Social Enterprise in Adult Day Care: Marketing and Sustainability

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Abstract

The purpose of this research is to explore the sustainability of twelve Social Enterprises (SEs) and examine the role marketing plays in their long-term sustainability. It has focused upon day-care centres which provide work-based training and skills development for adults with learning, mental and physical disabilities. A case study methodology using semi-structured interviews, observation and document analysis was used, and through a grounded theory approach, data was analysed through NVivo. The findings indicate marketing being utilised by SEs, but for the majority, how the Managers understood and defined marketing was based upon a goods-dominant approach, which is argued to be inappropriate for these types of service organisations. This thesis has advocated that is only possible for SEs to be sustainable in the long-term when they view themselves as service organisations rather than through a goods-dominant lens. Thus, this research has identified the relevance of a services-marketing approach for SEs delivering public services. Drawing upon literature from services and relationship marketing and rooted within the public services-dominant logic this thesis has reconceptualised marketing for SEs. It has demonstrated the significance of services theory in understanding SE and by developing the new model of marketing, it has shown the significance of services theory in understanding the tension in their double bottom line. It has identified co-creating value with multiple stakeholder groups as a key route to long-term sustainability.

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Authors Declaration

I hereby declare that, to the best of my knowledge, the work presented in this thesis is original work. I have not submitted any part of the work to any other university or college for a degree. I have not colluded with any other person in the writing of this research.

Chapter 1 Introduction

Social Enterprise and Public Services

The way public services are delivered has been changing over the last twenty years and as a result Social Enterprise (SE) has risen in growth and importance. Communities and individuals were encouraged to play a more active part in the alleviation of social problems as the role the government played in social welfare started to diminish (Dey and Teasdale, 2015). A changing paradigm in the way public services were delivered started to emerge as more of these services started to be delivered in collaboration by Government organisations, non-profits and private businesses (Osborne and Brown, 2005). As a result, boundaries across sectors started to blur, resulting in a number of 'hybrid' organisations emerging (Evers, 2005).

SEs are argued to be hybrid organisations which have attributes taken from the non-profit sector, public sector and private sector (Doherty et al., 2014). They are distinctive organisations in that their main purpose is to create social value rather than capture value for personal gain. By virtue, this can cause tensions when trying to balance this dual logic of meeting social welfare needs whilst also meeting economic commercial needs. Often, this can result in mission-drift adding increased pressure to these organisations and facing them with complex strategies in trying to meet these dual objectives (Moizer and Tracey, 2010).

When the coalition government came into power in 2010, David Cameron launched his 'Big Society' vision which advocated organisations such as 'SEs' as a more sustainable and innovative approach to the effective delivery of public services than traditional state bodies. In the Conservatives 'Big Society' paper, it argues;

> SEs, charities and voluntary groups can provide personalised public services to some of the most disadvantaged people that state bodies typically fail to reach. In addition, SEs can often innovate more quickly and effectively than traditional state bodies (Conservative Party, n.d, p.4).

However, there is discrepancy within the literature over the difference between third sector organisations and SEs. Paton (2003) views all third sector organisations as SEs, whereas Pearce (2003) views SE as a distinct organisational form which is part of the third sector but different from third sector organisations. Carmel and Harlock (2008) argue that the term ‘SE’ has been used as a generic name adopted explicitly by third sector organisations in working partnerships. NCVO (2009), on the other hand, refer to SE as a type of activity which organisations engage in rather than identifying it as a type of organisational form.

Despite this confusion, the current UK policy trajectory continues to place a strong emphasis on SEs in delivering public services. However, whilst emphasis has been placed on SE and the delivery of public services, scholarly literature focusing upon their sustainability and their potential contribution to public services is limited and contested (Nyssens 2006, Teasdale et al., 2013). There is a distinct lack of empirical research to support the claim that SEs are any more effective and sustainable at delivering public services than their third sector counterparts (this is explored further in Chapter 2). The reforms in Adult Social Care advocate a more pro-active approach to developing relationships with key stakeholders. Therefore, as more SEs are delivering adult Social Care public services, there is a need for more evidence-based research which explores both the financial sustainability of these organisations and their use of market-based approaches. The aim of the research is to address this gap.

The Social Care Sector

Public services span a number of different areas from housing to health care and from social care to the police force. In order to focus this research, it will explore one area of public services, namely the Adult Social Care Sector. The Law Commission set out to define the Social Care sector when reporting on the reforming of the laws that govern adult Social Care. They define it as:

> The care and support provided by local Social Services authorities pursuant to their responsibilities towards adults who need extra support. This includes older people, people with learning disabilities, physically disabled people, people with mental

health problems, drug and alcohol misusers and carers (The Law Commission, 2011, p.18).

The Social Care sector is relatively mature which has a diverse experience of contractual and business arrangements. Whilst the Social Care market is indeed comparatively mature, the place of SEs and their ability to be sustainable service providers, is much less known. The research will be focused upon a key part of the Social Care sector, day care services for adults with learning, mental and physical disabilities. These day care services, often run by SEs, provide service users with a vital route to train in many different areas and, depending upon the ability of the individual, the service user will either progress to employed work or further develop their skills within the SE. As the UK government continues to highlight the important role SEs will play in providing these public services there is a need for strategies to be developed which are specific to them to ensure their sustainability. Understanding how they are responding to financial cuts will allow me to begin to theorise as to their strategies, their effectiveness and areas of improvement.

This is an especially important area to be researched as these services provide vital routes for disabled people to gain access to employment, training opportunities and skills development. Recent figures found that these groups are far less likely to be employed than non-disabled people. Recent figures from 2012 show that only 46.3% of working age disabled people are in employment compared with 76.4% of working age non-disabled people (Office for Disability Issues, 2012). Of those disabled people, figures from 2011 show that employment rates were lowest for those who had severe learning difficulties, those with mental illnesses or nervous disorders and those with depression or anxiety (Office for National Statistics, 2011). Therefore, the viability and long-term sustainability of these enterprises delivering these services is important for the future well-being of these groups of vulnerable adults.

The transformation of Adult Social Care

The reform of Public Services was first initiated by the newly elected Prime Minister, Tony Blair in 1997. The long-term programme of modernising public services outlined four core principles;

ensuring that every citizen has the right to high quality services; de-centralising public services to local leaders so that services are run within and by local communities, giving flexibility and greater choice to service users (Social Care Institute for Excellence, 2005). Proponents of this reformed system argue that its core idea is to personalise services for the people who use them; it aimed to give more control to service users over how their money was spent and aimed to make services users “not just consumers but co-designers and co-producers of a service” (Leadbeater, 2004, p.23).

Within this wider reform was the aim of reforming Adult Social Care Services. In 2005 the Government published the “Independence, Well-Being and Choice” White Paper which outlined the key elements of the reformed adult social system. The reformed system aimed to give users a personalised Adult Social Care system through increasing the quality of support for adults who depend on Social Care and to ensure that their lives have meaning and purpose. The reform explicitly set out how more choice and control was to be given to service users. It outlined how service users were to have a set budget through which they could choose where and how their money was spent. ‘Personalisation’, as it is called, assesses adults with learning, mental and physical disabilities and allocates them a set amount of money depending on their level of need. This amount of money is called a personal budget and the service users can either get it as a direct payment option whereby the service users, their care manager or family have direct control of the money and pay the services they choose themselves, or the money can be kept in an account held by the Local Authority (LA) and the LA pays for the services chosen or it can be a mixture of both.

Whilst direct payments have been implemented since 1997, the cash payments were made at the discretion of the LA’s. Decisions regarding the service and how it was delivered was managed by agencies of the state (Murdock, 2011). However, in 2003 direct payments became mandatory (Leece and Leece, 2005) and increasingly, once service users were determined as being eligible for a service, it was the individual service user who decided which service he or she went to (Murdock, 2011). The rise of direct payments can be attributed to the introduction of Managerialism into welfare services as users became increasingly frustrated with the welfare state which delivered the services (Spandler, 2004).

In 2008, 'personal budgets' were implemented across England as part of the personalisation agenda. Indeed, as Murdock (2011) identifies, giving greater choice and flexibility to service users to determine how their money is spent and upon which service, will help to mediate and limit the principal/agent problem[1] as it gives the service user more power to decide on their own provision. Murdock also argues that it represents a paradigm shift in how a service user is viewed by the state but also a change in the relationship between service users and the state. Whilst service users are given more choice, the state still retains a certain degree of control of the outcomes of the service user's choice.

However, the move to a market-place economy in Adult Social Care has attracted some criticisms. There are concerns that adults with mental, physical and learning disabilities could be excluded from cash payments as they do not meet the criteria sufficiently or are not in a position to either manage the money or consent to receiving it (Leece and Leece, 2005). Although this has been addressed in the recent Care Act 2014 reform, which has given all Local Authorities (LA) national eligibility criteria to assess service users, the problem still remains as some users may not want to go through the process of assessment.

Also the concept of 'direct payments' has been criticised as being attractive for local government as a way to cut costs down (Ferguson, 2007). Indeed, research conducted in Scotland also found that social work practitioners were suspicious of direct payments, viewing them as a way to marketize Adult Social Care services, which resulted in practitioners not communicating properly to service users about direct payments (Pearson, 2004). The modernising of public services has also been criticised over whether this approach actually creates more choice for service users or whether it was in fact a way for the Government to retrench and dismantle the welfare state through privatising and marketizing public services (Ferguson, 2007; Needham, 2014).

Nevertheless, day centres for elderly and disabled people continue to be targeted to have costs cut and for service users to be encouraged to have a personal budget (Needham, 2014). This makes the sustainability of the organisations delivering those services an important research

[1]The principal/agent problem occurs when an agent makes decisions, which may be self-motivated which negatively impact upon another person or entity "the principal".

directive. Research needs to be conducted in order to synthesise how sustainable these organisations actually are and whether they are responding to more marketized public services. Furthermore, ways need to be developed which can make those organisations less reliant on state funding and more independently sustainable as costs continue to be cut.

Marketing: The Unit of Analysis

As the Social Care sector changes and funding continues to be cut for public services, SEs running day centres have had to respond to these challenges. This research aims to explore whether relationships are being built with service users and their key stakeholders and how these organisations are marketing themselves to these key stakeholder groups. In light of this, I am going to use marketing theory to illuminate the management strategies and challenges facing SEs and the factors associated with their sustainability. The reason for doing so stems from the writings of Kotler and Levy (1969) who argued that marketing is a generic concept that applies to all organisational forms; be they public, private or non-profit. Furthermore, Kotler has continued to research and publish about the "broadening the concept of marketing' and its role in the sustainability of organisations. There is a gap in the extent SE literature which addresses the role marketing plays in the long-term sustainability of SE and the factors contributing to their sustainability. Research has found that SEs struggle to manage the tension associated with meeting financial and social aims (e.g. Foster and Bradach, 2005 and Russell and Scott, 2007).

The compatibility of meeting commercial needs with social needs has been questioned as there are concerns that the social mission can be distorted by commercial objectives (Dees, 1998a). Yet SEs are increasingly being used to deliver public services and as funding continues to be cut there is a need to explore whether SEs delivering public services are commercially viable and if market-based approaches such as marketing are being used effectively. Indeed, the services-marketing literature is rife with evidence-based research which identifies the role marketing can play in building relationships with key stakeholder groups which is at the centre of sustainable service delivery (Berry, 1983; Normann, 1991; Bharadway et al., 1993; Reichhald and Sasser, 1990; Morgan and Hunt, 1994; Powell and Osborne, 2015).

Therefore, this research aims to address the nature of marketing within SE whilst exploring how the pressures and tensions could compromise their sustainability. Short et al (2009) conducted a review of past contributions and future opportunities in social entrepreneurship research and identified marketing as a “fruitful area for future theoretical and empirical efforts” (p.182). Therefore, this research will explore the marketing processes of SEs operating within the Social Care setting. The aim is to discover how they are utilising marketing and the appropriateness of the strategies they are currently employing and how this relates to their sustainability.

Research Questions

There are two main research questions which are going to be addressed:

1) What is the nature of marketing within SEs and how does it fit with their combination of objectives?

In order to ensure that this question is answered in-depth, the research will also explore the following sub questions:

a) What type of marketing is being utilised by the day care services?
b) Is marketing being used as a means to develop relationships with their key stakeholders?
c) What factors moderate the use of marketing?
d) How do existing conceptualisations of marketing differ from the way SEs are operationalising marketing?

The second research question which is going to be addressed is:

2) What are the pressures and tensions faced by SEs in this sector, and how do they compromise their sustainability and balance of social and economic aims?

This topic is important to explore for three key reasons. Firstly, as SEs start to deliver more public services such as Social Care, which are critical services for disabled adults in England, it is necessary to explore and understand the viability of SEs delivering these day care services and if they are any more effective at delivering the services than the state or third sector organisations. Secondly, there is relatively little empirical evidence which supports the assumption that SEs are more effective and sustainable at delivering public services than traditional state bodies or third sector organisations which this thesis aims to provide. Finally, as funding continues to be cut and the government continues to outsource public services to outside providers such as SEs, it is important to explore how they are communicating and managing their multiple stakeholder groups and what tensions they face in effectively delivering these key public services. Contributing to both the SE literature and public management theory, it will aim to explore the nature of marketing within SEs delivering public services and how it contributes to their long-term sustainability.

Contribution to knowledge and Impact

This research will contribute to empirical knowledge by collecting data about the economic sustainability of SEs delivering Adult Social Care public services. It will also provide new evidence on SEs and the marketing activities that they engage with whilst providing detailed empirical data about the historical development of the chosen SEs, their core activities and income-generating strategies.

It will **contribute to theoretical knowledge** in two key ways. Firstly, the research has identified the appropriateness of conceptualising SEs delivering public services as 'service organisations'. It has also identified the appropriateness of services theory to understanding SEs. The literature identifies the uniqueness of service organisations in that they are argued to be *intangible* (cannot be seen, tasted, touched or smelled); *inseparable* (production and consumption happen simultaneously); *variable* (difficult to standardize) and *perishable* (cannot be stored) (Lovelock, 1980; 1983; Parasuraman et al., 1985). This is in stark contrast to manufacturing theory which is based upon a pre-packed product and focuses upon discrete transactions.

This distinction is important as the research finds that a large proportion of the case study organisations conducted marketing through a goods-dominant approach which is argued to be inappropriate. The services literature argues that marketing developed in the consumer goods sector cannot be applied in the same way to service organisations due to their unique and distinctive characteristics (Blois, 1974; Grönroos, 1978 and Gummesson and Grönroos, 2012). This could therefore influence the long-term sustainability of SEs as building relationships with key stakeholder groups is at the centre of sustainable service delivery.

As SEs are unique in that they have competing objectives and multiple stakeholder groups to manage and communicate with, grounding their operations within a consumer goods approach could affect how well this is done. Taking a services approach to the management of SE will help provide new insights into ways that SEs can manage the tensions associated with their double bottom line (social and economic aims).

Secondly, it has built on insights from the findings and proposed an alternative model of marketing which is based within the services relationship marketing literature and provides evidence as to the relevance of this approach. This model is argued to be a more effective route to organisational sustainability as it helps SEs to address the needs of their multiple stakeholder groups and will identify ways in which relationships can be built and managed, more readily addressing the diverse nature of SE. This is my **main contribution to knowledge** as it has developed a model of marketing which is grounded in a services-marketing approach and incorporates a unique stakeholder model for SEs. This is something which has not been done before and contributes to current SE knowledge as it provides a conceptual model which can further understanding of how SEs operate and how they can manage the tensions associated with meeting both social and economic objectives.

The Research Council UK defines research impact as “the demonstrable contribution that excellent research makes to society and the economy (RCUK, n.d). With this is mind, this thesis will firstly **impact** on SE practice through the dissemination of the research findings to the case study organisations (in the form of a two page summary). However, it is argued within this thesis that whilst it is important for SEs to undertake the model posed within it, the findings from the research also indicate that the managers lack the appropriate skill and knowledge to be able to implement such an approach due to their understanding of marketing. Therefore, in order to further the impact on practice, it will be important to enable SE managers to understand they are service providers not manufacturers. Therefore, they need to approach marketing from a public services-dominant perspective rather than a goods-dominant perspective. In order to do this, it will be important to disseminate the findings within practitioner conferences as to further develop the model within future research. Furthermore, if the opportunity arises it will be important to run a number of services-marketing courses for SE managers as well as one day conferences which present the findings of this research in order to further the impact of the research on SE practice.

Summary of Chapters

This thesis will be set out into eight chapters. The second chapter presents the first part of the literature review. It discusses the contested nature of SE and within which sector it resides, whilst exploring the literature on how to define SE. It then places SE within a political context and examines why it has grown in importance in delivering public services. It critically examines the view that SEs are more effective and innovative in delivering public services than state bodies or traditional third sector organisations. It then moves on to current developments in SE theory before looking at current research which has explored the marketing activities of SEs. The end of the chapter locates the current gap in SE literature and argues that there is little empirical evidence to support the assumption that SEs are a more sustainable alternative. It identifies the importance of exploring the contribution marketing makes to SE and how they deliver public services and manage multiple stakeholder groups.

The third chapter explores the history of marketing and how, traditionally, it was developed to mass sell consumer goods. It discusses how services-marketing scholars within the 1980’s started to argue that services were different to consumer goods and that marketing should reflect this. It explores three key aspects of services marketing; internal marketing, moments of truth and the part-time marketer and relationship marketing. The aim of this chapter is to develop a conceptual model to analyze the findings of the case studies.

The fourth chapter discusses the methodology chosen for this research and the reasons why this approach was taken. As the research is argued to be exploratory in nature, a qualitative case study approach was deemed most appropriate, with twelve cases being the unit of analysis. The chapter then presents the sampling criteria and discusses how the data were collected. Semi-structured interviews with the managers of the SEs were conducted, along with observations of the service users and SE practises. Document analysis of appropriate materials such as annual financial reports, leaflets, newspaper articles and brochures were also reviewed. The chapter then explores how the data were analysed and presents examples of the coding process.

Chapters Five and Six present the findings from the case study organisations. Chapter 5 explores the recently established cases; Farm Enterprise, Handmade Works, Social Café, Arty Shop, Gardening Enterprise, and Enterprising Café. The chapter provides a detailed account of the case's historical development, core activities, income-generating activities and marketing activities. The sixth chapter presents the findings of the long standing case studies; Helping Manor, Yorkshire Gardens, Handmade Heaven, Greenhouse Garden Centre, Helping Hands and Lighting Enterprise. It has the same structure as the previous chapter, discussing each case's historical development, core activities, income-generating activities and marketing activities.

Chapter Seven discusses the findings against the research questions posed within this chapter and the literatures discussed in Chapters Two and Three. The final chapter brings the thesis to a close, giving a summary of what was found within the research and its importance. It presents the empirical, theoretical and practical contribution of this research. It then discusses the limitations of the thesis and areas for future research. In order to be transparent due to the subjective nature of qualitative research, the concluding part of Chapter Eight discusses my journey through the PhD process, what I learnt, and why I wanted to undertake this research. The chapter ends by imploring marketing professionals and local government to help managers of SEs develop the appropriate knowledge and skills needed to undertake the alternative model posed within this thesis.

Conclusion

To conclude, this chapter aims to give the reader an overview of what to expect within this thesis, whilst introducing the reader to the political contexts and reasons why this research needs to be undertaken. It has identified the research questions posed and why this topic is important, before identifying the empirical, theoretical and practical contributions to knowledge. Building on this, the next chapter is going to explore the SE literature; in particular it will discuss the changing role of the welfare state and the impact this had upon SEs delivering public services. It will then conceptualize SE, both in defining what a SE is and exploring within which sector it resides. SEs role in delivering public services will then be looked at whilst discussing the political dimensions influencing the role SEs played in delivering public services. The chapter will then give a brief introduction into recent developments within the SE literature, before exploring current knowledge of the role marketing plays within SE. The chapter will then conclude by exploring how sustainability is defined within a SE context, in particular looking at the problems associated with SE managers managing their ‘double bottom line’, social and economic objectives.

Chapter 2 Literature Review: The Development of Social Enterprise

Introduction

The aim of this chapter is to explore the political dimensions which led to Social Enterprises (SEs) being increasingly used as public sector providers. It begins by exploring the New Public Management (NPM) movement and how this started to change the role the Government played in delivering public services. The chapter then discusses the emerging role hybrid organisations started to play as the public sector landscape changed and lines between sectors started to blur. From this, the complexity of conceptualising SE is explored and arguments made over which sector SEs operates within are discussed, before providing a definition of 'SE'.

The next section examines how policy developments emphasised a decline in the social welfare system, resulting in an increased role for SEs delivering public service. In particular, it discusses David Cameron's 'Big Society' and questions the underlying assumption that SEs are more sustainable that traditional state bodies and third sector organisations. In order to make clear the gap which this thesis aims to fill, the author discusses recent development in SE theory and identifies that little empirical research has been conducted into the long-term sustainability of SEs delivering public services and in particular their use of business practises. Therefore, the last section of the chapter explores research conducted into the marketing approaches of SEs, before concluding with a discussion over how to conceptualise long-term sustainability within a SE context.

The Changing Role of the Welfare State

The end of the Second World War saw major institutional changes in Britain, one of which was the development of the 'Welfare State'. The war highlighted the impoverished state in which most British citizens were living. The welfare state was introduced to tackle this problem and Government started to deliver public services such as the National Health Service and Council

Housing. In the immediate post-war period, the citizens of Britain started to deal with mostly an administered state whereby the citizens were considered only as clients of public services (Defourney et al., 2014). The role of the Welfare State started to change when the Conservative government came into power in 1975. The then Conservative leader, Margaret Thatcher, led the way in changing the role the state played in social provision (Kendell and Knapp, 1993). Thatcher hailed this era as 'The Minimalistic State' whereby the role that the Government played in service provision was severely limited (Osborne and McLaughlin, 2002).

Within this context, a series of Government policies and market-based reforms were developed which aimed at 'modernising' government by introducing new ways of providing services (Hood, 1991) such as privatisation, performance measurement and external contracting (Pollitt, 1990). This came to be known as the 'NPM' whereby the market replaced Government as providers of public services. The movement aimed to change the way citizens were seen from being 'clients' to 'customers'. Citizens were expected to make their own choice, through the variation of public services on offer, upon who they would like their provider to be (Defourney et al., 2014).

However, criticisms have been aimed at NPM over whether privatisation and the use of private sector techniques were in fact destroying the ethical base and culture found within the public sector. It is argued that there is little evidence to support the notion it is substantially improving efficiency or effectiveness (Kickert, 1997, Nethercote 1989). Pollitt (1995) concludes that whilst the public sector has changed it is still unclear as to whether these changes have come directly from the NPM Movement or from other factors and also which particular parts of the NPM doctrine have been successful. Authors such as Kickert (1997) expressed concerns over how easily private sector theories and techniques can be transferred to the public sector. Due to their specific needs, the author found they were not being adapted and were simply being imitated. This is reiterated by authors such as Pollitt (1990) who argued that the public sector is distinctly different from the private sector in terms of political, ethical and social dimensions, making imitation of private sector techniques inappropriate. Indeed, this is echoed by Painter (1997) who described the use of private sector techniques in the public sector as inappropriate:

> The precepts are shallow, it is a fallacy: that something called 'Management' is a generic, purely instrumental activity embodying a set of principles that can be applied to the public business as well as the private business (p.1).

Another discourse for Public Services Management was offered by Osborne (2006): the 'New Public Governance'. The author argues that there are multiple, independent actors delivering public services which are based upon networks of public and private organisations; that of the 'Plural State'. What this meant for public services is that citizens moved from being customers, as with the NPM movement, to a more active role of 'co-producers'. More recently, Osborne et al., (2013) have discussed the role that manufacturing theory played within Public Management discourse and the inappropriateness of this within Public Management Theory. The authors call this a 'fatal flaw' (p.136) in Public Management Theory due to its focus upon exchanges of transactions in terms of goods rather than services. The authors offer a different framework upon which to base Public Management Theory; that of a public-services dominant approach which the authors deem more appropriate as its focus is upon services rather goods. This topic will be returned to later in the next chapter.

As the role of Welfare State continued to be reduced, the very nature of public services started to transform. Within England, the label 'SE' was initially used to explain new forms of ownership which were emerging for the public and private sectors and which changed the position of co-operatives and mutuals (Teasdale, 2011). In 1997, the newly appointed Labour government made further advances in the role the third sector played within public services. It was at this point that SE, as a model of governance, became more explicit and embedded within the policy landscape (Teasdale, 2011). The Labour government continued to reduce the role the state played in delivering service provision by putting public services on the market for organisations within the public sector, third sector and for-profit sector to compete for, whilst the state dealt only with financing and regulating of the service (Defourney and Nyssens, 2010).

As the boundaries across established sectors started to blur and more emphasis was placed on the use of private sector techniques, a number of hybrid organisations started to emerge which encompassed elements from each sector. Indeed, Evers (2005) argues that SEs undertaking Social Services provisions are a product which emerged from the process of the NPM era of hybridization as the various processes and sectors overlap. As the public services landscape changed, the boundaries between the public, third and private sector started to become blurred and SE as a hybrid organisational form started to emerge (Doherty et al., 2014).

Indeed, because SEs take attributes from the private, non-profit and public sectors and seek dual objectives of social and economic aims, they have been argued to represent an "ideal type of hybrid organisation" (Battliana and Lee, 2014, p. 424). Due to their hybridity, the confusion over defining a SE stems from the fact that SEs can take on many different organisational forms, making a universal definition difficult to conceptualise (Lyon and Sepulveda, 2009). Without putting too much focus on this topic within this literature review, it is important at this point to clarify conceptually what a SE is. Therefore, the next section will discuss the various views over the conceptualisation of 'SE' and which sector SEs reside within.

Conceptualising 'Social Enterprise'

'SE' has proved to be a complex entity to define due to the different forms it can take across different sectors and different countries. This has made it difficult to develop a 'one size fits all' definition due to their diverse nature (Thompson and Doherty, 2006). Indeed Battliana and Lee (2014) argue that a grand theory of 'SE' is not logical due to the vast scope of SE types. Changes in the welfare system continuing to progress and sectors becoming entwined has led to hybrid organisations emerging to deliver public services which encompass parts of the private, third and public sectors. (Evers, 2005). SEs have been argued to blur the lines between non-profit and for-profit activity (Dart, 2004a). As more hybrid organisations are created with various different models of governance, structures and funding, researchers are finding it increasingly difficult to define a SE (Lyon and Sepulveda, 2009). What distinguishes SEs from organisations which focus solely upon achieving commercial gain is the central focus they place on their social mission and achieving their social goals (Chell, 2007).

A review of the literature shows that there is a discrepancy over whether SEs operate within the third sector, the social economy or the non-profit sector and whether they are indeed separate sectors. What is known is that SEs are hybrid organisations which straddle aspects across a number of different sectors (for a comprehensive review of the hybridity literature, please see: Doherty et al., 2014). However, beyond this, there is considerable conceptual confusion both about the boundaries between SEs and the for-profit and non-profit sectors and about the extent to which they represent a genuinely new form of third sector organisation (Sepulveda, 2009, Teasdale 2010), as discussed in the introductory chapter.

The non-profit sector is largely used within the US context (Defourney, 2001, Alcock, 2010). However, the John Hopkins project undertaken by Kendall and Knapp (1993) tries to define the non-profit sector in terms of a cross-national approach. In the United Kingdom account, it identifies possible organisational forms which could operate within the non-profit sector (an extension on Brenton, 1985 research): service providers, mutuals and pressure groups. They also identify potential legal forms such as trusts, unincorporated associations and companies limited by guarantee, which would include SEs.

Amin et al (2003) view the social economy as an alternative to the market economy. The authors argue that organisations such as SEs occupy the space between the market and the state. The 'social economy' is referred to as a social activity to meet social needs which is an alternative to traditional economic activity. Whereas Defourney (2001) identifies the 'Social Economy' and 'Non-Profit Sector' as two theoretical approaches to the third sector rather than independent sectors. The author highlights the problem of using the social economy and non-profit sector as -theoretical tools to understand the third sector in that they try to cover a wide range of organisations and explain the third sector "at once, with a single, all-encompassing definition" (p.10) which they claim is impossible due to its vastness and the fact that some organisations do not reside within the centre of the third sector, rather at the boundaries. Figure one, developed by Defourney, shows how SEs reside within the middle of both co-operatives (which are part of the social economy) and non-profit organisations (which are part of the non-profit sector). The dotted boundary line is where the third sector resides; this view sees SEs as embedded within the third sector rather than at its boundaries, at the crossroads of co-operatives and non-profits.

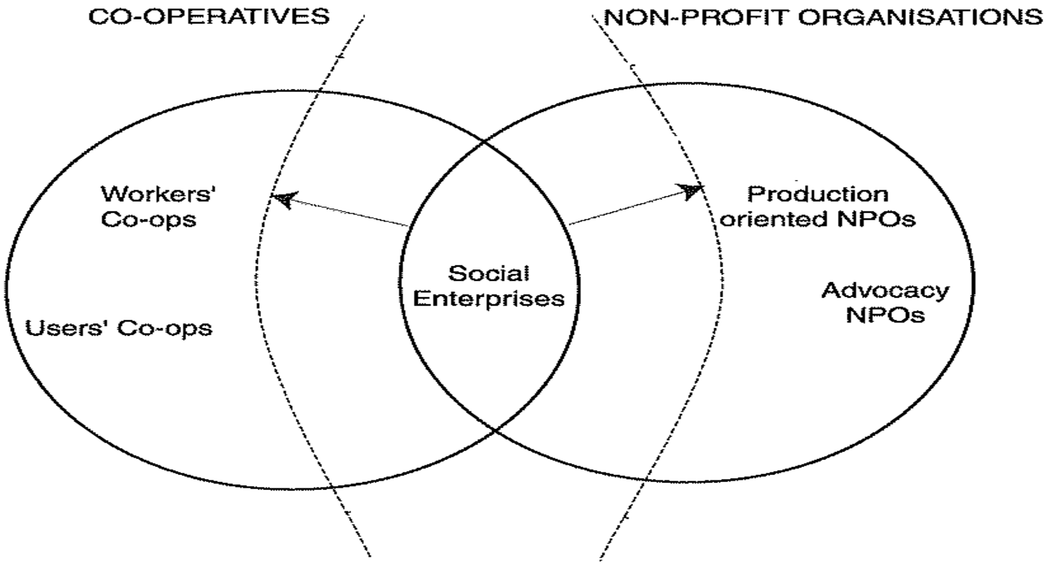


Figure 1: Social Enterprises Bridging Co-Operatives and Non-Profit Organisations (Defourney, 2001, pp.22)

Ridley-Duff and Bull (2011) also take the view that the social economy and the third sector are not conceptually the same. They imply that third sector organisations do not produce any goods or services (at EU level) and that whilst the social economy concentrates on the social side of organisations, third sector organisations tend to rather have a social aim. Because of these reasons, they believe that there is more of a direct link between SEs and the social economy rather than the third sector and SEs, and do not see the social economy as being part of the third sector. However, Pearce (2003) places SEs as a subsector between voluntary and charitable organisations and the private sector and refers to the third sector as the ‘social economy’. The author takes the view that the third sector is an overall term which is used to incorporate all types of voluntary activity with SEs at the boundaries of the third sector rather than at the centre, but views SEs as being different third sector organisations.

In terms of the third sector, there appears to be lack of consensus over which organisations reside within the third sector. As SEs have a social mission and values, it could be argued that it is the third sector within which these types of missions and values have typically succeeded (Selpeveda, 2009). Yet, authors such as Grotz (2009) have questioned the very existence of the third sector as the author feels there is a lack of evidence that can support the suggestion that a homogenous sector exists (as cited in Alcock, 2010, p.7). The HM Treasury (2007) (p.5) has defined the third sector as:

> Containing non-governmental organisations that are value driven and which principally reinvest their surpluses to further social, environmental or cultural objectives. It includes voluntary and community organisations, charities, SEs, co-operatives and mutuals.

Carmel and Harlock (2008) note some important achievements which this formalised definition accomplishes. Firstly, despite the inclusion of 'value-driven', the authors argue that this "renders these values politically and socially neutral" (p.160). What the authors mean by this is that as long as the organisations are not purely profit-driven, the purpose of these values or what they set out to achieve does not matter. Secondly, that this definition extends to the inclusion of SE, which, the authors argued, prior to this, was seen as part of the market.

Bransden et al., (2005) use an example of a griffin and a chameleon to describe hybrid organisations residing within the third sector. A griffin which is a mythical creature that entails parts of an eagle and lion, the authors describe as a "hybrid creature" (p.759). A chameleon, on the other hand, adapts to its own environment, changing colour depending on what its circumstances are and this hybridity is key to the chameleon's identity. The chameleon which is a unique creature cannot be described as an ideal type of animal, nor can hybrid organisations within the third sector. Like the chameleon which is classified by the way it adapts to environment through changing colour, hybrid organisations should be classified through hybrid features such as their strategies.

It is apparent that there are many convergences and divergences between all three sectors and the place and the role of SE within those sectors. Both the non-profit sector and the social economy specify for a formal structure under certain characteristics and are defined not in terms of their source of revenue but rather in their structure (Defourney, 2001). Their differences lie within organisational goals, their autonomy and how profits are used. The third sector appears to be an overall term for any type of social activity.

Another approach is to view SEs as hybrid organisations which entail elements from the public, private and voluntary sectors such as the Cross-Sector model of SE, originally developed by Leadbeater (1997). The author wanted to theorise where social entrepreneurs gained their skills in relation to other sectors. Leadbeater (1997) argues that only when three sectors overlap each other will social innovation occur; he calls this the social entrepreneurs' sector. This view of SEs sees them as incorporating different skills and abilities from different organisational forms in different sectors. In other words "SE creates bridging social capital between economic sectors" (Ridley-Duff and Bull, 2011 p.73).

The cross-sector models are different than Pearce's (2003) and Defourney's (2001) models; instead of SEs occupying a space within a sector, the cross-sector models see SEs as being in all sectors which can take on many different forms such as "charity trading, social firms, social responsibility projects, public-private partnerships, co-operatives, mutual societies and employee-owned businesses" (Ridley-Duff and Bull, 2001 p.74).

Extending on this, Seanor and Meaton (2008) used the idea of hybridization and argued that the ambiguity that SEs have from embracing the features of all three sectors can be advantageous for them. They took Billis's (1993) (as cited in Seanor and Meaton, 2008) model of ambiguity and applied it to SEs and argued that SEs could prosper from their ambiguity across the different sectors, as the ambiguity offered them access to different sources of funding and provided them with the means to access contracts within each sector. This allowed their cases to adopt multiple identities in order to exploit various opportunities due to the uncertainty of what constitutes a SE, as SEs operate in some form across all sectors. What this brief discussion has shown is the complexity not only in the definition of SE, but also within which sector SEs reside. Without consensus on this, the matter of defining SE becomes even more complicated.

Defining Social Enterprise

Defining SE is a contested topic (Teasdale, 2011) which has dominated the SE research agenda for many years. Because the term 'SE' encompasses many parts of different sectors, and can have many forms, as discussed above, a firm definition has yet to be developed. This is one of the main problems surrounding SE, as the lack of a firm definition presents challenges in being able to measure the SE sector (Shaw and Carter, 2007) and differentiate SEs from public and private organisations (Jones et al., 2007). It is further complicated because of differentiated conceptualisations worldwide. The United States for example, views 'SE' as an activity rather than an organisational form. American academics see SE as more of a continuum, ranging from for-profit organisations with social purposes to hybrid organisations with dual purposes to social purpose organisations (Kerlin, 2006). SEs can also have differing legal structures such as a limited company, a charitable incorporated organisation, co-operative, industrial and provident society, community Interest Company or sole trader (GOV.UK, 2014) and operate with a number of different areas thus making it harder to conceptualise. Only a few countries have a legal definition of what constitutes a SE; within the United Kingdom Government defines SEs as:

> Organisations with primarily social objectives whose surpluses are principally reinvested for that purpose in the business or community rather than being driven by the need to maximise profit for shareholders and owners (DTI, 2002, p.7).

However, the problem with this definition is that it can sometimes be too loose for research purposes. Over time it has been reinterpreted to include and exclude certain elements which initially SEs were argued to hold, this has resulted in research studies utilising it in different ways (Lyon et al., 2010; Teasdale, 2011; Chew and Lyon, 2012). Criticisms have emerged regarding its inclusion of social businesses which pay profit out to shareholders (Teasdale, 2011). It only identifies two main aspects of SE; the importance of social objectives, and trading to remain sustainable (Defourney and Nyssens, 2006). When the Social Enterprise Coalition was established in 2002, it put forward its own definition which explicitly excluded social businesses (Teasdale, 2011):

> SE are businesses trading for social and environmental purposes. Many commercial businesses would consider themselves to have social objectives, but SE are distinctive because their social and/or environmental purpose is absolutely central to what they do – their profits are reinvested to sustain and further their mission for positive change (SEC, 2010, as cited in Teasdale, 2011, p.112).

The EMES which is a European Research Network of established university research centres and individual researchers, took a different approach to defining a SE and instead developed economic and social indicators which make up a SE, emphasising an 'ideal type' rather than a definition (Defourney and Nyssens, 2006 p.5-6):

<u>Economic Indicators</u>

1. A continuous activity, producing and selling goods and/or services.
2. A high degree of autonomy.
3. A significant level of economic risk.
4. A minimum amount of paid work.

<u>Social Indicators</u>

1. An explicit aim to benefit the community.
2. An initiative launched by a group of citizens.
3. Decision-making power not based on capital ownership.
4. A participatory nature, which involves the various parties affected by the activity.
5. Limited profit distribution.

What must be noted about this definition is that it denotes ideal types rather than a definition per se but is more appropriate for research purposes as it allows researchers to map the SEs within these indicators (Defourney and Nyssens, 2006). However, as Peattie and Morlie (2008) argue, problems arise with these types of characteristics as they do not differentiate between characteristics which typify and characteristics which define. They argue that such characteristics as 'a high degree of autonomy', 'a minimum amount of paid work' and 'a significant level of economic risk' can be used as characteristics for organisations which are clearly not SEs. They then go on to identify two characteristics which they believe to be typical of SEs (p.95):

- the primacy of social aims; and
- that the primary activity involves trading goods and services

What Peattie and Morlie (2008) have failed to grasp, however, is that this is too simplistic to be able to describe a SE. SEs take many forms and have many similar (and different) defining characteristics which must be taken into consideration. Take, for example, successful SEs such as Café Direct and Divine Chocolate, they will inherently have a different managerial approach due to their size of operations than, for example, a small community SE delivering a public service. A community based SE will act more like a service organisation, which means that trying to define SEs such as Café Direct with a SE delivering a public service under an umbrella definition would prove too difficult to conceptualise as their operations are so different.

Indeed, in trying not to focus upon a definition, Spear et al (2009) developed a typology of SEs, identifying four different types of SE: mutual, trading charities, public sector spin-offs and new-start SE. The authors argue that SEs should be thought about in terms of the "third sectors business-like part, where third sector organisations are not part of the public or private sector" (p.252). Whilst Seanor et al (2007) p.2 identified simply that SE are seen as "socially driven organisations with specific social, environmental and economic objectives". However simple this definition may be, it fails to identify the different dimensions and layers which makeup a SE as discussed in the above section.

Carmel and Harlock (2008) argue that SEs are no longer part of the categorisation of third sector organisations, nor are they purely businesses with a social purpose. The authors argue that:

> "SEs are now discursively constituted as the generic public service provider, the main object to be governed through the third sector-state relations, and, at the same time, all Voluntary Community Organisations public service providers are to be SEs, behaving like business enterprises in a level playing field with private and public sectors" (p163).

Shaw and Carter (2007) contend that due to SE heterogeneity, it would be hard to articulate a definition in words and that SEs should instead be characterised by how diverse they are. Whilst SEs are inherently diverse, it is important to conceptualise what a SE is when researching in order for the researcher to appropriately map out the sectors the enterprises reside within in order to further theoretical thought within that area.

One such attempt is distinguishing key factors of SE on a spectrum. Whilst the SE spectrum has roots in a US context it can be applied in a UK context, as its indicators are universal of most SEs. Dees (1998a) argues that as SEs are neither purely philanthropic nor purely commercial, they can combine elements of both in order to achieve a 'productive balance' (Dees, 1998a p.60). Purely philanthropic ventures and purely commercial ventures can be sacrificed, as no SE exists purely on either end of the spectrum (Dees and Anderson 2006). What the SE spectrum manages to accomplish, which the range of SE definitions does not, is to show how they contain aspects of both the voluntary sector and the private sector. It identifies a SEs' motives and goals but also how beneficiaries are expected to pay, how capital is raised, how the workforce is paid and who the suppliers are. It provides a comprehensive overview of what a SE should be and whilst it is not a definition per se it has more explaining power than most of the definitions do. However, the problem with the spectrum is that it cannot take into account the differing legal structures and organisational forms which make up most SEs and therefore would make the mapping out of SEs difficult.

Alter (2007), on the other hand, takes a different view to the spectrum (see Figure 2). She argues that SEs are hybrid organisations who are at the intersect between business and traditional non-profits. She then goes onto argue that SEs generate 'both economic and social value and are organised by a degree of activity relating to motive, accountability and the use of income' (p14). Alter (2007) believes that SEs are nearer the non-profit side of the spectrum rather than the for-profit, unlike Dees who sees SE as lying in the middle. What Alter's (2007) hybrid spectrum (Figure 2) shows which Dees (1998a) does not is the fine line between a socially responsible business and a non-profit with income-generating activities and a SE.

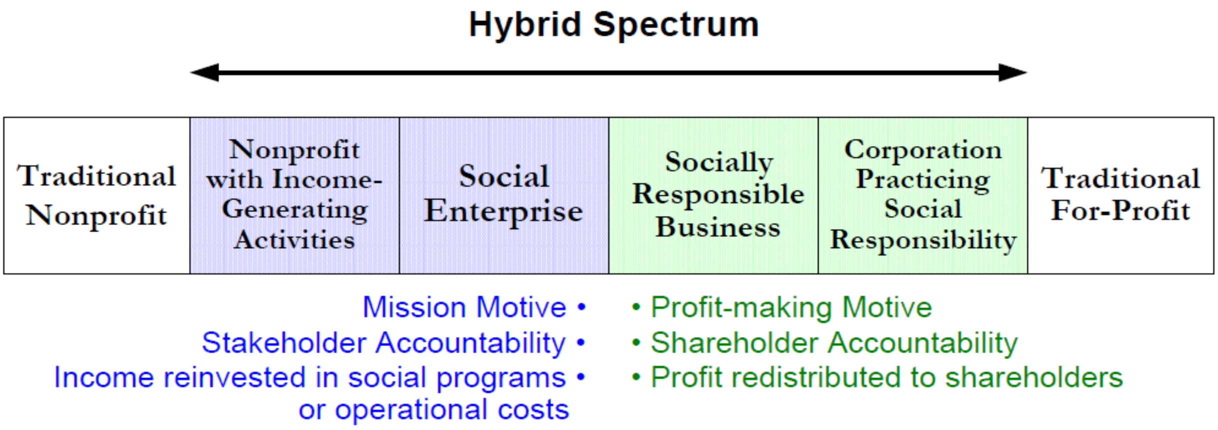


Figure 2: Hybrid Spectrum (Alter, 2007 p.23)

Goodall and Kingston (2009) take a similar approach to Alter in developing their spectrum, but within a UK context. What they have managed to represent within their spectrum is the very confused nature of a SE. They have identified a 'grey area' in which organisations are often loosely referred to as SEs. These organisations include a charity with 'on mission' trading/contracting to a business generating profits for charitable spend.

Leadbeater (2002) argues that SEs mix both social values and goals with commercial practices, which is correct, but again does not provide information around the many forms SEs can comprise of. One conclusion which most academic researchers can agree on is that SE combines elements of market, state and civil society (Kerlin, 2006). Indeed, in reviewing the current discourse of defining SE, Teasdale (2011) concludes that the term 'SE' "can mean different things to different people across time and context" (p.113). It can be seen as a social construct as it has many different influences which mean it has been constructed by competing interests and different discourses. Nevertheless, it is clear that the term 'SE' can cover a range of different organisations of differing size and purpose (Simmons, 2008).

Indeed, the state of conceptualising 'SE' brings to mind Kendell and Knapp's (1994) conceptualisation of the voluntary sector as a "loose baggy monster", in which the authors argue that no single definition can be applied in all circumstances. The same could be applied to the term 'SE' which means different things to different people in certain contexts and even certain countries. The hybridity of these types of organisations has implications for their long-term sustainability.

The very nature of SEs as a contested topic raises concerns over their ability to deliver public services effectively and innovatively. Arguably SEs utilise aspects from each sector they reside in (Seanor and Meaton, 2008). However, in practice this may not be the case as they are struggling to manage the tensions in meeting both their social and economic aims which could limit their ability to remain sustainable in the long-term (Dees, 1998a; Foster and Bradach, 2005; Russell and Scott, 2007). This further justifies the importance of this research; to explore the nature of marketing within SE delivering public services and what the factors are in their sustainability. Exploring their use of marketing and the tensions felt in meeting their dual aims, could help alleviate tension felt overall when meeting both economic and social aims.

Given the preceding discussion over how views of defining a SE are evolving, I define a SE as:

a) a hybrid organisation with dual objectives;
b) which applies commercial strategies in order to meet social outcomes;
c) and the income earnt from these strategies is used to further social impact rather than profit maximisation for shareholders.

As this is consistent with the UK government definition of SE which SEs within the UK are working towards. For the purpose of this research, SE is going to be defined in line with the UK Governmental definition. This is because it is concerned with SEs employed by government to provide public services, therefore it is important to explore the field as it is currently defined by government.

The Role of Social Enterprise in Public Service Delivery

As discussed earlier, policy developments have emphasised a decline in the social welfare system, which has resulted in the disaggregation of decentralisation of services. The term 'SE' is not new, the origins can be traced back as early as the 1800's where co-operatives played an active role; trading surpluses of business were used to improve disadvantaged communities (Alter, 2007; Chew and Lyon, 2012). Evidence can also been seen in organisations such as the Salvation Army which have engaged in socially enterprising behaviour (Eikenberry, 2009). However, it is the role that SE has started to play in public service delivery which is new. Since the election of 'New Labour' in 1997, political discourse changed and the government was no longer seen as being responsible for social welfare, instead communities and individuals were encouraged to be more proactive in alleviating social problems (Dey and Teasdale, 2015).

In 2001, the 'SE Unit' was launched within the Department of Trade and Industry (DTI) (Sepulvda, 2009) and, as discussed earlier in this chapter, the first UK definition was developed. The creation of the first SE legal form was developed under the 2005 Companies Act. The 'Community Interest Company' gave charitable organisations and private organisations flexibility to undertake social enterprising activities through allowing limited distribution on profits, making it easier to participate in public sector service provision (Chew, 2008). The Office for Third Sector was then developed in 2008, bringing the SE Unit and Active Communities Unit together; this office developed a ten year action detailing the delivery of public services in the third sector (Carmel and Harlock, 2008). Within the SE Action Plan, The Office of Third Sector (2006, p.10) argue that:

> Large or small, they [SE] prove that it is possible to combine social responsibility with financial success. They set an ethical standard in the private sector, and challenge the public sector through their innovation in service delivery. What SEs all have in common is a commitment to delivering both financial and social or environmental objectives.

Inherently, it was the Labour Government which promoted the relationship between the state and the third sector and the role SEs played in delivering public services. However, when the newly appointed coalition government in 2010 came into power, changes were made in the discourse of policy which instead promoted the 'Big Society' (Alcock, 2012).

The Big Society

The Big Society vision promoted initiatives which aimed to empower communities and advocated a volunteering and donating culture, individual as well as workplace volunteering and corporate giving (Kisby, 2010; Alcock, 2012). David Cameron in a speech to a Conservative conference said that this would fix ‘broken Britain’ and return power and choice to local communities (Alcock, 2012). It placed emphasis on developing relationships with “charities, SE and community interest companies, mutuals and co-operatives, voluntary associations, volunteering, community trusts and local campaign groups” (Evans, 2011, p.165). By developing these relationships, it aimed to use these organisations to deliver public services as a cheaper alternative and help unemployed people back into work (Evans, 2011). In particular, it promoted a greater role for SE in the delivery of public services (Chew and Lyon, 2012). SE is often seen as a solution to problems and a way of addressing social issues which neither the state nor traditional third sector organisations could overcome (Sepulvda, 2009). Furthermore, the increased interest in SE has resulted in expectations raised in their ability to deliver public services effectively, especially in the era of current financial austerity (Hogg and Baines, 2011). Some authors have rather naively assumed that because SEs meet an unmet social need whilst competing for revenue-generating contracts and engaging in revenue-generating activities, that it will enable them to become financially sustainable (see for example, Di-Domenico et al., 2009).

Indeed, the Government gives an underlying assumption that organisations such as SEs are in a better position to deliver public services than their public and private counterparts (Chapman et al., 2007; Teasdale et al., 2012). Given this, there should be a wealth of research which explores their sustainability and use of business practices. There is much written in the United States on the concerns of non-profit organisations engaging in commercial activities and the impact this has upon their ability to meet the social need they set out to meet (see for example; Eikenberry and Kluver, 2004; Dart, 2004b; Foster and Bradach, 2005 and Eikenberry, 2009). However, there is a distinct lack of **empirical** research which explores the appropriateness of SEs use of private sector techniques and whether in fact they are building and maintaining appropriate relationships with key stakeholders which is at the heart of sustainable service delivery (Berry, 1983; Normann, 1991; Bharadway et al., 1993; Reichhald and Sasser, 1990; Morgan and Hunt, 1994 and Powell and Osborne, 2015). Furthermore, despite claims made both by the previous Labour government and the current Coalition government over the ability of SEs to be more effective at delivering public services because they are more able to respond to local need, and are more trustworthy and innovative, there is very little evidence which supports these claims (Macmillan, 2010; Teasdale et al., 2012). Thus raising questions over the viability of the ‘Big Society’ and the state of public services in the future.

The question of the sustainability of these enterprises has been raised but in reference to whether they are actually utilising business methods or in fact relying on grant funding due to deficiencies in their business plan (Teasdale, et al., 2012). Also, evidence has shown that SEs struggle to meet a double bottom line for both customer and clients which results in either failure or frustration (see for example, Seedco Policy Centre, 2007). Other authors have argued that SEs working more actively with state partnerships and delivering public services has resulted in their distinct values being weakened, which means SEs run the risk of becoming ‘agencies of the state’ (Carmel and Harlock, 2008, p.345). Furthermore, research conducted by Dey and Teasdale (2013) found that in fact third sector practitioners tended to reject the notion of ‘SE’, which represents, as the authors argue, the fact that the English third sector is still not comfortable with implementing a business ideology. Additionally the authors found that because third sector practitioners did not relate to the ideologies of ‘SE’ this meant they rarely fully embraced the concept.

Questions have also been raised about how business-like SEs really are when delivering public services. Chapman et al (2007) found that the belief held by public sector stakeholders was that SEs are **not** business-orientated. The author’s findings indicated that this was due to the following reasons (pp.82);

1. That business activity is ‘cushioned’ by public money;
2. That organisations are ‘risk averse’;
3. That they are ‘amateurish’ at ‘playing business’.

The authors conclude that because SEs have distinctive and complex objectives, different types of support are needed in order for SEs to be successful in delivering key public services. Other research has found that SEs struggle to actually win public sector contracts as public sector staff focus purely on the cheapest price for their contracts and do not take into account the ‘added value’ which SEs provide (Muñoz, 2009). There appears to be confusion over the potential contribution that SE can make. The UK government argue that they are well equipped to be able to deliver public sector services, yet research does not appear to support this claim.

SEs have grown considerably in sector and importance over the last three decades; for example, GOV.UK (2010) in the Small Business Survey, estimated that there were over 62,000 SEs in existence at that time and contributing close to £24 billion to the national economy. Whilst there is dispute about the accuracy of such statistics, and suggestions that both the SE sector and the UK government have reinterpreted figures to maximise the size of the sector (Teasdale et al., 2013), it is certainly the case that the sector has grown to be a significant provider of public services in England, and indeed in other parts of the UK (e.g. Osborne et al 2012). Yet there still appears to be debate both within academic literature and with public sector professionals over the sustainability of these types of organisations and their ability to foster both a social and an economic aim and if there are tensions in meeting these aims which impact their ability to be sustainable.

Recent developments in SE theory have focused upon a number of different areas. As discussed earlier definitional problems are still a main focus of academic discussion but other areas have grown in significance, as theory of SE starts to gain prominence. Other areas of interest in SE theory include; how SE can measure their social return on investment (Flockhart, 2005; Rotheroe and Richards, 2007; McLoughlin et al., 2009; Pathak and Dattani, 2014), combating mission drift (McBreaty, 2007; Cornforth, 2014), governance issues (Low, 2006; Mason et al., 2007; Spear et al., 2009; Huybrechts, 2010), conceptualising SE in America and Europe (Kerlin, 2006), motivations of social entrepreneurs (Zahra et al., 2009; Boluk and Mottiar, 2014), growing SE (Hynes, 2009; Lyon and Fernandez, 2012; Vickers and Lyon, 2014); performance measurement techniques (Somers, 2005; Bull, 2007; Bagnoli and Megali, 2011), selling to the public sector (Muñoz and Tinsley, 2008; Muñoz, 2009), hybridity (Battilana, and Lee, 2014; Doherty et al., 2014; Low, 2015) and legitimacy (Huybrechts and Nicholls, 2013; Sarpong and Davies, 2014).

Whilst research into SE is expanding, there appear to be few research publications exploring their long-term sustainability. This is an especially important area to research as the government continues to promote the delivery of key public services by SEs. Indeed, as the HM

Treasury (2006) identifies; “thousands of SEs are changing the decisions we make as consumers, and delivering social and environmental outcomes using business approaches” (p.3). Yet there appears to be a considerable lack of research exploring their use of business practices and, in particular, their use of marketing and whether they are sustainable in the long-term. Current literature which looks at marketing within SEs is scarce. However, there has been some research conducted in this area which will be explored in the next section.

Marketing within the SE context

As the first part of this chapter discussed, SE can span many sectors and dimensions and thus the extent to which they could be argued to be business-like can differ depending upon which part of the SE spectrum they fall upon. Despite potential in research exploring SE and marketing forms such as Relationship Marketing (RM) (critically discussed and defined in more detail in Chapter 3), there is little academic research which explores this. The little that does has focused upon specific forms such as fair trade SEs (Doherty et al., 2009). As the brief discussion over conceptualising a SE has shown, fair trade SEs will undoubtedly be different in structure to small community-based Social Care SEs which deliver public services. The few papers which have explored this are discussed in this next section.

Shaw (2004) wanted to explore marketing within the SE context and to find out to what extent their marketing activities could be considered entrepreneurial. The author outlines a number of sector-specific factors which could influence a SE entrepreneurial marketing strategy. These include: “local embeddedness, a not-for-profit orientation and challenges posed by social exclusion” (p.203). Importantly, Shaw found that their marketing activities were not planned and occurred naturally, meaning that SEs were unaware that they were conducting any kind of marketing.

Shaw suggests that even though the SEs did not know specific marketing language, marketing seemed to be second nature to them and that this aligns with the nature of SE. She argues that SEs need to be flexible in their approach to marketing as they operate in an environment which is volatile and challenging. However, this could be said of any type of organisations as this is the underlying nature of the market place. Shaw does not explore or discuss other possibilities as to why SEs conduct their marketing in an ad hoc fashion and makes an underlying assumption that this is because they are taking an entrepreneurial approach to their marketing.

Furthermore, she argues that the case study organisations she researched showed evidence of 'entrepreneurial effort' and engage within an 'entrepreneurial culture', both these themes she drew from the entrepreneurial literature and used them to analyse her interview data. However, the quotations she provides as evidence do little to support her suggestions. For example, entrepreneurial effort is argued by Shaw to be "relevant to the creation and continued development of participating SEs" (p.199). The quotations supplied indeed show passion from the social entrepreneurs but do little else. They are not supported by financial information of the SEs; indeed a social entrepreneur can be passionate, but this does not necessarily mean that it is critical to the growth and development of the SEs.

Similarly, the evidence used to support the claim that an entrepreneurial culture contributed to the SEs approaching their marketing from an entrepreneurial perspective is weak. The quotations used from the social entrepreneurs were around being creative in getting clients. However, Shaw does not further explain what types of creative activities were done to obtain clients and just attributes this creative approach to the problems the SE faced with limited resources. It is unclear from the data provided how she developed these assumptions.

Furthermore, Shaw (2004, p.201) identifies the importance of developing relationships within the community and the impact this had on the development of the SE. She comments that:

> The personal contact networks of the founders, managers and volunteers of SEs were important in developing relationships for SEs. Related to this, a second important issue regarding networks which emerged from the analysis of the data referred to the credibility which the involvement of founders, key staff and volunteers in local networks generated for participating SEs… many respondents identified their involvement in the local community as necessary for building credibility for their SE.

The author identifies this as being "touched upon" (p.201) within the entrepreneurial literature thus identifying her results within that body of literature. However, another body of literature which relates to this but which the author does not identify within her research is services RM[2] (discussed in further detail in the next chapter). Therefore, it is unclear as to why RM was not discussed in relation to her findings. The fact that the respondents were developing relationships within their networks and the fact that the respondents identified this as important for building credibility for their SEs is an important dimension which is discussed within the RM literature. Whilst Shaw's paper does provide some interesting insights, it lacks evidence to support the claims made and it appears as though the author already had the preconception that entrepreneurial marketing would be taking place which may have influenced the analysis of the findings. This research will aim to build upon Shaw's research. However, instead of focusing upon how entrepreneurial their marketing is, it will instead focus upon a services approach to marketing, in particular RM. Important insights are identified within Shaw's research which this research will aim to further explore. In particular, the reasons **why** marketing appeared to come naturally to the SE managers and which factors actually influenced their use of marketing. How do the managers of SEs manage the tensions associated with reaching dual objectives and what influence does this have on their use on marketing?

Bull and Crompton (2006) found that a marketing philosophy did exist and that there was an understanding that they needed to 'sell themselves' in order to compete. However, it was found that due to a lack of resources and a lack of skill, some SEs found it difficult to implement the marketing strategy which they had planned. Furthermore, some of the SEs saw marketing as too much of a business function and, due to a lack of resources, felt they did not have the appropriate tools to implement marketing. Other SEs indicated that their view of marketing was narrow and viewed it simply as a means of promotion which they felt was inappropriate and too specialised. They also found that the marketing tended to be more developed when the SEs had entered maturity stage, as they had learnt from their experiences. The authors did find that the marketing

[2] Relationship Marketing is defined as "marketing based on interactions within networks of relationships" (Gummesson, 2002, p.3).

skills embedded within SEs tend to include “networking abilities, word-of-mouth (WOM) advertising, stakeholder focus and local knowledge” (p.53).

A further study by Bull (2007) concluded that marketing appeared to be an informal practise in SEs as the enterprises viewed marketing as too business-like. Furthermore, the author argued that the SEs lacked technical ability, appropriate skills and knowledge in order to implement the practise of marketing appropriately. Therefore, it gives SEs a disadvantage when competing for public sector contracts against the private sector that have the resources to be able to have a thorough marketing strategy in place. Whilst this study identifies the limited impact marketing makes within SE, it fails to explore ways in which marketing could be implemented more effectively and the reasons as to why the SE managers are viewing marketing as being too business-like. Perhaps this is because there is a focus upon marketing which is grounded within a goods-dominant framework. Therefore, the reasons as to why the SEs are reluctant to implement marketing is because they are viewing it as a function which is external to the enterprise, that only a marketing professional can help them with. They appear to be equating marketing with selling which Kotler and Connor (1997) warn against. Indeed, King (1985) argues that within a lot of organisations, it is not marketing which has failed but the organisations which have implemented it. The author identifies ‘real marketing’ as operating a marketing philosophy across the whole organisation which puts the customer first, gives satisfaction over time and is innovative. It appears the SEs within these studies saw marketing as a selling process and as a consequence did not feel it was in line with the social aims of the enterprise, thus producing tension in their double bottom line.

Indeed, Smith et al (2010) found within case study research that the social identity tended to take precedence within the SEs and because of this, practice such as marketing, which came from the business identity, was stigmatized. In researching innovation and SE activity in the third sector, Chew and Lyon (2012) found within one case that it was important for the SE to ensure that they were not too capitalist in their approach to marketing. The case knew it needed to be done, but wanted to ensure that they did not alienate the community they served through capitalist strategies.

Powell and Osborne (2015) undertook qualitative case study research exploring the concept of marketing within Social Care SEs and the extent of marketing knowledge in social entrepreneurs. The findings of this research also revealed that SEs undertook marketing in an unconscious way. However, the authors found that social entrepreneurs who had a private sector background seemed to have more knowledge about marketing and were more willing to take an active approach to it because they had dealt with it before and knew the advantages it could bring, but also the pitfalls. They were also less likely to believe that this would make their SE too commercial as they realised that, to remain sustainable, a business-like approach is needed. Neither did they have any preconceptions of how a business-like approach would overshadow their social and environmental aims. However, the social entrepreneurs who came from a voluntary sector background tended to resist marketing due to personal biases and worries that their SE would become too commercialised.

Furthermore, three of the case study organisations viewed marketing as a formal function rather than implementing it as a philosophy across the whole organisation. The other case assumed that they conducted no marketing, but the authors found that in fact the enterprise had been building and maintaining relationships with key stakeholder groups which were found to be an important factor in sustaining the service. The authors conclude that marketing could make a significant impact but the SEs researched appeared to approach their marketing from a goods-dominant approach rather than a public-service dominant approach which they argue would make more of a contribution to sustainable practice.

These few research studies are the minority which look at the contribution marketing could make to SE. Whilst the papers produce some initial interesting exploratory results, it lacks in substance and context and reiterates the fact that there is a gap in the literature in terms of the potential impact of marketing on SEs. This proves there is a current gap in the SE literature which firstly identifies what type of marketing is applicable to smaller community-based SEs operating with the Social Care sector and secondly, to what extent marketing is being used and whether this has any impact upon their ability to be sustainable business units.

Indeed, Doherty et al (2009) identifies the potential role RM could play within SE. The authors argue: “the potential for SEs to develop strong relationships built on trust and loyalty with stakeholders has significant potential in terms of developing a competitive position”. This thesis aims to build on the research conducted by Powell and Osborne (2015) and further explore the potential role RM has within SEs, as identified by Doherty et al (2009). Conceptualising SEs as service organisations changes the role marketing plays, as services are distinctly different in their operations to goods-producing organisations. Using this lens to explore the potential role of marketing within SE could provide more insight into why marketing appears to play a limited role. Changing the way SE managers view marketing could help limit the tension associated with meeting dual objectives. This is further explored in the next chapter.

Long-Term Sustainability in Social Enterprise

A core tenet in SEs ensuring their long-term sustainability is how tensions are managed in having a double bottom line[3]; social and economic aims. Indeed, this tension was first identified by Emerson and Twersky (1996, p.3) in which the authors argued;

> This commitment to a “double bottom line” is at the heart of the New Social Entrepreneur. It forces the non-profit manager to live with a dynamic tension of what makes good business sense and what fulfils the organisation’s social mission.

In order to ensure long-term sustainability, SEs need to be able to not rely purely on grant funding or donations, which are inconsistent, but be able to manage the complexity of advancing their social mission whilst embracing a business focus which brings in profit and thus enhances their commercial performance (Pitta and Kutcher, 2009; Battilana and Lee, 2014). Policy and practice have identified three basic assumptions about the sustainability of SEs: “(1) they should be grant-free and financially sustainable, (2) they should aspire to achieve 100% of their income from trading and (3) they should achieve both financial and social goals” (DTI, 2002, as cited in Wallace, 2005, p.78.). SEs are argued to be distinct from traditional non-profit organisations

[3]Whilst recent research has focused on a triple bottom line (social, economic and environmental) aims, the organisations researched within this thesis do not have environmental pressures which could cause tension, which is why this section is focusing upon double bottom line.

because they use income based strategies to earn income rather than being reliant on grant funding (Doherty et al., 2014). Meaning that in order to ensure long-term sustainability, SEs need to be able to manage the balance between allocating resources to develop a competitive advantage and financial security with allocating resources to engage with key stakeholders to reach their social aims (Doherty, et al., 2014). How this tension is managed is key in determining their long-term sustainability. Therefore, this thesis defines sustainability within the SE context as balancing grant-free income with expenditure whilst meeting social objectives.

However, it is now well recognised that being able to balance and meet both economic and social aims could cause tension through value conflicts, and uncertainty due to resource constraints (Russell and Scott, 2007). Being able to manage this double bottom line can have a profound effect on the long-term sustainability of SEs. Managers need to be able to manage and allocate limited resources in investment in business and social activity in order to develop a competitive advantage whilst engaging and building relationships with key stakeholders in order to develop legitimacy within the community (Moizer and Tracey, 2010). Indeed the hybrid nature of SEs inexplicably presents them with challenges when pursuing dual organisational goals and creates tension in meeting competing logics (Doherty et al., 2014). Yet the government identifies that "while fledging SEs may derive less than half their income through commercial activity, mature SEs aim for close to 100%" (DTI, 2002, p.21). But how realistic is this in practise?

Indeed, Wallace (2005) when exploring the meaning of sustainability for social entrepreneurs found that for small SEs which were engaged in community development were unlikely to ever be financially sustainable as profit maximisation and competitiveness were not compatible with their underlying social values. She found that for most social entrepreneurs, there was the opinion that small community-based SEs were unlikely to ever be independently financially sustainable without the support of grants.

There is a clear tension in managing this double bottom line of social and economic aims and concerns have been raised that meeting commercial objectives can distort a SEs ability to effectively meet their social mission (Dees, 1998a; Foster and Bradach, 2005). Others have argued that whilst tensions exist, they exist in synergy rather than conflicting against each other (Moizer and Tracey, 2010). Some authors simply assume that SEs are distinct as they embrace business practices and understand the importance of key processes such as marketing, but have the ability to tackle social and environmental problems central to their operation (Pitta and Kucher, 2009).

However, Russell and Scott (2007), critique this view as being “self-delusory and unhelpful” (p.1) not to see there is conflict between balancing economic and social objectives. Indeed, within many SEs the social mission takes precedence over profit making and is more seen as a means by which to further create social value which gives SE managers a distinct challenge in managing this (Dees, 1998b). Furthermore, profit creation, if not properly managed, could undermine a SEs ability to effectively meet the social need it was created to meet (Dees, 1998a). This tension is further exacerbated by the multiple stakeholder groups which SEs have to communicate with. Indeed, Lyon and Ramsden (2009) found that SEs tended to struggle not only with balancing social and economic aims but also found that they struggled to balance satisfying both their downstream customers - the service users and the upstream customers - the funders. It is clearly undecided within academic research as to the long-term sustainability of SEs and their viability in being able to manage multiple identities. Indeed, it has been argued that organisations could manage multiple identities as long as the identities are not completely incompatible (Scott et al., 1998). Therefore, the question of long-term sustainability which needs to be answered is how compatible a social identity is with a business/profit-making identity.

Smith et al (2010) explored organisational identity and tension of SE. Whilst their research was conducted in America it nevertheless provides some interesting insights. The authors looked at non-profit organisations who created a SE at conception and non-profit organisations who created SE after conception. It was found that the tensions were different for these types of SEs. If the SE was created within an already established non-profit organisation, staff felt as though a business and profit-making identity would put their social mission at risk. It was found that there was a relatively high degree of tension within the organisation’s social and business identities. Whereas, when the SE was created at conception, staff felt that a business and profit-making identity would actually push the organisation to meet their social aims and the tension associated within this was relatively low. This was argued to be because the social and business identities were developed at the same time which meant they were more integrated into the culture and structure of the organisation.

Pharoah et al., (2004) conducted qualitative case studies exploring the sustainability of the SE model and the challenges SEs face within the voluntary sector. The authors found a number of tensions arise due to culture clashes. An inherent tension was identified within the case studies in making an impact with the social needs of their clients whilst also ensuring that the SE was viable as a business unit. Challenges occurred within the case study organisations in being able to prioritise organisational activities and where limited resources should be allocated. This challenge was further exacerbated by the fact that within some of the case study organisations the social entrepreneurs were neither well experienced in business nor well experienced in creating social value and meeting a social need, which limited the growth of the SE.

The authors identify six recommendations which the authors believe will help SEs to become more sustainable. The first is "making sense of SE" (pp.69); the authors advise against viewing SE as a single entity and the risk this has upon policy development and funding. Their research demonstrated that SEs have many different forms, missions, resources and relationships and a single entity approach cannot take all this into account. The second is, "funding entrepreneurial growth" (p.70); the authors argue that growth in SE is not linear and that funders need to take into consideration that SEs may need different types and level of finance during different stages of the growth period.

The third is "taking risks" (p.70); SEs need to take more risks in order to grow and funders and policymakers need to understand that the growth of SEs may include failure as well as success. The fourth is "mission and expectation" (p.71); the authors argue that whilst inherent tensions do occur between meeting social and economic aims, this can be managed by clarifying their mission with the expectations of their funders. The fifth is "measuring social return" (p.72); the authors argue that SEs need to be able to measure their social return and have the ability to identify which indicators would be best to measure. Finally, the sixth recommendation the authors make is that there needs to be more support and training for SE especially in the areas of audit and managing techniques.

What this brief discussion has shown is that the potential long-term sustainability of SEs relies on how they manage the tension and conflict which arises when managing and meeting social and economic needs. Pharoah et al (2004) define organisational sustainability as “balancing income with expenditure” (pp.43). However, as identified earlier, for the purpose of this research, this definition is going be extended to;

‘balancing grant-free income with expenditure whilst meeting social objectives’.

Summary of Key Issues

This chapter has identified a number of unresolved issues which this research aims to address. The discussion of the policy context shows that SEs are being argued to be a more sustainable alternative to state owned and third sector organisations in delivering public services. Yet this chapter has shown that there is a distinct lack of empirical research which has explored their sustainability. A number of issues have been identified; namely that SEs often struggle to balance the tension associated with meeting social and economic aims. Whilst this issue is not a new one, there still appears to be a considerable lack of research which addresses this issue with solutions. Marketing has been identified as a potential strategy which could help SEs develop a competitive advantage and thus increase long-term sustainability. However, the few research studies which have explored the contribution marketing can make to SE lack substance.

The issue identified by these papers is that SE managers appear to lack the skill and knowledge to be able to implement marketing properly. As a result, the marketing which is done makes little impact. What is not addressed by these papers is why marketing is being viewed as too ‘business-like’. This literature review has identified that potentially it could be because they are viewing marketing as a selling activity rather than as a process of building long-term relationships. Unlike the other research papers, this thesis is conceptualising SEs delivering public services as service organisations, which has implications as to the way marketing should be implemented within the enterprise. This could help identify why marketing makes little contribution to the sustainability of SE whilst providing a new lens through which to explore their sustainability.

From this chapter, it is clear that in order for SEs to be viable in the long-term, strategies need to be developed which can help alleviate the tension found in balancing social and economic aims. The literature has indicated that SEs delivering public services give precedence to their social aims over fears of becoming too commercialised which impacts upon their economic viability. This research aims to address the issues identified in this chapter by exploring the nature of marketing within a select number of SEs and to identify the factors which could ensure their long-term sustainability.

To conclude, this first part of the literature review has explored how political discourse has resulted in government having a reduced role in delivering public services, and how the public sector landscape has changed as a result of the NPM movement. As boundaries between sectors started to blur, a number of hybrid organisations started to emerge which encompassed elements from the public, private and third sectors. It was argued that whilst the term 'SE' is not new, the increased role they play in delivering public services is. The chapter has attempted to conceptualise SE and explore the complexity of identifying which sector SEs reside within.

It has then discussed the increased role SEs played in delivering key public services. In particular, it has questioned the claims the current government is making about SEs being better suited to deliver public services than their public and private sector counterparts due to a lack of research supporting these claims. It argues that there needs to be more research which explores the sustainability of these organisations in delivering public services and if in fact they are viable in the long-term. Their ability to manage a double bottom line of social and economic objectives and whether their aims are actually compatible with each other is challenged. It has defined long-term sustainability within SE as 'balancing grant-free income with expenditure whilst meeting social objectives'.

As marketing is a strategy used to develop a competitive advantage within a market place, and because this chapter has identified that very few research studies have explored the contribution that marketing can make within SEs in the Social Care sector, the next chapter, therefore, is going to explore marketing conceptually. It will aim to build a framework within which to explore marketing and its contribution within this thesis. In particular, it is going to outline the history of marketing and how it has evolved as a theory, along with its use within service organisations.

Chapter 3 Literature Review: The Changing Paradigm of Marketing

Introduction

This next section of the literature review is going to explore the theoretical foundations underpinning marketing. It will introduce the reader to the argument that there has been a fundamental shift in worldview, from the economy being manufacturing-based to more of a service economy. Building upon arguments identified in Chapter 2, it then identifies how the understanding of the management of public services should be based within the services management literature, rather than manufacturing theory, which it argues to be inappropriate. Therefore, in order to understand marketing within SEs delivering public services, the focus of the rest of chapter will be on introducing the reader to the origins of marketing thought. It attempts to show how marketing theory has moved from being grounded within a goods-dominant approach to a services-dominant approach. The significance of this in relation to marketing within SEs is then identified before discussing at length research into the marketing of services. The chapter focuses on four key areas of services marketing: internal marketing and part-time marketers; quality and customer services; interaction marketing and relationship marketing.

As mentioned in Chapter 2, SEs delivering public services are conceptualised as service organisations, making a service-dominant approach to their marketing crucial. Furthermore, Chapter 2 also discussed the potential of RM in relation to the management of multiple stakeholder groups in SE. Therefore, the main aim of this chapter is to introduce the reader to theoretical foundations underpinning a services marketing approach which will provide context for later discussion in the thesis. It aims to justify the relevance of marketing to this research and the implications it has for SE research. This chapter aims to explain the emergence of RM and how it has become an important paradigm in marketing, particularly within service marketing research. It is now well established that the development of ongoing relationships with key stakeholders is a key route to creating a competitive advantage and thus increasing the long-term sustainability of an organisation. Therefore, in order to establish the factors which contribute to a SEs long-term sustainability, the services and RM literature needs to be conceptualised and analysed, which is the focus of this chapter.

Towards a Service-Dominant Logic?

Vargo and Lusch (2004) in a seminal article argued that there had been a fundamental shift in worldview, from the economy being manufacturing-based to more of a service economy. The authors argued that marketing, in its traditional sense, focused upon operant resources as the unit of exchange; that is primarily physical resources such as goods, a goods-dominant approach. They argue that marketing has since moved from this view to a more service-centred approach to marketing. They define this as: "the application of specialised competencies (operant resources – knowledge and skills), through deeds, processes and performances for the benefit of another entity or the entity itself" (Vargo and Lusch, 2008a, p. 26). Operant resources are based upon knowledge and skill and they argue that this approach is more customer-orientated.

Grönroos (2006) identifies a Nordic school approach to the service-dominant logic, which the author calls service-logic. Grönroos argues that whilst these two traditions have commonalities, there are some key differences. Whilst Vargo and Lusch (2004; 2006; 2008b) argue that goods are vehicles of services; Grönroos (2006) argues that these are separate and that a marketing-orientation as advocated by the Nordic School approach could also be applied in the marketing of goods within manufacturing. Indeed, unlike Vargo and Lusch, Grönroos and Helle (2010) argue that manufacturing firms can adopt a service logic for the selling of goods and subsequently developed a framework for the co-creation of value to be measured. The Nordic School approach, Grönroos argues, focuses upon studying services within a marketing context, whilst Vargo and Lusch argue that economic theory has not taken into account what they define as a singular "service".

Furthermore, Grönroos (2011) and Grönroos and Voima (2013) are critical of the service-dominant approach, in particular the concept of customers as co-creators, and instead identify customers as **value creators**. The authors argue that it is only under certain circumstances that a customer and organisation are co-creators of value. It is only when an organisation takes advantage of an interaction between themselves and a customer that value can be co-created. Therefore, as Grönroos (2011) articulates: "fundamentally, the customer is always a value creator … and the firm is a facilitator of value for the customer, provided that the firm can engage with its customers' value-creating processes during direct interactions, it also has opportunities to co-create value jointly with them" (p.294).

Linking with interaction marketing, discussed later in the chapter, Grönroos (2012) identifies that the co-creation process happens when a customer interacts with an organisation, a "moment of truth", and it is at this stage that value is created and that the value can be influenced depending on how the interaction was managed. By adopting a service-logic, providers can engage themselves with a customer value creating process, thus expanding their marketing beyond traditional boundaries, which focused upon giving promises and value propositions (Grönroos and Ravald, 2011). Within a goods-dominant logic, giving promises is passive, whereas within a service-logic, it is argued to be active. Thus during the interactive marketing process when value is co-created by customers in their interactions is argued to correspond to the passive role a product plays within the goods-dominant logic (Grönroos and Gummerus, 2014).

Whilst Grönroos's Service Logic and Vargo and Lusch's service-dominant logic do have fundamental differences, as discussed above, they both have an underlying premise which is the same, the importance of service and the interactions between customer and organisation (for a more detailed discussion of the similarities and differences between service-logic and service-dominant logic, please see Grönroos and Gummerus, 2014). Both logics represent a fundamental worldview shift from a manufacturing economy to a service economy.

Building upon this, as identified in Chapter 2, questions have been raised about the role of manufacturing theory in the development of public management theory. If indeed there has been a shift from a manufacturing economy to a service economy, then the understanding of public services should be through services management theory rather than manufacturing theory. Yet, current understanding of public services still continues to be grounded within a goods-dominant approach, ignoring the contribution services management theory could make to understanding public services. The appropriateness of understanding public service delivery through the experiences of the manufacturing sector has been argued to be ‘not fit for purpose’ (Osborne, 2010, p.1.).

Conceptualising public services as manufacturing processes which are focused upon the mass selling of pre-produced goods, rather than service processes which are focused upon co-creating value with customers has produced what the authors call a ‘fatal flaw’ (Osborne et al., 2013, p.2) in the understanding of public services. The theory of services management is argued to be a more appropriate body of theory by which to understand public service delivery (Osborne, 2010). Indeed, Osborne et al., (2013) argue that the understanding of public services has been grounded in an inappropriate product-dominant approach and the fact that public services are neither products nor single transactions raises questions about its appropriateness. The authors argue that a public services-dominant approach should instead be adopted to inform our understanding of public services.

This will have inherent implications on how marketing is understood within public service organisations. As understanding of public services delivery is moving from a manufacturing theory to a more appropriate services management theory, it will be important to explore the services marketing literature in order to understand marketing’s role in SEs ability to be sustainable service providers. Therefore, the focus of the rest of chapter will be upon the development of the services marketing field. It will discuss how marketing as a theory was once grounded within a goods-dominant approach. It outlines how services are different from manufacturing organisations and the implications this has upon marketing.

Origins of Marketing Thought

The origins of traditional marketing thought and economics can be traced back as early as the industrial revolution in the 1750’s. During this era, goods were a scarce resource and for the first time in Britain, due to advances in production and distribution, there was potential for large scale markets, and businessmen started to take advantage of these markets through the use of growing distribution channels and advertising (Jobber and Fayr, 2006). In the early 1900’s, the use of mass production was popularised by Ford motors through its innovative production line, and marketing became the focus of production and productivity. The market was seen as external to organisations as organisations adopted a production orientation which was based upon the theory of economies of scale. Economies of scale were seen as a key way to grow businesses through increasing scales of production resulting in a lower cost per unit (Sloman and Hinde, 2007).

The implications for marketing were that organisations reduced their marketing spending by spreading their promotional and advertising activities across their mass production of products. Therefore, marketing became goods focused as no interactions existed between the producer and the customer due to the size of the consumer goods markets (Grönroos, 2001). The underlying foundations of marketing became based upon a goods-dominant logic and a product transaction orientation. During the 1960's, increased attention was being focused upon industrial markets (Christopher et al., 1991). The now well-known Marketing Mix was introduced as an unchallenged marketing model and was the core of many marketing strategies (Grönroos, 1993). Its simplistic nature meant it was seen as an ideal way to teach marketing students easily, cementing it with future marketing practitioners.

The marketing mix was originally based upon twelve elements, developed by Borden (1964), these were: "product planning, pricing, branding, channels of distribution, personal selling, advertising, promotions, packaging, display, servicing, physical handling and fact finding and analysis" (p.9). This was then reduced by McCarthy (1964) to the now well-known 4'P's'; Product, Price, Place and Promotion and was argued to be a simplistic model to market products to the mass markets (McCarthy, 1964). From this, the marketing literature thus tended to centre on the mass selling of consumer goods (Gummesson and Grönroos, 2012) which gave rise to the Marketing Mix becoming a dominant marketing paradigm due its simplistic ability to mass market products (Grönroos, 1995). The discipline of marketing as a whole therefore grew out of economics.

Largely, marketing was used only within the private and manufacturing sectors until Kotler and Levy (1969), wrote a seminal article arguing that marketing was a generic concept which could be applied to all organisational forms, whether they be public, private or non-profit. The authors argue that:

> It is our contention that marketing is a pervasive societal activity that goes considerably beyond the selling of tooth-paste, soap, and steel. Political contests remind us that candidates are marketed as well as soap; student recruitment by colleges reminds us that higher education is marketed; and fundraising reminds us that "causes" are marketed. Yet these areas of marketing are typically ignored by the student of marketing.
>
> Kotler and Levy, (1969) pp.10

When this article was first published it was dismissed by many academics and non-profit organisations (Kotler, 1979). During the 1970’s, marketing was still largely an esoteric concept and function within non-profit organisations. Whilst marketers had largely gained consensus that non-profit organisations do have marketing problems and engage in marketing activities, it was non-marketers who had not yet understood this reality (Hunt, 1976). It was not until the 1980’s that it started to gain interest and acceptance (Sargeant, 2005). The 1980’s saw a rise in academic interest in the marketing of services and RM, which is explored in the next section.

The Rise of Services Marketing

The first use of the term ‘RM’ can be traced back to the industrial marketing literature, and importantly the services-marketing literature. Therefore, the next section is going to review the wealth of services-marketing literature which played a key role in the development of ‘RM’. The marketing of services was an area of academic research which had largely been ignored, and which service firms had little interest in (Christopher et al., 1991; Godson, 2009). This can be attributed to the influence of the industrial era in which most products were mass-produced and competition started to increase (Berry and Parasuramam, 1993), as discussed earlier. This resulted in the marketing of services, up until this point being practised through a consumer goods marketing approach (Gummesson, 1979). Criticisms were emerging over the view that marketing developed in the consumer goods sector could be applied in the same way to service organisations and this form of marketing started to be challenged (Blois, 1974; Shostack, 1977 and Grönroos, 1978).

Services were being argued as being distinctly different from consumer goods and having profound implications for marketing practice (Shostack, 1977; Rushton and Carson, 1989). Indeed, Levitt (1981) argues that it would be easier to think of goods and services as 'tangibles' and 'intangibles'. Building on this, authors such as Lovelock (1980, 1983) and Parasuraman et al., (1985) started to discuss and explore how to classify services. Services were argued to be *intangible* (cannot be seen, tasted, touched or smelled); *inseparable* (production and consumption happen simultaneously); *variable* (difficult to standardize) and *perishable* (cannot be stored).

During the 1980's the services sector started to grow rapidly due to increased competition, and interest in the marketing of services started to emerge (Berry and Parasuraman, 1993). Kotler and Connor (1977, p.72) wrote a paper on 'Marketing Professional Services', the authors argue that professional service firms show little interest in marketing because of making:

> The error of equating marketing with selling. Marketing is a much larger idea than selling. By remaining ignorant of the concepts and practices that make up modern marketing, these firms are without the skill to adapt smoothly to a rapidly changing environment and to grow to their potential.

Indeed, Gummesson (1979) discussed how marketing within service organisations differs significantly from goods-producing organisations often conceptualised in academic textbooks. The author argues that the marketing departments within professional service firms are significantly different from that of the marketing function and that this mistake in distinction is often made. Indeed, Parasuraman et al (1983) found that services were in a vulnerable position as they did not have sufficient 'marketing-orientation', concluding that "marketing does matter … it is an imperative" (p.31).

This has significant implications for the marketing of SEs. As SEs delivering public services are conceptualised within this thesis as service organisations. If the nature of marketing is grounded within a goods-dominant approach, this could severely impact their long-term sustainability. Furthermore, Grönroos (1980) identifies that often, within the goods-producing market, marketing is seen as an external function, whereas the marketing function within a service runs throughout the whole service firm. Internally, managers and staff will contribute to the marketing function; that is, have a 'marketing-orientation'. This is echoed in Berry (1981) who spoke of the employee as the customer; the author argued that in order for good quality customer service to be achieved, service organisations should view their employees as customers, otherwise known as 'internal marketing'. Therefore, to identify the factors relating to a SEs ability to be sustainable service providers, it will be important to explore what role internal marketing plays.

Internal Marketing

Berry (1981) assumes that just like external customers, internal customers want their needs satisfied. Implicit in this, is that an organisation satisfying the needs of its employees will result in increased employee motivation. This increased motivation will lead to enhanced employee satisfaction which will result in external customers perceiving higher quality service which will then increase their satisfaction and help to ensure customer loyalty. It is argued that service firms practising internal marketing will help improve external marketing efforts (Berry, 1995).

Whilst 'internal marketing' was a new term to be used in the services-marketing literature, the concept itself is not new. Organisations have long been using activities to motivate employees so that they have a positive impact upon customer perception (Grönroos, 2001). There are two main concepts which underline internal marketing; the first is viewing employees as customers in order for excellent service to be provided (Berry, 1981). The second is ensuring that all employees understand an organisation's mission and goals and work together to achieve these goals (Payne, 1993). It is argued that it is vital within service firms because of the close relationship between the organisation and their customers and that internal marketing provides an organisation with the best means at ensuring all staff represent the organisation to the best of their ability (Payne, 1993). The integral focus of internal marketing is to "encourage effective marketing behaviour … and to build an organisation of marketers willing and able to create true customers for the firm" (Berry and Parasuramam, 1991, p. 151).

A key aspect of internal marketing is that of the 'part-time marketer' as first termed by Gummesson (1987). Part-time marketers are anybody within the organisation who could influence customer relationships, regardless of position or expertise (Gummesson, 2002a). This concept of the part-time marketer is a key aspect to the theory that marketing is both a concept, in that it is a philosophical approach to management, and a function - a department within an organisation. Therefore, as marketing is a philosophy spread throughout an organisation, all employees should be involved in marketing (Gummesson, 2002a). Gummesson (1991) makes the distinction between part-time marketers and full-time marketers and argues that a key way for an organisation to implement a 'marketing-orientation' is with the use of part-time marketers.

Unlike full-time marketers (usually found in a typical marketing department), part-time marketers are in direct contact with customers, this the author calls 'moments of truth'. 'Moments of truth' was first termed by Normann (1984 – English edition) in his influential book "Service Management". The term was popularised by Jan Carlzon, the CEO of Scandinavian Airlines, he wrote a book called 'Moments of Truth' and is often quoted for saying "we have 50, 000 moments of truth a day" (Carlzon, 1987). Carlzon is often seen as the person who developed the 'moments of truth' metaphor due to his popular book. However, it was first developed in 1978 by Normann and then subsequently published in 1984. Normann (1991, p.159) argued that the main aim of any service organisation is to:

> Achieve a positive social dynamic in confrontation with the client, so that the service supplied … and the client together form a mutually reinforcing system … Both the service supplied and the client should feel 'uplifted' by the interaction in some way. Such feelings will reinforce the efforts of both participants to produce a good service.

Therefore, within these 'moments of truth', a customer can make decisions on his or her present and future purchasing behaviour and these interactions are positively (or negatively) influenced by internal employees of the organisations and how this interaction is managed. Within services, production and consumption happen simultaneously; if during the consumption process, moments of truth are not managed, the quality of the service could decline (Grönroos, 2001). Managing the consequences of the buyer's and seller's first interaction, is what Grönroos (1980) calls the 'the interactive marketing function'.

Customer opinions are formed by two key elements; the production aspect and the service production process (Grönroos, 2001). Grönroos (1980) argues that effectively managing 'moments of truth' will ensure that the three stages of effective services marketing are met. The first stage is getting the customer to become interested in the service offering; this could be done through mass marketing efforts. However, these efforts will only ever generate interest. The second and third stages relate to the purchasing and consuming of the service offering and then the repeat purchasing of the service in the future. This will be influenced by both human and non-human actions and through managing the interactions at 'moments of truth'.

> The impact of the "part-time marketers" as well as the customer orientation of systems, technology, and physical resources is paramount to the success of interactive marketing. Hence, the interactive marketing process recognizes that every component – human as well as other – in producing a service, every production resource used and every stage in the service production and delivery process should be the concern of marketing as well.
>
> Grönroos, (1990a, p.6)

Without actively managing and engaging in both internal marketing and the interactive marketing function, it is argued that the impact of marketing on customers will weaken which will result in service quality deteriorating, generating negative effects on customers' repeat purchasing decisions, thus profits will diminish (Lovelock et al., 1999). Not even extensive external marketing activities could ensure customer loyalty in the long run; a service firm must be customer-focused in order to develop long-term customers (Grönroos, 1998). Therefore, it is argued that to perform successful external marketing, internal marketing must be managed (George, 1990; Piercy and Morgan, 1991).

Piercy and Morgan (1991) in writing how organisations can successfully implement internal marketing, argue that a marketing mix can be applied. The authors identify the structure of the internal marketing programme as having the following elements. A **product** (values, attitudes and behaviours) will be sold to the employees in order to, for example, change the way customers are handled at point of sale. The **price** element of the internal marketing mix refers to what the employer expects the employee to sacrifice (i.e. pay) in order for the product to be sold. This could entail putting less focus on other projects or the impact of values and behaviour if the way they perform their job is to be changed. The **communications** element of the internal marketing mix refers to how the employer is going to communicate with the employee to inform and influence their behaviour with the organisation. This could be written as reports or conducted face-to-face such as one-to-one meetings. The last element of the internal marketing mix is **distribution;** this refers to the physical nature by which the internal marketing programme will be implemented; for example, meetings, training opportunities or informal communication. The authors emphasise monitoring the effectiveness of the internal marketing programme, through ensuring that the employees have positive attitudes towards it.

Despite the increased academic interest in internal marketing and acceptance in the assumption that motivated employees positively influence customer satisfaction, this assumption is still being questioned. Piercy (1995) questioned this link as employers find it hard to measure customer satisfaction and raised a number of issues relating to internal marketing such as financing, market complacency and fear of bad customer feedback if asked about their satisfaction. Rafiq and Ahmed (1993) also discussed a number of issues related to the notion of 'employees as customers'. The authors question whether the 'products' being sold to employees are actually wanted or if the employees have any choice over what is sold to them. They examine internal marketing in contrast to external marketing. In external marketing customers have choice as to whether to buy a product or not; within internal marketing employees do not have this choice and may feel coerced into having the product on sale. The authors also question the financial implications of satisfying all employees within an organisation. A small organisation with limited resources may not be able to afford the cost of ensuring employee satisfaction. In a further paper, Rafiq and Ahmed (2000) argue that internal marketing has yet to be adopted by a lot of service firms due to a lack of definition. After reviewing the literature of internal marketing, the authors offer the following definition which aims to be useful outside of the service context:

> Internal marketing is a planned effort using a marketing-like approach to overcome organizational resistance to change and to align, motivate and interfunctionally co-

> ordinate and integrate employees towards the effective implementation of corporate and functional strategies in order to deliver customer satisfaction through a process of creating motivated and customer orientated employees (pp. 454).

Whilst questions have been raised over whether the internal marketing function does positively impact on external marketing performance; research has found a significantly positive relationship between internal and external marketing (Lings and Greenley, 2009; Lings and Greenley, 2010; Ferdous et al., 2013). In Lings and Greenley (2009) quantitative research, it was found that retail organisations which had implemented internal marketing found it resulted in a positive effect on both their external marketing efforts but also upon employee motivation. The authors also found that managers being more interested in employee's needs, wants and behaviours positively affected their motivation.

Furthermore, Ferdous and Polonsky (2014) tested frontline employees' perceptions and experiences of internal marketing. The author's findings suggested that it is important for managers to engage with employees when designing their internal marketing programmes because the employees' experience of internal marketing will positively influence the outcomes of the organisation's goals and increase their job satisfaction. Thus what can be posited from this view of internal marketing in services is that viewing employees as customers will further mediate the successfulness of the external marketing function.

Therefore, the relevance of this to the research being explored in this thesis, is how the SEs managers view not only their employees and volunteers, but also how they view the users of the service and what role this plays in their long-term sustainability. Is the part-time marketer function being used and is this an explicit or an implicit action? This will further help in understanding the nature of marketing within SEs that deliver public services and the role it plays in their long-term sustainability. In order to further conceptualise the services marketing approach, the next section aims to explore the role of quality in services marketing. Service quality is inextricably linked to the notion of internal marketing, interaction marketing and the role of the part-time marketer and this link will be identified in the next section.

The Role of Quality in Services Marketing

The role of quality is an integral part in the management and marketing of services, and before 1984 most measures and definitions of quality came from the manufactured goods sector (Grönroos, 1993). As discussed earlier, both the production and the consumption of services are to some extent done simultaneously. Thus, what happens within these interactions between the buyer and the seller is an important factor in the customer's perception of the services and their subsequent satisfaction with it. Quality is defined broadly by Zeithaml, (1988) as "superiority or excellence" (p.3). As a result, a customer's 'perceived quality' is their standards of what he or she expects from a service in terms of superiority or excellence.

Within the service quality literature, there is a vast array of different models and conceptualisations. However, most advancements are made from two particular models: Grönroos (1984) Nordic two factor model and Parasuraman et al., (1988) five factor model. Both models are based upon the same assumptions but have a different number of measures; that a customer will view quality by comparing their perceived quality with actual quality. Because the scope of this discussion is not to review all literature pertaining to service quality, rather to identify the two key models and its implications for marketing, it will be these two models which will be discussed in most detail.

Grönroos (1984) defines two forms of quality: technical quality and functional quality. Technical quality refers to the technical attributes of the service, what the customer is receiving from the service. If the customer is not happy with the technical aspects of the service, their overall perception of it could diminish. This would then affect the customer's total quality of the service. However, technical quality alone, the author argues, cannot account for total quality. The functional quality dimension refers to the interaction itself, the way in which the service is delivered. For example, how employees interact with the buyer or the 'servicescape' (that is how the surroundings are perceived by the customer) and other customers. All of these factors could affect how the customer perceives the quality of the service and thus can affect the image of the organisation and how well the external marketing strategy is received.

The author then identifies that both the functional and technical quality can be influenced by their perceived service quality. That is, external marketing activities such as promotion, advertising and WOM can influence a customer's expectations of the service. Therefore, perceived quality can be altered if their expectations are not met through how they experience the service, either through the communications which the organisation have done such as advertising or through WOM referrals, could result in a customer having a negative view of the service. Similarly, if a customer's expectations are exceeded, their overall perceived quality could be increased, resulting in positive WOM. This can be influenced by how well the organisation has implemented internal marketing and by ensuring employees are not communicating promises which the service cannot meet.

In qualitative, exploratory research conducted by Parasuramam et al (1985); the authors identify five gaps in how service firms perceive service quality and the tasks associated to deliver this to customers. These gaps could affect a service firm's ability to deliver a high quality service as perceived and/or experienced by the customers. The first gap is consumer expectation – management perception gap; this gap occurs where there is a discrepancy between what service organisations view a customer to want and what customers expect to have within the service.

The second gap is the management perception - service quality specification gap; this gap refers to the difficulties a service firm may have in meeting the expected needs of customers, such as a fast response time. The third gap is the service quality specifications - service delivery gap; this gap refers to complications in maintaining standards with employees in order to have a standardized quality, this could happen through inexperienced employees. The fourth gap is the service delivery - external communications gap; this gap refers to a service firm making promises through external communications which they cannot practically keep. This then raises the expectations of the customer so that when the customer uses the service, their expectations are not met. Therefore, they perceive the service in a less favourable way, thus reducing their expected service quality. The final gap is the expected service – perceived service gap; this refers to the magnitude of the gap between how a customer perceives a service compared with their expectations of a service. If their expectations are met, they will view the service in a favourable way. However, if their expectations are not met, they are likely to view the service in a less favourable way, thus reducing the chance of building a long-term relationship and ensuring loyalty. Conducting gap analysis has been found as an effective way to monitor how a service views quality in comparison with how customers views quality (Brown and Swartz, 1989).

Building from their identified gaps, Parasuramam et al (1985) identify ten key categories which they label "service quality determinants" which could influence the appearance and magnitude of the gaps: reliability, responsiveness, competence, access, courtesy, communication, credibility, security, understanding/knowing the customer and tangibles. The authors argue that a customer's service quality may be affected by the degree of importance they attach to each of the ten quality factors. As a result their perceived service quality will be a comparison of their expected service quality with their perceived service quality. Whether the customers perceive the quality to be good or bad will depend on the discrepancy of the gap between the two. Thus this can affect their decision to both return to the store and develop loyalty for the service and as a consequence whether the WOM which is produced is positive or negative. Building upon this conceptual model, Parasuraman et al., (1988) refined the above service quality determinants to five, which the authors call 'SERVQUAL'.

The determinants are tangibles: the physical appearance of the service, facilities, appearance of employees for example. Reliability: ensuring the service is conducted accurately and as promised. Responsiveness; ensuring the service is conducted promptly and employees have time and are willing to help, if needed. Assurance; employees ensure trust with the customers ensuring the customers are confident in their ability and empathy; the service is viewed as caring and provides individual attention to customers if needed. This model has proved to be a popular measurement for businesses in being able to manage and measure their service quality.

The model has undergone revisions over the years; Parasuraman et al., (1991) revised the model, the authors found there were not many differences in the revised SERVQUAL model, but the construct of 'tangibles' was split into two sub-dimensions; the first dimension refers to the physical facilities or equipment and the second dimension refers to the appearance of communication materials and employees. Other rival models have been developed (see for example, Cronin and Taylor, 1992; 1994) and criticisms have been raised about the model (see for example, Cronin and Taylor, 1992; 1994; Peter et al., 1993; Richard and Allaway, 1993; Woo and Ennew, 2005). However, to go into deeper analysis of this goes beyond the purpose of this discussion which is to identify the role service quality plays in marketing.

What both of these models represent is the importance of service organisations to manage their customers perceived service quality through how they deliver the service and also their customers expected service quality through external communications. This has important marketing implications both in terms of building long-term relationships with their customers, as relationships are built upon trust (explored later in this chapter). Therefore, if a customer's expectations are not met in terms of service quality, the customer may mistrust the service and this could damage any future relationships. If external communications are not met and promises are made which the customers expect, this could damage a service firm's ability to build a relationship with that customer, which could have consequent implications for their marketing. In summary, if a customer does not perceive a service provider to provide excellent quality and value, it can therefore affect their perceived service quality and undoubtedly have marketing implications for the service as it will struggle to build relationships with its customers (Grönroos, 1998). Indeed, as Ganesan (1994) acknowledges;

> "a sustainable competitive advantage can be created by such factors as good merchandise, customer service and effective distribution systems. However, most firms overlook the sustainable competitive advantage that can be created through long-term relationships" (p.1).

Therefore, in order to identify the factors which surround a SEs ability to be sustainable service providers, it will be important to explore whether their external communications are in line with their stakeholders perceived quality and which factors affect this perceived quality. Are long-term relationships being built with their key stakeholders and how does this impact their sustainability?

Before exploring the broad literature of RM and its development as a theory of marketing, it is important firstly, to identify the criticisms which were emerging towards the traditional theory of the marketing mix. This will provide justification of why RM is a potentially a more effective strategy for SEs in their long-term sustainability and management of key stakeholders.

Criticisms of the Marketing Mix

As academic interest started to rise in RM, more criticisms were being aimed at the traditional marketing mix concept. As the SEs explored in this research are service providers, it will be important to explore whether the dominant approach of the SEs tends to be goods-based or service-based. Indeed, the benefits of adopting a RM approach are discussed later in this chapter, but what are the implications of adopting a goods-dominant approach to marketing? This next section will explore the criticisms many services and RM scholars had of the traditional marketing mix and the implications it had on the marketing of services.

The simplistic nature of the marketing mix made it easy to apply and remember (Constantinides, 2006) and historically it has been very successful in its ability to mass sell goods easily. The marketing department was seen as separate from other departments and was seen as a concept which could only be applied by marketing specialists (Grönroos, 1994a). Due to its simplistic nature, the concept grew in popularity and was implemented as a core marketing theory across many College and University degrees (Grönroos, 1994b), cementing the marketing mix as a key theory of marketing. For many years, the marketing mix was seen as a way to grow and be economically successful if each element of the four P's was maximised. Indeed, the definition which was advocated by the American Marketing Association in 1985 (as cited in Grönroos, 1994a, p.347) reflects this; "marketing is the process of planning and executing the conception, pricing, promotion and distribution of ideas, goods and services to create exchange and satisfy individual and organisational objectives".

However, as interest in the marketing of services and RM started to grow, criticisms were made of the simplistic nature of the four P's; it was deemed incomplete and inadequate to meet the specific marketing needs of organisations such as services (Gummesson, 1994a; Constantinides, 2006). As marketing themes such as services marketing started to be researched, questions were being raised about the Marketing Mix's appropriateness as an underpinning paradigm (Constaninides, 2006) and as a requisite for marketing textbooks due to its development within the manufacturing industry (Gummesson, 1994b). At the time marketing thought was centred upon gaining customers and no detailed thought was given as to how to retain customers (Rozenberg and Czepiel, 1984). Authors started to criticise marketing as a function and whether it could be seen as being 'successfully' implemented. Indeed, King (1985) discusses whether marketing failed within the UK market and puts forward that it is not in fact 'marketing' which has failed but the organisations who have implemented it.

The author identifies four marketing routes to failure; 'Thrust Marketing' whereby a sales manager changes to a marketing manager with no change in how he or she functions within job, 'Marketing Department Marketing' whereby marketing departments were 'bolted on' when organisations realised that selling and marketing were two different departments, resulting in departmental barriers which constrained the marketing department in identifying and influencing customer needs and wants. 'Accountant Marketing' whereby as organisations have grown in size over the years through mergers and acquisition, this has resulted in accountants being higher in the hierarchy, resulting in marketing's focus being on a single bottom line - profit, and finally, 'Formula Marketing' whereby focus on marketing has been upon strategies that work rather than developing innovative new strategies. Older generations at the top of organisations will constrain younger marketing managers by focusing upon these old strategies.

The author concludes, that in fact marketing has not failed, because it was never implemented properly in the first place. The author identifies 'real marketing' which develops a marketing philosophy across the whole organisation which puts the customer first, gives satisfaction over time, uses all company resources and is innovative. Researchers were finding that the simplistic nature of the four P's did little in terms of being able to put the customer first, as depicted in what King (1985) calls 'real marketing'.

The question then became focused upon why marketing as a concept had not been fully implemented properly. Brownlie and Saren (1992) argue that it is a problem of ideology, that the traditional form of marketing had sound foundations, but, as marketing has developed over the years, has resulted in a normative ideology. As a concept the marketing mix is and always will be, according to the authors, a classification, not a way of thinking. This is echoed by Kent (1986) who identifies five consequences for having a "blindness of faith in the four P's" (p.146).

The author firstly questions whether what is being called marketing in organisations is actually marketing. He argues that organisations get trapped into thinking they are conducting marketing because the four P's have been implemented, when in fact, the author argues, real marketing, as according to King, (1985) is having a marketing-orientation throughout the organisation, placing the customer first and ensuing customer satisfaction.

Secondly, a marketing manager within an organisation may feel that he or she is in direct control and has sole responsibility of all processes related to marketing. The author argues that this should not be the case and that decisions related to, for example, product range policies, should be the shared responsibility of the organisation as a whole and not just the marketing manager. Furthermore, the author argues that there are a number of variables which might influence product/market factors and that these should be determined empirically rather than through "promulgations of faith" (p. 148) through the marketing mix.

Thirdly, the author questions the use of 'product' as one of the 'four 'P's' as it implies that the product has nothing to do with 'Price, Place, Promotion'. He disputes that it inherently has, as they are product decisions and should not be treated independently from the product, but rather that there should be a focus on 'market' instead, as the question of which market to place a product is of key importance.

Fourthly, the author contends that the marketing mix is not a theory but a typology and thus should be treated as one. Additionally, the author identifies that marketing managers rarely started with a completely new product, and that changes to its packaging or name for example, will thus change the product offering. Finally, the author argues that the marketing mix is solely focused upon individual products which have implications for other products on offer as it assumes that a product is in isolation from the other products on offer. However, it is the author's assertion that this is not the case and if a product is changed this could affect the other products on offer, and marketing managers need to be able to look at the whole product offering and how other products can be affected.

Grönroos (1994a) identifies that the core foundations of the marketing mix is that it is a list of defining categories and because of this cannot be seen as a valid way to define or describe a phenomenon. It can never take into account variable factors which could influence its outcome and because of the simplistic nature of the marketing mix has constrained marketing as a theory. Furthermore, the author argues that it is not actually the four 'P's' themselves which he criticises, rather its loose theoretical foundations, and the questionable use of those foundations as formalised practice.

As marketing was implemented within organisations as a separate department, it constrained an organisation's ability to become customer or marketing-orientated as marketing was seen as a separate, outside function (Grönroos, 1994b). Questions were being raised over the marketing mix's focus on a single bottom line, profit, with an emphasis on production and customer exploitation rather than marketing as a concept being customer-focused (Gummesson, 1994a). Similar concerns were expressed by Gummesson (2002b) who called the marketing mix a 'theory-mess' (p327), criticising it for being manipulative and cold and lacking in ability to be personalised. The author comments that: "it is not customer-centric, it is focused upon anonymous and statistical masses, not on human beings" (p.327).

There were attempts at modifying the marketing mix; Vignali and Davies (1994) argued that much of the criticism aimed at the marketing mix was because there was misunderstanding from practitioners over distinctions between the variables and elements of the marketing mix. The authors offer a revised version, MIXMAP. Similarly, Goldsmith (1999) revised the marketing mix so it can be more personalised towards the customer and the needs of services. The author put forward seven P's; Place, Pricing, Promotion, Personnel, Physical Assets and Procedures. Bruner, (1989) offers a new adaption of the four P's to the four C's; the Communication Mix; Channels Mix; Concept Mix and Costs Mix. There are many other attempts at revised versions of the marketing mix, but it is Booms and Bitner's (1981) extension of the four P's to the 7'p's which was to include dimensions related to services, which has become a more well-known and popular revision of the marketing mix and can be found in most marketing textbooks. Their extension included adding people, processes and physical evidence. However, many other revised versions of the marketing mix received little academic attention. Therefore they will not be focused on for the purpose of this literature review (for a more exhaustive list of modified attempts at the marketing mix and criticisms, please see Constantinides, 2006).

This concept of 'Transactional Marketing' was seen by its critics as a short term approach to profitability, with little focus upon building long-term customer relationships and a personalised customer approach. However, Moller (2006) retorted to the criticisms aimed at the marketing mix and argues that the marketing mix is not concerned with "one shot transactional marketing" (pp.444) and argues that this concept of transactional marketing came about as a rhetoric label as proponents of different schools identified a paradigm shift from transactional marketing to relational marketing. The author ridicules the idea that any marketing theory could be based upon the idea of only meeting the needs of one customer. The author argues instead, that the limitation of the marketing mix is that it lacks ability in being able to take advantage of buyer/seller interactions and relationships.

The author also disagrees with criticisms outlined by Grönroos (1994a) that the marketing mix is not based upon theory but instead on a list of variables and that it also lacks in being customer-orientated. He identifies firstly that the marketing mix is built within a wider theoretical context, that of the Managerial School of Marketing. Viewing concepts such as services-marketing and RM as homogenous theories is unhelpful and constrains the development of marketing as a whole and should be seen as practical fields. The author disagrees that the marketing mix is not customer-orientated and identifies that the marketing mix gives marketers the ability to be able to meet customers' needs and wants through identification of explicit information (through the use of price, product, promotion and place) in order to conduct customer-orientated marketing. The author concludes in his paper that it is important to differentiate between the different schools of marketing and their historical antecedents, assumptions and limitations, but marketing should be seen an all-encompassing theory which has different layers of practice and different schools of thought for various aspects of reality, instead of one dominant school (such as RM) capturing all schools of marketing thought. Despite these criticisms, research into RM continues to be an area of academic interest.

Indeed, it has been identified as a particularly useful tool for organisations that have complex structures (Berry, 1995) and for organisations that have many different stakeholders as they will tend to want to be dealt with on a personal basis (Bennett and Barkesjo, 2005). McLaughlin et al., (2009) identified RM as a potentially more effective approach to marketing for public services than traditional 'transaction-based' marketing. Furthermore, Doherty et al., (2009) identified it as a potentially useful tool in the marketing of SEs. Therefore, what this research aims to explore is the nature of marketing within SEs. Is a more traditional approach being undertaken by the SEs or are they building long-term relationships with stakeholders which is argued to be a more effective route to sustainability? By exploring this, it will undoubtedly have implications for SE research. Using services management theory to explore the sustainability of SEs is a theoretical contribution. Whilst efforts have been made to explore public service delivery through services management theory, it has not yet been done in exploring SEs delivering public services. This could help shed light on why SEs often feel a tension in meeting their social and economic aims and this could be because the way we are exploring the diverse world of SEs grounded within manufacturing theory. Therefore, the next section is going to explore RM and its role within service organisations. This will help to conceptualise RM and further identify the factors which help to ensure long-term sustainability.

Relationship Marketing in Service Organisations

The term RM first appeared in 1983, when Leonard Berry used the term writing about the marketing of services and the importance of relationships (Grönroos, 2001). However, the concept underlying RM is not new; the act of a businessman satisfying his/her customer needs in order to enhance their loyalty was conducted by the earliest of merchants back in the preindustrial era (Berry, 1995; Sheth and Parvatiyar, 1995a). What is new is the term which the act is given by

Berry (1983); 'RM'. Some authors have argued that the antecedents of RM can be found in early theories of consumer behaviour (Sheth and Parvatiyar, 1995b), but it was advancements in the industrial and services marketing literature in the 1980's that helped popularise and develop RM theory (Christopher et al., 1991). Berry's (1983) work was built upon by influential papers such as Dwyer et al (1987) on developing buyer-seller relationships. In this paper, the authors advocate a move from an organisational focus upon transactions with buyers and sellers, to relationships with buyers and sellers. The authors argue that by nature discrete single exchange transactions have a; "distinct beginning, short duration, and sharp ending by performance" whilst relational exchanges have; "commencement traces to previous agreements; exchange is longer in exchange, reflecting an ongoing process" (pp.13). In order to achieve this relational exchange, the authors identify a framework for developing buyer and seller relationships. They identify the following stages that the development of a relationship will go through: (1) awareness, (2) exploration, (3) expansion, (4) commitment and (5) dissolution (pp.15).

Building from this paper, the theoretical assumption which underlies RM is that developing long-term relationships with customers, will ensure loyalty with them and thus see a rise in organisational growth, increased sale and profit and market share (Morgan and Hunt, 1994). It is widely accepted within the services literature that in order to satisfy customers, one should recognize the importance of personal interaction (for example, Crosby and Stevens, 1987). A widely accepted definition of RM was provided by Morgan and Hunt (1994), that RM is; "all marketing activities directed towards establishing, developing and maintaining successful relational exchanges" (p. 22).

Berry (2002) identifies five strategies which a service firm may undertake within a RM strategy. The author argues that these strategies can be used alone or in unison; "a core service strategy; relationship customization, service augmentation, relationship pricing and internal marketing" (p.62). As internal marketing was discussed earlier in this chapter, it will be Berry's (2002) other four strategies which will be briefly looked at. A core service strategy would be for a firm to develop the service so that it has the ability to build relationships with its customers. This could be done by providing a quality service which can offer additional services to its customers over a long period of time.

Relationship customization is where a firm learns specific characteristics and interests of its customers in order to personalise the relationship and make the customer feel valued. This will enable the firm to be able to adapt the service to the customer's specific needs. Service augmentation is when a firm augments the service with additional benefits or 'extras' for the customers in order to help build a relationship. This will also help provide the firm with a competitive advantage. Relationship pricing is where a firm ensures that a fair price is offered which will help to ensure loyalty from the customer but is also sustainable in the long-term. Finally, referring to internal marketing as depicted within the services literature and discussed earlier in this chapter, ensuring that employees are marketed to so that they are more motivated when interacting with a customer, thus producing a more positive outcome.

Since Berry's (1983) influential paper, there has been a wealth of research during the 1990's which researched the concept of building long-term relationships rather than focusing on discrete single exchange transactions. An underlying assumption of RM is that customers or other firms actually want to engage in relational exchanges. Sheth and Parvatiyar (1995b) contend that "the fundamental axiom of RM is, or should be, that consumers like to reduce choices by engaging in an ongoing loyalty relationships with marketers" (p.256). Furthermore, they identify that entering relational exchanges will not only reduce choice but reduce their perceived risk, which will help in engagement with more efficient decision making and thus ensure they are more consistent in decisions.

One question which has been asked is 'why such interest in RM'? One consideration which has been discussed earlier in the literature review is a development of marketing which is specific to the needs of non-profits and service-like organisations, which is not based upon manufacturing and transactional exchanges. RM was developed to be customer-orientated and focuses on the implications of long-term relationships rather than short-term transactions. One view taken by Hunt and Morgan (1994) and Hunt et al., (2006), is the rise of strategic network competition; it focuses upon networks of co-operation rather than competition. As each organisation within the network has similar goals, they all engage in cooperative behaviour. Whatever the reason for RM's growth, its popularity has changed the scope of marketing, with some authors arguing that there has been a 'paradigm shift' from traditional transactional marketing to relational marketing. Gummesson (1987) claimed that a new marketing was started to evolve, what a number of authors later call a 'paradigm shift' (see for example, Grönroos, 1990b; 1994a; 1994b; Gummesson; 1994a; 1994b; 1994c; 1997). Whilst this is still being disputed within academic research and studies have been conducted which show that the marketing mix is still being used dominantly within organisations (for example, Brodie et al., 1997; Zineldin and Philipson, 2007), RM has undeniably made an impact upon marketing theory.

Relational Constructs

Whilst this review of the services marketing literature has identified the benefits adopting a RM approach can have in long-term sustainability, there is still a question which needs to be answered, how can a successful long-term relationship be created? As Morgan and Hunt (1999, p.281) note, "RM should be practised when it offers, or contributes to, a firm's strategy for achieving a competitive advantage – a sustainable competitive advantage". But what are the factors which allow SEs delivering public services to develop a sustainable competitive advantage? This has important implications for SE research as whilst it is undoubtedly clear that developing long-term relationships can help to ensure long-term sustainability, it is unclear as to what factors affect their ability to develop long-term relationships. This next section is going to explore the defining characteristics of developing long-term relationships. Whilst there are many defining characteristics of RM, Hunt et al., (2006) examined the extant RM literature and found six core relational factors which occurred frequently within the literature: "trust, commitment, co-operation, keeping promises, shared values and communication" (p.77) (for an extended list of relational variables, see Wilson (1995)). The literature surrounding these core six relational factors will now be discussed.

Trust

Hunt and Morgan (1994) developed the "commitment-trust model of RM". The authors used social exchange theory to explore the nature of RM and isolate relationship commitment and trust as two key mediating variables in developing a relationship. The authors identify that firms will want to engage in relational exchanges because of 'relational benefits'. Furthermore, it is argued that if firms receive benefits from their relationship with another firm, it will increase the amount of commitment the other firm will have. This is true of customers too; customers will want to engage in organisations that they can trust as this reduces any associated risk in engaging with the relational exchange.

The assumption is that if a customer trusts a firm, they will then become more committed to the relationship. Therefore, from this premise, the authors argue that at the core of RM is commitment and trust. As Figure 3 shows, their theory implies that RM focuses upon the relational exchange between two parties and how the construct of trust is developed between them. They hypothesise that to utilise RM to the full extent, trust must be built with customers and that commitment is central to the building of relationships. Therefore, commitment will only grow between the organisation and the customer, if trust is built and secured.

Trust is conceptualised by Morgan and Hunt (1994) as: "existing when one party has confidence in an exchange partner's reliability and integrity" (p.23). They found that their two variables, commitment and trust, were central to RM by ensuring that a viable strategy is developed between an organisation and their customers. A core tenet of ensuring trust with another firm or its customers is what Morgan and Hunt (1994) identify as 'opportunistic behaviour'. If 'opportunistic behaviour' is engaged, this can lead to promises not being kept and trust therefore being destroyed within a relational exchange.

MacMillan et al (2005) extended Morgan and Hunt's model to the non-profit sector. Their model identifies that strategies which develop "non-material benefits" (p.816) explains 52% of the variance relating to commitment between funders and non-profits. In order to gain commitment and trust from funders, non-profits should involve funders more by identifying achievements and the benefits the organisation has to give (shared values). Doney and Cannon (1997) identify two dimensions which the authors see as integral in developing trust: credibility and benevolence. Credibility refers to the extent to which a partner's spoken or written word can be relied upon. Benevolence refers to the extent to which the two partners are genuinely motivated to either seek joint gain or be interested in their partner's welfare. Therefore, trust is more likely to be built if a buyer believes the seller is credible and benevolent. 'Trust' is argued to be an important construct in relational exchange and has been advocated by authors such as Dwyer et al (1987); Smith and Barclay (1997) and Sirdeshmukh et al (2002).

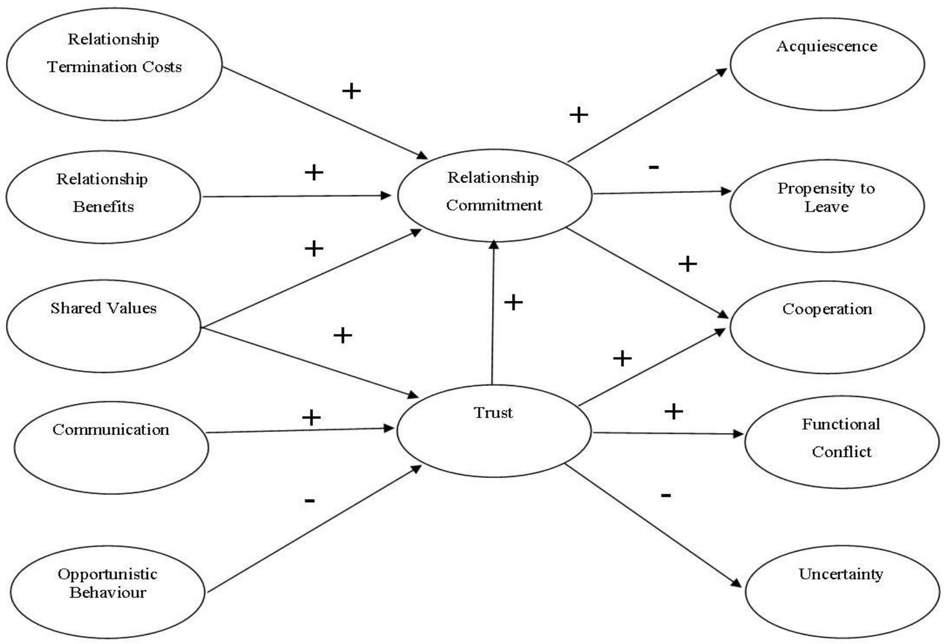


Figure 3: 'The Commitment Trust Theory' (Adapted from: Morgan and Hunt, 1994, p.22)

Commitment

Closely linked to the construct of trust is commitment. Dwyer et al (1989) define commitment as "an implicit or explicit pledge of relational continuity between exchange partners" (pp.19). In order for trust to be achieved, a partner needs to feel as though the other partner is committed to the relationship (Hunt and Morgan, 1994). Similarly, without trust in a relationship, it is unlikely that partners within it will be fully committed (Geyskens et al., 1996). Commitment implies that a partner is willing to sacrifice short-term benefits and mutually dedicate themselves in the long-term to developing and maintaining the relationship (Dwyer et al., 1989; Anderson and Weitz, 1992;

Day, 2000). Commitment can be made stronger if the relationship is founded upon social bonding and emotional intensity (Stanko et al., 2007). Commitment also reflects the value which a person has placed on the relationship and can reflect a positive valuation of the relationship (Moorman et al., 1992). However, commitment within a relationship may also come about if a buyer views the relationship as having high termination costs, making the buyer more committed to a relationship (Hunt et al., 2006).

Co-operation

Once a relationship has been established with both partners trusting each other and showing commitment to the relationship in the long-term, co-operation is established. Co-operation is defined as "similar or complementary coordinated actions taken by firms in interdependent relationships to achieve mutual outcomes or singular outcomes with expected reciprocation over time" (Anderson and Narus, 1990, p.45). Having trust and commitment is a prerequisite to co-operation; if a partner is in a committed and trusting relationship, each partner will want to co-operate in order to maintain the relationship (Morgan and Hunt, 1994). By co-operating within a relationship, firms can achieve outcomes which may not have been possible if they had acted individually, thus providing the firm with a competitive edge (Anderson and Narus, 1990; Christopher et al., 1991). Rather than having a focus purely on competition, firms can act in a way which meets the needs of both parties. Similarly, a firm may act in a co-operated way if the termination costs associated with the termination of the relationship are high (Morgan and Hunt, 1994).

Keeping Promises

The construct of 'keeping promises' is seen as key by Grönroos (1990c, p.138) in marketing. In his definition of marketing, he identifies keeping promises as a key tenet of enhancing relationships:

> Marketing is to establish, maintain, enhance and commercialise customer relationships (often but not necessarily always long-term relationships) so that the objectives of the parties involved are met. This is done by mutual exchange and fulfilment of promises.

A firm both making and keeping promises is vital in building long-term relationships, especially within the service sector. If a firm makes promises which cannot be met, then a customer's overall perceived quality (as discussed earlier) could be affected. This therefore reduces the firm's chances of building a trusting and committed relationship with the customer (Grönroos, 1990b). The very foundations of building a relationship are based upon trust and commitment; if promises are not made, trust is broken and the relationship will struggle to be built (Bitner, 1995). The promise concept is inextricably linked to external marketing (making promises), internal marketing (enabling promises) and interactive marketing (keeping promises). A firm's external marketing efforts should be focused upon promises which the firm can realistically achieve; if this is not done, a customer's expectations are raised which the firm cannot meet, thus limiting its chances of building a relationship (Grönroos, 1990a; 1990b; 1994a; Bitner, 1995). Equally, employees need to have the motivation and skill to be able to meet the promises made by the firm. If internal marketing is not managed, promises cannot be met. Finally, if 'moments of truth' are not managed in a positive way, promises may not be kept and expectations may not be met. All these factors, can impact on a firm's ability to build a long lasting relationship with a customer or another firm.

Shared Values

Shared Values refers to whether partners within a relationship have the same beliefs, objectives or values and to what extent these are shared (Dwyer et al., 1987; Morgan and Hunt, 1994). This can contribute to the development of a relationship as they are a fundamental attribute of an organisation's culture (Morgan and Hunt, 1994). Shared Values has been found to positively relate to trust within a relationship by a number of authors (Morgan and Hunt, 1994; Yilmaz and Hunt, 2001) and the strongest factor in building trust (Brashear et al., 2003). Smith and Barclay (1997) also found that if partners have differences in fundamental values, this will affect a partner's perception of their trust. It is argued that if partners have shared values, they can be expected to develop a stronger, more trustworthy relationship (Yilmaz and Hunt, 2001).

Communication

Communication is another important construct of marketing as the way a partner communicates with another partner, the quality and how the information is shared could influence whether or not a relationship is built (Mohr and Nevin, 1990). Communication is defined as "the human act of transferring a message to others and making it understood in a meaningful way" (Anderson, 2001, p.168). Duncan and Moriarty (1998) identify the link between the traditional communication model developed by Laswell in 1948 and communication in marketing. The authors identify Laswell's communication model as being parallel with an effective marketing strategy. They argue that the source is the company, the message is the product (or service), the channel is how it is distributed, the noise is the competition and all the similar products of services, the receiver is the customer and the feedback is the sales, customer service and market research. The authors argue that for a relationship to be built upon trust and commitment, both partners must effectively communicate with each other. Other models of communication include Mohr and Nevin, (1990); Mohr et al., (1996).

Grönroos (2004) argues that in order for RM to be successful: "an integration of all marketing communications messages is needed to support the establishment, maintenance and enhancement of relationships with customers (and other stakeholders)" (p.102). Therefore, if at a 'moment of truth' an interaction is not communicated well, this could damage the firm's chance at building a trustworthy relationship.

Defining Relationships

Much of the early RM literature focused upon business to business exchanges and customer relationships. Authors such as Gummesson (1994a; 1994b; 1997; 2002a) focused purely on customer relationships. He identified thirty possible relationships which he called the '30R's. The author is critical of the traditional marketing mix (as discussed earlier in the chapter) and claims that the 30R approach could replace the 4P's and that a paradigm shift is occurring in marketing from the traditional marketing to mix to RM. The 30 R approach was an attempt by Gummesson (1994a; 1994b; 1997; 2002a) to make RM more operational and tangible. The 30 R's are split into four groups and are outlined in more detail in Table 1: classic market relationships, special market relationships, mega relationships and nano relationships.

Table 1: Gummesson’s 30 R's

Classic Market Relationships
1) The Classic Dyad – the relationship between the supplier and customer. **2)** The Classic Triad – the relationship between customer, supplier and competitor. **3)** The Classic Network – distribution.
Special Market Relationships
4) Relationships via full-time marketers and part-time marketers. **5)** The service encounter – interaction between customers and suppliers. **6)** The many-headed customer and many-headed supplier. **7)** The relationship to the customer’s customer. **8)** The close verses the distant relationship. **9)** The relationship to the dissatisfied customer. **10)** The monopoly relationship – the customer or supplier as prisoners. **11)** The customer as ‘member’. **12)** The e-relationship. **13)** Parasocial Relationships – relationships to brands and objects. **14)** The non-commercial relationship. **15)** The Green Relationships and CSR. **16)** The law-based relationship. **17)** The criminal network.
Mega Relationships
18) Personal and Social Networks. **19)** Mega Marketing – the real ‘customer’ is not always found in the market place. **20)** Alliances change the market mechanisms. **21)** The Knowledge Relationship. **22)** Mega alliances change the basic conditions for marketing. **23)** The mass media relationship.
Nano Relationships
24) Market Mechanisms are brought inside the company. **25)** Internal customer relationships. **26)** The relationship between operations management and marketing. **27)** Relationships with the ‘employee market’. **28)** The two-dimensional matrix relationship. **29)** The relationship to external providers of marketing service. **30)** The owner and financier relationship.

Adapted from: Gummesson (2002, p.38)

Morgan and Hunt (1994), however, extended the scope of RM to include all forms of relational exchange such as "suppliers, lateral organisations, customers or employees/business units" (p.34). Christopher et al (1991), instead of identifying possible relationships, focuses upon markets. The authors propose six key market domains which facilitate RM; "customer markets, internal markets, referral markets, influence markets, employee recruitment markets and supplier markets" (p.21). At the centre of the author's model is the main market, customer markets, which they identify as the most important and which have the most important relationships. On the outside of the model are the remaining five key markets; internal markets refers to the relationships developed within the organisation. Referral markets expressed the importance of positive WOM in attracting new customers/resources to the organisation. The influence market refers to the influence that external partnerships could have, for example developing a relationship with Government. The staff recruiter market focuses upon the organisation's ability to be able to attract suitable employees to the organisation, and finally supplier and alliance markets refer to the relationships developed with the organisation's supplier.

This is relevant to the nature of marketing within SEs as they often have multiple stakeholder groups to communicate with. Therefore, in order to further understand the nature of marketing within SEs and its role in long-term sustainability, the differing stakeholder groups which they interact with will need to be identified. This will help to develop a marketing model which is unique and specific to the complex structure of SEs and thus will help to limit the tension felt in meeting social and economic objectives which help to ensure long-term sustainability.

Conclusion

To conclude, this second part of the literature review has explored marketing conceptually. The chapter began by discussing the notion of a service-dominant logic. The argument that the underlying logic of marketing has changed from being manufacturing-based (goods-dominant) to one that is more customers-focused (service-dominant approach). It built upon the discussion within Chapter 2 that public management theory had been built upon assumptions from the manufacturing sector. The chapter then discussed the roots of marketing within the manufacturing sector and the development of the now popular marketing mix. It then moved onto discuss recent developments in marketing within services, which was deemed inappropriate due to its roots within the manufacturing sector. In particular, it explored internal marketing and part-time marketers, interaction marketing and 'moments of truth', quality in services and explored the role relationships can play in developing a marketing-orientation. RM came about partly from the increased academic interest in services marketing but also as more academics started to criticise the marketing mix and the four 'Ps'. Six relational constructs were discussed which were identified within the literature (Hunt et al., 2006, p.77) as being key in developing relationships; trust, commitment, co-operation, keeping promises, shared values and communication. Different relationships and markets were discussed and how these markets can be targeted in order to develop relationships.

Based upon the literature review conducted in the previous chapter and the literature reviewed within this chapter, it is clear that marketing could make a contribution to SE, but, as the review has shown, there is little research which has explored the potential contribution marketing could make. Therefore, the questions which this thesis aims to address are:

- What is the nature of marketing SEs and how does it fit with SEs combination of objectives?
- What are the pressures and tensions faced by SEs in this sector, and how do they compromise their sustainability and balance of social and economic aims?

As more pressure is put on the social care sector to deliver public services on an increasingly tight budget, challenges are presented to SE where their funding is limited or diminishing. This could undoubtedly affect their long-term sustainability. Therefore, Chapters 2 and 3 have shown the need for research to be conducted which explores how SEs are responding to such challenges, if marketing is a tool which facilitates this and the extent of tension felt in meeting social and economic aims. In particular, it is going to explore whether a service marketing approach has been adopted and the implications of not adopting this type of approach. As a result the implications for SE research will be that the factors contributing to their long-term sustainability will be identified which can further help the development of SE as theory. This could provide new insights, as well as contributing to SE practice by identifying ways in which the tension in meeting their double bottom line could be better managed. The next chapter is going to present the methodology and outline the approach taken and provide justifications of the relevance of this approach.

Chapter 4 Methodology

Introduction

The purpose of this chapter is to outline the methodological choices which were made and to discuss the reasons for why these approaches were used. Chapter 2 of this thesis discussed the increased role SEs are playing in delivering key public services. It also identified that there is little empirical research which explores the sustainability and the role marketing plays in their long-term sustainability. Chapter 3 then explored how marketing has evolved from a consumer goods-dominant approach to a more appropriate services-dominant approach as more researchers start to criticise the dominant 'marketing mix'. It identified the potential impact RM could have on the long-term sustainability of SEs and their ability to manage the tension in their double bottom line. Therefore, in order to address the problem of managing the tension in their double bottom line and identify ways in which they can unsure long-term sustainability, two main research questions were posed:

- What is the nature of marketing SEs and how does it fit with SEs combination of objectives?
- What are the pressures and tensions faced by SEs in this sector, and how do they compromise their sustainability and balance of social and economic aims?

Questions were raised within Chapter 3 about the nature of marketing within SE. As this thesis conceptualises SEs delivering public services as 'service organisations' it would be crucial to be active in developing long-term relationships. This is because relationship building is at the heart of sustainable service delivery. Chapter 2 also addressed the tension of SEs meeting their double bottom line, social and economic objectives. Sustainability is defined within this thesis as 'balancing grant-free income with expenditure whilst meeting social objectives'. Therefore, it is important to explore the impact this might have on their use of marketing and ability to be sustainable business units.

In order to answer the questions posed within this thesis, a qualitative approach was undertaken. This was to enable me to be able to explore the social realities of the managers within SE and to understand how their values and the enterprise's values might affect their ability to be sustainable in the long-term. In order to explore this in great detail, a multiple case study approach was adopted so that newly-started SEs and long-standing SEs could be compared, and to identify any similarities or differences between and across the case study organisations. This was because research by Bull and Compton (2006) identified that SEs which had entered maturity stage were more sophisticated as they had learnt from experience about how to best communicate their marketing and branding. Therefore, it was felt that this would be an important dimension to explore. The data was collected through semi-structured interviews, document analysis and supported by observations after the interviews of SE in practise. This allowed me to explore in great detail the experiences of the managers and gave me greater flexibility in the collection of data. Using a grounded theory approach, the data was collected until theoretical saturation had been met, at twelve cases. As a grounded theory approach was taken, data collection and analysis happened at the same time and was analysed through the assistance of the computer programme NVivo.

The structure of this chapter is as follows, it begins by briefly introducing qualitative research, before moving on to discuss the theoretical assumptions which underpin the paradigm adopted within this thesis. The chapter then focuses upon the underlying factors as to why a qualitative research approach was undertaken and the justifications for this approach. It then introduces the case study method as the research approach, before discussing the sampling methods used to sample the select cases and justifying why the case study method was undertaken. The chapter then moves onto discussing the data collection methods used; qualitative interviews, participant observation and document analysis. It then focuses on how the findings were analysed, through a grounded theory approach, whilst providing examples of the sampling framework. The chapter then has a short discussion on ethical considerations before concluding with how issues of data reliability, validity and trustworthiness were managed.

Philosophy of Social Science

The primary research interests of this thesis are to find out the thoughts, opinions and experiences of managers working within a selected set of case studies, in order to accurately explore the marketing and business processes which they use day to day. Qualitative Research is a domain which especially provides researchers with the best tools to explore human experiences in social settings as it explores the way people assign meaning to the objective world. Qualitative Research in particular, aims to "study things in their natural settings*"* (Denzin and Lincoln, 2005, p.3) and to understand why people behave as they do in certain situations (Bryman, 2008). This is appropriate to the underlying focus of the thesis as it aims to understand *how* SEs implement their marketing strategy and what mediating factors moderate their use of marketing. Before making a case for qualitative research, it is important to discuss the various assumptions associated with the nature of knowledge, and how it is obtained (Morgan and Smicich, 1990). Examining these issues will locate my research within a much wider and deeper context.

Every PhD relies on making an original contribution to theory and empirical knowledge, and this begs the answer to one important question; what constitutes as 'good', proper knowledge? Burrell and Morgan (1979) suggest that all approaches to social science are based on inter-related assumptions relating to ontology, human nature and epistemology. Therefore, the next section will discuss my epistemological assumptions about the nature of knowledge and how it can be obtained.

Researchers are guided by abstract principles, otherwise known as 'paradigms' (Guba, 1990). These paradigms are to be characterised by four interrelated assumptions; ontology (understanding the examined reality and being), epistemology (the relationship between that reality and the researcher), methodology (which techniques can be used by the researcher to understand that reality) and axiology (judgements about values) (Denzin and Lincoln, 2005). An ontological issue for a researcher is determining what the nature of reality is *for them.* If reality is seen as being constructed by individuals who are involved in the research process, then there will be multiple realities the researcher needs to report on, such as; the realities of the researcher, the realities of the participants involved in the research and the realities of the person or persons interpreting the research (Creswell, 2007). An epistemological assumption is the nature of the relationship between the researcher and what is being researched.

Qualitative researchers interact with their participants, and participants tend to be much more involved in the research process than with quantitative research; this in itself warrants a further question; what is the role of values, an axiological assumption. Since there is a close relationship between the researcher and those being researched it is important that the researcher specifies the value-laden nature of the research (Creswell, 2007) and reports any values or biases to the reader which could impact on the research. This leads onto the final question; the methodological question; how are you going to find out this knowledge, *w*hat methods are you going to use to gain this information? The next section will explore the philosophical position of interpretivism and positivism, with an aim to discuss why an interpretivist approach to this research is appropriate.

Knowledge Creation

Whilst there are many paradigms a researcher could choose from, this section will discuss two in particular, namely, interpretivism and positivism. These two paradigms are used to discuss and support the decision to undertake the research from an interpretive perspective. Positivism sees the social world as existing externally and therefore believes that reality should be measured objectively (Easterby-Smith et al., 2012) and tends to be, but not limited to being associated with quantitative methods. Within business and management research, positivism has been criticised for not having the ability to deal with the complex nature of the business world; organisations are very complex structures and insight can be lost if they are reduced to static measurable entities (Saunders et al., 2009). Furthermore, the appropriateness of positivism when researching social life has also been raised, as the social sciences tend to be more interested in the *behaviour of people* rather than with objects that can be measured (Crotty, 2003).

In contrast to positivism, interpretivism attempts to understand the meanings which lie behind social actions (Benton and Craib, 2011). It places emphasis on understanding the social world through interpreting it through the eyes of its participants (Easterby-Smith et al., 2012). A key philosophical contributor to both the interpretivist tradition and qualitative research is Immanuel Kant. Kant argued that perception is not limited only to our human senses, but by how humans interpret what their senses are telling them. He believed that knowledge is not only created through our own experiences but also by how these experiences are interpreted and understood (Ormstron et al., 2014).

Therefore, this line of reasoning has influenced how qualitative research is practised by placing focus on the value of how the world is interpreted. It signifies the importance of the interpretive role a researcher will play when undertaking qualitative research and understanding the topic being studied (Ormstron et al., 2014). Another key contributor to interpretivism and qualitative research is Wilhelm Dithey who wrote about the importance of interpretation and 'lived experiences'. He argued that they will play an important role in understanding and identifying a context in which certain actions take place (Benton and Craig, 2011; Ormstron et al., 2014).

My philosophical Assumptions

Therefore, this researcher holds the following ontological, epistemological and axiological assumptions about reality and what constitutes knowledge:

Table 2: My Philosophical Assumptions

Ontological Assumptions	I, the researcher, assume that reality is inter-subjective; it is understood through meanings, understandings and interactions, developed socially and through individual interpretation.
	I assume there are multiple realities which cannot be directly accessed or discovered and which are socially constructed. These realities can only be understood through interpreting different perspectives on the issue at hand. Truth is relative and is dependent upon a person's perspective.
Epistemological Assumptions	I, the researcher, am an active creator of the research, I cannot separate myself from what I already know, therefore the subject being researched and I are linked and will jointly construct an understanding of how they view marketing in SEs.
	Because I am an active creator of the research, the participant and I will have a relationship which allows the participant to describe their views on reality and this will enable me to better understand the participant's actions.
Axiological Assumptions	As, I, the researcher am an active creator of the research, this means that values will play a part in constructing an understanding of marketing as myself and the social phenomenon are interactively linked. However, these values are there to construct an understanding of the phenomenon being studied and not to misdirect the research.
Methodological Assumptions	Marketing can only exist in SEs if the actors within the enterprise place meaning upon it, therefore to understand marketing within these enterprises I must talk with participants within those enterprises in order to understand what meaning they place upon it.
	The methods used must allow both the participants studied and I to collaborate together through dialogue to construct a meaningful reality which through interpretation can lead to an understanding of the phenomenon being studied.

(Adapted from: Crotty, 2003; Benton and Craig, 2011 and Easterby-Smith et al., 2012).

Therefore, the type of knowledge required for this research cannot be reduced to a set of facts and measurable opinions, as found in quantitative, positivistic research; it is more of an in-depth problem that requires exploring the understanding of the thoughts, beliefs and opinions of individuals working within that social reality. In order to develop knowledge of that reality, it is vital when researching this phenomenon, that it is understood from the point of view of the people who actually experience this concept. Different people will place different meaning on marketing depending upon what context it is in. Therefore it is important that I explore what these meanings are and what value they place on them within the certain context of SE.

This interpretive way of exploring concepts such as marketing within organisations has proved to be successful in a number of studies, see for example: Bussell and Forbes, 2006, Myers and Sacks, 2003; Chapman et al., 2007; Hines, 2005 and Dart, 2004b. A qualitative, interpretive approach would allow me to access this ‘reality’; through observing the interactions between the participants and by appreciating and understanding the different constructions and meanings that they place on marketing as a concept, will allow me to present a detailed view of marketing in SEs.

At the outset of this PhD, the original idea was to use mixed methods, so that I could send a survey out to a large number of SEs to gain a more representative view of what type of marketing strategies they engage with. This idea soon changed to be a purely qualitative research project as I felt I would miss some of the complexities if focus was taken away by quantitative study and as SEs within this sector have complex structures, I felt a larger number of cases with the ability to be able to go into more detail would be more appropriate. The next section will discuss qualitative research, with the intent of justifying qualitative research as most appropriate for this study.

Qualitative Approach Rationale

There are many different definitions of qualitative research within the methodology literature but one aspect of qualitative research which is prominent is that it is a subjective enquiry which can be both an advantage and a disadvantage of qualitative research dependent upon what philosophical assumptions you hold. To expand on this assertion, it is useful to discuss the role of objectivity, i.e. how neutral the researcher will remain when undertaking the research. Within qualitative research, as it is a subjective enquiry; a qualitative researcher would admit to not being able to separate themselves from the research. Their past experiences, prior knowledge, views and values could influence the outcome of the research, making the researcher neither a distanced nor neutral observer (Guba and Lincoln, 1994). In contrast, within quantitative, positivistic research, the role of the researcher would be to remain a distant and neutral observer, in that research should not be influenced by experiences, prior knowledge, views and values and the researcher should remain objective (Guba and Lincoln, 1994). Thus, for researchers who hold positivistic assumptions about their research, the subjectivity of qualitative research would be a disadvantage.

Qualitative research is characterised by its focus on understanding and interpreting social life through the use of methods which help the researcher to understand how a community, individual or organisation for example, perceive a particular issue. This research is focused upon social processes not structures, making qualitative research the best option to explore these processes. Employing qualitative research will ensure that a holistic picture is created of the type of marketing that exists within SEs, and which factors moderate its use. Qualitative research aims not to control the phenomenon studied but to understand it from the views and experiences of the participants being studied, which grounds research within human knowledge and experience (Fossey et al., 2002).

As Creswell (2007, p.15) argues, the approach of qualitative research is:

> "An inquiry process of understanding based on distinct methodological traditions of inquiry that explore a social or human problem. The research builds a complex, holistic picture, analyses words, reports detailed views of informants, and conducts the study in a natural setting".

In accordance with this researcher's philosophical position, the researcher cannot be separated from the research. Therefore an understanding of marketing will be co-created between the lived experiences and knowledge of the participants and from the prior knowledge, experiences and views of the researcher. According to Silverman (2005), a good researcher should not pre-determine their choice of research method; rather, a choice should be made over what is most appropriate for the research. The aim of this research is *not* to access attitudes or motivations which can then be converted to measurable entities to be statistically tested. Indeed, a lot of research into the theory of marketing has largely been dominated by a quantitative approach (for a more in depth discussion, see: Hanson and Grimmer, 2007). This is because there is a focus on the attitudes and behaviours of customers on certain marketing methods which can be measured on scales.

That is not the focus of this research; it is to understand and interpret how the managers within the case study organisations understand marketing and how their experiences and values have affected their use of marketing. Using a positivistic quantitative approach could miss these complexities and subtleties which qualitative research uncovers. As there is little known about how SEs market themselves, it is important to have some flexibility over the research design as new information is uncovered, quantitative research is much more restricted and prescribed. Quantitative researchers purport that their research is value-free and that the researcher remains a separate entity to the research enquiry (Denzin and Lincoln, 2005). However, qualitative research, on the other hand, emphasises that research can never be value-free and that the researcher and the subject researched are inter-related, creating meaning together. It seeks to place meaning upon social experience and instead emphasises the value-laden nature of its enquiry (Denzin and Lincoln, 2005). Therefore, in order to understand marketing as it occurs naturally within SEs, it is imperative to understand it from the views and experiences of managers who work within that SE which requires obtaining rich data. This is why a qualitative methodology has been used. The next section will look at the approach this research has taken, with the aim of justifying why this approach was taken with reference to the relevant literature.

Logical Reasoning

Grounded Theory

This research hopes to develop theory which is grounded in the data collected by applying a Grounded Theory (GT) approach. The concept of GT will be discussed in relation to data analysis in much more detail later in this chapter, but it is important to refer to GT when discussing logical reasoning. Originally developed by Glaser and Strauss in 1967, it was used as a different approach to the then highly deductive theorizing that happened at that time (Locke, 2009). One core tenet of GT that Glaser and Strauss disagreed upon is that researchers should always engage inductive thinking. That is that researchers should not have prerequisite theoretical concepts in their thoughts which could alter the data collected in the field (Richardson and Kramer, 2006). Glaser and Strauss disagreed on this notion; Glaser (1992) advocated the use of inductive thinking. He spoke specifically of allowing theory to emerge through creativeness, arguing that having prerequisite theoretical concepts contaminated the research, and that, instead, researchers should read in unrelated fields (Glaser, 1992). Glaser argued that the GT which Strauss advocated placed too much emphasis on the development of *concepts* rather than theory (Glaser, 1992).

Strauss (1987), on the other hand, refers instead to processes of induction, deduction and verification (Richardson and Kramer, 2006). He recommends within the early stages of the research to use ‘technical literature’ to help with the analytical process. He wanted researchers to develop a theoretical framework based upon technical literature which helps to identify categories based on the literature which can then be applied in meaningful ways (Strauss, 1987; Strauss and

Corbin, 2008). Strauss's approach has a clear link with Abductive Thinking; applying Abductive Thinking provides research with a logical foundation for theory building (Blakie, 2007).

Grounded Theory and Abduction

Abductive reasoning, first developed by Charles Sanders Peirce, is the process by which an explanation is made by imaginative efforts in understanding the phenomena being studied (Locke, 2010). Its basis is highlighting the importance of the discovery aspect of research, i.e. the role that guesswork or hunches can play in the development of theoretical insights about a certain phenomenon (Locke, 2010). Pierce contended that both induction and deduction focused upon concepts that were already in play and thus insisted that a new form of logic was needed in order to create new theoretical insights (Psillos, 2009; Locke, 2010). Abductive logic emphasises creativity in trying to make an explanation for a certain social phenomenon and by entertaining an idea which may be novel can in fact produce inventiveness and thus create something that is new.

The process of abduction begins with an incomplete set of observations which cannot be explained by previous knowledge and proceeds to make a decision about the most likely cause or explanation for those sets of observations (Kelle, 2005). Abductive thinking allows a researcher to lead to a suitable explanation of the observations which is related to their previous knowledge. Thus, any abductions made in the research process do not create new knowledge, rather combine elements of a researcher's previous knowledge (e.g. marketing and SE) and put them together to create a new idea (Kelle, 2005).

For example, at its most crude, this research wants to find out how SEs can become more sustainable in an increasingly challenging and competitive marketplace. The most likely explanation for this is that they are not adequately communicating with the *right* customers their key messages; this is a marketing problem, and hence why this research is concentrating on the marketing processes of SEs. Research is a discovery process and, whilst it is relatively unknown as to whether or not SEs conduct marketing effectively and whether this enhances their sustainability, it is a hunch that these enterprises will conduct some form of marketing but are using it ineffectively. Whether I find that marketing exists in these organisations or not, it will still be creating theoretical insights in that something surprising may be found instead and is therefore central to creating more of an understanding of SE.

Case Study Research

Case study research is one of the more popular forms of social inquiry for qualitative research (Stake, 2005) and has proven to be a useful research strategy in fields of business and management (see for example: Skalen, 2011; Song et al., 1997; Lewin and Johnston, 1997) and social policy (see for example: Dart, 2004a; Chapman et al., 2007). The purpose of case study research is to examine one or several real life case examples of the phenomena under study in their real life context (Eriksson and Kovalainen, 2010). According to Bromley (1990, p.302), it is "a systematic enquiry into an event or a set of related events, which aims to describe and explain the phenomena of interest".

Case study research, in principle, is not limited in terms of philosophical positions and can range from being researched under a positivistic perspective to an interpretive, constructionist perspective (Eriksson and Kovalainen, 2010). However, there is some debate within the literature as to whether case studies should utilise implicitly qualitative methods (see for example, Stake, 1995; Creswell, 2007; Eriksson and Kovalainen, 2010) or quantitative methods (see for example, Yin, 2009). When a researcher uses the case study approach they aim to provide an analysis of the context and processes which illuminate the theoretical issues being studied (Hartley, 2004). This restricts case study research in terms of the scope of the research. However, it does allow for in-depth understanding of the phenomena being studied (Eisenhardt, 1989; Hodkinson and Hodkinson, 2001).

The nature of reality is complex and a strength of the case study approach is its ability to research complex social systems and to deal with the large variety of information which a researcher may collect engaging with the case study approach (Reilly and Linds, 2010). Case Study research places emphasis on interpretation, the researcher should objectively record observations of the case while examining its meaning and then, through analysis, refine and understand those meanings (Stake, 1995). This allows the researcher to have a window into these complex systems and in turn be able to examine the cause and effects of the phenomena under study (Reilly and

Linds, 2010). This is especially useful when researching complex and complicated business issues (Eriksson and Kovalainen, 2008).

As the aim of the research is to understand marketing as it occurs naturally within SE and to understand how the managers viewed and constructed marketing, a multiple case study approach was felt to be the most appropriate means of building this knowledge. This approach will enable marketing to be explored within the case study organisations in great detail, whilst comparing marketing across the different cases through a number of different dimensions. By employing this method, it was ensured that a holistic picture was built around how these enterprises practised marketing and how they viewed it, and whether the way these enterprises are employing marketing is the most effective way of doing it. There is not much known within the academic literature about how SEs in this sector conduct marketing.

Therefore, it is important to look at this in detail so that strategies can be developed over how their marketing strategy could be better employed, thus increasing understanding of how these organisations can become more sustainable. This is supported by Yin (2009) who suggests that the case study method is best employed when the researcher is asking ‘how’ and exploratory ‘what’ questions. The research did not require control over behavioural events and was inherently exploratory in nature. Its purpose is to find out *how* these cases were conducting marketing and *what* type of marketing activities they were using.

Criticisms of the Case Study Approach

Whilst case studies have the ability to investigate a phenomenon in great detail, this can limit the research as well, as researchers may find that they have too much data for easy analysis, which produces concerns over how much of the data is to be omitted (Hodkinson and Hodkinson, 2001). The case study method has also been questioned over how the researcher can remain independent from the results of the study due to the interactive role the researcher plays through the research process (Verschuren, 2003). However, I would claim this to be an advantage of the case study method because both the knowledge and experiences of the participants and the knowledge the researcher holds are both vital components in allowing a phenomenon within a complex social system to be fully understood.

There are also concerns about how the knowledge gained through the case study is applied, as the data collected is usually of a descriptive manner (Eriksson and Kovalainen, 2010). In addition to this, the case study method has been criticised over the fact that the findings will only entail personal impressions of the interviewees which could be biased, thus limiting objectivity, validity and reliability (Sarantakos, 2005; Gomm et al., 2009).

However, within case study research, a key factor in determining the quality of case study research is the role of researcher expertise, knowledge and intuition. Rather than placing emphasis on objectivity, validity and reliability, quality in case study research is determined by the insights, thinking and knowledge of the researcher undertaking the research (Hodkinson and Hodkinson, 2001). Case study researchers should try to be as transparent as they can about decisions they make over the research process; this will allow the reader to make their own judgements about how rigorous the research is.

The most frequent criticism aimed at the case study approach is its low generalisability due to the fact that usually only one or a small number of cases are used (Verschuren, 2003; Yin, 2009; Moriceau, 2010). However, Stake (2005) warns against focusing too much on the subject of generalisability as "damage occurs when the commitment to generalise or to theorise runs so strong that the researcher's attention is drawn away from features important for understanding the case itself" (p.448). It is debated within the literature as to whether generalizing within case study research is even appropriate as it tends to relate to positivistic work (Tripp, 1985) or even whether the results of qualitative research as a whole *can* be generalized to a wider population. This is perhaps better conceptualised by this statement made by Lincoln and Guba (1985, p.110); "the only generalization is that there is no generalization".

Furthermore, Denzin (1983) argues that within interpretivist research, generalization is "rejected as a goal as they never aim to draw randomly select samples of human experience" (p.47). Human interactions can have multiple meanings depending upon what the individual has placed upon them, therefore it would appear that generalising to a wider population would seem impossible (Moriceau, 2010). This was one of the reasons that Lincoln and Guba (1985) proposed that generalisability should be replaced with transferability (discussed later in this chapter). Yet, case study research remains to be repeatedly criticised for its lack of ability to generalise (Verschuren, 2003; Stake, 2005, Yin, 2009; Moriceau, 2010), and repeated attempts are made to introduce ways in which qualitative research and specifically case study research can generalize.

Yin's (2009) response to achieving generalisable outcomes was putting emphasis upon 'theoretical sampling'. Theoretical sampling focuses upon selecting cases which can be replicated for theory to be expanded. Therefore, for the research to achieve generalisable outcomes, the researcher will continue to sample until 'theoretical saturation' is complete. This approach was also advocated by Eisenhardt (1989) and Gerring (2004). Guba and Lincoln (1981, 1982) in taking into account Cronbach's (1975) 'working hypotheses'; differentiate between two types of generalisation; nomic generalisation (developed by Kaplan, 1964, 'classic' view of generalising to a population) and naturalistic generalisation. The authors argue that 'naturalistic generalisations' are not an adequate substitute or replacement for nomic generalisation. Rather, they argue that nomic generalisation should be replaced by a concept developed by Cronbach (1975); the notion of the working hypotheses. Lincoln and Guba (1985) purport that the working hypotheses from one case can be used to understand other similar cases. Furthermore, they suggest that researchers should develop 'thick' descriptions of their case data, so that conclusions from one case *could* be transferred to another case, if similar enough; otherwise known as 'fittingness' (the degree of transferability) (Lincoln and Guba, 1985). Therefore, if the two situations are similar enough (fittingness), then the 'working hypothesis' of one, maybe transferred to another (transferability).

In order to achieve generalisable outcomes, a number of different cases will be looked at. This will ensure that the results and evidence found is more robust than if a single case was used (Yin, 2009) and will also allow me to continue to find more cases until theoretical saturation is complete, i.e. no new information is coming from the case study organisations. The goal of employing this method is to replicate findings across the case study organisations. By employing replication logic into my multiple case study research design will ensure that external validation is established and therefore naturalistic generalisation of the findings can occur (Creswell, 2007; Yin, 2009).

Sampling in Case Study Research

Sampling and selection (in its broadest definition) is defined as "principles and procedures used to identify, choose, and gain access to relevant data sources" (Mason, 1996, p.120). Principles and procedures in qualitative research are at an almost polar point to sampling principles and procedures in quantitative research and are perhaps the best examples at representing the differences in logic which underlie these research approaches (Patton, 1990). Whilst quantitative research concentrates upon generating large generalisable samples which are selected at random; qualitative research is concerned with smaller numbers, selecting cases which are information rich and which can be studied in great detail (Marshall, 1996). Whilst selecting large samples in qualitative research is not impossible (Williams, 2000) it is relatively uncommon because qualitative research works with smaller numbers.

Within case study research, it is suggested that qualitative researchers should concentrate upon selecting cases which "build in variety and acknowledge opportunities for intensive study" (Stake, 2000, p.451). One line of thought is to select samples *purposefully* (Creswell, 2007, Fletcher and Plakoyiannaki, 2010), meaning they are chosen because the researcher believes that they are 'information-rich' and will be able to provide great insight into the issues they are exploring (Patton, 1990, Fletcher and Plakoyiannaki, 2010). Fifteen different strategies were suggested by Patton (1990) for purposefully selecting cases (see Appendix 1 for a Table of these strategies). Stake (2005) however, suggests that there should not be a focus upon sampling per se, as case study researchers tend to work with small numbers. He recommends that a case should be chosen because it interests us and should give the researcher the best ability to learn, rather than choosing cases which are seemingly 'typical'.

Another approach, theoretical sampling, is a key aspect of GT and the assertion made by Strauss and Corbin (2008 p.145) is that "data collection and analysis go hand in hand". In this way, sampling is purposive (Saunders et al., 2009) in that cases are chosen because they can help further the development of the themes "to explore relationships between these to develop a theory" (Saunders et al., 2009, p.509). The sampling process starts with a general target population and will continue to sample from that group until 'theoretical saturation' is achieved (until no more theory can be drawn from the data) (Strauss and Corbin, 2008). The process of collecting data in GT is in unison with analysis in order to ground the theory in data (Charmaz, 2006).

Sampling framework

In order to sample my cases, criterion and theoretical sampling were employed. Theoretical sampling ensured that an appropriate number of cases were sampled so that theoretical saturation could be met. When data collection began, eight cases were initially chosen. However, once data had been collected and analysed, it was felt that theoretical saturation had not been met. Therefore, it was decided that the number of cases would be increased until sufficient data was obtained. It was felt that theoretical saturation had been reached at twelve cases, in that no new information was coming from the SEs. Whilst this could potentially limit the amount of depth that could be gone into within each case, it was important to increase the amount of cases until theoretical saturation had been reached so that theory could be developed over the potential contribution which marketing had to the case study organisations. This allowed a much deeper level of analysis and a deeper level of understanding regarding the marketing practises of these SEs, but also represented a range of experiences in delivering Social Care services.

Criterion Sampling allowed criteria to be determined to which the case study organisations must conform; this gave the case study organisations boundaries and increased the chance that 'information-rich' cases were chosen. The criterion are outlined in Table 3 and were selected to be part of the sampling framework in order to ensure that the organisations chosen give the most in-depth and relevant information.

Table 3: Case Study Criteria

Criteria	Reasoning
Is currently defined as a SE under UK law	It is important to explore the field as it is currently defined by government as there is still confusion over the definition of SE. By using the UK Government definition we will ensure that the SEs chosen are in some way similar to the sector as a whole
Is operating within the adult Social Care sector assisting people with some form of disability	As argued in Chapter 1 of this thesis, adult Social Care is changing, giving more choice to the service users over where they spend their money. Therefore, this sector will be a fruitful and interesting sector to study the role marketing plays in the sustainability of these organisations
Operates within Yorkshire	Yorkshire was chosen as a location due to its vast number of Social Care SEs. But also to bind the cases; case study research relies on extensive data collection, putting boundaries in place ensures that the research is kept realistic and manageable. I reside within this area which will ensure time constraints are kept and enough extensive data is collected to ensure an in-depth study
Majority of funding is either through grants or self-funded through either contracts for service users or other income-generating activities	This criterion was chosen so I could explore the effect that being dependent upon grants which could be cut at any point has upon the cases marketing activities and their sustainability, whilst also exploring this effect on the cases which were not dependent upon grants and who had more of a suitable income
A mixture of early phase SEs (started within the last 5 years) and later phase SEs (been in operation for more than 5 years)	Given the literature identifies long-standing SEs as having a more sophisticated use of marketing (e.g. Bull and Crompton, 2006) and given the focus on sustainability, it was deemed important to explore the differences between how early phase SEs market themselves in comparison with later phase SEs.

At the outset of the thesis, a number of rural and urban SEs were sampled in order to identify whether there was any differences in the way they marketed themselves. As the data collection process began, it was clear that not only were there no inherent differences between the rural and urban SEs, but that the sampling criteria had become too complicated. Therefore, halfway through the data collection process, this criterion was replaced in order to focus the research on the criteria outlined in Table 3.

Empirical Data

Given the research questions depicted at the outset of this thesis, the next issue which needs to be addressed is the type of data needed to answer these research questions. The two research questions which this thesis aims to answer are:

1) What is the nature of marketing within SEs and how does it fit with their combination of objectives?

2) What are the pressures and tensions faced by SEs in this sector, and how do they compromise their sustainability and balance of social and economic aims?

Due to the focus upon sustainability and as this thesis defines sustainability as balancing grant-free income with expenditure whilst meeting social objectives, it will be important to collect empirical data of the case study organisations financial accounts and marketing materials. By using document analysis, it will enable me to identify how dependent the case study organisations are upon grant funding and the profitability of the case study organisations without these grants. I will be looking at what percentage of their income is grant-based and if the enterprise is still profitable without the grant income.

In order to explore the nature of marketing within the case study organisations, it will be important to collect empirical interview data as well as observation data. This will allow me to discuss with the respondents how they use marketing and for what purpose. What are their experiences of marketing and how do they currently utilise marketing? What tensions and challenges are facing them and through what means are they responding to them? Analysing this empirical data will allow me to identify whether their approach to marketing is appropriate and if it in fact hinders their ability to sustainable in the long-term (for copy of interview questions, see Appendix 2). This will help me to understand the nature of marketing within the case study organisation and what impact their marketing has on the tensions found in meeting their social and economic objectives. The next section of this chapter therefore is going to discuss the data collection methods used within this thesis. It will introduce the methods, justify their use and discuss how they were used across the research process.

Data Collection Techniques

Triangulation

In order to increase the validity and to provide verification of the data obtained, multiple sources of methods (methodological triangulation) were untaken, namely; semi-structured interviews, document analysis and observation. Triangulation "involves the practice of viewing things from more than one perspective" (Denscombe, 2010a, p.347). It helps researchers to move to a true picture of the phenomenon that they are studying (Wolfram Cox and Hassard, 2010); and by looking at the phenomenon under study from multiple perspectives, sources or analysis, will help produce a much more rigorous and rich research design and increase the credibility and validity of the results (McMurrey et al., 2004).

The idea behind triangulation is that a researcher can obtain a more 'true' picture of the phenomenon being studied if multiple measurements, methods or researchers are used. Denzin (1978) identifies four types of triangulation; data triangulation (whereby multiple sources of data are used), investigator triangulation (whereby multiple researchers are used to collect data on the same phenomenon in order to compare the results), theory triangulation (whereby different theories are used to analyse the data) and methodological triangulation (whereby multiple methods of data collection are used).

Due to the fact that qualitative research is often criticised for its lack of credibility (arising from the notion that qualitative research is based around perspectives and experiences rather than facts); triangulation can help the researcher to increase the credibility and validity of their results. The point of triangulation is not always to confirm the results found but it can point out disparities amongst the data which the researcher can then further analyse and produce a much richer theory around the phenomenon being studied.

Therefore, triangulation allowed this research to be cross-validated against and across the different methods and data sources. This ensures that more comprehensive data is obtained, whilst also creating a more robust research design. This method of triangulation reduces threats to internal and external validity, in that one weakness from a certain method can be compensated against the strength of another. Each of these data collection techniques will now be looked at in turn.

Interviews

Qualitative Interviews remain one of the most commonly used data collection techniques in qualitative research (King, 2004). An interview at its simplest is a discussion between two or more people about a relevant topic or interest. The interviewer will probe the interviewee to talk about specific interests or experiences in order to gather valid and reliable data relevant to the research questions depicted at the outset (Saunders et al., 2009). The goal of any qualitative interview is to understand the topic being researched from the perspective of the interviewee, and most importantly to understand why and how they have reached this perspective; it is not concerned with keeping the interview relationship free, rather, it is admitted that it is part of the research process and is used to shape the development of the interview (King, 2004).

Interviews were conducted with each of the case study organisations, (see Appendix 2 for a copy of the interview questions). Using this method of data collection helped to gain insight into the experiences, emotions, opinions and feelings of the interviewees. It allowed for examination of what the participants considered to be key marketing issues and exploration and discussion of different aspects of marketing derived from the review of the literature. SEs are complex organisations, consisting of many different activities, values, stakeholders and relationships; the interview provided the most appropriate means of being able to collect this extensive data. Semi-structured interviews were conducted as, unlike the focused interview, the semi-structured interview gives the researcher a degree of flexibility (Bryman and Bell, 2003). If a certain topic or question requires more detail, the researcher has no specified structure from which they are alleviating and can ask the interviewee to go into more detail; thus improving the depth of information given. (Seidman, 2006).

One interview was conducted at each organisation, mainly with managers (see Table 5) and further contact was made via email if needed in order to obtain additional information (mainly to obtain financial information and to expand on how they see themselves as a SE). This method, it was felt, was the most appropriate in being able to help build a holistic picture of the way in which marketing is conceived and actively done within these types of SEs.

Additional Interviews

Four further interviews were conducted with key stakeholders in the SE's immediate environment. Namely; North Yorkshire County Council (NYCC), York Council for Voluntary Services, York Social Enterprise Network, Your Consortium[4]. This was to set the research within its policy context and to find out the nature of their role in the development of SEs operating within this sector.

However, these interviews were not used in the final analysis of the findings. Whilst the interviews did reveal some interesting themes to explore, it was felt that they detracted from the core purpose of the thesis. This is because issues of identity were raised, and the question of how a SE is classified. The commissioner from NYCC in particular raised concerns about whether these SEs delivering key public services were in fact entrepreneurial, or whether they were actually charities disguising themselves as SEs. Whilst this does raise interesting questions, it was felt that this was a separate issue which needed to be explored in further detail in future research.

Participant Observation

Participant Observation is a qualitative data collection technique derived from early twentieth century social anthropology work (Saunders et al., 2009). Participant observers immerse themselves in the culture they are investigating, observing behaviour and listening to conversations whilst also being able to distance themselves personally and socially (Bryman and Bell, 2003). An important feature of participant observation is that the researcher's knowledge and experience are considered an integral part of participant observation (Brewer, 2000). Participant Observation can be useful for any researchers wishing to investigate a setting which has complex interactions (such as an organisation) and is a prevalent data collection technique in management and business studies (Saunders et al., 2009).

[4] A Social Enterprise Hub which brings together partnerships in the community and voluntary sectors across North and West Yorkshire. It provides access to funding streams and income for partners, a contract and grant management service and provides training to organisations operating within this sector (Your Consortium Website).

At the beginning of the data collection process, participant observation was not going to be conducted. However, after each interview had been conducted, apart from one case, all of the managers wanted to show me round the enterprise and speak informally with some of the service users about their experiences. As it supplied me with valuable insight into how their operations were run and allowed me to view the products made, I felt it was important to make notes and take this into consideration when developing each case, as it allowed me to view the relationships the enterprise has with its service users in practice. I viewed the way various employees interacted and communicated with each other and with the service users. Notes on the observations were made after the interview (see Table 4 for a more detailed account of the observations conducted within each case; also see appendix 3 for an example of notes taken).

Document Analysis

Document analysis was also used alongside the semi-structured interviews and observations, and was mainly used to verify what the participants had said within the interview and to give a more holistic and comprehensive picture of the enterprise itself. It enabled me to establish the background to my cases and also cross reference what was being said in the interviews and what was being done within their materials (see Table 5 for a detailed account of the types of documents used).

Discarded Cases

Three case studies were discarded during the research process; two of them because prior to conducting the interview with the manager, they were believed to be delivering a service to adult Social Care service users. However, upon visiting and speaking with the managers, it was found that these SEs dealt specifically with young persons with a difficult home life rather than adult service users with disabilities. They therefore did not fit within the criterion sampling framework. I felt it was important to keep the focus upon adult Social Care service users so that clear links and replicated themes could be made across the case study organisations. The other case was currently a charity which had the aim of becoming a SE over three years but there was a lot of development

Table 4: Each Case's Data Collection Techniques

	Interviews	Document Analysis	Observation
Farm Enterprise	One semi-Structured interview conducted with the Director lasting 1 hour and 11 minutes.	• Website • Facebook • Annual Financial Report • Leaflets	Thirty minute observation was conducted after the interview where I was shown round the workshops, spoke with the service users and looked at the different services. I also looked round the enterprise for a further fifteen minutes by myself, looking at information signs and watching the service being run in practice.
Handmade Works	One semi- structured interview conducted with the Manager lasting 55 minutes.	• Website • Facebook • Leaflets • Parent Charities Annual Financial Report. • Online Leaflets	Thirty minute observation was conducted after the interview where the manager let me meet the service users and explore each aspect of their operations in person.
Social Café	One semi-structured interview conducted with the Catering Manager lasting 1 hour and 46 minutes. An additional phone conservation with the Resource Manager of the parent charity took place.[5]	• Twitter and Facebook. • Parent Charities Annual Financial Report. • Online Newspaper Articles	Observation was conducted during the interview and I met some of the service users. Due to the layout of the café, I could watch the service users in practice. However, as the interview was conducted later in the day, most of the service users had gone home so I only met two.
Helping Manor	One semi-structured interview conducted with the Service Manager lasting 1 hour and 9 minutes.	• Website • Facebook • Brochure • Leaflets • Annual Financial	Fifteen minute observation was conducted after the interview where I met some of the service users and was shown around the different services.

[5] This phone conservation was undertaken to obtain financial information about the café.

		Report	
Yorkshire Gardens	One semi-structured interview conducted with the Manager lasting 1 hour 23 minutes.	• Website • Twitter and Facebook. • Leaflets. • Annual Financial Report	Thirty minute observation was conducted after the interview where I was shown around the walled garden and met the service users. I was shown the different workshops and walked around the garden centre. I was also invited to two marketing meetings which I observed.[6]
Handmade Heaven	One semi-structured interview was conducted with the general Manager which lasted 45 minutes.	• Website • Facebook • Leaflets • Annual Financial Report	Forty minute observation was conducted after the interview where I was shown round the different workshops, shown the products made and met the service users.
Arty Shop	One semi-structured interview was conducted with the Director and Workshop Manager which lasted 1 hour.	• Leaflets • Website • Facebook • Financial information.	Shown around shop and met with two of the trainees.
Gardening Enterprise	One semi-structured interview was conducted with the Operations Director of the parent charity who also manages garden enterprise lasting 1 hour and 5 minutes.	• Leaflets • Parent Charity Annual Financial Report. • Newspaper articles	No observation done as I met with the Operations Director at a different building.
Enterprising Café	Two semi-structured interviews conducted[7], one with the Catering Manager (lasting 51 minutes) and one	• Website • Facebook • Leaflets • Annual Financial	Fifteen minute observation was conducted after the interview where I was shown around the café and shown the upcycled furniture.

[6] Observations of marketing meetings were only conducted with Yorkshire Gardens as this was the only case found to have monthly marketing meetings.

[7] Two interviews were conducted at Enterprising Café as the Catering Manager in the first interview did not know some information relating to grants. Therefore it was recommended that I meet with the Finance Officer in order to find out this information and expand on some of the detailed information about the enterprise which the Catering Manager did not know about.

	with the Finance Team Leader (lasting 1 hour and 3 minutes).	Report	
Greenhouse Garden Centre	One semi-structured interview was conducted with the Manager lasting 1 hour and 8 minutes.	• Articles written by Greenhouse Garden Centre in local Magazine • Facebook • Annual Financial Report • Website • Leaflets	Twenty minute observation was conducted after the interview, where I looked around the garden centre, met a few of the service users and viewed the products which had been made.
Helping Hands	One semi-structured interview was conducted with the Manager lasting 1 hour and 1 minute.	• Website • Leaflets • Facebook • Annual Financial Report	Thirty minute observation was conducted after the interview, where I was shown around the workshops and the products which had been made and met the service users.
Lighting Enterprise	One semi-structured interview was conducted with the Manager which lasted 2 hours and 7 minutes.	• Website • Facebook • Newsletter • Impact Report • Annual Financial Report • Service User Brochure • Referrer Brochure	Thirty minute observation was conducted after the interview where I was shown round the studio and garden and met some of the service users.

which needed to be done on the site before income could be generated. Whilst an interesting case, it again did not fit with the criterion sampling, as it was currently a charity with only grant funding and did not at the time earn any income independently.

Data Analysis

GT has become the most widely used data analysis technique in qualitative research (Flick, 2009). It provides rigorous procedures as a research model and, most importantly, has the ability to develop theories (Sarantakos, 2005). The central notion of GT is building theoretical explanations from the empirical data collected about the phenomena being studied (Glaser and Strauss, 1967). The method is used to encourage constant interaction with the data, whilst ‘remaining constantly involved with the emerging analysis’ (Bryant and Charmaz, 2007, p1). In other words, theory is developed throughout the research process due to the constant interaction between data collection and analysis. As explained earlier in this chapter, there are two main schools of thought of GT; that of Glaser (1992), which focused more on inductive thinking, having no prerequisite theoretical concepts in mind prior to data collection, and that of Strauss (1987), who advocates basing the analytical process on prior knowledge and technical literature, allowing the categories chosen to be based upon prior literature informing the concepts which emerge from the data. It is Strauss’s approach which is going to be briefly discussed as it is more in line with Abductive Reasoning.

Coding

Strauss and Corbin (1990) suggest three forms of coding when undertaking the analytical process: open, axial and selective. Open coding is where the data is ‘opened’ and broken down into conceptual units and provided with a label (Strauss and Corbin, 2008). These conceptual units (or codes) will usually reflect a number of general themes or ideas which have emerged from the data. Strauss and Corbin (1990) suggest doing this by grouping data into based-upon similarities and differences. Once grouped into this category, the researcher can then break down the category into sub-categories based upon different dimensions. Axial Coding involves relating the categories to their sub categories developed in open coding and explaining the relationships between them through the data (Strauss and Corbin, 1990). They encourage researchers to “scrutinize the data to determine the conditions that gave rise to that kind of work, or the context in which it was carried out, by what actions/interactions it occurred, and the consequences” (p. 423). They warn that if at this stage, data collection and analysis are not done at the same time this could lead to large gaps within the theory. The final stage, selective coding, involves selecting one core category and systematically relating it to the other categories. Its emphasis is upon recognising the relationship between the core category and the subsequent categories which in turn help to develop a GT (Strauss and Corbin, 2008).

In accordance with GT, the interview data was initially broken down into codes. As I transcribed the interviews myself, I had already started to become immersed in the data, and initial code names were starting to be defined through the transcription process and upon the review of the literature. Data collection and analysis were done at the same time to avoid gaps in the theory (Strauss and Corbin, 1990). Whilst the category names were not in the words of the participants per se, they were based upon the themes which were coming from the interview data. The data was broken up by looking at similarities and differences in the data and grouping the data into categories. These categories were then broken up into subcategories in order to look for distinct concepts. Large texts of data were placed within these categories as a way of looking for overarching themes that the data might be showing.

The next stage of data analysis was identifying and connecting the relationships amongst the open codes, otherwise known as axial coding. This process was done by exploring the data to ensure that 1.) the concepts and categories which were chosen were represented across the interview data and 2.) to explore how my concepts and categories were related across the data. This was done both within the data but also through a number of mind maps which helped for visualisation of the connections within the data (please see appendix 4.1-4.3 for examples of mind maps). This was not a structured process, it involved revisiting the data many times once new sub-categories and relationships had been identified in other cases.

This helped with analysis both across the cases as well as within the cases. Once new sub categories were identified, analysis continued to determine any similarities both within and across cases. The final stage was to identify the core categories and link all the other codes to it. The analysis was supported by NVivo; the software was used as a way to systematically sort the data whilst keeping track of the coding process. By using NVivo, it allowed for easy retrieval of quotations for individual codes whilst also allowing me to go backwards and forwards from the data to the categories, thus ensuring that the interpretations were grounded within the data.

Once the data had been sorted into categories, nodes and sub-nodes, an initial findings section was written which outlined in broad terms what theory was felt to have been lifted from the data. This helped to further develop the themes and identify any other relationships amongst the themes. This findings section was then used to inform the writing of the case studies descriptions. Once the case studies were developed, cross-case analysis occurred to sum up the findings of the differences and similarities across the case study organisations and form the basis of the discussion. An example of the coding process is shown in Table 5.

Research Ethics

The following ethical issues were taken into consideration before the research was undertaken. To ensure that the Government Social Research (UK) code of ethics is met, any participants that were taking part were required to complete a written consent form. The interviewee signed one copy and was given an unsigned copy to take with them (see Appendix 5 for copy of ethics form).

Ethical considerations are an important part of any methodology; this section will briefly discuss the ethical considerations for this research. As this research looks at the marketing strategies of a select number of cases, it is important to ensure that the SEs and the interviewees' names are kept confidential. It would not be in the best interest of the SE for their marketing strategies to be widely available to potential competitors. Therefore, to overcome this, the participant's name and the participating SE name will be kept confidential; each of the cases names will be changed, and the interviewees will not be listed by their first name. The ethical complication that occurs when omitting information such as this is in finding a balance in terms of being able to give the reader of the research enough information about the chosen SEs whilst also being able to keep the SE and interviewees' information confidential.

Table 5: Example of Coding Process

Quotations/Researcher Notes	Open Coding	Axial Coding	Selective Coding
"The marketing is more around the customer side of it, you know the people that come through the doors and buy things rather than the service users which are an income stream but we don't market to them as such as essentially the way you would find a client is generally they come through social workers, care workers, referrals in that way more than we sort of directly going out and finding them I think there would be massive difficulties and ethical issues I think in trying to market to a client to say you know we want you to spend your personal budget here." *Finance Team Leader, Social Cafe*	Tension View of marketing Marketing to service users Customer focused	Service users not defined as a customer Conflict with social values Strategy moderated by tension in social aims and financial objectives	Marketing seen as a selling activity
"Yeah it's definitely important because we need to get our products sold and we need to sell ourselves as well so definitely marketing is a big ... it's … because we are charity we're restricted with funding and nowadays marketing is a big market out there so we can't have you know, a big flash marketing campaign, it's restricted to what we can achieve with the funding we have." *Manager, Handmade Works*	Marketing as a selling activity Limited budget	Marketing as an external function	More of an adoption of a goods-dominant logic
"So, it works like that and it's also word-of-mouth, people hear how good things are and people come and have a look so it's … a lot has been that, they go home and they tell the parents, you know, there's a lot of social activities for adults with learning disabilities, discos and youth clubs and Mencap have their clubs on at night and weekends and they do talk about things like that, so they do mention it and if they enjoy a place they're going to say I am going to so and so today and I did this and I did that, so people are going to listen and then they want to come and have a look and see what we offer." *Manager, Handmade Works*	Word-of-mouth Service User Networks	Part-Time Marketers Importance of building relationships with service users	Stakeholder Relationship Management

In order to ensure that both the participant and the participating SE are happy with the type of information that would be used the consent form will include a section which identifies this, and how it will be used. If the participating SE is unhappy for this information to be used, it will be excluded from the research. This will provide my research with a solid code of ethics concerning anonymity and confidentiality. This is very important when doing case study research, as case studies tend to produce huge amounts of intensive personal views, experiences and circumstances. If anonymity and confidentiality are not kept, and the lives and expressions are revealed, this could result in a number of negative consequences, such as embarrassment, risk exposure, loss of standing, employment and even self-esteem (Stake, 2005). Due to the nature of the research, the participants will not be in any emotional danger as the topics being covered are not of a sensitive nature. The research should not require any independent scrutiny outside of the University, due to the subject of the project. The University Board of Ethics was contacted and no further ethical measures were required to be taken.

Validity

Unlike quantitative research which has clear modes of validating data (reliability, replication and validity), it is less clear with qualitative research. Some qualitative researchers argue that qualitative studies should have alternative modes of judging quality to those of quantitative research (Bryman and Bell, 2003). Lincoln and Guba (1985) propose an alternative way of assessing qualitative research; trustworthiness and authenticity. Whilst there are other forms of assessing the quality of qualitative research (see for example, Kirk and Miller, 1986; LeCompte and Goetz, 1982; Hammersley, 1992), I find the Lincoln and Guba (1985) interpretation better, due to the fact that they have not tried to adapt the criteria from quantitative research. Instead, they have created a new set of criteria which focuses upon the practical outcomes of the research (see Table 6 for the way in which validity was ensured).

Trustworthiness is made up four distinguishing characteristics: credibility, transferability, dependability and confirmability. Credibility entails the qualitative researcher to ensure that he or she has accurately portrayed and understood the social world which was under investigation. This could be done by ensuring that the research is carried out according to good practice and by ensuring that the research findings are relayed back to the participants to confirm that their social world has been correctly understood. Transferability refers to the degree to which the working hypotheses from one case can be used to understand other similar cases. They suggest researchers should develop 'thick' descriptions of their case data, so that conclusions from one case *could* be transferred to another case, if similar enough; otherwise known as 'fittingness' (the degree of transferability), if the two situations are similar enough (fittingness), then the 'working hypothesis' of one, maybe transferred to another (transferability). Dependability refers to researchers adopting an 'auditing' approach, i.e. keeping full records of the research process. Related to dependability is confirmability, which refers to the fact that qualitative researchers recognise that personal values can have an influence on their research. Therefore, an objective of the auditing process undertaken for dependability should be to make clear that the researcher has done everything within their power to ensure that values have not heavily influenced the research. Authenticity refers to whether the researcher has fairly described the participants' experiences.

Table 6: How Validity Has Been Approached

Trustworthiness characteristics	How this has been approached in this research
Credibility	The author has been in contact with most of the cases since the interview, to clarify on additional questions. The research was carried out to the highest practice, with the interviews recorded so that I could transcribe the interviews to ensure that there was no misunderstanding. Once the research is complete, the author intends to send a summary of the key findings to the cases.
Transferability	The cases descriptions in the next chapter have great detail allowing the author to cross-examine the cases by looking at the results found in one case against one dimension which could be applied to another case with the same dimension. This can be said for all of the different dimensions and also allowed the author to apply replication logic across the cases. This will allow the reader to make their own decision as to whether the findings of the research are similar to another setting.
Dependability	As the author has gone into great detail with the case descriptions (chapters 5 and 6) this will enable other researchers to replicate the findings with similar organisations.
Confirmability	The author has admitted that in the first part of this chapter, it is expected she will not be separated from the research in that she cannot separate from what is already known. In saying that, the author has ensured that values have not biased the research and provided as much as possible examples of how the coding framework was developed and how the themes emerged (see table 6).
Authenticity	In the conclusion the author gives a true representation of the values which were held prior to the research and how they changed over the research process. This provides the reader with an overview of the values which the author holds so they can make their own decision over whether the participants' experiences have been fairly described. This is evidenced in Appendix 6.1-6.7 which provide examples of researcher notes

Conclusion

To conclude, the first part of this chapter discussed at length the nature of qualitative research, its limitations but also its appropriateness for this thesis in comparison to quantitative research. It has explored the nature of reality and what constitutes as ‘proper knowledge’, whilst outlining the author’s main philosophical positions. It has then gone onto discuss research strategy, examining the case study approach and its appropriateness for this research. A multiple case study approach was undertaken, with twelve cases being the unit of analysis. They were sampled across a number of criteria to ensure that a number of diverse SEs were researched.

It then discussed the relevant data collection techniques: interviews, participant observation and document analysis and the type of knowledge produced for the proposed research questions. The topic of GT was then discussed and the role it will play in data analysis. Data was sorted through NVivo and the cross-case analysis involved mind maps and diagrams as I continued to identify patterns and themes. The next chapter presents empirical data of the case studies; the twelve case studies are presented in two separate chapters, the first chapter will explore the recently established SEs. It will describe the case study organisations’ history, social goals and income-generating activities, before presenting the marketing activities which the case study organisations engage in.

Chapter Five: The Recently-Established Social Enterprises

Introduction

The findings from this research have been split into two separate chapters; Chapter 5 will explore the recently established cases, whilst Chapter 6 will explore the long-standing cases. The rationale for presenting the findings this way was firstly to ensure that each case was explored in enough detail, but also to allow for cross-examination of any systematic differences which may be identified between these two groups of cases. Research by Bull and Compton (2006) found that marketing within SEs which had entered maturity stage was more sophisticated as they had learnt from experience about how to best communicate their marketing and branding. It was felt that this was an important dimension to explore and whether experience led to a more effective use of marketing which is why the findings are presented this way. However, whilst this dimension was explored, in analysis it was actually found that there was no significant indication that the long-standing cases were any more sophisticated in their use of marketing than the recently-established cases. There were cases which were recently established and long standing which had a more sophisticated use of marketing. These were: Arty Shop (Recently-Established), Farm Enterprise (Recently-Established) and Handmade Heaven (Long-Standing). These are gone into more detail in the next two chapters.

Before analysing the case study organisations, I hoped to find the managers of the SEs to be managing and developing relationships with their stakeholders due to the multiple groups of stakeholders they needed to communicate with. However, what was found was that the managers had a very limited understanding of marketing, which was focused upon it being a selling activity, consistent with the previous studies identified in Chapter 2 (Bull and Crompton, 2005; Bull, 2006, Shaw, 2006). However, what was significantly different for this research was the implicit marketing actions which the managers undertook, which do indicate to a services-dominant approach. This is further explored in the next two chapters.

To remind the reader, the two questions which this thesis aims to address are:

1.) What is the nature of marketing within SEs and how does it fit in with their combination of objectives?

2.) What are the pressures and tensions faced by SEs in this sector and how do they compromise their sustainability and balance of social and economic aims?

The structure of this chapter will be as follows: it will outline the main features of the SEs through a detailed account of their historical development, core activities and income-generating strategies[8]. It will then present a detailed account of the case study organisations marketing activities with quotations from the interviews and observation as evidence. All of the case study organisations operate across Yorkshire and each SE deals with adults with learning, physical or mental disabilities, and all have a large proportion of their income earned from contracts with local Government. As discussed in Chapters 1 and 2, SEs are increasingly being used to deliver key public services in Adult Social Care. However, there is little evidence that supports the assumption that these types of organisations are more sustainable than state owned or traditional third sector organisations. There is a need to explore the sustainability of these types of organisations and their viability for the future. Sustainability within this thesis is defined as "balancing grant-free income with expenditure whilst meeting social objectives".

Information to build these case studies was taken partly from the interviews and partly from the documents supplied by the SEs. Each of the case study organisations participated in different income-generating activities, from delivering a gardening service or running a café, to selling handcrafted goods or a mix of the two (see Table 7 for a summary of the cases). The aim of this chapter is to present empirical evidence on the role that marketing plays within these types of organisations and evidence relating to their sustainability. The case study organisations explored in this chapter are: Farm Enterprise, Handmade Works, Social Café, Arty Shop, Gardening Enterprise and Greenhouse Garden Centre.

[8] Income Figures were rounded off to ensure anonymity.

Table 7: Overview of Case Information Explored in this Chapter

	Legal Set Up	**Main Sources of Income**		**Size**
Farm Enterprise	Company Limited by Guarantee and Registered Charity	Day Service Individual service contract	Other Income-generating Activities - Tea Room - Farm shop and bakery - Campsite - Print Works	Service users: Over 80 both at the Farm and at the headquarters. Employees: 20 F/T & 12 P/T
Handmade Works	No legal structure – set up within a Registered Charity and Company Limited by Guarantee.	Day Service Individual service contract	Other Income-generating Activities - Sell Craft Items - Sublimation printing	Service Users: 9 (not at full capacity) Employees: 3 F/T
Social Café	Social Enterprise arm of a Registered Charity and Company Limited by Guarantee	Day Service Individual service contract	Other Income-generating Activities - Café - Sandwich round	Service Users: 8 Employees: 3 F/T
Arty Shop	Community Interest Company	Day Service Individual service contract	Other Income-generating Activities - Sell craft items, art work and photography.	Service Users:15 Employees: 5 P/T Volunteers: 1
Gardening Enterprise	Social Enterprise Arm of a Registered Charity.	Day Service Training Centre – Grant from NYCC council over three years.	Other Income-generating Activities - Gardening Service	Service Users:18 – although this fluctuates on different days (not at full capacity) Employees: 2 F/T.
Enterprising Café	Registered Charity	Day Service Still in development – eventually individual service contract	Other Activities - Café; - Sell upholstered furniture	Employees: 5 F/T

Farm Enterprise

Case Description

Farm Enterprise is a project for adults with learning difficulties which was opened in 2010 and is privately owned by a charity SE. It is located just outside a small rural community in North Yorkshire. The interview was conducted with the Director of Farm Enterprise; she is also the Director of the parent charity SE. The charity which owns the farm opened in 1990 to provide training and work experience for people with special needs. The social goals of the SE are giving value and purpose in life to the service users. The farm is also a campsite and consists of a tea room, farm shop and bakery, visitors centre, a children's animal farm and play area. There are a number of activities within the farm: a print works which undertakes leaflet production, an upcycling[9] project for old sofas, outside catering, craft workshops for the service users, and more recently the farm has started to host wedding receptions. It has around 90 adults with learning difficulties who work across these different projects. Most of Farm Enterprises' contracts come from referrals from Social Services and some have self-referred.

Prior to opening Farm Enterprise the Director had a background in hotel and catering management. Once leaving that profession, she became a Mencap activities organiser. She took service users to nightclubs in Leeds which meant she knew a lot of the service users within that locality, as well as their families. The farm has a Management Committee which is primarily made up of businessmen in order to help keep the farm business-focused. The Director of Farm Enterprise described the enterprise as being business-focused and found that having the Management Committee made up of business men really helped push this focus forwards. She found that the businessmen were far more challenging at ensuring that the Enterprise looked at profitability and their profit margins:

> "we're business focused and I find that far more useful, and they will be far more challenging to me in looking at profitability, profit margins and all of that but all the time … my job is to remind them that there are … we are not profit driven … whatever profit has to be reinvested in … so it's quite interesting. Yes and they are poles apart, I really feel half the time that I am sitting on this fence really you have … you're supposed to have social work people on the management thing and you know they would really struggle with the business aspect, and yes, at the beginning

[9] Upcycling is a process whereby disused or old materials, such as sofas, are converted into new products of higher value.

> we were quite grant-dependent, we aren't anymore, you know, we have to earn and it actually makes life harder but you are responsible for your own destiny then."
>
> Director, Farm Enterprise

But the Director did find herself also having to remind the Management Committee of the social focus of the enterprise as the primary aim of the enterprise was to develop training for the service users. She found that this balanced the tension which has been felt in meeting the social and economic aims of the enterprise. For example, the Management Committee wanted the enterprise to be open every night. This could potentially bring in more profit but the Director was reluctant to this suggestion as there was no benefit to the service users. Whilst profit is an objective for the enterprise, it is secondary; the primary objective is to ensure that there are training opportunities for the service users. Yet, she wanted the enterprise to be first and foremost a business which also reaches social outcomes.

The Director of Farm Enterprise is also the Director of the parent charity SE and so has much more of a focus upon the social aspects of the business and ensuring that the service users are at the fore front of what they do. The farm also employs twenty full-time staff and twelve part-time staff; each staff member is qualified within their area of activity rather than being qualified to work with adults with difficulties. This was important to the Director of the enterprises as she wanted to ensure that the farm gave a quality service and wanted to employ people who had skills within a certain area rather than having a Social Care background. She felt that social workers would have struggled with the business side of the enterprise.

The farm was an unusual venture for the charity as they took a risk in buying it, and obtained a mortgage rather than funding to pay for it. It was bought in 2010 and there was some resistance from the Board to go into this venture. However, four years later, the farm is proving successful, bringing in a steady income with good relationships within the local community. Prior to being bought by the charity, the farm was very dilapidated and the charity have improved it by upgrading the farm, adding new features, renovating old features and turning it into a popular local amenity. Out of all the case study organisations studied, Farm Enterprise appears to have more of a business focus to their operations. This is evidenced by the fact that Farm Enterprise was the only case which had a larger majority of income generated by their own activities, not taking into account the money received from the Council for service user fees.

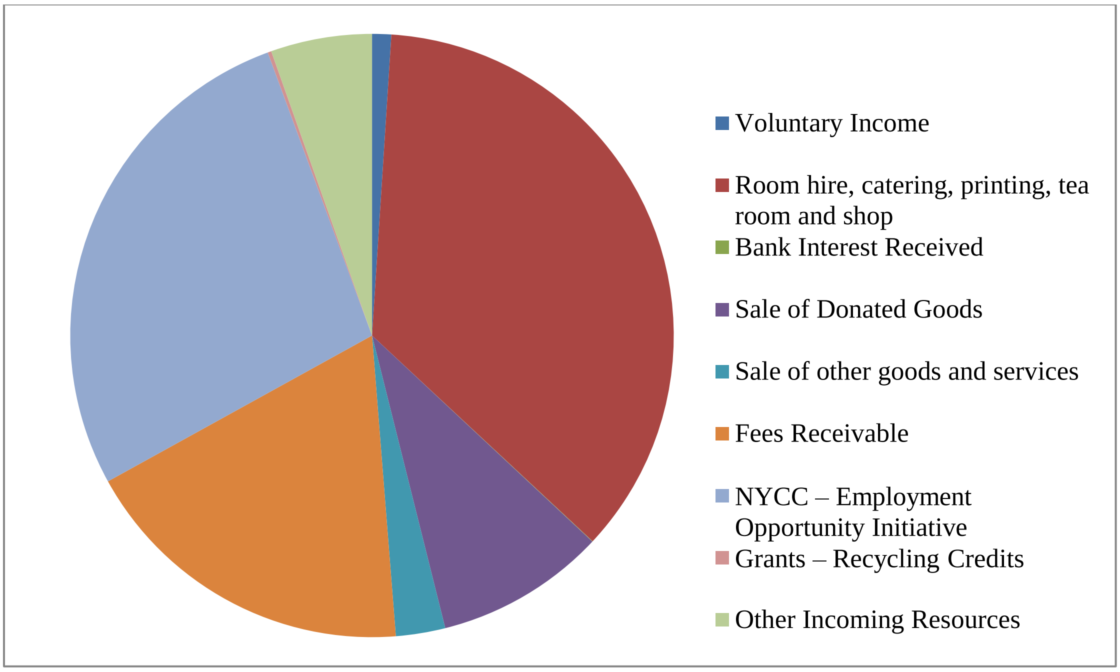
Income-Generating Activities

The farm acts as a day centre for adults with learning difficulties; Table 8 and Chart 1 show the incoming resources for the enterprise. The contracts from NYCC make up 27% of the enterprises income, whilst activities for generating funds (shop, tea room, room hire, printing and so on) make up 36% of the Enterprise's income. Farm Enterprise is the only case which earns more income from its own income-generating activities rather than contracts from NYCC, and does not do any fundraising. The farm and the parent charity are currently making a profit. Funding to buy the farm came from savings from the Director and a mortgage.

Table 8: Farm Enterprise: Sources of Income

	2013	**2012**
Incoming Resources	**£**	**£**
Voluntary Income	8,000 **(1%)**	10,000 **(1%)**
Activities for Generating Funds		
Room hire, catering, printing, tea room, shop and camping.	287,000 **(36%)**	211,000 **(28%)**
Incoming Resources from Charitable Activities		
Sale of Donated Goods	73,000 **(9%)**	97,000 **(13%)**
Sale of other goods and services	21,000 **(3%)**	18,000 **(3%)**
Fees Receivable	146,000 **(18%)**	31,000 **(4%)**
NYCC – Employment Opportunity Initiative	219,000 **(27%)**	336,000 **(45%)**
Other Incoming Resources	43,000 **(6%)**	45,000 **(6%)**
TOTAL INCOMING RESOURCES	**797,000**	**748,000**

Chart 1: Farm Enterprise: Pie Chart of Incoming Resources



Marketing Activities

Upon visiting Farm Enterprise for the interview, it was clear from notes taken after the observation that it was a vibrant and popular amenity in the local community and it was evident it did not have any trouble getting members of the public to visit. The Enterprise's financial information also supported this assertion, as Farm Enterprise was the only case study which earned more money from their own income-generating activities than from the Social Care contracts. Yet, when speaking with the Director of the Enterprise, it was clear that she had a traditional understanding of marketing based upon the marketing mix. The Director expressed a negative view of marketing and saw it as a costly selling activity.

> "I hate the word marketing! Somebody comes on the phone, marketing specialists …again it comes down to how do they know what I want to market, right, I've been living, breathing this organisation for twenty years, you know, somebody yes they … somebody might come in with different ideas but they've got to understand the organisation but they can advise me on marketing!"
>
> Director, Farm Enterprise

One of the themes to emerge from these comments is that it was clear that marketing was viewed as a separate function within the organisation and was not an integrated philosophy across the whole enterprise. This is consistent with what Grönroos (1980) identifies as being a core tenet of a goods-dominant approach to marketing. Whilst Grönroos argues that within services, the marketing function runs throughout the service firm, this is not consistent with the findings found within this case. The Director had the view that marketing need only be used if the Enterprise has something specific to *advertise*. This reinforces the view that the Director of Farm Enterprise had of marketing in that it was seen only in terms of advertising, a selling activity. Despite this negative view of marketing, the findings of this case study indicated that there were some attempts at implementing a services approach to marketing, but that this was not defined as marketing by the Director, nor was it an explicit attempt at implementing a marketing-orientation across the Enterprise, as discussed within the second chapter of the literature review.

The findings suggest that WOM was of critical importance in raising awareness amongst the networks of service users. It was inherent that the Director knew that delivering a good quality service at reasonable prices ensured that regular customers continued to return, as well as ensuring that service users were motivated to act as part-time marketers. What makes the structures of these SEs different from a typical service organisation is that the service users are both employees as well as customers of the enterprise. This indicates that an internal and interaction marketing approach would be critical in developing and maintaining relationships with the service users. Whilst this was not an explicit action by the Enterprise to implement an internal marketing strategy, the Director did attribute the successfulness of WOM to the networks of service users.

> "Everybody comes on referral, I mean people can … I mean we have had some which have self-referred and we are going to get that more and more now direct payments have come in, but again, it is a WOM thing. Peer pressure because you know I have 90 people with a learning disability but in the Scarborough area, adults I'm talking about, 300 and something but they all go and socialise together, okay, they go to different clubs together and all the rest of it, one will say "oh it's alright working at Farm Enterprise" so they're your best thing as well, it would be no good us giving the students a rubbish service because they wouldn't want to come … so we don't have to advertise for that."
>
> Director, Farm Enterprise

A lot of the service users socialise outside of the service and it was inherent across all of the case study organisations that there was a network of service users within each locality. It was made apparent that the service users, in essence acted as part-time marketers. As long as Farm Enterprise ensured that the service users were happy with the service by providing substantial skills and development training, the service users would positively influence other service users through the network which socialise together. This is consistent with what Grönroos (1980) argues to be of importance in services marketing, managing ‘moments of truth’ and the role of Gummesson’s (1987) part-time marketers will play in influencing the outcome of ‘moments of truth’. The Director also ensured (explicitly) that service users were motivated to act as part-time marketers by implementing a strategy which provides an incentive for them not to use another day care service provider. She offered a discounted service whereby if the service user signed up, they would be given a discounted rate. A day off could still be taken but the Enterprise would still continue to be paid, thus providing benefits to both parties. As the parent charity had worked within the Social Care arena for over twenty years, networks of relationships with Social Care professionals and council had already been set up making it easier to have service users referred to Farm Enterprise.

The Director found the number of service users who self-refer was low in comparison to service users who have their budgets managed by the council. The findings indicated that approaches to relationship building were being implemented but not being explicitly defined as marketing. Therefore, one theme to emerge from the findings is that whilst this case does indicate a services-marketing approach, as discussed in Chapter 3, what the Director defined as marketing was more traditional external means of communication such as delivering leaflets, using the local press, having a website/social media and paying to be in a tourist leaflet. The Director admitted that she was doubtful as to the effectiveness of the leaflets, yet it was these forms that the Director implicitly defined as marketing. This could be one possible reason as to why the Director had such a negative view of marketing, as it was not seen to be an effective way in ensuring the sustainability of the organisation as it viewed marketing as a selling activity.

What was significant about this case was that, unlike all of the other cases, Farm Enterprise had no grants from the Government and was entirely funded by their own income-generating activities. The set-up of the business was far more sophisticated than the other cases and the enterprise earned a large amount of money due to its diverse income streams. It was clear from this case, that whilst the Director only defined marketing in terms of selling, the implicit relationship-building activities the enterprise engaged in and the entrepreneurial skills of the Director did contribute to ensuring long-term sustainability. The Director appeared not to feel any tension in achieving both the social and economic aims of the enterprise and this is reflected in the high number of service users which attend the service and the profit made from the enterprise's income-generating activities. Table 9 gives an overview of Farm Enterprise's marketing activities.

Table 9: Overview of Farm Enterprise Marketing Activities

Farm Enterprise	**Objective**	**Marketing Activities**
	Raise awareness	- Press – newspaper - Leaflet Delivery - Social Media
	Increased awareness within the local community	- Leaflet Delivery - Social Media - Running Events
	Increased customer footfall	- Leaflet Delivery - Editorials - Tourism Leaflet - Social Media
	Ensure repeat business	- Provide Play Park free of charge - Provide quality service within the café at reasonable prices
	Increased number of service users attending.	- Well established relationships with Social Care professionals - Continued contacts with Social Care professionals - Build relationships with current service users to ensure WOM flourishes - Provide party at end of year for service users to ensure WOM flourishes - Personalised service which allows service users to have days off but not lose their place - Website
	Retain current service users	- Personalised service to meet their needs - Party at end of year to reward their efforts

Handmade Works

Case Description

Handmade Works is part of a registered charity and is described as a SE. It was set up in 2012 and is focused on adults with learning disabilities, including those on autistic spectrum disorder. The charity which set up Handmade Works saw a gap in the locality for a service which was unlike any of the other day centres within the area. Originally the enterprise was to receive funding from the North Yorkshire Innovation Fund and was set to partner with another charity. However, the partnership agreement fell apart and that funding option was blocked. Therefore in order to set the Enterprise up, funding was obtained from the parent charity and their donations.

The idea behind Handmade Works was to set up an activity led day centre whereby the adults create and sell craft items, do sublimation printing on a number of items such as mugs, t-shirts, mouse-mats and phone covers which would then be sold on within the parent charity. The Enterprise also has a therapeutic garden whereby the service users grow vegetables to take home to their families. The Enterprise, like many of the other cases, wanted to set up a day centre which was different to the original public sector day centres, giving the service users something more meaningful to do. The Manager, prior to working for Handmade Works, was in the army for twenty four years. In the last five years of his service, he did welfare work with soldiers and their families, looking after the families whilst the soldiers were being deployed and looking after the soldiers when they were back from deployment.

The town in which Handmade Works set up is a small market town with a population of just under 5000 people; the enterprise is located on an industrial estate. It is a focal point for many of the surrounding villages for public services. The Manager spoke of how difficult it was to penetrate this village coming from another region of Yorkshire. They had found that one charity in particular had monopolised the area for quite some time and, because the Enterprise was a new service which did not have an established reputation within the community, it found it difficult to penetrate the market. What the Enterprise found was the importance of becoming well known to the appropriate professionals within the Social Care arena.

Therefore, as the locality which they set themselves up within was very small and monopolised by one large charity they found they had to be very active in identifying important and key relationships through researching the area and finding the best ways to become well known. The Manager researched the areas which they would be working within and identified referral sources within those areas. He called and emailed those referral sources to explain who Handmade Works was and invited them for a visit in the hope that they would then refer service users onto them.

The enterprise has nine service users but has the capacity to support fifteen and employs two full time members of staff. The enterprise provides six different activities a week where the service users can earn their Award Scheme Development and Accreditation Network (ASDAN) work right qualification[10]. The aspiration of the enterprise is to encourage the service users to find work once they have received their qualification, they aim to give the service users six months to two years of training and then help them to find employment once they have qualified. The other side of the SE is through the parent organisations charity shop, which sort through second-hand clothes and items to then be sold in the shops, or, if the service users think they can earn more money, will be sold on eBay.

Handmade Works is very much a service user led enterprise. They involve the service user in every aspect of the enterprise, i.e. taking control of the stock. They sort, photograph and prepare it to be sold on eBay. They then pack it and work with outside agencies to get it posted which provides them with organisation and delivery skills. This ensures that the service users are also in contact with the local community, developing life, work and communication skills. Involving the service users not only as craft makers but at an organisational level in helping to run the service widens the skills and experience Handmade Works can offer the service users. For example, the service users are also involved with quality control when making craft items, they will take them home and test them for a number of weeks in order to find how durable they are. Handmade Works are hoping to offer one of the service users, if their skill level is high enough, the opportunity to get

[10] The ASDAN workright qualification provides a framework to develop a range of basic transferable employability skills. The qualification shows potential employers that the person is reliable and can complete tasks to a certain standard (ASDAN, n.d.).

three hours paid work, working in the reception of the enterprise. As well as this the enterprise sends the service users to the parent charity's shop to do voluntary work and gain experience in retail. The enterprise try to offer the service users as many opportunities as possible to gain experience and skills before their placements finish.

Income-generating Activities

Handmade Works is an approved provider[11] and the majority of their income is sourced through these contracts. The majority of their service users come through self-referrals which are why so much significance is placed upon involving them, as WOM is key in being able to gain these contracts. Only a small proportion of their money is earned through the craft making, printing, eBay store and the sorting service they provide for the parent charity's shop. Currently, the only other income is earned through support from the parent charity, donations and fundraising. If Handmade Works gain another two service users by end of the year, then the Innovation Fund will again look at giving them a grant which will make them less dependent on the parent charity. Unfortunately, financial information could not be obtained for Handmade Works as there are no specific accounts for the Enterprise as it is incorporated into the parent charity's financial information.[12]

Marketing Activities

Handmade Works is different from the other cases in that the goods made are sold internally within the parent charity rather than to the general public. The only activity which is done outside of the parent charity is items which are sold on eBay which come from the parent charity's second-hand shops and make up a small proportion of the income. Being a recently established enterprise, Handmade Works found it difficult to penetrate the Social Care community at the outset as one charity had monopolised the town making it difficult to have a presence. The Manager did a marketing campaign, visiting the council, schools and Mencap to let appropriate people know what they do and what they can provide. Social Care professionals were invited to an Open Day to show service users around and hopefully secure a placement. Once a presence was established, it was

[11] These are day services approved by North Yorkshire County Council
[12] This was not included as there is no specific reference to Handmade Works so it would have been of no use to the case.

found that, like Farm Enterprise, there was a strong network amongst the service users. Once Social Care professionals knew that the enterprise was there and service users started to be referred, they found that WOM started to flourish amongst the service user networks and found WOM vital in securing more service users.

> "So, it works like that and it's also WOM, people hear how good things are and people come and have a look so it's … a lot has been that, they go home and they tell the parents, you know, there's a lot of social activities for adults with learning disabilities, discos and youth clubs and Mencap have their clubs on at night and weekends and they talk about things like that, they mention it and if they enjoy a place they're going to say "I am going to so and so today and I did this and I did that", people are going to listen and then they want to come and have a look and see what we offer."
>
> Manager, Handmade Works

This again, is consistent with what Grönroos (1980) defines as part-time marketers and their role in managing 'moments of truth'. Handmade Works delivering a quality service resulted in service users engaging in positive WOM for the enterprise. Whilst the Manager did not use services-marketing terminology, the findings indicated his assumptions were based upon identifying the fact that building relationships within appropriate stakeholders will complement other less effective forms of external communication. Despite this, when directly asking the Manager what role marketing will play within the enterprises, he spoke only in terms of selling, yet the marketing which was implemented to build relationships was in fact a much more effective use of their time and resources. However, there were underlying assumptions that what he was doing in terms of marketing would not be as effective as a "big flashy marketing campaign" (Manager, Handmade Works).

> "Yeah it's definitely important because we need to get our products sold and we need to sell ourselves as well so definitely marketing is a big ... it's … because we are a charity we're restricted with funding and nowadays marketing is a big market out there so we can't have you know, a big flash marketing campaign, it's restricted to what we can achieve with the funding we have."
>
> Manager, Handmade Works

The leaflets are designed by the service users to make the leaflets friendlier when perceived by adults with learning disabilities. The leaflets are handed out by the Manager and the service users, going into the community, the Council, schools, the local MENCAP and local youth clubs. This again indicated a more relational approach to marketing, as the leaflets were used as part of building relationships within the community rather than been mass-sent within the community. The Enterprise holds regular open days in which they the service users show other potential service users around the Enterprise, which is effective, as they can tell the potential service user about their experiences and what it is like to work there.

Indeed, when observing the enterprise after the interview, one of the service users showed me round the enterprise whilst talking to me about what he enjoyed most at the day service, what skills he had developed over his time there and what he hopes to do in the future. This again supports the notion that service users were being utilised as 'part-time marketers' and using aspects of internal marketing. This is consistent with Berry's (1981) argument that employees should be treated as customers, utilising the service users when speaking with key stakeholders strengthened their use of external marketing efforts such as the leaflets. Motivating the service users to interact with other service users and other key stakeholders resulted in a positive perception of the enterprise.

One possible reason for why this case had more of a relational approach to their marketing could be the fact that, as a newly started enterprise, they found it hard to penetrate a community which had been dominated by one core charity delivering services. This resulted in the enterprise needing to be more pro-active in building relationships within the community. In order for a committed relationship to be developed within the community, trust had to be established. This is supported by Doney and Cannon's (1997) dimensions of trust (credibility and benevolence). In order for the community to trust the enterprise, the enterprise had to ensure that what they were externally communicating as providing was credible and this could only be done by using the service users as part-time marketers telling stakeholders about the service. By the Enterprise pro-actively visiting local councils and schools, they showed that the enterprise is genuinely committed and motivated to engage within the relationship. This helped the enterprise to develop trust within the community:

> "The community again, because it's so tight knit, you know, people are scared of change and new ventures coming in so it's letting them know we're new and we're exciting and we're doing something different and a lot of people are set in their ways and it's like well we've being doing that for so long, that was one of the biggest barriers of moving into an area like this and having the service users engage with the community really helped us".
>
> Manager, Handmade Works

In summary, it appears that Handmade Works was pro-active in becoming well known within a seemingly hard town to penetrate. It showed the importance of a recently established enterprise to research an area and to target specific individuals and organisations which can help to raise awareness about what their day service provides. The Enterprise was much more pro-active in identifying potential stakeholders and starting to build relationships within those stakeholder groups. Table 10 shows an overview of Handmade Works marketing activities and the approach which was used to reach each objective.

Table 10: Overview of Handmade Works Marketing Activities

Handmade Works	**Objective**	**Marketing Activities**
	Raise Awareness	- Leaflets - Website - Social Media - Local Press - Talks with Council, schools and Mencap; - Service user led open days
	Increased number of service users attending.	- Website - Talks with council, schools and Mencap - Penetrating Social Care professionals networks through visits and phone calls - Build relationships with current service users to ensure WOM flourishes - Service user led enterprise, provides healthy environment for WOM to flourish - Penetrate service user networks
	Retain current service users.	- Personalised service to meet their needs. - Service user led enterprise – involve service users in every aspect of the enterprise.

Social Café

Case Description

Social Café is owned by a registered charity and is described as a SE; the parent charity was set up by a well-known local man and is well known within the local area. Before he died he wanted a café opened which helped give transferrable skills to adults with learning, physical and mental difficulties. His reputation gave Social Café an advantage in terms of raising awareness about the café. The café is located within the centre of a small tight-knit community in North Yorkshire.

The cafe opened at the end of 2012 and provides local adults with learning and physical disabilities a safe environment in which they can work, interact with the public and learn life skills. There are two parts to the SE, the first is the café where the service users work in the kitchen, baking all the food that is sold within the cafe, and working on the till to understand the value of money. The students are given training across their placement and at the end of their training the students will gain an ASDAN qualification in catering. The café can train eight service users at a time and it typically lasts for eighteen months. The other side of the enterprise is a sandwich run which delivers to local businesses; the service users will deliver the sandwiches whilst also visiting other businesses promoting the sandwich delivery run. However, over the last year the focus of this sandwich round has changed and the café is starting to do more outside catering rather than sandwich rounds.

The Café has a number of other facilities including a laundrette where the service users can learn how to wash, dry and iron clothes and a disabled toilet and shower which allows adults up to thirty stone to be hoisted to the toilet and shower. Prior to opening the café, the Manager did market research across the region, found out what others cafés in North Yorkshire were serving and also visited another similar SE café to see how their operations ran. The town in which Social Café resides is located in a rural part of Yorkshire, with a population of just over 6,000. Prior to running the café, the Manager had worked as a Catering Manager for the prison service in North Yorkshire for twenty years.

Income-generating Activities

Social Café was given £50,000 over two years from the North Yorkshire Innovation Fund which was used to set up the sandwich delivery round. When speaking with the Resource Manager of the parent charity (a year after the interview with the Catering Manager) it was found that the Enterprise has just had their last payment from this grant. It now needs to find additional funding in order to stay open now that the seed funding has been used. Since speaking with the resource Manager, the sandwich round of the Enterprise has now stopped and the focus is upon the café and training. In terms of the rest of their incoming resources, the Resource Manager did not want to disclose figures of their incoming resources. However, it was disclosed that about 80% of their income comes from referrals for service users whereby the Care Managers or the parent charity's client groups are in control of the service user's budget as well as direct payment referrals. The remaining 20% comes from sales and donations.

Marketing Activities

Social Café's structure is different to the other cases, in that there are a limited number of training placements available and, as the training lasts between one and two years, at the time of interview all of the placements were full. As this was the Enterprise's first training course, it had not been through the process of engaging with service users to use their personal budget for the training course provided by the café. The current service users came via the wider charity as it is well established within the area and is well known with Social Care professionals and service user networks. Therefore their marketing was not focused upon service users but on developing the cafe's presence within the local community to ensure that the service users had training opportunities.

When Social Café first opened, a launch event was organised in which local schools, MPs, care workers and the local community were invited. This worked well as it involved local people and helped to raise awareness about the Café whilst also giving the service users an opportunity to interact with them. As the locality in which the café resides is a small rural community, this resulted in a large proportion of the village attending and created a 'buzz' around the café. Indeed the Catering Manager spoke of how "everybody knows everybody!"

This helped the café to attract new customers and also meant that the Manager could network with the locals and Social Care professionals on the launch day. The other active marketing with which the Enterprise engaged is every quarter 5000 leaflets are posted to the community and surrounding areas which feature their menu, social aims and opening times. Social Media (Facebook and Twitter) is actively used as a way to connect the service users with customers by taking picture of the trainees working and what they have baked. Social Café does not have a website but instead uses social media to reach out to the local community. The Café has been featured in the local newspaper and mentioned on the local radio several times. As the community is small, loyalty cards are offered for loyal customers and special promotions are promoted on their leaflets.

The Catering Manager is active in making sure that he knows all of the regular customers who come to the café most days. The Catering Manager referred to the fact that "I suppose I am their marketing tool" (Catering Manager, Social Café) in that he speaks to everyone, knows their names and makes sure that he can give them a quality service through changing certain items on the menu to meet their needs if possible. In essence he acted as a part-time marketer for the enterprise as he was well known within the local community and spoke highly of the Café to people wherever possible. He was a well-placed employee for the SE because he had many formal and informal networks and contacts:

> "Because I'll talk to people you see, I talk to everybody and I love … it's a bit like blowing your own trumpet really but I'm good at it because I can sell anything so I'll talk to everybody and I suppose I am their marketing tool I suppose and I guess that is the marketing. I do, I just know a lot of people here, you know and I know all the building construction companies, my brother in law works for them, my sister works for this charity somewhere else and you … I just tell everybody you know, I've quite liked to drive that van day in and day out every day and night and park it wherever it … because I want people to come in and it's not I want people to come in to fill the till I want them to come in because I want them to experience what we do."
>
> Catering Manager, Social Café

The personal attachment and passion the Catering Manager had for the enterprise, worked clearly in its favour. By developing personal relationships with regular cliental resulted in the locals overall perceived quality to increase. As Social Café resides within a small rural area, the importance of being personal with the local regular clientele was made clear. Within the area it is very much a tight-knit community in which a lot of the people know each other as they have lived there from a young age. Most of the clientele which come into the café are older couples and ladies groups, who spread the word round the village over how the café delivers a friendly, personalised service. The café in part maintains these relationships by ensuring that the regular customers are looked after, thus increasing what Grönroos (1984) calls 'functional quality':

> "The old folks come in every morning religiously they know what's happening everywhere, they sit and gossip all day, so I ask one "what you doing for your birthday then?" "Nothing, no family coming". So I get a piece of cake and some candles and gave it to her. Oh she were made up. Everybody were at café when the candles came out, they were singing and she were made up. And she came up before leaving and said you've made my day. Just giving that piece of cake, I didn't charge her for it and she'll tell everybody!"

Catering Manager, Social Café

This interaction, would be what Grönroos (1980) would call a 'moment of truth'. Whilst this group of friends may not spend a large amount per head, they are influential within the community which will result in positive WOM. Observation of the Café supported this assertion; when looking around the café there were three newspaper articles on the wall written in from one of the regular clients praising the Café and giving information about when it is open and how to find it. Upon looking at the visitor book, there were no negative comments from customers. One comment in particular was noted down in the observation notes;

> "This is a small, very friendly café. Upon first visiting you wouldn't know that it trains people with learning disabilities/difficulties to work in the café. I thought the idea was great and thoroughly enjoyed chatting with the students about their work. It was clear that the students seemed to be enjoying both cooking the food and serving customers. I was most impressed by the food which was homemade and absolutely delicious. I am recommending this to my friend and will definitely be coming back to visit".

Comment from Visitor – Notes from Observation

It is inherent in this case, that it is not only the service users, employees and volunteers who act as part-time marketers, but any influential stakeholder. To summarise, it was clear that the Catering Manager did realise the benefits of relationship building and did somewhat see it as marketing but lacked the appropriate terminology to describe it as such. In similarity to Farm Enterprise, the Enterprise did engage in relational activity but saw external methods of communication as the main marketing focus. However, unlike Farm Enterprise, the Manager was not resistant to marketing, but rather lacked the appropriate skill and knowledge to fully implement a marketing-orientation across the enterprise. Table 11 provides an overview of the case's core marketing activities.

Table 11: Overview of Social Cafe's Marketing Activities

Social Café	**Objective**	**Marketing Activities**
	Raise awareness	- Press – newspaper and radio - Leaflet Delivery - Website - Social Media - Attend local community events
	Increased awareness within the local community.	- Leaflet Delivery - Service users in branded uniform - Running Events and groups - Employing people well known within the community - Build relationships with regular customers who are well known within the community - Attending local community events
	Increased customer footfall within cafe.	- Leaflet Delivery - Press – newspaper and radio - Social media - Attend local community events
	Increased numbers of orders for sandwich run	- Website - Leaflets
	Ensure repeat business.	- Loyalty cards - Build relationships with regular customers – know by name, tailor specific orders to their preference
	Increased number of service users attending	- Well-established relationships with Social Care professionals - Build relationships with current service users to ensure WOM flourishes - Website - Council website.
	Retain current service users	- Personalised service to meet their needs - Build relationships with current service users to ensure WOM flourishes

Arty Shop

Case Description

Arty Shop is a community interest company and is part of three separate but inter-related organisations. The three organisations are owned by the same set of Directors; the shop offers training and a place for adults with learning disabilities to sell their work. The second organisation is known as an academy where they run different activities such as 'sportability'[13]. The third is a centre which acts as a place and location to operate the activities of the academy. The focus of this case study is on the shop.

Arty Shop offers retail training to people with learning disabilities who are known as trainees. The training is in customer service, general shop skills, finance and IT skills; the trainees are also able to access a City and Guilds Level 1 traineeship, enabling them to undergo some learning outside of the placement. The operations of the shop, i.e. selling goods, are a secondary objective to the training of the service users. The Director wanted the shop to be a vehicle they used for the trainees and wants to ensure that the shop has customers, not for the purpose of profit, rather to provide the service users with a training experience. Whilst the shop did make Arty Centre some profits, its main purpose was more as a training facility. The service users were being trained in customer service, so the shop was a way for them to train and practise their skills in customer service.

Its secondary role is to offer a place for people who are disabled to sell the products that they make within the shop. These can be craft products, cards, art work and photographs. Those adults come both within the enterprise and outside of the enterprise meaning that relationships with other SE day care services are strong. Once the service user has finished their training at the shop, the Enterprise will then provide them with a job coach in order to go into an outside placement. The ultimate goal of the enterprise is to get the service users into paid work, at first with a job coach and then independently. However the reality for some service users is that they would remain indefinitely with a job coach within a placement due to their needs. The Enterprise is not at full capacity but the Manager is happy with the progress they have made within the year. The shop was

[13] 'Sportability' is an activity which uses sport to help physically disabled people be more active.

set up in 2013 and across the three organisations employs 25 full time staff. The lease is up on the current shop premises meaning that the enterprise is currently having to move premises. Prior to opening Arty Shop, the Director worked as an advisor for service users in accessing training and development courses and gaining qualifications in order to return to the labour market. This made the Director well-placed in knowing a lot of the service users within the region as well as key stakeholders such as the council and Social Care professionals. When Arty Shop opened one year ago, they gave an opening party to which they invited all of the local Social Care teams which the Director knew in order to let the Social Care professionals know that they were there and show what they could provide for service users. This was successful in getting the new enterprise known with the Social Care teams in the local area.

Income-generating Activities

In order to obtain the income Figures for Arty Shop, I was directed to their accountant who could not give out exact income figures but gave me a rough idea of the percentages. Within the first year, Arty Shop had access to minimal grants to help set up the enterprise. There are two main income streams, the first, which earns Arty Shop the most income, is contracts for the trainees and these come from two different sources: personalised learning contracts which come via education and Social Care contracts.

The personalised learning side of their income-generating activities offers local councils a cheaper alternative to college and offers adults with mental, learning and physical difficulties the option to learn additional skills to help them in their next stage of life, such as learning to travel independently. Arty Shop has a crucial personal contact in respect to this and is in a unique situation in that the Director is married to the Chief Executive of the area's Education Department. This gives Arty Shop unprecedented contacts within the Education/Learning department and gives them an advantage in being better able to secure service users. The personalised learning side of the enterprise makes up about 40% of their income. The Social Care side is offering a day service which gives service users retail training and the option to sell their products within the shop, and this makes up about 60% of their income. The shop makes a 30% commission on any goods sold from outside the shop.

Whilst the trainees may make cards, the majority of the goods come from other SEs outside of the shop, as the focus for the trainees is on retail training. Whilst the company is set up as a community interest company it is in essence a co-operative as well. Any profits made from the selling of items will go into the maintenance and running of the shop and any excess will go into a pot to split amongst the trainees. If the shop earns more income, for instance, over Christmas, the Enterprise will split the money over a number of months so the trainees' benefits are not affected. The focus of the shop was not to earn a large profit, but was more about it being a training shop in that they would offer their goods at a lower price, which foregoes profit but ensures enough customers come in for the trainees to be able to have experience in stock management and working on the tills etc. The emphasis was on having a higher turnover of customers rather than earning a larger profit.

Marketing Activities

When speaking to the Director, he split their marketing into two different aspects; the first is the retail side of the shop and the second is the way in which they market themselves to service users. In terms of marketing the retail side, Arty Shop actively uses social media and has a website. Items are sold both through the shop and on eBay. Arty Shop purposefully wanted their marketing to be low key for the retail side as they did not want to appear 'glossy' as it would change the way the shop 'felt' (Director, Arty Shop). The director thought this could impact upon their community presence and focus would be taken away from the training for the service users.

Arty Shop has an active relationship with the local press and some of the service users have been featured in the newspaper, showcasing either their artwork or photography. The other side of their marketing is managing relationships within education and Social Care. Arty Shop did define managing their relationships as marketing and did not just limit it to the marketing of the shop. The Director spoke of the importance of having these relationships in order to secure trainees.

> "We've got different types of marketing for different things. The shop markets itself differently to the service delivery element. So the shop I guess it's almost from a retail marketing perspective... Going back to the trainees themselves, it's getting the information to the carers, the brochures, the information, we have got a website with the Academy and we have got quite a big feature on it. But for the

actual shop itself, it's around kind of … I would say the Facebook thing especially. It's around … you get regular people kind of coming in because they like the ethical side of things, who we are and what we do."

Director, Arty Shop

As the Director had, prior to opening Arty Shop, run another organisation which provided advice to adults with mental, learning and physical difficulties, meant he knew a lot of the Social Care teams locally which made building relationships within the appropriate professionals easier as he already had previous relationships with them. A key relationship was developed with the service Manager of the Care Management team which is a vital and influential contact as she knows and directs all the carers, which helps Arty Centre to become more well-known within the Social Care teams. Another unprecedented advantage which Arty Shop has is the Director's sister is also a Care Manager within the local area. This gives Arty Shop unique personal contacts within the Social Care teams and gives access to referrals which other day care services would not have access to.

The Director is active in visiting local schools which teach service users and letting potential service users know what they are doing and what they could learn from coming to their day service. The Manager finds out when the transition periods are for the schools so they can visit them at the appropriate time. As many of the younger adult service users do not have information prior to finding out from their care Manager, Arty Shop ensures the schools are provided with their brochures. The Director continues to visit the Social Care teams and articulated how important it was that when you visit Social Care professionals you also bring a brochure with you to help the Social Care Managers to remember your service, reinforcing it within their minds:

> "Yeah getting that information through to care Managers and other professionals is really important. Rather than I guess advertising or what have you, so that's the sort of marketing route we take … to the Social Care team. So the information goes into the hands of the people who really would … you need this because people forget things you know, it's quite often when somebody is presented with information … and they kind of think … if you don't tie it round with information sometimes it's kind of off the radar type of thing. So suddenly you've sent a thing through– they will think – 'oh that could be good for them'. Sometimes it's fresher than doing something different."

Director, Arty Shop

These are two key examples of the Enterprise taking advantage of a 'moment of truth' and using their current service users as part-time marketers to conduct internal and interaction marketing and building relationships with the Social Care team.

The findings indicated that Arty Shop's focus was on the service users, as to them they are their primary 'customer', thus developing trust and commitment with service users. Whilst the shop is inherently an enterprise in that it does sell goods, this was more seen as a way to train the service users and develop their skills. When observing the shop and looking at the products for sale and speaking with one of the service users, it was clear that she enjoyed working in the shop and talking with the customers about her training that week.

What sets Arty Shop apart from the other cases is how they define marketing within their enterprise as they do define their service users as customers which indicates why they see relationship building with the Social Care teams as the most vital part of their marketing. Whilst Arty Shop does have an advantage over other day care SEs in that they have unprecedented contacts via the Director, they are still active in trying to locate, manage and maintain these relationships.

> "I would say its relationships, it's very key relationships. A lot of marketing could be along more glossy image based lines but in reality we don't or can't do that. Yeah we're not rich so we have to keep it low key, use what we've got selectively. It's more on the Social Care sort of side, I'd say, although I mean we do in terms we do kind of update the Facebook page and things and we do that with trainees; sharing positive images and positive comments about where you are in terms of what you're selling and that and that's about teaching them about some basic marketing as well, that to us is quite important, so kind of mixture of the two. The more important thing, the thing that enables us to keep on going is obviously the trainees, so the more important thing to us, is to make sure we have those links with the Social Care team."
>
> Manager, Arty Shop

Whilst it has only been open a year, Arty Shop has found a steady increase in the amount of service users attending the day service. As they have a clear focus on the aim of the day care service and SE, this, has meant that their marketing is better planned and targeted. The Director of Arty Shop is clear in that the enterprise part of day service is there as a means to train the service users whilst secondarily bringing in a small amount of income. This has meant that they have understood that in essence, the service user is their 'customer' allowing them to focus on building and maintaining relationships with their customers. This has also limited the tension the enterprise felt in trying to reach both their social and economic aims as the Director was very clear that the way they marketed the goods in the shops used a completely different strategy to the way they market themselves to service users. Thus there were no concerns that marketing would be a way to manipulate the service, which would have inherent ethical implications. Table 12 provides an overview of the case's core marketing activities.

Table 12: Overview of Arty Shop's Marketing Activities

Arty Shop	Objective	Marketing Activities
	Raise awareness	- Website - Social Media - Fundraising
	Increased awareness within the local community.	- Website - Local Press - Attending local community events - Social Media
	Increased customer order.	- Website - Local Press - Social Media
	Increased number of service users attending	- Website - Open day - Brochures - Managing transition periods in schools - Visiting appropriate schools and colleges - Managing and developing relationships in Social Care and education - Penetrating service user networks
	Retain current service users	- Flexible training opportunities - Opportunities to earn money on goods sold - Opportunities to go into voluntary or paid work once training finishes

Gardening Enterprise

Case Description

Gardening Enterprise is a SE run by a registered charity. It was opened in 2012 and at the time of the interview had been open for one year. It provides a gardening service for supportive work experience for adults with learning and physical disabilities and provides volunteering opportunities for people who want to develop their skills in horticulture. The trainees will receive practical training, pre-vocational skills and qualifications to help them towards employment. Prior to working in the enterprise, the Manager started his career within the LA and public sector before moving to the voluntary sector.

Gardening Enterprise is located within the centre of an urban town within North Yorkshire and has one full-time employee. Gardening Enterprise's services include providing a physical service to anyone who owns a piece of land and wants to commission a gardening service; this includes both private individuals and businesses. It also offers low cost gardening services for elderly and vulnerable people. Gardening Enterprise can mow lawns, cut hedges, weed, and prune, carry out brush cutting of the area and plant seasonal bedding. The enterprise can also provide small-scale landscaping jobs. As part of that, the enterprise also offers a service for at risk people at home and who are identified by the welfare partner agencies as being at risk and needing extra support and help. Gardening Enterprise found itself in a difficult position in the first year as there was a lot of rainfall which limited the amount of work they could do. However, the Enterprise is seeing month on month increases but is still grant dependent.

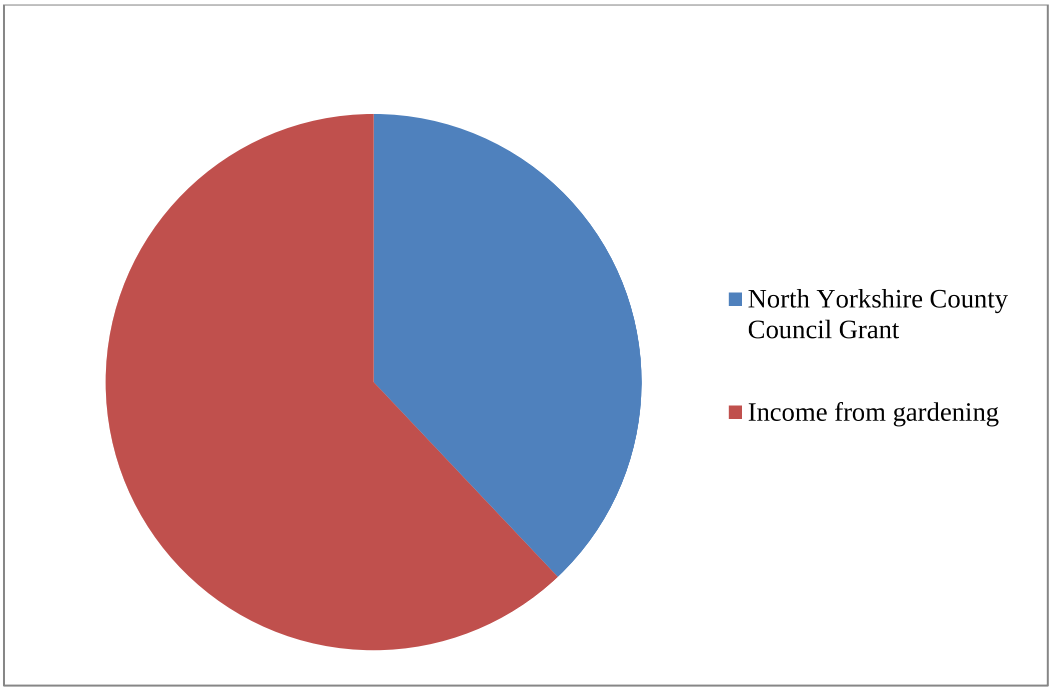
Income-generating Activities

As Table 13 and Chart 2 shows, Gardening Enterprise initially received a grant of £50, 000 from the Innovation Fund and has taken it over a three year period in order to allow for the business to develop. The Enterprise can offer 40 half day placements for the service users from this innovation fund. Once the innovation fund has been used, the Enterprise will earn income from the service users' personal Social Care budgets. The money gained from the Innovation Fund was initially their only source of income within their first year, as weather restricted the amount of work they could do. They earn money from referrals from Housing Associations and tenants to quote work for the district tenants; although they are not guaranteed to get the work, it gives them a continuous supply of potential income. Their biggest gardening contracts come from local businesses. Any money they make from SE is reinvested back into the charitable aims of the parent charity. The Enterprise made a small profit within their first year.

Table 13: Gardening Enterprise: Incoming Sources

NYCC Innovation Grant	£18, 000 (38%)
Income-generating Activities	£29,000 (62%)
Total Income	**£47,000**
Total Expenditure	**£42,405**

Chart 2: Gardening Enterprise: Pie Chart of Incoming Generating Activities



Marketing Activities

In order to raise awareness about the service to potential service users an opening event was held at which they asked Care Managers and service users to attend which helped WOM to spread amongst the service users' informal networks. Since this event the Enterprise has found that most of their referrals come from these informal networks and via WOM and it relies on these referrals rather than being active in getting more service users to use the service. The Enterprise does try to continue to maintain the relationship with the service users' families by sending a newsletter every year telling them what the service users have been doing and what they have achieved. However, it is not active in continuing to build relationships within the Social Care teams and within service user networks and has a reliance on WOM. This is represented by the fact that not all of their 40 places are filled each week. Once the Innovation Fund has been used, Gardening Enterprise will have to be more active in trying to locate and attract new service users to the Enterprise as income will be generated through their personal budgets and the need to continue to build relationships with Social Care professionals and penetrating service user networks will become ever more important.

The marketing which Gardening Enterprise does undertake is focused around gaining referrals for housing tenants gardening work from the Council and raising its profile within the local community and is very much direct methods of marketing. Gardening Enterprise found they had to take an active approach in introducing themselves as a gardening service and centre by raising awareness within the community about their work. The Enterprise found that being funded by the NYCC Innovation Fund gave them credibility and helped secure some long-term contracts with businesses who buy into the social side of the business. Gardening Enterprise found they had to be pro-active in communicating to the local community the social aspects of the enterprise in order to ensure that they knew they would receive a quality service:

> "I think the perhaps the concern from the public is you know am I still going to receive a decent service from people with special needs … when a team turns up to deliver a service it's not a typical ground maintenance team as there are people with special needs actually delivering that service. A client needs to know what to expect but on the same token I do think there are communications probably where that has helped us to secure work as the client has been happy to invest into something that offers that type of service."
>
> Operations Director, Gardening Enterprise

Gardening Enterprise has no website and is not on any social media sites but are advertised on the local council website and have a flyer which can be downloaded. The Operations Director spoke of marketing in terms of leaflets; if they go to a property to deliver a gardening service they will leaflet the surrounding area. From the analysis of the marketing documents, the leaflet does little to communicate the social side to the gardening service and does not help the Enterprise to communicate that whilst it will be service users that are doing the job, they will still get a quality service. The findings suggest that the Operations Director views marketing in terms of external communications such as the leaflets. The Enterprise does little to penetrate service user networks and build relationships with key stakeholders.

> "We purposely going out leafleting the areas that we are working, we do have a number of mechanisms in place so there's information on the North Yorkshire website, a booklet where you can sort of download information about the garden enterprise there. The base we have there are couple of boards up saying Gardening enterprise and sort of listing what we offer so ... there's sort of physical signs for people to see and the vehicles that we drive the outfits that the guys wear are you know all badged up so we have a uniform type of culture and the message is out and you see that van out and about the district so you know you pick up the phone and see what the service is about."
>
> ` Operations Director, Gardening Enterprise

Gardening Enterprise's marketing is very much aimed towards domestic customer gardening jobs which bring in a small amount of income and they are dependent upon the grant from the Innovation Fund. However, once the Innovation Fund stops and a large proportion of their income will have to come from service user personal budgets, this focus may change. The Operations Manager defined marketing in terms of advertising, yet he spoke of the importance of communicating the social outcomes of the Enterprise and the marketing they did lacked in any attempt to do this. It is clear from this case that basing their marketing communications purely on direct methods such as leaflets, deprive the enterprise of being able to effectively communicate the social values the enterprise has which is imperative to creating a credible image within the local community. The Enterprise relies on the credibility the funding from NYCC gave them and this has also cushioned the enterprise's drive to be more entrepreneurial in the ways in which income is brought in. As the enterprise does not actively build and manage relationships within their stakeholder groups it limited its ability to be sustainable in the long-term. Table 14 provides an overview of the case's core marketing activities.

Table 14: Overview of Gardening Enterprise Marketing Activities

Gardening Enterprise	**Objective**	**Marketing Activities**
	Raise Awareness	- Local Press - Leaflets - Council Website - Branded uniform
	Increased awareness within the local community	- Leaflet delivery - Website - Local Press
	Increased gardening contracts	- Leaflet Delivery - Website - Local Press - Provide quality service with social added value. - Social Added Value - WOM
	Increased number of service users attending	- Website - Council Website - Leaflets - Local press - Newsletter

Enterprising Café

Case Description

Enterprising Café was opened in January 2013 to support the activities of a registered charity that provides opportunities for adults with learning and physical difficulties. It is located in the centre of a relatively deprived urban town in West Yorkshire. The set-up of Enterprising Café is different to the other cases in that service users come from the parent charity. At the time of the interview the enterprise was in its early stages of being set up and did not train any service users as they wanted to ensure that it was a sustainable venture before getting the service users to train within the café. Prior to working for the café, the Manager of Enterprising Café had worked in other cafes in the local area.

The café resides within a business building; there are two sides to the organisation, running the café and upcycling old furniture to sell within the café and on eBay. Currently the service users are involved mainly with the re-upholstering of the furniture. However, Enterprising Café has trialled one service user to test out the mechanics of how the day service will operate and aims to have more service users working within the café over the coming months. The building within which the café resides also houses a number of different organisations, and initially the café was primarily there to provide food for the tenants, but they have also opened it up to the local community. After the interview had taken place I observed the café; it was clear that the enterprise still had signage problems. Since it was a business building, someone on the outside of the building would never know that there was a public café within the building, apart from a small sign which cannot be seen from the street.

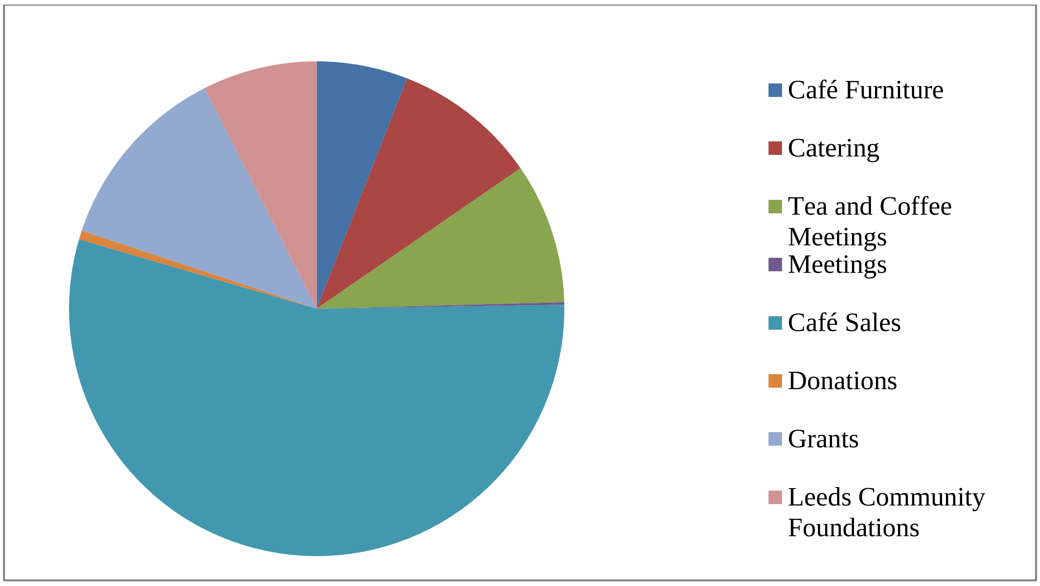
Income-generating Activities

As Table 15 and Chart 3 shows, Enterprise Café initially received funding from the Yorkshire Philanthropy Fund of £5000. This was allocated for development work to establish the Enterprise for the first quarter. The council wanted to help transform day care services for adults with learning and physical disabilities from the day care centre type approach to enterprises which offer skills training and meaningful work for the service users. The majority of their income is earned through sales from the café, providing catering for meetings in the building and for local, groups, schools and businesses within the local area. A small percentage comes from selling the re-upholstered furniture. The Enterprise is currently making a loss.

Table 15: Enterprising Café: Incoming Resources

	Total 2013
Income-generating Activities	**£**
Café Furniture	4,000 (6%)
Catering	6,000 (9%)
Tea and Coffee Meetings	6,000 (9%)
Meetings	120 (0.4%)
Café Sales	37,000 (56%)
Donations	400 (0.6%)
Grants	8,000 (12%)
Leeds Community Foundations	5,000 (7%)
TOTAL INCOME	**66, 520**
Total Expense	**68,000**
Profit for the year	**(1,180)**

Chart 3: Enterprise Café: Pie Chart of Income-generating Activities



Marketing Activities

Upon first opening, Enterprising Café was only available to the tenants of the building to get the café up and running but within a couple of months, it opened to the local community. In order to raise awareness, the enterprise held a vintage fair to let the local and surrounding communities know what the café was doing and communicate its social aspirations. The Director of Enterprising

Café purposefully employed the managers and other staff because they were well known within the community. This proved to be key in positioning Enterprising Cafe within the tight-knit community. The staff knew and had worked with key people within the locality and helped raise awareness about the organisation.

> “Well, after I’d stayed on after the three months, I did hear “well, I kept you on because you knew everybody in the community” (laughs) but Mary … I've worked for Mary for quite a lot of time, I did a lot of youth work round here as well, so, yeah a lot of … I know like a lot of the parents and their children and then they’ve had children and I've worked with a lot and I still run a majorette group and I have done for ten years now and it's at the church round the corner, so I've done quite a lot of work within the community.”
>
> Manager, Enterprising Café

This was an important strategy for Enterprising Café as the interviewee told of how the locality in which the enterprise resided was quite deprived. The interviewee spoke of how they had difficulties persuading the community to come to the café as they saw it more as an ‘ivory tower’ (Manager, Enterprising Café), as they had no presence within the local community. In order to build connections with the Social Care teams and councillors within the area prior to having service users come to the café, the enterprise held a VIP night where the guests paid what they thought the food was worth. Social Café had a good turnout which meant that relationships and networks began to be built. There is a set marketing budget of £500 and there are meetings done with the wider charity every month. The marketing which Enterprising Café does is more aimed towards the customer side of the service rather than attracting service users:

> “The marketing is more around the customer side of it, you know the people that come through the doors and buy things rather than the clients which are an income stream for us but we don’t market to them as such as essentially the way you would find a client is generally they come through social workers, care workers, referrals in that way more than we sort of directly go out and find them I think there would be massive difficulties and ethical issues I think in trying to market to a client to say you know we want you to spend your personal budget here. Now in a way you do that because when people come and … well certainly when social workers and carers come to consider a client could come to us you do have to have an offer about what you are providing around training, care, services to them. So in some ways it is a sales sort of thing but perhaps not … it is selling but it is discreet selling I suppose so yeah the marketing budget is actually is aimed more towards the customer side of things.”
>
> Finance Team Leader, Enterprising Café

The Finance Team Leader felt that the service users were not 'customers' in the traditional sense and thought it was inappropriate to market to the service users over where they should spend their personal budget. One possible factor as to why the Team Leader was reluctant to use marketing as a strategy is that marketing is still viewed as a goods-selling activity. Indeed this is the consequence which Kotler and Connor (1977) warned against, the "error of equating marketing with selling" (p.72). This view of marketing has been consistent across a number of the case study organisations and there is a tendency to view marketing within the confined parameters of the traditional marketing mix, which might suggest why it plays a minimalistic role within this case as its focus is upon the acquisition of customers for the café.

Whilst important, this view of marketing has had a negative influence on the way service users are viewed and thus engaged with. The Finance Team Leader also acknowledged that whilst the council has tried to introduce direct payments, it has been a difficult transition as a lot of the parents and carers are older and do not want to manage a budget. This has resulted in a large proportion of the funding for service users coming via a grant. The hope is that this will not be the case in 2015, and that the grant payments will decrease and the number of direct payments will increase. This will make the enterprise more focused upon identifying and engaging with individual service users, potentially making the role marketing will play more important.

Enterprising Café has focused their marketing efforts towards becoming well-known within the community before having the service users attend the café. Enterprising Café has used a combination of employing staff which are well-known within the community and relying on WOM. This has proved to be successful for the café within their first year but when they start to have service users attending, there may be a need for Enterprising Café to view the service users in a different way and change the way they engage with them in order to have a sustainable income. Table 16 has an overview of their core marketing activities.

Table 16: Enterprising Cafes marketing activities

Enterprising Café	Objective	Marketing Activities
	Raise Awareness	- Press – newspaper - Leaflet Delivery - Social Media; - Employing well known people in the community.
	Increased Awareness within the local community.	- Leaflet Delivery - Social Media - Running Events
	Increased customer footfall.	- Leaflet Delivery - Local Press - Social Media
	Ensure repeat business.	- Unique selling point – only eating place which serves home cooked food. - Website.
	Raise Awareness within social care professional networks.	- Running Event – VIP night.

Conclusion

To conclude this chapter, it has introduced six of the twelve case studies which are under study. Data for each case was collected through semi-structured interviews, document analysis and observations. It has given an overview of the historical development of the case study organisations, their activities, their income-generating streams and the marketing activities they undertake. The six cases presented in this chapter are recently established enterprises, having been in operation for less than five years. Each case delivers a public service operating within the Adult Social Care domain helping adults with either mental, physical or learning disabilities take part in meaningful work. They are offered training and gain valuable life experience be that through making craft items or delivering a gardening service.

All of the case study organisations receive a significant proportion of their income from providing the service users with a placement. The chapter has discussed the different marketing activities the cases undertake whilst providing evidence from the interviews and participant observation. The findings from this chapter indicate that the nature of marketing within the SEs is based upon assumptions rooted within a goods-dominant approach. As Chapter 3 identified, this approach to marketing is inappropriate for service organisations and has resulted in some of the case study organisations struggling to manage the tensions in meeting their double bottom line. The cases appear to not be building long-term relationships which are at the heart of long-term sustainability.

The next chapter will present the other six cases understudy which are long-standing SEs which have been in operation for more than five years. It will discuss the history of the cases, their activities, their income-generating strategies and the marketing they engage in, whilst providing evidence from the data collected.

Chapter Six: The Long-Standing Social Enterprises

Introduction

This chapter will present the other six case studies which are under study; each case is long-standing and has been in operation for more than five years. As identified in Chapter 6, the long-standing cases appeared to be no more sophisticated in their marketing than the newly started cases. The exception to this was Handmade Heaven. As the enterprise had never relied on block contracts for the services users from NYCC, they were much more active in managing and building relationships with their key stakeholders. The manager actively went out into the community and locals schools to promote both the craft side to the business and to create awareness within service user's networks of the service they were providing. This is explored in more detail later in this chapter.

The structure of this chapter is the same as Chapter Five. Each case will be looked at in great detail to allow the reader to make their own assumption about the reliability of the cases. The case's historical development, social activities, income-generating activities and marketing will be explored in great detail. To remind the reader, the two questions which this thesis aims to address are:

1.) What is the nature of marketing within SEs and how does it fit in with their combination of objectives?

2.) What are the pressures and tensions faced by SEs in this sector and how do they compromise their sustainability and balance of social and economic aims?

Table 17 gives an overview of each of the case study organisations key information. The cases which are explored in this chapter are: Helping Manor, Yorkshire Gardens, Handmade Heaven, Greenhouse Garden Centre, Helping Hands and Lighting Enterprise.

Table 17: Overview of the Case Information Explored in this Chapter

Helping Manor	Registered Charity with a Community Interest Company arm.	Day Service Individual service contract	Other Income-generating Activities - Printing Service - Sell craft items - Café	Service Users: 20 (not at full capacity) Employees: 9 F/T and 3 P/T Volunteers: 5
Yorkshire Gardens	Registered Charity and Company Limited by Guarantee	Day Service Block Contracts	Other Income-generating Activities - Gardening Service - Garden Centre - Shop - Sell Christmas Trees - Composting Service	Service Users: 25-30 (not at full capacity) Offenders: 45 Staff: 2 F/T and 5 P/T Volunteers: 22
Handmade Heaven	Registered Charity and Company Limited by Guarantee	Day Service Individual service contract	Other Income-generating Activities - Sell craft items	Service Users: 24 (not at full capacity) Staff: 6 F/T and 1 P/T Volunteers: 20
Greenhouse Garden Centre	Registered Charity and Community Interest Company	Day Service Block Contracts	Other Activities - Gardening Service - Sells and wholesales plants - Sell Craft Items	Employees: 8 F/T Service Users: At Full capacity.
Helping Hands	Registered Charity	Day Service Individual service contract	Other Activities - Gardening Service - Sell wood - Sells plants, fruit and vegetables	Service Users: 18 (nearly at full capacity). Employees: 3 F/T and 2 P/T Volunteers: 4
Lighting Enterprise	Registered Charity	Day Service Individual service contract	Other Activities - Provides a lighting service	Service Users: 113 Employees: 2 F/T and 2 P/T and 6 sessional tutors. Volunteers: 75

Helping Manor

Case Description

Helping Manor was opened in 1981 and provides a day service for adults with learning disabilities where they can learn social skills and new skills in craft making, recycling products, home economics, gardening and printing. Helping Manor is a registered charity and has a print service which is a community interest company. Of all the case study organisations, Helping Manor was more at the ‘charity’ end of the SE spectrum. The enterprise’s main source of income is from grants from NYCC and direct payments from service users. Prior to the enterprise launching their community interest company, the print service in 2007, Helping Hands was purely reliant on grants and was seen by the council as a charity operating a day service. In trying to be more financially independent, the enterprise opened a print service to both support and finance the activities of the enterprise and provide work experience for the service users.

The enterprise is located just outside a small rural community in North Yorkshire which has a population of just below 5000. They have an activity programme which is based on the activities the service users would like to participate in and the skills they would like to learn. The activity programme was set up because service users used to access Adult Education courses but because of Government cutbacks they found that they could not always access them. This was due to the cost of the courses but also because there were only six places available and Helping Manor found that service users from other localities were given preferential treatment in accessing these courses.

In order to overcome this, Helping Manor instead provided their own activities programme which was based upon the adult learning courses that the service users could not access, and provided them free of charge. The ethos of the enterprise is to provide opportunities for staff, service users and other stakeholders to play an active role in the way in which the service is delivered. Helping Manor helps the service users to access outside facilities such as the gym, swimming and horse riding. The building which Helping Manor owns can also be hired out for events and cater for these events if required. The service users make cards and crafts which are sold to the local community. The enterprise is small, having only nine service users and twenty one members of staff.

The enterprise has a print service which was opened in 2007 to support the day service activities and provides opportunities for the service users to gain experience. The enterprise prints items for local businesses and the community. It has one main contract with the local masons in which they print all of their literature for them. The print service has been unsuccessful in helping the enterprise to support itself to become sustainable. It has made a significant loss over the last two years and only a very small profit in the first two years of running (see Table 19). Since inception, the print service has not been successful and instead of supporting the enterprise, it is a drain on resources.

It is apparent that either the Print Works is not a successful venture for the enterprise due to a lack of knowledge over how to properly market it to potential customers, or, it is a venture which does not have the market to be sustainable. As the staff all come from a voluntary/public sector background this has limited their ability to be able to properly market the enterprise or to see whether it is an investment worth continuing with. Prior to 2007, Helping Manor was a charity and provided a day service based on block contracts. Since 2007, Helping Manor has tried to take more of an entrepreneurial approach in order to try to ensure their sustainability which makes the enterprise an interesting case to study.

Income-generating Activities

As can be seen from Table 18 and Chart 4, the majority of their income is earned from grants from NYCC (40%) and from attendance of service users through personal budgets via direct payments (40.12%). The rest is through donations from the public and local businesses, fundraising, selling of craft items and any money which is earned from the print service. The fundraising activities which the enterprise does are their annual gala, yearly apple day, giving talks at different events and open days. Currently the enterprise is making a small loss over just over £1, 000. As can be seen from Table 19, the print service has been running for four years, the first two years a very small profit was made. However, in the last two years, 2013 and 2014, the print service has been running at a loss. This will be explored further in the next chapter.

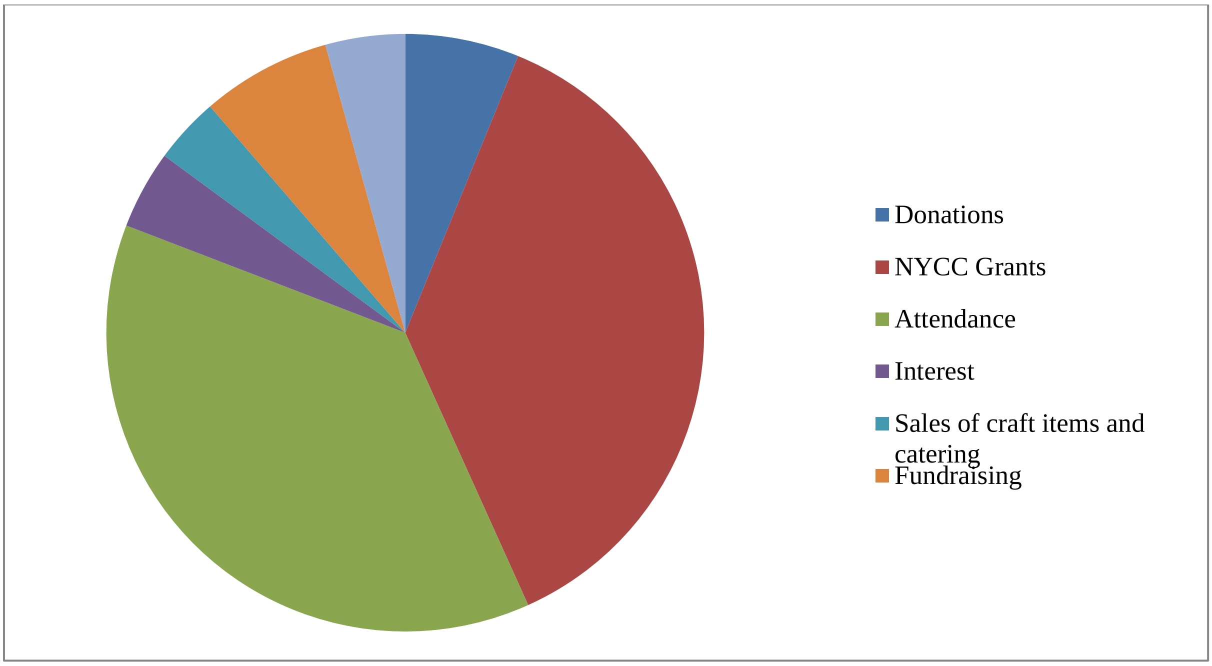
Table 18: Helping Manor: Incoming Resources

Unrestricted Funds	2013	2012	2011
-Donations	7800 (6%)	20, 000 **(13%)**	4500 **(3%)**
NYCC Grants	47, 000 (37%)	68,000 **(43%)**	70,000 **(51%)**
Attendance	48, 000 (38%)	44,000 **(28%)**	41, 000 **(30%)**
Sales of craft items and Catering	4,000 (3%)	5,000 **(3%)**	5,000 **(4%)**
Fundraising	9,000 (7%)	13,000 **(8%)**	8,000 **(6%)**
Room Hire	5,000 (4%)	7,000 **(5%)**	8,000 **(6%)**
Total Incoming Resources	**120, 800**	**157,000**	**136, 500**

Table 19: Helping Manor's Print Service Profit and Loss

	2014	2013	2012	2011
Sales	3, 700	4, 500	6, 200	6, 000
Purchases	(900)	(1, 200)	(700)	(600)
GROSS PROFIT	2, 800	3,300	5, 500	5, 400
Expenditure	(3, 800)	(3, 000)	(5, 000)	(3,000)
Finance Costs	(400)	(100)	(150)	(300)
Depreciation	(400)	(500)	(300)	(2000)
PROFIT/LOSS	**(1, 800)**	**(300)**	**50**	**100**

Chart 4: Helping Manor: Pie Chart of Income-generating Activities



Marketing Activities

The Manager of Helping Manor seemed to contradict herself in the way that she viewed marketing. When asked who their marketing was targeted towards, her response was that it was targeted at new service users. However, when going into the type of marketing done, it was focused towards advertising for their fundraising events which only brought in a small proportion of their income.

> "Ooh probably not a lot (what they do in terms of marketing). To be honest with you that's where I would say we lack in knowledge etc. because we're not marketers, we don't know really what we're supposed to be doing, we do try to … we're in contact with the Gazette, the radio etc. But it's mainly advertising our forthcoming events. It would depend on … the people that you contact, we do our bit, but do they do their bit? Actually put it in the paper or announce it on the radio and things like that. So that's our main sort of things, or like I say … Helping Manor news was another one. Our posters and what have you, so that tends to be how we do it really."
>
> Manager, Helping Manor

As this illustration shows, the Manager was candid in articulating that there was no one within the enterprise which had any real marketing experience or knowledge. This indicates that the Manager viewed marketing as an external function, as expressed within the manufacturing approach to marketing which is argued to be inappropriate for service organisations (e.g. Gummesson, 1987 and Grönroos, 1980). It was apparent that marketing was seen as a selling activity and their focus was on marketing their fundraising events rather than building relationships with key stakeholders. The enterprise's main marketing activities were external direct methods of marketing such as a yearly newsletter, leaflets and posters around the local community.

Whilst the findings of this case study indicated that the way in which the Director defined marketing was based upon a manufacturing approach to it, there were some indications of an internal marketing strategy in place. The enterprise involves the service users in the activities taking place through a portfolio development meeting every year, ensuring that they are engaging in the training and skills development they want, thus augmenting the service with what Berry (2002) describes as a core service strategy and relationship customisation. The enterprise is making efforts to develop and maintain relationships with the service users in order to help WOM to flourish.

> "So we have meetings with our members and discuss what they would like to do and what skills they would like to learn and we build on that really and that's how the programme evolves. It used to change about 4 times a year but actually because we have the portfolios now it will run for the whole year, or whatever they're doing. It's not set in stone, if they want to change for whatever reason, they can change that."
>
> Manager, Helping Manor

This is then subsidised by visits to the local churches with the service users handing out brochures as a lot of service users within the locality attend church.

To summarise, the main marketing activities were focused upon advertising fundraising events which bring in a small proportion of their income. It is apparent that the enterprise's approach to being a member-focused service has enabled it to steadily retain their service users, whilst enabling WOM to flourish through unofficial networks of service users. This has ensured that potential service users have found out about the service from other service users. The findings from this case study suggest that as the enterprise coming from a charitable Social Care background has resulted in a traditional understanding of marketing which has roots within the manufacturing sector. This is argued to be inappropriate for service-based organisations (Gummesson, 1979; Grönroos, 1980). Furthermore, there is clearly a tension felt in trying to manage the enterprise's double bottom line. Focus has been explicitly on the social aims which have been at the expensive of the economic aims. Table 20 shows an overview of the marketing activities which Helping Manor do and the objective of these marketing activities.

Table 20: Overview of Helping Manor's Marketing Activities

Helping Manor	**Objective**	**Marketing Activities**
	Raise awareness	- Leaflet Delivery - Website - Posters - Merchandise - Fundraising - Newsletter - Social Media - Attend local community events
	Increased awareness within the local community	- Leaflet Delivery - Posters. - Attending local community events - Fundraising
	Increased number of service users attending.	- Well established relationship with County Council - Service user centred to ensure WOM flourishes - Provide free training - Access to voluntary work - Website - Council website - Open days - Brochures.
	Retain current service users.	- Personalised service to meet their needs

Yorkshire Gardens

Case Description

Yorkshire Gardens is a historic walled garden which has been created into a free community amenity and is run by a registered charity. It is set up as a registered company limited by guarantee and is located in rural countryside about ten miles from a North Yorkshire urban town. Yorkshire Gardens provides a day service for adults with learning and physical difficulties where they can come and work within the garden itself or do gardening work within the community. The enterprise employs a small number of paid staff and has twenty two volunteers. They have a number of different activities within Yorkshire Gardens; a garden centre, a shop, composting, growing Christmas trees to sell, community gardening scheme, in Bloom work and maintenance contracts with the Parish Council. They also sell plants and composting products and give the service users training in woodwork and tree work.

It is not only adults with learning and physical difficulties who come to Yorkshire Gardens; they also provide placements for youth offenders to work either within the walled garden itself or on their gardening scheme. They also provide placements for school children who are having trouble with their attendance placements at the garden. The social value underpinning the enterprise is to integrate different groups of people. They are active in trying to obtain different grants in order to help them to remain sustainable as they are not sustainable just relying upon income-generating activities. The Walled Garden has been around for centuries and the wider charity took it over in 2009 and turned it into a SE.

This proved to be a hard transition for Yorkshire Gardens and the parent charity in that prior to Yorkshire Gardens taking it over, the walled garden was only open twice a week and was run by volunteers and primarily as a charitable organisation. They found it to be a struggle to educate employees/volunteers who had worked at the Walled Garden for twenty plus years to understand the importance of visitor numbers and amount of placements coming in each week. It was equally as challenging to get the trustees to understand that Yorkshire Gardens was completely different to the parent charity.

Whilst the parent charity is about community activities for people with learning disabilities, Yorkshire Gardens is a gardening business and a community amenity. The parent charity will not have members of the general public turning up, but Yorkshire Gardens will, so it was felt by the manager that it was important that the enterprise does have a business focus. Also, unlike some of the other cases, a substantial proportion of their income is generated from the sales of garden products and their gardening service contracts. Therefore, their presence and the way they are portrayed to the local community is an important factor in their sustainability. However, even the Manager of the enterprise felt that it was far from being sustainable. He articulated that the enterprise would be in a sustainable position when it was self-sufficient, i.e. not solely dependent upon grants. He thought this was an ongoing goal but that the enterprise was by no means at that point at the moment.

Prior to working for Yorkshire Gardens, the Manager had worked within the voluntary community sector, working with organisations for the visually impaired and sexual health charities. The Manager then became self-employed and started to work with a number of charities across North Yorkshire, from developing funding bids to strategic planning, and marketing to SE development. Whilst the Manager still does consultancy work for other enterprises, his main role is at Yorkshire Gardens.

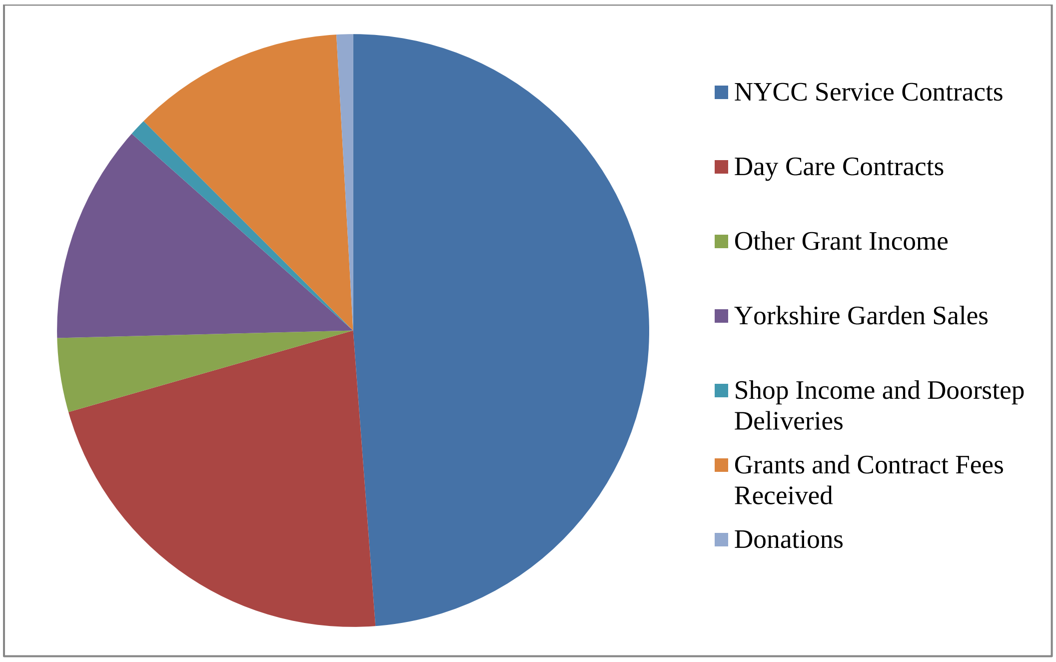
Income-generating Activities

Table 21 and Chart 5 represent incoming resources for both Yorkshire Gardens and the parent charity. NYCC has two block contracts, one with the parent charity and one with Yorkshire Gardens. Therefore, Table 21 represents both Yorkshire Gardens and the parent charity, and pays for a number of placements on each site across the week. In addition, Yorkshire Gardens have a range of individual contracts. Some are funded with NYCC, some are funded by the NYCC transitions team and the remainder are from other local authorities, individual budgets and direct payments which are represented by the day care contracts figure. Their earned income is through gardening contracts, plants sales, Christmas tree sales, log sales and compost sales and the rest is from gardening contracts and other small grants (grants and fees received). However, the enterprise is currently making a loss of just over £24, 000.

Table 21: Yorkshire Gardens: Incoming Resources

	Total Funds **2013**	**Total Funds** **2012**
Grants and Contracts	**£**	**£**
NYCC Service Contracts	319,000 **(49%)**	283,000 (44%)
Day Care Contracts	142,000 **(22%)**	117,000 (18%)
Aggregate Funding	-	10,000 (2%)
Other Grant Income	26,000 **(4%)**	56,000 (9%)
Yorkshire Garden Sales	78,000 **(12%)**	80, 000 (12 %)
Shop Income and Doorstep Deliveries	6,000 **(1%)**	8,000 (1%)
Grants and Contract Fees Received	76,000 **(11%)**	79,000 (12%)
Donations	6,000 **(1%)**	11, 000 (2%)
TOTAL INCOMING RESOURCES	**653, 000**	**644, 000**

Chart 5: Yorkshire Gardens: Pie Chart of Incoming Resources



Marketing Activities

Yorkshire Gardens is the only case to have marketing as an integrated function within the enterprise, most likely as a result of the Manager's experience in his consultancy work. The enterprise has a specific marketing meeting every month in which they discuss the possible marketing for that month. This is not done by marketing specialists but by the senior management and trustees. Yorkshire Gardens was also the only enterprise who monitored the effectiveness of their marketing strategy by counting footfall every day and relating that to whether the strategy had been successful or not.

There is a marketing budget which has been allocated for the development of the website and awareness-raising leaflets. Yorkshire Gardens employed an organisation to do their flyers, website, logo, information pack and to develop their social media. Leaflets are regularly sent and are delivered free of charge through community payback. The enterprise has an active relationship with the local press, using them to notify the community and surrounding areas about events which may be going on, sales in the garden centre and advertising the gardening service.

> “We have an on-going marketing strategy. So we have regular information flyers that we produce in bulk so usually only 2 or 4 thousand copies at a time and handed out by community payback. So we’re probably sending five a year of those – 2 sided A5 flyer – Chris is regularly getting articles in the Ripon Gazette, in the Ripon review magazine, there’s another door to door magazine that we advertise in. Plus we have been on the radio on a regular basis, plus the signage at the front, so keeping that refreshed and looking vibrant as well. But also we have email contacts – so we will email people direct as well – plus the new website when that is launched this summer, it will be a much better way at keeping people up to speed with what’s going on and what’s being developed.”
>
> Manager, Yorkshire Gardens

What the findings of this case indicate is that the marketing to raise awareness within the local community, where appropriate, was done through external methods of communication, but the findings also indicated that relationships were being built with key stakeholders. Whilst, similar to the other cases, the Manager lacked in the ability to describe these activities with the appropriate terminology, some efforts were being done to build and maintain relationships with appropriate stakeholders.

Yorkshire Gardens receives the majority of their service users via block contracts with NYCC, so it is a necessity to be well-known within the council in order to be referred for the block contracts. The Manager indicated the importance of ensuring that the service users were engaging in training activities which they were happy with. This helped to build trust between Yorkshire Gardens and their service users, ensuring positive WOM flourished in the service user networks and care Managers. Yorkshire Gardens manages multiple relationships with key stakeholders thus increasing the credibility of the enterprise within the community:

> “Multiple relationships – we have our relationship with Ripon in Bloom which has a committee of key lead people within the city. We have a relationship with the local MP, with the police and because we’ve had grants through them before and because of the offenders work, so we have a key relationship with community payback and have regular partnership team meetings there. We have relationships with local schools because we are offering placements. The local authority come and assess us annually about the placement we are offering. The local press keep promoting what we are offering here. So there’s quite a lot of stakeholders and we have our clients … we have our group of businesses who we purchase produce from and we’ve got a wide range of relationships with them that developed over the years, who to go to and what they have available, what’s the best prices that they can do for us and we also have a loose network with other similar organisations in North Yorkshire. There are other horticulture projects going on, so we do hook up with them.”
>
> Manager, Yorkshire Gardens

Whilst the Manager of Yorkshire Gardens did use both external forms of communication and relational forms of marketing, it was clear that he also viewed marketing as an external function. The relationships which were built with the key stakeholders were not defined by the Manager as part of their marketing strategy and it was not seen as a way to develop an integrated strategy implementing a marketing-orientation across the enterprise:

> “I think too often think that people think that they can have a dabble in marketing, they’re not experts, there are fields they think they are expert in and I’m a bit like ‘please leave it to experts actually’”.
>
> Manager, Yorkshire Gardens

Yet this contradicted their implementation of the marketing meeting which involved members of management and trustees, thus indicating towards a more marketing-orientated approach. The Manager appeared to contradict himself over what was defined as marketing; he acknowledged the importance of using the service users, employees and volunteers as part-time marketers (not explicitly). However, upon observing the enterprise after the interview, unlike many of the other cases, it did not appear that at the time I visited the service users interacted much with customers.

Furthermore, when talking directly with the Manager about their marketing activities, it was focused on direct external methods of communications. The reason for this is not clear from the interview data, but it could be that relationship building for the Manager was an unconscious action which he did not directly link to an output of marketing, as his assumptions were based upon a goods-dominant approach. Therefore, Yorkshire Gardens do have marketing integrated within the enterprise and are monitoring its impact, and the external communications which the enterprise has in place are effective. However, the enterprise is struggling to remain financially stable. As the nature of marketing within this enterprise has been developed through a marketing mix approach, this has meant that it has not been as active as it could be in developing relationships with appropriate stakeholders groups. Thus, the economic side of their bottom line is not being met effectively. Table 22 shows an overview of Yorkshire Gardens marketing activities.

Table 22: Overview of Yorkshire Garden's Marketing Activities

Yorkshire Gardens	**Objective**	**Marketing Activities**
	Increased awareness within the local community	- Leaflet Delivery - Service users in branded uniform - Local Press – newspaper and radio - Signage in local town - Running Events and groups - Fundraising - Attending local community events - Email newsletter - Relationship with the local 'in bloom' event - Relationships with local businesses - WOM
	Increased customer footfall	- Leaflet Delivery - Press – newspaper and radio - Website - Signage in local town - Social Media - Relationship with the local 'In Bloom' event
	Increased number of service users attending	- Website - Council website - Open day - Well established relationships with Social Care professionals - Build relationships with current service users to ensure WOM flourishes - Newsletter - Relationship with similar other SEs - Build relationships with current service users to ensure WOM flourishes.
	Retain current service users	- Personalised service to meet their needs - Flexible training opportunities

Handmade Heaven

Case Description

Handmade Heaven is a craft workshop for adults with learning disabilities and was opened in 2004; it is a Company Limited by Guarantee and is also a Registered Charity. It is located in a rural area of North Yorkshire about five miles away from the next local village. It is a day centre providing adults with learning disabilities opportunities to learn skills in woodwork, sewing, metalworking and card making. Handmade Heaven is active within the local community; the service users visit local schools and groups giving talks about what they do. There are six full time members of staff working there and one part time member of staff. The workshop has twenty four adults with learning disabilities but is not at full capacity in terms of service users and the enterprise is quite keen on using marketing as a means to fill those places. The enterprise aims to help the service users increase their skills in literacy and numeracy through the work they do, involving them in office administration, marketing and the selling of the goods made from the workshops. The workshop also makes bespoke orders for local schools, churches, shops and community groups.

Handmade Heaven is service user centred in that they involve the service users in every aspect of their operations. If a customer orders a bespoke item, the service users will be involved in meeting and talking with the customer, researching designs on the internet and discussing how they could make it. They then help to find the wood, cut out the design, sand and paint the product and then arrange the final delivery of it. The Director described the enterprise as the service users' business, with her role and the employee's role being to support them to run the business. Handmade Heaven also does refreshment days within the local community where they sell soup, sandwiches and teas and coffees. The enterprise has a shop within the local community where they sell their products; it is open four days a week for two and a half hours at a time. Prior to working for Handmade Heaven, the Manager had worked in a number of other voluntary and community organisations which deal with adults with learning, mental and physical disabilities.

Income-generating Activities

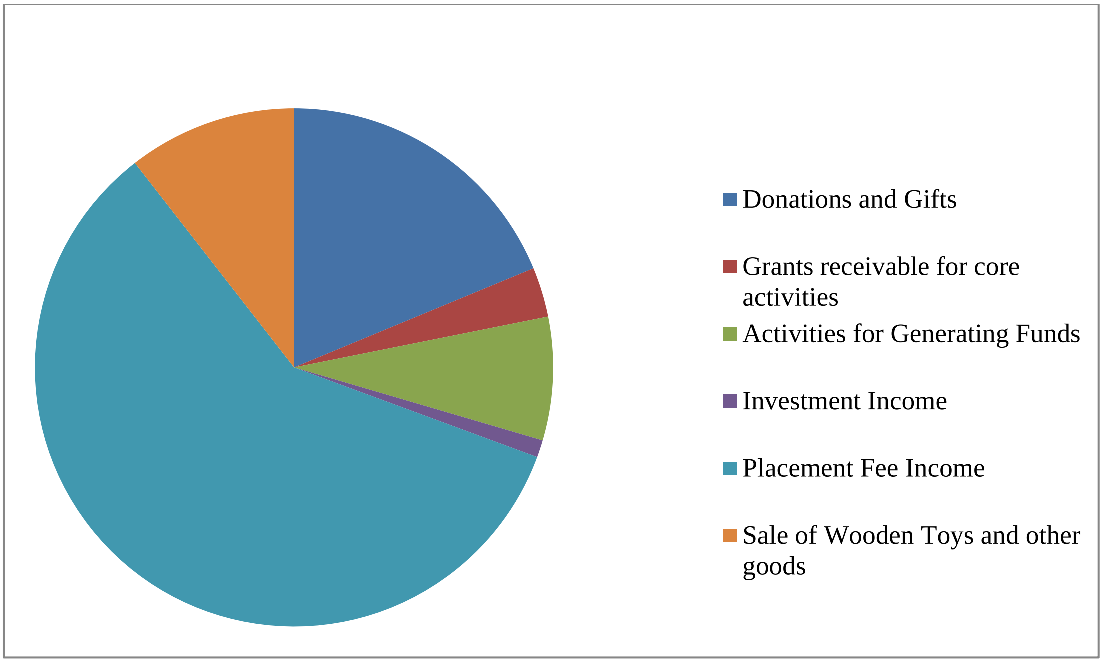
As Table 23 and Chart 6 shows, the majority of Handmade Heaven's income is generated from placements fees for the service users (59% of total incoming resources). The enterprise generates

19% of their income from donations and gifts, and 10.5% of their income from sales of their wooden toys and other goods. The rest is from grants and other activities for generating funds such as fundraising and attending craft fairs, canteen sales, country shows and trade fairs throughout Yorkshire. Handmade Heaven prices their goods on a number of different things; if it is a bespoke item there will be a set price dependent upon how much it cost to purchase the material plus 10% for sundries such as paint, then they work out how long it would take for a member of staff to make that item, and charge £10 per hour. The enterprise tends not to price their items too low as they want their customers to perceive quality, so they try to price their goods competitively. Handmade Heaven made a loss over just over £15, 000 this financial year.

Table 23: Handmade Heaven: Incoming Resources

	Funds 2013	**Funds 2012**
Voluntary Income	**£**	**£**
Donations and Gifts	32,000 **(19%)**	29, 000 (14 %)
Legacies receivable	**-**	40,000 (19%)
Grants receivable for core activities	5,000 **(3%)**	-
Activities for generating Funds	13,000 **(8%)**	13,000 (6%)
Investment Income	2,000 (**1%)**	270 (0.1%)
Income from Charitable Activities		
Placement Fee Income	102, 000 **(59%)**	105, 000 (51%)
Sale of Wooden Toys and other goods	18, 000 **(10%)**	20,000 (10%)
TOTAL INCOMING RESOURCES	**172,000**	207,270

Chart 6: Handmade Heaven: Pie Chart of Incoming Resources



Marketing Activities

Handmade Heaven is well-known within the community and does not have issues in obtaining orders for their wooden toys and other products. They have facilities on their website to buy craft items. The enterprise often gets commissioned to build signs for schools and local businesses. Therefore, their current focus for marketing is aimed towards raising awareness about the social part of what Handmade Heaven does and about the day care service they provide, in the hope of bringing in more service users. Whilst Handmade Heaven has been in operation for ten years, they never had block contracts with Social Services which meant they had very few referrals. This appears to have had a great impact on the enterprise, because even though it is long-standing, it has had very little trouble transitioning to the Social Care reforms as the enterprise has always been in the position of having to actively find service users. They found they had few referrals from Social Services as the Care Managers tended to refer to enterprises they already knew about.

This made Handmade Heaven aware of the importance of actively targeting places such as Colleges to let service users know about them. As the enterprise was not reliant on block contracts, this has placed them in a good position as they were already actively penetrating service user networks. Handmade Heaven did view relationship building as a marketing activity and acknowledged the importance of developing a relational strategy:

> "We're on a strategy to try to build relationships with Social Services Care Managers, with the relevant people in Social Services, with some of the colleges that work with people with disabilities. We go to moving on events which again people with a learning disability are there, looking at what's available for when eventually they leave school. So, we're constantly keeping that side of things up so people know what we're doing because things develop and change so we're trying to work closely with what people want so we need to keep on top of changes and what's going on and then staff keep changing, in all organisations there's a high turnover, positions disappear and things so we're constantly having to keep up that side of the marketing as well."

Manager, Handmade Heaven

The enterprise has a number of brochures which are handed out at local colleges, churches and schools and a newsletter goes out every quarter. Taking on a part-time marketer role, the service users and volunteers give talks in local schools, colleges and groups which a lot of potential service users attend. This helped provide credibility to the service but also helped to develop trust with the service users. Products and brochures are taken, so the service users have an idea of what to expect when joining the service. By having the service users giving the talks, this limits the chance of exceeding their perceived service quality (Grönroos, 1984) as it allows the service users to express their honest experience with the service. Doing this indicates an internal marketing strategy and using the service users as part-time marketers (Gummesson, 1979, Grönroos, 1980; Berry, 1981). Handmade Heaven had to be more active in developing relationships with service users as they never had block contracts with Social Services which meant they had few referrals coming from this avenue.

> "we were never on any block contracts with Social Services, Social Services still have block contracts with other organisations and therefore we got very few referrals through Social Services and obviously they have a place that they're already paying for somewhere else and perhaps a similar organisation then they would advise somebody to go there and so unless somebody definitely wanted to come here, jumped up and danced I really want to go to Handmade Heaven they would be redirected to other places if there were other places available which there usually were."

Manager, Handmade Heaven

As with the other cases, the Manager found that WOM was vital in attracting potential service users as there is a strong community amongst the service users in the area. The Manager felt as though the service users were the best means of marketing as they are out in the local community talking with people and socialising with other service users, promoting the enterprise. Whilst the Manager, like the other Managers, lacked in ability to speak in appropriate marketing terminology, it was inherent that the Manager did not view the purpose of marketing as purely a selling activity. The findings do indicate the enterprise attempting to use forms of internal and interaction marketing.

> “It's a number of different things. It's quite a lot of WOM, it can come from just having done work experience or placement with somebody years ago that they got to know us, then it has stayed in their mind to come back here later, work with the colleges, we had a few people who have heard about us and who have come and had a look round. Open days, we hold an open day every year and we invite lots of different people and it's a bit of a showcase of our work and we’ve had somebody who’s come to that and they have said that they would like to come here. There's a variety of different ways, you know?”
>
> Manager, Handmade Heaven

Therefore, the findings indicate that Handmade Heaven is active in building relationships with Social Care professionals and the community and is the only case so far to define relationship building as part of their marketing strategy. Despite this, the enterprise is still running at a loss and is thus not meeting its economic aims effectively. However, the director showed awareness that more needed to be done in developing relationships within the local social care teams and have planned over the next year to continue to develop these relationships. It was clear that this enterprise has presence within the locality but by not developing relationships with kay stakeholder groups has constrained their long-term sustainability. Table 24 shows an overview of Handmade Heaven’s marketing objectives and activities which they used to reach these objectives.

Table 24: Overview of Handmade Heaven's Marketing Activities

Handmade Heaven	Objective	Marketing Activities
	Raise awareness	- Leaflet Delivery - Website - Social Media - Fundraising
	Increased awareness within the local community	- Leaflet Delivery - Signage in local town - Fundraising - Attending local community events - Well known within the local community - WOM - Give talks at local schools
	Increased customer orders	- Leaflet Delivery - Website - Signage in local town - Social Media - Relationships with local businesses for bespoke orders
	Increased number of service users attending	- Website - Council website - Open day - Brochures - Build relationships with current service users to ensure WOM flourishes - Newsletter - Relationship with similar other SEs - Give talks at local schools - Penetrating service user networks to ensure WOM flourishes
	Retain current service users	- Personalised service to meet their needs - Flexible training opportunities

Greenhouse Garden Centre

Case Description

Greenhouse Garden Centre is the longest running SE opening in 1992. It is a project offering adults with learning and physical difficulties opportunities to take part in purposeful and meaningful work and is the only case which is at full capacity in terms of service users. It is a Registered Charity and community interest company. It is located within the centre of an urban town in North Yorkshire. The centre wholesales plants, and grows and sells organic plants. In addition to this, it has a woodworking shop where the service users can learn skills in woodworking and making wood items. It has a crafts centre where the service users make crafts to be sold on in their shop on site or their shop on the website. The crafts are made out of flowers, plants and dried reefs and then sold in the shop as well as in outlets in the local town.

The shop is open either six or seven days a week depending on the season. Greenhouse Garden Centre also does gardening work in the community, schools, care homes and housing associations. The enterprise hosts events at the centre such as gardening events and runs competitions for the locals over who can grow the biggest vegetables or 'bake offs' and these are popular within the local community. They also rent the local walled garden from the church commissioners and provide training for the service users to develop their skills there, as well as giving talks there to the local community about what they do. Prior to opening Greenhouse Garden Centre, the Director had worked alongside adults with learning disabilities within another organisation. He then spent most of his career developing Greenhouse Garden Centre.

Income-generating activities

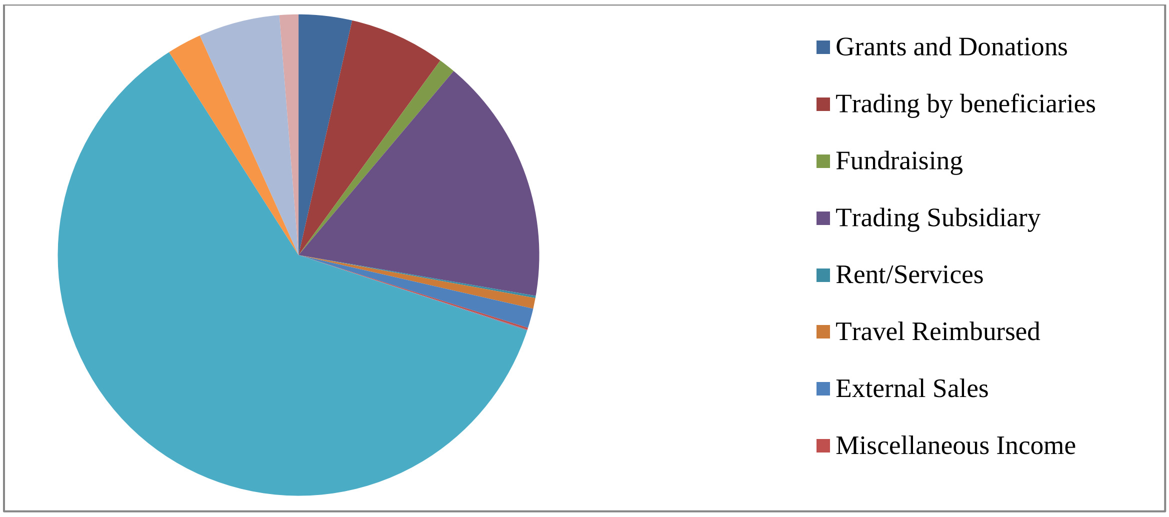
As Table 25 and Chart 7 show, the majority of the centre's income comes from block contracts from City of York Council and NYCC, making up 63.3%. Only a small percentage comes from direct payments, just under 6%. The rest comes from their trading activities and fundraising (Barn Dances and Open Days). The enterprise also earns money from renting out parts of the centre to groups doing training days. A small profit comes from the goods that the services users make and that profit is split back across the service users in order to pay them a small wage which is usually around £3 a day. Both the garden centre (around £200, 000) and the shop (around £10, 000) are making a loss.

Table 25: Greenhouse Garden Centre: Incoming Resources

	Total **2013**	**Total** **2012**
Voluntary Income:	**£**	**£**
Grants and Donations[14]	19,000 **(4 %)**	37, 000 **(7%)**
Activities for Generating Funds:		
Trading by beneficiaries	33,000 **(6%)**	36,000 **(7%)**
Fundraising	6, 000 **(1%)**	6, 000 **(0.1%)**
Trading Subsidiary	86, 000 **(17%)**	105, 000 **(19%)**
Other income		
Rent/Services	800 **(0.2%)**	800 **(0.1%)**
Travel Reimbursed	4, 000 **(0.8%)**	3,000 **(0.5%)**
External Sales	7,000 **(1%)**	5,000 **(0.9%)**
Placement Fees	-	4,000 **(0.7%)**
Miscellaneous Income	700 **(0.1%)**	900 **(0.2%)**
Room Hire	60 **(0.01%)**	800 **(0.1%)**
Profit on sale of fixed asset	**-**	800 **(0.1%)**
Investment Income		
Bank Interest	230 **(0.04%)**	400 **(0.07%)**
Incoming Resources from Charitable Activities		
Contracts – City of York Council	316, 000 **(61%)**	305, 000 **(55%)**
Contracts – NYCC	12,000 **(2%)**	18,000 **(3%)**
Other		
Direct Payments	28,000 **(5%)**	24, 000 **(4%)**
Social Club	7000 **(1%)**	4, 000 **(0.7%)**
TOTAL INCOMING RESOURCES	**519, 790**	**550, 700**

[14] In 2012, 10, 000 of the grants and donations came from York RoundTable. In 2013 all other grants and donations came under 'other'.

Chart 7: Greenhouse Garden Centre: Pie Chart of Incoming Resources



Marketing Activities

When first opening, the Director and another member of staff delivered the service voluntarily, using a government scheme for new businesses, as two charities which they were initially meant to be working with withdrew from the project. The Director decided to set up a partnership and, by taking this approach, gave the Director time to build relationships with Social Services. As the enterprise is long-standing, the relationships built with Social Services over 20 years were invaluable to the long-term sustainability of the enterprise, yet in the current financial austerity, the enterprise is not making a profit.

> "Basically we did it voluntary 90% of the time and we used a governance scheme at the time for new businesses … new enterprises even though we basically knew it wasn't going to be a business-business. We used that scheme to give us some money to … it just gave us a little space in which to develop the relationships with Social Services and other appropriate people which have been invaluable to use over the number of years we have been in operation"
>
> Director, Greenhouse Garden Centre

When first talking with the Director about marketing, he spoke only about external marketing communication activities to advertise the shop and gardening service. These activities included leafleting the local area, delivering local talks on their work, writing a monthly article in a local magazine and using the local press and radio to advertise. The enterprise has a website which has facilities to purchase craft items and cards online. Social Media is also used, but upon looking at their Facebook page, the last post was made on September 2013 so is not actively used. The enterprise also delivers events for the local community and tries to target different groups, as evidenced by this excerpt:

> "We advertise in the press, we advertise so that for instance … plants we advertise in the, gosh what's it's called … so people open their gardens and they collect money for charity, this is really quite a big thing now, open gardens, in particular villages on particular weekends and there's a guide to that. So the people that go to the open gardens are the sort of people who like to buy perennial garden plants which is what we produce so we advertise in that. So you know it's a commercial decision that's a good place to advertise, we advertise in … we used to anyway, City Screen for instance, is like a cinema in town, the sort of people that go to City Screen are nice people with a bit of money or they wouldn't be going to City Screen. They're likely to be our customers so we advertise there."
>
> Manager, Greenhouse Garden Centre

The majority of Greenhouse Garden Centre's income comes from referrals from local councils and the Social Care teams. The enterprise is starting to have more direct payments with only a small percentage of service users coming via this route. The Manager acknowledged the role that marketing would play in being able to attract service users to the day care service in the future. However, he felt that it would play a specialised role within the enterprise and would need an expert to implement a marketing strategy, as he felt he lacked the appropriate skill and knowledge in terms of how to utilise marketing. The Manager did identify the importance of WOM amongst the Social Care teams and the fact that the enterprise had been around for so long ensured that service users kept being referred. He identified the relationships he had built over the twenty years in business and the resulting WOM was vital in ensuring a sustainable income, as evidenced by this excerpt:

> "We don't advertise … I guess I mean that might come in now the way things are going, so for instance the council incredibly recently set up a website called something like shop for support or something and we need to be on that website, we're not on that website, yeah so people either looking at what the opportunities are in the town and that's the way things are going. Basically we need to … until recently we knew like all the care Managers and the social workers and they tended to know us because there was something here already or a colleague would tell them that we exist and because we had a reputation for doing that type of work, you know, I think WOM amongst the Care Managers and social workers as the care world changes towards individualised budgets and personal budgets we need to take serious advertising now."
>
> Manager, Greenhouse Garden Centre

The Manager spoke of how the enterprise is well-known within the Social Care arena because they had penetrated those networks over a long period. This is evidenced by the fact that the enterprise is at full capacity in terms of service users. However, when speaking with the Manager about the concept and definition of marketing, he only spoke in terms of advertising and of marketing being a function which only specialists could help them with. It was clear that the Manager associated marketing as being a selling activity and which detracted from limited resources they did have:

> "Headache! It's an honest answer! I think … well the first thing that comes to mind is I don't know … I just feel that yeah I just headache! It's very honest, just I think we need to … I'm not sure that we're … I'm sure that we can do better if we had more expertise with us, let's put it that way, it's wanting expertise comes to mind."
>
> Manager, Greenhouse Garden Centre

The networks which had been penetrated over having been in business for twenty years were more of an unconscious effort by the enterprise. It was an informal activity which was done every day but never defined as a marketing activity. As suggested in the other cases, one possible factor as to why marketing is perceived this way is because of their traditional understanding of marketing as a mass selling activity which they view to be inappropriate for the structure and nature of their business. This misunderstanding and lack of knowledge impacts upon the enterprise's ability to be sustainable in the long-term. It is inherent that whilst the social aims of the enterprise are being met, the economic aims are not (see Table 25), and so a tension is felt in managing the two aims. Table 26 gives an overview of the marketing activities with which the enterprise engaged.

Table 26: Greenhouse Garden Centre's Marketing Activities

Greenhouse Garden Centre	**Objective**	**Marketing Activities**
	Raise awareness	- Website - Leaflet Delivery - Article in local magazine; - Social Media
	Increased awareness within the local community	- Leaflet Delivery - Social Media - Running Events - Delivering free educational talks
	Increased customer footfall.	- Discount Vouchers - Leaflets - Website - Article in local magazine - Online shop - Social Media
	Increased number of service users attending	- Well established relationships with Social Care professionals - Continued contacts with Social Care professionals - Build relationships with current service users to ensure WOM flourishes - Good relationships with other day care SEs. - Website
	Retain current service users.	- Personalised service to meet their needs. - Training opportunities - Payment opportunities dependent upon how much is sold

Helping Hands

Case Description

Helping Hands was started in 2004 and is a registered charity and SE which runs a day centre service providing job opportunities for adults with learning disabilities. The enterprise offers the service users the opportunity to gain work based skills training in a supported environment. The interview was conducted with the Manager of the enterprise, with one of the Occupational Therapists offering some comments halfway through the interview. The enterprise resides within a large urban town with a population of just over 21, 000 people. Initial funding came from a grant from Unlimited[15] and since 2009, the enterprise has become an approved care provider for NYCC. Helping Hands also works with a range of agencies in order to obtain referrals; these referrals can come from Adult and Community Services, Primary care Trusts, Education Providers and Job Centre Plus and are charged at a daily rate.

Twenty three adults with learning/physical/mental difficulties attend the service and they have six part-time staff and one full-time staff. The enterprise provides a gardening service for the local community in the summer which was originally set up as a relationship between Age UK and Helping Hands. Age UK has since terminated this relationship, but Helping Hands have retained most of the contracts. The gardening service is priced at £20 an hour and that will include a team of four or five people; this price was decided when the enterprise had a working relationship with Age Concern. For the year 2012, Helping Hands served about one hundred customers, with around twenty five regular clients. The enterprise also has regular grounds maintenance contracts with the local councils, churches and community groups.

Helping Hands also has a scavengers licence from the Ministry of Defence (MOD) which allows them to collect wind-blown timber on MOD land which they then sell on in the winter. This allows the enterprise to have a steady flow of income, as the gardening work is not as active over the winter months. Helping Hands also has a growing project and grows plants, shrubs trees, vegetables and fruit which they sell on to the public and on the business estate where the enterprise

[15] Unlimited is a charity offering social entrepreneurs practical and financial support.

is located. Prior to opening Helping Hands, the Manager had a Degree in Environmental Management and worked in retail, before moving to the voluntary sector and working in day care services.

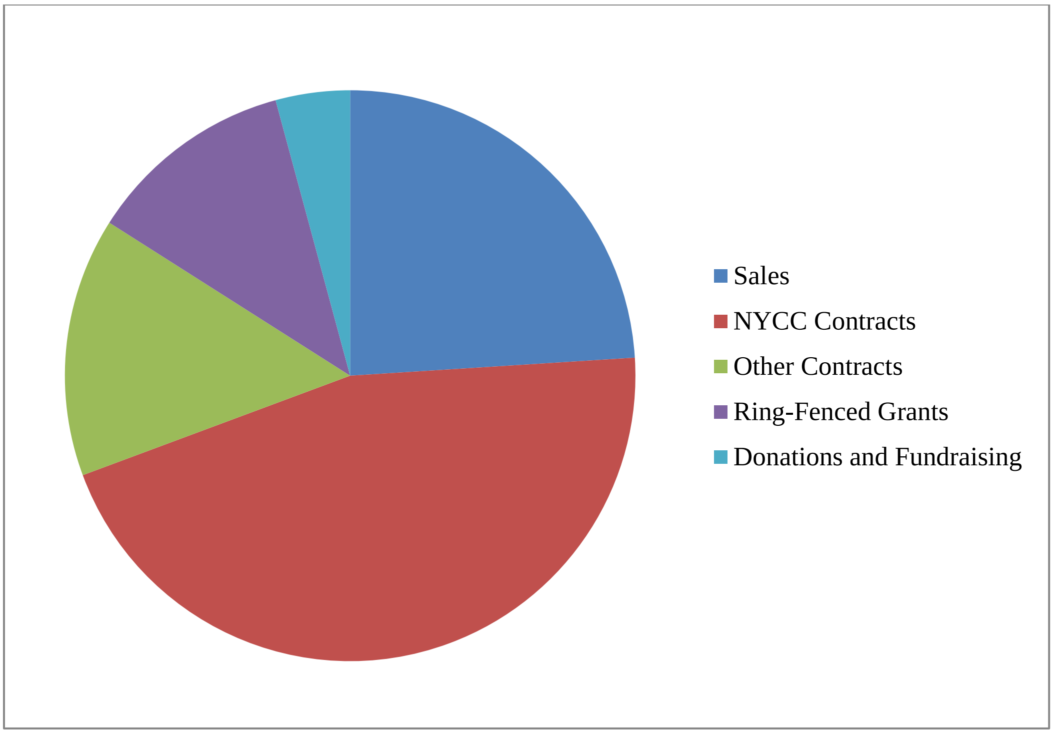
Income-generating activities

As Table 27 and Chart 8 show, 45% of Helping Hands income comes from NYCC contracts making up a substantial proportion of their income. The service users are charged £45 per person per day, attending from 9am until 3pm. Sales, which include the gardening service, selling of the plants, fruit and vegetables and selling of the wood logs, make up 24% of their income. Other contracts include the grounds maintenance contracts with the LA and local organisations and also a watering contract in which Helping Hands is contracted to water the floral displays in the local town from May to September, making up 15% of their income. The enterprise is active in fundraising, doing different events such as coffee mornings, local shows, garden shows, village fetes, charity runs and music shows and makes up 4% of their income. The ring-fenced grants which make up 12% of their income are funded by the local learning consortium and are used to fund a series of Personal Development modules for the service users. The enterprise made a small profit of just under £10, 000.

Table 27: Helping Hands: Incoming Resources

	Funds 2012	**Funds 2011**
Turnover	**£**	**£**
Sales	29, 000 **(24%)**	22,000 **(23%)**
NYCC Contracts	54, 000**(45%)**	52,000 **(55%)**
Other Contracts	17,000 **(15%)**	11,000 **(12%)**
Other Income		
Ring-Fenced Grants	14,000 **(12%)**	9,000 **(10%)**
Donations and Fundraising	5,000 **(4.2%)**	Unknown
TOTAL	***119, 00***	***94, 000***

Chart 8: Helping Hands: Pie Chart of Incoming Resources



Marketing Activities

In terms of the gardening service, Helping Hands found themselves to be in an advantageous position when their partnership with Age UK dissolved, as the enterprise managed to retain customers from the Age UK partnership. The Manager felt that the enterprise was well-known within the local community, as one of the previous Managers had worked within the political arena and knew a lot of councillors from this experience. This was invaluable to the enterprise who continued to maintain these relationships with the councillors who would recommend the gardening service locally, resulting in positive WOM.

The enterprise is featured in a local leaflet and also has a leaflet delivered locally which was made by a local business engaging in corporate social responsibility. The local press have been used before; articles have been written about events they may have taken part in and the paper does press releases for the enterprise. Helping Hands has a website but it is not user friendly or easy to navigate; this is something they have identified as needing redeveloping. Social Media is not used, but this is an avenue they want to pursue in the future.

In terms of the log selling side of the business, Helping Hands is not active in marketing as they tend to rely on WOM. This is because the customers who buy the logs are not felt to be loyal and will swap between local buyers depending on the quality of the logs, as evidenced by this excerpt:

> "They generally come to us from word-of-mouth. There's leaflets around and things but it tends to be word-of-mouth. Everybody seems to ask everybody else, who you had your logs from? They tend to swap and we've found that customers who've said I've had from estates, the last load wasn't good so they've come to us and had a decent load and then maybe ours is not quite as good then they've not come back to us they've gone to somebody else. It moves around you get a customer you haven't seen for a while … haven't had a good load so we've come back to you. Suddenly we've got loads and we need some logs quick! It's quite hit and miss!"
>
> Manager, Helping Hands

It is clear that more could be done in terms of marketing that side of the business rather than relying on WOM, which is positive and negative. There is no effort to retain customers in this aspect of the business and it is very much focused upon one transaction rather than developing a regular customer base. Whilst the Manager acknowledges more that could be done, he expressed that the enterprise has a lack of knowledge and resources to be able to market this side of the business effectively, reinforcing the claim made in other cases that marketing is being seen as a selling activity rather than a process of building long-term relationships. As the wood which is sold is either wind-blown timber or wood left from contractors on Ministry of Defence land, the environmental advantages over commercial providers could be used as a means to build relationships with more loyal customers.

In terms of service users, the enterprise felt as though they did not need to market to service users, as they are a registered provider and a lot of their service users come via direct payments which are both self-referred and referred by the council. The enterprise is not yet at full capacity and the Manager acknowledges that more needs to be done. The self-referred service users tend to come via WOM amongst the small network of service users, but the enterprise does little to actively penetrate these markets:

> "Bit of a mix because it's quite a small world they hear about us through each other and families talking to other families and they might approach us individually but

then it has to go back through their Care Managers or care assessors and the council … the referrals come through the Care Managers but sometimes they approach us first ‘oh, I heard about you can I come and visit’, they will come and have a visit first and then go and talk to their Care Managers … we have constant contact through the Care Managers primarily and the guys that write the contracts in the office, can't remember what they're called … brokers, big contract with them and then two of the Managers come up every few months just to see how things are ticking along.”

Manager, Helping Hands

Helping Hands, like many of the other cases discussed, spoke of marketing only in terms of advertising and direct methods of marketing. This reinforces the theme emerging from the findings that marketing is still viewed traditionally within these types of enterprises. It is defined as a selling activity-centred around the mass production of goods. Whilst Helping Hands does not view the relationships they have as an outcome of marketing, they are active in developing relationships within the Social Care arena. However, it appears that little is done to build relationships within the local community and customers. Despite this, the enterprise did made a small profit of under £10, 000 which evidences the importance of the relationships built with the local social care teams. Table 28 gives an overview of their marketing activities.

Table 28: Helping Hand's Marketing Activities

Helping Hands	Objective	Marketing Activities
	Raise awareness	- Website - Leaflet Delivery - Local Leaflet - Local Press - Social Media
	Increased awareness within the local community	- Leaflet Delivery - Social Media - Fundraising - Relationships with influential people in the community
	Increased customer footfall	- Leaflets - Website - Local Leaflet - Social Media - WOM - Relationships with influential people in the community
	Increased number of service users attending	- Well established relationships with Social Care professionals - Continued contacts with Social Care professionals - Build relationships with current service users to ensure WOM flourishes - Website
	Retain current service users	- Training opportunities - Supportive environment

Lighting Enterprise

Case Description

Lighting Enterprise is a registered charity and SE which opened in 2004. It provides a day service for adults with severe mental and physical difficulties and for people who have a substance problem. It is an approved provider of NYCC Health and Adult services and accepts referrals for any service user in receipt of personalised payments or individual budgets. It is located within a North Yorkshire urban town. The service was set up with a music focus and has its own music room, art room and computer suite, and the tuition tends to be one-to-one so the enterprise can accommodate service users' own particular learning styles. The enterprise provides music-based activity courses in music and production, instrument lessons, performance, song writing and DJ-ing skills. The service users can also take part in non-music based activities such as art classes, video production and editing, digital photography, desktop publishing, basic IT classes and gardening. The service users regularly take part in music shows within the local community, and the enterprise also offers lighting to local events with a range of schools, charities and community groups. They were given eco-mind funding to open a sensory garden for their service users and run a number of gardening sessions. Prior to opening Lighting Enterprise, the Director had a background as an Occupational Therapist, working as a mental health day services Manager for NYCC.

It was apparent that Lighting Enterprise had a strained relationship with NYCC at the beginning due to the inconsistency over how they were paid for their service. The enterprise was given a six month contract to get ready for personalisation and the council said that as soon as the enterprise was business-like enough they could market themselves and the service users could buy with their own budget. The problem Lighting Enterprise had at the time was the fact that there were very few service users who had been assessed for their own budget, so the enterprise was given block contracts. This caused a lot of problems for the enterprise because the money they had for delivering the service to the service users was only for a six month contract and, due to a lack of communication between the enterprise and the council, that year they had delivered a service which was worth around £35, 000 but was only paid for £21, 000 of it.

Since this happened, Lighting Enterprise has become an approved provider and get their contracts as individual service contracts, service users can either self-refer or come from clinicians and Care Managers. This move ensured that the enterprise got paid for the service they delivered, but did mean that if a service user did not turn up they would not get paid, limiting their ability to have a sustainable source of income. It was apparent that the Manager of Lighting Enterprise was very cynical about the move to personalisation, as his experience had showed that it was not giving the service users choice it was more about limiting the services they could get. He found that especially for adults with severe and enduring mental disabilities, it caused a lot of anxiety to be assessed and they were reluctant to do it, resulting in a lack of funding for the service user.

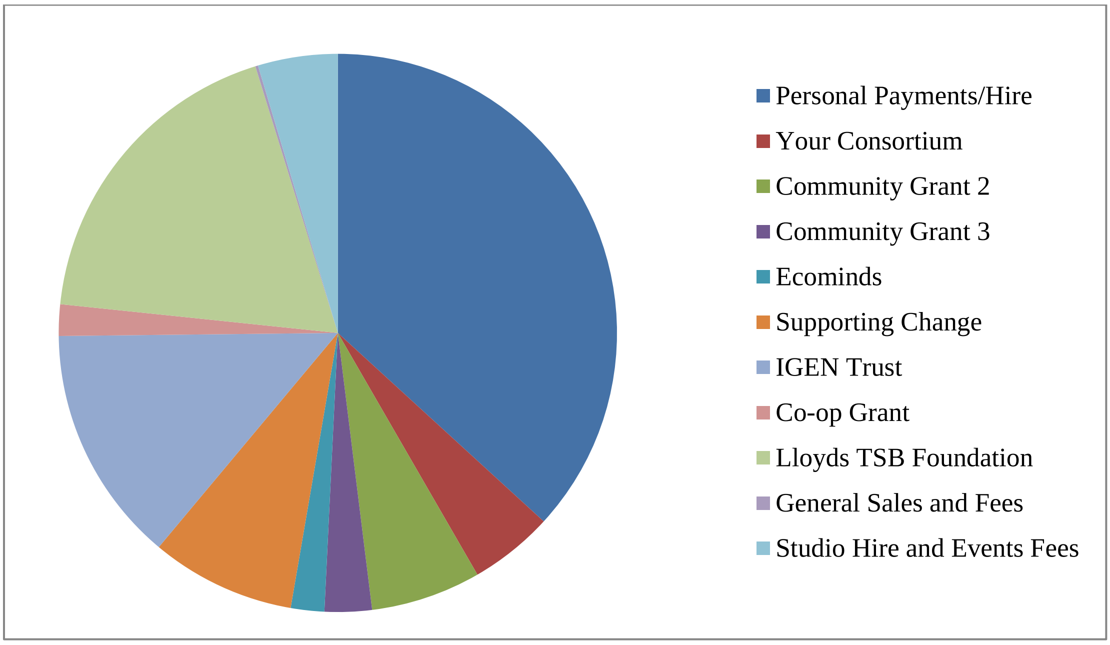
Income-generating activities

As Table 29 and Chart 9 show, a large proportion of Lighting Enterprise's income is generated from direct payments from service users, making up 37% of their income resources (this percentage includes general donations and hire payments as well). Lighting Enterprise charges £27 for a half-day session and £54 for a full day session. Another large proportion comes from a grant from Lloyds TSB foundation in which they were given two years' worth of funding and have used part of it to be able to employ their Studio Manager full-time. The studio hire and lighting events fees only make up just under 5% of their income and the remaining income comes from different grants. Lighting Enterprise made a small profit of just under £10, 000. However, it is reliant on a lot of grant funding and if this funding was to be cut, the enterprise would struggle to be sustainable in the long-term.

Table 29: Lighting Enterprise: Incoming Resources

	Total Funds 2013	Total Funds 2012
Voluntary Income	**£**	**£**
Personal Payments/Hire	40,000 **(37%)**	5,000 **(5%)**
Grants[16]		
NYCC	**-**	22, 000 **(23%)**
Your Consortium	5,000 **(5 %)**	6, 000 **(6%)**
Attend Allowance	**-**	25,000 **(27%)**
Community Grant 2	7,000 **(6%)**	**-**
Community Grant 3	3,000 **(3%)**	**-**
Eco-minds	2,000 **(2%)**	9,000 **(10%)**
Supporting Change	9,000 **(8%)**	**-**
IGEN Trust	15,000 **(13%)**	**-**
Co-op Grant	2,000 **(2%)**	**-**
Vodaphone	**-**	3,000 **(3%)**
Lloyds TSB Foundation	20,000 **(19%)**	18,000**(20%)**
UK Online	**-**	3,000 (**3%)**
General Sales and Fees	170 **(0.2%)**	**-**
Activities for Generating Funds		
Studio Hire and Events Fees	5,000 **(5%)**	3,000 **(3%)**
TOTAL INCOMING RESOURCES	**108, 170**	**94,000**

Chart 9: Lighting Enterprise: Pie Chart of Incoming Resources



[16]All of the grants together count as 59% of the total incoming resources.

Marketing Activities

The active marketing which Lighting Enterprise does is mostly focused towards becoming well-known within the community. This is important for the enterprise for two reasons; firstly to ensure that the community knows about the lighting and staging part of the enterprise for local events and gigs, which brings in a small proportion of income, but more importantly so that they can attract important volunteers to the enterprise and build a network amongst the music world to help the service users have the option to learn any musical instrument, allowing them opportunities to play at local events.

The marketing which the Director spoke of was focused upon direct forms such as being featured in the local gig magazine and the local paper. Other marketing includes being advertised on the radio for their eco-minds garden, and locally written articles in a festival guide. The enterprise has pop up stands round the local area advertising their lighting work and ensures that they are active in attending local events on a regular basis. Lighting Enterprise does yearly large local event which showcases the music the service users have accomplished in the town. They also provide lighting for local fairs and the Remembrance Service.

In terms of service users, the enterprise found Facebook a key way to raise awareness to potential service users. They found that a lot of their service users came in via Facebook rather than referrals which came from the clinical staff and Managers. The enterprise found it easier to get those referrals because the service user would then put pressure on their Care Manager to get them a place at Lighting Enterprise which was less bureaucratic than getting direct referrals from the team, as they were trying to minimise the money that is being spent:

> "But there's things like you would expect referrals to come from the Managers and the clinical staff who make those referrals, but an awful lot of people with learning difficulties come through with things like Facebook so it's the individuals themselves or their carers finding out about a project and then going back to their carer or clinical staff and saying this is the service I want and if you put that pressure on them they have to sort of have to make the referral but if its left to them there's a lot of pressure on them to minimise the money being spent, there's been a lot of Government cutbacks."
>
> Director, Lighting Enterprise

Lighting Enterprise is not yet at full capacity as the Manager was reluctant to grow the enterprise because he felt he would not be able to give the current service users as much support if the organisation was too big. Nevertheless, the Director reiterated how important it was for the enterprise to get service users who self-refer. It was found that if they came straight from the clinicians it became a long and difficult process due to the bureaucracy the clinicians deal with which constrained their ability to offer referrals. This was because the clinicians wanted the service users to be on a six month placement to fit in with reviews. However, the enterprise found that often this did not work, especially with service users who had complicated mental and physical disabilities, which meant that the enterprise had to ask for a renewal, causing more paperwork for clinicians. Also, budgets being reduced by the Mental Health Team have placed more pressure on the enterprise to find additional income either through service users self-referring or making additional income from the lighting side of the business – which currently makes a small percentage of their income:

> "But … you know so all our focus was on the Community Mental Health Teams trying to get referrals and that's now broadening with the personalisation agenda, people having their own budgets, we've moved much more towards actively trying to get people with learning disability to come in you know and it's also to do with trying it and if its works you know then, then great you do a bit more … you have to be a bit clever about how you generate those referrals and you need to do it through the service user themselves who need support rather going through staff teams because they're probably not as keen and want to reduce the amount of money they are spending."
>
> Director, Lighting Enterprise

Whilst the Director knew of the benefits of getting service users to self-refer, it was only through the use of Facebook and WOM amongst the service user networks that this was done, which is proving ineffective for the enterprise, as they only have a small percentage that self-refer. When talking of marketing, the Director focused upon advertising and direct methods of marketing. Whilst important for the enterprise in terms of developing the lighting side of the business and recruiting appropriate volunteers, the Director expressed concerns about getting too many service users into the business, as he felt he could give them the level of support required if more service users were recruited. Of all of the case study organisations, Lighting Enterprise had the most funding in terms of grants, which puts them in the position of not needing to grow the business in order to remain financially viable. If this grant funding was cut, the enterprise could find itself in a position of needing to grow the enterprise and be more pro-active in recruiting service users. The findings indicate that this grant funding prevents the enterprise from being more active in ways in which it could bring in additional income streams. Its viability in the long-term, if this funding was to be cut, could be called into question. Table 30 provides an overview of the case's marketing activities.

Table 30: Overview of Lighting Enterprise's Marketing Activities

Lighting Enterprise	**Objective**	**Marketing Activities**
	Raise awareness	- Website - Leaflet Delivery - Local gig magazine - Local Press - Social Media
	Increased awareness within the local community	- Leaflet Delivery - Social Media - Attend local events - Do lighting for local events
	Increased number of service users attending	- Website - Social Media - Well established relationships with Social Care professionals - Continued contacts with Social Care professionals - Build relationships with current service users to ensure WOM flourishes
	Retain current service user.	- Training opportunities - Supportive environment - Service user led enterprise - Voluntary opportunities

Conclusion

To conclude this chapter, the remaining six cases out of the twelve cases studied were discussed. Data for each case was collected through semi-structured interviews, document analysis and observations. The aim of this Chapter and Chapter 5 were to present the reader with the findings from the evidence collected at each case site. The aim of this thesis is to answer two research questions which were identified within Chapter 1.

Each case within this chapter is a long-standing SE, being in operation for more than five years. Each case looked at its historical development, social activities and income-generating activities, before presenting and exploring the marketing activities in which the case study organisations were engaged. Where appropriate, the findings from each case have been supported with evidence from the data collected. There appears to be a current theme that the SEs view marketing primarily as a selling activity. Whilst the case study organisations show evidence of building and maintaining relationships, only a few of them defined this activity as marketing. This indicates that their approach to marketing is grounded within a goods-dominant approach which could limit their ability to be sustainable in the long-term. Factors such as a lack of business knowledge and skill have resulted in the managers viewing marketing as a selling activity. This produces tensions in their social aims due to the vulnerable adults they work with. The findings have also indicated that the long-standing SEs appear no more sophisticated in their marketing than the newly-started. These findings will be further explored in the next chapter, presenting a cross case analysis which aims to answer the research questions and relate and place the discussion with the extant literature. A number of themes will be discussed which have been identified as important, before returning to and answering the research questions depicted in the first chapter of this thesis.

Chapter 7 Discussion

Introduction

This thesis has aimed to explore the role which marketing plays in enhancing SEs ability to be sustainable service providers in general and in particular it has focused upon how the cases manage their multiple relationships with key stakeholders. My intention is to explore the way in which they have defined and implemented their marketing strategies and explore ways in which SEs can be more sustainable through strategies better suited to the complexity of the SE model. The issue of SE organisational sustainability has grown in importance as more SEs are used to delivering key public services. Their ability to remain sustainable whilst managing their double bottom line of social and economic objectives and managing and communicating with their key stakeholders has been questioned. Research has found that, in practice, public sector stakeholders believe SEs are not business-orientated as public money suppresses their business activity; they tend to avoid risk taking and lack skill in being able to be business-like (Chapman et al., 2007). As government funding to assist SEs is reduced, there are concerns about their ability to be sustainable on their own strategies.

There has been little empirical research addressing the potential contribution SEs make in delivering public services and indeed if they are well-equipped to deliver public services effectively in the long-term, as discussed in the first part of the literature review. In addition, there is a lack of research which explores the contribution marketing can make to SE in managing their multiple relationships. My study has been designed to address this gap and develop a theory of knowledge over the marketing strategies of a select number of case-studies, identifying the strategies implemented and their appropriateness. This Chapter will begin by exploring how the Managers within the case study organisations defined marketing and the implications for having this understanding of marketing. It will then re-address the research questions depicted in the introductory chapter of this thesis, before answering them. The concluding part of this chapter will then explore ways in which marketing could be improved to help in SEs ability to be sustainable business-units.

Marketing as a selling process and external function

The findings from all twelve case studies indicated that marketing was being used. However, for a large proportion of the case study organisations marketing was seen as a selling process. This has profound effects on how marketing could contribute to their ability to be sustainable service providers. Evidence from the case study organisations indicated that traditional forms of marketing were being used, and that external forms of marketing communication such as leaflets were thought to be the extent of the role marketing could play. In addition to this, marketing was seen as a concept which was separate from their other functions and one which can be only be implemented through the use of marketing specialists. This view of marketing is consistent with the traditional marketing mix and has a focus upon gaining customers rather than retaining customers (Rozenberg and Czepield, 1984). It is also consistent with research done by Bull and Crompton (2006) and Bull (2007) who found SEs to have a narrow view of marketing, associating it only with selling. I argue that solely using this form of marketing is inappropriate, as SEs are distinctly different from consumer goods organisations because they are service organisations.

This is consistent with a large proportion of the services-marketing literature, authors such as Gummesson (1979); Parasuraman et al (1983) and Grönroos (1980) have argued that services are different to consumer goods organisations and, as such, the role marketing will play will not solely be focused upon the acquisition of customers. Like services, SEs are distinctly different from consumer goods organisations and this impacts upon their use of marketing. As discussed in Chapter 2, SEs can take on many different forms and have a large number of stakeholders to communicate different messages to. As the case study organisations researched are primarily service organisations, having their marketing solely focused upon external communication will do little in helping them to manage their multitude of relationships with key stakeholders, which is at the heart of sustainable service delivery (Bharadwaj et al., 1993; Riechhald and Sasser, 1990 and Morgan and Hunt, 1999), thus leaving them in a vulnerable position.

Indeed, Grönroos (2001) argues that limited results will occur if marketing is viewed only as a set of tools, techniques and activities. As discussed in the literature review, there are two dominant approaches to marketing, one of goods and one of services (Grönroos, 1994a, 1994b, 1994c, 2006, Gummesson, 1994a, 1994b, 1994c). It was clear that many of the case study organisations viewed marketing from a goods-dominant approach which has limited its impact, as the core focus of all the cases was to provide a training and employment service for the service users, not to mass sell goods. Basing their marketing *purely* upon exchanges of transactions which originate within the manufacturing sector is less appropriate for these types of organisations which have a number of different stakeholders to engage with and market to. Within services a critical part of the service experience in consuming/engaging with the service (Grönroos, 1998) and marketing this is very different from more traditional methods of marketing which focuses on a pre-produced product.

The Manager's assumptions over the role marketing should play were based around the need to 'sell themselves' to the general public. Any money dedicated to marketing within the case study organisations was focused upon advertising to attract new customers (excluding Handmade Heaven and Arty Shop – this is returned to later in the chapter). This has had a negative influence on the way the Managers view service users, as they feel as though it would be inappropriate to "sell themselves" to the service users. This is not an uncommon occurrence with SEs who find tensions in balancing social outcomes with their commercial activity (Bull, 2007 Russell and Scott, 2007; Moizer and Tracey, 2010); because of this core social value, and because the Managers viewed the unit of exchange as solely operand resources (physical resources such as goods), further reinforced the notion that marketing should only be used as a way to sell physical goods. Indeed, the findings indicated that this view over whether service users constituted customers appeared to moderate these cases use of marketing. This further indicates the notion of applying a goods-based approach to their marketing as their focus is upon exchange rather than interaction and relationships, which is not how they wanted to manage the service users.

There appears to be a clear division over the role of the general public as customers and the role of service users as customers which has focused their marketing attention on the local community rather than the service users. This has severely impacted their ability to be able to communicate and market to their different stakeholder groups. A key issue for SE is managing multiple stakeholder groups and how each of these groups can be communicated to effectively. As Managers of the SEs only see the general public as their customers and not service users, Social Care professionals as customers has meant that their marketing communication is solely focused to that market, limiting their ability to build, communicate and maintain relationships with other groups. Value is only being added explicitly to this one stakeholder group and this is going to limit their ability to be sustainable in the long run as the other stakeholder groups are not being managed properly.

Indeed, Myers and Sacks (2003), as identified in Chapter 2 of this thesis, discuss four different stances third sector organisations may use when transferring private sector techniques such as marketing. The findings indicate that some of the case study organisations have adopted the copycat stance, meaning they have directly transferred certain techniques from the private sector, not taking into account their own specific context. Furthermore, not only has the context not been taken into consideration but their marketing focus has been based upon exchanges of transactions. As marketing was defined in this way, all of the case study organisations (apart from Arty Shop and Handmade Heaven) indicated that service users were not seen as a direct customer. It was inherent that the Managers within this research did lack in entrepreneurial skill. Whilst the Managers were knowledgeable about the Social Care side of the business, they lacked any raw business skill.

Indeed, Shaw (2004) found that marketing occurred naturally within SEs because an informal approach will allow for flexibility which would be beneficial as SEs operate in a volatile environment. Bull (2007) on the other hand found that it was due to a lack of knowledge and skill. Bull found marketing to be very much an informal practice and the Managers lacked in any real business skill, which resulted in them not actually knowing how to conduct marketing. It was found within this research that the skills and knowledge of the Directors/Managers, severely impacted on how entrepreneurial the enterprise was. In particular, those enterprises which were ‘spun out’ struggled. Arty Shop and Handmade Heaven were both enterprises which were independent of a charity. The Directors/Managers were much more entrepreneurial in their approach to running the enterprise.

Additionally, eleven out of the twelve cases did not have a marketing department. However, this was not to employ a total integrated marketing strategy, as discussed in the literature review, but because the marketing role was seen as an external activity. As marketing was seen as something external and specialised, the Managers did not feel they had the funding or resources to have a marketing department. This is not an uncommon occurrence with individuals who are not specialised in marketing; the concept itself is largely misunderstood and difficult to sell to the non-marketing specialists (Grönroos, 2001).

Furthermore, whilst there was no physical marketing department, marketing as a concept and function was still “bolted on” with what King (1985) calls ‘Marketing Department Marketing’. Marketing was still seen as an external function and none of the case study organisations could be identified as implementing what King calls ‘real marketing’, that is, having a marketing-orientation across the whole organisation. Whilst the case study organisations such as Handmade Heaven and Arty Shop are the best examples of an attempt at a service-dominant perspective, much more can be done to focus their efforts upon the building of key relationships. This is evidenced in Helping Hands, whilst their marketing was focused upon external methods of communication, the relationships which were built with social care professionals and local community, obviously had an effect on their long-term sustainability as the enterprise is making a profit. Whilst this was an implicit action, it represents the importance of developing and maintaining long-term relationships. Whilst Handmade Heaven is not yet economically sustainable but has identified that more work needs to be done in building relationships with key stakeholder groups.

The findings indicated the reason for why the other cases were not more economically sustainable is that the Managers are viewing marketing from a goods-dominant perspective which has a focus on selling mass-produced products. This was evidenced by the fact that the case study organisations saw their operand resources as the unit of exchange; that is the goods to be sold.

However, I would conceptualise these enterprises as service organisations and as such their marketing should be approached from a services perspective. As these enterprises are approaching their marketing from a goods-dominant perspective, this runs counter to what Gummesson, (1987; 1994a; 1994b; 1994c; 1997) and Grönroos, (1990b; 1994a; 1994b) argue; that marketing has evolved in a paradigm shift from transactional to relationship marketing. What was found within the case study organisations, whilst there were implicit attempts in the use of internal and interaction marketing and relationship building, the findings indicated that the way in which the case study organisations were utilising and defining marketing was still grounded in a transactional goods-dominant approach. These findings are consistent with authors such as Brodie et al., (1997) and Zineldin and Philipson, (2007) who found that the traditional marketing mix was still being dominantly used within organisations. The strides which marketing as a profession still needs to make in order to move to a more customer-centred approach are reflected in this finding.

The findings also suggest that the reason why the case study organisations implemented the more traditional form of marketing - marketing mix - is because of its simplistic nature to understand and implement. It was inherent from the findings that the Managers of the case study organisations lack in the appropriate skill and knowledge to be able to implement a more ‘service’ customer-centred approach to marketing. This is consistent with the findings found in Chapman et al (2007), who found public service stakeholders did not believe in SEs business ability as they are “’amateurish’ at ‘playing business’” (p.82).

Whilst this research will advocate and develop this approach for SE, it is clear that marketing as a profession needs to address this problem and more needs to be done practically to help SEs develop the necessary skills to understand and implement such an approach and also be able to manage the inherent tension in meeting competing organisational goals. Indeed, Doherty et al (2014) identified the need for SE Managers to be more skilled in resource development and allocation as well as developing the capabilities of the enterprise. This research has found that if SEs could more effectively harness their operant resources (knowledge and skill) through creating value for their multiple stakeholder groups by their use of internal, interaction and relationship marketing, this could mean that they will better manage, communicate and build resulting relationships with their stakeholders which are at the heart of effective, sustainable service delivery (Normann, 1991; Bharadwaj et al., 1993; Riechhald and Sasser, 1990 and Morgan and Hunt, 1999).

Relationship Building as an Unconscious Action

When talking of marketing, the majority of cases referred only to external forms of marketing such as their website and leaflets. The relationships which the case study organisations had both with the council and the local community were seen as happening naturally and were not viewed as a result of marketing efforts by the vast majority of cases. Whilst the findings did show some evidence that relationship building was being conducted, this was done *implicitly* and *unconsciously* in that the Managers did not understand these activities as a form of marketing. Five cases in particular are going to be discussed, the first three, Greenhouse Garden Centre, Farm Enterprise and Yorkshire Gardens show some evidence of a relational strategy but do not define that as marketing. The other two, Arty Shop and Handmade Heaven are explicit in their understanding that relationship building is a marketing activity.

When the Manager of Greenhouse Garden Centre spoke of marketing, he referred explicitly to wanting to have expertise to help with marketing. Furthermore, the Manager identified that WOM would become more important as individual and personal budgets are more widely implemented across Social Care. Prior to this, having a good reputation within the Social Care world meant that service users continued to be referred to them; thus representing the impact of relationships. However, the Manager felt that with the changes in Adult Social Care, it would in fact be advertising on which they would need to focus their efforts. Whilst important as an external method of communication, it is only one stage of an effective services-marketing approach.

As identified by Grönroos (1980), external marketing efforts will only ever generate interest, it is managing ‘moments of truth’ through internal and interaction marketing which help to build and maintain relationships. The findings of the case studies do indicate some attempts at this type of strategy being implemented over the years, as evidenced by the fact that the enterprise has been in operation for over twenty years and confesses to a good reputation within the Social Care teams, yet did not view this as an attempt at a relational strategy; it was unconscious. Furthermore, this case could not be described as being in a long-term sustainable position as its operations and shop are running at a loss.

Other attempts at building a relationship and services-marketing strategy can be found in the Farm Enterprise case. The Manager of Farm Enterprise found, like the other cases, that the service users socialised together and, whilst the Manager did not use the term ‘part-time marketer’, it was clear that this is what the service users were acting as, as discussed in the previous section. The Manager also implemented other strategies (implicitly) which helped to ensure that the service users were motivated to act as part-time marketers. These are explored in Table 31 with reference to Berry’s (2002) five strategies of implementing a service RM strategy:

Table 31: Cross Examination of Farm Enterprise's Relationship Marketing Strategies

Berry’s (2002) Relationship Marketing strategies	**Farm Enterprise’s approach to Relationship Marketing strategies with service users**
Core Service Strategy (developing the service so it has the ability to build relationships with its customers)	Providing the service users with training and employment opportunities. Giving the service users a party at the end of the year to thank them for their hard work.
Relationship Customization (learning specific characteristics and interests of customers to personalise the relationship)	Allowing the service users who come via personal budgets to come at a discounted rate meaning if they have a day’s holiday, the service user will not lose their place and the enterprise will continued to be paid.
Service Augmentation (Augmenting the service with additional benefits in order to help build a relationship)	Plenty of training opportunities to develop skills. Social events tailored for the needs of the service users.
Relationship Pricing	Discounted rate for service users coming via personal budget which allows for service users to have days off.
Internal Marketing	End of the year party to thank service users for their hard work, training and skills development within the community and ensuring that the service users are provided with a quality service.

The Manager did not identify these relationship building strategies as a form of marketing and as with the other cases spoke of marketing in traditional terms. Yet there is evidence to suggest that RM was been conducted, but implicitly. Within this particular case, the Manager expressed her disdain for marketing, as she viewed it as a gimmick, a list defining categories in which to sell goods, which is one of Grönroos (1994a) criticisms towards the marketing mix as it does not have the power to define or describe a phenomenon. It was consistent across the case study organisations that relationship building was occurring but it was not targeted nor managed.

Indeed, Yorkshire Gardens did talk of the importance of building relationships and also indicated the use of part-time marketers (not explicitly). The Manager spoke with great confidence about having a sophisticated website set up, active involvement in social media and regular leaflet drops. Whilst this is an important additional mode of communication, it indicates that the case is *operation* and *transaction*-orientated, rather than *customer* and *process*-orientated. Whilst traditional means of marketing such as these are activities can prove to be successful when focusing on short-term gain, they have little impact in long-term gain and sustainability (Grönroos, 1994a), as represented by the fact that the enterprise is not in a long-term sustainable position. Whilst the enterprise did show efforts at building a relational approach, these efforts were not viewed as marketing.

When examining the marketing activities Handmade Heaven and Arty Shop engaged with, their focus was different to the other cases. For example, both Handmade Heaven and Arty Shop spoke of two sides to their strategy; marketing the retail side and marketing to service users and Social Care professionals. The Managers of these enterprises viewed their customers both as buyers of their products and service users who purchase their service as a customer. Both these cases also represent examples of attempts at approaching marketing from a services-marketing perspective. Table 32 is a cross examination of examples of ways in which Arty Shop has developed relationships with service users and the local council.

Like Arty Shop, the Manager of Handmade Heaven took current service users with her when she went to visit local schools, colleges and groups which potential service users attend. By introducing this strategy within both of the case study organisations, it helped to build credibility for the external marketing methods such as the brochures. As discussed in the literature review, Doney and Cannon (1997) identified two dimensions of trust; credibility and benevolence. Through both of the cases engaging in the strategy, more credibility was built with the service users, but also benevolence, as it shows the service users that both the Managers of the case study organisations and the service users were genuinely motivated to build a relationship with them.

Therefore, trust and commitment is beginning to be built both within the schools, colleges, groups and Social Care professionals who are there with the potential service users; these constructs are argued to be of vital importance when developing a RM strategy (Dwyer et al., 1987; Hunt and Morgan, 1994; Smith and Barclay, 1997 and Sirdeshmukh et al., 2002).

Table 32: Cross-examinations of Arty Shop's Relationship Marketing Strategies

Berry's (2002) Relationship Marketing strategies	**Arty Shop's approach to Relationship Marketing strategies with service users and the local council**
Core Service Strategy (developing the service so it has the ability to build relationships with its customers).	Providing the service users with training opportunities and skills development. Offers the chance for the service users to go into a job placement either independently or with a job coach.
Relationship Customization (learning specific characteristics and interests of customers to personalise the relationship).	If there is a specific skill that the service users want to develop, the Director will try to accommodate.
Service Augmentation (Augmenting the service with additional benefits in order to help build a relationship).	Any income made from the shop, once bills have been paid, is split amongst the service users. Opportunities for social events.
Relationship Pricing	**The local council –** Offering the council a cheaper alternative to skill development colleges; as there is not a school locally, the council are obliged to send service users to the nearest school which will not be local, thus costing the council a lot more money in order to fund the service user to travel there.
Internal Marketing	Visiting schools with current service users in transition periods with brochures for the current service users to talk with potential service users about the service.

Indeed, as Table 33 shows, only two out of the twelve cases are currently making a profit and not dependent upon grant funding. Within this thesis, organisational sustainability is defined as 'balancing organisational income and expenditure whilst meeting social objectives'. For the case study organisations, their largest income stream came from the Social Care contracts for the service users.

Table 33: The Economic Sustainability of each Case:

	Cases	*Sources of Funding*	*Economically Sustainable?*
Newly Started Rural	**Farm Enterprise**	• Services: 36% • Contracts: 33.1% • Sales and Donations: 30.81% • NO GRANTS	**Yes – making a profit and not grant dependent**
	Handmade Works	No financial information but the case is dependent upon the support of the parent charity.	**No – dependent upon charity support**
	Social Café	• Grants: 80% • Sales, Donations and fundraising: 20%	**No – dependent upon third sector income**
Long Standing Rural	**Helping Manor**	• Grants: 40% • Attendance: 40% • Sales and donations: 15.8% • Services: 4.6% • Fundraising: 8.1%	**No – dependent upon third sector income**
	Yorkshire Gardens	• Grants: 11% • Day Care Contracts: 21.8% • NYCC service contracts: 48.8% • Sales and Donations: 25.4%	**No – made a loss with additional third sector income**
	Handmade Heaven	• Placement fees: 59% • Grants: 3.1% • Sales: 10.5%	**Potentially – not dependent on grants but not making a profit**
Newly Started Urban	**Arty Shop**	• Social Care Day Care Contracts: 60% • Education Day Care Contracts: 40%	**Yes – not dependent on grants**
	Gardening Enterprise	• Grants: 38% • Sales: 62%	**No – dependent upon third sector income as income low**
	Enterprising Café	• Grants:20% • Sales and Donations: 86.6%	**No – dependent upon third sector income, made a loss**
Long Standing Urban	**Greenhouse Garden Centre**	• Contracts: 68.8% • Grants: 3.6% • Sales and Donations:20.74% • Fundraising: 1.1%	**No – making a loss**
	Helping Hands	• Contracts: 60% • Grants: 12% • Sales and Donations and Fundraising: 28.2%	**No – would have made a loss without additional third sector income**
	Lighting Enterprise	• Personal Payments/Hire: 37% • Grants: 58.4% • Services: 4.84%	**No – dependent upon third sector income**

The argument put forward in this thesis is that SEs are not sustainable, not because they do not engage in marketing, rather that it is because they do not build the ongoing relationships which are key in promoting sustainable service delivery (Normann, 1991; Bharadwaj et al., 1993; Riechhald and Sasser, 1990 and Morgan and Hunt, 1999). What needs to be addressed is how SEs add value to their users and multiple stakeholders in order to sustain these relationships.

Service Users as Part-time Marketers

What was consistent across all twelve of the case study organisations was the influence which WOM had both in terms of getting the enterprise well-known within the local community but more importantly in raising awareness about the service within service user networks and Social Care professional networks. All of the case study organisations were locally embedded within their community and this was an important factor in enabling WOM to flourish. All of the cases' Directors, Managers, volunteers and service users lived locally. It was found that networks had been built informally within the local communities which helped promote naturally occurring WOM. This is consistent with Di-Domenico et al (2009) who identified that for SEs to deliver local services, deep local knowledge must be evident and this can only be done by the enterprise being embedded within the community it serves. Indeed, this form of communication helped to provide credibility to the case study organisations' (within this research) external marketing efforts. As WOM is an unplanned method of communication, it is viewed as a more trustworthy source, thus making it more credible and favourable than written information (Herr et al., 1991; Mangold et al., 1999; Grönroos, 2001).

This is consistent with research conducted by Shaw (2006) who found that the SEs the author researched lived locally because they dealt with vulnerable individuals which meant that it was important to ensure that networks were built in order to showcase credibility in their work to gain support from the local community. This was true of the case study organisations in this research; the findings indicated that WOM was a key way to address uncertainty both with the services users and the general community. This is also consistent with Murray's (1991) findings who found that WOM significantly reduced perceived risk and any uncertainty that consumers may have before deciding to consume a purchase.

In terms of the local community, it was vital that cases such as Gardening Enterprise, which was a recently established SE, showed the local community that they would still get a quality gardening service even though it would be delivered by adults with learning, mental and physical disabilities. WOM played a pivotal role in ensuring that any uncertainty within the community was managed through positive WOM and referrals. The issue of quality was a recurring theme across all of the case study organisations which helped promote WOM across the local community and service user networks. Providing quality services which have a social added value within the experience helped the SEs to limit uncertainty and promote positive WOM.

WOM was an especially important form of communication in ensuring that potential service users found out about the service as there was a strong network across all of the case study organisations amongst the service users. There was evidence from a number of cases of service users acting as implicit 'part-time marketers'. Whilst the Managers lack in the appropriate technology to articulate them as part-time marketers, it was acknowledged by the case study organisations that it was a most effective form of communication in terms of letting service users know about the service. For example, as discussed within the findings chapter, the Manager of Farm Enterprise recognised that by ensuring the service provided to the service users was of good quality through the available skills and development training, she found that they would not only be more happy and engaged in interactions with the local community (internal marketing), but also positively influenced other service users in wanting to attend the service (interaction marketing). Whilst this was not explicitly defined in the appropriate terminology, it is an example of the potential contribution a services- marketing approach could have, and is consistent with Grönroos's (1980) assertion over the importance of managing 'moments of truth' and the role Gummesson (1987) identified that part-time marketers have in influencing the outcomes of 'moment of truth'.

The external communication methods which the case study organisations currently engage in will only ever generate interest, as argued by Grönroos (1980), in order to develop a 'marketing-orientation' across the organisation, the volunteers, employees and service users will influence the outcome of a potential relationship by the way they manage the interaction at a 'moment of truth'. All of the case study organisations indicated the importance of the networks of service users and the role the service users played in influencing these networks.

Although the findings of the case study organisations do indicate the use of part-time marketers and internal and interaction marketing, the fact that the service users are vulnerable adults does raise some issues. As discussed within the literature review, there are two main concepts which underlie internal marketing. The first is viewing the employees as customers in order for excellent service to be provided (Berry, 1981); the case study organisations have shown evidence of this and using the service users as part-time marketers to influence other service users or Social Care professionals. The second concept underlying internal marketing is ensuring that all employees understand an organisation's mission and goals and work together to achieve these goals (Payne, 1993). It is argued that there is a 'product' (values, attitudes and behaviours) which is sold to employees in order to change the way customers are handled at point of sale (Piercy and Morgan, 1991). There could be major ethical implications in asking service users to manage their interactions with other service users and understanding organisational goals. Due to their vulnerability, the service users may not understand what is being asked of them, and not actually want to engage in the activity which could damage the naturally occurring way a service user may positively influence another service user.

This is consistent with authors such as Rafiq and Ahmed (1993) who criticise the view of 'employees as customers' and argue that employees may not want to be sold a 'product', may feel they do not have a choice and feel coerced into having the product sold. This could have a negative effect on the service users especially, making them feel anxious or nervous and thus impacting on the effectiveness of the way they are currently influencing other service users.

Therefore, what SEs should focus on when developing an internal marketing strategy for the service users, should not be on selling the service users a 'product' but on developing the service in a way which meets and exceeds the perceived service quality expectations of the service users in order to ensure that they are given value in their offering, which will promote positive WOM within their networks. Indeed research conducted by Harrison-Walker (2001) found that if the level of perceived quality is high, it will positively affect a customer's engagement in WOM communication.

Other Stakeholder Groups as Part-Time Marketers

Evidence from the findings also indicate that it is not only service users which act as part-time marketers but also employees, volunteers, the local community, the general public and other day care SEs or charities. Both the Managers from Social Café and Enterprising Café admitted that they were well placed as they had lived their whole life within the community and knew it well. The Manager in Enterprising Café had done a lot of youth work within the local community and because of that knew a lot of parents, children and churchgoers within it. This helped the café in enabling the local community to use the café as an amenity; the area where the café was located was quite deprived, and they found the local community initially reluctant to come into the café as they saw it as an 'ivory tower'.

Employing a Manager who knew a lot of the community supported their external marketing efforts such as social media and leafleting, as the Manager could advocate for the café, thus helping to build trust and credibility with the local community. Indeed, this supports the claim which Stanko et al (2007) make that commitment within a relationship will be made stronger if it is founded upon social bonding. As the Manager within social café was well-known to the community through her social activities, this meant that her word was more effective than any other type of external communication done by the cafe.

Within Social Café, the Catering Manager was well-known within the local community, himself and his family having living there their whole life. As the Catering Manager was passionate about the café and ensuring that it was busy for the trainees, he often spoke about it within the community and built relationships with local older people who came to the café every day. One incident in particular, as discussed within the findings chapter, was one in which the Manager gave one lady who had no family nearby a cake to celebrate her birthday.

This action, seemingly small, is a clear example of taking advantage of a 'moment of truth'. In this instance, the Manager, as a part-time marketer, influenced the customer through this interaction which resulted in positive WOM within the community and raised and exceeded the customers' overall perceived quality of the service. The Manager of social café, whilst lacking in the appropriate terminology to articulate these interactions, engaged in relational activity in this instance. This supports claims by Grönroos (1980, 1990b; 1998); Berry (1981; 1995); Berry and Parasuramam et al., (1991); Gummesson, (1987; 1991; 2002a); Payne (1993) and Lovelock et al (1993) that actively managing and engaging with their part-time marketers through internal and interaction marketing efforts will strengthen the overall impact of their marketing. However, this was an implicit action by the catering manager and was not done deliberately as a form of marketing. Despite not being an explicit form of marketing, it was nevertheless still very effective in developing loyalty with customers and encouraging WOM.

Figure 4 is a typology of how the case study organisations within this research utilised marketing and outlines the key marketing activities developed from the findings of the case studies which all of the case study organisations engaged with. There are three key elements to this typology, external marketing, unplanned communication and implicit marketing. What this typology tries to show is how the marketing function within the case study organisations is very much focused upon transaction-based marketing activities. The active marketing was focused upon promoting and raising awareness of the enterprise both within the local community and the Social Care professional's networks. Whilst the unplanned communication methods such as WOM were a credible and effective form of marketing within the service user networks, this could be capitalised on more if a marketing-orientation was adopted. The first two boxes, 'external marketing' and 'unplanned communication' are what the case study organisations defined as their marketing strategy. The last box 'implicit relationship building' refers to unplanned, naturally occurring marketing which was neither planned nor directed towards addressing the needs of their multiple stakeholders. Table 34 gives an overview of the key themes explored in this chapter and provides evidence from the interviews to support the findings discussed.

External Marketing	Unplanned Communication	Implicit Relationship Building
• Leaflets • Website • Social Media • Promotion • Brochures • Radio	• Providing Quality Service • WOM • Reviews • Newspaper Articles	• Networks amongst service users, social care professionals and the community • Locally embedded • Relationship building occuring naturally, 'second nature'

Figure 4: Typology of Current Marketing Strategies

Table 34: Summary of Key Themes

Key Themes	Example of raw data which themes came emerged.
Goods-dominant Approach adopted across many of the cases.	"To be honest with you that's where I would say we lack in knowledge etc. because we're not marketers, we don't know really what we're supposed to be doing, we do try to … we're in contact with the paper, I've been in contact with the radio and things like that. But it's mainly advertising things like our forthcoming you know events and things like that ... and leaflets. So that's our main sort of things, or like I say … Helping Manor news was another one. Our posters and what have you" **Director, Helping Manor**
Marketing seen as a selling activity rather than a process of relationship management.	"Yeah it's definitely important because we need to get our products sold and we need to sell ourselves as well so definitely marketing is a big ... it's … because we are charity we're restricted with funding and nowadays marketing is a big market out there so we can't have you know, a big flash marketing campaign, it's restricted to what we can achieve with the funding we have." **Manager, Handmade Works**
Service users not seen as customers.	"The marketing is more around the customer side of it, you know the people that come through the doors and buy things rather than the clients which are an income stream for Enterprising Cafe but we don't market to them as such as essentially the way you would find a client is generally they come through social workers, care workers, referrals in that way more than we sort of directly going out and finding them I think there would be massive difficulties and ethical issues I think in trying to market to a client to say you know we want you to spend your personal budget here." **Financial Manager, Enterprising Café**
Relationship Building is an implicit activity, occurring naturally and not a result of marketing efforts.	"We don't do marketing in terms of that or advertise … I guess I mean that might come in now the way things are going, so for instance, the City council incredibly recently set up a website called something like shop for support or something and we need to be on that website, we're not on that website, yeah so people either looking at what the opportunities there are and that's the way things are going. Basically we need to … until recently we need to know like all the care Managers and the social workers and they tended to know because there was something here already or a colleague would tell them that we exist and because we had a reputation for doing that type of work, you know, I think word-of-mouth amongst the care Managers and social workers as the care world changes towards individualised budgets and personal budgets

	we need to take serious advertising now. And yeah I think over the next few years it would become important, it's not important yet but it will become important, I think it's coming." **Manager, Greenhouse Garden Centre** "Our market activities are solely focused on going out and leafleting the areas that we are working, we do have a number of mechanisms in place so there's information on the North Yorkshire website, a booklet where you can sort of download information about the garden enterprise there. The base we have in Selby on Union Lane there are couple of boards up saying Greenhouse Garden Centre and sort of listing what we offer so ... there's sort of physical signs for people to see and the vehicles that we drive the outfits that the guys were are you know all badged up so we have a uniform type of culture and the message is out and you see that van out and about the district so you know you pick up the phone as see what the service is about." **Manager, Gardening Enterprise**
Word-of-mouth is a key aspect of their marketing strategy both in terms of customers and clients.	"But again, it is a word-of-mouth thing, peer pressure because you know I have 90 people with a learning disability but in the Scarborough area, adults I'm talking about, 300 and something but they all go and socialise together, okay, they go to different clubs together and all the rest of it, one will say "oh it's alright working at Farm Enterprise" so they're your best thing as well, if were giving them a good service, it would be no good us giving the students a rubbish service because they wouldn't want to come either" **Director, Farm Enterprise** "Word-of-mouth is probably our biggest one. I think will always be the way for a lot of our work. Secondary to that will be our website which will tell people in the area to come and visit us, for the general population on Ripon, surrounding it is going to be that word-of-mouth." **Manager, Yorkshire Gardens.**

Addressing the Research Questions

The findings from this investigation have extended theoretical understanding of marketing within SE by arguing that SEs within the Social Care sector are not more sustainable than their traditional third sector organisations as previously argued (Simmons, 2008). Indeed, Simmons argues that their more rigorous application of business techniques and models makes them a more sustainable alternative. However, this research has found that whilst there are attempts from all twelve cases to implement some form of marketing, for a lot of the case study organisations this is focused upon external communication and not relationship management, which is not sustainable as evidenced in Table 35; only three cases could be classed as 'sustainable' as defined in this thesis. The direct copy of marketing from the private sector into these organisations has been found within this research to be inappropriate. Whilst these forms of communication can be effective in the short term, a long-term strategy would be maintaining and building relationships which are central to sustainable service delivery.

In the introductory chapter of this thesis, the following two research questions and sub questions were asked:

1.) What is the nature of marketing within SEs and how does it fit with their combination of objectives?

- What type of marketing is being utilised by the day care services?
- Is marketing being used as a means to develop relationships with their key stakeholders?
- What factors moderate the use of marketing?
- How do existing conceptualisations of marketing differ from how SEs are operationalising marketing?

2.) What are the pressures and tensions faced by SEs in this sector, and how do they compromise their sustainability and balance of social and economic aims?

Prior to each of these questions being answered, the sub questions associated with each of the research questions will be visited.

What Type of Marketing are Social Enterprises Using?

What the findings of this research and the previous discussion have indicated is that the term 'marketing' appears to have been marginalised and reduced to a notion based upon advertising techniques such as money off coupons and leaflets (Lehmann, 2006). Its role within the case study organisations has been somewhat diminished and seen as something only marketing professionals can help them with. The majority of cases, whilst having no explicit marketing department, appeared to have marketing as a function 'bolted on', seen as something specialist (King, 1985). The Managers of these cases lack the appropriate business skill, acumen and knowledge to be able to develop a marketing-orientation within the enterprise. Whilst all of the case study organisations admitted that they needed to do more marketing, the case study organisations were reluctant to spend time and money on appropriate marketing because their marketing was based upon a goods-dominant approach.

This was not true of all of the case study organisations, as discussed above, however the majority of cases viewed marketing in its simplest terms, as a set of advertising practices. Whilst external modes of communication such as their website or leaflets are somewhat important, they should be used alongside a more integrated marketing-orientation. For organisations which have a multitude of stakeholders to communicate with and manage, these methods alone are simply not enough to ensure sustainable growth in the long-term. Whilst clearly the case study organisations are building relationships with service users, the Council and Social Care authorities, this is a natural occurrence not defined as marketing by the majority of cases.

The findings would suggest that the reason why the Managers had a resistance to seeing service users as customers is because they only understood marketing as selling activity. This conflicted with their underlying social values as they did not think it appropriate to 'sell' the service to the service users. As they are service organisations, approaching their marketing from a traditional goods-dominant perspective which focuses on the mass-selling of goods is inappropriate for a SE service.

Furthermore, it was inherent that the reluctance to use marketing by the SE managers was moderated by the fact that the traditional marketing mix is seen as a manipulative way to mass market goods (Gummesson, 1991).This goes against the social value and aims of the enterprises, which are primarily small community-based services, and therefore creates a tension. As identified in Chapter 3, within service organisations production and consumption happen simultaneously. Marketing which is grounded within a goods-based approach does not provide any tools with which to access the consumption process interactively which make service organisations distinctive (Grönroos, 2006). The few cases that did appear to approach their marketing from a services-marketing perspective were more economically sustainable as well having the ability to effectively meet their social values. Whilst the case study organisations did not have the appropriate terminology to articulate what they were doing, they were using key stakeholders as part-time marketers, taking advantage of 'moments of truth' and identifying and building relationships with appropriate stakeholders. The findings indicated that this was a key route to long-term sustainability.

Is Marketing Used as a Means to Develop Relationships with their Key Stakeholders?

As a narrow view of marketing, as discussed above, has been adopted by the SE managers, this has meant that their ability to effectively implement a 'marketing orientation' has been constrained. This has resulted in some of the case study organisations not viewing relationship building as a marketing activity. However, some cases have shown evidence to indicate that internal and interaction-marketing is being conducted and key stakeholders are acting as part-time marketers. The other cases do have an array of networks and relationships, but this is not viewed as a marketing activity. The findings suggest that constructs such as trust, commitment, shared values and keeping promises were vital in the development of relationships. This was clearly evidenced in Social Café's act of giving a regular customer a free cake on her birthday which resulted in increased loyalty and WOM. For the vast majority of cases, relationship building did not appear to be an active process and not something associated with their marketing efforts as they constructed marketing as a selling activity. It was inherent across all of the case study organisations that relationships were being built.

However, this was an implicit action for a large proportion of the case study organisations and not actively managed, constraining their ability to conduct RM effectively. These relationships are not managed, resulting in a tension for the enterprises in meeting their economic and social aims. This is evidenced within Table 33, whereby only three cases could be argued to be economically sustainable. For the other nine cases, it was evident that their ability to manage their double bottom line was impacted upon their narrow view of marketing. Whilst Handmade Heaven could not be classed as sustainable under how this thesis defines sustainability, it can be argued to have the potential to do so. Whilst the enterprise is not making a profit, they only have 3% of their income come from grants and have identified the importance relationship building will have.

What factors moderate the use of marketing?

The findings and subsequent discussion have indicated that marketing is moderated by three key factors. A transaction-based approach to marketing has focused on a large proportion of the case study organisations marketing being towards transactional approaches to marketing such as external communication. For the case study organisations which did not implement this approach, theirs was much more effective. This leads to the next factor, viewing the service user as a customer. For the case study organisations which adopted a transaction-based approach to marketing, this meant that due to their social values they did not want to view the service user as a commodity, as a resource. For the case study organisations which had much more of a services-marketing approach, this was not a problem as their focus was upon building long-term relationships with the service users.

The last moderating factor, which is true of all of the case study organisations, is a lack of knowledge and skill, both in the area of marketing but in business skill in general. Whilst this thesis will argue for an approach which is grounded in a services-marketing approach which will be more effective in their management of multiple goals and stakeholders, it would be impractical to think that, based upon their current level of skill, this can be implemented. As identified earlier, marketing as a profession needs to be willing to give their time to help SE managers learn the skill and knowledge to implement such an approach. Lessons can be learnt from how SEs are implementing marketing; whilst the literature is rife with research identifying a 'paradigm shift in marketing', the results from this research identify that in organisations with little skill and knowledge in marketing, this is not happening and as a result these types of organisations are struggling to build and maintain core relationships with key stakeholders, which this thesis argues to be at the heart of effective service delivery. Instead, a simpler approach is being adopted, that of the marketing mix, which will struggle to make an impact in their long-term sustainability, as they are service organisations.

How do Existing Conceptualisations of Marketing Differ from how SEs are Operationalising Marketing?

In order to give context to this discussion, Table 35 is a comparison of the defining characteristics of both transactional marketing and relationship marketing which is based upon prior knowledge and knowledge gained from the review of the literature.

Table 35: Characteristics of Transactional Marketing and Relationship Marketing

Transactional Marketing	Relationship Marketing
To make a one-off sale	To build a long lasting relationship with a customer
Product Features	Customer Value
Short Term Promotions External Direct Marketing	Long-term Interaction Marketing Internal Marketing
Limited Customer Commitment	High Customer Commitment
Price Sensitive Customers	Quality Sensitive Customers
Operations-Orientated	Process-Orientated
Focus is on short term gains	Focus is on long-term gains
Focus on customer acquisition	Focus on customer retention
Marketing department is a separate department run by marketing specialist	No separate marketing department, employees act as 'part-time marketers'. Marketing ethos across whole organisation.

As the previous discussion has indicated, for the majority of the case study organisations, how the Managers viewed and defined marketing was focused towards external marketing communications in order to acquire new customers. Marketing is seen as a selling activity, focused towards short term gain and limited customer commitment. However, whilst this was the way that the majority of the Managers defined marketing within their interview, it was not necessarily the way all of the case study organisations were implementing marketing. There is evidence from cases of using part-time marketers, internal and interaction-marketing and building core relationships with key stakeholders. But this was not seen by all of the Managers as part of their marketing efforts. The two cases excluded from this assertion are Handmade Heaven and Arty Shop who were explicit in the role relationships play in their development of their marketing plan.

Therefore, assertions made within the literature which advocate marketing undergoing a paradigm shift moving from the traditional marketing mix to a more relationship-orientated approach is not yet necessarily true of this sector. The Managers within some of the case study organisations still viewed marketing in traditional terms, perhaps because the Managers of the enterprises had no prior knowledge of marketing or any experience of marketing in a service SE. Thus the traditional marketing mix is easier and simpler to understand.

The two cases which did have this viewpoint are representative of how SEs within this sector can approach their marketing from a relational perspective and how this can help SEs to effectively target, manage and communicate with different stakeholder groups. This gives these two SEs more credibility and shows the value which is created in the way the Managers run the SEs. The other cases, whilst showing some attempts at building relationships, their focus was still on external communication which does not provide SEs with the appropriate tools with which to communicate and manage to a number of different stakeholders.

To conclude this part of the discussion, the first main research question will be addressed:

What is the nature of marketing within SEs and how does it fit with their combination of objectives?

What the findings of the case studies have indicated is that marketing plays very much a passive role within the case study organisations. This is because the marketing models and approaches which they use have been drawn from the manufacturing rather than the services sector. This has limited its impact as the managers within the SEs cannot see the advantages of using these approaches for the services they provide. This produces a tension as for some of the managers it was clear that marketing was seen as manipulative and a way to mass sell consumer goods. This view goes against the social values of the enterprise, thus making the managers reluctant to utilise it.

I argue that SEs delivering public services are service organisations and should therefore approach their marketing from a services perspective. They see marketing primarily as a selling activity rather than relationship management. In terms of the role it plays in enhancing their sustainability, the findings indicate that the current marketing methods which are employed do little in terms of helping the case study organisations to manage and meet their double bottom line, social and economic objectives.

As the marketing is focused towards raising awareness and more direct methods of marketing such as leaflets and a website, it is not being focused towards helping the case study organisations to secure long-term relationships. This is both in terms of contracts and sales but also within the Social Care professional networks which will help the case study organisations to be more sustainable and independent in the long-term. It is clear that the current managerial approaches they are utilising are limiting their ability to be sustainable.

As discussed in the literature review, SE sustainability within this research is defined as balancing grant-free income with expenditure whilst meeting social objectives. Going by this definition, only two out of the twelve cases studied could be regarded as ‘sustainable’. Therefore, the assumption which can be drawn from the findings is that SEs within the Social Care sector are struggling to be sustainable organisations. The findings indicate that the reason why they are struggling to remain sustainable is that they are not actively targeting and building ongoing relationships which are at the core of sustainable service organisations. The case study organisations within this research are trying to sell, what Grönroos (1998) terms ‘the missing product’. These SEs are inherently service organisations, and services are processes, not tangible products, which can therefore be marketed and sold (Grönroos, 1998). This discussion has shown that the way they not only market but manage the organisation is based upon the selling of physical resources based within the manufacturing sector rather than on a services-dominant logic.

What are the pressures and tensions faced by SEs in this sector, and how do they compromise their sustainability and balance of social and economic aims?

Whilst each of the twelve cases are adequately meeting their social objectives through providing training and skills development to adults with learning, mental and physical disabilities, the empirical data collected in Chapters 5 and 6, provides evidence that few of the case study organisations are in what could be called a sustainable position. This is because they are failing to meet the economic side of their bottom line as they are not building and sustaining relationships which are at centre of sustainable service delivery (Normann, 1991). What constitutes long-term sustainability for SEs was explored in Chapter 2; referring back to the quote articulated by Emerson and Twerksy (1996, p.3) in which the authors argue that SE Managers have to "live with a dynamic tension of what makes good business sense and what fulfils the organisation's social mission". The findings of the twelve cases from this research show that, whilst the managers and/or directors are adequately fulfilling their social mission, they lack in ability to make appropriate decisions on what constitutes 'good business sense'.

At the heart of sustainable service delivery appears to be the extent of the entrepreneurial skills processed by the manager/director who runs the enterprise. For example, the Director of Arty Shop, whilst only having been open a year at time of interview, showed an understanding of what makes good business sense, in that he visited schools in transition periods with current service users and understood that marketing the retail side of the enterprise and marketing the social side of the enterprise needed different approaches. Whilst he lacked in appropriate terminology in how to articulate this, it was evident that this was what was being implemented.

This is true also of Farm Enterprise and Handmade Heaven. What sets Arty Shop aside is that it has managed to be in a sustainable position though only having been in business for one year, whilst Farm Enterprise and Handmade Heaven have been in operation for a much longer period of time. Out of these three cases only Arty Shop and Farm Enterprise could be argued to be in a long-term sustainable position as they are meeting the economic as well as the social objectives of the enterprise. Whilst Handmade Heaven is attempting to approach their marketing from a service-dominant perspective, it is still struggling to be economically sustainable. However, the importance of building and maintaining relationships with key stakeholder groups was identified by the director as their core strategy for the upcoming years to become more sustainable in the long-term.

However, the other nine cases could not be argued to be effectively balancing their social aspirations with economic objectives. Whilst no tension was mentioned within the interviewees, it was clear that because the enterprises were so heavily supported by Government grants, the enterprises did not necessarily feel pressure to maximise profit to be reinvested. This assertion was also found within Chapman et al., (2007) research where public sector stakeholders felt that SEs were not business-minded enough, as government funding cushioned the financial pressure they felt.

The findings and subsequent discussion have raised a number of issues surrounding the long-term sustainability of SEs working in this particular sector. At the beginning of this thesis in Chapters 1 and 2, David Cameron's Big Society was discussed. In particular, the Conservative 'Big Society' paper stipulated that "SEs can often innovate more quickly and effectively than traditional state bodies" (p.4). Yet the findings from this research have indicated that for a large proportion of the case study organisations, their long-term economic sustainability is dependent upon government and third sector grants. The findings indicate that this is due to the tension felt in using business approaches in the delivery of the service and how these approaches could compromise the social aims of the enterprise. As identified in Chapter 2, the SE literature has suggested that both the social and economic aims could put each other at risk. Placing too much emphasis on building a strong business could put social aims and values at risk. Conversely, placing too much focus on social goals could damage the enterprise's ability to build a strong business.

It was clear that the case study organisations within this research were effectively meeting their social goals, but failed at meeting their financial goals. As many of the case study organisations are reliant on Government funding, their economic viability could be called into question if that funding was cut. The enterprises have not placed enough emphasis on their financial goals. Whilst social goals are being met, they struggle to meet the challenges and tensions of their hybridity. This limits their ability to develop a strong business, thus threatening their survival.

However, there were three exceptions to this: Farm Enterprise, Arty Shop and Handmade Heaven. Whilst Handmade Heaven is currently not making profit, they have identified the importance of developing relationships with key stakeholder groups to make them more economically sustainable in the future. In particular, Farm Enterprise had many diverse streams of income, making it a highly profitable enterprise. The social goals of the enterprise were at no point put at risk. The enterprise effectively managed to balance their social and economic goals with a tension affecting how well each goal is met. The findings indicate that this is for two reasons: firstly the Director of Farm Enterprise is inherently entrepreneurial in her ability to identify gaps in the market and ways in which the enterprise could fill those gaps. The enterprise took over a dilapidated farm and made it into a community amenity which is popular within the local area. Secondly, by having business men on her board of trustees this meant the economic aims of the enterprise were not compromised by their social mission. Whilst the Director felt she did little in terms of marketing, it was clear that relationships were being built, service users, volunteers and employees were part-time marketers and 'moments of truth' were being taken advantage of, whether or not the Director defined that as marketing. It appears that what sets this case apart from the other cases is the Director herself, as she combines business skills to meet the economic aims of the enterprise and holds social values which allow her to meet the social aims of the enterprise.

Indeed, within the Conservative 'Big Society' paper it also states that "SEs have not been adequately encouraged to develop diverse sources of revenue" (p.3) which they aim to address. However, evidence from this research has indicated that this has **not** been addressed. The government has continued to push the role SEs play in delivering key public services within the UK but has not provided adequate funding and training so that SE Managers have the skills and knowledge to effectively meet not only the social aspirations of the enterprise but also be able to identify and implement potential alternative sources of income.

The findings of this research also raise the question of the viability of SEs delivering public services in the Social Care sector. Whilst the findings of this research are restricted to the

Yorkshire region and are not generalisable to the whole of the SE sector which deliver public services, it does raise some important questions about their long-term sustainability which should be explored on a more national level in further research (this is explored in more detail in Chapter 8). Nevertheless, the conclusion which can be drawn from the large proportion of case studies from this research indicates that these organisations are not sustainable and are not adequately meeting the challenge of meeting their social aspirations whilst maximising profit to be reinvested.

Therefore, what can be drawn from the successes and challenges the case study organisations revealed is that there are four key routes to sustainability which can help limit the tension felt in meeting both social and economic objectives:

1. Building relationships

   A key route to sustainability, as discussed in the literature review, is building long-term relationships which are at the centre of sustainable service delivery. SEs operating in the Social Care sector within this research are all locally embedded. It was found that whilst relationships were being built, it was not actively addressed, controlled or managed. This produced problems for the case study organisations in being able to address the needs of their multiple stakeholder constituencies.

2. Addressing and communicating to different stakeholder constituencies

   The case studies revealed that SEs have multiple stakeholders with which to communicate. The challenge the case study organisations found was managing multiple stakeholder constituencies. They found that each stakeholder constituency had different needs, priorities and wants and they found difficulties in being able to identify and engage with the relevant stakeholder groups appropriately.

3. Seeing all staff, users and stakeholders as marketers

   Whilst the findings from the case study organisations did indicate some use of the service users as part-time marketers and this was invaluable to the case study organisations in being able to attract service users, this was not used explicitly across the whole enterprise. The marketing function within most of the case study organisations was seen as an external function. They felt they could have little impact with marketing as they were not marketing specialists.

4. <u>Adding value to relationships through social impact</u>

   A key issue in building, managing and maintaining relationships is how organisations can add value to these relationships. What differentiates SEs is the social impact which can add value to their different relationships if appropriately utilised. Because engagement with their multiple stakeholders is not properly managed, the case study organisations are finding it difficult to communicate and respond to their differing needs.

   Therefore, what needs to be addressed is how SEs can achieve these four routes to sustainability. Thus the next section of the chapter discusses adopting a services-dominant approach to marketing which will help SEs to achieve these routes. Whilst a long-term approach, the author believes it has the ability to limit social and economic tensions and help push SEs to be more dependent on their own sources of income. SEs delivering public services has been conceptualised within this thesis as 'service organisations'.

Adopting a services approach to marketing has much more of a focus on developing long-term relationships which is argued to be a much more customer-orientated approach (Grönroos, 1994b). It will help SEs to manage their multitude of stakeholders, whilst effectively communicating with them and building long-term relationships. It will help SEs to better communicate the social aspects of the enterprise through having a focus on enhancing their current relationships. Trying to get social entrepreneurs to think of marketing not as a separate entity which only marketing professionals can help them with, but instead as a philosophy which is implemented by everyone in the enterprise. This could further help the development and growth of SEs within this sector.

A Services Approach to SE Marketing

A key route to sustainable service delivery is building relationships; SEs have multiple stakeholder groups which have different needs and which are communicated to in different ways. Therefore, it can be argued that in order for SEs to be sustainable they should implement a relationship-orientated approach rather than a goods-dominant approach in order to build ongoing relationships. It is argued that employing a services-dominant approach can help organisations to create value with their stakeholders (Vargo and Akaka, 2009). There needs to be a clear distinction within their customer base between the retail/service purchasers who should be seen as customers and service users, NYCC and Social Care professionals to be seen as clients. Making this distinction explicit will further extend our theoretical understanding of management process within SE. Whilst the findings do indicate that marketing should be more readily integrated, this should not be in the form of creating a separate marketing department with marketing professionals within it or for small firms the temptation to bring in consultants to produce a marketing strategy for them. But take on the form of a total integrated marketing strategy which sees all employees, volunteers and service users acting as part-time marketers. Extending and applying the logic of the services-dominant approach to SE's marketing strategy will focus efforts of marketing on the *process* of relationship management. Targeting and defining stakeholder groups and ensuring that interactions are taken advantage of will help to facilitate positive WOM and thus extend sustainability. Figure 6 is a model of a marketing-orientated strategy for SE.

This next section will demonstrate how the services-marketing model can be adapted to the unique needs of SEs and how it can help overcome the issue of communicating to multiple stakeholders. This model will contribute to SE theory as it is the first model which has been developed and adapted to meet the different needs and issues which SEs face through having a dual logic and their multiple stakeholder groups. This model will help to further our understanding of how marketing can assist SEs in helping them to be more sustainable organisations and contribute to SE theory by providing a different lens through which to explore their management processes. The model was developed from the findings of the research and builds on existing services-marketing literature, specifically those enterprises which had indicated a services-dominant approach (see Tables 31-32).

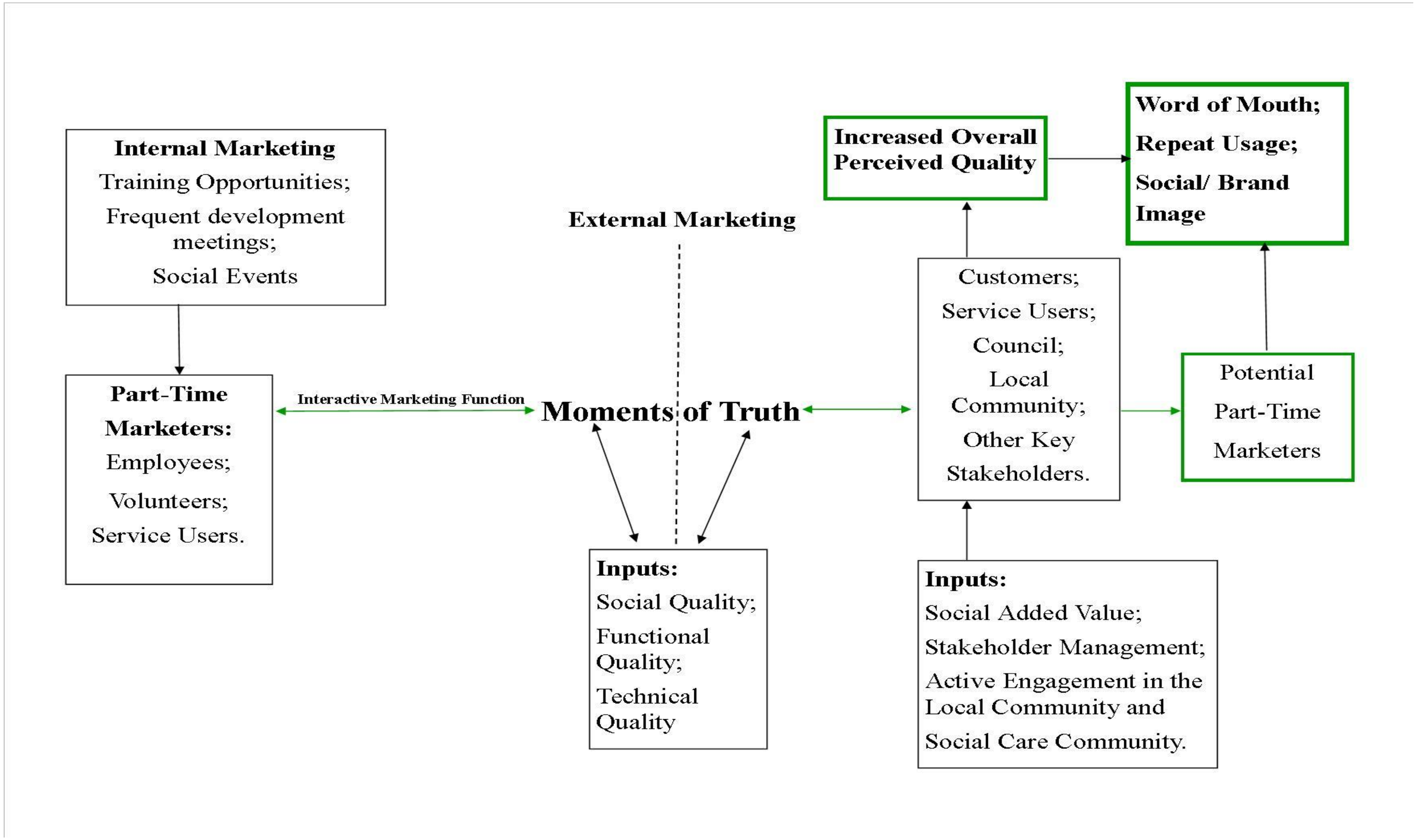


Figure 5: Total Integrated Marketing Strategy for SE

Explaining the model

On the left hand side of the dotted line is the SE side of the relationship. External Marketing such as leaflets and website development can be used to help generate interest if needed, but these forms of marketing will only ever generate interest (Grönroos, 1980). The aim is to encourage SEs to allow employees, volunteers and service users to engage in being part-time marketers. As discussed earlier, there would be ethical issues with actually asking service users to engage in the interactive function. However, as evidence from Farm Enterprise, Handmade Works, Social Café, Handmade Heaven and Arty Shop has shown, as long as internal marketing is managed through training opportunities, social events or meetings where it can decided how to best develop their skills ensuring the service user is happily engaging with the service, is it is likely that WOM will flourish with other service users within the service user network.

In terms of employees and volunteers, the Manager of the SE can encourage these groups of people to want to engage in the interactive function. It is likely that the volunteers and employees will be invested in the social aims of the enterprise, making them more willing to take advantage of ‘moments of truth’. This is reflected in Social Café, Handmade Heaven and Yorkshire Gardens which found their volunteers and employees were passionate about the social aims of the enterprises and were actively engaging with key stakeholders. It will be important for management to ensure that volunteers are offered training opportunities which can help develop their skills and ensuring that employees are happy in the position and responsibilities they hold.

One route to engaging the volunteers and employees would be to show how the social aims have been met within the community thus raising motivation. Through motivating employees to perform well during the interactive marketing process the customers/clients will want to return and will thus help to strengthen the relationship (Grönroos, 2001). When engaging with ‘moments of truth’, there are three key inputs which could alter how well the interaction went: functional quality, technical quality and social quality.

The first two forms of quality are from Grönroos (1984) Nordic two factor model. Grönroos argues that technical quality is related to the technical attributes of the service. This could be related to the following questions: Have the training courses provided by the SE been appropriate? Have the clients learnt anything? Has the gardening been done to a high standard? Are the craft items useable? Grönroos then identifies functional quality as the actual interaction itself, the way in which the service is delivered. How has the service been received by the service users, have employees been welcoming? Have the service users been friendly when doing gardening work? Grönroos argues that these two attributes of quality can affect how the customer perceives the quality of the service. As SEs have multiple stakeholders there could be multiple actions which could affect multiple stakeholders' overall perceived quality. How this quality is perceived by customers and how expectations are managed is an important factor in marketing communications. If the information which is advertised in external marketing activities does not line up with what is actually happening on a functional level within the enterprise then expectations have not been managed. Similarly, if the interactive marketing activities are not portraying the right social image, then expectations have not been managed.

One more dimension can be added to Grönroos (1984) two factor model as applied within the SE setting; that of Social Quality. Social Quality refers to how well the social attributes of the enterprise are being achieved. Are service users progressing? Have training courses been provided? Have any service users gone into paid work? This dimension of quality can alter the overall perceived quality of the local community and other key stakeholders as well as service users; it is communicating their social added value. The quality inputs are directed at both sides of the dotted line of the relationship; this is because it is how well internal marketing is managed on the SE side which will ultimately affect how quality is received on the other side of the relationship line.

Moving to the other side of the dotted line; this refers to the potential positive outcomes which can occur if the enterprise engages in a marketing-orientated approach. Firstly, relationships can be developed with stakeholder groups identified as key within the findings of the research such as customer, service users, the council, the local community and other key stakeholders. This approach, however, will also need the enterprise to communicate its social added value, managing its stakeholders through communicating multiple messages with them and actively engaging in the local and Social Care community. Potential interactions need to be identified, as Arty Shop and

Handmade Heaven did, by visiting local schools and colleges with the service users and bringing external marketing communications, visiting community groups and attending and hosting local events; the interactive marketing function can occur inside and outside the SE.

The positive outcomes of this (which are indicated in green) are increased overall perceived quality, which is argued to result in positive WOM, repeat usage and increased social/brand image (Grönroos, 1984; Grönroos, 1998). Engaging in a positive interaction could also mean that the key stakeholder groups become part-time marketers through the use of WOM, thus building the relationship. Undertaking this approach will help Managers to engage with the four key routes to sustainability outlined at the end of the last section, namely building relationships, addressing and communicating to different stakeholder constituencies, see all staff, users and stakeholders as marketers and adding value to the relationships through social impact.

Concluding Thoughts

This chapter has discussed what has been found about the marketing activities of the chosen cases. A number of key themes were addressed at the beginning of the chapter and subsequently discussed. The overall theme of this discussion, in relation to the two main research questions depicted in the introduction of this thesis:

- What is the nature of marketing within SEs and how does it fit with their combination of objectives?
- What are the pressures and tensions faced by SEs in this sector, and how do they compromise their sustainability and balance of social and economic aims?

Currently, that role is passive and is focused upon communication and acquisition of new customers and not focused towards the management of long-term relationships. Some of the SEs viewed marketing as a selling activity, making their efforts focused towards more direct methods of marketing. This was also moderated by the fact that service users were not viewed as customers and are not targeted within their marketing strategy. The current methods which the case study organisations were implementing, whilst important in some respects, are a small part of marketing. A major concern and difficulty is accurately managing and communicating with a multitude of different stakeholders with different needs. The case study organisations' current marketing activities were purely focused towards to the general community and no other stakeholder groups. Some of the case study organisations did indicate a services-dominant approach, through engaging service users, employees and volunteers as marketers and managing multiple stakeholders groups.

It was found that with all of the case study organisations they were locally embedded within the towns they resided in, with all of the Managers and nearly all of the employees living within the vicinity. This made WOM a crucial and credible form of communication which helped to enhance their sustainability. Through the findings of the cases, a services-marketing approach has been advocated and a subsequent model has been developed. It is hoped that this will help SEs to better utilise marketing by implementing a marketing-orientation across the enterprise rather than seeing it as something that only marketing professionals can help them with. It shows the process whereby 'moments of truth' can be influenced through internal marketing and quality engagement. Through this, relationships can be built which will help to promote positive WOM, social/brand image and repeat custom.

In referring back to the main research questions, currently the marketing which SEs are utilising is outdated and has been proven on numerous occasions to be somewhat ineffective, which has been demonstrated in my research findings and the literature. These SEs have limited resources and personnel; focusing their marketing efforts towards external communication methods of marketing will do little to ensure sustainability. The research has found that ten out of the twelve cases explored were not sustainable. They were either dependent upon grant funding and/or making a loss. If these cases can approach their marketing and management of the enterprise from a services perspective with a focus on building long-term relationships, rather than a goods-dominant approach to marketing, it will help change how these SEs manage their relationships and will assist them in becoming more sustainable. The findings from this research confirm research done by Chapman et al (2007). The authors argued that public sector stakeholders had little faith in SEs ability to be 'business-orientated'. The authors conclude that because of SEs distinctive and complex objectives, different types of support are needed in order for SEs to be successful in delivering public services.

The research also found that the Managers lack the skill and appropriate business acumen to implement appropriate marketing strategies effectively; this is also consistent with Bull (2007) who found SEs to view marketing as too 'business-like' and had a narrow view of marketing, viewing it as a means of promotion. It is also consistent with Shaw (2006) who found marketing to be conducted 'unconsciously'. However, this research goes further than these studies and identifies that SEs view of marketing is grounded within a goods-dominant perspective. Relationships are not seen as an outcome of marketing because of this and the enterprises are struggling to communicate effectively to their multiple stakeholder groups. This also has implications for how some of the case study organisations viewed the service users; as their perspective is grounded within goods-dominant approach, the Managers felt there were ethical implications for viewing them as a commodity.

The research has argued that this approach is inappropriate to the complex structure of SEs. Furthermore, it develops a model and approach for SE which is much more relationship-orientated and is grounded within services and RM theory. It has taken key ideas from contemporary services theory and developed it specifically for the SE setting. The model, whilst building on existing theory is unique to the SE sector. Through conceptualising SEs as service organisations and subsequently synthesising an approach to their management grounded within a public-service dominant approach is my **contribution to knowledge.** This contribution to knowledge is explored further in the last chapter of this thesis; it will summarise the key findings of this research before identifying the empirical, theoretical and practical contribution to knowledge which this thesis has made. It will discuss the limitations of the research before identifying future research areas. Finally, it will discuss my journey across the PhD process whilst outlining the values I had during the research process.

Chapter 8: Conclusions, Recommendations and Future Research

Introduction

This thesis aimed to explore the sustainability of SEs delivering public services in Adult Social Care. Using a case study approach, a select number of SE case studies operating within Yorkshire were examined by researching their use of marketing practices and the impact marketing played in their ability to be sustainable service providers. At the outset, there were two main research questions which this thesis aimed to answer:

- What is the nature of marketing within SEs and how does it fit with their combination of objectives?
- What are the pressures and tensions faced by SEs in this sector, and how do they compromise their sustainability and balance of social and economic aims?

The objective at the outset of this research was to identify the appropriateness of the marketing techniques employed by these cases and the role they played in effective service delivery and their subsequent ability to remain sustainable. To address this research problem, a thorough review of both the SE literature and the services-marketing literature were reviewed.

The gap this research aimed to fill was twofold; firstly the first part of the literature review in Chapter 2 conceptualised the concept of SE, identifying the already well documented contested matter of what constitutes a 'SE'. It then argued that there is little empirical evidence to support the current government's claim that SEs are a more sustainable and innovative option than traditional third sector organisations (Macmillan, 2010; Teasdale et al., 2012). Research which has looked at the abilities of SEs delivering public services has been contrary to this assertion (Seedco Policy Centre, 2007; Chapman et al., 2007; Carmel and Harlock, 2008), with some third sector providers rejecting the business ideology which SE represents (Dey and Teasdale, 2013). Yet, the government continue to highlight the important role SEs will play in delivering key public services.

Secondly, within SE research, there have been few research publications which have explored the role marketing plays within SE and the appropriateness of the marketing methods used. Research has indicated that SEs tend to use marketing methods which were developed for the manufacturing industry, which this thesis argues to be inappropriate for SEs delivering public services. In order to develop the unit of analysis for this thesis (marketing), an extensive review was undertaken, discussing the history of marketing which at the outset was used as a means to mass-sell products within the manufacturing sector. Chapter 3 identified a move in scholarly thought during the 1980's which advocated that services were different to manufacturing organisations, and therefore marketing theory should reflect that. In particular, it explored the concepts of internal marketing, 'moments of truth' and RM. This enabled me to develop a conceptual framework by which to analyse the marketing techniques employed by the case study organisations.

As this research aimed to be exploratory in nature, focusing upon the experiences of SE managers using a qualitative case study approach was deemed most appropriate. Chapter 4 thus discussed the methodological decisions which were made and why. The data was collected by semi-structured interviews, observations and document analysis, and the case studies and findings were presented in chapters 5 and 6. Using a grounded theory approach, the findings were analysed with the use of a computer-assisted programme NVivo. Chapter 7 then discussed the findings in relation to the current literature and against the research questions identified at the outset.

The next section of this concluding chapter, will present a brief overview of the findings identified within this research. It will then identify in subsequent sections, the empirical, theoretical and practical contributions this thesis has made. It will then present a section which discusses the limitations of the research and will identify further research areas. This chapter will then conclude with reflection on my development as a researcher over the PhD process.

Summary of the Key Research Findings

The findings from the twelve case studies indicated that marketing was being utilised by all of the case study organisations. However, for a large proportion of the case study organisations, the way the Managers defined and understood marketing was rooted within the goods-dominant approach which was developed for the mass-selling of consumer products. Indeed, as Chapter 3 argues, service organisations are distinctly different from consumer products and the way in which marketing is used should reflect this (Blois, 1974; Shostack, 1977; Rushton and Carson, 1989; Grönroos, 1978, 1980; Lovelock, 1980, 1983 and Parasuraman et al., 1985). This thesis conceptualises SEs delivering public services as service organisations, thus making this approach inappropriate.

For these cases, their marketing was seen as a transactional process and was focused upon external communication to potential customers. Marketing was not an integrated function, rather it was seen as something external to the enterprise, which only marketing professionals could help them with. Also for these cases, there was evidence from the findings to indicate that relationships were being built with key stakeholders. However, for these cases it was an implicit and unconscious action, not viewed as a marketing process. Furthermore, these cases expressed ethical implications in viewing the service users as ‘customers’; this was inherently moderated by the fact that marketing was seen as a selling process as the Managers felt it was inappropriate to view the service users as ‘commodities’. This further supports the notion that marketing was seen as a transactional process focused upon the mass selling of consumer products.

This thesis has argued that this is inappropriate for SEs delivering public services as it does not focus upon managing and building relationships with their multiple stakeholder groups which is argued to be at the heart of sustainable service delivery (Normann, 1991; Bharadwaj et al., 1993; Riechhald and Sasser, 1990 and Morgan and Hunt, 1999). Indeed, of these cases, none of them could be argued to be sustainable, with some running at a loss (refer back to Table 33, Chapter 7). The core argument of this thesis is that their marketing should be grounded with a public-service dominant approach (Osborne et al., 2013).

Two cases in particular supported this argument; Handmade Heaven and Arty Shop which, unlike the other cases, viewed marketing both in terms of the consumer products side of selling their products but also the importance of building relationships with key stakeholders. The two cases also showed evidence of taking advantage of ‘moments of truth’, whilst the Managers did not use this terminology, it was clear that parts of a services-marketing approach were being used.

This was also supported by the fact that all of the case study organisations utilised the service users as part-time marketers, albeit for the majority of the case study organisations this was an unconscious action.

The importance of utilising both service users and key stakeholders as ‘part-time marketers’ was important as it enabled the SEs to become more locally embedded with the community and helped WOM to flourish. This helped in bringing credibility to the services and provided them with deep local knowledge which is argued to be key in delivering these local public services effectively.

For ten out of the twelve cases, it has argued that currently they are dependent on third sector or making loss; should that funding be cut it is doubtful that these enterprises would survive on their own income-generating activities. However, the two cases which did indicate a services-marketing approach would be sustainable should third sector funding be cut. Taking this into account, this thesis has taken key ideas from services-marketing theory and applied them within a public management/SE setting. This is further explored in the next three sections which outline my empirical, theoretical and practical contribution to knowledge.

Empirical Contribution

This thesis has made an empirical contribution to knowledge in two key ways. Chapters 5 and 6 have presented empirical data on twelve SEs operating within the Social Care sector across Yorkshire. As discussed in Chapter Two, there is little empirical research which has explored the viability of SEs delivering key public services and their long-term sustainability. Academic research is divided as to whether SEs have the ability to embrace both their social and economic aims and, whilst tensions can exist, they exist in unison rather than competing against each other (Pitta and Kutcher, 2009; Moizer and Tracey, 2010) or whether they struggled over the challenge of managing this tension (Dees, 1998; Pharoah et al., 2004; Foster and Bradach, 2005, Russell and Scott, 2007). In order to ensure long-term sustainability, Managers of SEs need to be able to manage this tension and ensure that both the social aspirations of the enterprise are met, whilst also being economically profitable. Thus the definition of sustainability used in this thesis is: 'balancing grant-free income with expenditure whilst meeting social objectives'.

This thesis has provided empirical case study data of twelve SEs operating across Yorkshire and has synthesised evidence which identifies whether the case study organisations in questions are sustainable in the long-term. It has explored the factors relating to a SE's sustainability whilst providing detailed information of their historical development, core activities and income-generating activities. It has also provided empirical data about the type of marketing activities they engage with and the relationships they have within their local communities and their key stakeholders.

Furthermore, the research found that there was a strong network of service users within local communities and this was a key way in which WOM played a role in letting service users know about the day service. However, the research found that ten out of the twelve cases would not be sustainable in the long-term as they are dependent upon Government and third sector grants and/or are not currently making a profit. The research identified that the Managers within these SEs lacked the appropriate skill and knowledge in order to develop the business side of the enterprise. This was evidenced through their approach to marketing. As the Managers viewed marketing as a way to sell goods, they were trying to sell what Grönroos (1998) terms 'the missing product'.

Therefore, the empirical evidence collated in this thesis actually indicates that these services are not sustainable in the long-term. Whilst the results are limited to the case study organisations explored, it nevertheless provides an important contribution as there is very little data available which explores the sustainability of these types of services and this empirical evidence contributes to this gap. The government continue to highlight the important role these types of organisations will play in delivering public services, yet the findings from this research have found that in fact they struggle to be sustainable and that if they are to continue delivering public services, more needs to be done in developing the skills of the Managers who run them, whilst providing appropriate training to develop their business skills.

Theoretical Contribution

In Chapter 2 it was identified that there appeared to be a lack of empirical research which explored the sustainability of SEs delivering public services. The literature review identified that SEs often struggle to balance the tension associated with meeting social and economic aims. This is argued to be a contributing factor which affects their ability to be sustainable in the long term. This thesis has defined sustainability within SEs as: 'balancing grant-free income with expenditure whilst meeting social objectives'. Marketing has been identified as a potential strategy which could help SEs develop a competitive advantage and thus increase long-term sustainability. However, there are few research studies which have identified the nature of marketing within SEs and the impact this has upon their ability to be sustainable in the long-term. The studies which have explored the contribution marketing can make to SE did not explore adequately the processes which resulted in SEs having a lack of marketing orientation and the reasons why marketing occurred naturally (e.g.: Bull and Crompton, 2005; Shaw, 2006; Bull, 2006).

Chapter 3 discussed the view that there had been a fundamental shift in worldview from being manufacturing-based to more of a service economy (Grönroos, 2006). Grönroos argued that marketing, in its traditional sense, focused upon physical resources such as goods as the unit of exchange. He argued that marketing has since moved from this view to a more service-centred approach to marketing. Thus the chapter explored the services marketing literature and the relevance of a RM approach and its ability to help limit the tension felt in meeting social and economic aims within SE. Furthermore, RM has already been identified as playing a potentially important role within SE (Doherty et al 2009). However there have been very few studies which have empirically explored its contribution to SE. Unlike the other marketing research papers explored in Chapter 2, this thesis has conceptualised SEs as **service organisations** and has identified the important implications this has on the way marketing should be implemented and its consequent effect on their long-term sustainability. This thesis has identified that the marketing approach used by SEs was one rooted within a goods-dominant approach (Vargo and Lusch, 2004) and which was not 'fit for purpose' in terms of improving their sustainability.

This is because (as argued within the services marketing literature) services are distinctly different from product goods organisations (Blois, 1974; Shostack, 1977; Rushton and Carson, 1989; Grönroos, 1978, 1980; Lovelock, 1980, 1983 and Parasuraman et al., 1985). Thus, this research has identified the relevance of a services-marketing approach for SEs delivering public services. This has important implications for SE research and which contributes theoretically to the ever growing literature on SE. This is a contribution to knowledge because it has reconceptualised marketing within SEs and identified the significance of services theory in understanding SE and how it contributes to long-term sustainability. This furthers understanding in SE theory and has provided practical recommendation over how SE managers can ensure long-term sustainability.

By adopting a service-logic, it is argued that providers can engage themselves with a customer value creating process, thus expanding their marketing beyond traditional boundaries, which focused upon giving promises and value propositions (Grönroos and Ravald, 2011). A goods-dominant approach to marketing is focused upon selling and single transactions, with marketing often being seen as an external function and associated with being 'manipulative'. Within a services-dominant approach to marketing, the marketing function will run throughout the service firm (Grönroos, 1980), with all internal stakeholders (such as staff) having a role in marketing the enterprise externally (Berry, 1981) in that all of the staff will be externally facing marketers. There is no separation between the production and marketing functions (as in goods-dominant forms) as production and delivery occur simultaneously and are not separated. It is only when SEs take advantage of an interaction between themselves and a stakeholder, that value can be co-created. The SEs within this research deliver core public services, yet the findings from the research indicate that for a large proportion of the case study organisations they are trying to sell what Grönroos (1998) terms 'the missing product'. That is they are engaging in traditional marketing which focuses upon a physical good. Within service organisations, there is not always a physical good and thus the way the service is marketed becomes different. This impacts on SEs sustainability and puts them in a vulnerable position as they are not developing a sufficient 'marketing-orientation' (Gummesson, 1991) across the enterprise which enables them to meet the needs of multiple stakeholder groups and thus meet the economic goals of their double bottom line.

This thesis has advocated that is only possible for SEs to be sustainable in the long-term when they view themselves as **service organisations** rather than through a goods-dominant lens because services are a *process* not a tangible product which can be marketed and sold (Grönroos, 1998). Therefore, the reason why the case study organisations would struggle to be sustainable in the long-term without grant funding is that they are not actively targeting and building ongoing relationships which are at the heart of sustainable service delivery and sustainable business models for service organisations (Normann,1991). This causes tension in their ability to manage their double bottom line as, inherently, targeting services users in a manipulative way fundamentally goes against the social aims of the enterprise. As for a large proportion of the case study organisations, their focus was upon the social goals, which meant that this was at the expense of achieving their economic goals. Currently, the SEs within this research are reliant on Government funding and they have an inability to build and sustain relationships. If this government funding were to be cut, it is unlikely that these cases would survive based on their current strategies, therefore making them unsustainable.

The three cases which are in a long-term sustainable position were found to be actively building and managing relationships with key stakeholders and showed evidence of approaching their marketing from a service perspective, even if the Managers did not have the appropriate terminology to articulate that. Employing a services-marketing approach will enable SEs to manage multiple stakeholder groups, focus upon identifying and developing relationships with key stakeholder groups and effectively manage their double bottom line, thus increasing long-term sustainability.

Drawing upon literature from services and relationship marketing and rooted within the public services-dominant logic (Osborne et al., 2013), this thesis has reconceptualised marketing for SEs. A marketing model has been conceptualised which could ultimately help SEs delivering public services to manage the tension felt in meeting their double bottom line. This approach is argued to be a more sustainable and effective approach to managing the multiple stakeholder groups which these organisations deal with. As presented in Figure 6 in Chapter 7, the services-marketing approach has conceptualised multiple stakeholder groups within the model which the research identifies SEs engage with, thus making it more relevant to SEs. Within the model it incorporates employees, volunteers and service-users as key stakeholder groups which could be utilised as part-time marketers. Externally, the research identified customers, service users, the council, the local community and any other key relevant stakeholders to the enterprise as key stakeholder groups. This helps SEs to communicate and manage their social added value which ultimately influences the overall perceived quality felt by both internal and external stakeholders.

Integrated within this model, it has strengthened Grönroos (1984) two factor service quality model by adding a third factor of service quality: social quality. This is unique for SEs and their double bottom line. Both the production and the consumption of services are to some extent done simultaneously and especially in the case of the service users in which they take an active part in both the production and consumption of the service. Thus, the way in which SEs manage the interactions both internally and externally will impact on how the quality of the service is perceived by stakeholders. Grönroos argues there are two forms of quality within services; technical and functional quality. Technical quality refers to the technical attributes of what the customer actually receives from the service. Functional quality refers to the way the service was delivered, the actual interaction between service and customer. The findings from this research have found that within a SE setting another form of quality is appropriate, that of social quality. This refers to how well the social aims of the enterprise have been met and how this is communicated to both internal and external stakeholders, as that will ultimately affect the service’s overall perceived quality.

By doing this, this research has addressed the factors as to why SEs within this field have an inherent tension in meeting both their social and economic aims. This is because they are approaching the marketing of their service from a goods-dominant approach. This advances and contributes to our understanding of SE. With focus being changed so that the economic objectives of the enterprise are not rooted within a goods-dominant logic (which is found to produce a tension in meeting the enterprise’s double bottom line), but rather rooted with a public-services dominant logic (which advocates building long lasting relationships with key stakeholders of the service), will help reduce the tension felt in meeting economic and social objectives.

There was a reoccurring theme of marketing being viewed as something too 'business-like', something that large private firms engage in to make a substantial profit. This went against the nature of these SEs which were small community enterprises, delivering grass-roots services to vulnerable adults. Whilst making a substantial profit within these enterprises was not a primary goal, ensuring long-term sustainability is. The services-dominant model of marketing which is developed within this thesis is important in ensuring long-term sustainability for SEs. This will not only help manage and limit this tension because the focus will not be on the mass selling of products and making a large profit, as associated within a goods-dominant logic, but will also help these types of SEs to manage their multiple stakeholders groups and direct their focus towards how to engage more with the process and experience of the service and its social added value. This will strengthen its social brand, loyalty and credibility within the community and ultimately help to ensure long-term sustainability in the future.

The findings of this research will undoubtedly have implications on SE research. It has identified that a key contributing factor as to why SEs feel a tension in meeting social and economic aims is because their marketing is rooted within a goods-dominant approach which is inappropriate for service organisations. I have demonstrated within this thesis the significance of services theory in understanding SEs which is my **theoretical contribution to knowledge**. By developing the new model of marketing it has shown the significance of services theory in understanding the tension in their double bottom line. It has identified co-creating value with multiple stakeholder groups as a key route to long-term sustainability. This places SE research within a different framework and opens up numerous studies which can explore the structure and relationships within the field. Is this approach of marketing by SEs consistent across different fields and to what extent is marketing being used to build key relationships; what are the processes of these relationships? This is further explored in future research directions of this chapter.

Contribution to Practice and Recommendations

This thesis will contribute to practise in the following five ways. Firstly, by developing the services-marketing model as explained in the previous section, guidance has been provided on how

Managers can adapt the model for their practise. However, the findings from the research did indicate that the Managers within the case study organisations studied lacked in appropriate business acumen, skills and knowledge. Therefore, to assume that this approach to marketing could easily be implemented within these organisations without any training would be ambitious. Marketing as a profession should make strides to help provide the appropriate knowledge and skills to these types of organisations and there should be Government funding available to be able to teach the appropriate skills to these Managers if SEs are going to be a sustainable alternative to traditional third sector organisations.

Secondly, in order for SEs to be in more of a sustainable position, they should encourage staff, volunteers and service users to engage in internal marketing so that marketing becomes an organisational philosophy spread across the enterprise of which all internal stakeholders should be part. The research has identified the ethical implications in directly asking service users to engage in this type of activity. Due to their vulnerability, the service users may not understand what is being asked of them, or actually want to engage in the activity which could damage the naturally occurring way a service user may positively influence another service user. However, as the findings from Farm Enterprise, Arty Shop, Handmade Heaven and Greenhouse Garden Centre have shown, as long as relationships are built through mutual trust, the service users will engage in positive WOM within the service user networks.

Therefore, building upon Gummesson's (1987) conceptualisation of part-time marketers and the idea of marketing being a philosophical approach to management (Gummesson, 1991; Gummesson, 2002a), this thesis advocates for SEs to develop a marketing-orientation across the organisation utilising volunteers, employees and service users as part-time marketers, rather than viewing marketing as a separate function. Linked to this is SEs taking advantage of 'moments of truth' (Normann, 1984). Evidence from Arty Shop showed that by the Manager visiting local schools in transition periods, he was effectively taking advantage of a 'moment of truth' and by bringing current service users with him, the interactive marketing function (Grönroos, 1980) was effectively managed which resulted in a positive interaction.

Thirdly, as part of the research action plan of this thesis, all of the case study organisations researched will be sent a two page summary of the findings of the research, outlining what the research has found and recommendations on how they could utilise marketing more effectively, thus extending my contribution to practice.

Fourthly, in order to disseminate the findings, they will be presented at a number of practitioner's conferences in the future. This is important as it will further the reach and impact of the findings amongst practitioners, whilst also getting their feedback upon how generalisable the findings are to their organisation. Furthermore, through contacts at York Council for Voluntary Services, these findings could be presented to a number of SEs within their contact base, furthering its reach and impact.

Finally, the importance of action research has also been made apparent from this research in changing practise for SE, this is further explored in the recommendations for future research section of this chapter.

Implications for Policy

The research has also raised a number of issues relating to policy and policy development. Whilst the conclusions made within this thesis do need to be tested and explored at a more national level (this is returned to in future research directions), it has nevertheless provided empirical data which does not support assertions made by Government that SEs can "often innovate more quickly and effectively than traditional state bodies" (Conservative Party, n.d, p.4). In fact, it has shown that the current way SEs are delivering public services is not sustainable in the long-term and thus any policy developed in the future should reflect this. Government needs to provide more training for SEs delivering public services, especially if those Managers have no prior business experience.

The findings from this research imply that because SEs are reliant on grant funding, it is constraining their ability to be more entrepreneurial and explore more innovative ways that they can generate income to meet their social aims. Whilst this research is not implying that SEs should not rely on grant funding full stop, rather, there needs to be more support in place which helps the

Managers of SEs develop more skills to be more independent of grant funding so that the long-term sustainability of the enterprise will not be reliant on the amount of grant funding awarded.

Limitations

In writing about the ground rules for social research, Denscombe (2010b, p.224) writes "all research, in some respect or other, has its limitations". The author further identifies that the extent to which the limitations could impact on research will depend on two key things:

- "the quality of the data"
- "the extent to which the circumstances of the research provide a good test of the ideas"

Therefore, this next section will discuss the limitations of this thesis and identify how these limitations can be addressed in future research.

There are three main limitations of this research. The first is that the findings of the research are limited to one region of England - Yorkshire. The second is that within this region, only twelve case studies were done which limits the applicability of the research in other settings. The third is that it focused on one area of public services, namely Adult Social Care which does limit its applicability in other areas of public services. Whilst these three limitations do provide problems in generalising to the wider population of 'SE', it does not impact the quality of the data submitted within this thesis. It has provided exploratory data which in further research can be further applied to other public services and other geographies of England. The empirical data submitted has provided a true reflection of those cases within the time period of three years and has provided a good basis to further apply the ideas discussed in other settings. However, in order to further test the generalisability of the findings, they will be presented at a number of practitioner's conferences in order to gain feedback. Publishing the findings in practitioner's press would also be beneficial to further test the generalisability of the findings. The next section will outline future research ideas which have come about from this thesis and which are inexplicably linked to the limitations of this thesis.

Directions for Future Research

This research has identified six key directions for future research in this area. The first direction for future research would be to test the generalisability of the findings outlined within this research; namely that a goods-dominant approach to marketing has largely been adopted. In order to do this, a large scale quantitative study should be conducted in Adult Social Care. It will combine quantitative analysis to explore structure and relationships within the field and their use of marketing, how marketing is defined and the extent to which marketing is used a means to build key relationships. It will be combined with longer term case studies which will explore process. The findings from this study could then be further explored with a number of focus groups within each region in order to further explore the data findings from the study. By doing this the generalisability of the existing model will be tested out.

The second direction for future research would be to employ comparative study which explores across different public service industries, in order to identify specific industry contingencies. A number of case studies could be developed across the different industries, identifying their similarities and differences. This could also further test and develop the model whilst exploring the sustainability of different public service industries and developing the model for specific industries.

The third direction for future research would be to conduct exploratory research of marketing across different public service providers to explore comparative dimensions. Case studies could be employed within the public sector, third sector, SEs and private sector organisations. Through the use of semi-structured interviews, the sustainability, similarities and differences in the way they deliver public services could be explored. This will provide further empirical evidence of the long-term sustainability of these types of public service providers and the long-term impact of them delivering public services. The evidence from this research could then be disseminated within practitioner’s conferences and practitioner’s articles in order to further impact and change practice.

The fifth area of future research would be to undertake interviews with service users in order to explore their thoughts and experiences within Adult Social Care and how SEs are running them and to further explore the extent to which these service user networks exist amongst service users. In addition, it would be useful to conduct either focus groups or interviews with a number of key stakeholders, such as the local community and the council to further explore their experiences of relationships with SEs running public services.

As discussed within the practical recommendations of this chapter, it cannot be assumed that SE Managers will have the skill or knowledge to be able to implement a services approach to the marketing. Neither can it be assumed that in practise this type of approach to marketing would work. Therefore, the final area of future research would be to conduct action research as this research has identified it as being potentially important to both explore how effective a services-marketing approach would be but also to help change practice within these organisations. Through action research, a small number of providers could trial the implementation of the approach identified within this research. This will also allow the model to be fine-tuned which will further impact it on practice. Employing these further research directions will help to contribute to the ever growing SE body of literature, whilst contributing and impacting the practice of these organisations delivering public services.

Reflective Journey throughout the PhD Process

Due to the subjective nature of qualitative research and criticisms towards the role of values influencing the research, I felt that at the end of this thesis I would like to be explicit about the differing reasons as to why I undertook this research and the values I held before undertaking it. My initial interest in the third sector came from both parents, one working in a major charity and the other conducting academic research in public management. I found SE a particular interesting topic, as I had always been interested in the management of charities and social policy, and I found that SE spanned the two topics I was interested in: the third sector and marketing. After spending a year researching marketing in SE at Masters level, I wanted to explore this in much more detail, which is where the idea for my proposal came from.

I found a lack of literature which focused on key day-care services within the UK and their sustainability which I found surprising as more SEs were starting to deliver key public services. My mother who works closely with emerging and established SE's had found that some were struggling with the process of marketing themselves and establishing sustainability over the long-term, particularly where statutory funding was reduced. This is why I focused my research upon marketing. I aimed to find which marketing activities SEs within this sector were conducting and, with my prior knowledge of marketing, develop a model which is specific to SE which can help them to be more marketing-orientated. I was in particular influenced by a paper by Eleanor Shaw where she explored whether marketing within SEs could be entrepreneurial. Whilst I found her paper very interesting, it did leave me with some unanswered questions, in particular it made me want to explore whether RM was being used within SEs. I have also been influenced by the work of Christian Grönroos and his development of the services marketing literature. I found myself wondering whether SEs delivering public services in adult social care were approaching their marketing from a services-dominant approach and whether marketing had any impact on their ability to be sustainable in the long term.

Upon re-visiting my original proposal for undertaking this PhD, I can see that I was inherently managerialist in my thinking, holding the belief that, in order to be sustainable, SEs needed to undertake marketing. I believed that the reasons why SEs were struggling to remain sustainable was due to lack of marketing-orientation and, in order to be sustainable, SEs needed to undertake more marketing. Therefore I was inherently biased towards the concept of marketing, as represented by this excerpt from my original proposal:

> *"My proposed topic is to further the work I have done in my Masters dissertation. I want to look at the application of marketing techniques such as relationship marketing, branding and strategic positioning to social and health care social enterprises. By utilising marketing methods, I anticipate that it will help them become more sustainable, more competitive and help them to develop and maintain relationships with their current service users"*

Excerpt from initial PhD proposal, July 2011

This view has changed over the PhD process as I have developed as a researcher; my view prior to undertaking the PhD research was reduced to assumptions based on the fact that SEs do not engage in explicit marketing activity and are therefore not sustainable, assuming that marketing is a normative good. The ideology I held has changed over the PhD process, focusing not on the concept of marketing itself but the importance of building long-term key relationships which is at the heart of sustainable service delivery. Upon reflecting on my assumptions prior to this research, I have realised that my thinking was perhaps rather naïve and as I have grown and learnt as a researcher over these past four years, I have realised that at the heart of this PhD is understanding *how* SEs can become more sustainable rather than assuming SEs are not sustainable because they do not undertake marketing. Marketing is the theoretical lens through which to explore, not the focus.

The biggest lesson I have learnt across my journey undertaking a PhD is to ensure that I also question my implicit assumptions, but also to be more confident in the work I produce. I found that within the first year, the biggest challenge I had to overcome was to be more confident in the work I produced and more able to defend the reasons for undertaking certain decisions. I feel my PhD has moved from a study which implied marketing as a normative good to a more complex understanding of SE, the challenges they face and the importance of defining and building key relationships with key stakeholders.

Concluding Statement

To bring this thesis to a close, it has taken three and a half years to reach this point, and over these years, I have grown in confidence and academic ability. The overall aim of this thesis was to explore the complex world of SE and identify ways in which they can become more sustainable in delivering key public services. As the Government continues to push for their role in the delivery of public services, it is important not just to doubt SEs ability to implement a business approach and to be sustainable without government funding, but to support their growth through finding ways in which they can deliver public services more effectively. I feel as though this research has contributed to this aim, and contributed to the SE theoretical literature by developing an approach to marketing grounded within a public services-dominant approach. This furthers our understanding of SEs delivering public services and provides empirical evidence as to why they feel such a tension in meeting social and economic aims. Using services theory to explore marketing within SE has enabled me to identify the flaw which impacts their ability to be sustainable in the long-term. This research has also contributed practically by providing SEs with methods which will help them to communicate and meet the needs of multiple stakeholders and thus help them to deliver key public services more effectively. Through this, the thesis has evidenced the relevance of this type of approach for SE and has theoretically built this approach which is unique to the SE sector and to which managers in SE can adapt for their practice.

What needs to be addressed in the future is a culture of change and development; this thesis has inherently evidenced that these SEs are not independently sustainable and has advocated for a public services-dominant approach to their practice. However, the managers of these enterprises lack appropriate skills and knowledge to fully implement such an approach. Therefore, I implore more services-marketing professionals to help the managers of these key public services to develop these skills. I also implore more researchers to conduct action research with SEs in order to help them implement such approaches and skills. Adopting a public-services dominant approach to the way SEs deliver public services could indeed help them to become the more effective public service providers which they are argued to be and strive to become.

Appendices

Appendix 1: Patton’s Fifteen Sampling Techniques

Extreme or Deviant Case Sampling	Focuses upon selecting cases which are unusual or special in some way
Intensity Sampling	Similar to extreme case sampling, intensity sampling focuses upon selecting cases which show the phenomena being studied *intensely* (but not extremely)
Maximum Variation Sampling	Focuses upon selecting cases which are very different; this allows the researcher to make note of any significant common patterns within that variation
Homogeneous Samples	Focuses upon selecting a small homogeneous sample.
Typical Case Sampling	Focuses upon selecting cases which are ‘typical’ of the phenomenon being studied, i.e. they represent a typical example.
Stratified Purposeful Sampling	Focuses upon selecting cases which are above average, average and below average cases, aiming to identify major variations rather than similarities
Critical Case Sampling	Focuses upon selecting cases which are *critical* to the purpose of the research, or can show a phenomenon well
Snowball or Chain Sampling	Focuses upon asking well-situated people in the area you wish to study to specify cases. This will be done until certain cases or incidents are mentioned repeatedly
Criterion Sampling Criterion Sampling (Continued)	Focuses upon specifying certain criteria and studying those cases which meet those criteria. This allows cases which are likely to be information-rich about the topic you are studying to be chosen
Theory-based Sampling	Focuses upon sampling cases which represent important theoretical constructs related to the area you are studying
Confirming and Disconfirming Cases	Focuses upon sampling after part of the data collection process has been completed, the researcher then seeks to confirm or disconfirm these cases
Opportunistic Sampling	Sampling begins during fieldwork, ‘on the spot’ decision will be made to sample because that person or case is viewed to be important to the study
Purposeful Random Sampling	Focuses upon selecting information-rich cases randomly; this limits how representative the sample is but enhances credibility
Sampling Politically Important Cases	Similar to critical case sampling, focusing upon selecting politically important cases to the study
Convenience Sampling	Focuses upon selecting certain cases because of convenience; you have easy access, timing issues

Adapted from Patton, (1990) p.169-181

Appendix 2

Interview Guide

Background information on interviewee/Ice breaker

- Name?
- Job title?
- What primary functions does your job involve?
- How would you describe your job history?
- What would you say motivates you to do your job?
- How would you describe a social enterprise?

Background information on social enterprise

- How long has your enterprise been open for?
- How would you describe the organisation that you work for? (Or how would describe the culture of your organisation?).
- How long have you worked for this organisation?
- Which industry would you say your organisation operates within?
- Who is involved in decision making?
- How would you describe the social enterprise's management style?
- Who provided initial funding for start-up?
- How are you currently funded?
- In your opinion how has the organisation evolved?
- How did you decide on how you would price your service/goods?
- What structure does the organisation have?
- In your opinion, what are its values?
- How does your enterprise make money?
- What are the main goals of the social enterprise?
- How are these goals met?
- In your opinion, how well are these goals met?
- Have these goals changed over time?
- In general, what is your opinion of the social enterprise's overall performance?
- What is the basis of your opinion?
- What would you improve/change about the current way the social enterprise operates?

Customers/stakeholders - relationships

- Can you tell me about the relationships your social enterprise has within the industry in which it operates?
- Who does the social enterprise work with?
- In your opinion, who is the most important stakeholder?
- Do you maintain relationships with your customers/stakeholders?
- If yes, how?
- In your opinion, why do you maintain relationship with your customers/stakeholders?
- Do you think it is important?
- Can you tell me about the relationships your social enterprise has with the local government?
- How are they maintained?
- Has any government funding been secured? (if yes, how much, how was it secured, what are the expectations for future government funding?)
- Can you tell me about the relationships your social enterprise has with any agencies you may engage with?
- In your opinion, who are the key stakeholders?
- How would you describe your relationship with the County Council?

- What factors do you think are important when developing a relationship within your network?
- Do you see yourselves as a charity or a business?
- What do you think is the difference between a charity and a social enterprise?

Partnerships

- Does your social enterprise have any partnerships with any other social enterprises?
- How successful were these partnerships?
- Does your social enterprise have any partnerships with any private firms?
- How successful were these partnerships?
- How would you characterise a successful partnership?

Competition

- Do you see yourself as in a competitive situation against similar organisations in terms of competition for marketing, funding or influence?
- In your opinion, how is your organisation positioned against your competitors?
- Who do you see as your main competitors?
- Is competition managed?
    - How?
- In your opinion, how *should* competition be managed within a social enterprise culture?
- In your opinion, what are the main factors driving competition?
- What avenues do you use that you think bring in the most business?

General Marketing Questions

- What is the first thing that comes to mind when you think of marketing?
- Does your organisation do any marketing?
- What type of marketing does your social enterprise engage in?
- Do your marketing activities focus more upon the acquisition of customers or the retention of customers?
- How was the marketing strategy developed?
    - What is the primary goal of your marketing strategy?
- Who is the marketing strategy aimed at?
    - How did you come to decide who you would target your marketing strategy to?
- Can you give me an example of a positive way marketing has helped your social enterprise?
- Can you give me an example of a negative way marketing has hindered your social enterprise?
- How do you evaluate/measure the success of your marketing strategy?
    - In your opinion, is there any way this can be improved?
    - In your opinion, is the marketing strategy valuable to your social enterprise?
    - Do you characterise the marketing strategy as being successful? Why?
    - What are the indicators for its success?
- How has your marketing strategy changed/developed over time?
- Where do you see the social enterprise in five years' time – better, worse the same?
    - What is the basis for this opinion?
- Do you think that marketing performs its job effectively or ineffectively? Why?
- From your experience of how a social enterprise like (*insert name)* should function, does it meet your ideal?
    - Why?
- In general, what is your opinion on marketing's overall function within your social enterprise?

    - Why?
    - What would you improve or change immediately about the way marketing is conducted?
    - What would you improve/change within 2 years?
- How do you feel about the way your social enterprise markets itself?
    - Do the right people know about your social enterprise?
    - Should more effort and funding go into promotional activities?
    - How can your social enterprise improve its reputation?
- Do you keep in contact with your customers?
    - How? Is this maintained?
- Do you have a target customer group?
- How do you advise your target audience about new events or work that goes on?
- How do you acquire new customers?
    - Is this maintained?
- Do you do any work within the community to communicate what the enterprise does and to generate interest?
- Where would you say your enterprise is positioned compared to other garden centres operating within Selby?
- Do you communicate your social value and aims to the local community?
    - How?
- Is there a particular reason why you do not engage in marketing activity directly?
- Where do you see the enterprise in five years?
- How do you plan to grow the enterprise?
- In your opinion, what would success be in terms of this social enterprise?
- How would you define being a sustainable social enterprise?
- Do you think this is achievable? How?

Appendix 3 – Example of Observation Notes

Obsevation notes farm Enterprise

Rainy day – Midweek – very busy

Alot of mums + Babies
Elderly People.

2PM
Tuesday

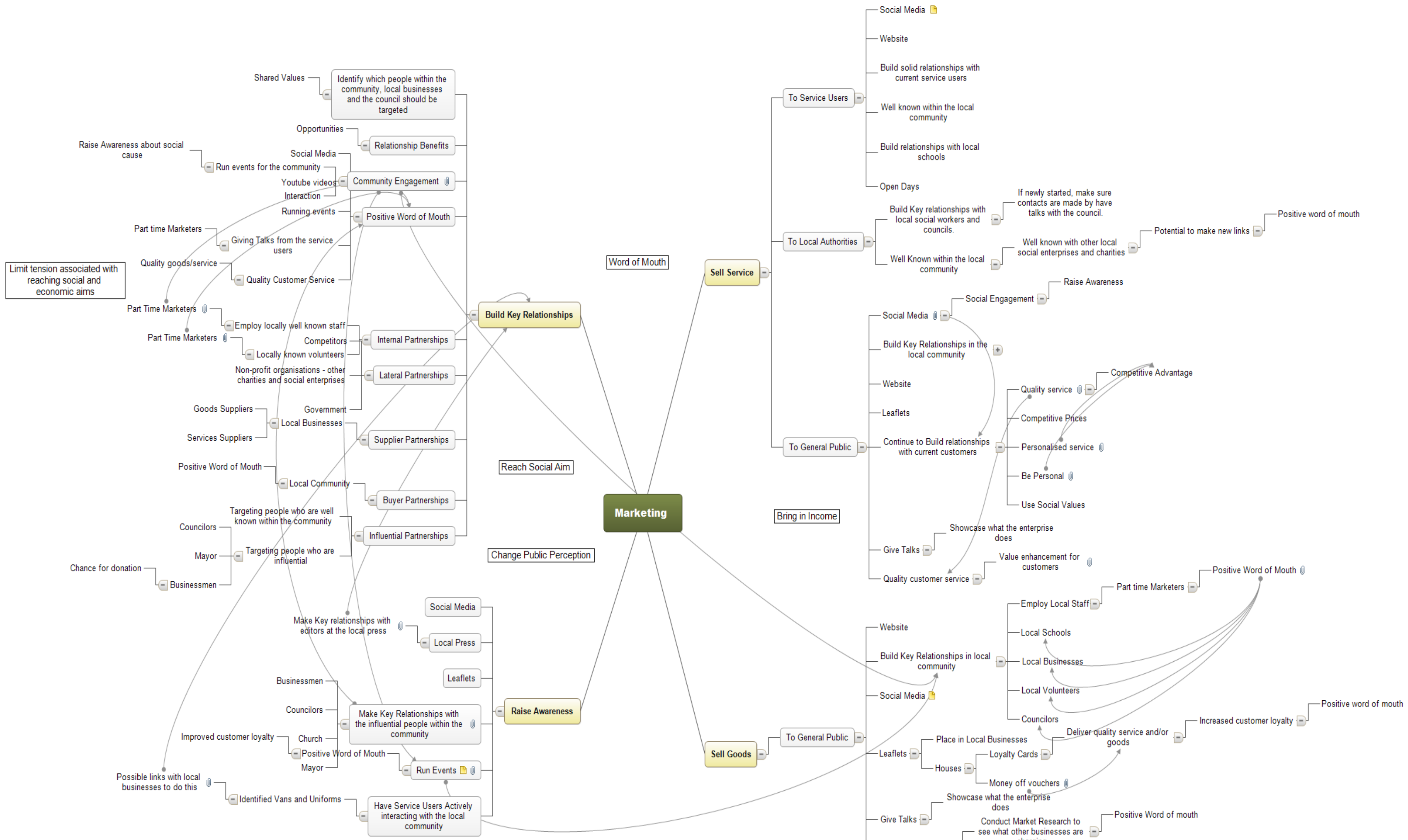
Spoke with service user
→ very happy with training
→ spoke about what he had learned that week
→ wanted to show me craft item made

→ speaks actively + confidently with customers (Part-time marketer???)

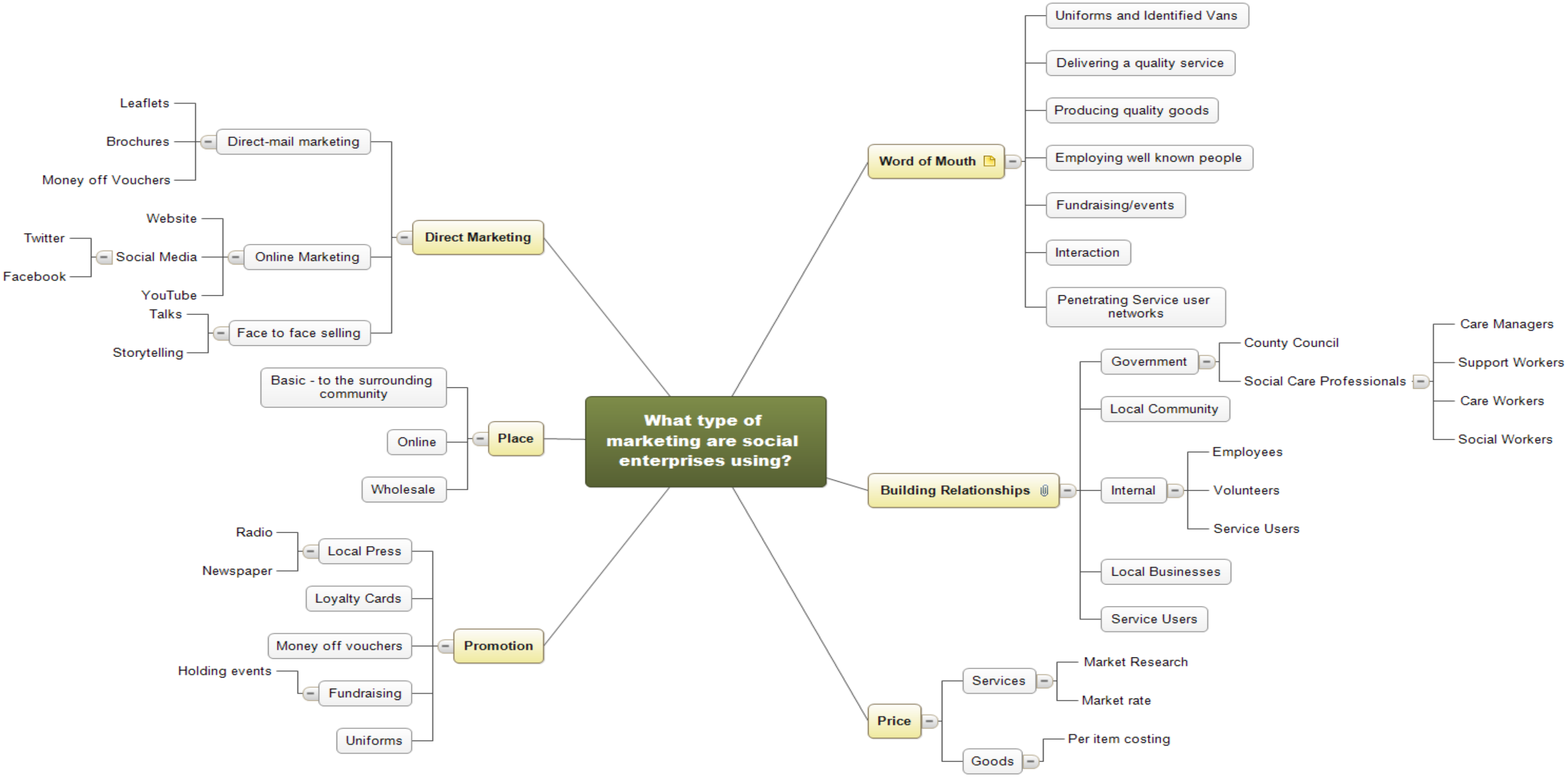
Constant buzz in cafe with service users on breaks happily talking to customers.

Craft items made are artistic

Appendix 4.1 – Example of Mind Maps

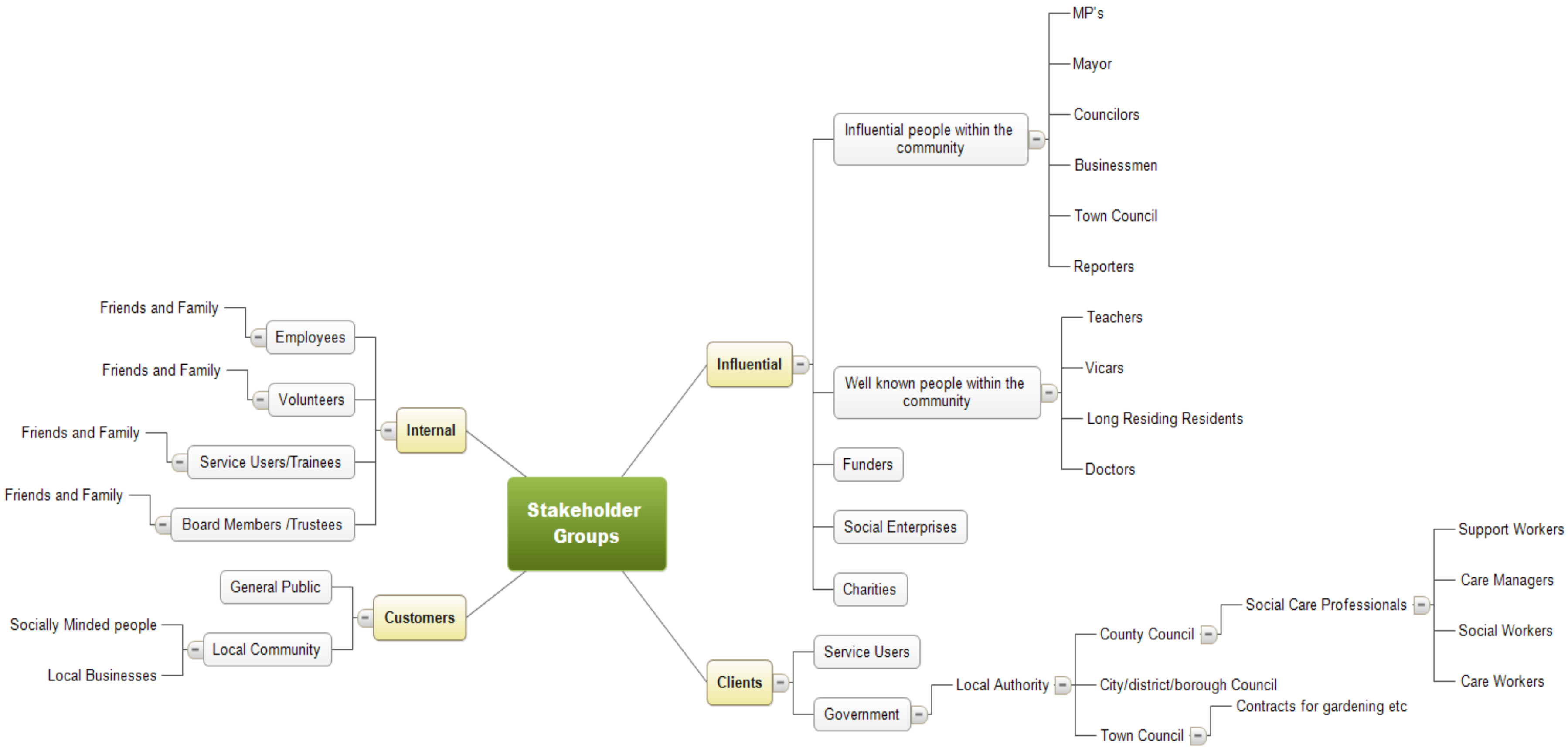


Appendix 4.2



What type of marketing are social enterprises using?
Direct Marketing
Direct-mail marketing
Leaflets
Brochures
Money off Vouchers
Online Marketing
Website
Social Media
Twitter
Facebook
YouTube
Face to face selling
Talks
Storytelling
Place
Basic - to the surrounding community
Online
Wholesale
Promotion
Local Press
Radio
Newspaper
Loyalty Cards
Money off vouchers
Fundraising
Holding events
Uniforms
Word of Mouth
Uniforms and Identified Vans
Delivering a quality service
Producing quality goods
Employing well known people
Fundraising/events
Interaction
Penetrating Service user networks
Building Relationships
Government
County Council
Social Care Professionals
Care Managers
Support Workers
Care Workers
Social Workers
Local Community
Internal
Employees
Volunteers
Service Users
Local Businesses
Service Users
Price
Services
Market Research
Market rate
Goods
Per item costing

Appendix 4.3



Stakeholder Groups
Internal
Employees
Friends and Family
Volunteers
Friends and Family
Service Users/Trainees
Friends and Family
Board Members /Trustees
Friends and Family
Customers
General Public
Local Community
Socially Minded people
Local Businesses
Influential
Influential people within the community
MP's
Mayor
Councilors
Businessmen
Town Council
Reporters
Well known people within the community
Teachers
Vicars
Long Residing Residents
Doctors
Funders
Social Enterprises
Charities
Clients
Service Users
Government
Local Authority
County Council
Social Care Professionals
Support Workers
Care Managers
Social Workers
Care Workers
City/district/borough Council
Town Council
Contracts for gardening etc

Appendix 5

INFORMED CONSENT FORM

Dear Participant,

Thank you for your willingness to participate in this research study. This research sets out to explore the marketing processes of a chosen number of social enterprises operating within the Social Care setting. Your participation in this research project involves being interviewed for a period of up to an hour; a follow up interview may also be conducted to seek further clarification or additional information. With your permission, I would like to tape record the interview, this is purely for my purposes only to ensure the accuracy of my notes. Once the recordings have been transcribed, the audio tapes will be deleted.

The information you provide during the interviews will be treated with utmost confidentiality and your anonymity is fully guaranteed. In addition to this, the data obtained for the study will not be made available to any outsiders without your express permission. The results of the research are for academic purposes only. I would also like to advise you that your participation is voluntary and you can withdraw from this research at any point without any adverse consequences to yourself.

Your signature below indicates that you have been informed of the nature of this research, what your participation involves, that you are at least 18 years old and agree to voluntarily participate in this study as indicated above.

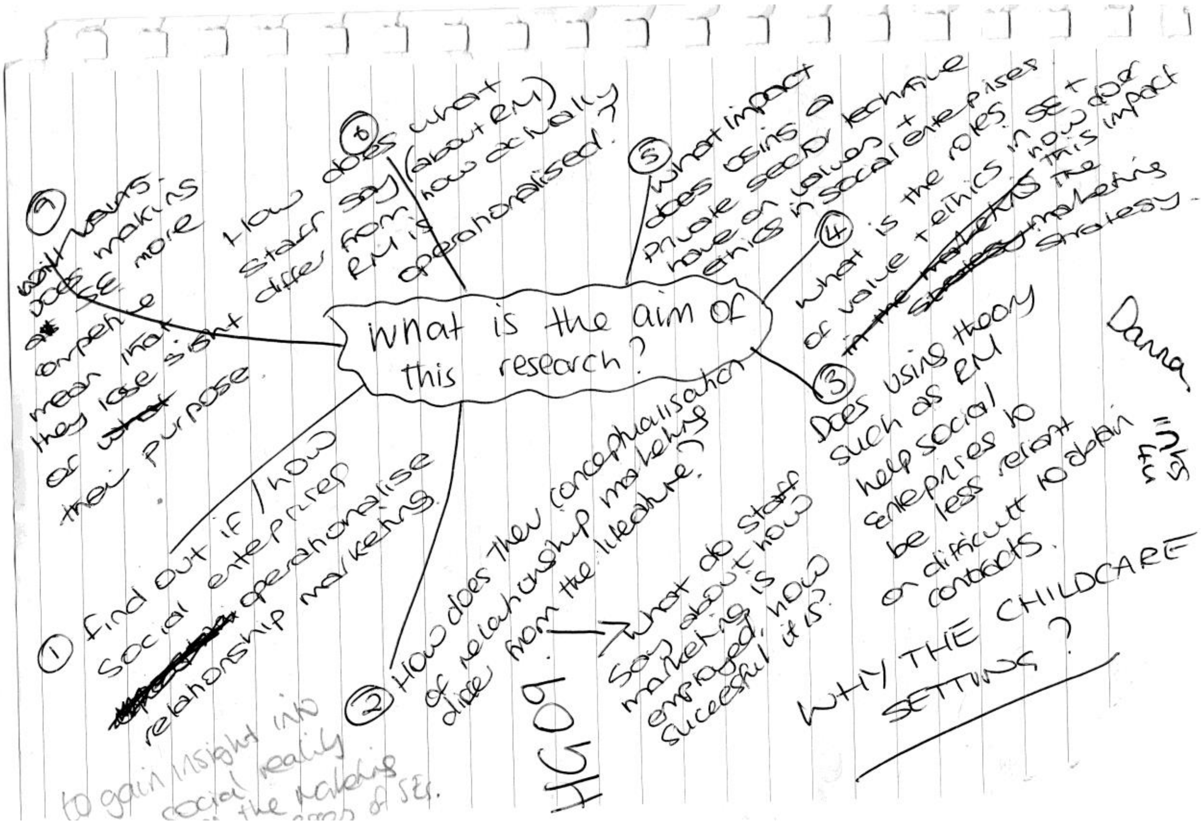
Participant (FULL NAME) Signature Date

………………………….. ………………………….. …………………..

Researcher (FULL NAME) Signature Date

………………………….. ………………………….. …………………..

Appendix 6.1 – Extracts from researcher notes



Appendix 6.2

What are my underlying assumptions:

- That SW social enterprises are not competitive enough

- That marketing could help them to be more competitive.

- That there is a tension between S+E aims

Provide information of this evidence through the literature review

Appendix 6.3

What is my research problem?

- Social enterprises are not being competitive enough. Practically problem.

- Triple bottom line - tension - Theoretical Problem.

- How can social enterprises become more ~~into~~ competive independent of difficult to obtain contracts.

↓

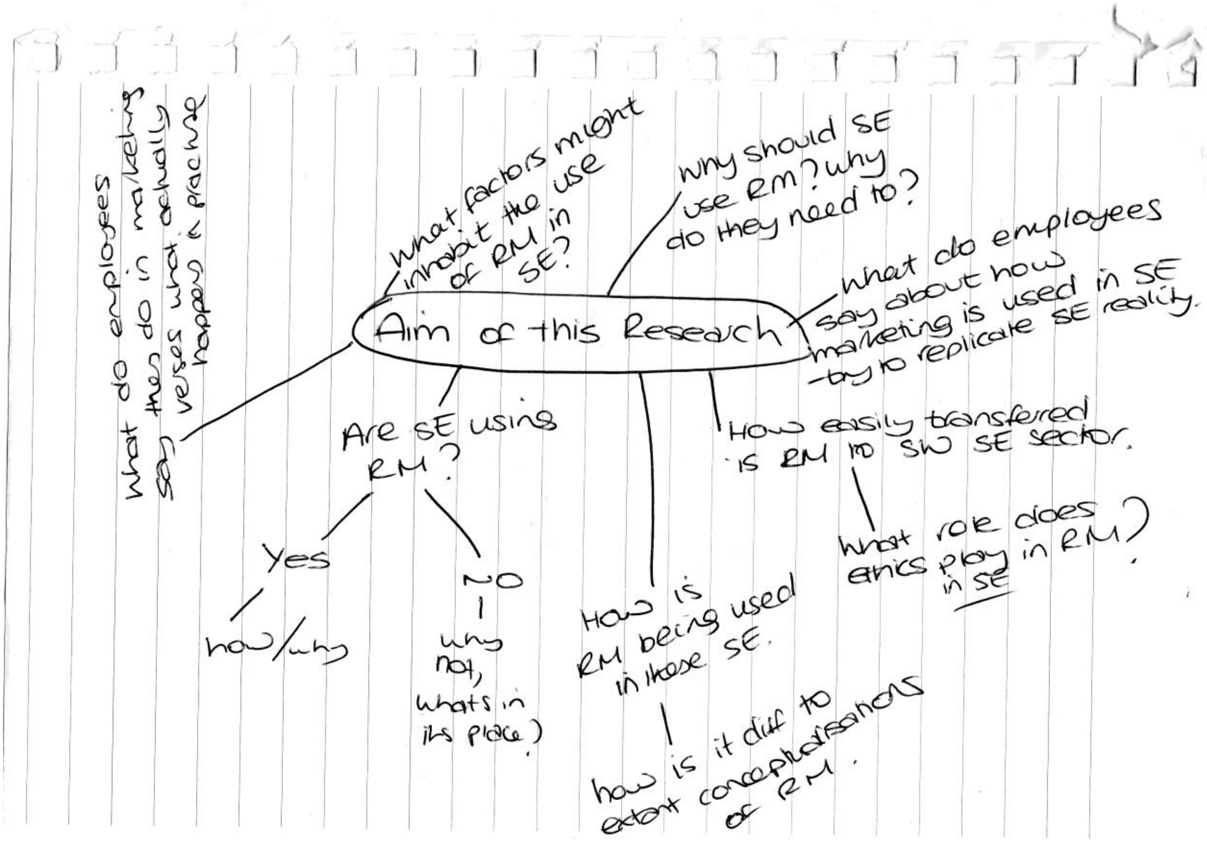
Conversly, how can social enterprises become more competive in obtaining gov sector contracts.

Thus the research problem is

How can SE become more competive whilst remains true to social + environmental objectives.

IN THE CURRENT ECONOMIC ENVIRONMENT SE'S NEED TO BE MORE COMPETIVE.

Appendix 6.4


Aim of this Research
What do employees say they do in marketing verses what actually happens in practice
What factors might inhibit the use of RM in SE?
Why should SE use RM? why do they need to?
What do employees say about how marketing is used in SE -try to replicate SE reality.
Are SE using RM?
Yes
how/why
NO
why not, whats in its place)
How is RM being used in those SE.
how is it diff to extant conceptualisations of RM.
How easily transferred is RM to SW SE sector.
What role does ethics play in RM? in SE

Appendix 6.5

In order to find out how they are currently competive you need to look at their strategy - marketing.

What marketing do they currently have in place?

Is it a RM strategy?

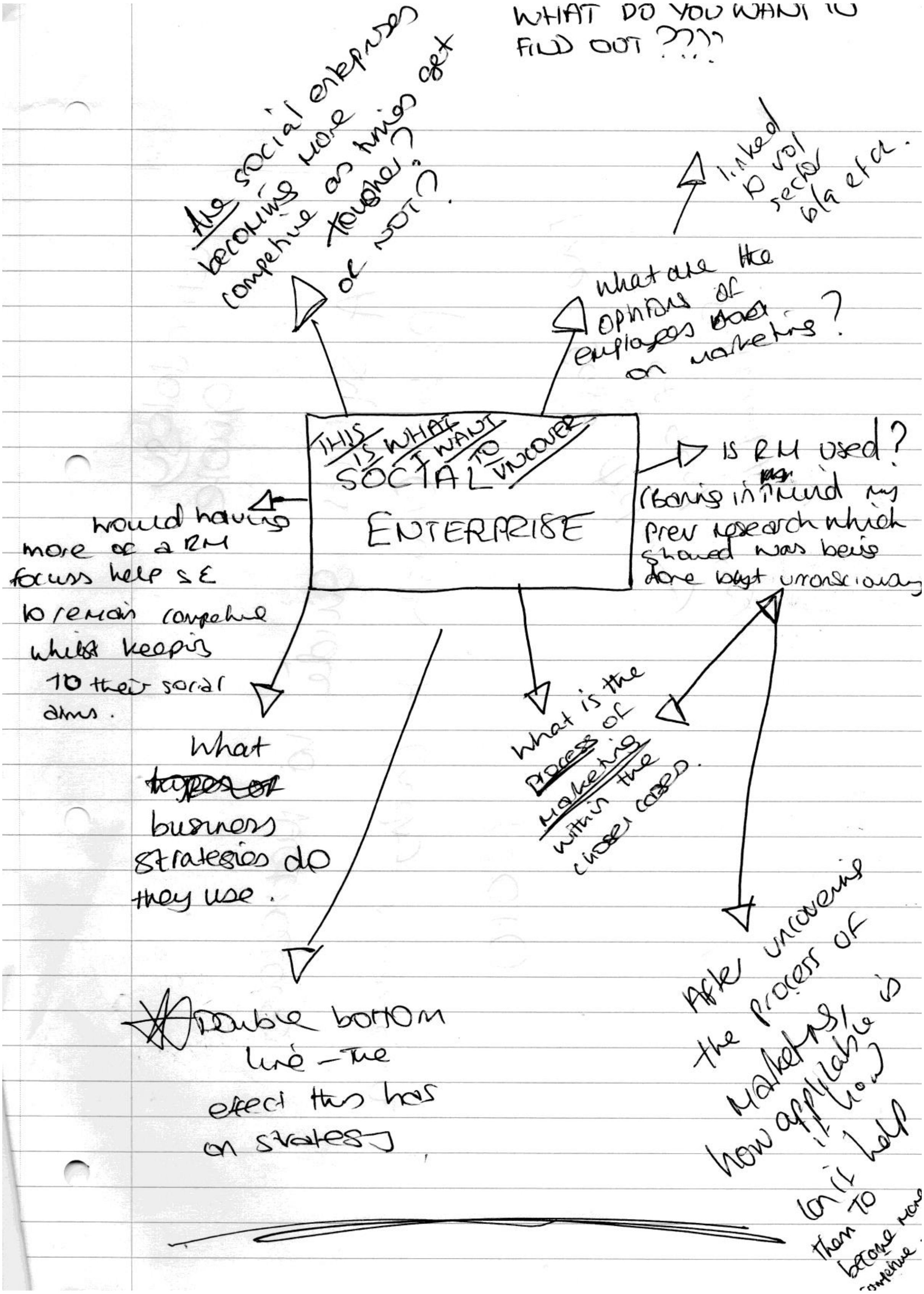
How is it diff from a RM strategy?

How is it similar?

How do they network?

how do SE's view relationships?
how do employees think they can be competive?

Appendix 6.6


WHAT DO YOU WANT TO FIND OUT ????
Are social enterprises becoming more competitive as times get tougher? or not?
linked to vol sector b/a etc.
what are the opinions of employees on marketing?
THIS IS WHAT I WANT TO UNCOVER
SOCIAL ENTERPRISE
IS RM used?
(Bearing in mind my prev research which showed was being done but unconsciously
would having more of a RM focus help SE to remain competitive whilst keeping to their social aims.
What ~~types of~~ business strategies do they use.
What is the process of marketing within the chosen case.
After uncovering the process of marketing, how applicable is it, how can it help them to become more competitive
Double bottom line – the effect this has on strategy

Appendix 6.7

Potential Methodology

What do you want to find out?

Research Questions

To what extent is Relationship Marketing being used by social enterprises, and what are the benefits of, + the barriers to the use of Relationship Marketing by, social enterprises.

Sub Questions

- what are the contingencies of effective marketing?

- What problems are social entepises currently facing in competing for public sector contracts

- Can relationship marketing meet social enteprises needs in terms of financial sustainability?

- what difficulties / barriers are facing social enteprises in being able to effectively use relationship marketing?

Glossary

LA	Local Authority
NPM	New Public Management
NYCC	North Yorkshire County Council
RM	Relationship Marketing
SE	Social Enterprise
WOM	Word of Mouth

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