Harnessing sustainable development from niche marketing and coopetition in social enterprises

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Abstract
This article reports on strategic practices within social enterprises to drive social, economic, and environmental value. Multiple case studies were conducted across diverse third sector organisations to examine how managers deploy commercial and social marketing activities to fulfil sustainable missions. Results showed social enterprises attract target audiences by engaging in inclusive forms of niche marketing. The organisations leverage relationships across their horizontal and vertical value chains to enhance their own resources and capabilities while advancing wider social and environmental interests. Deep collaboration between social enterprises and their stakeholders sometimes extends to forging alliances with competitors. This research contributes the first empirical evidence of how coopetition leads to competitive advantage in profit-for-purpose organisations, and it proposes a model to show how cocreation of shared value with actors across multilevels of interdependent systems paves the way for sustainable development outcomes to be achieved.

KEYWORDS
coopetition, shared value, social enterprise, sustainable development, value chain

1 | INTRODUCTION

Globalisation, population growth, and climate change are exacerbating the scarcity of resources and societal concerns. More people lack access to basic human services, including water, electricity, and sanitation (Olinto, Beegle, Sobrado, & Uematsu, 2013). World population figures are projected to climb to 8.5 billion people by 2030 (United Nations, 2015). Climate change heightens issues of food security, ill health, sea level rise, and increasing temperatures that displace species, cause endangerment or extinction, and affect economies (CSIRO, 2011). It is apparent that more initiatives must be undertaken across government, industry, and the community to catalyse sustainable development (Lancet Commission on Health and Climate Change, 2015; United Nations, 2016). The purpose of this paper is to focus on how social enterprises, a thriving business model in modern developed nations, already play a role in addressing these demands (Wilson & Post, 2013) by providing various health, education, and community services (Beekman, Steiner, & Wasserman, 2012). By working with actors at multiple levels, using a social-ecological approach, these organisations tackle an array of wicked societal problems (Beall, Wayman, D’Agostino, Liang, & Perellis, 2012).

The positive nature of social enterprises is already well-known. Their reason for existing is to yield economic and social returns (Alter, 2004). Further, social enterprises employ a range of methods to overcome societal inefficiencies (Young & Brewer, 2016). Seeing their ability to reduce the burden on the social welfare system, governments, and policymakers added incentives to spur their growth, opening up pathways that contribute to an increased proportion of social enterprises (Austin, Stevenson, & Wei-Skillern, 2006; Villeneuve-Smith & Temple, 2015), thereby expanding channels for

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market entry (Nicholls, 2010). Yet limited scholarly attention is paid to how these organisations conduct their marketing and social marketing activities in ways that facilitate meeting their sustainable missions while they maintain operations.

This paper is significant because it explains how social enterprises are able to satisfy these objectives. It provides empirical evidence that by adopting a holistic approach to cocreating value with key target audiences and offering unique solutions in the marketplace, these organisations can bring commercial gain while increasing joint impacts for resilience. A model of cocreation of social value is proposed. Then, a discussion of the implications for marketing and social marketing theory and practice follows with recommendations for future research.

2 | LITERATURE REVIEW

2.1 | Using vertical and horizontal marketing for social good

Social enterprises evolved over a hundred years ago from businesses that were set up to serve social needs (Sepulveda, 2015). Over time, the inclusion or absence of international influences—cultural, political, social, and economic stages of development—caused more social enterprises to start up (Kerlin, 2013) in order to fill the gap in social services due to restricted funding sources (Dees, 1998). Although the majority of social enterprises are legally structured as not for profits, research shows that social enterprises tend to be self-sufficient with earned income as their greatest source of capital (Anheier & Salamon, 2006). In fact, they are willing to undertake projects in the face of constraints that are imposed by limited funding bases. They strive to overcome this restriction by incubating novel ideas and taking risks to accomplish their objectives (Dart, 2004; Emerson & Twersky, 1996; Kirzner, 1979).

As viable commercial entities, it is possible for them to bring in revenue to sustain their core operations while offsetting all or partial capital to support particular social and/or environmental agendas. Thus, these organisations differ from traditional enterprises because they redistribute profits towards assisting society instead of returning shareholder or owner value (Dart, 2004; Talbot, Tregilas, & Harrison, 2002). Their behaviour is driven by an interest in others’ welfare that transcends how commercial businesses function (Santos, 2012), and their personnel, sustainable “intrapreneurs,” distinguish themselves by redistributing economic gain to redress both social and/or environmental concerns (Schaltegger & Wagner, 2011).

Because they provide goods or services that directly relate to the general goal of benefitting their community, their modus operandi generally draws on a collective dynamic involving multiple stakeholders (Defourny & Nyssens, 2010). Through developing close cooperative relationships with their constituents, social enterprises exist as part of complex web, an organisational ecology (Searing, Lecy, & Andersson, 2016). This arrangement allows social enterprises to acquire resources and develop capabilities to satisfy their commercial interests balanced against their social remit (Hynes, 2009). However, there is a paucity of scholarly writing devoted to how strategic marketing (Mitchell, Madill, & Chreim, 2015b) and social marketing (Mitchell, Madill, & Chreim, 2015a) are employed by social enterprises for competitive advantage to accomplish their missions.

The majority of literature to date on how marketing functions within social enterprises usually refers to conceptualisations of marketing that progressed from recognising the exchange of products and services to promoting social change (Kotler & Zaltman, 1971). Social marketing interventions were initially directed downstream using vertical marketing that aimed to correct social imbalances by advocating for voluntary individual approaches to behavioural change (Andreasen, 1994), predominantly for resolving health (Alves, 2010) concerns. However, these activities sparked controversy with critics who accused social marketers of victim blaming (Bennett et al., 2011; Wallack, 1993). Next, social marketers turned to upstream measures, concentrating on influencing institutions to alter policy or regulations to resolve pervasive societal issues (Hastings, Anderson, Cooke, & Gordon, 2005). Proponents perceived public health officials, and decision makers are solely responsible for overcoming social inequality and should therefore expend efforts to decrease barriers in order to create a more favourable climate for nurturing health and well-being (Andreasen, 2006; Wood, 2012). Over time, target markets enlarged to encompass the media, corporations, foundations, schools, and community activists (Gordon, 2013; Lee & Kotler, 2011). Opponents argued that upstream social marketing is manipulative for attempting to control people’s behaviour.

Then, a newer course of action developed at the midstream level whereby social marketers perceived the importance of factoring in the experiences of consumers. Responsibility shifted to suppliers to design services, facilitating a process of cocreating shared value to accommodate social needs (Russell-Bennett, Wood, & Previte, 2013; Zainuddin, 2013). Supporters argued when solutions include the recipient as a participant, it helps to “consumer-proof” interventions and garner their deeper commitment (Domegan, Collins, Stead, McHugh, & Hughes, 2013; Lefebvre, 2009). Citizens offer insight into what can work and how to shape it to obtain the best interventions (Cottam & Leadbeater, 2004). Stages of cocreation along the value chain began to account for the life cycle, from codiscovery to codesign until codelivery of services to obtain maximum impact (Domegan et al., 2013).

Social marketers asserted cocreative initiatives should deal with a host of social causes, particularly for environmental stewardship to advance in behavioural change (Beall et al., 2012). Nonetheless, more testing is called for to understand how the tools and processes can bring effective behavioural change, underlining opportunities for collaborative practice (Barczak, 2012). The majority of social marketing campaigns around sustainability focus on building awareness; yet efforts to change attitudes will not lead to long-term results unless they factor in complex barriers that exist at social, structural, and institutional levels. A program that applies community-based social marketing offers the potential to overcome such obstacles and promote sustainable behaviour if it is tailored to a hoped for outcome. It must include: choosing a specific behaviour to adopt, identifying the barriers and benefits to conforming to the desired result, developing a strategy that can move beyond the challenges to reveal the benefits, piloting the strategy, implementing the intervention, and
then periodically monitoring the impacts to allow for any adjustments (McKenzie-Mohr, Lee, Schultz, & Kotler, 2011).

Dibb and Carrigan (2013) also suggest organisations should continue to forge alliances with multiple stakeholders to leverage resources in the process of social change because engaging in systematic approaches offers mutual advantages. It can reduce organisational dependence on stakeholders. And for the community, this approach can increase their ability to contribute to solutions regarding their own welfare (Santos, 2012) while raising the likelihood that people will follow such strategies. Because they are not pressured into accepting a plan that may not suit them, they will be more willing to adopt the intended behavioural change (Uzzell et al., 2006), and it will be less likely to provoke an adverse reaction (Kubacki & Rundle-Thiele, 2013). A sense of empowerment in the community will be built because under these conditions, citizens have freedom to deploy their own skills, talents, and resources that may become embedded in innovative business models. Rather than focusing on individual deficits (Foot & Hopkins, 2010), assets can be exchanged, creating capacity for mutual benefit (Schau, Muñiz, & Arnould, 2009; Sheth & Uslay, 2007).

Today, practitioners from different disciplines enforce the concept that organisations exist in a state of interdependence with their surrounding environments (Laszlo, 1972). Stansinoupoulos, Smith, Hargroves, and Desha (2013) utilised this holistic approach for sustainable design in engineering. Behavioural scientists similarly draw upon integrated systems today, believing that aggregated forces influence human behaviour and can drive communal benefit.

### 2.2 Social ecological model and coopetition for sustainable outcomes

Bronfenbrenner (1994), a psychologist, proposed that individuals interact within and across multiple layers of interdependent systems, termed a "social ecological model." He identified that each level of the model serves a different purpose and has its own corresponding set of rules, norms, and roles in which people interact. These systems operate as a complex and dynamic network (French & Gordon, 2015) that influences human development (Bronfenbrenner, 1994). At the base or microsystem, family, friends, and colleagues form bonds in their community when they follow pathways to obtain education or employment. In the mesosystem, people associate with others and create memberships in clubs and businesses. Higher up in the exosystem, government dictates people’s behaviour relating to the rules of governance to be followed. In the macrosystem, people learn how to conduct themselves through religious organisations and institutions that guide people's actions. This model explains how governments, organisations, and individuals influence one another through their interactions within networks and which ultimately determine the consequences of individual behaviour change.

Successful behavioural interventions linked to this framework were demonstrated in various contexts such as encouraging safer driving for young men (Tapp, Pressley, Baugh, & White, 2013) and enhancing physical activity for young women (Elder et al., 2007) except there is no documented evidence of applications emanating from work carried out in social enterprises. Further, this model has not been attributed to successful outcomes arising from coopetitive circumstances in social enterprises, that is, when stakeholders engage in diametrically opposing conditions of cooperation to create value coupled with competition to appropriate value (Solitander & Tidström, 2010). Prior research on coopetition already shows that businesses at times will consider forming an alliance with a competitor to acquire resources and capabilities, to learn from them, or to gain expertise (Osarenkhoe, 2010), despite the inherent tension arising from participating in these contradictory activities. Organisations are prone to act in this way when the exchange involves something that is distanced from a customer transaction (Bengtsson & Kock, 2015).

Cooperation is gaining scholarly interest due to its potential to harness synergies for maximising outcomes (Bengtsson & Kock, 2015; Brandenburger & Nalebuff, 1996). The literature cites evidence of small- to medium-sized nonprofits using coopetition for advantages of acquiring capital (West, Ford, & Ibrahim, 2015), however there is a research gap concerning social enterprises. Coopetition seems especially fitting as a tool for achieving profit for purpose in these organisations. Evidence shows when parties engage in complementary activities for specified projects, coopetition can deliver optimum value (Bonel, Pellizzari, & Rocco, 2008). Therefore, it is feasible for these organisations to use this mechanism to attain their intended results because they have resource constraints, so coopetition could be deployed for harnessing value.

Moreover, it is logical social enterprises would be open to engage in coopetition because they already relate with multiple parties across their value chains. They engage downstream with beneficiaries of environmental and social programs, upstream with government or regulators to influence policies, and these organisations cooperate or compete midstream to conduct transactions and relate with colleagues in their respective industries. Hence, in the course of exploring the nature of marketing and social marketing of social enterprises, this study sought to determine whether coopetition is employed as a strategy for competitive advantage in the marketplace to help them reach their sustainable missions.

### 3 METHODOLOGY

The philosophical underpinning for the study was cocreation of social value theory (Domegan et al., 2013), which aligned with shared value being carried out by the organisations to fulfil sustainability initiatives for themselves and others. Researchers (Loveland & Gummesson, 2004; Vargo & Lusch, 2004) asserted the process of cocreation is supported by evidence highlighting that people are becoming increasingly involved as collaborators in movements of participatory change (Lefebvre, 2012). Target audiences can suggest effective interventions (Cottam & Leadbeater, 2004) via policy, strategy, tactics, and operational delivery through bilateral or two-way communication, whereas researchers can discover what constitutes value for an organisation's circle of stakeholders in mutually beneficial social value propositions (Domegan et al., 2013) to ascertain how to implement strategies for reaching favourable outcomes. Justification comes from studies, which found that professionals should move beyond a “primary dependence on narrowly-focused social marketing campaigns or projects to include
customer insight and understanding ... to inform and guide broader policies, strategies and programs” (Beall et al., 2012, p. 111).

Blakie (2009, p. 265) suggested methodology “should be determined by the nature of the problem, the purpose of the research, and the type of research questions being investigated.” Because this investigation centred on learning the subjective experiences of the ways social enterprises operate, an inductive research approach (Grix, 2010) was taken to gather empirical evidence using multiple case studies. They allow a researcher to synthesise various realities to construct an accurate portrayal analogous to the real world (Eisenhardt, 1989) by adhering to a recursive research design. Also, this methodology is suitable to guide an inquiry concerning a relatively unexplored domain of knowledge. Multiple case studies are better than single case study for accumulating a breadth of evidence of social phenomena to understand actual events (Yin, 2009), and it allows researchers to analyse cases within their own contexts to detect patterns, trends, and relationships (Grix, 2010). Multiple case studies also let research not be bounded to a particular topic (Creswell, 2012), enabling the realities demonstrate how the research makes a theoretical contribution (Farquhar, 2012).

For this study, a purposeful sampling strategy (Creswell, 2012) was undertaken using a set of criteria. First, the organisations were screened to ensure they represented heterogeneous, established businesses by virtue of operating for at least 5 years. Second, these businesses needed to demonstrate strategic marketing, and social marketing activities are implemented for affecting sustainable change through an intensive, nationwide search of reputable sources such as consulting Australian Stories of Social Enterprise (Kernot & McNeil, 2011). A profile of the social enterprises appears in Table 1. Sixteen founders, executives, or marketing managers who were deemed sufficiently qualified to secure relevant information to answer the research question were selected. After they were contacted to solicit their participation as respondents, common research methods in case studies (Creswell, 2012) were employed to collect data, combining a demographic survey and semistructured questions into a protocol (Herbst, 2017).

Data collection took place in the regions where the businesses were situated so information could emerge within their normal environments, simultaneously observing business activities without interfering with the way operations were conducted (Yin, 2009). The interviews were recorded and transcribed thereafter in the beginning of 2015. More than 300 pieces of secondary data were also procured from business databases of Australian Bureau of Statistics, ABI/INFORM, and Google Scholar, including company data, government documents, and privately generated industry reports. This data helped to triangulate the findings for carrying out a rigorous study (Farquhar, 2012). For the analysis, initially, the researcher manually reviewed the transcripts, notes, and secondary material line by line to generate descriptive and manual coding using recursive cycling (Eisenhardt & Graebner, 2007) for convergence and categorisation of the data to detect patterns and themes. Then, all pertinent data were organised into discrete marketing categories seen in Figure 1 in NVivo to make comparisons between the cases for enhancing generalisability of the study (Burns, 2010).

This process was repeated for the social marketing data pool to arrive at underlying classifications displayed in Figure 2. Again, the analysis was carried out, moving from open to higher level axial coding until theoretical saturation led to interpretation of the results.

4 | RESEARCH FINDINGS

4.1 | Strategic marketing

It is important to briefly review the purposes and activities of the social enterprises (summarised in Table 2) to understand how they deployed various commercial and social marketing strategies. The following descriptions establish a context for each case.

Abbotsford Convent is a historic landmark that was mainly rescued by committed locals for redevelopment of 11 heritage structures and approximately seven hectares of gardens adjoining the Yarra River in Melbourne, Victoria (Abbotsford Convent, 2014). Architects and designers set precedents in refurbishing the site using ecologically efficient codes of practice.

Ashburton Aboriginal Corporation (AAC) provides training and employment for indigenous communities spanning the vast Pilbara region of Western Australia. Ashoil and Ashlinen were spun off as subsidiaries of parent company, AAC, to diversify their income streams (Ashburton Aboriginal Corporation, 2014). Ashoil started up in partnership with local mining conglomerate, Rio Tinto, to produce biodiesel to reduce high fuel expenses in driving distances and to make a profit from selling this product that is used in Rio’s drill and blast operations, effectively saving thousands of tons of carbon emissions per year. Ashlinen, on the other hand, diverts textiles from landfill. Rather than dumping thousands of tons of uniforms in landfill, Ashlinen salvages them for sales as cleaning rags and for charitable endeavours.

Hepburn Wind is a community cooperative mostly composed of local homeowners who generate renewable energy from wind power (Hepburn Community Wind Park Co-operative Limited, 2014). It also funds projects through a community-benefit sharing scheme.

Human Ventures is a creative arts agency. One side of the business offers client services whereas the other side runs digital arts programs in regional towns of Central West Queensland to address social voids and unemployment that cause a migration of youth to seek opportunities elsewhere (Human Ventures, 2014).

Infoxchange is an ICT company that was originally based on assisting the homeless to find available shelter using online technology. Their focus evolved into the diffusion of digital technology by connecting databases of wider governmental agencies and nonprofit organisations. The company also works to bridge digital proficiency and inclusion for the disadvantaged through past coordination of classes in housing projects to teach digital literacy skills (Infoxchange, 2014).

Perth City Farm is a branch of a nonprofit parent company, Men of the Trees. It cultivates produce in an urban setting and teaches permaculture principles to the public in a multipurpose community space (Perth City Farm, 2014). Weekend markets are held there, and space is available for temporary or permanent venue hire in this popular hub.

Resource Recovery and RRA are subsidiaries of Great Lakes Community Resources. What began as a rubbish collection operation for one council led to sorting, recycling, and upcycling of resources
| Organisations          | Business locations           | Industries                          | Legal structures                               | Forms of governance                     | Number and types of ventures                                  | Number of staff       |
|------------------------|------------------------------|-------------------------------------|------------------------------------------------|-----------------------------------------|---------------------------------------------------------------|-----------------------|
| Abbotsford Convent     | Abbotsford, Victoria         | Heritage site and public arts compound | Not-for-profit company limited by guarantee | Foundation w/board and committees       | Multiple ventures of same type of operation                      | 15 full-time 5 part-time |
| Ashoil and Ashlinen    | Tom Price and Wangara, Western Australia | Biodiesel and linen supplies | Subsidiaries of a proprietary limited corporation | Board of directors | Multiple ventures of different types of operations | 2 full-time 1 part-time |
| Hepburn Wind           | Leonards Hill, Victoria      | Renewable energy                   | Cooperative                                     | Board of directors and management committee | Single venture | 3 part-time |
| Human Ventures         | Brisbane and Central West, Queensland | Design and cultural development     | Not-for-profit company limited by guarantee | Board of directors | Single venture | 7 full-time 7 part-time |
| Infoxchange            | Richmond, Victoria, Brisbane, Queensland and Christchurch, New Zealand | ICT                               | Not-for-profit company limited by guarantee | Board of directors | Single venture | 80 full-time 20 part-time |
| Perth City Farm        | East Perth, Western Australia | Agricultural and community centre | Branch of incorporated not-for-profit company | Board of directors and management committee | Multiple ventures of different types of operations | 4 full-time 3 part-time |
| Resource Recovery and RRA | Gladstone, Queensland Tuncurry, New South Wales | Waste management and industrial ecology | Subsidiaries of incorporated not-for-profit community development association | Management committee | Multiple ventures of same type of operation | 24 full-time 10 part-time |
| WorkVentures           | Mascot and North Sydney, New South Wales | IT                                 | Not-for-profit company limited by guarantee | Board of directors | Single venture | 80 full-time 20 part-time |
Their business model is shared with members of other councils and the Community Recycling Network on a national scale.

WorkVentures was founded on principles of social justice by an early Australian leader of social enterprise who believed in paving the way for social innovation over 35 years ago. Today, the company salvages hardware for resale to low-income earners and repairs major electronic infrastructure for corporations (WorkVentures Ltd, 2014).

The research showed commonalities among all the organisations. It was apparent they shared an ethos for promoting social welfare and equity, manifested through incorporating various sustainability initiatives to look after citizens in their environments. Each company also acted as a pioneer in its field, either by creating unique goods or services for its target audiences or by the manner in which it creatively approached doing business within its marketplace. Hepburn Wind, for example, introduced renewable power to satisfy the community’s energy requirements through offering a new investment vehicle of ownership shares. Another commonality that was observed is how all of the organisations undertook measures to build an assets alliance as opposed to focusing on shared disadvantage as relayed by respondents.

| TABLE 2 | Measures to achieve organisational goals |
|---------|----------------------------------------|
| Social enterprises | Actions to realise aims |
| Abbotsford Convent | Create a precinct dedicated to arts, cultural, and learning pursuits |
| Ashoil, Ashlinen | Manufacture biodiesel from used cooking oil, redistribute linen for industrial, or retail use w/training and employment |
| Hepburn Wind | Generate small-scale commercial wind power |
| Human Ventures | Offer and teach creative digital skills via arts programs to revitalise distressed communities |
| Infoxchange | Distribute information and communications technology for enhanced productivity and reduced crime or isolation |
| Perth City Farm | Harvest produce in the city with venue hire and educational training |
| Resource Recovery, RRA | Repurpose rubbish and develop economic and social livelihoods for locals |
| WorkVentures | Sell and repair IT while providing vocational training for disadvantaged youth |
The Shockwave Festival is held in Blackall each year and that is delivered in the community hall that at one stage was run down and not used ... so a combination of our securing funding ... redeveloping that building and redesigning it, then coming up with a program to support and develop the artistic skills and talents of the young people and have them perform in that space and bringing the community together to celebrate that (Human Ventures, Respondent 2).

There were further consistencies in the marketing evidence. The companies generally conducted informal research to assess who their audiences were to determine appropriate methods to target stakeholder engagement.

We have concentric circles of community .... A lot of locals saved the site. We have got our own community on site of tenants.... I did community relations in order to make the first two circles of those concentric circles more happy, more accessible to planning, and I suppose build bridges with the organisation and the wider community (Abbotsford Convent, Respondent 2).

By reaching out to each group, it allowed relationships with their constituents to organically unfold and open up reciprocal business opportunities for the long-term. Ashoil trained young apprentices for the local workforce; in turn, it gave Rio Tinto a social license to operate on indigenous land.

Because the social enterprises were accustomed to collaborating with their stakeholders, evidence revealed they even forge alliances with competitors when it is in both parties’ interests. For instance, to obtain improved economies of scale, Infoxchange allied with fellow digital company, Connecting Up, to extend their geographic reach of services to nonprofit organisations. Additionally, after receiving numerous expressions of interest from other communities wanting to learn their business model, Hepburn Wind divulged intellectual property via a wiki for a peak advocacy body, Embark, to assist those communities in starting up similar commercial wind, solar, and mini-hydro renewable energy projects.

We are like an online education tool. So if other communities are doing great things, we capture their IP and promote it for other communities as well. It is all about Creative Commons. Everything is to be shared freely, and the aim is to get as many projects up as possible, not to compete in the market. It is a very collaborative strategy—a collective impact strategy (Hepburn Wind, Respondent 2).

Additional ways to build mutual impact were through working with tenants or residents nearby on special projects. Perth City Farm teamed up with a neighbouring homeless shelter and tertiary institute to advance horticulture education. Specifically, they cooperated to build specialised enclosures for harvesting oyster mushrooms. The experience facilitated bonding with organisational members, and it created a vehicle for students to acquire accreditation for personal and professional growth.

Although it was essential for the organisations to offer quality products at competitive prices to succeed in the marketplace, what really set these organisations apart was tailoring their products and services to meet consumer needs after consulting with them. Thus, niche marketing was employed by the social enterprises in a way that products were not designed to be sold “at” end users but in conjunction “with” buyers so consumers would be more responsive to sales. This led to the development of innovative product lines for competitive advantage as products and services were fit for purpose.

The social enterprises employed different approaches towards other marketing mix elements. For instance, in pricing, the social enterprises catered to broader target audiences to generate more income streams by offering two-tiered price schemes, dependent upon a client’s ability to pay. Cross subsidisation was also implemented as a strategy to funnel surplus from the profitable side of a business to offset expenses associated with its social counterpart.

Place seemed to hold as much significance for the social enterprises as locals. Therefore, many of the organisations acted to build or maintain their sustainable surroundings. Hepburn Wind is situated in an area that is renowned for its beautiful environment, so it is a sensible location for generating clean power. Similarly, Resource Recovery is situated in a lovely coastal hamlet, so the company offered bush regeneration to restore its natural landscape for future generations, whereas Perth City Farm’s founders yearned for establishing an urban farm, so they transformed a toxic scrap metal and battery recycling yard into a fertile agricultural zone.
Besides the traditional aspects of marketing, policy played an important role for the social enterprises to offer their products for sale. Sometimes they distinguished themselves from other types of business in how they exerted an influence on policy due to their uniqueness that dictated a need for legislative change. Hepburn Wind set a precedent in the supply of small-scale commercial energy generation by tapping into the electricity grid that required making a policy adjustment. Alternatively, Ashoil had to obtain a legal exception to the diesel standard by producing biodiesel and Infoxchange addressed Parliament of Victoria (2013) about creating a standard for the diesel standard by producing biodiesel and Infoxchange addressed Parliament of Victoria (2013) about creating a standard for people to work remotely using telecommuting and e-business.

So there is a lot of legislation where they have considered bigger energy generators and there is no special consideration for the smaller generators ... We can be rated the same amount as a big generator, so trying to change the policies around that to give exclusions to small generators (Hepburn Wind, Respondent 2).

4.2 Strategic social marketing

Findings on behavioural change interventions showed community-based social marketing programs were instituted and carried out as either extrinsic or intrinsic initiatives for environmental or social value. Despite limited funding, Abbotsford Convent was able to install solar panels in their historic buildings by pooling resources among the Yarra Energy Foundation and other organisations. Tenants were also asked to strategise solutions for energy efficiency by adding improvements in light and shade and accounting for seasonal requirements in the design of better ventilation procedures.

A lot of academics—commercial, environmentally sustainable design people to write a sustainability strategy and bring in, whether it was restoration of buildings, building community capacity—across all things ... all done through partnerships ... (Abbotsford Convent, Respondent 2).

WorkVentures and Infoxchange tackled both environmental and social issues through technology. WorkVentures ran in-house training programs in IT, and Infoxchange affiliated with Microsoft to install software on donated computers in housing projects. Then, corporate volunteers taught digital literacy skills to migrants, refugees, and low-income earners. These programs helped residents to combat social isolation and abuse while enhancing productivity.

The biggest ones are Australia Post, Telstra, Microsoft, and Google—they are the four biggest corporate partners that we have. With those organisations, it is not just the funding that they will provide to us, but in a lot of cases, it is the corporate volunteering that they will do ... that social cause marketing and getting people engaged (Infoxchange, Respondent 2).

Other social marketing programs were deliberately designed to be more open ended to spark individual forms of creative expression. Human Ventures and Abbotsford Convent use their expertise to focus on arts and cultural activities to foster social value.

Part of our programming proposals ... there is (sic) criteria about what are your considerations environmentally and socially. So I guess they are things that we are interested to hear from people about why they are doing things, and

### TABLE 3 Review of upstream coopetitive strategies employed by organisations for sustainability

| Social enterprises | Salient stakeholders | Strategies for impacts |
|--------------------|----------------------|------------------------|
| Abbotsford Convent | Yarra City Council and Heritage Victoria, Victorian Government | Setting standards in redevelopment using environmentally sustainable design principles for heritage buildings |
| Hepburn Wind | Commonwealth Government—Standing Council on Energy and Resources to Australian Energy Regulator, Victorian Energy | Setting standards for an exemption so a small-scale commercial renewable energy generator could feed in to the electricity grid |
| Infoxchange | Department of Human Services, Environment, Natural Resources and Regional Development Committee, VIC; Parliament of Victoria | Buying opportunities to provide a digital platform for governmental healthcare and social services, setting standards for communication and education policies on ICT |
| Resource Recovery, RRA | Great Lakes, NSW and Gladstone, QLD Regional Councils, and Department of the Environment | Processing resources recovered for recycling/upcycling |
| WorkVentures | Environmental Protection Agency, NSW | Processing e-waste to refurbish and resell computers |

### TABLE 4 Review of midstream coopetitive strategies employed by organisations for sustainability

| Social enterprises | Salient stakeholders | Strategies for impacts |
|--------------------|----------------------|------------------------|
| Ashoil, Ashlinen | Indigenous groups from Pilbara to Perth, Western Australia | Affiliation with Aboriginal local groups via conferences and local presentations |
| Perth City Farm | Central TAFE and job service agencies | Joint service development of educational and employment programs on horticulture |
| Resource Recovery, RRA | Diverse companies, working in an ecosystem | Joint product development to remanufacture products |
| WorkVentures | IT employers, job service agencies | Coproduction of educational and employment programs using IT products |
what impacts it will have on the environment or socially .... (Abbotsford Convent, Respondent 1).

Some of the social enterprises administered broader activities to promote health and well-being in nearby marginalised populations. Resource Recovery held workshops in their new purpose-built community centre, bringing in experts to speak on a gamut of topics from handling finances to learning better parenting skills. Similarly, Ashoil and Ashlinen helped Aborigines to improve their general living conditions such as helping to install bores so remote communities could harvest their own food stocks to become more self-sufficient.

These interventions helped the organisations to reach their missions, which aligned with their stakeholders’ values. Further, they brought tangible and intangible outcomes such as seeding jobs and businesses, building self-esteem and a sense of belonging, and giving a voice to those most disadvantaged in society.

If they get past the e-waste line ... they end up in refurbishing .... So these kids actually get a sense of accomplishment, and there is no rocket science to it actually. Just like any human being, they need to feel useful (WorkVentures, Respondent 1).

In return for treating people equally and bestowing them with skills, participants wanted to share their newfound skills with colleagues, friends, or families. Moreover, the programs generated a ripple effect for the social enterprises in sales alongside other forms of support due to the tremendous feeling of goodwill that was generated by being associated with socially responsible organisations.

It also creates a lot of goodwill for the company that donates it (the used cooking oil) to us because now they are seen as a better, more responsible company as opposed to before where they were处置ing of it in an unkind manner (AAC, Respondent 1).

5 | DISCUSSION AND CONCLUSION

The overall evidence lends direct support that exchanges along the product value chain using niche marketing and coopetition in upstream, midstream, and downstream directions render cocreative social value (Mueller, Chambers, & Neck, 2013) for the social enterprises and their stakeholders. Indeed, findings revealed the dynamics of actors working in cooperation and competition led to attaining synergies that translated into positive outcomes (Osarenkhoe, 2010).

Upstream interactions in marketing and social marketing at the exo level by the social enterprises were implementing specific strategies with government. These involved shaping policy (French & Blair-Stevens, 2007) through establishing new standards, creating opportunities for purchases (Bonel et al., 2008), and processing raw or recycled materials (Bengtsson & Kock, 2015; Rusko, 2011) for greater
social good. As shown in Table 3 from the case data, Abbotsford Convent set standards in the redevelopment of heritage structures. They needed to apply for special approval to retrofit their buildings by appealing to local and state governmental bodies and working with Heritage Victoria to perform not only modifications to improve dilapidated buildings but also to add energy efficient equipment that conformed with building codes. Hepburn Wind also needed to establish new policy standards concerning generation of renewable energy. They applied to their state energy regulator to be granted permission to connect to the electricity grid.

In return for community participation, acting on behalf of the social enterprises to accomplish these arduous tasks, both parties were rewarded. The people of Victoria were entrusted with Abbotsford Convent to enjoy the vibrancy of this public arts compound, whereas local shareholders of Hepburn Wind received satisfaction from visible proof of their ownership in the production of clean energy, seeing the twin turbines spin on a hillside alongside signage that bears a real-time reminder of how much wind power is being produced.

Alternatively, several social enterprises increased their commercial activities and revenue streams through heightening buying opportunities or processing of materials in compliance with relevant health, safety, and environmental standards. When Inforoxchange joined records of health and social services in an online database storage system, it was so efficient for these government agencies and helpful for their public clients to access services (e.g., providing beds for the homeless) that it led to greater demand elsewhere. Similarly, when Resource Recovery started to intensively reprocess waste by selling it for revenue and diverting it from landfill in the process, local council renewed their contract, and other communities started to request their services, precipitating the opening of a consulting branch to handle extra business. WorkVentures paralleled this strategic course, except by recovering computers for processing e-waste. In doing so, they salvaged electronic waste and could offer refurbished computers to low-income earners.

At the meso level, the social enterprises associated with fellow staff and members of broader industry and community networks (Bronfenbrenner, 1994) to enhance economic and social assets through sharing with opinion leaders and associates (Hastings & Domegan, 2013; Lagarde, 2012). Findings show relationships may be extended with competitors for competitive advantage in the marketplace. Service-dominant logic (Russell-Bennett et al., 2013; Vargo & Lusch, 2004) applies in these types of exchanges to account for achieving quality liaisons for mutual value. Yet it is important to remember companies will also compete against fellow industry players for sales at this level on matters of price, service, or quality (Bonel et al., 2008; Osarenkhoe, 2010).

Midstream strategies, as reflected in the case findings are presented in Table 4. These included affiliating through industry memberships and other associations and participating in joint product development or coproduction (Mariani, 2007). Ashoil and Ashilinen personnel affiliated with numerous indigenous groups to share knowledge of their profit-for-purpose business model, thereby engendering wider respect from these target audiences for mutual advantage. That is, by cooperating, they were able to secure more business as far down as Perth with redistribution of mining uniforms and simultaneously, hire formerly unemployed indigenous workers, breaking a cycle of disadvantage.

Due to significant challenges that were faced by locals, the social enterprises also embedded targeted interventions to achieve significant breakthroughs in their communities such as offering programs or apprenticeships through arrangements with governmental agencies or educational institutions, an alignment that helped to nurture economic and human capital for individuals, aided by neutralising threats or overcoming external barriers (Osarenkhoe, 2010). Thus, Perth City Farm teamed up with its neighbours, a tertiary institute and local job service agencies, to offer new education programs on horticulture. They jointly fostered certification and employment opportunities for participants, and they instilled a sense of belonging within the communal spaces where students learned and applied principles that were taught to cultivate produce. WorkVentures similarly organised apprenticeships with other employers whereby nearby disadvantaged youth learned computer skills for permanent job placement. Resource Recovery also acted inclusively to hire marginalised aboriginal locals to assist them in upcycling rubbish due to industrial ecology partnerships that were forged, so the waste of one business was used as input for the remanufacture into new products (e.g., plastics into outdoor products, pallets into mulch, and food waste into compost) to beget organisational and community development.

At the downstream micro level, direct interactions transpired between the social enterprises and their customers besides community members (Bronfenbrenner, 1994). Often, relationships were formed downstream in supply chains as well. Downstream strategies, as evaluated in Table 5, included product diversification (Bengtsson & Kock, 2015; Bonel et al., 2008), market penetration, and services marketing, factoring in the experiences between the organisations and individuals to cocreate value (Lovelock & Gummesson, 2004; Russell-Bennett et al., 2013; Vargo & Lusch, 2008). By converting cooking oil from mining camps into biodiesel, Ashoil was able to diversify local fuel supplies by distributing a cleaner and more cost-efficient substitute for diesel while providing training and other dividends to enhance the livelihoods of community members in a remote region of Western Australia. Human Ventures, rather, ran workshops and festivals in economically depressed regions of Central West Queensland, nurturing social bonds and teaching digital skills to youth.

These cases show when the social enterprises establish initiatives or change structures, obstacles can be surmounted to unemployment, illiteracy, and social isolation. Several organisations pursued wider long-term solutions as exemplified by Inforoxchange. They penetrated the market further with their ICT and digital proficiency services for nonprofit organisations which reinforced their publication of several white papers that argued for the need to widen digital inclusion and literacy across society (Dickins, 2014; Walton, Kop, Spriggs, & Fitzgerald, 2013).

The evidence generally confirmed that by applying the foregoing approaches, the social enterprises were able to draw talents, skills, and resources from individuals, rather than addressing individual deficits or needs. Further, by developing customised goods and services with target audiences, the process resulted in more effective, win-win solutions for the organisations and their stakeholders. Hepburn
Wind even derived residual value by reinvesting surplus into a community benefit fund to develop other community projects or by sharing their intellectual property to try to scale up community renewable energy projects. Hence, using coopetition to work across vertical and horizontal partnerships seemed to yield a synergy for powerful outcomes.

The research is original. It extends knowledge of marketing in social enterprises, and it broadens the domain of social marketing into new realms beyond the popular areas of public health with cases coming from these types of organisations, operating for specific sustainable purposes. Further, this study presents empirical evidence within a different context from traditional small businesses of how coopetition can be advantageous for firms that possess relatively limited resources and marketing presence (Morris, Koçak, & Özer, 2007). Coopetition is receiving widespread attention in strategic management, and its merit is recognised within the field of entrepreneurship (Bouncken, Gast, Kraus, & Bogers, 2015) due to its ability to forge strategic alliances for gain (Thomason, Simendinger, & Kiernan, 2013). However, real-world examples have not been previously documented of social enterprises. This study demonstrates partnerships were at times forged with competitors in holistic efforts for mutual gain such as Infoxchange allying with Connecting Up to broaden their market reach of digital services for nonprofits. The effectiveness of coopetition is demonstrated by Infoxchange and Connecting having announced a merger just prior to publication of this journal article.

This study also contributes to theory by carving out a model in Figure 3 of how social enterprises can operate viable businesses to achieve goals towards sustainable development, using elements that function interdependently. First, a company will share a common social purpose with its stakeholders to fulfil certain social, economic, and environmental missions. Second, an organisation will factor in inputs: two-tiered price schemes, shared funding arrangements or cross subsidisation to pay for social endeavours, also joint businesses arrangements will be created with firms lying in close proximity or among fellow industry players, and collaboration will occur with other actors in its value chain, particularly by working with consumers to cater niche products or customised services to fit their needs. Third, the social enterprise will engage in coopetitive practices in marketing and social marketing to apply community-based social marketing interventions for behavioural change such as upskilling people. Fourth, by joining forces with a cross section of business, government, and community members, even being willing to enter competitive situations, which can make relatively smaller organisations vulnerable (Bengtsson & Johansson, 2012), it can enable the social enterprise to boost their capacity to capture economic, social, and environmental benefits through achieving a synergy for collective impact. Thus, being willing to take this risk can translate into a stronger community and company.

The implications of employing niche marketing and coopetitive practices by pioneering businesses are that best practices can be achieved that bring recognition for greater commerce. There is potential as well for replication by other social enterprises in seeding new ventures. Resource Recovery started up its consulting branch, RRA, due to increased demand for its specialised waste management practices, and AAC extended its subsidiaries from Ashoil to Ashlinen to fill niches in the mining sector. Furthermore, activities by the social enterprises to teach skills opened up job opportunities for their community members. Participants in a Human Ventures workshop subsequently launched a thriving digital media company. And many individuals that learned computer skills were consequently placed in positions with the social enterprises or their associates.

6 | RECOMMENDATIONS FOR FUTURE RESEARCH

Although multiple case studies are criticised for their small scale since looking at a limited number of cases might compromise results due to a lack of validity (Burns, 2010), the findings did not constitute isolated instances. Consistent inferences were drawn from the scope of heterogeneous, mature social enterprises across Australia. Further, the researcher interviewed respondents from both rural and metropolitan regions using triangulation of data to ensure robust results. This research now adds cases of coopetition within the third sector that are likely to have parallels in the international marketplace, which could be tested for confirmation and fresh insight from other modern developed nations. New scholarly research on social enterprises could also evaluate what are the determinants of success to maintain effective long-term partnerships for reaching sustainable development goals. Another investigation could explore how to uphold the desired outcomes of behavioural change interventions by community members.

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