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Abstract:

In recent years, in-depth, on-the-ground research has generated many insights into the nature and functioning of subsistence marketplaces and the people who operate in them. Such knowledge is bound to be useful to various companies and organizations as they seek to engage with such marketplaces. However, in addition to practical insights, it is also important to have ethical norms that can govern such engagement so as to foster fairness and equity in subsistence marketplaces. With that aim in mind, practical marketing guidelines suggested by a recent study are supplemented with a normative ethical framework for marketing, labeled the integrative justice model. Tactics for fair and sustainable marketing planning for social entrepreneurs are suggested.

Additionally, future directions for social entrepreneurship marketing in subsistence contexts are discussed.

Summary statement of contribution:

This work proposes tactical suggestions for marketing planning for social entrepreneurs in the context of subsistence marketplaces. These suggestions are based on practical insights gathered from the field as well as ethical norms that ought to govern this planning. As such, these tactics are expected to foster fair and sustainable marketing in subsistence marketplaces.

Keywords:

Social entrepreneurship, subsistence marketplaces, integrative justice model, marketing planning, fair and sustainable marketing.

Introduction

A marketer who is evaluating potential engagement with the impoverished is challenged at multiple levels. Unfortunately, it is unlikely that the marketing manager's education or experience has even touched on marketing in impoverished settings, let alone required rigorous evaluation of the nuances associated with marketing *to, for* or *with* the poor in subsistence marketplace. This contribution addresses this issue by proposing the use of a normative ethical framework labeled the integrative justice model, or IJM (Santos & Lacznik, 2009) which is entirely consistent with familiar marketing frameworks, including service dominant logic (Vargo and Lusch, 2004) and value co-creation (Prahalad and Ramaswamy, 2004), to synthesize a new framework for fair and sustainable marketing when poverty is the context, and subsistence the norm.

Extant research in the areas of social entrepreneurship and subsistence marketplaces provides rich texture to the fair and sustainable marketing framework proposed here. Suggested tactics for marketing planning in these unique contexts are offered to facilitate practical application and implementation. This work is meant to encourage marketers and social entrepreneurs to embrace this challenging marketplace with innovative variations on familiar frameworks, tailored to the nuances of subsistence living, yet with the compassion and clarity of vision intrinsic to sustainable human development in subsistence marketplaces.

In the business ethics literature, Santos and Lacznik (2009) initially introduced their theoretical discussion of justice in marketing among the impoverished from the perspective of Catholic Social Teaching, deriving from it important characteristics of

fairness when engaging such markets. These essential elements include 1) authentic engagement with consumers, particularly impoverished ones, with non-exploitive intent. 2) Co-creation of value with customers, particularly those who are impoverished, 3) Investment in future consumption, 4) Interest representation of all stakeholders, particularly impoverished customers, and 5) Focus on long-term profit management rather than short-term profit maximization. The IJM is then developed in the marketing and public policy literature, primarily in the context of multinational corporations (MNCs) operating in emerging markets (2009). Further, the key operational elements of the IJM are shown to conform to the foundational premises of service dominant (SD) logic, extending it to societal and ethical concerns, and connecting it to macromarketing frameworks including distributive justice and sustainability (Laczniak and Santos, 2010). Recently, the IJM has been applied to social entrepreneurial organisations (SEOs) with minor adaptations including empowerment as part of authentic engagement; a focus on the root causes of problems associated with poverty; creation of sustainable ecosystems through innovative social changes; a continued focus on interest representation of disadvantaged segments; and financial viability and sustainability (Santos, 2013).

The IJM has been discussed in the literature from the perspectives of 1) marketing *to* the poor, as in the case of the MNC operating or distributing in emerging markets, and 2) marketing *for or on behalf of* the poor, as would an SEO. However, the IJM has not yet been applied specifically to 3) marketing *with* the poor, which is an essential, intrinsically just, and more sustainable position for marketers working within the context of subsistence marketplaces. We suggest that in subsistence marketplaces, when the social entrepreneur's marketing function is managed in collaboration *with* those

served by its outcomes, the potential for sustainable positive impact is far greater. The IJM provides a normative framework for social entrepreneurial marketers (SEMs) collaborating with the impoverished in subsistence markets. The growth of social entrepreneurship over the last few decades has been accompanied by a relatively high degree of ambiguity about its defining characteristics. Such confusion is likely the result of different kinds of organizations (for-profit, nonprofit, government, social enterprises etc.) engaging in activities that could technically fall under the purview of social entrepreneurship. Therefore, an understanding of social entrepreneurship in the context of subsistence marketplaces and an identification of the key characteristics of these marketplaces are provided at the beginning. The integrative justice model (IJM) is elaborated upon and a brief synopsis of the marketing practices proposed by Weidner et al. (2010) is provided. Based on these two frameworks certain tactics for marketing planning for social entrepreneurs who operate in subsistence contexts are proposed. It is expected that these tactics can help foster fair and sustainable marketing for social entrepreneurs in the context of subsistence marketplaces. Additionally, areas of further research are identified.

Varied Forms of Social Entrepreneurship

Case example 1

Hapinoy is an initiative of Microventures Inc. (for-profit) and Microventures foundation (non-profit) that creates an enabling environment for sari-sari stores [micro-retail outlets] in the Philippines to function more efficiently (Arceo-Dumlao, 2012). It does this at two levels: on one level, it provides education, access to capital, innovative

solutions and products, and at another level, it creates a community of entrepreneurs helping to create a network of stores rather than stores that function in isolation.

Case example 2

Banco Azteca is a large bank in Mexico that was founded in 2002 and one that is involved in microlending. Its parent company is Grupo Elektra, Latin America's largest electronics and home appliance chain that is part of the Salinas group of companies. Taking advantage of lax government oversight and the dire situation of poor consumers, Banco Azteca charges annual interest rates ranging from 50% to 120%, leaving many of its already impoverished customers trapped in a maze of debt (Epstein & Smith, 2007).

The case examples above are both entrepreneurial initiatives that engage a subsistence population. Hapinoy provides various services and products to subsistence entrepreneurs (the sari-sari store owner) while Banco Azteca provides credit to mainly subsistence consumers and entrepreneurs. The first example, namely Hapinoy, is that of a social entrepreneur while the second, namely Banco Azteca, is that of a traditional entrepreneur. A question that arises from reviewing the two case examples is: which of them might more likely exemplify a "win-win" situation for all participants? Such an enquiry is pertinent in the current context where a social entrepreneurial initiative such as microfinance is coming under increased scrutiny. Consider the spate of farmer suicides in southern India that were attributed to high-interest rates and high-pressure tactics for repayment used by microlenders (Associated Press, 2012). The initial public offerings of microlenders, such as Compartamos in South America and SKS in India, were criticized by Muhammed Yunus, regarded as the founder of microfinance, as pushing microfinance in the loansharking direction (Roodman, 2010). As subsistence marketplaces, also

characterized as the base or bottom of the pyramid market, become increasingly attractive to various entities for varied reasons, it is imperative that engagement in these marketplaces be governed by some normative guidelines for “fair” and “sustainable” marketing. Such guidelines can help ensure that subsistence marketplaces do indeed benefit from social entrepreneurial activity (cf. Santos, 2013).

The Skoll Foundation (n.d.) defines social entrepreneurs as society’s change agents, creators of innovations that disrupt the status quo and transform the world for the better. However, many for-profit enterprises would also fit this definition. Consider the social good that companies such as Facebook and Skype have created in helping people share stories and connect with each other across the globe. Martin and Osberg (2007) suggest that confusion arises because both the entrepreneur and the social entrepreneur are strongly motivated by the opportunity they identify, pursue that vision relentlessly, and derive considerable psychic reward from the process of realizing their ideas. However, what distinguishes social entrepreneurs from other entrepreneurs is that in the case of the former, social benefit and “social mission achievement” is central (Kickul & Lyons, 2012). Martin and Osberg (2007) define social entrepreneurs as having the ability to identify an unjust equilibrium, develop a social value proposition, and stabilize a new ecosystem around a new equilibrium that ensures a better future for the targeted group and society. Zahra , Gedajlovic, Neubaum, and Schulman (2009) offer a comparable definition with a focus on innovation. Huybrechts and Nicholls (2012) highlight three features of a social entrepreneur common to most definitions. These include a primary focus on social and environmental outcomes over profit maximization; an innovative mindset, and a market orientation. Dacin, Dacin, and Tracey (2011) suggest that social

entrepreneurs create social value by providing solutions to problems. To overcome the ambiguity associated with social entrepreneurship, Santos (2013, p. 135) prefers to use the term “social entrepreneurial organization” (SEO), and defines it as ‘one that aims at co-creating social and/or ecological value by providing innovative and lasting solutions to social and/or environmental problems through a process of empowerment and in a financially sustainable manner.’

Subsistence Marketplace Insights

Comprising subsistence marketplaces are the roughly four billion people living on less than \$2 a day, in truly abject poverty, who are commonly referred to as constituting the base or bottom of the pyramid. (Hammond et al., 2007; Prahalad, 2005; Viswanathan & Rosa, 2007; Viswanathan & Sridharan, 2009). An in-depth and insightful study by Viswanathan et al. (2012) identifies seven themes that characterise marketing interactions in subsistence marketplaces. These are: interdependence and orality (marketplace context); empathy and enduring relationships (interactional environment); fluid transactions, constant customization, and buyer-seller responsiveness (elements of exchange).

Various traits shared by consumers in poverty conditions include their tendency to process single pieces of information, such as price, while challenged when attempting to derive higher-level abstractions such as price and package size simultaneously. Consumers in subsistence contexts are photographic thinkers, viewing brand names and prices as images in a scene instead of symbols or messages requiring reading and reaction. Given that many are at low literacy levels, their self-esteem in decision-making contexts

must be considered. They may avoid weighing product attributes in a public market, to avoid embarrassment should others identify their low literacy (Viswanathan, Gajendiran, & Venkatesan, 2008). These qualities suggest to marketers that the presentation of a product or service must be simple and focused in order to clearly communicate its benefits.

A critical differentiator in subsistence marketplaces is one-on-one nature of buyer-seller relationships. The mutually beneficial relationship between parties in an economic exchange is deeper in that they share the experiences and tribulations of subsistence living. Many individuals are both consumers and entrepreneurs sustaining their own micro-enterprises to support themselves and their family. Given this sense of camaraderie in desperately adverse conditions, individuals do understand the importance of a fair exchange at the seller level as well at the buyer level. Therefore, fair and transparent exchanges are essential for businesses in subsistence marketplaces (Viswanathan, Gajendiran, & Venkatesan, 2008).

Viswanathan and Sridharan (2009) stress the need for businesses considering serving subsistence marketplace to have a true understanding of sustainability if they want to succeed in these marketplaces. Macro-level market economies like the United States emphasize economic sustainability, whereas micro-level subsistence marketplaces tend to emphasize social or environmental sustainability. Collaboration with governmental initiatives, social enterprises, business efforts, and local enterprises is essential. If a sustainable, cooperative foundation is set by businesses, these underdeveloped economies have the potential to develop in a mutually beneficial and balanced way.

So how can social entrepreneurs market successfully in subsistence marketplaces?

Viswanathan and Sridharan (2009) propose that businesses ought to be prepared to follow a different set of rules of engagement with consumers in these marketplaces with a give and take mindset of mutual learning. Subsistence marketplaces cannot be developed according to the same principles and mindset of a First World economy. For example, social capital plays an integral role in successful entrepreneurship and, relationships and partnerships can solve problems that money and labor cannot (Viswanathan & Sridharan, 2009). Further, a symbiotic rather than individualistic relationship needs to be established where developed markets contribute resources and technology and subsistence marketplaces contribute productivity and innovation with sustainability principles embedded in their processes. For marketers, it would seem that the role of marketing in such an economy is not to merely communicate an offering to the consumer; it also involves much more in-depth relationship building and learning from those served. The new rules of engagement that Viswanathan & Sridharan (2009) propose for businesses desirous of entering subsistence marketplaces would also be applicable to social entrepreneurs that operate within these marketplaces.

Subsistence Marketplace Frameworks for Solutions

From the above discussion, a social entrepreneur could be considered to be an individual who is focused on devising and implementing innovative and lasting solutions to social and/or environmental problems. As such, a social entrepreneur can be distinguished from a subsistence entrepreneur; the latter primarily focused on earning a subsistence income, that is, income to meet theirs and their family's daily needs. In contrast, social entrepreneurs are involved in initiatives that are aimed at large scale, systemic change

that is far beyond the scope of the individual entrepreneur's subsistence needs. Additionally, a social entrepreneur can operate in a subsistence as well as non-subsistence marketplace. Consider Mark Ruiz, the co-founder of the Hapinoy initiative in the Philippines, the case example mentioned earlier. Mr. Ruiz is an example of a social entrepreneur operating in a subsistence marketplace (Harless, 2012). Conversely, consider Gemma Mortensen, the founder of Crisis Action, a socially entrepreneurial initiative that acts as a catalyst and coordinator bringing human rights and humanitarian organizations together to advocate on behalf of civil society (Skoll Foundation, 2013). Through its collective advocacy approach, Crisis Action has saved thousands of lives. Though many of these lives saved would likely be from the subsistence population, Ms. Mortensen would be considered a social entrepreneur who operates in a non-subsistence marketplace.

Marketing guidelines for operating in subsistence marketplaces

Weidner, Rosa, and Viswanathan (2010) identify a set of marketing practices that are used by successful organizations and companies in subsistence marketplaces. These entities include '(1) companies pursuing a traditional profit-maximization agenda, (2) companies that have incorporated social responsibility into their strategic intent, and (3) social enterprises' (p. 559). The marketing practices include: researching and understanding subsistence marketplaces, identifying critical needs, negotiating social networks, determining the value proposition and co-creating products that are produced locally with sustainable packaging. Communication to subsistence consumers, ensuring access to products, and management of the adoption process further describe the

essentials of marketing in subsistence contexts. researching and understanding subsistence marketplaces, identifying critical needs, negotiating social networks,

Ddesigning the value proposition

Based on various case study examples they generate a list of guidelines for managers of organizations or companies that operate in subsistence marketplaces. Some of these are included in Table 1. For instance, in the area of negotiating social networks, they recommend that managers ‘harness one-to-one relationships and rich social networks’ and ‘negotiate formal and informal economies, relationships grounded in social contracts, and local norms’ (Weidner et al., 2010, p. 560). These particular suggestions clearly reflect the aforementioned notion of marketing “*with*” the impoverished, yet the managerial implications are primarily reflective of organizations marketing *to*, or social entrepreneurs marketing *for* or *on behalf of* the poor, not necessarily *with* them. To provide guidance and tools for marketers, particularly those working as or with social entrepreneurs, to genuinely and sustainably engage *with* subsistence marketplaces, Santos and Laczniak’s (2009) normative framework, the Integrative Justice Model (IJM) is proposed. The five key elements of the IJM provide a framework for marketers to check and re-check their decisions to ensure fairness and sustainability in their efforts. These five ethical checkpoints, originally developed for multinational corporations (MNCs) engaging in low-income markets, and recently adapted to social entrepreneurial organizations (Santos, 2013), complement the set of marketing guidelines that Weidner, Rosa, and Viswanathan (2010) derive from an examination of successful business practices in subsistence marketplaces. Based on the normative guidelines of the IJM model and the positive suggestions for marketing

practices that Weidner et al. (2010) make, tactics for marketing planning are proposed that are aimed at social entrepreneurs who operate in subsistence marketplaces.

The integrative justice model for impoverished populations

The IJM is constructed using a normative theory building process rooted in philosophy (Bishop, 2000). According to the formulators of the model, the key elements of the IJM are arrived at based on an examination of different strands of thought in moral philosophy, management theory, and religious doctrine and their implication for engaging impoverished populations. The theories examined are: (a) Catholic social teaching; (b) Juergen Habermas' discourse theory; (c) Immanuel Kant's categorical imperative; (d) John Rawls' difference principle; (e) William Ross' theory of duties; (f) Amartya Sen's capability approach; (g) Alasdair McIntyre's virtue ethics; (h) John Stuart Mill and Jeremy Bentham's classical utilitarianism; (i) Service-dominant logic of marketing; (j) Socially responsible investing; (k) Stakeholder theory; (l) Sustainability perspectives; and (m) Triple bottom line (Santos & Laczniak, 2012).

When these perspectives are examined together, they 'reveal certain ethical requirements that, in general, should guide the fair allocation of income, wealth and power in the market economy' (Santos & Laczniak, 2012, p. 3). These ethical requirements are: (1) an authentic engagement with customers with non-exploitative intent; (2) co-creation of value; (3) investment in future consumption; (4) interest representation of all stakeholders; and (5) long-term profit management (Santos & Laczniak, 2009). These key elements are to be considered in their entirety as distinct and

symbiotic dimensions of what constitutes a just and fair marketplace especially for the impoverished.

Marketing planning for SEMs in subsistence marketplaces In *Marketing 3.0*, Kotler, Kartajaya, and Setiawan (2010) discuss changes in the macroeconomic environment that have led to significant changes in consumer behavior, and in the field of marketing. Over the past sixty years marketing has gone from product-centric (Marketing 1.0), to customer-centric (Marketing 2.0), and today marketing is transforming again in response to new dynamics in the marketing environment indicating an expanded focus from products to consumers to issues affecting humankind. 'Marketing 3.0 is the stage when companies shift from consumer-centricity to human-centricity and where profitability is balanced with corporate responsibility' (Kotler, Kartajaya, & Setiawan, 2010, p. xii).

Newbert (2012) recently investigated whether or not social entrepreneurs follow best marketing practices. He found that for-profit social entrepreneurs were no less likely than commercial entrepreneurs to conduct preliminary financial planning for their enterprises at the start-up phase. Further, they were no less likely to develop full business plans, and no less likely to price according to fair market value. These findings suggest that, at the outset, social entrepreneurs build the essential foundations for a successful business from which marketers can effectively launch their planning efforts (Newbert & Hill, 2010). However, Newbert (2012) also found notable differences between social and commercial entrepreneurs in execution of best marketing practices. Social entrepreneurs were found to be less likely than commercial entrepreneurs to consider market data critical to starting their venture and less likely to consider changes to the market and

product. Newbert (2012) suggests that because social entrepreneurs tend to lack formal education in business (Amin, 2009) they may lack the marketing skills of their commercial counterparts, which are critical to the success of new ventures (Peltier & Scovotti, 2010). Given that market research is less likely to be considered critical to success by social entrepreneurs, marketing planners must work to overcome this hesitation to delve into the data and analysis that is required for developing effective strategy and identifying unmet demand in their markets of interest (Kirzner, 1997). For example, in subsistence settings, implementing market research and analysis as part of the planning process, can help entrepreneurs address their social problems of interest in different ways, potentially changing their business activities based on the needs of varied market segments.

The IJM as a Framework for Marketing Planning with Subsistence Consumers

As a normative framework, the IJM proposes how things *ought* to be. As discussed, when considering MNCs, its tenets provide managers an ethical outline for marketing *to* the poor. For SEOs, its elements suggest a framework that truly benefits the poor when operating *on their behalf*. In subsistence marketplaces, the IJM offers a viable solution to effective marketing planning *with* the impoverished, which is essential in this context.

Using insights from Weidner et al., (2010) to articulate the nuances associated with subsistence marketplaces and the subsequent managerial implications, tactics for marketing planning in this unique context are offered with applied examples of using the IJM *with* the subsistence consumer (Table 1).

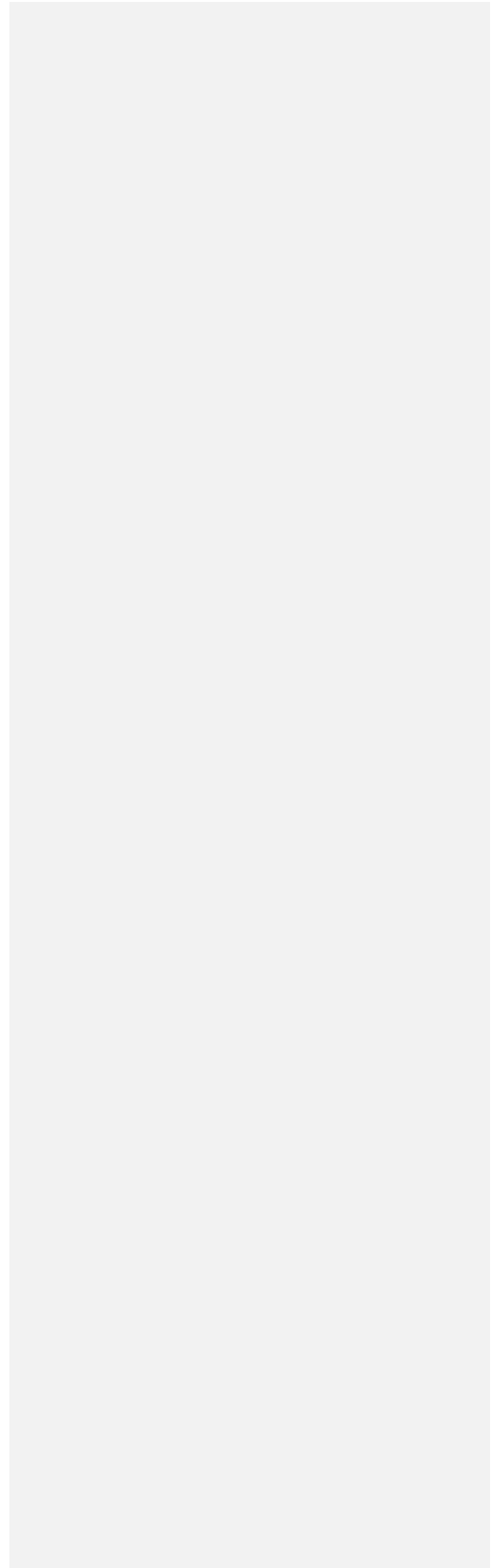


Table 1: IJM Adaptations for Social Entrepreneurship Marketing

| IJM for MNCs (Santos & Laczniak, 2009) | IJM for SEOs (Santos, 2013) | Marketing in Subsistence Marketplaces (Weidner et al., 2010) | | Tactics for SE Marketing Planning in Subsistence Marketplaces |
|---|---|--|--|--|
| SEM <i>to</i> poor | SEM <i>for</i> poor | | | SEM <i>with</i> poor |
| Authentic engagement with consumers, particularly impoverished ones, with non-exploitative intent | Authentic engagement aimed at empowerment particularly of disadvantaged groups | Process Step 1. Research markets 2. ID critical needs 3. Negotiate social networks | Managerial Implications <ul style="list-style-type: none"> Participatory research ID needs of value chain <ul style="list-style-type: none"> Harness 1-1 interactions & rich social networks | <ul style="list-style-type: none"> Cultural immersion experiences Build trust with transparency in value chain Understand political environment, rights and resources |
| Co-creation of value with customers, especially those who are impoverished or disadvantaged | Social and environmental value co-creation aimed at solving the root causes of problems associated with poverty | 4. Design value proposition 5. Co-create products (<i>and services</i>) | <ul style="list-style-type: none"> Challenge and rethink traditional business Understand & incorporate consumer needs | <ul style="list-style-type: none"> Extensive small group discussions with potential beneficiaries on problem identification Identify leaders, evaluate social capital Co-create innovative solutions by segment Include beneficiaries' recommendations in solution processes |
| Investment in future consumption without endangering the environment | Creation of sustainable ecosystems through a process of innovative social change | 6. Localize production 7. Develop sustainable packaging | <ul style="list-style-type: none"> Increase livelihood opportunities, awareness, networking Reduce transportation costs Increase product/svc. Transportability Use biodegradable or recyclable local materials | <ul style="list-style-type: none"> ID subsistence market segments Map product/service life cycle – understand consequences & opportunities Increase capabilities for participation (education, business skills, customer service training) Disintermediation |
| Interest representation of all stakeholders, particularly impoverished customers | Interest representation of all stakeholders, particularly impoverished and disadvantaged segments | 8. Communicate to consumers 9. Provide access to products/services | <ul style="list-style-type: none"> Innovative communication through brand name selection Demos and WOM advertising, local partners Enlist local resellers to provide access | <ul style="list-style-type: none"> Clarify stakeholder advantages Develop stakeholder strategies that ensure ethical economic exchange to benefit all Develop metrics to ensure sustained advantages Conduct ethics audits through group meetings |
| Focus on long-term profit management rather than on short-term profit maximization | Financial viability and sustainability | 10. Manage the adoption process | <ul style="list-style-type: none"> Tailor solutions around high interdependence 1 on 1 interactions | <ul style="list-style-type: none"> Evaluate social, economic and environmental sustainability initiatives Develop strategic plan with long-term focus and timeline for implementation Develop and monitor co-created metrics particular to organization |

Authentic engagement

For the MNC engaging with the impoverished, an essential ingredient to authentic engagement is “non-exploitative intent.” Inadvertent exploitation such as overpricing, unfair dealing, or avoidance of social sustainability initiatives, could be unanticipated consequences of the demands required of the for-profit firm focused on increasing shareholder wealth. Applied to the SEO, the key to authentic engagement is “empowerment” of the impoverished so as to allow for true, self-sustaining, and long-term benefit. Santos (2013) suggests that if SEO managers want to maintain the locus of control, their desire is likely to be indicative of an unsustainable SEO.

Weidner et al. (2010) identify three steps in the marketing process in subsistence marketplaces that are reflective of authentic engagement aimed at building trust and empowering those served: research the markets, identify critical needs, and negotiate social networks. Managerial implications suggest participatory research (which might be in the form of rural appraisals, wealth ranking, or financial diaries), understanding the needs of suppliers, and harnessing the social value of 1-to-1 interactions and rich social networks. Applying the IJM element of authentic engagement, informed by the managerial implications, several tactics for marketing planning in subsistence contexts emerge.

Foremost, a cultural immersion experience is essential for true engagement. Forms of immersion might include cross-functional management and marketing teams uniting for a 10-day trip to the subsistence marketplace under consideration. Planning objectives might include trust building, “getting to know you” games, home-stays, and cultural festival participation. Marketers would benefit from detailing the perspectives of

partners in the “value chain” associated with solving a particular problem. Further, it is imperative that the marketer understands the political environment as well as the rights of the impoverished consumer and the extent to which those rights are upheld or discarded. Finally, authentic engagement requires an evaluation of the resources available to the deeply impoverished. Aside from an obvious lack of financial resources, other valuable resources in a subsistence market are likely to include social capital and networks, intellectual and spiritual development opportunities, natural resources, health and education programs, and opportunities for competitive collaboration.

Value co-creation

The concept of value co-creation is at the core of the service-dominant logic of marketing (Vargo & Lusch, 2004). In order to serve the impoverished more effectively, social entrepreneurs that operate in subsistence marketplaces should carefully investigate the root causes of a problem, as identified by the poor they serve. The process steps associated with value co-creation include designing the value proposition and actually co-producing products or services with the impoverished consumer. Managers and marketers are challenged to reconsider traditional business planning and meaningfully consider the subsistence context as they design solutions.

Tactics to garner the information that can serve as a foundation for co-creation might include extensive small group discussions to understand the problems and their root causes. Leaders need to be identified and the social capital and networks evaluated, to help form market segments. Karlan and Appel (2012) found that cooperation in micro-lending groups was stronger when participants were culturally similar, and that they

monitored one another more effectively. Such segments or groups offer increased social capital, which can facilitate innovation in problem identification and solution design. Marketing planners should engage impoverished participants in scenarios that encourage them to envision a lifestyle inclusive of the solution.

Investment in future consumption

The IJM requires marketers to consider the social, environmental and economic impacts of their decisions. A firm is expected to invest in research and development aimed at developing innovations for impoverished markets that are socially beneficial and environmentally friendly (Santos & Laczniak, 2012). Social entrepreneurs operating in subsistence marketplaces should create sustainable ecosystems through a process of innovative social change, striving to increase the capabilities of the impoverished segment so they can better participate in the market economy.

The marketing process steps in a subsistence context include localizing production and developing sustainable packaging for products and sustainable programs for services. This implies marketers need to increase livelihood opportunities and awareness of these opportunities, utilizing the rich social networks of subsistence marketplaces. Transportation costs must be reduced to make products and services more accessible and transportable. Products should use biodegradable materials and local components when possible. The social entrepreneur in this context should focus on identifiable market segments, considering the nuances, needs and values of a particular, even if small, market segment. The product or service life cycle should be mapped so as to understand the consequences of product or service design, and to explore opportunities

for innovation and improvement. To increase the capabilities of the persons served so they can more effectively participate in the market economy, the social entrepreneur should focus on business skills training in areas such as customer service, basic bookkeeping, and marketing principles. Finally, to facilitate sustainable investment in future consumption, the social entrepreneur should work toward disintermediation, which suggests a more sustainable approach to distribution with fewer intermediaries in the economic exchange (Martin and Schouten, 2012). Understanding supply chain relationships is imperative, as is an awareness of the social impact of disintermediation efforts.

Interest representation of stakeholders

While the MNC will assuredly put a primary focus on increasing shareholder wealth, regardless of marketplace, the social entrepreneurial organisation is expected to put equal focus on all stakeholders including the poor served by the organisation, employees and volunteers. This requires consistent communication with consumers and consistent access to the products or services associated with social problem resolution. Marketing managers should offer subsistence consumers brand names that easily identify the offering. Clear brand messages and value propositions are essential so as to be shared and demonstrated via word-of-mouth (WOM) advertising, and distributed via collaborative local partnerships. Marketers planning strategies in the subsistence context should work to clarify stakeholder advantages. Further, marketers can help them envision a collaborative plan and how the results will affect them personally, and their social group as a whole.

The ethics of economic exchanges should be discussed, for example within small groups and demonstrated with interactive scenarios and role-playing with larger groups. Once stakeholder advantages are clear, uncomplicated, simple metrics can be developed to ensure such advantages are maintained consistently throughout the economic exchange. For example, a Honduran woven bracelet sells for \$3 to an American tourist. The teenage Honduran entrepreneur is encouraged to use one of the three dollars to pay for more weaving thread, one should be given to the outlet (store) where the bracelet was sold, and one is kept as profit. How many bracelets will the teen need to sell in order to purchase a second-hand dress for her quinceanera (15th birthday, coming-of-age celebration)? Understanding the advantages and motivations of each stakeholder in the process is essential to helping the impoverished plan their approach to the marketplace.

Long-term profit management

While the MNC is encouraged to take a corporate social responsibility approach which suggests a long term commitment to an impoverished market versus the more comfortable notion of short term profit maximization, the social entrepreneur focuses on financial viability and sustainability. This portion of the marketing process requires managing the adoption process with solutions that consider the high levels of interdependence between partners in the exchange. Recall that consumers are often also entrepreneurs themselves with a vested interest in consistent exchanges, and the 1-to-1 nature of the exchange. For marketers in the subsistence context, this suggests long term planning with those served, in an effort to understand the social, environmental and economic consequences of the market exchange (e.g., saving to purchase additional

thread to make more bracelets; using locally produced, high-quality thread, purchased from another person in the village). Long term strategic planning inclusive of timelines for implementation of programs and services should consider the varied nuances of subsistence marketplaces; yet reflect the innovative and tenacious nature of the impoverished consumer/entrepreneur. Marketers need to ensure their plans truly amplify the voice of the poor, and are reflective of the shared vision of the subsistence marketplace in which they function.

Conclusion and future research

SEMs in subsistence marketplaces have invaluable resources for development including rich social networks and a market with a propensity toward word-of-mouth marketing. The one-on-one nature of subsistence marketplaces is a particular advantage that can be amplified with the IJM. Modified marketing approaches that accurately identify and genuinely consider the needs of the impoverished consumer, such as low literacy and numeracy and their hidden implications, are required in order to evidence authentic respect for the disadvantaged marketplace. The IJM provides a framework for those marketing to, for and/or with the poor, to evaluate their strategies and plans and discern the extent to which their efforts address, reflect and respect their impoverished marketplace. The IJM is shown to be particularly useful for social entrepreneurs in subsistence marketplaces due to its adaptability when marketing *with* the impoverished as should be the norm in sustainable human development.

In regard to future research it should be pointed out that market research methods must be adapted to include a more qualitative approach, yet must accurately reflect the

potential of a marketplace. More robust qualitative methods that generate more information from less data will enable social entrepreneurs, particularly those in subsistence marketplaces, to train and assist subsistence entrepreneurs in marketing planning in these innovative contexts. Research among multinational corporations marketing to the poor should evaluate the extent to which their marketing approaches reflect the elements of a just marketplace. The potential for training marketers engaged with the impoverished on how to identify adherence to the IJM should be investigated. Finally, researching methods for training social entrepreneurs how to market to, and teach marketing to, subsistence entrepreneurs is an area of continued opportunity.

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