

## Marketing for Sustainable Development

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### Abstract

Sustainability marketing is a response to major impediments in achieving sustainable development in an era of rapid industrialization and growing consumerism. It goes beyond green or ecological marketing to encompass social and economic dimensions. There is a wider agreement on the emergence of “Sustainability Marketing”, a new concept and more responsible approach towards marketing practices. It aims at redefining, reorienting and reformulating marketing practices in line with the “triple bottom line” related to people, planet and profits. The present paper is conceptual in nature and focuses on the emergence of sustainability marketing as a contemporary marketing approach for sustainable development. It discusses the current developments in marketing practices for sustainable development, analyses the dimensions of sustainability development, reviews the proposed concepts and theories of sustainability marketing and proposes a framework for sustainable marketing practices. The paper emphasise a need for reorienting and reformulating marketing strategies for effective contribution towards sustainable development and suggests issues for future researches in this domain.

**Keywords:** Sustainability Marketing, Sustainable Development, Triple Bottom Line, Social Marketing, and Globalization

### Introduction

Sustainability has become a global buzz word in a large number of international agencies on environment and development; political and economic forums; corporate board rooms and business conventions; government and NGOs priority agenda, and countless other welfare programmes. Growing concerns towards global warming, environment pollution, depleting natural resources, climatic changes and other industrial hazards are presenting serious threats before human civilization. Rapid industrialization and growing consumerism are attributed as the major contributors for hazardous effects on planet earth. Scholars, scientists, leaders of various organizations and industry are debating, discussing and developing strategies for sustainable development. Businesses are redefining their mission and goals to refocus their activities to incorporate sustainable business practices to contribute to society and environment. Marketing, as a consumer centric business activity assumes much greater responsibility in reorienting its focus towards sustainability. This new approach to marketing demands a radical change in business perspectives and processes. The present paper focuses on the emergence of sustainability marketing as a contemporary marketing approach for sustainable development.

It discusses the current developments in business practices for sustainable development, analyses its dimensions, reviews the proposed concepts and theories of

sustainability marketing and suggests the need for future researches in this domain. The paper is structured under various sub themes for smooth organization of thought and literature on development of sustainable marketing concept, practices and related issues.

### **Business Practices for Sustainable Development**

In a recent MIT sustainability research report (2015), which is prepared jointly by MIT Sloan Management Review, The Boston Consulting Group, and the UN Global Compact, on the basis of a survey of more than 3,795 executives and managers from 113 countries, it is reported that “the importance of sustainability as a business issue has steadily grown over the past two decades and most businesses understand that their sustained success depends upon the economic, social and ecological contexts in which they operate”. It was further reported that 90% of respondents agree that businesses need to collaborate to address the sustainability challenges they face and the number of companies that have sustainability as a top management agenda item increased from 46% in 2010 to 65% in 2014. This study highlights that business organizations across the globe are not only discussing about sustainability issues, but also actively initiating actions for effective implementation of sustainable business practices. In another study, Lacy and Hayward (2011), on the basis of survey of over 800 global CEOs by the United Nations Global Compact and Accenture, reported that globally 93 percent of CEOs, and 98 percent in emerging markets, consider sustainability as important to their company’s future success. CEOs further believed that in future the role of business and development will be integral to each other. These studies is a reflection of changing attitude of top management of all business concerns across the globe, even in emerging economies, to incorporate sustainable development as the underlying philosophy for their strategies and actions.

### **Sustainable Development Issues and Dimensions**

Sustainable development has gained much prominence since the Brundtland Report of the World Commission on Environment and Development in 1987 where it was emphasized that “Humanity has the ability to make development sustainable to ensure that **it meets the needs of the present without compromising the ability of future generations to meet their own needs**”. The report further stated that “that this will not happen without significant changes in current approaches: changes in perspectives, attitudes and life styles; changes in certain critical policies and the ways in which they are formulated and applied; changes in the nature of cooperation between governments, business, science, and people; changes in certain forms of international cooperation which have proved incapable of tackling many environment and development issues; changes, above all, in the level of understanding and commitment by people, organizations and governments”. Discussions and debate on the sustainable development suggested including social, environment and economic dimensions. In 1990s, John Elkington (cited in Slaper and Hall, 2011) coined the term “**Triple Bottom Line**” and suggested that sustainability should be measured on three dimensions of performance: social, environmental and financial, which referred to **people, planet and profits**. The business should aim at developing systems which integrate economic, social and environmental viability. It was observed by the Slaper and Hall (2011) that the triple bottom line has changed the way businesses, nonprofits and governments measure sustainability and the

performance of projects or policies. There is a widespread recognition of integrating the social and environmental welfare in corporate business plans.

### **Shift towards Marketing for Sustainable Development**

In the recent past, growing interest of scholars, policy makers, regulators, professionals and others in defining and developing marketing practices for sustainable development has resulted into many researches in this area. These studies establish the shift towards sustainability marketing, conceptualize and theorize related issues, and suggest framework for business applications. Marketing is largely considered as consumer facing function of any business. Dam and Apeldoorn (1996) opined that in view of the changing role of marketing in sustainable economic development, marketing theory needs to be critically reassessed. They reflected that both the “societal marketing” as well as “green marketing” approaches aim at integrating marketing and the natural environment. Charter et al. (2002) argued that “sustainable marketing requires an aware, open and targeted approach to environmental and social issues which takes account of all direct and indirect stakeholders”. It requires a greater involvement and participation of all business partners. Collaboration with different stakeholders is essential to create, communicate and deliver sustainable solutions to sensitive and responsible customers. Kotler (2011) believed that for long marketing strategies had been based on the assumption of infinite resources and zero environmental impact but in the light of growing concern for sustainability, marketers need to re-examine their theory, policies and practices. Organizations of all types and sizes across the world need to redesign their marketing strategies in the interest of long term contribution for sustainable development.

### **Sustainability Marketing Practices**

The sustainable marketing practices bring immeasurable benefits to business organizations in the form of enhanced corporate image, better customer value and satisfaction, improved profitability, and better connect with society. They serve as an essential ingredient for achieving sustainable competitive advantage. Adoption and implementation of sustainable marketing practices requires incorporation of sustainability dimensions at different stages of marketing strategy development. Most of the studies on defining sustainable marketing are centred on the triple bottom line of sustainable development – social, environment and economic dimensions, suggest its integration with strategic processes and prescribe marketing applications. Long term relationship orientation with various stakeholders is considered as integral to sustainable development. The sustainable marketing aims at building lasting relationships with the social and natural environment through marketing solutions for sustainable demand, constant innovation and improvement of sustainable products, design and use of customized communication, a multichannel distribution network and the sale of sustainable products and services at fair prices (Danciu, 2013). Many studies have suggested sustainability marketing practices with regard to understanding consumer behaviour, strategy formulation, marketing mix development, measurement dimensions and other activities.

Belz (2006) proposed six steps sustainability marketing: analysis of socio-ecological problems; analysis of consumer behaviour with special respect to socio-ecological

aspects; normative sustainability marketing; strategic sustainability marketing; instrumental sustainability marketing and transformational sustainability marketing. In all these stages the primary focus of marketing remain on triple bottom line.

### **Sustainability Marketing Framework**

The entire set of marketing activities needs to be guided by sustainability orientation. Charter et al. (2002) have suggested a **'cradle to grave'** approach for sustainability marketing which starts from procurement of materials, manufacturing, to distribution, consumption and disposal (or reverse engineering) – both from an environmental and social point of view. They further suggested that “all the aspects of the marketing mix should be considered, although the emphasis across the mix will be dependent on the company, its product or service portfolio, its markets and its particular circumstances”. It all begins with developing a new perspective for changing consumption dynamics and consumer behaviour. Peattie and Belz (2010) argued to understand the consumer from a holistic point of view in order to harmonise marketing thinking and practices with the principles of sustainable development. They also proposed a new customer orientated **'4Cs'** sustainability marketing mix described as **Customer solutions, Customer cost, Convenience and Communication**. This approach calls for innovative marketing practices with a view towards social and environmental issues.

Sheth, Sethia and Srinivas (2011) presented a framework for a customer-centric marketing approach to sustainability based on the concept of mindful consumption which is described as a consumer mindset of caring for self, for community, and for nature, that translates behaviour into tempering the self defeating excesses associated with acquisitive, repetitive and aspirational consumption. They further suggested that how four Ps of marketing mix can be reframed in the light of mindful consumption. Kotler (2011) opined that companies will employ demarketing and social marketing thinking to pursue sustainability and will need to revise their policies on product development, pricing, distribution, and branding. Marketers are required to initiate drive towards promoting sustainable consumption by educating, sensitizing and motivating consumers to act for their contribution in sustainable development. They have to own the responsibility of shaping the demand to conform to long-term objectives of sustainability rather than blindly focusing on increases in sales (Sodhi, 2011).

Sustainability marketing framework would involve:

- Marketing research to know changing consumer behaviour (awareness, perceptions, attitudes, intentions to act) towards sustainable development;
- re-segmenting and targeting the “awakened or enlightened consumers” market;
- positioning for sustainability (socio-ecological points of differentiation);
- developing products/services and packaging for sustainable solutions;
- absorbing environment and social cost in pricing for creating customer value;

- adopting green channels for enhancing customer convenience and
- designing communication strategies for sensitizing consumers for their responsibilities towards sustainable development and mindful consumption

The business organizations must reorient and reformulate their marketing strategies for effectively contributing towards sustainable development. Role of policy makers and regulatory authorities is also of significant importance. It is argued that there is a need for optimal regulatory frameworks for governing the role of marketing within a confined ecological space (Dam and Apeldoorn, 1996). Appropriate interventions by the government are required at different stages of sourcing, production, promotion and distribution of products and services.

### **Conclusion**

Marketing for sustainable development is a long term phenomenon which requires a transformational approach to address the growing challenges of new millennium. The focus of marketing effort has to go beyond traditional marketing practices to integrate and innovate for sustainable environment, social and economic development. It is a collective responsibility of all the stakeholders ranging from government, social activists and agencies, investors, corporations, consumers and many more to perform their role more holistically for sustainable development. It has to move beyond the public forums, corporate boardrooms, and countless intellectual discussion on political, social, economic, moral and ethical dimensions of sustainability. There is a need for an urgent action by all concerned. Sustainability marketing is not just a glorified concept, if the marketing has to fulfil the needs of the future generations; it has to assume much greater responsibility towards reorienting, redefining, and reformulating the means of satisfying the needs of present generation. The studies on sustainability marketing are still in nascent stage and require greater efforts for conceptualization and validation of such practices. There is a need to undertake more scholarly researches to uncover major challenges in its development and implementation across all types of organizations.

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