are drawn from years of experience of FSES knowledge volunteers since its inception – business coaching, teaching and training, capacity building activities and bridging SEs with corporate social responsibility(CSR) initiatives of commercial organisations. This book is meant to be a tool-kit approach practical guide in the social entrepreneurial context, targeting passionate social entrepreneurs or SE operators who may have limited experiences.

This book is specific in inspiring flexibility and progression through innovative marketing and sales practices of SEs in Hong Kong. It aligns with the down-to-earth, proactive, practical and results driven culture of FSES for quality output through the years.

¹ FSES Knowledge Volunteer survey 2010. A survey on 66 social enterprise mentors. The key results are in the book, Kee, C.H. & Kan, C.K.C. (2016). Hong Kong, Frontiers in Social Entrepreneurship. HK: FSES. (p.14)

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ABBREVIATIONS

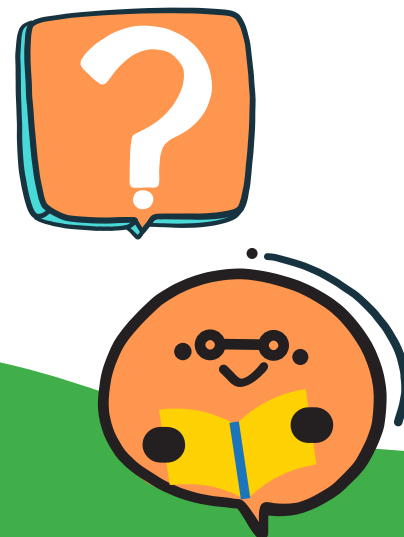
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|--------|--|
| ANFT | Association of Nature and Forest Therapy |
| BAU | Business as Usual |
| BMGSNO | Building Maintenance Grant Scheme for Needy Owners |
| BOK | Body of Knowledge |
| CSR | Corporate Social Responsibility |
| CSV | Creating Shared Value |
| D-Mark | Hong Kong Design Mark Certification Scheme |
| ESG | Environmental, Social and Governance |
| ESR | Enhancing Self-Reliance Through District Partnership Programme |
| e-WOM | Electronic Word of Mouth |
| FMOT | First Moment of Truth |
| FMCG | Fast-Moving Consumer Goods |
| FSES | Fullness Social Enterprises Society |
| HAD | Home Affairs Department |
| HKCSS | Hong Kong Council of Social Service |
| HKJC | Hong Kong Jockey Club |
| KPI | Key Performance Indicator |
| KOL | Key Opinion Leaders |
| LDH | Longevity Design House |
| LT | Longevity Technology |
| MEVC | Means-End Value Chain Model |
| MNC | Multi-National Company |
| MOT | Moment of Truth |
| MSE | Management of Social Enterprise |
| NB | Nature Bathing |
| NGO(s) | Not-for-Profit Organization |
| PIC | Person-In-Charge |
| PwD | People with Disabilities |
| SDT | Self-Determination Theory |
| SE(s) | Social Enterprise(s) |
| SEN | Special Education Need |
| SEO | Search Engine Optimization |
| SIEF | Social Innovation and Entrepreneurship Development Fund |
| SMOT | Second Moment of Truth |
| STP | Segmentation, Targeting and Positioning |
| SWOT | Strengths, Weaknesses, Opportunities, and Threats |
| TECM | Tithe Ethical Consumption Movements |
| TMOT | Third Moment of Truth |
| WISE | Work Integration Social Enterprise |
| WOM | Word of Mouth |
| e-WOM | Electronic Word of Mouth |

How to use this book?

This book is suitable for existing and potential social entrepreneurs, social intrapreneurs or SE operators. It is specifically written to open doors for them to take a further stride into the marketing playing field of their social business.

This is not a research document or marketing textbook. Therefore, there is no thick descriptions of academic theories that need extra effort to digest. Unlike many of the scholarly studies which mostly focus on conceptual way-forward suggestions, the marketing concepts in this book are drawn from both theories and real-life practices but are transcribed into laymen terms relevant to the SE context. The sidebars and exercises including questions for thought would aid SE training or coaching.

Readers are welcomed to look up the additional readings listed in the footnotes if they wish to take a deeper dive into the theoretical underpinning from academic/business literature that informed the content.



Structure of the book

The book is organized into **three parts** and **nine chapters** to discuss social business marketing² in the SE context.

Part I

Part I describes the conceptual foundations of social business marketing. The discussion facilitates understanding of the **motivations behind the key stakeholders** of social entrepreneurs, ethical consumers, corporate partners, funders, policy makers and other players of the civic society. The explanation also reconfirms the importance of social business marketing and its role in the stakeholder network.

Part II

Part II explores the definitions and essence of social business marketing followed by suggestions of different **social marketing planning and implementation** techniques specifically applicable to the social business mission and context. The marketing techniques include: brand narrative construction, brand building, market targeting, stakeholders journey mapping, social business positioning, holistic marketing planning, marketing operationalization and performance monitoring, digital marketing and the consumer decision journeys, and building reputational capital by storytelling. Social business marketing efforts echo through the interwoven tapestry of both SE social mission and SE social business management.

Part III

Part III shares an SE case example on how the social marketing techniques are applied in real life SE case.



² For consistency, the description of social business marketing in the social entrepreneurial context will be framed as "SE social business marketing" or "social business marketing".

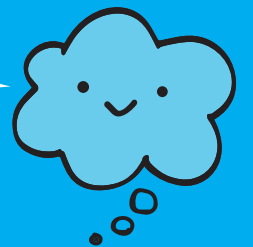
Part I

The Conceptual Foundations of SE Social Business Marketing

1 Chapter

- 1.1 Understanding motivations of social entrepreneurs, social intrapreneurs and SE operators
- 1.2 Understanding motivations of ethical consumers
- 1.3 Understanding motivations of corporate partners, funders and policy makers
- 1.4 Stakeholders mapping for SE social business

01



1.1

Understanding motivations of social entrepreneurs, social intrapreneurs³ and SE operators

According to the practical guide of setting up SEs published by Hong Kong Council of Social Service (HKCSS)⁴, SEs should be operated in a self-sustainable business mode for achievement of specific social objectives or social mission⁵. SEs could be an independent company; or a project/business nested within a bigger organization, either for-profit or not-for-profit organizations (NGOs). In fact, some of the very successful SEs in Hong Kong (HK) are operated under the umbrella of major NGOs⁶.

The motivation that drives social entrepreneurs to set up a social business could include: (i) self-transcendence; (ii) unique innovative ideas to solve societal pain points or issues; and (iii) inspirations triggered by personal experiences⁷. Social intrapreneurs and SE operators in many instances are employees. The human resources talents recruited as change agents for specific initiatives to refine existing programme or to overhaul the SEs business⁸. They are supposed to agree and to share the same social mission of the SE they work at. For consistency of discussion from this point onward, both

social intrapreneurs and SE operators would collectively be referred to as social entrepreneurs who are the key person-in-charge of the SE business.

According to Dr Muhammad Yunus⁹ (the Bangladeshi social entrepreneur and the Nobel Peace Prize awardee for founding a pioneering SE in microfinancing), there may be a misguided perception that employees of SEs should not expect to get paid well. (Because they are “do-gooders” to help people, therefore should not expect a good salary and should sacrifice their own interest to benefit the society.) Dr Yunus totally disproves this line of thought with a different perspective from his own experience as a social entrepreneur. He says that when two jobs are offering the same remuneration package with comparable titles and responsibilities, while one of the jobs is working for a social business, it is highly likely that the SE could recruit capable talent who are happy to become part of the solution to a social problem and to make a difference.

Dr Yunus' view sends an important message and it is a great encouragement to all SE practitioners. All SE practitioners are social entrepreneurs. They are part of the intractable social issue solutions generating ecosystem. Social entrepreneurs are more than people who engage in acts of charity and hope that the civic society would concur. They should be motivated and ambitious leaders, possess the right skills to communicate the social mission that they are after, and the ability to inspire internal staff, ethical consumers and strategic partners¹⁰. The desire to improve social well-being is an evident desire with a long-term sustainable vision¹¹.

The pre-requisite to “do-good” is to “do-well”. Social entrepreneurs have a mandate to acquire and deploy the necessary skills to “do-well” so that all the “do-good” motivations could be realized for impact. No matter what the motivations are, the right mindset is to bite the bullet to get it done. To set the stage for successful social marketing, social entrepreneurs must realize that they themselves are one of the utmost instrumental stakeholders in the game. The work of social entrepreneurs is the steering force relational to other key stakeholders and hence the success of the social business.



FOR THOUGHT

1. What is your motivation as a social entrepreneur, social intrapreneur or SE operator?
2. What is the social mission of the SE you are working for in one sentence?
3. Who are you helping?
4. What is/are the SE's social impact if it is successful?
5. What is the long-term vision of your SE social business?
6. Does it have the muscles to be sustainable and scalable?

³ Antoncic, B. & R. Hisrich. (2001). “Intrapreneurship: Construct Refinement and Cross-Cultural Validation.” *Journal of Business Venturing*, 16 (5): 495–528. [...Intra-entrepreneur: Applies innovation and creativity to the projects of the companies where they work, without being the owner.]

⁴ HKCSS (n.d.). *A Practical Guide of Setting up a social enterprise and Choosing a Legal Form and Recommended Practices*. <https://socialenterprise.org.hk/en/content/se-setup-guide>

⁵ For consistency, the term “social mission” will be used from this point onward.

⁶ Footnote #3 refers: The common legal forms of SEs are company limited by shares or company limited by guarantee.

⁷ Pangriya, R. (2019). Hidden aspects of social entrepreneurs' life: a content analysis. *Journal of Global Entrepreneurship Research*, 9(1), 1–19.

⁸ Light, P. C. (2006). Reshaping social entrepreneurship. *Stanford Social Innovation Review*, 4(3), 47–51.

⁹ Yunus, M. (2010). *Building social business: The new kind of capitalism that serves humanity's most pressing needs*. PublicAffairs, 120–121.

¹⁰ Leadbeater, C. (1997). *The rise of the social entrepreneur* (No. 25). Demos. (p.3)

¹¹ Sastre-Castillo et al (2015) What is different about the profile of the social entrepreneur. *Non profit Management and Leadership*, 25(4), 349–369.

1.2

Understanding motivations of ethical consumers

Needless to say, ethical consumers are the instrumental stakeholder group for SE social business. When it comes to understanding the motivation of ethical consumers who would willingly patronize the SEs to buy the products and services. There are a few characteristics to revisit and acknowledge.

First, there is always misalignment of ethical intentions and ethical behaviour¹². From both scholarly and consumer research conducted over the years, consumers' intention to buy usually do not correspond to actual buying behaviour. **Second**, despite the imperfect intention-behaviour gap, the mounting intention to support ethical/social-oriented products or services remains highly consistent. **Third**, a lot of consumers in the market are not well-informed of the "who" (SE suppliers), "what" (products/services) "why" (social mission), and "where" (distribution channels) for stimuli to support SE social business¹³. The same may also apply to the SE general staff. **Fourth**, the usual consumer decision attributes of price, quality, value and convenience

outweigh ethical considerations in purchase behaviour. Therefore, **finally**, if the bulk of ethical purchase behaviour may not be directly driven by innate ethical concerns¹⁴, social entrepreneurs, funders and policy makers may need to adopt more cautious approaches in making assumptions or drawing conclusions on the impact of prosocial products and services.

To face the music, there are perhaps a few consolations. Even with the wide intention-behaviour gap, and the not-so-well-informed ethical consumers, a segment of ethical consumers genuinely motivated by ethical concerns still exists. They may not be the majority for now. As a matter of fact, they cannot be a majority. There are only around 700 SEs¹⁵ registered in Hong Kong, against the backdrop of the whole consumer market. Social entrepreneurs who could acknowledge these facts help their formulation of marketing efforts within a more appropriate frame of reference.

For the group of ethical consumers who are proactive to look out for ethical consumption options. They are usually the higher income or better educated segments who are willing to pay/pay more to use the products/services¹⁶. They may even go an extra mile to patronize the SEs that align with their personal ethical orientation.

When we are trying to understand why ethical consumers exhibit such behaviour, it is plausible to comprehend the intrinsic and extrinsic motivation¹⁷ (derived from self-determination theory (SDT)) of this segment of customers. According to SDT, intrinsic motivation of ethical consumers could be understood by the three basic psychological needs of autonomy, competence and relatedness.

Autonomy is driven by inherent interest and choice, not related to extrinsic outcome of recognition, approval, reward, deadline or fear of punishment. Autonomous ethical consumption is genuinely a self-governing task without coercion. Ethical consumers can decide to buy or not to buy, yet they

choose to buy. Ethical consumers are **competent** to engage in ethical consumption by looking up the information and with the financial capacity to make the purchase. **Relatedness** in ethical consumption could be understood as the aggregate effect amongst peers or ethical consumers. For examples: if ethical consumers are posited within the proximity (corporate CSR or associate group norm or volunteering) where ethical consumption is encouraged as a social norm; or if there are handy information sources available on ethically preferred goods; or if there is peer encouragement on the autonomy/choice of ethical consumption.

Energised intrinsically motivated ethical consumption behaviour per se should be rewarding. The opportunity to make choices freely (autonomy) on what to do (ethical consumption) and how to do (performing preferred ethical consumption as a habit, pattern, or social norm) further enhance the loop of intrinsic motivation.

¹² Boulstridge, E. & Carrigan, M. (2000). Do consumers really care about corporate responsibility? Highlighting the attitude-behavior gap. *Journal of Communication Management* 4 (4), 355-368.
Fair Trade welcome in Hong Kong: survey. (2006, October 24). SCMP. <https://www.scmp.com/article/568900/fairtradewelcome-hong-kong-survey>.

Auger, P. & Devinney, T. (2007). Do what consumers say matter? The misalignment of preferences with unconstrained ethical intentions. *Journal of Business Ethics* 76(4), 361-383.

¹³ Carrigan, M., & Attalla, A. (2001). The myth of the ethical consumer—do ethics matter in purchase behaviour? *Journal of consumer marketing*.

¹⁴ Davies, I. A., & Gutsche, S. (2016). Consumer motivations for mainstream "ethical" consumption. *European Journal of Marketing*, 50(7/8), 1326-1347.

¹⁵ HKCSS (2022, August 4). Social Enterprise Business Centre, SE Map. <https://socialenterprise.org.hk/en/sedb/map>

¹⁶ Starr, M. A. (2009). The social economics of ethical consumption: Theoretical considerations and empirical evidence. *The Journal of Socio-Economics*, 38(6), 916-925.

¹⁷ Deci, E. L., & Ryan, R. M. (2013). *Intrinsic motivation and self-determination in human behavior*. Springer Science & Business Media. (pp. 437-440)

If social business is recognized as a business, one important reflection is that it is necessary to do it the business way which echoes social entrepreneurs' need to "do-well" in order to "do-good". The need for good social business marketing implementation is to uncover the tipping point to the innate ethical consumer intentions and intrinsic motivation. It is the social entrepreneurs' tasks to fulfil. The tasks require proactive effort on the side of the social entrepreneurs to understand who they are, communicate with them for continuous engagement, let them know the social mission associated with the ethical purchase, and after all offer quality value products/services that gives ethical consumers a reason to come back.



FOR REFLECTION

1. As a social entrepreneur, do you have a few SEs that you would regularly patronize for ethical consumption?
2. Do you remember any of your regular/important ethical customers?
3. Do you regularly communicate with you loyal customers?

1.3

Understanding motivations of corporate partners, funders and policy makers

In the discussion of corporate-SE collaboration, there are different conditions and considerations behind the collaboration. Collaboration could take a lot of forms and is constantly innovating due to the eminent trend of **socially responsible and sustainable business leadership** advocacy in the commercial sector. The collaborative relationships range from short-term to long-term, hybrid or integrated, and many more yet to evolve.

Some Examples:

- A retail chain collaborating with a work integration social enterprise (WISE) hiring from special education needs (SEN) community to operate some of its franchise stores.
- A multinational corporation (MNC) made its company canteen or coffee shop operated by an SE for fixed term of years.
- An MNC procured the training services from an SE for staff recreation and team building exercise.
- A company purchase products from SEs to stock up the company pantry.
- A company purchase hampers from SEs for festive gift-giving.
- A corporation co-create staff souvenir items with SEs for corporate procurement.

Corporations seek out cross-sector (SE) collaboration opportunities¹⁸ as novel form of CSR initiatives. There are underlying value attributes beneficial to both sides of collaboration. Corporations, with charity foundations or not, established CSR focus of concern for specific welfare communities rooted in its core corporate values over time. (For example: Coffee companies relate to fairtrade, retail/restaurant chains relate to employment of underprivilege – people with disabilities (PwD), SEN, legal firms relate to workers' claims of workfare, cocoa companies relate to children development). Thus, there exist practices and priorities intrinsic to corporations' motivation and relevant to the sphere of SEs' social mission.

¹⁸ Di Domenico, M., Tracey, P., & Haugh, H. (2009). The dialectic of social exchange: Theorizing corporate—social enterprise collaboration. *Organization studies*, 30(8), 887–907.

Even when there is no specific or rooted core corporate values, the seek for innovative CSR initiatives persist. The mounting **environmental, social and governance** (ESG) discussion and inherent reporting rules for listed companies in the recent years continues to ferment unparalleled corporate-SE collaboration in the foreseeable future.

There are many other strong and legitimate reasons for corporations and SEs to collaborate with each other. There is always room for the ethos of **genuine and voluntary community participation** from corporations, let alone enabling the gain in **reputational capital** as a by-product. SEs operated by NGOs not using subvention resources are encouraged to move away from heavy reliance on subsidy or donations and generate income through self-sustaining SE business models. Non-NGO SEs endeavour to leverage corporations' capacity to continue gracing the underprivilege community in need. Both forms of SEs seek to build relationships with corporations to improve viability of the SE as a business. There may also be added non-monetary contributions in knowledge transfer and innovation in the process due to exchange of resources, volunteer time and skills. **(Case 1: Nature Bathing)**

Although corporations are not the only funding source for SE, government funding bodies and charity foundations are the other usual prospects. Corporations and other funders' monetary support provide possibility for SEs' scaling process by understanding the previously funded SE projects, social mission and strategic priorities. In addition, funders may also be able to bridge the SEs to other resources for capacity building and business opportunities.

Policy makers or government bodies involved in SE advocacy are the key catalysts in the SE scaling process. Policy makers are happy to see the enabling of more tailored solutions, the emergence of proven replicable business models or partnerships between motivated stakeholders, and most important of all, devise effective policies with incentives and supports for enhanced social impact¹⁹.

¹⁹ OECD| European Commission. (2016). *Policy brief on scaling the impact of social enterprises: Policies for social entrepreneurship*.

CASE STUDY 1

Nature Bathing 遊沐

Nature Bathing (NB): A social enterprise with the social missions of social inclusion, youth stress relief and well-being enhancement, through outdoor experiential learning in the form of workshops, camping trips, nature experiences and large-scale campaigns. Participants are guided by professional nature education facilitators.

NB was hardly in good shape of self-sustainability in the early stage until it innovated a few corporate-SE collaboration initiatives.

The stress relief outdoor workshop training experience is extended to corporate participants and integrated with volunteering for poverty alleviation, social inclusion and environmental education.

Grassroot school kids (Example: students from Principal Chan Free Tutorial World) who never have the chances or resources to participate in any outdoor activities, were taken for outdoor nature experience together with the corporate staff.

The corporate staff served as volunteers to help taking care of the kids. The corporation procuring NB's service was happy to be part of such collaborative and innovative initiative.

The outdoor training was even reinvented into indoor training experiences. The team further developed online workshops when the city's outdoor activities were interrupted by COVID-19.

In the post-COVID era, the team collaborated

with FSES to develop a large-scale nature social inclusion event called the "Hong Kong Tree Hug Day" supported by corporate sponsorship, serving 300 beneficiaries to extend the social impact. Media outlets are quick to cover the activities with meaningful stories.

NB is a small-scale SE in its infancy, but there is no limit to refrain NB or any other SEs in whatever sizes and shapes from innovating marketing ideas that could converge to its social mission and sustain its business.

(Courtesy of Nature Bathing)



Scan to know more



1.4

Stakeholders mapping for SE social business

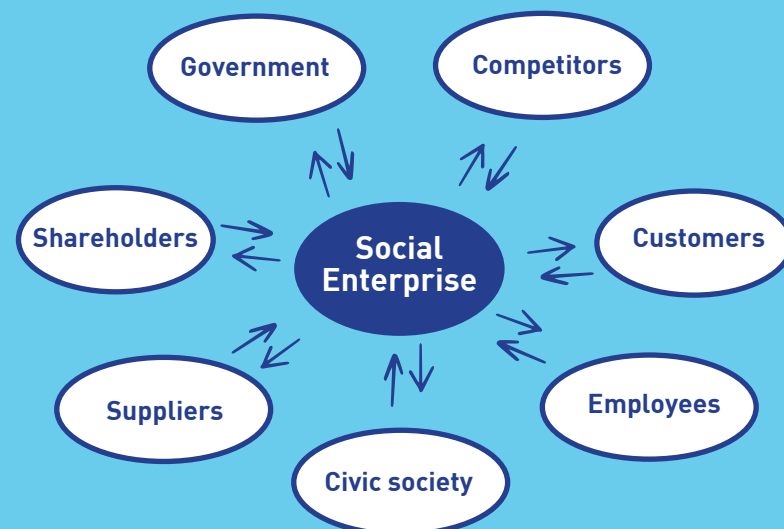
In the context of SE social business marketing, another very important conceptual foundation is to identify who are the key stakeholders and the SEs' possible interplay with them. Based on the previous understanding of motivations amongst social entrepreneurs, ethical consumers, and funders/corporate sector/policy makers, it is also necessary to take a 360 look at all the key stakeholders rather than putting sole attention on ethical consumers.

Social entrepreneurs need to practice, let alone understand the technique in stakeholders mapping. It is a pre-conceiving marketing exercise of the segmentation, targeting and positioning (STP), which is another important technique in marketing planning.

The concept of stakeholders' mapping (**Exercise 1.1**) is a key training exercise for students in the course "Management of Social Enterprise (MSE)"²⁰ jointly organized by HKU Space and FSES since 2012. It has also been shared with SEs participating in the capacity building training of Tithe Ethical Consumption Movements (TECM) organized by FSES over the years.

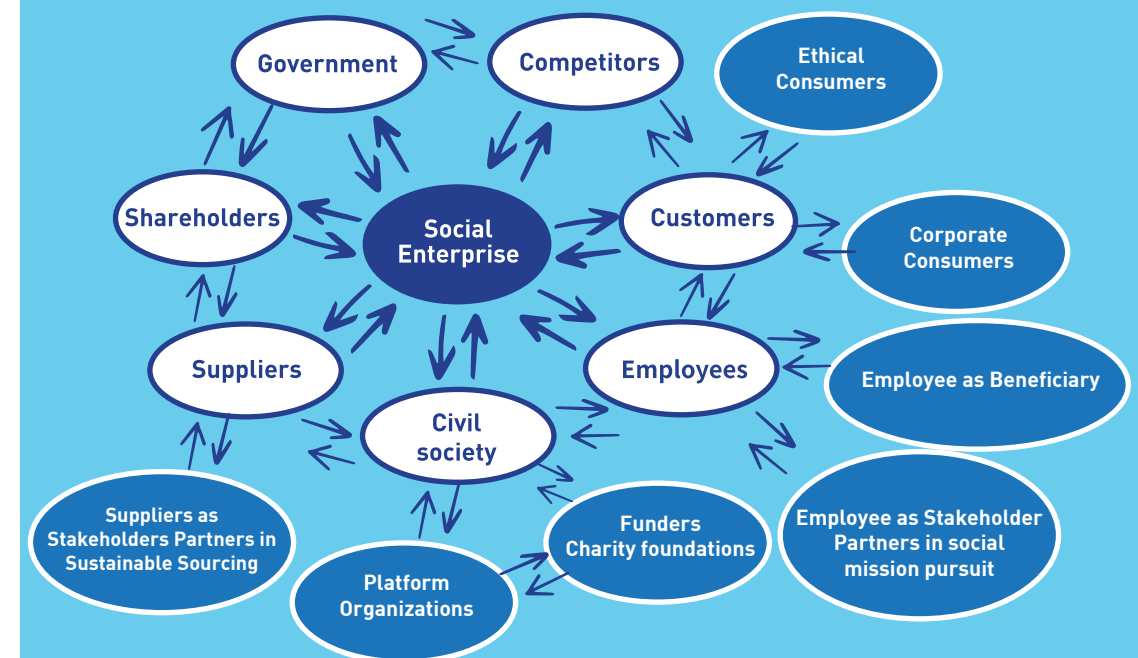
The understanding of stakeholders could be perceived as a network model²¹ which is an extension of the more traditional view from stakeholders (**Figure 1**). The network model (**Figure 2**) states that the company (SE) has obligations to a whole variety of relationships with other constituencies via their immediate stakeholders with its activities.

Figure 1 : Stakeholders' View of the Firm



Source: Adapted from Crane & Matten (2016)

Figure 2 : Network Model of Stakeholder Theory



Source: Adapted from Crane & Matten (2016)

Planning to engage with stakeholders starts with stakeholder mapping, followed by an honest understanding of the three different forms/perspectives of stakeholders.

Instrumental perspective: What are the benefits or how is it beneficial to the SE to take into account their interests?

Normative perspective: Why a particular group of stakeholders are important? Why should SE take into account their interest?

The understanding enables effective pitching to the targeted stakeholders in order to engage them for collaboration. This is an important part of social business marketing preparation.

Descriptive perspective: What/how the SE actually does to take into account their interests?

²⁰ More than 20 cohorts of potential social entrepreneurs have been trained since the inception of the MSE programme. Amongst them includes Sharing Kitchen, Nature Bathing, Elite Thai Boxing, DECT Production, SIU Vision SIU Rice and many more.

²¹ Crane, A. & Matten, D. (2016). *Business Ethics: Managing Corporate Citizenship and Sustainability in the Age of Globalization*. Oxford University Press. (Chapter 2)

NOTES

FOR IMAGINATION

1. Who are your key customers, how well do you know them and what is their motivation to use your products/ services?
2. Can you name the top 3 potential funders of your social business?
3. Can you name the top 3 potential corporations who could appreciate your social mission and incorporate into their CSR initiatives?
4. How would you pitch your products/services to the key stakeholders of customers (internal and external), funders and corporate partners?





EXERCISE 1.1

STAKEHOLDER MAPPING EXERCISE

Stakeholder mapping is an on-going exercise, SEs should continue to update from time to time. The exercise helps to inform social entrepreneurs the segments of customers to target and develop an appropriate positioning for the SE business. This is a suggested framework only, the stakeholders listed are therefore not exhaustive.

| Perspective | | | Normative stakeholder | Descriptive stakeholder | Instrumental stakeholder |
|--------------------------------|-----------------------|--|--|---|--|
| Suggested list of stakeholders | | | Why should the SE takes into account their interest? | What/how the SE actually does to take into account their interests? | What are the benefits or how is it beneficial for the SE to take into account their interests? |
| SE | Firm – Internal | Social Entrepreneur (Management staff) | | | |
| | | General Employees | | | |
| | | Underprivilege Staff | | | |
| | Firm – External | Underprivilege Beneficiary | | | |
| | | Business Partners | | | |
| | | Competitions | | | |
| | | Suppliers | | | |
| | Civic Society | Ethical Consumers | | | |
| | | Media/Advocacy groups | | | |
| | Corporation/Funder | Corporation CSR Management | | | |
| | | Corporate Foundations | | | |
| | Policy makers/Funders | Government | | | |
| | | Fund Granting Bodies | | | |

2

Chapter

2.1 The duality of social enterprise and marketing

2.2 SEs call for stronger marketing skills



2.1

The duality of social enterprise and marketing

Duality refers to a state of quality when two seemingly different disciplines/subjects/elements of interest are intertwined together in a relationally sophisticated way²². The key factors or evidence that frame/contribute to the state of duality of SE and marketing are described in this Chapter.

2.2

SEs call for stronger marketing skills

In 2008, a briefing session of The Enhancing Self-Reliance Through District Partnership Programme (ESR Programme) was organised by Home Affairs Department (HAD) for potential applicants. Five factors were highlighted as to why SEs could not achieve breakeven. They are: (1) uncompetitive products; (2) weak in brand building; (3) inability to develop market demand; (4) lack of business management knowhow; and (5) inefficient cost control²³. The need for stronger marketing skills and knowhow is illustrated in **Table 2.1** with a

comparison of the four studies of social entrepreneurs conducted in 2010, 2014, 2020 and 2021.

According to a survey conducted by FSES²⁴ in 2010 on 66 SE mentors, the top three challenges for SEs are marketing and sales (43%), business management (20%) and financial control (11%). More recent studies show that marketing and management are still the most prevailing challenges for social entrepreneurs.

According to the SE landscape survey conducted by CUHK in 2014²⁵, out of the sixteen top urgent matters faced by SEs, nine of them are related to marketing (Build up collaborative network, build up customer network, establish/seek effective publicity platform, improve brand image, improve service quality, meet customer's needs, build up sales network and increase income, research and development, and recruitment of co-op members); two of them are related to management (train up frontline and management staff); and two of them are related to fundings and financial management (cut operation cost, and seek loans/funding).

According to the research report from Hong Kong British Council in 2020²⁶ with 146 valid responses collected from an online survey, the top three barriers for SEs to grow and expand their social impact are customer acquisition and market development (24%), access to financial support – grants, sponsorships, donations (20%) and product/service development and innovation (15%). In addition, 44% of SEs rank customer acquisition as the single most significant challenge. Two out of three of the reported challenges as well as customer acquisition are related to marketing.

Another survey conducted by TECM in 2021²⁷ on SEs participated in the capacity

building training and coaching programme shows similar results. The most urgent and important capacity building areas identified are increase sales amount and expand sales network (38%), acquire funding/sponsorship (16%), expand promotion channels (13%) and development of new products/services (10%). In addition, 56% of the social entrepreneur respondents stated that they need expertise and support on marketing and promotion, followed by business and management (36%), financial management (6%) and legal support (2%). All the urgent tasks in capacity building as well as the most essential expertise support in need are all related to marketing.

It is evident that the need for better marketing support has repetitively surfaced in different SE studies over the years. Hopefully this book could be of help to fill some of the knowledge gaps in SE social marketing. The challenges of SEs on the execution dimensions are about marketing and sales, and capacity building for business survival. It is in fact a continuous exploration of self-sustainability, and thus the achievement of social impact.



²² Merriam-Webster. (n.d.). Duality. In Merriam-Webster.com dictionary. Retrieved August 8, 2022, from <https://www.merriam-webster.com/dictionary/duality>

²³ According to ESR (as cited in Kee & Kan, 2016)
Kee, C.H. & Kan, C.K.C. (2016). *Hong Kong: Frontiers in Social Entrepreneurship*, HK: FSES.

²⁴ According to FSES (as cited in Kee & Kan, 2016)
Kee, C.H. & Kan, C.K.C. (2016). *Hong Kong: Frontiers in Social Entrepreneurship*, HK: FSES.

²⁵ CUHK Centre for Entrepreneurship (2014 April). *Research study on the social enterprise sector in Hong Kong - to capture the existing landscape of the social enterprises in Hong Kong*.

²⁶ Hong Kong British Council (2020), *The state of social enterprise in Hong Kong*. (p.17, p.64)
https://www.britishcouncil.org/sites/default/files/british_council_hong_kong_social_enterprise_web_final.pdf

²⁷ TECM survey in 2021: 54 surveys collected from participating SEs and 36 social entrepreneurs are interviewed by knowledge volunteers.

TABLE 2.1

THE NEED FOR STRONGER MARKETING SKILLS AND KNOWHOW
A comparison of the four studies of social entrepreneurs conducted in 2010, 2014, 2020 and 2021



| ESR Briefing 2008 | FSES 2010 66 SE mentors | CUHK 2014 SE landscape study | British Council 2020 146 online survey responses | TECM 2021 54 SEs, 36 social entrepreneurs |
|---|-----------------------------------|---|--|---|
| Challenges faced, urgency to handle, and skills in need | | | | |
| Uncompetitive products | 43% Marketing and sales skills | Meet customer needs | 15% Product/service development and innovation | |
| Weak in brand building | | Establish/seek effective publicity platform, Improve brand image, Improve service quality | | 56% Expertise and support on marketing and promotion |
| Inability to develop market demand | | Build up collaborative network, Recruitment of co-op members, Build up customer network, Build up sales network and increase income, Research and development | 24% Market development 44% Customer acquisition | 38% Increase sales amount, Expand sales network |
| Lack of business management knowhow | 20% Business management | Train up frontline staff, Train up management staff | | 36% Business management |
| Inefficient cost control | 11% Financial skills | Cut operation cost | | 6% Financial management |
| Others: Bridging of funders | | Seek loan/funding | 20% Access to financial support (grants, sponsorships, donations) | 16% Acquire funding and sponsorship |

Items highlighted in **RED** are all related to marketing and SEs' related stakeholders.

NOTES

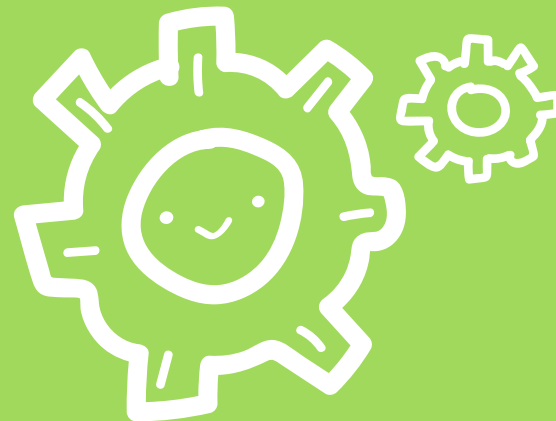
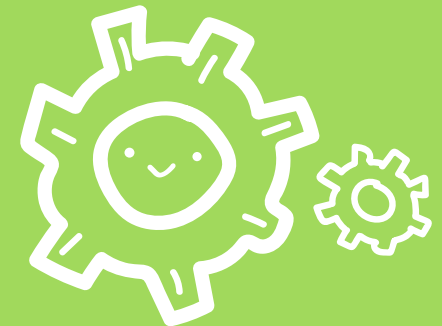
Part II

SE Social Marketing Planning

3

Chapter

3.1 Comprehending the essence of SE social business marketing



03

3.1

Comprehending the essence of SE social business marketing

A short and simple definition of marketing is to meeting customers’ needs profitability²⁸. It is the art and science of effecting exchange of value with customers, clients, partners, and society at large²⁹. The key words from the most common definitions of marketing are “**exchange**”, “**value**” and “**profit**”. However, for SE social business marketing, it is suggested that the word “**impact**” should be added to the pile. These four words should always be borne in the mind of social entrepreneurs in every stage of marketing planning.

To understand the essence of SE social business marketing context, it is necessary to clarify some of prevailing confusions. The simple definitions of earlier social marketing, non-profit marketing, public sector marketing and cause marketing are listed in **Table 3.1** for easy understanding³⁰.

28 Kotler, P. (1997). *Marketing Management*, (13th Ed.), US: Prentice Hall

29 American Marketing Association. (2017). *Definitions of Marketing*. <https://www.ama.org/the-definition-of-marketing-what-is-marketing/>

30 Lee, N. R., & Kotler, P. (2015). *Social marketing: Changing behaviors for good*. Sage Publications. (Chapter 1)

TABLE 3.1

SOCIAL MARKETING, NON-PROFIT MARKETING, PUBLIC SECTOR MARKETING AND CAUSE MARKETING

| | |
|-------------------------|--|
| Social marketing | Influence voluntary change of behaviour for good, where “good” implies desired behaviour change for the better as well as sustainable change of behaviour for a long time. Both of the “good(s)” are beneficial to the people and society at large. (Examples: quit smoking, give blood, wear seat belt) |
| Non-profit marketing | Solicit support for non-profit organizations, which may include using the organizations’ products or services, do volunteer work, join advocacy efforts or raising fund. (Examples: museum, charity organizations) |
| Public sector marketing | Public sector usually refers to government agencies. This type of marketing engenders civic society’s support for compliance or use the related government services. (Examples: post office, ICAC, medical services) |
| Cause marketing | Efforts primarily focus on raising awareness and impending concern of social issues. (Examples: global warming, AIDs concern, domestic violence) |

The SE social business marketing is a **hybrid form of commercial and social/non-profit/cause marketing**. Most of the SEs would not regard profit maximization the prime business objective like the practice of commercial marketing. Commercial marketing is a well-planned out process and so is social business marketing.

The said process will be discussed in detail in the next few chapters, which include:

- SE brand narrative construction (*Chapter 4*)
- Market targeting and SE brand positioning with reference to stakeholder groups (*Chapter 4*)
- Holistic marketing planning to facilitate value exchange between relevant stakeholders (*Chapter 5*)
- Marketing operationalization and performance monitoring (*Chapter 6*)
- Social business marketing and consumer decision journeys in the digital context (*Chapter 7*)
- Digital marketing tools for demand generation and demand capturing (*Chapter 7*)
- Building reputational capital by storytelling (*Chapter 8*)

Commercial marketing benefits the company with profit. Social business marketing benefits the SE with sustainable profit, and beyond that, also benefits the society according to the SEs' social mission.

With the evolvement of the contemporary SE sector in Hong Kong, social marketing efforts must ensure that the social mission is defused throughout the usual marketing process. Survival of SE business enables sustainability of the social business and scalability of extended impact.

The suggested comprehension of SE social business marketing is summarized in **Figure 3.1**. From this point onward, social entrepreneurs could start to ask questions related to all the marketing contexts. Try to honestly question yourself what you have done in managing your SE in the areas in discussion.

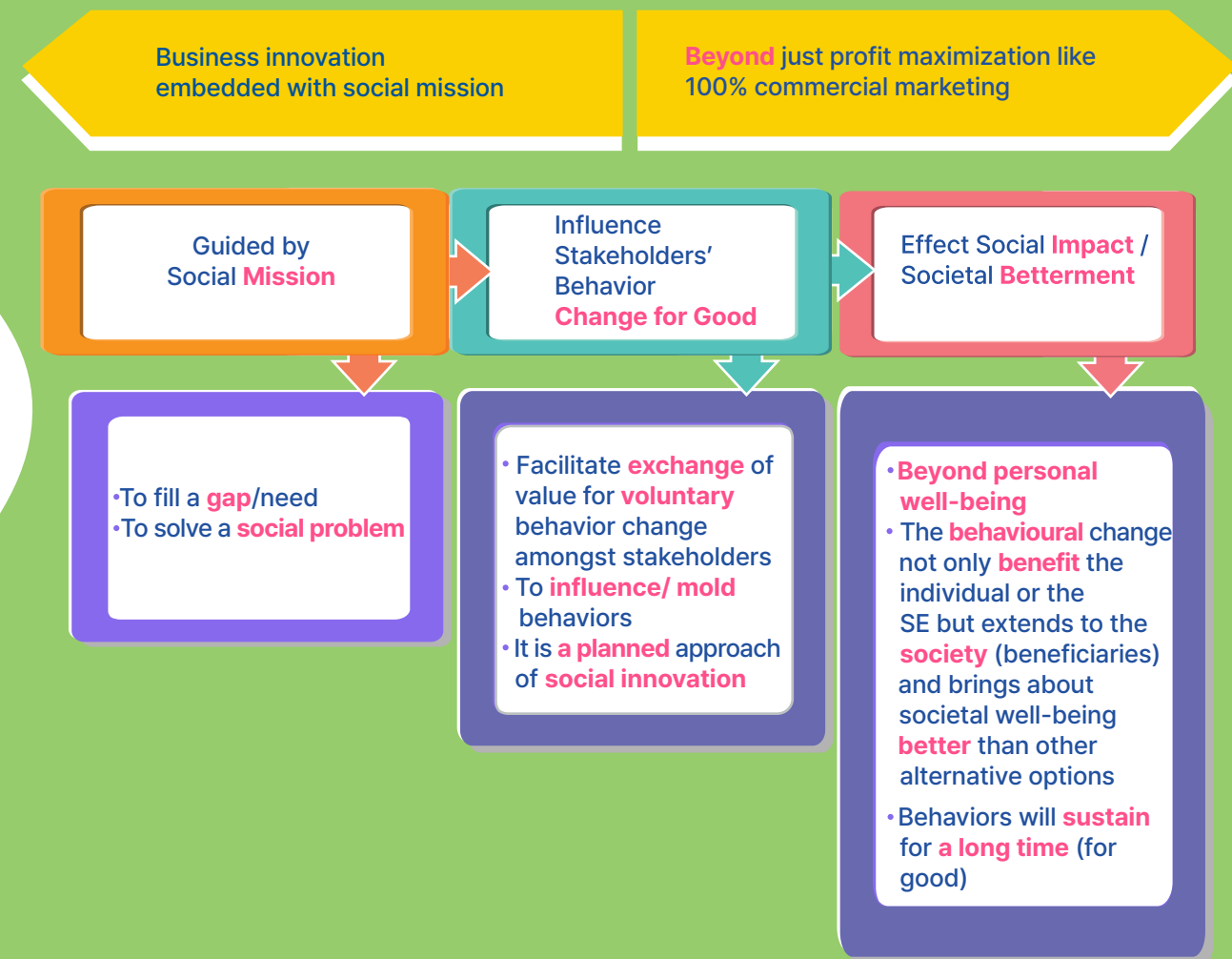
FOR QUESTIONING

1. What is the social mission of your SE?
2. What social gap/need/problem is your SE addressing?
3. Are there any innovative elements in my SE business?
4. What kind of and/or whose behaviour do I want to influence?
5. Are there any alternative options?
6. Who are the beneficiaries of your social business and how are they benefited?
7. How does the work of your SE bring about societal well-being?
8. Can the work of your SE be able to sustain for a long time?

FIGURE 3.1

COMPREHENSION OF SE SOCIAL BUSINESS MARKETING

BUSINESS CONTEXT UNIQUE WITH SEs' SOCIAL MISSION



4 Chapter

- 4.1 SE brand narrative and SE social mission
- 4.2 Market targeting exercise of SE social business
- 4.3 Stakeholders' decision journey
- 4.4 Ethical consumers stakeholders (individuals) as target market
- 4.5 Corporation stakeholders (funders) as target market
- 4.6 Positioning the SE social business



4.1

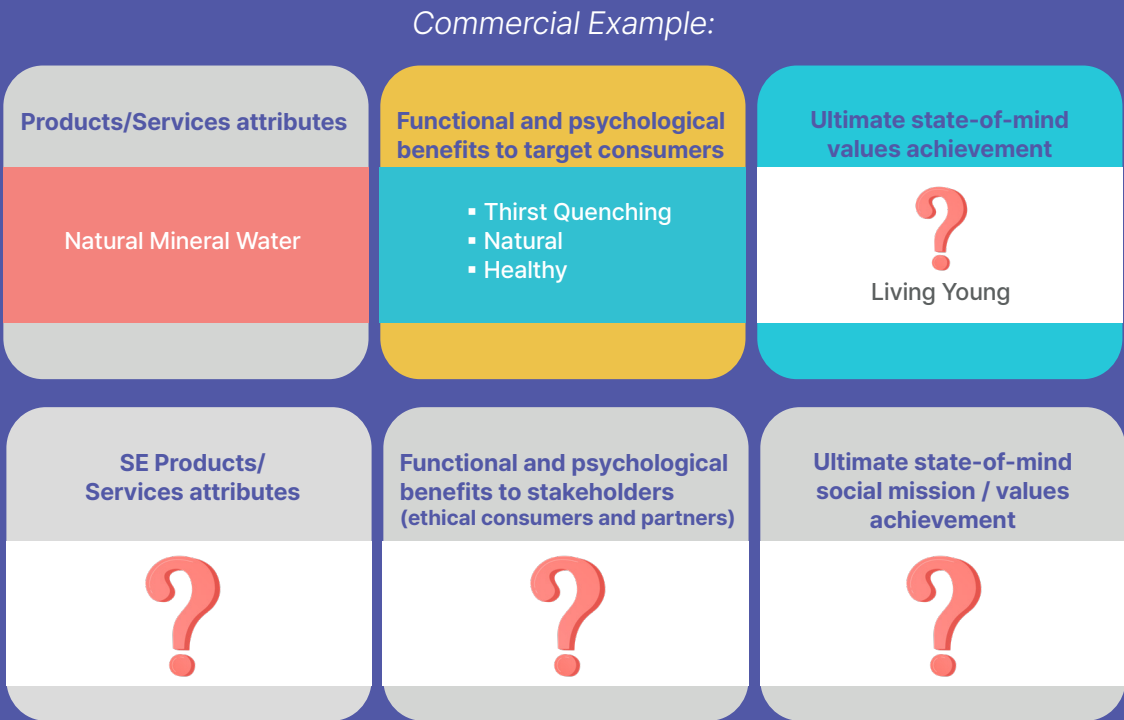
SE brand narrative and SE social mission

The purpose of this chapter is to develop a **brand narrative** for the SE with reference to staying true to the original social value, mission and impact. The SE brand narrative should be consistently cascaded to all the internal and external stakeholders of the SE whenever possible. Sadly, most of the time, social entrepreneurs are too busy promoting to external stakeholders and sometimes may have neglected the importance of diffusing their social mission and brand narrative to the vital touchpoints of internal stakeholders.

The **means-end value chain model**³¹ (MEVC) is borrowed to illustrate the brand narrative building exercise. Try using the model in **Figure 4.1** to practise linking SE products or services attributes to social values, mission and impact with **Exercise 4.1**.

The MEVC model is simple and easy for social entrepreneurs to comprehend and to practice for brand narrative development. The business context of products and services attributes, the target audience, the functional and psychological benefits to stakeholders (ethical consumers and partners), and the social values brought about by the SE social mission are all included. The brand narrative should be consistently reviewed and updated with the evolvement of market situations. SE social business marketing points to the efforts of social entrepreneurs to solicit the support from stakeholders to sustain the social mission by delivering the social value of the SE business. It is necessary to reiterate that all social marketing efforts should always converge to the original social mission. In addition, social entrepreneurs need to internalize the brand narrative and make sure that they are always honest in believing their own brand stories.

FIGURE 4.1
SE BRAND NARRATIVE
ARTICULATE SE BRAND VALUE INTO SOUNDBITES³²



31 Gutman, J. (1982). A means-end chain model based on consumer categorization processes. *Journal of marketing*, 46(2), 60-72.

32 The example of mineral water is drawn from an award-winning marketing campaign. <https://www.adforum.com/creative-work/ad/player/34477057/live-young-baby-dance-case-study/evian>
<https://www.thedrum.com/news/2022/06/14/world-s-best-ads-ever-86-evian-rolls-record-books-with-skating-babies>
The other two SE examples: Courtesy of Delicious Express and iEnterprise.

FIGURE 4.1 CONT'D

SE BRAND NARRATIVE
ARTICULATE SE BRAND VALUE INTO SOUNDBITES³²

Example of an SE hiring PwD and SENs for food production:

| SE Products/ Services attributes | Functional and psychological benefits to stakeholders (ethical consumers and partners) | Ultimate state-of-mind social mission / values achievement |
|---|--|--|
| <ul style="list-style-type: none">▪ Lunch or dinner pre- pack dishes▪ Soup▪ Pick up or delivery | <ul style="list-style-type: none">▪ Convenient and delicious food for consumers▪ Training and skills transfer to unleash neglected productivity | <ul style="list-style-type: none">▪ For PwD & SEN to achieve self-reliance▪ Embrace confidence, self-esteem & respect |

Example of an SE hiring PwD and rehabilitated for contact services:

| SE Products/ Services attributes | Functional and psychological benefits to stakeholders (ethical consumers and partners) | Ultimate state-of-mind social mission / values achievement |
|---|---|--|
| <ul style="list-style-type: none">▪ Hotline enquiries services▪ Consumer survey▪ Evolving service mix <p>(Service level on par with industry standards)</p> | <p>Employment support through tripartite collaboration</p> <ul style="list-style-type: none">▪ Party #1: Commercial corporations - contact centre services▪ Party #2: Rehab NGO - create job opportunities to PwD and rehabilitated patients▪ Party #3: WISE <p>(Collaboration through social innovation)</p> | <ul style="list-style-type: none">▪ For PwD & rehabilitated patients to achieve self-reliance▪ Knowledge transfer, capacity building, self-esteem, social inclusion |



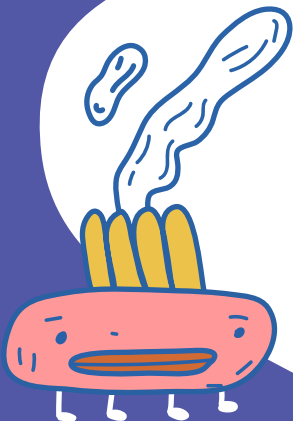
EXERCISE 4.1
SE BRAND NARRATIVE CONSTRUCTION



| Your SE: Products/services attributes | Your SE: Functional and psychological benefits to stakeholders (ethical consumers and partners) | Your SE: Ultimate state-of-mind social mission/values achievement |
|--|--|---|
| | | |

FOR REFLECTION

1. Have you ever pitched your SE brand narrative to your staff ? At what levels?
2. Have you ever pitched your SE brand narrative to your ethical consumers or corporate partners? By what channels and in what way?
3. What are your products/services attributes?
4. What are your SE’s functional and psychological benefits to the stakeholders?
5. What values are you actually pitching? Can you state the ultimate state-of-mind social values of the work of your SE?
6. Can you describe your achievements in delivering the social values?



4.2

Market targeting exercise
of SE social business

With reference to the earlier stakeholders analysis, when identifying segments and targets, it is necessary to think of all the relevant stakeholders, not just the ethical consumers. Identifying the appropriate market segments, narrowing down the primary and secondary targets and positioning the brand correctly are common marketing planning techniques.

When applying to SE social business marketing, social entrepreneurs may want to revisit the concept incorporating all the relevant stakeholders rather than just the ethical consumers. **Figure 4.2 and Table 4.1** are illustrations using the onion model to identify the target markets and the explanations. Apply the learning from the onion model³³ illustrations and explanations to your own SE with **Exercise 4.2**.

FIGURE 4.2

MARKET TARGETING ONION MODEL



³³ The onion model is widely adapted in social science and business disciplines <https://creately.com/diagram/example/jos61nj4c/target-market-diagram>

TABLE 4.1

EXPLANATION OF MARKET TARGETING ONION MODEL WITH REFERENCE TO STAKEHOLDERS

| | Ethical Consumers | Corporations / Funders / Policy Maker |
|-------------------------|--|---|
| Total Market | General consumers Never try to target to everyone because a big portion of them are not relevant | <ul style="list-style-type: none"> Government funding bodies (Examples: ESR*, SIEF*) Family charity foundations Corporate CSR/CSV/ESG initiatives |
| Potential Market | <p>Consumers with ethical consumption sentiments</p> <ul style="list-style-type: none"> Different ethical consumer segments may support different stance of social issues or different underprivilege sectors <p>Examples: Children, education, elderly, SEN, PwD, WISE, global warning, environment, pandemic, chronic disease, hospice, fairtrade, and many more</p> | <p>Funders</p> <ul style="list-style-type: none"> Similar to ethical consumers, different funders usually have preferred ambit of support to different stance of social issues or different underprivilege sectors <p>Sometimes relational to the business nature of corporations. (Chapter 1 – 1.3 refers.) Example: coffee/cocoa and fairtrade.</p> |
| Available Market | <p>Not all ethical consumers are available</p> <ul style="list-style-type: none"> Could be due to demographic, geographic, psychographic, behavioural or motivational reasons Also relational to SEs' product availability, price range, distribution channels and promotional reach | <p>Funders' ambit of support affects the availability of funds</p> <ul style="list-style-type: none"> Modes of support could take a lot of different shapes Short-term: Procurement of products or services Medium-term: Jointly developed projects (Example: SE to operate café/canteen within the company) Long-term: CSV initiatives embedded with the corporation's business ecosystem (Example: Support of fairtrade farmers for long term product supply) |

| | Ethical Consumers | Corporations / Funders / Policy Maker |
|--------------------------|---|---|
| Target Market | <p>Narrowed down to a primary target market social entrepreneurs could focus their social marketing efforts</p> <ul style="list-style-type: none"> Primary target market Extended identification of secondary target market | <p>Narrowed down to a cluster of target funders</p> <ul style="list-style-type: none"> Share and support the SEs' social mission and values Primary target for social entrepreneurs to focus bridging efforts for corporate-SE collaboration |
| Penetrated Market | <p>Ethical consumers currently patronizing SEs' products and services</p> <ul style="list-style-type: none"> Existing ethical consumers target for repeat purchase or cross purchase between SEs | <p>Currently engaged in co-operation relationship with SEs. (Examples: Procurement of service, funding support, joint project, CSV initiatives)</p> <ul style="list-style-type: none"> Chance to collaborate further after understanding target funder's preferred ambit of support. |

*ESR

– Enhancing Self-Reliance Through District Partnership Programme

*SIEF

– Social Innovation and Entrepreneurship Development Fund

*CSR/CSV/ESG – Corporate Social Responsibility/Creating Shared Value/Environmental, Social and Governance



EXERCISE 4.2

TARGET MARKET IDENTIFICATION – UNIQUE TO YOUR SE BUSINESS
Profile the target segment with as much precision as possible



| | Stakeholders of your SE | |
|-------------------|-------------------------|---------------------------------------|
| | Ethical Consumers | Corporations / Funders / Policy Maker |
| Total Market | | |
| Potential Market | | |
| Available Market | | |
| Target market | | |
| Penetrated market | | |

4.3

Stakeholders' decision journey

The importance of stakeholders' decision journey mapping is to ensure social entrepreneurs realize that there is **no need to sell to everyone**. To ensure the social mission and social value is creating impact, the SEs need to survive or sustain through business means. It is essential to identify and locate the target market segment (stakeholders) to engage with. Ethical consumers and corporations/funders/policy makers in **Table 4.1** are the specific potential prospects.

When social entrepreneurs are spending effort to research on their own target markets, it is desirable to understand through the borrowed concept of interstitial transformation³⁴. The interstice is a unique space created through progressive work of social entrepreneurs with social empowerment. It is a space where the social entrepreneurs locate the most relevant target market. The space may also keep growing through the collective and significant socially innovative work of social entrepreneurs. As such, marketing effort is the key means to spur the desired results focusing on the most relevant target market stakeholders.

The following discussion will focus on two specific and influential dimensions of stakeholders' decision journey. One refers to individual ethical consumers, the other refers to corporations and other funders. There may be other relational stakeholders in the stakeholders' network, the social business marketing planning process will put emphasis the two more important ones.

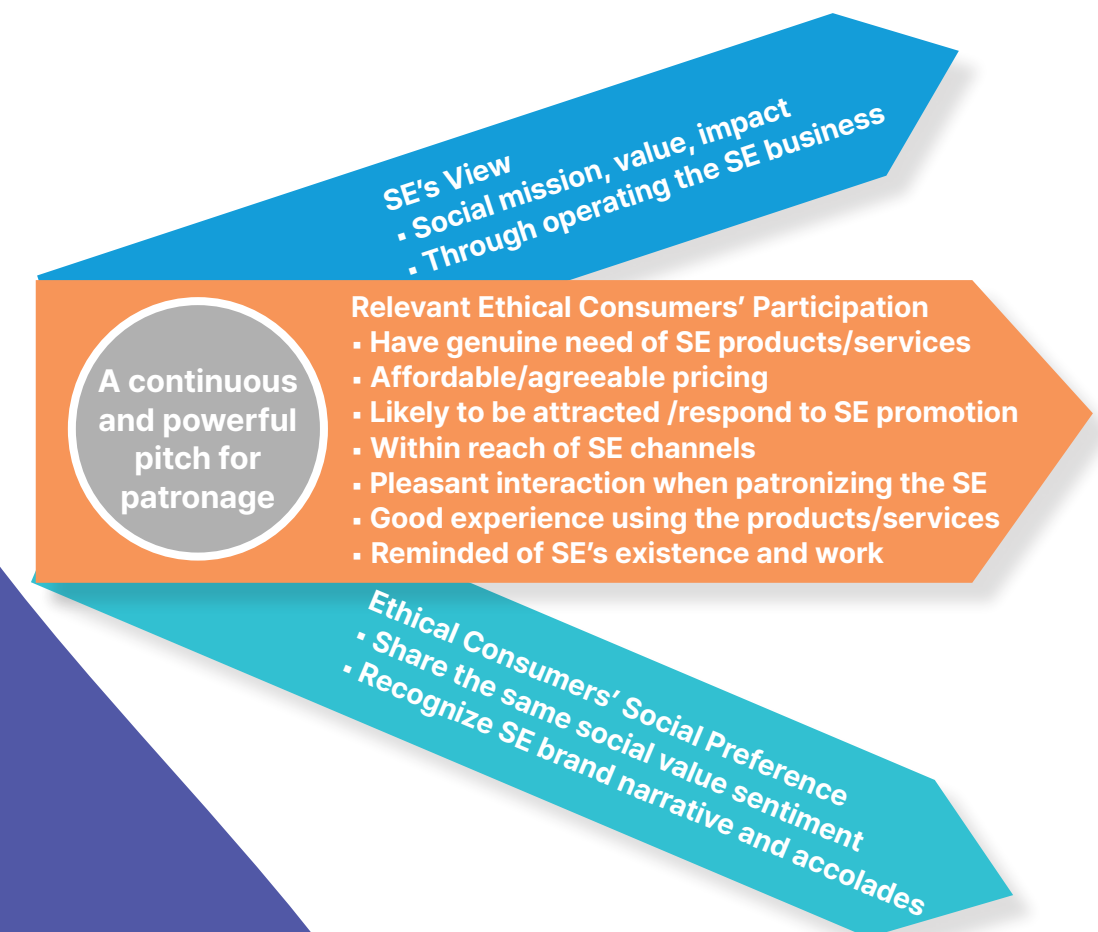
4.4

Ethical consumers stakeholders (individuals) as target market

The interception point of the interest between ethical consumers and SEs is illustrated in **Figure 4.3**. Locating and managing the interception point effectively creates powerful pitches to targeted ethical consumers stakeholders.

FIGURE 4.3

ETHICAL CONSUMERS – SE INTEREST INTERCEPTION



³⁴ Wright, E. O. (2010). *Envisioning real utopias*. London: Verso. (Ch.10)

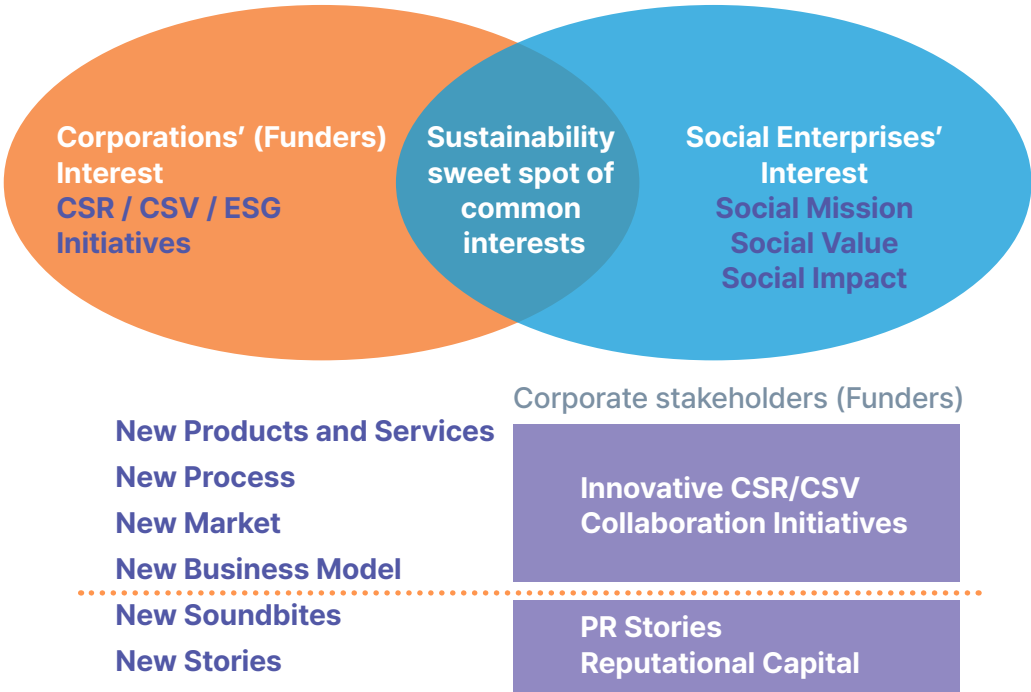
4.5 Corporation stakeholders (funders) as target market

Engaging with corporate stakeholders is not just a selling or pitching job. Corporate stakeholder is a much wider definition of market targeting of ethical consumers. It is highly related to the SE brand narrative and market targeting of social entrepreneurs. If social entrepreneurs can be sure of who to target and therefore develop innovative marketing ideas to engage them, it would be beneficial to focus and converge marketing efforts. There are lots of room for co-creation and socially innovative ideas as illustrated in **Figure 4.4**. Further examples of jointly develop projects are suggested in **Table 4.2**.

Think of corporations and foundations as an extended group of ethical consumers, but taking the shape of an organisation. Participation of corporations in ethical consumption may be different from individual ethical consumers, and therefore may take on a different course of considerations.

Big or small corporations alike, as long as an organization have value orientations in socially responsible initiative, or have the intention in creating shared value (CSV) into its business ecosystem, or pursuit of ESG sustainability and scalability, the organization will pay attention to opportunities around that match or realize the value orientations. If the SE brand narrative fits the bill, and the products and services offered are based on socially innovative ideas, collaboration will have the likelihood to happen. Use **Exercise 4.3** to practice developing your unique version of corporate stakeholders mapping.

FIGURE 4.4
THE SUSTAINABILITY SWEET SPOT OF COMMON INTEREST - SOCIAL ENTERPRISES AND CORPORATIONS (FUNDERS)



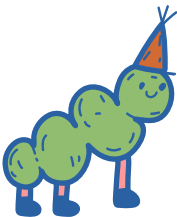
Adapted from: Savitz (2013)³⁵

³⁵ Savitz, A. (2013). The triple bottom line: how today's best-run companies are achieving economic, social and environmental success-and how you can too. John Wiley & Sons. (Ch.2)

TABLE 4.2

CORPORATE STAKEHOLDERS (FUNDERS) DECISION JOURNEY

| | Corporate ethical consumers' interest | Sweet spots of common interests | Potential scenario and outcomes |
|-----------------------|--|--|--|
| Who / where are they? | <div>Research on possibilities of collaboration</div> <div><div><div>Corporations' (Funders) Interest</div><div>CSR / CSV / ESG</div></div><div><div>Sustainability sweet spot of common interests</div></div><div><div>Social Enterprises' Interest</div><div>Social Mission</div><div>Social Value</div><div>Social Impact</div></div></div> | | <div>Identify collaborative business opportunities</div> <div><div>New Products and Services</div><div>New Process</div><div>New Market</div><div>New Business Model</div><div>New Sound Bites</div><div>New Stories</div></div> <div><div>Corporate stakeholders (Funders)</div><div>Innovative CSR/CSV Collaboration Initiatives</div><div>PR Stories</div><div>Reputational Capital</div></div> |
| Corporations | CSR/CSV/ESG Initiatives Existing interests New interests | SE Brand narrative that fits corporations' or foundations' interests | Value to engage with corporations and funders New or continuous business for SE Reduce funders' time of consideration Easy for funders to participate |
| Charity Foundations | | | |
| Others | Media | PR stories | Accumulation of reputational capital |
| | Policy makers | Public education | Poolicy support to SEs and funders |





EXERCISE 4.3

LEARN AND PRACTICE - CORPORATE STAKEHOLDERS MAPPING



| Prioritize & Focus (Best if single focus) | Identify Key Target Corporations (Do your homework) | Stakeholders’ Interest (Research on the key target markets’ CSR/CSV/ESG) | Shaping win-win stories (Think hard, how do you want to shape the story?) | Potential Scenarios (Visualize it in words on paper, make it an opportunity (good deed) not be missed for the target corporations) | Timeline/Next steps |
|--|---|--|--|---|--|
| Who are you? Your key business needs? | Corporations/Charities Foundations/Funders | Existing interests New interests Previous work and Publicity | Specific VALUES in a few strong statements | Actionable plans on how to engage | Unreservedly easy to make decisions to participate outright |
| <ul style="list-style-type: none">▪Your social mission and value▪How does your work contribute to societal betterment | <ul style="list-style-type: none">▪Why do you want to fixate on your particular target corporations▪What specific help you need from target corporations to help the underprivilege sector you serve | <ul style="list-style-type: none">▪ Funders/corporate beliefs, resources, interests▪ How could corporate level ethical procurement interests be fulfilled | <ul style="list-style-type: none">▪ Social impact (Best if the benefit could be articulated in material terms)▪ Pitch CSR/CSV/ESG sustainability stories▪ Accumulation of reputational capital | <ul style="list-style-type: none">▪Action steps:<ul style="list-style-type: none">▪Participation format Plan A Plan B Plan C*▪Money/People/Time | <ul style="list-style-type: none">▪ Add some sense of urgency.<ul style="list-style-type: none">▪ It is now or never !!! |
| Fill in your answers: | | | | | |

* Less is more when pitching to corporate stakeholders, try to keep it simple and not to bore them with clumsy and long-winded options.

4.6

Positioning the SE social business

The usual definition of positioning is the value or meaning perception strongly associated to the SE social business brand in the mind of the intended target market. It is easy to understand and difficult to master. SE positioning embraces the SE's social value, reflects the social mission and impact or at least closely relates to them. SE's social value is the most possible source of differential advantage in SE positioning. Positioning is a thinking in reverse. Social entrepreneurs must try to find a way into the mind of prospective ethical consumers or stakeholders by attaching the product and service to occupy a specific space that is appealing³⁶.

Adopting the practice of commercial marketing, the uniquely differentiated advantage of a business (brand or product) is based on a list of positioning bases³⁷. They are listed in **Table 4.3**³⁸ together with a suggested re-interpreted examples of positioning bases related to the SE social value context.



TABLE 4.3

POSITIONING BASES - RE-INTERPRETED EXAMPLES IN SE CONTEXT

| Positioning Base | Descriptive options | Re-interpreting the Examples in SE context |
|-------------------------|--|---|
| Price/Quality | Cost leader/value, reasonable price, value for money, affordability, premium/exclusive, upper class, top of range, status, prestigious | <ul style="list-style-type: none"> SE service, price and quality at par with market standard Value of money because profit created become workfare of underprivileged sector |
| Leadership | Proven market leader, success, size, innovation, heritage/history | <ul style="list-style-type: none"> Leading SE with innovative operating model in PwD employment |
| User/Surrogate | Persona, lifestyle, (current or aspirational) user value | <ul style="list-style-type: none"> A helping hand in stress management for young students |
| Problem solution | Functional and rational in problem solving | <ul style="list-style-type: none"> Leading SE producing circular economy products from kitchen waste Sustain environmental imperatives SE producing healthy and delicious soft food for elderly |
| Excellence | Performance focus, best, biggest, most | <ul style="list-style-type: none"> Leading SE that produce high quality organic peanut brittle in town by socially empowered but unemployed housewives |

³⁶ Trout, J., & Ries, A. (2002). *Positioning: The battle for your mind*. New York, NY: McGraw-Hill. (Ch.24)

³⁷ Tuten, T. L. (2019). *Principles of Marketing for a Digital Age*. SAGE. (Ch.3)

³⁸ This list is an excerpt draws upon several sources including Aaker (2014); Blankson and Kalafatis (2004); Fuchs and Diamantopoulos (2010); Luth Research (2016); Lamb, Hair and McDaniel (2013), as cited in Tuten, 2019 (p.101).

TABLE 4.3 CONT'D

POSITIONING BASES - RE-INTERPRETED
EXAMPLES IN SE CONTEXT

| Positioning Base | Descriptive options | Re-interpreting the Examples in SE context |
|--------------------------------------|---|--|
| Transformational | Brand image and ideal self, symbolism | ▪ Leading SE working on social empowerment of once mentally challenged employees |
| Usage moment | Occasions like everyday use, special events (examples: vacation, wedding) | ▪ SE producing quality takeout food for parties |
| Emotion | Romance/ love, happiness/ joy, fear, confidence | ▪ SE that provides SEN empowering employment to ease the pressure of caregivers |
| Values | Social good, environmental sustainability, animal protection, natural/organic, well-being | ▪ SE producing quality fairtrade products (e.g. coffee, tea, cocoa or rice) to ensure the well-being of farmers |
| Brand story | Brand narrative, brand journalism, cultural branding, brand archetype | ▪ SE salon pioneering the conversion of deviant youth by providing hairdressing training and helping to build spiritual capital to reduce recidivism |
| Service/ Concern for customer | Impressive service, personal attention, consider people as important, friendly | ▪ SE providing cleaning services by skilled domestic helpers for the elderly |
| Aesthetics / Design | Aesthetic design, good aesthetics and product design, cool, modern/trendy, classic | ▪ SE promoting circular economy, using recycled material to make tie dye scarf |

The purpose of the SE social business should clearly articulate a social mission that fills one or more market gaps or social needs of the related beneficiaries. Social entrepreneurs are people who work in some prominent way to create social value by recognizing and exploiting such market opportunities. In the process, the social entrepreneurs tolerate risks, deploy innovation even though there is limitation in available resources. The ultimate social value should contribute in some way to the welfare or well-being of a given community³⁹. The welfare or well-being are achieved through innovation to earn income, job creation or any other basic and long-standing needs of society (Examples: providing food, shelter, education, services to those who are in need)⁴⁰. Profit is never the main objective but social value is. Nevertheless, profit helps to sustain the social value through interstitial economy⁴¹ created by social entrepreneurs.

Positioning the SE brand/business precisely enhances social entrepreneurs to organize a large, heterogeneous market into meaningful, homogeneous target stakeholders segments. Appropriate, essential and optimized marketing decisions can be developed accordingly.

For ease of understanding, a positioning statement template⁴²(Exercise 4.4) may be handy for practice. Keep refining it until it is useful in directing your marketing planning and activities. Clear view of stakeholders, target markets and positioning clarify SEs' stance. Social entrepreneurs may think that the output is not at all unique or stunning differential advantage. However, bear in mind that the conception of social value converge integrated marketing efforts to precisely address the right target markets (not everyone), for results.

³⁹ Peredo, A. M., & McLean, M. (2006). Social entrepreneurship: A critical review of the concept. *Journal of world business*, 41(1), 56-65.

⁴⁰ Certo, S. T., & Miller, T. (2008). Social entrepreneurship: Key issues and concepts. *Business horizons*, 51(4), 267-271.

⁴¹ Wright, E. O. (2010). *Envisioning real utopias*. London: Verso. (Ch.10)

⁴² Tuten, T. L. (2019). *Principles of Marketing for a Digital Age*. SAGE. (Ch.3, p.102)



EXERCISE 4.4

THE SE BRAND POSITIONING STATEMENT
Develop your own positioning statement with your SE's value proposition

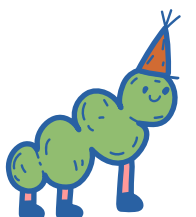
NOTES

To [insert target definition/customer group], [brand name] **is the brand of** [competitive frame of reference] **that provides** [benefit].
That's because [reasons to believe].

To [ethical consumers/corporation – need to specify the much narrowed down interstitial target market], [SE brand] **is a/the brand with/of** [social mission - positioning bases] **that provides** [social value - benefit]. **That's because** [social impact - reasons to believe].

To _____ ,

is the brand of _____
that provides _____ .
That's because _____ .



5 Chapter

5.1 Holistic social business marketing planning – scope and perspective

5.2 SE Internal Marketing

5.3 SE Integrated Marketing

5.4 SE Relationship Marketing

5.5 SE Performance Marketing

05



5.1

Holistic social business marketing planning – scope and perspective

With the clarification of ethical consumers' stakeholders mapping, target marketing identification and positioning, it is time to move into actual holistic marketing planning of the SE's business.

The meaning of 'holistic' relates to or concerns with planning of the whole of a total system instead of just the analysis or treatment of its parts⁴³. From now on, social entrepreneurs should refrain from thinking that marketing is some simple gimmick (a very much improper description of marketing) that could be a turnaround for sales and business.

Holistic marketing is an integrated approach of marketing planning which includes **integrated marketing, performance marketing, relationship marketing**, and **internal marketing**. In recent years, scholars and practitioners inclined to infuse a fifth dimension of socially responsible marketing into this holistic planning process. In SE social business marketing, the element of 'social' is inherently the core element. A holistic SE social business marketing planning framework is suggested in **Figure 5.1** to illustrate SE social marketing planning.

⁴³ holistic. 2022. In Merriam-Webster.com. Retrieved August 21, 2022, from <https://www.merriam-webster.com/dictionary/holistic#note-1>; Cambridge University Press. (n.d.). Holistic. In *Cambridge dictionary*. Retrieved August 20, 2022 from <https://dictionary.cambridge.org/dictionary/english/holistic>

FIGURE 5.1

HOLISTIC SE SOCIAL BUSINESS MARKETING



A 7Ps is a common understanding of the components within the marketing mix. It could be understood as marketing efforts related to managing product development, pricing of products/services, place (channel and distribution management), promotion (integrated marketing communications), people (customer experience), process (service), physical evidence within the customer interaction process.

***Remarks on framework explanations**

The first and foremost consideration of holistic marketing is to do away with the flawed perception that marketing is just the so-called "4Ps", or just about promotions.

5.2

SE Internal Marketing

This is a crucial part of holistic marketing but very often neglected by social entrepreneurs. It is taken for granted sometimes because the importance is undermined, or overlooked. If social entrepreneurs are taking the stakeholders' network view serious enough, the staff team could be expanded into a very powerful network of stakeholders. Good internal marketing could benefit the learning and spreading of good word-of-mouth stories.

Common scenarios that may happen:

- If part of the staff team is the beneficiary group of underprivileged sector, their ability of appreciating the social mission, impact and brand narrative would influence their closest friends and relatives, care givers, or NGOs referring them to your SE.
- If the staff team are part of the front-line with direct contact while serving the underprivileged sector through their services, it would be necessary for them to psychologically align their efforts with the SE mission and pour in their best in their work.
- Plough-back business model SEs, fairtrade SEs or environmental/green focus SEs that may not directly engage in WISE models rely on the staff team to pitch the social mission and brand narrative to patronizing customers (consumers or corporation).

5.3

SE Integrated Marketing

This is a set of suggestions of 7Ps – marketing mix (product, price, place, promotion, people, process and physical evidence) – for social entrepreneurs' consideration. Social entrepreneurs should take it as a reference and exercise creativity and imagination to fit it into the specific SE context, the identified target segments and stakeholders.

Product – Develop a plan on the product mix to offer, better narrow down to items that the SE is capable and comfortable to work on.

Examples:

- Café or Food and Beverage (F&B) business should design a unique and confined menu with some signature dishes that demonstrate strength of the business. If there is absolutely no differentiation/attraction/story in the product/service offered, social entrepreneurs may want to think twice about starting the business. Never bet on potential customers' sympathy on the SE's mission. Quality or uniqueness of product/service is the fundamental foundation of business success.
- Retail outlets selling dry goods share the same concerns in product planning. A more confined product mix with fast moving hero items and more fancy products make up a mix of overall potential sales revenue.





Pricing – Pricing could be a very complex marketing concept for new, mature or declining market. To simplify understanding, social entrepreneurs could start with researching on the price points of competition in the same category of business.

- Try not to go for cost leadership (lowest price) as there could only be one winner and SEs are not likely to be one. A more appropriate approach is pricing with reference to competition.
- At least work out the necessary profit margin for the business to sustain in a simple three to five years profit and loss projection within a framework of product mix.
- This is a necessary exercise for business planning and for application of any funding. Be it from government body or relevant foundations.
- Setting the initial price with the retail-less or cost-plus logic is a common starting point to be adjusted accordingly. Pricing logic has a direct relationship with perceived quality of the product to make it convincing. It is also related to the projection of regular and repeated customers and their frequency of purchase to ensure maintenance of operation breakeven.

Place – Try not to regard distribution channels as less important in marketing planning just because the SE is a single point retail outlet.

- In the evolving digital economy and with the consideration of both consumer and corporation stakeholders in mind, it is necessary to work out the possible percentage of sales from various channels other than the single retail outlet. For example, on-line channels, major sales events/fairs, pop-up stores, wholesale or corporate channels.
- The cost and effort of effecting sales revenue from different channels could be different with implications on manpower and other SE resources.
- The same applies to e-channels with a totally different channel cost structure.
- For SEs that focus on provision of services-on-demand and do not have retail outlet should pay even more attention to projection of sales channel mix.
- Marketing planning in relation to channels, as in other marketing mix, need to be reviewed and adjusted regularly to adapt to market dynamics.

Promotions – Due to the usual resources limitation of SEs, most of time promotion efforts may rely on public relations efforts to earn free publicity through the pitch of good stories. Mind that good stories have to be supported by facts and figures and not just painting of a good heart or good intentions. The media are only interested in stories with an angle that would stand out with a clickable headline.

Examples:

- Newsworthy with freshly complied quantitative data from survey or business results.
- New formation of significant partnership or new funding acquisition from government schemes and corporations of charity foundations.
- Winning of awards that with industry recognition.
- Proof of the SE business that it is addressing/ answering to a currently talked about social market issue/trend/gap.
- Human emotional angle with life-changing experience/benefits to a beneficiary group or a representative individual of the beneficiary group.

SE operator should try to establish a warm relationship with selective media partners. If SEs do not have the connections or expertise to do so, they may consider leveraging on SE platform organisations (Examples: HKCSS, FSES, TECM), government funding schemes (ESR, SIEF), corporate partners or kind-hearted SE pro-bono consultants. Seek help from friendly partners who are capable of making the stories published in the media. Remember to share the published stories again in self-owned channels such as website, social media channels and all possible instant messaging (Examples: WhatsApp, WeChat) interest groups for extended impact.

The rest of the three concepts of People, Process and Physical evidence have a strong relationship in servicing customers and enhancing good customer experiences.

People - Staff team is usually one of the most important last-mile touch points with customers. One suggestion of recruitment criteria for SEs is to locate people who share the social mission of SE. The best is that they are willing to work with you as partners and not just as employees. It may be easier said than done. However, social entrepreneurs bearing this in mind all the time may have the chance to lessen the burden in internal marketing. Staff team who have close contact with ethical consumers are better equipped to preach the social mission associated with the SEs' business. Previous mystery shopper activities organized for students who took the FSES MSE course shows that many of the front-end staff from selected SEs do not have a clue in the associated social mission. People play an important role to influence consumers impression and attitude.

Process - Avoid clumsy, inconsistent procedures or ambiguous policies that lacks precision. Meticulous care should be given to both human and non-human interface in all process of customer encounter.

- What information need to be made available? To whom and at what touch point?
- For human encounter, the waiting time or turnaround time for service delivery.
- The same for non-human encounter (Example: on-line enquires or purchase), customers should be well-informed of a clearly defined and efficient process when being served.
- "What to do?" and "How to do?" are not just applicable to the staff team, but also to the customers' end. Clarity of procedures and policies shapes the image perception of the SEs both for internal and external customers.

Appropriate emphasis on the procedures and policies would polish the process towards perfection with the complementary effort of people.

Physical Evidences - Sometimes referred to as physical environment. It involves everything appearing visually to customers, or anything related to the senses of the consumers.

Examples:

- The shopping environment and the packaging of goods.
- The evidence of services that cannot be seen but expected by customers. (Example: During Covid-19, disinfection notices within the shop premises, or strict cleanliness guidelines in the product production and/or service delivery process.)
- Appropriate promotional messages related to the products and services offered at the SEs. The visual promotional messages should be dynamic and adaptive to emerging occasions and situations. (Examples: product trial and tasting may take turns to be arranged at certain pop-up store events or festive occasions.)

As explained earlier, "people" and "process" are closely interconnected for best-in-class customer experiences.

All 7Ps are part of the integrated marketing efforts to SEs' business. The concepts intercept and overlap with each other and therefore require an integrated planning mindset. The descriptions of these 7Ps are not only applicable to big brands and big companies. Social entrepreneurs need to prioritize the integrated marketing foci in the planning process, just like when they are prioritizing the key stakeholders in the segmentation and targeting process. Resource constraints business the urgent and important strategies and the associated tactics. Avoid doing a bit of everything as it would usually ends up in nothing. However, do not refrain from trying out new or innovative marketing initiatives. Innovative process and combinations are taking the SEs' business to new grounds and new heights.

NOTES

CREATIVE DESTRUCTION

Joseph Schumpeter (1942)⁴⁴

"The fundamental impulse that sets and keeps the capitalist engine in motion comes from the new consumers' goods, the new methods of production or transportation, the new markets, ...

[This process] incessantly revolutionizes the economic structure from within, incessantly destroying the old one, incessantly creating a new one."



5.4

SE Relationship Marketing

The essence of relationship marketing is the focus on customers, obsessing with establishing, maintaining, enhancing, and more importantly commercializing customer relationship in a mutually beneficial way⁴⁵. Within the social business context, the "customers" to focus on are the "key stakeholders" of ethical consumers, corporate and government funders, beneficiaries and perhaps NGOs related to the beneficiaries sector.

It may be a good idea to plan in a building block approach according to SEs' resources and capability. In practice, it would mean one thing at a time, with new efforts building on the success of the previous achievements. As there are multi-stakeholders' relationship to maintain, avoid the over simplistic thinking that establishing some sort of loyalty points or stamps mechanism equates relationship marketing.

Relationship marketing is a long game. It is an embedded marketing process within the holistic marketing framework. Social entrepreneurs should make relationship maintenance a long term plan, or at least medium term plan. The reason to maintain stakeholder relationships is to

create opportunities for constant contact and dialogue, ultimately arouse interest and purchase habit for attachment to SE's business. The process, be it for sales or service, could be deployed in different marketing channels and touch points.

The descriptions in **Table 5.1** list out some of the possibilities of relationship building in layman terms within the SE business context. Again the suggestions are not exhaustive, they are selective initiatives that are more achievable. The purpose is to stimulate thoughts that are relevant, applicable and doable by social entrepreneurs. There are always considerations on resources constraints especially when it comes to the use of technologies. Social entrepreneurs need to be careful to prioritize and make decisions for practical implementations, not blindly following trends that may not be relevant to contribute to the SEs' key stakeholders' relationship. Practice with **Exercise 5.1** and fill out your relationship building marketing plan with different key stakeholders.

⁴⁴ Schumpeter, J.A. (1942). *Capitalism, Socialism, and Democracy*. (pp. 82-84.)

⁴⁵ Frost, R. D., & Strauss, J. (2016). *E-marketing*. Routledge. (p. 425)

TABLE 5.1**RELATIONSHIP MARKETING POSSIBILITIES WITH SE STAKEHOLDERS (QUESTIONS TO BE ANSWERED)**

| Stakeholder Groups | Considerations and Possibilities | | | |
|--|--|---|--|---|
| Collection of contacts of various stakeholders is the key to possible future dialogue in business relationship. Regular communications are good reminders for social mission reinforcement and business stimulation. Mind that only those stakeholders who are interested in your social mission or product/service offers will provide contact informations willingly. Considerations should focus on creating situations and reasons for the willing stakeholders to stay interested and attached. | | | | |
| | Ethical Consumers | Corporate Customers | Funders | Beneficiaries and NGOs related to the beneficiaies' sector |
| Establish relationship | Any plans or means to collect contact information? (online, offline, apps) What kind of information is necessary? | | | |
| | For general consumers at the point of purchase, is there any easy-to-manage process to do so? | For bulk order of corporate procurement, has the key person-in-charge (PIC) of procurement been identified? | Who are the related PICs for progress sharing or reporting? Who are the PIC of NGOs for recruitment of underprivilege sector beneficiaries of WISE SE? | |
| | Is it possible to use simple QR code scanning process for information input without sophisticate technologies? | Any designated contact on the SE side to attend to en-quiries and needs of corporate customers and funders? | | Have you kept an inventory/record of beneficiaries' to under-stand their characteristics? |
| Maintain and enhance relationship | Where and how to keep the organized contact information? | | | |
| | Any establishment of instant messaging (e.g. WhatsApp/WeChat) groups for latest news and promotion broadcasting? | | Any plan or topics of interest for regular sharing with funders and NGOs? Any sharing of media stories on achievements of SE efforts? Any recognition of good work for employees beneficiaries? Any sharing of stories of good deeds to target beneficiaries, their families or caregivers? | |
| | Any posting and maintenance of precious stories and moments on media, FB and IG? | | | |
| Commercializing mutually beneficial relationship | Any regular, simple and manageable IM/email promotion posters to existing and previous customers? Any products/services offer line-up for regular promotions? Any special offers that call for immediate actions of general and corporate customers? Any proactive sharing of news and offers' pitch for corporate or bulk procurement? | | | Any possibility of using the beneficiaries networks for extended sharing of commercializing efforts listed on the left? |
| | Is the contents encouraged to be shared and easily sharable? | | | |
| The consideration of possibilities is no rocket science but logical planning to stimulate ideas in organized relationship building efforts on the side of the SEs. A well-planned timetable would be handy. When preparing the timetable of implementation, there should be synergy with the other holistic marketing efforts. Avoid wishful thinking or half-hearted efforts that goes beyond the existing SE's resource constraints because less is more. Positive progress usually results from well-managed tasks. | | | | |

EXERCISE 5.1

RELATIONSHIP MARKETING POSSIBILITIES WITH SE STAKEHOLDERS (FOR PRACTICE)

| Stakeholder Groups | Considerations and Possibilities | | | |
|---|--|--|--|---|
| Collection of contacts of various stakeholders is the key to possible future dialogue in business relationship. Regular communications are good reminders for social mission reinforcement and business stimulation. Mind that only those stakeholders who are interested in your social mission or product/service offers will provide contact informations willingly.Considerations should focus on creating situations and reasons for the willing stakeholders to stay interested and attached. | | | | |
| | Ethical Consumers | Corporate Customers | Funders | Beneficiaries and NGOs related to the beneficiaies’ sector |
| Establish relationship | Any plans or means to collect contact information? (online, offline, apps) What kind of information is necessary? | | | |
| | For general consumers at the point of purchase, is there any easy to manage process to do so? | For bulk order of corporate procurement, has the key person-in-charge (PIC) of procurement been identi-fied? | Who are the related PICs for progress sharing or reporting? Who are the PIC of NGOs for recruitment of underprivilege sector beneficiaries of WISE SE? | |
| | Is it possible to use simple QR code scanning process for information input without sophisticate technologies? | Any designated contact on the SE side to attend to en-quiries and needs of corporate customers and funders? | | Have you kept an inventory/record of beneficiaries’ to under-stand their characteristics? |
| Maintain and enhance relationship | Where and how to keep the organized contact information? | | | |
| | Any establishment of instant messaging (e.g. WhatsApp/WeChat) groups for latest news and promotion broadcasting? | | Any plan or topics of interest for regular sharing with funders and NGOs? Any sharing of media stories on achievements of SE efforts? Any recognition of good work for employees beneficiaries? Any sharing of stories of good deeds to target beneficiaries, their families or caregivers? | |
| | Any posting and maintenance of precious stories and moments on media, FB and IG? | | | |
| Commercializing mutually beneficial relationship | Any regular, simple and manageable IM/email promotion posters to existing and previous customers? Any products/services offer line-up for regular promotions? Any special offers that call for immediate actions of general and corporate customers? Any proactive sharing of news and offers’ pitch for corporate or bulk procurement? | | | Any possibility of using the beneficiaries networks for extended sharing of commercializing efforts listed on the left? |
| | Is the contents encouraged to be shared and easily sharable? | | | |

5.5

SE Performance Marketing

Performance marketing refers to effective measurement indicators of marketing efforts that social entrepreneurs could track continuously. The history of performance measurements have many complex scholarly discussions on financial and non-financial dimensions/metrics. To make it simple, understand measurement of marketing performance as source of market intelligence to facilitate future marketing planning and improvement. A well-defined measurement framework should always be in place with reference to the tangible and intangible objectives of the SE business.

Explanations of performance marketing is best illustrated with marketing operationalization in the Chapter 6.



BUSINESS PERFORMANCE – CARE ENOUGH TO REMEMBER THE KEY NUMBERS?

Try answering the following questions:

1. Do you remember your SE's sales performance of yesterday/last week/last month/month-to-date/year-to-date?
2. Do you know how far (above or below) is your business from breakeven this month?
3. Do you remember the monthly or annual revenue/business target?
4. Can you articulate (quantitatively and qualitatively) the social impact of your work with reference to your social mission if you achieve the business target?
5. Do you know how good your nearest competition is doing?

Some of the questions listed here are frequently asked in the capacity building training sessions of SEs in the annual TECM programme. Observations of their responses show that there is much room for improvement in business performance.

MARKETING PLAN A SUGGESTED (SIMPLIFIED) VERSION

| | |
|---|---|
| Social Mission | <ul style="list-style-type: none"> ▪ Vision <ul style="list-style-type: none"> – To be a ... (in one sentence) ▪ Mission <ul style="list-style-type: none"> – To deliver ... (something) for whom(beneficiary) – To achieve ... (tangible and/or intangible) |
| Market Studies | <ul style="list-style-type: none"> ▪ Micro/macro environment – trends ▪ Competitive Analysis (Industry, social and commercial) |
| [Research] | <ul style="list-style-type: none"> ▪ Descriptive (To inform the market situation/characteristics) ▪ Exploratory (To understand/confirm market potential) ▪ Causal (To act) |
| [Capability check] | <ul style="list-style-type: none"> ▪ Strengths, weaknesses, opportunities and threats analysis ▪ Identify the market potential |
| Marketing Objectives | <ul style="list-style-type: none"> ▪ Echo/conform/converge to social mission (Intangible) ▪ Down to products/services level (Tangible) |
| Marketing Strategy | <ul style="list-style-type: none"> ▪ Explicit and unique value proposition ▪ Segmentation for Targeting – mapping specific addressable stakeholders ▪ Positioning – from desired target stakeholders' perspective |
| Action Plans – Holistic Marketing Programmes and Tactics | <ul style="list-style-type: none"> ▪ Integrated Marketing – 7Ps (at least) – Product, Price, Place, Promotion, People, Process, Physical Evidence ▪ Internal Marketing ▪ Performance Marketing ▪ Relationship Marketing ▪ Socially responsible implementation |
| Budget – Projected Profit and Loss | <ul style="list-style-type: none"> ▪ Return on marketing effort and investment |
| Monitoring and Control | <ul style="list-style-type: none"> ▪ Specific measurements of tangible/intangible objectives ▪ Iterative/Contingency adjustments and improvements |

Implications on Resources Allocation

6 Chapter

6.1 Marketing operationalization

6.2 Social business marketing operationalization
framework explained



6.1

Marketing operationalization

Holistic marketing planning helps the construction of a marketing plan specific to an SE's business. A good marketing plan informs marketing operationalization. Marketing operationalization could be regarded as **an integrated view of holistic marketing**. It is a practical guide relevant to social business marketing implementation. Social entrepreneurs are encouraged to use the suggested template in **Table 6.1** for practice. Complete the details of an annual marketing operationalization plan with activities (programmes and tactics) specific and relevant to the SE in operation in **Exercise 6.1**. Social entrepreneurs who have joined the previous FSES capacity building training workshops are most participative in working on this exercise. Many of them could formulate new initiative imaginations with this guiding template.

The annual marketing operationalization planning is crucial to any business in operation⁴⁶. It is an iterative marketing play-book for business managers to gauge performance of the holistic marketing efforts and the return on marketing resources investments. The observations of social entrepreneurs' interest in participating in this exercise shows that this part of marketing planning could be one of the weakest links in social business marketing. It is because sometimes business managers, including social entrepreneurs, could be blurred by what is wished to be done, and unintentionally neglecting realistic business forecasting. Marketing is not a "wishing" game, but a game plan with clearly set key performance indicators (KPI) based on realistic business forecasting. The setting of KPIs, monitoring and evaluation timeline help to shape the financial health of the business.

A good marketing operationalization implementation framework should present realistic forecast of each and every marketing and sales activities. The planning is a "present continuous" exercise, meaning the plan has to be iteratively adjusted or perfected according to market situation and responses. The plan is based on social entrepreneurs':

- Understanding and research of market potential;
- The strengths, expertise, and business network of the SE;
- Assessment the target stakeholders' (consumers and ethical consumers, corporate customers, funders, and beneficiaries) responses; and
- Resources deployment within means of the SE organisation.

More importantly, the marketing activities should be part of the total effort conforming or converging to the achievement of social mission. The appropriate mindset and preparation guide cautious deployment of resources and weaves helpful adjustments to evolving situations. In the emerging business world, there is no absolute guarantee of success, but there is always leeway for do-able improvement, and the learning could sometimes unveil new opportunities or new marketing innovations.

46 簡仲勤 (2019 August 2)。「可操作化的社企市場營銷規劃」豐盛社企學會。etnet經濟通。 Retrieved from <http://www.etnet.com.hk/www/tc/soin/columnists/fses/2326>



TABLE 6.1

SOCIAL BUSINESS MARKETING OPERATIONALIZATION PROPOSED FRAMEWORK FOR IMPLEMENTATION

| MONITORING OF MOVING TARGETS: ITERATIVE ADJUSTMENT AND IMPROVEMENT | | | | | | | | | | | | | | |
|---|--|-------------------|---|--|-----|-----|-----|-------|-----|-----|-------------------|--------|--|--|
| Programmes Orientation | | | Promotion : Integrated Marketing Communications | Possible Marketing Activities (Examples) | JAN | FEB | MAR | | NOV | DEC | Target Sales/KPIs | Total | | |
| Business as Usual (BAU) | | | | | | | | | | | | | | |
| 7PS | Product | | | New customers acquisition | | | | | | | | | | |
| | Pricing | | | Sales promotions | | | | | | | | | | |
| | | | | Sales incentive | | | | | | | | | | |
| | | | | Location Base offer | | | | | | | | | | |
| | Place | | | Intermediary channels/corporate offer | | | | | | | | | | |
| | | | | Cross-over partnership (network collaboration) | | | | | | | | | | |
| | | | | Seasonal/Festive volume booster | | | | | | | | | | |
| | | | | Sales leads generation | | | | | | | | | | |
| | People | Physical Evidence | | Product/Service training | | | | | | | | | | |
| Process/ Service | New/Improved procedures for engagement | | | | | | | | | | | | | |
| | Relationship Marketing | | | Relationship building and maintenance | | | | | | | | | | |
| | | | | Existing customers retention | | | | | | | | | | |
| | | | | Repeat/Top-up/ Trade-in/Replacement | | | | | | | | | | |
| | Internal Marketing | | Key Departments' briefing | | | | | | | | | | | |
| | | | Induce staff participation | | | | | | | | | | | |
| Total: | | | | | | | | | | | \$\$\$ | \$\$\$ | | |

▪ Timing

▪ KPIs

▪ Iterative check points for new decisions

▪ Prepare for alternative actions

Always intertwined/overlapped with each other in execution

Soak for 60 seconds, think of the SE business / brand, a product / service ... stories?

6.2

Social business marketing operationalization framework explained

The programmes could be organized according to the holistic marketing framework as illustrated in **Table 6.1**. Once again, it is not necessary to do everything. Only filled out the plan with activities relevant to the specific SE's business with reference to the resources constraints. The following explanations are suggested references that may help to stimulate innovative marketing thoughts. Creativity in marketing is based on hard work from research and meticulous planning. All social entrepreneurs can display creativity if new process, new methods and new products of new combinations of elements could be dreamt up.

Possible marketing activities:

- Business as usual (BAU) is the KPI achievement assuming no additional marketing activities are planned.
- Product usually refers to new product introduction that could attract new customers. New product could also be understood as a new combination of existing product offers.

- Pricing usually refers to pricing promotions for volume sales. When considering price promotions, be cautious to take into consideration the maintenance of the overall profit margin of the business at all times. Sometime pricing also relates to special sales incentive as boosters for short term volume or stock clearance, be it for internal sales team or for collaborative partners.
- Distribution usually refers to sales channels planning and management. There could be a lot of variations catering for sales or sales leads generation and customer relationship maintenance. Considerations may relate to direct B2C sales, intermediary channels sales, B2B sales, location-base sales or partnership network collaboration.
- People, process and physical evidence usually refers to service delivery. It could include internal process enhancement with training for frontline staff sales messages alignment; new procedures to complete sales transaction; offline and online synergy; retail presence and packaging upgrade.

- Promotion usually refers to integrated marketing communications diffused throughout all marketing activities within the ecosystem of holistic marketing. SEs with small promotion budget may rely less on mass advertising, and focus more on targeted communications and public relations.
- Relationship marketing usually refers to activities that would strengthen the ties with existing customers/stakeholders. Internal marketing usually refers to cascading clearly the objectives of marketing activities. Sometimes staff offers would become an important tactic to get staff team to participate as ambassadors of promotion.
- Social entrepreneurs have to recognize the fact that individual elements within the marketing mix are not mutually independent. Any marketing initiative in the plan could involve one or more elements of the marketing mix intertwining or overlapping with each other. This is exactly the reason why operationalization planning is important. The emphasis and purpose would help to guide where to posit the possible marketing activities and how the activities are taking shape. The proposed framework is more than

just a sales plan at a glance. The quantitative sales volume allocated to each marketing activity is an iterative monitoring, learning and improvement process. Favorable or unfavorable responses of individual elements helps social entrepreneurs to build experience in running the business. Imagine all the key internal stakeholders are well aware of the necessary target to achieve and the activities' focus, the alignment of efforts and resources will become a natural outcome. SEs will become bolder in new initiatives development and more coherent in the use of resources. The qualitative outcome could also be monitored through perception or opinion surveys with both internal and external stakeholders.

EXERCISE 6.1

SOCIAL BUSINESS MARKETING OPERATIONALIZATION PROPOSED FRAMEWORK FOR IMPLEMENTATION

| MONITORING OF MOVING TARGETS: ITERATIVE ADJUSTMENT AND IMPROVEMENT | | | | | | | | | | | | | | | | | | |
|---|------------------------|--|---|-------------------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-------------------|-------|
| Programmes Orientation | | | Promotion : Integrated Marketing Communications | Possible Marketing Activities | JAN | FEB | MAR | APR | MAY | JUN | JUL | AUG | SEP | OCT | NOV | DEC | Target Sales/KPIs | Total |
| Business as Usual (BAU) | | | | | | | | | | | | | | | | | | |
| 7PS | Product | | | | | | | | | | | | | | | | | |
| | Pricing | | | | | | | | | | | | | | | | | |
| | Place | | | | | | | | | | | | | | | | | |
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| | | | | | | | | | | | | | | | | | | |
| People | Physical Evidence | | | | | | | | | | | | | | | | | |
| Process/ Service | | | | | | | | | | | | | | | | | | |
| | Relationship Marketing | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | |
| | Internal Marketing | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | |
| Total: | | | | | | | | | | | | | | | | \$ | \$ | |

CASE STUDY 2

Angelchild 星星堂

Angelchild is a WISE selling savoury snacks that promotes healthy food and provide job opportunities to youth with autism to work with their talent in the society⁴⁷. The SE expanded its portfolio of products to include noodles. The noodles are made from ugly vegetables⁴⁸ that also contributes to the reduction of food waste and environmental sustainability.

The typical distribution of Angelchild's products are more established retail/restaurant wholesale channels, online channels, pop-up stores at events and fairs, and government/corporate customers (gift-box for business or festive occasions). The co-founders of Angelchild are maintaining good relationship with its customers and channels. They are also well-aware of the strengths and weaknesses of its channel-mix. The pilot launch of noodle products has acquired good word-of-mouth with its quality and good taste.

When looking for opportunities to acquire bigger ticket sales transactions to boost revenue, there are a few possible considerations:

(i) Encourage larger wholesale orders at established intermediary retail/restaurant channels and corporate procurement. However, considering retail/restaurant channels also have volume limitations, larger orders may only lead to longer selling cycle.

(ii) Enhance exposure by participating in sales events. However, the manpower and resources are relatively demanding for participate in events, let alone the limited availability of events.

(iii) The noodle product may not be relevant to become regular corporate procurement as it cannot be considered as a pantry item.

(iv) In addition, the production capacity of exiting noodle making facilities may not be able to cope with any drastic increase of noodle sales volume.

One of the new marketing initiatives designed to target departing corporate employees who are sourcing departure gifts to distribute to fellow colleagues. The promotion message of "Till we meet again in serendipity" (有緣再見「麵」) is developed. The small change is an illustration of marketing innovation that resulted in further positive word-of-mouth and referral sales. The initiative is commendable because it facilitates the selling of more noodles in bigger per transaction volume. The initiative is also not putting incremental pressure or demand in selling resources. It is complimentary to existing process of conducting business riding on the corporate customers' network. It supports longer term relationship building and help to generate new sales leads for future sales patronization. It may even lead to business expansion opportunities.

The proven market acceptance of the noodle products has signalled potential for further business development. To prepare for upgrading of production facilities to accommodate sales growth, Angelchild thus put together a proposal to apply for new funding from ESR to expand the noodle business as a separate project. The new funding, if approved, would help to equip Angelchild with new noodle production facilities, increase production volume to cater for future sales demand. The move would further sustain the social mission of work integration by hiring more autistic youth and uplift social impact, as well as add to the contribution on environmental sustainability.

[Courtesy of Angelchild Limited]

Scan to know more



⁴⁷ Angelchild Limited. (n.d.) *About us*. Retrieved from <https://www.angelchild.com.hk/index.php?route=product/category&path=20>

⁴⁸ Also referred to as ugly food or imperfect food, can be defined as a product that does not meet market standards in terms of appearance. Bahraini, A. (2021, October 24). *What Can We Do with Ugly Food or Imperfect Products?* Waste4change. Retrieved from <https://waste4change.com/blog/why-we-should-make-peace-with-ugly-food-to-reduce-food-waste/>

7 Chapter

7.1 Social business marketing in the digital age

7.2 Consumer decision journey in the digital context



7.1

Social Business
Marketing in the Digital Age

There is a commonly agreed predisposition in the business world that businesses should become more digital as a new way of engaging with customers. Adapting to the digitally transformed business world and raising the digital quotient of the business' marketing efforts has become the priority for many business leaders⁴⁹.

Social entrepreneurs, just like any other business operators, need to acknowledge that it may be necessary to diffuse a **digital agenda** into the social business marketing process. However, as repeatedly mentioned before, social entrepreneurs need to be exceptionally cautious about

resources deployment. It is necessary to understand what unlocking "going digital" means and what are the implications of digital strategies in driving business performance results in both opportunities and threats of digital marketing deployment.

When anyone Google the phrase "digital marketing", a similar list of strategic recommendations will appear. Application of any of the suggested measures cannot be implemented independent of the holistic marketing planning and its operationalization. Digital marketing is an umbrella term for marketing efforts using digital channels.

Choose what is **applicable** and **manageable** is the first and foremost considerations. Applicable refers to digital measures that contribute to the achievement of social mission and delivery of social impact. Manageable refers to resources both in manpower and monetary terms. Marketing in the digital age is not about being carried away with fragmented digital sales tactics in the customer journey. Going digital is not the simple magical potion to business success. It is a methodical planning process to complement the strategic orientation (achieving social mission and impact) of the social business.

This chapter will discuss some of the commonly used digital marketing practices together with holistic marketing framework, models of consumer decision journey and the moments of truth in business. Plausible suggestions will be made on business demand generation and demand capturing alongside with consideration of resources constraints in the social business context.

⁴⁹ Dörner, K., & Edelman, D. (2015). What 'digital' really means. *McKinsey & company*.



7.2

Consumer decision journey in the digital context

The traditional five-stage view of consumer decision journey⁵⁰ (**Figure 7.1a**) is most commonly adopted by businesses: recognition of need or problem, information search, comparing the alternatives, purchase and post-purchase evaluation. The linear model is enhanced over time to a more sophisticated approach (**Figure 7.1b**) to navigate the business environment⁵¹. The moments of truth (MOT)⁵² is a mental model labelled as instances of touchpoints with consumers' experience. MOT characterize how customer encounter with a brand form an impression about the brand, instances in which customers are crucially intrigues,

delights, or disinterests potential customers⁵³. The new digital zero moment of truth (ZMOT)⁵⁴ (**Figure 7.1c**) further enriched the consumer decision process blending the online search behaviour and sharing of brand experiences which contributes to the word of mouth (WOM) and electronic word of mouth (e-WOM).

The overlay of the models of consumer decision journey and MOT in **Figure 7** is an integrated view for further imagination of the digital agenda in the holistic marketing planning framework.

FIGURE 7.1a

FIVE-STAGE CONSUMER DECISION JOURNEY



⁵⁰ (Cox et al, 1983, as cited in Erasmus et al, 2001). Erasmus, A. C., Boshoff, E., & Rousseau, G. G. (2001). Consumer decision-making models within the discipline of consumer science: a critical approach. *Journal of Consumer Sciences*, 29, 82-90.

⁵¹ Court, D., Elzinga, D., Mulder, S. & Vetvik, O.J. (2009 June 9). The consumer decision journey. *McKinsey & Company*.

⁵² Moran, G., Muzellec, L., & Nolan, E. (2014). Consumer moments of truth in the digital context: How “search” and “e-word of mouth” can fuel consumer decision making. *Journal of Advertising Research*, 54(2), 200-204.

⁵³ In 2005, Procter & Gamble labelled the decision to purchase a particular brand the “First Moment of Truth” (FMOT). Actual use of the product or experiencing the brand—is known as the “Second Moment of Truth” (SMOT). The subsequent decision to share experience of the brand represents a “Third Moment of Truth” (TMOT). In 2011, Google defined the online-research action as the “Zero Moment of Truth” (ZMOT), which follows a consumer’s first exposure to marketing communication for a product which serves as triggers to innate needs and wants.

⁵⁴ Lecinski, J. (2011). ZMOT: Winning the zero moment of truth. Google. Think with Google. (2011 April). The zero moment of truth macro study. Retrieved from: <https://www.thinkwithgoogle.com/consumer-insights/consumer-journey/the-zero-moment-of-truth-macro-study/>

FIGURE 7.1b

NON-LINEAR CONSUMER DECISION JOURNEY

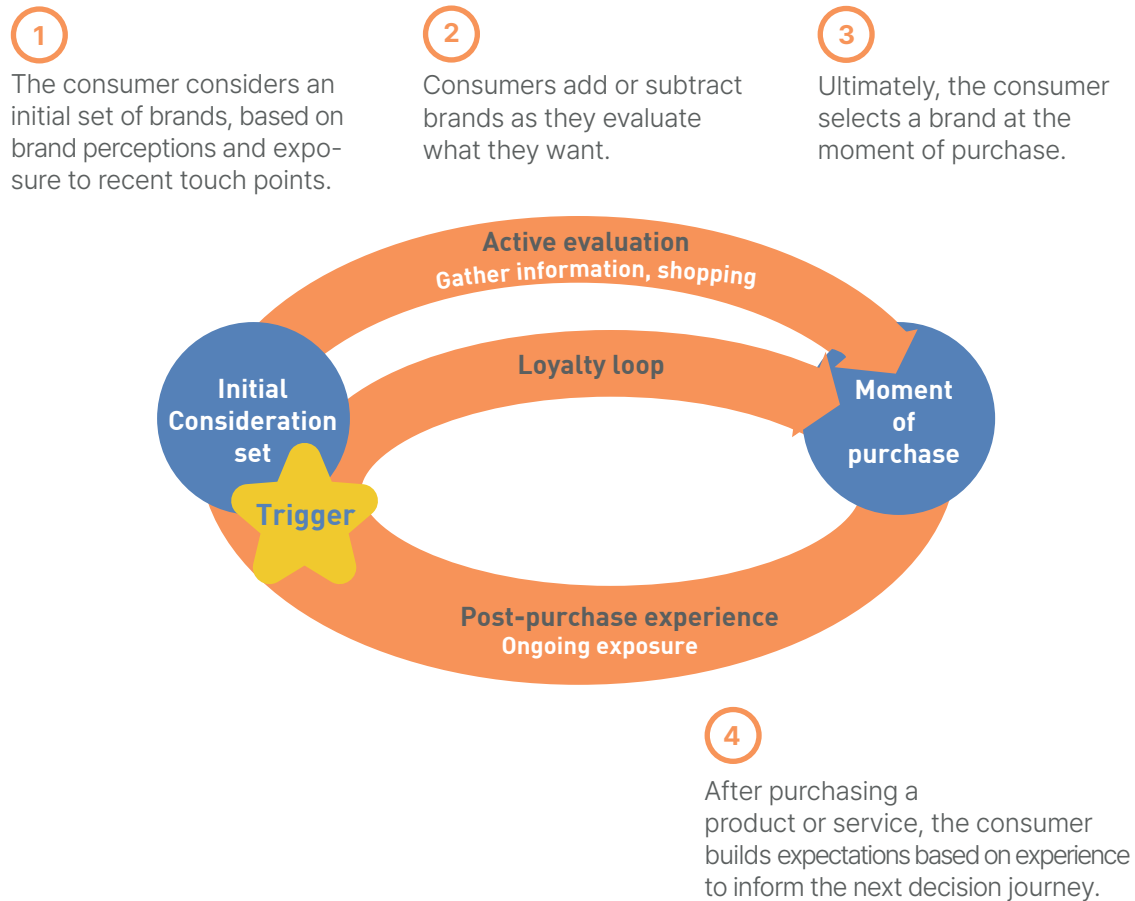


FIGURE 7.1c

THE ZMOT MARKETING MENTAL MODEL

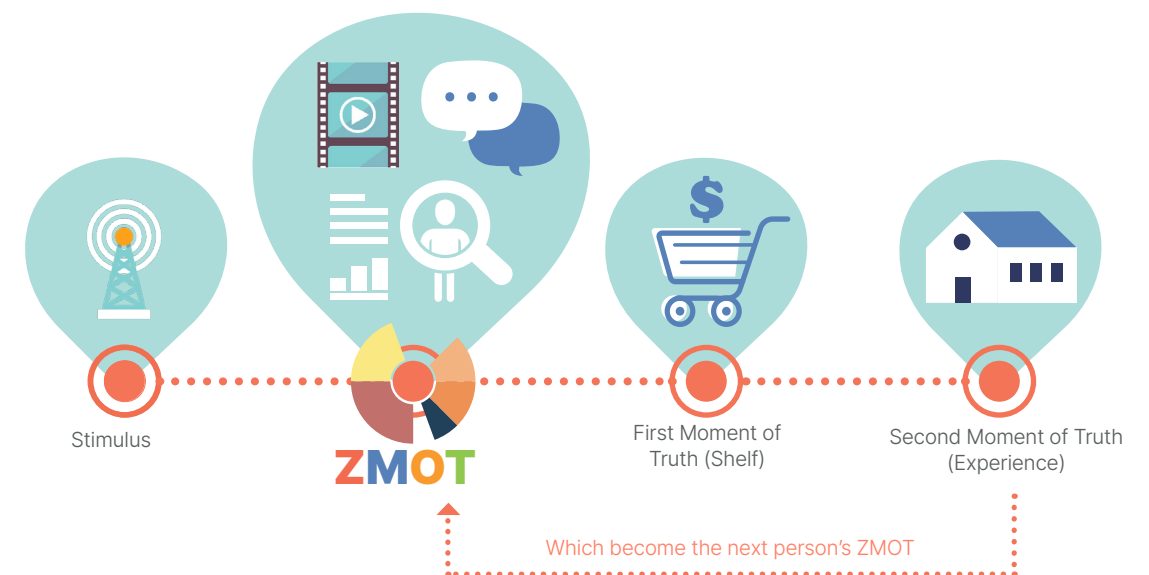


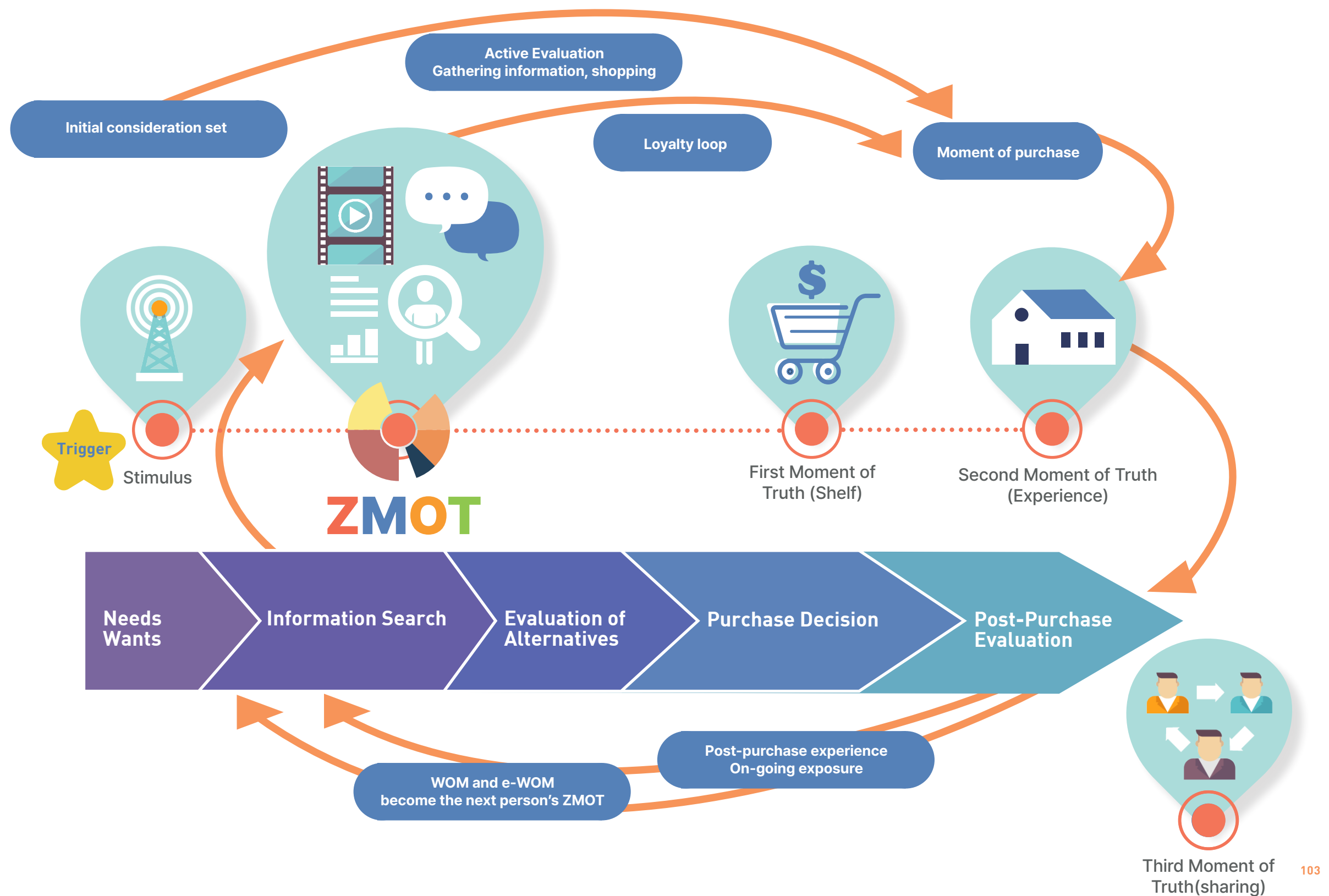
FIGURE 7.1d**CONSUMER DECISION JOURNEY AND MOMENTS OF TRUTH – AN INTEGRATED VIEW**

TABLE 7.1

SELECTED DIGITAL MARKETING TOOLS FOR DEMAND GENERATION AND DEMAND CAPTURING

| Demand Generation | Selected Types of Digital Marketing | Demand Capturing |
|---|-------------------------------------|---|
| Purpose <ul style="list-style-type: none"> Relationship building Sales leads generation Customer information capture Develop message and channels to disseminate triggers to entice customer responses | | Purpose <ul style="list-style-type: none"> Enable customer engagement and call for action at digital customer touch points Capture and analyse customer data for targeting and re-targeting Call for action and participation |
| Relationship building points to using every possible way to engage with potential customers (consumer and corporate stakeholders). By initiating customer information registration is a way to ensure continuous dialogue and sales opportunities. Digital channels should be complementary with all other offline touchpoints. The integrated view of the customer decision journeys and MOT illustrates an inter-related complementarity. | | |
| Search Engine Optimization (SEO) | | |
| The website, social media, blogs and offline outlets of a social business are some of the most immediate information that would pop up whenever interested prospective customers perform an internet search. SEO is the task of improving the company ranks when people perform organic search for terms related to the company business, market or products. Majority of internet search traffic is on Google and Google has provided guidelines ⁵⁵ for businesses to help indexing the websites. Most of the digital marketing agencies provide SEO related services. Improvement to organic search ranking may take a few months to take effect. Social entrepreneurs may want to start with improving the landing page quality. Nowadays majority of organic search may be done on mobile devices. It is quite important to make the landing pages mobile responsive with relevant information, easy to read and clickable links for easy access to demand generation. | | |

| Demand Generation | Selected Types of Digital Marketing | Demand Capturing |
|--|---|--|
| Content <ul style="list-style-type: none"> Newsletter subscription Blogpost e-book/White Papers/Re-search Report/Case Studies/ Infographics Pictures/Audio/Video visual content Welcome or follow-up to sign-ups, advice, or tips New products introduction/ Promotion offers | Content Marketing Inbound Marketing Email Marketing Social Media Marketing | Call-for-Action(s) <ul style="list-style-type: none"> Find out more Click now Register now (leave contact information) Chat now Email now Download now Buy now |
| <p>Creating an appropriate set of content is a marketing messages planning and delivery process. Develop a content library with an appropriate publishing timeline that could be used for inbound marketing, email marketing and social media marketing. To ensure content planning is concentrating on what is applicable and manageable, an assessment of internal resources, external resources and required expertise with consideration of the SE's cost constraints is necessary. The planning process also needs to address specific objectives of call-for-action. Unnecessary or uninteresting content publishing will drive customers away. Effectively customized and personalized messages for targeted customer segments raised interest in demand generation and capturing.</p> <p>In addition, the relationship between demand generation and demand capturing is a circular process. Demand generation builds the sales leads for demand capturing. When customers responded to call-for-actions, the customer list data aggregated need to be well-maintained so that subsequent demand generation contents are created for repeated demand capturing via call-for-actions. If the database is neatly organised and managed, social entrepreneurs could deepen the understanding customer characteristics overtime.</p> | | |

⁵⁵ Google Search Central (n.d.). *Search Engine Optimization (SEO) Starter Guide*. Retrieved from <https://developers.google.com/search/docs/fundamentals/seo-starter-guide>

| Demand Generation | Selected Types of Digital Marketing | Demand Capturing |
|---|---|--|
| Traffic generation <ul style="list-style-type: none"> Direct clicks to designated webpages Pay according to clicks | Search Engine Marketing (SEM) Pay per Click (PPC) Sponsored Content Native Advertising | Outcome <ul style="list-style-type: none"> Click through Conversion: Initiate contact, enquiry, application or any kind of interaction that may lead to purchase transaction. |
| SEM, PPC, sponsored content and native advertising are all paid on-online advertising using a bidding system. Budget needs to be planned in advance with attentive monitoring and iterative adjustment. SEM allows advertisers to bid on keywords related to certain products or services that users key into the online search queries. It is a form of paid advertising for the opportunity for ads to appear alongside the search engine results page. PPC mechanism drives traffic to designated webpages by paying a publisher when a paid ad is clicked. One of the most common types of PPC is Google Ads, which allows advertisers to pay for top slots on Google's search engine results pages at a price "per click" of the links placed. Same mechanism also applies for Bing search. Other digital channels where PPC is applicable include social media channels of Facebook and LinkedIn. Facebook allows paid customization of video, image post or slide show. Facebook use its algorithm to publish feeds to users that match the requirements of the advertisers. By the same token, LinkedIn is also able to send sponsored messages directly to specific users based on requirements of target industry and users' background. The PPC ads also come in a variety of formats such as small text-based ads, shopping ads, visual product-based ads that allow consumers preview of important information (e.g. price or reviews) at a glance. Native ads appear on a webpage like any other piece of content except for the word "sponsored". Native ads could be designed to soft sell products or services with more elaborate or educational content. | | |
| Common Formats <ul style="list-style-type: none"> Testimonials Unboxing Product trial or demonstrations | Influencer Marketing Affiliate Marketing | Outcome <ul style="list-style-type: none"> Click through Conversion: Initiate contact, enquiry, application or any kind of interaction and transaction. |
| Prominent social media influencers, key opinion leaders (KOL), industry experts who are popular on digital new media (IG, TikTok, YouTube, Blogs) and with lots of followers make possible the progression of affiliate marketing into one of the most popular forms of digital marketing. Influencers collaborate with advertisers for compensation by engaging audience and followers with contents such as posts, blogs, or videos to promote products or services. Quality inbound links could at the same time create new sales leads or actual transactions. | | |

| Demand Generation | Selected Types of Digital Marketing | Demand Capturing |
|--|--|---|
| Tailored marketing messages | Mobile Marketing Instant Messaging (IM) Marketing | Outcome: <ul style="list-style-type: none"> Click through, enquiries, purchase, sharing |
| According to Statista reports ⁵⁶ , majority of retail website visits are performed on smartphones and e-retail sales have also grown exponentially in the last decade. It is necessary to take the marketing messages to where the customers are by reaching them on smart phone or tablet. Mobile marketing tries to tailor offers and special content to reach target customers through text messages, videos, social media, websites, email and mobile applications. | | |
| Social entrepreneurs may consider putting more attention on IM marketing (e.g. WhatsApp, WeChat, Signal) channels, as implementation could be relatively easy to manage, shorter learning curve, and responses are also more timely. More important is the relatively low cost for flexible testing of marketing messages effectiveness. Characteristics of the messages are customarily designed to be concise. Easy to focus on smaller segments with single message at a time. | | |
| Display product Billing system | e-commerce Social Commerce | Outcome: <ul style="list-style-type: none"> Click through, purchase, read or leave comment, sharing |
| With the proliferation of digital technology in marketing, enabling e-commerce activities has become an important and necessary condition for many industries in the global retail world. E-commerce portals could be self-developed, collaboration with e-commerce platforms, through social media community, or using the help of IM platforms (e.g. WhatsApp, WeChat). As explained in the mobile and IM marketing above, reaching customers' mobile device is easier to manage and interested customers are most likely to forward the messages and thus constructively contribute to the consumer decision journey. | | |
| Social commerce is the use of social media or social commerce platforms to market and sell products and services. This type of selling model lets customers complete purchases without leaving social media apps ⁵⁷ . Shoppers can use social commerce to discover brands, research products, interact with customer support, purchase items. Social commerce reinvents the customer decision journey by featuring different approaches other than the traditional text or picture-based e-commerce shopping. Content seeding, live streaming and promotional contents for live-shopping formats are embedded in social media or e-commerce platforms for conversion. Transactions can be completed in a platform-based webstore. It is optimizing all possible opportunities within customers browsing behaviour (MOT journey) ⁵⁸ . | | |

⁵⁶ Gustavsen, A. (2022 August 31). *What are the 8 Types of Digital Marketing?* Retrieved from: <https://www.snhu.edu/about-us/newsroom/Business/Types-of-Digital-Marketing>

⁵⁷ Stanley, H. (2022 September 28). *What is Social Commerce? Definition and Guide.* Shopify. Retrieved from: <https://www.shopify.com/hk-en/enterprise/social-commerce-trends#1>

⁵⁸ Becdach, C., Kubetz, Z., Brodherson, M., Nakajima, J., Gersovitz, A., Glaser, D. & Magni, M. (2022 October 19). *Social commerce: The future of how consumers interact with brands.* E-commerce Global Initiative, McKinsey & Company. Retrieved from: <https://www.mckinsey.com/capabilities/growth-marketing-and-sales/our-insights/social-commerce-the-future-of-how-consumers-interact-with-brands>

| Demand Generation | Selected Types of Digital Marketing | Demand Capturing |
|--|-------------------------------------|---|
| Purpose <ul style="list-style-type: none"> ▪ Earned on-line coverage ▪ Present sharable good stories | On-line Public Relations (PR) | Outcome <ul style="list-style-type: none"> ▪ Entice e-commerce and social commerce opportunities ▪ Trigger interest of sharing and purchase in the customer decision journey |
| <p>The purpose of PR is to earn media coverage with voluntary write-ups from major media outlets such as TV or print media. PR has evolved over the years with people's habit of reading and sharing of news or stories on digital channels. Online PR, same as traditional PR, is earning authentic coverage in the online space. The online space could be any content-based digital publications, blogs, or web-pages. Responding to comments and online reviews of the user-generated content is also a good way to strengthen the possibility of engaging into a relationship with journalists, bloggers or any other interested stakeholders. Such transparent, genuine and productive conversation is more convincing free form of digital marketing. Online PR can work in concert with other digital marketing measures to generate interest in the consumer decision journey which may end up in business transaction.</p> | | |
| Monitor <ul style="list-style-type: none"> ▪ Measure effectiveness of marketing activities ▪ Organize customer data ▪ Acquire customer intelligence | Digital Marketing Analytics | Enable <ul style="list-style-type: none"> ▪ Marketing automation ▪ Develop new and relevant marketing offer ▪ Sales funnels management |
| <p>A prominent characteristic of digital marketing is the traceability and measurability of the activities (e.g. Impressions, clicks, comments, shares, conversions, and more) to gauge performance for marketing automation and improvement. Changes for the better can be optimized with systematic marketing analytics even when marketing activities are still running. Tracing what is working and what is not also provide insights to inform future marketing planning. This could include details like number of times a link is clicked on, time spent on a webpage, frequency of opening emails, the common drop off point (page) while customers are navigating on a website. Digital customer touchpoints could then be bettered for more efficient sales funnel management. Sales funnel is customers journey leading to sales transaction. The journey locates, nurtures and interacts with customers or sales leads with marketing messages and offers until successful sales transactions take place.</p> <p>Most of the digital marketing agencies will have readily available analytic tools to measure digital marketing efforts for customer life cycle management. One of examples is Google Analytics which can customize flexibly for the purpose of tracking digital marketing performance, maintain customer data and interpret the data for customer intelligence.</p> | | |

Marketing for results is an accumulated journey of continuous effort. All digital marketing efforts should be embedded as part of the marketing operationalization framework within the holistic marketing planning. Plan with affordable resources deployment is most important.

The list of the selected types of the digital marketing in **Table 7.1** again is not exhaustive. In the attempt to contextualize within the social business marketing perspective, social entrepreneurs need to exercise imagination to make them relevant to its own business. There are many downloadable guides online⁵⁹. By the same token, the guides may not be exhaustive or totally relevant as well.

A few suggestions and **points to note** are listed below when considering what types of digital marketing measures are relevant to social business marketing.

- There is a **learning curve** to articulate the skills in digital marketing even for social businesses that possess sufficient resources to do so. Resources point to both budget and manpower. That is the reason why applicable and manageable are so important.
- Keep in mind that **every decision** made should come down to **facilitating the target customers' decision journey**, which may ultimately perform the role of demand generation or demand capturing.

After assessing **internal resources available**, social entrepreneurs may choose to focus on just one or a few ideas before branching out. Although there are a lot of digital marketing agencies available in the market, it also takes time for the agency to become conversant about the needs and requirements of the social business and its designated target customers.

- Before going into long term **marketing technology** (martech) investments (e.g. Apps, digital analytics tools), gathering sufficient knowledge behind the driving reel is important. All readily available analytics tools **cost money**.⁶⁰
- Just a suggestion to **keep things simple**, if the social business chooses to focus on maintaining a small number of loyal customers, establishing an IM business account (e.g. WhatsApp) to handle loyal customers' enquiries and dialogue is a lot easier than building a mobile app or building a tech system to manage customer interactions.

As mentioned earlier in this chapter, going digital is not a simple magic potion. The **digital agenda** incorporates everything required to follow the customers decision journey of discovery and the various stage of MOT. It is not just about getting behind the technology, it **is about getting behind the customers**, acquire insights, both online and offline.

⁵⁹ There are many downloadable reference guides on digital marketing online. Examples retrieved from: <https://business.adobe.com/resources/guides/digital-advertising.html> ; <https://offers.hubspot.com/beginners-guide-to-digital-marketing> ; <https://blog.hubspot.com/marketing/ppc> ;

⁶⁰ Paruch, Z. (2022 December 29). *Best Google Analytics Alternatives for 2023*. Semrush. Retrieved from: <https://www.semrush.com/blog/google-analytics-alternatives/>



8

Chapter

8.1 Building reputational capital by storytelling

8.2 The power of stories

8.3 The narrative construction



8.1

Building reputational capital by storytelling

Reputation capital is an intangible asset and a decisive factor for competition because it is one of the most important instruments for diffusing corporate value and social impact. Social entrepreneurs communicate changes of the beneficiary sector, social impact and societal betterment through good stories. Good stories are significant in influencing stakeholder behaviour by campaigning for stakeholder trust.

Reputation is the sum of expectations that the civic society (stakeholders) based on the direct or indirect experiences via various online or offline media channels. Expectations, if fulfilled, generate trust and crystallize into reputational capital that accumulated over time⁶¹.

This chapter discusses the anatomy of good stories in building stronger reputational capital in the social business marketing context.



⁶¹ Klewes, J. & Wreschniok, R. (2009). *Reputation capital: Building and maintaining trust in the 21st century*. Berlin, Heidelberg: Springer Berlin Heidelberg. (pp. 1-8).

8.2

The power of stories

Good stories have important impact on business. Good design of a story, like design, is becoming a keyway for individuals and (social) entrepreneurs to differentiate goods, services in the crowded marketplace⁶².

Social entrepreneurs have to market both the social impacts and the products/services which are the vehicles bearing the social value. In reality, a good story on the social value creation can help the product/service acceptance and thus the sales. It is because the perceived value received includes not only the products or the services, but also a story about how to help others or those helped transform their lives. However, some social entrepreneurs may have overlooked this advantage. For example, social entrepreneurs may not proactively explain the social mission and social impacts of the SE to the customers and frontline staff. Good stories are not just for publishing in media. It is the brand narrative designed to communicate with stakeholders within the network of SE business context.

There are at least five types of stories (suggestion) that social entrepreneurs could prepare and communicate to stakeholders

and the public, including: Beneficiary story, Founder story, Innovation story, Impact story, and Turnaround story. Other than traditional offline media and online media channels, social entrepreneurs could also leverage other prominent platform events, such as Tite Ethical Consumption Movement (TECM), Social Enterprise Summit (SES), or any other expo events to communicate the stories to the public through off-line or online media channels.

Good stories are not limited to be published by reporters or bloggers, it could be a short post on influencer's IG, a sharing of audio-visual content on FB, a short message on IM dialogue, a salesperson's pitch, a pin on Pinterest, a business case on LinkedIn shared by the SE network of stakeholders, or countless other paid, earned, or owned media touchpoints with target stakeholders.

Media exposure is one of key success factors of social enterprises. Consumers like stories about good people doing good deed. The media coverage means free advertisements (EAV⁶³) which are more credible than commercial advertisements.

⁶² Pink, D. H. (2005). *A whole new mind: Why right-brainers will rule the future*. Penguin. (p.109)

⁶³ EAV stands for estimated advertising value that is estimated according to the length and size of the coverage equivalent to the placement of advertising of the same size.

8.3

The narrative construction

Enough have been said about the importance of good stories to contribute to image building of the social business. Many scholars have extensively discussed about what constitutes to good brand story telling⁶⁴ in business. Some of the insights applicable for social entrepreneur's reference are listed as follows.⁶⁵

- Social entrepreneurs need to identify and create valuable **themes as the centrepiece** of persuasion that become attractive and clickable headlines. The themes are messages that depicts mutual value associated with the targeted audience in mind (stakeholders).
- **Avoid one-way message** delivery as it is likely to meet outright dismissal and cynicism because of the dry content.
- Non-narrative marketing communications persuade with logic, arguments and numbers. Strong SE brand stories are **curated with engaged emotions**, profound human experiences, and unconventional rhetoric.
- Readers of a good story are not inspired by reason alone, a powerful story blended with social value **extends imagination, resonate with readers** for a long time. Most target audience enjoy reading positive aspects of a story and disregard negative ones.
- During the development of the themes, **consider the big picture** of the social mission and impact in a larger context – “a chair in a room, a room in a house, a house in an environment.”⁶⁶
- Stories fill the meaning gap, take ownership explaining the meaning of the social mission and impact through relevant text, pictures and other visuals. Turn a pitch into a story because stories **make people remember**. Make logic and numbers supportive to the centrepiece of a story, instead of the other way round.
- Consider the **news value** that attract attention if earned coverage in media channels.

- A few key elements that are common in a good story:
 - A **hero character** as the centrepiece in action to overcome antagonistic suspense. Position the problem in the foreground, not artificially painting rosy and boring pictures that may not ring true. Acknowledging the dark sides may make the story more convincing.
 - A **subtle moral truth** that sublimates throughout the story (Innovative ideas ousting old paradigm, triumph of underdogs over top dogs).
 - Diffusion or mental transformation of the hero character's **resolution of conflict experience** into the readers' own experience.
 - Energize conflict resolution into **new realities** of motivation to move forward.

- **High authenticity with impact imagination** (Examples: build confidence, support optimism, depicts well-being, sense of belonging, thrill, self-actualization, contemplation of success and achievement in life, and many more).

Good SE stories motivate readers to find out more, trigger actions in the consumer decision journey and experience the moment of truth. A summary of suggestions echoing the afore-discussions are listed in **Table 8.1** for handy reference.

⁶⁴ Avery, J. (2020). *Brand Storytelling*. HBS No. 9-519-049

⁶⁵ Fryer, B. (2003). Storytelling That Moves People. *Harvard Business Review*, 81(6), 51–55

⁶⁶ Saarinen (1956 as cited in Connolly & Rianoshek 2019). Connolly, M., & Rianoshek, R. (2002). *The communication catalyst*. Dearborn Trade Publishing.

TABLE 8.1

NARRATIVE CONSTRUCTION OF SE STORIES

| | Reference Narrative | News value |
|--------------------------|---|--|
| Founder's myth | Legendary employees, company values, how life changes under the shadow of dreadfulness | Impact Consequence Prominence Conflict Human interest Novelty Extremes/superlatives (legitimate claim, no exaggeration, e.g. the best, the highest) |
| Beneficiary story | Historical account, events leading to the founding stories, inciting incidents that throws life out of balance | |
| Innovation story | Company milestones, new products introduction, make difficult decisions despite risks | |
| Impact story | Customer testimonial, acquisition of funders' appreciation and support, restoration of balance in life | |
| Turnaround story | The crash into opposing forces and scarce resources, the struggle for survival, work on conflicts resolution ended in a rewarding journey | |

The art of storytelling takes intelligence, self-knowledge and self-insights. Social entrepreneur storytellers discover and unearth the stories that want to be told. A good story is not a shopping list or a list of bullet points. Good stories make sense of a social business origin, the founding story, tackles the present, create imagination for the future, engage in emotions, and prompt remembering and reflection.

Good stories also generate soundbites with compressed years of experience

and reflection of social entrepreneurs. It takes hard work and persistence to build compact and meaningful narratives to convey to stakeholders. "When stories come to you, care for them. And learn to give them away where they are needed. Sometimes a person needs a story more than food to stay alive."⁶⁷ Work up stories of your own social business with **Exercise 8.1**. Continue developing your own repertoire of stories is a good reminder of social entrepreneurs' original social mission, motivation and impact.

⁶⁷ Lopez (1990) as cited in Pink (2005). *A whole new mind: Why right-brainers will rule the future*. Penguin. (p.114)

⁶⁸ Fryer, B. (2003). Storytelling That Moves People. *Harvard Business Review*, 81(6), 51–55.

EXERCISE 8.1

IMAGINING GOOD STORIES FOR THE SOCIAL BUSINESS

| | Reference Narrative | News value |
|--------------------------|---|--|
| Founder's myth | Legendary employees, company values, how life changes under the shadow of dreadfulness | Impact Consequence Prominence Conflict Human interest Novelty Extremes/superlatives (legitimate claim, no exaggeration, e.g. the best, the highest) |
| Beneficiary story | Historical account, events leading to the founding stories, inciting incidents that throws life out of balance | |
| Innovation story | Company milestones, new products introduction, make difficult decisions despite risks | |
| Impact story | Customer testimonial, acquisition of funders' appreciation and support, restoration of balance in life | |
| Turnaround story | The crash into opposing forces and scarce resources, the struggle for survival, work on conflicts resolution ended in a rewarding journey | |

THE ANATOMY OF GOOD STORIES

- Engage readers within a very personal and emotional experience.
- Inspire people not merely by rational reasoning.
- A restoration of balance from a life out of balance.
- An innate pitch with problems in the foreground and how the problems are overcome.
- Honest and truthful without the predisposition of rosy pictures, humble to acknowledge the existence of the dread.
- Memorable stories display life-changing triumph over the struggle between expectation and reality.



Part III

SE Case Sharing – Longevity Design House (LDH)

The best way to learn is to gather insights and reflections from other SEs' success as well as failure. Longevity Design House is a case carefully selected from FSES acquaintances to illustrate some of the marketing concepts discussed in the previous chapters.

9

Chapter

9.1 Longevity Design House (LDH) –
Company introduction

9.2 LDH social business motivation

9.3 LDH social mission and social impact

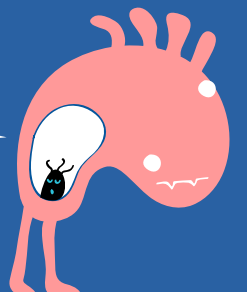
9.4 LDH brand narrative

9.5 LDH segmentation, targeting and positioning

9.6 LDH stakeholders' engagement within the
holistic marketing framework

9.7 LDH reputational capital accumulation by storytelling

09



9.1

Longevity Design House (LDH)
– Company introduction

LDH is established in 2015 with the capital registration of HK\$100 thousand by five co-founders in Hong Kong (HK). LDH provides tailored services for its customers with medical and healthcare functionality embedded interior designs. Indeed, about half of the current clients were senior citizens preparing for retirement, and the other half of them were patients suffering from physical as well as mental disabilities, such as dementia and stroke⁶⁹. The specially designed products included furniture, sanitary, kitchen and bathroom appliance.

LDH crowned itself with a socially innovative and entrepreneurial mindset. The major services offered by LDH include: (i) interior design and construction work specifically fit for elderly aging in place (居家安老) lifestyles; (ii) elderly caregivers training; (iii) sale of stylish assistive products for elderly's

daily use; (iv) connecting needy elderly clients to access different financial sources (examples: assist the application for the Building Maintenance Grant Scheme for Needy Owners (BMGSNO) by Urban Renewal Authority, Reverse Mortgage Scheme by Hong Kong Mortgage Company); (v) conscientious efforts in supporting community maintenance projects; (vi) design and build for health care institutions.

LDH has served over 6000 households since its inception. Currently LDH has seven employees. The annual business revenue of LDH is around HK\$12 million. LDH is constantly seeking new business development opportunities in gerontechnology (樂齡科技) and innovation.

⁶⁹ The French Chamber of Commerce and Industry of Hong Kong (Jan 10th 2020), Blog, "Hong Kong Echo: Five reflections with aged care interior design leader Lawrence Lui" (URL: <https://www.fccihk.com/blog/2020/01/hongkongecho-five-reflections-aged-care-interior-design-leader-lawrence-lui>)

9.2

LDH social business
motivation

Motivation and inspiration that triggered the birth of LDH as a social business are highly related to the prior personal experiences of the co-founders. The experience of difficulties as care givers to close elderly family members or siblings made the co-founders committed to work on improving the social issue of elderly care.

The co-founders are looking for self-transcendent and unique innovative ideas to solve the societal pain point of the growing aging population. LDH is established to be part of the solution to enable "aging in place" and make a difference.



9.3

LDH social mission and social impact

There are over two million (28%) population in Hong Kong that have reached the age of 60 or beyond⁷⁰. Out of which around 510,000 or 25% of the elderly population are in need of long-term care, special care or hospice care.

The social mission of “aging in place” emerged from the obvious social issue of a growing elderly population in HK. The need to create a safe and elderly-friendly living environment is essential and carries a widely recognized social impact.

⁷⁰ Hong Kong Population Projections 2020-2069. Census and Statistics Department, Hong Kong. <https://www.statistics.gov.hk/pub/B1120015082020XXXXB0100.pdf>

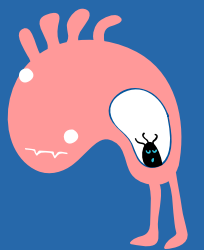
9.4

LDH brand narrative

LDH seeks to provide efficient interior designs with renovation solutions (services attributes) at a reasonable price for the social well-being of elderly to age at home (benefits) with dignity and safety (values)⁷¹. It may well be the last wish of elderly segment with poor health to spend their end of days at home instead of being hospitalized or stay in a nursing home. Yet home refitting could be a complex process that render care givers and elderlies confused and powerless. The cross-discipline team of LDH may help to make a difference.

(MEVC model discussed in Chapter 4 refers)

⁷¹ Homepage of Longevity Design House <https://www.longevitygroup.net/about>



9.5

LDH segmentation, targeting and positioning

Within the elderly target segment of LDH, the addressable sub-segments that are penetrable include elderly in need of home improvement refitting solutions to facilitate aging in place, elder in need of BMGSNO assistance, and caregivers who are looking for help to take care of elder family members.

LDH could be positioned as the most knowledgeable partner in aging-in-place solutions because LDH recognizes the needs of the elderly and enables them to live safely with dignity.

[長屋設計：居家安老的最佳伙伴，讓長者活得安全、活出尊嚴。]

(Segmentation, targeting and positioning discussion in Chapter 4 refers)

9.6

LDH stakeholders' engagement within the holistic marketing framework

Internal marketing:

- **Co-founders:** share the same aspiration to the social mission and the creation of social impact.
- **Staff team:** most of the staff joining LDH are directly or indirectly associated with the experience of caregivers and therefore make it a lot easier to align with LDH's social mission.
- LDH arranges regular elderly facility visits and professional healthcare seminars for the staff team as part of **on-the-job training**. LDH also supports staff members to acquire professional certificates in different areas of elderly care.
- **Construction workers:** LDH arranged briefing sessions for all construction workers about elderly home modification work, to align expectations with the social mission.

Integrated marketing:

- **Product**
 - Provide consistently high quality and elderly-friendly home fitting design and built solutions, home transformation and repair services for individual homes or institutions. Team up with funders to serve the elderly segment on home improvement and maintenance. On top of design, build and maintenance, develop

new products required by special projects that relate to the core business.

- Source elderly assistive products from recognized suppliers for on-line shop.
- Work with the incumbent telecom operator in Macau to develop wearable technology with location tracking functionality for elderly segment.
- The technology helps to complement the existing elderly home refitting business in Hong Kong and enables a spin-off of Longevity Technology (LT) business.

▪ **Pricing**

- Two tier pricing in place.
- Pricing at par with the market for the affluent and affordable elderly segment. Revenue is partly a plough back model to keep the social business in good shape.
- Serve the underprivileged elderly segment through Longevity Charity (長屋慈善). Funding sources include government funding schemes, corporate funders and charity foundation stakeholders who share the same social motivation in serving the elderly communities⁷². Highlights of the work by Longevity Charity are listed in **Table 9.1**.

⁷² Details are on Longevity Charity website https://longevitygroup.net/en/charity_hp_en/#CharityItem

TABLE 9.1

LONGEVITY CHARITY PROJECTS HIGHLIGHT

| Funding / Award | Funding Source and Descriptions |
|-----------------|--|
| HK\$985,250 | The Social Innovation and Entrepreneurship Development Fund (SIE Fund) Maintenance Scheme ⁷³ (2016 - 2018) <ul style="list-style-type: none"> ▪ Maintenance service for 2100 single elderly households in 7 districts. ▪ Workfare for 100 unemployed and retired technicians. |
| HK\$250,000 | DBS Social Innovator Award |
| HK\$3,000,000 | Li Ka Shing Foundation - Longevity Care Home Modification Project ⁷⁴ (2018) <ul style="list-style-type: none"> ▪ Home safety assessment and customized on-site advice on home modification for 200 solitary elderly or old couples living in private old buildings. |
| Unknown | E-pathy Home: Elderly Home Modification Project ⁷⁵ (2017) <ul style="list-style-type: none"> ▪ Collaboration with Department of Architecture of the University of Hong Kong and CUHK Yunus Social Business Centre for continuous research. ▪ Provide home design services for 20 elders living alone in public housing units. |
| HK\$150,000 | Hysan Community Connect: Elderly Home Upgrading Home U-shaped traps Project ⁷⁶ (2022) <ul style="list-style-type: none"> ▪ Examine and repair home U-shaped traps and spray nano disinfectant coating to kill 99.99% of COVID-19 for 100 elders living alone or with their partners in the non-public housings in To Kwa Wan. |
| HK\$300,000 | C.F. & Nancy Tao Foundation Limited "Home Mobile Trolley" Giveaway Project ⁷⁷ (2023) <ul style="list-style-type: none"> ▪ Design development of home mobile trolley by HKDI students to assist walking at home for 50 elderly beneficiaries with mild cognitive impairment and mobility impairment. ▪ Project is still in progress. |

⁷³ SIE official website <https://www.sie.gov.hk/en/our-work/funded-ventures/detail.page?content=1435>

⁷⁴ Li Ka Shing Foundation website <https://www.lksf.org/li-ka-shing-foundationdevotes-hk3m-to-local-social-enterpriselongevity-design-housetargets-to-serve-1000-vulnerable-elderly-in5-districts-with-in-12-months/>

⁷⁵ 社企夥拍港大建築系 為獨居長者塑造安樂窩 <https://www.mpweekly.com/culture/%e9%95%b7%e8%80%85-%e9%8a%80%e9%bd%a1%e8%a8%ad%e8%a8%88-%e9%95%b7%e5%b1%8b-39274>

⁷⁶ 希慎心繫社區 長者家居U型隔氣升級計劃 <https://www.youtube.com/watch?v=X8gzDq45Pj4&t=149s>

⁷⁷ 「長者家居隨身車」設計計劃 <https://www.youtube.com/watch?v=N1znmRd82oE>

▪ Channel

- Set up of showroom to showcase the services available. Leverage marketing technology innovation to set up online showroom experience on official website. Encourage free of charge 30-minute one-to-one online consultation. Online shop to sell elderly assistive products to augment elderly servicing business model.

▪ Integrated marketing communications

- Due to the start-up nature of the social business, there is heavy reliance on public relations and reputational capital building.
- Extensive coverage of the news stories in online and offline media for continuous cascading of the social mission and impact. The stories are organized on LDH website and shared in the social media channels.
- The efforts of LDH have resulted in numerous recognitions, accolades and awards which are supportive proofs of social impact accomplishment. Examples,

- ▶ DBS Social Innovator Award (2016)
- ▶ Jockey Club Age-friendly City Partnership Scheme (2020)
- ▶ Hong Kong Design Mark (D-Mark) Certification Scheme issued by the Design Council of Hong Kong – a proof of the value-adding prominent design ability of LDH.

- ▶ Outstanding Caring Award (SME group) from the Federation of Hong Kong Industries – LDH is the only SE receiving the award (2022)

- ▶ Web Accessibility Recognition Scheme – Golden Award (2022-2023)

▪ People

- Echoing the discussions in internal marketing, LDH have made efforts to ensure that the key internal stakeholders (staff team and construction workers) are on the same page as LDH on social mission and social impact contribution. Other than team briefing, sending selected staff team to get professional certification on elderly care is a clear indication to ensure proper customer facing at frontend.

▪ Process

- The 7-step design service process is clearly stated in the official website ⁷⁸. The added value of operational therapist assessment report and maintenance visit.

▪ Physical evidence

- The physical showroom and the on-line showroom are illustrations of LDH service offers. The showcases of portfolio samples and service stories on LDH website and social media are also transparent evidence ⁷⁹ of the capability of LDH.

⁷⁸ LDH Design Service Process https://longevitygroup.net/en/design_process_en/

⁷⁹ LDH Portfolio samples https://longevitygroup.net/en/design_sample_en/ Longevity Design House 長屋設計 Featured stories on Facebook <https://www.facebook.com/longevitydesign/>

Relationship marketing:

In relationship building, LDH has exhibited conscientiousness in accumulating a warm relationship with key stakeholders of elderly end users, corporate partners and funders. The established mutually beneficial relationships have opened possibilities in building trust, developing new products and acquiring funding support.

- **The elderly**

The beneficiary segment who wish to stay home safely and comfortably but may be in disadvantageous positions in terms of knowledge and economic conditions. Providing assistance to qualified elders with the application for BMGSNO and refitting design solutions contributes to the realization of decent living for the needy elderly segment. This is especially true for those elderly who are living in public housing. Positive word of mouth is contributing to the constant inflow of new projects and collaborations.

- **Business partners**

Building construction companies who are suppliers of building materials and equipment. Many of these companies may share similar social mission and value impact with the work of LDH. Collaboration with LDH is a way to stage its own CSR initiatives and to foster reputation capital accumulation. Maintaining a partnership relationship with elderly assistive product suppliers has opened possibilities of online shop to augment the core business model.

- **Academia and community**

LDH collaborates with tertiary education institutes in Hong Kong (examples: Chinese University of Hong Kong (CUHK) and Hong Kong Design Institute (HKDI)) on research projects related to independent elderly home design and spatial furniture design for dementia and stroke patients. LDH representatives participate in activities, forums and seminars organized by the tertiary education institutions as facilitators and guest speakers to share LDH experiences in serving the elderly segment. Contribution to public education helps in promoting extension of social impact.

- **Funders (government and private)**

LDH frequently participates in incubation and social innovation programme pitches. LDH has received support from funders who share the intrinsic social mission priorities of LDH over the years (Hong Kong Green Building Idea, SIEF, Hong Kong Jockey Club (HKJC), Yeh Family Foundation, Li Ka Shing Foundation, DBS and many others). The funding support solves the cash flow problem of LDH. In the early days of LDH establishment, funding support enables (i) the use of qualified construction workers instead of relying on volunteers to complete the refitting work for BMGSNO assistance recipients in the early days of LDH; and (ii) the setup of a showroom and extend LDH service to full house design and build construction work.

Performance marketing and marketing operationalization:

Initially, the co-founders of LDH are managing the social business marketing implementation by uncovering the tipping points of the innate ethical consumers (elderly) consumption needs. Over the years, the frequent participation in pitches for support from business partners and funders is the proactive effort on the side of LDH to communicate with other important stakeholders for continuous engagement. Bridging with funders, government or private, on elderly community projects staged LDH as a reliable partner with commitment to elderly home care social mission. Soliciting volunteers from tertiary education institutes (examples: architecture, design, social work students) to participate in community projects is a subtle way to preach the social mission and create talking points and content for publicity. Connection with relevant stakeholders through the quality services (BMGSNO, home repair and improvement) offered by LDH provide good reasons for relevant stakeholders to come back, extend support or cross referral. Maintaining good relationships with the media enables regular positive publicity for LDH.

- LDH has completed 30 home improvement projects, including five whole house renovations in the first year.
- Until September 2018, LDH has completed more than 650 home modification projects in 3 years for the elderly with different financial and medical needs. Among these projects, 515 are low-income elderly households, and 102 are private elderly clients. LDH has also successfully assisted 50 elderly homeowners to apply for the BMGSNO assistance.

- As of 2023, LDH has served over 6000 elderly dwelling households, splitting between normal elderly-friendly design and build projects, funded repair and maintenance projects and health care institutional design projects.

LDH is the cash cow in the Longevity Group. Yet, LDH is always seeking the future development in two promising directions of elderly-friendly **module-based furniture** and **IoT services**.

- The merits of the module-based furniture initiative could be manifold. It could be an affordable solution for the elderly segment who may not have the budget for home refitting. The furniture could be sold directly to the target elderly, easy to install without the need for LDH's design services. Other interior designers could also choose LDH's furniture for their elderly customers. It may well be a promising and stable source of business with the growth of the elderly population.
- IoT services are the marketing technology used for elderly health care monitoring and emergency handling. There are different hardware, applications, functions and prices evolving with technology. LDH will continue to work in this area to cope with the market needs.






(Stakeholder mapping Exercise in Chapters 1 and 4, holistic marketing in Chapter 5 refers)

9.7

LDH reputational capital accumulation by storytelling

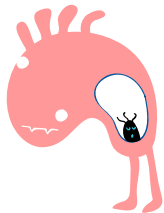
It is not an exaggeration to say that LDH has outperformed a lot of other social businesses in earning an abundance of free publicity coverage with their stories. There is way too much publicity coverage earned through public relations. The accumulated reputational capital has benefited LDH in getting attention from both ethical consumers (beneficiaries), corporate partners collaboration and funders. They are important stakeholders, valuable target customer segments and potential funders.

A selected list of publicity articles is highlighted below to illustrate the building of reputational capital through good stories.

| | Publicity Articles | Scan to know more |
|-------------------|--|---|
| Founder's myth | Personal experience inspiring motivation to give birth to the social business. |  |
| Beneficiary story | Upcycling of leftover construction materials. 利用建築剩餘物料為長者提供經濟上可負擔的小型家居維修計劃 |  |
| Innovation story | Feature story on technology innovation within the ecosystem of elderly care services. 原文網址:「長屋」創生態圈全方位服務長者 專題 etnet經濟通 |  |
| Impact story | 社企推長者專用智能手錶 進入危險區家人即收警報 |  |
| | LDH attracts funder support for sustainable business development. 李嘉誠基金會捐300萬 助社企「長屋設計」改善長者家居安全 |  |

| | Publicity Articles | Scan to know more |
|------------------|--|---|
| Impact story | Contribution to public education complementing corporate CSR initiatives. 【企業參觀】長屋設計 |  |
| | How to design an elderly-friendly home (RTHK) 社企係咁Run：長屋設計訪問 |  |
| | Design options for elderly to live with the family in harmony (RTHK) 凝聚香港 樂齡有辦法 為老友記需要貼心設計的家居設施 |  |
| Turnaround story | Overcome financial difficulties with investment from angel investor. 原文網址: 社企十年升1.4倍惟守業難「長屋設計」曾陷財困籲：欲速不達 |  |
| | 長屋設計遇「白武士」續服務老友記 |  |

(Imagining good stories for the social business in Chapter 8 refers)



Epilogue – A reflection

This is not a conclusion to summarize social business marketing. Social business marketing is an **evolving discipline** that gathers the sweat and toil of motivated social entrepreneurs to empower the growth of an interstitial economic space to advance societal transformation and betterment. It is a **collective iterative co-creation and learning process** that requires continuous quintessential innovations.

It is a sincere wish from the authors that this book could inspire motivated social entrepreneurs to challenge their old mind-set and find new frontiers in how to “do good” and “do well”. In the wrestle between the possibilities of successes (achievements) and failures (disappointments), only the ones who continue the wrestling game may see the dawning of new impact!

Let us all keep learning to uncover the new turf of social impact!

“

Do not be conformed to this world, but be transformed by the renewal of your mind, that by testing you may discern ..., what is good and acceptable and perfect.
(Book of Roman, Chapter 12, Verse 2)

”

“

The fundamental impulse that sets and keeps the capitalist engine in motion comes from the new consumers' goods, the new methods of production or transportation, the new markets, ... [This process] incessantly revolutionizes the economic structure from within, incessantly destroying the old one, incessantly creating a new one.

(Joseph Schumpeter, 1942 – on Creative Destruction) ⁸⁰

”



⁸⁰ Schumpeter, J.A. (1942). *Capitalism, Socialism, and Democracy*. (pp. 82-84.)



About the Authors

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Dr Clara Kan is currently a Senior Lecturer at the Department of Management, Marketing and Information System of Hong Kong Baptist University (HKBU) School of Business. She is the Programme Director of Master of Science in Entrepreneurship and Global Marketing. Prior to that, she is a Lecturer at the School of Journalism and Communication in the Chinese University of Hong Kong teaching courses related to integrated marketing communications, advertising and public relations.

Dr Kan is also an accomplished professional in the field of commercial marketing and sales prior to her teaching career. The footprint of her career covered telecommunications, retail, financial services and Fast-Moving Consumer Goods (FMCG) advertising at various senior positions. Dr Kan is a keen supporter to the development of social entrepreneurship in Hong Kong. She serves on the board of Fullness Social Enterprise Society since its inception in 2012. She is a member of the advisory committee of the Enhancing Self Reliance Programme of Home Affairs

Department (HAD) of Hong Kong SAR Government since 2018. She has previously served on the board of Fair Trade Hong Kong Foundation, Fullness Salon, and as a co-opted member in the Outreach Core Team of Social Innovation and Entrepreneurship Fund (SIEF), operating under the Commission of Poverty of Hong Kong SAR government. She is a business and capacity building coach for many social enterprises. She is awarded the Friends of Social Enterprise Award in 2013 organized by HAD; and received the Certificate of Commendation in 2022 from the Secretary for Home and Youth Affairs Commendation Scheme.

Dr Kan graduated from Hong Kong Baptist University majoring in Mass Communications. She holds an MBA from University of Wales in United Kingdom, an MA from the Chinese University of Hong Kong, and a DBA from City University of Hong Kong.



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Dr Kee is Chair of Fullness Social Enterprises Society Limited; Adjunct Professor of the School of Business at Hong Kong Baptist University, and part time lecturer at HKU School of Professional and Continuing Education.

He is a former member of the Social Enterprise Advisory Committee of the Home and Youth Affairs Bureau, the Community Investment and Inclusion Fund in the Labour and Welfare Bureau and the SIE Fund Task Force in the Commission on Poverty.

Before his retirement, he was a Corporate Vice President and Hong Kong Managing Director of Hewlett-Packard (HP). Out of his 26 years in HP, 9 years were in Beijing and 1 year was in Shanghai.

He graduated from the University of Hong Kong in Electrical Engineering, attended The General Manager Programme at Harvard Business School, and has a Master's degree in Christian Studies and another Master's degree in Theological Studies both from the Chinese University of Hong Kong, and a Doctorate of Education from the University of Nottingham on Life-Long Learning.



Mr Lawrence Lui Wai-ching

Inspired by the experience of taking care of his father with late stage lung cancer, Lawrence co-founded LDH in 2015. It is the first design house specializing in home renovation and maintenance for the elderly in Hong Kong. Its aim is to create a comfortable and safe living environment for the elderly in Hong Kong. In 2017, he further expanded the business into Gerontech sector and co-founded Longevity Technology building a home-based e-health system and connecting assistive smart devices. Both ventures have served thousands of elderly households in Hong Kong and Macau, framing a new service eco-system for a better aging at home experience in Hong Kong.

Prior to his current position, Lawrence has a decade of experience in education philanthropy and public relations. He served as the Global Communications Director of Yidan Prize Foundation, the largest educational prize in the world, to formulate the foundation's thought leadership and global stakeholders outreach program for the launch of the prize. He had extensive experience in serving multinational clients when he was a PR consultant of

Weber Shandwick. Besides, he has founded the public relations firm especially for social enterprise and start-up clients in Hong Kong. He has served as a member of the Youth Service Advisory Committee of the Hong Kong Federation of Youth Groups.

He is also the champion of Hong Kong Social Enterprise Challenge organized by the Chinese University of Hong Kong in 2010.

As an enthusiast in volunteering, Lawrence is passionate about promoting social entrepreneurship and age-friendly city in Hong Kong. He is the one of the board members of Fullness Social Enterprises Society and Golden Age Foundation.

Mr. Lui holds a bachelor's degree of Social Science majored in Public Relations and Advertising from Hong Kong Baptist University and an EMBA from the Chinese University of Hong Kong. He also completed the non-profit executive education programme at Harvard Business School.

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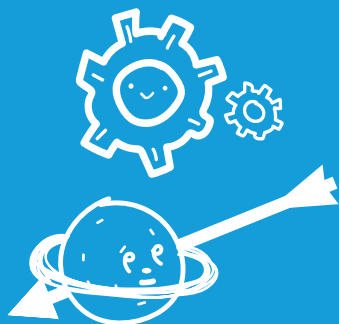
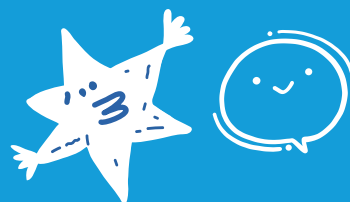


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