

Vincentian Marketing Orientation exhibited by Social Enterprises

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Abstract

One of the functions of Marketing is 'value creation for society'. Hence, value-driven social enterprises adopt this marketing concept called Vincentian Marketing Orientation (VMO). It refers to a philosophy of management based on a theology of business ethics adopted by social enterprises to meet their social objectives while ensuring financial sustainability. VMO is a moral framework that is centred on working towards the betterment of the oppressed in the society in an efficient and effective manner. The drivers of VMO include serving the poor and the ostracized people of the society, efficient and effective operation of business, and value-driven management. Social enterprises are therefore organisations that are established for a social cause but follow a "for-profit" business model. Marketing by social enterprises also focus on addressing human needs. Hence, a marketing orientation is of vital importance for the effective management of social enterprises. Since limited research has been done on marketing in the context of social enterprises, there arises the need for the study which focusses on a value based marketing approach adopted by social enterprises.

Objectives of the study

The objectives of the study: i) To examine the factors of VMO, social performance and environmental performance ii) To determine whether enhanced social and environmental performance is an outcome of a Vincentian Marketing Orientation.

Research Methodology

The study was conducted with a sample of 10 social enterprises using a structured questionnaire on a 5 point Likert scale ranging from "Strongly Agree" to "Strongly Disagree". The Statistical tools used were Weighted Mean and Correlation.

Keywords: *Vincentian marketing orientation, social enterprise, social performance, environmental performance, value based marketing, human needs.*

Introduction

One of the functions of Marketing is 'value creation for society'. Hence, value-driven social enterprises adopt this marketing concept called Vincentian Marketing Orientation (VMO). It refers to a philosophy of management based on a theology of business ethics adopted by social enterprises to meet their social objectives while ensuring financial sustainability.

The term 'Vincentian' was derived from Vincent de Paul, a French Catholic priest, who dedicated his life to serving the poor. He founded an order of priests, the Vincentians, who pledged to devote their lives to attending to not just the spiritual, but also the material needs of the underprivileged. His tenets led many people to reach out to the downtrodden and he was canonized as the patron saint of charity in 1737.

VMO is thus a moral framework that is centred on working towards the betterment of the oppressed in the society in an efficient and effective manner. The drivers of VMO include serving the poor and the ostracized people of the society, efficient and effective operation of business, and value-driven management.

Review of Literature

Morgan P. Miles (2013) conducted a study and published a paper titled 'Social Enterprises and the Performance Advantages of a Vincentian Marketing Orientation'. The study was conducted among 44 Social Enterprises in Australia. The purpose of the study was to check whether Social enterprises that adopted a VMO exhibited enhanced social, environmental and economic performance. The results revealed that the social enterprises that adopted VMO sought feedback from beneficiaries and stakeholders and long-term value creation was more visible in such enterprises.

Jo Barraket and Heather Anderson (2010) A study was conducted amongst 8 Social Enterprises in Australia. Interview method was followed to collect the required data regarding the strategic management of the social enterprises. It was found that 7 out of the 8 social enterprises experienced a level of conflict while trying to fulfil their social and financial goals. 4 social enterprises found it difficult to measure their impact due to lack of time and resources.

Need for the study

The purpose of the study was to find whether a Vincentian Marketing Orientation adopted by a Social Enterprise leads to enhanced Social and Environmental performance. Social enterprises are organisations that are established for a social cause but follow a "for-profit" business model. Marketing by social enterprises also focusses on addressing human needs. Hence, a marketing orientation is of vital importance for the effective management of social enterprises. Since limited research has been done on marketing in the

context of social enterprises, there arises the need for the study which focusses on a value based marketing approach adopted by social enterprises.

Objectives of the study

The **objectives** of the study: i) To examine the factors of VMO, Social Performance and Environmental Performance ii) To determine whether enhanced Social and Environmental Performance is an outcome of a Vincentian Marketing Orientation.

Research Methodology

The study was conducted with a sample of 10 Social Enterprises (SEs) in India using a random sampling method. Data was collected using a structured questionnaire on a 5 point Likert scale ranging from “Strongly Agree” to “Strongly Disagree”. The Statistical tools used were Weighted Mean and Correlation.

Sample description

1. Oasis India

Oasis India is an NGO that set up a Social Enterprise called Madras Fuse. They train women around the areas of Basin Bridge and Kannigapuram to stitch apparel and home decor pieces.

2. Nelsonin Research Private Ltd.

It is a Social Enterprise set up for Research purposes. Some of their researches include Navigation systems for fishermen to avoid crossing boundary lines unintentionally and also getting luminous energy from plants.

3. Swara – Voice of Women

Swara is a Social Enterprise that was started to empower the rural women from Dungarpur, Rajasthan. The apparels are designed, handcrafted and modelled by the women themselves.

4. Farm Harvest

Farm Harvest trains farmers and provides them with high quality seeds and technology to grow the produce. They are involved in Contract farming with around 350 farmers.

5. Agastya Buoyant Private Ltd.

This Social Enterprise manufactures products to clean oceans and rivers. They are currently involved in the Clean Ganga Mission. They also produce inflatable Biogas storage tanks for commercial and domestic use.

6. Vyomini

Vyomini is a Social Enterprise aimed at the economic and social upliftment of women through livelihood training. The women manufacture and sell biodegradable sanitary napkins and diapers, jute bags, and organic vegetables.

7. EcoRight

This Social Enterprise makes eco-friendly bags out of recycled cotton and jute. A percentage of their profits go to education institutions and other social causes and they donate such bags to schools.

8. DesiCrew Solutions Pvt. Ltd.

This is a rural Business Process Outsourcing (BPO) company. They employ men and women in rural areas for data processing.

9. Sakhi Unique Rural Enterprise (SURE)

SURE is a Social Enterprise that helps rural women to market eco-friendly products to rural households. The products include solar lanterns, advanced smokeless cooking stoves, water purifiers etc.

10. Organizing for the Future Society

Organising for the Future Society, an NGO, set up a Social Enterprise 'Sakhyata'. Their main objective is employment generation for women. They help women stitch clothes and bags and sell them.

Limitations of the study

The sample size is very small due to time constraint and low response rate.

Analysis and Interpretation

Table No. 1 Vincentian Marketing Orientation: Marketing Generation - Weighted Mean

S.No.	Statements	Mean			S.D.		
		L	M	H	L	M	H
1	Our Social Enterprise regularly meets with our beneficiaries and stakeholders to better understand their needs.	4.00	4.50	5.00	1.414	0.548	0.000

2	Our Social Enterprise understands the functions and responsibilities of social enterprises in the current economic and political environment.	3.00	4.17	5.00	0.000	0.753	0.000
3	Our Social Enterprise seeks and obtains feedback on our beneficiaries' level of satisfaction on a regular basis.	3.50	3.67	5.00	0.707	0.516	0.000
4	Our Social Enterprise seeks and obtains feedback on our stakeholders' level of satisfaction on a regular basis.	3.00	3.83	5.00	1.414	0.753	0.000
5	Our Social Enterprise has multiple ways to get feedback from our beneficiaries.	2.50	3.50	5.00	0.707	0.548	0.000
6	Our Social Enterprise monitors how changes in the economy, technology and regulations may impact us.	3.50	3.83	4.50	0.707	0.408	0.707
7	Our Social Enterprise regularly compares how we think we are performing with how our stakeholders perceive we are performing.	3.50	3.83	5.00	0.707	0.408	0.000
8	Our Social Enterprise regularly examines the factors that influence our beneficiaries' decision to seek our assistance.	3.50	3.83	5.00	0.707	0.753	0.000

From the above table it is obvious that Social enterprises with Low, Medium and High VMO all regularly meet with their beneficiaries and stakeholders to understand their needs better. (Respective Weighted Mean: **4.00, 4.50, 5.00**). SEs with Low VMO do not have multiple ways to get feedback from beneficiaries (Weighted Mean:**2.50**) unlike SEs with High VMO (**5.00**)

Table No. 2 Vincentian Marketing Orientation: Marketing Dissemination – Weighted Mean

S.No.	Statements	Mean			S.D.		
		L	M	H	L	M	H
1	Our Social Enterprise shares information and cooperates with other similar organizations.	4.00	4.17	5.00	0.000	0.753	0.000

2	Our Social Enterprise communicates beneficiary and stakeholder feedback throughout the entire organization.	4.00	4.17	5.00	0.000	0.753	0.000
3	Our Social Enterprise has regular organizational conversations to communicate important operational and strategic changes.	4.00	4.17	5.00	0.000	0.753	0.000
4	Our Social Enterprise has a business model that is understood by our employees and stakeholders.	3.00	4.50	5.00	0.000	0.548	0.000

From the above table it is inferred that SEs with Low VMO communicate feedback throughout the organization (**4.00**). SEs that exhibited Medium VMO opined that they had a business model that could be understood by their employees and stakeholders (**4.50**). SEs with High VMO strongly agreed that they had good dissemination of information in the organisation as the Weighted Mean for all four statements is **5.00**.

Table No. 3 Vincentian Marketing Orientation: Marketing Responsiveness – Weighted Mean

S.No.	Statements	Mean			S.D.		
		L	M	H	L	M	H
1	Our Social Enterprise has sufficient information available to modify and develop appropriate services for our beneficiaries.	3.00	4.50	4.50	1.414	0.548	0.707
2	Our Social Enterprise uses all information at our disposal to modify and develop services for our beneficiaries.	3.00	4.00	4.00	1.414	0.632	1.414
3	Our Social Enterprise attempts to respond to emerging beneficiary or stakeholder needs.	4.00	4.17	4.50	1.414	0.408	0.707
4	Our Social Enterprise is flexible in strategy and adapt our strategies as needs change.	3.50	4.50	4.00	0.707	0.548	0.000
5	Our Social Enterprise attempts to differentiate our services from other alternatives.	4.50	4.17	4.50	0.707	0.408	0.707

6	Our Social Enterprise invests significantly in marketing and promotion.	3.00	3.33	4.00	1.414	1.033	0.000
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From the above table it is inferred that SEs that exhibit Low and Medium VMO do not invest greatly in promotion of their Social Enterprise. (Weighted Mean **3.00** and **3.33** respectively) This may be due to the fact that a Social Enterprise's main objective is the welfare of its beneficiaries and not the promotion of the business itself. SEs with Medium and High VMO have the required information to modify their services (Weighted Mean for both: **4.50**) unlike SEs with Low VMO (3.00)

Table No. 4 Environmental Performance – Weighted Mean

S.No.	Statements	Mean			S.D.		
		L	M	H	L	M	H
1	Our organization operates in an environmentally sustainable manner.	4.00	4.33	5.00	0.000	0.816	0.000

A one-item metric is used to measure environmental performance. From the above table it is obvious that all SEs opine that they operate in an environmentally sustainable manner. This affirms the notion that SEs have social causes as their main objective and are therefore conscious of the environment.

Table No. 5 Social Performance – Weighted Mean

S.No.	Statements	Mean			S.D.		
		L	M	H	L	M	H
1	Our donors are very satisfied with us.	3.50	4.33	4.00	0.707	0.816	1.414
2	Our organization operates in a socially sustainable manner.	4.00	4.33	4.50	0.000	0.816	0.707
3	We help inform the community about the plight of our beneficiaries.	3.50	4.33	4.50	0.707	0.816	0.707
4	We help mobilise interest for additional social welfare initiatives.	4.50	4.17	4.50	0.707	0.753	0.707
5	We are often perceived and valued by our beneficiaries as a provider of last resort.	3.50	3.50	4.50	0.707	1.049	0.707

6	In the past few years we have met our objectives in terms of beneficiaries served.	4.50	4.50	4.50	0.707	0.548	0.707
7	Beneficiaries are satisfied with our services.	4.50	4.50	4.50	0.707	0.548	0.707
8	Beneficiaries and stakeholders recommend our services to others.	3.50	4.33	4.50	0.707	0.816	0.707

From the above table it is inferred that SEs with Low, Medium and High VMO are of the view that they have met their objectives in serving their beneficiaries (**4.50**) and their beneficiaries are satisfied with their services as the Weighted Mean for all three levels is (**4.50**)

Table No. 6 Vincentian Marketing Orientation - Mean Score

S.No.	Name of the Social Enterprise	Mean Score	Level of VMO
1	Oasis India	3.28	Low
2	Nelsonin Research Private Ltd.	3.67	Low
3	Swara – Voice of Women	3.89	Medium
4	Farm Harvest	3.94	Medium
5	Agastya Buoyant Private Ltd.	3.94	Medium
6	Vyomini	4.06	Medium
7	EcoRight	4.22	Medium
8	DesiCrew Solutions Pvt. Ltd.	4.22	Medium
9	Sakhi Unique Rural Enterprise	4.61	High
10	Organizing for the Future Society	4.83	High

VMO is measured on an 18-item scale using a 5-point Likert scale. The Social Enterprises have been categorized according to the level of VMO they exhibit based on their Mean score. The Mean score range is 3.28 - 4.83. Two SEs exhibit Low VMO (Mean score between 3.28-3.79), 6 SEs exhibit Medium level of VMO (3.79-4.31) and the other two exhibit a High level of VMO (4.31-4.83)

Table No. 7 Factors of Vincentian Marketing Orientation and Social Performance – Correlation

S.No.	Factors	'r' value
1	Marketing Generation and Social Performance	0.222
2	Marketing Dissemination and Social Performance	0.444
3	Marketing Responsiveness and Social Performance	0.207

The above table depicts that there exists a strong positive relationship between the factors of VMO and Social Performance. Marketing Dissemination is strongly correlated to Social Performance ($r = 0.444$). This is because good dissemination of information in the organisation is required for the SEs to be able to meet their objectives and satisfy their beneficiaries. Marketing Generation and Social Performance are also positively correlated ($r = 0.222$). Out of the three factors, the Marketing Responsiveness factor has the least r value (0.207) when compared with the other factors of VMO. This is because Social Enterprises may not have the required funds to respond accordingly to changes in the business environment.

Table No. 8 Factors of Vincentian Marketing Orientation and Environmental Performance – Correlation

S.No.	Factors	'r value'
1	Marketing Generation and Environmental Performance	0.246
2	Marketing Dissemination and Environmental Performance	0.359
3	Marketing Responsiveness and Environmental Performance	0.366

From the above table it is inferred that there exists a strong positive relationship between the factors of VMO and Environmental Performance. Marketing Responsiveness is strongly correlated to Social Performance ($r = 0.366$). This is because SEs are focussed on responding to their beneficiaries' needs in an environmentally sustainable manner. Marketing Dissemination and Social Performance are also positively correlated ($r = 0.359$). Out of the three factors, the Marketing Generation factor has the least r value (0.246) when compared with the other factors of VMO. This is because Social Enterprises may not collect feedback on their environmental performance from their beneficiaries.

Conclusion

From the above study it can be concluded that there is a strong relationship between a Vincentian Marketing Orientation and their Social and Environmental Performance. Although they are not significantly correlated, the results show that SEs that have a VMO exhibit enhanced social and environmental performance.

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