

Marketing Organizations and Sustainable Marketing

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Bios

Melea Press joined the University of Wyoming in Spring 2008 as Assistant Professor of Marketing and Sustainable Business Practices. She received her PhD in marketing from the Pennsylvania State University in 2007. Between 1994 and 2002 she dedicated herself to printmaking and book arts, and spent time at Peacock Printmakers in Aberdeen, Scotland and Women's Studio Workshop in Rosendale, NY. Her interest in social science solidified in 1999 while she was doing volunteer work at The Hope Project in the Nizamuddin Basti in New Delhi, India. Her current work focuses on transformation, including strategies for building identification between constituents and organizations, strategies for organizations to engage with more sustainable business practices, and innovation in market channels. She is published in the *Journal of Public Policy and Marketing* and has presented work at conferences for the American Marketing Association, the Association for Consumer Research, the Society for Macromarketing, Consumer Culture Theory, and the International Conference on Business and Sustainability.

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Abstract

This chapter provides a basic understanding of the nascent relationship between marketing and sustainability. In this chapter we introduce and clarify several terminological distinctions and marketing issues that pertain to sustainability. We provide examples from industry to illustrate the discussion. Specifically, we discuss sustainable marketing, marketing sustainability, the sustainable marketing organization, and sustainable consumer behavior.

Introduction

The aim of this chapter is to provide a baseline understanding of the relationship between marketing and sustainability. We are most concerned with sustainable marketing, or aligning organizational processes and goals with general principles of sustainable business practice; marketing sustainability, how an organization carefully goes about communicating their sustainability goals, successes and challenges; the sustainable marketing organization, which is an organization that takes on a profound sustainability initiative and must adjust to new goals; and sustainable consumer behavior, which describes the ways that consumers engage with and think about sustainability.

1. What is sustainable marketing?

Sustainable marketing is an approach to marketing that ideally aligns internal organizational processes and organizes resources that create value for stakeholders (owners, shareholders, employees, value chain partners) and through which the external natural and social environments are enriched by the activities of the firm. This approach is used most effectively by organizations that have clearly stated values and goals for their desired effect on their own economic viability, as well as on the natural and social environments they operate within.

The term sustainable marketing applies when an organization takes the perspective that it operates within a finite resource system, and thus has a responsibility to its current and future stakeholders to make strategic decisions for the long-term benefit of the entire system. There are several common frameworks organizations use to develop sustainable strategies. Some sustainability frameworks place value on incorporating the costs of ecosystem services into operations; some try to mimic natural systems in new product development and operations; some try to minimize the firm's overall carbon footprint; and, some try to change technologies they deploy in order to enhance rather than diminish natural resources. In addition, there are different ways to approach the concept of sustainability itself, for example, as a resource scarcity problem, an issue of integrity and morality, and as a normative guide to conduct (Thompson 2010).

Sustainable marketing is a process not a state. This process commits a firm to make continuous improvements toward the goals of increasing the resilience of the social environment and

restoring the natural environment it operates within, in addition to thriving as an economic entity. Actions an organization might take towards greater sustainability include increasing operational efficiencies, for example by deploying lean manufacturing principles. The process often includes a commitment to reducing use of virgin raw materials and increasing use of recycled, recaptured, and repurposed materials. Sustainable marketing also commits a firm to reduce the discharge of wastes into the natural and social environment that are hazardous to health or compromise future environmental, community, or economic viability. Achieving zero negative net impacts is an ideal, but not a realistic goal under current conditions.

Sustainable marketing differs from conventional marketing in its holistic approach to decision-making, monitoring and evaluating organizational actions and consequences. That is, when an organization commits to sustainable marketing, overarching sustainability goals become the guiding force behind all operational decisions at all levels of the organization.

Sustainable marketing also differs from conventional marketing in its commitment to rendering organizational processes transparent to stakeholders; enlisting stakeholders in value creation, and, in its concern with rendering product life cycles and value chains benign in their effects on natural and social environments.

Sustainable marketing will often take on the triumvirate of the triple bottom line (3BL) approach to business and to business reporting, that is, its stakeholder communications may include information about the environment, society, and the economic viability of the firm.

Belz and Peattie (2009) see sustainable marketing as a macromarketing concept insofar as macromarketing is concerned with the effects of marketing on whole systems, such as institutions, value chains, or industries rather than with dyads of exchange partners as in traditional marketing theory and practice. They also see sustainable marketing as involving major changes in outlook and activities on the part of both producers and consumers, taking on the 3BL approach.

For example in contrast with the classic tactical marketing mix elements of price, place, product and promotion, a sustainable marketing strategy might adopt four other tactical dimensions involving first, *customer solutions* that go beyond product or service-based benefits to providing triple bottom line benefits that address consumers' societal or environmental concerns; second, a commitment to *customer costs* that incorporate the social and environmental costs of products throughout the product life cycle; third, *customer communications*, which entails ideas of firm transparency; and finally, *convenience*, which means that firms go beyond conceptions of customer exchanges focused only on sales or even customer lifetime value to approaches that incorporate access, sharing, and alternative models of product use and disposition (adapted from Belz and Peattie 2009, 33).

Large organizations have embraced sustainable marketing as well as small ones. Wal-Mart has embraced a multipoint program that incorporates more sustainably sourced and more environmentally benign products in its inventory. Wal-Mart also has an entire section of their website dedicated to “Green Living,” where they feature articles about living more sustainably and saving money through wasting less, and suggest products that are “earth friendly.” (<http://instoresnow.walmart.com/Sustainability.aspx>). While Wal-Mart has been both criticized and praised for their dedication to sustainability, they continue to engage in sustainable marketing.

Non-profits are an especially important feature of the sustainable marketing landscape typically providing third party certification and monitoring for private sector firms’ sustainable marketing efforts. For example, Marine Stewardship Council (MSC) was created in 1996 by Unilever, one of the world's largest buyers of frozen fish, together with the World Wildlife Fund (WWF). It is now a fully independent, global charitable organization. The MSC has developed a labeling scheme for sustainable seafood products that provides incentives for fisheries to be managed sustainably. Once a fishery has been certified, strict guidelines govern use of the MSC Logo. Use of the MSC Logo on fishery products is only permitted where there has been independent verification that the product originated from an MSC certified fishery. Through their certification and labeling programs, MSC helps organizations including big retailers like Wal-Mart with their sustainable marketing. The cost of certifying a fishery is relatively high (\$20K to \$100K or more depending on the size of the fishery). However, these costs may very well be offset by the opportunities certification creates for firms through risk reduction, retention of market share, and avoidance of regulations, as well as opportunities for revenue enhancement through product differentiation from farmed fish, increased market share, premium pricing, and the improved perception MSC branding has with consumers (CCIF 2002, 28-29).

A good example of sustainable marketing is provided by Burgerville, USA a regional fast food chain headquartered in Tacoma, WA discussed briefly in a short case that follows.



Burgerville, USA

Burgerville, USA can be classified as a sustainable marketing organization (see below), but more importantly sustainability is a key element of their marketing strategy. Burgerville is a fast food restaurant with a commitment to community development, minimizing their negative environmental impacts and contributing to the communities in which they are located, as well as to corporate growth and profitability. Burgerville pays close attention to its entire value chain, working closely with producers to locally source as much of their inputs as possible. All their beef is purchased through Country Natural Beef, a local cooperative of small ranchers, and they purchase locally-sourced seasonal produce throughout the year. One of Burgerville's marketing and sourcing victories came in working with CNB to increase beef supplies. The initial problem was that the ranchers couldn't provide Burgerville with the quantity it needed. "Rather

than say, 'Sorry, we can't do this,' we asked, 'How can we work with you to get to a scale that we can use?'" CEO Jeff Harvey says. After eight years, Burgerville finally started buying the consortium's beef. The process took longer than expected, but customer response to this marketing/sourcing effort has been more enthusiastic than anticipated, "We were not clear what the impact would be when we started," Harvey says, "As we've talked about natural beef or local berries, our customers really have bought into it." (Leahy 2007, 56). CEO Harvey is referring to the fact that Burgerville uses seasonally available berries to concoct delicious milk shakes much prized (perhaps because they are not always available) by loyal customers.

Burgerville also works with partners to procure wind power, and to recycle and compost their waste materials. A good example of Burgerville's commitment to operational sustainability is their waste diversion programs. The company worked with a small local start-up firm to develop a successful biodiesel production and marketing program to handle the massive amounts of waste cooking oil its stores produce. Thirty-seven Burgerville locations with access to commercial services are composting and/or recycling, and 21 locations have dining room solutions where guests have the option to sort their waste, or where team members sort waste collected from tables. Prior to a new compostable cup launch, Burgerville already was more than 50 percent of the way toward the ultimate 85 percent diversion goal. After the compostable cup program is fully introduced, Burgerville will be conducting a full waste audit in 2010 to benchmark its progress (Biocycle 2010).

As part of their internal marketing program, Burgerville offers all employees affordable healthcare, and they also have programs in place to increase employee leadership skills. The chain pays at least 90 percent of health-care premiums for employees who work at least 20 hours a week. The company claims that this program resulted in savings by cutting turnover, boosting sales and improving productivity (Needham 2009). Burgerville communicates ongoing sustainability efforts on their website, which has details especially about their environmental and social endeavors. (<http://burgerville.com/sustainable-business/>). Leadership also speaks about their sustainability efforts at sustainability and industry conferences.

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2. What is marketing sustainability?

Marketing sustainability is an ongoing demonstration that an organization has made commitments to a journey towards general sustainability goals. Ideally, sustainability goals would be understood and worked on by every employee in the organization, enunciated in every piece of internal and external communication the organization produces, and incorporated into every product the organization makes and the practices it instills.

Marketing sustainability is an approach to interacting with internal and external stakeholders in ways that deliver resources that provide benefits that enrich immediate stakeholders, the natural environment, and the social environment in which such interactions occur. Products,

services, ideas, and experiences may all be sustainably marketed, but just as a market orientation affects the entire firm, so does marketing sustainability. The organization must integrate these goals throughout the product life cycle from cradle to grave, or in more recent “closed loop” thinking, from cradle to cradle.

Marketing of sustainability differs from the conventional approach to defining and conveying market offerings by adopting a future orientation, such that the consequences of marketing activities today do not adversely affect the ability of people in the future to meet their needs.

Transparency measures, Corporate Social Responsibility (CSR) initiatives, and sustainability reports are one way to market sustainability. These have strengths and weaknesses. They can provide a clear structure for reporting certain agreed-upon metrics. However, reports are often voluntary and not independently verified. They also provide a venue for increased, and sometimes ill-informed or biased stakeholder scrutiny.

An organization that is interested in marketing sustainability should be cautious not to make false or exaggerated claims about their efforts. Skepticism, cynicism, and a desire for transparency on the part of stakeholders can make some organizations fearful about marketing their sustainability efforts. However, positioning efforts in terms of an ongoing journey, and clearly pointing to both successes and failures, and adopting transparency about the process will help with truthful marketing of sustainability, and favor the long-term success of this approach.

A good example of the mixed results that may accrue to organizations from marketing sustainability are included in our case on Clorox’s Greenworks™ brands.



Marketing Sustainability: Clorox Green Works

Clorox is a fairly traditional company that has recently dedicated itself to improving its pro-environmental positioning. In January 2008, Clorox launched its first new brand in 20 years, a collection of natural-cleaning products called Green Works™. But the launch of Green Works™ doesn't necessarily mean that Clorox has become a sustainable marketing organization; it means that they've embraced the so-called “green” marketplace and realized that certain people care what is in their cleaners. Still, Clorox also makes conventional products such as Formula 409 cleaner, which contains 2-butoxyethanol, a substance that is readily absorbed through the skin and is routinely screened out by institutions with environmentally preferable purchasing screens on cleaning products.

Clorox marketing executives had noticed that the 1% market share held by nontoxic brands such as Method and Seventh Generation seemed to belie survey and segmentation study results (e.g., www.lohas.com) that show that nearly half of consumers are theoretically interested in buying more sustainable and healthier products -- a huge unexploited market -- The Clorox team identified the three compelling reasons consumers weren't following through on their

preferences for environmentally friendly cleaners: effectiveness, expense (most environmentally friendly cleaners cost twice as much as conventional ones), and inconvenience (products tended to be available only at specialty stores). The latter two considerations fall plainly within the domain of marketing,

In response to this market opportunity, Clorox developed products that were 99% petrochemical-free and matched or beat standard cleaners in consumer tests of effectiveness. Thanks to Clorox's volume production capabilities and leverage with suppliers, their new products could be priced at just a 20% to 25% premium.

Green Works™ is one of the most successful launches of a new cleaning brand in recent memory. Green Works™ currently holds more than a 40% share of the natural home cleaning market. The first year success of their product single-handedly grew the natural cleaning product market by more than 80% by selling Green Works through their current distribution chain in more than 24,000 stores alongside their regular household cleaning products. Competitor Seventh Generation CEO Jeffrey Hollender has summed up the marketplace issues: "New competitors will only help this [green cleaning product] category grow faster than it's been growing. The question is, do you want a big piece of a small pie or a small piece of a big pie? We absolutely want the pie to be as big as possible, even if we have a smaller slice."

Is Green Works™ really green? Clorox claims that each one of the five cleaners is at least 99% natural, a term whose use is unregulated and hence may raise doubts in the minds of critical observers. Nonetheless, most ingredients in the cleaners can be "naturally-derived." The label specifies that alkyl polyglucoside comes from coconut oil and ethanol and glycerine from corn oil. While this is potentially more sustainable sourcing than using petroleum-derived alternatives, there are issues with rainforest habitat destruction relating to harvesting coconut oil and all sorts of environmental concerns associated with corn-based ethanol. This highlights the complexity of the issue of "green" products: not only do consumers harbor concern about toxicity to humans, pets, and the environment, they are also concerned about social and environmental issues surrounding sourcing of raw materials. So, while Green Works™ is "better" than a conventional alternative in terms of toxicity and sourcing, it is far from perfect.

According to their website, Green Works sets their own very stringent standards to ensure that their cleaners are at least 99% natural – that is, derived from renewable resources, biodegradable, and free of petrochemicals. They attribute the remaining 1% to including a preservative and green coloring but are working to find alternatives to be able to claim that the line is 100% natural. Clorox has committed to transparency about the Green Works™ line by listing ingredients on the product and responding to questions online at their blog and through their Shades of Green Journal. Critics argue that since no industry standard definitions currently exist for natural cleaners, Green Works is simply deeming itself green against its own standards, a questionable practice.

The launch also has wider implications for anyone interested in the movement of the mainstream marketplace toward greener products. Green Works™ products qualified for the EPA's "Design for the Environment" label, certifying that they are free of the most toxic chemicals. While this label is displayed on their packaging Clorox wanted to go further. They called in an outside expert, Joel Makower, founder and executive editor of GreenBiz.com. He recommended that the company engage with environmental nonprofits to build support.

The Sierra Club logo also appears on all Green Works labels. In return for its endorsement, the Sierra Club has received an undisclosed fee based partly on Green Works sales. Within the Sierra Club, the reaction to the deal has been contentious, with charges that Executive Director Carl Pope's executive committee had sold out. The decision generated a lot of comments from angry members, some asking for a national referendum on the Clorox decision. Chapter leaders in northern Michigan even resigned over the deal. The pairing with Clorox underlines both the potential upside for major brands enlisting endorsements from environmental organizations and the danger for nonprofit environmental groups of endorsing profit-making companies' products.

With no independent scientific assessment of Green Works™ products and with an undisclosed amount of money changing hands, what does that Sierra Club endorsement really mean? For Clorox, it may be an upside co-branding move, but what about the risk of a cynical backlash? For the Sierra Club, the co-branding puts at risk its independent reputation, but equally it may signal a renaissance for environmental organizations formerly committed to a purely preservationist model of environmental defense.

On another note, despite their commitment to the natural product line, Green Works™, one might question how much Clorox has done to internalize their sustainable marketing communication into their overall operations and product manufacturing. If this commitment had infiltrated the entire organization, there might never have been a controversy or issue with the Sierra Club endorsement.

Sources: Dunn 2008; Kamenetz 2008; Lee 2009; Siegelbaum 2008

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3. What is a sustainable marketing organization?

A sustainable marketing organization (SMO) is committed to ongoing, measurable improvements in its relationships with its external natural and social environments and internal organizational processes consistent with general sustainability goals. Much like a market-oriented organization integrates the needs of the customer into every aspect of the organization, a SMO integrates sustainability goals and values into every aspect of the organization and uses this orientation as a tool to help with every decision the organization makes.

SMO's will adopt suitable goals and values that should be diffused into every aspect of the organization. Ideally, these values and goals are repeated often, and known and understood by every stakeholder of the organization, including those throughout the value chain. Thus, a SMO will have the ability to address sustainability issues throughout its value chain with transparency and confidence.

A sustainable marketing organization is one in which sense making capabilities for capturing and internal dissemination of knowledge are oriented to the detection of unmet needs in the immediate stakeholder community it can best serve. This is done while keeping the external natural and social environments in mind, with the goal of mutual enrichment. The SMO is

characterized by smarter, more efficient, less wasteful use of all resources that contribute to the delivery of market offerings.

In an ideal sense, there are a few key differences in orientation between a sustainable marketing organization and a conventional marketing organization. In the SMO, while important economic profits are viewed as means to achieve sustainability goals rather than ends in themselves. Also, SMO firm is driven by the overarching goal of achieving organizational resilience both in the short and long term time horizons.

A sustainable marketing organization stretches natural resource use by striving to increase the productivity of a given unit of virgin resource by a measurable, meaningful amount, while at the same time seeking to identify and incorporate alternative recycled or renewable resources into its operations. This commitment addresses issues of overharvesting and resource depletion. It also commits to the use of closed-loop production systems so that waste is treated as a resource and reused. Sustainable marketing organizations also seek to replace goods with services. They may lease the services provided by products, rather than selling products themselves. Thus, when a product becomes obsolete or outlives its useful life, the company has maintained ownership over the product and is prepared to take it back for recycle or remanufacture. In other words, the end of the product lifecycle has been built into the business plan. Sustainable marketing organizations invest in restoring, maintaining and expanding ecosystems to sustain society's needs. Through these actions they also avoid regulation and customer cynicism and discontent (Willard 2009, 8).

10 Steps for Transitioning to a Sustainable Marketing Organization

Transitioning to a sustainable marketing organization must proceed incrementally. But imagine these steps as pieces of a pie rather than sequential stages. In step 1, the firm develops a sustainability policy as a core goal. In step 2, the firm builds a long-term commitment to a sustainability ethic at the top of the organization. In step 3, the firm identifies and supports sustainability champions within the firm and across functional areas. In step 4, concrete measures are taken to educate employees about the value of sustainability in driving down costs, increasing resilience, and adding value to product-service offerings. Some like Wal-Mart may wish to make a personal sustainability commitment a part of every employee's formal performance review process. In step 5, the firm initiates and sustains a dialogue with government and non-governmental sustainability interest groups about industry best practices and government regulations. Regulatory compliance is a must and over-performance is a plus. In step 6, the firm develops an assertive sustainability action program integrated into the strategic planning process. In step 7, functional areas or departments are brought together by leadership to work together to respond flexibly to emerging sustainability challenges. Competing intra-firm interests such as engineering, marketing and sales must work together to develop solutions to these challenges. Rewarding real engagement in the sustainability journey can induce employee enthusiasm and creative problem solving. In step 8, the commitment to sustainability is backed

with money allocated to R&D, marketing communications and sales to implement sustainable action programs. In step 9, marketing communications conveys to customers what the firm is doing. This is not simple in today's climate of suspicion towards corporate sustainability initiatives and may require enlisting third party certifying organizations in the communications effort. In step 10, customer response to sustainability initiatives is monitored through an active market research program. The dynamic nature of the sustainability market space requires regular monitoring and flexible adaptation (adapted from McDaniel and Rylander 1993; see also Epstein 2008).

Marketing departments and officers may take the initiative in bringing the sustainability concerns of customers to the attention of management as well as serving as advocates for this transition. Marketers can attempt to heighten sustainability awareness among personnel while focusing on those issues most germane to the firm's product or service lines. It is essential to teach the lesson that sustainability is a cross-functional issue and is simultaneously an intra and inter-firm (value chain) issue. As integrator/implementor, marketing units and officers can bring cross-functional teams together to tackle product life cycle related sustainability challenges. Marketers can also initiate changes in business practices such as instigating formal cradle to cradle, natural step, design for environment, or other procedures into product/service development, regularly include sustainability issues in consumer research, and incorporate sustainability attributes into marketing communications campaigns (Fuller 1999, 115-116).

As with any strategic orientation, there are unexpected outcomes for SMOs from taking on a sustainable marketing orientation. Some of these are positive, and some are things to watch out for.

First, the main unexpected positive outcome of taking on a sustainable marketing orientation is that employees often become deeply engaged with the organization in ways they had not been previously. This kind of employee engagement often leads to greater creativity and innovation in the organization. And, as the organizational commitment literature suggests, greater commitment to the workplace leads to positive word of mouth, fewer missed days of work, and greater productivity when at work.

Second, are the pitfalls, or things to watch out for. One concern organizations have when adopting a sustainability initiative is that their journey will be scrutinized by customers and other constituents. While we are used to see organizations engaging in "greenwashing," we now see them engaging in "sustainability-washing." That is, constituents perceive that they make minor effort towards their stated sustainability efforts, but do not really commit to the sustainability journey as does a truly sustainable marketing organization.

Modern customers are skeptical and often cynical. They are interested in transparency that goes beyond numbers, and are often willing to spend time researching organizations. Because of the amount of information available online, if not thoughtful, careful, honest, and

transparent, organizations may set themselves up for controversy if they preach greater sustainability than they are actually engaging in. This is why we suggest that as organizations take on sustainability initiatives, that they do so cautiously, that they state their successes and set-backs as part of a journey towards greater sustainability, and that they take care not to over promise and under deliver.

Interface Flor provides an excellent example of a sustainable marketing organization.

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A Sustainable Marketing Organization: Interface flor

Interface Flor, is the world's largest manufacturer of modular carpet in the world and a leading example of a sustainable marketing organization. The founder, Ray Anderson, experienced an epiphany in 1994 after which he could no longer run his business as he had for the previous two decades. He has referred to himself as a "plunderer of the earth" (The Corporation 2003), and since his epiphany has worked toward the goal of eliminating "any negative impact Interface has on the environment by 2020" (<http://www.interfaceglobal.com/Company.aspx>). The firm has also worked with organizations in their supply chain and around the world to help other corporate leaders with their own sustainability journeys.

As people at Interface began working towards becoming a more sustainable organization, they recognized the importance of the global ecosystem to the existence of their business, and to the future of the world. Their ultimate goal now is to become a "restorative enterprise" (<http://www.interfaceglobal.com/Sustainability/Our-Journey.aspx>), meaning that Interface will ultimately make a net positive contribution to the global ecosystem.

Interface Flor distinguishes their sustainability initiative from a "green" initiative. Sustainability highlights a systems-perspective that affects operations and guides decision-making at all levels of the organization, including relationships with suppliers and customers (<http://www.interfaceglobal.com/Sustainability/Sustainability-in-Action.aspx>). While Interface fields a team to drive and measure progress toward greater sustainability, the sustainability goals set for the organization are embraced, enacted, and pushed by all employees.

Interface lists ten areas that the company focuses on to achieve their sustainability goals. These include reevaluating raw materials, biomimicry, working toward carbon neutrality, combating climate change, engaging employees, reevaluating energy use, using lifecycle assessments, eliminating waste, closing the loop by turning waste into valuable, reusable products, working with supply chain partners, and addressing greenhouse emissions associated with transportation. These areas seem to provide a basis for innovation, measurement and action. Examples are discussed briefly below.

Innovation

Biobased raw materials involves the search for alternatives to oil-based materials, especially renewable resources. They are currently making commercial modular carpet out of polylactic acid (PLA) fibers derived from maize and other starch containing agricultural plant materials and waste products. These fibers can be produced without using heavy metals, with less water than petrochemical polymers, and waste products can be composted.

(<http://www.interfaceglobal.com/Sustainability/Sustainability-in-Action/BioBased-Raw-Materials.aspx>)

Biomimicry is using nature as an inspiration for sustainable designs and processes. Interface has used this principle to help develop lines of carpet tiles that incorporate “organized chaos” into their design, and thus fit together in seemingly random and seamless patterns, a critical need for carpet tiles that are not all replaced simultaneously. Interface also used biomimicry to develop a carpet tile adhesive-free installation system that releases no volatile organic compounds (VOCs) and can be installed without damaging underlayment.

(<http://www.interfaceglobal.com/Sustainability/Sustainability-in-Action/Biomimicry.aspx>)

Action

Interface engages employees and tries to improve their lives. One way they do this is to create a healthier and safer work environment, through actions already discussed. They see benefits for their organization from these efforts in the form of increased productivity, higher retention rates, and a culture of innovation. They measure and track employee engagement with a yearly survey of all employees. They organized a program called Cool CO₂mmute, where employees calculate their own carbon emissions from commuting, and Interface splits the cost of the offsets with them. In addition, since 2002, Interface has calculated and offset the carbon emissions from company cars, and since 1997, from business air travel.

(<http://www.interfaceglobal.com/Sustainability/Sustainability-in-Action/Supply-Chain.aspx>);

(<http://www.interfaceglobal.com/Sustainability/Sustainability-in-Action/Employee-Engagement.aspx>)

Measurement

Life Cycle Assessment (LCA) involves detailed analysis and evaluation of raw material extraction and processing, manufacturing, transportation and distribution, use, reuse, and maintenance, and recycling or final disposal with the aim of reducing raw materials use, cost and waste and increasing recycling, reuse and value added production. LCA is applied to all their products

(<http://www.interfaceglobal.com/Sustainability/Sustainability-in-Action/Life-Cycle-Assessment.aspx>)

Interface developed Mission Zero™, which commits them to eliminate any negative impact the company has on the environment by 2020. Part of this is taken care of by reducing their carbon emissions, and purchasing carbon offsets for those they cannot reduce. Interface also started a program called Cool Carpet™ in 2003. This program measures the carbon footprint of the carpet using life cycle analysis (LCA), which looks at every part of the carpet’s life cycle from raw

materials to manufacture, shipping, and disposal. They then purchase carbon offsets to balance the footprint. (<http://www.interfaceglobal.com/Sustainability/Sustainability-in-Action/Cool-Carpet.aspx>)

In working toward their sustainability goal, Interface not only engages every employee in the organization, they also provide information and opportunities for every partner in their value chain to engage in sustainability efforts. In addition, they are at the forefront of manufacturing and climate change policy issues, and continuously push for proactive management of all aspects of organizational operations.



4. What is sustainable consumer behavior?

Sustainable consumer behaviors (acquisition, use, and disposition processes) are those that mirror and complement the behaviors of sustainable businesses. Such behaviors seek to minimize the use of virgin natural resources, increase the use of recycled, reused and repurposed resources, reward value chains organized around sustainable principles through ongoing exchange, and engage in co-creative processes of value production with sustainable marketing organizations.

From a managerial perspective, key differences between sustainable consumer behavior and a conventional understanding of consumer behavior are that sustainable consumer behaviors explore the benefits of market offerings that emphasize use value over display or status values and look for ways to transcend common property challenges. For example, consumers interested in more sustainable consumption take account of a wide range of criteria in their purchases of food, cleaning products, toiletries, furniture, and even building products. Common examples are preferences for Fair Trade and organic food, and environmentally friendly cleaning products, e.g., Seventh Generation™ or Green Works™, and toiletries that are not tested on animals. Some consumers are experimenting with novel resource sharing schemes such as car and bicycle sharing offered by either commercial or governmental entities. Some consumers also favor local, independent shops and producers, e.g., Burgerville, USA. Studies in both North America and Europe find that consumers are increasingly willing to compromise on price, brand, convenience, and in some cases, product performance in order to ensure that their purchases are in line with sustainability principles (McDonald et al. 2009, 140).

To contend with common property resource depletion problems, sustainable consumer behavior looks to various third-party verifiers (e.g. forestry products certified by the Forestry Stewardship Council and seafood certified by the Marine Stewardship Council) to support a sustainability journey. Rather than just focusing on the immediate benefits in making purchase decisions, consumers also take the product lifecycle costs and effects into account, including conditions of sourcing, lifetime energy requirements, and disposal facilities.

This being said, consumers most often do not apply sustainability principles consistently across product categories. In the end, they may sacrifice sustainability attributes for more conventional considerations (Bartiaux 2008). In short, sustainable consumption practices in some sectors and

some countries are well developed and actively pursued. In other sectors, this is not the case (McDonald et al 2009, 143).

While product service offerings have increased dramatically, problems of product/service availability, choice and information constrain more sustainable consumer behavior (Newholm and Shaw 2007), suggesting many opportunities for marketers to provide effective information, better product choices, and improve the distribution of more sustainable product lines.

In terms of information, it seems that rather than desiring detailed analysis of all the possible sustainable purchasing criteria, consumers interested in sustainability want simple advice from trusted, independent sources, e.g. the British website, which.com, the Fair Trade label, or perhaps as in the Clorox example, the Sierra Club. These days, third party certifications are often necessary to create a climate of trust around firm sustainability claims. In the absence of this sort of information, consumers may ignore green or ethical criteria altogether, or simplify the process into a buy/do not buy decision. Overall, the simpler the information supplied (providing it is from a trusted source) the more likely it is to be incorporated into sustainable consumer decision making (McDonald et al. 2009, 143). However, the proliferation of sustainability certification schemes and labels including private label schemes such as that being developed by Wal-Mart (Gunther 2009) or Tesco is currently complicating the information environment for consumers. That being said, the value of "information" should not be overemphasized. There is not, as some have assumed in the past, a linear relationship between information provision and more sustainable consumer behavior as discussed below, and consumers make their own assumptions and assessments of risk (see Szasz 2007).

Many firms and consulting companies are still promulgating general segmentation schemes to try to profile the "green" or sustainable lifestyle consumer (Ginsberg and Bloom 2004; <http://www.lohas.com/>). While these schemes may have their uses, the effort to develop a general segmentation scheme is not the best approach to encourage more sustainable consumption. This is because marketing sustainable consumption is not like the marketing of other goods and services and cannot be approached in a traditional way. This is clearly seen by the longstanding and overall low levels of uptake of green and other sustainable products and services and the enduring "gap" between pro-environmental values and purchase and consumption behaviors.

There are two main reasons for this. One lies in the nature of consumer lifestyles. There are two aspects to the lifestyles issue. First, is the finding that contemporary lifestyles rather than being coherent and unified are instead partitioned. Thus, a young mother may be highly motivated to ensure that her new baby consumes environmentally benign, locally sourced, chemical free, organic foods for health reasons, but at the same time may drive a large gas guzzling, polluting, and non-recyclable SUV because of perhaps misplaced concerns for the safety of that same child.

Moreover, it is quite evident that consumers will rarely accept products and services that make their domestic routines more 'rigid' in temporal or spatial scheduling, or that they feel are regressive in terms of everyday standards of comfort and convenience (Shove 2003). They will instead prefer those products and services that give them greater flexibility in performing domestic tasks. For example, promotion of resource 'pooling' as an environmentally or socially beneficial alternative to divisible and privatized consumption is likely to face opposition because

it makes life less flexible and constrains individuals' alternative uses of their time and other resources (Spargaren and van Vliet 2000, 67).

The second, and more challenging issue is that much consumer behavior is organized in terms of routines. More formally stated, much behavior falls into the domain of what social scientists sometimes call practical reason (Sahlins 1976), practical consciousness (Giddens 1991), or dispersed practice (Warde 2005). These are matters of taken-for-granted habit and are not directly influenced by inputs of novel information. Thus in affluent consumer cultures when we are cold we turn a thermostat; when dark we flip a switch to light a room; when bored we power up an electronic diversion; when dirty we jump in a warm bath; and, when we run short of bread, we hop in a transport conveyance powered by non-renewable energies to run to the store, and so on. Most of us never give these actions a second thought; they are mindless; and we are disconnected from the shared but largely invisible social and environmental costs of the private benefits we derive from these acts of consumption.

The other main reason why marketing sustainable consumption cannot be approached through traditional segmentation and targeting strategies lies in the way in which many of the goods and services implicated in unsustainable consumption are provided to consumers. A good many products and services depend upon the presence of pre-existing expert systems that constrain alternative choices, or render them expensive. "Once the citizen-consumer has been 'connected' to the water works, the sewage system or the electricity grid, the consumer has become a 'captive' consumer. Captive consumers cannot just shift from one system to another without losing resources (money, knowledge, skills) that have been invested in the present networks" (Spargaren and van Vliet 2000, 64). Further, every time a consumer makes use of these expert systems in exchange for money, the systems are reinforced. And it is not just mundane resources like water, sewer or power that are implicated. Most products and services are still produced and marketed based on a linear production model that makes it difficult if not impossible to return or recycle obsolete or broken items back into the production process without incurring incremental costs. The loops are not closed; consider the example of used batteries for instance. These expert systems, sunk costs and incremental costs of change, prevent consumers from moving freely between different systems of provisioning, even where other more sustainable options are available, which often enough there are not.

So even if people are striving for more sustainable lifestyles and patterns of domestic consumption, the possibilities offered or not by collective marketing or governmental systems of provisioning are of strategic importance. As Spargaren and Van Vliet (2000) point out, when concern for more sustainable living encounters low levels of sustainable innovation in systems of provisioning, the result is a lack of sustainable consumer behavior. On the other hand, consumers will only accept more sustainable products and services under the condition that these innovations 'fit' into the overall organization of their households and lifestyles, which it will be recalled, are partitioned rather than unified (Bartiaux 2008; Spargaren and van Vliet 2000, 65). When modestly priced, convenient and effective sustainable products are offered, like Burgerville burgers, Interface carpet tiles or Clorox Green Works™ some people will adopt them.

Alternatively, when distributed practices are rendered into integrated practices or when practical consciousness is rendered into discursive consciousness through civic and commercial dialogue or through the emergence of communities of practice like those associated with brand

or consumption communities (Hobson 2001; Schau, Muniz and Arnould 2009; Warde 2005), consumers also may be motivated to adopt more sustainable alternative lifestyle practices. Researchers have identified some such sustainable communities of practice within affluent consumer cultures. Thus, voluntary simplicity, downshifting, anti-consumption groups, and slow living each have specific and subtly different meanings and relate to slightly different ethically driven projects associated with more sustainable lifestyles. There is also a national inflection to some of these movements with anti-consumption flourishing in the UK and France, and slow living finding resonance in Italy. Voluntary simplicity and downshifting seem to have caught the attention of some in the US (Newholm and Shaw 2007; e.g., www.newamericandream.org).

As a result of the emergencies of these communities of practice, an issue in sustainable consumer behavior concerns whether and to what extent sustainable consumption should be conceived of and/or promoted as a form of social action. Some argue that movement of more sustainable products into the mass market risks reducing sustainability to a misguided belief that one can shop ones way to a better world, a criticism also leveled at fair trade marketing schemes (Dolan 2005). Such thinkers argue that to retain a sense of social action, there needs to be more co-creation of value between producers, retailers and consumers. This element of social action they see as important to helping to move towards an overall consumer culture in which consumers are willing to contemplate some reduction of overall personal consumption rates in defense of a more sustainable planet and future (Newholm and Shaw 2007, 263).

There have been and will continue to be many failures as well as successes in the sphere of sustainable consumption. Sustainable goods and services can be offered in ways that do not fit contemporary consumers' lifestyles because they adversely effect prevailing standards of comfort, convenience, and propriety. Products and services may also be turned down by consumers because their adoption, use and maintenance do not fit with the organization of domestic time, space and lifestyle. Sometimes sustainable products fail at the production line because they are designed and produced from a narrow engineering perspective like the early generation of electric cars. Or well-designed products fail because of their mode of provisioning, for example, when consumers are not acquainted with the channels used such as car sharing services, or when they have lost their trust in the providers as with electric utilities (E7 Working Group 2000; Spaargaren and Van Vliet 2000, 72).

Summary

In this chapter we discussed sustainable marketing, marketing sustainability, the sustainable marketing organization, and sustainable consumer behavior, providing explanations and examples for each term.

First, we clarified that sustainable marketing must render organizational processes transparent to stakeholders, enlist stakeholders in value creation, and, attempt to render product life cycles and value chains benign in their effects on natural and social environments. We suggested that sustainable marketing goes beyond the traditional product, price, place and promotion to include providing triple bottom line benefits, incorporate the social and environmental costs of products throughout the product life cycle, engage in customer co-creation of value and

transparency, and create new distribution approaches that incorporate access, sharing, and alternative models of product use and disposition.

Second, we discussed marketing sustainability, the ongoing demonstration that an organization has made commitments to a journey towards general sustainability goals. We cautioned organizations against making false or exaggerated claims about their efforts, and highlighted the importance of clearly stating successes and failures, and being as transparent as possible about the process to facilitate long-term success of this approach.

Next we discussed the sustainable marketing organization (SMO), highlighting its commitment to ongoing, measurable improvements in its relationships with its external natural and social environments, as well as to its internal processes.

Ideally, SMO's adopt goals and values that are infiltrated into every aspect of the organization, and known and understood by every stakeholder of the organization, including those throughout the value chain.

A sustainable marketing organization develops sense making capabilities for capturing and internally disseminating knowledge, while keeping the health of the external natural and social environments in mind. The SMO is characterized by smarter, more efficient, less wasteful use of all resources that contribute to the delivery of market offerings. We also pointed out 10 Steps for Transitioning to a Sustainable Marketing Organization.

Finally, we discussed sustainable consumer behaviors. These acquisition, use, and disposition processes that mirror and complement the behaviors of sustainable businesses.

Sustainable consumer behaviors explore the benefits of market offerings that emphasize use value over display or status values and look for ways to transcend common property challenges. We highlighted strategies consumers use to attempt sustainable behaviors, such as car sharing, purchasing locally made products, and buying products that have been third-party certified. We pointed out difficulties in changing consumer behaviors. For example, non sustainability is built into the systems of provisioning for many consumables. Further, taken for granted norms of comfort, convenience, and value are resistant to retrenchment. Finally, there is a dearth of offerings that provide substantial improvements in sustainable qualities.

Five Suggested Readings

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