

Chau Nguyen

SUSTAINABILITY MARKETING CONCEPT

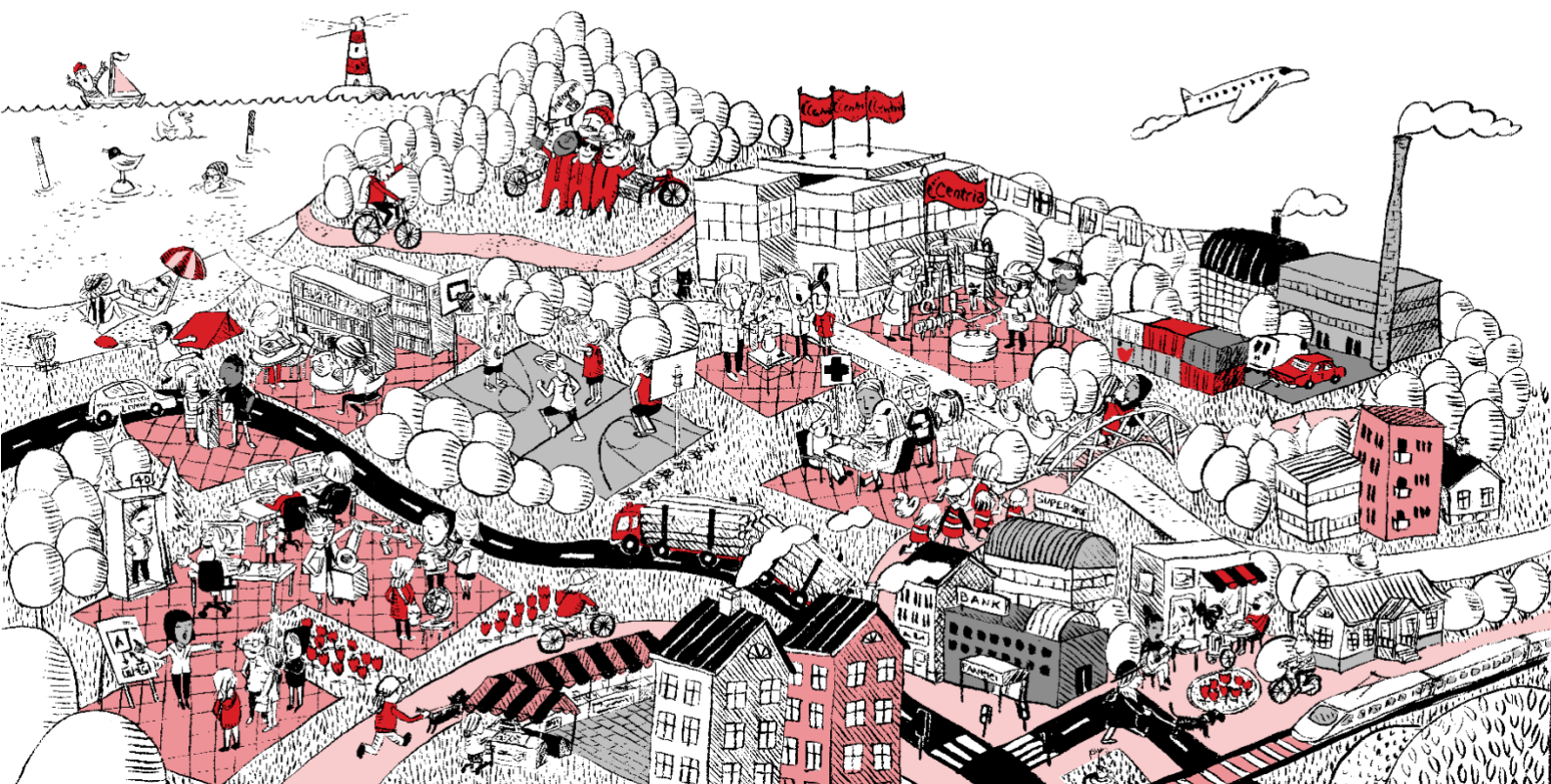
Case: Starbucks

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ABSTRACT

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<p>The purpose of the thesis was to study the sustainable process in business, how to create sustainable process in business. The thesis aimed to analyse the overall picture of sustainability process and investigate the effectiveness of sustainability and marketing strategy. Another purpose was to present general information about the revolution of marketing, customer behavior.</p> <p>The thesis discusses the general details about the sustainable marketing concept. Specifically, the goal is to strongly analyse two main strategy principles and how these strategies have been effectively implemented in business marketing. Along this line, theoretical research and case studies would be introduced and investigated to provide practical principle of the topic. Additionally, research methods are presented and theoretical information on sustainability in marketing included in the report. The knowledge was obtained by using various methods and was written using available online materials, both primary and secondary sources. The case study being used focused on Starbucks to illustrate the specific factors of both sustainability strategy principles and marketing process. The thesis discovered how sustainability marketing is essential while keeping in mind that the business strategy building was originally based on vision, purpose and value of the company.</p>		
Key words Marketing, Starbucks, Sustainability.		

ABSTRACT

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1 INTRODUCTION

This thesis proposes to present the sustainable principles and sustainability marketing in businesses. The most significant part of the organization is setting up a goal including feature and concept, then completing it. The motivation for this thesis begins with my curiosity about sustainability. The research will present the sustainability definition and how to apply sustainability in marketing. With the growth of awareness on environment of people by many occasions as Amazon forest wildfire in 2019; Australia bushfires in 2020. Furthermore, the Ministry for Foreign Affairs of Finland had announced that the Finnish government had adopted the 2030 Agenda for developing sustainability and announced to apply sustainable development goals as a national commission. One of the sustainable goals assures that the water, resource, and energy management are available for all humankind. Then environmental concerns become important to operation and society, it effects people's mindset on consuming behavior and a new market is created. Sustainability becomes a trendy keyword to media and a highlight theme on business vision to make a new long-term goal. Sustainability marketing plays a role in promoting the environmental, ethical product, and brand values to the market. Therefore, the primary key of sustainability marketing elements and the process has been an emphasis on the research. And Starbucks would be present as an example.

Based on the sustainable theme, to implement the sustainable concept in marketing the marketer must understand the main cores of sustainability marketing concepts. The aim of this thesis is analyzing the main principles of sustainability marketing and sustainable concepts and giving the overall picture of sustainable frame.

There are three main parts in this thesis; the first chapter is about global challenges and development of sustainable concept in general. The second chapter is sustainability principle with the definition, the concept and understanding the customer behavior in the market. The third chapter focuses on analysing the sustainability marketing strategy and system; Starbucks plays a study case role in this thesis.

The report is a careful examination from the book Sustainability Marketing by Frank-Martin Belz and Ken Peattie (2012) and some other source specializing sustainability marketing. In this thesis, both primary and secondary sources are used to assemble data. The thesis will answer the following main research questions:

How does sustainability work?

What is sustainability marketing?

How to implement sustainability marketing strategy?

Then in this thesis secondary sources are going to be used to obtain related information as books and e-books from the school library. Some topics were taken from the article to illustrate the theoretical points to determine the main reasons to leads to the successful brands, Starbucks is used as the study cases for alternative sustainability marketing concept. Additionally, consumer solutions have been mentioned as the main point to assess the success rate of these strategy systems. Lastly, there are summary and conclusion of these three perspectives to point out the main factors which lead to successful business operation.

2 GLOBAL CHALLENGES AND SUSTAINABLE DEVELOPMENT

The chapter presents two parts that the current global issues and the development of sustainable concept. Four main challenges of global issues including overpopulation, poverty, resource exhaustion, and climate. With the growing awareness of consumers about the environmental concerns and the production of the goods. Sustainable concept is created to make sure the economy grows without effect on society and the environment and reduce risks that may lead to crises to the ecosystem and society. This chapter aims to present the current status of what the people are facing, how the bioecology system is affected by human activities and factors leads to sustainable development.

2.1 Global challenges

In recent years, there are many symptomatic of global challenges as the increase of over population, unprecented on technology innovation and economic leads to climate crises and impacts to the societies (Elliott 2012, 2.), including:

By 2050, the population growth from the developing countries takes the majority amount of all global population, by rising to 8.2 billion. Meanwhile, the population from wealthy countries is grown up to 1.3 billion. The swelling is from mostly eight countries that Nigeria, Ethiopia, the United States, India, Tanzania, Niger, Uganda, and the Democratic Republic of Congo. The reason to make the unbalanced-on population growth that the percentage of children under 15 years olds more extended in unhealthy countries. Another reason that by the rising in the movement of people from the country to big cities areas to seek new opportunities to get a better life. This leads to the enlarged city-sized, especially created more megacities with contains 5-10 million people living in a city. It was reported that there were 28 megacities over the world by 2014. (Hite & Seitz 2016, 11-13.)

Secondly, three billion people were reported to live under two dollars per day, and the amount of children death associates with poverty issues. (Belz & Peattie 2012, 7.) The poverty rate had lightly risen in East Asia and Pacific area, also South Asia the research had figured out a dangerous consequent from the inequality in wealth and environment factors that it caused to the child death rate. The rate of child mortality under 5 years old in West Africa had risen by malaria and environment condition. Children's activities have less impact on the environment pollution but easily influence by

the harmful pollutants. In specific, the underdeveloped kidney, livers, and immune systems of children are vulnerable to pollutants. (Elliot 2012, 86-94.)

Thirdly, resource exhaustion had been mentioned as consequences of the overpopulation and economy operation in the Limit to growth report. There were a huge number of metals sources as aluminum, iron, steel, copper, sand, rock, coal, oil, natural gas had been consumed in the twentieth century. The United Nations Development Program pointed out that 20 percent of the richest in the global population were consuming 86 percent of global resources, meanwhile, 14 percent of planet resources were consumed by the poorest, which takes 20 percent of the global population. (Belz & Peattie 2012, 9-11.) Besides, the overpopulation issue leads to the creation of more buildings, which harmful impacts on environmental damages and energy expenditure. There is a huge raw material amount for building constructions as 3 billion tonnes per year, 12 percent of water potable and 70 percent of forest sources, consumes 40 to 50 percent global consumption annually. (Santamouris 2018, 31.) The usage of global energy was reported to have risen to 70 percent and was predicted to increase 2 per cent more in 15 years later. The higher rate on energy consuming, the higher greenhouse gas emission. Therefore, energy efficiency plays a big role in renovating environment condition. (Bass & Clayton 2002, 9.)

Lastly, climate change is defined as a change period of the climate, caused by human activities and variability of natural climate. This affects the global environment, natural system, and physical wide range, causes threat to the extinction of many species, human health, and settlements. Human activities mainly from fossil fuel burning, deforestation, industrialization has contributed to the alter of rainfall amount, increase in sea level, and some issues as drought, flood, temperature severity. Furthermore, the rise in temperature of climate change had been reported that carbon dioxide (CO₂) will rise around 550 ppm parts per million by 2050. Besides, the rising of the world population had led the ratio of food production to 70 -100 percent. Therefore, agriculture work as crop production had directly been affected by climate change because of the emission of greenhouse gas. Climate change can hazardously threaten food production globally. It was estimated the global yield production had been declined to 3.5 percent and wheat production had been decreased to 5.5 percent by the climate change. Climate change also caused the expansion of the drylands, which is predicted to continually increase to 11 percent in 2100. (Yadav, Redden, Hatfield, W. Ebert & Hunter 2019, 1-3.) The temperature is rising because of greenhouse gases had been reported getting warmer to 33 Celsius degree, which leads to the global warming. Because of the climate change, many small islands would be negative

affected by river flooding, storms and coastal. The developing countries were reported that to be the countries most suffering from the negative affects by the global change. (Elliott 2012, 108.)

2.2 Sustainable development

The sustainable concept appeared for the first time from 1987 in Our Common Future (WCED) report of the World Commission on Environment and Development. The report referred that " Development that meets the needs of the present without compromising the ability of future generations to meet their own needs". (Elliott 2012, 8.) The report placed two important agents that the interdependencies between economic activities, social welfare with the environment; and the requirements to create and keep the balance of those three elements. (Belz & Peattie 2012, 10.) The report that time did not take attention that much from congress. However, sustainable development became a potential state in the last years of the twentieth century.

In 1992, a big conference “Earth Summit” was held in Rio de Janeiro Brazil, which had 116 governments, 8000 delegates and 3000 non-governmental organization (NGOs) attended to indentify actions towards sustainability and released the Agenda 21 document to mention about related issues and factors to gain sustainable development. The agenda had 40 chapters and 600 pages involves a full range of areas, groups, and organizations, in business and sciences, from the local authorities to international market. Four sections are mentioned in the agenda 21 structure:

First, the social and economic dimension had eight chapters mentioned about international cooperation, poverty, consumption, population, health, and decision-making process to integrate environmental factors

Secondly, resource management and conservation for development with fourteen chapters cover the ecosystem elements as atmosphere, ocean, water resources, develop sustainable agricultures and biotechnologies

Thirdly, strengthening the role of major groups with ten chapters about the role of the young generation, woman, and indigenous group in developing the sustainable concept

Lastly, implementation means with eight chapters presented for the sustainable development process and how to transfer the concept to performance (Elliott 2012, 9-10.)

There were 70 differentiations of sustainable development that had been noted and many different terms of sustainability concepts were sprouting years by years. However, in general, the sustainable

development was divided into two main different sustainability ways that "hard" sustainability and "soft" sustainability. In specific, hard sustainability means focus on environmental quality protection to preserve the environment from economic activity. Meanwhile, the soft sustainability focuses on maintaining economic development within social and environmental purposes. (Belz & Peattie 2012, 10.)

The consequence of global issues harms the bio-ecological, human existence and leads to the high consumption rate on food, transportation fuel, lands, water which impacts the habitant environment and natural resources. Therefore, combining the economic and production operation with environment and social concerns are a renovation help to reduce human impact to environment. Sustainable concept will be introduced in next chapter to describe how that combination works and why sustainable became a beneficial method on business.

3 SUSTAINABILITY CONCEPT

Applying sustainability in business has grown steadily in the past few years. Sustainability contributes to increased profitability for the company and supports capability and productivity on business operation when the social and environment are notable concerns. (Savitz 2013, 52.) Therefore, to understand more, this chapter adjusts on sustainability definitions and principles. Besides that, the chapter includes research about sustainability definition, Corporate Social Responsibility (CSR) method how to implement sustainability in business strategy.

3.1 Sustainability definition

Sustainability emphasizes that the human activities must be consumed in the natural resource capacity and remain the ecosystem's ability to regenerate them, maintain the resource mount for the future generation. (Willard 2012, 6.)

Sustainability means that economic, social and environmental factors are combined to make the economy healthy and achieve the long-term. Sustainability's primary purpose is to optimize the struggle between economic or ecological development; renovation or habitat; occupation or environment. (Hitchcock & Willard 2006, 8.) Moreover, the authors also emphasized on the book that the sustainable business is different from the environment movement by focusing on the economy's demand.

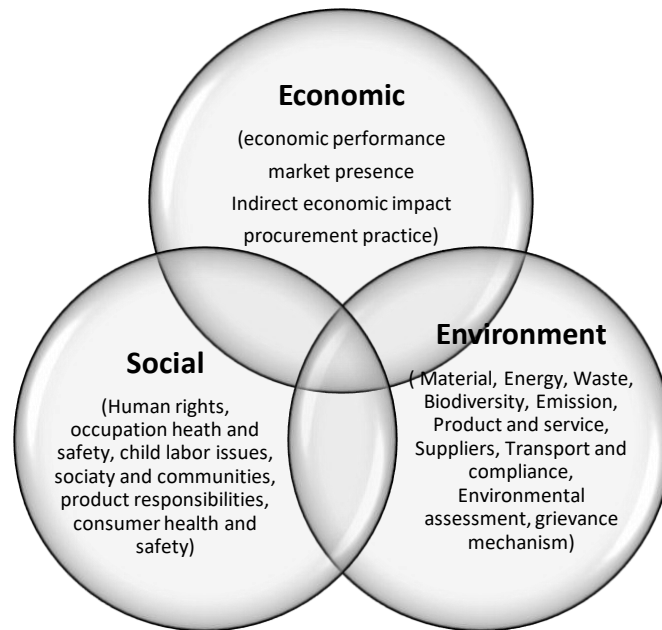


FIGURE 1. The sustainability elements (adapted from Wiese, Zielke & Toporowski 2015, 142.)

There are three components in sustainability concept social equity, environmental sustainability and economic sustainability. (Barry 2012, 21.) These elements had been illustrated by the form of the Triple Bottom Line framework (FIGURE 1). The connection between economic and sustainability appeared for the first time in 1970 when the World Bank, International Monetary Fund (IMF) and the US Agency for International Development had recognized that using capital resources intensively on developed countries leads to environmental degradation. Therefore, much nongovernmental organization was established to pursue economic growth on the society and environment favorable. (Portney 2015, 22.)

Sustainability components are defined based on the triple bottom line framework, which includes environment, social and economic factor. which is used as a measurement tool of business activities' impact on the ecosystem. In specific, the economy presents the economic performance, market behaviour, indirect impacts on the economy. The social factors include labour practices, human rights, responsibility to society. Lastly, environmental factors affect the material, water, energy, and waste usage. The triple bottom line indicates profitabilities, the value of shareholders, its social, economic, and environmental element (Savitz 2013, 5.)

Social responsibility is described as an ability of the business decision and action to the habitant environment, within transparency and ethical behavior. It contributes to sustainability development as social welfare and health, increases stakeholder's expectations, ensures to complies with appropriate laws, and follows the behavior of international standards. (Portney 2015, 14-15.)

Both sustainable economy and society create the border on consuming natural resources to maintain economic and social conditions. Businesses can improve the production process to reduce the effect on the environment, by adapting the procurement policies to influence suppliers, influence society by supporting the staff on balancing their working life. (Silvius, Schipper and Kohler 2016, 33.)

Environmental factors become a leading strategy for the business to improve the company image, decrease energy cost for operation, reach a potential advantage to the green subject, and make a highlight point on return on investment. (Savitz 2013, 435.)

3.2 Corporate Social Responsibility (CSR)

Corporate Social Responsibility (also called CSR) is defined as a method to combine both social and environmental concerns in the business operation and stakeholder interaction activities voluntarily. In Generally, the business applied CSR in four main areas that environment, workplace, social impact, economic impact in the operation. CSR is mainly approached to both internal and external aspects of business operations. (Hazlett, McAdam, Sohal & Sohal 2007, 7-9.)

In the book Sustainability Marketing (2012), the authors Belz and Peattie also emphasized the two dimensions internal and external of CSR. In specific, the internal factors included the rights of employees as safety and healthy working condition, natural resource management, and how the environment dimensions affect production. Meanwhile, in external aspects, the CSR content included local communities, company partners, suppliers, customers, human rights, and related concerns of the global environment. Besides that, the company prefers to open the cooperation network to the various groups in society as consumers, employees, suppliers, communities from the local market as well as environmental group and government. Also, stakeholder interaction was mentioned as a necessary step on CSR implementation. (Belz & Peattie 2012, 33.) The CSR activities focus on following contents:

- Employees as working condition, work safety, personal development, employee satisfaction monitoring, bargaining collective

- Stakeholders from the market environment (supplier standards, product and service quality, and safety, corporate governance agreement for investors)
- The natural environment concerns as greenhouse gas discharge, usage of water and energy, waste management, environment protection, and investment policies
- Local communities' activities as a social project, manage the local community impacts, operate education, sport, healthcare, nation, and regional culture programs

CSR system adding the company ethical behavior and make businesses to accept an internal system for operation, drive to non-discrimination policy, took the ethic codes as values and rules for a strong corporate culture. (Idowu, Kasum & Mermod 2014, 214.)

3.3 Sustainability integration

To pursue the sustainability goal on operation, there are eight elements the business must follow, vision, strategy, goals, procedures and protocol, key performance indicators (KPIs), measurement and reporting, stakeholder engagement and culture. Firstly, create vision to help the company identify the strategy to associate the economic, social and environment issues. The strategy to implementing the sweet spot and goal for inspired target belongs with the strategy. Then procedures to assign designed behaviour to reify the goal. After that, measure the market by using KPIs (Key performance indicators) tool to ensure the procedure successful rate to achieve the goal. Measurement and reporting how the performance against the goals. Interacting with stakeholders takes an important part on company decision and behaviour, as making vision, measurement and doing reports. Last but not least, create culture to sharp to operation behaviour by the action and create belief. (Savitz 2013, 289–290.)

Integration of sustainability is widespread.

% of respondents, n = 2,956



FIGURE 2. The sustainability business widespread integration(adapted from McKinsey Global survey result, 2011.)

67 per cent of respondents chose mission and values to integrate with sustainability, 60 per cent was external communications. Meanwhile, 57 percent and 54 percent integrated sustainability to planning strategy and marketing respectively. Budgeting process appeared to be the least preferred to integrate sustainability in business. (FIGURE 4)

To produce a clear vision in the sustainable strategy, there are four main considered elements in the sustainable operation, inputs, outputs, process and the effect. Firstly, identify the central core of business operation which must include advantages and low risk factor. In specific, to get a good result in the process, the company have to investigate the suitable industry and community strategy. The right industry can make a good influence and the company can gain advantages on the supply chain and benefit in cooperation. The community factor plays a role in contributing solution to social issues, which related business major and can make a majority advantage competitive in the market. Secondly, analysing the input elements that energy and materials to ensure on using renewable and eco-friendly sources. Thirdly, it should be noticed on using renewable material for the output section as product and waste. These products must have ecofriendly elements as organic or bio ingredient and must have recycling capacity. (Hitchcock & Willard 2006,18-20.)

Generally, sustainability embraces a wide range of economic, social, and environmental associations. Sustainability helps the business on creating a road map to gain benefit with the environment and

social concern, reduce the risk factors a business operation. Besides, sustainability themes support renovating the environment technology sciences, protect the environment by reducing the impact of economic production on the bioecology system.

4 SUSTAINABILITY MARKETING

In this chapter, principles in the book *Sustainability Marketing* by Frank-Martin Belz and Ken Peattie (2012) will be used. The book aims at students who want to know more about sustainable marketing and marketing researcher. The book had twelve chapters and five sections including understanding marketing and sustainability; sustainability marketing development; developing marketing strategy and standards; analyzing sustainability marketing mix and the future of sustainability marketing. Each chapter in the book had a learning objective, sustainability stories and study case, preview questions, and discussion questions to help the reader review the information. In the thesis, this chapter will start with the revolution in marketing from traditional marketing to sustainability marketing, sustainability marketing elements, labels usage as the FairTrade, and Sustainable marketing mix. The two components of sustainability marketing strategy that stakeholders and customer solutions are also mentioned.

4.1 Sustainability marketing

The marketing thought had been transformed mainly based on changing business philosophy and the marketing environment. The renovation indicated the understanding of the customer's demand and requirements exceeding more products selling. The perspective of marketing innovation that concentrates on production orientation goal; featured the consumer orientation by identifying consumer demand; apprehending the social and ecological concern to approach societal goals (FIGURE 3).

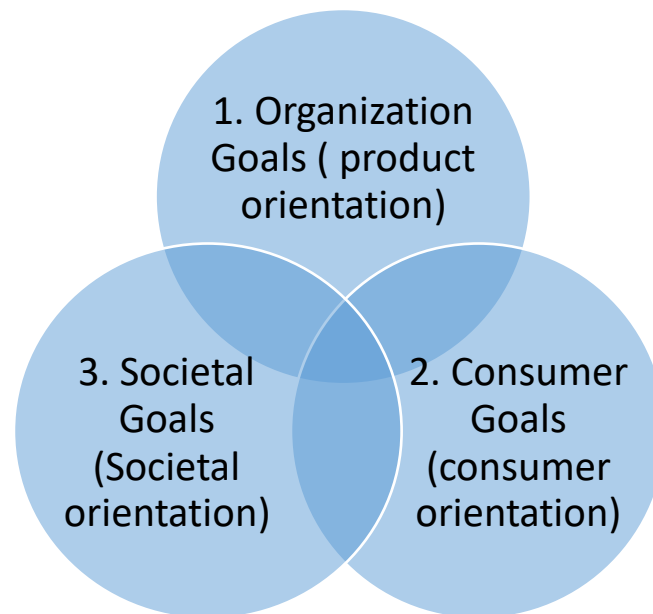


FIGURE 3. The marketing evolution (adapted from Belz & Peattie 2012, 24.)

Marketing sustainability is identified that it attributes the social, economic, and environmental factors to the product or service, which aim to create sustainable consumption demand and make customers satisfy with purchasing sustainable products for effectiveness. (Wood 2014,83.) Sustainability marketing concept becomes an important line on green production efforts on the company nowadays. Despite focusing on selling rate, sustainable marketing creates a new trend on green production line to reduce the harmful impact on the environment. (Lannuzi 2011, 147.)

To reach the sustainability, the marketer should notice on those three principles that there is no negative impact on the environment in marketing process. Next, the marketing should not allow or promote inequitable practices, and lastly support the economic development in the long-term. (Baines 2017, 23.) Also, there are six elements in sustainability marketing process, social-ecologic problems, customer behavior, sustainability marketing values and purposes, sustainability marketing strategies, the sustainability marketing mix, sustainability marketing transformation. (FIGURE 4) Firstly, both social-ecological and customer behavior elements present for the external environment in business. Those two elements helps the marketer can identify the main key of social-ecological problem in the market place to develop new strategy for marketing. Secondly, cooperate both sustainability marketing values-objective and sustainability marketing strategies to set up plan and decision to implement sustainability marketing mix. Sustainability marketing transformation presents for social activities of the company and involves in political processes to transform the sustainability concept in institution. (Belz & Peattie 2012, 29.)

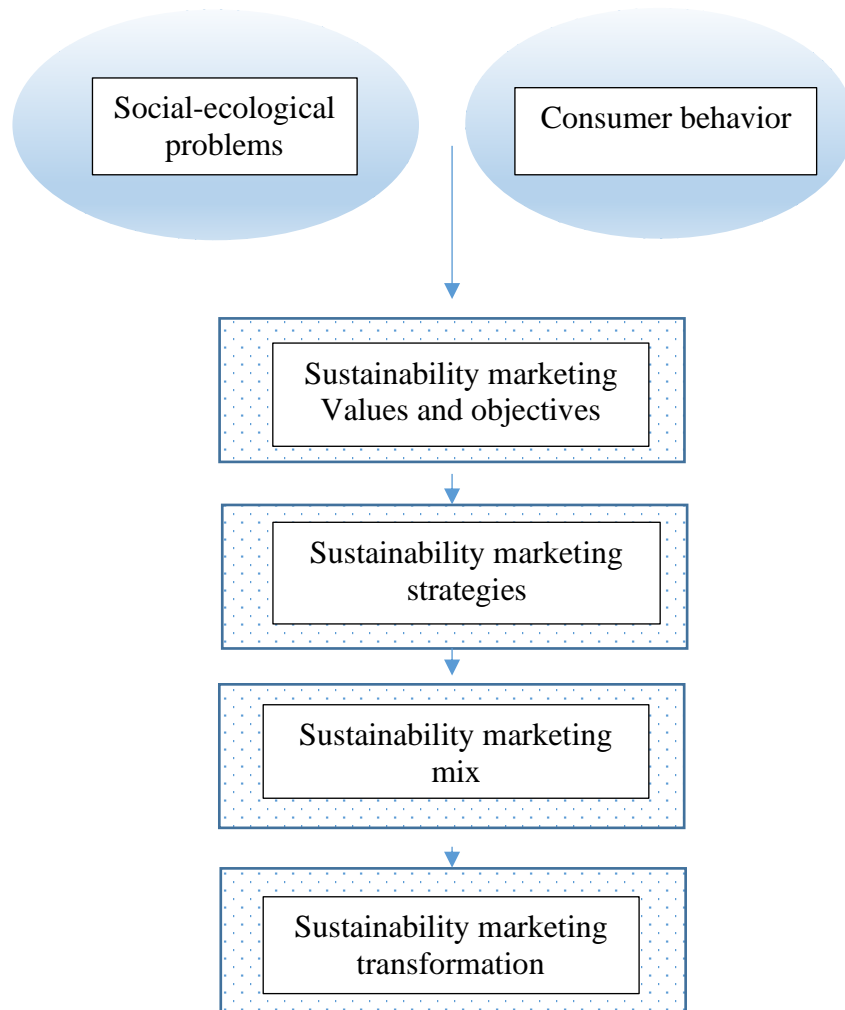


FIGURE 4. Sustainability marketing framing (adapted from Belz & Peattie 2012, 30.)

4.2 Sustainability marketing mix

To reach a more sustainable product and service, the company should value the main core of the merchandise and how to deliver it by the service. In the sustainable marketing, the product must include product safety and quality, packaging, labeling, ethical commodity. (Belz & Peattie 2012, 36.)

4.2.1 Product

The product design has been innovated to gain sustainability in product design includes three type that redesign product, innovate functions and development sustainable technology. (FIGURE 5) Product functional is created by new technologies as recycle system. The business can gain more business profitability by saving costs on energy, disposal, and raw materials, reduced capabilities that occur from less noxious ingredients. That saves time from legal approval steps to present the product to the market. (Polonsky & Charter 1992, 75.)

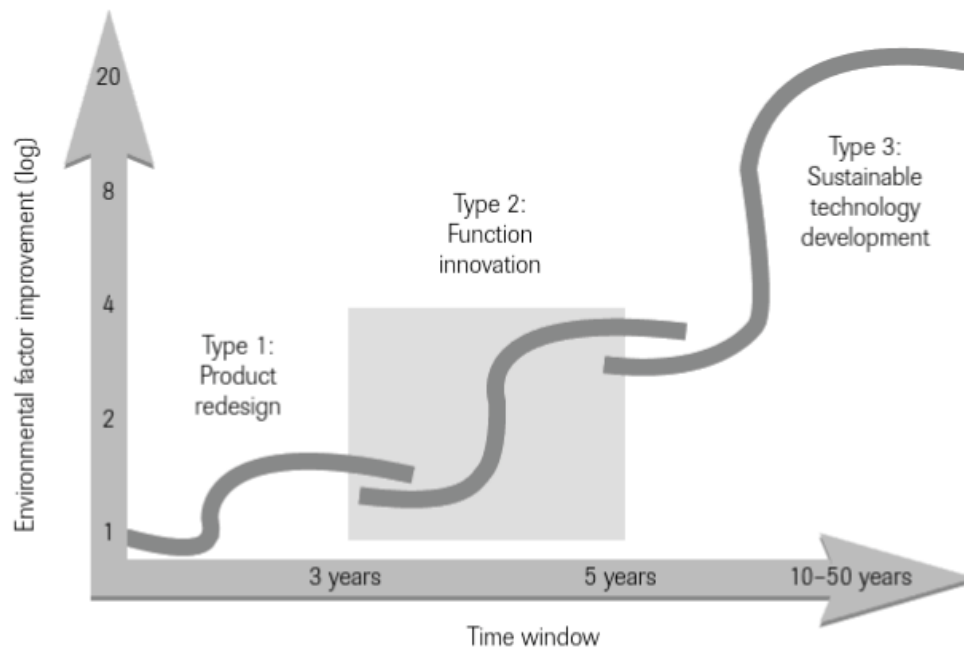


FIGURE 5. The improvement of product design (adapted from Polonsky & Charter 1992, 74.)

Besides that, life cycle assessment is identified as methodical integration to implement environmental consideration into the product and process design. Lifecycle tools were developed in several years from qualitative (lifecycle thinking) to quantitative (lifecycle assessment). (Lannuzzi 2011, 113)

Cradle to Cradle, C2C in short, measure the safety of the product for the circular economy with five main categories: the used chemical is safe for human and environment, material reuse aims to discharge the waste ratio by supporting the use and reuse cycle, renewable energy and carbon administration, water stewardship that help to ensure water using as a valuable resource, and fairness of society to honor people or operation contributes to positive on natural system. Each category has

five achievement levels: basic, bronze, silver, gold, and platinum. Achievement supports product quality improvement. The C2C is recognized for safe measurement and qualify the sustainable product for the circular economy. (Cradle to Cradle products innovation institute, 2020.)

The C2C standards bring the advantaged effects to the sustainable product design and using the material in natural system circle. The certification is widely used on qualified textile for materials, papers, and packaging. (Belz & Peattie 2012, 185.)

4.2.2 Price

Price was defined as the total of non-monetary and monetary cost for product or service consumption, also included time and effort cost. Some financial concepts were related to credit terms, discounts, psychological cost, withdrawal signs. (Donovan & Henley 2010, 283.) In marketing, price reflects ability to pay of the customer and the amount was established to require a payment to get a sale offer. The price is addressed based on margin adding and cost evaluation, demand price, updating price from competitors, and customer value recognition. (Baines, Fill, Rosengren & Antonetti 2017, 197.)

By setting the price, the company can decide whether to reduce or increase the demand. There are two methods that the company can choose for setting a price that value-based pricing and cost-based pricing. Value-based pricing (FIGURE 6) is used by the perceived quality of customers and various strategies. That means the company focuses on the purchasers rather than the sellers. Meanwhile, cost-based pricing (FIGURE 7) is driven by product operation. (Belz & Peattie 2012, 237.)



FIGURE 6. Value based pricing (adapted from Belz and Peattie 2012, 237.)



FIGURE 7. Cost based pricing (adapted from Belz and Peattie 2012, 237.)

4.2.3 Promotion

In marketing, the promotion involves information, persuasion, reminding and influence. Two main objectives of promoting that to communicate effectively and competition tool to contributes on demand stimulation and maintain it. Also, there are four factors on promotion: advertising, publicity, personal selling, and sales promotion. Those factors contribute for communicate channels of marketer with customers and influences the consumers behaviour. (Hundekar, Appannaiah & Reddy 2009, 102-103.)

On sustainability marketing, following authors Belz and Peattie, communication is an effort to promote sustainable solution activities. By adding more precisely process on planning, managing, and controlling. In specific, the communication efforts should include forming awareness, informing the product and its availability to the customer by special offers, mention how the sustainable agenda relates to their lifestyle. Reminding the products to the customer by maintaining or recycling activities. Improving new product and service to persuading the customer and reassure by the last purchase. As well as motivate the customer to give feedback or responses, rewarding activities to support loyalty. (Belz & Peattie 2012, 203-204.) Some channels can be used for sustainability product communication, they are advertising, personal selling, direct mail, sales promotion, labeling, public relation, message, and online marketing. (Belz & Peattie 2012, 204-215.)

4.2.4 Place

The placement included the organization channels or distribution or the business activities to perform the product available to customers. Logistics, wholesale or retailing are involved in the place marketing concept (Donovan & Henley 2010, 283.)

In sustainability marketing, convenience factor is emphasized so that it is designed to contend with customer's demand on acquisition process, functional, and disposal. The distribution channel becomes more modernized by electronic commerce. Besides that, the concept of convenience must relate to the positive environmental impact of products. The convenience is offered by the marketer, and that defines the consumer's behavior and comfort. In marketing, there are two concepts that consumer prefers to obtain goods are convenience goods and shopping goods. The convenience goods concept that helps customer purchase items infrequently, directly, and effortlessly. Meanwhile, shopping goods concept creates a platform for dedicated users purchasing after considering and research for quality, price, design, and also the store. (Belz & Peattie 2012, 257-258.)

4.3 Developing sustainability on marketing strategies

Strategic marketing is an important role in analyzing the organization benefits by corporate culture developing, concentrating on customer's potential character as their psychology, social trends demand to create long-term values. (Kourdi 2011, 23.)

Both strategic marketing and sustainability attempt to anticipate the changing of environmental and social effects, also share a future of orientation and an external center. To develop a marketing strategy, understanding the marketing environment can help the marketers analyze which market they should contend in and how to compete. By developing the strategy, the company can anchor its value and objectives, the resource for marketing, information about customer demands, competitor capabilities, opportunity as well as the threat. (Belz & Peattie 2012, 140 & 147.) The figure below (FIGURE 8) displays the developing marketing strategy steps.



FIGURE 8. Developing sustainability marketing (adapted from Belz & Peattie 2012, 148.)

4.3.1 Analyzing sustainability issues and actors

To implement sustainability marketing strategy, Life Cycle Assessment can be called LCA, it is used as a tool to measure the product line. LCA is defined by international standards such as ISO 14040 and 14044 to analyze the environmental and product system aspects through the products life as "cradle-to-grave": raw material, production, use, and disposal. (Klöpffer & Grahl 2014, 1.)

The function of LCA is to assess the impact of the company production and service to the environment and human health at the beginning of the product line to the end. The assessment figures out pollutants from energy and material wastes of the operation to the environment. The assessment includes the entire life circle of the product, process or activity, comprising, selecting, raw material processing, production, transportation and distribution, consumption, maintenance, recycling, and last disposal. By LCA, many packaging materials and items were created in advance by improving ecologically (Belz & Peattie 2012, 27.)

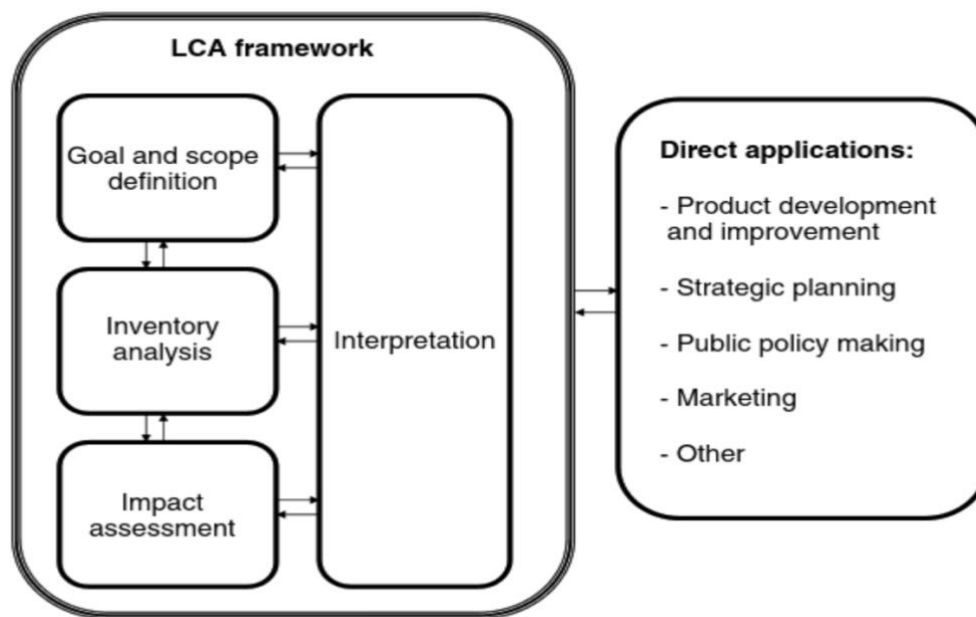


FIGURE 9. Life cycle assessment (adapted from Klöpffer & Grahl 2014, 11.)

There are four phases in the structure of LCA including goal and scope definition, life cycle inventory analysis, life cycle impact assessment and interpretation. The phases is explained alternately:

Goal and scope definition is used to identify the purpose to conduct the LCA method, the study limitation, assumption and required output; Life cycle inventory (LCI) quantifies energy consumption, raw material inputs, and the discharge amount to the environment based on each stage of the life cycle. Life cycle impact assessment (LCIA) is used to analyze the inputs and outputs data in each category, evaluating how it affects human health, conditions associated with the life cycle inventory results. Lastly, interpretation is applied to analyze the inventory and impact modeling, perform the conclusions, and process it transparently. (Curran 2015, 29.)

LCA method identifies which factor of the merchandise system can interest stakeholders and the parties; what are the central cause of the environmental impact in each stage of the life cycle including how to change that system; analyzing which technologies affect the amount of the acid rain, smog formation, trees damaged. (Curran 2015, 38.)

LCA system is managed by the environmental engineers, scientist, and consultant and become a relevant part in providing information to the production and decision-making process. Many areas make use of LCA to research information about sustainability marketing, product design, strategic planning, public policymaking, and attributes to eco-labels. (Belz & Peattie 2012, 67.)

4.3.2 Segment sustainability market

There are four segments on the sustainability market: geographic, demographic, behavioral, and psychographics. Geographic divided the market into countries, continents, cities, states, and neighborhoods. This segment reflects the consumption capacity as who can pay for sustainable products and service prices. Demographics divided the consumer into age, gender, religion, race, occupation, income groups. The behavioral segment is used to divide customers based on their feedback on sustainable products. And psychographics is applied to divide customers based on their characters and lifestyle. (Belz & Peattie 2012, 153.)

4.3.3 Labelling

So far, the customer has faced the challenges of recognizing the product's value. Therefore, many companies or organizations had developed labels to promote sustainable products. Besides, the labels provide development to the sustainable market operation. (Wiese, Zielke & Toporowski 2015, 22.)

Having labels on products can contribute to gain customer's trust and willingness to purchase, support ethical consumption. The ethical consumption behaviour can be presented by the responsibility feelings of the customer to society while making decision whether purchasing the product. Increasing the certificate quantity can raise the ethical label's credibility and remark the quality of information through a reliable and transparent system. (Carrigan, Marinova, Szmigin 2005, 513-515.)

By the rising of environmental awareness, customers prefer more purchasing the goods produced in favorable environment techniques such as organic food products, MSC-labelled fish, FSC labeled, and fair-trade products which are increasingly popular. (Belz & Peattie 2012, 176.)

50 percent of every age group from 16 to 74 recognizes the Fair Trade Mark. FairTrade became trendy and familiar with the young generation by growth to 51 percent of the young age group 16-24 who had recognized the mark in 2006. Moreover, there are 40 percent of households that purchase Fairtrade products, which leads to a growth in people buying Fairtrade goods, an increase in the frequency of buying Fairtrade products, and rising in buying more Fairtrade products in the supermarket. The Fairtrade movement contributed to the customer purchasing behavior and boost their confidence by 50 percent of consumers agreeing their purchase can affect corporate responsibility. (Wright & McCrea 2008, 57-59.)

4.3.4 Positioning sustainable product

In the book Sustainability Marketing (2012), the authors Belz and Peattie had mentioned that there are three factors to position the product, performance, price, and social-ecological aspects. In specific, there were four ways to position sustainable products. First, the company needs to take the social-ecological value as a leading position over performance and price, that the company concentrates on the social and natural environment for the customers. Second, create the equal on three factors that performance, the price also socio-ecological aspects. Thirdly, describing the socio-ecological value as an integral part of the product quality. This method will highlight the high quality of the products, which makes customer purchases it at a high price. Lastly, refrain from environmental and social benefits communication in position product to avoid the customer suspects about to take advantage of

sustainability characteristic in goods to gain the profits, instead of implementing it. (Belz & Peattie 2012, 159.)

4.3.5 Focusing on stakeholders

Businesses must be concerned with not only representatives, consumers, partners, suppliers, government regulation factors, but also the stakeholders. Because stakeholders has a strong connection with the government organization, which influences the taxpayer, citizen issues, legislations, and another special interest group. (Hitchcock & Willard 2012, 125.)

From a marketing perspective, stakeholder affects many issues as customer rights, sale practices, environmental protection, product safety, and proper information disclosure. Moreover, the two major agents to market that corporation and reputation are created by business activities and stakeholder communication.

TABLE 1. Stakeholder issues and corporate impacts measurement (adapted from Polonsky 2005, 14.)

Stakeholder Groups	Issues	Potential indicators of corporate impact on these issues
Employees	Compensation and benefit Training and development Employee diversity Occupational health and safety Management communication	Ratio of lowest wage to national legal minimum or to local cost of living. Training employment changes in average years . Different employees gender and race. Injury rate and absentee rate standard. External policy is available.
Customers	Product safety and quality Customer complain management Disable customer services	Quantitive of expired product. Complaints of customers and response procedure. The solution is available to secure service to disabled customers.
Investors	Transparency communication with stakeholders Shareholder rights	Guaranteeing at inform corporate activities to shareholders Prosecution involving the violation of shareholder rights (frequency and type)
Suppliers	Supporting suppliers in developing countries Supporting minority suppliers	Offering fair trade prices to developing areas. Minitory supplier percentages.
Community	Safety protect public health Energy and materials conservation Donations and encourage local business	Ability to handle any emergency situations. Providing waste data and make a comparison in industry operation. Time of the long-term worker spent in community service.
Enviromental groups	Minimizing energy usage Minimizing waste and emission Minimizing and adverse environmental impacts to product and services	Collecting amount of electricity and green electricity usage Generating waste amount, type and location Improve product weight after using.

Therefore, communicating with stakeholders plays an important part to reach the business success. In business, communication tools are a mixture of modes, messages, procedures, and frameworks. The tools are used to communicate with the stakeholder on social, environmental, and economy platform. There are three categories of stakeholder communication: the stakeholder information strategy, the stakeholder response strategy, and the stakeholder involvement. In specific, the stakeholder information strategy prefers the business has to communicate favorable social and environmental business performance in directed communication. The purpose of this strategy is to impress the stakeholders. Besides, the communicator uses the stakeholder response strategy aims to apply positive requests to support information strategies. The method leads the communicator to determine how to respond to stakeholder's concerns and demands. The stakeholder involvement strategy presented how to transpose the stakeholder's input to actions and solutions. (Conaway & Laasch 2012, 42-43.)

Consequently, the author highlighted the importance of delivering marketer responsibility and value to maintain the relationship and ensure the benefits to the stakeholder.

4.3.6 Sustainability customer solutions

In the purchasing process, consumer behavior had been identified as influences current situation impacts as a constraint on time, go to the shop alone or with partners, or instantaneous purchase conditions. Moreover, people's lifestyle affect to consumer behavior and purchasing concerns. There are two types of lifestyle concepts: LOHAS and LOVOS. LOHAS stands for the concept of lifestyles of health and sustainability, which means surrounding health, environment, social issues, sustainable living, and personal development. And LOVOS, Lifestyle of voluntary simplicity concept is based on five values: simplicity on material, setting human-scale on simpler purchasing, self-initiative on determining the needs, awareness of ecological, and supporting personal growth on creating satisfaction by self-experience, not from commercial. (Belz & Peattie 2012, 95-96.)

There were 73 percent of consumers who agreed to change their consumption habits to reduce the impact on the environment. 49 percent willing to pay a higher average price for the product if it had safety standards. Meanwhile, 38 percent choosing to consume with a higher price for sustainable materials and 30 percent for socially responsible claims. (Nielsen report 2018.)

Many aspects were analyzed in the customer use solution are safety, energy efficiency, durability, product-related service. Because of the related health safety product, advancing safe and healthy characteristics become a primary part of customer use resolutions. Besides that, durability is mentioned as the aspect of offering a long-lasting product or service for accurate application, preservation, and restoration to approach sustainable customer usage. However, based on the resource of product operation, the energy-efficient is the factor need to be included in the service, aims to reverse to the customer's need and towards the zero-waste goal. (Belz & Peattie 2012, 178-179.)



PICTURE 1. Enhances the environment product (adapted from Polonsky & Charter 1992, 76.)

To enhance the eco environmental product and improve profitability are the main cores in sustainability operation to save operation cost and increase effeciency to deliver products to the market. (PICTURE 2) In specific, acknowledgments to the growing environmental awareness in society, the product with an environment suitability can gain the customer's satisfaction. Make the operation cost more affordable, help the customer satisfy when purchasing, and create the customer's loyalty. For example, by using the clean and green image with the environmental baking-soda- based product, the household product company Church & Dwight gains more than 5 to 15 percent of the revenue. (Polonsky & Charter 1992, 75-76.)

Another sustainable solution is suggested and that is product-related service. This method includes product consulting, trainings, maintenance, disposal, to optimize the customers' decision on purchasing product. (Belz & Peattie 2012, 178-179.)

The use related service is created to selling the service to the customer, which they have to pay to purchase it. For example, the Swiss mobility carsharing provides their members the right to access any mobility car at any time, but those cars are not own by the members. For company, the mobility is used as a promising strategy to reach sustainable service by the influence of car-sharing concept, the number of cars that need to be produced is less, help to reduce the negative impact on the environment and make people less dependent on the car. (Belz & Peattie 2012, 180.)

The user-oriented service is described use for the customer who wants to own the product that can present their identity, manifest themselves, this solution can apply to any product category except food consumption. This service is to encourage the willingness to share the product implies higher transaction cost, that reserve the product, pick it up, and restore after use. (Belz & Peattie 2012, 180-181.)

To sum up, the chapter had reviewed the beneficiaries of implementing sustainability marketing that makes a company create value from social, ethical, and environmental aspects to the marketing perspectives: product, price, place, and promotion. Besides that, embrace the change in the market to create a new concept for marketing and delivering products to the market by renovated methods as labels, customer use solution. The main core of sustainability marketing that makes the customer feel satisfied and responsible for purchasing it and help the marketer analyse the consumer behaviour.

5 HOW STARBUCKS ENHANCES SUSTAINABILITY MARKETING

In this chapter, Starbucks is used as a remarkable example of implementing sustainable marketing. Following Ranking the brands.com, Starbucks had ranked top 6 for the World's Most Admired Companies award by Fortune in 2020 and on the position 33rd in the 100-top most powerful brands by Tenet Partner, CoreBrands. (Ranking the brands 2020.) Starbucks had 49 years of operation history by three founders: Gordon Bowker, Jerry Balwin, and Zev Siegel. Then by the leading of Howard Schultz in 1980, Starbucks become the leading brand in fair trade coffee in the region. The chapter analyses the marketing performance of Starbucks to pursue a sustainable goal.

5.1 Starbucks in overall

Starbucks fundamentally operates in the coffee shop industry, which has 31.3 thousand stores around the world. Over the past decade, the number of Starbucks units had grown every year. (Statista 2020.)



PICTURE 2. Starbucks store in Kamppi, Helsinki (Nguyen 2020.)

Established in 1983 in North America, Starbucks is in one of the most important Quick-Service Restaurant chains, which has 31,000 stores in 80 countries in the world. It has developed rapidly into a coffee substation and remains to widen its range to another different location. Howard Schultz, the originator of Starbucks 's empire mentioned the business idea was bringing the Europe style coffee to North America, which is " slow down-to smell the coffee and enjoy life little more". One of the themes of Starbucks focuses on selling Starbucks experiences instead of products. (Belz and Peattie 2012, 52.) Starbucks had brought a new harmony on creating a new menu for coffee as lattes, cappuccinos, espresso, frappuccinos, and high price brew coffee contributes to the optimize customer options and promotes for business commercial. Also, Starbucks providing apron barista, wall-paper table-top, espresso machine, and retro music to create a cozy environment in the store. Starbuck had changed the coffee business outlook and operate the coffee market with more than 50 million customers around the world, as well as customized more than 87,000 recipes of drink combination as syrups, milk ratios, shot. (Bussing-Burks 2009, 5.)

Professor Geoffrey Heal, author of the book *When Principles Pay: Corporate Social Responsibility and the Bottom Line* (2008) had mentioned that growing coffee activities create more external conditions expenses and labor policies. In specific, growing coffee activities took a high external environment cost, which affects to society. Besides, the business could readily take advantage of the farmers from developing countries, which have poor labor benefits. However, the CEO of Starbucks, Howard Schultz had the vision to make the company became an employee-oriented working environment. By emphasizing human value before products for a good cause; supporting relationship with farmers, connecting with communities to create loyalty. (Heal 2008, 132.)

5.2 Corporation Social Responsibility (CSR)

Starbucks applied CSR as a strategy to create economic, social, and environmental benefits to the civil community. By CSR, Starbucks made commitments to shareholders and stakeholders with few concrete benefits to create satisfaction levels and develop engagement between different partners. Starbucks operates as an ethical company to raise the loyalty customer rate to that business. Developing environmental consciousness, many environment measurement technologies were innovated and invested to create a permanent friendly-environmental concept and saving cost on production. To make a sustainable business concept, Starbucks focuses on working with responsible and trustworthy suppliers who can retain business development. Besides that, Starbucks ensures to

support the suppliers with the measurement technologies to implement sustainable production. The company could have been inserted into the local market easily by having a strong social responsibility commitment. (Heal 2008, 132-133.)

In 1999, Starbucks established a Department of Global Responsibility as known as the Corporate Social Responsibility department, which aims to the shareholder to follow its performance by releasing an annual report. The report reached through the website Shared Planet, which includes its workers, environments, suppliers, clients, and market communities. (Ferrell, Fraedrick, Ferrell 2014, 398.)



PICTURE 3. Ethical coffee resource commitment (Nguyen 2020.)

Began 2000, Starbucks created connection with TransFair USA (one of more than 20 members of Fair-Trade Labelling Organization International) to commit to sourcing, roasting, and selling Fair-Trade Certified coffee. The objective of this cooperation is to assure the coffee farmers can receive an impartial price for their products, above market price. (Bussing-Burks 2009, 42.)

In 2000, 190.000 pounds of Fair Trade Certified coffee was purchased by Starbucks. After that, Starbucks increased to 40 million pounds, become the largest obtainer of Fair Trade certified coffee in the world. (Burks 2009, 43-44.)



PICTURE 4. Fairtrade label on Starbucks products (Nguyen 2020.)

5.3 Environment

Agriculture is identified as the central cause of the threat to biodiversity. After cotton and tobacco, coffee plays on the third rate on the hardest sprayed crop, with massively chemical inputs into the ecosystem used as clearing forest area, soil degradation, and degraded water. Therefore, the certificate for organic and environmental systems help to mark the eco problems with notable efforts. (Lyon 2010, 124.)

Green trendy was developed in 1992, aiming to raise the responsibility for environmental policies and decrease the company footprint, Starbucks produced the Environment Starbucks Coffee Company Affairs. Starbucks made an effort through the Affairs by implementing the guideline of environmental obtaining to minimize waste by recycling, energy conservation, partner education. By catching the company track in the Share Planet website, the stakeholders can surely understand the environmental goal as same as following the process of the company operation and activities to remaining those objects. Moreover, Starbucks became a host of the Cup Summit series, which gathers people to contribute to the renovation of the disposable cup. (Ferrell, Fraedrick, Ferrell 2014, 399.)



PICTURE 5. Starbucks reusable cups.(Nguyen 2020.)

Starbucks try to expand greener store concept. The company had more than 1600 LEED-certified (Leadership in Energy and Environmental Design) stores around the world and chooses the World Wildlife Fund to collaborate; that aims to enlarge the scope and extent of the greener stores to make a commitment with the Greener Store framework for design, construction, and operation. At the moment, there are 741 Starbucks stores worldwide that have revealed the greener store framework. The company decided to use renewable energy for organizational operation, 72 percent of Starbucks stores. To purchase renewable energy, the company invests in wind farms and solar. (Global Social Impact Report 2019, 7.)

5.4 Employees

Working environment is the top priority in Starbucks. The company creates a "Thrive Wellness" program to support employees' wellness improvement and support practicing sport activities such as exercise, smoking cessation, and weight loss. (Ferrell, Fraedrick & Ferrell 2014, 400.)

Starbucks had ranked seventh as the best company to work in the Fortune magazine's 100 in 2008. Partners defined for the employees of Starbucks, the company focused on providing opportunities for skill development, careers advancement, goal achievement. The company provided benefits to their full-time and part-time partners as health care, discount for stock purchase plans, including stock

options as Bean Stocks. Furthermore, baristas are considered as a core of Starbucks ' business by responsibility for making the mixed drink and explaining the difference between coffees. The barista has to finish 20 hours of training and for the manager must be done the management training programs with 10 weeks additionally. The employers were trained at Boot Camp to learn how the store location was stated, set up the budget for the construction, store design layout, information technology system. Also, know how to purchase the material, equipment, and furniture. (Bussing-Burks 2009, 32–33.)

5.5 Supplier

Began 2000, Starbucks build up a relationship with TransFair USA (one of more than 20 members of Fair-Trade Labelling Organization International) to commit to sourcing, roasting, and selling Fair-Trade Certified coffee. The objective of this cooperation that assures the coffee farmers can receive an impartial price for their products, above market price. (Bussing-Burks 2009, 42.)

In 1991, Starbucks had made effort to a Worldwide aid and development foundation called CARE to support many projects like clean water systems, health, and sanitation training. Besides, the company agreed to paying a premium price for the farmer to help them support the family. Starbucks became a part of the social development programs on funding coffee community project as building school and health clinic. In Costa Rica, South America, China, Rwanda, Starbucks cooperates with some farmers from the Farmer Support Center where they can ensure high-quality coffee with providing farming techniques and training to the coffee farmers. And Starbucks donated around 70 million dollars for the grower training program. (Ferrell, Fraedrick & Ferrell. 2014, 400.)

Since 2015, Starbucks had provided 40 million coffee trees in Mexico, Guatemala, and El Salvador to reduce the illness effects from nature to improve the harvest quality. There were 10 million trees distributed in June 2020. Starbucks is supporting farmers by operating the Global Agronomy Center and Farmer Support Center to contribute to 88,000 farmers an open-source training. In June 2020, the company had invested in a farmer's loan through Starbucks Global Farmer Fund, with more than 49 million dollars. As the same as adding more than 20 million dollars to the farmers who affect the low global coffee costs. (Global Social Impact Report 2019, 7.)

5.6 Communities

The Korea Times article stated that to raise the people's awareness of protecting the environment, Starbucks coffee in Korea had run a campaign with getting a coffee tumbler. By running this campaign, Starbucks aims to connect to local communities and take part in a community service event. Starbucks Korea became Earth Day host and also be a part of the Seoul Garden City Campaign with highlight the long-term environment implementation of Seoul City. (According to Korea Times, 2013.)

Starbucks established a local donation support and projects for good causes. An example that Starbucks had donated more than \$500,000 to an African American school Zion Preparatory Academy to support the underprivileged children. Besides, Starbucks tries to address the unemployment rate in the US by associating with Opportunity Finance Network to operate Create Job to open more possibilities to unemployed. And the company donated \$5 million to Community Development Financial Institution to assist small enterprises, association centers, and housing projects. (Ferrell, Fraedrick & Ferrell. 2014, 401.)

Since 2018, Starbucks has spent more than 5 million dollars on coffee and tea communities to support the woman and families in Africa, Asia, and Latin America in leadership skills, create income activities, and more salubrious home. (Global Social Impact Report 2019, 7.)

5.7 Starbucks Sustainable Marketing Mix

This chapter aims to analyze the marketing mix of Starbucks by address the 4 Ps includes the product, price, place, and promotion. Starbucks always leads the renovation on delivering customer experiences and transform those experiences into the routine. Through many strategies and efforts to marketing operations, Starbucks had established itself as an inspired and sustainable brand.

5.7.1 Product

Starbucks focus on using sustainability resources by setting goal to get 100 percent ethical progress for tea products, based on certified farms such as UTZ, rainforest alliance, or fair-trade. The C.A.F.E

practice reported that more than 99 percent of the Starbucks coffee beans had received ethical sources verification, which ensure the sustainable product quality; the future for the farmers and cooperatives. Besides, the company has given the statement that keeps going to work for the Sustainable Coffee Challenge, which contributes to sustainable agriculture products and supporting more than one million farmers in the community.

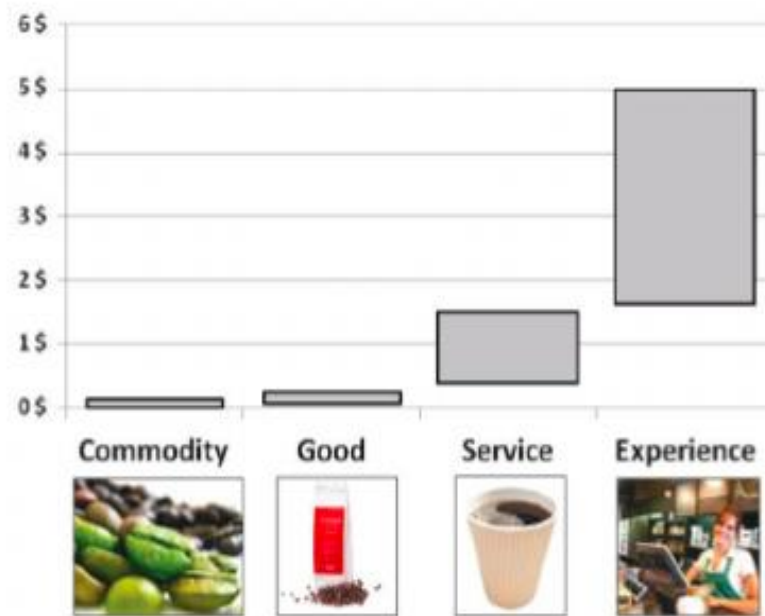
The quality is a priority the company focus on as the fresh-roasted, dark roasted beans, high graded arabica beans. Starbucks started the ethical product operation in 1971 and tries to roast the most quality arabica beans in the world. (Bussing-Burks 2009, 21.) Besides that, customer experience is one of the competitive advantages of Starbucks, replacing the old espresso machine with the new tech and changing Clover Brand single-cup brewing to customers get the fresh brew coffee cup. Besides, to make efficient the coffee-making process, the barista is allowed to make no more than two drinks at the same time to decrease mistakes and improve the product quality. Furthermore, in 2013, to acknowledge the customer wellness concern, Starbucks announced calories information on the menu to help the customer make decisions based on their wellness, create more options with healthy foods menu. (Ferrell, Fraedrick & Ferrell 2014, 397-398.)

Starbucks started using the new Starbucks Digital Trace ability tool for implementing the commitment that uses 100 percent ethical resources. There is a code as a serial number in the coffee bag. By scanning that serial number, the tool converts each coffee bag into a digital passport to reach farmers, roasters, and baristas and to seek coffee-growing areas around the world on a virtual expedition. (Starbucks Report Q4 Fiscal 2020.)

5.7.2 Price

Starbucks was willing to pay a high price for the top-quality coffee beans. For example, the world Arabica coffee bean price was 1.14 dollars per pound, but the company had paid 1.43 dollars per pound, which higher than the average market price to the farmers. (Bussing-Burks 2009, 51.)

Additionally, there are two main target customers of Starbucks are the student group with 18-22 ages and business customers; whose need the space to work with their own devices as laptops or phone. Therefore, the price of 4 to 5 dollars per cup serving, included the service, environment, experiences, and the product quality. (Jang & Jung 2013, 33.)



PICTURE 6. Coffee price offering to experience (adapted from Gurski & Verlag 2013, 2.)

The experiences take the main core on gaining more profits for the company. (PICTURE 6) That the transmutation from the coffee beans into a final product as packaged coffee beans, then it leads to the service and turns to experience in the last. Meanwhile, the product price had increased based on their experiences. (Gurski 2013, 2.)

5.7.3 Place

China and the U.S are the two biggest markets for Starbucks. This year, Starbucks has opened more stores in China, including 581 net new stores plus with 259 net new stores opened in the fourth quarter of fiscal 2020. It makes Starbuck China stores total to over 4,700 operations. (Starbucks Fiscal Report 2020.) Starbucks notably sets up the store as decorating the cozy atmosphere, setting up free Wi-Fi for the coffee shop to gain customer satisfy to make customers spend more time in the store and relaxing. Furthermore, Starbucks had changed their strategy that focuses on the core product, coffee brew machine, recipes innovation to introduce new drinks and food for "budget-conscious" clients. Starbucks had joined the two programs "National Salt Reduction" in New York and the "UK Food

Standards Agency Salt Campaign" to make the item under 500 calories and try to reduce the sodium ratio in the products. (Ferrell, Fraedrick & Ferrell 2014, 401.)

In specific, there are two factors that help the store engage in customer experiences emotional and sensory experience. To activate an emotional and the moment experience to the customer, the store invested in design, the music for the place, product quality, and communication. The atmosphere is the priority part of the sensory experience, which activates the five senses of a person such as sound, smell, sight, touch, and taste. Therefore, the company had created a cozy space with cherry wood under plenty of lights, decorated artworks, and the coffee scent over the store. (Marcus 2013, 34.)

5.7.4 Promotion

Starbucks prefers using storytelling or non-mass media as virtual platforms such as Facebook, Instagram, and creates the customer relationship from that. To promote, Starbucks create a program to support customer's loyalty as the My Rewards program, which offers free drinks or free birthday drinks to the members. (Marcus 2013, 34.)

During September 2020, the company decided to give more payment options to the members and earn Stars in the Starbucks App by launching the Starbucks Rewards loyalty program. Therefore the U.S. and Canada-operated store, Starbucks Rewards members both current and new can get Stars to free items without preloading a Starbucks Card in the app, which can pay with credit/debit cards, cash, or pick mobile wallets. (Starbucks Report Q4 Fiscal 2020.)

5.8 Starbucks's material renovation

There were 4 billion disposable Starbucks cups thrown into the landfills per year. Therefore, Starbucks renovates recycle materials to make them eco-friendlier as from polypropylene No.1 to polypropylene No.5. (Ferrell, Fraedrick & Ferrell 2014, 403.) Currently, Starbucks hot cups are reported that contains 10 percent post-consumer fiber (PCF). Therefore, the company is working to reach 20 percent recycled content, aims to reduce the impact of wood paper fiber on the environment.



PICTURE 7. Starbucks's cup and mugs (Nguyen 2020.)

In 2019, 25 percent of Starbucks stores accepted recycling hot cups. The company plays a co-founder role on Next Gen Consortium, to identify 12 winning cup technologies of the NextGen cup challenge. In Europe, Starbucks agreed on the launch of 1 million dollars to support the cup fund, which has a variety of recycling projects to find recycle and compost solutions. Starbucks cups now are accepted to recycle in many nations as Amsterdam, Boston, London, Dallas, New York, Louisville, etc. Starbucks implemented giving a discount to the customers when they use their cup or mug in store. It aims to support customers in changing reusable cups. In 2019, by tracking the use of the reusable cuprite, the company figured out that 2.8 percent of the reusable rate in U.S, Canada, Japan, and EMEA stores. It helps the company saving more than 105 million disposable cups. Straws and lids are the most necessary supplements in the coffee store, but they heavily affect the environment. However, Starbucks plans to expand the strawless lids, requires the license from the owned store to have plastic

straws, and only provides the straw to the customer when they ask. (Global Social Impact Report 2019,7.)

5.9 Integrating stakeholders

To pursue the Starbucks mission, the Board of Directors in Starbucks had a responsibility that advances the shareholder's interest. That includes the care duty on deciding for the company's management and loyal duty that the decision based on the most interest of the shareholder and the company above personal interest. Besides, there are two main groups on the board member, the inside director, and outside directors. Inside director mainly on charge by a senior executive in the company and outside directors who attended more the community aspects. During the fiscal year, the board required to meet at least five times and more if necessary. Starbucks operates an annual meeting to present the current activities as well as the future goal to the shareholders.(Bussing-Burks 2009, 80-81.)

At the Annual Meeting in March 2020, the company revealed there are three principles first partners' health and well-being are their priority concern. The second is supporting virus-containing by partnering with regional health officials and the government. Thirdly positively showing-up to 32 thousand members in the community. The company decides to re-open the store in China to support local health and government officials, within raised store protocol to ensure safety to customers and partners. 90 percent of the stores were re-opened to Starbucks's partners who can practice and make customer connections over the coffee. (Annual General Meeting Transcript 2020, 3.)

6 CONCLUSIONS AND DISCUSSION

The purpose of this thesis was to analyze the sustainability process in business, how to design a sustainability marketing system for a business. The thesis aimed to examine the overall picture of the sustainability principles and investigate the effectiveness of sustainability on marketing strategy. Another purpose was to present general information about the revolution of marketing and sustainability marketing methods. Data was collected by using different techniques and analytical methods in a theoretical approach to study the issue. To reach the goals, the thesis was covered and analyzed theoretical materials to have a profound foundation of knowledge. Besides, data and information were based on related reports to support the theoretical statements, which aimed to present the effect of sustainability marketing on a business operation.

Ethical and environmental concerns alter the purchase decision and product consumption behavior. Therefore, the business should be embracing the change in the market to create a new concept for marketing and discover a new way to deliver products to the market. In marketing, sustainability plays an essential role in delivering the product value to customers. The main core of sustainability marketing that makes the customer feel satisfied and responsible for purchasing, they are new changes in market and consumer behavior. The marketer should focus on a suitable strategy to imply into the new market by identifying the price strategy, the performance, and identify the social-ecological aspect of positioning a product. Besides that, integrate with stakeholders and qualifies sustainability products by labels certificate to gain the trust of the customer. The fundamental point of sustainability marketing that highlights the customer need and want before the benefits. And Starbucks has been implemented it well by placing the customers' experience as a priority of Starbucks culture.

The report also has used a theoretical framework, such as sustainability concept, sustainability marketing mix, and CSR method to analyze the marketing strategy of Starbucks. As a leading multinational business, Starbucks centers on company culture and vision to company internal and external operation as well as creating Starbucks experience. Additionally, Starbucks interact with customers and stakeholders through social media platform and using inspired stories to promote the brand. The company had developed a sustainability marketing mix to create value alongside the business operation as social, ethical, and environmental activities.

Starbucks coffee takes a majority in the coffee market portion and the development of Starbucks had expanded quickly in the past years. Starbucks has a thoughtful marketing strategy to support its vision and value to achieve a sustainable development goal. Therefore, in my perspective, Starbucks is the

most inspired cultural franchised company so far and knows how to lead the market trend with outstanding marketing strategy. One big lesson learned from Starbucks is that using the social impact on marketing implement is the main association for performing Starbucks strategy to the market.

By applying sustainability, the marketer can analyze for renovation way on how to make benefits by connecting with consumers and suppliers in sustainability method. By researching from many resources and surveys, I have understood how the sustainability becomes a popular theme in economic, social and environment news and events, and the process to apply the sustainability theme in business. It encourages me to believe in supporting sustainability brands and the awareness on every purchasing decision.

The sustainability theme itself plays a broader role to keep the balance of consumption and it affects the bio ecology system, ensures the resource useage amount for next generation. The human life connects with economy system; however, the author realizes to reach a sustainable goal in economy, the business requires to invest in time, money, and many efforts on following the market trends.

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