

“Conscientious marketing: making a difference in people's lives”

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Conscientious marketing: making a difference in people's lives

Abstract

The fundamental marketing practices, that have driven the teaching and practice of marketing, have evolved from their early beginnings to today, where societal marketing has been advanced as a concept that should drive marketing practices. There is, under contemporary circumstances, a need to reexamine the fundamental concepts on which present marketing initiatives are based. An innovative approach, that we refer to as conscientious marketing (CM), proposes a shift in businesses towards primarily emphasizing societal goals rather than economic objectives. The authors distinguish CM from societal marketing, and advocate the adoption of CM by businesses, particularly in the developing countries, where there are urgent societal needs. We suggest marketing mix initiatives that should be explored for application under the umbrella of CM in serving the poor in the developing world.

Keywords: business ethics, conscientious marketing, marketing concepts, marketing in developing countries.

Introduction

In this paper, we argue that business needs to consider a fresh approach – Conscientious marketing (CM) as a concept – that should drive marketing practices. CM underscores that in today's world, societal goals should be given paramount, not ancillary consideration in guiding marketing strategies. We suggest associated applications of CM, notably in developing and emerging countries.

To begin, it is useful to trace the development of what has been referred to as a “marketing orientation” for business and the changing definitions of marketing. While changing orientations in marketing have been cited as evolutionary, they have not been revolutionary in that the precepts governing such changes have been the same somewhat exhausted ideas, based on ‘free market’ principles of supply and demand and the ‘invisible’ hand guiding the marketplace. These ideas germinated in Western thinking and governed the evolution of marketing philosophies that drove marketing practices. All over the world many countries, developing and developed, have adopted and embraced these philosophies which can be constraining and confining. Traditional thinking is under scrutiny – some precepts challenged as being misplaced – as demands increase for business to make ethical decisions and contribute toward societal improvement.

1. Production emphasis

Right after World War II, after a decade of wartime scarcity, there was huge pent up demand for consumer products in the U.S. However, supply was limited and U.S. companies shifted gears from producing goods related to wartime needs to producing consumer goods. Thus, businesses had what is now referred to as a strong “production orientation”. The focus was on expanding production. There was at

that time an unstated view towards consumers as passive recipients of goods. Customers would be very happy to have access to products that previously had limited availability. If you could make it, you could sell it and make money. Profits were to be made in doing so. Companies engaged in ramping up production for customers, who after a decade of wartime denial could now enjoy greater access to material goods. This is a condition that now prevails in many developing countries which have recently shifted to embrace “capitalist” philosophies. It could be explained in simplistic terms as the natural result of the market trying to find the equilibrium under the conditions of supply and demand. The “invisible hand”, that Adam Smith (Smith, 1776) referred to, would be at work directing the production and selling of goods. The definition of marketing that resulted was: “*Marketing is the performance of business activities that direct the flow of goods and services from producers to consumers*”, 1935 Official A.M.A. definition (American Marketing Association, 2008).

Increasingly businesses focused on efficiencies of production and on generalized mass distribution to lower costs. Societal ramifications were gauged as being positive when such efforts “resulted” in greater *material* satisfaction and improvements in economic standards of living.

2. Selling emphasis

In Western countries, as production expanded, companies followed “free market” principles and more producers were encouraged by the “free market” to provide competitive products. Consequently, scarcity was replaced by an abundance of product alternatives. Consumers had greater “freedom of choice” in deciding between alternatives, but now the “invisible hand” changed the direction of market forces. There was huge supply, which met limited demand. Faced with customers that now had more choices, businesses had to persuade and coax customers for their patronage and responded with adopting a “selling” orientation. Certain businesses

adopted aggressive selling and advertising practices, many of which were highly questionable and unethical. Society equated marketing with such practices and the image of marketing naturally suffered. It was portrayed symbolically with a pushy hard selling “used car salesman” who pursued customers with no holds barred to get the customer to make the deal. As one executive (later) framed it: “The sole purpose of marketing is to sell more to more people, more often, and at higher prices. There is no other reason to do it” (Zyman, 1999). That statement captures the essence of a “selling” orientation in marketing. This attitude currently governs the thinking of many companies in emerging and developing countries.

3. Marketing orientation

As early as the late fifties, criticisms of shady practices to seduce customers led companies to rethink their attitudes towards customers. The contention became that the focus should be on customer expectations and that marketing needed to be more customer-centric. With more choices, customers could be more discriminatory as to what they purchased. The idea evolved based on the prevailing conditions of demand, that companies should produce products that customers want rather than on marketing trying to convince customers to buy what they produced.

At about this time McCarthy (1960) suggested, in his then best selling “Basic marketing” textbook, now the famous framework of marketing strategy as selecting target markets and developing a marketing mix (the 4 p’s – product, price, promotion, place) within the context of what he refers to as uncontrollable environmental variables. It was a suggested managerial approach to marketing by companies.

Levitt (1960), in his classic article on “marketing myopia”, took this idea to the next step, where he suggested that needs were more important than wants, and that underlying product demands were the needs that customers want fulfilled. He argued that industry needed to broaden their thinking in being innovative in the products and services they deliver. Thus, the automobile industry should focus not on the product (cars) but the need for facilitating mobility, the film industry on the need for entertainment and not simply on products (movies). Thus, the idea of the “marketing concept” was furthered – business should focus on customers’ needs rather than wants with the goal of generating profits through customer satisfaction. The notion of what the customer considered as value to affect the transaction was underscored. Consequently, a new definition of marketing was adopted: “*Marketing is the process of planning and executing the conception, pricing, promotion, and distribution of ideas, goods and services to create exchanges that satisfy individual and*

organizational objectives”, 1985 Official A.M.A. definition (American Marketing Association, 2008).

While the domain of marketing now stretched beyond simply focusing on the physical product, the practical interpretation was that marketing’s focus on customer needs and customer satisfaction (individual objectives) were the means to realize the ends – profits (organizational objectives). Clichés proliferated – the customer is king/queen: “to sell Jane Smith what Jane Smith buys, you’ve got to look at things through Jane Smith’s eyes”. What was not addressed (or only limitedly) was that Jane Smith’s eyes saw through lens that were tinted or tainted by marketing programs that influenced her perceptions. Unfortunately, value remained divorced from values. Social good, if considered, was ancillary to profit realization.

Meanwhile, there was increased recognition that marketing programs could be used by non-profit organizations. The marketing mix (the 4 p’s) could be utilized, among others, by educational institutions, by museums, by political parties, by charities, by religious organizations with targeted efforts to realize their objectives of enhancing “demand” for their ideas or services. Companies salved their conscience by suggesting that marketing programs could be used for noble social purposes. Indeed, they could when the intent was the social good, but incompletely in that they only marginally addressed the broader objective of reaching societal goals.

4. The confining rationale

The above orientations of marketing were based on a classic, widely disseminated but arguably flawed rationale that “the business of business is business” and achieving the social good should be left to others. The two, who are most often connected with such a rationale, are Adam Smith in earlier times and in more recent times Nobel Prize winner, Milton Friedman.

Underlying the development of a “marketing orientation” was the capitalist philosophy that embraced common interpretations of Adam Smith’s writings in the “Wealth of nations”. Smith (1776) refers to the invisible hand (of the market) to point to the self-regulating mechanism of the marketplace; notions of self-interest, competition and the “natural workings of supply and demand” resulted in the allocation of societal resources and was the basis of the laissez faire economic philosophy. The theory of the “invisible hand” maintained that when producers and consumers are free to choose what they sell and purchase, the market will coalesce on a product, price and distribution that would be beneficial to individual members and, thus, to the community. The contention was that self-interest drives participants to “beneficial” behavior; efficient methods of production would be adopted to maximize profits.

These effects, said proponents, would take place dynamically and automatically.

Milton Friedman (1962) argued that in a free society “there is one and only one social responsibility of business – to use its resources and to engage in activities designed to increase its profit so long as it stays within the rules of the game, which is to say, engages in open and free competition without deception and fraud”. Friedman (1970) was dismissive of businessmen who discussed the social responsibilities of business as “unwitting puppets of the intellectual forces that have been undermining the basis of a free society these past decades... the responsibility of business is to conduct the business in accordance with their desires, which generally will be to make as much money as possible, while conforming to the basic rules of the society, both those embodied in law and those embodied in ethical custom”.

Both Adam Smith and Friedman continue to be quoted and cited as suggesting that the route to benefiting society was in business pursuing economic goals (read as profits) – social objectives should not be a concern. “I share Adam Smith’s skepticism about the benefits that can be expected from “those who affect to trade for the public good”, said Friedman (1970). However, in doing so Friedman skips over the context for *Wealth of Nations* provided by Smith’s *Theory of Moral Sentiments* (Smith, 1759). Smith’s earlier less publicized writing actually was his attempt to explain the moral system within which the economic facets needed to be understood. Even more necessary that we should, under current circumstances, realize that Smith’s earlier writings provide the foundational concepts of human nature and morality upon which the ideas of *The Wealth of Nations* rest. Smith categorized two levels of virtues (Younkins, 2005): (1) the lower or commercial virtues (based on self-interest) include prudence, industry, frugality; and (2) the higher or nobler virtues include benevolence, generosity, compassion, kindness, etc. Smith argued for balance and harmony between the two levels. The lower level virtues were at the core of what he said in the *Wealth of Nations*. Through self-command, Smith’s cardinal virtue, a man can curb his selfish tendencies and behave benevolently. He can control his feelings towards self-interests and advance feelings for others. Smith says that, as societies move from being rudimentary to advanced, the need increases to underscore the higher order virtues (Younkins, 2005).

Smith did not suggest that self-interest and initiatives that developed from such self-interest would always benefit society – only that producers would generally provide products that would be desired by their fellow citizens. Such self-interest can also result in unwanted consequences for society. Nobel

Prize winner Stiglitz (2006) says, “the reason that the invisible hand often seems invisible is that it is often not there”. When “externalities” exist and individuals follow processes that have consequences for others and they do not have to pay for these, markets simply do not work well. Adam Smith wrote, argues Chomsky (1993), “that the invisible hand will destroy the possibility of a decent human existence ‘unless government takes pains to prevent’ this outcome, as must be assured in ‘every improved and civilized society’”.

5. Societal marketing concept

To the credit of some leading marketing thinkers such as Lazer (1969) and Kotler and Levy (1969), as early as the 1970’s, there were calls for broadening the concept of marketing leading to the following definition: “*Marketing is an organizational function and a set of processes for creating, communicating, and delivering value to customers and for managing customer relationships in ways that benefit the organization and its stakeholders*”, 2004 Official A.M.A. definition (American Marketing Association, 2008).

However, others argued, this definition “ignored marketers’ moral responsibility for the emerging socio-ecological conditions of the world ...that research and education on wisdom and a stronger commitment to a macromarketing orientation could begin to reverse the neglect of moral responsibility” (Mick, 2007). Such views contributed to the changed, most recent definition of marketing: “*Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society*”, 2007 Official A.M.A. definition (American Marketing Association, 2008).

This present definition is based mainly on acceptance of the societal marketing concept, an enhanced concept which holds that a company should make good marketing decisions by considering consumers’ needs, the company’s requirements for profitability and society’s long-term interests. “The societal marketing concept calls upon marketers to build social and ethical considerations into their marketing practices” (Kotler, 2003). The idea is based on “corporate social responsibility” – that long-term success (generally interpreted as long-term profitability) would occur if marketing provided value in processes that improved the consumer’s and the society’s well-being. Note, however, that societal goals may be ancillary to economic goals in companies that adopt the societal marketing concept – a view that ethical and socially responsible practices are simply good business that would result not only in a favorable image of the company but ultimately in increased sales (and profits).

6. Beyond the societal marketing concept: revisiting the purpose of business

Friedman (1970) suggested that corporate social responsibility "... is one way for a corporation to generate goodwill as a by-product of expenditures that are entirely justified in its own self-interest". Based on the premise of maximizing profits for shareholders, this does not address the objectives of other stakeholders. Friedman concedes, "it may well be in the long run interest of a corporation that is a major employer in a small community to devote resources to providing amenities to that community". Friedman suggests that corporate philanthropy, if done, is only as good as its contribution to enhancing long-term profits and only because this might endear customers to patronize the company's products – philanthropic activities are simply means to attain the ends of investor profits. That is a very lean, passive view of social responsibility.

An alternative proactive view would be to consider profits as the means to fulfill societal goals. In Friedman's world, customer satisfaction and happiness are really the means towards the end of maximizing profits when we should be underscoring that customer happiness and well-being as the end would result in profits. For Friedman, the purpose of businesses is defined by shareholders for the goal of maximizing profits.

The purpose of business, as defined by other stakeholders, can be equally legitimate. Businesses can lay the groundwork for this by defining their purposes accordingly. Some businesses may be created for maximizing profits, but businesses can and should be created for other purposes. Debating Friedman's views, John Mackey, the CEO of Whole Foods (United States) argued that it is the right of the entrepreneur to define the purpose and objectives of their enterprise (Mackey 2007). Shareholders as one group among other stakeholders can decide whether they want to buy into the purposes of the enterprise – that is their choice.

There seems to exist some fear that shareholders would desert an enterprise that values societal goals. There is growing evidence that this may be a misplaced concern. For example, in the book, *Firms of Endearment*, Sisodia et al. (2007) provide supportive evidence from various studies that firms, who have higher order goals and purposes, do much better than others using traditional yardsticks of financial performance.

Moreover, the forms of capitalism, based on widely disseminated views attributed to Smith and Friedman, have been characterized more recently as selfish, uncaring and greedy. Recent events such as the financial, the real estate and the mortgage "bubbles" have underscored these feelings. Unfettered markets do not automatically ensure prosperity nor are they self-correcting. Markets cannot rely on self-interested behavior that is selfish. Stiglitz (2010) says: "and I don't think today anybody would claim that the pursuit of self-interest by bankers has led to the well being of all of society. And yet, this was the central notion taught in almost every graduate school in the country". A fundamental change in thinking about the objectives of business may be contrarian, and highly controversial, but would be timely.

7. Conscientious marketing vs. societal marketing

CM is not the same as societal marketing. The latter emerged from views that firms needed to be socially responsible while pursuing their economic goals. CM is a concept that underscores significant societal impact and development as primary goals in driving marketing strategies that are ethical and maximize long-term stakeholder and customer value. Reaching meritorious societal goals as a prime purpose, distinguishes companies that adopt what we refer to as CM. The differences between societal marketing and CM are shown in Table 1.

Table 1. Comparison of societal and conscientious marketing concepts

Societal marketing	Conscientious marketing
Profits as primary objectives	Societal goals as primary objectives
Social initiatives are add-ons to strategic plans	Social initiatives are integral to strategic plans
Social initiatives are assessed on the basis of their contribution to long run profits	Assessed on the basis of their contribution to fundamental human values
Rationalized societal contributions as charitable, philanthropic	Rationalized societal contributions as the core of the business model
Superimposed on an organizational culture of seeking profits	Diffused as essence of organizational culture
Patronizing view of social initiatives	Embracing view of social initiatives
Mainly responsive to shareholders	Responsive to all stakeholders
Achieving positive social outcomes are important dimensions among a set of multiple criteria in decision-making	Achieving positive social outcomes are primary criteria in decision-making
Employee incentives and rewards tied to achieving economic goals and supplemental societal goals	Employee incentives and rewards tied to achieving significant societal impact
Being good	Doing good

Source: Authors.

8. Facilitating conscientious marketing: the religious context

Following CM becomes even more imperative when business responds to the unmet needs of billions of people – those that are “at the bottom of the pyramid” – who are poor and vulnerable and easily exploited. Many of these people live in countries, where religion plays an important part in their personal and professional lives. All major religions emphasize the importance of ethically addressing social objectives in fulfilling the needs of vulnerable segments. Reflecting such sentiments, Nicolas Santos and Laczniak (2008) argue that “Jesuit business schools ought to feel compelled to encourage the development and dissemination of managerial frameworks that enable business corporations to engage impoverished consumers in a manner that is ‘fair’ and ‘just’ to both parties (i.e., the business unit and the consumer). This is particularly important in an impersonal economic marketplace that too often exploits the poor due to an ‘imbalance’ of resources, information or financial leverage on the part of the less advantaged member, typically the buyer...If all human persons, as Catholic social teaching points out, have an inviolable dignity, then treating any person as merely an object or means to the profitability of the company is a violation of the principle of human dignity”.

Similarly, the Islamic context, within which business operates in many developing countries, underscores precepts consonant with CM. The Quran and Sunnah provide philosophic underpinnings and practical guidance in conducting business. Certain moral and ethical imperatives and social norms are held paramount. While it is acceptable to acquire property as an individual, it is not at the expense of the rights of the larger community. The security of property is stressed but so is the security of individuals. Such a view calls for balanced, profit-satisficing rather than profit-maximization that could disadvantage large segments of society.

While recognizing the importance of synthesizing material and spiritual values, there is an unquestioning regard for respecting human dignity and contributing to the same – particularly for those that are the poor and the underserved. Free will is endorsed but is grounded in a focus not on self-interested behavior but on conscientious other-centered social behavior. This view supports that it is the collective well-being of society that should be among the goals of business and in turn, marketing. The Islamic context of CM upholds principles of honesty, integrity and kindness. These are requisite and need to be embodied in all activities including business relationships with all stakeholders not simply shareholders. Financial results of company (profits or losses), that we are prone to use, are inadequate

measures of performance and divorcing social responsibility from economic responsibility is unacceptable. Islamic principles suggest that the organization is not simply the manager or caretaker of a group of shareholders’ financial resources but is charged with the larger responsibility of being the caretaker of societal resources. Therefore, performance should be gauged by the benefits to society.

9. The downside of globalization: a call for conscientious marketing

Globalization also draws attention to the need to go beyond societal marketing and apply CM. While globalization has helped enhance the economic standards of living of many, it is also subject to legitimate criticism that the poor of the world have yet to realize possible benefits. Major social issues of improving their health, welfare and the quality of life have been only limitedly addressed by business. A wave of anti-globalization sentiments have emerged that brought home these concerns. Questionable practices of global corporations include the use of child labor, the stark conditions of the work environment in sweatshops, the disregard for providing living wages, the displacement of rural small-scale agriculture by major agribusiness, the infringement of cultural values – the “Coca-colonization” of developing countries and the “Mcdonaldization” of cultures. Such practices often emerge when a corporation narrowly focuses on profit maximization objectives at the exclusion, or the ancillary consideration of other worthy goals.

10. “Bottom of the pyramid” marketing practices: the need for conscientious marketing

A huge imperative, that needs to be addressed is the daunting needs of the world’s poor for improvements in their quality of life. Prahalad (2004) generated interest with his focus on the “bottom of the pyramid” (BOP) poor, who make less than \$2 per day particularly in developing countries. His contention was that “selling to the world’s poor can be very lucrative” for companies and at the same time help to erase poverty (Hammond and Prahalad, 2004). Erasing poverty is a laudable objective, but one needs to question the motive of generating “big” profits.

CM would question BOP marketing practices as others have (Karnani, 2007; Landrum 2007; Davidson, 2009). In targeting the poor, marketing’s 4 p’s are sometimes applied without regard to CM. BOP marketing successes in selling to the poor have included, for example, washing machines that are sold because credit was made easily available to the poor. Yet, is the worth of the product worth the debt incurred? Another oft-cited example is that of companies, such as P&G selling small-sized sachets of detergents and shampoos to the poor as affordable (Byron, 2007). Is it worthwhile for the poor to buy sachets of detergents?

Not only is the proportional cost much more as compared to larger quantity products but consider the waste in additional packaging costs. Companies may justify these marketing campaigns to the poor. "People want to look good, whether they're rich or poor", explains a marketing manager for Unilever Vietnam. "I've been to tiny villages, where there is no electricity and no running water indoors, and, yet, there's Sunsilk and Omo [shampoo]" (Johnson and Nhon, 2005). CM would suggest that there is something wrong with this scenario. Some banks in the microfinance business, lending to the poor, claim success by pointing to their high returns on investment of between 26% and 50% and the low delinquency rate for repayments. CM would suggest that these banks should seriously consider reducing the price of loans (Davidson, 2009).

Puffery in advertising is not okay in developing countries, where the consumer is less literate and unable to discern puffery as harmless exaggeration. We justify our marketing practices by saying that marketing does not create demand but simply responds to it and that customers can freely decide whether they ought to buy certain products. Such choice is not easy for vulnerable, impressionable customers that are subjected to incessant relentless drumbeats of advertising and promotion.

Prahalad argues that BOP consumers prefer branded goods and are brand conscious. The poor may have natural human tendencies to emulate richer consumers in purchasing goods, such as branded shampoos, particularly because of the seductive promotion that accompanies luxury brands. The poor, however, have fewer pennies to spare. If the poor spend more than 75% of their income on food, clothing and shelter, they simply do not have money to buy non-necessities and especially branded non-necessities. To consider this, should not be dismissed as a condescending perspective.

11. Conscientious marketing and its application in developing countries

In CM, the objectives are to address societal problems and issues, using ethical marketing practices. This can be done in three ways, by encouraging:

- ◆ businesses that from their inception have societal goals as objectives;
- ◆ businesses that have divisions within that allow societal goals to be their primary objectives;
- ◆ businesses to change direction from economic goals to societal goals as primary objectives.

Of these, in the short term, the first two are pragmatically more possible, the third would be slower to accomplish.

In 2000, the largest gathering of world leaders ratified the Millennium declaration stating as among

the declared value and principles that "we believe that the central challenge, we face today, is to ensure that globalization becomes a positive force for all the world's people. For while, globalization offers great opportunities, at present its benefits are very unevenly shared, while its costs are unevenly distributed. We recognize that developing countries and countries with economies in transition face special difficulties in responding to this central challenge" (U.N. Millennium Declaration, 2000).

"22,000 children die each day due to poverty... Approximately 790 million people in the developing world are still chronically undernourished... Around 27-28 percent of all children in developing countries are estimated to be underweight or stunted... Some 1.1 billion people in developing countries have inadequate access to water, and 2.6 billion lack basic sanitation... 1.4 million children die each year from lack of access to safe drinking water and adequate sanitation... Millions of women spending several hours a day collecting water..." (Shah, 2010).

Because so much time is spent collecting water, girls are often denied the opportunity to go to school and women cannot pursue income-generating activities to help them provide for their families. Overcoming hunger, providing rudimentary sanitation, access to clean drinking water, improving literacy are challenging social objectives that need to be addressed particularly in the developing world. That also underscores further the adoption of CM initiatives.

Clearly, there is an imperative need to develop product portfolios that serve the poor, neglected, and disadvantaged groups, who simply do not have the financial means or political strength to receive the transformative benefits that they deserve. This should not be confused with charity. It is not simply about good intentions driven by feelings of compassion but a real desire for social change – doing real good versus simply feeling good. CM would require innovative research and development of products that are useful and affordable to those living at the bottom of the pyramid.

Fortunately, many companies are following the route of CM all over the world. These businesses are organized with societal goals as their prime objective or have divisions/affiliates within their companies that focus specifically on addressing important societal needs. The following are examples of companies who have, in underscoring societal objectives, contributed to positive improvements for the poor in their standard of living, in their quality of life and in providing real value based on needs:

- ◆ The Institute for One World Health is a pharmaceutical company, whose mission is "to serve as a positive agent for change by saving lives, improving health, and fulfilling the promise of medicine for those most in need". This non-

profit company has stated social objectives of identifying potential new medicines for diseases disproportionately affecting developing countries, and ensuring that medicines will be affordable and available, while maintaining international ethical standards for research (Institute for One World Health, 2010).

- ◆ The partnership between Grameen Bank and Danone, known as Grameen Danone, is a classic example of social business enterprise launched in 2006, where the prime objectives are not profits. The mission is “to reduce poverty by bringing health through food to children...The success of the project will, above all, be judged on non-financial criteria”. They launched Shoktidoi, a yogurt for the nutritional needs of Bangladesh’s children, providing children with many of the key nutrients that are typically missing from their diet. Sold for about 5 cents, Shoktidoi provides natural calcium, micronutrients and 30% of vitamin needs. Small farmers that supply raw materials, such as milk and sugar, also benefit. In addition, the distribution channel has created jobs with Grameen ladies making sales door to door (Grameen Danone Foods Innovates, 2010).
- ◆ British petroleum, in collaboration with the Indian Institute of Science, came up with a low cost (\$17) smokeless cooking stove, Oorja, for rural Indian households. It runs on pellets from agricultural waste. There was a reported 50% reduction in cooking costs, cleaner utensils, and no indoor smoke generated. This was a significant improvement in reducing indoor pollution that kills 400,000 people each year. The distribution system relies on village businesswomen, who not only sell the stove but also supply pellets that are cheaper than wood and also burn more efficiently. The new challenge will be to provide microfinance credit for these stoves (Cohen, 2008).
- ◆ D. Light design is a company with stated social objectives. Their purpose “was to enable households without reliable electricity to attain the same quality of life as those with electricity”. An idea that evolved from an assignment in an MBA class, the company now wants to reach 1.6 billion people with their Kiran and other solar lanterns that cost between \$10 and \$45 each. The solar lanterns will serve as replacements for kerosene lanterns and will help reduce accidental fires and indoor air pollution. Added time with a safer form of light also allows children to read or do school work at night (D. Light, 2010).
- ◆ Vestergaard Frandsen is a Norwegian company, whose societal goal is to prevent the transmission of waterborne diseases in developing countries. One billion people do not have safe drinking wa-

ter. Every day 6,000 people, mainly children, die from unsafe drinking water. They came up with life straw, a 25 cm long plastic pipe filter which sells for about two U.S. dollars. It can filter over 700 liters, which is about one year of water consumption for a person. The same company has also produced permanet, an insecticide treated mosquito net. Malaria is the fourth leading cause of death for children younger than five years in the developing world. Roughly half of the world’s population is at risk of contracting the disease. Permanet costs about eight dollars, kills or repels mosquitoes for up to 4 years, and does not lose effectiveness even after 20 washes (Vestergaard Frandsen, 2010).

- ◆ IDE’s mission is to “create income opportunities for poor rural households”. For more than 70 percent of the world’s poorest people, who are small-scale farmers, access to irrigation water is vital. IDE has come up with affordable products to provide greater access to water. For example, IDE came up with the bamboo “treadle pump”, a human-powered irrigation device that releases “dependence on rain-fed irrigation provides capacity to raise crops in two growing seasons per year, and helps farmers maximize return on their small plots of land”. The pumps sell for between twenty to a hundred U.S. dollars (IDE, 2010).

12. Marketing challenges: applying CM in developing countries

The proposed CM concept has implications for academicians, practitioners, and researchers. Business schools need to promote the establishment of businesses with social objectives as well as prepare and train business students and practitioners to creatively address the marketing challenges, particularly when using CM in serving the poor and disadvantaged. Companies that have traditional economic objectives should, at the least, have dedicated groups (as in the case of Danone) that focus on marketing products with social objectives in mind. Research, both basic and applied, focused on disseminating best practices in applying CM, needs to be encouraged and supported. Companies with social objectives consistently identify marketing as their biggest challenge in serving and reaching the vulnerable and the poor in developing countries (Design for the other 90%, 2010).

There is a need to creatively apply marketing’s four p’s in practicing CM targeted to the poor in developing countries. We need to explore ways such as those suggested in Table 2 (which includes some that have been tried in developing countries) that would help to make the process of applying CM smooth, efficient and effective. We also need to cultivate a fifth p-personnel, who have a passion for CM by training, rewarding and

Table 2. Exploring marketing mix possibilities for CM in developing countries

Product	<ul style="list-style-type: none"> ◆ involve customers as co-creators; ◆ use focus groups of the poor to generate ideas; ◆ live among them to find out about their product needs; ◆ help them produce the products: "micro-workshops"; ◆ think of easy ways they can understand, use, and apply products; written brochures about using products are rarely used; ◆ figure ways to maintain quality, particularly if manufacturing is dispersed in micro-workshops; ◆ discover ways to produce that are scalable in other regions, in other countries; particularly important to replicate elsewhere to disseminate the social benefits; ◆ develop value of social brands.
Promotion	<ul style="list-style-type: none"> ◆ create awareness and acceptance using cohorts, peers; ◆ identify influentials (village elders, tribal chiefs, mullahs); ◆ figure ways to reach the masses in rural areas increase touch, feel, use e.g., village fairs, village theater, demonstrations, social group selling, video van tours, rickshaw processions, songs/dramas/movies about the product; ◆ prepare joint promotion of products for similar needs, e.g., hygiene/ sanitation; ◆ work closely with social agencies and NGOS to gain legitimacy and understanding of social needs.
Price	<ul style="list-style-type: none"> ◆ make it affordable: the poor are very price elastic, sensitive to price; ◆ have low entry prices to gain market share and thus realize scale economy; ◆ show how the products can help increase user's incomes; ◆ make it easier for users to improve their economic livelihood (e.g., for every five dollar in costs of a low drip irrigation system, a user increases income by 100 dollars).
Place (distribution)	<ul style="list-style-type: none"> ◆ include customers in the supply chain as participants/distributors to create income; ◆ provide services through users as dealers such as after sale services, spare parts inventory; ◆ encourage small and micro enterprises, village dealers; ◆ creative ways to finance through micro-financing and consignment terms; ◆ think of creative franchising of successful products in various countries.

encouraging the company's personnel to generate innovative ways through which the company could contribute to societal objectives. Next, we need to share what works through case studies and research, so that these mechanisms can be utilized beneficially in different areas of the world.

Conclusions

In the evolution of marketing thinking, the time has come to embrace CM as an alternative orientation in business. Some skeptical (sometimes cynical) critics may question such initiatives either as idealistic or be dismissive because of entrenched, ingrained traditional

views they hold, about the purpose of business. All the more reason that we need academic thought leaders and practitioners who will encourage, teach, preach, and disseminate CM practices. There is a need to more fully explore, improve, and substantially strengthen the incipient ideas suggested in this paper with the imperative on how CM can serve the poor and the neglected and improve the global human condition. Active and passionate adoption of CM would allow marketers to legitimately declare that marketing is about making a difference in people's lives – hopefully a better life for all – not for just a few.

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