

Free marketing strategies for socially responsible startups: A case analysis of four effective  
organizations

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## Abstract:

Social media affords companies new opportunities to connect with stakeholders, and socially responsible organizations are especially likely to benefit from more immediate, engaging and transparent corporate communications. This study combines data from personal interviews of founders of socially responsible companies and detailed analyses of social media output to present four case studies of social media marketing strategies. Given the limited marketing and communications budgets of many early startups, these companies were seen to embrace the online environment through interactive websites and active profiles on social media platforms like Twitter and Facebook. The research found that unlike traditional corporate launches and marketing campaigns, these companies have focused on building relationships, rather than simply transmitting information into the marketplace. These companies cultivate informational spaces that can be shared with a community of customers and other stakeholders, rather than devoting resources to specific "selling" ploys. This study presents a basic overview of how socially responsible startup companies are making use of new interactive communication platforms, and explores the particular potentials of social media for this specific communications context.

### Introduction:

The purpose of this research is to develop an understanding of how startup organizations are making use of the new free marketing tools that are quickly becoming accessible to more individuals worldwide. The ultimate goal of this knowledge is to use it to develop a starting point for a marketing plan for an African alternative energy and waste management startup company called UEnergy. Startup companies and social media marketing go well together because social media is a free platform and was developed to be simple enough so that anyone with basic technological skills could make use of it. Additionally, many startups are coming from young people today and this generation thrives in the online world. This research seeks to find how these people with limited financial assets and an affinity for technology are being paired with effective yet very simple tools, to gain both social and ultimately financial capital to benefit their enterprises.

Alternative energy is high on many people's radar today with rising costs of diminishing resources and warning signs of damage being caused to the earth. Waste management, however, is generally not as hot a topic—at least for those living in developed countries. “Waste management” in many parts of Africa is a misnomer; the waste is not being managed. Many towns have nothing an American would recognize as a toilet and many waste collection organizations dispose of this organic waste in unfortunate places. UEnergy, a socially responsible startup company, hopes to bring proper sanitation to these areas and at the same time create a renewable energy source. Through a process called anaerobic digestion the waste can be converted into a gas that can be used for cooking and a fertilizer that would be safe to use for agriculture. As Kyle Schutter, founder of UEnergy says, “Why is waste wasted?” Perhaps it is because people hadn't thought of waste as a plentiful natural resource before.

Unless the founder has been previously very successful, startup costs will need to be covered by fundraising, investors and donors. Of all of the organizations being founded at this very moment how can the public decide which to support? Online social platforms allow organizations to spread information about themselves to a large audience at no price. This study analyzes four organizations that are still in start up mode that are similar to UEnergy in an attempt to understand the relationship between an organization's online presence, its future reputation and its success. There is currently no official "handbook" on how to use interactive internet capabilities to build relationships between organizations and their publics due to the fact that this technology continues to change faster than any book could be written. Therefore, to stay up to date on the uses and effects of social media, research similar to this study will be continually necessary.

#### Method:

This study was conducted through a case analysis of four organizations founded in the past two years similar to UEnergy in their products and services or social enterprise goals that were effectively represented through online resources.

This study examined four specific cases of organizations that matched the above description by analyzing their online presence combined with personal interviews with professionals in these organizations. The organizations are: re:char, EGG-Energy, One World Futbol and Prosperity Candle. Re:char was founded in 2009 by Jason Aramburu. This company turns waste into bio char, which can be used as fertilizer to improve the soil in developing countries. EGG-energy is an energy company that rents batteries to people in low-income areas of Africa. They opened the first recharging station in 2009 and consider themselves the "Netflix of batteries". One World Futbol has developed a soccer ball that doesn't go flat or get damaged when used in rough terrain. The company was officially founded in 2010. Their online

interaction is managed through out of house contracts. Prosperity Candle works to empower women entrepreneurs living in places of conflict. This organization was founded in 2010. Their website and social media is all managed by one of the three founders of the organization. All of these organizations had similar approaches to their media strategies from an external perspective and were selected for that reason. Even though they all were officially less than 2 years old, they had a presence on the key social media sites along with professional-looking, and thorough company websites.

A case analysis is a type of case study, one of many qualitative research methods, that is simpler, and faster than a full case study— important characteristics in the ever-evolving world of the internet. According to Wimmer (2000), A case study is “... an empirical inquiry that uses multiple sources of evidence to investigate a contemporary phenomenon within real life context, in which the boundaries between the phenomenon and its context are not clearly evident” (p. 124). In all qualitative research, data is most commonly collected in the three following ways, “...observation, interviews and written documentation” (Rosenberry & Vicker, 2009, p. 55). This particular study was conducted by observing what is currently available online produced by these organizations and interviewing current members of two of the four organizations.

Case studies can analyze a single case or multiple cases (in this case four) on the same topic. This does not limit the researcher and permits him or her to work with a variety of data (Wimmer, 2000, p. 125).

#### Literature Review:

Web 2.0 brought about a revolution that changed both the online and offline social worlds drastically with the implementation of interactive capabilities and “social media.” As early as 1995, when the book *Bowling Alone* was released, some people began to worry that socializing online would make humans less social offline (Hazelton, Harrison-Rexrode & Kennan (2007, p.

97). Since then, however, the general population has come to see the benefits an interactive web offers on a more intimate social level and a corporate social level and between the two.

According to Moran (2010), social media is bringing back the balance between the corporations and the people. For example, in medieval times, if a villager bought a product he thought to be bad at that market, he could stand at the stall and warn others about said product. Now, contemporary consumers have similar capabilities. Before purchasing something we can monitor previous buyers' evaluations (p. 232). The people can act as "watchdogs" now as even more is required of organizations in order to be seen as "good companies." Price is no longer the only criterion; stakeholders are looking at the environmental impact and social responsibility of organizations in order to evaluate their quality. Most recently in order to make the desires of the people and the needs of the organizations meet, the public's role of "watchdog" has even become "co creator" for some organizations that have decided to reach out to the publics and ask them for *their* ideas by using the "open innovation and idea generation model" through one of the many social platforms available (Chakravorti 2010, p. 97-99).

Social media and social capital have significantly changed the course of most commercial communication. Traditional advertizing has decreased, but public relations has become more effective both financially and in building relationships with publics (Hazleton 2007, p.99). Social media is a new platform that fits well with the developed principles of public relations. One of these principles, social capital, has been a key idea since the early times of public relations. Social capital represents an alternate economy or value system, based on social relationships rather than money. For PR professionals, social capital is based on the relationships they build in their careers and contributes to their competitive advantage (Hazelton, Harrison-Rexrode & Kennan 2007, p. 93). The three dimensions of social capital are: *Structural*, three components of which are: access (who you know), referral (who the people you know know) and timing;

*relational* which are the kinds of ties and trust a professional has developed; and *communication* which is the process for managing social capital in a network (Hazelton, Harrison-Rexrode & Kennan 2007, p. 94). Social networks can make social capital more easily attainable than ever before, however the strength of these ties may not be as strong as relationships developed in more time-consuming ways.

Two representatives of these four organizations were interviewed for this research: Mal Warwick from One World Futbol and Amber Chand from Prosperity Candle. Warwick has worked in online marketing for nearly 20 years and Chand has been involved in socially responsible startups as well as online marketing for the past 15 years. They have had to conduct their marketing practices in different ways as they adapt to the developments in their marketing tools. Warwick feels that marketing today is far harder than 20 years ago. It is easier to find contact information for nearly any consumer group, but it's harder for the professional to sift through the large quantity of content available as well as make choices between innumerable marketing platforms. Chand looks at this change from a different angle. One great benefit for marketers is that people have become more comfortable with the internet as well as more trusting of it. In regards to social media sites, she feels that the focus now for marketing is less on what a consumer recognizes as traditional marketing and more on the story. As more and more marketing and advertizing is pushed at consumers it becomes less effective. This is one way to still effectively reach a public (personal communications, January 17 & 21, 2011).

Moran (2010) finds that online word of mouth communication has been shown to be more effective than conventional advertizing methods (p. 232). Research has been produced to confirm this notion, and even though these social communities should be monitored 24/7, there are currently very few companies that have a group of people working in a "social media

department,” often it is only a part time job for one person who cannot alone effectively monitor whether the goals of these groups are reached (p. 234).

Most research of corporate social media use has been in the marketing, public relations and advertising fields. However, social media can also be used effectively in other departments such as customer service and in product development where customers can share knowledge and ideas with other customers and with the company. (Moran 2010, p. 232). It appears likely that in the near future there will be official jobs in multiple departments with a primary focus on monitoring social networks associated with the organization.

As previously mentioned, many corporations have taken advantage of these new social media platforms to interact with their stakeholders in various ways. Most mid to large organizations now have pages on what Campbell (2010) calls the “triumvirate of social media sites”: Facebook, LinkedIn, and Twitter, but other organizations have gone beyond these established platforms and created their own networks to include their publics (p. 75). Why are people interested? One factor is that people enjoy doing work that interests them even without the promise of financial gain. Companies like Starbucks ask for ideas from their customers and have created through this process an online coffee house where their users can get to know each other, share their ideas and see their ideas become realities. The iPhone is another example of a product created that fully encourages (and relies on) consumer collaboration as new apps are generated daily by users (Chakravozti 2010, p. 98).

Sites like Wikipedia seem impossible in theory, and yet function quite well. When a large group of people can get together, in this case on a social media platform, and collaborate and socialize they will do it. In the world of business all companies have their talented professionals that work for them and no one else, but for sites like Wikipedia, all of these talents join in one

place and can be shared to create something that could never have been created for profit (Shirky 2008, p. 121).

In the end, what everyone wants to know is, how can an organization make the best use of the available social media tools? As new tools are perpetually created and the current ones keep changing there is no one right answer, but many researchers have shared what they feel to be successful practices. In setting up a social network it is key to be transparent about the organization itself. There must be a need, and the network should be useful in fulfilling that need. There has to be a way for the participants to be watchdogs of the network on one hand so that the organization providing this platform upholds its reputation and so that the participants feel safe and can trust each other. And finally, the tool provided for use must actually make it less difficult for users to communicate than the other available options because even though people are naturally sociable, they are unlikely to change unless the new tool is an improvement on the old one (Chakravozti 2010, p. 99-101, Moran 2010, p. 232, Shirky 2008, p. 260, Waters 2009, p. 103, Chand personal communication, January 21, 2011).

Once the platform has been established, there must be a promise offered to potential participants giving them a reason to join (Shirky 2008, p. 260). This promise is generally more effective if it isn't financially based because communities tend to function better when the goal is social rather than financial (Chakravozti 2010, pg. 100). This concept follows the course of "social capital" mentioned earlier in this study. Relationships built through social interaction and communication can be far harder to acquire than financial capital and can therefore be more powerful and effective.

The network is considered successful if it brings more value to a campaign and more people into the network, promotes diversity and creativity, users make use of the interactive

capabilities and it benefits the organization that put together the platform as well as the users (Chakravozti 2010, p. 99, Waters 2009, p. 103).

#### Findings:

In this section, the organizations studied will be referred to as organization 1-4 in the following order: 1. Re:char, 2. EGG-Energy, 3. One World Futbol, 4. Prosperity Candle. (Note: All information is accurate as of date collected January, 17 2011.)

*Official website:* Organizations 1-4 had official websites that included home, about and contact pages. However, the contact information available for these organizations was very limited. 1-4 offered email contact forms and or info@ email addresses, 3 listed a contact telephone number and a mailing address in addition to the contact form. 1-4 used icons on the homepages to link to facebook, all but 1 linked to twitter and 3 and 4 linked to their youtube channels. 1 and 4 also incorporated blogs into their sites. Only 3 offered a F.A.Q. section.

*Social Media:* (See Figure 1. in Appendix A.)

*Facebook:* 1-4 have facebook, twitter and linkedin profiles, though some are more active than others. 1 has 358 likes on its facebook page, and the most recent wall post was today even though the most recent post from the organization itself was August 2010 and only seven posts appear from the past six months. 2 has 685 likes and also offered the links to the personal pages of all of the employees along with short biographies. The most recent post was today along with eight other posts from the same day preceded by zero posts in the previous month. 3 has 4,173 likes and daily wall posts. 4 has 814 likes and the most recent post was also today and daily posts precede it.

*Twitter:* Twitter pages exist for all companies; again some appear to be more active than others. 1 has a page but appears to not be used. 2 has 77 followers and nearly hourly tweets. 3 has 944

followers with their most recent tweet on January 15 and nearly daily tweets prior to that. 4 has 655 followers and the most recent tweet was yesterday preceded by multiple posts daily.

*LinkedIn:* The LinkedIn pages are by far the least used pages of all. Even though each organization has a profile that appears when the company name is searched on Google, they all list simple information and none to few employees.

*Youtube:* 1-4 have youtube channels where videos had been uploaded and continue to be viewed. Managing director at One World Futbol, Mal Warwick says he feels that youtube and videos in general are the most important as they have gotten the most traffic of all of the organization's social media (personal communication, January 17, 2011).

*Wikipedia:* Only 2 has a page on Wikipedia.

*Content released on social platforms:* The types of tweets and wall posts vary from posts to direct readers to news stories featuring organizations 1-4 to posts that thank the news sources. Other posts include sharing news on current events relevant to viewers, for example the upcoming soccer game between Chile and the United States on One World Futbol's facebook page and news about new uses for the EGG-Energy batteries. Nearly all of the posts are informational rather than asking for the interaction of the viewer.

*Other online presence:* 1-4 feature news articles and other recent relevant information about their company on their websites. 1 and 3 feature these news stories on their homepages, while 2 and 4 display these stories on their "news" pages. All organizations have been featured in multiple news articles. Organization 3 was also represented in an external blog on the huffington post and a flicker photostream.

*In house or contract:* The social media strategies appear similar, post frequently about subjects relevant to their audiences, however; at least the two organizations that were interviewed had different methods of doing this. All of the website design and upkeep at One World Futbol was

managed by an outside specialist, while at Prosperity Candle, the online presence was managed by one of the three partners (Chand & Warwick personal communications, January 19 & 21, 2010).

#### Discussion:

The study found that young, socially responsible organizations are aware of the benefits of using social media to interact with their publics and increase brand awareness. Each organization shared large quantities of information with their public and hosted space for the public to interact on multiple platforms and in various mediums.

*Interactivity of websites:* All of the websites contained large quantities of valuable information for the public through detailed pages and blogs, they also offered ways to get even more information from email forms and links to subscribe to newsletters. Having so much information available in one place is effective as it makes that information seem more reliable. In addition to the information on the website, the social media icons that connect the viewer from the website to the organizations' pages on Facebook and Twitter make it easier for the user to go from one to the other and interact even more, as well as make both sources again more reliable. The other marketing tactic, links to established magazines and other mass media displayed on the website was in no form conventional advertising for the organization, rather a way for readers to gain more insight and at the same time boost the reputation of the company by the fact that reputable sources also care about these organizations.

*Presence on social networks:* Young entrepreneurs appear to understand the usefulness of social networks, particularly the "triumvirate of social platforms": Facebook, Twitter and LinkedIn where each had profiles that were easily recognizable as connected to the same organizations through the use of logos and clear information.

*Use of social networks:* Facebook by far was the platform on which all of the organizations had the strongest presence, the most connections (or likes) and appeared to be most active. This could be because as previously mentioned, there is rarely one person in large companies whose entire job is to run social media, and in small start-ups it's most likely that there are one or two people doing *everything*. Therefore, as Facebook has a very simple structure that nearly all young people and more and more of the older generations are making use of on a personal social level, it is likely to be the easiest to work with, the most used and produces the most connections. All of the organizations had posts as recent as the day the analysis was conducted and three of the four had statuses that were updated nearly daily. Each organization contained varied amounts of information, the one that was most intriguing was a page created for the employees called "team" that offered short biographies on each individual as well as a link to each person's personal Facebook profile. This seems a good tactic for startups to give the public another way to interact and feel closer to the people in the organization. It will be interesting to see if this is changed as the company grows or if connecting with employees on Facebook becomes the alternative to listing a personal phone number and email address for each representative of the company.

The second most active social platform of these four companies was twitter. All but one appeared in regular use with from 80 to 900 followers. Twitter is a far simpler platform than Facebook, and yet on average, these organizations had more connections on Facebook than twitter. Perhaps this is caused by the fact that twitter is so simple most people do not have a regular use for it unless they are part of a particular organization while Facebook started as a more personal and therefore familiar social tool that allows users to interact in multiple ways.

Of this triumvirate of social platforms, it was interesting to note that even though each company had a company profile on LinkedIn with a paragraph of information about the

company, none appeared to be in regular use. Again, this site is mostly used in professional settings, however, it is growing, and more professionals are creating profiles for themselves online. It would seem important to make use of this site to not only be connected with friends and family who might have an interest in the company, but actually connect with other professionals or companies in the same or similar field. Also, this platform is more complicated as to who can connect with whom as well as the fact that an upgrade is available for a price (all of the communication tools on Facebook and Twitter are free).

*Videos and photographs:* All of these organizations have evocative imagery to share with the public due to the fields they operate in; the researcher anticipated that they would make use of video and image sharing sites. All four organizations had Youtube channels with videos about the organizations, however; only two had the Youtube icon on the homepage along with the other social media icons. One organization made use of the photo social platform, Flickr, while the others used the image capabilities of Facebook to share the imagery they have collected. Both of the representatives interviewed agreed on the importance of video in their online presence. One World Futbol had multiple promotional style videos and Prosperity Candle has been working with photographers and videographers that are located in Iraq in order to share the stories of the women entrepreneurs with the public.

*Wikipedia:* One of the companies had an entry on Wikipedia. Wikipedia is another informational site where anyone can edit or create an article on nearly anything at all. This could be an effective method to make the company name appear sooner in search results as the page is likely to be edited frequently. There is also a danger with this kind of platform that includes so much interaction with the public as false information and rumors can spread rapidly along with negative reviews.

Social platforms are not the only methods startups are using to reach their publics. Chand of Prosperity Candle said they have noticed that even though their following on Facebook was strong that presence was not necessarily converting into sales. Since that realization, there has been a focus on directing viewers back to the website from the Facebook page where they can make purchases. Chand calls their current marketing approach “like an octopus, it’s many tentacled.” The approach includes public relations reaching out to traditional media, partnering with organizations such as Amnesty International to co-host events such as their “shining light” event, refining the website to clarify the purpose of the organization and build their brand, “light out of darkness.”

All of the companies analyzed have to date only made use of social media platforms to share information about their organization and offer the public a way to interact with the company. They have not (in an official capacity) used these platforms as open idea forums to glean new ideas for improvement from the public. Perhaps involving such a new and likely small audience in such a complex fashion would be more difficult than for large corporations such as Starbucks that already have a large and active audience. The same kind of idea generation activities are likely occurring in a more private setting between friends and family of these startup founders.

#### Limitations/Further Research:

Limitations: This study only analyzed four socially responsible startup companies of the thousands that exist, a larger sample would give a study like this more credibility and most likely more good ideas for social media marketing. Also, this study was conducted over the course of only three weeks, which didn’t allow time to conduct personal interviews with all four companies. Further research could look into other social platforms more specific to the field each company operates in (these platforms are endless and were not included in this study).

## Conclusion:

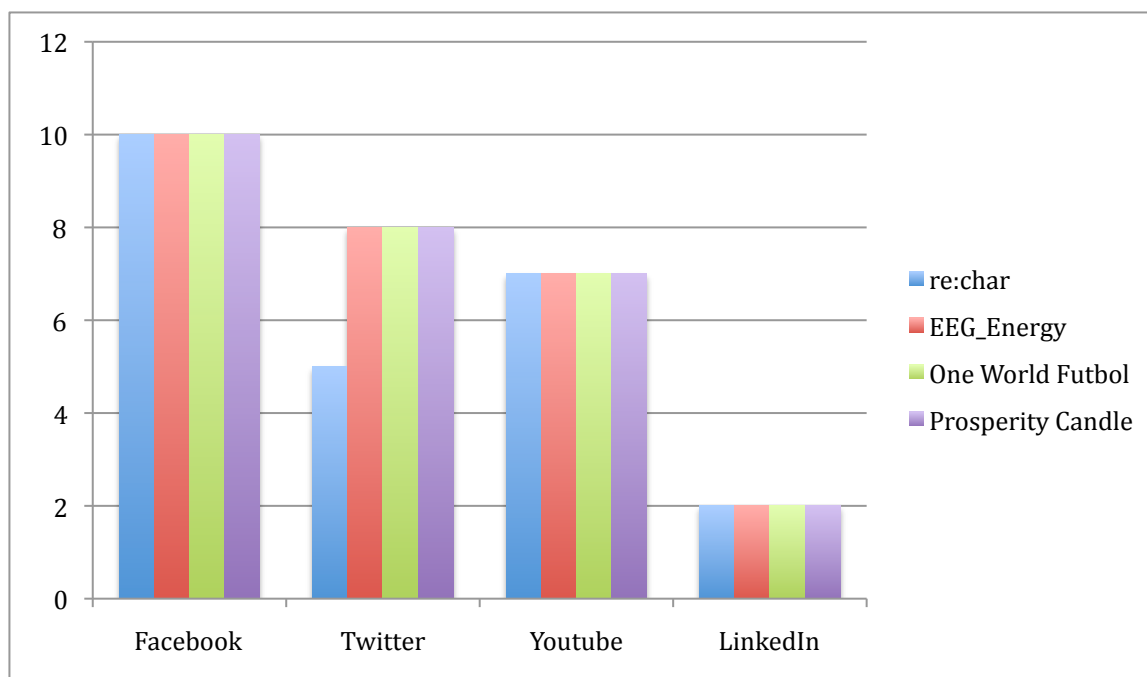
Free marketing through social media is not just setting up profiles on various sites and hoping the public uses them to interact with companies. Successful use of social media requires many of the trusted and developed elements of building relationships. As Moran (2010) writes, “If you build, it they will come” is not the catchphrase in this business (p. 236). If you build it, give people a reason to check it out, cultivate it to make it better than any current option and make it worth their time, they might come and participate for a least a short time, and today, a short time is all you are likely to get.

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## Appendix A.

Figure 1.



The “scores” given for these social networks are based on the organization’s presence, number of connections, regular activity and content.