Identifying the Benefits and Challenges of Using Social Media as a Promotional Tool for Social Enterprises

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Improving economic, social and environmental well-being (Cornelius and Wallance, 2013)

A business with primarily social objectives whose surpluses are principally reinvested for that purpose (Ridley-Duff, 2008)
a) Rising no. of social enterprises:
   - In HK: 222 in 2008 to 406 in 2013 (Power of Good, 2013),
   - and then 527 in 2015 (HKET, 2015)

b) Gov’t provision of monetary support:
   - $5M Social Enterprise Development Fund
   - Loans for start up, develop and expand (HK Information Services Department, 2012)
   - It is helpful, but not enough

c) Of the 56 social enterprises that announced their financial records in 2011, 24 reported a deficit (Social Enterprise Insights, 2013)
Can low cost marketing means (social media) improve marketing performance of SEs?
Performance of SEs around the world

UK: SEs are making an increasingly important and significant contribution to the nation’s communities and economies (Mason et al. 2007)

Europe: SEs are making significant breakthroughs and attracting increasing public attention (Defourny and Nyssens, 2008)

US: SEs normally have a more profit-driven pattern to be self-sufficient (Kerlin, 2006)

South Korea: Social Enterprise Promotion Act brings a significantly positive influence to social enterprise (Bidet and Hyung-Sik, 2011)
Social Media

- The media for social interaction using the webbased and mobile technologies (Bhanot, 2012)
**Social Media**

- Help social enterprise to govern communication, collaboration and knowledge management (Hoyt, 2012)
- A pressing need for different kinds of firms in improving the quality of customer relationship management (CRM) (Peltier et al., 2013)
- Increasingly used by corporations, can become a time wasting activity if it is misused (Sirichanaroen, 2012)
**Methodology**

- **In-depth interviews**
  - Social Entrepreneurs and/or marketing staff of HK SEs
  - Purposive Sampling & convenient sampling
  - 5 SEs from different industry/with different social objectives/community which they are serving
Marketing Activities of SEs

**Time**
- Festivities oriented
- Christmas, Valentine’s day oriented
- Strong channel-level competition

**Channels**
- Social media
- Offline channels, Posters, direct marketing, etc.
- Driven to use low cost channels

- Interviewee from the online service industry: “We try to avoid using any marketing channel that they need to spend money on”
- Interviewee from the catering industry: “Our offline marketing activity mainly entails distributing menus at places near their restaurants”
Marketing Challenges of SEs

**Limited financial resources**
- Limiting the choice of marketing channels and scale of marketing activities
- Interviewee from the environmental education industry: “Facebook is our only promotion channel”

**Limited human resources**
- Shortage of employees
- Limited marketing expertise on planning and executing marketing activities
- Interviewee from the catering industry: “the personnel structure of social enterprises in Hong Kong tends to have a social work background rather than a business or marketing background”
*Objectives and Uses of Social Media*

Customer engagement

- Spreading real-time news about and updating of the company’s products and social objectives

Informing and reminding previous customers that the company is still in operation

Convincing existing and prospective customers that the company has done something good for the community by posting photos or videos
* 4 Types of Information Shared by SEs on Social Media

- New product information
- Events or workshops conducted
- Stories from the community being helped
- Related news or articles
Mainstream Social Media Tools in HK

Use the one which suit the target market!
Benefits of Marketing through Social Media for SEs

- **Customer relationship management (CRM)**
  - Immediate access to customers
  - Effective to learn what the target customers want
  - Tendency of receiving more positive feedback
  - Effectiveness will be affected by responsive time and the content of response
Benefits of Marketing through Social Media for SEs

Database Marketing

Social enterprises need to know the types of information that trigger the most customer interest.

Publish such information more frequently.

Increase public awareness and the number of followers on social media.

Richer database.
Challenges of Marketing through Social Media for SEs

- Effectiveness is highly dependent on the appeal and novelty of the information published
- Low number of followers limits the marketing impact
- Channel level competitors being too many and strong
Research Limitations and Contributions

Similar to any qualitative research, this study cannot examine how much positive influence that social media has on the marketing performance of social enterprises.

The wider field of research does benefit from the study’s research setting by generating insider insights into the ways of social media promotion that are the most effective for social enterprises.

These ideas provide practical advice to social enterprise managers to formulate their marketing strategies.

Future research should look into the specific performance implications that each type of social media channel may generate.
Conclusions

1. Social media ➔ Low cost with strong potential of marketing impact for SEs

2. A model of effective use of social media channels for SE promotion is developed for improving marketing performance

3. Challenges caused by limited resources and strong competition require constant attention from SEs