

# Towards Value Based Marketing



## Sustainable Marketing

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What is the business of businesses?

The old paradigm said, the business of businesses is business! Little did they pause to think about the social and environmental responsibilities of businesses. Profit generation was largely considered as the justifiable purpose of any business to exist, leaving social and environmental issues like global warming for politicians to worry about.

Although this view has begun to change in the last decade - mainly due to consumer pressure - enough awareness in this respect has not yet developed amongst a large section of business community even today.

Several examples of total disregard for social and environmental responsibilities can be noticed in the behaviour of many businesses around us. A few of them are paraded below.

- Industries disposing industrial waste to rivers or other water bodies, endangering human and other life forms
- Unmindful carbon dioxide and other gaseous emissions polluting the environment



- Use of child labour and other labour exploitations
- Excessive profiteering through misrepresented advertising
- Excessive use of resources such as electricity, water, paper etc
- Deforestation for profiteering
- Reclamation of sea for addition of land mass
- Conscious avoidance of fair trade practices

## Carbon Foot Print

Carbon Foot Prints generated by organizations are a major ecological destruction today.

Individuals and organizations alike, leave a huge mass of carbon di oxide through their daily activities. On one hand, our innumerable automobiles, huge industrial plants like that of fertilizers, textile, chemicals, cement etc incessantly emit carbon

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dioxide in to the atmosphere. On the other hand, we destroy our rain forests, which are the 'lungs' of our planet, drawing the harmful carbon di oxide and replacing it with oxygen. We burn or cut down an estimated 34 million acres of tree every year, contributing to 20 - 25% of global carbon emissions! The result is Global Warming! Our earth is now reaching and passing through the warmest levels seen in the last 12,000 years, accordingly to those who study the consequences in depth. We have already brought ourselves to the threshold level of self destruction. If the temperature goes up by just another 2 degree C, many of our cities and island nations will disappear under water.

Are we doing enough to prevent it ? Not at the moment. According to Ehrenfeld (ehrenfeld J - 2005 The Roots of Sustainability MI Sloan Management Vol 46(2) "Virtually all levels of efforts to produce sustainable developments, is a little more than band aid".

Unfortunately, we human beings - being trapped in the concept of space and time - cannot appreciate the dangers , that is not right in front of our eyes. The tiger is just around the corner; unless we steer course right now, we are walking into its mouth.

It is not just for Governments and politicians to deal with. It is for you and me as individuals and it is for our businesses and organizations to deal with it , as responsible inhabitants of our planet earth.

### **Sustainable Marketing**

Watchwords like " Sustainable Business / Marketing " have begun to emerge in recent years. Sustainable business is one that does

business without endangering the natural resources of our planet so as to sustain the continued life on planet earth. Offering sustainable product and services is indeed a USP for any marketing professional. It is also a reputation building and managing activity for the organization which has a direct impact on the share value of the organization.

How would we recognize Sustainable Marketing ?

Sustainable Marketing provides truly and fully informed choices to their customers. It is not about just creating wealth, but it is about creating the " well being " for the target segments. Sustainable Marketing promotes long term choices and not short term quick fix solutions. It takes full responsibility both locally and globally for the product or services it provides. The litmus test of Sustainable Marketing is the ability of the product and services to recognize the value of human soul and to fulfill the customer needs in a wholesome responsible manner.

Marketing has a major role to play in bringing about the transformation of businesses to "sustainable businesses". Standing in the front line, it is the marketers who are in constant contact with the customers; it is always the customers who drive the accountability of companies for sustainability. Marketers are the harbingers of changing customer desires to the organizations. The big "boss" is always the customer for any successful organization today and hence the marketers are holding the golden key to trigger the organization's shift to become a sustainable business. It is important that all marketers would be able to

recognize this pivotal role of being "change agents" and be willing to undertake this responsibility with joy.

**Triple Bottom Line**

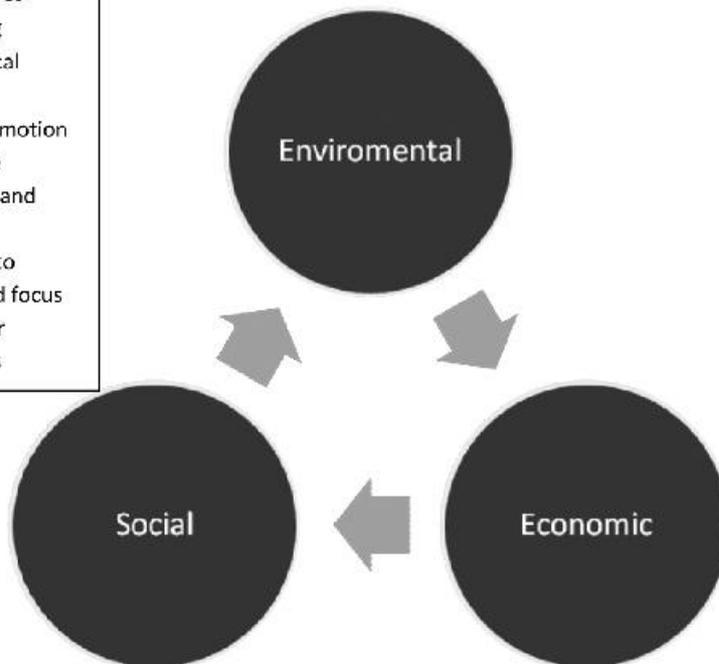
According to Stern Review, global warming can bring down the world economy by 20% "We need three earths if consumption

continues at present pattern - and five earths if American consumption levels become a world model", to quote World Wildlife Fund for Nature. It is mere necessity of our times that all business have to turn themselves into sustainable businesses - if not, there is no future altogether for any one to look forward to.

The triple bottom lines stand for

- People
- Planet
- Profit

- CSR Initiatives
- Fair Trading
- Support Local Suppliers
- Reduce promotion of addictive substances and food that contribute to obesity, and focus on healthier alternatives



- Reduce the "foot prints" that negatively affect the environment
- Lower Pollutants & Emissions
- Reduce Energy Wastage
- Reduce Usage of non renewable energy
- Minimize Climate Change Agents
- Use Sustainable Packaging , eg wood pulp from managed forests
- Recycle
- Source produce locally

- Ensure Future economic Development of the company
- Create Sustainable Economic Bottom Line
- Minimize negative impact on other countries' economies
- Save money by reducing energy use

( Adapted from CIM Journal Issue 11, 2007 )

But, how do we measure the success or failure of an organization's efforts for building a Sustainable Business ? One of the most popular ways is " Triple Bottom Line " reporting process, as part of the auditing exercise. The triple bottom line is a form of reporting that takes into account of the impact a business has in terms of social and environmental values along with financial returns. The phrase was first used in 1989 by John Elkington, co-founder of a consultancy firm that focused on sustainability. Triple Bottom Line is fast becoming a way of demonstrating that a business has truly sustainable processes and development strategies.

### People

It is the human capital of the business. In real terms, it is the organization's commitment to the human resources. It is all about treating the employees right as well as treating the community right, where the business operates. It also means paying a fair pay for a fair days work ; it is also about putting back some of the profits generated for the greater welfare of the community by way of sponsorships and donations.

### Planet

It is the natural capital of the business. It is all about caring for the ecological impact of the organizations product and services and remedying it in a proactive manner. It is a constant commitment of the business to all aspects of its process, administration, and transportation to reduce ecological imbalances and carbon foot prints. It can well go beyond the post sales process such as collecting back ecologically damaging plastic containers from the organizations customers and ensuring it's safe disposal.

### Profit

It is all about making an honest profit and not make a "killing" at the market, as is the fad at one time .

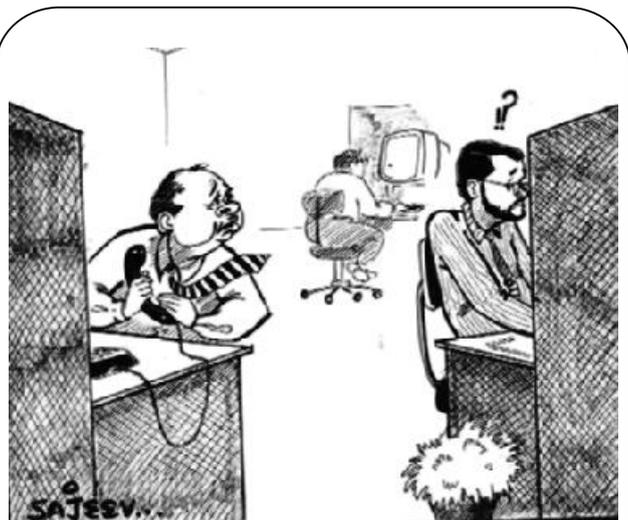
Triple bottom line is not an accreditation, award or certificate that a business can win; It is the mark of a civilization with which the business functions. it is a commitment for an on going process of greater transparency, greater respect for human values and a desire for the greater welfare for every one.

It is the way how the business of business does sustainable businesses.

*What's at the heart of moral regeneration?*

*Advancing Toward the Moral Brink*

*Modern science is nudging us ever*



*" That was my wife on the phone again, I simply dont understand how she gets to know the atest changes in our*