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## RESEARCH ARTICLE

## Societal Marketing – The Shift: Indirect to a direct marketing approach.

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### Abstract

Every generation is saddled with a cause; a social issue that requires a solution. Today one of the major challenges faced by the world is environmental damage and sustainability of natural resources. The model of capitalism has led enormous development, which has caused exploitation of resources beyond imagination. As at any time and any cause, there are people who are willing to stand up, speak out, and with passion look for a solution. At 9:45 p.m. on 20<sup>th</sup> April 2010, an explosion at Deepwater Horizon oil rig killed eleven workers and injured another seventeen. Macondo well, oil and gas prospect in the United States Exclusive Economic Zone of the Gulf of Mexico, off the coast of Louisiana, which was under the explosion, blew apart, unleashing a gusher of oil into the gulf. Some call it the worst environmental disaster in the history of mankind. Fishing areas that supplied sea food to one-third U.S requirement were at risk., so were the beautiful beaches from Texas to Florida that contributed billions of dollars, worth of tourism to local economies. The impact on the marine life caused by the disaster has gone largely undetermined. Findings that were published by Marine Ecology Progress Series in October 2014 estimated that the number of seabirds lost as a result of the spill may number well into the hundreds of thousands. [1] It is events like this, which reminds mankind every now and then about how it is the responsibility of each one of us to preserve the environment, and on a larger scale do societal good. Deep within each one of us understands that if we do not play our part in changing things, it would have drastic implications on the kind of world we are going to leave behind for generations to come. Societal Marketing is a big step in this direction. In this paper we look with an example of ten trees, a new generation company that has moved beyond the shores of corporate social responsibility, to a much more direct approach of societal welfare being a part of the company's marketing and sales strategy. Societal marketing is a concept which reminds us that we do not inherit this world from our parents, rather we borrow it from our children.

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## INTRODUCTION

In USA during 60's and 70's a prospering economy led to huge increase in income of Individual Families. If you look in terms of Maslow's hierarchy of needs, during this period people's lower needs were steadily satisfied and they turned to Luxury needs of esteem and self-actualization. Also, during the same time, the unethical business practices of many companies became public information. Suddenly, large corporations were under the scrutiny of the consumer. The growing wealth of the individual families and awareness supported the social and environmental movements. These movements put enormous pressure on businesses that were highly motivated by higher profits. It was no longer possible for companies to ignore the subject of social responsibility. To better this image, action was taken to increase social responsibly, which led to societal marketing.

Before this people surely were aware of importance of social responsibility in business, but they had not yet reached a stage of self-actualization. It can be clearly understood that, when one is facing the needs of hunger and thirst, they would surely not demonstrate for social wellbeing. To cut short the long story as, Mr. Samuel A. DiPiazza Jr, Ex-CEO PriceWaterhouseCoopers, “Business Can’t Succeed in a World That’s Failing” and hence Societal Marketing.

### **1.1 The Shift: Indirect to a direct approach**

Over the years we have seen companies being socially responsible in several ways, in fact if you look into history, it is full of examples of businessmen who have made philanthropically contributed for several causes that were issues during their times. Then came the era of CSR, with companies running behind social causes for reasons like being in the good books of government and avoiding taxes rather than, actually doing social good. Though we cannot deny the fact that CSR surely contributed to drastic improvements in the field of Societal Marketing.[2]

In fact, this can be understood as in a capitalist economy businesses has one incentive that is driving them: Profits, and certainly anything which was not saving taxes was a burden and was affecting the bottom-line. Also, because of the ever increasing pressure from the customers companies had to exhibit in some way that they really cared. [3] Also, the temptation to do things that generate huge profits, even at a cost of societal harm is quite common and seen all around us. Using agricultural land for building factories, cutting down forests to create Infrastructure, Using cheap under aged children to work in factories, not taking up responsibility for natural disaster created by their own corporations and the list is endless.

This has changed the way customers now look at companies and perceive brands. In fact studies from all across the world are suggesting that a customer is willing to pay more for a societal friendly product than a brand which does not do so. [4] This thing has been propelled by the advent and significant growth of Internet. Today, a customer wants to see more of a direct impact that a particular transaction has on the society especially in the developed countries, and soon we will see this in the developing nations as they climb the ladder of the Maslow’s Hierarchy of needs.

This has lead for the new generation companies to take a direct approach towards society’s wellbeing rather an indirect approach. By direct approach, I mean to say that social responsibility is at least half the reason why the company has been established. In such companies societal good is a part of their core marketing strategy and effort. Let us see how these initiatives are changing the field of marketing as we know it.

### **2A Classic case of study**

A classic case in study can be ten Trees, a company based out of Regina, Saskatchewan, Canada. The company sells green-friendly apparel, and their idea of being socially responsible is very simple, they plant 10 trees for every apparel bought.

The company first came to limelight on Jan 3, 2012 when they presented the idea at Dragons Den UK, a British TV show where influential investors may choose to invest in Business Plans presented to them. [5]

Kalen Emsley and Dave Luba were both travel-addicts, yoga practitioners, hiking aficionados or lovers of the sea and nature. When they were in Hawaii, they were first and foremost motivated by a desire to protect the environment, and to find a creative way to do so. In 2011 when they noticed a trend. Many of their fellow travelers were embracing socially responsible clothing companies such as TOMS, a firm that’s built a strong brand by giving away shoes to needy children.

The two friends had a eureka moment. They thought what if they combined Emsley’s knowledge of tree planting (he and brother Derrick had run a tree-planting company as high school students) with apparel to build an environmentally conscious brand? The idea would be to plant 10 trees for every item of clothing sold.

The duo returned home to Regina, enlisted Derrick and officially founded tentree international in 2012. “People want to feel good about their purchases and know that what they buy is helping the world in some way,” Derrick Emsley says. [6]

This is a perfect example of a direct approach towards the latest trend in societal marketing. When a customer buys an apparel from ten trees they are very clear about the difference they have created instantly.

The firm’s success, he says, is really measured in the number of trees planted, a figure that had exceeded 1.2 million by the end of 2013.

According to a statement by tentree’s founders, there is “a widely held belief that the garment manufacturing industry is oppressive and irresponsible. Not only do we believe that we are capable of changing this; we believe that it is our responsibility to do so.” Tentree only uses garment manufacturers that are WRAP approved, which is an independent certification system that monitors and audits factories worldwide to ensure they meet a high level of ethical and responsible standards in areas such as workplace safety, fair wages, and environmental protection. [7]

### 3. Why do companies adopt the societal marketing concept?

As mentioned above there is an immense demand from the customer to be socially responsible and also the new generation entrepreneurs have grown up in a way that they are more responsible socially than the generation before them. [8] Listed here are a few reasons that have led for companies to adopt societal marketing reason.

- Entrepreneurs have a genuine feeling of contributing for the society as much as they want to make profits.
- Improved Financial Performance, as people don't mind spending a tad bit more on companies which do well to the society.
- Increased Sales and Customer Loyalty through Improved Brand Image and reputation.
- As not many companies right now follow the societal marketing concept, it helps in creating great product differentiation.
- Enhanced Public Relations in terms of great media coverage.

There are some difficulties in adoption and Implementation of societal marketing as well. Societal marketing has its own unique problems.

Difficulty in making customers believe:

It is difficult to tell a business's true motivations. Though a company may have real intentions of making a difference to the society, customers who have looked at the way how businesses have been functioning for decades under capitalist regime may be difficult to convince. The customers may think about it as, a traditional marketing ploy in disguise.

Justification of the Price:

The audience price in traditional marketing is how much money the market must literally pay for the product or service. In societal marketing, the price is different. Companies must charge the customers extra as they have to fulfill the societal responsibility as promised. Like, In case of the ten trees, they will have to charge the customers an extra margin to make the planting of trees a reality. So, setting the right pricing can be a challenge. People must often give up time, comfort or simply old habits in order to follow a societal marketing message. This can be very difficult for people to do, especially in combination with message clarity issues, since people may not understand the long-term benefit of the action unless it is fully explained. The audience price cannot be seen as too high, a difficult balance to strike in societal marketing.

Proving the Societal effort to the customer:

Though a customer may make a first purchase based on the promise the company has made. To make him a repeat customer and recommend the product to others, we will have to provide a customer with a proof of the action taken made by his purchase. In case of ten trees though the company is updating the website and their social media pages, with updates on the tree planting, It is done at a more macro level by pointing out the total number of trees being planted as a whole.

Limited Funding:

In traditional marketing, large businesses often have millions of dollars to invest in marketing strategies. Marketing creates sales, which creates profit, so confident businesses can expect a return on this money. In societal marketing, the return is a better society with less crime, pollution or other ills, benefits not associated with monetary gain. As a result, societal marketing tends to operate on a very limited budget and may struggle to find funds.

### Conclusion:

In a country as there is an Increase in disposable Income of People, or in other words as they climb up the Maslow's hierarchy of needs, they would expect companies to be more socially responsible. This will drive companies to make social responsibility as a part of their vision, marketing and also one of the key reasons for its existence. We see lot many examples like 'Ten Trees' in the developed nations. Slowly the trend would creep into the developing nations as well. It would further enforce the point 'A business cannot succeed in the society that fails'.

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