HOW MARKETING DEPARTMENT ENFORCES SUSTAINABILITY: A QUALITATIVE INQUIRY

Efendi Efendi [1)], Riandiva Pervinatalie Mulyono [2)]

[1,2)] School of Business and Social Innovation, Atma Jaya Catholic University of Indonesia, Jakarta, Indonesia

Corresponding author: efendi@atmajaya.ac.id

Abstract

How the marketing department enforces sustainability has become an interesting subject for academic study. The marketing process comprises marketing analysis, planning, implementation, and control. To understand how sustainability is being integrated into the marketing process, we conduct a qualitative inquiry. Interviews with managers and executives of private businesses were conducted to gather the data. Analysis of the data reveals some interesting findings of the subject studied.

Keywords: Sustainability, Marketing Department, Qualitative Research

Introduction

Sustainability has become increasingly important for the companies nowadays. Businesses and consumers are becoming more aware of the impact of sustainability on the whole system. Some trends occurring in the businesses include carbon neutrality, circular business model, and sustainable supply chains. More than 9,000 companies have committed to halve the global emissions by 2030. The Extended Producer Responsibility regulation that has been enforced in different countries has become the precursor for the growth of circular economy. Companies can no longer neglect the packaging and product itself after being consumed by the consumers. They are obliged to take back and recycle the used packaging and products from the consumers. Other businesses – such as those involved in recycling – that can help these companies to take care of this issue will be highly regarded. Lastly, the sustainable supply chain practices obliged the companies to go beyond their gates to make sure that their suppliers also comply with the sustainability principles.

Some experts argue that the definition of green or sustainable product itself is not well constructed (Sdrolia & Zarotiadis, 2019; Dangelico & Pontrandolfo, 2010). Consequently, the companies do not have a clear guideline and falls into the trap of greenwashing. Citizen or consumer education can lead to better scrutiny of greenwashing practices among companies (Álvarez-García & Sureda-Negre, 2023; Alonso-Calero et al., 2022).

Yet, the more significant gap in enforcing sustainability in marketing departments lie in their view of sustainability as a secondary rather than the primary component of strategy (Polonsky, 2011; AguilarMorales et al., 2023). Sobocinska et al. (2021) argue that marketing processes should be grounded on broader social and ecological context. The current study is intended to find out how marketing department in companies enforces sustainability in the marketing processes. By understanding this, we should be able to better understand the integration of sustainability into core marketing strategies. From the perspective of education for sustainable development, this understanding can lead to the citizens or consumers become empowered to distinguish between good and bad sustainability marketing.

Literature Review

Sustainability is defined in Bruntland Report as the "ability to meet present needs without sacrificing the ability of future generations to fulfil their own needs (United Nations General Assembly, 1987, p. 41)". Sustainability has become more prominent among business world since the publication of Bruntland Report, encouraging governments to work together to achieve environmental sustainability and social equity. After the 1990s, the emphasis on who should be responsible for sustainable development has shifted from the government to the civil society, and then in 2000s to the business society (Steurer, 2013). The United Nations Global Compact, the biggest voluntary global initiatives to encourage businesses to adopt sustainable policies is also established in July 2000.

Although some researchers see Corporate Social Responsibility (CSR) as synonymous with business sustainability (Behringer & Szegedi, 2016), they are different concepts. Firstly, CSR has a narrower scope in comparison to business sustainability. CSR is often considered as initiatives of businesses to improve society wellbeing while enhancing their reputation to the stakeholders (Taghian et al., 2015). In addition, CSR may or may not be integrated into the core business strategy (Barnet et al., 2020). In contrary, business sustainability called for an integrated approach, where sustainable practices are becoming inseparable part of core business strategy (Sheehy & Farneti, 2021). Sustainability also encompasses the integration of economic, environment and social dimensions of a business.

Research has shown the importance of various organizational functions in attaining sustainability objectives. Meehan & Bryde (2011) stress the role of supply chain management in achieving bigger impact of sustainability beyond company's gates to include suppliers along the supply chain. Hogevold (2011) also

asserts the significant effect of improvement in procurement on overall sustainability performance. Human Resource Management (HRM) has also played a crucial role in driving sustainable practices. HRM can highly influence sustainability through fostering the culture of sustainability and training the employees on sustainability knowledge and skills (Islam et al., 2011).

Even though marketing function or department has not been seen as the main driver of sustainability, its role should not be overlooked. Taoketao et al. (2018) argue that the implementation of sustainable marketing can lead to better business performance and higher customer loyalty. To achieve that, Pandya et al. (2023) argue that in formulating strategy, sustainable marketing should consider the customer's perspective of sustainability.

Methods

The research employs qualitative methodology to generate in-depth understanding of the business managers or executives of the phenomena. Qualitative methodology is suitable for the current research since it is exploratory in nature. The research on how the marketing department enforce sustainability is still in the embryonic stage. We choose semi-structured in-depth interview as it allows us to tap into the personal experience and subjective meaning of implementing sustainability in marketing department. It also allows us to follow up on important message delivered by the interviewee and to clarify answers. This method – which has a balance between guided inquiry and participant's triggered discussions – has the advantage of yielding valuable information (Kallio et al., 2016). To triangulate the data, the researchers also consult with the sustainability reports of the companies wherever available.

The participants of the study are the marketing executives or other executives from four companies which are in goods related business. The reason for choosing this boundary is because goods has more visible impact on the environment. The questions posed to the participants are those related with the company consideration of environmental and social dimensions in the marketing process and marketing mix (4 Ps). At the beginning of the interviews, we explain the purpose of the research and the policy of anonymity both for the company and subject names. We want to make the participants to be able to speak freely about their opinion or experience. The interviews are recorded and transcribed for further analysis.

Results and Discussion

One informant who runs a network marketing company indicates that they achieve social impact through the empowerment of their business associates to become entrepreneurs. By doing so, the company provide business opportunity to the society. They also conduct the business without gender preferences. Anyone who can thrive in the business will be well supported. The informant also argues that their product will enhance the health of the consumers as the health products offered are made from natural ingredients which is safer than the chemical drugs. The only unfavourable effect on the social side lies on the negative perception of the society on network marketing business. Network marketing business model has been exploited by the ones who run ponzi scheme, money game or others intended to embezzle others' money. The company create a good impact on environment also through the natural ingredients of the products, which do not pose any serious threat to the environment.

In conclusion, the first company achieve its sustainability impact in marketing department through its own business operation. The company achieves its business performance, the more it achieves its social and environmental impacts. This company puts more attention on achieving social impact rather than environmental impact.

The second informant who works for a large-scale palm oil agribusiness company stated that the company processes palm oil into cooking oil, margarine, and biodiesel raw materials. For consumer products, the company uses international standards to ensure products quality, and the company regularly records expiration dates and batch data in accordance with government regulations. The company's factories and operations in Indonesia have obtained certifications such as Halal, SNI (Indonesian National Standard), KAN ISO 17025 Accredited Laboratory, Qualified Importer Certification (QIC) under Food Safety Modernization Act (FSMA), BPOM (Indonesian National Agency of Drug and Food Control) & BPOM CPPOB (Good Manufacturing Practices for Processed Food), ISCC – Logistic Centre.

The company also pays attention to the social aspects of the products that they produced. The company prioritizes the accessibility and affordability of its products. They aim to ensure that their products are readily available to consumers at a reasonable price, thereby contributing to the well-being of the community.

The informant stressed that the company's strong commitment to human rights and ethical business practices. They highlighted the importance of ensuring fair treatment for all workers, from plantation workers to factory employees. The Informant said:

Key aspects include prohibiting child labour, providing decent wages, ensuring access to healthcare facilities, and guaranteeing social security through programs like BPJS.

The informant also indicates that the company faces complex sustainability challenges, particularly related to land use, deforestation, and supply chain management. To address these issues, the company has implemented various sustainability initiatives, including the NDPE (No Deforestation, Peat and Exploitation) policy and waste reduction strategies. Additionally, the company prioritizes responsible water management by avoiding plantations in water-stressed areas.

The third informant who runs a bicycle producing company indicates that they deliver the social impact focusing on the mission of the brand in contributing to the child growth, especially the physical aspect. The company focuses its social contribution on its target market by conducting training on how to ride bicycle in schools. The informant said that:

There should be a balance between IQ (Intelligence Quotient), EQ (Emotional Quotient), and PQ (Physical Quotient). It means that if a person is intelligent, has a good character, but is unhealthy, it's nothing, right?

The company also pay attention on the social dimension related to the supplier, employee and government. To the suppliers, the company strive to pay them on time and to pay the price which is equitable to the raw material or quality provided. On employee side, the company provides an equitable salary and a balanced working hour. Lastly, the company pays the tax in accordance with the law.

On the environmental dimension, the company does not make any special effort. It just does the normal things required by the law and not going beyond that.

The fourth informant from a cosmetics company indicates that the sustainability drives of the company is derived from the founding entrepreneur who bases her businesses social motives. The informant exclaims that:

Because Mrs. Martha Tilaar was a very social entrepreneur and so was her family. So, she ran the business with heart—a very dominant heart, even more than logic. That's why Mrs. Martha Tilaar and our company were selected by the United Nations Global Compact as one of the founding participants of the Global Compact Initiative.

The company implement the social dimension by giving attention to the labor, not conducting corruption and bribery, and offering safe products to the consumers. The company sees that having a high safety standard for the product is crucial. They even went further on excluding a substance which is deemed to be dangerous in the long term. One informant states the following:

Very important. Yes, sorry about that, maybe there are many companies out there. They aren't paying enough attention to the fact that, in the long term, it's not good. Our understanding isn't good if we say that in the long term, it's very dangerous; that would be extreme to say. But the main point is, if something seems unfavorable for the future and we can foresee it now, we don't do it.

As part of the larger company groups, the parent company of the company under research also has initiatives of Beauty Education and Women Empowerment. They bring social and economy benefit to the women, which are the target market of the company.

To implement the environmental aspect, the company produces products which uses environmentally safe ingredients. They also develop an area for the conservation of medicinal, cosmetics and aromatics plants.

The companies researched implement sustainability into marketing department/ practice through different manners. The second company implements sustainability mainly through compliance with the regulations and standards posed by the industry or regulators. The first company sees its business model as the main thrust in contributing to the social good. By successfully gaining the acceptance of the business associates, the company wishes to grow along its business. The third and fourth companies are doing better in terms of aligning its sustainability initiatives with its marketing strategy by focusing on its target market, which are the children and women. The second and fourth companies are more comprehensive and systematic in their approach to conducting sustainability and covering better the social and environmental aspects, as both are bigger in size and are in the form of public companies. Of the two, the fourth (the cosmetic company) is seen as more advanced in executing sustainability marketing in the sense that it combines it marketing strategies with ethical, ecological and social marketing seamlessly (Trivedi et al., 2018). The birth of the organization from an entrepreneur who places high emphasis on social good may justify the analysis.

Conclusion

The research examines the implementation of sustainability in marketing department. By interviewing managers and executives from four companies, we found that there are multple ways in which the companies implement sustainability strategies or iniatives in accordance to their uniqueness. The main themes identified in the research are: compliance with the regulation; business model as social contributor; and alignment of sustainability with marketing strategy.

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