



Sustainability as a marketing tool: To be or to appear to be?



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Abstract While sustainability is an ethical issue, it is also becoming relevant from a marketing standpoint and can be particularly decisive in stakeholder relationships. Companies can approach this issue in different ways, choosing whether to publicize their good conduct or to project a responsible attitude that does not reflect what they effectively achieve. In this context, the authors propose a self-assessment matrix that identifies a better way to make sustainability a source of competitive advantage through a transparency-based approach. By way of a geological metaphor, four types of companies are presented that are distinctive based on two variables: sustainable commitment and communication. Costs and benefits are analyzed for each quadrant, as well as problems resulting from a lack of transparency. In the final section of the article, the authors discuss whether the choice to communicate sustainability can be considered ethical or whether it is only a question of business. Reflections are reported.

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1. Do companies reap what they sow?

The interconnection between sustainability and marketing is closer than it appears. According to one school of thought, the two concepts are incompatible because sustainability is attainable through the reduction of consumption while the objective of marketing is to increase it (Jones, Clarke-Hill, Comfort, & Hillier, 2008). However, this incompatibility is not entirely correct because sustainability

has emerged as a new marketing paradigm in the last few decades (Kumar, Rahman, Kazmi, & Goyal, 2012).

If a company conducts itself well, what are the effects from a marketing perspective? What if the conduct is poor? The real-life example of the Volkswagen automobile company may help to explain this relationship. The company was recently overwhelmed by an emissions scandal (Barrett et al., 2015) raised by the American Environmental Protection Agency (EPA). The EPA has accused Volkswagen of having installed a defeat device to falsify pollution emissions tests in a large number of its light-duty diesel vehicles in order to conceal a negative impact on the environment. The

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automaker's poor sustainability behavior directly reduced its sales and profits; indeed, as reported in the *New York Times*, Volkswagen recently registered its first quarterly loss in at least 15 years (Ewing, 2015). The company's transparency in the matter is still the subject of open investigation. This example clearly shows how communication represents the cornerstone of sustainable marketing, whether or not it is oriented to transparency.

Given the aforementioned considerations, this article aims to describe the different types of approaches to sustainability communication, specifically highlighting the relative costs and benefits. If companies are responsible, do they choose to communicate their commitment, or do they prefer to be more discreet? Do companies regard their sustainable behavior as part of a more general marketing strategy or purely as an ethical issue? Can they take a risk (i.e., greenwashing) or completely ignore the need to be sustainable? Companies have a variety of options. In this study, we explore the characteristics and analyze opportunities or threats distinguishing each one. The big question is: Can sustainability be a marketing tool?

2. To be or to appear? A proposal for a management tool

To enable top managers and entrepreneurs to self-assess their degree of corporate sustainability in terms of commitment to sustainable initiatives and the ability to communicate these to different stakeholders, we propose using a matrix that combines these variables to define four different dynamic states of sustainable initiative transparency. The Y (vertical) axis represents how much a company is doing, and the X (horizontal) axis represents how much it is communicating. To characterize the concept of transparency between an organization and its stakeholders, we have employed a geological metaphor that has previously been used in a different context by several scholars (Lamming, Caldwell, & Phillips, 2006): the ability of minerals to transmit light (see Table 1).

This is our initial device for arranging and discussing the concept of transparency in terms of

sustainable initiatives. We suggest that transparency is a dynamic, and thus manageable, property of a communication relationship between a company and any stakeholders interested in staying informed about its sustainable activities. Transparency is thus not a mere characteristic or attribute.

In our geological example, light is analogous to information or knowledge of the sustainable initiatives implemented (or not implemented) as provided by the company to its various stakeholders via all available media. The matrix breaks down the dynamic states into the four quadrants explained in Figure 1.

Rather than being solely *opaque*, *translucent*, or *transparent*, a commitment to sustainability and a commensurate approach to communication is apt to include elements of all three features. These elements are likely to be distributed over the range of interface processes through marketing channels and communication media in line with different categories of stakeholders. One example might be how territorial differences influence the approach to communication. Consider the fact that, unlike manufacturing facilities in the Far East, European factories are often ISO 14001, OHSAS 18001, or SA8000 certified. Luxottica, among other firms, lists on its website (<http://www.luxottica.com>) the ISO 14001 and OHSAS 18001 certifications achieved by its Italian factories, but makes no mention of such relating to its Indian manufacturing facility—despite Asia being an important market in terms of retail sales. This difference effectively means that the degree of communication and of sustainable performance could differ depending on variables (e.g., national legislation, corporate culture of sustainability, internal alignment on sustainability, cost of certifications, financial resources) that can induce companies to adopt different marketing strategies, which are not always classifiable in a single quadrant of the matrix.

In fact, there is no one-size-fits-all solution for achieving internal alignment on sustainability; each company faces a unique set of challenges and constraints. We do see that companies leading the way are proactively looking to align their sustainability actions across departments by beginning with self-reflection. How can executives evaluate

Table 1. The metaphor of transparency: The behavior of light as an analogy for communication of sustainable operational activities to stakeholders

	Opaque	Translucent	Transparent
<i>Geological case (light shining through a mineral)</i>	Light cannot penetrate the surface of the substance	Light can enter and exit the surface of the substance, but with distortion	Light enters and exits the surface relatively undisturbed

Source: Adapted from Lamming et al. (2006)

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