

Social Business: Opportunities and Challenges

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Abstract : Social business is a new concept in the field of Business Economics and Capitalist Economy. It has increased the importance in economic and social development in emerging economies. Professor Muhammad Yunus is the founding father of the notion. While conventional business underscores profit maximization as a core business principle, social business calls for addressing social problems at the expense of profit. This underlying principle gives social business advantageous position over conventional businesses to serve those who live at the bottom of the pyramid. It also poses grave challenges to the social business because social business sacrifices profit at one hand and seeks financial sustainability on the other. For the sake of its financial sustainability, the social business might increase the price of its product or service which might lower its social impact, thus, makes the business self-defeating. Therefore, social business should be more innovative in every business process including production, marketing, and management. Otherwise, the business is unlikely to be driven out from the society.

Keywords : innovativeness, self-defeat, social business, social problem

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