Marketing and Sustainable Development

Marketing wobec zrównoważonego rozwoju

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Abstract
The article presents the significant, though not universally acknowledged, role of marketing in generating imbalance in the developmental processes of modern economy and society. As the foundation of such analysis, the authors adopted the category of values, which constitutes on the one hand ethical reflection accompanying human activities connected with sustainable development, and on the other explains the nature of market behaviour of the modern consumer. In the search for the mechanism disturbing sustainable development, the authors pointed to the phenomenon of degradation of household as the most important component of the socio-economic system. Such degradation occurs under pressure from the market powered by innovation, the enterprise exposed to fierce competition and the state which supports in its policy the concentration of capital and unbalanced consumption. It has been proved that the processes which shorten the market life cycle of goods and reduce the contemporary human, market participant, to the role of an unreflective consumer, are in conflict with the principles of sustainable development. Modern marketing can be oriented to the realization of the principles of sustainable development, introducing the paradigm of ecologisation into the theory and practice of marketing activity – with reference to the model of managing a modern enterprise as well as to the process of revision in consumers’ consciousness and attitudes, gradually turning them into eco-consumers.

Key words: sustainable development, marketing, consumer, ecologisation

Streszczenie
W artykule wykazano znaczącą, aczkolwiek powszechnie nie uświadomianą rolę marketingu, jaką funkcja ta odgrywa w generowaniu nierównowagi w procesach rozwoju współczesnej gospodarki i społeczeństwa. Jako podstawę takiej analizy przyjęto kategorię wartości, stanowiącą z jednej strony refleksję etyczną w podejmowaniu wszelkich działań ludzkich związanych ze zrównoważonym rozwojem, z drugiej zaś, wyjaśniającą charakter zachowań rynkowych współczesnego konsumenta. W poszukiwaniu mechanizmu zakłócającego zrównoważony rozwój wskazano na zjawisko degradacji gospodarstwa domowego, najważniejszego komponentu systemu społeczno-gospodarczego, zachodzącej pod presją rynku napędzanego innowacjami, przedsiębiorstwa wystawionego na ostrą walkę konkurencyjną oraz państwa, które w swej polityce sprzyja koncentracji kapitału i niezrównoważonej konsumpcji. Wykazano również, że procesy te, skracające cykl życia rynkowego dóbr oraz redukujące dziecięcego człowieka, uczestnika rynku, do roli bezrefleksyjnego konsumenta, kłócą się z zasadami zrównoważonego rozwoju. Współczesny marketing można ukierunkować na realizację zasad zrównoważonego rozwoju, wprowadzając w teorię i praktykę działań marketingowych paradygmat ekologizacji, zarówno w odniesieniu do modelu zarządzania współczesnym przedsiębiorstwem, jak również do procesu przewartościowań w świadomości i postawach konsumentów, stopniowo czyniąc ich eko-konsumentami.

Słowa kluczowe: rozwój zrównoważony, marketing, konsument, ekologizacja
Introduction

In the search for the causes of the economic crisis, the dishonourable role of marketing is often pointed to, as it is the function responsible for establishing and sustaining relationships between an enterprise and its environment. This function is realised in the context of increasingly more complex market processes as well as new challenges, such as:

- hypercompetition in the struggle for market resources, including the customer,
- increasing pressure on the effectiveness of production and the profitability of the business,
- capital accumulation and concentration on an unprecedented scale,
- increasing lack of balance in the access to the created wealth,
- the unification of cultural patterns and of affecting the customers’ behaviour,
- galloping technological development in the production, distribution and communication,
- degradation of the natural environment.

A modern enterprise facing those processes feels forced to employ aggressive marketing instruments which are not always ethical, but efficient in the market game. On the other hand, the common practice of using aggressive marketing tools on a statistic scale leads to the abovementioned processes and phenomena, referred to as turbulent competition. Marketing is, therefore, a component of modern market phenomena, which undoubtedly makes it jointly responsible for the existing crises.

Assuming that the crisis in the world economy as well as on any country’s scale is the effect of violating the principle of sustainable development, what role, then, does marketing play here? Is it a solely negative role? How can this influence be explained on the basis of management studies and the theory of business enterprise?

Values – what connects sustainable development and marketing

The essence of sustainable development lies in reducing the range of poverty and social exclusion, providing future generations with conditions of development at least as good as the current ones and preserving cultural diversity. Its features are: sustainability, permanence and self-sustainability of development (Borys, 2005). As A. Pawlowski points out, the basis of all human activities related to sustainable development is ethical reflection concerning the questions about values which should orient our thinking and behaviour (level I). It is on the basis of such reflection that discussions should be held and actions taken on the economic, social and ecological planes (level II) (Pawlowski, 2013). Therefore, it can be assumed that the key to understanding the relationship between marketing and sustainable development is the category of values, which should be ascribed to a person, not only as a customer, but in a broader sense: as a market participant.

In the general formula of sustainable development, value is seen as one of the four factors creating the balance or the lack of it in the space of socio-economic activity. It is represented by the formula below (Brunnhuber, 2013):

\[ S = D \times T \times V \times G \]  

(1)

where:

- \( S \) (sustainability) – environmental balance,
- \( D \) (demography) – human potential, subject to demographic phenomena (population structure, market potential, migration phenomena, etc.)
- \( T \) (technology) – the development of technology through the supply of product, process and organizational innovations,
- \( V \) (values) – a system of values shared and respected in social and market activity by enterprises, authorities, consumers, employees etc.
- \( G \) (government) – the policy of central and local authorities towards the economy and the society.

What is a value? According to Great Multimedia Encyclopaedia, value is one of the basic philosophical categories. It refers to something which in the absolute sense or within a given set of beliefs is considered precious and valuable. It is – or at least it should – be subject to special care and be the goal of human aspirations, as well as the criterion of human behaviour.

The notion of value can be referred to ideas, persons, objects, situations, phenomena etc., or to their particular features. It can exist on its own or constitute a part of a larger system or a hierarchy. Values have been a subject of interest for numerous thinkers, from Socrates and Plato to M. Scheler and N. Hartman.

In the management studies, there are two meanings of the category of value (Skowron, 2003):

a) as a measurable benefit which one would like to attain or provide for somebody as a result of organized activity,

b) as a basic belief or set of beliefs which guide our behaviour and activity within and in the area of the organization.

In the first meaning, value is present in modern conceptions of management which see the creation and maximization of value added as the main aim of an organization. Such an aim overrides what has so far been seen as the main meaning of any business activity i.e. producing wealth. In this view, value generated by an enterprise, at the same time constitutes value for:

- the shareholder, measured with the formulas of Economic Value Added (EVA) and Market Value Added (MVA) (Brillman, 2002),
the customer, perceived as a more beneficial relation of product quality to its price than offered by the competition, complemented by greater customer satisfaction (Dobiegala-Korona, 2010),

- the employers, as the effect of the policy of a proper relationship of efficiency to salaries as well as creating opportunities for the increase of this efficiency,

- the society, including market partners, local communities etc. (Porter, Kramer, 2006).

The aim established in such a manner (creating and maximizing value added) as well as its specified measures result in the specificity of managing by values, through which managers have to fulfil the expectations of the increasingly powerful stakeholders of enterprises (Doyle, 2003).

The philosophy of managing by values is the foundation of numerous modern managing methods, such as TQM, benchmarking, reengineering, or the marketing concepts of orientation towards the customer: relationship marketing, affiliate marketing, e-marketing and m-marketing. Its spirit can also be found in the modern strategic reflection, expressed in the concepts of: increase and relocation of values by Gretz and Baptista, redefinition of strategy by M. Porter (Porter, 2001), redefinition of strategy of key competences by G. Hamel and C.K. Prahalad, (Hamel, Prahalad, 1999), reengineering (Hammer, Champy, 1996), effective strategies by M. Treacy and F. Wiersema (Treacy, Wiersema, 1995), and other. Moreover, the practice of strategic alliances as well as fusions and takeovers of enterprises prove the presence of the element of values to be a benefit in the business world (Cygler, 2002, Czakon, 2012).

Finally, in this trend of understanding the notion of value, it is equated to a definite potential which an organization accumulates, develops and employs to achieve competitive advantage. This potential is the value of intellectual resources of the enterprise as well as the value of the trademark of its products, which nowadays researchers attempt to measure and assess (Edvinsson, Malone, 2001, Walukiewicz, 2012, Szymoniuk, 2006).

Value in its second meaning, as a set of beliefs jointly determining the behaviours in an organization, is a significant component of organizational culture (Schein, 1986). It determines, on the one hand, the identity and stability of enterprises, and on the other is expressed in the visions of changes and development created by their management. It may be said that the processes of organizational change and the practice of learning organizations are the struggle for, in the name of or against values. Value is the central element of dynamising the world of the organization.

The presentations of the category of value described above can be reduced to a common denominator: value is a metacriterion of conscious choices made by people, in organizations and in the name of organizations. Therefore, it is a category which best conveys the essence of the social nature of the market, organizations and management, as it refers to imagination, goal and decision.

Sustainable development from the perspective of management

Sustainable development perceived from the perspective of management appears as socio-economic order resulting from specific mechanisms, forcing rational behaviour of all market participants. In the theory of business enterprise, researchers assume the presence and activity of four main subjects, the participants of the market game and at the same time regulators of economy (Noga, 2009). These are:

a) The household as an individual or a group of people who are the final owners of the physical, money, human and intellectual capital, fulfilling various market and social functions: of a consumer, employer, citizen, entrepreneur and manager. The household plays a crucial role in generating and regulating market processes. The multiplicity of theories of business enterprise shows the plurality of conceptions and models explaining the role of the household as the main determinant and goal of setting up and developing enterprises.

b) The market as the whole of purchases and sales determining the production, distribution and acquisition of goods, and indirectly determining the use of households’ capital. The market, in its key role of the economy’s regulator, requires creating strong institutional foundations, a system of property rights, permanent development of submarkets: of products and services, financial-credit, capital, job, enterprise, insurance etc.

c) The enterprise as a relatively stable organization which through its autonomous abilities of producing and providing goods ensures higher utility of households’ capital.

d) The state as a developed structure of public authorities of different levels, using its executive competences to establish and respect principles and procedures.

It seems that presently one more power needs to be added to this set: the community of internet users. Organised in loose web structures, these are extremely dynamic environments of exchanging information and sharing knowledge, creating patterns of consumption and behaviour, as well as exerting influence on all participants of the market game in a more efficient way (Castells, 2008, Skowron, 2013).

The configuration of these regulators and their mutual relationships provide the basis for analysing the economy as an economic-socio-ecological system. The deformation of the principles of sustainable development is connected with economic crises as well as perversions of economic systems. Searching for
the sources of these phenomena, we shall try to explain the role played by the policy of spoiling the household, of endogenous (initiated and taking place inside the household) or exogenous character – as a combination of influences of other market processes regulators.

**Spoiling the modern consumer and its effects on sustainable development**

The phenomenon of spoiling the household is caused by the excessive diversification of income levels and people’s wealth, as well as hypercompetition driven by the increasingly faster introduction of innovations. Ignoring here other phenomena of macroeconomic nature, on the basis of the abovementioned processes their market effects can be pointed out (Żabiński, 2010), such as:

- Declassing of the market, in which the segment of middle-class consumers is shrinking, while the extreme segments (of wealthy and poor consumers) are expanding. They are moving apart from one another not only in terms of the financial level of consumption, but mainly of the nature of demand. The market of wealthy consumers, whose traditional needs are catered for more than satisfactorily, directs its attention not only at a richer and more sophisticated offer of products or services, but expects experiences at a higher level of risk (e.g. stock market investments, extreme sports). Experiential marketing, as one of the types of behavioural marketing, creates the offers for this market. In turn, what the market of poor consumers finds attractive are the products of cheap economy, including packages of goods and services at reduced prices, offered as marketing innovations.

- Overcoming demand barriers. It is becoming one of the tasks of modern behavioural marketing, especially in the crisis period. Such marketing, more and more aggressive, realizes three groups of activity: mass customization – i.e. increasingly better mass adjustment of the offer to individual needs of the buyers; activating the consumers in the role of co-designers of products (relationship marketing); infantilisation of the consumer (including consumerisation of the child).

- Concentrating the activities of behavioural marketing on generating a model of buying needs and behaviour based on a sudden impulse among consumers (including mainly children, teenagers and older adolescents). Propagating such features of behaviours among the whole society, it co-creates so-called shopping lifestyle, with its unlimited possibilities of using credit cards and mortgage debt.

The modern consumer, characterised by increasingly incoherent expectations and market behaviour, is the addressee, and sometimes the initiator of the increasing development of product innovations. Therefore, enterprises are introducing new models of business and of market deregulation (Klein, 2007). It is happening because innovations, especially those ground-breaking, cause turbulent changes on the market. They disrupt its structure and functioning (e.g. through a dramatic reshuffle of the market leaders) as well as cause cannibalization of products. It upsets the former market activity of a consumer, traditionally characterized by a certain dose of inertia in market behaviours, both in the shopping period and when no shopping activity takes place. The consumer becomes more and more disoriented, and therefore prone to manipulation and acting on impulse. Modern consumer media and the advertising industry throw him or her off emotional balance and cause neurotic behaviour.

Another circumstance which favours spoiling consumers ensues from the race of innovations and from the financial markets’ interest in making speculative profit. Quickly purchasing the shares of companies-innovators, their intensive promotion and overestimating their market value often lead to inflating the speculative bubble. When the investors’ hopes for easy profit are unfulfilled, it ends in a crisis. The virtual game with the values of companies-innovators’ shares is not supported by a reliable examination and creation of target market for their products. The value of companies offering innovative products, therefore, bears no significant relation to the value of these products for the customers (Christensen, Raynor, 2008).

The common basis for the phenomena described here is shortening the time perspective in all the subjects participating in the market game. The imperative of setting and achieving short-term goals for enterprises in the form of quick and big dividend for the shareholders is followed by imposing a similar perspective on the consumer. It instils in him or her an orientation towards a shopping lifestyle, often on credit, with an evident loss for his or her long-term condition (Kaczmarek, 2009). Especially reprehensible and detrimental for the natural environment (through unjustified rational use of resources and energy as well as environmental pollution) is planned obsolescence, or the strategy of planned premature wear of products. It consists in designing products in such a way that they break down or become useless after a definite period of time – usually right after the guarantee period. Then the consumers are forced to buy new products even though the old ones could still be usable.

In this particular process of spoiling the consumer (excessive consumption, unbalanced by the purchasing power and based on whims, the pursuit of
novelties), the market (the changes of the conditions of competition in particular sectors, sudden regrouping of competing advantages into quasi-monopoly forms) and the enterprise (quick enrichment without any reference to the perspective of strategic interest), marketing also plays its dishonourable role. It is marketing which in its communicative activities offers the customer a vision of quick profit, empty satisfaction from possessing goods, pressure for a consumer lifestyle. The uplifting force for the current practices of behavioural marketing is provided by the communities of internet users, through the environment of strong and quick promotion of knowledge, ideas and patterns of lifestyle and consumption, as well as generating a particular system of values, inherent to the culture of talk little – play hard. It demands immediate effect with minimal risk, analytical effort and reflection. What counts is personal interest, while the costs are to be borne by the others.

At this stage, we could ask a question: what does the abovementioned process have in common with the principle of sustainable development? It quite does, and significantly so! This quick, in many cases intentionally shortened cycle of products’ and services’ market life clashes with the principles of sustainable development, as:

- it narrows down the perspective of acquiring gains to the present moment and one’s own egoistic interest, overlooking the interest of the environment and of the future generations,
- it subordinates the development of infrastructure, so significant for the appropriate spatial organization of the economy (which makes it possible to reduce production and distribution costs, to make savings in investments, protect the natural environment and save its resources) mainly to the needs of the increasing competitiveness of enterprises and a faster accumulation of the surplus resulting from the aggressive competition for the customers and draining their wallets,
- it consolidates customer’s behaviour and motivation for a more consumer lifestyle, at the same time deforming his or her system of values as the basis for formulating buying expectations and preferences,
- excessive consumerism of a customer causes, in turn, the eradication from his or her system of values the sense of collective interest and environmental sensitivity, which makes him or her closed to searching external economic effects, which appear in the situation of common use of environmental resources, which often requires reaching judicious compromises with the neighbours and establishing cooperation with them,
- it makes the consumer lose the instinct of the hosts of their own environment which would require them to take care of it, not to throw away the costs of their activity outside and to take responsibility for keeping this environment friendly and beneficial in a longer time perspective,
- it reduces civic attitude in a consumer, which is expressed in transferring the criteria of the consumer choices one makes to the sphere of political, social and economic authorities’ choices, as well as in engaging oneself in one’s own short-term consumer benefits instead of in social projects bringing general benefits for the present and future generations,
- it offers the mass buyers products and services of low quality, but convenient access, in fact teaching them mediocrity, both in the sphere of consumption and in lifestyle, as well as laziness in the shopping activity. Consumers willingly visit large-format shopping centres, often treating them as places where they can spend their free time, while it is less and less often that they make efforts to look for high-quality goods and to reasonably customize their shopping portfolio according to their purchasing power,
- it brings up the stakeholders of enterprises in a pro-consumption and hyper-competitive attitude, while they, in the same manner, will force enterprises to behave egoistically and anti-environmentally,
- it orientates the state’s legislative activity towards guaranteeing conditions for fast accumulation of capital for big enterprises, at the same time neglecting the interests of the SMEs sector (small and medium enterprises sector), whose condition is decisive for the character of economy and the market. For state institutions, the capital of big corporations is more attractive – both as a party in the projects of public-private partnership, mainly in the field of the development of infrastructure, and as a source of financing political projects – than small enterprises, including family businesses. The SMEs sector, however, in its entirety does not provide a threat to sustainable development, as it follows market principles in using natural resources and is subject to mutual discipline and control. On the other hand, big corporations, strong in terms of capital, are prone to act aggressively and egoistically, against the interest of future environment, with silent agreement from...
self-governmental and state authorities. It is one of many negative aspects of egoistic globalization (see Pawłowski, 2013).

Finally, it needs to be said that ecology as the key component of the processes of sustainable development generates costs — both in the products/services offered to the customer and in infrastructural investments (installations and systems reducing pollution, energy-saving technologies). The effectiveness of employing it in market game reveals itself, however, in a longer time perspective in the form, for example, of extended health protection effects and the availability of natural resources, or through the citizens’ responsible activity and awareness of the common good. In the short run it is, however, the source of additional charges ensuing from reduced consumption and lower profitability.

Towards ecological marketing

If marketing works against the interest of the environment, let us think how it can support it. At this stage, we could quote the opinion by the Club of Rome (Brunnhuber, 2013), criticizing the traditional manners of tackling the crisis, consisting in budget cuts and strict fiscal discipline. They do not bring the expected effects, but only deepen social inequalities in the access to resources and their use (health protection, education and others). Instead, he suggests developing mechanisms of activating economic and social potential on a regional scale. According to him, it is in the regions where suitable conditions can be found, through appropriate policy of the local authorities, for controlling money and channelling it into investments whose effect will be the eradication of excessive disproportions in citizens’ wealth, as well as encouraging social activity, local enterprise and economic development.

The regional perspective of development brings together all four spheres of activity responsible for sustainable development, that is human potential (D — demography), technological development (T — technology), the policy of the authorities (G — government) and values (V) — see figure (1). On the basis of those four aspects, the superior logic behind ecological marketing is revealed, firstly as a philosophy and strategy and secondly as a set of instruments by which an enterprise influences the market and the consumer, and the authorities — the citizen.

Ecological marketing focused on realizing the principles of sustainable development is manifested on two planes:

a) as a systemic function of an enterprise it contributes to the so-called ecologisation of enterprise management,

b) it influences the ecologisation of consumer behaviour, providing them not only with ecological products, but mainly developing in them ecological awareness and sensitivity.

Ecologisation of management accepts the paradigm of functioning in harmony with the environment, as the basis for innovation growth and gaining competitive advantage, which equals to being subjected to a difficult process of redefining organizational culture and the policy of the enterprise, according to the outline (Nidumolu et al., 2010):

- cultivating respect for the binding legal and trade standards, imposing such mindset upon one’s partner as a condition for cooperation,
- optimal resources management within all value chains; balancing the structure of these chains,
- creating offers of products and services which are friendlier for the environment,
- developing new business models, based on the commercialization of the innovations which have their source in environment-friendly values and change the bases of competition,
- creating the foundations for the practice of introducing new generation solutions, both technological and organisational, bringing together the criteria of quality, economy of resources and minimising negative external effects.

In the process described above, the role of marketing in an enterprise is manifested in:

1) defining market opportunities as a combination of external conditions favouring long-term effective presence of the company on the market,
2) diagnosing consumer behaviour and expectations from the perspective of the possibilities offered by new technologies, but also respecting their inert nature,
3) establishing effective relationships between the company and other subjects in its surroundings, including: suppliers, local authorities and other stakeholders, and seeing in them potential synergistic effects,
4) cultivating among the managers the conviction that providing consumers with products and services is only a fragment of a broader process, that is value management for the customer,
5) engaging the enterprise in the process of marketing communication for promoting the culture of balanced consumption basing on the paradigm of quality (instead of pushing the customer into excessive consumption),
6) looking for the sources of improving the competitiveness of ecological products and services in comparison with the offers basing on generally accepted and economically profitable standards of production.
As it can be seen in the examples above, the main goal of marketing in an enterprise is to shape business culture, directing it at the participation in sustainable development. Producing, selling and promoting ecological products will only be the final effect of the ecologisation of management. With such an approach, ecology becomes the factor integrating innovation and quality.

Ecologisation of consumer behaviour is a process of revision in consumers’ consciousness and attitudes which takes place in the sphere of the whole social and market activity of the consumer, and not only in their buying decisions. In order to understand the meaning and importance of this process, one needs to return to the previous assumption and set the consumer in his or her natural environment, that is in the household. The changes the consumer is subject to are closely related to the changes in behaviour within the whole household. One person – a member of a household – performs a number of roles: a consumer, an employee, a citizen, and sometimes also a manager, an entrepreneur, an expert.

Consumer, the way he or she is, is the product of the culture of the household, but also through the market (buying) experiences he or she shapes the system of values of the household and its members. It should not be surprising, then, that egoism, mediocrity, greed for money and extreme experiences, arrogance, ignoring the interest of others, as well as other sins of the consumers infect their other roles in the economic system, and as a final effect spoil the mechanisms of democracy.

What does ecologisation of consumer behaviour entail, then, and what role can marketing play in it, understood as a strategy, management process and a set of instruments of influencing the consumer? The main indications of ecologisation of consumer behaviour are (Mazurek Łopacińska, Sobocińska, 2010):

- following the criterion of maximizing quality and of long-term usability in relation to one’s financial resources in one’s buying decisions,
- cultivating a healthy lifestyle based on purchasing and consuming ecological products, doing physical exercise and taking care to keep the natural environment clean,
- deconsumption, or reducing the consumption of goods which are obtained with significant exhaustion of non-renewable resources,
- moving from ego-rationality to eco-rationality through economical, efficient management of goods, waste sorting and re-use, refusing products instead of buying new ones and passing them on to subsequent consumers,
- improving knowledge about the protection of natural environment and becoming involved in environmental initiatives.

Summary

In order for marketing as a systemic function of the enterprise to favour and stimulate behaviours directed at sustainable development, it needs in the first place to abandon the doctrine of aggressive behaviourism, in which the customer is merely the addressee of the pressure imposed on him or her. It calls for returning to the classical Kotler concept of looking for permanent values for the customer on the market (Kotler, 2005). Maximisation of those values (for the customer and the enterprises) should result in breaking the dictate of values for the shareholder in a short time perspective. Establishing a good reputation of a company should be based on a strong brand of the product/service, leadership in a selected domain, respecting the work environment, social responsibility and stimulating innovation directed at the consumer’s needs and problems. Marketing should promote the culture of quality, while in the choice of the instruments influencing the consumer, it should follow the principles of eco-rationality and long-term accumulated environmental effect.

References