

Sustainable Marketing

Learning Outcomes

- To understand sustainable marketing concept and its importance

Sustainable Marketing

- Sustainable marketing is more than Green marketing

Green Marketing

- **American Marketing Association says,**
“Green marketing is the marketing of products that are presumed to be environmentally safe”
- Polonsky (1994) defines green marketing as all activities designed to generate and facilitate any exchange intended to satisfy human needs or wants, such that the **satisfaction of these needs and wants occurs with minimal detrimental impact** on the natural environment.

Green Marketing Challenges

- Green marketing faces a fundamental challenge about what constitutes 'green'.
- There is no public consensus on the dimension of 'green'.
- Many companies have hardly changed their products but started to claim them to be green.
- This has led to **greenwashing** and **green marketing myopia**.

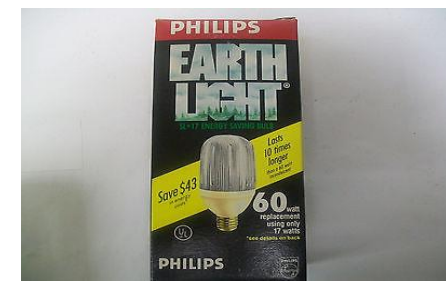
Challenge 1: Greenwashing

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- Greenwashing is a form of promotional activity where **green marketing is deceptively used** to promote the perception that an organization's products, aims or policies are environmentally friendly.
- For example, **Kraft's Post Select cereals** have falsely promoted its cereals as having 'natural ingredients' when in fact the corn used in the cereal is genetically engineered.



Challenge 2: Green Marketing Myopia

- Green marketing must fulfill **two objectives**: improved environmental quality and customer satisfaction.
- **Misjudging either or overemphasizing the former at the expense of the latter can be defined as green marketing myopia.**
- For example, **Philips** Corporation has fallen into green marketing myopia while introducing **CFL** (Compact Fluorescent Light) bulb in its original form as '**Earthlight**' to communicate the CFL environmental advantage. The benefit of 'CFL' appealed to only the deepest green niche of customers but the majority of customers however asked a simple question, '**What is in it for me?**'. Philips could not define its business correctly. It thought it was in the 'green business' when it was in the light bulb business. Instead of marketing them as green **they could have marketed their long life and excellent energy savings.**



Evolution of Green Marketing



Sustainable Green Marketing is also called as Sustainable Marketing

Evolution of Green Marketing

- The green marketing thinking has been evolving over a period of time. According to Peattie (2001), the evolution of green marketing can be divided into three stages.
- First stage is termed as "**Ecological**" green marketing, and during this period all marketing activities are concerned to help environment problems and provide remedies for environmental problems.
- Second stage is "**Environmental**" green marketing and the focus is on clean technology that involves designing of innovative new products, which takes care of pollution and waste issues.
- Third phase stage is "**Sustainable**" **green marketing**. Companies involved in 'sustainable' green marketing make decisions relating to the entire process of the company's products, such as methods of processing, packaging and distribution.
- **In sustainable green marketing the dimension of 'sustainability' gives a different rigor to the discipline of marketing**

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Green Consumer

- Green consumer is mindful of environment related issues and obligations, and is supportive of environmental causes to the extent of switching allegiance from one product or supplier to another even if it entails higher cost.

Green Products

- Green products are produced through green technology and cause no environmental hazards.
- Green products have the following features (next slide).

Eco-Labels

- Eco-labels identify overall environmental preference of a product or service within a specific product or service range.
- Eco-labeling is the practice of marking products with a distinctive label so that consumers know that their manufacture conforms to recognized environmental standards.
- The Indian eco-label(next slide).

Ecomark in India

- Bureau of Indian Standards (ISI) has launched the eco-labeling program known as 'Ecomark' for easy identification of environment-friendly products.
- Any product which is manufactured, used and disposed of in a way that significantly reduces the harm it would otherwise cause the environment could be considered as Environmental-Friendly' product.



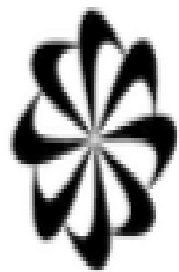
Organic Milk: Farm-to-Table Milk

- The dairy, Pride of Cows, is one of the largest players in the growing business of farm-to-table milk, part of India's new crop of organic, fair-trade and artisanal food products.
- Cows are revered in India and the dairy industry has started buying into the belief that happier cows breed healthier milk - and potentially bigger profit.
- The chairman regularly uses the word "love" to describe his operation, referring to his cows as "pampered and cherished."
- Targets health-conscious and brand-savvy Indian consumer, a growing niche within an already swelling middle class that has the means to afford costlier products.
- The appeal is about food safety, because 70% of milk samples are diluted with water or impurities like urea, liquid formaldehyde and detergent solution.



Sustainability means more than being eco-friendly

- Sustainability means more than being eco-friendly and also means you are in it for the long haul. **Sustainability index exists to rate the companies on their sustainability practices** but there is no universally agreement on metrics used.
- For example, **NIKE** uses more than 16,000 materials in its products each year. Product creation teams use the **NIKE Materials Index (NIKE MSI)** to select environmentally better materials



MOVE TO ZERO

Nike's journey toward zero carbon and zero waste ^[1]_{SEP} to help protect the future of sport.

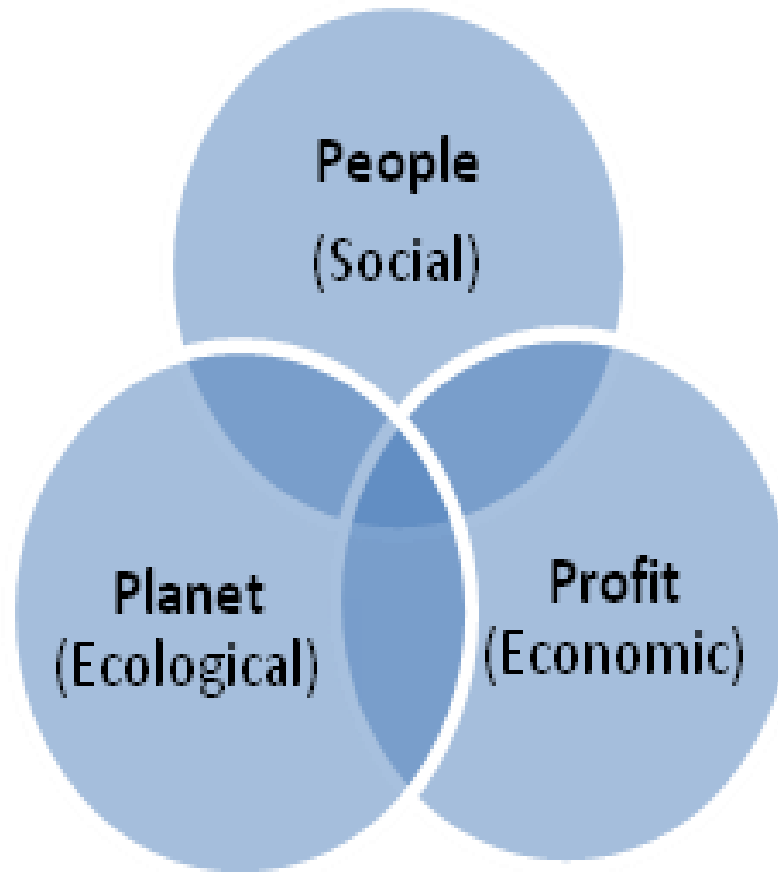
Sustainability

- *Sustainability is the ability to meet humanity's needs without harming future generations.*
- Sustainability operates on a simple paradigm: Everything that we need for our survival and well-being depends, either directly or indirectly, on our natural environment.
- Sustainability creates and maintains the conditions under which humans and nature can exist in productive harmony, that permits fulfilling the social, economic and other requirements of present and future generations.

Triple Bottom Line (TBL)

- Majority of global companies have incorporated the sustainability framework into their business decisions.
- The sustainability framework incorporates three dimensions such as social, environmental and economic. These three dimensions are called as 'Triple Bottom Line (TBL)'.
- The TBL takes into consideration of 3Ps: People, Planet and Profit are known as the 'three pillars of sustainability' as shown in next slide.
- The people dimension comes first among the 'three pillars of sustainability'.

Three Pillars of Sustainability



People, Planet and Profit (TBL)

- **People:** People refers to humane and fair business practices towards employees and the community and region in which a company runs its activities
- **Planet:** Planet refers to business practices that maintain natural order as much as possible or at least do not harm and minimize environmental impact. The company promotes sustainable business practices.
- **Profit:** Profit refers to the economic value created by the company after subtracting all input costs, including the cost of the capital tied up.

Sustainable Marketing

- sustainable marketing can be described as the inclusion of environmental and socially responsible products, practices, and brand values.
- ‘Sustainable marketing’ is a new concept that requires going beyond a commercial and product orientation towards **building a broad societal system together with a economic impact for a long-term relationship.**

Why Sustainability Now?

- The reason sustainability has prompted, initiated worldwide is initiated by UN and is commonly known as **sustainability development goals**.
- Society's driving for today is nothing else but sustainability because we need to take care of the environment, we have to leave behind something for our generations to come.

Sustainable Marketing Focuses On



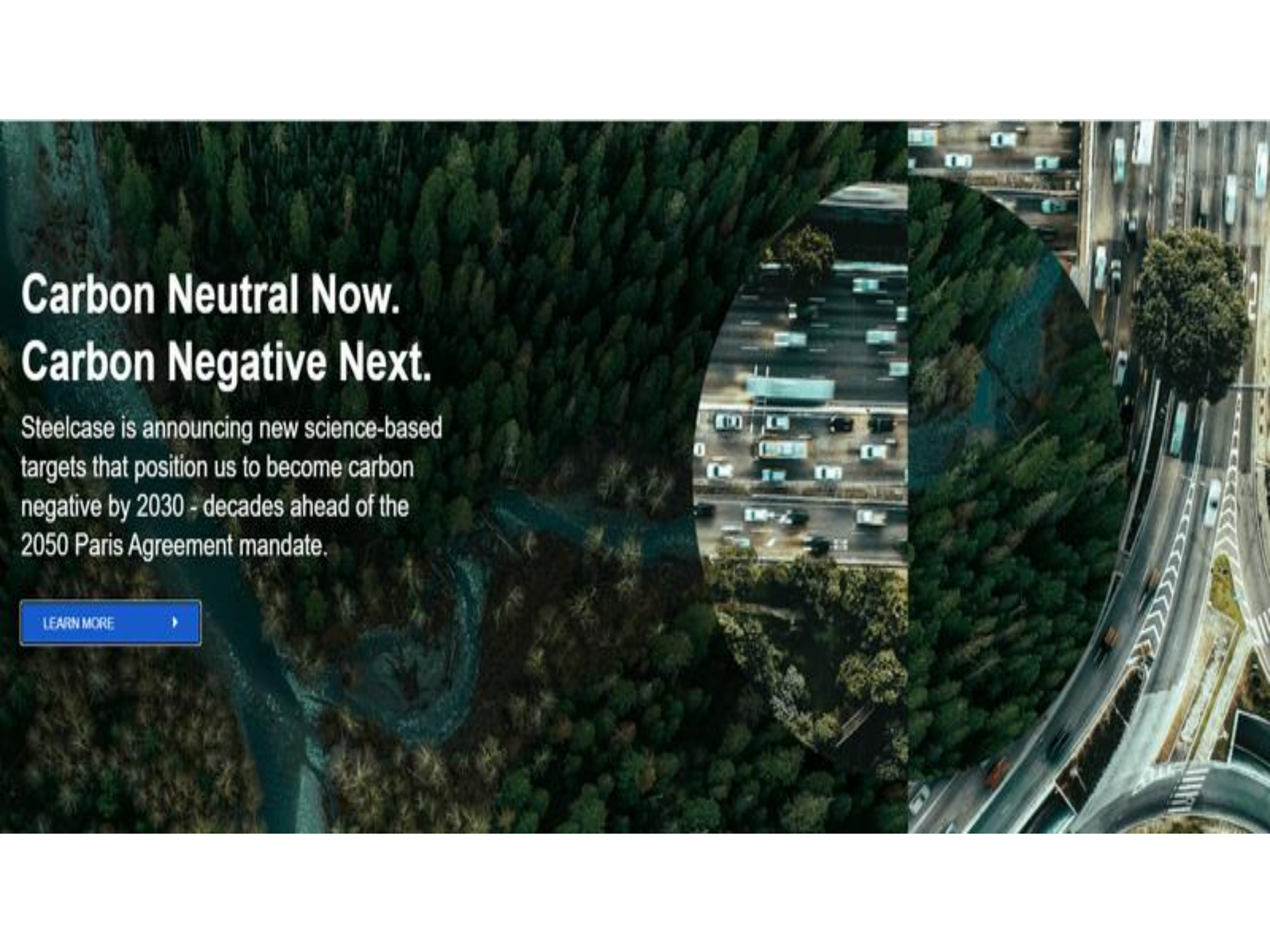
Consumer
Awareness

Sustainability
Initiatives

Sustainable
Products

Regulations
Public Policies

Cost of Natural
Resources



Carbon Neutral Now. Carbon Negative Next.

Steelcase is announcing new science-based targets that position us to become carbon negative by 2030 - decades ahead of the 2050 Paris Agreement mandate.

LEARN MORE ▶

Sustainable Marketing Strategies

- Have a larger purpose.
- Place value ahead of profit.
- Be consumer-oriented.
- Reflect sustainability in every aspect of your brand.

Sustainability Marketing

- Sustainability marketing is all about building long-term value.
- what happens once your lead has made a purchase and turned into a customer? How will you build loyalty and create brand evangelists?
- Sustainable marketing looks at ways to nurture consumers during the entire buyer's journey.
- For instance, a food brand could educate its audience on the importance of ethical farming on social media and continue this process post-purchase with package recycling tips.

Reflect sustainability in every aspect of your brand

- Sustainability marketing doesn't work if it's not authentic.
- Make sure your brand is looking at sustainability from a holistic lens.
- Are you preaching about sustainability but using unsustainable resources to build your product?
- Are you collaborating with brands that conflict with your mission?

Sustainable Marketing: Body Shop

- Some organizations like **Bodyshop**, they are probably more sustainable and they have worked hard incorporating sustainability into their process and practices some time back.
- So yes, risks are certainly there, and there are immense financial risks involved. Opportunities are huge because if you see from a customer's point of view, a large number of customers are very woke today, aware today as you call them.
- Until & unless we engender sustainable consumption amongst consumers, sustainable marketing will fall to pieces

Questions