

40. Sustainable marketing

Introduction

This entry theoretically underpins the term “sustainable marketing”, focuses on its evolutionary pathway, and considers current and future avenues of investigation. Aiming at the enhancement of social, environmental and economic pillars, sustainable marketing serves as an integral part of modern corporate social responsibility (CSR) practices, with Gordon et al. (2011) arguing that sustainable marketing is responsible for marketing sustainability. That is, businesses and other actors promoting practices that enhance awareness, trust and understanding while assisting with deviating from apathy on sustainability issues among consumers (p. 145). Sustainable marketing has a structural interactive relationship with consumers (Su et al., 2022) and has evolved from marketers adapting their practices to accommodate emerging ethical needs of consumers to promoting behaviours that heighten sustainability.

Development and terminology

Organizational profitability relies heavily on integrated marketing practices for promoting offerings, enhancing brand awareness and sustaining competitive advantage (Balmer et al., 2006; Kotler and Armstrong, 2020; Shams et al., 2020). Research on consumer decision-making has been the centre point of consumer behaviour sciences, with insights from the latter shaping marketing and its evolutionary pathway. Initial distinctions that position consumers as strict utility-seekers were expanded with the identification of emotional factors (Kotler, 2011), ethical fulfilments (Shaw et al., 2010) and ecological concerns (Pagiaslis and Krontalis, 2014) as additional drivers of decision-making. Through these insights, marketers deviated from classic marketing practices – and the promotion of solely core product utility – towards more reflective and sustainable ones. Examples of the latter include the promotion of new brands that smartly strike a balance between utility and sustainability, while challenging the status quo of social behaviours by communicating sustainable alternatives. Following this customer-centric (as opposed

to a product-centric) approach, sustainable marketing seeks to create true value for the end user and wider society. Thus, goods that satisfy the buyer’s core needs and simultaneously promote environmental preservation, social equity and economic growth create value that transcends the unidimensional notion of strict utility.

As a term, “sustainable marketing” is sometimes used in synonymous ways to “green marketing”, yet Gordon et al. (2011) propose that it encapsulates the ideas of green, social and critical marketing. This allows the inclusion of environmental, social and economic implications in the defined term while maintaining a critical angle of how marketing contributes to sustainability and its pillars. Katranjiev (2016) juxtaposes this view, proposing that sustainable marketing serves as a successor to green marketing, with the latter being primarily interested in the promotion of green, environmentally friendly products and less involved in other pillars pertaining to social equity, for example. Cronin et al. (2011) note that sustainable marketing practices are essential for companies that adhere to the triple bottom line for performance evaluation, with Fuxman et al. (2022) proposing a similar view that sustainable marketing practices reflect the 3Ps of Preservation (Environment), Public (Society) and Performance (Economy). Academic views converge on these three pillars of economic, social and environmental sustainability, thus providing leverage to define the term as:

Sustainable marketing fosters strategies that promote environmental protection, social equity and economic development while preserving the viability of the business.

Three dimensions of sustainable marketing

Sustainable marketing has a range of applications, with research positioning the term as being responsible for sustainable marketing innovations and the shaping of sustainable consumption behaviour (Su et al., 2022). An important, and currently emerging, new dimension relates to customer data and fair data management practices that allow protection of one’s right to privacy (Acquisti et al., 2015; Lim, 2016). These are analysed below.

Sustainable marketing innovations

This dimension is interested in the development and promotion of offerings by companies that systematically challenge their eco footprints and innovate towards fairly and sustainably sourced goods and materials (see the entry on social and environmental innovation). For instance, Adidas manufacture shoes from recycled ocean plastic, serving as a strategy of targeted innovation for environmental preservation. Additionally, and alleviating the need for recycling altogether, companies like Mitsubishi are investing in biodegradable and compostable bioplastics for their packaging as an alternative to conventional plastic. Approaches like the latter ensure environmental protection through natural dissolution of material while innovations aim at enhancing the economic viability of the option (Wandosell et al., 2021).

Importantly, sustainable products need to be readily available in the market, providing reasonable accessibility in terms of price, design and location to people that wish to obtain them. One of the major challenges of this is that reduced product performance, asymmetrically higher costs compared to unsustainable alternatives and inconvenience can result in consumers quickly switching to less sustainable but more accessible options (Luchs et al., 2015). There is also a growing need for innovations to not be limited to the design of sustainable products but expand to practices which reduce costs of manufacturing and enhance distribution coverage, thus reaching more willing buyers. Abiding to these growing demands by stakeholder groups must not compromise sustainability of other aspects of the business: for example, the maintenance of fair labour conditions and avoidance of exploitation (Caruana et al., 2018).

Promotion of sustainable consumption behaviour

Sustainable marketing seeks to shape sustainable attitudes with the aspiration of transcending these to actual behaviours (Shaw et al., 2010). Accurate, representative and non-harmful information to the wider societal structure needs to be projected through advertisements setting the par for ethical (and legal) marketing practices. Sustainable marketing's second dimension takes a step further and seeks to promote green consumption

that enhances sustainability. This includes the encouragement of fair trade products for societal equity, nudging consumers towards products that bear eco-friendly labels (i.e. *Rainforest Alliance*, *Fairtrade*, *Certified Humane*) and in certain cases challenging consumption altogether. Patagonia's "Don't buy this jacket" campaign prompts consumers to re-evaluate their needs prior to purchasing clothes and now serves as an archetypical example for promoting reduction of consumption as opposed to overconsumption of sustainably sourced products. It is imperative to note that sustainable marketing innovations and their promotion directly influence sustainable consumption behaviour (Luchs et al., 2015; Su et al., 2022).

Sustainable customer data management

This third dimension pertains to a currently evolving part of the literature which is interested in the practices of customer data management, privacy and big data synthesis, with academics recognizing the role and potential of sustainable marketing in this data-driven domain (Lim, 2016). The organizational benefits of customer data range from tailored micro-targeting of relevant offerings to acquired feedback for new product development and existing product refinement (Themistocleous, 2018; Witell et al., 2014). As consumer data are transforming businesses there is a growing need for the promotion of sustainable data usage and protection of privacy. Companies through their marketing strategies need not only to abide by existing privacy legislations (i.e. the General Data Protection Regulation), but employ practices that actively seek to bridge information asymmetry gaps in relation to exact use of acquired data and conditions under which data are shared with trusted third parties. A prime example relating to breach of privacy and the socioeconomic fallout that followed – the Facebook/Cambridge Analytica scandal – led to \$50 billion loss of market capitalization for the former and the shutdown of the latter, all while leaving 87 million users exposed (Kozłowska, 2018).

Sustainable marketing must employ and promote transparency of a company's data management practices while guiding, informing and improving consumers' decision-making of what to disclose, to whom and by how much. Albeit a difficult

task, research demonstrates that communicating information about the specific uses of data improves disclosure decision-making (Zimmer et al., 2010). Contextual stimuli, like website design, also need to nudge consumers towards less risky disclosure decisions (Acquisti et al., 2015; Themistocleous et al., 2014); rejecting in the process malicious interface designs for unsustainable disclosure behaviours (Conti & Sobiesk, 2010). As data practices are currently essential and projected to only be more prevalent in the future for companies, the aforementioned elements pinpoint towards current and future directions for sustainable marketing and what the term encapsulates.

Conclusions

“Sustainable marketing” is a term that serves as an amalgam of previous marketing forms, including green, social and critical marketing. The explored dimensions here capture ideas relating to the promotion of social, environmental and economic sustainability. Sustainable marketing’s three main dimensions of investigation relate to sustainable marketing innovations that contribute to the above pillars while aiming towards the promotion and shaping of society’s sustainable consumption behaviours. The future of the term, and thereby CSR, can be linked to the emerging significance of big data for marketing purposes and thus sustainable customer data management. This new dimension of investigation relates to the employment and promotion of sustainable data governance practices which are imperative for CSR and assist with the avoidance of social harm in the inevitable personalization–privacy trade-off faced by consumers.

Evidence from Ernst & Young’s (2020) global consumer privacy study indicates that 60 per cent of consumers have a neutral or distrusting stance on data governance practices by retail companies and 49 per cent for financial companies. Findings here provide emerging avenues for future CSR agendas. Positioning data protection as a key strategy rather than a base-line compliance to respective legislations can assist with improving the aforementioned statistics. In turn, sustainable marketing strategies can communicate these new CSR directions to consumers and instil much-needed trust, influencing behaviours

pertaining to safer disclosures and alleviating understandable customer concerns.

As technology continues to evolve, innovations come with social, environmental and economic caveats. Based on the present definition of the term, sustainable marketing’s aims and responsibilities are labelled but clearly expanding to address emerging unsustainable practices, within the domain of marketing, while promoting sustainable alternatives.

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