

Sustainable Marketing, Innovation and Consumption

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ABSTRACT

Sustainable marketing and innovation work hand-in-hand, fostering both business growth and environmental responsibility. Sustainable marketing promotes products and services in ways that are environmentally responsible and ethically sound, while innovation drives the development of eco-friendly technologies and business models. Sustainable marketing is a purpose-driven practice that works to orientate businesses, brands and society towards a sustainable future, influencing appropriate awareness, aspiration, adoption and action across economic and sociocultural systems by taking necessary accountability for its impacts and opportunities. In doing so, it acts in service of long-term wellbeing for all.

Defining the Scope of Sustainable Marketing

For marketers looking for guidance on sustainable marketing, Google search results fall into the trap above, failing to illustrate the scope of change needed. For an industry in a state of transition, partial or misinterpreted definitions of the transformation required can be counter-productive. Clear and proportionate ambition is needed to create a strategy fit for the existential crises we face. Transformation of the marketing sector will require a realignment of its purpose and role in a sustainable future. It will involve rewiring the way marketing is practiced, reclaiming the skills and competencies of marketers and creatives in service of sustainability, and reinvesting the industry's creativity, innovation and technology in sustainable outcomes.

Sustainable Marketing Impacts & Opportunities

Marketers must understand that current practices contribute to negative outcomes. The sustainable marketing practice we need will take accountability for its areas of impact and opportunity. We can think of these areas as follows:

- Financial
- Physical
- Psychological, sociological and cultural; and
- Ethical.

These areas are further explored below:

Financial impact and opportunity

Marketing is a sibling of economics and an engine room of an economy that is currently organised in a way that has outgrown the limits of our natural world. The continued growth of an economic system that is only financially-focused will destroy its environment and the living things that depend on it. **To transform the economy, we must transform the market and the marketing driving it.**

With the urgent need for new economic thinking comes the urgent need for marketing professionals to advocate and demonstrate new leadership on profit and growth via a purpose-first approach to marketing and business activity. Purpose-first growth positions profit as a means rather than an end, in service of a purpose that is targeted at directly delivering a positive contribution to society



Sustainable marketing takes responsibility for the influential role it can play in driving businesses and clients to rewire the economy. This involves:

Embracing and embedding new ways of thinking about profit and what we are growing

Influencing and achieving organisational purpose

Measuring what matters and setting the right targets for social and environmental progress

Driving innovation in offerings that will serve society, and

Mobilising stakeholders to support sustainable business practices.

Physical impact and opportunity

The term 'marketing footprint' refers to the physical real-world impact that marketing strategies, decisions and operations have on our collective long-term wellbeing and the social and environmental systems that underpin it. Physical real-world impacts include the likes of emissions, waste, pollution, land degradation, loss of habitats and species, human health and equality.

Sustainable marketing uses its position of key influence, at the intersection of business and society, to drive positive change across production and consumption to protect and restore the health of social and environmental systems.

It takes appropriate accountability for the impact and opportunity of its **direct** operational footprint (generated via campaigns, production, events, etc) and the **indirect** supply-side (production) and demand-side (consumption) footprints that it influences. This involves:

Gaining and maintaining an understanding of systems health and marketing's contribution to it

Building the achievement of sustainability into strategic thinking, planning and execution

Engaging in the methodology and technology available to account for marketing's direct footprint

Supporting the innovation working to close gaps in industry-wide footprint accounting

Ensuring appropriate responsibility is taken for marketing's indirect footprint; and

Accepting the leadership role that marketing has in creating positive change in production and consumption.

Psychological, sociological and cultural impact and opportunity

Marketing shapes our perception of what is valuable and aspirational and influences our individual and collective values, worldviews, identities and lifestyles. Through this, marketing influences what is normal and desirable for individuals and groups in the cultures and societies where it is active.

This effect is known as 'marketing's brainprint'. It transcends the business system and enters society, through brands, and via the likes of advertising, entertainment, publishing, production, product design and what is and is not broadcast and reported.

Every time marketing, media and creative professionals make a strategic or creative decision, they have the opportunity to re-enforce sustainable or unsustainable behaviours, norms and the values that underpin them.

The marketing practice we need requires active acknowledgement of the psychological, sociological and cultural impacts of marketing and creative activity, and ensures this influence and opportunity is aligned with sustainable outcomes. This involves:

Developing and delivering narratives that are aligned with sustainable ends

Using the power of creativity in service of sustainability

Influencing attitudes, beliefs, norms and behaviours that are aligned with a sustainable future

Helping us individually and collectively align what we perceive to be valuable, aspirational and desirable with sustainable outcomes for all living things; and

Embedding sustainability in our culture and society.

Ethical impact and opportunity

While often unintentional, the consequence of misinformation, greenwashing and purpose-washing can scale from being marginally to critically devastating depending on the associated footprint and brainprint. Beyond increasing awareness, adoption and share-of-voice for unsuitable goods and services, it reduces the understanding, trust and action needed across



society. Green or purpose-hushing can be equally damaging at a time when transparent, truthful and transformational brand advocacy and business-led change are needed.

Transparent, accurate and evidenced communication is needed through every available medium to guide and encourage movements across business and society to address the complex and interwoven challenges that undermine the collective wellbeing of people, nature and our climate.

The marketing transformation we need will see the sector both managing its moral duty and the potential of its work to create united movements of change that are directed towards the future we want, rather than the collective confusion and inaction that holds this back. This involves:

Aligning marketing objectives with the social moral landscape

Leading proactively for the behavioural change needed and healing the issues marketing has created in the past

Ensuring marketing claims adhere to the latest legislation, regulation and standards and are therefore truthful, meaningful, transparent, clear, substantiated and considerate of the full product lifecycle

Using the necessary, most relevant and credible standards, certifications and accreditations available to endorse, substantiate and support marketing and brandwork

Engaging with track and trace technology when and where appropriate

Maintaining marketing's creativity while adhering to moral codes and frameworks; and

Collaborating to evolve these frameworks, learning from peers and experts.

A growing number of studies have found a gap between the awareness and behaviors of consumers in the field of sustainable consumption. This gap is also reflected in the fact that groups of online retail consumers of cold chain food products are difficult to convert to take up sustainable consumption behavior even though they are concerned with environmental protection (Stål and Jansson, 2017; Young et al., 2010). To resolve these challenges, it is important to recognize the role of enterprises. In corporate marketing departments, unmet sustainable demand is a market opportunity for enterprises (Widaningrum et al., 2020). In recent years, through sustainable marketing innovation (SMI) services, enterprises begun to provide marketing services that not only meet consumer and enterprise needs but are also conducive to sustainable development (Romani et al., 2016). In fact, even as it aids enterprises in making profit, SMI can provide consumers with more acceptable and optional green services to guide and encourage consumers to participate in sustainable consumption behavior (SCB) (Ferdous, 2010). Moreover, such SMI services are increasingly forming partnerships with consumers, guiding them to receive services and promoting a shared responsibility to protect the environment (Romani et al., 2016). As a result, enterprises' interest in SMI is increasing rapidly, and surveys show that most companies plan to increase their SMI spending (Tillinghast, 2010). Sustainable development in marketing may be the largest challenge facing enterprise marketing at present (Ferdous, 2010). Studies show that services' functional characteristics remain the main influencing factor in consumers' purchase decisions, while green characteristics seem to have little practical importance (Rokka and Uusitalo, 2008). Consumers also engage with SMI services primarily for their functional value, which makes sustainability attributes only secondary or complementary. If consumers perceive a negative consequence (such as reduced product performance, additional cost, or inconvenience) for participating in SMI services, they will quickly resort to unsustainable alternatives (Luchs et al., 2015). This study aims to determine the determinants that influence enterprise SMI services to promote consumer participation in SCB.

Gaps remain in the existing literature on SMI. First, most previous studies study SMI alone and neglect the structural relationship between SMI and consumers' SCB through specific marketing cases (Stål and Jansson, 2017). In addition, although extensive studies have investigated consumer perceptions in sustainable marketing (Ferdous, 2010), few have explored the impact of SMI services on consumer cognition and behavior. Finally, as most studies focus on the design and practice of SMI, little work has been done on the service characteristics of SMI. Furthermore, little research has focused on the role that the characteristics of SMI services play in guiding consumers to participate in an SCB (Fiore et al., 2017). Therefore, we argue that examining the relationship between SMI service characteristics and consumer perception and behavior can clarify the factors that drive SCB practices and establish efficient SMI services.

To make up for the research gaps regarding SMI and SCB, this paper identifies recyclable express package marketing of cold chain food by online retailers as a representative research context and integrates the following three theories to identify the impact of SMI service characteristics on consumer SCB: innovation diffusion theory, perceived value theory, and planned behavior theory. First, according to the diffusion theory of innovation, SMI service should be seen as innovative relative to traditional marketing methods, spreading out over time across certain social channels (Rogers, 2010). Thus, consumer participation in cold chain food recyclable express package marketing services is mainly affected by five factors, namely, relative advantage, compatibility, complexity, trialability, and observability of SMI service (Yuen et al., 2020a). These



factors provide antecedent variables for consumers to participate in SMI and implement SCB. Second, perceived value theory holds that consumer perceived value is usually manifested in four aspects: economy, function, hedonism, and social utility.

It can be derived from an evaluation of the characteristics of SMI service (Yuen et al., 2020b). Finally, planned behavior theory is most often used to explain consumer adoption behavior, and it provides a basic understanding of most human behavior (Ajzen, 1991). For this theory, attitudes, subjective norms, and perceived behavioral controls predict behavioral intentions. In this study, consumers' attitudes (e.g., perceived value or consumer satisfaction) toward obtaining SMI services are seen as the major factors influencing consumer participation in SCB. If SMI service features provide consumers with superior customer value and shopping satisfaction while promoting consumers' participation in express package recycling (EPR), then consumers have stronger behavioral intention to participate in SCB (Wang et al., 2004). In summary, our study takes a theory-driven approach, in distinction from previous work. This study elaborates on the integration of the three theories that support this view. The three theories are both independent and mutually influencing, creating a unique perspective for theoretical research on SMI's influence on consumers' participation in SCB. In particular, the applied theories related to innovation diffusion paradigm have not been given much attention in the field of marketing innovation.

It's natural for a business to use all of its genetic makeup to promote itself and stand out in its market. For example, SMEs frequently use grassroots beginnings or a local focus to give them a unique tone of voice, while larger companies pride themselves on winning industry awards.

Another strategy that is becoming more popular for companies looking to make their mark is sustainable marketing. Corporate Social Responsibility (CSR) is becoming a more common brand value, with the most recent Conference of Parties (COP) highlighting its 2023 objectives as:

Reducing emissions

Helping countries adapt

Climate finance

Responsibility for the climate crisis is shared by governments, businesses, and individual consumers. So sharing your eco credentials could help you win more business accounts or increase customer loyalty, depending on your goals. However, it is essential to plan and execute sustainable marketing carefully or your brand can leave itself open to heavy scrutiny.

Sustainable marketing is the promotion of environmentally and socially responsible products, practices, and brand values. If you've ever spent a little bit more on something because you knew it was locally sourced or 100% recyclable, you've experienced sustainable marketing.

Sustainability marketing is one aspect of how you choose to position your brand, but used right, it can be very powerful, as the examples show below:

If you're looking for strategic marketing solutions to help manage how your brand is perceived in your customer's minds, check out our new brand positioning template, for Business Members.

Don't forget, all our branding and marketing tools are integrated across our RACE Growth System, designed to help you make smarter use of digital marketing to achieve your goals.

Examples of sustainable marketing

There are a number of approaches businesses could take to becoming more sustainable, such as:

Donating profits to sustainable causes

Sourcing sustainable materials and/or packaging

Creating a product that contributes to sustainable living

Key Principles:

It focuses on transparency, honesty, and building long-term relationships with consumers by aligning with their values.

Examples:

This includes promoting eco-friendly products, reducing waste, and conserving energy.

Benefits:

It can help companies address criticisms about pollution and misinformation, and it can improve customer trust and loyalty.

INNOVATION IN SUSTAINABLE MARKETING:

Importance:

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Companies prioritize sustainability are more likely to invest in research and development of environment-friendly products, technologies, and business models.

Examples:

This includes developing innovative packaging solutions, creating circular economy models, and exploring new technologies for reducing carbon footprints.

Impact:

Innovation allows companies to adapt to changing market dynamics, respond to consumer preferences, and position themselves as forward-thinking leaders.

Business Case:

Sustainable marketing can drive innovation and create new business opportunities by addressing environmental and social concerns.

EXAMPLES OF SUSTAINABLE MARKETING AND INNOVATION:

Reusable packaging:

Encouraging customers to return and reuse their glass jars or bottles, instead of throwing them away.

Eco-friendly products:

Developing products made from recycled materials, biodegradable packaging, or using renewable energy.

Circular economy models:

Designing products for durability, repairability, and recyclability, extending their lifespan and reducing waste.

Green marketing techniques:

Utilizing innovative marketing techniques like green labeling, eco-tourism, and other methods to promote sustainable products and services.

1. CONCLUSION

Sustainable development goals are aligning marketing innovations to meet sustainability interventions. Recently, marketing has evolved to incorporate sustainability in outreach objectives. Heightened literature on the interplay between sustainability, innovations, and marketing demands a holistic understanding to guide future research direction. The current review bridges the research gap using quantitative performance analysis and qualitative intellectual structure analysis. The thematic and content analysis points towards permeating sustainability focus across the business verticals and value chain for differentiated brand positioning and sustainability-based competitive advantage. The emergent conceptual framework underpins the moderated-mediation role of sustainability and economic enablers with marketing initiatives to promote business innovations beneficial to all stakeholders. The sustainability-aligned innovations in products and processes reflect in gaining cost advantage, revenue generation, access to newer markets, and differentiation. It can be inferred from the study that sustainability and conducive marketing strategies can co-create value across the value chain, providing tangible and non-tangible corporate payoffs. This cross-section in the research domain calls for environmental and business focus at the micro and macro levels, supported by pro-business strategies, system efficiencies, productivity, and technological changes in synergy with the societal landscape. The findings discern strategic directions for practitioners to chart out an organizational portfolio centered around marketing innovations to create business value for the shareholders and sustainability value for the stakeholders, ecosystem, and society. The conceptual framework can help academicians comprehend the business model around sustainability, innovations, and marketing. The evolutionary mapping of the research domain can be used to discern corporate or macro-level policies and transcend reforms aligned to the dynamic market/stakeholder expectations.

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