

16.2: Sustainable Marketing

Learning Objectives

By the end of this section, you will be able to:

- Define sustainable marketing.
- Explain the three pillars of sustainable marketing.

Environmental Sustainability

Consumers increasingly demand purpose over profits from the brands they work for, shop for, invest in, and allow within their communities. In fact, an IBM study on consumer behavior indicated that 57% of consumers would alter consumption habits to be more environmentally conscious, and nearly 80% of survey respondents indicated that sustainability is essential (Haller, Lee, & Cheung, 2020). Therefore, sustainability is a business imperative. As defined by Philip Kotler, Professor Emeritus at Northwestern University, “the concept of sustainable marketing holds that an organization should meet the needs of its present consumers without compromising the ability of future generations to fulfill their own needs” (Onuoha, 2021). In other words, products and services consumed today should not harm consumers of tomorrow.

Sustainable marketing infuses purpose into socially conscious brands, products, and services. Marketing seeks to differentiate the brand based on mission. Sustainable brands define a purpose, orient to consumers' and related groups' values, align purpose with strategy, and reflect sustainability in marketing. This business strategy gives brands an edge with those who seek brands that align with their values.

The three pillars of sustainable marketing include environmental sustainability, social good, and economic return (see Figure 16.2). You may have heard the term “planet, people, and profits,” which describes the three pillars of sustainable marketing. Businesses meet the needs of the marketplace without sacrificing the future viability of the world. Companies increasingly follow an environmental, social, and governance strategy and use these ESG pillars to guide their work. The topic extends beyond sustainability into doing what’s right socially and ethically. Companies report their quantitative and qualitative results in annual disclosures to share the impact of ESG efforts.

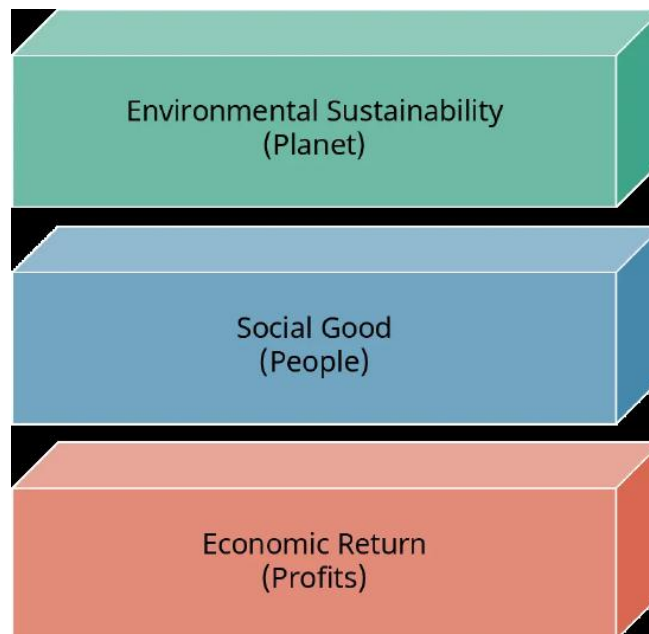


Figure 16.2 Three Pillars of Sustainable Marketing (CC BY 4.0; Rice University & OpenStax)

Link to Learning: ESG

Are you interested in learning more about the elements of ESG? Here are several sources where you can read more:

- [Global advisory firm, PwC](#)
- [Finance company, NerdWallet](#)
- [HubSpot 2022 sustainability report](#)
- [Accenture](#)

The environmental pillar focuses on reducing a company's impact on the environment. For example, companies may reduce their environmental impact through recycling, reusing, minimizing waste, and increasing energy efficiency. Stonyfield Organic is committed to the environmental pillar and plans to cut carbon emissions by 30% by 2030. In addition, it plans to focus on energy conservation, waste reduction, and sustainable packaging and logistics (Black Morgan, 2019). Additionally, Subaru of Indiana Automotive operates a “green lean” manufacturing facility designed as a zero landfill. Subaru recycles or composts 98% of its manufacturing waste and incinerates the remaining 2% as waste to fuel (Farzad, 2011).

The social pillar considers a company's consumers and employees and creates a more inclusive environment for its community. Much of the work in the social pillar occurs through responsive programs for employees that increase well-being. However, companies can also reach beyond their walls to impact their communities.

Link to Learning: The Story behind State Bags

There are many examples of companies that work to support their communities. One example is State Bags. State Bags donates a bag filled with school supplies for each bag purchased. It also partners with nonprofits such as Seeds of Peace, Time's Up, and Bottomless Closet to support women and children from underserved communities (State Bags, 2022). You can learn more about [State Bags and its work by visiting the company's website](#) or following [the State Bags Instagram account](#).

Adobe is another example of a company that works inside and outside its organization to effect social change by partnering with local nonprofits in the communities where its employees live and work. Adobe has a rich diversity, equity, and inclusion initiative that empowers diverse voices. For example, Gen Create is a digital space for diverse thinkers and creators to collaborate to change the world for the common good. Finally, Adobe provides access to its software to underserved communities so that they can work toward greater equity regardless of location.

Link to Learning: Adobe Gen Create

Check out [Adobe's Gen Create program](#), a place for young creators to collaborate and effect change.

The economic pillar (governance pillar) of sustainability concerns profitability and business ethics. Businesses cannot be sustainable if they are not profitable, which is a clear key sustainability performance indicator. Companies can demonstrate success in the economic pillar through proper governance structures, risk management, and compliance. Proper governance over voting, legal compliance, and accounting standards shows people that companies are following their obligations. Governance also includes business ethics, anti-competitive practices, and tax transparency. At the end of the day, is the company doing the right thing for its investors and all of its interested parties?

Governance structures can be examined to ensure diversity of leadership that aligns with the company's various interested and influential groups. Fortune and Refinitiv partnered to develop a Measure Up initiative to bring transparency to Fortune 500 businesses' diversity, equity, and inclusion work. The initiative reviewed policies, employee resource groups, percentage of minorities in board or leadership positions, and salary parity to determine a score for companies. Companies such as Microsoft, Target, and Gap rated highly on the criteria, demonstrating advanced diversity, equity, and inclusion (Fortune, 2022). Amazon publishes its representation statistics sorted by job level to illustrate how it is making progress in creating a more diverse workforce.

Link to Learning: Measure Up

Learn more about the [Measure Up initiative](#) to help businesses build fair and inclusive workspaces. It ranks companies based on their diversity, equity, and inclusion (DEI) disclosure and performance metrics.

Knowledge Check

It's time to check your knowledge on the concepts presented in this section. Refer to the Answer Key at the end of the book for feedback.

1.

If a brand develops a diversity, equity, and inclusion initiative, which pillar of sustainability is addressed?

- a. Environmental
- b. Social
- c. Economic
- d. All of the above are correct.

2.

How does sustainable marketing differentiate from other types of marketing?

- a. It is more expensive.
- b. It is only for people who care about the environment.
- c. It is a business imperative.
- d. It is rooted in purpose.

This page titled [16.2: Sustainable Marketing](#) is shared under a [CC BY 4.0](#) license and was authored, remixed, and/or curated by [Elisabeth Dellegrazie](#) via [source content](#) that was edited to the style and standards of the LibreTexts platform.

- [19.1: Sustainable Marketing](#) by [OpenStax](#) is licensed [CC BY 4.0](#). Original source: <https://openstax.org/details/books/principles-marketing>.