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Australasian Marketing Journal

journal homepage: www.elsevier.com/locate/amj

Marketing for sustainability: Extending the conceptualisation of the marketing mix to drive value for individuals and society at large

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ARTICLE INFO

Article history:

Received 19 January 2017

Revised 24 April 2017

Accepted 28 April 2017

Available online

Keywords:

Marketing mix

Partnership

Principles

Priorities

Promise

Sustainability

ABSTRACT

The purpose of this paper is to provide new theoretical perspective on marketing for sustainability, particularly for dealing with the environmental threat of climate change. We reconceptualise how marketing is operationalised through the conceptualisation of the marketing mix in order to permit the normalisation of sustainability considerations in business operations and consumption. To the traditional four Ps (product, price, promotion and place) we add but recalibrate for the specific purpose of sustainability participants, processes, and physical evidence, and introduce: promise, principles, and partnership, arguing that each of these may be considered a controllable marketing variable that will contribute to the creation/co-creation of individual and social value. This framework is developed and justified in order to make a novel contribution to marketing theory and practice. Limitations and future research directions conclude the discussion.

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1. Introduction

The American Marketing Association's (2013) defining of marketing has repositioned our conceptualisation of marketing, moving it away from the (2004) notion of managing value-based customer relationships that benefit the organisation and its stakeholders to managing the "exchange of offerings that have value for customers, clients, partners, and society at large" (American Marketing Association, 2013), and departing significantly further from the 1985 definition, which considered only the interests of individuals and organisations, and regarded marketing as: "the process of planning and executing the conception, pricing, promotion, and distribution of ideas, goods, and services to create exchanges that satisfy individual and organizational objectives" (Lusch, 2007). According to Gundlach and Wilkie (2009), the AMA's new aggregate view of marketing ("and its systemic properties", p. 263) recognises a role and responsibility for creating value broadly, "which easily translates into conceptions of markets and people being affected by marketers' actions" (p. 263), and positions its thought and practice for the future, "equipping scholars and practitioners with the capacity to address marketing's ever-increasing complexity" (p. 263).

The AMA's conceptualisation of marketing is "considered the standard both for marketing practice and for academic research and education" (Grönroos, 2006, p. 398). While marketing is still about creating value for individual consumers, it now also recognises the

importance of partners, and the need for the simultaneous creation of environmental and social value for society at large. The new definition echoes the societal orientation argued for almost half a century earlier by, for example, Kotler and Levy (1969) and Lazer (1969). Marketing's repositioning has called for new approaches to accommodate value creation for *society at large*, including calls for it to help ameliorate the impacts of climate change. Value for society at large might be equated to the concept of *sustainable development*, described as "development that meets the needs of the present without compromising the ability of future generations to meet their own needs" (World Commission on Environment and Development, 1987, p. 43). These needs have recently been articulated through the Sustainable Development Goals (SDGs) (United Nations Sustainable Development Goals, 2015).

In celebrating the 75th anniversary of the Journal of Marketing, Kotler, (2011) called for not less than the discipline's reinvention, arguing that, to address pressure from consumers to change marketing practices, as consumers were no longer choosing brands on functional and emotional grounds only, but also on how companies meet their social responsibilities, "companies must address the issue of sustainability" (p. 132). Similar cries have risen in services marketing (Ostrom et al., 2015), especially as marketing has been under pressure in recent years to prove its contribution to company performance and also develop new capabilities in such diverse fields as new digital communications, the co-creation of value with end-users, and sustainability (Tollin and Schmidt, 2012, pp. 509–10). Not all have recognised the imperative of marketing's new role, however. Kumar, (2015), for example, while highlighting the need for "new thinking in marketing" (p. 6) did not include mention

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of sustainability in his recent look at what has happened and what to look out for in the discipline, but did lament the decline of conceptual articles and noted calls “from within the community” for more conceptual articles and marketing scholarship (p. 6).

The capacity to address marketing's, and arguably markets', increasing complexity, is recently taken up in this journal by Layton, (2016), who argues that reframing marketing as a major discipline within the social sciences will enable its scholars and scholarship to play a stronger role in contributing to debates around solutions for the creation of economic value, and also social value. Layton argues that this value for society at large will permit (enterprise) marketing to move from displaying scant concern for the externalities “which lie at the centre of many of the issues we now face” (p. 3) to address, *inter alia*, “rethinking sustainability and its impacts” (p. 5). Shultz (2016) echoes Layton's perspective, and notes that casting marketing in this systems-oriented role has typically been captured within the domain of macromarketing, which focuses on: “interactions among markets, marketing and society, ideally toward the enhancement and sustainability of societal well-being and individual quality of life” (p. 257). Layton, however, cautions against the field of marketing fragmenting into “a number of increasingly separate sub-fields, each responding to a narrowly defined range of interests with often very specific methodologies”, as this is likely to “restrict our capacity to respond in a holistic manner to the kinds of challenges we now face” (p. 3). The American Marketing Association's (2013) re-definition of marketing appears to have averted such an outcome, conceiving all marketing to have as a focus the simultaneous creation of societal value. The approach to marketing for sustainability presented within this article seeks a holistic conceptual approach to how this focus might be included.

The purpose of this paper, in light of the AMA's broad-based interpretation of contemporary marketing and to advance our understanding of how marketing's externalities might be proactively managed, enhancing both individual and societal well-being, is to provide new theoretical perspective on marketing for sustainability. We reconceptualise how marketing is operationalised in order to permit the normalisation of sustainability considerations in business operations and consumption, chiefly through an expanded notion of the marketing mix. We propose a novel framework that, we argue, will better equip scholars and practitioners to work towards greater marketing-sustainability outcomes. While we insist that sustainability considerations must permeate each level of a business's strategic planning, from the vision/mission down, we focus our attention on the tactical level of the marketing mix. It is argued that the marketing mix is a logical place to review and mark recommendations in regard to marketing's role for sustainability, given it embraces the controllable variables the firm uses to influence demand by creating value. The AMA defines the marketing mix as the “mix of controllable marketing variables that the firm uses to pursue the desired level of sales in the target market” (American Marketing Association, 2016). Increasingly, these sales will accrue to the businesses and organisations that consider the simultaneous achievement of individual and societal value in their market offerings (e.g. Cone Communications, 2015).

The proposed framework expands the set of activities that might be drawn upon within the notion of the marketing mix, taking our point of departure as McCarthy's (1960) four Ps. To these traditional *four Ps* (product, price, promotion and place), which remain implicit in the American Marketing Association's (2013) re-definition of marketing (through the “creating, communicating, delivering and exchanging of offerings”) we add from the services marketing literature (Booms and Bitner, 1980, 1981) but recalibrate for the specific purpose of sustainability: *participants* (or, *people*); *processes*; and *physical evidence*. Further, working inductively from the perspective of emerging sustainability practice, we introduce: *priorities*, *promise*, *principles*, and *partnership*, arguing that each of these is control-

lable (that is, manageable) by marketing managers, and will contribute to the creation/co-creation of individual and social value. We note and echo Grönroos's (2006) point that value is not delivered, but is more typically co-created, and add significant nuance to how an enterprise's market offerings come into being. We note that the creation of value for society at large also, indirectly, contributes to the creation of value for individuals as consumers increasingly seek pro-social and pro-environmental attributes in their market exchanges (e.g. Cone Communications, 2015).

The conceptual approach proffered in this article is based on inductive research, taking from critical case examples (e.g. Yin, 2014) of contemporary marketing practice, and argues that the proposed marketing-for-sustainability mix of controllable variables is sufficiently robust and expansive to span business sectors (e.g., enterprise, not-for-profit and institutional marketing) and organisational scale, from large, global corporations to SMEs. Indeed, all enterprises and organisations that are in the business of creating value (Porter, 1985) might simultaneously be observed to be in the business of coincidentally creating harm (Polonsky et al., 2003; Porter and Kramer, 2006). The purpose of the proposed approach is to attend to minimising this harm creation, which is typically borne by society at large, and thereby maximise the creation of individual and societal value. We contend the approach provided here will be sufficiently flexible to have universal applicability, serving the sustainability-oriented needs of those faced with the challenge of managing contemporary marketing (American Marketing Association, 2013), in general.

The next two sections will review the literature to describe what marketing for sustainability might look like and the state of play of marketing's confluence with sustainability. A brief summary of marketplace evidence from the demand and supply sides is then presented. This is followed by a description and justification of the proposed marketing for sustainability mix, a discussion, including this paper's limitations and suggestions for future research, and concluding comments.

2. What marketing for sustainability might look like

The 1987 definition of sustainable development is often the starting point for interpreting what sustainability, and what marketing for sustainability, means in relation to business operations: “development that meets the needs of the present without compromising the ability of future generations to meet their own needs” (World Commission on Environment and Development, 1987, p. 43). This development is predicated on more responsible production and consumption.

In September, 2015, the General Assembly of the United Nations adopted a set of goals “to end poverty, protect the planet, and ensure prosperity for all as part of a new sustainable development agenda”, with each goal having specific targets to be achieved by 2030 (United Nations General Assembly, 2015). The 17 Sustainable Development Goals, and their 169 specific targets, focus on “areas of critical importance for humanity and the planet” (United Nations General Assembly, 2015, p. 1), including: People, Planet, Prosperity, Peace, and Partnership. To help proselytise the SDGs, 9000 cross-sector companies and 3000 non-companies across 170 nations have signed up to Global Compact LEAD, with the mission to take a comprehensive approach to sustainability by: (i) operating responsibly in alignment with universal principles; (ii) taking strategic actions that support the society around them; (iii) committing at the highest level; (iv) reporting annually on their efforts; and (v) engaging locally where they have a presence (United Nations Global Compact, 2016).

Sustainability means the maintenance of both environmental and human health, through the use of renewable rather than finite raw materials and the minimisation and eventual elimination of hazardous effluents and wastes (Charter et al., 2002). Martin and

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