

# Business and the Sustainable Development Goals: A Marketing Perspective

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**Abstract:** The awareness on environmental problems has been increasingly focused by many private and public organizations. This lead to increasing number of research studies to figure out how to respond with the problems. With regard to business world, marketing seems to be one of the major factors that cause several social and environmental problems such as over consumption of resources. This paper aims to trace the development of sustainability in business including the establishment of sustainable marketing. Although marketing is the management that search for short-term profit, many marketers have tried to work based on legal, environmental, and ethical framework for long-term wellbeing of humankind. While sustainability supports the idea of sustainable development for businesses, marketing offers sustainability the influence on changing consumer behavior and help build value for consumers by creating sustainable future demands.

**Key Word:** Sustainable Marketing; Sustainability; Sustainable Development

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## I. Introduction

In this recent decades, environmental problems have increasingly become a controversial topic in almost every industry. Natural disasters, such as flood, drought, snow storm and heatwave, occurring around the world along with the phenomenon of climate change not only cause individual problems but also affect society and economy in the global scale. As a result, many organizations both of public and private sectors have become more active in adapting themselves to confront with the changing environment. While many public agencies have tried to educate people through environmental campaigns and projects, several businesses have set their goals and strategies towards sustainability. Ideas such as green projects, social marketing and corporate social responsibility are introduced to consumers in order to response to the new challenge and show their social responsibility.

The concept of marketing and responsibility is one of the key issues in the world of capitalism, which is probably resulted from negative perception of the idea that marketing only focuses on making financial profit regardless of ethical concern<sup>1</sup>. There is often an argument that marketing practice is part of social and environmental problems. It is undeniable that to survive in a high competition business world, marketers need to seek for the best solution to create competitive advantage and to best response to consumers' needs which leads to intensive consumption of resources. On the contrary, because of such increasing criticisms that marketing only aim to gain profit without responsibility, marketing concept in this era has already transformed towards sustainable development, where marketing itself is able to be a solution to the problems<sup>2</sup>.

According to this concern, this paper will trace the development of sustainability along with the development of sustainable marketing. The discussion will illustrate how marketing can enhance business towards sustainable development while financial profit can still be generated and customers' needs can also be satisfied. The trend of marketing and its contribution to sustainable development will be discussed in order to recommend some guidelines for future research.

## II. Sustainability and Sustainable Development for Business

Since 1960s there have been many research studies concerning the relationship among environment, society and ethics in terms of responsibility of consumers and business owners; however, the concepts of sustainability and sustainable development has just increasingly been focused since the last decade of the twentieth century<sup>3,4</sup>. The increasing numbers of the studies could be a result of many environmental problems, especially natural disasters accordingly to climate change and global warming, which harmfully deteriorate natural resources. Sustainable business management models and frameworks along with ideas like green projects, social marketing and corporate social responsibility are continually introduced to consumers in order to response to the new challenge and show their responsibility.

Sustainability is part of economic theory which is developed after the requirement of responsible behavior from all stakeholders including public and business organizations and consumers<sup>4</sup>. The idea of

sustainability and sustainable development often involves with the relationship between human beings and environment. Sustainable development can be described as “a process undergoing continual change in which the use of resources, the type of investment, the direction of technology development, and institutional change are in harmony with both today’s needs and those of tomorrow (p. 16)<sup>5</sup>.” In addition, according to the Report of the World Commission on Environment and Development: Our Common Future, sustainable development is defined as “development that meets the needs of the present without compromising the ability of future generations to meet their own needs<sup>6</sup>.” From the aforementioned definitions of sustainable development, it can be concluded that the concept of sustainable development involves with long-term consumption from generation to generation in order to cope with changes.

In terms of sustainability, Kotler and Keler define it as “the ability to meet humanity’s needs without harming future generations (p. 633)<sup>7</sup>.” Jones, Clarke-Hill, Comfort & Hillier also suggest that the concept of sustainability is not just limited as the way to protect and preserve natural environment<sup>8</sup>. Sustainability includes responsibility of human on economic, social and environmental resources as well as the idea about consuming differently and efficiently<sup>8</sup>. In the aspect of consumer behavior, sustainability concerns with methods that creates profit for producers, friendly to environment and responsible to the society<sup>9</sup>. This can be interpreted that while people in the present generation try to fulfil their needs, they should be able to save the resources for the needs of future generations.

The definition of sustainability though defined by many academic scholars, its concepts always involves with transformation for long-term changes where there is the balance among social responsibility, environment and economic growth which is widely known as the concept of Triple Bottom Line (TPB) which has been suggested since the decade of 1990s<sup>10</sup>. Danciu suggests that the three element of TPB – economic, social and environmental sustainability – must be interrelated equally<sup>11</sup>. The balance of these three elements will enhance the product value and create value for consumers which is the goal of doing business. This concept has eventually turned into the basic framework for many organizations in order to create corporate sustainability where a business tries to find opportunities for making profit and handles any risks that may negatively influence social and environmental development<sup>4</sup>. This becomes a great challenge for business practitioners in the way of how we can tell at what level that human needs and available resources are in equilibrium. Not only resources are needed to be managed wisely and carefully, such development also concerns with the way people live their life in this world sustainably. For that reason, it is very important to organizations both of private and public sectors to realize how to balance their unlimited economic growth with the limited resources.

The study on sustainability is not limited only in the aspect of environmental science. In business field, the concept of social responsibility has become a part of business development plan as there are studies of sustainable business models<sup>12,13,14</sup>, and sustainable development management systems<sup>15</sup>. The concept of reverse logistics which is about return goods management process is also proposed as a part of logistics social responsibility<sup>10</sup>.

For marketing, corporate social responsibility covers the area of legal, ethical, and social behaviour<sup>7</sup>. Green marketing and cause-related marketing are examples of marketing social responsibility models. There are studies about green marketing on practices and theories<sup>16</sup> and green consumer behaviour<sup>17,18</sup>. Sustainable marketing also plays its role in agriculture industry<sup>19</sup>, automobile industry<sup>20</sup> and tourism industry<sup>21,22,23</sup>. Jamrozky suggested that to enhance sustainable development in the aspect of marketing, the following three aspects - society, environment and economy - should be included, which is incongruent with the concept of triple bottom line<sup>21</sup>.

To conclude, for business to survive in today’s high competition market, companies cannot only think about making profit. The concept of “triple bottom line” where economic, social and environmental factors meet equally will leads to the true sustainable development<sup>11</sup>. In addition, the adaptation towards sustainability which leads to the concept of corporate sustainability<sup>4</sup> will become one of the key success for many businesses in order to create competitive advantage for their products, services or even the whole organizations.

### **III. Sustainable Marketing Framework**

Marketing is one area of the management science that different from others as it deals with customers<sup>24</sup>. In general, the idea that marketing concept is in the opposite side of sustainability concept is always exist<sup>8</sup>. For decades, business organizations have been competing among each other in order to make their products or services become customers’ top-of-mind. Several attempts have been put into innovations and creative activities to add value for customers. Thus, it is irrefutable that there is a high consumption or even over consumption of resources to achieve such objective.

In the present era, the ultimate objective of marketing is not just to create products or service for responding to the needs of customers, yet to offer value to customers becomes the core importance for doing business. Charter, Peattie, Ottman and Polonsky describes sustainable marketing as “creating, producing and delivering sustainable solutions with higher net sustainable value whilst continuously satisfying customers and

other stakeholders (p.125)<sup>8</sup>.” Sustainable marketing is still in consistent with the underlying concept of marketing in understanding consumer needs, satisfying them and making profit<sup>2</sup>. What has been added into this concept is the emphasis on the consumption of resources which is responsible for today and tomorrow’s lives<sup>25</sup>.

Sustainability marketing, another terms of marketing concerning with sustainable development, can be defined as “companies that satisfy the needs of industrial and consumer markets whilst remaining within biophysical constraints, and only exploiting resources at a rate at which they can be sustainably maintained, recovered or replenished in cradle to cradle, closed-loop ecological systems (p. 59)<sup>26</sup>.” Peattie and Belz explain that sustainability marketing consists of “building and maintaining sustainable relationships with customers, the social environment and the natural environment<sup>27</sup>” and it “shares the long-term orientation of relationship marketing, as opposed to the short-term transaction focus of modern marketing (p. 9)<sup>27</sup>”. They continually explained that sustainability marketing requires different and innovative thinking in the area of treating socio-ecological problem as a starting point of marketing process, understanding consumer behaviour holistically, reconfiguring the marketing mix and appreciating and utilizing the transformational potential of marketing activities and relationships<sup>27</sup>.

It can be concluded that sustainability marketing has sought for the best way to gain profit which is its key financial objective while has tried not to harm sustainability<sup>28</sup>. Therefore, sustainable marketing itself will become part of solution to several social and environmental problems as it can help create opportunity in building public value with customers on the basis of economy, environmental and social balance.

#### **IV. Sustainable Marketing contribution to Sustainable Development**

Among the trend of saving the environment, there emerge several marketing related ideas for being responsible to the society. The word “green” has been introduced to the business world after the concern of environmental problems which have an impact on the global scale. To be more specific, green marketing or ecological marketing or environmental marketing deals with “marketing effects on the environment and costs of serving consumer needs<sup>49</sup>”. Global warming, climate change, carbon dioxide emission or any other environmental problems seem to root from the production process and consumption of resources. Green marketing takes responsibility for the society in terms of creating environmental friendly production process. Green design, green product, green process, green logistics or green marketing are terms that used to define those environmental friendly business activities and used to communicate with consumers. It is obvious that the green concept focuses on creating product value along with building value for consumers’ lives<sup>17</sup>.

Even though green marketing shows an attempt to be friendly to the environment, it still lacks the emphasis on individual consumer behaviour which is one of the most important factors to achieve sustainable development<sup>28</sup>. Social marketing, which deals with social change, can be another actual alternative for sustainable marketing since social marketing also focuses on changing people’s immediate behaviours by changing values and attitudes influencing on behaviours<sup>28</sup>. In the changing environment that social media plays its role in communication, consumers, in a role of more active participants, are allowed to participate in creating new product and service solutions which will effectively meet their needs<sup>2</sup>. For example, the study of sustainable shopping trends reported on World Economic Forum in 2010 found that 95% of American consumers are willing to buy green and 44% insist to have green buying behaviour<sup>2</sup>.

Corporate social responsibility (CSR), one of the marketing communication tools is another concept related to responsibility of society. CSR is different from Green in the way that CSR does not create product or provide production process that directly solve environmental problems. CSR can be any activities that encourage consumers’ engagement with a company, a product, a brand or even a company’s image. CSR is defined as “actions that appear to further some social good, beyond the interest of the firm and what is required by law (p. 65)<sup>2</sup>.” CSR, therefore, has become part of the marketing activity that help create competitive advantage for companies by adding value into products, services or brand. The study of Borland and Paliwoda<sup>26</sup> suggests that marketing responsibility must, for instance, include the balance of long-term needs of consumers and short-term profit; the marketing program that is relevant to longer-term ecological sustainability; the marketing that support environmental friendly design, manufacture, consumption; and the marketing that encourage businesses to use renewable resources.

In order to achieve the goal of sustainable marketing which aims to increase sustainable products and service, it is necessary for companies to figure out what is sustainable demand for products and services<sup>11</sup>. On the contrary to conventional marketing that views consumers as individuals who want to fulfil their needs and think of themselves separately from society and ecological system<sup>27</sup>, nowadays consumers tend to concern more about social and environmental issue which lead to sustainable consumption behaviour. In consequence, if companies keep manufacturing and supporting sustainable products, the sustainable demand will properly be stimulated<sup>11</sup> since a group of sustainable consumers has already existed.

In addition, effective market segmentation strategy will apparently play an important role in identifying a group of sustainable consumers. The study of Shamsub and Lebel, which researched on international tourists

in Thailand showed several tourist behaviours that develop towards sustainability<sup>22</sup>. For instance, visitors who visit cultural tourist attractions in northern Thailand are likely to have more sustainable behaviour than visitors who visit the 3S tourism (sea, sun and sand) in the south. The researchers explained that visitors who visit cultural tourist attraction are more attached to local culture, customs and traditions, thus they have already accepted the code of conduct and even familiar to local culture of the host country before traveling. The study confirms that if the product or service offered to customers has already had a sustainable value itself, customers, in exchange, would also act in the more responsible and sustainable way.

In conclusion, to stimulate sustainable demand will definitely lead to sustainable consumption which highlights on gaining mutual responsibility from both consumers and companies or producers<sup>4</sup>. There is also therecommendation shows that sustainable demand can be motivated through the cooperation between producers and customers<sup>13</sup>.

## **V. Discussion and Further Recommendation**

Although marketing is the management that seeks for short-term profit, marketing practitioners are also required to work on the basis of legal, environmental and ethical framework for long-term wellbeing of humankind. With the social responsible behaviour of marketers, competitive advantage such as product differentiation will be created and future cash flows will also be improved<sup>2</sup>. It is the challenge for managers and organizations to study and understand the environment in order to predict companies' effect on society and find the way to prevent unexpected problems and develop sustainably. It can be concluded that sustainability marketing searches for "a solution in which commercial goods can be marketed in a responsible way that does not adversely impact upon sustainability (p. 47)<sup>28</sup>". Therefore, sustainable marketing itself will become part of solution to several social and environmental problems as it can help create opportunity in building public value with customers on the basis of economy, environmental and social balance.

According to the literature review on relationship between the concept of sustainability and marketing, it can be seen that what sustainability offers marketing is the idea of sustainable development. Recently, many organizations claim to have a commitment to develop themselves on the basis of economic, social and environmental balance<sup>8</sup>. Following this commitment, many companies have developed sustainable competitive advantage to compete with their competitors. The green concept that brings about green product, green process and green logistics, for instance, is a good evidence of sustainable marketing. Moreover, to run a business following the concept of sustainability will help a company build positive reputation which is considered as a potential asset of a company. Since reputation of a company rooted from social responsibility influences on consumers' purchase decision, many companies have tried their best to report their social performance in order to build reputation<sup>4</sup>. With good reputation, the relationship with consumers will be automatically strengthen and this will lead to the establishment of consumer value. When consumers have an engagement with products, brands, or company, they will finally become loyal customers and this will bring companies a lot of benefit. However, the problem of sustainability reporting is about determining the standards for what will be reported. Although there has already been some guidelines and indicators for this matter, unethical practices still occur. As a result, it is necessary for marketers to further studying on ethical issues and variables influencing on ethics.

On the other hand, what marketing offers sustainability is the role in changing consumer behaviour<sup>8</sup>. Social marketing, marketing psychology and consumer behaviour have tried to study and understand social changes and behaviour of people in the society. The function of sustainable marketing is to influence customer behaviour and employ consumer social evolution in order to bring about social change and create long-term profit for a company<sup>2</sup>. Since many social and environmental problems are caused by people, hence, it is believed that if people change their behaviour, the severity of those problems will probably lessened. However, human mind is too complicated, thus, to study sustainable consumer behaviour is not easy. Some studies about green purchasing behaviour and green consumerism<sup>17,18</sup>, have found the problem on defining green behaviour since each person has different consciousness and each society consists of different cultural and environmental factors. Under these different circumstance the result of the studies may be different. Beside, marketers should find valid and reliable criteria to measure green behaviour. The importance of this study will influence on segmentation strategy which will consequently create sustainable demand in the market.

Recently many products have proved that sustainable demand can be created through effective segmentation. With a reasonable price, convenient size, energy saving and environmental friendly characteristics, eco-cars are evidences that sustainable demand can achieve sustainable development. Nevertheless, as each product is different in its nature, some kinds of products face with difficulties in developing toward sustainability. The disposable product such as napkins and diapers, chemical solutions such as washing detergent and products dealing with technology such as computer, tablet and mobile phone, are products that cause serious problems in waste management including recycle process. On one hand technology provides solutions to those stated problems, on the other hand, technology itself become problems. Mobile phone market is an obvious example. While mobile phone offers consumers more convenient lifestyle, for

example, electronic books help save paper usage; communication via the Internet save energy and time for transportation; online business reduces consumption of resources, it increases a large amount of electronic waste which is not easy to eliminate. Moreover, shifting the platform of business from traditional shop to the online cause increasing unemployment rate. As a result, for a producer side, it is a challenge to conduct business under a moral and ethical framework. The concept of sustainable communication may help solve the problem. It is a challenging task for marketers to find appropriate communication strategies to educate consumer and create public consciousness in order to prevent the over consumption of resources.

## VI. Conclusion

In the rapid change and high competition world, marketing seems to be one of the major factors of several social and environmental problems. There are some arguments that blame marketing as cause of undesirable behaviour such as being materialistic and having relentless needs and wants as people are often stimulated to purchase new products and services innovation. Nonetheless, marketing itself can also become solution to those problems. Many studies are evident that marketing and sustainability are able to support each other. There are increasing numbers of organizations that adopt sustainability into their business practice that is part of the differentiation strategy in competing with their rivals and enhancing their corporate brand and reputation<sup>8</sup>. It is obvious that resources are limited while the needs of people keep increasing, therefore, to maintain the balance of these, everyone is required to understand and adapt towards sustainability. For many businesses, environmental issue cannot be neglected. It is very necessary for them to put the issue into their strategic and development plan. With the concept of sustainability companies will be able to create competitive advantage. Moreover, the power of sustainable marketing will enhance sustainable business and help build value for consumers which will definitely create sustainable future demands.

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