AMERICAN UNIVERSITY OF BEIRUT

MARKETING A LUXURY SOCIAL ENTERPRISE

by
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MARKETING AND BRANDING A SOCIAL ENTERPRISE

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AN ABSTRACT OF THE PROJECT OF

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Marketing a social enterprise that sells luxury products is complex due to the duality of missions of a social enterprise and the heterogeneity of stakeholders. This case project attempts at segmenting the beneficiaries of social enterprises and examining whether or not highlighting the social mission when communicating the brand identity is beneficial or relevant. First, the terms 'luxury' and 'social entrepreneurship' are defined, and some marketing aspects related to selling luxury and to social enterprises are examined. Then a framework is presented to simplify the complexity of marketing a luxury social enterprise. An in-depth case study about Senteurs d'Orient, a social enterprise in Lebanon, is conducted and findings are examined to portray a real-life example of the complexity of the case. Finally, after applying the framework to the specific case of Senteurs d'Orient, recommendations are given to the management and to practitioners in the field.

CONTENTS

CHAPTER 1

INTRODUCTION

This case study delves into and discusses specific marketing elements when combining two disparate concepts: **social entrepreneurship** and **luxury**.

Social entrepreneurship is a field of study that has not been extensively examined, as it has caught the attention of researchers in the past decade, given the increasing popularity of this form of entrepreneurship. More and more studies are being done on the subject, but literature is still lacking a clear definition of social entrepreneurship. The social mission, however, is an integral element of social enterprises that scholars have agreed upon, yet there is no consensus on what are the different dimensions of social enterprises and on the strategies adopted by them. More specifically, very few studies have been done on the marketing strategies assumed by these enterprises.

Luxury, however, is a conception that has been exhaustively studied and examined, and numerous theories and definitions have been given to it. The marketing strategies of luxury brands have also been extensively studied, with theories scrutinizing every single aspect of the field.

When it comes to combining these two fields of study, little to no research has been done on the marketing approaches and the different dimensions of strategies adopted by social enterprises selling luxury products. Marketing is a broad field of study that encompasses several different elements, including but not limited to: Advertising, Sales, Marketing Mix, Public Relations, Market Research, Consumer Behavior, Target Customer

Profile, Communications, Brand Image, etc. For the purpose of this study, only specific and applicable elements will be discussed in each section, highlighting the relevance of each to the objective of the research. This study aims mainly to address the duality of missions of social enterprises (economic and social) and its effect on the marketing approaches of a social enterprise selling luxury.

This case project is structured as follows: Chapter 2 discusses an extensive literature review done on the definition of luxury, the marketing strategies adopted by luxury brands, the definition of social entrepreneurship, and the marketing approaches of social enterprises. Then, drawing from this literature review, a relevant framework is presented and discussed. Chapter 3 describes the methodology of this case study, and Chapter 4 examines the specific case of Senteurs d'Orient, a social enterprise that sells luxury. Finally, a conclusion is presented, addressing the various assumptions and findings of the real-life case study.

CHAPTER 2

LITERATURE REVIEW

2.1 Luxury Definition

The term "luxury", although frequently used in the literature, connotes a concept that is difficult to define, as it varies according to time, place, or people (Hudders et al., 2013). Luxury used to refer to exclusivity, accessibility to the elite, status, and quality. However, with the democratization of the luxury market (Dubois & Laurent, 1995), the 'new luxury' is not necessarily out of reach for the masses, yet still signifies higher levels of quality, taste, and desire (Atwal & Williams, 2009). Also, luxury depends on places, cultures, and social contexts. What one perceives as a luxury might feel like a need for another (Amatulli & Guido, 2012), or even a frugality for others. In a study done in 2012 by Davies, Lee and Ahonkhai, a luxury product was described as "aspirational and irregular in its purchase incidence", and has the purpose of increasing "personal well-being and self-pleasure through peer and self-identification of the creation/continuation of personal brand identity". The semiotic notion of luxury asserts the context-dependency of a luxury brand, arguing that a product is ascribed a luxury depiction but is not inherently luxurious (Hudders et al., 2013).

Hence, as the perception of luxury is highly subjective and constantly evolving, the literature is lacking a common definition of luxury. As such, scholars have attempted to segment the luxury market based on different criteria. Using this segmentation, marketers are able to more easily identify target markets, further allowing them to examine the

behavior and psychology of their customers, which in turn, allows marketers of luxury brands to make better informed decisions when it comes to promoting their products and more importantly, giving their brands a specific identity. For the purpose of this study, the semiotic theory of luxury brands will be adopted.

2.2 Marketing Luxury

Due to the subjective nature of the term "luxury" and with the emergence of "new luxury", marketing strategies for luxury brands have become much more complex.

2.2.1 Segmentation of the Luxury Market

One of the main pillars in a Marketing Plan is a thorough segmentation of the market and a clear identification of the target market. A demographic segmentation of luxury consumers is not relevant, especially with the democratization of luxury and the rise of "affordable luxury". In a study done by Dubois and Laurent in 1995, three different segments were identified based on access to luxury: (1) affluent people – unlimited access to luxury, (2) excursionists – intermittent access to luxury, and (3) excluded people – no access to luxury. Combining the fact that luxury products are becoming more affordable and accessible to the masses, and the natural desire of people for social emulation (mimicking the habits and purchases of the social class right above them), people of very different social and financial statuses can buy the same clothing brand names and go to the same extravagant restaurant (Truong et al., 2008). However, the intention of buying those specific clothing brands and going to these restaurants may vary greatly. For some, buying

luxury is for asserting status and membership, while for others conspicuousness is the main intention. Segmentation based on intention of buying is therefore more appropriate in such cases. The psychological value of luxury goods makes their consumption dependent on a mix of individual and social cues (Davies et al., 2012). Status consumption is concerned with status-laden possessions that aren't necessarily publicly displayed, but conspicuous consumption is more about evidently displaying the expensive possessions (O'Cass & McEwen, 2004). In a study done by Dubois and Duquesne in 1993, the luxury market was segmented into brands that represent standards of excellence and brands that act as social symbols.

Another proposal of segmentation was based on the purchase motive of luxuries and the meanings ascribed to luxuries. The three segments proposed are (1) the impressive group that indulges rather than fulfill extrinsic needs, (2) the expressive group that uses luxury to conform to /dissociate from others, impress others, or express identity, and (3) the mixed group that consumes luxury for both intrinsic and extrinsic needs (Hudders et al., 2013).

An alternate proposition for the segmentation of luxury consumers hinges on the mindset that drives luxury spending. According to SRI Consulting Business Intelligence, the three distinct mindsets are:

1. **Luxury is Functional**

    Consumers in this segment appreciate the superior functionality and quality of luxury products.

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2. **Luxury is a Reward**

Consumers in this segment display the possession of luxurious products as a status symbol, to signify success and to demonstrate prominence and importance.

3. **Luxury is Indulgence**

Consumers in this segment want to express individuality and lavishness. Product quality and longevity are not primary issues for them, but they are willing to pay a premium price for the way a product or experience makes them feel. This emotional approach to luxury consumption makes consumers in this segment more prone to impulse shopping.

Therefore, when it comes to looking at the luxury market, a consumer's state of mind and personality have more to do with discerning spending habits than his/her demographics (Gardyn, 2002).

In a study done on luxury brands in 2012, Liu et al. describe three brand self-congruity concepts as indicators for attitude towards luxury brands and purchasing intentions. Self-congruity is described as the "likeliness of comparing oneself with other objects and stimuli" (Liu et al., 2012). The three concepts of brand self-congruity discussed in this study were:

Brand Personality Congruity

This refers to the connection between the consumer's perception of their personality and their perception of the brand's personality (aggressive, elegant, reserved, etc.). Consumers benefit from self-expressive image of the product to portray their own image of themselves (Liu et al., 2012).

Brand User Imagery Congruity

This refers to the similarity between how the consumer perceives the typical user of the brand and how he/she perceives themselves. If the user of a certain brand closely matches the self-image of the consumer, then he/she are more likely to purchase that certain brand.

Brand Usage Imagery Congruity

This refers to association between the general perception of how the brand is typically used and the consumer's perception of the situation where he/she would use the brand. For example, wearing a Chanel bag formally in the evening versus having it for everyday use.

2.2.2 The Dichotomy of Luxury

In 2011, Amatulli and Guido discussed the hypothesized dichotomy between 'internalized luxury' and 'externalized luxury'. More specifically, the motives behind luxury consumption can be external and therefore interpersonal, or they can be internal and therefore considered personal motives. This study takes the segmentation of the luxury market that was previously discussed one step further and examines the different dimensions of 'internalized' and 'externalized' luxuries, suggesting implications for marketing strategists.

Dimensions of 'Internalized Luxury' & Marketing Strategy Implications

Dimension	Proposition	Marketing Strategy Implication
Individual Lifestyle	The purchase of luxury products only takes place when the products match the consumer's lifestyle	Emphasize the representation of the brand lifestyle
Emotions / Hedonism	The purchase of luxury products takes place when the products convey emotions and gratification to the consumer	Improve the in-store customer experience
Culture	Appreciating luxury products is increased by culture capital	Emphasize 'culture' as a main brand value

(Adapted from Amatulli & Guido, 2012)

In the case of 'internalized luxury', consumption is related to customer's personal

sensations, emotions, and state of mind (Amatulli & Guido, 2012).

Dimensions of 'Externalized Luxury' & Marketing Strategy Implications

Dimension	Proposition	Marketing Strategy Implication
Ostentation	The purchase of luxury products aims at showing off wealth	Emphasize the premium price of the product and its value as a status symbol
Materialism	The purchase of luxury products results from the belief that possessing material objects is essential	Emphasize the importance of purchasing and owning many luxury goods for status display and self-affirmation
Superfluousness	The purchase of luxury products results from the belief that their value is symbolic	Emphasize the benefits of the products that are besides functionality

(Adapted from Amatulli & Guido, 2012)

In the case of 'externalized luxury', consumption is based on social factors and

evoked by the desire for social approval (Amatulli & Guido, 2012). The social nature of

luxury consumption is often manifested in consumers trying to acquire social advantage

and fitting in by copying the consumption pattern of a desired social group (Shukla, 2011).

2.2.3 Experiential Marketing of Luxury

As the segmentation of the luxury market has become manifold and intricate, the

marketing of luxury products has attained a new level of complexity. Conveying higher

quality, performance and authenticity is no longer sufficient. Selling an experience and

relating it to the lifestyles of consumers is becoming more and more popular in the world of

luxury. Experiential marketing, as opposed to traditional marketing, focuses on the

emotional, sensory, cognitive, and social values of the customer, and attempts to create

synergies among perception, consumption and brand loyalty. Also, experiential marketing

relies on extensive research on consumers' psychology, behavior and attitudes because

some schools of thought argue that people are not rational decision makers but are rather

driven by a combination of rationality and emotion (Atwal & Williams, 2017). The luxury

product therefore becomes branded as "the experience" instead of merely a good or a

service. The experiential dimension is an essential element of luxury (Fionda & Moore,

2009).

2.3 Social Entrepreneurship Definition

The concept of social entrepreneurship is relatively new, and up until now, there is

no consensus on what the definition of social entrepreneurship really is. However, one

common integral attribute of social entrepreneurship that all schools of thought seem to

agree on is the underlying drive for creating social value for the public good (Austin et al., 2006), and hence promoting social wealth (Zahra et al., 2014). Social wealth is about "improving the quality of human existence and global sustainable well-being" (Zahra et al., 2014). In social entrepreneurship, the social mission is fundamental and explicit. The social impact is the central criterion around which decisions are made, and how opportunities are perceived and evaluated (Dees, 2001).

Another criterion of social entrepreneurship that is not disputable is sustainability. According to Liu et al. (2015), a "social enterprise must adopt surviving strategies entailing economic value creation that are premised on self-sustainment". In a similar manner, Kannampuzha et al. (2016) define social enterprises as "ventures that focus on social value creation in a community in a self-sustainable manner". Sustainability is an essential aspect of social enterprises, meaning they rely on proceeds made from business-like activities rather than depending on grants and donations.

While the 'social mission' and sustainability aspects of social entrepreneurship are agreed upon, other properties of this principle are still debated and the opinions of different scholars studying this field are not in unison. Consensus has yet to be reached on the following dimensions:

> **Innovation**

'Entrepreneurship', social or not, is correlated to terms as opportunity identification, innovation and risk (Luke & Chu, 2013). Innovation seems to be an integral element of the model. When it comes to social entrepreneurship, some researchers define it as "the use of social innovation to solve social

problems and to bring about social change" (Choi & Majumdar, 2014),

reflecting that innovation is at the heart of entrepreneurship. One school of

thought considers a social enterprise to be an entity or organization that applies

the principle of social entrepreneurship in order to create social value (Liu et al.,

2015). Other schools of thought define social enterprises as organizations that

have a social purpose and therefore is a "business as an instrument for social

development" (Luke & Chu, 2013), regardless if it has an entrepreneurial spirit

or not. Innovation is therefore not an integral part of a social enterprise.

Nevertheless, the two terms 'social entrepreneurship' and 'social enterprise' are

used interchangeably in the literature, negating the fact that not every social

enterprise is entrepreneurial. For the purpose of this case study, this paper will

refer to a social enterprise as an organization that adopts the notion of social

entrepreneurship, embracing all of its dimensions without highlighting the

innovative requisite for its business-like activities.

➢ **Financial Profits**

Another big debate in the field of social entrepreneurship is profit making. A

social enterprise is established on and guided through its social mission. Some

scholars consider that making financial profit negates the social impact

intended. They define social enterprises as "not-for-profit organizations in the

search for new funding strategies through business activities" (Choi &

Majumdar, 2014). Other scholars argue that profit making does not conflict with

the social mission of a social enterprise, and that the duality of missions,

economic and social, does not signify dichotomy, but rather a continuum

(Austin et al., 2006). When it comes to profit making, the spectrum ranges from non-profit organizations that are purely social to commercial businesses that are purely economic. Social enterprises are a hybrid of the two models, some leaning more towards profit making than the others.

➢ **Blended Value**

The aspect of profit making, i.e. the economic value, in the context of social entrepreneurship, is taken one step further by some scholars, whereby the model of 'blended value' arises. While to many scholars the social value creation is the only requisite for a social enterprise, others argue that three dimensions of value are necessitated: financial, social and environmental, comprising blended value creation (Zahra & Wright, 2016). There are of course tradeoffs and complementarities among these dimensions, creating an interplay in the business models of social enterprises.

➢ **Beyond BOP**

Another debate in the field of social entrepreneurship revolves around the targeted people in the social mission. Some scholars contend that social enterprises arise to serve people at the base of the pyramid (BOP), known as the underprivileged (Zahra & Wright, 2016). These people, due to poverty, are ignored and lead a meager existence. However, according to other scholars, people at the base of the pyramid are not the only ones benefitting from social enterprises. A social venture can operate in any sector in the economy, accommodating both, the privileged and underprivileged (Zahra et al., 2014). For instance, some social enterprises take on societal problems such as health

care, private education, or water purification, and thereby create social value for society as a whole.

2.4 Marketing Social Enterprises

Several social enterprises embrace social marketing as their primary marketing tool. Social marketing is an approach primarily adopted by governments, charities and various public-sector organizations in order to promote and encourage behavioral change that is for the benefit of the whole society (Mitchell et al., 2016). However, with the emergence of social enterprises, this approach is becoming more popular. Social marketing was pioneered when marketing scholars attempted to apply traditional commercial marketing concepts to solve or alleviate social problems (Saunders et al., 2015). Basically, social marketers would sway people to accept social ideas and therefore influence behavior by simply designing, implementing and controlling social marketing programs (Kotler & Zaltman, 1971). These programs would involve some of the basic traditional marketing aspects: product, pricing, communication, distribution and marketing research. For example, such programs would help charities raise more money or aid art museums attract more patrons (Kotler & Zaltman, 1971). Seeing that the social missions of social enterprises are consistent with the objective of social marketing, stakeholders consider it to be an appropriate and legitimate approach to marketing (Mitchell et al., 2015).

However, some social enterprises use marketing and promotional activities that promote the quality and benefits of their products or services, downplaying their social mission (Mitchell et al, 2015). Competing on product quality is critical, because in many

cases, that is what the consumer is concerned with (Mitchell et al, 2016). Emphasizing product features that is in line with what the consumer needs or desires is sometimes necessary for the survival of the enterprise, because in some cases, emphasis on a social mission proved to undermine from quality as perceived by customers (Morgan & Hunt, 1994). This proposes that the success of a social enterprise is derived from focusing on the pragmatic legitimacy (Suchman, 1995), rather than on the moral legitimacy of a social enterprise.

These opposing approaches to marketing adopted by social enterprises emerged from two integral elements: the duality of missions (economic and social) and having multiple stakeholders. The duality of missions prompts marketers to choose a marketing strategy that that highlights one of the two. Also, since social enterprises are a hybrid of non-profit organizations and commercial businesses, then attracting two main sets of stakeholders is crucial: beneficiaries and funders (Kannampuzha, 2016). Depending on which stage of development the social enterprise is in and what percent it is self-sustainable, different strategies might be needed. However, some social enterprise practitioners adopt strategies of separation, addressing each set of stakeholders at different times and through independent marketing activities (Mitchell et al., 2016). According to Liu et al. (2015), when a social enterprise attempts to target customers for its commercial trading activities, it should highlight the benefits of the products/services offered, because it will not be judged on its capacity to carry out social activities, but rather on its capacity to deliver superior products and services. However, when social enterprises adopt commercial marketing strategies, three stigmas emanate, especially in the minds of the funders in the

social and not-for-profit sector:

1. Commercial marketing is a waste of money.

2. Commercial marketing is intrusive.

3. Commercial marketing is manipulative.

These stigmas compel some social enterprises, especially those still reliant on some external or public funding, to adopt marketing strategies that only require low-cost tools, minimizing spending (Mitchell et al., 2015).

Nevertheless, even if a social enterprise choses to adopt a marketing strategy that targets the direct consumer of its products and services, there is a segment of people who are concerned with the 'ethical impact' of their purchasing decisions on the environment and on society as a whole (Beard, 2008).

This heterogeneity in stakeholders and the duality of missions makes it a challenge for social enterprises to adopt a marketing approach that accommodates all parties. Trade-offs are necessary and deciding which group to focus on is critical and a basic requirement for growth (Mitchell et al., 2016). Therefore, a clear segmentation of the market and determining the target customer in the marketing efforts of a social enterprise is complex yet necessary. This case study aims at tackling this specific intricacy of social enterprises, but with one added factor: luxury.

2.5 Marketing a Luxury Social Enterprise

The two distinctive fields of 'Luxury' and 'Social Entrepreneurship', although seem to be of divergent realms, in very few cases intersect. And when two different field

converge, a new space is generated where "new questions are posed, theories are developed, and new territories are introduced and defined" (Zahra et al., 2014).

The inherent tensions in social enterprises affect the choice of an appropriate marketing strategy. The complexity of the world of luxury magnifies these tensions and adds another level of opposing attitudes towards the enterprise, what it promotes, and what it stands for. When a social enterprise gets funding from a commercial activity of selling luxury, marketing strategies become more intricate. Segmenting the market and defining a very specific target customer profile is what allows the social enterprise to portray the right brand image and hence choose the right marketing strategies.

Although not numerous, there are some social enterprises around the world that sell luxury products/services. For example, Glencraft Mattresses, although registered as a charity, is a social enterprise that sells luxury mattresses and provides job opportunities to unemployed and disadvantaged residents in Scotland. Bottletop is an organization that sells luxury bags and accessories while empowering young people with health education and empowering young artisans with skills and livelihood. Examining the local ecosystem, two notable social enterprises in Lebanon that sell luxury are Sarah's Bag, hiring underprivileged women to craft one of a kind luxury bags, and M Social Catering, developing a job integration system for underprivileged people in Lebanon while providing luxurious corporate catering for companies. There are several other social enterprises that sell luxury, however, there are hardly any studies done on the subject of brand image and market segmentation for luxury social enterprises. The field of marketing luxury social enterprises has not been extensively explored. Therefore, an in-depth analysis of Senteurs d'Orient, a local social enterprise that sells luxury, and of its marketing efforts was carried

out. This case study explores the complications faced by Senteurs d'Orient when it comes to segmenting the market, selecting the right brand image, and adopting the appropriate marketing strategies. It attempts to answer the research questions:

(1) How does the duality of missions affect the marketing approaches of a luxury social enterprise?

(2) How do luxury social enterprises segment the market and choose their target audience in marketing approaches?

2.6 Framework

The framework adopted for this case study will be a combination of the work done by the SRI Consulting Business Intelligence and the duality of missions in social enterprises. The SRI Consulting Business Intelligence proposes that there are three distinct mindsets of consumers of luxury: luxury as functional, luxury as a reward, and luxury as indulgence (Gardyn, 2002). The duality of missions in social enterprises connotes joggling both, a social mission and an economic mission (Austin et al., 2006).

The merger of those two concepts results in the following table:

Mindsets / SE Mission	Functional	Reward	Indulgence
Social			
Economic			

(Designed by the author – Adapted from Gardyn, 2002 & Austin et al., 2006)

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CHAPTER 3

METHODOLOGY

This project adopted an interpretive qualitative case study research methodology. The aim of this study is to identify the appropriate social enterprise brand image portrayal and communication with the identified target customers of a luxury brand. Implementing a case study design allows for an in-depth description and application of the theorized framework, rather than surface-level interpretations of it. This also allows for building a theory and conceptual understanding based on empirical evidence, compensating for the lack of an already established theory in the field.

An extensive literature review on the definition of luxury, some dimensions of marketing luxury, the definition of social entrepreneurship, and selected dimensions of marketing social enterprises, was conducted. This literature review served as a basis for the construction of a hypothesized framework to be applied. Senteurs d'Orient, a social enterprise that sells luxury, was selected as a specific case study to be examined and serve as a real-life illustration of the argument. Therefore, an in-depth interview with Hana Debs Akkari, founder of Senteurs d'Orient, and Nayla Ziade, managing director of Senteurs d'Orient, was conducted. The interview questions focused on the story of the founder and the history of the enterprise, the social impact of the enterprise, the characteristics of the product that qualify the brand to be identified as luxury, and on the marketing communications done by the enterprise. The interview took place on October 05, 2017 at the headquarters of Senteurs d'Orient in Lebanon and was transcribed. In addition,

secondary research on the enterprise was conducted by examining their website, blog,

social media presence, and press acknowledgements.

CHAPTER 4

THE CASE OF SENTEURS D'ORIENT

Senteurs d'Orient is a Lebanese private enterprise that represents a suitable example of a social enterprise that sells luxury. Senteurs d'Orient was created for giving back to society in the form of women empowerment, yet is based on a regular business model, selling luxurious, all-natural soaps and 'Hammam' related products. Its philosophy, as stated on the website, is:

"Because our senses are inspired and renewed by the enchantment and refinement of the Orient,

Because the ritual of bathing emerged in the Orient amidst its profusion of roses, jasmine and olives,

Because soap has been lovingly crafted in the Orient for more than six thousand years,

Because we are women,

Because education is the key to women's empowerment,

Because freedom is also a form of beauty,

Because we believe that beauty is authentic, natural and sensual,

We created Senteurs d'Orient."

4.1 The Story

Senteurs d'Orient was established in 2000 in Lebanon by Hana Debs Akkari, who grew up in Japan, moved to France when she got married, and then moved back to her home country Lebanon to raise her children. Hana wanted to give back to society by empowering women because she felt the Middle East was falling behind in terms of equal

opportunities for employment and in terms of social pressure. She also wanted this cause to be funded by a solid business model because she did not want it to be a charity and didn't want to seek government funding. Therefore, Hana opted to start producing natural, handcrafted soaps that were inspired by the bathing rituals of the Far East and Middle East. Starting very humbly, Hana consulted a local soap expert and her cousin who is a pharmacist, and started preparing the soap in the kitchen of her husband's office. Then upon reaching a refined product that they were all happy with, they rented a factory in Dekwaneh, Lebanon. The team started growing slowly, hiring mostly women, and they started selling their products in different 'Artisanal' shops around Lebanon. In 2003, the team opened their first flagship store in Gefinor, an upper-class neighborhood of Beirut, Lebanon.

The products they sold were of excellent quality, but the business hit a plateau. Although many locals and tourists in Lebanon showed ardent demand for the products of Senteurs d'Orient, and comprised a loyal customer base, the number of sales was still small-scale. Moreover, the political and economic instability in the country highly affected the market demand for such category of luxury products. Senteurs d'Orient needed refreshing and someone to revitalize the brand, and so it became a mother-daughter duo, where Sarah joined her mother on her mission to empower women and to express passion for bathing rituals through creating products of luxury and indulgence. In 2015, the flagship store was closed but more selling points were created. The team decided to adopt a pop-up system whereby they would set up a pop-up corner in malls at Christmas and other holiday seasons. They also started selling online and delivering worldwide through their website or

through Net-a-Porter, a luxury fashion destination for online shopping. In addition, they started selling their products in beauty shops, 'Artisanal' stores, and pharmacies in several countries around the world: Lebanon, Bahrain, Belgium, France, Japan, Kuwait, Netherlands, Switzerland, UAE, UK, and USA. Moreover, Senteurs d'Orient started selling products to businesses like hotels and spas, adopting a business-to-business system in addition to its business-to-customer sales model.

4.2 The Social Mission

According to the website, Senteurs d'Orient is "a company that gives back to women", for "female empowerment is at the heart of our brand".

In addition to having mostly women on the team, proceeds of the sale of the products of Senteurs d'Orient support various programs aimed at empowering and educating women in Lebanon. In fact, the Senteurs Women Initiative is a program founded in partnership with the United Nations Development Programme (UNDP) to finance and oversee projects for women empowerment. Every year, the program chooses a different project to support, implemented by a local non-profit organization. Clear *key performance indicators* are chosen and measured in order to have the highest impact possible and to have a benchmark for future projects. Projects addressing women empowerment vary from business skills development workshops, Information Technology trainings, vocational trainings, to awareness raising activities. According to Nayla Ziade, the Managing Director of Senteurs d'Orient, these programs have "a very high impact but on a very small

community…we are not saving the world, we are not saving the country, we are helping a few women. But if you remove all these little bricks, the country would collapse".

According to the Senteurs d'Orient team, collaborating with the UNDP not only gives them international credibility, but also provides them with guidance, structure and exposure. It also highlights the importance of the collaboration between the public and the private sectors, where each of them has a role to play in the development of societies.

"I had my proper funds, and I had this desire to give back to society. The intention was not to make money, the intention was to do something nice, and I was the one that profited most from this." ~ Hana Debs Akkari

4.3 The Luxurious Soap

Although it might seem unconventional to label soap, an everyday 'normal good', as a luxurious product, the Senteurs d'Orient soap cannot be put in the same category as the other soap bars found in supermarkets and convenient stores. There are several main aspects of the Senteurs d'Orient soap that make it qualify as a *luxury*.

➢ **Quality**

A chief property of the Senteurs d'Orient soap is that it is made from the finest all-natural ingredients, making it a product of superior quality. The natural ingredients are chosen to guarantee the optimal skincare properties and the fragrances are imported from Grasse, France, the world's capital of perfume.

Moreover, the products of Senteurs d'Orient are tested in labs abroad to ensure

highest quality and conformity to international standards, since the sales of these products are worldwide.

➤ **Handcrafted**

Another dimension of the Senteurs d'Orient soap that makes it luxurious according to the team is that it is handmade, for the most part. According to Nayla, anything made by hand, with all its imperfections and uniqueness is more luxurious than items mass produced by a machine. Every step of the production is either manual or partly manual, starting from hand-mixing the main ingredients to create the base, until the very last step of packaging, where every soap bar is individually hand-wrapped.

➤ **Price and Exclusivity**

As with luxury products in many industries, like fashion or automobiles, the price bracket of the luxurious items is notably higher than the rest of the products in the market. While the price of a soap bar locally ranges on average between one and two US dollars, a Senteurs d'Orient soap bar sells for a minimum of three US dollars for the small bar going all the way up to 11 US dollars for larger bars. Abroad, however, the price brackets are even higher, since the team wanted the products to be sold for less prices at their home-country relative to prices in international markets. Moreover, Senteurs d'Orient soaps have an 'exclusivity' aspect whereby they are not mass produced and readily available in supermarkets and convenient stores.

➤ **Indulgence**

Finally, the most important aspect of Senteurs d'Orient soaps that make them

luxurious is the experiential aspect: *indulgence.* According to Nayla, their loyal customers are those that want excellent quality that is natural and those that want to pamper and spoil themselves. The ingredients in the Senteurs d'Orient soaps are deliberately picked so that "the therapeutic virtues of the aromas are exalted during your bathing experience", because "bathing is much more than simply washing" (https://lb.senteursdorient.com, 2018).

4.4 Marketing Approach

For the purpose of this case study, not all the Marketing dimensions of Senteurs d'Orient will be discussed, but rather two keys aspects will be examined: **consumer profile** and **brand image communication.**

Although Senteurs d'Orient is a social enterprise, most of its customer base is not aware of the social mission behind the company. Even the Managing Director Nayla stated that she was a loyal customer before she joined the company, but was not aware of the social impact that Senteurs d'Orient incites. She simply loved the products. Nayla argues that their customers are mainly people who want a product of superior quality of natural origins, people who want to indulge and treat themselves while bathing, and people who want to buy a nice gift for someone (on Mother's Day, Christmas, etc.). Although these three segments may overlap in many instances, none of them identify with individuals who buy the product for the social mission of empowering women. It is important to note here that we are not labeling the consumers of the products of Senteurs d'Orient as socially unaware, for there are consumers who make substantial differences in social development.

Nor are we stating that there doesn't exist a single customer who believes in the social mission of Senteurs d'Orient and keeps buying products as a form of support. Nonetheless, it is safe to proclaim that according to the managers of Senteurs d'Orient, the majority of the customers go under the three segments stated previously, hence not buying the soaps for the sole purpose of women empowerment; it is about the product itself. The social mission here merely adds to the benefits associated with the sale of the products of Senteurs d'Orient.

When it comes to brand image communications, Senteurs d'Orient does a bit of everything. The packaging, colors, pop-up designs, flagship store design, and product design and aromas all incite a luxurious sensation of indulgence. However, the website and social media pages (Facebook and Instagram mainly), communicate both, the luxurious aspect of the product, and the social mission of the enterprise. Although the pictures and descriptions are mostly about the high-end, natural product, the website clearly describes the social mission as integral part of the story of Senteurs d'Orient, and the Senteurs Women Initiates are clearly portrayed, highlighting the women empowerment mission. Moreover, although most of the pictures on the social media platforms depict the soaps or flowers against concrete to portray the raw, natural, yet sophisticated essence of the products, there are a few pictures posted intermittently, that are basically portraits of some of the women who participated in the UNDP projects, with quotes on how the program conduced to the betterment of their lives. In addition, the packaging of the products states that part of the proceeds of the sales of these products support initiatives for women empowerment.

Although the marketing strategy of Senteurs d'Orient attempts to communicate both missions, at different times, via different methods, Nayla states that "it's a challenge to find the right balance and to find the right method of communication". According to Hana, it is important not to break the dream, but the team feels that it is important to communicate the social aspect of the company because it is an integral part of the company, not just corporate social responsibility. They are looking for a strategy that incorporates the social mission, but they want to communicate it in an aesthetically beautiful way so that it matches their products. Up until now, Senteurs d'Orient has been juggling between strategies that highlight their social mission and their impact on society, and strategies that focus merely on the products themselves. There is no clear, unified direction when it comes to the brand image communication of Senteurs d'Orient, hindering potential growth and expansion, and pulling the company into different routes.

4.5 Framework Application

In order to further analyze the case of Senteurs d'Orient and in an attempt to recommend a more effective marketing strategy, the framework previously constructed (by combining the work of the SRI Consulting Business Intelligence and the duality of missions in social enterprises) will be applied. The purpose of this framework is to indicate whether or not communicating the different missions of a social enterprise proves to be relevant and beneficial when targeting the consumers with the three different mindsets and motivation to buy luxury products. The term 'relevant' connotes the applicability or pertinence of highlighting the mission to the specific consumer segment. The term 'beneficial' will signify whether or not the communication of the mission provides an

added value to the enterprise. The added value in this context can take the form of enhanced reputation, increased sales, better exposure, extended word-of-mouth, greater brand recognition, etc. Communicating the social mission refers to highlighting the social aspect of the enterprise and depicting how society is benefitting from the proceeds that this enterprise makes. Communicating the economic mission does not mean highlighting the fact that company wants to make money. It is rather about communicating a specific mission statement, portraying the brand identity so that customers identify with it, which in turn results in increased sales and economic profits. For example, the mission statement of the luxury brand Chanel is "to be the Ultimate House of Luxury, defining style and creating desire, now and forever."

By applying this framework to the case of Senteurs d'Orient, we can identify the relevance and value of the communicating the divergent missions. The different consumer segments identified by the managers of Senteurs d'Orient basically fall under two mindsets in this framework: **luxury is functional**, concentrating on the superior quality of the products, and **luxury is indulgence**, focusing on the experiential aspect of the product. **Luxury is a reward** is a mindset that was not identified in this specific case, and therefore will be labeled '*irrelevant*' and '*not beneficial*'. This specific mindset relays symbols of social status, demonstrating importance and success by showing the possession of luxury products. In the case of soap and 'Hammam' related products, this mindset is not applicable.

When it comes to the consumers who purchase the Senteurs d'Orient soap for its quality and functionality, highlighting the social mission is *irrelevant* because it will not

impact the purchasing decision. It might be *beneficial* in the case where two products of very similar qualities are readily accessible to the consumer, so highlighting the social aspect might represent a competitive advantage, making the consumer lean more towards purchasing the product that also contributes to greater good. Communicating the economic mission for this segment of customers is highly *relevant* and is of added value to the company, and therefore *beneficial*.

When targeting the consumers who purchase Senteurs d'Orient soap for the experiential aspect of indulging and pampering themselves, it is important to highlight the feelings associated with the purchase of the product. This segment is the most emotional of the three and emphasizing the social aspect of the enterprise is very *relevant* and *beneficial* in this case because it plays on the emotions of the consumers. Moreover, communicating the economic mission of the enterprise, especially if it emphasizes the luxurious and experiential aspect of the product, is highly *relevant* and *beneficial*.

By combining all these aspects together, the following table is composed:

Mindsets / SE Mission	Functional	Reward	Indulgence
Social	Irrelevant Potentially Beneficial	Irrelevant Not Beneficial	Relevant Beneficial
Economic	Relevant Beneficial	Irrelevant Not Beneficial	Relevant Beneficial

In the specific case Senteurs d'Orient, the target customers identified fall under two distinct categories of mindsets towards luxury, and require different strategies depending on whom the company wishes to target. The recommendation here however, is to focus on one group of customers and communicate a brand image accordingly. If the aim is to target consumers who buy Senteurs d'Orient products for their functionality, then communicating the social mission alone will prove to be irrelevant and hence fail to attract them. Highlighting the economic mission is the appropriate strategy, and accompanying it with an emphasis on the social mission might be potentially beneficial and add value. However, the primary concern is to communicate the functionality of the product. If the aim is to target consumers who buy Senteurs d'Orient products for indulgence, then communicating both the social and economic missions of the company prove to be relevant and beneficial. Focusing all marketing efforts in one direction is necessary for the portrayal of a unified brand image and hence allowing customers to identify with the brand. Trying to appeal to everyone leads to confusion and dilutes the intensity of the message that the company is communicating. Senteurs d'Orient, after identifying the different segments of its customer base, must now select one segment and decide whether or not to communicate the social mission according to the results in the framework.

CHAPTER 5

CONCLUSION

Choosing a marketing strategy conventionally depends on the type of organization, its mission, and target customer to be reached. In the case of a social enterprise that sells luxury, matters become much more complex. More specifically, the duality of missions of social enterprises and customer profile of luxury brands brings about conflicting orientations when it comes to portraying and communicating the brand image. A framework was designed attempting to resolve and simplify this matter. The two dimensions of this framework are: (1) segmentation of the target customer based on their mindset towards luxury, and (2) the duality of missions (social and economic) of social enterprises.

In the specific case of Senteurs d'Orient, targeted customers fall under the two mindsets: luxury is functional and luxury is indulgence. Highlighting and communicating either the social, economic, or both missions proved to have dissimilar consequences, depending on which target customer segment the company intends to influence.

The findings of this case study cannot be generalized to every social enterprise selling luxury. However, given the scarcity of studies on marketing a luxury social enterprise, the findings can be beneficial to both researchers and practitioners in the field. This study advances knowledge in the fields of marketing, luxury and social entrepreneurship as it helps practitioners identify challenges faced when trying to promote

the social mission of a social enterprise that sells luxury without compromising the

functionality and experiential aspect of the luxurious product.

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