

# INCORPORATING SUSTAINABILITY IN THE REALM OF MARKETING: A THEORETICAL FRAMEWORK

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## ABSTRACT

**Aim:** *Consumerism, which is driven by marketing activities, is leading to unsustainable consumption causing environmental degradation and climate change. At this rate we would need two planets to cater to our requirements by 2030. The objective of the paper is to promote sustainable consumption behaviour.*

**Importance:** *Consumers though conscious of the environmental consequences of their consumption behavior, are not willing to adopt sustainable consumption practices except when there are monetary benefits. There is therefore an urgent need to reorient marketing to promote sustainable consumption.*

**Method:** *This paper develops an “effort tangibility” matrix using the concepts of involvement and quality attributes to guide marketing to shift consumers to sustainable solution offerings.*

**Conclusion:** *Companies need to incorporate experience and credence attributes by adding perceived risk associated with the purchase to build sustainability in the realm of marketing.*

**Keywords:** Sustainable Marketing, Consumer Behaviour, Market Orientation.

## INTRODUCTION

World over there are several environmental issues which are gaining importance and it is becoming difficult for consumers to ignore climate change and environmental degradation. Mayell, (2004) quoting Gary Gardner, Director of Research for Worldwatch mentioned that a large part of the environmental issues are “*linked to consumption*”. Living Planet report 2018 states that human consumption is depleting natural resources and that we would need two earths by 2030 to cater to our requirements (WWF, 2018). “*State of the World 2010*” states the world consumed \$30.5 trillion goods and services in 2006, more than 28 percent of the consumption recorded a decade earlier. This translates into an equivalent of 112 Empire State Buildings in materials every day, with the typical American consuming an average of 88 kilograms (144 pounds) of goods every day (CNN, 2010). Thus, the State of the World report emphasizes that there is a need to transform proactively towards sustainability (CNN, 2010). Pope Francis also called for a change of lifestyle steeped in a “*throwaway*” consumer culture, and an end to “*obstructionist attitudes*” that sometimes puts profit before the common good (Danson, 2015)

While some researchers claim that the marketing efforts can help consumers adopt sustainable behaviour (purchase products which are environmentally friendly), others agree that marketing could increase awareness of sustainability and the negative impacts on environment, but they feel that it may not help in translating it into environment friendly consumer behaviour.

The objective of this paper is therefore to suggest a framework to help companies develop strategies to increase sustainable consumption without degrading environment. That is

building sustainable strategies keeping customers and their satisfaction of their needs the central focus (Jones et al., 2008).

## LITERATURE REVIEW

### Sustainability

World Commission on Economic Development brought in the concept of "*sustainability*" in 1987 (Han et al., 2009) and today sustainability has become number one concern of the UN as global warming and the unsustainable exploitation of earth's finite resources (UNEP, 2005) are threatening the future of the planet.

Sustainability perspective considers development needs of the future generations. That is, sustainability should meet the needs of the present generation without compromising on the needs of the future generations (Green et al., 2015). Sustainability could also mean forgoing short-term benefits to achieve long term results (Lehner, 2015).

### Marketing

Marketing is about creating value for the customers (AMA, 2017). There are different perspectives to the role marketing is playing. Here the views that may have an impact on sustainable consumption are presented.

Jones et al., (2008) argue that marketing is an antithesis to sustainability. Sodhi (2011) feels marketing is blind to community well-being and shares a transactional relationship with the consumer. Palmer (2000) equates marketing to "*selling things that people do not want*" and Brown (1995) views marketing as being "*manipulative, devious, unethical and inherently distasteful*". Nkamnebe (2011), feels marketing meets the needs of the society without considering the consequences of their production and consumption and he also goes on to state marketing efforts are limited to short term profits. Rudawska (2018) states marketing helped create unsustainable habits. Chartered Institute of Marketing (2007) therefore, states marketing and sustainability are in a conflict because marketing is about selling more while sustainability is about consuming less. Robinson & Chelekis (2016), state that the conflict is because sustainability and marketing focus on different time frames. They state that while marketing focuses on individual (short term) time frame, sustainability focuses on social (long term) time frame.

### Consumption and Sustainability

Grunert (1993) found that 30-40 percent environment degradation is due to private consumption as well-being is seen from buying, accumulating and displaying goods and services (Sodhi, 2011). Studies show individual's well-being is relative to the consumption of others (Sodhi, 2011) as consumers are identity seekers (Thompson, 2005). Griskevicius, et al., (2012) identify five ancestral tendencies for humans to continue to degrade the environment; they are (1) propensity for self-interest, (2) desire for relative status, (3) unconsciously copying the behavior of others, (4) valuing the present over the future and (5) disregarding impalpable concerns.

Consumers are therefore locked in to unsustainable consumption and hopes that consumers would embrace sustainability have remained unfulfilled (Lehner, 2015).

## Consumer Decision Process and Sustainability

Studies have shown that consumers who express concern toward environment have positive predisposition towards conservation (Dolnicar et al., 2008). However, research also shows that even they do not purchase "*environmentally friendly products*" (Beatson et al., 2020). For example, 81 percent of Swedes claim to care for environment and 50 percent are aware of the environmental impact of the products they consumer (European Commission, 2009), however the market share of environmentally labeled products is marginal in most product categories (Anselmsson & Johansson, 2007; Ekoweb, 2013; Schmidt et al., 2008).

Studies show that sustainability has no value beyond its ability to serve individuals' interest. Benefits to the society at large do not motivate the consumer because these do not promote short term gains and are not tangible (Pedersen & Neergard, 2006; Young et al., 2010). Again, sustainability preferences are deterred by "*perceived effort*" (McDonald & Oates, 2006). Further, consumers consider sustainability after they have considered price. Consumers were willing to support pro-sustainability practices which have non-monetary implications. While consumers are aware and concerned about environmental problems (Carrigan & Attalla, 2001, Peattie 2010), consumers expression are merely good intentions (Thogerson, 2010) and may not be translated into purchase as they are economic conservatives (Devinnery et al., 2010). Pingali et al. (2016) and Do-Paco & Raposo (2009) found that the respondents are aware of the existence of environmental problems, but their concerns are not translated into environmentally friendly behavior except for saving electricity and water which are closely related with economic factors rather than with an environmental consciousness. They also indicate that the consumers do not obtain information about environment related issues, and friends and peer group are not perceived to be a credible source of information about these matters.

In effect, people may be appreciative of sustainable dimensions of a product, but they do not extend their physical or monetary support (Meghna et al., 2015). They also give importance to other attributes over sustainability (UNEP, 2005).

### BUILDING A FRAMEWORK

Mahatma Gandhi stated that the earth can provide enough to satisfy the needs of everyone "*but not every man's greed*" (The Hindu, 2011), therefore marketers need to reorient their strategies to help sustainable practices.

Since marketing is the customer interface, a major part of the responsibility of operationalizing sustainability will rest with the marketers (Sodhi, 2011). Rudawska, (2018) claims that sustainable marketing practices could help build a competitive advantage. Abutaleb & El-Bassiouny (2020) suggest that marketing managers need to inculcate sustainable purchase behavior. Kamboj & Rahman (2017) argue that specific marketing capabilities lead to sustainable innovation and non-technological innovations have a positive and significant influence on sustainable consumption

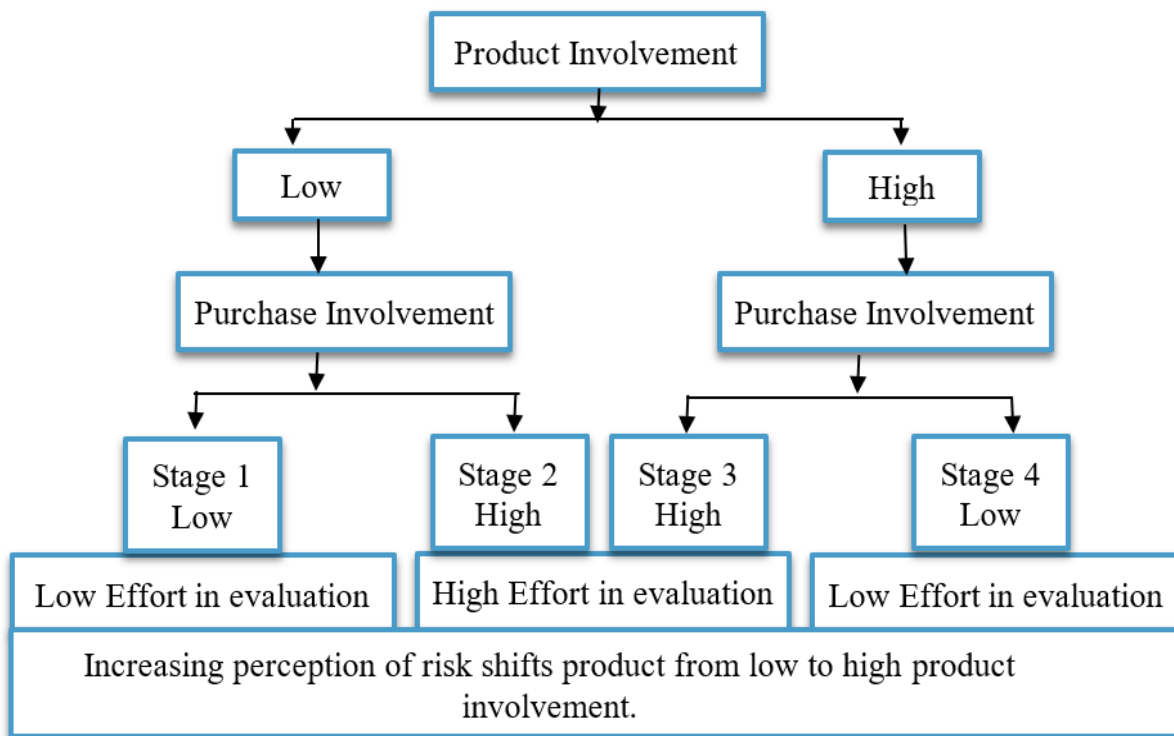
Based on the above discussion strategies should be in a position to "*tangibilise the intangible*" (van der Zwan & Bhamra, 2003) and "*reduce the perceived effort*" (Meghna et al., 2015).

The theoretical framework to incorporate sustainability in the realm of marketing by "*tangibilising the intangible and reducing the perceived effort*" will adopt the concepts of *involvement and attributes denoting quality* and develop a 2X2 "*Effort tangibility matrix*".

**Effort Tangibility Matrix**

Consumers evaluate brands using three types of attributes, viz; search attributes, experience attributes and credence attributes. Search attributes are ones that can be verified prior to purchase through direct inspection. Experience attributes are ones that can be verified only after use of the product (Ford et al., 1990). Credence attributes are ones that are difficult to verify even after use (Darby & Karni, 1973). Sustainability attributes fall under credence category (mainly intangible attributes). Consumers should therefore be made aware of the credence (intangible) attributes by building them up through the search and experience attributes (Pingali, 2010).

Product involvement increases the interaction between an individual (consumer) and the product (Park et al., 1989). Again, considerable amount of research has examined the relationship between product involvement and consumer risk perception (Dholakia, 2001). The process of building product involvement by increasing perceived risk and the consumers’ effort in the decision process is shown in Figure 1 (adopted from Pingali, 2010).



Source: Adopted from Pingali 2010

**FIGURE 1**

**BUILDING INVOLVEMENT**

As shown in Figure 1 when the product and purchase involvement are low (stage 1) then it is a commodity purchase and therefore the consumers do not put much effort in the decision process. When the product involvement is low, but the purchase involvement is high due to product differentiation (stage 2), the consumers spend effort in deciding the products (variety seeking behaviour). Moving from low product involvement to high product involvement happens

when the perceived risk for the product category increases. And when product involvement and purchase involvement are high (stage 3) it would require consumers to put considerable effort in information search due to high perceived risk to ensure that they make the right choice (problem solving behaviour). Finally, when the product category is important, but the consumer has built trust for certain brands then the effort in evaluation reduces (stage 4) as the consumer becomes loyal and purchases the brand s/he trusts (low purchase involvement).

The strategies combining the different stages of involvement and the corresponding attributes denoting quality are shown in the “*effort tangibility*” matrix (Table 1).

|                    | <b>Tangible</b>  | <b>Intangible</b>   |
|--------------------|--|---|
| <b>Low Effort</b>  | Stage 1<br>Purchase based on Convenience (commodity)   | Stage 4<br>Build Trust (loyalty). Retain Product involvement but reduce purchase involvement by emphasizing on Credence attribute and promoting sustainable solutions. Get credible environmental certification.            |
| <b>High Effort</b> | Stage 2<br>Increase Purchase involvement by adding Search attribute (technology features). Provide Price based schemes | Stage 3<br>Add Product involvement by adding experience attributes and increasing perceived risk impacting individuals. Retain purchase involvement to ensure people collect information and evaluate the different options |

Source: Author

As a first step the consumers are made to shift from low effort purchase of sustainable products to high effort by increasing purchase involvement. Here the companies should concentrate on helping consumers evaluate sustainable products on search attributes (for example slim tube lights). Since the products are evaluated on search attributes the consumers would also be comparing prices of competing products/ brands. So, companies can consider inducing trial by price offs or other incentives. Moving to next level would require adding a certain degree of risk (e.g., health hazards) so that the product involvement is also increased. Here the experience attributes should be highlighted. The intangible aspects built at this stage should be more individual benefits which can be experienced (e.g., less strain on the eyes). These two stages would build the platform to move to the trust where the companies can focus on credence attributes through sustainable solutions and communicating social needs (e.g., green lighting is modern). Parallely as Meghna et al. (2015) suggest, effort could be reduced by getting well known environmental certification (credence attributes) as consumers trust credible certification agencies.

### DISCUSSION AND CONCLUSION

Though businesses view sustainable actions as cost drivers (Sodhi, 2011) marketing organizations must focus not only on economic benefit but also environmental and social benefits (Elkinton, 1998) as sustainability attains a major concern for consumers (Rehman & Srivastava, 2011). So, with rising competition, technological change and economic downturn, sustainability should be used as a strategy by companies. Crittenden et al. (2011) state companies

embracing sustainability will experience a positive impact on performance. Green et al. (2015) suggest that companies with high marketing orientation would be able to satisfy the needs of the consumers who are inclined towards sustainability and enhance performance through the interaction between the firm's market orientation and stakeholder involvement in sustainability efforts.

Ninety three percent of the CEOs see sustainability important and ninety percent of Fortune 500 companies have explicit CSR programmes (Grote et al., 2007). While companies are communicating their CSR activities to consumers (Luo & Bhattacharya, 2006), marketing sustainability currently varies from promoting "green labeled" products, or green colour schemes or green imaging such as use of logos with earth or trees (Harris, 2007) which would not help the consumer adopt sustainable products. Companies need to incorporate experience and credence attributes by adding perceived risk associated with the purchase to build sustainability in the realm of marketing.

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