# Transcript

**00:00:03 Announcer**

The Missouri State Journal, a weekly program keeping you in touch with Missouri State University.

**00:00:10 Emily Letterman**

As Andy Williams croons, it's the most wonderful time of the year. The holiday season is upon us and for many, that means family traditions, time spent with friends and spreading a little cheer. For a growing number of businesses, spreading cheer goes beyond the one-time gift purchase. The idea of social enterprises is also spreading. Think Tom shoes or, locally, Five Pound Apparel.

I'm Emily Letterman. My guest today is Dr. Josh Coleman an associate professor of marketing at Missouri State University. Coleman focused his Ph.D. research on social enterprises.

**00:00:44 Dr. Josh Coleman**

And what we really mean by that is it's a business that exists to impact society positively in some way. Most traditional businesses exist to make money and to serve customers. The social enterprise will also do that, but there's this other mission that's embedded in it, which is makes society better in some way. Yeah, the classic example of the social enterprise for today's Tom's shoes, which when they first came on the scene 15 or 20 years ago, there was a buy a pair of shoes, give a pair of shoes, model the one for one model.

This really opened the door to consumers seeing how their purchases can make a difference in the world. And so, a lot of companies then took that model and said, OK, you buy our thing and we'll give something away. But we also see a lot of social enterprises are geared more toward employment models to where they'll employ formally incarcerated individuals or disabled veterans or people who otherwise cannot get jobs. A social enterprise will be created to employ these people.

And so you're getting a product just like you would. It's not the one for one model, but the products come from a sustainable or ethical or fair-trade source.

**00:01:54 Emily Letterman**

Coleman does not study the businesses themselves, but rather consumer reaction to the companies and their missions.

**00:02:00 Dr. Josh Coleman**

And a big piece of what I'm looking at is how do consumers perceive the authenticity of the social enterprise? Is that different than just, hey, it happens to be breast cancer awareness month, it's October. We're going to give to breast cancer.

This month, through the sale of the pink bagel or whatever the case might be, that's fine, but for a lot of people that just kind of seems like a ia nice tactic of oh, good for you. You're doing your part. But a social enterprise that causes embedded in the company itself. So does that change consumers perceptions?

And what we're seeing is that for a social enterprise, if they're handled right and communicated in the right way, consumers do perceive them as more authentic because it's not just a marketing ploy for a month or two, it's embedded in the existence of the business itself.

**00:02:51 Emily Letterman**

On the flip side, Coleman also studies cause-related marketing. Not every company can reformulate to become a social enterprise, but advertising practices still allow companies to support a mission.

**00:03:02 Dr. Josh Coleman**

Cause-related marketing has really led to where we see social enterprise today, but it it's going to be temporary and it's going to be just kind of one product or one or two products. Breast cancer awareness month is a great example of for this month portion of proceeds will go to benefit.

This cause and that's it, but the company itself is still very much revenue driven. Nike is a great example of, hey, we're in, we're shoe business, we are we exist to sell shoes and high price and high-quality shoes. They can't just become a social enterprise, but they can press into something like cause-related marketing to show that they are committed to having a social impact.

**00:03:42 Emily Letterman**

Does the marketing work? Coleman says yes, as long as it hits two important factors: Is it perceived to be authentic and does it make the consumer feel good.

**00:03:51 Dr. Josh Coleman**

Authenticity is a key part of all of this, and what we're finding today with the internet, with social media, it's really easy to tell if you're just trying to sell me on something. If you've if you say, hey, we're contributing to this cause or we're committed to this particular social injustice in the world. It’s really easy to find out who ever actually done anything about that.

And again, that's a key piece of all of this: how does it make the consumer feel, which goes back to some of the research that I do and what we see is a lot of consumers say, well, you know, at least I bought from this company, or at least I bought this product. So therefore I'm a good person. I've done good things and I've contributed to society. Until you read that fine print and go. Oh, wait, I paid $100 for this pair of shoes and only $1 of that actually went to the social cost.

You know, but it makes you feel good to say, oh, I bought this particular period. She's ahead of that one. I'm a great person. And so and we as marketers, advertisers, we recognize that. And so we want to press into that when we package these things up and position ourselves according to these social causes.

**00:04:57 Emily Letterman**

That was doctor Josh Coleman marketing expert at Missouri State University. Tune in next Tuesday for my continued conversation with Coleman as he explains how social enterprises and Christmas shopping go hand in hand.

I'm Emily Letterman for the Missouri State Journal.

**00:05:13 Announcer**

For more information, contact the Office of Strategic Communication at 417-836-6397, the Missouri State Journal is available online@ksu.org.