

Chapter 1

Marketing and Sustainability: An Overview

This chapter introduces the way the field of marketing relates to the broad phenomenon of sustainability. It also introduces the term *sustainability*, its role today, and the historical significance of sustainability in marketing and business. Three dimensions of sustainability will be presented from several perspectives. In addition, the chapter discusses the necessity to include sustainability in current and future marketing practices.

Learning Objectives

- Understand the historical shift from traditional marketing to sustainability marketing and the conceptual development toward the triple bottom line, e.g. ecological and social (equity), in addition to economic aspects of marketing activities
- Define and understand the difference between sustainability and sustainable development and the three pillars of sustainability: long-term economic viability, societal and ethical concerns, and the protection of the environment and future generations
- Understand that different countries follow different sustainability reporting regulations
- Understand the importance of the Brundtland Commission, the Sustainable Development Goals (SDGs), and Fit for 55
- Be able to apply hard and soft applications of sustainability

Introduction

It is no exaggeration to claim that the issue of sustainability has become increasingly important over the last few decades – one might even argue that it is now the foremost important topic in society. Regardless of whether we talk about climate change, declining biological diversity (i.e. reduced number of plant and animal species), child labor, or corruption, sustainability issues are of such key importance today that they concern all companies, consumers, organizations in the public sector, and organizations in civil society. Today, politicians and chief executive officers (CEOs) make important pronouncements about shifting from *traditional business as usual perspective* to more sustainable-oriented business practices on a daily basis. As discussed in the Harvard Business Review, companies committing to environmental, social, and governance (ESG) principles are taking strategic approaches toward influencing the sustainability of their supply chains, business models, and broader business ecosystems (Kaplan and McMillan 2021; Polman and Winston 2022). Sustainability is thus a concept against which all questions facing companies and organizations can be set, that is, choice of suppliers, strategies for recruiting and retaining employees, product development, choice of marketing channels, marketing campaigns, and communication strategies.

Changing societal demands, climate change, and ecological transition put pressure on companies to modify their business practices to integrate social and environmental concerns (Allal-Chérif et al. 2023). In line with these demands, the need for operational transparency is ever increasing (Buell 2019), which means that demand expectations on companies and organizations sustainability efforts are growing. The demand by regulators and other stakeholders for more sustainable business practices also puts pressure on companies and public organizations to report what they perform when it comes to sustainability. The regulation for sustainability reporting has been heavily increased during the last decade and will continue to be tightened and expanded significantly in the coming years.

Meanwhile, the transition toward more sustainable businesses, and society, can't be taken for granted. Populism and lack of trust in societal institutions and systems, geopolitical challenges and wars, increasing societal polarization especially in the labor market, and increasing financial inequalities, and political fragmentation are significant driving forces that may counteract sustainability efforts. The necessity of a transition toward a more sustainable society is beyond any doubt, and the solution is to do good, spread the word, and make sure that substantial progress is being made. *Greenwashing*, the opposite of well-conceived sustainability strategies, gives those who are against the transition good arguments, while good practices create a guiding star for others to follow. To create good practices, we'll need support from governments, companies, consumers, employees, and other stakeholders. Young consumers are particularly sensitive to greenwashing, something that should be seen as a driver in the sustainability transition.

Sustainability Reporting – Increased Demands on Large Companies

Regardless of the size of the company, it is becoming increasingly obvious that all companies must relate their business to sustainability today. It is a necessity for companies in today's markets to take responsibility for all aspects of their operations and create trust. Many stakeholders, for example business-to-business (B2B) buyers, place higher sustainability demands on their suppliers.

In the United States

In 2024 there is still no mandatory sustainability reporting. However, the United States Securities and Exchange Commission (SEC) has some reporting requirements related to information material to investors such as related to ESG risks (Silk and Lu 2024). Instead, much of the ESG reporting is left as voluntary, but this is a rapidly changing area, and the United States is likely to see stricter guidelines soon.

In the European Union

In contrast, the Non-Financial Reporting Directive (NFRD) in the European Union contains requirements for certain companies to produce a sustainability report. Those affected are companies of general interest that have more than 500 employees. The report must contain such sustainability information as is needed to understand a company's results, position, development, and the consequences of its operations. The directive specifies environmental, social, and personnel issues; respect for human rights; and the fight against corruption and bribery.

The EU directive on corporate sustainability reporting (Corporate Sustainability Reporting Directive, CSRD) means that current rules are revised and tightened. The requirements are extended to include all large companies and all listed companies within the European Union. In addition, more detailed reporting requirements and requirements to report according to mandatory EU standards are introduced. The standards are developed by the European Financial Reporting Advisory Group (EFRAG). For example, US companies doing business in the European Union need to adhere to EU guidelines and need to get their readiness efforts underway to comply with a range of sustainability topics that they may not have had to disclose information about, e.g. circularity (Tomlinson 2023).

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The guidelines from the Global Reporting Initiative (GRI) are used by an increasing number of companies since they provide support for potentially relevant sustainability aspects and performance indicators. In connection with the European Union's work with the renewed directives, new standards will also be introduced.

Even if a company is not one of the large companies covered by the legal requirement for sustainability reporting, there can be great value in having a sustainability report in one form or another, for example to be able to take part in public procurement or meet the high demands of customers or suppliers.

Source: Finansinspektionen (2024); Silk and Lu (2024).

Sustainability Integrated in Everyday Practices

The majority of medium- and large-sized companies, as well as major civil society organizations and actors in public administration, have one or more members of staff working solely with sustainability and reporting. In 2011, only 16% of S&P 500 companies had a chief sustainability officer (CSO). In 2023, this number had grown to 81%. This means a concern for sustainability is integrated into most companies' operations, underlining the fact that sustainability issues are not some short-term trends but more likely an extremely palpable and real issue for today's organizations. Interestingly, companies with a CSO often score higher on their ESG performance (Urso 2022).

Despite these developments, sustainability issues continue to play a subordinate role in basic textbooks used in marketing courses. At best, these issues are discussed in a chapter (Kotler and Armstrong 2023), but they are usually mentioned as a current trend together with, for instance, e-marketing or mobile marketing in the form of a paragraph, a case, or some discussion points (Fahy and Jobber 2022), a recent exception being Peterson's book (2021).

It has been half a decade since the first books on marketing and the ecological crisis (Fisk 1974) and ecological marketing (Henion and Kinnear 1976) were published. However, marketing textbooks still have a great responsibility when it comes to capturing an increasingly important part of the practices addressed by the subject of marketing since millions of business and marketing students are introduced to the subject area of marketing each year.

Some authors have taken a different approach, not writing a textbook for students but rather a how-to guide for entrepreneurs, such as the books by Carvill et al. (2021), by Grant (2020), and by Dahlstrom and Crosno (2024). There is a lot of room for improvement, though, and we are far from a situation where sustainability

is a natural and integrated part of teaching at business schools. Not even in Sweden, which is often considered a leading country when it comes to sustainability, with a solid and leading education system, has it really taken off. Sweden has been portrayed as “. . . by far the most sustainable country within the world. The country has the highest renewable energy usage, lowest carbon emissions, as well as . . . some of the best education programs” (Berry 2021). Sweden is frequently used as the example of sustainable production and consumption in Europe (Jansson et al. 2017; Alfredsson and Malmaeus 2019).

To sum up, the need for sustainability in marketing is beyond any doubt. Various stakeholders are adapting a more sustainable approach, but there are counteracting forces and some criticism that may slow down the transition. In addition, business schools should have a stronger emphasis on sustainability. Our hope is that this book will meet the need for a marketing textbook and contribute toward an increased awareness of sustainability issues among business students, professionals, and other key stakeholders in the transition toward a more sustainable society.

Henion and Kinnear, the Forerunners

In North America, Karl E. Henion (lecturer in marketing at the University of Texas) and Thomas C. Kinnear (assistant professor at the University of Western Ontario) were among the first academics to consider the growth of the environmental movement (e.g. the first Earth Day was celebrated in 1970; Greenpeace was founded in 1971) and the legislative progress toward environmental protection (e.g. the Clean Air Act and Clean Water Act in 1970 and 1972, respectively). They took an interest in researching the segment of consumers who care for the environmental impact of their consumption and published a series of scientific papers on the topic (Henion 1972; Kinnear et al. 1974).

In 1975, they organized the American Marketing Association’s (AMA’s) First National Workshop on Ecological Marketing (see Henion 1981), which led to the publication of the seminal book *Ecological Marketing* (Henion and Kinnear 1976). They wrote: “In relation to the marketing component, ecological marketing is concerned with all marketing activities: (i) that have served to help cause environmental problems and (ii) that may serve to provide a remedy for environmental problems. [. . .] Thus, ecological marketing is the study of the positive and negative aspects of marketing activities on pollution, energy depletion and nonenergy resource depletion.” (p. 1) This led to the contemporary marketing concept (cf. Kotler and Zaltman 1971), later called societal marketing concept, to propose an improvement of environmental quality and resource conservation proactively in the business sector, rather reactively through public regulations.

How Does Sustainability Relate to Marketing?

Sustainability and marketing are two concepts that can create ambiguous associations. Is “sustainability marketing” an oxymoron? On the one hand, traditional marketing encourages growth, promotes an endless quest for satisfying needs and wants, and seems to look upon resources as forever abundant. On the other hand, a sustainability focus suggests that utilized resources can be renewed by mimicking the circular flows of resources in nature, and it respects the fact that the capacity of both resources and the environment are limited (e.g. White et al. 2019).

So, how can marketing, which in the minds of the general public is usually seen as only concerned with increasing sales of products (i.e. goods, services, and solutions), contribute toward sustainability? To answer this critical question, we first have to define what marketing is as an academic discipline, a professional activity, and a subject (with multiple subdisciplines) of scientific research. This will help us to understand that marketing and sustainability are inextricably intertwined. In relation to this, the American Marketing Association (AMA) – the most influential authority in our discipline, whose website (ama.org) is full of useful resources for students, academics, and professionals – selected the following definition for the discipline (2017):

Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large.

The latter point is what distinguishes sustainable marketing from marketing as it has traditionally been conceived. AMA is very prominent in the marketing field and publishes five journals: *Journal of Marketing*, *Journal of Marketing Research*, *Journal of Public Policy & Marketing*, *Journal of International Marketing*, and *Journal of Interactive Marketing*. Other subdisciplines are macro marketing, services marketing, retailing, distribution/marketing channels, advertising, value creation, consumer behavior, marketing analytics, etc., many of which also have specific journal publications associated with them.

In other words, marketing scholarship is no longer concerned only with selling more and more products. If we for a moment return to the AMA definition, the actual value process between the company, its market, and the wider society is of key importance in the definition. Already in the early days of the discipline, there was a concern for such sustainability. For instance, not only is Robert Bartels considered one of the fathers of the marketing discipline, but he was also among the first scholars to contest the evolution of marketing concepts – which at the time proclaimed providing to customers what they want – and their implementation in businesses (Bartels 1968):

Society, not the business entrepreneur, is the basic undertaker of all activity. Marketing is that activity undertaken by society at large to meet its consumption

needs – the producing, distributing, and consuming of products needed for human existence.

In other words, Bartels criticized the contemporary assumption that “the bottomless marketing cornucopia would provide rich harvests to society forever” (Iyer 1994, p.127), and he argued that aligning societal, environmental, and business values would be essential for the long-term welfare of society (Bartels 1968).

Nowadays, there is a well-established environmental and societal imperative for marketers to recognize the sustainability issues related to globalization and cultural differences, the role of the Internet and social media, the proliferation of brands, the increased retail concentration, and the 2023 economic recession for example. Moreover, many influential scholars argue that marketing is no longer only about selling but also about interactions within complex and dynamic multi-actor systems aimed at co-creation of value (Vargo et al. 2023).

Today, most marketing theorists assume that buyers and sellers co-create value, a fundamental shift in marketing focus (Ranjan and Read 2016; Perera et al. 2017; Saha et al. 2022). Such a perspective is particularly important when it comes to marketing and sustainability – a shared effort by customers, companies, and other stakeholders as well.

A key factor in building up long-term customer relations relates to the analyzes of customer needs, followed by focusing value-creation in such a way that products and offerings correspond to needs and desires. In this context, it is relevant to think about which customer to focus on and whether their short-term needs should always be met. An approach that questions what products should be provided combines satisfying short-term consumer wants with a societal orientation that aligns with sustainability concerns and hence provides an application of the so-called societal marketing concept, a cornerstone in contemporary marketing practices. There are many examples of companies choosing to desist from attempting to meet certain customer requirements. Tobacco, pornography, and alcohol are examples of products that may be problematic from a societal perspective. Accordingly, many countries have implemented strict rules about how such products can be marketed and consumed. Companies must ask themselves whether they should merely focus on short-term exchanges with today’s customers – or also attempt to create long-term relations with the customers of the future. Depending on which strategy a company chooses in this regard, its sustainability decisions will be affected.

Green Marketing, Sustainability Marketing – Same, Same, But Different?

In the AMA dictionary, the term *sustainability marketing* is unfortunately not mentioned. The AMA prefers the older term *green marketing*, which is rather defined from a manufacturing and retailing approach, with an environmental twist.

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Green marketing refers to the development and marketing of products that are presumed to be environmentally safe (i.e. designed to minimize negative effects on the physical environment or to improve its quality). This term may also be used to describe efforts to produce, promote, package, and reclaim products in a manner that is sensitive or responsive to ecological concerns. (marketing-dictionary.org).

This definition is very much in line with Polonsky (1994), who conceptualized green marketing activities as the generation and facilitation of marketplace exchanges with a minimal detrimental impact on the natural environment. It also recognizes the contribution of Peattie (2001) by emphasizing marketing activities that attempt to reduce the negative impact of existing products and manufacturing processes and to promote more environmentally sound products and services.

While focusing on “green” manufacturing (i.e. improving the systems of production) is in line with long-term environmental and economic perspectives, it lacks the complete sustainability approach that includes social and societal improvements at all stages of the production and consumption processes aiming to improve individual, environmental, and societal well-being (Ostrom et al. 2015; Guyader et al. 2019). Accordingly, green marketing is inconsistent with the view of consumers as co-creators of value for a variety of stakeholders.

Eventually, one may note that it has almost been four decades since the Brundtland Report (WCED 1987) and “the ‘euphoric’ discovery of the environment by marketing practitioners and academics” (i.e. Peattie and Crane 2005, p. 357). As such, the nomenclature and terminology around green marketing have evolved. Thus, we can denote three phases:

- “Ecological” green marketing in the late 1970s and early 1980s, with a rapid increase in green consumerism due to a concern from businesses to help solve environmental problems (e.g. pollution and waste issues)
- “Environmental” green marketing in the late 1980s when the focus shifted to clean technology, new green product design, and the widespread implementation of International Organization for Standardization (ISO) standards and third-party certifications
- “Sustainability” (green) marketing since the 1990s and early 2000s, which is the most common term relating marketing activities to all three pillars of the SDGs established by the UN (For an evolution of terminology used (see Figure 1.1)

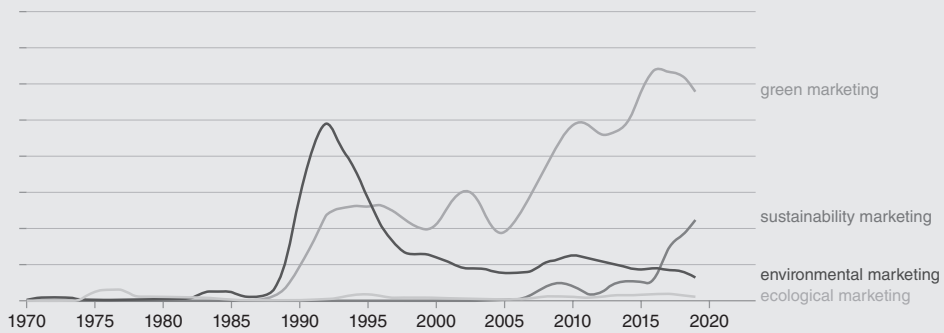


Figure 1.1 Evolution of the terms related to green marketing. While ecological (1980s), environmental (1990s), and sustainability (2000s) marketing have followed each other over time as definitions have been revised, *green marketing* has been the preferred term in books.

Source: Created in Google Books Ngram Viewer (2024).

While AMA does not currently use the term *sustainability marketing* in their online dictionary, available on their website, in 2023 the first special interest group (SIG) focusing on sustainability and innovation was officially announced. The description of the group is as follows (e.g. AMA Special Interest Groups n.d.):

The Sustainable Marketing & Innovation SIG is an emerging community of scholars who believe that the business of business is more than business. To this end, we strive to understand how environmental, social, and/or governance initiatives undertaken by companies influence pivotal business and societal outcomes. The specific research interests of our SIG members span numerous topics, including: demonstrating the business case for sustainability, driving innovation in a circular economy, empowering entrepreneurs at the base of the pyramid with marketing knowledge, understanding drivers of consumer decision making, linking marketing to the United Nations Sustainable Development Goals, and clarifying when and how sustainability can serve as a basis for competitive advantage. Given the strong push to also incorporate sustainability into the curriculum, we also facilitate collaborative exchange of research ideas and teaching resources.

Relating the Field of Marketing to Sustainability in this Textbook

The aim of this book is to highlight, discuss, and problematize subareas where it is particularly important to relate the field of marketing to sustainability. These

subareas deal with key parts of marketing where the link to sustainability issues is seldom problematized in introductory marketing textbooks. These subareas are as follows:

- Consumption and consumer behavior
- Production and operations
- Services and sharing economy
- Communication and branding
- Business models and product service systems
- Marketing channels and value chains
- Pricing strategies and prices

There are, of course, many other areas that may be just as interesting. This book is not comprehensive – textbooks seldom are – and we could have added more material regarding, for instance, the interconnected development of digitization and sustainability, or sustainable entrepreneurship and innovations. Our hope, nevertheless, is that we emphasize the parts that are crucial by following established ways of relating to marketing activities (i.e. consuming, producing, service, communicating, and distributing). The format of this book limits our ability to discuss every conceivable aspect, and our hope is that the discussions conducted in this book will contribute toward greater knowledge and more reflection on sustainability issues within businesses in general and the practice of marketing in particular. Hence, an attentive reader will be able to identify and digest many examples beyond what we deal with in this book.

In each respective chapter, we include insights from contemporary research and present theoretical concepts with examples from around the world. For the previously mentioned subareas, there are clear links between marketing and sustainability. In a nutshell, the concepts of marketing and sustainability might be seen as polar opposites, but in our book, it means focusing on how companies and other organizations work in an integrated way with the social, environmental, and economic aspects of marketing activities at various levels from strategic planning to practical implementation. Our ambition in writing this book is thus to get past the superficial examples that used to be common in some of the literature on corporate social responsibility (CSR) – such as companies that donate funds to schools in under-developed countries but that otherwise conduct their business in an unsustainable way. Our conviction is that sustainability cannot be achieved if these issues are not given strategic significance and permeate core activities. A basically unsustainable business can thus never be laundered using statements about sustainability and expensive advertising campaigns – a rather common practice called *greenwashing*, a concept that we will come back to in later chapters.

The three aspects of sustainability – social, environmental, and economic – are well-established and allow not only for catching the richness of sustainability but also the difficult trade-offs between the three dimensions. The Cambridge dictionary definition of sustainability is

“the ability to continue at a particular level for a period of time” and “causing little or no damage to the environment and therefore able to continue for a long time.”

Sustainable things can either be material or immaterial. It is often difficult to assess in advance what will last (Bonnedahl et al. 2022). For instance, the time horizon is critical. If we apply a sufficiently long-term perspective, then hardly anything will be sustainable. Another key question concerns what is worth preserving over time – maybe some products should be abandoned for the better, like substituting combustion engine vehicles with electric ones, a transition that is moving forward but will take several decades. Moreover, many of the resources we are naturally consuming today did not even exist a couple of decades ago. A moment’s reflection enables us to quickly realize that interpretations of what sustainability entails are far from unambiguous. We return to this discussion later in the book.

By adding the term *development* to sustainability, another dimension is introduced (Bonnedahl et al. 2022). The Cambridge dictionary definition of development is “the process *in which someone or something grows or changes and becomes more advanced*.” Development is normally a term with positive associations, often equated with progress. The term *sustainable development* owes its breakthrough to the prominent 1987 Brundtland Report, “Our Common Future,” compiled by the UN World Commission on Environment and Development under the leadership of the then prime minister of Norway, Gro Harlem Brundtland (WCED 1987). This report became significant as it paved the way for a new and less confrontational view on the link between economics and sustainability. The concept of sustainable development was developed by the American environmental scientist Lester R. Brown, founder of the Earth Policy Institute. Following acceptance of this as a principle, large parts of the environmental movement, the world’s politicians, and trade and industry would all start working together from the 1990s and onward. Instead of emphasizing that sustainability and economic growth are incompatible, which has been a dominant perception, the Brundtland Commission argued that economic growth was possible while being based on sustainable considerations.

Lester Brown: A Key Figure in the Transition Toward Sustainable Business

Lester Brown started his career as a farmer, growing tomatoes in southern New Jersey with his younger brother during high school and college. Shortly after earning a degree in agricultural science from Rutgers University in 1955, he spent six months living in rural India where he became intimately familiar with the food/population issue. In 1959 Brown joined the US Department of

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Agriculture's Foreign Agricultural Service as an international analyst. Brown also studied agricultural economics at the University of Maryland and public administration at Harvard University.

Few people have done more for the sustainability transition than Lester Brown, and since the 1980s, it has been clear that Lester Brown has already strongly affected thinking about problems of world population and resources. The *Washington Post* has called him "one of the world's most influential thinkers."

He has founded many initiatives that drive the transition, too. In 1969, he left the government to help establish the Overseas Development Council. In 1974, with support of the Rockefeller Brothers Fund, he founded the Worldwatch Institute, the first research institute devoted to the analysis of global environmental issues. In 2001, he founded the Earth Policy Institute.

He is one of the world's most widely published authors on the topic of sustainability. At the Worldwatch Institute, Lester Brown launched the Worldwatch Papers series, the World Watch magazine, and the annual State of the World reports among numerous other publications. He has also written more than 50 books, translated into more than 40 languages. Books such as *Building a Sustainable Society* and *Who Will Feed China?* have challenged established ways of thinking. While at the Earth Policy Institute, he published *Eco-Economy: Building an Economy for the Earth* as well as *Full Planet, Empty Plates* – the titles describe well what sustainability-related themes the books deal with.

He is the recipient of many prizes and awards, including 25 honorary degrees, a MacArthur Fellowship, the 1987 UN Environment Prize, the 1989 World Wide Fund for Nature Gold Medal, and the 1994 Blue Planet Prize for his "exceptional contributions to solving global environmental problems." In 2012, he was inducted into the Earth Hall of Fame Kyoto. Lester Brown's mission has been clear: to chart a course toward a sustainable future for our planet. With deep insights and challenging thinking on climate change, deforestation, and dwindling resources, he has pursued his goal of doing what he can to contribute toward a sustainable future for existing and future generations.

The Brundtland Report was highly inspired by the work of Lester Brown. The report of the commission, published in 1987 by the UN, has been highly influential with its definition of what "sustainable development" means for the world, and it became the basis for the Earth Summit and, ultimately, the adoption of the "Agenda 21" by 178 governments (in 1992 in Rio, Brazil). The report of the commission, published in 1987 by the UN, has been highly influential with its definition of what "sustainable development" means for the world, and it became the basis for the Earth Summit and, ultimately, the adoption of the "Agenda 21" by 178 governments (in 1992 in Rio, Brazil).

In a sustainable society, begging to make a living is avoided. The Brundtland Commission's original definition of the term *sustainable development* reads as follows (WCED 1987, Chapter 2, p. 2):

Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs.

It contains within it two key concepts:

- The concept of “needs” in particular the essential needs of the world's poor, to which overriding priority should be given
- The idea of limitations imposed by the state of technology and social organization on the environment's ability to meet present and future needs

As marketing is concerned with satisfying the needs and wants of consumers – and building profitable relationships with them, something that may imply selling more than the customer needs – the principles of sustainable development are highly relevant here. In particular, the UN 12th SDG is actually about “responsible consumption and production,” something that businesses, nonprofit organizations, and governmental bodies should strive for in our global marketplace (see Figure 1.2). In other words,



Figure 1.2 The report “Our Common Future” published in 1987 by the UN has become one of the most influential reports related to sustainable development.

Source: Halytskyi Olexandr/Adobe Stock.

organizations can satisfy the desires of consumers today in a way that is responsible (i.e. sustainable) and not jeopardize the lives of future consumers. Although marketers began emphasizing sustainability as early as the 1970s, awareness of its importance and complexity increased significantly with the Brundtland Commission in the 1980s. As a result, it has become urgent for marketers to understand what sustainable development means and to integrate sustainability concerns into their practices.

The Triple Bottom Line

Nowadays, we emphasize three responsibilities in sustainable development, referred to as the triple Es, the triple Ps, or the triple bottom line (see Figure 1.3):

- Economic prosperity, i.e. economic capital
- Environmental integrity, i.e. natural capital
- Social equity, i.e. human capital

The Three Spheres of Sustainability

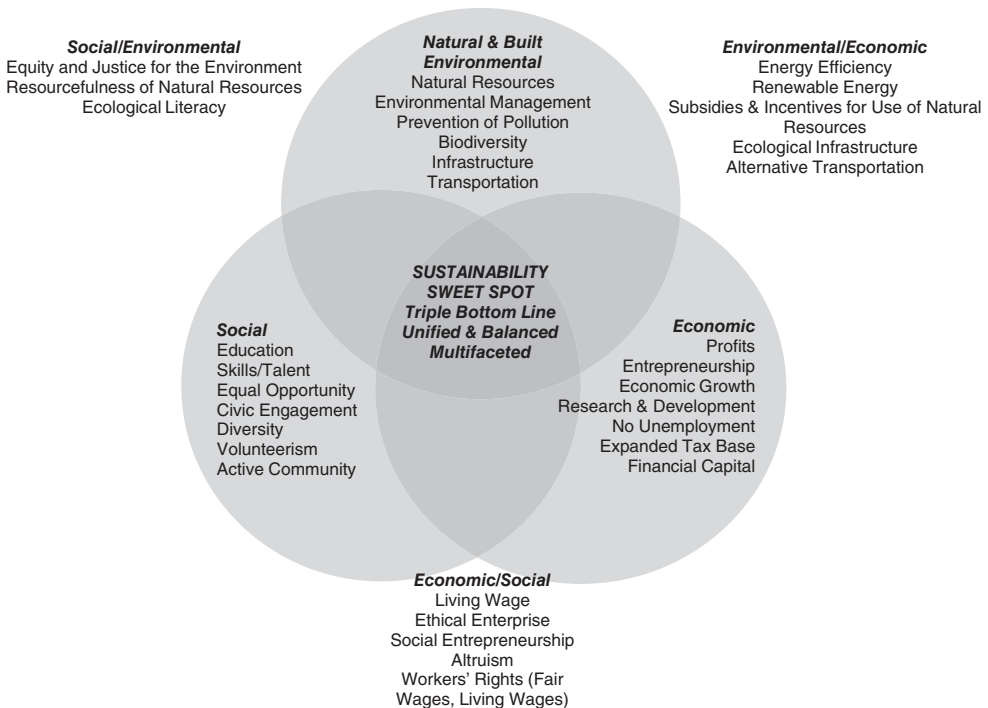


Figure 1.3 The three spheres of sustainability.

Source: Adapted by the authors from A Framework for Sustainability Indicators at EPA (2012a).

In detail, economic sustainability – realized by companies that show steady profits over time – comprises factors concerning how we can create sound economic growth without, for example, bribes and corruption. Environmental (sometimes called ecological, environment, or planet) sustainability emphasizes that economic growth should not occur at the expense of our nature, environment, and ecology. Social (sometimes called societal, often referred to as equity, or people) sustainability, finally, is about building a long-term sustainable society in which people’s basic needs are met. This includes working conditions and income equality. It is often difficult to keep the three different parts of the sustainability concept apart, as economic, environmental, and social sustainability frequently touch upon and even overlap with each other (see Figure 1.4). Introducing new energy-efficient ventilation systems into industrial manufacturing can, for instance, reduce energy consumption and costs, improve the working environment of the staff, and create economic growth in the environmental technology industry. In other instances, there is a clear conflict between the sustainability dimensions, i.e. in building a new railway that will force families out of their homes – expropriation legislation is necessary to make society prepare for the future. Air travel obviously could contribute toward social sustainability – understanding others and gaining perspectives on one’s own life make the world a more decent and peaceful place. At the same time, air travel creates dangerous pollution. All in all, it is often difficult for organizations to balance the three pillars of sustainable development.

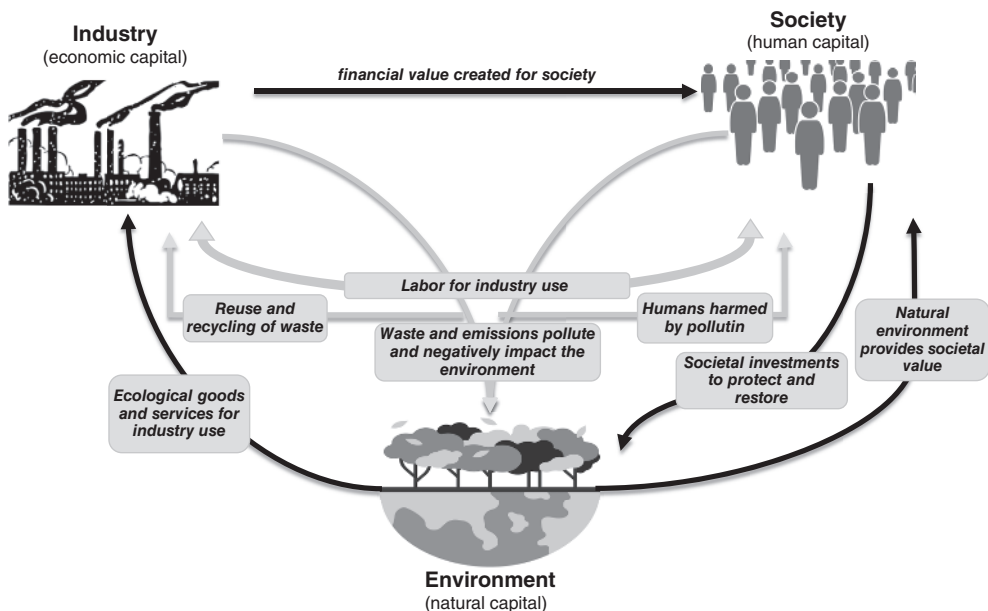


Figure 1.4 Sustainable development is concerned with economic, environmental, and social factors.

Source: Adapted by the authors from EPA (2012b).

Fit for 55 – Tricky Balancing in Many Dimensions

Fit for 55 is a recent European Union initiative to revise legislation to reduce emissions by at least 55% by 2030, compared to 1990 levels a legal requirement. This may sound like an ambitious goal, but already EU emissions trading system (ETS), a carbon market, which has been in place since 2005, has reduced the union's emission by 41% (European Council 2024; European Union 2024).

The package includes a wide range of measures across various sectors, including energy, transport, industry, and agriculture. Key components of Fit for 55 include the following:

- *Revised ETS*: Expanding the scope of the ETS to include new sectors like shipping and aviation, tightening the cap on emissions, and introducing a carbon border adjustment mechanism (CBAM) to prevent carbon leakage
- *Effort Sharing Regulation (ESR)*: Setting binding national targets for emissions reductions in sectors not covered by the ETS, such as buildings, agriculture, and waste
- *Renewable Energy Directive (RED II)*: Increasing the European Union's renewable energy target to 40% by 2030 and implementing measures to support the deployment of renewable energy sources
- *Energy Efficiency Directive (EED)*: Strengthening energy efficiency measures in buildings, industry, and transport to reduce energy consumption and promote energy-saving practices
- *Fuel Quality Directive (FQD)*: Introducing stricter requirements for the carbon intensity of fuels used in transportation, encouraging the use of low-carbon alternatives such as biofuels and renewable electricity
- *Alternative Fuels Infrastructure Directive (AFID)*: Enhancing the infrastructure for alternative fuels such as electric vehicle charging stations and hydrogen refueling stations to support the transition to cleaner transportation
- *Land Use, Land Use Change, and Forestry (LULUCF) Regulation*: Setting rules for managing carbon sinks, such as forests and agricultural land, to ensure they contribute to climate mitigation efforts

Fit for 55 represents a significant overhaul of EU climate and energy policies, aiming to accelerate the transition to a low-carbon economy while promoting innovation, investment, and job creation. However, its implementation will require cooperation and coordination among the European Union's member states, as well as ongoing monitoring and adjustment to ensure its effectiveness in achieving climate targets.

The principles may be implemented differently in the EU member states. For instance, the Swedish government intends to apply the three dimensions of sustainable development – economic, environmental, and social – in a way that

concordantly and mutually support each other. Sweden's goal is to be a leading nation when it comes to reaching the Agenda 2030 goals (Government Offices of Sweden 2022). Sweden also has high goals related to climate change and greenhouse gas reduction, according to the Swedish Environmental Protection Agency (2017):

“By 2045 at the latest, Sweden must have no net emissions of greenhouse gasses into the atmosphere, in order to subsequently achieve negative emissions. The goal means that the emissions of greenhouse gases from Swedish territory must be at least 85% lower by the year 2045 than the emissions in 1990.”

This objective can be achieved only by sending clear signals to the market already today (i.e. an economic factor). For example, considering that a private car has a life span of around 20 years, vehicles powered by a combustion engine (fueled by gasoline or diesel) either must use renewable fuels or should not be sold anymore. For the transition to start as soon as possible, marketing efforts (i.e. product design, pricing, communication, incentives for behavioral change, etc.) are necessary – for example communicating the lower usage costs of electric vehicles to balance the higher up-front costs that consumers usually consider when purchasing a new car. Similarly, industrial projects like fossil-free steel and sustainable fertilizer production must move from idea to implementation for Sweden to reach its high sustainability and climate goals.

The UN SDGs

The 2030 Agenda for Sustainable Development, adopted by all UN member states in 2015, provides a shared blueprint for people and the planet, now and into the future. At its heart are the 17 SDGs, which represent an urgent call for action by all countries (i.e. developed and developing) in a global partnership. They recognize that ending poverty and other forms of deprivation must go hand in hand with strategies that improve health and education, reduce inequality, and spur economic growth – simultaneously as they tackle climate change and work to preserve our oceans and forests.

Source: United Nations.

The term *sustainability* is clearly ambiguous – like the term CSR. For instance, Dahlsrud (2008) found 37 different definitions of the term CSR in a review of its use. The advantage of the term *sustainability* vis-à-vis CSR, however, is that it has a clearer (but far from unambiguous) definition – thanks to the Brundtland Commission – which is applied internationally. At the UN summit on sustainable development in Johannesburg in 2002, the concept of sustainable development

was recognized as a superordinate principle for all UN work, underscoring the widespread application of initiatives for sustainability in society and the prevalence of the term nowadays.

A Soft and Hard Interpretation of Sustainability

It is commonplace to differentiate between a soft and hard interpretation of sustainability. A *soft* interpretation of the term – “weak sustainability” – refers to the substitution of certain resources with others (Bonnedahl et al. 2022). To build homes and reduce homelessness, we have to produce, for example, timber, concrete, bricks, and windows. This kind of production will utilize and consume finite resources and generate emissions. A supporter of the soft interpretation of sustainability would accept a certain amount of environmental impact to increase social sustainability (i.e. providing more people with a roof over their heads). The most important aspect, according to this perspective, would thus be balancing the various parts of the sustainability concept while not reducing the ability for future generations to generate prosperity.

On the other hand, a *hard* interpretation of the term – “strong sustainability” – would reject this line of reasoning that allows different parts of sustainability to be traded off against one another (Bonnedahl et al. 2022). No compromises can be made for supporters of the hard interpretation. Of course, such a line of reasoning, according to the critics, presupposes that all the various resources can actually be fully substituted. Natural resources that are depleted and animal species that become extinct due to their loss of habitat can never be re-created; thus, it is impossible to regard these as a necessary evil price to pay for a new road, a new mine, or a tourism facility for example. Consequently, critical natural resources must be protected and cannot be regarded as substitutable.

Bonnedahl et al. (2022) argues that the too soft interpretation of sustainability as formulated and popularized by the Brundtland report and manifested in the UN’s 2030 Agenda for Sustainable Development is problematic since it has yet not solved any major sustainability problems. Such a view on sustainable development is ultimately strictly anthropocentric – it is based on and revolves around humankind and its current and future needs (Bonnedahl et al. 2022). According to critics of the weak sustainability view, the failure of the present sustainable development policy is due to “. . . its rootedness in assumptions and values of weak sustainability” (Bonnedahl et al. 2022, p. 156). Rather than letting anthropocentric views on sustainability determine future policies, ecological balance should, according to supporters of the hard interpretation of sustainability, be the foundation of sustainable development.

At the same time, the specific focus on needs does not mean what consumers associate with wanting things like “an iPhone,” or “enter any product or service brand experience here . . .” but a few suggestions are fashion, aesthetics, design,

technical innovations, and premium products. In the Brundtland Commission's discussion, the term *need* refers to people's basic needs: like physical needs (food, water, shelter, etc.), social needs (e.g. belonging, affection), and individual needs (e.g. knowledge, self-expression) – these needs are not created by marketers but part of human nature. The Brundtland Commission states: “the concept of ‘needs,’ in particular the essential needs of the world's poor, to which overriding priority should be given” (WCED 1987, p. 54). It carries on saying:

“Living standards that go beyond the basic minimum are sustainable only if consumption standards everywhere have regard for long-term sustainability.”

In this respect, the Brundtland Commission makes it clear that distribution-related injustices between different regions and countries of the world, resulting in different types of consumption, are not sustainable. Not until the basic needs of all people have been met is some other type of consumption legitimate, provided that it occurs within what can be regarded as environmentally sustainable. At the same time, the Brundtland Commission emphasized that people's needs are largely socially and culturally influenced, once again resulting in a vagueness in the applicability of the concept. For instance, in terms of need for food, Frenchmen might prefer to eat bread and cheese, Swedes would prefer meatballs and potatoes, Americans may prefer fried chicken and fries, while Chinese may prefer fish and rice due to cultural differences. Another problematization with sustainable consumption is the increase in natural disasters due to changes in wind (forest and wildfires, hurricanes, tornados), water (flooding), and temperature (heatwaves, freezing temperatures) in more areas that changes consumers' priorities in their consumption needs.

To conclude this introductory chapter, we have to accept that the term *sustainability* incorporates a certain amount of vagueness. However, according to Solow (2000), the term provides comprehensive guidance with regard to showing consideration to coming generations, but this has to be broken down and operationalized by organizations to be used more concretely. This opening chapter discussion shows that we have to systematically problematize the contribution of marketing to a sustainable society – and this book is our contribution to moving discussions forward.

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