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Abstract

Social enterprises have developed a strong presence in business, especially due to the prevalence of a “conscious consumer” mindset. Among many models, the One-for-One model—donating a product for every product sold—has emerged as a key component of several companies. With this model gaining popularity, there is no current research surrounding how the One-for-One structure has evolved in specific settings. This paper aims to fill the knowledge gap by exploring whether external pressures (mainly the general public, impacted communities, and financial stakeholders) have caused an evolution in the model. The research methodology utilizes a qualitative case study analysis of the enterprises Warby Parker and SoapBox Soaps by integrating interviews and archival sources. This paper finds that there has been no significant change in the current One-for-One model, setting up interesting questions about the future of the model and its iterations.

Keywords

Social entrepreneurship, Warby Parker, SoapBox Soaps, Buy-One Give-One

Disciplines

Business

**Tracing the Evolution of the “Buy One, Give One” Model Through a
Comparative Case Study Analysis of Warby Parker and SoapBox Soaps**

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Research Disciplines: Business

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ABSTRACT

Social enterprises have developed a strong presence in business, especially due to the prevalence of a “conscious consumer” mindset. Among many models, the One-for-One model—donating a product for every product sold—has emerged as a key component of several companies. With this model gaining popularity, there is no current research surrounding how the One-for-One structure has evolved in specific settings. This paper aims to fill the knowledge gap by exploring whether external pressures (mainly the general public, impacted communities, and financial stakeholders) have caused an evolution in the model. The research methodology utilizes a qualitative case study analysis of the enterprises Warby Parker and SoapBox Soaps by integrating interviews and archival sources. This paper finds that there has been no significant change in the current One-for-One model, setting up interesting questions about the future of the model and its iterations.

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INTRODUCTION

Social entrepreneurship is a field that has been gaining attention and traction throughout the business world. Although there is no set definition, social entrepreneurship “combines the passion of a social mission with an image of business-like discipline, innovation, and determination” (Dees 1998). The juxtaposition of idealist values of helping the world and traditional business fundamentals creates an interesting business space in which firms have been able to operate. By reinventing the static conceptions of business goals through innovative models, social enterprises are changing the way the world does business. Although there are varying definitions of social enterprises, some of the most prominent social impact models include the established nonprofit model, Corporate Social Responsibility (CSR), and hybrid entities. This paper will focus specifically on a particular hybrid model known as “Buy One, Give One” (also referred to as “One-for-One”). As the name suggests, companies operating under this model will donate a product for every item that a consumer purchases. Popularized by TOMS Shoes, this model is spreading across the social impact landscape through different iterations (Marquis and Park 2014). This paper will investigate the changes in the One-for-One model over time in the context of two case studies—Warby Parker and SoapBox Soaps. Particularly, the research question will be: *does the One-for-One model significantly evolve in response to external business pressures?* The sources of variance in this study will come from defined external pressures—mainly the general public, impacted communities, and financial stakeholders —causing (or failing to cause) changes in the structure of the model in these specific cases. Additionally, sources of variances can arise from particular aspects of the One-for-One model (related to longevity and

flexibility), and this paper will aim to isolate these sources in the case study method. At a basic level, one would expect an evolution in the model because the industry is always changing and social enterprises need to constantly adapt to balance the social portion with financial results.

The current research in this space is sparse, with more of a focus on social entrepreneurship in general. A detailed literature review is completed below, from which it can be concluded that there is a knowledge gap as related to the evolution of the One-for-One model. In order to address this gap, this paper will focus on how external pressures impact the model in specific settings. To concentrate on the most prevalent and significant external pressures, this paper defines a finite set composed of three groups of stakeholders: general public, impacted communities, and financial investors. First, general public was chosen as a representation of the market and consumers. Public opinion in the social enterprise space can sway a model, and this paper will consider the strength of this pressure. Second, the communities actually impacted by this model (impoverished or underserved communities) are an obvious choice for analysis because they represent the beneficiaries. If this segment is unsatisfied, the model fails. Finally, financial investors are critical for operations of social enterprises, and any equity investment usually comes with a say in how the company should be run. If financial investors are heavily involved in the day-to-day activities of the business, this is expected to be a significant force on the One-for-One.

To best approach the research question, this paper will utilize a case study methodology based on interviews and archival sources. Analyzing Warby Parker, a company mainly concerned with financial performance, and SoapBox Soaps, a company

more focused on social returns, will allow for a dichotomous comparison of the model at two different extremes of the social enterprise spectrum. Warby Parker is an eyeglass and sunglass fashion brand that uses an innovative business model to disrupt the industry, while SoapBox Soaps is an all-natural soap and hygiene company. Both use a One-for-One model, although each has different emphases on the social mission. With these two companies differing in size, focus, and industry, one would expect different results to the research question.

In collecting data on the two case studies, this paper discovers similarities and differences between the two companies. Both use a modified One-for-One model that relies on partnerships with nonprofits and leverages localized knowledge to avoid common pitfalls of a basic One-for-One structure. Both companies end up having similar degrees of external pressures, and both support the same result. However, they differ in the aspect of social focus and financial stakeholder involvement in the social mission. The collected data validates the choice of these two companies, as they present a good illustration of firms at contrasting ends of spectrum.

The results from this paper are of great significance for scholars, business entities and practitioners, and the general public. Scholars and academic professionals can build off of this provisional research to conduct further studies to close the knowledge gap in this realm. Business entities and practitioners can more accurately shape strategy and apply lessons from this paper in business operations. The general public can use this research study as a way to learn more about the social impact space and understand the model more wholly to make well-informed purchasing decisions. All in all, the conclusions from this paper serve an important role for multiple parties.

If implemented correctly, the One-for-One model has the potential to be transformative because of its narrative and impact. This is an important topic to study because it represents a new way of doing business, and greater understanding of the space will spur on further innovation. This paper will conclude that external pressures have not transformed the One-for-One structure recently, but this indicates that the model has become refined enough to withstand such pressures. This opens the door for further research on past evolutions (especially as it pertains to TOMS Shoes) as well as research on future effects of initial public offerings (IPOs) and scaling measures. This paper will walk through the various parts of the study on the One-for-One model, describe how it was presented to different stakeholders, show how it is reconciled with financial performance, delve into the nature of external pressures, and provide conclusions and topics for further research.

LITERATURE REVIEW

Research in this field has remained largely nascent and developmental. In order to gather further background into existing studies, a detailed literature review was performed using several databases. The relevant search terms included “Warby Parker,” “SoapBox,” “social,” “enterprise,” “entrepreneurship,” “stakeholder,” “CSR,” and other related terms. Moving from a general overview of the field to a more specific look at literature for the One-to-One model, this literature review summarizes the current research and prevalent theories.

To begin, it is critical to understand the role of social entrepreneurship in business theory. Research in this context takes the form of stakeholder theory, describing how businesses should analyze all of the relevant parties involved in their business activities

(Mitchell, Agle, and Wood 1997). Mitchell, Agle, and Wood (1997) trace the development of the definition of a stakeholder and find that when considering stakeholders, firms should “account for power and urgency as well as legitimacy.” This notion is extremely useful for the purposes of the research question, as it helps demarcate relevant sources of variance from external pressures. The stakeholder theory also helps to explain the necessity for social entrepreneurship and gives a framework for considering the research question. Mitchell, Agle, and Wood (1997) propose altering the concept of CSR to be more integrated in the business model and inclusive of various stakeholders, which falls in line with the idea of hybrid models. The researchers additionally mention the concept of legitimacy, which can be closely tied to other studies (Dey and Steyaert 2010; Downing 2005; Fuller and Tian 2006; Hjorth and Steyaert 2004; Jones, Latham, and Betta 2008; Plerhoples 2012; Ruebottom 2013; Toledano 2011) that explore the concept of identity and narrative within entrepreneurship and impact.

Moving from the general stakeholder theory to a more specific view of entrepreneurship, an understanding of the actual process of setting up and organizing a venture is integral to analyzing the research question of this paper. The aforementioned studies all focus on the development of narratives after a model has been implemented; however, even before that occurs, there must be some type of resource collection and utilization. In exploring this, a study of entrepreneurial resource acquisition finds that “narratives help leverage resources by conveying a comprehensible identity for an entrepreneurial firm” (Martens, Jennings, and Jennings 2007). Once again, the concept of narratives arises, and the conclusions of this particular study help provide a foundation for the exploration of the One-for-One model’s narrative. Once the resources are

acquired, it is important to investigate how the entrepreneurial model forms. In her famous paper, Sarasvathy (2001) explains how the notion of effectuation drives model development more than causation. Essentially, “causation processes take a particular effect as given and focus on selecting between means to create that effect, [while] effectuation processes take a set of means as given and focus on selecting between possible effects that can be created with that set of means” (Sarasvathy 2001). Under this theory, entrepreneurs use what is given in order to set goals and outcomes. As such, these two studies tie together to illustrate important theories from which this paper can be shaped.

Transitioning from entrepreneurship to the even more specific subset of social entrepreneurship, some recent research (Dacin, Dacin, and Tracey 2011; Dey 2007; Roberts and Woods 2005) has helped define this field. The exploration of the development and growth of this sector helps to provide rationale for the proliferation of social enterprise models. Although there are not many historical references for this field, the current research provides a good overview of how various models have changed over time and what future developments may be in store. The literature surrounding social entrepreneurship helps provide insights into the puzzle that this paper attempts to put together and solve.

Finally, in moving to the specific focus of this paper, the One-for-One model, suitable research is sparser. The most relevant paper for the topic, “Inside the Buy-One Give-One Model” by Christopher Marquis and Andrew Park (2014), explores the One-for-One model used successfully by many social enterprises. Starting with TOMS Shoes and tracing the development of Warby Parker and SoapBox Soaps, among other firms,

the paper provides the deepest insight into how this specific model resonates with consumers and investors. By providing cross-industry comparisons of the same model, conclusions regarding efficacy and efficiency can be drawn from the research. In addition, Marquis and Park (2014) are able to present an outlook on the model's future, helping to expand understanding of the design of the model in particular cases. In another paper addressing the One-for-One model, it was found that TOMS Shoes has shown a consistent message in forgoing a certain amount of profit in favor of "a social or environmental mission" (Plerhoples 2012). There have also been research papers examining the efficacy and impact of this model, including those investigating possible economic and social side effects of the implementation of the One-for-One concept (Bourguignon and Sundberg 2007; Brooks and Simon 2012; Frazer 2008; Wydick, Katz, and Janet 2014). However, none of these studies look at the actual model's evolution in the context of a single company, instead focusing on industry, effectiveness, and marketing.

With all of this research in mind, it is clear that there is a knowledge gap to be addressed. In short, although there is good background research on the subject, there is no specific research on how the One-for-One model evolves in particular situations. This paper will address this knowledge gap and build upon existing research to present a more complete picture of the industry. Overall, based on the evidence from the literature summarized above, this paper will be the first to examine the evolution of the One-for-One model over time.

METHODOLOGY

This research paper utilizes a comparative case study method in order to examine the One-for-One model in specific business settings. The research design followed a two-fold approach of archival and interview sources, with a strong sourcing of data from historical and personal network access points. This design is further explained and expanded upon in the below section.

Research Design

The comparative case study design for this paper was driven by Kathleen Eisenhardt's paper (1989) on the theory-generation approach of this method. At its core, a case study is "a research strategy which focuses on understanding the dynamics present within single settings" (Eisenhardt 1989). This paper uses Warby Parker and SoapBox Soaps as case studies that focus on the One-for-One model's evolution in their respective business situations. Choosing these two firms was a critical part of the methodology of this project. According to Eisenhardt (1989), it is important to "focus efforts on theoretically useful cases...those that replicate or extend theory by filling conceptual categories." Warby Parker, an eyewear company that sells fashionable glasses, has a strong focus on business and financial performance. On the other end, SoapBox Soaps, a One-for-One soap company, has a much greater emphasis on social impact. Although both firms have a One-for-One model, these differing case studies allow for an analysis at opposite ends of the social business spectrum, sharpening the validity of results and adding greater insight into the conceptual categories. In collecting data, there was a focus on qualitative measures through archival sources and interviews. The archival sources were mainly in the form of information gathered online regarding these companies, their

models, and any notable changes over time. The interviews were held with team members and investors at Warby Parker and SoapBox Soaps, with access gained from personal and professional networks. The interviews were conducted over the phone and through email using a semi-structured approach (general questions detailed in appendices). In totality, the research design of the comparative case study drove this paper and its findings.

CASE STUDIES

This section will summarize the two case studies used for this paper and present data collected for this purpose. The results will be further analyzed and explained in the Discussion section.

Warby Parker

Overview

Warby Parker is an eyeglass and sunglass company that was founded in 2010 by four graduates—David Gilboa, Neil Blumenthal, Andrew Hunt, and Jeffrey Raider—from The Wharton School at the University of Pennsylvania. The company has aimed to disrupt the high-priced eyewear industry by offering low-cost products enabled through in-house design and retail. Warby Parker sells mainly through its online channel, although there are a few showrooms around the country with plans for increased expansion. In addition to its disruptive business model, Warby Parker also operates as a socially conscious business. Its social impact mission follows the One-for-One model in a slightly modified fashion, as the company makes donations to nonprofit partners for the production of one pair of glasses for every pair sold (elaborated below). In reconciling these different business components, the founders branded the company as a fashion

brand first, then as a customer-centric firm, and finally as a company with a social mission. Accordingly, Warby Parker serves as a great case comparison by operating primarily on the financial-focused end of the social enterprise spectrum while maintaining a social mission. Warby Parker has emerged as an innovative leader in the eyeglass industry, and it is rapidly spreading in brand and reach.

The Story

David Gilboa, Neil Blumenthal, Andrew Hunt, and Jeffrey Raider founded Warby Parker while they were MBA students at Wharton. The idea initially came about when one of the co-founders lost his glasses on a backpacking trip and passed on replacing them because of the extremely high cost of a new pair. When the three other co-founders discussed this, they discovered that they all had similar experiences and set out to find a solution. They quickly realized that one major player dominated the eyewear industry, controlling many channels and allowing for artificially high profits. As such, Warby Parker was created with the vision of providing low-cost, high-quality eyeglasses and sunglasses in an industry essentially controlled by a monopoly.

Financing

Warby Parker was first started in Wharton's Venture Initiation Program, where the program provided the startup with \$2,500 in seed funding (Corbyn 2012). From there, the company raised multiple rounds of funding, including, according to CrunchBase: \$1.5 million in seed funding, \$12 million of Series A funding, \$41.5 million of Series B funding, \$60 million of Series C funding, and \$100 million of Series D funding. More than 22 major investors participated in these funding rounds, representing diverse business interests. In raising this significant amount of money, Warby Parker took on the

additional responsibility of new stakeholders, which serves as an external pressure that this paper takes into account in its analysis.

One-for-One Model

Warby Parker's One-for-One model is slightly different from the traditional "Buy One, Give One." Rather than directly donating a pair of glasses for every pair sold, Warby Parker provides a nonprofit partner with funding for the production of glasses in local economies. These monetary donations Warby Parker makes for every pair of glasses it sells are used to train people to produce locally sourced eyewear, give basic eye exams, and sell glasses in the surrounding area. Instead of giving away the glasses for free, Warby Parker charges a small fee for the product. In explaining this model, Neil Blumenthal, co-CEO and one of the founders of Warby Parker, says that, "by charging [for glasses], you make a needy beneficiary into a responsible consumer. It treats them with greater dignity" ("The One-for-one Business Model" 2015). The model thus avoids a common problem associated with pure donation models. Additionally, according to Blumenthal, "at times, distributing free goods can create dependency" ("The One-for-one Business Model" 2015). These issues of long-term dependency associated with continued donations are avoided due to the nature of the model. The main partnership that Warby Parker utilizes is with a nonprofit called VisionSpring. Blumenthal was a Director at the organization before starting Warby Parker, and together Warby Parker and VisionSpring have worked to donate over 1,000,000 pairs of glasses and train over 18,000 men and women in over 35 countries to date. Additionally, Warby Parker has supplemented its One-for-One model with a B Corporation certification that allows it to expand partnerships in the social impact realm.

Data and Results

The case study analysis of Warby Parker relied primarily on interviews of team members and investors as well as archival research from a variety of sources. The first data point, interviews, proceeded in a semi-structured manner as detailed in the methodology section. As this research delved into company specifics, confidentiality was granted to the specific identities of the interviewees. The interview questions asked to team members at Warby Parker can be found in Appendix 1, while interview questions asked to investors can be found in Appendix 2.

One of the co-founders of Warby Parker was contacted, and he provided insight into the evolution of the One-for-One model within the company. Through his comments, he mentioned that, “our Buy a Pair, Give a Pair model has not changed in response to external business pressures.” The central takeaway from the interview was that Warby Parker had refined its model enough at the onset to prevent changes in structure during continued operations, and the three central external pressures did not create any tangible changes in the model. In follow-ups with other members of the team, this idea was reinforced, with team members agreeing that the current model has remained untouched throughout the company’s history. Particularly interesting were statements about the fact that even with a diverse set of financial stakeholders involved in funding Warby Parker, the company managed to keep its core social mission and model intact. Additionally, the model has largely avoided bad press and criticism from the general public and communities it benefits. One interviewee mentioned how the social mission is an important marketing tool and helps to drive revenues, therefore protecting it from

significant changes. In fact, she explained that “if anything, [the model] has gotten more robust” with the introduction of new partners and diversified areas of focus.

When asked how the One-for-One model is presented to different stakeholders (particularly to the general public, impacted communities, and financial investors), a team member discussed the messaging put forth by Warby Parker. She mentioned that the founders wanted to “launch a business that would [also] do good in the world,” and she stressed that this ideal is communicated heavily to the general public. This helps drive sales and allows the company to brand itself in a favorable light. With regards to communities that this model impacts, the respondent mentioned that Warby Parker lets VisionSpring handle communications and implementation “because of the nonprofit’s expertise,” so the One-for-One model is presented to these stakeholders as an effective impact tool. Finally, the portrayal of the model to investors was best characterized by the interviews with venture capitalists themselves (as detailed below).

From the investor side, interviews revealed a sense of apathy regarding the model. As far as how the One-for-One model was presented to them, investors explained that the founders focused more on the pure-play business model when pitching (the vision and strategy of the company as a disruptive force) and used the model as a supplement to the core value of the company. When asked if the social mission ever factored into the investment thesis of the venture capital firm, a partner at the firm responded with a flat “no.” The interviewee proceeded to describe the rationale for funding by pointing to Warby Parker’s financials and growth rates, further demonstrating the relative indifference of investors to Warby Parker’s One-for-One mode from a value standpoint.

Investors agreed that the social mission helps attract customers, but did not have strong feelings for the structure of the specific model as long as financial goals were being met. One investor, when asked if the various funders in Warby Parker took an active role in the shape of the One-for-One model, responded that investors “do not care” about the details of the social component. Additionally, an investor mentioned that he did not have any contact with VisionSpring or any of Warby Parker’s other nonprofit partners. Although they knew of the initiatives, it was clear that investors did not pressure Warby Parker to change its One-for-One model.

The interviews with both team members and investors were extremely valuable in providing an in-depth, personal look at how the One-for-One model is applied at Warby Parker. Although the three external pressures (general public, impacted communities, and financial investors) are addressed in various ways, none of them have caused changes to the One-for-One model within Warby Parker.

As a supplement, archival sources served as an important part of data collection, as specific news about Warby Parker and external perceptions could be analyzed and accessed through online references. In particular, archival sources were helpful in focusing on two main external pressures: general public and impacted communities. The presence of positive and negative articles (or lack thereof) served as a proxy for general public opinion, and documents about the impact of the One-for-One model in disadvantaged communities represented possible pressures from those stakeholders. One article criticized the One-for-One model and represented a general public view on how it may damage local communities, but had a line that said, “this piece used to feature an image of Warby Parkers ‘Buy a Pair, Give a Pair’ marketing material, but Warby Parker

works differently than the one-for-one models mentioned here: the company trains people in the developing world to administer eye exams and sell glasses, rather than giving glasses away” (Janzer and Weinstein 2015). This was representative of other archival documents that held up Warby Parker’s model as one that was ideal because of its focus on training and integration into local communities. Another article contrasted Warby Parker’s model with that of TOMS Shoes, explaining that Warby Parker is much more “sensitive to the impact donations have on local economies” (Gerber 2011). Additionally, other sources (“Buy a Pair, Give a Pair”; Stankorb 2012) have demonstrated Warby Parker’s clear impact on underserved communities through the One-for-One model, with over 1,000,000 pairs of glasses donated and new expansion plans in the works. The testimonials and impact surveys published by VisionSpring demonstrate overall satisfaction and efficacy in relation to these communities, especially with regards to economic vitality infused by this model. As evidenced by these archival sources, Warby Parker was able to cultivate a positive reaction from the general public and impacted communities, allowing for the model to remain stable. Overall, the archival sources mirrored the interviews in demonstrating that there was no clear evolution in the model.

SoapBox Soaps

Overview

SoapBox Soaps is a social enterprise founded in 2010 by David Simnick that creates eco-friendly soaps and body washes. The all-natural soaps are sold online and in retailers around the United States and are touted as a better alternative to traditional soaps. SoapBox Soaps has a social mission that is at its core, as the company employs a One-for-One model in partnership with nonprofits. A bar of soap or a month of clean

water is donated for every purchase made, and the firm invests in education and development programs with their partners. Its partnership structure represents a modified One-for-One model in which partners work directly with local communities and are funded by SoapBox's sales. SoapBox Soaps presents a complementary case study to Warby Parker in that it lies at the other end—the socially focused end—of the social enterprise spectrum. In fact, the founder initially wanted to form the organization as a nonprofit but created a for-profit business based on the suggestion of advisors. SoapBox Soaps has experienced increased growth in recent years, and it offers an opportunity to consider this paper's research question in the context of a different business model.

The Story

SoapBox Soaps was founded in 2010 when David Simnick, a recent college graduate, was looking for something meaningful to do. Initially, he signed up for the Marine Corps, but a few weeks of working at a friend's tech company made him develop a strong interest in entrepreneurship. Simnick cancelled his Marine Corps plans and began working full time for a USAID contractor while also helping with the friend's company. His work led him to realize that clean water aid was not being implemented to its fullest potential or being paired with essential hygiene items like soap. With this realization, Simnick wanted to combine his love of entrepreneurship with the need for hygiene products, and SoapBox Soaps was formed. (“Our Story”)

Financing

As a relatively early-stage company, there have been two main rounds of equity funding combined with debt financing. According to CrunchBase, SoapBox Soaps' cash infusions have come from: \$100,000 in seed funding, \$1.15 million in venture funding,

and a total of \$2.02 million in debt financing. The relatively small rounds of funding (when compared to Warby Parker) and the greater proportion of debt financing indicate that investors (equity holders) may play a smaller role in the company.

One-for-One Model

SoapBox Soap's One-for-One model is slightly different from the traditional "Buy One, Give One." Rather than directly donating a bar of soap for every product sold, SoapBox Soaps funds nonprofit partners or buys bars in local communities in order to stimulate these economies. The goal of this is to prevent a dumping of goods that can disrupt local markets and put local merchants out of business. Similar to Warby Parker's partnership model, this type of system reduces dependency on donations and attempts to develop sustainable solutions to problems in these communities. SoapBox Soaps makes 66% of its donations to homeless shelters and food banks in the United States, with the rest going to international communities. For domestic donations, the main partner is Global Soap Project, while international donations are coordinated by smaller local organizations. In addition to the donations of soap and hygiene supplies, half of the products sold by SoapBox provide a month of clean water. This is enabled by a partnership with Splash, a nonprofit that strives to set up self-sustaining clean water initiatives. In summary, SoapBox Soaps utilizes a modified One-for-One model that leverages nonprofit partnerships to provide greater sustainable impact in local communities in the United States and internationally.

Data and Results

The case study analysis of SoapBox Soaps relied primarily on interviews of team members, with archival research being used as a supplement. The main data was

collected through interviews, which were structured in a semi-structured manner as detailed in the methodology section. As this research delved into company specifics, confidentiality was granted to the specific identities of the interviewees. The interview questions asked to team members at SoapBox Soaps can be found in Appendix 3.

The interviews with team members produced similar results to those gathered in the case of Warby Parker in that the One-for-One model has not evolved over time. In an interview with one of the original members of the team, the interviewee described how the model came about and how and why it has not changed over time. According to her, the focus of the company was always on the social mission, and that goal took precedence over being extremely profitable. The team member mentioned that the One-for-One model was chosen due to the power of its economic impact on local communities, and it has “withstood external pressures.” She continued by explaining the longevity and expansion of the model, with the nonprofit partnership system being touted as a reason for stability and success. With regards to the external pressures faced by this model, a team member discussed the central reasons that the model has been able to stay constant. For the general public, the sustainable nature of the modified model has allowed SoapBox Soaps to avoid criticism. In terms of impacted communities, the use of local partners with expertise ensures quality impact. And for financial stakeholders, the interviewee mentioned, “the board of advisors is very passionate about protecting the mission and brand.” With that said, a respondent did mention that the model could change if new funding comes in and financial backers want to see a shift in the model. Most importantly, however, the largest reason pointed to by a team member for the lack of change in the model is the fact that SoapBox Soaps adopted the One-for-One model

after learning from others' mistakes in implementation and design. As such, the model was refined to the degree where it did not face extreme pressures.

The interviews also presented results on how the One-for-One model was presented to external stakeholders (namely the three this paper focuses on: general public, impacted communities, and financial stakeholders). A team member discussed how the primary aim of the business is the social mission, and therefore all communications to the general public through PR and marketing focus on the donation aspect as importantly as the product itself. For the communities helped by this model, SoapBox Soap's partners leverage their local expertise to present the model as a sustainable tool to community members to ensure that all needs are being met. Finally, the current set of investors have invested in the company because of the social mission, so the importance of the mission as the core value driver of the company is clearly communicated to them.

Archival sources for SoapBox Soaps served as an important supplement to the interviews, as more information could be gathered from online documents. These sources, as in the case with Warby Parker, were helpful in focusing on two main external pressures: general public and impacted communities. As stated earlier, the presence of positive and negative articles (or lack thereof) served as a proxy for general public opinion, and documents about the impact of the One-for-One model in disadvantaged communities represented possible pressures from those stakeholders. In an article describing SoapBox Soap's B Corporation status, the refinement and effectiveness of the company's model is reflected in the lines: "SoapBox Soaps isn't the first company to have a buy-one-give-one mission. Because of this, the company was able to learn from past mistakes regarding aid work" ("SoapBox"). This concept of refinement reflects the

results from the interviews detailed above. Additionally, it shows the general public's willingness to accept the current model rather than pressure it heavily to change, reinforced by articles discussing publicity on the Today show and wide-spread acceptance by consumers (Gabriele 2015). With regards to impacted communities, the information from partners as far as statistics and testimonials from ground research demonstrate that these communities are experiencing positive change and are helped by the current model ("Aid Partners"). For example, in Uganda, the partnership program has set up a soap production enterprise funded by SoapBox Soaps where community members can obtain employment and also generate revenue from sales of the soap bars. In totality, the archival sources demonstrate that the model is functioning well in its refined form and that the external pressures are not pushing the One-for-One structure within SoapBox Soaps to change.

DISCUSSION

The data that was collected and presented above was valuable for answering the research question of whether or not the One-for-One model significantly evolves in response to external pressures. Interestingly enough, in both case studies, the One-for-One model *did not experience any evolution*. The external pressures in each case reacted somewhat similarly (with the exception of investors), resulting in no changes in the model. With such a new field and constantly evolving landscape, it would have been reasonable to expect some changes in the One-for-One model. However, this did not occur, and analyzing each case individually and then comparing and contrasting provides further insight.

In the case of Warby Parker, the interviews and archival sources demonstrated that the One-for-One model was an effective marketing tool that added to the brand image. While Warby Parker seeks to operate first as an innovative fashion brand, it also derives value from having a social mission, and the One-for-One model fits the company's goals of making an impact while also expanding rapidly. By using a modified One-for-One model in which a central partnership with VisionSpring has been developed, Warby Parker avoids the general problems of dumping donations in a community. As such, the general public and impacted communities, two major external pressures, have been accepting of the model and have not pushed the company to change its approach. Perhaps most interesting, however, is that the third external pressure, financial stakeholders, had no effect on any change in the model. With such diverse funders involved with Warby Parker, it would be reasonable to assume there would be investors pressuring Warby Parker to alter its donation model. However, as interviews demonstrated, investors are fairly apathetic to the model as long as financial performance is maintained. Ultimately, the reasoning behind this can be attributed to two things: first, the social mission helps improve Warby Parker's brand and in turn, sales, meaning investors want to keep that component; second, the partnership structure means that implementation and logistics are all handled by partners in local communities, so investors do not fear a lack of business focus from Warby Parker's end. Although financial stakeholders may be active in shaping the direction of Warby Parker's daily operations, this data indicates that they are not influential on the One-for-One model that the company employs. With the three pressures in mind, these results are significant because it means the model has been effective thus far. Nevertheless, it remains to be

seen how the model may change with Warby Parker's rapid expansion plans and possible IPO in the future.

In the case of SoapBox Soaps, the One-for-One model was a prominent part of the core company. SoapBox Soaps was founded primarily for the social mission, and its operations center on making the greatest impact possible. The company utilizes a modified One-for-One by cultivating partnerships with nonprofits, and the expertise and knowledge of these partners are leveraged in local communities. Just as in Warby Parker's case, based on the data collected, the general public and impacted communities have accepted this model, resulting in no adverse pressure to change the model. One area where SoapBox Soaps was slightly different from Warby Parker, however, was in the impact of investors. Data showed that investors did not influence the model or change it, but the investors for SoapBox were much more supportive and involved with the social mission of the organization. This lies in stark contrast to Warby Parker's investors, many of who were indifferent to the social mission when unbundled from financial performance. This contrast can likely be explained by the differences in funding, with SoapBox being funded by a small pool of investors at low equity values and Warby Parker being funded by large venture capital firms and prominent private investors at high valuations. Overall, SoapBox Soaps did not experience an evolution in the One-for-One model in response to external pressures, another indication that this modified One-for-One structure has been effective.

The lack of an evolution in these two models poses an interesting question of why there has been no change. Companies in the social impact space pivot constantly, and one would expect the uncertainty inherent in social impact to lead to external pressures

driving changes in the model. However, through this research, the central reasoning that has appeared time and time again is that the One-for-One model has been around long enough to go through iterations in other settings. As such, the companies that implement it now can optimize it to the ideal position. The best illustration of this idea is to consider TOMS Shoes, which first implemented the One-for-One model through donations of shoes. However, the model was quickly criticized, with studies (referenced in the literature review) finding that mass donations can destroy local economies (Bourguignon and Sundberg 2007; Brooks and Simon 2012; Frazer 2008; Wydick, Katz, and Janet 2014). The public, although initially supportive, also began to complain about TOMS' model's negative side effects as far as true impact in local communities. As a result, TOMS began to alter their model and develop new alternatives to the pure "Buy One, Give One" ideal. By the time Warby Parker and SoapBox Soaps entered the market, the One-for-One model had been refined, allowing these companies to launch with successful models. This seems to be the largest driver of the findings from the research detailed above. In essence, there was an evolution in the One-for-One model (outside the scope of this paper) due to external pressures in the case of TOMS, but Warby Parker and SoapBox Soaps (and other current players) operate with stable models that are advanced enough to withstand any external pressures.

Implications

With these results in mind, the implications are clear for companies looking to enter this space. If a firm is able to develop a sustainable revenue model and apply the current One-for-One model in an efficient and effective manner, no evolution is expected. These results will be significant to a narrow yet robust set of the population. By

addressing a knowledge gap in current research as far as the One-for-One model is concerned, this study delivers usefulness for those connected with the social impact sphere. In analyzing the parties that will most benefit from the conclusions reached in this paper, the target audience consists of three broad subgroups, each of which can gain significant value from this research.

Scholars

Firstly, this paper will be useful to those who are involved in the academic aspect of social impact and entrepreneurship. This may include professors, researchers, and fellow students. As mentioned, there is a knowledge gap for the particular topic this paper addresses, and the results demonstrating lack of evolution can stimulate future studies and developments in the space.

Business Entities and Practitioners

Secondly, and perhaps most importantly, business entities and practitioners in this space would find this paper to be a significant value-add. By using Warby Parker and SoapBox Soaps as the selected cases, this paper presents generalizable conclusions that can aid corporate decision-making for these companies and similar firms. The analysis of changes in the One-for-One model may also aid existing companies modify their business strategy or guide new startups that are considering implementing a One-for-One model. Concurrently, entities on the capital side of the industry (i.e. venture capitalists or angel investors) could use this research as a primer on the field and as a guide for understanding the landscape. Particularly because many of these business entities serve as external pressures to the One-to-One model, these parties are highly likely to benefit from the results of this study.

General Public

Finally, individuals from the general public can use this paper as a way to understand social impact further. The entire field is new and inadequately understood by the general public. The One-for-One model, for example, is known as an effective marketing tool because it gives consumers a sense of personal responsibility, but the effects and details of the model are often ignored. This paper, if read by a regular consumer, could help to shape purchasing decisions in the future. Similar to the business practitioners, the public also represents an external pressure analyzed in this paper and is thus an important segment of the audience. The in-depth examination of the One-for-One model will certainly add value to the general public.

In totality, this paper presents value for three central subgroups, and the results offer interesting insights that can be used in a multitude of ways.

LIMITATIONS

Although there was a clear conclusion presented by the data gathered for this paper, there are a few limitations to note. Firstly, the access to data in the form of interviews was difficult and subjective. It was necessary to explore many different avenues before interviews were secured, and even then, respondents were naturally careful with sensitive but possibly valuable information. Additionally, with interviews, there is a danger of having skewed results. In personal interviews, respondents may express biases, and it is often hard to adjust for such results. These downsides were somewhat mitigated by confidentiality agreements and structured interview questions, although the process will never be completely perfect. Secondly, archival sources on this specific research question were sparse, especially in regards to the new and growing

SoapBox Soaps. Warby Parker had more information, but even then, there was limited public information. To deal with this limitation as best as possible, a broad range of sources was pooled and then examined in detail. Finally, the analysis of financial stakeholder effects was hindered because these are both pre-IPO private companies. Although the equity investments certainly present unique pressures, the public aspect of funding could not be applied. In the future, it may be relevant to also examine public companies with similar models in order to adjust for this.

As far as the research itself, the knowledge gap was addressed by the data and results. However, this research is provisional and not designed to cover every aspect of this topic. In order to close this knowledge gap even further, future research should broaden the sample size of case studies and try to gain even greater access to these firms. Furthermore, quantitative methodologies could be incorporated in order to present a more holistic analysis of the issue at-hand. All in all, this study had certain limitations, but it achieved the goal of tackling a knowledge gap and answering the research question.

CONCLUSION

Social enterprises have become a significant force in business, and the One-for-One model is a popular structure that is being adopted in this space. This paper analyzed the research question: *does the One-for-One model significantly evolve in response to external business pressures?* Warby Parker and SoapBox Soaps were used as case studies through a qualitative methodology involving interviews and archival sources. Through the data collected, it is clear that external pressures have not affected the One-for-One model as it stands currently. However, this is mainly due to a process of refinement that has taken place, indicating that there was an evolution in the past. A possible research

area to explore this idea further would be an analysis of TOMS Shoes' process in creating and developing this model. Similarly, in looking forward, it can be expected that there will be further iterations and tweaks to this model. Specifically, the model may be tested in the future with IPOs and larger scale, where companies will have to decide how integral the social mission is to the company. The One-for-One model represents an exciting structure, and it will be intriguing to see where the model goes from here.

APPENDICES

Appendix 1

Research Interview Questions – Warby Parker Team

[Opening script]

To start with, thank you for your time and help with this thesis. This interview is designed in a semi-structured, open-ended format in order to help me gather information about your company for the purposes of my research. All background information will be kept confidential. With your permission, I would like to note down some of your responses for use as quotes. If you feel any of the questions (which I have sent to you ahead of time) are too intrusive, I am more than happy to skip over them. If this is all amenable to you, thank you again, and let's begin.

Warby Parker: Questions

1. Can you tell me a little about Warby Parker's history and central mission?
2. How did you think about the social impact component of your business when first creating it?
 - a. How large/important is the social impact component of your company? Would you say you prioritize financial returns over social returns?
3. Why did you choose the One-for-One model?
4. How do you present the One-for-One model to diverse stakeholders?
5. In your mind, what has and has not worked with your current model?
6. Have you pivoted the model or business at all throughout your years in operation?
7. How involved are you in the process of donations/social work?
8. What do you see for the future of this industry and this model?

Selected quotes/notes

- “Wanted to launch a business that would do good in the world”
- Announced an initiative to work with NYC office
- “If anything it's gotten more complex and robust”
- Leave actual implementation to VisionSpring
- After you work 3 years at WP you work with one of the partners and experience it first-hand
- Model has “definitely stayed the same”
- People will be looking for socially responsible businesses in the future
- Big trends toward conscious consumerism

Appendix 2

Research Interview Questions – Warby Parker Investors

[Opening script]

To start with, thank you for your time and help with this thesis. This interview is designed in a semi-structured, open-ended format in order to help me gather information about your company for the purposes of my research. All background information will be kept confidential. With your permission, I would like to note down some of your responses for use as quotes. If you feel any of the questions (which I have sent to you ahead of time) are too intrusive, I am more than happy to skip over them. If this is all amenable to you, thank you again, and let's begin.

Warby Parker: Questions

1. Can you tell me a little about your firm's investment in Warby Parker?
2. How did you think about the social impact component of Warby Parker when investing in it?
3. How were the One-for-One model and the company as a whole presented to you?
4. Are you involved with shaping the One-for-One model?
5. In your mind, what has and has not worked with their current model?
6. How important is a social mission to these types of firms?
7. What do you see for the future of this industry and this model?

Selected quotes/notes (much has been kept confidential due to sensitive nature)

- The social mission is fairly irrelevant
- Much more focused on financial performance
- Investors aren't directly involved in shaping the social mission
- New project in NYC is exciting
- Was the social mission a consideration? → "No"

Appendix 3

Research Interview Questions – SoapBox Soaps

[Opening script]

To start with, thank you for your time and help with this thesis. This interview is designed in a semi-structured, open-ended format in order to help me gather information about your company for the purposes of my research. All background information will be kept confidential. With your permission, I would like to note down some of your responses for use as quotes. If you feel any of the questions (which I have sent to you ahead of time) are too intrusive, I am more than happy to skip over them. If this is all amenable to you, thank you again, and let's begin.

SoapBox Soaps: Questions

1. Can you tell me a little about SoapBox Soaps' history and central mission?
2. How did you think about the social impact component of your business when first creating it?
3. Why did you choose the One-for-One model?
4. How do you present the One-for-One model to diverse stakeholders?
5. In your mind, what has and has not worked with your current model?
6. Have you pivoted the model or business at all throughout your years in operation?
7. What do you see for the future of this industry and this model?

Selected quotes/notes

- 2010, Dave used to work for USAID and hygiene issue wasn't discussed and addressed
- Initially wanted to start a nonprofit → Advisors said "let it be a company"
- Partner with existing nonprofits
- "Don't want to drop 10,000 bars of soap"
- Fund nonprofits or buy bars in local community and then donate
- Partner with Splash
- Partners: new partners all the time for soap bars, Splash is stable
- Investments: funding round 1 → board of advisors is very passionate about protecting mission and brand
- Primary reason was for the social mission
- "Money is power and you can use that power to do good"
- Nonprofits aren't as efficient
- Made sense to have an economic engine
- One-for-One has criticism: marketing ploy; tried to make it sustainable instead of being regular
- "We haven't changed our model, but we learned from other's mistakes"
- Companies of all sizes added new social missions

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