How to Market a For-Profit Social Venture

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WHEN KATY LEAKEY, co-owner of jewelry and interior-design company The Leakey Collection, was courted by buyers from some of the largest retailers in the U.S., she did what most of her competitors would find unthinkable: She showed them the door. Sure, selling to big-box stores would result in enviable market saturation. But, for Leakey, the equation wasn't quite that simple.

Founded in 2002, The Leakey Collection provides work opportunities to the Maasai women of Kenya's Rift Valley. With rural work sites spanning over 150 miles, the company employs about 1,400 women year-round to bead its Zulugrass (pictured) and Zuluwood jewelry from local, sustainable materials. Working roughly 28 hours per week in just one month’s time, the average woman earns enough to feed her family for an entire year.

Why then forgo the large discount stores? "They were not interested in paying a price that would support a reasonable living wage to the women in Kenya," Leakey explains. Instead, she's worked to get strands of beads and necklaces (which range in retail value from $10 to $55) into smaller boutiques — even if it means fewer customers. Large discounters can suddenly drop vendors, too, so the boutique marketplace "felt much more stable," she says. "Once we open a work site in a community or one of the rural areas, we don't want to have to close it."

When it comes to marketing, owners of socially-minded, for-profit ventures like Leakey often face conundrums rather than clear choices. After all, they have not one, but two bottom lines to consider: that of financial viability and social impact. In staking your market share, when — and how much — do you compromise one for the other? While there's no simple answer, Jerr Boschee, executive director and founder of The Institute for Social Entrepreneurship in Dallas, generally warns: Don't let your heart rule your head. Decide too heavily "on the basis of the social mission, and the business is probably going to fail," he says. Instead, ask yourself, "what kind of sacrifices are you willing to make on the mission side in order to become more sustainable? Or what kind of sacrifices are you willing to make on the market side in order to serve more people?"

In many ways, the time is ripe for social entrepreneurs to get their products or services into the hands of potential customers. Nearly 90% of Americans identify themselves as "conscious consumers" and "socially responsible," according to the 2007 Conscious
Consumer Report by marketing agency BBMG. The majority of 2,007 customers polled said they were more likely to buy from companies that make energy-efficient products, promote health and safety, and support fair labor practices.

That sentiment, however, should not influence your marketing game plan, warns Bruce Bachenheimer, a professor of management and director of the entrepreneurial program at Pace University's Lubin School of Business in New York City. "A lot of people say, 'Yes, I want to buy things that are socially conscious,'" he explains. But "the bottom line — no matter what we consumers say we'd like to do — is that it has to be similar [to competitors] in terms of price and ease to purchase."

**Flexible but Focused**

In Leakey's case, she found that consumers were interested in jewelry made by Kenyan women, but not designed by them. "That didn't work," she admits. "They bead in primary colors only, and their necklaces and bracelets are long, wired, and [hard] to take on and off." Instead, she and her husband Philip Leakey (who co-owns the business) designed jewelry with "an African look and feel to it but was a little more flexible" in terms of colors and styling.

Whether your social enterprise provides a product or service, it’s important to be nimble — without losing sight of your mission, says Boschee. Some companies start off with great ideals, but need to re-shape them as the reality of running a business takes hold.

For example, if you aim to provide work opportunities to ex-cons through a janitorial service, your temptation might be to employ that group exclusively, Boschee explains. But adhering to your mission so literally might be a mistake. "Don't have 100% of your employees come from a disadvantaged group — instead, have maybe 60%," he says. A blended work force is critical for the success of any business, he argues. "You wouldn't want 100% of your employees to be entry-level, either, would you?"

And don't take on more than you can handle, especially when it comes to ambitious social goals such as improving education or fighting poverty. "You can only accomplish one thing, not two or three or ten." After you successfully meet one social need, then you can begin to "think about trying to do a second or third or fourth thing," he says.

**Building Your Brand**

When it comes to branding, a social enterprise should wear its heart on its sleeve, Bachenheimer says. Your associations with your values become just as important as those with your goods or services.

You can inherently brand your values by forming relationships with socially-conscious retailers (think Whole Foods, the natural-foods grocer) who are known for vetting their vendors. While the process can be arduous (it took Leakey three years to get organic-product shop Origins' seal of approval), many find it worthwhile. "Stores that are branded for already having done their homework — they become an authenticator in a way," Leakey says.
A social enterprise's "emotional" branding can also be bolstered by labeling from various certification agencies, such as Fair Trade's FLO International, says Bachenheimer. For more on certification, click here <<http://www.smsmallbiz.com/bestpractices/Starting_Up_Getting_Certified.html>>.

**Communicating the Mission**

Educating consumers about your social impact is perhaps one of the biggest and most delicate challenges of marketing the enterprise. "When people understand it, they might be willing to go a little bit out of their way and pay a little more money," says Bachenheimer.

For Leakey, education is critical to her company's success. Having turned down the large retailers, she needs to work that much harder to get the Kenyan-made products into customers' hands. While sensitivity is key, "there is a big story to be told," she says. When it comes to packaging, for example, "how do you condense that down to a small box?"

Her current solution is to listen for feedback from stores and customers. "What they're really looking for is pictures," she says. "They also want a map... to know where we're located in Kenya." Leakey plans to update next year’s packaging design with those images — an added marketing expense, but one she ultimately believes will serve both of her company’s bottom lines.