

## Marketing plan for implementing sustainable behaviour to companies in Eastern Uusimaa

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<p><b>The title of thesis</b> MARKETING PLAN FOR IMPLEMENTING SUSTAINABLE BEHAVIOUR TO COMPANIES IN EASTERN UUSIMAA</p>	<p><b>Number of report pages and attachment pages</b> 46+2</p>
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<p>Sustainable development is considered as a current topic since the natural resources, such as oil, are running out and new ways to consume have to be developed in order to preserve the environment. The aim of the thesis is to implement sustainable development for companies in Eastern Uusimaa area. The thesis is commissioned by Posintra Oy, a Porvoo based development company.</p> <p>Firstly, the terms of sustainability and marketing are presented and explained in detail. Definitions of sustainability and marketing are discussed and a marketing plan is created in order to make companies in Eastern Uusimaa interested in implementing sustainable development to their every work. A general creation of a marketing plan and afterwards a more plan from a sustainability point-of-view are presented in Chapter 4.</p> <p>Secondly, the methodology of the research is presented. Qualitative research method is chosen, as the research is done in semi-structured face-to-face interviews with representatives from three local companies.</p> <p>Lastly, the findings indicated that a wide interest towards sustainable development is among the companies and they are already taking actions towards becoming more sustainable.</p>	
<p><b>Key words</b> sustainable development, CSR, sustainability marketing, marketing plan</p>	

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# 1 Introduction

The thesis is commissioned by Posintra Oy. Posintra Oy incorporates various local companies such as banks, insurance companies and other big companies in the area. The company's purpose is to support the economic life and competitiveness of companies in Eastern Uusimaa. (Posintra 2014.)

This thesis deals with sustainability and sustainability marketing issues in Eastern Uusimaa area, Finland. Sustainable development is a topic that always attracts attention and divides opinions. Many consumers are aware of sustainability issues but due to apathy, inactivity and a low level of understanding the issue on the subject they do not take actions to use sustainable products or services. To make a change in their buying behaviour, companies and government should demonstrate their sustainability and support the changes to become more sustainable. It is an important motivation factor to potential sustainable customers to see that they are not working alone towards a more responsible future. (Emery 2012, 79-80.)

Moreover, it is important to take into account sustainability issues when it comes to work. Whether it comes to making a decision of buying something for your office or planning a trip, sustainability should be taken into consideration. For example preferring a bit more expensive yet longer-lasting and eco-friendly products is a huge step towards sustainability. (Belz & Peattie 2012, 237.)

It may feel like a single person cannot do anything to make the world a sustainable place. But when it comes to companies, a difference can be made a lot faster. (Emery 2012, 79.) The solutions that companies make every day reflect constantly on the environment in an economic, natural and social way. Sustainable development has been in Finnish Government's plans and strategies since 1990 (Ministry for Foreign Affairs of Finland 2013a). Therefore raising awareness about sustainable development among the companies in Eastern Uusimaa has been chosen as the topic of the thesis. Due to the previous research, companies already have some sort of knowledge about sustainable development but may not have resources to enhance it in the business. Sustainable

development should not be difficult or complicated and therefore the ways to implement new ideas towards sustainability should be simple and effective.

The aim of the research is to create a marketing plan for companies in Eastern Uusimaa and to develop more sustainable ways of work and marketing and to adapt those to the everyday work. There is only little data related to the subject in Finland. Therefore, the base of this thesis can be used to develop the sustainability of companies in other regions in Finland, too.

Worldwide there is a lot of studies related to sustainable behaviour and sustainability marketing in various companies. For example, Unilever has been reporting its sustainability performance since 1996. (Unilever 2015a.) However, in Finland the amount of studies remains relatively small. There are a couple of theses (Theseus.fi 2015.) and some statistics that deal with the subject in Finland (Findikaattori 2015.). Sustainable development is still quite a new field of study in the country and therefore the awareness should be raised.

The research focuses on sustainable behaviour in companies in Eastern Uusimaa and therefore the research problem is how to implement the sustainable development efficiently and rather easily in companies. The challenge of the research is to have the companies accept the ideas that are implemented and create a marketing plan that the companies really want to practice.

By creating both a marketing plan and a study, it is easier for companies to adapt to sustainability at a work place. The marketing plan shows how to do it in theory and the study part showcases how to put it into practice in the everyday work.

Sustainability is often considered just to include recycling and thinking about the nature. In reality it is a more complex term. Besides the obvious environmental part, it also includes economic and social part as well. Those parts are sometimes forgotten and as the focus is only on the environmental side, the actions towards sustainability are not as successful as they could be. (Swarbrooke 2002, 49.)

In Chapter 2, sustainable development is explained as a term. Besides the environmental part, sustainable development also includes social and economic factors. Those are explained. Sustainable development in Finland is presented. This chapter also introduces various certificates for sustainability.

Chapter 3 explains the marketing environment from a sustainability point-of-view. Marketing environment of a company includes micro environment and macro environment. Those terms are described. This chapter also takes a look to sustainability marketing.

Chapter 4 introduces the marketing plan. It is created in order to implement the idea of sustainable behaviour to companies as efficiently as possible. It focuses on theory of marketing and marketing planning. First it introduces a basic structure of a marketing plan and then a sustainability marketing plan for companies in Eastern Uusimaa is presented.

The chosen research method is qualitative as the research is conducted by interviewing the employees of various companies. The interview method is semi-structured because the main idea is to discuss the possibilities towards more sustainable behaviour and listen to the companies' presenters and their personal ideas as well. This is explained in more detail in Chapter 5. It covers also the execution of the research.

In Chapter 6, the results with each company are presented separately. After that there are overall suggestions for the companies to implement sustainable development and corporate social responsibility to their workplace. The reliability and validity of the results and research will be examined.

Lastly, in Chapter 7, the conclusions are presented. There are new ideas for future studies and evaluations on the process of the thesis.

## **2 Sustainability**

This chapter focuses on sustainable development and sustainability issues. It covers all the factors included in the subject mostly from corporate point-of-view as the thesis focuses on sustainable development in companies.

There are many definitions of sustainable development yet perhaps the simplest is “development that meets the needs of the present without compromising the ability of future generations to meet their own needs” (The World Bank Group 2001.). The ideal situation would be when the resources are conserved and used wisely. It presents the possibility of development that does not harm the Earth’s socio-cultural, economic or environmental carrying capacities. (Sustainable Tourism 2006, 10.)

When people consider sustainability and sustainable development, the ecological part is most likely the way it is perceived. However, sustainable development includes social, economic and environmental factors as well. Those need to be considered in order to make the implementation work efficiently in the companies. (The World Bank Group 2001.).

Sustainable development has played a significant role in the Finnish Government’s programmes and strategies since 1990. The objective of the newest strategy from 2006 is to “create sustainable wellbeing in a safe and pluralistic society that promotes participation, and in which all citizens take responsibility for the environment.” (Ministry for foreign affairs of Finland 2013b.)

### **2.1 Environmental sustainability**

The natural resources, the natural environment, the farmed environment, wildlife and the built environment together form the term environment. Most operations of organisations have implications for the environment. This can be seen in, for example, great volumes of waste or in consuming too much energy or water. Therefore it is important to have successful environmental practices. Companies should form a corporate environmental management system, which will help them to become more environmentally

sustainable. Understanding that there is a need to a change and see the actual environmental issues, problems and opportunities are the first steps. (Swarbrooke 2002, 238-9.)

## **2.2 Economic sustainability**

Economy is a tool with which the well-being of people is produced and secured. Economic sustainability is balanced economic growth without getting into debts and not over consuming the capital. It should also take the carrying capacity of the environment and future generations into notion. Sustainable and stable economy is the cornerstone for the term sustainable development. (Suomen YK-liitto 2015.)

## **2.3 Corporate social responsibility**

Corporate social responsibility (CSR) is a complex term. It can be said that it is limited to social issues, such as employee and human rights. However, European Commission suggested that it would often include environmental and social responsibilities as well. (Belz & Peattie 2012, 32.) A systematic and strategic CSR approach includes identifying, addressing and prioritising the most important environmental and social issues (Belz & Peattie 2012, 34.).

CSR has both internal and external dimensions. Internal dimension refers to health and safety at work, the environmental impacts of production and employee rights. External dimension, on the other hand, refers to business partners, suppliers, local communities, human rights and global environmental concerns. (Belz & Peattie 2012, 33.)

In business life, social responsibility is about improving both global and local social conditions of workers and their families at large. Job creation is the most obvious part of social responsibility as businesses can promote both social and economic development of creating jobs. (Industry Canada 2012a.)

Wellbeing and happiness of an employee should be an objective to every responsible employer. Safety of the employees is very important as well as making sure that the

employees are treated equally. Regular trainings and chances of promotions are also playing big parts when it comes to employee satisfaction. (Industry Canada 2012b.)

Corporate social responsibility is not only about employees but also about a community and customers. Making customers and community satisfied with a company will create customer loyalty, support and goodwill towards the business. An important involvement with a community would be when a company's premises and products are accessible enabling all people to benefit from them. For example building a wheelchair ramp in a company's premises is a good start. (Industry Canada 2012c.) The sustainability factors from a corporate point-of-view are presented in Figure 1.

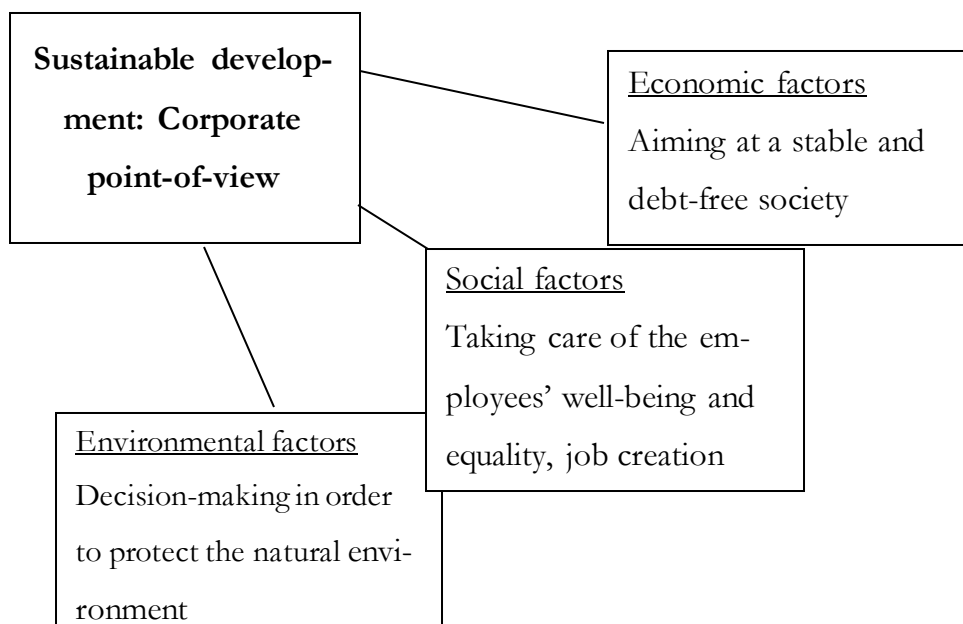


Figure 1. Sustainable development: Corporate point-of-view

## 2.4 Sustainable development in Finland

This section focuses on the current issues of sustainable development in Finland. The promotion of sustainable development is the central aim of Finland's UN policy. It supports also the development of human rights issues and helps minimising the poverty. (Ministry for Foreign Affairs of Finland 2009.)

Sustainable development has been notified in Finland since 1970. The concern about the decrease of natural resources made people take recycling into notion. Environmental movements were activated and more resources and funding were given in the fields of research and product development. Since then, Finland has been a part of international strategies and plans towards more sustainable future. (EDU.fi 2011.)

Humane development is the corner stone of Finland's development politics. The politics support know-how, health and wellbeing. Education and safe working conditions will help the citizens of Finland to understand their rights and control their own lives as well as get employed and improve their wellbeing and livelihood. (Ulkoasianministeriö 2013a.)

Sustainable development has been taken into notion in Finland's safety politics as well. Ministry for Foreign affairs of Finland sees that sustainable development would be the requirement for extensive safety and security. Finland aims to prepare itself and prevent various international threats, such as terrorism, human trafficking, environmental threats and infectious diseases. (Ulkoasianministeriö 2013b.)

There are numerous projects in Finland that support sustainable development. For example, Baltic Sea and water systems have their own protection programmes and Finland's conservation of nature has taken a huge step forward. Finland also has a national climate- and energy strategy which aims to lower the usage of energy continuously. (Ympäristöministeriö 2010.)

Companies in Finland are able to demonstrate their sustainability by earning various certificates for sustainability. The Nordic Ecolabel is a certificate for companies in Nordic Countries. It is a well-known label in the Nordic Countries as 93% in the Nordic market recognise its logo, the swan and 82% know that it is an eco-friendly label. (Nordic Ecolabelling 2015a.) In order to get a Nordic Ecolabel, extremely high environmental issues must be met. The whole life-cycle of a certain product or service is analysed while considering the certification. (Nordic Ecolabelling 2015b.) The application fee for Nordic Ecolabel is 2000 euros with extra annual licencing fees. (Nordic

Ecolabelling 2015c.) For example, over 120 hotels in Scandic Hotel chain have earned the Swan certificate. (Scandic 2015.)

Luomu label (organic label) is a Finnish certificate to demonstrate the naturalness of a product. For the time being, there is over 4000 certified organic farms in Finland. The organic farms are supervised by the Centres for Economic Development. The operations are inspected at least once a year. (Evira 2015a.) Organic label can be achieved in the fields of farm products and groceries. (Evira 2015b.)

Eastern Uusimaa is a smaller part of Uusimaa region. The area consists of seven municipalities and two towns in South-Eastern part of Finland. The biggest towns in the area are Porvoo and Loviisa. Askola, Lapinjärvi, Myrskylä, Pukkila and Sipoo are smaller municipalities located in the Eastern Uusimaa area.

## **2.5 International certificates for sustainable development**

There are several certifications both globally and in Finland for companies to demonstrate their sustainability. ISO (International Organisation for Standardisation) is the world's biggest developer of voluntary International Standards. It is a non-governmental organisation and it has published over 19 500 international standards that cover almost every industry. (ISO 2015a.)

On their website, ISO describes a standard in the following way. "A standard is a document that provides requirements, specifications, guidelines or characteristics that can be used consistently to ensure that materials, products, processes and services are fit for their purpose." (ISO 2015b.) The standards give specifications to services and products and ensures safety, quality and efficiency of them. By using ISO standards, a company can access new markets and facilitate fair global trade. (ISO 2015a.)

Furthermore, ISO has specific standards for sustainable development to help companies in making progress of environmental, economic and social factors of sustainable development. ISO certifications are not free of charge. (ISO 2015c.)

Finnish company Finnmatkat has ISO 14001 standard in each of its Blue Village family hotel in Europe and Turkey. (Finnmatkat 2015a.) ISO 14001 is the most popular and most used environmental management framework in the world. The standard requires the organisations to clarify all of its environmental effects and demands a company to define its environmental aims and put them into practice. The aim of ISO 14001 is to help a company to prevent negative environmental effects of its actions. The focus is on ongoing improvement. (Dnv.gl 2015.)

### 3 Marketing

Firstly, this chapter presents the marketing environment in the point-of-view of sustainability. It is where marketers, their competitors and customers all interact. The environment can be divided to micro environment and macro environment. (Belz & Peattie 2012, 140.) Figure 2 presents how the two environments differentiate. Secondly, a closer look to sustainability marketing is taken. Lastly, there will be a prediction of a possible future of sustainable development and sustainability marketing.

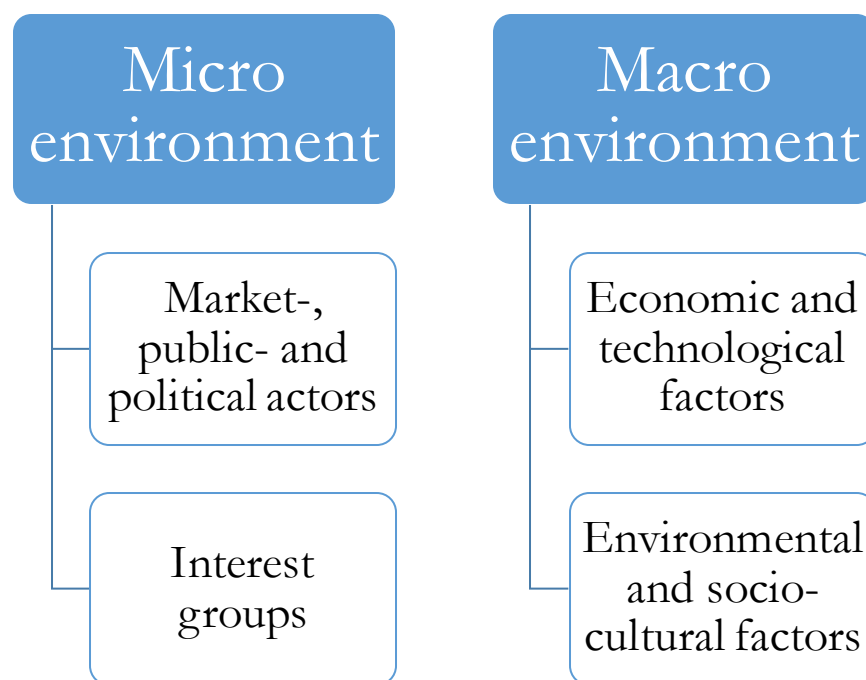


Figure 2. Micro- and macro environment.

#### 3.1 Micro environment

Micro environment includes a company's market and the actors with which it regularly and directly interacts. Market actors (such as customers of a company), political actors and public actors are all parts that are included in micro environment of a company. (Belz & Peattie 2012, 143.)

Public actors, such as media, play a significant role in making perceptions about sustainability agendas and shape the opinion of consumers when it comes to environmen-

tal and social issues of sustainable development. Media coverage of those can determine how consumers respond to a company's products or services and even make a company feel pressured to change its actions. (Belz & Peattie 2012, 143.)

When it comes to political actors, the government should promote companies to work on their sustainability issues and minimise the negative environmental and social impacts. Usually governments represent the key customer to companies, and their requirements and purchasing power can make companies to embrace sustainability practices. (Belz & Peattie 2012, 144.)

Interest groups are an important part of a company's micro environment as well. Interest groups can be for instance campaigns arranged against the unsustainable behaviour of a company. The relationship between a company and an interest group can be either confrontational or collaborative. Greenpeace is a good example of a usually confrontational interest group. However, nowadays interest groups are willing to help and establish sustainability-oriented businesses and their co-operation in for example promotional campaigns is usually beneficial to both of them. (Belz & Peattie 2012, 143.)

### **3.2 Macro environment**

While micro environment is about actors close to a company, macro environment consists of broader and less direct actors. Even so, the actors, including economic, natural, technological, demographic and socio-cultural, affect the micro environment of a company. (Belz & Peattie 2012, 140.)

Technological development that is happening too fast can cause many environmental problems. Therefore it is important to create new, sustainable technologies. However, the perceived idea of sustainable technologies being more expensive has evaded companies from pursuing sustainability practices. Political factors can help change attitudes as sustainability marketing decisions are often affected by developments in this environment. (Belz & Peattie 2012, 146-7.)

The natural environment is considered as geographic distances and distribution between consumers and producers. However, sustainability marketing defines the natural environment as constitutive part of decision-making process. This means that companies in a sustainable macro environment should understand the environmental and social problems in a general level. By raising social and environmental awareness through media, people around the world can make a difference in their personal behaviour and start to care for the environment. (Belz & Peattie 2012, 145.)

### **3.3 Sustainability marketing**

Sustainability marketing can be defined as building and maintaining sustainable relationships with not only the customer but also the natural and social environment. It is usually relationship-oriented and long-term oriented whereas transaction marketing can be considered as sales-oriented and rather short-term. (Belz & Peattie 2012, 29.)

The aim of sustainability marketing is to make sure that marketing tactics and strategies are designed to secure an environmentally friendly, socially equitable and economically fair business so that both future and current generations benefit from it. Sustainability marketing can be seen as an act of change within the society as it, in general, needs to re-evaluate its consumption habits and adapt to more sustainable lifestyle. By using sustainable marketing techniques in co-operation with government, non-governmental organisations and local authorities the sustainability challenges, such as recycling, composting and reducing energy usage, can be met. (Emery 2012, 24.)

Sustainability marketing management means controlling, organising and planning marketing resources to meet with the needs and wants of a consumer while considering environmental and social criteria and meeting company's corporate objectives. (Belz & Peattie 2012, 29.)

### **3.4 Social and ecological marketing**

Social marketing programmes aim to influence the behaviour of people by improving their well-being. For example campaigns to encourage people to change their consumption-related behaviour, such as littering. (Belz & Peattie 2012, 26.)

Ecological marketing draws attention to both positive and negative impacts of marketing on the environment. Basically it deals with marketing activities that can cause harm or provide remedies for environmental issues. The aim of ecological marketing is to raise questions towards the consumption habits, such as over-consumption of energy and water. Its key issues are to recycle products and decrease the amount of packaging used. (Belz & Peattie 2012, 26.)

### **3.5 Environmental and green marketing**

People became more and more aware of sustainability issues during the late 1980s. At that point, the concepts of green marketing and environmental marketing were developed and they focused on customers who were willing to pay more for environmentally friendly products. (Belz & Peattie 2012, 27.)

Green marketing was defined as a concern towards the extinction of species and the deconstruction of ecosystems as well as poverty in the developing countries. As long as the price of greener products is more expensive, green and environmental marketing will not be adopted by majority of companies. (Belz & Peattie 2012, 28.)

### **3.6 The future of sustainable development and sustainability marketing**

In the future, a greater pressure towards behaving sustainably is raising. Some companies may still ignore or delay the process of change. This is mainly because sustainability marketing transformations can be costly and risky, and instead of creating new value for the company, transformations can destroy existing value. (Belz & Peattie 2012, 291.)

However, as long as the price of sustainable products and services remains more expensive than conventional ones, it is unlikely that they are going to move beyond niches into the mass market. In order to extend the opportunities for sustainability marketing the public and political framework has to change. Politics and policy could encourage to use sustainable products and discourage the use and purchase of conventional ones. (Belz & Peattie 2012, 292.)

## 4 Marketing plan

This is the first, theoretical part, of the thesis. The commissioner suggested creating a marketing plan generally covering every significant part of it. After the general version, a more specific marketing plan for sustainable development will be introduced. The aim is to help companies in especially Eastern Uusimaa area to adapt to sustainable behaviour with the help of the following sections.

A marketing plan helps a company to market its services and products as well as guides to a company's marketing strategy. Marketing plans are realistic, clear and present practical and measurable activities that a company can put into practice every day. A marketing plan focuses on customer satisfaction and builds value by creating, delivering and communicating to customers. A marketing plan includes setting the objectives for a company and presents the methods to achieve them in time. (Burk Wood 2008, 4-5.)

Marketing plan will help companies in Eastern Uusimaa to act more sustainably when it comes to work. The process of implementing new ideas will start by figuring out what the companies already know about sustainability. The information comes from the earlier study and it shows that there is a certain awareness of sustainability and an interest towards more sustainable working environment. However, there should be more ways towards sustainability as for now the companies' focus has been mainly on the environmental side of sustainable development.

In order to make the sustainable ideas work in companies, a marketing plan has to be made. Developing a successful marketing plan is one of the most important things in the business. It enables a company to have a possibility to overall success. Once a plan that covers an entire business has been developed, a company can create its own specific marketing plans. This thesis is about making that specific plan about sustainable development for companies in Eastern Uusimaa area. (Business Oulu 2014.)

The first step in the plan is to get to know what the companies already know on sustainability issues and how they practice sustainability at work. Based on that knowledge a certain goal is set. The objective of this marketing plan is to get companies in Eastern

Uusimaa interested in sustainability issues and want to practice them in everyday work and in their marketing. (Burk Wood 2004, 14.)

The development is sustainable in the companies if the next generation can have at least as much and as various economic, ecologic and social resources as the current generation has. This should be the aim of a sustainably behaving company. (Heiskanen 2004, 18.)

#### **4.1 Analysing the current situation**

The first stage is to analyse the current situation. This can be done by collecting and analysing data from a company and its products. The situation is analysed by looking at a company's higher-level goals and strategies. The factors that can affect performance and marketing (both internal and external) are evaluated. This is called SWOT analysis. (Burk Wood 2004, 39-40.)

SWOT analysis is the key process used in situation analysis. SWOT means analysing the strengths and weaknesses of a company and its products as well as evaluating the possible opportunities and threats a company might be facing. If the SWOT analysis is done properly, a company can attempt to exploit its strengths, discover new opportunities and defend itself from the weaknesses and threats. (Burk Wood 2008, 34.) (Westwood 2013, 29-30.)

Completing the market research is also important (Westwood 2013, 116.). Market research is about studying the target market and understanding the customers' needs. By completing the research a company can get an overview of market trends and a better knowledge of what is happening in the industry. (Small Business Development Corporation 2014.)

Based on the previous study conducted on the topic, the companies have a certain knowledge of sustainable development. The companies have already taken actions to-

wards more sustainable ways of working especially when it comes to ecological sustainability. Therefore the economic and social parts are important to take into account in this marketing plan.

In the future, sustainable marketing will become the new standard and mainstream of marketing as there will be no more options left as the physical limit of consumption have already been overreached. Non-renewable resources, such as minerals and oil, are running out and renewable natural eco-systems have suffered as well. This can be seen, for example, in pollution and in the extinction of species. (Emery 2012, 5-6.)

Sustainable behaviour can be achieved through change in consumption habits. The principles of marketing are to influence, understand and change consumer behaviour. That is why successful sustainable marketing can make customers change their behaviour and they can adapt to more sustainable lifestyle. (Emery 2012, 6-7.)

By taking into account all of the three aspects of sustainable development, a company can minimise its weaknesses and defend itself from threats of the competitive businesses. (Burk Wood 2004, 39-40.)

## **4.2 Analysing markets and customers**

No matter neither how big the company is nor more globally it has spread, it is clear that it cannot satisfy everyone. Therefore decisions about which markets to serve in a certain area have to be made. Identifying the most profitably potential buyers to whom to market the product or service is necessary as well. Smaller companies can define their markets more carefully and that way they use their resources in the most effective way. (Burk Wood 2008, 37.)

It has to be notified that it is the people who create the market. Therefore a successful marketing plan aims to understand the customers' needs and their buying behaviour. It is important to get an idea of how customers react to the company's services or products and what kind of an image they have of the company. (Burk Wood 2008, 37-8.)

Defining the market helps a company to narrow the marketing focus to customers that are qualified to be buyers to the specific product or service a company has to offer. There are several types of markets. The potential market is basically all the customers that may be interested in buying the company's service or product. Available market can define market more effectively as it presents the customers who are interested in and can afford the product or service. Target market means the customers within the available market area that the company aims to serve. The smallest market is penetrated market, which means the customers that already are buying or have previously bought the company's products or services. (Burk Wood 2004, 69-70.)

The customers of the companies are mainly people who live in Eastern Uusimaa or visit the area. The target market in this specific area is relatively small, and there are no studies related to its awareness of sustainable development. Therefore it is hard to say the level of target market's awareness on sustainable development. However, companies that already practice sustainable marketing are usually eager to educate its customers as well and inform about its benefits in business. (Emery 2012, 26.)

### **4.3 Planning segmentation, positioning and targeting**

Market segmentation means categorising customers within a market into smaller groups based on similarities in attitudes, behaviour or needs that marketing can address. By doing this, a company can easily define the appropriate market and eliminate inaccessible or inappropriate markets. This also makes marketing more efficient. (Burk Wood 2004, 95-6.)

Market segmentation process includes three parts: choosing the market to be segmented, applying appropriate segmentation variables and evaluating and selecting segments for targeting. (Burk Wood 2004, 98.)

The first step is to choose the market. At this stage a company will determine which markets to investigate further and which to eliminate from the plan. Once the inappropriate markets have excluded from the plan, the company can begin to look for ways to figure out meaningful segments in the chosen markets. The purpose of evaluating

and selecting segments for targeting is to eliminate inappropriate segments by assessing the segments in terms of environment, opportunity and response in order to see how each segment fit with a company's considerations, such as mission, image, strengths, and core competences. Afterwards, a company is able to list the remaining segments in priority order for marketing attention on the basis of analysis and research. (Burk Wood 2004, 98-105.)

The market in this marketing plan are the companies in Eastern Uusimaa and especially Porvoo. The companies that are chosen as the market have already taken some actions towards sustainable development and therefore it is more efficient to develop new ideas and discuss with them.

Sustainability market segmentation is a wide context which is divided into smaller segments that can be reached with sustainable services and products. The four main segmentations for sustainability issues are behavioural, psychographic, demographic and geographic variables. (Belz & Peattie 2012, 153.)

Geographic segmentation divides the market into geographic units, such as countries, cities and neighbourhoods. About 20% of the population in developed countries are willing to pay more for sustainable products and services. Demographic segmentation divides consumers based on multiple variables such as gender, age, religion and income. These variables, however, cannot properly predict a sustainable consumer behaviour. The only exceptions are the variables of gender and income. Women with children are usually behaving sustainably and more likely to purchase sustainable products as they want to secure the future of their children. When it comes to income, the middle-class is the most potential customers of sustainable products, if the products are affordable, healthy and environmentally friendly. (Belz & Peattie 2012, 153-4.)

Behavioural segmentation divides consumers based on their response or use to sustainable services or products. Based on the knowledge of the amount of people who use sustainable products, a company can develop a different marketing strategy. For example target non-users and offer them a chance to test sustainable products or services. A

company can highlight the benefits of its sustainable products or services compared to similar yet unsustainable products or services. (Belz & Peattie 2012, 154-5.)

Psychographic segmentation divides sustainability markets based on personal lifestyles and characteristics. Due to market studies, there is a growing segment of lifestyle of health and sustainability (LOHAS) consumers. LOHAS consumers are willing to pay premium prices for sustainable products and services, and they cannot be categorised demographically. Their consumption related decisions are conscious and they have a quality criteria for products and services. (Belz & Peattie 2012, 155.)

It is hard to understand the customer, and therefore the process of segmenting sustainability markets should start by using only one variable at first and later on expand to another variable. It has been predicted that in the future the co-operation between a consumer and a company would develop new innovations and solutions to a more sustainable future. (Belz & Peattie 2012, 155.)

Positioning refers to the competitive position that a company or a product fills in the market. It can be described in more detail as the position of occupation in the minds of consumers in comparison to its competitors. Finding a new position in the market can be challenging for a company. (Belz & Peattie 2012, 159.)

First option is that a company puts a focus on the socio-ecological value instead of price and performance. However, as the market of customers that are willing to pay extra for sustainable products or services is relatively small, the customers of this market niche are mainly targeted by small sustainability entrepreneurs and pioneers. The option for medium-sized and large companies would be to equally pay attention to price, performance and socio-ecological aspects. (Belz & Peattie 2012, 159.)

The positioning of sustainability services and products is not restricted to individual companies or products. With co-operation, whole industries can establish a position of sustainability and responsibility. For example, establishing a position as the most sustainable provider of packaging materials according to energy efficiency or recyclability in paper industry. (Belz & Peattie 2012, 160-1.)

When it comes to positioning sustainable products in the minds of consumers, the aim is to gain a competitive advantage. The approach recommended is to differentiate the company and its products or services apart from its competitors by using superior environmental or social performance. Creating a more specific dimension of the term sustainable for its products or services is a competitive advantage. For example labeling products as organic, local or energy efficient will help the company to differentiate from competitors. (Belz & Peattie 2012, 161.)

#### **4.4 Objectives and issues**

After identifying the strengths, weaknesses, opportunities and threats, the marketing objectives can be set. Marketing objectives are the goals that a company wants to achieve. It identifies which products or services a company wants to sell to certain markets. (Westwood 2013, 35.)

There are usually multiple short-term goals before the longer-term objective can be reached. The objectives must be planned carefully and the best result will be if the goals are time-defined, specific and measurable. This means that the deadlines must be set in order to keep the timing correct. By looking at the sales figures and satisfaction surveys, a company can measure its progress. If the objectives are realistic but still challenging, they inspire high performance. Thinking of the SWOT analysis when planning the objectives is recommended as by realising the company's strengths, weaknesses, opportunities and threats the objectives will be realistic. (Burk Wood 2008, 71-2.)

Taking managing of customer relationships as a part of marketing objective is very important and critical to the success of a company. It can be said that customer satisfaction is the most valuable asset of an organisation. (Burk Wood 2008, 71-3.)

Societal marketing objectives aim to achieve results in social responsibility. Social objectives can aim for more environmentally friendly operations and products. Some societal objectives can focus on charitable donations, energy conservation or other socially responsible ways to behave. If a company achieves its social goals, it shows that it

is taking efforts towards important issues and at the same time it improves a company or brand image. (Burk Wood 2008, 74-5.)

Financial objectives vary a lot in companies. However, the objectives should be reasonable and achievable when it comes to a company's resources, marketing tools and competencies. A company usually sets the profitability targets as well as estimates the sales revenue and the break-even point. (Burk Wood 2008, 74.)

The aim of this marketing plan is to implement sustainable development to companies in the area and furthermore affect the buying behaviour of the customers by marketing and behaving sustainably. Educating the customers is a vital part of sustainable development and it should be one of the main objectives. Another significant objective is to find out more efficient ways to save energy and water as well as reduce the waste. This way the company can contribute to preserve the environment. (Manente, Minghetti & Mingotto 2014, 24.)

Unilever has an ambitious Sustainable Living Plan. The company aims to engage with governments, customers, investors, suppliers and concerned citizens in order to create an environment that is responsible when it comes to the sustainability challenges. The company's aim is to halve the environmental impacts of their products across the value chain. Unilever partners with UNICEF and the World Food Programme in order to drive systematic social change. (Unilever 2015b.)

#### **4.5 Marketing strategy**

Marketing strategies use the chosen tools: product, place and price in order to achieve marketing objectives (Westwood 2013, 56). A marketing strategy must be logical when it comes to a company's overall direction, strategies and goals. It creates support among employees and managers and shows the importance of marketing to the company. A good marketing strategy motivates to a better level of customer service as well. (Burk Wood 2008, 10-11.) An extensive understanding of marketing environment helps a company to exclude some of the key issues related to developing a marketing

strategy. Two main questions for a company to consider are ‘which markets to compete in’ and ‘how to compete within each market’. The answers to these will reflect a company’s objectives and values and its marketing resources. (Belz & Peattie 2012, 147.)

A part of marketing strategy is product planning. A product can be either a tangible good or intangible service. Often a product can also be a combination of those. In planning the strategy, a company must consider all the aspects of the offering, for example how a product will satisfy the customers and how they perceive it. Thinking of how to market the product from the scratch through even years is important. (Burk Wood 2004, 18-19.)

A marketing strategy can be focusing to growing or non-growing of sales. As this marketing plan is made in order to implement sustainable behaviour in the companies in Eastern Uusimaa, the marketing strategy will be non-growth based. The aim is to maintain the market share, revenues and profits of the companies at the same level or in the best case even raise those and at the same time make them adapt to sustainable behaviour. (Burk Wood 2004, 125-6.)

In order to implement sustainability marketing strategy, a comprehensive marketing mix is created. Instead of the usual ‘four P’s’ of product, price, place and promotion, the ‘four C’s’ (customer cost, customer solutions, convenience and communication) would classify the sustainability marketing mix. Customer cost not only considers the price of a product or service but also the environmental and social costs of using and disposing of a product. Customer solutions aim to fulfil customers’ needs properly and at the same time consider social and environmental aspects as well. Convenience means that the customers feel like a company’s products or services can satisfy their needs and they are easy and to access and use. Communication is a dialogue between a company and a customer. This is essential in order to build both trust and credibility. A sustainability marketing strategy needs to involve all aspects of the business. Each part of a business should be consistent in pursuing the sustainability agenda. (Belz & Peattie 2012, 31-2.)

A key element of sustainability marketing strategy is to partner and cooperate with stakeholders in order to develop and market new sustainable services and products. Open sustainability innovations involves examining socio-ecological problems with stakeholders, creating sustainable solutions together and introducing the solutions to the market. For instance, workshops can be arranged in order to integrate consumers and other stakeholders in the development of sustainability innovations. Open sustainability marketing allows the company to involve stakeholders into the marketing process of sustainable products or services. This aims to gain credibility and raise awareness for socio-ecological problems. (Belz & Peattie 2012, 164.)

#### **4.6 Developing brand and product strategy**

Before starting to plan the product strategy, a company should review the chapter of the marketing plan that covers the current situation. Based on that a company can analyse how customers respond to its products or services. A company should examine how the product or service creates value to customers and organisations and whether there is a customer need for the specific product or service. (Burk Wood 2004, 145-6.)

Next stage is to choose which kind of actions a company wants to take. As this marketing plan is about implementing sustainable development, the action recommended to take will be introducing variations of existing products or services. This can be planned to be a change towards sustainability in a company's products, for example switching products offered into local or ecological products or starting to use ecologically friendly ways of making and transporting the product. It is important to manage a company's products carefully and avoid the risk of one product taking sales from another one of a company's products. (Burk Wood 2004, 148-9.)

Developing new ways to behave more sustainably in terms of environmental, economic and social sustainability. The new ways towards sustainability can be examined multiple ways. It is important that the customers would perceive value in sustainable behaviour. The concept of sustainable behaviour in companies should also be practical, and capable of meeting both the company's and customers' needs. (Burk Wood 2004, 151.)

Sustainability innovations can be described as products or services that meet with customers' needs and at the same time considers the environment. There are four types of sustainability innovations. The first one focuses on improving already existing products or services towards becoming more environmentally and socially sustainable. The second type introduces alternative technologies to existing problems. For example trying to find new ways to pack products using renewable resources. The third type is aiming to apply existing knowledge to new market areas. The fourth type refers to the level of entirely new systems which are based on the use of various sources of renewable energies. (Belz & Peattie 2012, 156-7.)

The idea of sustainable development is already well-known in the companies. However, this marketing plan will be test-marketing the product of sustainability: the acceptance and success is examined through interviews in selected companies.

By using sustainable products and services, the reaction of the customers is positive. This creates customer loyalty. In the best case scenario, by making the business adapt to the principles of sustainable behaviour and aiming to market sustainably, the success of the company can be remarkable. (Manente, Minghetti, Mingotto 2014, 19.)

Moreover, responsible companies attract responsible consumers. Firstly, a company needs to earn the trust of the consumers by proving that it actually appreciates responsible values and uses responsible producers and products. By showcasing that every action is really sustainable and responsible, customer trust and goodwill towards the company is created. By making annual reports which include the development towards sustainability, future plans and the producers used, the consumers can more easily trust the company. Using certifications, private labels, sustainability reports and codes of conduct helps the consumer to recognise the companies who actually behave sustainably and it improves consumers' trust to a company even more. This can lead to the conclusion that a consumer is more likely to buy a company's products or services. (Manente, Minghetti & Mingotto 2014, 19-20.)

#### **4.7 Developing channel and logistics strategy**

Channel strategy aims to understand when, how and where to make services and products available to customers. The strategy should be consistent: it must meet customers' needs, satisfy a company's objectives and coordinate with other marketing mix strategies. (Burk Wood 2008, 111.)

By marketing its sustainable behaviour right now, a company can act as a visionary as sustainable development will be the new norm in the future. Anyway, it is not recommended to make too many changes in a short time period, as creating sustainable marketing should not be too costly neither for the company nor the customer.

#### **4.8 Financial plans**

To see if the marketing plan is viable, a partial profit and loss account is prepared. It is a summary of the failure or success of company's transactions over a certain time period. It lists both the costs and income. (Westwood 2012, 104-105.) Sustainability marketing management should aim to reduce the total customer cost and make customers aware of total customer cost. (Belz & Peattie 2012, 237.)

One issue to be discussed at this point would be how to minimise the loss and maximise the profit and yet make the product or service sustainable. This could be done by using sustainable partners and producers. The possible extra costs could be minimised by controlling the usage of water and energy and waste reduction, thus the company can reduce internal operating costs. This would be beneficial as those would be no impair the quality of the services or products provided. (Manente, Minghetti, Mingotto 2014, 24.) Moreover, it is also proved that sustainability marketing can reduce costs (Belz & Peattie 2012, 161.).

Another idea would be to invest in the employees' well-being. By organising recreational events and caring of employees' health, the employees stay motivated and work for the company for a longer time than employees in competing enterprises. (Sitra 2015.)

Timberland has found an innovative way to be sustainable and save money at the same time. The company's distribution centre in Holland features many environmentally conscious attributes, such as motion-detector lights and underground storage tanks that collect rainwater for flushing down toilets. While planning on the building, the developers considered that future investors would be interested of it. Even though the building is costly, Timberland has studied that it will help them meet their environmental goals and reduce energy costs. Moreover, with the help of automated packaging systems, the company is more efficient than ever before, with less impact to the planet. (Timberland 2015.)

#### **4.9 Developing integrated marketing communication strategy**

Communication is a vital part of the marketing mix. Without efficient communication it is very difficult to make the consumers aware of latest sustainability solutions and how those would meet with the consumers' needs and furthermore be integrated to their lifestyles. (Belz & Peattie 2012, 200.)

Conventionally, the five basic tools of integrated marketing communication strategy are sales promotion, advertising, personal selling, direct marketing and public relations. (Burk Wood 2008, 124.) All of those can be done sustainably as well. By marketing and informing customers that the company acts sustainably, the image of the company improves in the minds of the customers. The actions taken towards sustainability should be visible to customers for example in the company's web pages. (Emery 2012, 79.)

Marketing communication has been having social criticism for its role in contributing unsustainable consumer society as a promoter of over consumption. Advertising has been a focus of criticism for its negative environmental and social impacts. Main social issues of advertising are the vague morality as for advertising for children and the tenderness to use stereotypical gender roles. (Belz & Peattie 2012, 200.)

An alternative approach views marketing communication as about sharing the meaning, information and knowledge and about human understanding and interaction. This approach is more relevant for promoting sustainable development. Developing and

maintaining relationships between a company and consumers/stakeholders is vital for understanding socio-ecological issues. Transparent actions lets the consumer actually get to know a company and its actions. That way a company and a consumer can communicate with each other about the sustainability solutions. Sustainability marketing communication can be divided to sustainability product communications and sustainability corporate communications. (Belz & Peattie 2012, 202-3.)

When it comes to promoting sustainability solutions, communications efforts of a company should be carefully planned and managed. The first thing is to set the objectives for a communication strategy. The objectives could be, for example generating awareness of a company's sustainable products or services among consumers and persuading consumers to try a new product or change their consumption behaviour. (Belz & Peattie 2012, 203-4.)

Advertising is mass media, which includes radio, print and television. It is a powerful medium as it can reach a large, even worldwide market with informative and persuasive messages. Advertising can support sustainability marketing, but there are some challenges involved. For example, it might be hard to communicate meaningfully about the complex sustainability benefits of a product using only one advertisement. (Belz & Peattie 2012, 204-5.)

For the sustainability marketing communication to be sufficient, the staff needs to be aware of a company's sustainability solutions and the sustainability of a product of a service they are selling. They should also be able to answer customers' questions. (Belz & Peattie 2012, 205.)

#### **4.10 Implementation controls/Planning to measure progress and performance**

The final step in the marketing plan is to specify tools for measuring progress. These tools are forecasts, schedules, metrics and budgets. Forecasts aim to examine the costs and sales within the next months and years covered by the plan. Schedules are time-defined plans to complete tasks related to the objectives of the marketing plan. Metrics

measure the activities and outcomes in numbers. Metrics also show if the company is moving towards its objectives. Budgets examine the financial outlays in the plan. Affordability and percentage of sales are important budgeting methods. (Burk Wood 2008, 154.)

This is the end of the marketing plan. The plan, suggestions and ideas are based on literature. The aim is that companies in Eastern Uusimaa area are willing to adapt to these examples and start to practice sustainable development in their everyday work.

## **5 Methodology**

This is the second, research-based, part of the thesis. Together with the marketing plan, the research will contribute the implementation of sustainable development in companies. The method chosen is qualitative research and it is explained as a term. The research approach will be explained as well.

### **5.1 Data collection**

New and effective ways to be sustainable in the companies are developed from literature and previous studies. Knowledge of the companies plays a big part in creating the new ways to be sustainable because the ideas are implemented in order to develop something new and beneficial for the companies. There will be suggestions, interviews and discussions with the companies on how to behave more sustainably when it comes to their work. It is important to ask the companies' opinions on the created ideas and whether their representatives have ideas of their own.

### **5.2 Qualitative research**

In this case the qualitative research method is the most accurate solution as the data is collected by interviewing the companies. Qualitative research is measured in words and meanings. "Qualitative research involves collecting and/or working with texts, images or sounds." As this method is not bound to numbers, many types of data collection and various analysis techniques can be used. (Qualitative research 2014.)

The questions in qualitative research can vary from single-word answer in an open-ended question on a survey to multiple pages of an in-depth interview. The researcher can make assumptions based on the behaviour of the respondent by observing and interviewing. (Qualitative research 2014.)

There are several qualitative research methods that can be used. The most commonly used are focus groups, in-depth interviews and participant observation. As the research is based on human opinions and observation, it is difficult and almost impossible to get a completely accurate account of things. Therefore the goal of qualitative research is to

try to figure out and present the most accurate story of the data. (Qualitative research 2014.)

### **5.3 Semi-structured interviews**

In qualitative research, the interviewing can be held via telephone or other electronic device or as in this case, the research can be conducted in face-to-face interviews. The interviewing method is semi-structured. This means that the interviewees already have knowledge of the subject of sustainable development. The aim is to reconstruct the knowledge of the subject and therefore broaden the knowledge of the interviewees. The researcher has a certain interview guide which is followed throughout the interview. (Flick 2009, 165.)

### **5.4 Execution of the research**

This section will focus on the issues that were faced while conducting the research. The companies interviewed in this thesis are chosen by the commissioner, Posintra Oy. The companies are located in Eastern Uusimaa area. Due to the previous studies, the companies in Eastern Uusimaa are somewhat aware of the concept of sustainable development. However, the awareness is mostly based on the environmental factors. Therefore it is important to highlight the two other parts as well: social and economic.

The commissioner gave me a list of six companies that I would contact in order to set time for the interviews. At first I tried to reach the representatives by electronic mail. It only helped me to reach one company. The manager was eager to meet and discuss the sustainability issues, and we set the meeting for November 27 at 11:00 to hotel Degerby, Loviisa.

The other companies were harder to reach as they did not answer my electronic mails. I decided to call them instead. By calling I reached the other two representatives and set meetings with them. 3.12.2014 with Taidetehtaan Tanssikoulu in Coffee House, a cafeteria in the area of Art Factory Porvoo. The meeting lasted for 45 minutes. The last

meeting was set up 4.12.2014 with Company 3 in the company's premises. The meeting was approximately 45 minutes as well. The last one wanted to remain undisclosed so therefore it is referred as Company 3.

Hence I only managed to get answers from three companies. The other three did not respond neither to my phone calls nor electronic mails. I think that this might be due to the fact that I was about to interview the companies in late November or early December which usually is one of the busiest times of the year in businesses due to Christmas season. I called to the representatives and we set times for meetings that would last from 30 minutes to one hour. The process itself went smoothly and we managed to arrange the meetings with the representatives of the companies quite easily. The representatives were all in managerial positions in the companies so they had a comprehensive knowledge of the sustainability issues in the company.

The representatives seemed interested in the discussion topics and were eager to talk about them. Even though this thesis is written in English, the interviews were conducted in Finnish as all of the representatives were native Finns. It made the questions easier for the representatives to understand and to respond properly. After the interview, I simply translated the results into English.

As this research did not have a template questionnaire, the questions or "ideas" for the companies varied a bit and the discussion topics altered as well. However, there were a couple of common questions I wanted to ask from each representative. Firstly, I wanted to know how the representatives consider the term sustainable development and whether their employees are aware of sustainable development or not. Based on the knowledge of the awareness, the discussion topics were different in each interview. The discussion topics and results are explained in detail in Chapter 6: Results.

## 6 Results

This chapter will present the results of the interviews with the company managers. The companies' methods to pursue sustainability are presented and some suggestions for a more sustainable behaviour are given. After the presenting of the results, the reliability and validity of the research will be examined.

Every representative of the companies explained the term sustainable development in their own ways. They all considered the environmental factors the most, but when the discussion went further, it was to be seen that they had the knowledge of social and economic factors as well. The problem seemed to be in how to make all the employees aware of the sustainability issues. Figure 3 presents the idea of implementing sustainable development to companies.

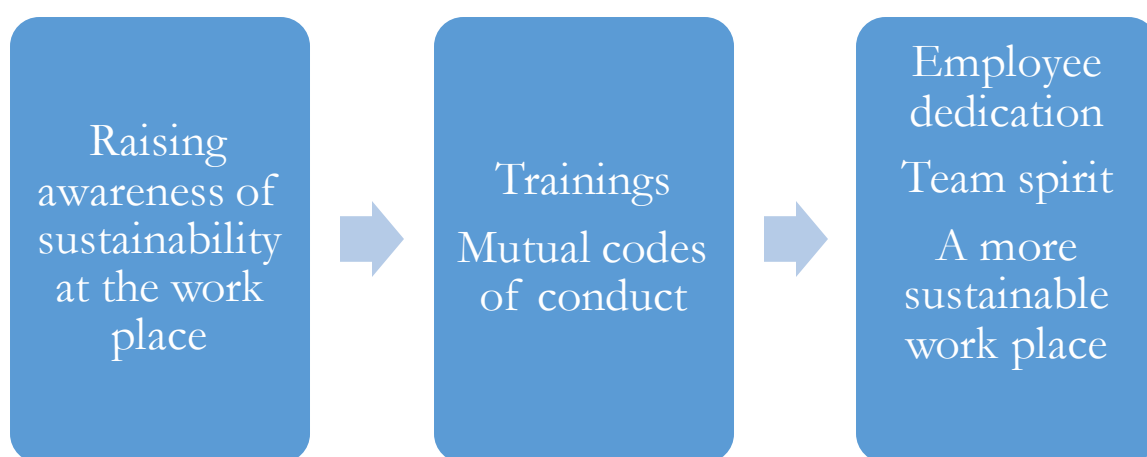


Figure 3. Steps towards a more sustainable work place.

### 6.1 Hotel Degerby

Hotel Degerby is a family owned hotel located in Loviisa, Finland. The hotel has 50 rooms and two restaurants. It is possible to arrange meetings and conferences as well. I

went to Loviisa to meet Hotel Degerby's hotel manager to discuss the sustainability factors in the hotel's premises on November 27<sup>th</sup>, 2014.

The topics to be discussed were the three factors of sustainable development: ecological, economic and social. The company has already taken actions in order to become sustainable in all the ways mentioned above. The manager, owners and the employees all have an idea of sustainable development and what it means in a basic context. However, there is still a lack of common idea and ways of behaving in the work place. In order to make sustainability actually work, it is recommended to train the staff to understand the owners' ideas and ways of behaving sustainably. The manager admitted that this would be a good idea. (Figure 3.)

When it comes to the environmental part of the company's sustainable behaviour, the company has already taken a lot of actions towards sustainability. When I asked about recycling, the manager said that they are making efforts to minimise the waste. This can be seen in recycling and sorting out the waste. The company refuses to use disposables, and the only ones left are egg cups. They are also trying to make just enough breakfast for the customers in order to minimise the waste. This can be done in a way that the maker of the breakfast knows the amount of guests in the morning and he/she can make just enough food for everyone. There was also suggestions for ready-made breakfasts, such as English breakfast, which is a direct plate made just for the customer as for breakfast. This would help minimise the waste even more.

There is two separately owned restaurants in the company's premises. The hotel and restaurants order their food from three different places, so a common method for ordering the food and drinks is recommended. This will reduce the transportation costs and then again also the resources as they would use only one or two trucks instead of seven or eight on a daily basis. This would also make the company's image more professional and clear. So the logistics would work efficiently and cost-effectively.

The hotel's annual average overnight stay is 50-55% (2013). However, during the most silent months (the winter time) the hotel closes down some of its rooms. This means that they shut down the heating and that way they save energy. This is an efficient way

of both saving money and the environment. This could be possible in the other small hotels in Eastern Uusimaa as well, mainly because the tourism in the area is mostly based on summer season.

The new owners are dedicated to recycling and therefore nowadays almost all of the waste is controlled and recycled, so a lot has developed already. However, the recycling of paper could be improved as it is now going to mixed waste instead of paper waste. Also recycling plastic would be a good idea. All in all, however, the recycling has improved a lot. It is also important not to make too big changes in a short period of time. It is consuming to employees and can be also rather costly.

The laundry- and cleaning services are subcontracted and the manager did not know whether the partners use sustainable cleansers. By knowing and caring about the substances used, the company can increase its value as a sustainable hotel. The hotel manager mentioned that as the restaurant deals with grease and hard dirt every day, the cleansers should be rather powerful. The laundry services have just been subcontracted, so it is still hard to say how it will work out.

The company provides its employees a proper and free healthcare. It is important to take care of the employees' well-being, as it makes the employees motivated and healthier.

The safety of the employees have also been taken into consideration. They have these safety buttons in their working suits and at the desk with which they can in a threatening situation call the guard. When I asked about the employees' training when it comes to first-aid and safety and security, there has not been recent trainings. Therefore I suggested those. The importance of those is remarkable. By trainings the staff can be able to help customers in case of emergency and also be confident as for safety and security issues. The manager admitted that the idea would be beneficial as trained staff can confidently handle situations of emergency.

## 6.2 Taidetehtaan tanssikoulu

Taidetehtaan tanssikoulu is located in the central area of Porvoo. It employs 18 dance teachers and two administrative people.

Dance-teaching industry is different compared to other ones interviewed in this research. When I asked about how the company controls its waste, mostly the only waste is coming is paper and it is being recycled. When it comes to the environmental part, my ideas were about recycling and energy saving. I also asked whether it would be possible to send electronic invoice for the customers instead of the traditional paper invoice.

About the energy saving programme which I proposed: the company does not think that they really need the energy control meter, as they only put the lights on during the dancing lessons. They also use again the outfits wore in the shows and repair and modify them if needed. The employees also are aware of how to recycle the possible waste. The initial investment on the electronic invoice would be too expensive for the company at the time being and therefore they prefer to stay on the traditional way of sending invoices. However, the company only sends invoices to its customers twice a year, so the amount of paper used is rather small. Whereas a company that sends invoices regularly could benefit from switching to electronic invoicing.

When it comes to the social part, I wanted to present the company an idea for organising dancing lessons for disabled people. I also asked about the employee well-being. The idea of dancing lessons for disabled was positive, yet none of the teachers is educated to teach that sort of dance. It would also be too costly if there would not be enough participants. The manager said that they have also organised a senior dancing course before, but did not get enough participants for the course to success.

The company works tightly together with Art Factory and its employees participate in the courses, such as safety and security and first aid, organised in the premises. The school also wants to see its employees' develop and therefore they sponsor various

courses for the staff. Taking care of employees' well-being is a vital part of corporate social responsibility.

### **6.3 Company 3**

The third company is a local company located in the Eastern Uusimaa area as well. Due to the company's wish, the name remains undisclosed. It has 10-15 employees depending on the season. The company is focused on producing local food. The company acts sustainably and has one Finnish nature certificate. When I proposed the idea of earning more certificates to prove the sustainability of the company, the representative told me that they would not need more of those. The main reason was the fact that they are actually behaving sustainably in every way and the customers can see it when they check the websites or come to buy the products in person. However, it is vital to showcase the actions towards sustainability in viable ways because without the certificates the company does not actually prove to be sustainable. This reflects to the minds of possible customers as they usually want prove of sustainability before making the decision of buying a product or service.

The company also provides healthcare for their employees and every morning the day starts with a meeting. They are aiming at minimising the waste and nowadays they do not produce almost any waste. This is a matter of honour to the company. They consider the recyclability of products and aim to purchasing ergonomic products in order to maintain the wellbeing of the employees. They have had co-operation with local companies and projects but not at the moment.

Regardless the ideal sustainable behaviour of the company, they still lack in annual reporting. Visible transactions and goals and efforts towards sustainability can be seen in annual reports. Most of the biggest companies already have their annual reports online for everyone to see. The achievements and future goals of companies can be seen there. I recommended this for the company but they feel like they would not need this as the company is family owned.

At the moment, the demand for the company's product is so high that they sell everything they are having. Therefore in the future, they are aiming at raising their supply so that every customer could have their products.

#### **6.4 Overall suggestions for companies**

As explained before, social sustainability is about the employees' well-being and taking care of the local customers. It is as well about respecting the local culture and heritage. It was mentioned that the employees' awareness of sustainability varied quite a lot in the companies. The important thing is to make a guide from which the employees could learn about sustainability issues from all aspects. It would be beneficial to organise seminars and/or trainings based on sustainable development. The main thing is to make sure that everyone in the company considers sustainability the same way. This will help the company to actually behave sustainably rather easily and effectively. (Figure 3.)

None of the companies are making annual reports or corporate social responsibility reports. From those customers can see the actions taken towards a more responsible way of behaving and working. It would be beneficial for the companies to make those reports, as transparency of actions is a vital segment of corporate social responsibility.

Employees' well-being is something that can be developed in order for a company to be more sustainable. Providing health care for their employees and organising events and possibilities for recreation every now and then is beneficial for the employer, because when the employee is healthy and enjoys the work, the company benefits from it. Figure 4 shows the mutual efforts towards sustainability in the companies.



Figure 4. Companies' common efforts towards CSR.

The history of Eastern Uusimaa and especially Porvoo is unique so preserving the local culture and heritage is important. The customers are also often interested in local products or services. Therefore networking with local companies and co-operating with them is recommended.

## 6.5 Reliability and validity

Since I only managed to get answers from three companies, the results cannot be considered completely reliable. However, as this research is about making it easier to adapt to sustainable development in every day working life, the managers of the companies certainly are the ones who really know how to make it actually work in the business. Moreover, the results are mainly based on a way of how one company understands the factors of sustainable development. Therefore the results and answers of the respondents can be considered reliable.

As for the validity, the answers from the companies can give significant information to other companies struggling to find ways to be more sustainable. In the best situation, the answers can help other local companies to find new ways to behave sustainably and

inspire to co-operation as well. In this research, it is vital to find new ways to be sustainable and practice sustainability in everyday work. Even a few answers can help struggling companies to find new ways towards a more sustainable lifestyle.

## 7 Conclusion

This chapter will examine the process of this thesis. There will be ideas for future studies as well. The aim of the research was to ease the implementing of sustainable behaviour in companies in Eastern Uusimaa area.

I have been somewhat aware of sustainability issues for years, and always felt that I cannot do anything to change the society's habits, such as over consumption and wasting natural resources. Therefore I was excited to have an opportunity to write a thesis on this subject.

I had not conducted this kind of research before, so I was a bit nervous before the interviews. However, it turned out that the interviewees were very helpful and eager to answer and tell their point-of-views as for the topic of sustainable development. In my opinion, the responds that the interviewees gave, can give first-hand information to other companies in the nearby area and possibly in a larger area as well.

As only three companies responded to my calls, the results cannot be considered absolutely accurate. However, in my opinion, the answers were directional and other companies can get new ideas towards more sustainable behaviour out of them.

Based on the study, I created possible ideas for future studies related to the subject. Nowadays more and more consumers think that they would behave sustainably if companies and the government would show that they are working for more sustainable future as well. Hence a template or a plan for making a sustainable report or annual report would be beneficial. Annual reports are already popular among bigger companies so smaller companies could also begin to write and publish annual reports of their objectives and actions. It would also be interesting to find out if sustainable behaviour of the company actually affects to customers' buying behaviour. Another interesting idea would be to interview companies in the area and ask them how they feel about sustainability marketing and what kinds of sustainability marketing methods they could adapt to their marketing.

By creating both a study and a marketing plan was probably a bit too much for one person, I felt like I had too much to do and therefore the predicted timetable did not go according to my first plan. That is why it would be a good idea for future studies to do this kind of research in pairs. The amount of work would be divided and the results would be more reliable and valid. Also, as a student, I felt as I did not have the necessary information to work on my own, creating new and innovative ideas for sustainable development. If I would have had a pair, it would have been much more interesting to create and implement ideas together. However, I really felt like I managed to complete this thesis in the best way that I can, and the hard work really was worth to see the outcome of the research.

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## Attachments

Attachment 1. Mutual interview questions to the companies.

1. Do you know what the term sustainable development means and includes?
2. Do the employees know?
3. Is there some actions that aim to sustainability in your company?
4. Do you “train” your customers to behave more sustainably?
5. How do you take the wellbeing of the employees into notion at the workplace?
6. Do you arrange trainings, development discussions or refreshing events to your employees?
7. Do you consider the recyclability of a product in the buying situation?
8. Do you co-operate with local companies and/or support local projects?
9. Could you consider hiring a long-term unemployed person?
10. What do you think of annual reports? Would making of them be beneficial for your company?
11. What are your company’s sustainability plans for the future?

Attachment 2. Interview guide with Hotel Degerby

- Do you know what the term sustainable development means?
- Do the employees know?
- Do you have a shared idea of the principles of sustainable development?
- How is your company behaving sustainably?

### 1. Environmental

- Do you take some actions towards acting environmentally friendly?
- Do you recycle, measure the amount of water, heat and electricity used?
- How do you feel about “training” customers to behave sustainably?
- Do you use environmentally friendly cleansers?

### 2. Social

- How do you take the employees' wellbeing into notion at the workplace?
- Occupational health care, trainings (safety etc.), development discussions, recreation events etc.?
- Are the premises accessible for a person with a wheelchair?
- Why is your company not making annual reports?

### 3. Economic

- Any actions?
  - Organic or local food at the restaurants?
  - Are you aiming at saving material resources?
  - The recyclability of products?
- 
- Do you have any future plans considering sustainable development?