THE INFLUENCE OF SUSTAINABLE DEVELOPMENT PRINCIPLES ON SHAPING THE COMPANIES’ MARKETING POLICY

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Today, consumers do not just buy brands, but also buy company philosophies and policies. Worldwide studies have shown that customers tend to favour companies that are perceived to be socially and environmentally responsible. For that, companies need to face the challenge of evaluating their product and service portfolios, as well as the way these products and services are created, produced and marketed. The question is how to integrate marketing strategy and sustainable development principles for the company success. This paper aims to discover how hard young consumers are influenced in their buying decision by the companies’ preoccupations for sustainable development.

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Introduction

Business needs reliable access to sources of raw material, safe working conditions for production, storage and distribution, thriving consumer markets, and safe mechanisms for the disposal of product waste (Pirce and Madden, 2005; Albu and Chitu, 2011).
Marketing has a key strategic role as the interface between consumption and production, with a considerable influence over the construction of the company’s product-market portfolio and also over its communications efforts (Charter et al, 2002).
The relationship between companies and consumers on sustainability is a complex one. Consumers expect more from their expenditure than the acquisition of products and services. There has been a growth in consumers and businesses, using ethical and environmental criteria within at least some of their buying decisions. Companies that recognise this and offer a greener choice may provide opportunities for differentiation through organisational factors. External pressure to improve the social and environmental performance of a company can come from a number of sources (Charter et al, 2002): consumers (1), media (2), regulation (3), public opinion (4).
Field of marketing has evolved over time. Today, the concept of marketing is extending towards fulfilling the needs of future generations, which further means that creating, communication and delivering sustainability based value to customer (Kumar et al, 2012).
Consumer collaboration can be an important driver of sustainability, uniting both experts and consumers in generating smarter ideas and solutions because they come from both the makers and users of the products and services themselves.
The relationship between sustainable development and marketing sometimes appear to be a very difficult one because of the following issue. According to sustainability principles there is need to conserve the resources and to consume less, while on the other hand, the principle of marketing says to sell more, which means more production, hence more consumption of resources (Jones et al, 2008).
So, this paper try to find a way of connection between marketing purpose and sustainable development purpose through the opinions of consumers on how much matters for them the company effort on sustainable development. The first part of the paper is theoretical, presenting some concepts related to marketing strategy and sustainability. The second part of the paper presents the most important results from a marketing research related to consumers’ perceptions on sustainable companies.
Theoretical framework of marketing – sustainable development relationship

Marketing is criticized for encouraging excessive consumption and hedonism, and for promoting a culture of consumption where products and services are the basis of social identity over traditional values (Costa and Vila, 2014).

Interest in sustainable development often arises only after companies have been shamed for pursuing socially harmful marketing activities (Desmond and Crane, 2004; Peattie and Peattie, 2009).

If greener marketing is characterised by a focus on environmental issues (Untaru et al, 2014), sustainable marketing is the next natural step forwards, with an emphasis on progress towards greater sustainability. It is a broader concept which focuses on achieving the ‘triple bottom line’ through creating, producing and delivering sustainable solutions with higher sustainable value whilst continuously satisfying customers and other stakeholders.

Sheth and Parvatiyar (1995, 3-7) were one of the first to propose the idea of a sustainable marketing concept but they left out the social dimension of sustainability. van Dam and Apeldoorn (1996, 45-46) link sustainable marketing to the environment and even combine it with ecological and green marketing under the heading of environmental marketing, with the aim of furthering sustainable economic development.

A more recent definition states that sustainable marketing is “a management conception which attends to the environmental and social demands and eventually turns them into competitive advantages by delivering customers value and satisfaction” (Belz and Karsten, 2010, p.3). Also the concept of sustainable marketing states that an organization must satisfy the needs of today's consumers without compromising the ability of future generations to meet their needs (Kotler and Armstrong, 2010).

The concept incorporates the holistic concept of the triple bottom line which integrates environmental, social, and economic concerns, placing equal emphasis on each.

Companies should pro-actively adopt sustainability in marketing strategy. Sustainability is achieved only if the governments, non-governmental organizations and companies assume the change of external frameworks in the favour of sustainable development and make efforts at local, national and international levels (Danciu, 2013).

The sustainable marketing can be implemented in an organisation only after the company management team follow the three steps included in Fig.1:


Fig. 1. Phases of sustainable development acceptance in the organisation

Sustainable marketing face the challenge of achieving economic prosperity, social equity and environmental quality at business level and to integrate all three dimensions of sustainability (Danciu, 2013). There are significant opportunities for business to help the consumer choose and use its goods and services sustainably (Danciu, 2013). Through sustainable marketing, the business is in the position to create sustainable value for consumers by supplying products and services that meet their functional and emotional needs now and for future generations while respecting social and environmental limits and common values (Charter et al. 2002, p.12; Belz and Peattie 2009, p.31; Martin and Schouten 2012, p.10).

Sustainable marketing as well as sustainable development could be seen as having three dimensions. The social dimension is concerned with employees, communities and equality. The environmental dimension is concerned with businesses making responsible decisions and reducing negative impacts on the environment. The economic dimension focuses on how the business uses resources in a way which allows the business to operate in the long-term while generating profit.

The consumer emerges as the most important stakeholder when it comes to having an impact on a company’s approach to sustainability (Accenture, 2013). In today’s new marketing paradigm, participation is a powerful new currency. Particularly in emerging markets, consumers see themselves as fans, co-creators and champions of the brands in their lives, and they’re weighing in on corporate promises and practices – whether asked to or not (BBMG, GlobeScan, SustainAbility, 2012 - Roadmap).

In the Accenture CEO Study on Sustainability 2013, consumers are ranked among the three most influential stakeholder groups by 64% of CEOs, continuing the trend observed in 2010, when 58% of CEOs ranked them among the top three influencers, up from 50% in 2007 (fig.3).
Accenture CEO Study on Sustainability 2013 is a survey of 1,000 CEOs across 103 countries and 27 industries gives a unique insight into business leaders’ views on the pathway towards a sustainable economy (Accenture, 2013). Other important findings in this report are: 81% of CEOs believe that the sustainability reputation of their company is important in consumers’ purchasing decisions; 46% believe that sustainability issues will always be secondary to traditional factors of price, quality and availability; 28% report that they have secured a price premium with consumers through their reputation on sustainability.

Methodology, results and discussions
To check if sustainable development principles influence organization’s marketing optics which in turn will influence consumer buying decisions we conducted a marketing research. The research theme is related to the identification of Romanian consumers’ perception and interest regarding the companies preoccupied in applying the principles of sustainable development. The research was conducted between February - April 2015. We used the sampling on a voluntary basis. The sample is composed of 215 students at the Transilvania University of Brasov, aged 18 to 24 years. In the international literature this segment is called ‘Young Optimists’. They are among the most engaged on sustainability: two-thirds actively buy sustainable brands, with nearly one in four always considering the social and environmental ethics of brands when making purchasing decisions (Accenture, 2014). After price and product factors, the most motivating incentives to purchase are a strong reputation for being socially and environmentally responsible, followed by the product being better for the environment.

The research is based on a questionnaire which comprise 26 statements based on Likert scale (total agreement - total disagreement).

For an overview of research results and to be able to make comparisons, for each statement we considered only the respondents who chose the response “total agreement”. This way we were able to make the following categorization:

- statements that are totally agreed by less than 30% of respondents
- statements that are totally agreed by 30-50% of respondents
- statements that are totally agreed by 50-70% of respondents
- statements that are totally agreed by more than 70% of respondents

In Figure 2 we can see the variables for which the percentage of respondents that have totally agreed does not exceed 30%. There are 6 such statements. A very small percentage of respondents (15%) give importance to CSR reports or informs on sustainability performance. In this category the statement with the highest percentage is “I often consider sustainability when selecting products and services”.

![Figure 2. Statements that are totally agreed by less than 30% of respondents](image)

The following figure includes the statements for which total agreement was mentioned by maximum 50% of the respondents. Statements that are registered in this category express intention of consumers to buy products from companies that are socially and environmentally responsible.
The following figure includes statements for which the percentage of respondents who chose total agreement is between 50-70%. The highest percentage was recorded by the statement “I bought products whose contents and/or packaging can be recycled.” In this category prevail the statements relating to intentions and motivations of respondents to buy products from companies concerned with the principles of sustainable development.

![Figure 3. Statements that are totally agreed by 30-50% of respondents](image-url)

The following figure includes statements that are totally agreed by more than 70% of respondents. This category includes statements related to the consumers’ confidence in companies that comply with sustainable development principles.

![Figure 4. Statements that are totally agreed by 50-70% of respondents](image-url)

The 26 statements from the questionnaire can be grouped into the following five categories:

- **Consumers’ Trust** in companies preoccupied of sustainable development
- **Consumers’ Interest** in the companies’ efforts of applying the principles of sustainable development
- **Consumers’ Motivation** to buy products from organizations interested in applying sustainable development principles
- **Consumers’ Attitude** with companies applying the principles of sustainable development
- **Consumers’ Communication** with companies on sustainable development topic
If we consider the percentage of respondents who were totally agree with the statements in the questionnaire, we can say that on average, of all respondents:

- 51% agree they have a strong motivation to buy products from companies engaged in sustainable development.
- 47% agree they trust the companies interested in applying the principles of sustainable development.
- 46% are interested in the society and environment wellbeing, but also how companies act in this regard.
- 45% feel the need to communicate with companies on sustainable development and constantly looking information related to this issue.
- 43% take a stand and get involved for supporting sustainable development buying sustainable products, recommending them to other people etc.

Concrete manifestation of the principles of sustainable development in society has led to changing people’s perceptions on consumption and increased their interest in global issues and future risks, making them aware of individuals and organisations responsibilities. Given their strong influence on companies, the consumers can ask them to modify their way of doing business. So the principles of sustainable development together with people’s actions may lead firms to apply those sustainable marketing strategies and policies that benefit consumers, company, environment and society. The following picture show how the sustainable development principles influence consumers behaviour and both influence companies marketing optics.

**Figure 6. Influence factors for sustainable marketing in the organisation**

Conclusions

Companies will win loyal customers by embedding sustainability and social purpose into every business strategy, product design and stakeholder relationship. The precise role of marketing in responding to sustainability issues will vary among companies depending on their industry, size, corporate culture and whether the style of marketing they practice is classically customer-led, technology (product) led or communications focused.

Considering the raised interest of respondents for buying sustainable products, companies should first identify the demand for sustainable products and stimulate it. Then, a proper market segmentation followed by a good identification of the market segments that are natural buyers of the sustainable attributes is very important for the company. Several survey shown that young people (up to 35) are more interested in this topic than the older ones.

The companies should not forget that consumers are willing to cooperate with them for the creation of sustainable products. So, the communication strategy is very important in this matter. The companies have to develop a true sustainable communication because consumers expect transparency and authenticity.

The pricing of sustainable products is an important issue due to its impact on sustainability environmental and social costs caused by production are usually not included in the end price. Instead these are treated as externalities, which are costs that are shifted on to society.

Regarding the distribution sustainable products do not only have to be at the right place, at the right time but also the impacts of their distribution have to be taken into account. We have seen that more than half of the respondents agreed to buy via new channels if this minimise the social an environmental impact.
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