

SUSTAINABLE MARKETING

A Consulting Manual



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SUSTAINABLE MARKETING

„The introduction of genuinely sustainable products into economic systems would be a major solution to pollution“ (Fuller, 1999)

As a result of current environmental issues like global warming and resource scarcity, the importance of applying environmental compatibility into the processes of a company is increasing. Sustainable marketing is a derivative of conventional marketing that facilitates the consumption of environmentally sustainable products, in order to secure demand on the long term and positively impact the planet. It makes use of adjusting functions like marketing strategy, product design and marketing communication to align with an overall sustainable paradigm. This manual guides you through the most important functions of sustainable marketing with the following steps:

Step 1: Come Up With A Unique Strategy

Step 2: Design A Sustainable Product

Step 3: Analyze The Sustainable Consumer Behavior Of Your Consumer Segments

Step 4: Communicate Your Sustainable Product.

In the end you will be provided with websites and tools that will further help you in the implementation of sustainability in your company.

STEP 1: COME UP WITH A UNIQUE STRATEGY

“Sustainable marketing tries not just to satisfy wants and meet needs but also to generate opportunities and happiness and to achieve lasting satisfaction.” (Frank-Martin Belz, 2012, p. 122)

By applying the sustainable paradigm to a company, the usual business goals of reaching **profitability** and **creating value** to the consumer, are completed by being **environmentally compatible** in all business actions. To achieve these goals, you should simultaneously apply the sustainable vision in all marketing elements. Here it can be helpful to manifest a strategy that takes into account available tools, current business setting and goals that need to be achieved in each marketing element.

1. Set out your objectives
2. Analyze your current business setting
3. Develop your strategy
4. Apply tools
5. Achieve your objectives

Set Out Your Sustainable Marketing Objectives

Set your objectives according to the elements of your marketing. These goals could be as follows:

- Product: Disestablish waste alongside the whole product life cycle.
- Place: Distribute the product with generating the least possible pollution.
- Promotion: Communicate benefits of sustainable product or service, as well as necessity of sustainable behavior.
- Price: Assign eco-costs to the Take into consideration eco-costs and assign them to ⁱ

Analyze Your Current Business Setting

Analyze your current business setting, by screening the surroundings of your business that influence your decision making. Then, make adjustments concerning the physical external environment, the marketing objective and the decision boundaries, as shown below.

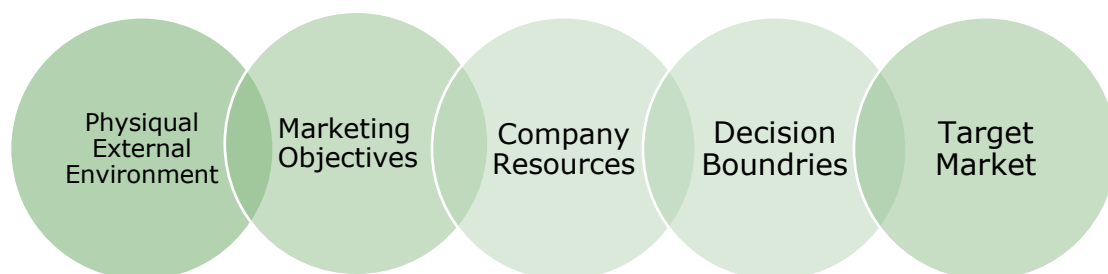


Figure 1 Sustainable Marketing Business Setting

Adjustments:

- Physical external environment: Economy, society, technology, politics, + ecosystem

- Marketing objectives: Customer satisfaction, organizational goals, + compatibility with ecosystems
- Decision boundaries: + Holistic perspective on entire product life cycle and entire organizationⁱⁱ

Apply Your Sustainable Action Tools

In this step you should gather and analyze the tools that are available to you, which you can implement to achieve sustainability in your business activities.

- Pollution Prevention: Substitute material and processes with alternatives that emit less pollution (air pollution, soil pollution, water pollution with plastic)
- Resource Reduction: Responsibly use resources, because of resource scarcity, by implementing product reuse, material recycling and material transformation
- Design for Environment: Implement environmental awareness into practices of product and process development ^{iiiiv}

Adjust Your Sustainable Marketing Mix Elements

To achieve your objectives, you should adapt your conventional elements with the sustainable perspective.

Mix Elements	Conventional Marketing	Sustainable Marketing
Product	Dedicate the design and development of the product or	Dedicate the design and development of the product or service to creating

	service to creating added value	added value and meeting the needs of environment
Place	Distribute and place the good in the market, while considering different distribution channels and accessibility	Implement sustainable action tools in the distribution and placement methods of the good
Promotion	Communicate the benefit of the good and trigger consumer behavior	Communicate the ecological benefit of the good, as well as the value added and trigger sustainable consumer behavior
Price	Allocate costs accordingly and create wished value perception	Allocate conventional costs as well as eco costs accordingly and create the wished perception

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Develop Your Sustainable Marketing Strategy

Your strategy should entail the following five steps.

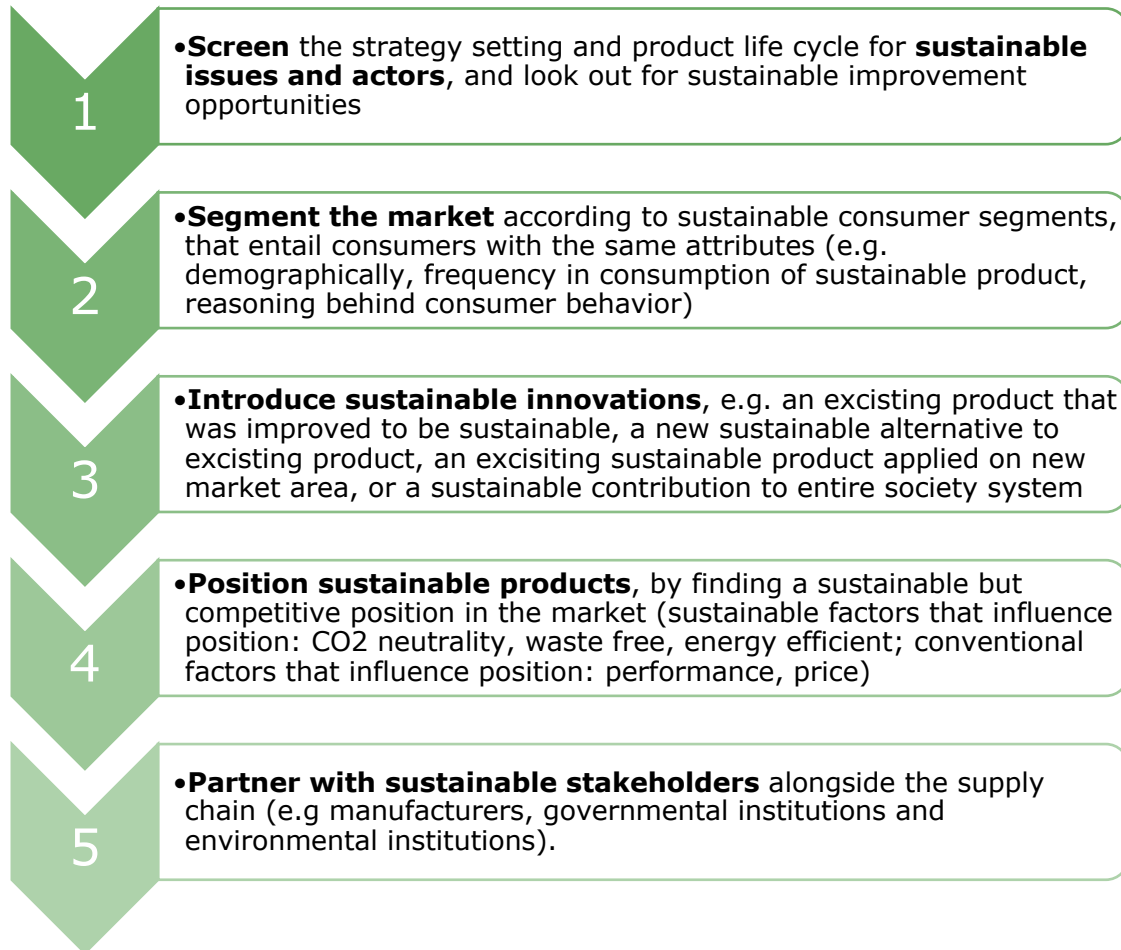


Figure 2 Sustainable Strategy Development

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STEP 2: DESIGN A SUSTAINABLE PRODUCT

“The challenge for sustainable marketers is to solve the direct problems of consumers’ everyday living and their needs, while also improving social and environmental performance.” (Frank-Martin Belz, 2012, p. 175)

Visualize Your Product Design Objectives

- *Design the product to be ecologically compatible*
- *Design the product to meet the needs of consumers*
- *Design the product to have an excellent price-performance ratio*
- *Design the product to be easily implemented and accessed*

Manifest the Product Attributes

In this step, you should determine the attributes of the product. These will determine the form and function of the product, and then also will consequently determine how the product will impact the natural environment alongside its entire product life cycle. The mix of attributes that constitute the product include tangible, intangible, core and auxiliary attributes.

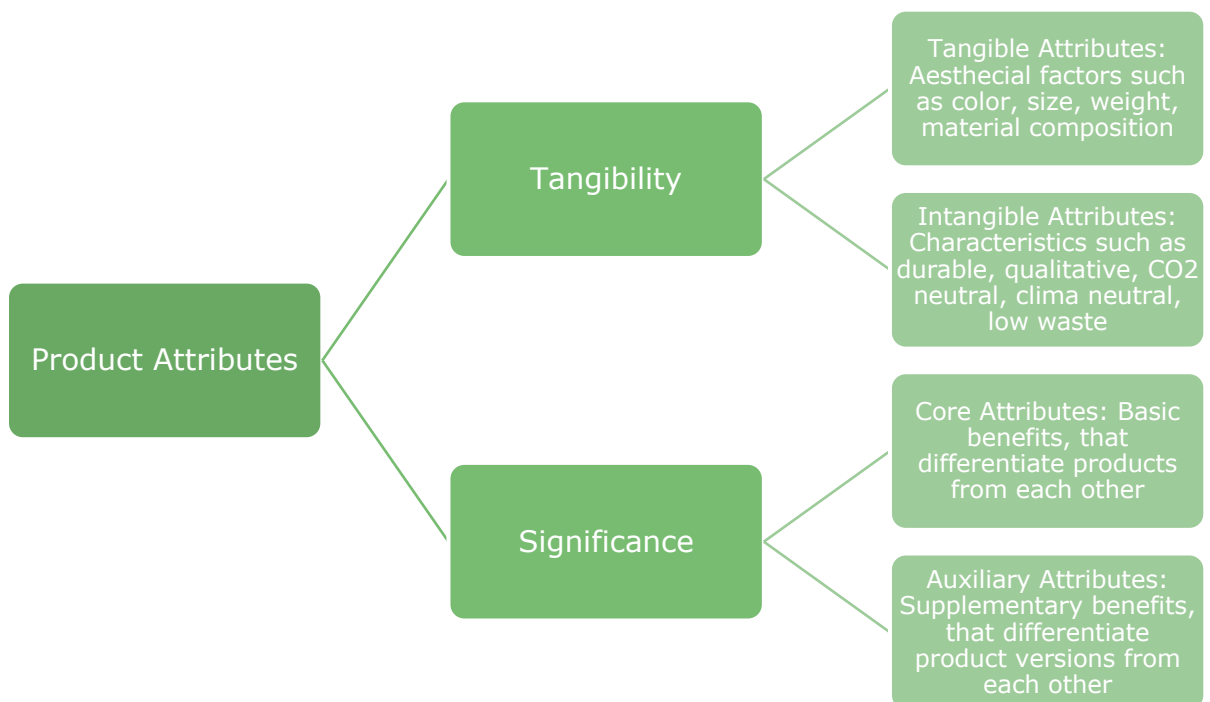


Figure 3 Sustainable Product Attributes

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Apply the Cradle to Grave Product Life Cycle

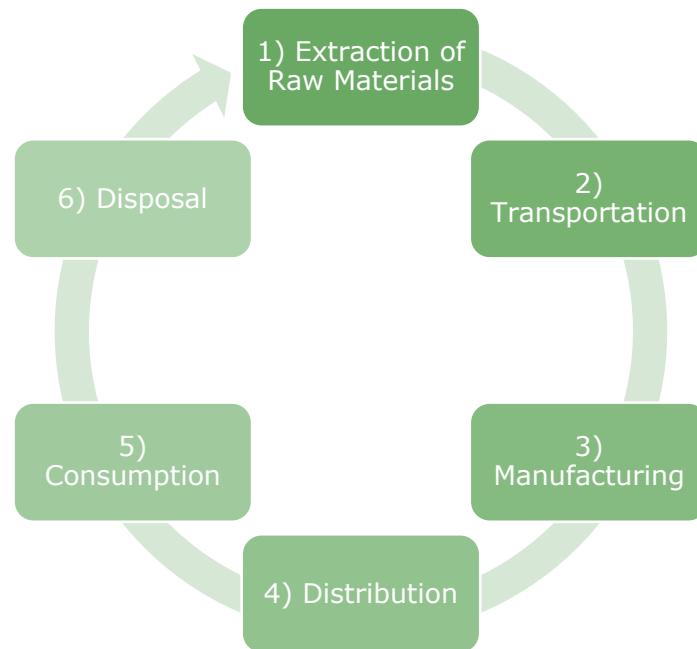


Figure 4 Cradle to Grave Product Life Cycle^{viii}

The task of product design team is to design the benefits, function and form of the product in a way that a sustainable composition of materials and processes is possible, given the available technologies and resources. Therefore, you should implement simplifying reducing and investing action in stages 1)-5):

- *Reduce the use of resources in extraction and manufacturing*
- *Avoid the use of unrecoverable material*
- *Invest in innovative material*
- *Simplify unnecessary complex processes*
- *Implement waste stream, and energy consumption reducing strategies*
- *Dematerialize product and packaging (light weight, downsized)*
- *Store minimalistic and non-toxic*

Usual practices in stage 6), like conventional disposal, and streaming waste into landfills in the natural environment should be substituted in sustainable marketing.

- *Expand the lifespan of the product, by making it more physically durable*
- *Design the product to be waste-free*
- *Design the product to stay useful and beneficial, by screening current technological innovations and lifestyle trends*
- *Design upgradable and adaptable features to withstand innovations and trends*
- *Offer product take back programs (make disassembly and reassembly of product uncomplicated for your own purposes)*
- *Offer product sharing and use-oriented services*

Apply a Life Cycle Sustainability Assessment

A life cycle assessment helps identifying environmental impacts of the product alongside its entire product life cycle. With the right information the water or carbon footprint of a product can be calculated. Here databases can help, by providing information about used materials or products:

- *EarthSmart.com*
- *Ecoinvent.com*
- *Lifecycleinitiative.org*


STEP 3: ANALYZE SUSTAINABLE CONSUMER BEHAVIOR OF YOUR CONSUMER SEGMENTS

When selling your sustainable product or service you should seek to comprehend the behavior of your consumers, in what, how much and how they consume sustainably.

Visualize Your Consumer Behavior Objectives

- *Understand motivation behind sustainable consumption*
- *Understand challenges or barriers of sustainable consumption*

Mind the Attitude-Behavior Gap

 Don't interpret an overall positive attitude towards sustainable products as a safe promise of sustainable consumption. Although consumers state a positive attitude towards sustainable products, research has proven they do not subsequently display sustainable consumption!^{ix} When assessing the purchasing power of your consumers, focus on actual numbers of sustainable consumption and not on attitudes or preferences.

Mind Cognitive Barriers

System 1 and 2

The decision making of a consumer is influenced by intuitive and rational feelings.^x If a sustainable product appears less attractive in its performance, for example by being less comfortable and accessible than a conventional product, intuitive feelings will motivate consuming unsustainable products. This will however conflict with rational feelings, if the consumer is aware of the importance of sustainable consumer behavior.

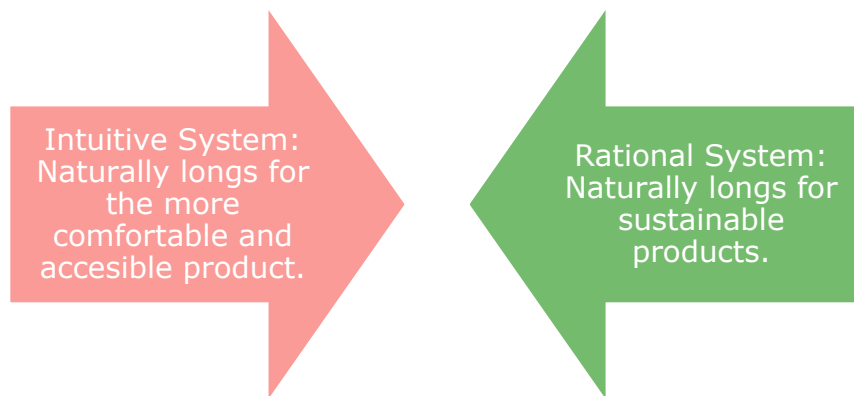


Figure 5 Intuitive System and Rational System

Your sustainable marketing communication strategy should aim at triggering the rational system, as this is the system that will long for sustainability. This emphasizes the importance of a good accessibility and overall great performance of the sustainable product.

Present Bias

The present bias of the human cognition constitutes the preference on activities that bring advantages in the immediate future. Activities that might instantly entail small disadvantages but may pay off significantly in the far future are less preferred. Sustainable products are often more expensive and show worse performance but have a significantly positive impact on the planet and its future generations. Due to the present bias, a consumer could be demotivated to buy your sustainable product because it might not bring significant advantages in immediate future. Here an emphasis on the future

environmental issues and benefits of the product, will help overcome the present bias.

Use the Self in Your Favor

The self is a synonym for all individual values, preferences and beliefs, which intensely influence sustainable consumer behavior. Self-signaling, self-desirability, self-discrepancy and self-accountability are all functions of the self, that are able to motivate sustainable consumer behavior.

Self-function:	Sustainable consumer behavior is motivated by:	How to use this for your own purpose:
Self-Signaling & Self-desirability	The desire of showing off example-behavior and gaining a positive reputation among social environment	Analyze the social environment of your consumer segments (Does it value sustainable behavior as positive behavior?)
Self-Discrepancy	The desire to reach the ideal self, which constitutes a person with a sustainable lifestyle	Analyze the ideal self of your consumer segments (Does it constitute a sustainable self?)
Self-Accountability	The positive self-emotions that arise when fulfilling a self-commitment and not feeling guilty because of disaccording behavior	Analyze if consumer segments feel accountable for environmental consumer behavior (If so, emphasize the bad impact of taking no action)

Self-Signaling and Self Desirability

Here the consumption of the sustainable product is motivated by:

- *The desire of showing off example-behavior and gaining positive reputation among social environment*

Analyze social environment of consumer segments.

Self-Discrepancy

Here the consumption of the sustainable product is motivated by:

- *The desire to reach the ideal self, which constitutes a person with a sustainable lifestyle*

Find out if ideal self of consumer segments constitutes a person with a sustainable lifestyle (Mind negative effect: sustainable lifestyle sometimes associated with femininity)

Self-accountability

Here the consumption of the sustainable product is motivated by:

- *The positive self emotions that arise when fulfilling a commitment and not feeling guilty because of disaccording behavior*

Find out if consumer segment feels accountable for environmental consuming behavior. Emphasize the bad impact of humanity on the planet.

Use Social Influence in Your Favor

The Collective Self

Alike the individual self that was mentioned above, people tend to seek for the best version of their collective self, which constitutes a group of friends, family members or other social environment members. Normally people try to be the best version of themselves, also including their collective actions. In comparison to other social groups and their behavior, a discrepancy between the own collective actions and the actions of their opponent group can motivate sustainable consumer behavior.

→ Analyze Social Environment of Consumer Segments, do they seek for sustainable behavior?

Social Norms

Generally social norms describe actions and behavior that we believe to be normal and appropriate. They describe various different life situations and are different in every culture or country. Social norms can be divided in descriptive and injunctive norms. While descriptive norms express what most other people do, injunctive norms describe what other people approve or disapprove of.^{xi} In their research Goldstein et al. (2008) found out that consumer behavior can be positively influenced by messages that entail descriptive norms.^{xii}

→ Analyze social norms in the culture or country of the consumer segment, as well as use descriptive norms to foster sustainable consumer behavior.

STEP 4: COMMUNICATE YOUR SUSTAINABLE PRODUCT

This step is all about coming up with a communication strategy that communicates your product or service.

Visualize Your Sustainable Marketing Communication Objectives

- *Increase awareness of sustainable product or service and its performance benefits and environmental benefits*
- *Increase awareness of necessity of ecological behavior*
- *Increase sales or meet fiscal objectives of company*

Consider the Communication Environment



Figure 6 Communication Environment

The communication environment is the setting that your communicated message exists in. This environment influences how your message is perceived and also determines the bundle of information that reaches your customer every day.

Form Your Communication Message Content

1. Be specific^{xiii} as it:
 - clears uncertainties issued by the daily information flood
 - fosters credibility
 - makes information easily understandable
2. Be individually, personally and emotionally touching
3. Emphasize direct and future benefits of sustainable consumption (see step 3: sustainable consumer behavior)
4. Include descriptive norms (see step 3: sustainable consumer behavior)
5. Aim at triggering the rational system of the human brain (see step 3: sustainable consumer behavior)
6. Choose between five appeals that conduct the underlying theme of the message:
 - Zeitgeist appeal (Advertise on the base of the current necessity of pro environmental acting)
 - Emotional appeal (Advertise on the base of triggering emotions like fear, guilt and personal motivation)
 - Financial appeal (Advertise on the base of financial benefits like price-reduction and charity donations)
 - Euphoria appeal (Advertise on the base of attributes that benefit the well-being of consumers like natural ingredients and no harmful pesticides or industrial chemicals)
 - Management appeal (Advertise on the base of positive environmental performance of the company)

Structure and Format of Communication Message

1. Balance between the emphasis on the beneficial sustainable performance of the product or service, and the beneficial function of the product or service
2. Make use of ecolabels, if financially affordable, as they
 - give an authentic independent evaluation
 - protect consumers from fraud
 - generate trust in consumers^{xiv}
3. Use a clear and genuine terminology
 - Imply quantitative facts about environmental performance of the product
 - Avoid wording like *recyclable, reusable, less packaging, less waste, eco-friendly, environmentally friendly*^{xv}
 - *Bad example: "The spoon contains bamboo that is recyclable and was obtained from farms that pay their worker responsible wages."*
 - *Good example: "The bamboo contained in this spoon is 100% organically compostable and exclusively obtained from socially responsible farms, that pay their workers 8\$ per hour."*

Choose your Source and Channels

For communicating your message, you can make use of all available communication tools. However, mind that each tool reaches different consumer segments, is perceived differently and also brings different financial costs.



Figure 7 Communication Tools

Advertising communicates across media channels like television, radio, print and internet. Usually through these channels the mass audience is reached. For small companies that are financially limited, the use of the Internet should be emphasized. With comparably low costs, a company can still visualize their environmental values and products towards their consumers, while being constantly available. Here, you should imply using a Website, Online Shop or Social Media campaigns. The latter is often used to sponsor regional eco influencers and have them show the products to their followers.

Personal Selling is an important communication tool for business-to-business selling actions when communicating with a stakeholder other than a consumer. Important aspects hereby are advertising the firm's environmental policies, profile and commitment correctly.^{xvi}

Sales Promotion is applied when the consumption should be increased by value-increasing or value-adding promotions. Value-increasing promotions imply financial incentives, such as seasonal sales. Value-adding promotions imply offering electronic newsletters or waste take-back programs alongside the product life cycle.^{xvii}

Public Relations are applied to manage the internal and external reputation of a company. Hereby it is important to stabilize a genuinely positive environmental performance, as it will directly influence the image of the company. The right activities will secure trust and credibility and include improving, maintaining and protecting the image of the entire company and its products.

TOOLS AND WEBSITES

Sustainable Product Design:

- Resource Productivity in 7 Steps:
<https://www.econstor.eu/bitstream/10419/59292/1/716261502.pdf>
- Sustainability Rating System: <https://www.asce.org/envision/>
- Center for Energy Efficiency and Sustainability:
<https://www.tranetechnologies.com/en/index/sustainability/cees.html>
- European Commission on Sustainable Product Policies:
<https://ec.europa.eu/jrc/en/research-topic/sustainable-product-policy>
- European Commission on Sustainable Production and Consumption:
https://ec.europa.eu/environment/basics/green-economy/sustainable-development/index_en.htm
- Environmental Impact of Packaging Material:
https://www.researchgate.net/publication/229796182_The_Environmental_Impacts_of_Packaging

- *Finnish Bioproduct Mill:*
<https://www.metsafibre.com/en/about-us/Production-units/Bioproduct-mill/Pages/default.aspx>
- *Life Cycle Sustainability Assessment by the UN:*
<https://www.lifecycleinitiative.org/>
- *Wuppertal worksheets provided by Lettermeier (2011), resource productivity:*
- *Intergovernmental Panel on Climate Change Reports:*
<https://www.ipcc.ch/srccl/>

Sustainable Marketing Communication:

- European Ecolabel: <https://www.eu-ecolabel.de/>
- Ecolabels in Finland:
<http://www.ecolabelindex.com/ecolabels/?st=country,fi>
- Ecolabels in Germany:
<http://www.ecolabelindex.com/ecolabels/?st=country,de>
- Sustainable Certification: <https://gfaw.eu/en/cse-products-from-sustainable-companies/cse-information-for-enterprises/>

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