

COMMERCIAL, SOCIAL AND SOCIETAL: STRATEGIC MARKETING APPROACHES FOR COMPENSATORY AND TRANSFORMATIVE SOCIAL ENTERPRISES

ABSTRACT

Due to the relevance of social enterprises on social value creation, the attention given by the marketing field to these agents is increasing, especially by strategic marketing. However, there seems to be no consensus in the studies on which strategic marketing approaches best fit the performance of compensatory or transformative social enterprises. Thus, this theoretical essay aims to discuss how commercial, social and societal strategic marketing approaches relate to the compensatory and transformative approaches of social entrepreneurship to improve social enterprises performance. As a result, a conceptual model is proposed for adapting strategic marketing approaches to the compensatory and transformative approaches of social enterprises. In addition, the proposed model contributes to the possible improvement on the practice of strategic marketing by marketers and entrepreneurs in social entrepreneurship.

Keywords: *Strategic Marketing, Social Marketing, Societal Marketing, Social Enterprise, Social Entrepreneurship.*

INTRODUCTION

Due to increasing concern about social, environmental and economic problems that are notably identified in the so-called emerging economies, social entrepreneurship is gaining ground in government and academic discussions as a way to mitigate such problems (Ashraf, Razzaque, Liaw, Ray, & Hasan, 2019; Barros, Madruga, Ávila, & Beuron, 2014; Belz & Binder, 2017; Silva, Moura, & Junqueira, 2015). Considering that social entrepreneurship is a process (Mair and Martí, 2006), it can be understood in this discussion as a phenomenon that encompasses actors and results, i.e., when a social enterprise through its operations creates social value.

Even being guided by a social mission (Yunus, Moingeon, & Lehmann-Ortega, 2010), social enterprises are considered hybrid organizations because besides being that, they can achieve and maintain the social mission through commercial activities (Battilana, Sengul, Pache, & Model, 2014; Rosolen et al., 2014; Siegner, Pinkse, & Panwar, 2018). Although in the early stages of social enterprises formation the pursuit of social and commercial goals could be a trade-off, these enterprises can effectively integrate both goals in their development stages (Yin & Chen, 2019).

Therefore, it is expected that social enterprises develop activities or business structures similar or even identical to those developed in traditional enterprises, such as the development of strategic actions (Goyal, Sergi, & Jaiswal, 2016) and marketing activities (Mitchell, Madill, & Chreim, 2016). Specifically, social enterprises can drive social value creation by adopting marketing strategies (Srivetbodee, Igel, & Kraisornsuthasinee, 2017), which demonstrates the relevance of strategic marketing to the social and commercial performance of these companies.

As much as strategic marketing is relevant to the commercial approach of social enterprises, it cannot be overlooked that social marketing is also important, because it enables the social performance of these companies to be improved (Madill & Ziegler, 2012). It is emphasized that social marketing differs from societal marketing, since the latter focuses on society as a consumer, whereas the former focuses on individuals as consumers (Abratt & Sacks, 1988).

In this study, it is assumed that strategic marketing can be used by means of its commercial, social and societal approaches – since they are closely related – together with the performance of social enterprises. Some studies (e.g., Madill & Ziegler, 2012; Mitchell et al., 2016; Srivetbodee et al., 2017) discuss the role of commercial and social approaches (without considering the societal approach) within social enterprises, but do not relate the relevance of social and/or commercial strategic marketing to the compensatory and transformative approaches of social entrepreneurship. In these latter, social enterprises may generate actions as an attempt to transform the current socioeconomic system or to compensate for the market failures of this hegemonic system (Newey, 2018).

From the intertwining among the mentioned social entrepreneurship approaches and strategic marketing approaches, some questions not yet explored in the literature emerge: Do social enterprises under the compensatory approach use the same strategic marketing actions as social enterprises under the transformative approach? Do transformative or compensatory approaches demand greater development of social strategic marketing actions than commercial strategic marketing ones or vice versa? Considering that the transformative approach has greater societal spread because it aims global systemic change, is it possible that actions in the transformative approach require a societal strategic marketing approach?

Facing such questions, this theoretical essay aims **to discuss how commercial, social and societal strategic marketing approaches relate to the compensatory and transformative approaches of social entrepreneurship to improve social enterprises performance**. From the discussion, it is proposed a conceptual model that adapts strategic marketing approaches to the compensatory and transformative approaches of social enterprises.

Therefore, this study presents a potential theoretical contribution to both fields of marketing and social entrepreneurship from an interrelational perspective, as it broadens some possible lens so that scholars and researchers can better understand and investigate strategic marketing actions in social enterprises.

Specifically, this paper deepens the discussion on strategic marketing, untangling the construct in three approaches: commercial, social and societal strategic marketing. This theoretical contribution is based on the assumption that the field of marketing is constantly evolving, requiring the development of new concepts or theoretical approaches to deal with the emergence of new social phenomena (Korai & Souiden, 2019).

Going further, this paper also contributes to the improvement of the practice of strategic marketing in social enterprises, since both marketers in the field of social entrepreneurship and social entrepreneurs can better understand which strategic marketing approach best fits the (compensatory or transformative) approach of the social enterprise in which they operate.

COMPENSATORY AND TRANSFORMATIVE APPROACHES OF SOCIAL ENTREPRENEURSHIP

As much as the term social entrepreneurship developed academically at the end of the twentieth century by Dees' seminal work (1998), it is possible to state that it is a construct that presents conceptual divergences (Dwivedi & Weerawardena, 2018) in academic, governmental and even in practical fields. Regardless of the adopted perspective, social entrepreneurship is centrally characterized as an innovative action with a social objective (Austin, Stevenson, & Wei-Skillern, 2006).

Importantly, it is necessary to highlight that the definition of social entrepreneurship is not the same as sustainable entrepreneurship, since the former is based on a dual mission (social and economic or environmental and economic) while the latter has a triple mission (economic, social and environmental) (Belz & Binder, 2017). Therefore, nowadays, social entrepreneurship is one of the possible market solutions to boost sustainability (Belz & Binder, 2017; Siegner et al., 2018).

Thus, social entrepreneurship encompasses the creation of social value through the introduction of innovations in goods or services that impact positive social changes (Rosolen, Tiscoski, & Comini, 2014). Social entrepreneurship takes shape from the identification of social problems (Hockerts, 2017), in which social entrepreneurs create or discover opportunities (Alvarez & Barney, 2007; González, Husted, & Aigner, 2017) and, from these, form social

enterprises, that are the actors directly responsible for the creation of social value or social impact (Ruskin, Seymour, & Webster, 2016; Silva et al., 2015).

Regarding social enterprises, it is relevant to emphasize that, according to Fischer and Comini (2012), they are defined in three main views: i) the one developed in Europe, in which the understanding of social economy is based on associative and cooperative relations, focusing on actions of civil society organizations for public purposes; ii) the one developed in the United States of America, in which the understanding is that traditional private sector companies help in solving social problems; and, finally, iii) the vision propagated mainly in developing countries, which seeks to minimize social problems such as poverty reduction through market initiatives, that is, the creation of enterprises with social mission supported by commercial activities.

In this essay we adopted that third view described above. Thus, it is understood that social enterprises are companies that emerge from a social mission (Yunus et al., 2010) and are strictly aligned with commercial operations to ensure the financial sustainability of its business (Shaw & Carter, 2007), propagating, consequently, the creation of social value (i.e., social change or social impact) over time.

On social change, Ganz, Kay, and Spicer (2018) critically state that social enterprises do not generate social change. For the authors, there are other actors (e.g., government and people) besides the social enterprises that are necessary to promote social change. Although the view of Ganz et al. (2018) is relevant from the perspective of multiple agents, it cannot be denied that social enterprises generate social change, because the notoriety of social enterprises occurs precisely where governmental and private entities have little influence on the social change of disadvantaged communities (Palacios-Marqués, Garcia, Sanchez, & Mari, 2019).

The central point of such a discussion is the scope of social change, since a social enterprise can generate major social transformations in a community without necessarily requiring the action of other agents, while systemic social change (beyond regional and cultural boundaries) requires the participation of multiple agents who will support the change headed by a social enterprise.

Thus, it is believed that the criticism made by Ganz et al. (2018) needs to be better contextualized, because social enterprises generate social change, but depending on the level of scope (compensatory or transformative), this change will have better impact with the support of other agents of society.

Regardless of the focus or of the desired social change – education, health, environmental protection or social inclusion (Hoogendoorn, 2016) – , the performance of social

enterprises can be framed in two different approaches to social entrepreneurship: compensatory or transformative, which are analyzed from the social, economic and political system established globally (Newey, 2018). Social change generated by these approaches will have different impacts according to the level of complexity of social problems (Warnecke, 2018).

In the compensatory approach, social enterprises seek to compensate the existing market failures from the global capitalist system (Newey, 2018). That is, as social, environmental or economic problems arise, social enterprises start to generate solutions to mitigate such problems. In the transformative approach, social enterprises aim to transform the global capitalist system based on the understanding that an alternative to capitalism is ethically and existentially necessary, since the capitalist system itself is understood as the last social problem (Newey, 2018).

Even though both approaches have been detailed by Newey (2018), the transformative approach was previously discussed by Ebrashi (2013). However, even if this author does not deal specifically with the compensatory approach, her characterization of the transformative approach allows the identification of criteria that are opposite to the compensatory approach. Thus, the works of Ebrashi (2013) and Newey (2018) are complementary to the discussion of both approaches, and the main characteristics of the approaches according to each author are shown in Table 1.

	Ebrashi (2013)	Newey (2018)
Compensatory Social Enterprise	<ol style="list-style-type: none"> 1. Acting only locally, since social enterprise does not aim to propagate acting (social impact) to other communities or regions. 2. The business model is not developed from the view of intentional replication by other social enterprises. 	<ol style="list-style-type: none"> 3. Social enterprise as a way to compensate for the failures (social problems) arising from the global capitalist system. 4. Social enterprise arises from the identification of specific social problems of a locality, acting only in this geographical area.
Transformative Social Enterprise	<ol style="list-style-type: none"> 1. Possibility of replication of the business model adopted in a social enterprise by others, generating systemic social impact. 2. Creation of a sustainable movement, since the social enterprise can act in other areas or localities than the one where it originally emerged. 3. The social enterprise shares the methodology or social business model it has developed for other enterprises and they act independently. 	<ol style="list-style-type: none"> 4. Social enterprise generates solutions to change or disrupt the global capitalist system. 5. The enterprise logic is based on systemic change since the global capitalist system itself is seen as a problem to be solved. 6. It fosters the creation of global social value through the development of interactions between transnational network actors.

Table 1. Main Characteristics of the Compensatory and Transformative Approaches

Source: Elaborated by the authors

The distinction between compensatory and transformative social enterprises helps to analytically deepen the actions of these enterprises, and from the correct identification of the approach used, enterprises can enhance actions to broaden or improve the creation of compensatory or transformative social impact. This improvement can be mainly due to the marketing actions that these ventures develop, as they need to carry out commercial activities for their financial and social sustenance to generate social change.

It is understood that strategic marketing is essential to bring social enterprises closer to the social (served communities) or commercial (consumers of traded goods) publics that they intend to serve. However, as the enterprise can act in a compensatory or transformative manner, it is possible that strategic marketing actions may differ in each approach. To better understand these specificities and relationships, it is necessary, a priori, to understand the basis of strategic marketing and the different approaches that this construct can take, which are presented below.

COMMERCIAL, SOCIAL AND SOCIETAL APPROACHES OF STRATEGIC MARKETING

Strategic marketing encompasses the investigation of organizational, interorganizational and environmental phenomena from two dimensions: i) the behavior of organizations in the market regarding interactions with stakeholders to create and deliver value to consumers, and ii) the responsibility of managing the marketing activities in a comprehensive way in companies (Varadarajan, 2010). Thus, strategic marketing is essential for the decision making related to marketing in companies (Pereira, Toledo, & Toledo, 2009).

Strategic marketing is based on the concepts of strategy and strategic planning of companies, in which actions closely aligned with strategic management (such as internal and external analysis, customer analysis and competitive intelligence) are adopted for marketing use, such as segmentation (Drummond, Ensor, & Ashford, 2007).

In this way, marketing adopts planning (in the short and long term) and the control of actions to achieve this plan, which is closely aligned with the role of corporate strategic planning, but from a perspective that is inherent of marketing activities. Moreover, it is noteworthy that strategic marketing has conceptual discrepancies in relation to marketing strategy.

At the broadest level, marketing strategy can be defined as an organization's integrated pattern of decisions that specify its crucial choices concerning products, markets, marketing activities and marketing resources in the creation, communication and/or delivery of products that offer value to customers in exchanges with the organization and thereby enables the organization to achieve specific objectives (Varadarajan, 2010, p. 119).

Thus, it is understood that marketing strategy is part of the company's strategic management or strategic planning, while strategic marketing is a field in which marketing strategy has significant relevance (Morgan, Whitler, Feng, & Chari, 2019). Therefore, it is through strategic marketing that strategic decisions are effectively developed at the functional level of marketing (Drummond et al., 2007), considering the different perceived and effectively appropriated resources that can be used to generate competitive advantage (Varadarajan, 2015).

Historically, strategic marketing has been analyzed as efficient and effective for improving business performance (Jaakkola, Möller, Parvinen, Evanschitzky, & Mühlbacher, 2010), specifically the financial performance (Morgan, Clark, & Gooner, 2002). It is from this understanding that here we refer **commercial strategic marketing** to the traditional analytical approach of strategic marketing that was primarily developed for traditional or commercial companies, because it assists in decision making to improve the performance of companies, products or brands over the long term. (Morgan et al., 2019).

Going beyond the commercial approach, strategic marketing can also be surrounded by a social approach, here called **social strategic marketing**. This understanding comes from the concept of social marketing, which can be defined as a set of marketing techniques, tools and actions used by social businesses (Abratt & Sacks, 1988) for the development of products or services (Fox & Kotler, 1980). Thus, marketing concepts and techniques can be used for social purposes, specifically in the search for solutions to social problems, generating social change (Kotler & Zaltman, 1971).

This way, social marketing is extremely attractive to socially oriented companies (Madill & Ziegler, 2012), and techniques and tools commonly used in marketing for commercial companies, such as the marketing mix (price, product, square and promotion), can and should be used by social enterprises (Hastings, 2003; Fox & Kotler, 1980). Thus, a striking feature of social marketing is the appropriation of ideas from commercial marketing (Holweg & Lienbacher, 2011), which can be refined in the context of social marketing by different aspects (Hastings, 2003). Social marketing has focused on the behavioral change of individuals, reaching communities and even societies (Truong & Dang, 2017).

However, it is noteworthy that social marketing differs from societal marketing (Fox & Kotler, 1980; Peattie & Peattie, 2009), as the last one focuses on society as a consumer, whereas the former focuses on individuals as consumers (Abratt & Sacks, 1988). As much as social marketing can indirectly generate societal benefits, its performance is inherently related to the individual level (Truong, 2014). Even though discussions in social marketing occurs in a way to generate behavioral change in individuals (Truong & Dang, 2017), it is noticeable that studies

have focused on theoretical lenses that seek to explain and predict individuals' behavior rather than social behavioral change (Rundle-Thiele, David, Willmott, Pang, Eagle, & Hay, 2019).

This behavioral change needs to be expanded beyond the individual level, because complex and comprehensive (intercultural) social problems require complex and systemic changes (Venturini, 2016), which can be driven by societal marketing. Specifically, while the commercial marketing approach seeks to generate solutions that drive the sale of a product and maximize profitability, the societal approach seeks to understand what impacts this product will have on society and thus decide whether it is viable or not (Kang & James, 2007). In this way, societal marketing enables companies to generate benefits for society as a whole by influencing the shaping of non-commercial values between direct and indirect stakeholders (Abratt & Sacks, 1988).

Therefore, societal marketing characterizes a way to achieve long-term business goals (commercial) and social goals by meeting the society's demands (Campbell & Córdoba, 2010), being based on the company's social responsibility to go beyond the satisfaction of consumers and profit maximization (Gaski, 1985). For the latter author, companies focused on maximizing profits can rarely develop societal marketing, because the difficulties of thinking in the public interest are significant.

This difficulty of some companies in implementing societal marketing can be best understood by some issues that should be considered in societal marketing: “physical consequences, psychological well-being, social relationships, economic contribution, and environmental consciousness” (Kang & James, 2007, p. 301), being issues that characterize the moral and ethical responsibility of marketing in relation to society (Abratt & Sacks, 1988; Marsden, 2015).

Moreover, societal marketing can be defined as strategic market planning to deal with societal criticism of the negative effects of commercial marketing (Abratt & Sacks, 1988), such as the incentive to excessive consumption that is induced by companies (Silva, Araújo & Santos, 2012). Hence, it is understood that societal marketing can be analyzed through the lenses of strategic marketing, and, in this perspective, can be denominated as **societal strategic marketing**, because the field of strategic marketing needs to reconcile the search for greater market presence at the same time as it must minimize negative social and environmental impacts on society (Varadarajan, 2015).

Table 2 summarizes the main characteristics of the commercial, social and societal approaches of strategic marketing.

Approaches	Characteristics	Conceptual basis
Commercial Strategic Marketing	Efficient and effective in improving financial performance of enterprises; direct relationship with the strategic management or strategic planning of the enterprise; influences business decisions and strategic choices; appropriability and effectively use of advantageous resources (e.g., organizational, physical, financial); guidance for selling goods or services with superior value for customers - profitability.	Drummond et al. (2007) Jaakkola et al. (2010) Varadarajan (2010) Varadarajan (2015) Morgan et al. (2019)
Social Strategic Marketing	Appropriation of traditional marketing techniques, tools, ideas and actions for social purposes; related to the generation of social change; focus on behavioral change of individuals; focus on individuals as consumers and on social performance.	Kotler & Zaltman (1971) Abratt & Sacks (1988) Holweg & Lienbacher (2011) Truong (2014) Truong & Dang (2017)
Societal Strategic Marketing	Focus on society as a consumer; seeks to solve complex and comprehensive social problems; seeks to understand the impacts that products generate on society; allows meeting the demands of society; focus more related to societal performance than profit generation.	Gaski (1985) Abratt & Sacks (1988) Kang & James (2006) Campbell & Córdoba (2010) Venturini (2016)

Table 2. Main Characteristics of the Strategic Marketing Approaches

Source: Elaborated by the authors

From the commercial, social and societal approaches to strategic marketing outlined here, companies can develop marketing actions and planning in a more assertively way and in accordance with the desired mission. In the case of social enterprises, it may be assumed that social and societal approaches are highlighted, but the enterprise's focus may lead to the improvement of one approach over the others, which is discussed below.

INTERTWINING THE SOCIAL ENTREPRENEURSHIP AND STRATEGIC MARKETING APPROACHES

With the notoriety of social entrepreneurship, marketing from its social perspective has been considered a subtopic of the field of social entrepreneurship (Christie & Honig, 2006). Thus, studies of social marketing in social enterprises have been developed to better understand the specificities of acting in this field, such as the work of Madill and Ziegler (2012). In a case study, these authors find that the analyzed social enterprise adopts social marketing elements, but not strategically.

Besides that, the analyzed case (Madill & Ziegler, 2012) is a non-profit social enterprise (a vision developed in Europe, according to Fischer & Comini, 2012) that works in search of systemic transformation in different countries, which may characterize the scope of action as inherent in the transformative approach to social entrepreneurship (Ebrashi, 2013; Newey, 2018). As much as the authors defend the social marketing approach for analysis, it is understood that the transformative action of the case is explicitly consistent with the societal approach of strategic marketing, as this approach is linked to the needs of society and best fits the desired change by the mentioned case which is societal.

Another discussion developed by Venturini (2016) points out that through social problems, systemic changes need to be developed and a way of reaching them is through social marketing, since it encourages governments, companies and other stakeholders in different sectors and communities to engage in this transformation. However, it is understood that this analogy is distorted, as in the case described by Madill and Ziegler (2012), because the transformative perspective (identified above) best fits in the scope of societal marketing and, this way, stands out the better delimitation of the approaches to be followed in the empirical investigations in the marketing field.

Aiming to contribute to greater clarity of this relational type, specifically to the field of social entrepreneurship, which is strongly based on social and societal issues, it is proposed a **conceptual model for adequation of strategic marketing approaches to the compensatory and transformative approaches of social enterprises**. The proposed model is represented in Figure 1.

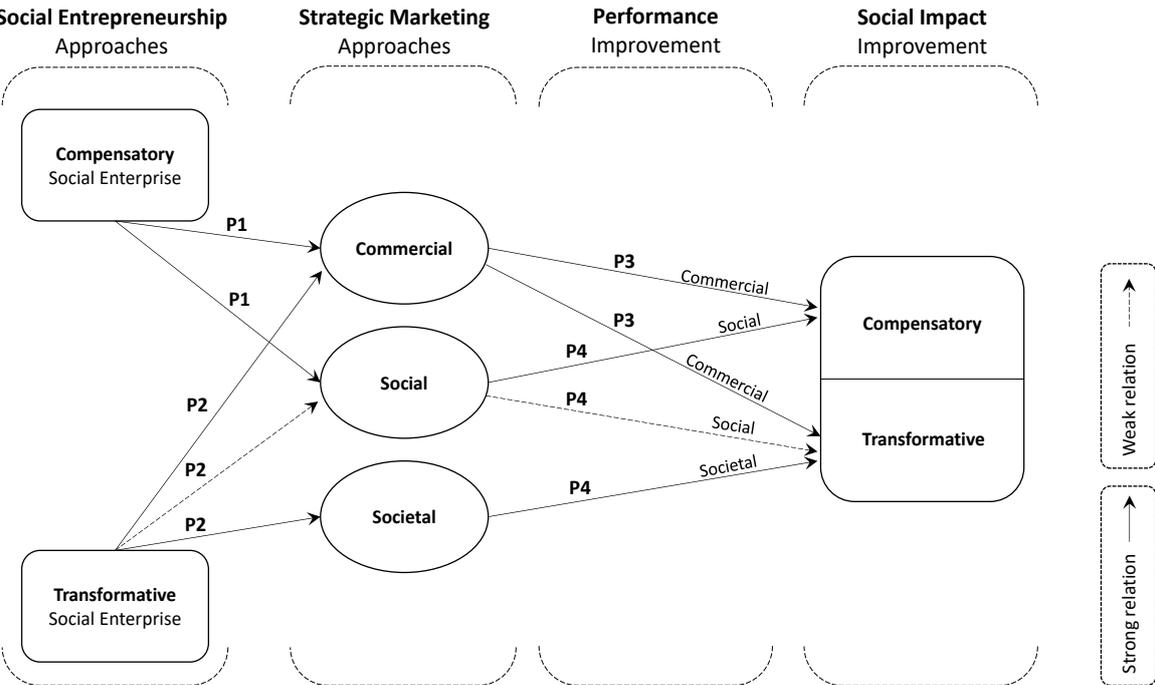


Figure 1. Conceptual Model
Source: Elaborated by the authors

In this conceptual model, four dimensions are proposed: social entrepreneurship approaches, strategic marketing approaches, performance improvement and social impact improvement (social value creation). These dimensions are sequential, because depending on the social enterprise approach, it will tend to adopt certain strategic marketing approaches that, consequently, will lead to performance-specific improvement for each marketing approach that, together, will lead to increased social impact provided by the enterprise.

About social impact, it is classified here according to the compensatory or transformative approach of social enterprise, that is, a compensatory enterprise creates compensatory social impact, while a transformative enterprise creates transformative social impact. It is noteworthy that such classification of social impact in compensatory or transformative is not addressed in previous studies of social entrepreneurship analyzed so far, being denominations proposed in this essay.

In the first dimension, it is proposed that social enterprises should be classified according to the compensatory or transformative approach (Ebrashi, 2013; Newey, 2018). Therefore, enterprises that operate locally and do not aim to propagate social impact beyond the borders of the region in which they emerged, nor are concerned with generating a business model that can be replicated by other entrepreneurs or social enterprises in other regions are compensatory.

On the other hand, transformative enterprises focus on scalable actions in the pursuit of systemic change through the reproduction of the business model and the spread of social impact beyond regional and even national borders. For a better performance of these enterprises in the creation of the social impact for which they propose, certain strategic marketing approaches are necessary and inherently related to compensatory or transformative performance.

Thus, in the second dimension, it is proposed that strategic marketing is relevant to improve the performance of social enterprises in relation to the achievement of their social missions. As discussed in the previous section, three approaches to strategic marketing are proposed: commercial, social and societal, and as explained in the conceptual model, both compensatory and transformative approaches tend to require specific approaches of strategic marketing.

From the compensatory approach, it appears that the performance of social enterprises tends to require the adoption of social strategic marketing actions, as they give greater visibility to the social causes (Madill & Ziegler, 2012) that compose the mission of the enterprise (Yunus et al., 2010). Similarly, because they are enterprises that use commercial practices to make financial self-sustainability feasible (Batillana et al., 2014), they need to adopt practices that are relevant to the commercial strategic marketing approach (Mitchell et al., 2016). However, because they do not act focusing on changing the current capitalist system (Newey, 2018), it is assumed that compensatory social enterprises do not use actions that arise from the societal strategic marketing approach. Hence, it emerges the first proposition of the conceptual model:

P1: *The compensatory approach of social enterprises requires the adoption of the social and commercial approaches of strategic marketing to improve social and commercial performance.*

Still in the second dimension, from the transformative approach, it appears that the performance of social enterprises requires the adoption of social and commercial approaches of strategic marketing (Madill & Ziegler, 2012), as it occurs in the compensatory approach. However, as much as the performance of enterprises in the transformative approach is directed to a cross-cultural audience, they start from covering the aspects related to individuals that propagate in time and space. Thus, even if the social strategic marketing approach is necessary, it occurs in less intensity than in the commercial approach, and it can be assumed that the social strategic marketing approach has little relation to the transformative approach of social entrepreneurship.

In addition to social and commercial approaches, the societal strategic marketing approach is also required in the transformative approach of social entrepreneurship. As the goal is to generate comprehensive changes that enable the development of a new system at a global level, meeting the demands and needs of society can be better achieved through societal strategic marketing. From these discussions, it emerges the second proposition of the conceptual model:

P2: *The transformative approach of social enterprises requires the adoption of the commercial and societal strategic marketing approaches to improve societal and commercial activity, while the social strategic marketing approach is required with less intensity.*

Regarding the third dimension, the commercial, social and societal marketing approaches are based on marketing techniques and concepts that enable the development of strategic plans and actions to improve the performance of social enterprises. As discussed earlier, social and commercial approaches are essential to the mission of compensatory enterprises, which improves the social and commercial performance of these companies. This performance improvement is directed towards the achievement of the social mission of the enterprise, which in this case is the increased compensatory social impact. Considering this, it emerges the third proposition of the conceptual model:

P3: *Compensatory social enterprises improve their social performance through the social strategic marketing approach and its commercial performance through the strategic marketing commercial approach. Such improvement in performance has a positive impact on the increase of the compensatory social impact generated by the enterprises to the communities where they operate.*

In the context of transformative enterprises, since the social focus is lower than societal, the social strategic marketing approach is narrowly used, which besides having an incipient improvement in social performance, has little influence on increasing transformative social impact. In contrast, the commercial and societal strategic marketing approaches need to be well developed in order to improve the commercial and societal performance of enterprises, which directly leads to the raise of the transformative social impact offered to different regions and cultures. From these understandings, it emerges the fourth proposition of the conceptual model:

P4: *Transformative social enterprises improve societal performance through the societal strategic marketing approach and commercial performance through the commercial strategic marketing approach. Such improvement in performance has a positive impact on the increased compensatory social impact generated by the enterprises to the communities in which they operate. However, the social strategic marketing approach has little influence on the raise of the social performance of transformative enterprises, which consequently leads to the low influence on the increase of transformative social impact.*

Therefore, the different dimensions presented in the conceptual model are interrelated, in a way that different paths can be shaped through the four proposed dimensions. It is noteworthy that the different paths coming from the dimensions are developed from a purpose, which is the increase of social impact that characterizes the fourth dimension of the conceptual model. This way, the interrelationship of the three other dimensions is a function of this one, in a way that the purpose of generating transformative or compensatory social impact entails: i) the formation of a compensatory or transformative social enterprise; ii) the identification of the necessary actions for the compensatory and transformative approach; iii) the development of strategic marketing techniques and practices that best fit the social entrepreneurship approach; and iv) the correct use of strategic marketing approaches to improve social enterprise performance, leading to the achievement of the desired goal: to increase social impact.

FINAL REMARKS

The discussion presented in this study helps to understand how strategic marketing approaches are adopted in relation to social entrepreneurship approaches, characterizing the description of inductive relationships that are not highlighted in previous studies, but become essential for the longevity of social enterprises in time and space.

Hence, regarding the questions presented in the introduction of this paper, it is possible to say, based on the conceptual model, that there are differences between compensatory and transformative social enterprises that demand greater actions in certain strategic marketing

approaches and less in others, such as societal strategic marketing, which only appears in transformative social enterprises.

Theoretically, the proposed conceptual model helps in the analytical deepening of the existing relations in the performance of social enterprises, allowing to broaden the theoretical lenses of both the field of marketing and social entrepreneurship. From the dimensions and propositions exposed in the model, scholars and researchers can better understand the social and commercial relationships that surround social enterprises, which allows the correct identification of the theoretical basis that should be adopted for investigations in this field.

The classification of strategic marketing in the commercial, social and societal approaches arising from the proposed model may highlight relationships that need to be considered in the analysis of companies, not only social, but also commercial/traditional ones. Additionally, the classification of social impact as compensatory or transformative arising from the model can clarify the units of analysis that can be developed in the field of social entrepreneurship.

Through the notoriety of the proposed conceptual model, it is relevant to emphasize that the role of social and commercial marketing for social enterprises was pointed out by Mitchell et al. (2016), but the authors did not discuss the role of societal marketing in the field of social entrepreneurship. Thus, considering that, especially in emerging economies, companies that adopt societal marketing actions have performance improvement (Zeng, Li, Zhu, Cai, & Li, 2013) and that social and commercial marketing also provide such improvement, it is assumed that the model proposed here allows entrepreneurs and marketing practitioners in social entrepreneurship to increase the transformative or compensatory social impact through different perspectives (economic, social and environmental).

It is necessary to emphasize that the conceptual model has certain limitations. First, as the focus of the work is on the marketing field, issues from other fields within management that may influence the performance of social enterprises are not considered. Second, the model deals directly with internal issues of social enterprise, not deepening the influence that external and contextual factors (e.g., public policies, regulations, cross-cultural differences, and international relations between governments and nations) can have on compensatory and transformative performance.

Advancing the discussion, as social marketing practitioners in social enterprises may lack formal knowledge (e.g., training, university education) about the practices and elements of this marketing, they may not achieve the effectiveness of these actions, which hinders the development of a social approach to strategic marketing (Madill & Ziegler, 2012). Such

reflection can be expanded to the societal strategic marketing approach, since it is a theme that is, to some extent, far from the commercial mainstream traditionally taught in marketing (undergraduate) courses.

From this understanding, the following question emerges: How can marketing practitioners and social entrepreneurs overcome the social and societal gaps of marketing that are necessary for the performance of social enterprises, but are not often learned in traditional marketing courses?

This question requires further study in order to be answered. Research in this direction can analyze the contribution of various actors in an ecosystem (such as incubators, accelerators, investors, universities, technology parks), investigating how these actors interact and collaborate to the development of social and societal strategic marketing that marketing practitioners and social entrepreneurs need to improve the performance of enterprises.

Another possibility for future studies is to analyze the marketing capabilities that social enterprises need to drive the commercial, social and societal approaches to strategic marketing. Such research can contribute to the development of strategic marketing approaches in social enterprises, enabling the improvement of the enterprise's performance (social, societal and commercial) and, consequently, the increase of compensatory or transformative social impact.

Strategic marketing approaches can influence the shaping of both the development of new ideas and technologies and the management and commercialization of social enterprises. Thus, future research can analyze how each strategic marketing approach can effectively innovate the business model of social enterprises to better achieve compensatory or transformative social impact. Such an understanding is necessary since the compensatory social impact will require certain forms of management and commercialization (e.g., advertising, consumer and supplier relationships, digital platforms, value co-creation) that may be different from those required for the transformative social impact.

Going further, as the conceptual model points out, social enterprises can present three forms of performance (social, societal and commercial) that lead to two types of social impact (compensatory and transformative). From this, future research can generate efforts to create and validate tools to measure the three types of performance of the model, as well as the two types of social impact that can be provided by social enterprises.

It is not just about using tools that are already consolidated in the market, given that the specificities inherent to the context of social entrepreneurship require new approaches and components to the complexity of measurement. Hence, it would be possible to measure the real benefit that strategic marketing approaches bring to the performance of social enterprises, as

well as the benefits that compensatory and transformative social enterprises generate for society.

Additionally, because this is a theoretical study, the model proposed here needs empirical validation, being one more possibility for future research. That said, it appears that other research that interrelate the approaches of strategic marketing with the approaches of social entrepreneurship have space in the academic field and can contribute to improving the performance of these enterprises and to society as a whole, regardless of the purpose initially adopted (transformative or compensatory).

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