Factsheet 7

Marketing for social enterprise

Introduction
This factsheet provides an introduction to marketing as a social enterprise. It looks at what marketing involves and how to develop a marketing strategy and marketing plan for your organisation as part of the business planning process.

What is marketing?
If you are in business, or planning to be, and whether your business is national, global or local, it is important to think about how you will market your service or product.

Marketing is the process of making potential customers and clients interested in your products and services.

Marketing is an important part of planning and running a business planning at any time. It is particularly important to think about marketing where traditional contracting arrangements are likely to change so there is a likely change to your customer base.

What does marketing involve?
Marketing involves a variety of activities including researching, promoting, selling and distributing your services and products. It is a huge subject but basically marketing involves everything you do to get to your potential customers.

One of the key features of successful marketing is the acknowledgement of your existing and potential customers and the groups and segments into which they fall. This will depend on their needs. Identifying these groups and their needs and then addressing them as successfully as you can must be the focus of your marketing strategy.

Developing a marketing strategy
This involves looking both at your own organisation and what is happening elsewhere. What are the opportunities and what are the threats?

Developing a successful marketing strategy:
There are many different ways of doing this, and many books written on the topic. Key points to consider are:

- The sector, the market and your position in the market
It is important to know the sector in which your business operates and identify any changes taking place in your business/sector environment or likely to happen in the future. Being clear about what your position is in the market is an important starting point. Factors to consider include price, level of service, geography, quality, target market.
Think about
How big is the market?
Is it growing or shrinking?
What is the competition and how will this affect you?
What is your place in the market?
What route will you take to market?

• Your product
What are you selling and what would make customers buy from you? What makes you stand out?
This is known as a USP or Unique Selling Point.

• Your aims
Decide what you want to achieve? Set clear, realistic objectives

• Your customers
  • Who are you targeting as your customers? Are there different groups of customers? For example if you are selling a support service for older people customer groups might include the people receiving the service, their families, and/or the local authority.
  • What are your customers looking for? What are their needs?
  • Which customers are most profitable? Does this fit with meeting your social objectives as a social enterprise?
  • Who is going to buy your product and service or significantly influence the buyer? Knowing your customers well will help with developing your marketing. For example, are these customers familiar with what you do, are they well off or less so?

• Communication
What do you do now to market your product or services, with what resources and how successful is this? What is your message and how will you target and communicate with your customers? What is the best way of communicating with them? How can the service to customers/clients be improved? Are there other groups you wish to influence e.g. end users and their supporters, decision-makers and policy makers? How can you use public relations [PR] as a promotional tool?
See WSSEN Factsheet 8 PR for social enterprise.

• Resources
What resources do you have to put your marketing plan into action? Identify people, premises, and equipment etc., needed.
Issues and challenges
Are there any potential obstacles or challenges to you achieving your marketing objectives? How will they be overcome?

SWOT analysis
Conducting a SWOT analysis is a useful exercise to help identify key issues, from which you can develop a marketing strategy that supports your own strengths and matches them to the opportunities that may come your way.

- **Strengths** What are you good at, what has been successful for you as an organisation? E.g. a reputation for quality service.
- **Weaknesses** What are the main weaknesses of your business and products/services? Is there an area that you feel your business could improve on, or a change that can improve your product or its distribution area? e.g. Not having our own vehicle limits where we can operate.
- **Threats** to your business could include competitors, government regulations, changes in contracting policy by public sector, customer attitudes and other such areas. For example - A competitor is planning to launch a major new product in the next 6 months.
- **Opportunities** This could include any external opportunities, such as a gap in provision in an area into which you wish to expand.

Developing a marketing plan
The next step is to develop a detailed marketing plan setting out the specific actions you intend to take to put your strategy into practice. There are 4 main components to a plan:

- product
- promotion
- distribution
- pricing

**Products and services** It is important to define clearly what is your product or service. What is unique about your product or what you do that would help to sell your product or service? This is known as Unique Selling Point [a USP]. You may also wish to consider whether you can improve your product or service or the way in which it is delivered to increase sustainability and profit line. Many organisations are looking to grow – could you extend your area of operation or your service rather than trying to create new products or services?

**Promotion** How do you currently promote your product or service? What will you do to promote your product or service in the future?

Promotion traditionally focuses on advertising, direct marketing, exhibitions, trade shows, PR [public relations] or marketing on the web. Each of those can be useful but word of mouth can be just as important. You may also have different audiences. For example one marketing aim might be to reach the key influencers who will communicate your message more effectively.

It is also worth considering what clients or customers are interested in apart from the price? Is it Reliability? Quality? Efficiency? Your track record? Your brand as a social enterprise?
Distribution
What is the best way of distributing your services/products? How could this be improved e.g. faster turnaround?

Pricing
How are you going to price your service/product? Will there be different prices for different customer groups. How will these be communicated?

Timing, monitoring and review and measuring success
As with any planning process, once you have created and implemented your strategy, it is just as important to monitor its effectiveness. Doing this at intervals can allow you to make any adjustments required to maintain its success.

It is important to think about how you can tell if your marketing is effective? Knowing how your customers find out about your business or continue to purchase from you is useful.

Tips and suggestions
• Make marketing part of planning your business
• Understand your product or service
• Have a clear message and how you will get that message across
• Successful marketing involves attracting and retaining a growing base of satisfied customers
• Take a fresh look at how you market your business from time to time
• Don’t forget PR [public relations]
• Include costs of marketing when preparing your budgets

Further information and resources
There are a number of guides on how to produce and write a marketing plan. For example Business Link provides a variety of information sheets and guides on many aspects of marketing and planning.

WSSEN factsheets series provides information about different aspects of setting up and running a social enterprise and can be downloaded from the WSSEN website www.wssen.org.uk. Alternatively or additionally contact WSSEN to be put in touch with a social enterprise adviser or to find out more information including workshops and networking events.

Other resources
The Chartered Institute of Marketing www.cim.co.uk
Bizhelp 24 www.bizhelp.24
Business Link www.business link.gov.uk

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