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Abstract

This paper proposes a marketing planning framework that will assist managers to address sustainability challenges in their decision making, in line with the American Marketing Association's (AMA) revised (2007) definition of marketing, which calls for a responsibility to society at large, not just individual consumers. At present, marketing's conceptual frameworks lag behind what is a fundamental and significant shift in marketing philosophy. We propose a Sustainability Marketing Model, a simple yet systematic framework that ensures sustainability cascades through the marketing planning process. In developing this, the marketing mix is replaced with a matrix that adds four critical decision fields to the traditional marketing mix - Participants, Physical Evidence, Process and Partnership - and draws on the three pillars of sustainable development - Planet, People and Profit - to ensure managers cross-check decision-making's sustainability impacts. The model is described, and implications for theory and practice, and potential directions for further research, are discussed.

Keywords

matrix, strategic, mix, sustainability, marketing

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Strategic Marketing Sustainability: from a marketing mix to a marketing matrix

[Alan Pomeroy](#)

This paper proposes a marketing planning framework that will assist managers to address sustainability challenges in their decision making, in line with the American Marketing Association's (AMA) revised (2007) definition of *marketing*, which calls for a responsibility to society at large, not just individual consumers. At present, marketing's conceptual frameworks lag behind what is a fundamental and significant shift in marketing philosophy. We propose a *Sustainability Marketing Model*, a simple yet systematic framework that ensures sustainability cascades through the marketing planning process. In developing this, the marketing mix is replaced with a *matrix* that adds four critical decision fields to the traditional marketing mix – Participants, Physical Evidence, Process and Partnership – and draws on the three pillars of sustainable development – Planet, People and Profit – to ensure managers cross-check decision-making's sustainability impacts. The model is described, and implications for theory and practice, and potential directions for further research, are discussed.

Introduction

The principle of sustainable development, that the future of the planet's environment, communities and their cultures not be compromised by actions in the present (World Commission on Environment and Development 1987), has now served as a guide for business managers for more than two decades. Meeting this sustainability imperative through innovation rather than mere compliance has been recognised as a way to enhance the firm's capabilities, foster competitive advantage, and deliver market leadership (Porter & Kramer 2002). The AMA (2007) has called for Marketing to recognise a responsibility to *society at large*, not just individual consumers, yet business managers currently have little guidance on how they might drive a sustainable development agenda across their operational activities, particularly market-facing activities typically construed under the heading of the marketing mix.

Crittenden, Crittenden, Ferrell, Ferrell and Pinney (2011) warned, 'there is little in mainstream marketing management theory, research, and practice that equips companies to deal with the 21st century operating environment in which sustainability is the consumption norm and not the exception' (p. 72). That marketing should bear a societal obligation beyond the narrow consumer-organisation dyad is generally not reflected in its contemporary conceptual frameworks, for example, the idea of *market orientation* (Kohli & Jaworski 1990; Narver & Slater 1990). This position is starting to change, for example, the key concept of the *value chain* (Porter 1985) has been revised (Porter & Kramer 2006) to reflect the simultaneous harm created along with value, a point made by Polonsky, Carlson and Fry's (2003) conceptualisation of the *harm chain*. A simple conceptual framework to guide managers in reducing the harm created as the result of their decision-making is, however, a conspicuous omission from the description.

It is clear from several recent managerial surveys that contemporary managers are inadequately prepared to meet business's challenge to adequately consider the needs of society at large in their strategic and operational decisions. A McKinsey Global Survey (2010) of around 2000 executives reports that despite its acknowledged importance, companies are not taking a proactive approach to managing sustainability. In a similar joint-Boston Consulting Group and MIT-Sloan Management Review survey of more than 1,500 business executives and managers, over 70

percent of the respondents indicated that their company has not developed a clear sustainability stance (Berns et al. 2009).

The World Business Council for Sustainable Development (WBCSD) has called for a more sustainable level of consumption, but, apart from de-marketing and social marketing efforts to help bring this about, marketing may yet have a broader role to play. Bridges and Wilhelm (2008) provided an excellent discussion of how sustainability has been scantily dealt with in texts, academic journals and marketing curricula. Hult (2011) suggested marketing, 'is in a unique position to elevate its focus from managing relationships with customers to strategically managing a broader set of marketplace issues' (p. 1). For marketing to maintain its credibility as a vital business discipline and topic of study it must step beyond its market-facing role into a broader role that is both market- and society-facing.

Philip Kotler (2011) argued, 'marketing will have to reinvent its practices to be environmentally responsible' (p. 132). At present, marketing managers' decision-making is typically framed around the traditional concept of the marketing mix, which addresses the needs of individual consumers, but provides little guidance on operating more sustainably, for the benefit of society at large. Several new texts deal with the marketing-sustainability nexus, Belz and Peatie's (2009) *Sustainability Marketing* and Martin and Schouten's (2012) *Sustainable Marketing*, and sustainability was the recent focus of a special issue of the *Journal of the Academy of Marketing Science* (2011), highlighting that marketing is seeking the reinvention Kotler calls for. To add to this 'reinvention,' we propose the *Sustainability Marketing Model*, a simple yet systematic framework that ensures sustainability cascades through the marketing planning process, to address this gap.

The *Sustainability Marketing Model* is a simple yet powerful model that provides the manager with a comprehensive check-list for considering the sustainability implications of all supply- and demand-side decision-making. It can ensure that sustainable development considerations are written into the strategic planning process, ultimately cascading to operational decisions, such as pricing, product design, promotional tools and messages, and distribution methods, and the various other mix elements for specific contexts, such as services and experiences. Improved sustainability performance, through reference to the Triple Bottom Line (TBL) pillars of *Planet*, *People* and *Profitability*, is a clear target. The model, we contend, will inform theory and practice by providing a framework that is currently absent in marketing theory (Crittenden et al. 2011; Kotler 2011).

We commence our discussion by describing the proposed Sustainability Marketing Planning Model and its implications for theory and practice, and conclude with suggestions for potential further research that will advance our understanding of the marketing-sustainability nexus.

The Sustainability Marketing Planning Model

Bridges and Wilhelm (2008, p. 34) argued, 'marketing education for sustainability requires a consideration of environmental and social issues in all elements of marketing strategy planning, from objective setting to target market selection to strategic and tactical decisions regarding each of the marketing mix variables'. The proposed model addresses this requirement, expanding the notion of the marketing mix, in terms of its relevance for sustainability, but also transforming the notion of a mix into a matrix of decision-making. But we go further still, ensuring that sustainability is a focus at all levels of the strategic planning process. This latter point will be dealt with first, before we focus on the *matrix* notion.

Holistic planning and strategic decision-making is the first of four sustainable development principles (WCED 1987). Strategic planning assists organisations by making them understand how they will compete in the future. Through the strategic planning process, value is to be

created: value for consumers, value for the organisation, and, importantly, value for society at large (AMA 2007). The planning process occurs at a number of levels, starting with the vision and/or mission, which articulates how the organisation sees its place in the future, its purpose and ‘what it wants to accomplish in the larger environment’ (Kotler et al. 2007, p. 80). It is critical that sustainability is addressed at this primary level, as the mission, ‘acts as an “invisible hand” that guides people in the organisation so they can work independently and yet collectively toward overall organisational goals’ (Kotler et al. 2007, p. 80). This planning level also establishes a level of expectation for employees, consumers and other stakeholders.

From the mission, planning cascades to the strategy level, where goals are articulated into strategies. Marketing strategy requires the, ‘planning and coordination of marketing resources and the integration of the marketing mix to achieve a desired result’ (Kotler et al. 2007, p. 79). It is ultimately the marketing mix that produces value for individual consumers and society at large, or alternatively, harm. This desired result must include sustainability outcomes, aspirations stated in terms of sustainability performance *indicators*. We next describe an expanded conceptualisation of the marketing mix, a *Sustainability Marketing Matrix*, for the achievement of sustainability outcomes.

The Sustainability Marketing Matrix

The marketing mix, a simple mnemonic device of four Ps (McCarthy 1960) broadly details the activities the marketing manager needs to consider to achieve the organisation’s desired market offering: product, price, promotion and place. These are important decision areas, but alone they do not permit a firm (organisation) to adequately address sustainability’s challenges. These challenges include: altering the way things are done, that is, the way value (harm) is created; clearly demonstrating to stakeholders the firm’s sustainability stance and values; collaborating with other individuals and organisations to achieve sustainability-related synergies; and ensuring employees and customers are included and supportive of the drive toward greater sustainability. These challenges are addressed through, respectively, *processes*, *physical evidence*, *partnerships* and *participants*. They are added to the traditional four Ps to expand our understanding of what needs to be in a more sustainability-relevant marketing mix, and then these eight elements are cross-referenced against the TBL’s planet, people and profitability measurements to form the *Sustainability Marketing Matrix*. Before discussing the TBL we might draw on services marketing explanations in explaining these additional mix elements.

Process

Process describes how the service is assembled, the ‘actual procedures, mechanisms, and flow of activities by which the service is delivered – the service delivery and operating systems’ (Zeithaml, Bitner & Grumbler 2006, p. 27). An example of this at work is provided in a recent Sloan Management Review interview (Hopkins 2011) where Duke Energy’s Roberta Bowman spoke of a similar approach to that proposed in the *Sustainability Marketing Mix Matrix*, referring to the corporation’s *sustainability filter*, a ‘tool for conversation and decision-making....to encourage innovation and resource efficiency throughout the company’ (p. 1). The Duke *filter* employs a series of questions around the four areas of: connection, efficiency, balance and grandchildren. One question around efficiency, asked in regard to how a natural-gas fired combustion turbine plant could be started-up more efficiently, in terms of fuel use, time and carbon emissions, resulted in the development of a new start-up calculator that improved efficiency and saved \$2m in just six months at one turbine station.

Physical evidence

Physical evidence refers to the tangible clues that assist consumers' evaluations of products. In service contexts, such evidence might include elements of the *servicescape*, including design and furnishing, employee appearance and communications. Manufactured products might make use of evidence as product packaging and labelling information, distribution, e.g. use of low-carbon transportation modes, and architectural design (passive building design, solar-energy cells). Walmart, for example, planned to generate solar energy at more than 130 of its Californian stores by 2012. When complete, this solar commitment was expected to: generate up to 70 million kilowatt hours of clean, renewable energy per year, the equivalent of powering more than 5,400 homes; avoid producing more than 21,700 metric tons of carbon dioxide emissions per year, the equivalent of taking approximately 4,100 cars off the road; and provide 20 to 30 percent of each facility's total electric needs (Walmart 2011).

Partnership

Partnership refers to the cooperative efforts of sustainability outcome-enabling individuals and organisations in the realisation that one organisation cannot stand alone in the struggle to achieve sustainable development. Productive partnerships include employees and the organisation's customers, captured under *participants*, below, and other stakeholders and even competitor organisations. Firms' partnering with universities' research centres to innovate around sustainability performance metrics is an obvious choice. The concept of partnership is also important in instances of co-production, which, in terms of service-dominant logic (Vargo and Lusch 2004), is a potentially significant market.

Participants:

Participants include 'all human actors who play a part in service delivery and thus influence the buyer's perceptions: namely the firm's personnel, the customer, and other customers in the service environment' (Zeithaml, et al. 2006, p. 26). *Participants* is preferred to *People*, the term commonly referred to in services marketing, as it was the term originally used by Booms and Bitner (1981) and to avoid confusion with the *People* of the triple bottom line, against which it must be cross-referenced. This element highlights the role of human resource management and customer management, as key ingredients in the service offering. For sustainability marketing, employees and customers are equally important. Employees should be committed to the sustainability ethos, and be committed to continuous sustainability performance improvement. Global carpet tile manufacturer, Interface, for example, is, 'creating a culture defined by engaged employees with a shared vision for sustainable business. Our inspired employees are taking our mission outside the company walls, improving our communities and redefining how business should be done' (Interface 2012a).

Customers too can be included in continuous-improvement efforts and suggestion systems. Customers are not merely targeted to consume the outputs of the organisation in the general marketing sense, but are also to be included in the co-production of sustainability achievements as much as possible through, for example, product use, servicing and disposal, recycling and future product purchase. This might include a move away from personal ownership toward temporary use, as being developed in an increasing range of product categories along *service-dominant* lines. Open-source software development provides a model for how customer involvement might drive enhanced sustainability achievement, with many hands helping concept development and product innovation. Interface, for examples, uses its website to educate consumers, asking them to, 'Use your purchasing power to make change. Your influence can create demand for more sustainable products and increase their prevalence in the marketplace.

Ask powerful questions before making a purchase. Request detailed product information. Expect transparency. Learn about our commitment to transparency through Environmental Product Declarations (EPDs)' (Interface, 2012b).

Each of these additional ingredients can and needs to be effectively managed by the marketing manager in the pursuit of sustainability outcomes. The inclusion of participants, physical evidence, process and partnership is recognition that the traditional sense of the marketing mix, that is, that which is controllable by the organisation, must be seen more comprehensively. Each of these, now eight, marketing mix elements can be managed against assigned sustainability performance indicators by simply cross-referencing each mix element against the TBL's pillars, Planet, People and Profit, to form the (8x3) *Sustainability Marketing Matrix*.

The purpose of this matrix is to raise the following questions:

- *Planet*: How does our (*marketing mix element*) make optimal use of environmental resources, maintain essential ecological processes and help to conserve natural heritage and biodiversity?;
- *People*: How does our (*marketing mix element*) demonstrate respect for individuals and the socio-cultural authenticity of communities?; and
- *Profitability*: How does our (*marketing mix element*) ensure our viable, long-term economic operations, and provide long-term socioeconomic benefits to all stakeholders that are fairly distributed, including stable employment and income-earning opportunities to communities?

Profitability over the long term should, not surprisingly, be the result of the activities and operations of the firm that cascade from decisions made around our *Sustainability Marketing Model*. These questions will bring to the fore appropriate key performance indicators that firms might use to measure and manage their TBL impacts.

Discussion

Sustainability will affect a firm's positioning. Some firms, such as The Body Shop, build a successful market position on a platform of being and doing 'good'. Attempts to reposition along *good* lines, however, risk a backlash, or at least reputational capital-eroding scepticism and/or cynicism. The approach we have proposed is designed to deliver transparency, along with a comprehensive audit of operational issues that might impact all sustainability outcomes, and reduce such negative responses. We recognise that consumers and other stakeholders are now looking to firms and organisations to go further in pro-social and pro-environmental achievement, not only claiming such credentials but also demonstrating these in tangible, evidence-based ways, and involving other partners in the process. Sustainability offers firms the opportunity for differentiation from competitors and increased profits (Porter & Kramer (2002), but it needs to be systematic, evidence-based and transparent. The model proposed here, a key part of which is the *Sustainability Marketing Matrix*, would help firms ensure this is the case.

We contend the proposed *Sustainability Marketing Model* contributes to the ongoing marketing-sustainability conversation. While survival at the level of the individual firm is critical for managers, Post's (1991, p. 32) words seem more resonant now than perhaps they were almost two decades ago: 'Managers can no longer ignore environmental problems; they must manage as if the earth mattered, because in fact it does'. To achieve sustainability outcomes, new marketing models are needed, but the theoretical development of marketing research on sustainability is considered to be in its infancy (Connelly, Ketchen & Slater 2011).

Future research might explore how firms in different product categories and industry sectors might approach sustainability more systematically by making use of the marketing planning

model described here. While the *Sustainability Marketing Matrix* might appear complex, it might easily be broken down into its different constituent parts and these parts examined in some detail. For example, how employees and customers might be drawn deeper into the sustainability topic and the firm's attempts to address this topic should prove of interest for services marketing researchers in particular, especially in high-contact services where customers and employees have a high level of personal interaction.

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The Strategic Sustainability Marketing Framework

