



LUND UNIVERSITY

# Marketing in For-profit Social Ventures

A study on social entrepreneurship in Sweden

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## Abstract

This paper explores how marketing is conducted in for-profit social ventures. Knowledge regarding the for-profit social context is considered rather limited given that it has been largely marginalized by being associated either to the fully for-profit or solely non-profit extremes. In that respect, much of the existing literature has not to acknowledge the unique challenges that a *dual mission*, such as profit maximization and social impact can represent. This study employs the lenses of entrepreneurial marketing (EM) in order to facilitate the understanding of marketing from a broader and more holistic perspective. This approach is aligned with the paradigm shift on the role of marketing, as suggested by a number of scholars and by the American Marketing Association (AMA). A qualitative study based on six cases from the Swedish fashion industry, indicate that because of the duality of missions (profits and social impact) for-profit social ventures encounter a number of *tensions* that influence the way marketing is conducted. The findings validate the premise that *tensions* arise due to the priority given to the social mission, based on whether the entrepreneur favors profits over impact or vice versa. A novel contribution of this study suggests that such phenomenon is not static, but situational. This study also elaborates on the implications on the way marketing is conducted by expanding on the role, relevance and intensity the EM dimensions play when conducting marketing in this specific context. Based on the findings, *stakeholder intensity* and *communication management* have been identified as new critical dimensions, in addition to the ones suggested by previous literature. The relevance of such dimensions arise because of factors associated with the need for aligning the mission statement with partners, the role of competition, the creation of intangible value and the need of educating the customer, among others. Lastly, this study offers implications for practitioners, by illustrating an innovative approach to the field, which pushes forward the traditional boundaries associated with marketing.

**Keywords** –Marketing, *entrepreneurial marketing*, for-profit social ventures

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# 1. Introduction

## 1.1 Background

It is a generally accepted statement that social and environmental challenges are becoming a major concern in our society (Martin & Osberg, 2007; Wilson & Post, 2013; Roberts & Woods, 2005). Most experts agree that governmental and non-profit approaches are not sufficient to solve all the major societal and environmental problems (Wilson & Post, 2013). In line with this reasoning, *market-based* approaches known as *for-profit social ventures*, also referred to as *social businesses*, have gained momentum as an innovative way to tackling social issues (Dees & Anderson, 2003). The phenomenon is becoming increasingly necessary to study, as Wilson and Post (2013, p.716) suggest “[d]espite the emerging practice of social business, and its media attention, the phenomenon has been understudied in the academic literature”. Research on the social topic has been overgeneralized by associating it to either one of the two extremes, purely for-profit or solely non-profit (Wilson & Post, 2013). Thus, it can be said that the complex challenge *social businesses* face when creating social impact, while maximizing profits have been generally underestimated (Dees & Anderson, 2003). The fact that the for-profit social context has been understudied at a macro level, might suggest that little understanding exists on specific business practices, such as the one of marketing.

Researchers and practitioners agree that marketing is fundamental for the success of any organization and that the practice of marketing is especially relevant in the case of new ventures and small and medium enterprises (SME) (Becherer, Helms & McDonald, 2012). Although for-profit social ventures share similarities with its counterparts, scholars emphasize the imperativeness of studying for-profit social ventures as an independent field of research (Dees & Anderson, 2003). According to Morris, Schindehutte and LaForge (2001) the way marketing is practiced in an organization is greatly influenced by a number of external and internal factors. Dees and Anderson (2003) and Smith, Gonin, and Besharov (2013) highlight the influence that combining social and economic goals can have on organizational strategies and they invite for further research on social ventures. Following the researchers’ logic, we believe that a for-profit social orientation could play a fundamental role in the way marketing is conducted in such ventures. The industry chosen for this purpose is the fashion industry in the geographical location of Sweden (*see sampling criteria*).

Marketing nowadays is considered as a way of doing business as a whole (Fifield, 2012, ch.5). For many decades marketing has been associated with the work done by a particular department at well-established corporations (Hills, Hultman & Miles, 2008). A growing theory stream which is to a large extent consistent with the shift of paradigm in the perception of marketing towards a more holistic one is the interface between the fields of marketing and entrepreneurship (Hills et al. 2008). According to the authors, marketing and entrepreneurship have been traditionally studied as two different fields, however in the last decades the concepts have come closer together to become what is called entrepreneurial marketing (EM). While EM used to be generally associated with small emerging businesses, because of their limited experience and resources (Jones & Rowley, 2011), it has proven to be relevant in organizations of all sizes (Whalen & Akaka, 2016).

Most academics state that the increasing relevance of EM as a way to understand marketing is predominantly due to two reasons: the influence of changes in the external environment, such as higher competition, technological developments and globalization (Kraus, Harms & Fink, 2009) and because traditional approaches to marketing are being challenged (Whalen & Akaka, 2016). Scholars such as Hills et al. (2008) argue that the traditional approach to marketing is closer related to carefully planned strategies; whereas in the entrepreneurial context marketing is practiced mostly following the natural flow of the business, with little awareness of theories and models. In this particular study we fully acknowledge the contributions of marketing as the parent field of EM, however we want to emphasize the more holistic perspective of marketing (Hills et al. 2008; Whalen & Akaka, 2016; Morris, Schindehutte & LaForge 2002; Yang & Gabrielsson, 2017) by applying the EM lenses to study the marketing phenomenon in the for-profit social context.

## 1.2 Problem statement and aims

Since context plays such an important role in the way marketing is conducted (Morris et al. 2001), the main focus of this paper is to study the field in the for-profit social venture context. Even though extensive research has been done in the field of marketing, little attention has been given to explaining the phenomenon in the case of for-profit social

ventures. The limited existing research on marketing in social ventures refers mostly to non-profit ventures, such as the work done by Shaw (2001) and Morris, Webb and Franklin (2011). Scholars attribute the gap in the literature to the fact that the field is most commonly associated with the non-profit sector. Dees and Anderson (2003) argue that a for-profit model that serves social causes at the same time is still seen as controversial. However, according to various academics, such as Peredo and McLean (2006) and Martin and Osberg (2007) companies aiming to solve social problems, while pursuing profit can perfectly be considered social ventures.

Given the wrong conceptualization of social ventures, further research appears to be needed to enhance the understanding of marketing under different contexts (Shaw, 2004; Jones & Rowley, 2011; Peredo & McLean, 2006). Supporting this argument, Wilson and Post (2013, p.730) state “[s]ocial businesses demonstrate that the creation of social and economic value does not have to be seen as inconsistent and incompatible”. In this regard, Dees and Anderson (2003) highlight the importance of studying for-profit social ventures as a unique phenomenon and similarly do Doherty, Haugh and Lyon (2014, p.418) by arguing that for-profit social ventures “[...] do not fit neatly into the conventional categories of private, public or non-profit organizations”. One of the key arguments motivating this study is that theories generally found in purely profit-driven ventures do not properly explain the interrelationships between profits and social impact; and neither does the existing literature on non-profit ventures (Wilson & Post, 2013). Thus, a study that expands the understanding of the way marketing is conducted in for-profit social ventures appears to be imperative. In order to fill this gap, the following research question will be explored:

*RQ: How do for-profit social ventures conduct marketing?*

We propose it is essential to expand the understanding of marketing given the increasing importance of for-profit social ventures in today's business landscape (Shaw, 2004). The existing literature suggests that marketing in social ventures is influenced by the following aspects: 1) the social orientation and 2) the need to communicate the mission and impact (Shaw, 2004). Given that our study focuses particularly on social ventures which are profit oriented, a third characteristic has to be considered: 3) the tension between wealth creation and serving a social purpose (Dees & Anderson, 2003). Based on the context dependency of

marketing as suggested by Morris et al. (2001) we support the belief that the *tensions* between profits and social impact, make marketing unique in for-profit social ventures. By expanding the understanding on how marketing as a holistic practice is conducted in the for-profit social context this study aims to contribute to the fields of marketing and social entrepreneurship. In practical matters the contributions of this research can benefit for-profit social ventures to being more aware on the way they conduct marketing. Additionally, it can also help traditional for-profit organizations and purely non-profit ones to deal more consciously and effectively with their own marketing operations (Smith et al. 2013).

In the following section the concepts of EM and social entrepreneurship are introduced. Furthermore, the methodological approach of data collection and analysis will be thoroughly described, followed by the presentation of results. Lastly, an in depth discussion of the theoretical and practical contributions is provided, as well as the presentation of limitations of the study and directions for further research.

## **2. Theoretical Review**

This section consists of a brief literature review on the concepts of social entrepreneurship, marketing and EM. Each one of the concepts will be defined according to the understanding employed within this academic paper. This clarification will help the reader to understand the considerations taken in the theoretical analysis.

### **2.1 Introducing social entrepreneurship**

Today social entrepreneurship is a highly discussed topic in many sectors (Wilson & Post, 2013; Peredo & McLean, 2006; Jiao, 2011). There are numerous factors contributing to the expansion of the social entrepreneurship phenomenon. The ones identified by Zahra, Gedajlovic, Neubaum and Schulman (2009) are related to the uneven distribution of wealth, state failures, the pressure of organizations to act more socially responsible and the opportunities of market trends. Social entrepreneurship under this logic is emerging as an answer to the imbalances in society (Jiao, 2011). While the phenomenon is gaining momentum, increasingly more research is being conducted around the topic. Despite the

amount of publications conducted, no universally agreed definition of social entrepreneurship exists (Zahra et al. 2009). The difficulty of selecting a standard definition occurs because of the ambiguity of the two standalone concepts: social and entrepreneurship (Martin & Osberg, 2007; Peredo & McLean, 2006; Shaw, 2004).

The majority of studies on social entrepreneurship relate to applying business knowledge to the non-profit context. Peredo and McLean (2006) state that close to 80% of press references available refer to social entrepreneurship as a non-profit practice. According to the authors, governmental interventions and non-profit organizations have been traditionally perceived as the status quo, in addressing social problems. Roberts and Woods (2005), on the other hand conceive social entrepreneurship as a way of engaging in economic activities, while contributing to society. Dees and Anderson (2003) similarly suggest that the complex dynamics and technological changes in today's environment demand a business mentality, while creating social impact. Wilson and Post (2013, p.716) cluster the definitions of social entrepreneurship and introduce the term *hybrids*, referring to them as *social businesses* and *for-profit social ventures*. According to Wilson and Post (2013) this type of businesses participates in economic activities by having a duality of missions, social impact and profits.

The understanding of mission statement in this paper is based on the definition provided by Pearce and David (1987, p.109) “[i]t is an enduring statement of purpose that reveals an organization’s product or service, markets, customers and philosophy”. Wilson and Post (2013) suggest that for-profit social ventures can be seen as strongly embedded in an entrepreneurial business context, while at the same time being preoccupied by *doing good* socially and environmentally. According to Dees and Anderson (2003) and Zahra et al. (2009) such organizations tend to prioritize the social aspect over profits. Inevitably, along with balancing social impact over profits, criticisms might arise under the eyes of outsiders (Dees & Anderson, 2003). Similarly argues Peredo and McLean (2006) by suggesting that the value for the beneficiaries should be created “[...] exclusively or in some prominent way” (p.64). However, the authors also emphasize the complexity of defining it given that the borders between profits and social impact are not easily determined.

As discussed above social entrepreneurship appears to be a field of research that evidently requires more attention (Martin & Osberg, 2007). For the purpose of limiting the complexity



of the phenomenon and for a clearer understanding of the current study, we will refer to social entrepreneurship which is profit oriented under the term of for-profit social ventures, which in this study are characterized by having the following components:

- Legally incorporated as a for-profit company (Dees & Anderson, 2003)
- Social mission contains social and environmental impact (Wilson & Post, 2013)
- Social mission is practiced in a “prominent way” (Peredo & McLean, 2006, p.64)

## 2.2 Opportunities and challenges of “doing good” in the business context

The dynamics of creating value for society while maximizing profits bring on the one hand challenges in terms of decision making and management, and on the other hand it represents a source of competitive advantage (Dees & Anderson, 2003). In the following section the business landscape of social ventures will be described with both its *tensions* and opportunities that this type of ventures normally experience.

Dees and Anderson (2003) propose that social ventures experience challenges along the value chain because of the conflicting needs of third parties such as stakeholders or customers. In this regard, Doherty et al. (2014) highlight the importance of aligning the interests of stakeholders with the respective company’s mission. Dees and Anderson (2003) argue that the priority given to the social aspect is influenced by external factors such as market trends, mostly driven by *consumer behavior*. Moreover, they suggest that *tensions* also arise due to the inherent internal organizational context. For instance, how can success be best measured, or how can companies deal with short term optimizations, while keeping the social long term goals alive (Smith et al. 2013)? Dees and Anderson (2003) elaborate on this issue by suggesting that the complexity of measuring success makes decision making complicated in this type of ventures. Another challenge generally found in social ventures is creating organizational unity by fully engaging their employees into the *dual mission* (Doherty et al. 2014). They suggest that since both types of employees (the economic motivated and the socially driven ones) are needed and it can become challenging to keep motivation consistent among all individuals. Last but not least, as Dees and Anderson (2003) indicate that *tensions* arise due to cultural traits from third parties. As suggested by the authors, it is fairly common

that outsiders adopt a critical attitude towards entrepreneurs, who choose a for-profit model for a business that is aiming a noble cause.

Despite of all the *tensions* brought by pursuing two missions, opportunities can also be identified in this context. Wilson and Post (2013) argue that a strong positive aspect in the for-profit social ventures context is related to competitiveness, where the atmosphere is one of collaboration and enthusiasm, working together for a shared cause. Social ventures are prone to “[...] encourage their competition, not fight it” which according to the author is a rather a different attitude than the one found in the purely for-profit context (Wilson & Post, 2013, p.726). Moreover, for-profit social ventures are commonly seen as more effective in their value creation compared to purely for-profit ventures, given that they generate not only economic but also environmental and social value (Wilson & Post, 2013). Additionally, as suggested by Dees and Anderson (2003) for-profit social ventures are more creative and efficient to reach their objectives as well as to meet customer expectations because of the closeness to the market.

The challenges created by the dynamics of pursuing a *dual mission* in for-profit social ventures reinforce the importance of enhancing the understanding on how marketing is conducted in this particular context. The following section provides a discussion on marketing and entrepreneurship in order to generate a common ground on how marketing will be understood in this study.

## 2.3 Introducing marketing

Marketing as a field of study and practice has evolved radically over the years (Webster, 2005). According to the author, the term marketing was originally used to describe the practice of any economic activity. The term later developed towards a more strategic and managerial practice to facilitate sales. This definition of marketing is mostly focused on activities related to the *marketing mix: price, product, promotion and placement*. According to Collinson and Shaw (2001) the large majority of practitioners still conceive marketing from the traditional *managerial perspective*. However, Fifield (2012, ch.5) argues that marketing today plays a much more protagonist role in the business environment. Similarly

does Webster (2005, p.121) who elaborates on the shift of marketing towards a more inclusive one, by suggesting that marketing is “[...] the definition, development, and delivery of customer value that focuses on marketing as a set of business processes rather than as a separate management function”. Aligned with this paradigm shift, the American Marketing Association has adapted its definition, towards a more holistic one, which states:

“[m]arketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large” (AMA, 2017).

The broader definition of marketing as presented by the AMA is evidently more aligned to the one proposed by Fifield (2012) and Webster (2005). Under this perspective marketing is conceived as a way of conducting the organization as a whole entity. Becherer et al. (2012) argue that the new role of marketing has become fundamental for the success of any organization, but especially critical in the case of new ventures and SMEs. The argument presented by Becherer et al. (2012) is supported by the fact that new ventures and SMEs normally encounter a higher degree of vulnerability and uncertainty; commonly refer to as *liabilities of newness*. The fact that the definition of marketing has been expanded towards a more holistic one makes the field gain relevance; however, it also increases the complexity of studying it (Fifield, 2012). The study of marketing in the case of new ventures is believed to represent a challenge on its own; as described by Kraus et al. (2009) marketing in new ventures is often conducted in manners that are far from conventional and practiced in an unconscious way. Hills et al. (2008) and Morris et al. (2001) suggest that the way marketing is conducted is tremendously context dependent. Morris et al. (2001) argue that marketing is shaped by a number of internal and external factors. The author refers to these factors as *external environmental conditions* related to the influences such as industry dynamics, higher competition and increasing market complexity, and *internal organizational environment* associated with factors such as culture, strategy and company structure (p.40).

Given the complexity and context dependency, when it comes to studying and practicing marketing, we have opted to apply the lenses of EM to study the phenomenon of how marketing is conducted in for-profit social ventures. The reasoning behind this decision is supported by the applicability and relevance of EM in today's business environment and

especially in the case of new ventures (Whalen & Akaka, 2016; Hills et al. 2008; Morris et al. 2001, 2002).

## 2.4 Entrepreneurial marketing (EM)

EM has developed as a highly relevant field of study over the past two decades (Hills et al. 2008). Several theories have been introduced trying to explain the reasons behind the EM phenomenon. However, most academics agree that the increasing relevance in the field is fundamentally due to two reasons: a) the influence of external changes such as globalization, higher competition and technological developments (Hills et al. 2008; Kraus et al. 2009); b) the fact that traditional approaches to marketing are being challenged in order to be more practical in the entrepreneurial context (Whalen & Akaka, 2016). Similarly, Morris et al. (2002) argue that traditional marketing does not sufficiently serve entrepreneurial ventures in today's context.

The initial foundations of EM, derived from the management and marketing discipline, have significantly evolved over the years and have resulted in a fully established field of study and practice (Miles, Gilmore, Harrigan, Lewis & Sethna, 2015). EM has grown from being a niche field, generally associated with marketing practices in small firms, to becoming a mainstream practice, accepted among most practitioners, independently of the size of the company (Miles et al. 2015). Supporting this argument, Whalen and Akaka (2016) and Morris et al. (2001) suggest that EM is a valid approach to understand and practice marketing not only in the new venture context but also in established SME and large corporations. Research by Shaw (2004) proposes that the interface between entrepreneurship and marketing can be fruitful ground for any firm, given the common and complementary characteristics both fields poses. According to Collinson and Shaw (2001, p.196) the key areas of interface between entrepreneurship and marketing are *change focus*, *opportunistic in nature* and an *innovative approach to management*.

### 2.4.1 Entrepreneurial marketing perspectives

Studies conducted regarding the interface between entrepreneurship and marketing started already in 1982 (Hills et al. 2008). Over the last decades the field has been reinvented

multiple times and evolved through several perspectives. The different perspectives on EM have resulted in the establishment of different schools of thought (Hills et al. 2008). Based on work done by Yang and Gabrielsson (2017) the four main perspectives of EM are here synthesized (see Figure 1): 1) the similarities and differences between entrepreneurship and marketing; 2) what can entrepreneurship contribute to marketing; 3) what can marketing contribute to entrepreneurship; 4) EM as a combination of complementary characteristics between marketing and entrepreneurship that create a *unique outcome* (p.2). In the case of this specific study the lenses of EM are based on the fourth perspective from Yang and Gabrielsson (2017).

### Perspectives on Entrepreneurial Marketing

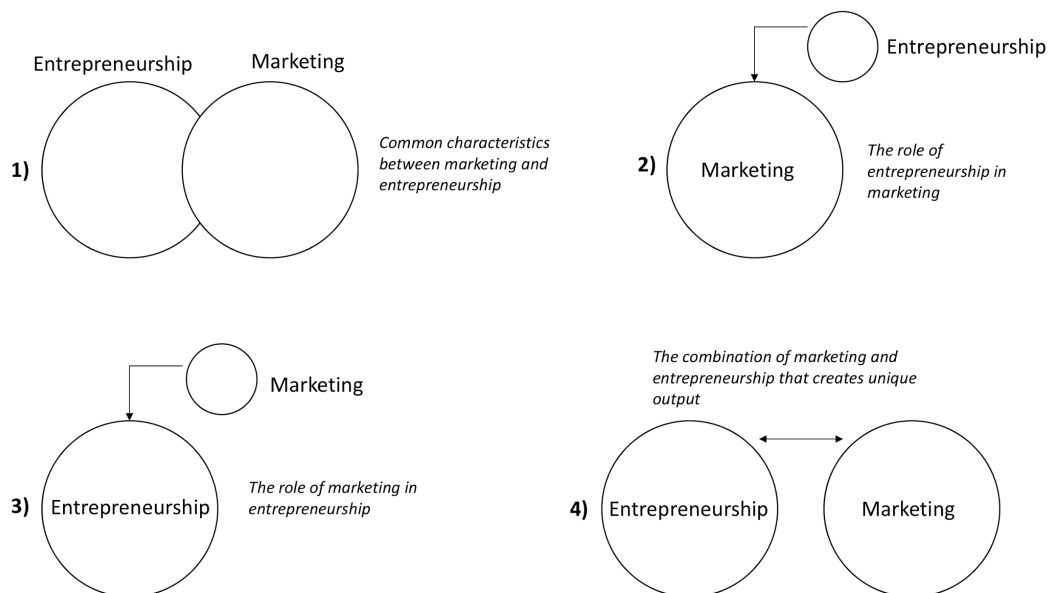


Figure 1. Adapted from Yang and Gabrielsson (2017, p.2)

#### 2.4.2 Entrepreneurial marketing definition

The establishment of different perspectives in EM has on the one hand enriched the general understanding of the field and on the other hand, it has led to a lack of consensus among scholars, concerning the definition of EM (Collinson & Shaw, 2001; Miles et al. 2015). Even though, no common agreement on the ultimate definition exists, most of the prominent researchers in the field agree that EM contains elements of *innovativeness*, *risk taking* and *proactiveness* (Morris et al. 2001; Collinson & Shaw, 2001; Jones & Rowley, 2011). The

definition of EM better aligned with the perspective employed within this study is the one proposed by Morris et al. (2002, p.5):

“[marketing is] the proactive identification and exploitation of opportunities for acquiring and retaining profitable customers through innovative approaches, through *risk management*, resource leveraging and value creation”.

Based on the definition provided by Morris et al. (2002) seven dimensions are considered to be fundamental in EM (*see Figure 2*). It is important to clarify that the dimensions are not mutually exclusive, but rather complementary (Morris et al. 2002).

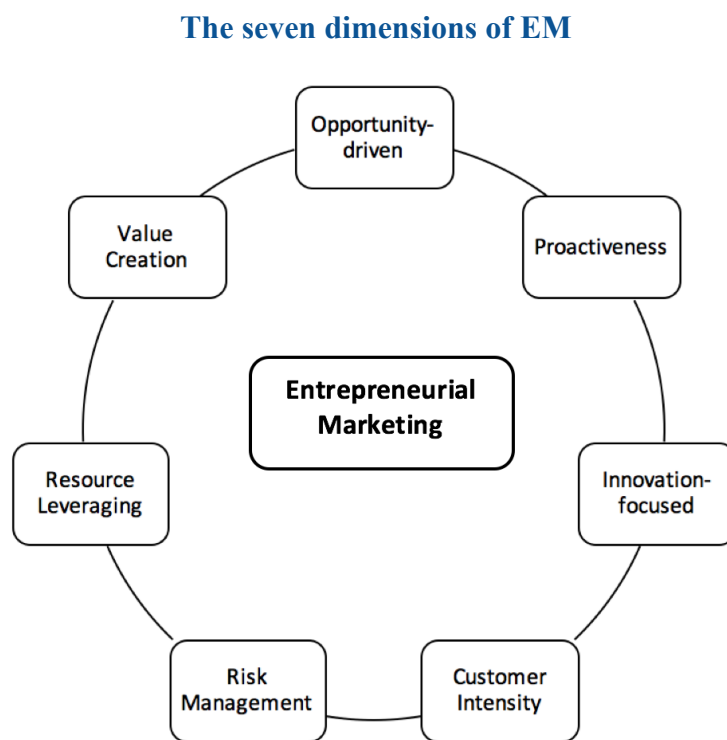


Figure 2. Adapted from Morris et al. (2002)

(1) *Opportunity-driven* refers to the ongoing identification of opportunities and actions. Shaw (2004) suggests that organizations that consistently practice EM are better positioned when it comes to identification and exploitation of opportunities, compared to those organizations that do not practice EM “[o]pportunities represent unnoticed market positions that are sources of sustainable profit potential” (Morris et al. 2002, p.6).

(2) *Proactiveness* is based on the premise that, by not assuming the external environment as given, but rather as a source of opportunities the firm can influence its environment and therefore become less vulnerable to external factors (Morris et al. 2002). In this respect, *proactiveness* refers to the steady search for new approaches in order to gain competitive advantages through constant improvement. In a similar direction Yang and Gabrielsson (2017) point out that the focus of *proactiveness* in EM should be to anticipate future needs.

(3) *Customer intensity* refers to the proximity and the level of interaction the firm has with its customers. “EM incorporates the need for creative approaches to customer acquisition, retention and development” (Morris et al. 2002, p.7). EM therefore encourages an intimate and personal type of relationships with customers that can result in emotional links between the brand and the customer (Yang & Gabrielsson, 2017).

(4) *Innovation-focused* refers to the ability to generate a constant flow of commercially viable ideas; by commercially viable meaning that the ideas have an economic market potential (Morris et al. 2002). Innovation is not limited to products or services but also includes technologies, processes and new approaches (Yang & Gabrielsson, 2017). As explained by Morris et al. (2001, p.40) innovation emerges out of the relationship between *internal organizational environment* of the venture and *external environmental conditions* that surround the venture’s environment.

(5) *Risk management* refers to calculated management of risks. The approach to *risk management* in EM consists of identifying risk factors in order to mitigate them or share them in creative ways (Morris et al. 2002). According to the author this can be achieved by allocation of resources and decision making; for example, collaborations, outsourcing operations, working with extreme users, and so forth. Yang and Gabrielsson (2017) suggest that *risk management* enhances the capacity of a firm to deal with external challenges and as a result the firm becomes more flexible.

(6) *Resource leveraging* is based on the premise that entrepreneurs are not limited by the

resources at hand, but rather manage to do more with less by the application of creativity. Resource leveraging for Morris et al. (2002) can be achieved in multiple ways, by stretching, combining or lending resources. A key element in this dimension is the leverage of resources by networking that occurs when the entrepreneur makes use of his/her personal or professional network in order to accomplish a given task (Hills et al. 2008). Yang and Gabrielsson (2017, p.3) describe resource leveraging “[...] to achieve more with less”.

(7) *Value creation* according to Morris et al. (2002) consists on the continuous discovery of new sources of value and ways to deliver this value to the customers. Under the lenses of EM the creation of value is conceived as a requirement for the transaction to take place, meaning that every decision should be oriented towards enhancing the value experienced by the customer (Morris et al. 2002). Yang and Gabrielsson (2017) suggests that given the dynamic and competitive market conditions, the value offer needs to be continually refined in close interaction with the customer.

## 2. 5 Summary of theoretical chapter

In this chapter a discussion of several theoretical perspectives around the concepts of social entrepreneurship and EM was conducted. A first outcome was the establishment of the definition of for-profit social venture employed within this paper. The definition includes the characteristics of legally incorporation as for-profit (Dees & Anderson, 2003), a holistic social mission including environmental and social impact (Wilson & Post, 2013), which is pursued in a *prominent way* (Peredo & McLean, 2006, p.64). Moreover, the tensions and opportunities arising due to the *dual mission* were presented in order to better understand the for-profit social venture context. Finally, the EM perspective adopted in this paper was developed which according to Yang and Gabrielsson (2017) results as *a unique outcome* out of the interaction between entrepreneurship and marketing. Lastly, the definition of EM and the seven dimensions identified by Morris et al. (2002) were discussed as a basis on which marketing in for-profit social ventures is to be developed in the next chapters.



## 3. Methodology

In the following section the methodological approach chosen to support the purpose of this paper is described in depth by elaborating on the research approach, which includes the method, rationale, and the research purpose. This section also elaborates on the data collection by describing the instruments applied, the sampling criteria and how the cases were selected. Lastly, the data analysis is presented, including the analysis as well as validity and reliability of the study.

### 3.1 Research Approach

**Method:** The cases of analysis in this research are social ventures which have a for-profit orientation. The method adopted reflects the need to generate new theories and complement existing ones in the field of for-profit social ventures. In particular, the strategy chosen is *Theory-building* from the perspective of Eisenhardt (1989). Building theories as a research method consist in gathering empirical data from cases in order to develop *propositions* and directions for validation and future research (Eisenhardt & Graebner, 2007).

**Rationale:** Since the phenomenon of marketing in the for-profit social context is considered understudied (Dees & Anderson, 2003; Wilson & Post, 2013), we argue that an *inductive approach* based on multiple cases is the most appropriate strategy for generating *new theoretical insights* as suggested by Ozcan and Eisenhardt (2009) an *inductive approach* is particularly valuable, given that it can provide deeper understanding to concepts that existing theories fail to address (Eisenhardt & Graebner, 2007). The initial insights on the topic and refinement of the interview guide were extracted from a pilot study that consisted of two in depth interviews with two ventures. Additionally, an extensive literature review in both social entrepreneurship and entrepreneurial marketing was performed. The decisions and steps taken in the methodology therefore reflect a general understanding of the phenomenon. However, it is important to clarify that they are not entirely based on preconceived models or theories (Eisenhardt & Graebner, 2007).

**Research purpose:** the aim of this study is to build theory for an understudied topic, namely marketing in for-profit social ventures (Dees & Anderson, 2003; Wilson & Post, 2013). The

outcomes of this research are to be presented in the form of theoretical contributions, also known as *propositions* (Eisenhardt & Graebner, 2007). The theoretical contributions in this paper aim to complement the limited amount of existing theories on how marketing is conducted in for-profit social ventures and to stimulate further research in the social context; thus potentially becoming the bridge to other deductive quantitative studies.

### 3.2 Data Collection Method

**Instruments:** The main source of data collection consisted of in depth, semi-structured interviews. In this particular study seven interviews were conducted. According to Eisenhardt and Graebner (2007, p.28) “[i]nterviews are a highly efficient way to gather rich, empirical data”. This particular interviewing technique facilitates gathering complex information, including *factual* data, such as numbers and dates, but also *narrative data*, such as details and reasons for happenings (Ozcan & Eisenhardt, 2009, p.252). The interviews were conducted with the CEOs and/or founders of the six for-profit social ventures presented below (*see Table 2*). The focus of the interview was on the founder/ entrepreneur, given that the literature suggests such role is crucial in new ventures (Kilenthong, Hills & Hultman, 2015). Three out of the seven interviewees were away from Sweden during the data collection period, therefore communication took place both face to face and also through online video services.

The interview guide consisted of three sections (*see Appendix 1*). The first part aimed to understand marketing in general, such as the idea, the business model and mission statement. The second part intended to grasp more specific marketing practices. The length of the interviews ranged from 45 minutes to 90 minutes. The interviews were recorded and transcribed, either manually or through an online transcribing tool called *Voice Base*. The quality of the transcriptions were later verified by the interviewers and adjusted accordingly. A further source of data, besides in depth interviews, was information available online, such as the company website, CVs of the founders, social media presence and third party previous interviews. The decision to incorporate secondary data was motivated by the need to gain a more holistic understanding on the venture and the entrepreneur behind it. Another reason that motivated the collection of secondary data was the need to validate the information gathered and to increase its accuracy (Ozcan & Eisenhardt, 2009). Furthermore, to increase the accuracy of the findings follow-up emails were exchanged after the interview for

clarification on specific missing details (Eisenhardt, 1989).

**Sampling criteria:** A key sampling criteria in this study is the focus on ventures working in the fashion and accessories industry. This industry is considered to generate the most social and environmental imbalances in the world today (The True Cost, n.d.). *Social businesses* tackling the problems created by the fashion industry are numerous around the world and Sweden seems to stand out in their commitment towards environmental practices (ASFB, n.d.). The fact that a pilot study was conducted beforehand, pointed out the importance of narrowing down our sampling to one industry and to a specific business model (B2C). Murphy (2007) suggests that marketing products directed to a broad pool of customers is believed to require a more emotional and relationship based strategy, than addressing to specific business players.

In order to reduce the influence of *idiosyncratic traits* we opted for Sweden as a sampling criterion in terms of geographical location. However, despite being based in Sweden the ventures chosen serve an international audience of customers; since all of them operate through their own web shops and provide world-wide shipping (*see Table 1*). As a measure to determine the stage of development and size of the company before conducting the interviews, we gathered general data available online for each individual case and verified whether the ventures met the criteria or not; in this way guaranteeing the sample to be as homogenous as possible.

<b>Sampling Criteria</b>	
<b>Age</b>	X > 2 years
<b>Mission</b>	Social mission (social and/or environmental)
<b>Legal structure</b>	For-profit
<b>Location</b>	Based in Sweden
<b>Founder</b>	Active

<b>Business Model</b>	B2C
<b>Industry</b>	Fashion & Accessories Industry
<b>Online presence</b>	Functioning Website and social media

Table 1. Sampling criteria

**Selecting the cases:** The participating ventures have been chosen based on *purposeful sampling*, and more specifically *homogeneous sampling* (Patton, 1990 cited in Coyne, 1997) meaning that certain characteristics have to be present. The participating ventures were found mainly through online research and referrals. The ventures were approached via email including a limited description of the purpose of the research (*see Appendix 2*). Additionally, a *snowball* sampling method also referred to as *chain sampling* has been used in order to identify new potential interviewees based on references from previous candidates (Patton, 1990 cited in Coyne, 1997, p.627). The author suggests that *purposeful sampling* facilitates the identification of relevant and consistent insights. Additionally, Eisenhardt and Graebner (2007) argue that *purposeful sampling* along with a multiple case approach can provide a strong base for theory building. Lastly, the application of a multiple case approach as suggested by Eisenhardt and Graebner (2007) enables a greater exploration of the research purpose and offers the chance for replication and extension of theories.

This particular study consists of six *cases of analysis* which according to Eisenhardt (1989, p.545) is a reasonable number “[...] while there is no ideal number of cases, a number between 4 and 10 cases usually works well”. The argument of the author is based on the logic that more than ten cases can become too complex to handle because of the amount of data, and less than four is not recommended given the lack of empirical ground for generating theories (Eisenhardt, 1989). The main characteristics of each case are presented below (*see Table 2*). Even though, the selected sample intends to be as homogeneous as possible, the participant ventures vary in aspects such as the number of employees, years of operation, and customer segment. According to Järvensivu and Törnroos (2010, cited in Yang & Gabrielsson, 2017) a controlled amount of diversity in the sample studied is positive, because it can bring valuable insights for broader generalizations.

Characteristics of the ventures and interviewees					
Name	Interviewee(s)	Launch	Industry	Location	Nr. Employees
Dedicated	Johan Graffner (CEO)	2012	Street wear	Stockholm	8
Don Devida	Isaac Vazquez (CEO)	2014	Street wear	Malmö	1
Moyi Moyi	Jenny Nordlöw (CEO)	2013	Accessories	Stockholm	2
Hargreaves	Jemima Hargreaves (CEO)	2015	Jewelry & Accessories	Stockholm	5
Mühlow	Kerstin Mühlow (CEO)	2013	Baby clothing	Malmö	6
Adore us	Sara Svantesson and Sabré Isaacs (Founders)	2015	Baby clothing	Malmö	2

Table 2. Case characteristics

### 3.3 Data Analysis

**Method of analysis:** The *levels of analysis* in this study consisted of the entrepreneur and the venture. An analysis of data at these two levels implies understanding in depth each particular case and identifying themes of relevance before conducting cross case analysis (Eisenhardt, 1989). When performing the *cross-case analysis*, visual constructs were developed for facilitating the understanding and identification of patterns and themes. Relationships among the cases were identified, coded, compared and contrasted with conflicting and supportive theories. In this respect, the analysis has taken into consideration an *iterative process* between data and theory, as suggested by (Eisenhardt, 1989, p.545). The *nodes* included in the data analysis are considered both deductive and inductive, given that part of them were based on the theoretical review and others emerged in the research process. Finally, the findings were elaborated in the form of *propositions* for further discussion (Eisenhardt, 1989; Ozcan & Eisenhardt, 2009). As mentioned in the research purpose section, the aim of this study is to build theory for an understudied topic: marketing in for-profit social ventures.

**Validity and Reliability:** Theory building based on the approach proposed by Eisenhardt (1989) requires certain measures to be taken, in order to prevent bias. Aiming to minimize the influence of preconceived theories we fully acknowledge being grounded in existent literature to some extent, however further insights and theories are brought into the discussion later, in order to not influence the *emerging theory* (Eisenhardt, 1989). Secondly, measures were taken into consideration in order to increase the reliability of the data collection by looking into secondary sources of information and validating consistency (Ozcan & Eisenhardt, 2009). Moreover, the investigated theme was revealed to the interviewees neither before, nor during the first part of the discussion, in order to prevent biasing (*see Appendix 2*). Some candidates asked for the questions in advance in order to feel better prepared, however they were told there is no need for preparations and that the questions are rather general, aiming to understand how their company do business. Only after clarifying what marketing meant for them, and the *tensions* of dealing with profits and social impact the terms were introduced for further used in the later stage of the interview. Finally, on the video interviews, we stressed the importance of conducting the interview with the camera on, so that the interview was as similar as possible to a physical encounter. This allowed the interviewers to better steer the conversation and make sure record the interviewee's gestures and other nonverbal expressions.

## 4. Results

In the following section the results from the empirical research of individual cases and across cases are presented (*see Table 3*). The results are based on the iteration between data collection and theories, previously introduced in the theoretical review. Additionally, this section includes the results that emerged from the data collection. The general results here discussed include the following: a) the influence of having a duality of mission in the way marketing is conducted; b) a general discussion on how the seven dimensions of EM are practiced in the case ventures and lastly, the emerging dimensions specific to the for-profit social venture context.

Themes	Dedicated	Don Devida	Moyi Moyi	Haregraves	Milblow	Adore us
<b>Mission Statement</b>	The idea is to combine our passion for graphic design and collaborate with other creatives around the world to build a sustainable lifestyle brand.	We are constantly looking for new ways to minimize the environmental hazards. Through our cloths and projects we strive to give our audience the possibility to make an influence in the world.	Moyi: Moyi offers a collection of bags that explore Scandinavian simplicity and African craftsmanship. Moyi Moyi's philosophy combining design, sustainability, premium quality materials and classic style.	Haregraves Stockholm is an ethical fine jewelry brand that not only focuses on creating beautiful, wearable pieces but on making those pieces as responsibly and as ethically as possible.	Milblow promotes ecological, fair trade and responsible production through education, technology, partnerships and the commercialization of clothing.	Sara: Swedish: Studies in design. Work experience in Wellness. Sabre: S.African. Studies in Management: Work experience in fashion.
<b>Background of the entrepreneur</b>	Johan: Swedish. Studies in Business Administration. 20 years in the fashion industry.	Isaac: Swedish, family background from Chile/Iran. Studies in Graphic Design. Work experience in politics and business consulting	Jenny: Swedish. Studies in Political Science. Work experience in politics and business consulting	Jemima: Swedish-British. Apprenticeship in jewelry design. 17 years of work experience in the high end jewelry industry.	Kerstin: Swedish. Studies in Business Administration. Work experience in IT project management	Work experience in Wellness. Management: Work experience in fashion.
<b>Driving force</b>	Opportunity recognition	Problem identification	Opportunity recognition	Problem identification	Problem identification	Opportunity recognition
<b>Legal Structure</b>	For-profit	For-profit	For-profit	For-profit	For-profit and Nonprofit	For-profit
<b>Definitions of marketing</b>	Marketing is bringing awareness about the brand and products... and trying to put a positive image through your products. Just make something out of nothing.	Marketing is to be unique and try to do something that is very personal that you put your brand where your heart is. [...] You cannot fake it. If you fake it eventually people will notice	Well I mean of course marketing means a lot. But I don't do that much traditional marketing [...] but yeah I mean it's a way to reach the customer of course [...] I think it is all about word of mouth.	It has to be easy, you have to take hard work out for people. And that is marketing and having the right kind of message, but also having a strong brand to back up I think	Marketing is about creating collaborations to gain business advantages. We want to sell a movement and a contribution to a better world.	It is crucial, it is everything actually. We are getting a little bit numb with all the ads and promotions. We need marketing to be more personal
<b>The 7 dimensions of EM</b>						
Opportunity driven	Reshaping business model	New and unique materials	New partnerships	Ethical raw materials	Integration of new technology	Partnerships for expansion
Proactiveness	Product design- arts and fashion	Sales and promotion	Adapting to hostile external env.	Active involvement in the industry	Trend settler- technologies	Active search collaborations
Innovation focused	Collaborations for product design	New revenue streams	Stylish & craftsmanship	First mover advantage	Cross sectoral collaboration	New product idea, new twist
Customer intensity	Indirect interaction through retailers	Personal connection	Responsiveness to feedback	Product co-creation	Interact on a personal basis	Personal relationships
Risk management	Business model-online sales	Online sales and direct sales	Quality control- partnership	Transparency- certifications	For-profit and nonprofit	Suppliers geographically closer
Resource leverage	Lower production costs, mentoring	Mentoring. Limited support	Community of sustainable brands	Relatively limited- foreigner	Collaborations across industry/es	Mentoring and industry knowhow
Value creation	Stylish and sustainable	Intangible value creation- personal	Natural colors- high design- casual	Accessibility and convenience	Value for customers & producers	Personal, quality and sustainable
<b>Emerging dimensions</b>						
Stakeholder intensity	Competitor: supportive environment; positive attitudes	Competition: no competition; Suppliers: intensity relationships; Beneficiaries: personal relationships building trust	Suppliers/Business partners: personal visits; time investment for building trust	Competition: collaborative attitude; Suppliers: pursuing to intensity relationships	Competition: community feeling. Business partners: sharing same values and identifying mutual interest	Competition: joining forces for lower production costs. Business partners: Sales collaboration with partner ventures
Communication management	Relatively passive	Relatively active	Relatively passive	Relatively active	Relatively active	Relatively passive
	Passive: Keep sustainability secondary to challenge people's expectations of sustainability; Active (low intensity): certifications, education-face to face interaction transparency.	Active (low intensity): Certifications, transparency; Active (high intensity): Customer education-face to face interaction	Active (low intensity): Story telling: brand as humane, certifications, transparency	Passive: Sustainability secondary; Active (low intensity): storytelling, certifications, transparency; Active (high intensity): Customer education.	Active (low intensity): Certifications, transparency; Active (high intensity): Customer education.	Passive: Sustainability as status quo of business; Active (low intensity): Story telling; brand as humane, certifications, transparency

Table 3. Cross case results of the study

## 4.1 The influence of having a dual mission in the way marketing is conducted

The results in respect to the *dual mission* show that the driving force to launch a social venture can be motivated either by the recognition of an opportunity in the market or the aim to solve a social or environmental problem. Additionally, the results suggest that having a *dual mission* generates a number of *tensions* that influence the way marketing is conducted.

### 4.1.1 The driving force: opportunity-recognition or problem identification?

Dedicated, Adore us, and Moyi Moyi are considered to have launched their ventures primarily driven by the recognition of an opportunity to meet an unmet demand; whereas Mühlow, Don Devida and Hargreaves were mostly driven by providing a solution to a social or environmental problem.

#### ***Opportunity-recognition***

In the case of Dedicated, the founder has extensive experience in the industry. Having worked for more than 20 years in the fashion industry Johan had a clear understanding of the gap in the market and an extensive network of contacts. Johan stated, “[w]e realized there is no sustainable street fashion brand. Basically there is baby, kids, women, but nobody was pushing sustainability in for young people, so we went to create that lifestyle brand”. Similarly, in the case of Adore us, given the industry experience of the founders and being parents themselves they could identify an unattended market segment “[w]hen I got pregnant with our first kid, I wanted to look for stylish boys clothes [...] and there were not a lot of options. We also wanted ecological clothes because of the chemicals used in baby clothes, but the ecological clothes quite honestly, didn't look nice”, Sabre mentioned. For Moyi Moyi, even though Jenny had no industry experience in fashion, by being a user of the product herself, she could visualize business potential. Jenny described “I met a man in Nigeria and he was an artisan, really good at working with leather. I made a design of a bag that I wanted to have for myself [...] and it turned out so good. So I thought this could be a business opportunity for me, and that is how I started selling bags”.

#### ***Problem identification***



In the case of Mühlow, the founder has a business background and experience in IT, but no industry specific experience in fashion. The drive to launch Mühlow was the identification of an environmental and social problem as Kerstin stated, “I started with the brand to change things in the industry in a small way and then I found out that it's very difficult to financially stay alive, because the issue of your production being more expensive than the competitors”. Isaac, the founder of Don Devida has a background in graphic design and previous work experience as a photographer. The launch in the case of Don Devida was also motivated by solving a social problem, Isaac stated, “I live in Sweden, we have opportunities, we have money, we have organizations that give you money to do creative stuff, so I started Don Devida to be able to give this opportunity for poor children in South America”. In the case of Jemima the founder of Hargreaves, she has acquired extensive experience and understanding regarding the good and bad practices in the industry after having worked 17 years as a designer and consultant in the jewelry and accessories industry. Jemima described, “I felt very fortunate to work in my industry, it's a real privilege, [...] but I never completely felt comfortable [...] I felt that it needed to change”. The motivation to start Hargreaves illustrates the identification of a problem and the willingness to act upon it in order to raise the current social and environmental standards in the industry.

#### 4.1.2 The tensions of a dual mission in the way marketing is conducted

The results suggest that for-profit social ventures face a number of *tensions* in the way they conduct marketing, given their *dual mission*. It has also been found that the *tensions* can be managed through certain measures, such as a more elaborated legal structure, transparency regarding the mission among the team members and stakeholders. Furthermore, different *tensions* have been identified depending on the stages of development of the ventures and levels of the value chain.

In the case of Moyi Moyi transparency towards stakeholders appears to be key in order to moderate the level of *tensions*. Jenny described, “I don't think it's a contradiction between profit and doing good. I never said that I am a charity. As long as you're open with your business, I think it's fine”. For Mühlow, the business model is based on running a for-profit social venture and a non-profit organization. The decision is motivated by the need to lower the *tensions* by distributing roles and responsibilities among the two structures. Kerstin

stated, “[...] the business itself is somewhere in between traditional business and charity, before I found out that I needed to work like this it was difficult”. In this respect, the founder argues that the mission of Mühlow is fixed, but the business model adapts according to the circumstances. In the case of Don Devida a number of *tensions* arose during the team formation, given discrepancies when prioritizing profits or social impact between the co-founders. Isaac stated, “I started working with a friend and that didn't work out mostly because we had two different opinions regarding the mission of Don Devida”. For Mühlow there are a number of *tensions* regarding recruiting human capital that have been minimized by actively working with volunteers. Kerstin suggested that collaborating with volunteers in the beginning helped her to identify which person is truly suitable for a permanent employment. “[...] you have to be inventive, so I started with eleven volunteers running the store together with me and then suddenly you could see who of them were very passionate about the mission” Kerstin stated.

The results also suggest that the level of *tensions* encountered in for-profit social ventures is moderated by the priority given to the social mission under different circumstances. In the case of Dedicated, the social mission ranks higher than profits when it comes to promotion “[w]e need to invest more in influencers, but we don't like it because it is too much celebrity culture, which we are against. But if we can find good influencers, who are promoting sustainability, then that's our perfect match”, mentioned Johan. It is important to highlight that the use of influencers on Instagram is the most efficient channel the company has “[influencers] is the best return on investment in marketing available online, it is a 6.4 return on investment, so nothing beats that really”, Johan stated. Adore us also exemplifies the prioritization of the social mission over profits in promotion. The company has opted to encourage its customers to buy less “[t]hrough Instagram we tell them buy only things that you love, don't just buy to buy. Buy less stuff and make sure you love it” Sara stated.

Regarding the decision to use organic fabrics, Dedicated ranks the social mission above profits “[w]e have lost a lot of money, [...]. If we would have saved 25% on production costs you know that would mean so many millions in profit. But, it would not have been as worthwhile personally, so it is a tradeoff” described Johan. In the case of Don Devida the priority is not straightforward. Isaac mentioned, “I could make my clothes in other countries. I will probably do some clothes in other countries, because some clothes are much cheaper but I also want to always have a connection to South America”. Additionally, in the case of

Don Devida a relatively low negotiation power seems to cause reiterative *tensions* “I have asked them for papers, all the certificates they sent me some, but it seems I cannot go deeper in getting more information [...] but it is not possible to negotiate at this point. It is hard when you are small”, mentioned Isaac. For Moyi Moyi independently of production costs, the decision to produce in Africa is the only one “I want to show that it is actually possible to produce in Africa, to be honest about it and to actually make trendy stuff” said Jenny. In the case of Hargreaves, compromising the design is acceptable, but no compromises are acceptable regarding the ethical standards “[h]aving confidence in what you produce is important, flexibility is always good. I won't compromise on some things, if a client wants something else in terms of design it is fine, but if they are not willing to work with the materials that we use [...] I would not do that, because it will compromise the brand” Jemima stated.

## 4.2 Marketing through the seven dimensions of EM

The dimensions discussed in this section correspond specifically to EM, however as suggested by Morris et al. (2002) they are relevant to understand the practice of marketing as a whole in any kind of organization. The results here presented suggest that the seven dimensions of EM are practiced among all the ventures studied. However, variations regarding the role and the relevance of each specific dimension in different stages of the value chain has been identified. The results also show that all ventures have a holistic attitude towards marketing by seeing it as a way of conducting the organization as a whole through a wide range of activities. These activities appear to be rather experimental, than well planned marketing practices (*see Table 3*).

### ***Proactiveness***

The dimension of *proactiveness* is present to a certain degree in all the participant ventures. In the case of Isaac from Don Devida, *proactiveness* is more evident in the way he approaches sales and promotion. He has started to offer limited editions and he plans to launch larger projects with major Swedish artists. Isaac mentioned, “I want to work with an artist and make something like really fashion, which stands out”. In the case of Moyi Moyi *proactiveness* has been practiced due to external conditions, when Jenny had to find a new production facility “I had to stop my collaboration with Nigeria because a couple years ago

there were a lot of terrorist attacks in the northern part, that made me move production to Ethiopia”. Kerstin suggested that part of the survival process for Mühlow has been “[...] to think wider, to make it even bigger”. She identifies the growing trend of augmented reality and looks for opportunities in this area “[v]irtual reality is a technology that is coming very strongly. We also would like to see and expose in the center how to use technology for environmental purposes.” Moreover, Kerstin proactively engages its customers through education “[...] we have some educational stations in the store, it’s a section just to inspire the customers to make them curious about what’s coming next”.

In the case of Jemima from Hargreaves she demonstrates a proactive attitude given her active involvement in the ecological mine industry “I really want to know what’s working with these materials and becoming involved in that side of the industry to help push that change”, Jemima stated. Additionally, *proactiveness* in Hargreaves stands out in the communication and educational approach (*see more details in the communication management section*). For Adore us *proactiveness* is mostly evident in relation to developing collaborations to improve their value offer (*see more details in the resource leveraging section*).

### ***Opportunity-driven***

This section presents the results regarding *opportunity-driven* on the daily operations of the ventures. The period before the launch has been addressed earlier in the paper (*see 4.1.1*). In the case of Don Devida opportunity drive is evident in the actions taken to acquire new and unique materials. Isaac explained, “[...] now we found a supplier of organic cotton from the jungle that grows naturally colored fibers. At the moment no brand works with that and of course I would like to be the only one having it”. Similarly, Mühlow shows strong evidence of being opportunity driven by taking advantage of cutting edge technology such as *virtual reality* (VR). Kerstin has managed to promote sustainability and educate customers “[...] it was amazing to see all the [VR] submissions. Right now we get submissions from developers from all over the world who do this because it’s fun”.

Dedicated is also a company sensitive to new opportunities and willing to take on new challenges in order to reach their mission. Consequently, they decided to reshape the business model by owning the stores, rebranding and providing the customers a wider range of organic alternatives. In the case of Hargreaves producing jewelry out of ethical materials comes with many challenges “[f]or some of the bigger pieces you can’t buy silver for example that comes

in the size we need for some of our pieces, but we use 100% recycled in that situation.” For Moyi Moyi and Adore the necessity of having more support either for control or for expansion is triggering the seize of opportunities. Moyi Moyi in need for a partner at the production place started a collaboration with a Swedish partner based in Ethiopia. In the case of Adore us, Sabre explained the possibility of expanding to other markets such as Australia, showing openness to new opportunities “[r]ight now we met with a guy from Australia who thinks there is a market there and we want to collaborate”.

### ***Innovation-focused***

Most companies seem to practice innovation as a way to deal with critical situations as well as to manage risks by anticipating changes in legislation. Adore us implemented one of their best seller ideas, while struggling with logistics “[w]e started selling posters when our clothes got delayed from Poland and people loved it”. The innovativeness behind this idea is the offering of mass-personalized posters besides their current clothing offering. The way Don Devida approaches innovation appears to be rather based on the core competencies and network of contacts of its founder. By leveraging on artistic activities Isaac has managed to build the brand and generate other revenue streams next to clothing “I have the idea now of working with a famous director and artist from Sweden, because Don Devida is not only clothing, it is much more and I want to promote my brand in that unique way”.

Kerstin described that Mühlow faces a constant struggled when communicating the value offer and educating the customer. Therefore, through a number of initiatives she came up with the idea of building a common space where the academic sector, the business and the public sector find a common ground where to interact. With this initiative, which she refers to as the *sustainability center* she is developing a number of successful ideas, such as competitions, exhibitions and seminars to promote sustainability; examples being “Dress and drive green” in collaboration with Tesla Motors and VR events in collaboration with Massive Entertainment and WWF (*see more details in the resource leveraging section*). In the case of Hargreaves *innovation-focused* is evident by becoming the first jewelry supplier in Sweden with a sustainable certification.

### ***Customer intensity***

The results indicate that the dimension *customer intensity* is particularly relevant during the product design process given the close relationship and familiarity between the user and the product. This dimension appears to be key in some ventures for the transaction to take place. In Hargreaves *customer intensity* is practiced in the design process, as Jemima stated, “I want somebody to want to wear them and to be able to wear them as much as possible”. According to her, it is imperative to co-create the product in close interaction with the customer. For Jenny from Moyi Moyi, a rapid reaction to customer feedback is also key “I actually had a customer returning a bag because she thought that the shoulder strap was too thin, so it actually hurt in the shoulder [...] in the next order of that kind of bag I changed the strap”. In the case of Moyi Moyi the fact that she collaborates with a small producer gives her a competitive advantage by increasing responsiveness.

For Dedicated *customer intensity* is not based on direct interaction but is rather reliant on indirect customer feedback through the network of retailers. Johan described, “[...] we don't have any focus groups and online surveys, but we have our own 6 stores from where we get retail feedback, so we are learning all the time what is actually selling”. For Don Devida *customer intensity* becomes evident before the transaction has taken place. Isaac described that a personal connection with customers is crucial to secure sales “[t]o sell online is a hussle but when I meet people I tell them my story and it sells so easily”. In the case of Mühlow *customer intensity* is predominantly practiced during the transaction process. Kerstin explained that by being small you can interact with customers on a more personal basis” [a]s a small actor we are very keen on taking care of our customers so it's an experience for them to buy here”. For Adore us, *customer intensity* is practiced mostly on Instagram, where Sara the founder has established close relationships with customers “I have a lot of contact with the customers, we chat on Instagram, we make comments, with some I became really good friends with [...] I think if I wouldn't have gained a close relationship with the customers, it would be more difficult to sell”.

### ***Risk management***

In relation to *risk management* the results suggest that for-profit social ventures practice this dimension in order to minimize risks primarily associated with the supply chain and to anticipate changes in the legislation. Also practices of *risk management* have been identified in relation to changes in the business model and sales channels given the fierce competition

that characterizes the non-sustainable fashion industry. In the case of Moyi Moyi a collaboration with a Swedish company based in Ethiopia that overlooks quality for her has helped her reduce risks. Jenny described, “I'm actually also working with a company run by two Swedish girls and they are helping me with production, visiting my producer and making quality checks”. Hargreaves has opted for a fully transparent and certified supply chain in order to minimize future problems. Jemima stated, “It's really important when you use a product that is accredited. So you have to have a clear chain from mine to client”. For Adore us *risk management* in relation to the supply chain has been focused in choosing suppliers located geographically closer in order to have more control “[w]e tried to have production in China but we were concerned with the chemicals and the certificates. We wanted to have more control as we move the production to Europe”.

The results also suggest the practice of *risk management* when dealing with sales, particularly given the intense competition that characterizes the industry. Johan from Dedicated explained, “[t]he market is changing, everything is moving fast and is killing fashion basically, they are killing all the independent stores. Because of this our online business has been focusing in growing consistently [...] and has almost 15% of the market”. For Don Devida given its relatively small size, the risks arise when negotiating with big retailers “[i]f I put my clothes in stores, I will not grow economically [...] I am not sure I can give them all the products they want and then I shoot myself in the foot”, Isaac stated. To manage the risks, he has instead opted for direct B2C sales. In the case of Mühlow the *risk management* practices are more predominant in terms of securing finances “[...] for me the survival process has been to think wider, to make it even bigger”, Kerstin stated. Therefore, in order to lower the risks, Kerstin has opted for operating both a for-profit and a non-profit organization.

### ***Resource Leveraging***

This dimension has been identified in all ventures, but practiced for different purposes. In the case of Dedicated *resource leveraging* is evident in accessing better production costs, given their industry experience and extensive network “[w]e already had volume in the business when we started Dedicated [...] in that sense it helped a lot, to start from scratch it is very hard.” For Adore us *resource leveraging* has been practiced predominantly to access knowhow of the industry in general. Sabre described, “[...] my mother worked with a lot of designer labels as well so we have the background. She helped us during our first year, [...]

otherwise we would have made many mistakes". Additionally, Adore us leverages its network to access better production costs (*see more details in stakeholder intensity section*).

For Moyi Moyi *resource leveraging* becomes evident in her sales strategy given her social mission "[i]t's sort of as a community especially in Stockholm [...] I send my bags into stores in Stockholm that are focused on sustainable brands", Jenny stated. *Resource leveraging* in Don Devida is practiced for a number of promotional and technical matters, however Isaac explained that fully relying on your personal network is not possible "[o]f course, there are people that help now and then, but nobody is like I can rely on 100% since they are not part of the company". However, he acknowledges how beneficial his network has been for accessing mentoring and avoiding expensive mistakes "[o]nce in Turkey we had to make a decision to buy 500 t-shirts at once. My colleague knew the guy from Nudie jeans and we got his opinion, and he said don't do it and that saved us".

For Hargreaves, given that the founder was not raised in Sweden she lacks access to a broader network "I don't have that base here. Maybe if I had been to school here or to university here I would be much more likely to have those contacts but personally I don't", Jemima described. In the other extreme regarding resource leveraging is Mühlow. Kerstin has managed to establish fruitful collaborations with players from different sectors: WWF, Massive Entertainment, Lund University, Triangeln Shopping, Malmo Municipality and Tesla Motors, among others "[w]e have managed to connect them because they all see mutual interest in this project. I think that's a little bit the core focus of this business, collaboration".

### ***Value Creation***

*Value creation* seems to predominantly emerge in the interaction between the social and economic sphere. The results suggest that the value created in the case of for-profit social ventures can be categorized in value for the customers and value for stakeholders. For Dedicated the creation of value in respect to sustainability transcends the promotional boundaries "[w]hen you look at it you don't think oh that must be sustainable or organic, but be surprised that it actually is" Johan stated. In the case of Moyi Moyi the value created is also predominantly associated with the product offer by being natural, stylish and casual. As described by Jenny "[i]f you compare a Moyi Moyi bag with a Michael Kors bag it's a big difference. It is for a person that likes natural colors and also cares about where the product is



produced and who has produced this”. Similarly, in the case of Mühlow, the *value creation* is highly linked to the delivery of the mission, explicitly addressing both the producers and the users. Kerstin described, “[i]t actually has two positive impacts, one on the people producing them in developing countries and second it secures the kids from getting exposed to dangerous chemicals that can create cancer”.

The creation of value in the case of Don Devida is predominantly evident during the interaction with the customer, before the transaction has taken place. Isaac described “I have noticed when I had my release party and other events, when I get people's attention at least ten minutes. That's the best way to sell because it is personal”. The personal aspect in this respect represents an intangible *value creation* appreciated by the customer according to Isaac. Similarly, for Adore us the *value creation* is predominantly intangible value “[w]e have been trying to push a lot on the brand so that the brand reflects your personality so it is like we make it edgy and personal” Sabre stated. However, tangible *value creation* also occurs by providing customers with affordable products, good quality and sustainability. In the case of Hargreaves value creation has much to do with accessibility and providing convenience to the customer “[i]t has to be easy, you have to take hard work out of people”, Jemima stated.

### 4.3 New specific dimensions in the case of for-profit social ventures

This section introduces two new emerging dimensions, next to the seven exemplified in the previous section. Firstly, *stakeholder intensity* has emerged as a crucial aspect given the intimate relationship between for-profit social ventures and its stakeholders. Additionally, *communication management* has emerged as a new fundamental dimension, standing for the approach of the company in transmitting its value proposition to the customers and other stakeholders.

#### 4.3.1 Stakeholder intensity

*Stakeholder intensity*, similarly to *customer intensity*, exemplified in the previous section, refers to the proximity and the level of interaction between the firm and its stakeholders

*(adapted from Morris et al. 2002)*. In the case of the participating ventures, the results indicate that the relationship with stakeholders is a critical aspect given the intimate and indispensable type of interaction between the company and the different players. Under stakeholders we understand actors such as suppliers, partners, beneficiaries and competitors.

The cases of Don Devida and Moyi Moyi showed high efforts in creating a strong relationship with their suppliers by understanding in depth their operations and challenges. Isaac from Don Devida mentioned the great satisfaction of collaborating with the biggest alpaca producer in the world, located in Peru and highlighted his intentions of developing an even closer relationship. Jenny from Moyi Moyi explained the company's concern for fair working conditions for the artisans they are collaborating with in Ethiopia where regular visits are conducted at a personal level in order to control this aspect. Moreover, Jenny is aware that strong relationships require time and patience “[r]egarding the relationship it takes time because you have to be able to build trust between each other”.

In the case of Mühlow, when collaborating with Tesla for a project that aims to promote the idea of driving and dressing in a sustainable way, the founder pointed out the importance of closeness to the partners and of sharing the same values. Kerstin described, “Tesla is a brand that is innovative, driving change and also sexy. I have good contact with them; I really think it is a fantastic company”. The cases here presented illustrate that extensive attention is given to a harmonious exchange of values with the actors with whom they interact on a regular basis. For instance, Isaac mentioned the importance of knowing personally the people he is collaborating with, as well as the ones that are benefiting from his support “I know all the people in the village, like I met them all. They are really good people and I know everybody who is involved”.

When it comes to competition, the majority of the interviewed companies supports the idea of collaboration among small sustainable brands and stresses the fact that they do not perceive the other sustainable fashion brands as competitor, but as partners. Johan from Dedicated described, “I think among sustainable brands the attitude is that people are helping out. Everyone wants the sustainable fashion to grow, not just your own brand. So there is a very good spirit among those brands, it is very positive.” Similarly, Isaac from Don Devida

mentioned, “[...] no competition, you work together, so no competition at all”. Kerstin from Mühlow stated “[i]t is so often very very nice people, with big hearts, we collaborate to survive [...] we're stronger together”. Sara from Adore us shares this belief and suggested that better production costs are achieved by gaining negotiation power by partnerships with other brands.

To summarize, for-profit social ventures show an extremely close relationship with their stakeholders, collaborating exclusively with actors that share the same values and standards in order to moderate potential *tensions* and as a way to be coherent with the venture's principles. Furthermore, the interactions have as a basis the desire of creating win-win situations for every party involved by identifying common objectives either in the same industry or across industries.

### 4.3.2 Communication Management

A second dimension that emerged from the data collection is *communication management*. This dimension refers to the management of challenges for-profit social ventures face when communicating the value proposition to their customers. They need to communicate the standard product benefits, such as stylishness and quality but also implicit benefits such as chemical free, skin friendly materials and ethical work conditions “[y]ou won't need to compromise, not with your baby's health nor the design” (adoreusbabies.com). The social and environmental impact created through their practices needs to be transmitted in an appropriate manner for their respective target audience. For Hargreaves their business model is based on in house diamond production and fair trade by fighting against the traditional mining industry. Jemima explained “[...] the diamonds we have created look exactly like a mined diamond, the stones have no carbon impact; I want people to know that”. The key difficulties related to communication are finding the right strategy for informing about the added-value and educating the customers at the same time, without overwhelming them with negative facts about the industry. The approaches taken among the founders vary in terms of intensity, depending on their target audiences.

The need to adopt a more passive attitude towards the communication of sustainability aspects has been identified in ventures that demonstrate a high-end position. A general belief is that leveraging too much on the sustainable aspect could play against the brand. Johan from

Dedicated described, “[w]e want to challenge people’s expectations of what sustainable fashion can look like so when you look at it you don’t think oh that must be sustainable or organic, but be surprised that it actually is”. The same idea of challenging people’s expectation on how sustainable can look like is expressed by Jemima from Hargreaves “[s]o we kind of have to focus on saying that our designs are really good and we happen to be ethical [...] making it believable is important without kind of preaching about it”.

For-profit social ventures appear to also adopt a more active attitude in communicating how and why they do “good”. Practices such as, storytelling, emphasis on certifications and/or transparency along the value chain are commonly found. Storytelling in this paper has been identified as highly relevant and it refers to the creation of a personal connection with the brand by emphasizing on the people behind it and on how the business idea was born. For instance, Moyi Moyi keeps the brand humane by revealing its founder and the story behind the idea “[h]aving traveled in Nigeria and Ethiopia, Jenny Nordlöw has partnered with skillful artisans dedicated in making premium products that are easy on the environment” (moyimoyi.se). Another example offers Adore us, who leverage on their story as parents in search for chemical free clothing for their newborns and explain how the idea came to be due to the gap in the market of organic clothing for children “[i]t all started out when our youngest son arrived and we were searching for that special brand with our criteria. We realized it didn’t exist yet” (adoreusbabies.com). In terms of transparency and certifications it seems they both are status quo of for-profit social venture communication. All companies work with certified materials such as *GOTS*, *OEKO TEX* and regard transparency as the cornerstone of their operations.

Results also suggest that for-profit social ventures practice more intense and explicit ways of communication. This aspect has been identified more predominantly in ventures such as the case of Mühlow, Don Devida and Hargreaves. These ventures are highly concerned with educating the customer through exposing them to the hard facts of the industry. However, as explained by Kestin, educating the audience requires a smart marketing approach in order to raise the customer’s interest and not overwhelm them “[p]eople don’t like that they get a negative feeling [...] they react emotionally bad”. Hargreaves and Mühlow are companies providing substantial support for customer education. Hargreaves being a high-end ethical jewelry company educates its customers through high quality content blog posts with titles such as “All that glitters: The real cost of diamonds; “Equality: Tolerance, androgyny and

stereotypes” (hargreavesstockholm.com). Mühlow on the other hand addressing to parents with small children and operating through a physical store, has a more playful and tangible approach with all the games, store setup and events. Kerstin stated, “[o]ur plan is to put up some sort of I-Pads like for storytelling for the people to know how the textile industry affects the world [...] both good and bad examples”. She believes that children are the ones capable of producing a change towards sustainability “[t]he purpose is to get the kids to question where their clothes come from so in this way we really hope that through kid’s education we can encourage the parents”.

Communication appears to be a critical dimension when conducting marketing in for-profit social ventures and a mix of both passive and active methods are practiced in these ventures. Results suggest that the communication of the mission and industry problems are adapted to best fit the different customer segments and are also adjusted accordingly in order to not play against the perceived style or high-end of the brand. Moreover, the study reveals the importance of emphasizing on the value added in an appropriate way, as companies need to justify higher prices. “The story and education is a way for us to actually get people to accept a higher price, so when you're talking to customers and give them the story they suddenly get more interested you know” Kerstin explained.

## 5. Discussion

Based on the empirical results, an emerging model of EM has been developed (*see Figure 3*). The model facilitates the understanding of how the priority given to the social mission influences the way marketing is conducted in for-profit social ventures. Additionally, the model introduces two new dimensions: *stakeholder intensity* and *communication management*, which have been identified as critical for the survival of ventures operating in the for-profit social context. The emerging dimensions in the model are complementary to the seven dimensions previously proposed by Morris et al. (2002). We explicitly acknowledge the contributions of Morris et al. (2002) when constructing the theoretical model. However, we argue that because of the influence of context in the way marketing is conducted, adaptations to the model in the specific case of for-profit social ventures are needed (Morris et al. 2001; Shaw, 2004; Peredo & McLean, 2006).

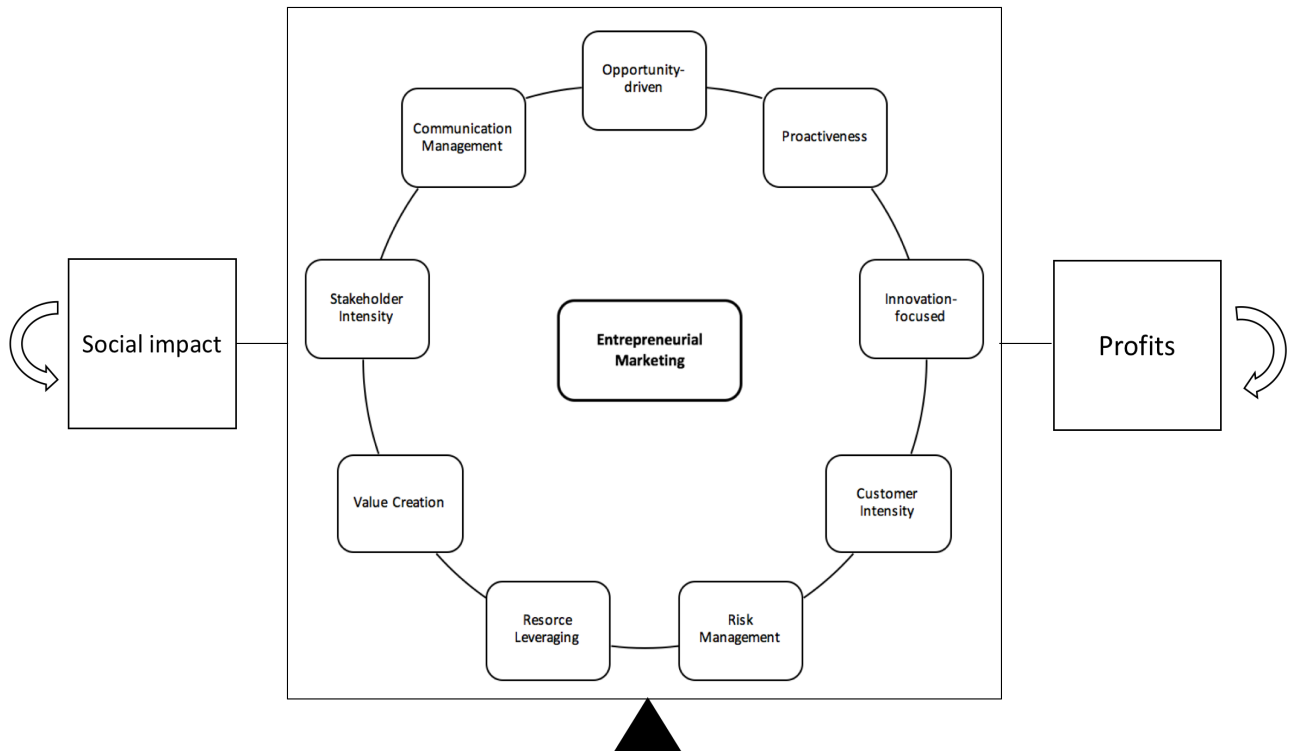


Figure 3. EM dimensions in for-profit social ventures (adapted from Morris et al. 2002)

The first contribution of this model is to illustrate how the priority given to the social mission moderates the way marketing is conducted. Wilson and Post (2013) argue that for-profit social ventures engage in economic activities by having a *dual mission*. The authors suggest that such ventures are strongly embedded in an entrepreneurial business context. In this regard, Peredo and McLean (2006, p.64) argue that the value for the beneficiaries should be created “[...] exclusively or in some prominent way”. The prioritization of the mission has led to major controversies and criticisms towards the operations of for-profit social ventures (Dees & Anderson, 2003). In order to deal with the *tensions* created by the duality of missions Zahra et al. (2009) explain that such organizations tend to prioritize the social aspect over profits. Our findings help to clarify the dilemma of how the prioritization of the social mission in for-profit social ventures happens. From our empirical study it becomes evident that the priority given to the social mission is not a static process, but instead it adapts to the different circumstances faced by the entrepreneur and the venture, at different points in time and stages in the value chain. Although, Dees and Anderson (2003) suggest that the challenges faced by for-profit social ventures are related to where in the value chain the social impact is created, the argument does not stress the situational nature of this phenomenon, as highlighted by our study.

**Proposition 1a.** The priority given to the social mission is not static, but it is situational under different circumstances faced by the same venture.

The following proposition (Proposition 1b) builds on what has been stated before (Proposition 1a) but elaborates further on the direct implications regarding the way marketing is conducted in this type of ventures. For-profit social ventures encounter a number of *tensions* when conducting operations, because of their duality of missions (Dees & Anderson, 2003). Given the context in which for-profit social ventures operate, Doherty et al. (2014) argue that this type of ventures operate differently from their counterparts, purely profit and solely non-profit oriented ventures. According to Morris et al. (2001), context strongly influences the way marketing is conducted. Hence, we propose that having a social mission influences the way marketing is conducted in for-profit social ventures. Morris et al. (2001) refer to internal factors that influence marketing as *internal organizational environment*, however the authors, do not elaborate on what are those specific influencing factors. One of the dimensions identified as highly susceptible to the influence of the duality of missions is *opportunity-driven*. As discussed in the results section, for-profit social ventures are driven not only by lucrative opportunities as suggested by Morris et al. (2002), but also opportunities associated with social and environmental problems independently of the economic reward. In this respect, our empirical findings provide evidence that the priority given to the social mission plays a predominant role on the way marketing is conducted in for-profit social ventures. Therefore, the preference given to the social mission is seen to operate as a strong *internal organizational environment* which moderates how the EM dimensions are practiced in terms of intensity, role and relevance.

**Proposition 1b.** The priority given to the social mission influences the way marketing is conducted based on whether the social mission or profits are favored under different circumstances.

The second finding (Proposition 2) in this study relates to the fact that for-profit social ventures require a particularly intense and harmonious interaction with their stakeholders (Doherty et al. 2014). This fact leads to the identification of the new dimension of EM in for-profit social ventures which has been named *stakeholder intensity* (see Figure 3). *Stakeholder intensity* is defined as the proximity and the level of interaction between the firm

and its stakeholders (*adapted from Morris et al. 2002*). There are various factors that influence the way for-profit social ventures interact with their different players given their common objectives as exemplified in the results section and suggested by Wilson and Post (2013). First of all, for-profit social ventures propose transparency along the value chain as a cornerstone in their business. Therefore, in order to reach and maintain transparency it becomes crucial to have an impeccable interaction with the partners particularly regarding the creation of economic value. Dees and Anderson (2003) suggest that many of the pressures faced by such ventures are related to the controversy of making money while *doing good* for society. Therefore, for-profit social ventures invest much of their time in maintaining a close relationship with their partners and in building trust, which helps them secure a constant flow of transparent information. Secondly, for-profit social ventures pay special attention to establishing collaborations with partners that share the same values and standards. As Doherty et al. (2014) argue, aligning the interest of stakeholders with the company's mission is a way to moderate potential *tensions* and to keep coherence with the venture's principles. By aligning the venture's mission with the interest of employees the venture can be better at attracting human capital compared to their counterparts; given that they are appealing to a broader pool of candidates motivated by profits, impact or both (Dees & Anderson, 2003).

In regard to maintaining a close relationship with stakeholders and particularly with donors, Dees and Anderson (2003) state that leveraging on *scarce social resources* (p.5) and donations is crucial for the financial and operational sustainability of such ventures. The authors also suggest that the interactions are based on the desire of creating win-win situations for the parties involved by identifying common objectives either in the same industry or across industries. Furthermore, the findings demonstrate strong evidence that a for-profit social orientation favors interaction with multiple players, such as the public sector, private sector, charity, and academia. A key element regarding *stakeholder intensity* is the presence of a collaborative landscape among competitors under a for-profit social model. As highlighted in the theoretical review and results, a supportive and enthusiastic atmosphere among competitors is present (Wilson & Post, 2013). A collaborative attitude towards competition is found to occur mainly because of having a common cause. By joining forces for-profit social ventures manage to reduce production costs, diminish risks and secure more economic stability; demonstrating creativity and efficiency in reaching their objectives as highlighted by Dees and Anderson (2003). Under this reasoning the empirical findings suggest strong evidence regarding the critical role stakeholders play in the for-profit social



context.

**Proposition 2:** *Stakeholder intensity* is a fundamental EM dimension for the survival of for-profit social ventures.

The third finding (Proposition 3) in this study relates to the fact that for-profit social ventures require a holistic and elaborated management of communication towards its customers in order to guarantee long term survival. In this study the need to manage communication has been identified as critical and therefore included as one of the emerging dimension which has been named *communication management* (see Figure 3).

In this study we define *communication management* as the *tactics, strategies and culture* that ventures conduct when dealing with communication challenges towards customers. The three levels here suggested are based on the EM levels proposed by Morris et al. (2001). Similar to *risk management* as described by Morris et al. (2002) in the theoretical framework section, *communication management* is practiced by allocating resources to specific purposes and decision making regarding when and why to pursue a particular way of communication. In this study both passive and active communication practices have been identified in the participating ventures in order to appropriately transmit their value proposition. The communication practices range from rather passive, characterized by the subtle use of storytelling and certifications, to more active practices involving complete transparency along the value chain and explicit customer educational activities. A reiterative concern among the participating ventures when communicating their value proposition is justifying higher prices towards customers by appropriately transmitting the social and environmental contributions, which in many cases are intangible. Dees and Anderson (2003) highlight the intangible and unquantifiable nature of the value created by social ventures; reinforcing the argument that managing communication for such ventures is a complex task.

Strong evidence in our findings point out that for-profit social ventures encounter a number of challenges when communicating the added value they create to third parties and particularly to customers. Dees and Anderson (2003) argue that customers lack understanding regarding the impact for-profit ventures have, therefore struggling to make educated judgments regarding the actual value of the offer. As described by Wilson and Post (2013) challenges such as communication are commonly associated to the duality of missions, given

that for-profit social ventures are strongly embedded in a business context, while trying to contribute socially and environmentally at the same time. Dees and Anderson (2003, p.7) state that “[...] for-profit social entrepreneurs should be particularly aware of the additional complexity that arises when combining two different, sometimes divergent objectives”. The findings of this study suggest that the external dynamics that surround a for-profit social venture as well as the internal influence of having a *dual mission* has a direct impact on the way marketing and most specifically communication in such ventures is practiced.

Additional challenges encountered in the case ventures are related to the fact that communication regarding the social impact has to be properly handled in order to attract the customer’s interest, without overwhelming them with unpleasant industry facts. According to Dees and Anderson (2003), it is not uncommon that customers show a critical attitude towards entrepreneurs who operate for-profit ventures, with a social mission. Consequently, the need to communicate appropriately the value created to the different customer segments gains importance in managing the *tensions* created by the duality of missions. The points previously stated seem to support the belief that managing communication is a fundamental aspect for ventures operating in the for-profit social venture context.

**Proposition 3:** *Communication Management* is a fundamental EM dimension for the survival of for-profit social ventures.

## 6. Conclusion and directions for future research

This study offers a better foundation on how marketing is conducted in for-profit social ventures by acknowledging them as unique entities, due to the specific context under which they operate (Doherty et al. 2014). Given that most of the existing literature predominantly focuses either on fully for-profit or entirely non-profit ventures (Shaw, 2004; Wilson & Post, 2013) this study makes a number of theoretical contributions to the fields of marketing, EM and social entrepreneurship by filling a gap in the literature. Additionally, to contributing to theory, this research reveals several practical implications based on the dimensions of entrepreneurial marketing (Morris et al. 2002). It is believed that applying the proposed

suggestions in the daily operations could help social to better adapt their marketing practices to the challenges arising from pursuing a *dual mission*.

## 6.1 Theoretical contributions

The theoretical contributions of this study regarding the prioritization of the social mission slightly contradict existing theories. Peredo and McLean (2006), Dees and Anderson (2003) and Zahra et al. (2009) argue that for-profit social ventures tend to favor the social aspect over profits. However, the findings of this study identify strong evidence supporting the fact that the priority given is a rather situational phenomenon given that it adapts to the diverse circumstances faced by the entrepreneur and the venture. This argument has direct implications; given that whether the social mission or profits are favored under different circumstances would significantly determine the way marketing is conducted. A direction for future research resulting from this study would be to understand at a deeper level the motivations that move the entrepreneur when prioritizing profits or social impact.

This study contributes to the EM stream by expanding on the dimension *opportunity-driven* in the case of for-profit social ventures. This dimension as suggested by Morris et al. (2002) sees profits as a core element when pursuing an opportunity. Whereas, as indicated in this study *opportunity-driven* can also be motivated by the identification and action upon social and environmental problems, independently of the economic gain. Therefore, this study suggests that the driving force behind *opportunity-driven* can have a tremendous influence on the way marketing is conducted in for-profit social ventures. We propose that further research is needed in order to clarify what are the specific implications on the way marketing is conducted in ventures launched as a result of the identification of a social or environmental problem.

Our study also highlights the importance of incorporating two new dimensions in addition to the ones suggested by Morris et al. (2002) given the specific context dependency and challenges encountered by for-profit social ventures (Dees & Anderson, 2003; Doherty et al. 2014). *Stakeholder intensity* and *communication management* have been identified as critical when it comes to enhancing the chances of survival of these ventures (*see Figure 3*). Because this is not a comparative study our findings are not in a position to suggest that these dimensions are exclusive to the for-profit social context. In order to make such a statement,

further research is needed to identify if such dimensions apply in other contexts and under what conditions. However, what this study can contribute to theory is indicating the importance of including both *stakeholder intensity* and *communication management* as critical dimensions in order to complement the understanding of how marketing is conducted in for-profit social ventures.

The importance of including *stakeholder intensity* as a critical dimension arises due to the diversity of players for-profit social ventures interact with and the fact that the mission of these ventures and the one from its stakeholders has to be closely aligned in order to minimize the rising *tensions*, leverage competition and attract financial and human capital (Dees & Anderson, 2003; Wilson & Post, 2013). Similarly, *communication management* towards customers appears to be indispensable in for-profit social ventures given the imperativeness to communicate not only the standard value proposition such as quality and style but also a number of mostly intangible sources of value such as ethical work conditions and sustainable practices in order to justify higher prices. Although, this aspect has been raised in previous studies such as the one from Dees and Anderson (2003), their statements are limited to managing communication as a way of mitigating *tensions*; whereas under the lenses of EM, *communication management* is conceived as an innovative way of conducting marketing. In this respect, a general theoretical contribution of this study to the field of marketing is introducing a number of directions for future research aligned with a more holistic definition of marketing and by doing so pushing the traditional boundaries associated with the field.

## 6.2 Practical implications

Our research provides implications for practitioners when it comes to understanding how marketing is conducted in for-profit social ventures. Even though this study has been developed within the fashion industry, the implications could also be relevant for industries with similar characteristics. This study provides practitioners a broader and more holistic perception on marketing that moves away from the standard *marketing mix* and departmental practices of marketing. Additionally, the industry best practices based on the dimensions of EM suggested by Morris et al. (2002) can inspire practitioners to act in a more entrepreneurial way when conducting marketing. This study generates two new dimensions, *stakeholder intensity* and *communication management*, which we argue are relevant practices

for social ventures involved in B2C operations in order to better adapt their marketing practices and to leverage the challenges arising from pursuing a *dual mission*.

This study indicates that for-profit social entrepreneurs should invest great amount of effort in creating synergies with stakeholders, such as suppliers, business partners, and competitors. This study also validates the importance of nurturing a close and trustful relationship with the stakeholders, because it secures higher chances of survival in the case of for-profit social ventures. By having a certain degree of control in the supply chain and transparency in the production can help these firms to better deliver on their promises. Moreover, it has been identified that entrepreneurs can diminish the exposure to risk by joining forces with other players. For instance, collaborating with competitors can lead to decreasing production and logistical costs, and cooperating with partners from complementary industries can be a tool for boosting credibility.

Since for-profit social ventures conducting B2C operations often experience a dilemma in prioritizing the message to be transmitted, this study provides recommendations related to the way the created value can be better communicated to the customer. A first suggestion is to treat the *doing good* aspect as the status quo and emphasize on the quality, the product itself, introducing sustainable/ethical aspects as secondary when finalizing the purchase. This is particularly relevant for brands that leverage on their high end positioning, since revealing the sustainable and ethical side too early might send the wrong message to the customer. When it comes to educating the customer by raising awareness of the industry problems and informing about the impact created by the purchase, it is recommended to avoid emphasizing on the bad industry facts, but instead to highlight the positive alternative. Moreover, it is important to use educational tools that are aligned to the target audience: blogging being useful for planned purchases, while tangible, creative alternatives being appropriate for more impulsive purchases. Other recommendation that has been strongly highlighted by all interviewed candidates is avoiding paid advertisement and using Instagram as main channel, as this is the marketing tools with the highest return on investment. Selling through retailers should be embraced mostly as a promotional tool, but for generation of margins and expansion online sales appears to be the most optimal channel. Last but not least, a suggestion valid for all for-profit social ventures is to stay close to the customer, by keeping relationships as personal and humane as possible.

### 6.3 Limitations

The limitations to be considered in this study are found in the following aspects; firstly, *sample limitations* are evident in both, the geographical location, as well as in the industry being studied; Sweden and the fashion industry respectively have been chosen as the main focus in this study. On the one hand, the fact that the sample has been limited to homogeneous serves as a control mechanism given that it minimizes the influence of *idiosyncratic traits* (Eisenhardt & Graebner, 2007). However, on the other hand it constrains the possibility to make greater generalizations in different industries and contexts. Dees and Anderson (2003) argue that given the diversity of for-profit social ventures broad generalizations need to be carefully taken into consideration. Secondly, this study shows limitations due to the *method* applied. Because the field is considered understudied, as described by Wilson and Post (2013), the most suitable method has to have an *inductive approach*; more specifically theory building (Eisenhardt & Graebner, 2007). According to the authors, the critics to this method could argue that theory building is less precise and less objective, compared to other approaches, in particular to those based on quantitative methods. Therefore, it is important to clarify to the reader that the aim of this type of research is not to validate, nor test theories, but rather to develop them (Eisenhardt & Graebner, 2007). For this reason, the findings should be seen exclusively as contributions to existing theories or as a bridge to quantitative studies. Given that this study adopts an *interpretive perspective*, we fully acknowledge that the realities observed are to some extent socially constructed by both the interviewees and the researchers, even though a number of control measures have been implemented to minimize such influence (*see Methodology section*) (Gioia & Pitre, 1990). Lastly, the fact that the lenses of EM were chosen to study the phenomenon, on the one hand serve as a framework that provides focus and clarity in the data collection and data interpretation. Nevertheless, such lenses, could also reduce the capacity of the research to explore fields and insights outside the scope aimed.

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## 8. Appendix

### Appendix 1: Interview Guide

#### **Understanding the business (part of entrepreneurial marketing)**

1. How did you come up with this idea? What was the motivation behind it?
2. How did you come up with the name?
3. When was the company launched?
4. How many employees do you have?
5. What is the mission of the company ..What is the main motivation behind the project?
6. What is the culture like in your venture?
7. How do you create value for your customers? What kind of value? How does it differ from your competitors?
8. How do you operate? Take us a bit through your value chain, from production to sales (business model).
9. Who are your key partners and how do you interact with them?
10. In which countries do you operate at the moment?
11. How did you support financially the founding of the business? Did you make use of any grant or investment along the way?
12. How much do you rely on your personal and professional network on a daily basis? Where does your network originate from?

#### **Understanding “marketing”**

12. Who is your target customer?
13. How do you approach/find them?
14. What are concrete practices you use to reach the customer?
15. What role does the customer play in the business? How much is the customer involved in the process?
16. What is marketing for you?
17. How do you do marketing?

18. What aspects influence your marketing practices? Can you give examples?
19. How do you communicate your values to your customers?
20. Which channels do you use for marketing purposes? unconventional ones?

### **Understanding entrepreneurial marketing dimensions**

21. How flexible and open to change are you?
22. What is the most creative thing you have ever done throughout this business? Can you think of other creative ideas you implemented?
23. How do you get new ideas?
24. How do you implement new ideas?
25. What do you feel when you think about taking risks in the company?
26. What was a critical phase the company went through? How did you manage it?
27. Is the company limited to its own resources? How, why, why not examples?
28. How do you perceive competition? Do you collaborate with any of your competitors? What is the general attitude towards one another?
29. Do you have any difficulty in keeping the balance between doing good and making profit?

### [Appendix 2: Approaching cases](#)

Hi [...]

We are Master students at Lund University, at the moment conducting our Master thesis on social-environmental business in the fashion industry. We came across your company and we found your work very inspiring. Would you be willing to participate as a candidate in our research? Our aim is to understand your business in general and how you conduct your daily operations.

If yes, we could schedule a meeting or a video call at your most convenient time. We would really appreciate your support.

Thank you in advance,  
Ana & Martin

