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Integrating Sustainability with Marketing: An Emerging Paradigm of Sustainable Development

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Abstract: This paper aims to analyze the inception and development of the terms sustainability with marketing and the nascent relationship between the two. Therefore this article first explores origin and definitions along with the background of sustainability, then discusses about the relationship between sustainability and marketing, presenting this link as a new paradigm of sustainable development creating competitive advantages for the business. The marketing approach with sustainability is discussed through literature available on sustainability marketing. This paper attempts to create new pathways for researchers, marketers, scientists, educators, and other professionals that are dealing with understanding and implementation practices of sustainability marketing process. **Keywords—** Sustainability, eco system assessment, marketing concept, sustainability marketing, transformational change, environment friendly

I. INTRODUCTION

The beginning of 21st century provided various challenges and opportunities for humankind. The rapidly rising population, unprecedented scale of economic growth, resource depletion, climate change, ecosystem damage, increasing oil prices, threat from pollution and eroding cultural diversity to name a few, all posed challenges for the society and the world at large. Growing concerns about the environmental and social impacts of economic growth, and particularly concerns about the impacts of resource depletion and climate change, are also bound to push businesses and marketers to search for more sustainable ways of maintaining relationships with customers and delivering value to them. ^[1] It may be interpreted in a number of ways, but principally sustainability is about limiting the throughput of resources, while making the best use of those resources available. ^[2] The United Nations projects to establish the Millennium Development Goals and conduct a Millennium Ecosystem assessment were symptomatic of that moment of reappraisal. ^[3] Now, sustainable development has emerged as a potential pathway towards 'sustainability' as a state of the world and society within it.

The concept and background of sustainability

The basic idea of 'sustainability' first emerged in the early 1970's and became popular after the launch of the 'sustainable development' concept by the World Commission on Environment and Development (WCED) ^[4]

Some of the key definitions are summarized in Table 1 below:

Table 1: Sustainability Defined

| Author | Year | Definitions |
|-------------------|------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Brundtland Report | 1987 | "development that meets the needs of current generations without compromising the ability of future generations to meet their own needs" |
| Viederman | 1995 | "Sustainability is a vision of the future that provides us with a road map and helps us to focus our attention on a set of values and ethical and moral principles by which to guide our actions" |
| Young | 1997 | "how well the people are living in harmony with the environment taking into consideration the well-being of the people with respect to the needs of future generations and to environmental conservation" |
| Sikdar | 2003 | "A wise balance among economic development, environmental stewardship, and social equity" |
| Elkington | 2004 | "A macro-viewpoint on supply chains and balance between the environmental, social and economic dimensions" |
| Cooper | 2005 | "Sustainability is about limiting the throughput of resources, while making the best use of those resources available" |
| Carter and Rogers | 2008 | "An integration of social, environmental, and economic issues" |

Source: compiled by the author from referred sources.

The meaning of sustainability has been defined by various authors in many ways. However the most widely accepted definition is in the Brundtland Report, Our Common Future for the World Commission on Environment and Development wherein, Sustainable development is been defined as "development that meets the needs of current generations without compromising the ability of future

generations to meet their own needs”^[4] Therefore the main focus is on the protection and well-being of the interest of future generations.

The 3 Pillars of Sustainability

Triple Bottom Line or 3BL or TBL construct was coined by the British Economist Elkington^[5] and gained popularity only after the emergence of the term “sustainable development” from the Brundtland Report^[4] in 1987, to reach sustainability, one must achieve not only economic ‘bottom line’ performance but environmental and social performance as well. Earlier in business and accounting, the “bottom line” refers to economic aspect of business which is either profit or loss, but Triple Bottom Line has added two more “bottom lines” that are social and environmental. The social bottom line requires businesses to treat all the individuals fairly and the environmental bottom line ensures that the company avoids those activities that can harm the environment. In the words of Elkington, the imperatives of sustainability are summed up by just three words: Profit, People and Planet^[5] that is Economic, Social and Environmental dimensions of sustainability.

II. SUSTAINABILITY AND MARKETING

While sustainability focuses on the protection of resources for the future generations to come, the objective of marketing is on creating demand and selling more goods.

Integrating Sustainability with Marketing

The field of sustainability and marketing are fundamentally set to collide with each other. Marketing with its purpose to increase sales and constant growth is in contradiction with sustainability which aims to decrease the overall consumption and acts as a transformational change in society. Sustainability Marketing is an approach which attempts to form a bridge between the conventional marketing and sustainability.^[11] If sustainable development is judged as a system, it has three interlinked systems that are the sustainable economic system, the sustainable social system and the sustainable environmental system.^[6] Sustainability works on ‘Triple Bottom Line’ approach i.e., people, planet and profit.^[7] Thus, the sustainable development involves the simultaneous and accurate persuasion and interaction of economic sustainability, social equity and environmental quality goals identified as triple bottom line. Businesses have to maintain financial stability and competitiveness while acknowledging environmental requirements and social demands.^[8] Thus, sustainable development involves a simultaneous pursuit of economic sustainability and prosperity, social equity and environmental quality. These goals can only be achieved if accurate interaction of the three constituent parts is identified in “the triple bottom line”^[9] Elkington argues was that companies should be preparing three different (and quite separate) bottom lines. The first one is the traditional measure of corporate profit — the “bottom line” of a profit

and loss account. The second one is the bottom line of company’s “people account”— a kind of a measure indicating how socially responsible an organisation has been throughout its operations. The third one is the bottom line of company’s “planet account” — a measure of its environmental responsibility.^[5] The triple bottom line thus consists of three Ps: profit, people and planet. It aims to measure the financial, social and environmental performance of a corporation over a period of time. Only a company that produces a TBL takes account of the full cost involved in doing business.^[10] Thus, earlier businesses have only one factor of profitability that was important but now with the changing business landscape where sustainability is getting important than ever before, businesses have expand their thinking. The businesses have to respond to the economic, social and environmental changes around them by incorporating the same in their strategy to achieve success. TBL provides a framework for measuring the performance of the business and the success of the organization using the economic, social, and environmental lines.^[11] The term has also been referred to as the practical framework of sustainability^[12]

From Conventional Marketing to Sustainability Marketing

Sustainability marketing goes beyond conventional marketing thinking.^[13] If conventional marketing is, generally speaking, about satisfying customer needs and building profitable relationships with customers, sustainability marketing may be defined as building and maintaining sustainable relationships not only with customers but also to the social environment and the natural environment. This means that by creating social and environmental value, sustainability marketing tries to deliver and increase customer value. In other words sustainability marketing aims at creating all three: customer value, social value and environmental value. The goal of sustainability marketing is to respond to the growing interests of consumers and other stakeholders related to the environmental impacts of companies and their products. By means of marketing communication companies can provide customers with environmental information of its actions and products. In addition to creating and supporting the image of the company and its products, one important task of sustainability marketing is to improve environmental awareness of consumers and influence people’s attitudes and the public opinion. It may even support the expansion of environmentally friendlier life styles.^[14]

Similar to the conventional marketing concept, sustainability marketing analysis customer needs and wants, develops sustainable products that provide superior value, and prices, distributes and promotes them effectively to selected target groups. The biggest difference is that ecological and social aspects are integrated not only in products and production but in all actions throughout the whole process.^[13] The aim of sustainability marketing is to integrate social and environmental aspects in every step and every action of the whole marketing process. The goal is not

only to promote environmental friendly or ethical products and services but also to enhance environmental awareness of consumers and thus influence people's attitudes and the public opinion into environmentally friendlier direction. In the best case it may even support the expansion of environmentally friendlier consumption habits and life styles. The conception process of sustainability marketing management is divided into 6 steps. The process starts as shown in Fig.1 with the analysis of socio-ecological problems followed by the analysis of customer behavior, sustainability marketing values and objectives, sustainability marketing strategies, deciding the sustainability marketing mix and sustainability marketing transformation.^[1]

Fig1.



Source: Adapted from: Belz, F-M.(2006)Marketing in the 21st century, Business Strategy and the Environment, 15(3):140.

The aim of sustainability marketing is to integrate social and environmental aspects in every step and every action of the whole marketing process. The goal is not only to promote environmental friendly or ethical products and services but also to enhance environmental awareness of consumers and thus influence people's attitudes and the public opinion into environmentally friendlier direction. In the best case it may even support the expansion of environmentally friendlier consumption habits and life styles.^[3] Sustainability marketing is marketing that endures forEVER, in that it delivers solutions to our needs that are:^[1]

_ Ecologically oriented, taking account of the ecological limits of the planet and seeking to satisfy our needs without compromising the health of ecosystems and their ability to continue delivering ecosystem services.

_ Viable, from technical feasibility and economic competitiveness perspectives.

_ Ethical, in promoting greater social justice and equity, or at the very least in terms of avoiding making any existing patterns of injustice worse.

_Relationship-based, which move away from viewing marketing in terms of economic exchanges towards viewing

it as the management of relationships between businesses and their customers and other key stakeholders.

III. SUSTAINABLE DEVELOPMENT THROUGH SUSTAINABILITY MARKETING

According to the Brundtland report, Sustainable development is defined as a process of change in which the exploitation of resources, direction of investments, orientation of technological development, and institutional change are made consistent with future as well as present needs. In order to practice sustainable development, firms need to have environmentally focused corporate management, social equity through corporate social responsibility, and economic prosperity through value creation. Discussions about sustainability coalesce around these three principles and cannot be effective without the interaction with each other^[15]. Industries these days have high concern for environmental protection and have strong belief that green marketing can definitely be used as a tool for gaining competitive and sustainable growth.^[6]

Through sustainable marketing, the business is in the position to create sustainable value for consumers by supplying products and services that meet their functional and emotional needs now and for future generations while respecting social and environmental limits and common values.^[9] Sustainable marketing stimulates sustainable demand, improves sustainable products, helps a multi-channel distribution network and markets at fair prices. It develops profitable relationships with the customers, social environment and natural environment. The results of sustainable marketing efforts may be found in economic sustainability, environmental sustainability and social sustainability.

Sustainable marketing can contribute to sustainable development not only through everyday's practice of minimizing the environmental impact but also by implementing new policies and strategies to bolster a wider concept of sustainable growth as a fundamental part of economic entities.^[16] Sustainable marketing should therefore be regarded as an initiator and trigger of a sustainable society in a way that all of its functions are focused on the goal to preserve and protect environmental and social factors and finally, on creating a general culture of sustainability within a society. Sustainability can provide benefits including less waste, greater productivity with higher levels of innovation.^[17] Further it is added that the role for Sustainability Marketing is to motivate consumers to adopt sustainable products and services as acknowledging them as the standard purchasing behavior and neglect purchasing unsustainable products. Whereas unsustainable products should be considered discouraging and consumers should refuse them as they represent abnormal behavior.^[18]

IV. CONCLUSION

Sustainability in marketing strategy not only helps in competitive advantage but creates opportunities for innovations. The goal of sustainability marketing strategy is changed to attain competitive advantage through a position that is desirable, different, and defensible.^[19] Sustainability is now a mainstream issue, evidenced by the growing interest shown in sustainable issues.^[20] Businesses have to maintain financial stability and competitiveness while acknowledging environmental requirements and social demands.^[8] But practically, it is not easy to design these kinds of marketing strategies because of the related issues and challenges.^[21] To meet the challenge of sustainable development, businesses can help to foster more sustainable levels and patterns of consumption. There is a significant opportunity for business to help consumers choose and use their goods and services sustainably. In order to do so, business must create sustainable value for consumers by supplying products and services that meet their functional and emotional needs – now and for future generations – while respecting environmental limits and common values (Symposium on Sustainable Consumption; UN Commission on Sustainable Development (UNCSD)).^[22] The companies should keep in mind that sustainability has become a requirement; it does not remain as an option.^[7]

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