

Sustainable Offering Practices Through Stakeholders Engagement

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Abstract: Sustainable development is achieved by satisfying the current ends without shrinking the existing means which can serve as needs for the society in the future. It has become global motive and responsibility of present community to utilize resources in an optimum way with minimum environmental damage. The objective of this paper is to study theoretical framework and practical approaches on sustainable offering practices through customer engagement. The study has also examined the opportunities and challenges of sustainable offering practices in India. The study is based on a previous study and secondary data has been used for analysis. The outcome revealed the process for successful sustainable offering practices in context of Indian consumers. The analysis has helped to understand different practices of sustainable offering through engaging stakeholders.

Keywords: green products, sustainable development, sustainable offering.

1. Introduction

Various issues are raised in marketing strategy with the passage of time. Marketers have always tried to adopt different marketing strategies to compete in the market and to protect wellness of human beings. Today, sustainability is the new area being considered by various companies for long-run growth and development of their business. Sustainability works on triple-bottom-line approach i.e. people, planet and profit where people's need is given higher priority followed by conservation of planet whereas least importance is given to profit. The Brundtland Commission Report (1987) coined the phrase sustainable development as *Our Common Future* and defined sustainable development as *development that meets the requirements of the present generations without*

compromising the ability of future generation to meet their own needs (Brundtland, 1987). It also recovered the discussion on the importance of business society for sustainable development.

Sustainable offering practices is a long-run vision which deals with such strategies which are based on ecological, moral and ethical principles. Marketers and customers are directly or indirectly associated with all of these three dimensions. Thus, customers' engagement and marketing practices need to be analyzed simultaneously. Therefore, there is a need to design marketing strategies which can deal with problems engaging the customers. However, it is not easy for marketers to design such strategies through which they can attract and engage customers in their economic activities. Many a times, sustainability is considered as environmental sustainability however it is not only limited to the ecological issues but also includes social and economic matters (Obermiller et al., 2008). Thus, sustainability includes those practices which could be evaluated in terms of sustainability through environmental, economic and social dimensions. Sustainability in the field of marketing can be explored in various perspectives. Both green issues and social issues can be considered simultaneously to study sustainability in the field of marketing. However, sustainable development can be studied in a better way by considering environment (green), society and economics together.

2. Research Methodology

The greatest problem in green marketing in India is the vicious cycle of the Indian economy. There are few collective initiatives taken by the society where all backbones such as people, government and business enterprises have come together to promote green offerings in India. This is due to a general lack of understanding in the people of India on the theoretical and practical implementation of green offering. This research is focused on theoretical framework and practical

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approaches on sustainable offering practices through customer engagement. The study has also examined the opportunities and challenges of sustainable offering practices in India. The study is based on a past study carried out by various researchers and secondary data analysis. The sources of secondary data are newspapers, magazines, books, journals, conference proceedings and Government reports.

3. Social and Green Marketing Practices

In late 1950s, societal marketing thought was introduced in India, which was grounded on bringing ethical and social reflection into offering activities. Social offering is the design, implementation and control of programmes intended to influence the appropriateness of social philosophies and connecting considerations of product planning, designing, costing, communication, delivering, and research (Kotler, 1971). With the development of offering practices in the field of societal offering, various related difficulties were discovered and categorized into respective fields. Kotler and Lee (2005) surveyed 23 companies and examined their 36 corporate social responsibility initiatives. They categorized these initiative into 6 groups i.e., cause marketing, corporate social marketing, cause related marketing, community volunteering, corporate philanthropy and socially responsible business practices. Social and green marketing practices are both connected with each other. The practices of green marketing are ultimately associated with society and sustainability. If the society is not connected with the green drive, the chance of success will minimize. The best option for sustainable offering practices is that social and green marketing should go hand-in-hand.

Green marketing is an emerging phenomenon which has been developed with specific focus in the contemporary marketplace. It is developing as a significant idea in India vis-à-vis in other developing and developed countries. It has been experienced as a significant approach of expediting sustainable development. Green marketing is understood as all activities designed to ease and produce any exchanges envisioned to satisfy human needs and wants, such that those human needs and wants get satisfied with minimum damaging impact on the natural atmosphere (Polonsky, 1994). Green consumers are those consumers who avoid purchasing products which are likely to hamper the health of the society. These include products which may cause significant detriment to the ecology during manufacturing cycle, use an unbalanced quantity of energy, cause unwanted waste, use raw materials derived from endangered species, involve unwanted use, or cruelty of animals or adversely affect

other nations in the globe (Elkington, 1994). It is observed that two out of every three consumer are green in developed country whereas one out of every six consumer is green in developing nations. However, the environmental commitment of individual consumer varies because of variable standards, expectation from producers, demand and purchasing power. It will be appropriate to define a green consumer as one who is engaged in green consumption alone and one who purchases in a more suitable, sustainable and responsible way. Every consumer has a bundle of needs and wants, and the same is true for green consumers as well. Through large number of activities such as providing electronic statements through email, electronic copies of tickets etc., traditional marketing methods are getting replaced by e-marketing. The latter is reflected in using recycled material for printing, general use of materials in an efficient way like waterless printing, reusing printed one-side paper for reprinting, etc. Retailers are identifying the value of alliance with other business houses, ecological groups and research societies to promote and fulfil their environmental promises. Some retailers are selling paper or biodegradable shopping bags under the roof of Go Green Environment Fund to minimize plastic use and fulfil their green promises. Creditability is the key to successful green offering of green product. In green offering practices, one should never institute unrealistic expectations nor overstate ecological claims. It is equally required to communicate the green messages in a simple manner and through trustworthy sources. Promotion of green credentials and achievements by companies has also become important. This can be done by publicizing stories of the company's and employees' green initiatives. Other ways include conducting ecological awards and reward programmes to profile environmental credentials for both customers and key stakeholders (Sarkar, 2012).

Green marketing is an excellent strategy from the business point of view as well. A visionary marketer is one who not only convinces the consumer, but also involves the consumer in marketing his product. This can be best achieved through Green Marketing. Green offering is not just another approach of marketing but it has greater importance which needs to be pursued with much greater vigour, it is connected to both social and environmental dimension. Due to the threat of global warming it is very important to make norms rather than exception or just a mania of green offering (Sarkar, 2012). Further, the three pillars of sustainable development framework - environment, economy, and society - need to be given more importance in evaluation of performance of business operations (Belz and Peattie, 2012; Kumar et al., 2012).

4. Sustainability Through Customer Engagement

The achievement of sustainable objective depends on individual company's sustainable efforts recognized by the market. If a company keeps continuity on its production and marketing of sustainable products, the demand for such products will certainly increase. A suitable way for stimulating the sustainable demand is to create a market through continuous supply of sustainable products. The business organisations need to prepare market pull strategy to connect with consumers directly in order to sell their green products. They also need to address the sustainability conscious consumers so that they can understand the value of environmental and societal friendly manufacturing. A better action plan for such a market pull strategy may address both the categories of customers, end consumers as well as retailers. Through appropriate market segmentation, the sustainable demand can be stimulated strategically. For this move, a good identification of the market segments that are natural buyers of the sustainable attributes is required because they have a compliance obligation or voluntary commitment to improve performance (PricewaterhouseCoopers, 2010).

Marketers should wisely carry out the translation of messages about green products and its long-term benefits. These messages must underline that customers are not paying for the product but they are paying for the long-term benefits of green products which will ultimately benefit them directly and those companies are focusing not only on corporate profits but also on efficiency, durability, recycling, reuse and other sustainable attributes. Both mainstream as well as committed green consumers should be considered by marketers while designing green product and its campaign. The task does not end here, it is also important to make the consumers delighted by offering best green products in order to compete with competition in this segment. Business organisations must therefore be prepared to either narrow the focus in order to capture a piece of the market, or throw something "you are pretty sure they will want" out there. In this way, marketers can increase their chances to be successful. Once marketers are confident that their strategy is working, then they can go for mass marketing of such products.

5. Components of Green Offering Practices

The components of green offering practices are divided into two segments (Fig. 1). The first segment includes Growth, Recycle, Ecology, Equality and Non-Profit which shows the way to successful implementation of green offering practices. The second segment includes Government, Resident, Enterprise, Economy and Nation

which are the stakeholders of green offering initiatives. For success of green practices, both the segments have to actively participate towards green offering drive. The various components are briefly discussed below.

Growth: In the initial stage, the growth of green offering practices are always slow due to low response from customers. However, once customers become aware about the benefits of green offering, rapid growth can be expected. The cost of offering of such products will also become low in the long-run because other firms will also get into this and there will competitive pricing of such products.

Recycle: The conservation of natural resources will help minimize the cost of production. Recycling and reuse will ensure that the same product can be used multiple times or for other needs. There are various raw materials which can be used for the production of several products. If the used material can be reused further, then the cost of production will be low and it will also help preserve natural resources.

Equality: Equal efforts from every stakeholder are required for successful implementation of sustainable offerings practices. The government, society, consumers, organization and all others stakeholders of an individual nation need to participate in this drive. They need to take initiative so that all sections of the society are involved in this drive.

Ecology: Conservation of natural resources and balancing ecosystem is the prime concern of green offering practices. The balance of ecosystem is very crucial for the next generation so that their survival on this Planet can be sustained. Therefore, the process of green offering must ensure that it is satisfying the present need of society with minimum damage to the environment.

Non-Profit: There are various stakeholders who are directly or indirectly linked with green offering practice. The concern of green offering has to be non-profit so that cost of offering by producer will be low which can help them to offer such product at a low price. This will attract consumers to buy and use such products frequently.

Governance: Proper governance is required to impose green offering related guidelines for marketers and consumers which can build mutual trust between them. The authorities must penalize unethical practices of marketing relating to green offering. It should also appreciate and award the green consumers for their contribution to the environment.

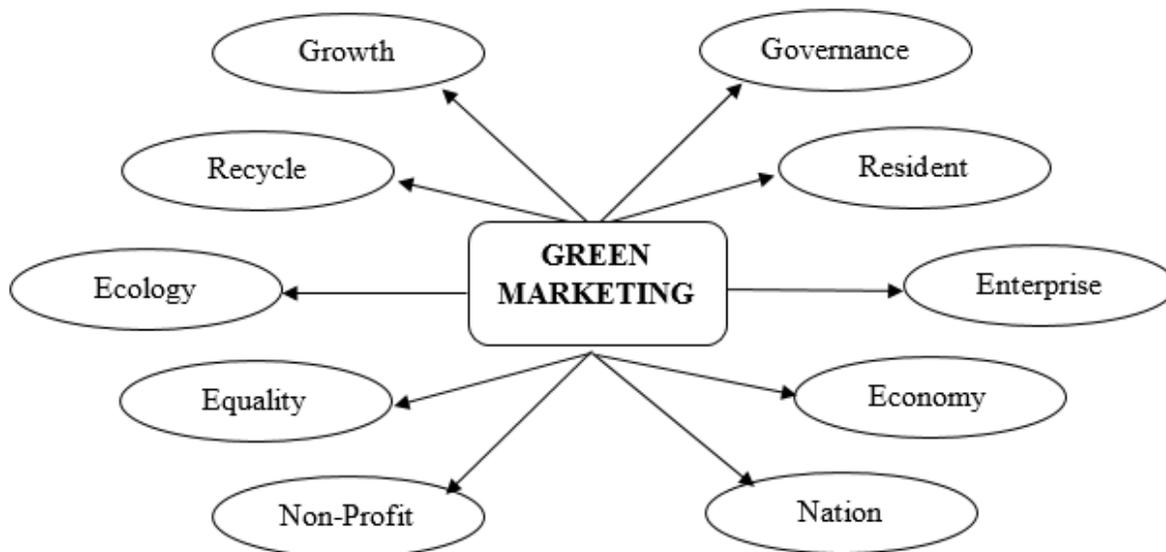


Figure 1. Components of Green Offerings Practices.

Resident: The resident is the buyer and the seller of any economy. They are the followers and violators of rules and regulations in every country. Therefore residents are the backbone of success and failure of green offering. Citizen of the nation should be made aware about merits of using green products and demerits of not using such products. The government bodies and marketers can convince them to buy and use green products to save the environment.

Enterprise: The main motive of any organisation is to earn profit but in case of green product, the enterprise should plan for long-term profit. This is because in order to become successful in green offering, there may be chances that in the short-run, company may run on low profit or sometime on loss as well. Enterprises play a very important role in changing the traditional consumption pattern of consumers into green products consumption by offering such products at affordable prices.

Economy: The economic indicators of the country have direct impact on success and failure of green offering. There is high chance of success of green offering in developed economy where people are literate, have high purchasing power and there are more number of green producers. It becomes easy for marketers to campaign their offering to consumers in such a scenario. Customers can also choose the best green product from various offerings.

Nation: Political initiatives are required for successful implementation of green offering practices. Government

should promote the buying and selling of green products in the country. Governments can motivate producers to offer green products through tax relations, subsidy in R&D and technology procurement, etc. which will help producers to earn profit in short-term and will further motivate greater number of producers to take green offering initiatives.

6. Sustainable Marketing in India

Preservation of environment and satisfying the customers need with reasonable profiting margins is a challenging task but it is the need of business society today. Sustainable marketing with green offering concept has developed with a particular importance in modern business. It has emerged as an important concept in both developing and developed countries throughout the world, and in India. Green offering is an important tool for facilitating sustainable economic development (Tiwari, n.d.). The Indian customers are ready to pay a premium price for green products. What is concerning, however, is that the current consumption levels in the Indian market are too high and unsustainable. There is thus a need for green marketing and a need for a shift in consumer behaviour and attitude towards more environment friendly lifestyles. Literate and urban Indian consumers are informed about the benefits of using green products. However, the concept is new to illiterate and rural Indian consumers. The new green movements must reach all segments of the society, which may require a lot of money, time and collective effort. A report of India's Ayurvedic Heritage states that Indian consumers do appreciate and give importance to use natural, organic and

herbal beauty products (Saini, 2014). Nowadays, Indian consumers are also health conscious and are preferring to perform regular *yoga* and are keen to consume organic food (Sarkar, 2012). Due to this, we can predict that Indian consumers are somehow aware about benefits of green products and are ready to buy such products. Therefore, with only small initiatives, Indian consumers can be made more aware about the environmental benefits of green products and can be made to actively participate in making such purchases.

7. Sustainable Offerings: Several Opportunities

Sustainable offerings is an improvement in marketing practices which incorporates both economy and relationship marketing aspects from social, moral and environmental viewpoints. It also considers deep understanding of diverse shoppers and their adoption pattern (Noo-urai, 2016). However, future marketing will be determined by several influences such as relationship management, increasing of production technology, and communication, etc. Moreover, businesses and marketers have to bring long-term solution in order to maintain congruency in customer relationship and customer value for growth of environmental and social concern into economic growth and its bearing on climate variation. Sustainability marketing focuses on increasing customer value, social value and ecological value. The product has to be analysed from a sustainable development perspective rather than considering only prices, distributions and promotions in order to target audiences by integrating social and ecological factors into the marketing procedure (Belz, 2006). Sustainability marketing could potentially lead to long-term opportunities and success in marketing. The process of sustainability marketing through consumer engagement needs to be ingrained in organizational goals, consumer goals and societal goals. Sustainable marketing also follows the economic paradigm which is focusing on the traditional economic exchange process and profit as the ultimate goal. Moreover, in the introduction stage, the strategies of sustainable marketing should focus on bearable consumers, who are glad to pay higher prices for environmental friendly products.

Almost one-fourth of customers like to buy eco-friendly products whereas nearly 28 percent may be put into health conscious consumer's category (Tiwari, n.d.). Therefore, a fair size of buyers are available in the Indian market for green products. Buyers and suppliers of industrial products need to be pressurized from all stakeholders concerned about the environment so as to minimize negative impact on the environment. Green offering has high significance and relevance in developing nations like

India (Sarkar, 2012). The producers and marketers can produce their products and services by reducing the impact on the environment and increasing their good effects on society. These impacts could be the result of proper design, use of materials, water and energy consumption, packaging, delivery, marketing disposal and reuse and other attributes. This balanced approach is a proof that sustainable products try to integrate all three components of sustainable development. On one hand, the sustainable product strategy considers and integrates environmental and social dimensions along the entire value chain. On the other hand, the sustainable products are competitive and economically successful in long-term. In this way, consumers can reduce the impact by the choices they make, sustainable goods and services they buy and how they use them (Belz and Karstens, 2010).

8. Sustainable Offerings: Various Challenges

In this era of globalization, it is a challenging job for marketers to maintain customers and consumers in fold along with preservation of environment, which is the emerging requirement of the time. Sustainable marketing and sustainable economic development go hand-in-hand and therefore both of them are crucial matters for countries like India. The word sustainable is related to something durable or long lasting. In a nutshell, such offerings are the one which have long lasting relationship with customers without any specific locus to deliberation of sustainability concerns or sustainable growth. Most of the marketers charge a premium price for their new natural and organic products. But in most of the cases, consumers do not feel the same way. Many researchers have found that customers are more likely to buy eco-friendly products over a non-eco-friendly one if they have been billed the same amount (Skirbol and Nelson, 2015). Manufactures and sellers need to apply such findings in their business policy to offer eco-friendly product within customers' budget to increase demand of such products. They also need to have a clear understanding of their audience, and what they want from brands.

Green offering requires a wide range of tasks which includes product design & modification, amendment in the production process, changes in packaging as well as promotional activities (Tiwari, n.d.). The product design and packaging have to be compatible with the existing design so that consumers can easily upgrade the conventional system into a green one. However, making such feasible products may be difficult, costly or may not be possible with all products. In many a case this is also the reason for failure of green initiatives because since the benefits are felt in long-term, companies have to make high initial investments without any immediate results.

This means higher costs of green products which does not bother the committed green consumers but has been certainly found to bother the mainstream consumers. Thus, green products need to be easy to install and integrate as well as their replacement amount should be affordable to inspire their greater adoption by mainstream consumers.

Green marketing involves marketing of green products/ services, green technology, green power/ energy for which a lot of money has to be spent on R&D for their development and subsequent promotional programs which ultimately may lead to increased costs. Consumers' awareness about environmental threats and green benefits is the key to success of green product offering. The organizations practicing green offering have to work hard to convince all the stakeholders. It may seem unproductive to convince the shareholder and other stakeholders about the long-run benefits of green offering as compared to short-run expenditures. However, for mass acceptance of green products, the benefits have to reach to all stakeholders even if it means investing considerable money and time initially. Efforts are also required by governments, NGOs, educational institutions, business houses and society at a large to create awareness among the consumers to promote eco-friendly buying behaviour (Sujith, 2017). All possible measures should be undertaken by the marketers to convince customer to buy green product; eco-labelling schemes is one of the best possible alternative for convincing them. However, what has become clear is that green offering can be successful and profitable only in the long-run. A marketer must be certain that s/he is provoking the right stories for the target audience that lead to greater green insights, instead of making assumptions around the product and consumers' needs.

Companies also need to take into account that rival companies may follow a similar green strategy and thus profit margins may eventually fall. Hence the business needs to plan for long-term rather than short-term and also prepare to compete with competition. At the same time, the respective business should avoid falling into the lure of unethical practices to make profits in short term. Another aspect that needs to be looked into is that considerable lack of standardization exists in case of green marketing. There is a strong belief held by many customers that some of most of the green marketing promises are false (Fiegerman, 2010; Gottlieb, 2013). This requires greater monitoring by the Government and corporate regulation bodies who need to monitor the green marketing activities and on the basis of their surveys, issue certifications and licenses. Once the

certification is received by the company, only then it should be allowed to green label its products. Such an initiative from the Government's side will bring confidence in the customers to buy green products with greater confidence.

9. Conclusion

The conceptual framework of sustainable marketing has been understood in similar way all around the world. Green marketing is still unfertile in most of the economy around the world. The major cause of failure is adoption cost and lack of trust in marketers. Both hurdles can be ruled out through customers' engagement which will reduce the cost of both marketers and consumers through creating a long-term relationship. Ultimately, this will build mutual trust. Marketers have failed to involve majority of consumer in green initiatives in India. If marketers can motivate the Indian consumers through highlighting environmental benefits for going green with minimum compromises on their budgetary schedule, it will go a long way in initiating green consumerism. Active participation of consumers is important for the success of green offering practices and a large number of consumers in India lack this awareness at present. All the major pillars of a nation, like government, society and business houses have to take initiatives in this direction in order to accomplish this goal. Further, empirical study on sustainable marketing practices through consumers' engagement is required. Using the correct terminology is also important and instead of sustainable marketing or green marketing, researchers may consider the term sustainable offering practices in future studies.

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