

# Elaboration of Marketing Strategies and Programs Through the Integration of the Sustainable Development's Objectives

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## **Abstract**

Simultaneously with the manifestation of the availability of the company/organization to include in its activities and politics objectives of sustainable development and social responsibility, concrete marketing steps are required, in form of a number of activities that contribute effectively to achieving such objectives. Therefore, series of steps of the complex process of *reflection* and *strategic planning* should be taken in a logical and consistent manner, thus these steps that can adapt and "tone" according to the specific activities that the company operates.

**Keywords:** marketing, integration, strategic planning

A **first stage** involves *sensitivity analysis of the market or of its segments that refer to "ideas" for sustainable development*. The main questions that must be answered at this stage are:

- ✚ How will approaches and concrete actions of the enterprise for sustainable development and social responsibility be received?
- ✚ What will be the starting point in these approaches?
- ✚ What and how will it be communicated?
- ✚ What is the level of interest and the foreseen degree of involvement of the intended audience?

The formulation of such questions and answers will create a *bond* with the customer universe, which is studied from two points of view: **the citizen** and **the buyer**.

In the sphere of consumer goods, research shows that in the markets there is some "potential environmental sensitivity" or, more generally, societal, which manifests itself at many levels. Thus, a recent study (2003/2004)<sup>55</sup>, shows that about 50% of buyers are "insensitive" (have never thought in specific terms of sustainable development), 30% are "sensitive inactive" (have thought of it, but never brought sustainable development in their selection criteria) and 20% are "sensitive active" (actually choose on environmental and societal basis). From the "sensitive active" type, between 40% and 50% (depending on the characteristics of segments

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<sup>55</sup> [www.ethicity.net](http://www.ethicity.net)

and/or goods) are ready to pay more to buy tangible products or services that meet their societal expectations of environmental, ethical, moral, etc.. The same researches show that the number of consumers that are actively sensitive is growing, and, based on the typology used by Ethicity, the number of sensitive individuals, who are ready to pay more and engage in group actions, increased from 10% in 2003 to over 15% in 2004.<sup>56</sup>

The **second phase** involves *integrating in the diagnostic analysis of the strengths and weaknesses in sustainable development*. This analysis will imply all stakeholders, meaning staff, customers and partners throughout the whole area which interferes with the work process and that may be associated with this "exercise", during which everyone will discover the real involvement desired by the organization in relation to the social, environmental, ethical, moral aspects, and the like.

Diagnosis, internal and external, can be achieved through a SWOT analysis, in which multiple elements and aspects are highlighted, elements that are current issues in the life of the organization. For example, here is a brief SWOT analysis of a company that has little environmental threatening activities, but encounters some "problems" with recycling programs. The analysis that we suggest has two sections, namely "current situation" for which we aim strengths and weaknesses and "outlook", for which we focus attention on the opportunities and constraints or threats.

**Table no.1**

**A diagnosis of sustainable development at company level  
 (Hypothetical case)**

<b>Current situation</b>		<b>Outlook</b>	
<b>Strengths</b>	<b>Weaknesses</b>	<b>Opportunities</b>	<b>Threats</b>
Little environmental threatening production	Poor recycling of products after use	Recent emergence of new technologies for recycling	Prohibition of the use of compounds present within the structure of products in the foreseeable future
Seriousness and competence, customer loyalty	Lack of communication of social responsibility to clients	The existence of suppliers willing to join the organization's sustainable development efforts	Suspicious that the commitment to sustainable development of the main provider of the enterprise is not genuine
A good fund of human resources	Recent shutdown of one activity and letting all personnel that was involved in it go	Highly motivated staff (concerned) on environmental protection	The main competitor is very active in communicating social responsibility and is the leader in one of the most profitable segments

Emphasizing some opportunities and restrictions is likely to encourage the enterprise to engage more strongly in sustainable development issues, each having a definite correlation with

<sup>56</sup> A typology of consumers with ethical responsibility, performed on representative samples, consisting of persons aged from 15 to 70 years, from France, in 2003 and 2004. (www.ethicity.net).

marketing activity. Thus, at the strategic level, for example, is necessary to consider certain components of a product, that are authorized on a home market, but not allowed in foreign markets, or vice versa. For example, in Romania are banned certain imports of poultry meat, because the antibiotics, animal feed and growth factors used in poultry nutrition are not accepted. Also, pork cannot be exported to the EU market because fever vaccine is used.

The ones that are assigned to the marketing activity within the organization have to exploit all the information from outside and from the inside to determine how they will be able to design and present an offer adapted to the sustainable development criteria in large distribution networks which try to find such suppliers *upstream*. They will also aim sensitivity to social responsibility and interest in communicating it to the operating segments of the main competitor, which shows that a marketing strategy which has incorporated the objectives of sustainable development can be offensive.

Diagnosis of sustainable development can be achieved both by analyzing elements downstream and upstream the enterprise, the complete and effective analysis case is the one that takes into account both issues, resulting in a closed circuit as shown in Figure no. ... 1.

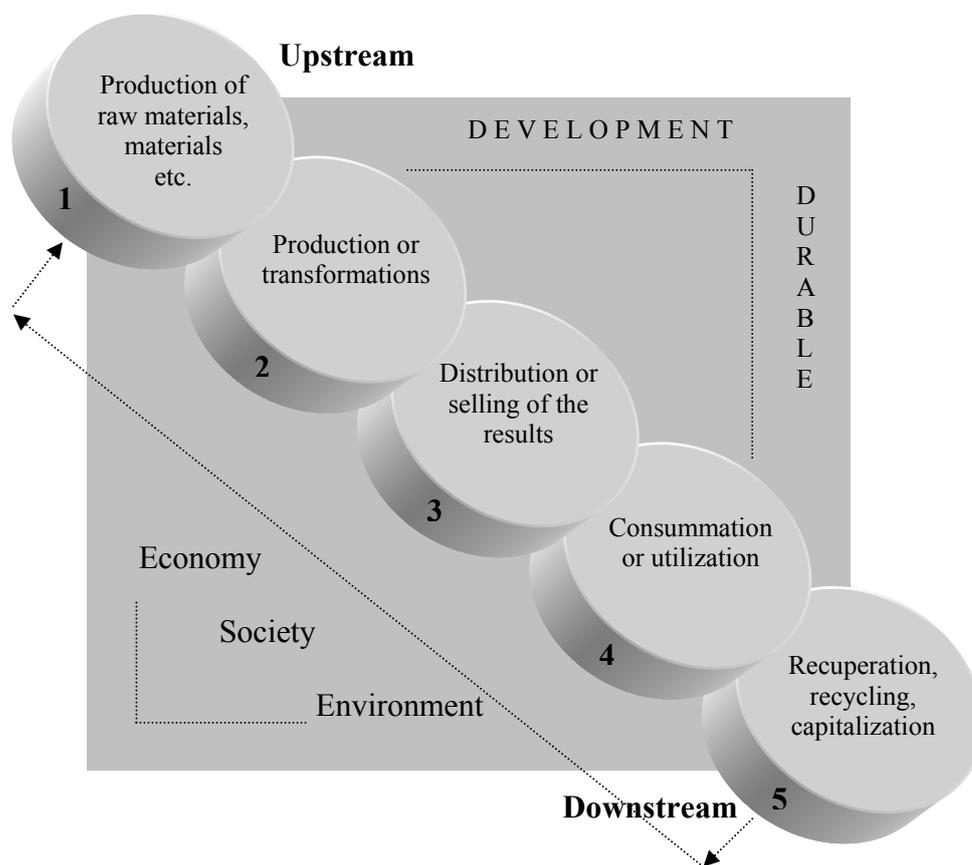


Figure 1 - Diagnostic levels for sustainable development in an organization

Each of the five levels related to entry market and exit market attract and transform in a special form resources, and links between them shown schematically in Figure 1, cause a series of conditions for products, stock ups on some levels, transportation problems, etc.. All of these actions are energy and fuels consumers; contribute to pollution, creating the greenhouse effect and the like.

This *closed circuit* analysis can really help in terms of human resources, which includes motivation of staff to understand everything that means consumption of resources at every stage and in every place, thus contributing to creating responsible or committed products.

The **third stage** involves *clearly defining marketing objectives associated with a positive impact in terms of sustainable development*. Basically, for the marketing specialists in the Romanian companies, this is the newest exercise, the most unusual approach, given that the previous practical experience and training in sustainable development through the education system at all levels are completely missing.

In a recent research conducted in the academic environment in northern France, entitled "Diagnosis of socially responsible decision takers training" and aimed to identify how social responsibility is present in the programs of study, had reached the following conclusions: social responsibility is very poorly integrated into academic programs in a manner most unequal and often optional and applied research is insufficiently developed; Higher education must assume social responsibility at the height of competence that it has<sup>57</sup>

In this phase, throughout the desired objectives, it is necessary to seek a better positioning of the company and its bid using *sustainable development and social responsibility* arguments presented explicitly or implicitly in the steps of communicating with target audiences, and society as a whole.

Resuming previously hypothetical example, we suppose that the firm has identified five aspects of sustainability: reducing the amount of waste, recyclability of waste, reducing carbon dioxide emissions, creating jobs and strengthening social cohesion. Its strategy and marketing program, which are being finalized, are structured on three categories of objectives: attracting and winning new customers, attracting and stabilizing the range of relative non-buyers, devoting segments among which a great sensitivity in relation with the environment is found.

Based on these objectives and having in view their relationship with the five "zones" of progress previously identified, it can be built a matrix model, specifying the type of actions that are able to "cover", through their effects, one or more items from the matrix.

**Table no.2**

**Three objectives and the strategic actions related**

Objectives		Actions			
		1	2	3	4
<b>A</b>	Attracting and winning new customers.	Integrating in the marketing program of actions to significantly contribute to environmental protection.	Effective management of new culturally and socially customer profiles, aiming at developing social cohesion.		
<b>B</b>	Attracting and stabilizing the range of relative non-buyers.	New products or equipment to respond to more demanding environmental quality standards, compared to	Development of a new <i>know how</i> for a part of the employees, so		

<sup>57</sup> Touboul, Sylvie, L'enseignement supérieur n'oublierait-il pas sa responsabilité sociale?, Novethic.fr, 30<sup>th</sup> august 2006. The survey was conducted by the Centre de Recherche en Ethique Economique, Université catholique de Lille and ended in June 2006

		previously made goods. It seeks an impact in terms of progress in four areas: energy, quantity of waste, recyclability, greenhouse effect.	that it can provide <i>premium brand</i> services.		
C	Devoting a segment with high environment sensibility.	The introduction of electronic communication instead of the classic paper.	Distribution to selling sites by using non-polluting means.	Waiver of suppliers that produce in discordance with the principles of Sustainable Development.	

These actions can be placed in a matrix, depending on their compatibility with the areas of intersection and depending on the effects they generate.

**Table no.3**

**Matrix of "coverings" throughout the effects of sustainable development objectives**

Marketing Objectives		Aspects of sustainable development identified at organization level				
		Reducing the amount of waste	Recycling waste	Reducing carbon dioxide emissions	Creating new jobs	Strengthening social cohesion
A	Attracting and winning new customers.	A 1	*	A 1	A 2	
B	Attracting and stabilizing the range of relative non-buyers.	B 1			*	*
C	Devoting a segment with high environment sensibility.	C 1		C 2	*	*

*Note: The matrix is somehow restrictive, because few activities have been considered, this being one hypothetical example.*

The **fourth step** seeks to *develop and implement action programs* aimed at achieving the above objectives in sustainable development. As can be seen, it is scientifically followed a linking of actions on the path: strategy, marketing mix, marketing plan, mix *balancing* in the plan, implementation, monitoring and evaluation. All these highly complex steps, both at conceptual and operational level, need joint efforts of all professionals involved in marketing – communication – sales route, especially in terms of creativity and, quite possibly, lifetime learning.

The **fifth step** concerns *the effective integration of sustainable development goals and social responsibility in marketing strategy*. From it we can draw the conclusion that all steps presented during the four previous stages did not materialize in parallel strategic activities, devoted exclusively to making the mentioned concepts become reality, but in *strategic*

*integration actions* designed to efficiently place the business in the human, social and environment sphere, aspects that interest the society more and more.

Integrative actions will target in a specific manner all the variables of marketing mix, aiming at customer-level **visibility** of everything that is being done to improve the performance of the social and environmental.

Maintaining credibility of the company implies that the announced impact in the sustainable development plan should not only be at a declarative level or by certification, but it must be primarily felt, tangible, through valuing of all "innovative actions", that the beneficiaries themselves can assess and measure.

**Table no.4**

**A possible model of strategic integration and social objectives  
 of environmental protection**

<b>Marketing mix variable</b>	
<b>The Product</b>	<b>The Price</b>
Applying those manufacturing processes which respect people and the environment; Capacity building for recycling products that reached the "end of the road"; Choosing those suppliers or those supply subsidiaries according to the principles of social responsibility.	Integration of social and environmental protection efforts in costs and, thereby, justify any increase of price; Reduction of prices as a result of efforts made by consumers for waste recovery and other <i>responsible behaviors</i> ;
<b>Distribution</b>	<b>Marketing Communication</b>
Selection of efficient vendors in the field of social responsibility; Spreading in the distribution network of the quality guarantees (ISO, HACCP etc.); Give incentives to those customers who engage in the recovery of waste materials.	Spreading booklets that explain the need for responsible use of all equipment and resources; Systematic and regular communication of all improvements and firm's efforts in the sustainable development plan.

Overall effectiveness of the marketing program can be judged by developing a "balance forward" in which will be synthetically described four dimensions<sup>58</sup>: the expected effects in terms of marketing, constraints and cost of transformation, desired social and environmental impact, overall assessment.

On the first dimension, the *expected effects in terms of marketing*, will be evaluated in terms of market share, number of customers, turnover, costs for "managing" and maintaining customers, customer satisfaction etc..

The second dimension, *constraints and the cost of transformation*, concerns the additional costs for specific studies and "overseeing", costs of research and development, those for cross-design, communication costs, those for training and also the ones for implementing different actions.

The third dimension refers to energy consumption, waste production, the creation of jobs, social cohesion, etc.

<sup>58</sup> Loupe. A., op. cit, 2006, p.25.

Finally, global assessment refers to the rate and recovery time of the investments, to a multi-criteria summary based on the performance index of the environmental protection field, to a summary on social performance (also multi-criteria) and to a present and future development of *capital client* (customer relationship management). In addition to all these approaches and strategic step it is absolutely necessary to have a plan for valuing efforts and performances, which will provide a comprehensive picture of elaborate and coherent actions, properly articulated and applied, and also highly valued in terms of performance. This plan will contain a digital description of the measures employed (*efforts*) and a quantitative expression of progress (*performance*) for sustainable development. Such an assessment was made by Nestlé in 2004 and contains the following categories:

**Table no.4**

**Environmental protection performance at Nestlé<sup>59</sup>**

Variables observed	Unit per ton of product manufactured	Value in 1997	Value in 2004
Power consumption	10 <sup>9</sup> joule	4,55	2,73
Greenhouse Gases	Kg CO <sub>2</sub>	241	133
Air acidification	Kg SO <sub>2</sub>	1,74	0,65
Ozone layer affected	Equivalent g R-11	2,76	0,29
Water consumption	m <sup>3</sup>	11	5,27
Waste water	m <sup>3</sup>	8,86	4,26
Production of waste	Kg	103	57,4
Recyclability rate	% of the total waste production	75,7	77

The plan for making value, by presenting performances over areas, must be the source of an objective communication of all business results and not just the positive obtained. Together with microeconomic indicators systems, it is necessary to develop sets of indicators to monitor efforts and effects involved by macroeconomic sustainable development, indicators developed by professional bodies. Thus, the National Institute of Statistics and Economic Studies, throughout the Phare 2001 program, conducted a pilot study which aimed to develop a system of indicators for sustainable development. These indicators were focused on three "pillars" of sustainable development. NISES proposed a list of indicators which refer to the environment, to monitoring of the objectives formulated in the Development Strategy of Romania "Orizont 2005", and indicators "monitoring the achievement of the MDGs"<sup>60</sup>.

From what was stated during this chapter results that between marketing and sustainable development there is a complementary relationship, marketing is a *source* for ensuring the effectiveness and materialization of issues considered too broad or too abstract. Thus, in the efforts to find the best solutions in the social and environmental issues, marketing integrates the main motivations and braking elements which are found in attitudes, behaviors and habits of different individuals or groups, contributing decisively to operational programs that cover the sustainable development. Also, the bettering use of concepts and marketing tools allows a visible increase in efficiency of so-called *devices for concentration*<sup>61</sup> stipulated throughout the steps of sustainable development. Being in the service of the new types of social, environmental demands, etc. and adapting to new ethical requirements, concepts and methods

<sup>59</sup> The Nestle Sustainability Review, Rapport de gestion 2004.

<sup>60</sup> [http://www.insse.ro/evenimente/Tulcea/romana/abstract\\_Toma\\_RO.pdf](http://www.insse.ro/evenimente/Tulcea/romana/abstract_Toma_RO.pdf).

<sup>61</sup> It is a territorial concentration, a theme based concentration of funds etc. as can be seen at: [www.senat.fr](http://www.senat.fr), Délégation à l'aménagement et au développement durable du territoire, 15<sup>th</sup> November. 2005.

of marketing are continually enriched. One of the most significant gains in this context is *the long-term intelligence in the areas of marketing*, which stands for the fact that experts and businesses have the ability to act not only for *today*, but for more distant periods also, periods which involve complex developments and multiple-choice response to these developments.

Another equally important gaining of marketing is the strengthening of the ability to adapt to cultural change or to change society as a whole. In this case it is a better understanding of the evolution of systems of values, of the lifestyles, of the new societal constraints, and of a very fine forecast of expectation types and needs that would manifest themselves on different markets. In an effort to advance simultaneously on economic, social, ethical and environmental levels, organizations are interested in various forms of partnership and cooperation, which enables them to outsource a part of the efforts. In this context, marketing will find support in the involvement and participation potential of clients: experiment with new offerings, the development of services in co-production, etc.

Along with marketing – sustainable development “partnership”, the concept of *sustainable satisfaction* was launched. This concept is not only what the buyer obtains over a sum of money, but all that he found in the companies or organizations as a valuing link, as an “echo” of the concerns and values to which he is attached, and an expression of its recognition, both as customers and as a citizen. This is the new capacity of an organization to provide its customers with both an economic consideration (*value for money*) and a psychological one (*ethical and status reward*), the latter being a real source of value, able to set satisfaction in time. From the *sustainable satisfaction*, *sustainable marketing* is the next step. The introduction of sustainable development goals in the marketing strategy **does not affect the stability and the foundations of modern marketing** as it was known and has continuously enriched as science, philosophy, attitude and practical activity. The *permeability* that marketing manifests is, in fact, the expression of its dynamism and development designed to broaden its scope of action, to improve its image, both as **a function of the company** and as a modern science of business guidance and management. The concept of *sustainable marketing* is innovative, an outcome of economical, social and environmental performances obtained in a long time, in association with the key stakeholders.

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