Sustainable Communication or Communicating Sustainability?

- A qualitative research studying sustainable marketing practices at IBM, Max Burgers & H&M

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Abstract

The demand for sustainability initiatives is increasing by both consumers and organizations (Gittell, et al. 2013). It changes the way businesses are operating and communicating, hence the interest for sustainable marketing has increased. Sustainable marketing should not only be about initiatives to appear more environmental friendly or socially conscious, but rather about a more substantive and meaningful levels of commitments (ibid). Alongside these practical ideas of sustainable marketing, consumers’ requirements for sustainability have sometimes been used as a strategy to create sustainable communication, although companies are lacking initiatives of sustainability. The idea of marketing as a strategy to create desire and needless spending along with sustainability goals has been criticized as being in direct contradictories (Meller & Magaš 2014, Pettie 2001, Pettie & Belz 2010). Thus, the problematics compose of the discussed oxymoron between sustainability and marketing together with the difference between sustainable communication and communicating sustainability.

This qualitative study has been done with a starting position from the idea of addressing how sustainable marketing is practiced, why it is practiced and how the future outlook of the concept is perceived from a company perspective. The chosen theories for this study compose mainly of basic marketing theories and models with a sustainability adaption. A qualitative study addressing this issue from a company perspective has not been discovered in previous researches, which resulted in the idea of highlighting different companies’ opinions and practices of sustainable marketing. The findings have discovered the usage of sustainable marketing today and potentially in the future, together with reasons for why it is practiced. Sustainability has become a well-known concept with a lot of business scandals associated to it, which has been mentioned in this study as one of the reasons for the predictions of a future demand of real sustainable marketing practices.

Key words: Sustainable marketing, Sustainability, Marketing practices, Creating Shared Value, WOM, Demarketing.
## Content

1. **Introduction** ............................................................................................................. 1
   
   1.1 Background ........................................................................................................... 1
   1.2 Problematization ..................................................................................................... 2
   1.3 Material and Method ............................................................................................... 3
   1.4 Research question .................................................................................................. 4
   1.5 Purpose .................................................................................................................. 4

2. **Literature Review** .................................................................................................... 5
   
   2.1 Introduction ............................................................................................................ 5
   2.2 Previous research .................................................................................................... 5
   2.3 Conclusion of previous research ............................................................................ 7
   2.4 Theoretical Framework .......................................................................................... 7
     
     2.4.1 How is sustainable marketing practiced? ......................................................... 7
       
       2.4.1.1 A development of the traditional marketing mix ........................................ 7
     
     2.4.2 What is the reason for sustainable marketing practices? ............................... 9
       
       2.4.2.1 Triple Bottom Line ..................................................................................... 9
     
     2.4.3 Opportunities and challenges .......................................................................... 10
       
       2.4.3.1 Demarketing ............................................................................................... 10
       
       2.4.3.2 Creating Shared Value ................................................................................. 11
       
       2.4.3.2 Sustainability and WOM .............................................................................. 11

   2.5 Summary ............................................................................................................... 12

3. **Research Design** .................................................................................................... 13
   
   3.1 Problematics .......................................................................................................... 13
   3.2 Operationalization .................................................................................................. 13
   3.3 Scientific Perspective .............................................................................................. 14
   3.4 Method .................................................................................................................... 14
3.4.1 Choice of Cases ................................................................. 14
3.4.2 Data Collection ................................................................. 14
3.4.3 Interview Procedure ......................................................... 15
3.5 Trustworthiness .................................................................. 17
3.7 Source Critical Consideration .............................................. 18
3.8 Research Ethical Reflection ............................................... 18

4. Empirical presentation, Analysis & Findings ......................... 20

4.1 Empirical presentations ..................................................... 20
4.1.1 Interviews ................................................................. 20
4.1.2 Public Reports ........................................................... 20
4.1.3 Procedure for analysis ................................................... 21
4.2 Empirical findings and analysis .......................................... 21
4.2.1 How is Sustainable Marketing practiced? ......................... 22
4.2.2 What is the reason for sustainable marketing practices? ......... 27
4.2.3 Opportunities and Challenges ........................................... 32

5. Discussion and Critical Reflection ......................................... 36

6. Conclusion ............................................................................. 39

7. Limitation of Research .......................................................... 41

Reference list ........................................................................... 42

Appendix - Interview template
1. Introduction

1.1 Background

Consumers in countries as Sweden are yearly consuming natural resources as if there were approximately one and a half globe, and humanity overall requires 50 percent more resources than the nature can produce (WWF, 2014). Although Sweden has been viewed as a pioneer within the field of CSR (Corporate social responsibility), recent reports from the World Wide Fund for Nature shows that Sweden has gone from a thirteenth place to have the tenth largest average ecological footprint in the world behind Denmark and USA. The composition of a country's ecological footprint is measured by the mix of products and services that people in the specific country are consuming and how efficiently resources, including fossil fuels, are used in the production and process of these products and services (ibid).

Businesses are a major contributor to this measured footprint due to the production of services and products that create demands for consumers to purchase more. Hence, sustainability efforts have become an essential aspect in many businesses. Sustainability is defined by the WCED (World Commission on Environment and Development) as: “a development that meets the needs of the present without compromising the ability of future generations to meet their own needs” (WCED, 1987, p 36). According to Cramer (2002 p.105) the demand for sustainable business practices will continue: “The globalization of the economy and the increasing reliance on market forces are placing a greater social responsibility on the shoulders of trade and industry” he argues. The involvement of sustainability is today visible in many companies through initiatives in corporate social responsibility or corporate responsibility. IBM, Max Burgers and H&M are all representing leading examples in sustainability initiatives within each industry in Sweden and compose the chosen companies for this study.

Due to the increased demand for sustainability efforts in businesses, marketing practices need to adapt to the sustainable requirements as well (Kotler, 2011). Fuller (1999) argues that marketing practices are no longer only consisting of decisions regarding what products to make, but also the need to determine what to take. Sustainable marketing is not just about taking steps to appear more environmental friendly or more socially conscious and
communicate sustainable efforts to consumers. According to Gittel et.al (2013) sustainable marketing consist of a more substantive and meaningful level of commitment. It is the process of planning, implementing, and controlling the development, pricing, promotion, and distribution of products. All in a manner that satisfy the following three criteria: (1) customer needs are met, (2) organizational goals are attained, and (3) the process is compatible with ecosystems (Fuller, 1999).

1.2 Problematization

In contrast to the approach of viewing sustainable marketing as a way of practice a profound level of commitment to the society and environmental issues, the term also consists with a lot of criticism (Meller & Magaš 2014, Pettie 2001, Pettie & Belz 2010). One of the common view and criticism of marketing practices is the approach where it is associated as a strategy to highlight that gap between a person’s reality and their expectations. This is done in such a way that people feel ‘lacking’ in either self-esteem or belongings so that they feel bound to close the gap by needles spending (Saad 2011, Knowthis 2015). The marketing concepts states that once you know your customers you can design, price, promote and distribute offerings that matches this needs in order to become a success in the market place (Baker & Saren, 2010).

The idea of marketing practices contributing to needles spending is in other words not in line with the definition of sustainability. This has resulted in questions of whether the concepts are each other’s opposites and classified as oxymorons (Fuller, 1999). Marketing efforts towards a sustainable approach have for example given rise to the concept of “greenwashing” where businesses claim to be sustainable in some way, but the underlying reason for this is to create an image of responsibility (McKinley, 2012). Classic examples of greenwashing is energy companies that run advertising campaigns advocating a sustainable technology, but that technology represents only a sliver of the company’s otherwise not-so-green business. Hence, the general business goals are not in line with sustainable standards (Greenwashingindex, 2015). Such phenomenon is a contributing reason for skepticism toward companies’ ethical initiatives and exemplifies why sustainable marketing in some cases is argued to be an unavoidable conflict where the two terms aspire towards totally different missions (McKinley, 2012).
The problematization described and discussed so far summarize our research position from now on. There are separated meanings of whether sustainable marketing is a suitable method for businesses to encourage and enlighten the society to become more responsible and sustainable (Hitchock & Willard 2009, Charter et.al. 2002), or if the concept of sustainability is only used as a marketing strategy for sustainable communication and continued encouragement to the consumption culture (CISL 2005, Pettie & Belz 2010, Meller & Magaš 2014). These contradictions represent the standing point for this study and the importance of carrying out this study in Sweden and Swedish industries will be introduced onward.

1.3 Material and Method

This study will be carried out in different Swedish industries to get perspective of different company’s contribution towards a more sustainable society. IBM is a multinational company within the information technology (henceforward IT) industry. They have a great position within the B2B industry and are mainly affecting other companies’ perceptions of how businesses can be more efficient by using software and technology services. IBM is also involved in a lot of initiatives within Corporate Social Responsibility (henceforward CSR) such as their volunteering program and initiatives for the industry (IBM, 2015). While IBM is operating towards other companies, H&M are one important and highly influencing actor at the consumer market. They have also received a lot of attention lately for their CSR activates both positively and negatively (Siegle 2012, Ethisphere Institute 2015). The interesting perspective on how a company such as H&M, which is not known for making long-lasting clothes, still is engaging and working with building a sustainable business, makes it a desirable company to study. IBM and H&M are representing two different industries with different markets and consumers, and are both well-known brands with strong positions to influence their environment.

Max Burgers is another company working with sustainability efforts and sustainable marketing. They have been announced the most sustainable company in their industry four years in a row according to Sustainable Brand Index (Max Burgers, 2015). The involvement with Samhall and other sustainability activities has generated in Max Burgers receiving several rewards and positive publicity within the area of sustainable responsibility (ibid). The beef production is one of the biggest threats to the environment, and represents the main
business for the company. Thereof it is of interest to study their sustainable marketing initiatives and perceptions of the concept.

These three companies will compose the base for this qualitative research where interviews with company representatives and observation of reports will constitute the data collective method. The interviews will be based upon the theoretical frameworks and complemented by the companies’ communication in reports. Previous research within this field is mostly approaching consumer perspectives (Minton et al 2012, Stenholm & Eriksson 2013), probably due to the difficulties in studying what is actually going on in companies. However, a company perspective will be a complementing contribution within the area of sustainable marketing and studying the opinions from key persons within the marketing field will hopefully raise awareness and bring insights for further studies to proceed on.

1.4 Research question

Based on the problematization in this area, following research questions have been formulated:

- How is sustainable marketing practiced by the chosen companies in Sweden?
- What do the companies claim to be the reason for practicing sustainable marketing?
- How do the businesses representatives perceive future outlooks regarding opportunities and challenges of sustainable marketing practices?

1.5 Purpose

The aim of this research is to generate awareness regarding the concept of sustainable marketing and how it is practiced in the chosen companies according to representatives involved in sustainable marketing activities. The ideas of using the concept of sustainability as an effective strategy for communication or practicing sustainable marketing as a more meaningful level of commitment, aims to be addressed during the study. Furthermore, this study also aims to give a complementing perspective to previous studied areas of sustainable marketing and a helpful contribution for further studies.
2. Literature Review

The outline of this literature review is to introduce previous research where sustainable marketing has been carried out as a solution, problematic and a holistic concept. The theoretical framework is composed of ideas, theories, models and definitions of concepts based from previous researches, which will demonstrate our theoretical approach for this study.

2.1 Introduction

The aim of this research is to generate further insights to how businesses are working with sustainable marketing, why they are working with it, and how they interpret and perceive the future of the concept. Sustainable marketing is a concept which has received a lot of criticism due to the contradictions some finds untenable (Meller & Magaš 2014, Pettie 2001, Pettie & Belz 2010). Some of the previous researches within the area of sustainable marketing have focused its research on contradictions and critics, while other studies have suggested sustainable marketing to be the future of marketing practices (Kotler 2011, Gittell et al. 2013, Bridget et al. 2008).

2.2 Previous research

The area of sustainable marketing has been studied from different perspectives before. Kotler (2011), Gittell et al. (2013) and Bridges et al. (2008) agree that marketing practices need to change due to the aspect of sustainability. They are arguing that marketing practices such as the Marketing mix (four Ps) are in great need for reinvention, which they demonstrate by applying sustainable practices on every “P” in the marketing mix. The outcome of the reinvented model is taken the sustainable aspect into consideration in every step of the marketing process and composes a strategy of how sustainable marketing should be practiced.

Previous studies within the sustainable marketing field have often applied a consumer perspective. Both Minton et al. (2012) and Stenholm and Eriksson (2013) are approaching the consumer perspective. Minon et al. studied sustainable marketing related to social media and Stenholm and Eriksson investigated the relationship between sustainable marketing and sustainable consumption. Both studies where assessing the consumers’ attitudes towards
sustainable marketing and found that elements such as social, environmental and economical perspectives were affecting the attitudes and understandings of sustainable marketing.

Stenholm and Eriksson (2013) as well as other researchers such as Ottosson and Parment (2013) who are assessing the area of sustainable marketing, often refer to Belz and Peattie’s (2012) composition: *Sustainability Marketing: A Global Perspective* (2012). They are basing a lot of their arguments and theories on the Triple Bottom Line (henceforward TBL), which compose of the reasons and basic ideas for sustainable marketing practices. They are also demonstrating how traditional marketing practices such as the four Ps can be adapted to a sustainable approach.

The relationship between sustainability and the marketing strategy word-of-mouth (henceforward WOM) has also been studied in different contexts before. Due to a recently made research it is stated that customer satisfaction leads to customer retention, purchase intentions and WOM (Chung, et al. 2013). And in relation to that fact, the study also claims that sustainability and CSR efforts positively affect customer satisfaction. The importance of understanding WOM marketing together with sustainability is also argued by Kotler (2011) to be important for today’s companies which face the digital world. WOM can both be used as a tool for communicating sustainable efforts, but also as a trigger when trying to find a likeable subject for ambassadors to spread in their networks (Kotler & Armstrong, 2011). This is also in line with Saad (2011) and Fuller’s (1999) criticism towards sustainability and marketing as a strategy to create needless spending.

As another approach to sustainability and sustainable marketing, Porter and Kramer’s idea of “creating shared value” have been studied as a compliment and updated concept of CSR. Previous studies addressing the area of “creating shared values” are mainly criticizing the concept for not bring anything new to the area of sustainability in businesses and for rejecting theories of sustainability, CSR and CR (Bosch et al. 2013, Beschorner 2013). Crane et al. (2014) have been contesting the shared value of “creating the shared value” and have despite their criticism allowed Porter and Kramer’s responses to comment their research of criticism. Porter and Kramer clarify that the perspective is not about incorporating a mindset where all businesses should be perfectly sustainable. Not all businesses are good for society nor would the pursuit of shared value eliminate all injustice. Rather the concept
composes of a three-level framework that illustrates its potential to drive innovation and opportunity in many aspects of the firm’s product, value chain, and business environment.

2.3 Conclusion of previous research

Several studies within the sustainable marketing research field have been carried out with different approaches towards the subject. Kotler (2011), Gittell et al. (2013) and Minton et al. (2012) are some of the researchers which have approached the concept as a new way of practicing marketing. Researches about WOM’s and substitute concept such as “creating shared value” have on the other hand contributed to the ideas of sustainable marketing not fully embracing the sustainable aspect and to just be another strategy which encourage needles spending (Saad 2011, Fuller 1999, Kotler & Armstrong 2011, Bosch et.al 2013, Beschorner 2013, Crane et.al 2014).

2.4 Theoretical Framework

This section will compose of ideas, models and concepts which will form the base for the analysis methods of this thesis. The framework is connected to the three research questions of how sustainable marketing is practiced, why is it practiced and opportunities and challenges.

2.4.1 How is sustainable marketing practiced?

2.4.1.1 A development of the traditional marketing mix

The traditional marketing mix, also known as the four Ps, is the set of product, price, place and promotion. Based on the marketing mix Gittell et al. (2013), Kotler (2011) and Bridges et. al. (2008) suggest a sustainable marketing mix in order to demonstrate how sustainable marketing should be practiced.

- **Sustainable products**

  A product is a tangible good or an intangible service that is marketed to a consumer (ibid). The process of sustainable-marketed products should consist of aspects such as the sourcing of materials, ingredients used and the manufacturing of the product (ibid). This also includes using natural and organic materials, sourcing local and the use of fair trade suppliers, utilizing environmentally friendly materials and distribution which minimize the company’s carbon
footprint (ibid). Companies will have to consider questions when developing new products such as what are the social and environmental impacts of the product over its whole lifecycle (production, use, waste) (Pandey et al. 2012).

- **Sustainable price strategies**
For sustainable products, pricing has often been an issue limiting a product’s or service’s mass acceptance and market growth (Gittell et al. 2013). Sustainable produced products tend to be more expensive due to the longer producing times, expensive production costs, higher transportations cost because of the pollution fees or use of renewable energy etc. This creates a price gap between conventional and sustainable products. Marketers’ mission is to minimize the price barrier either by reducing the price point to be closer to its conventional counterparts or through marketing efforts to raise the perceived value to command premium products. The “polluter pays principle” (Schmidheiny, 1992) by Stephan Schmidheiny states that all eco-costs should be allocated to the products responsible for them. Thus the prices of polluting products will increase relative to those nonpolluting alternatives. Such pricing strategies are included in the sustainable marketing concept.

- **Sustainable places**
The “place” refers to where the products can be purchased and includes how the product is distributed to the location. It can both be a physical store and a virtual store on the Internet. Local retailers are becoming more valuable for customers and the concerns regarding emissions from transportation are an increasingly important aspect in the mind of customers. Especially the distribution channel is a significant consideration for sustainable marketing practices. Using alternative energy sources, optimizing distribution routes and transportation with fuel-efficient loads are some of the examples which have an impact on the distribution channel (Gittell et al. 2013).

- **Sustainable promotion**
Promotion consists of the tools and tactics which companies’ use when communicate, promote and market their product (ibid). Sustainable promotion refers to the way companies encourage responsible consumption and behaviors (Pandey et al. 2013). Some of the ordinary used promotion tools are for example: advertising, public relations, digital marketing and social media. The channels of social medias such as Facebook, Twitter and LinkedIn are effective ways to communicate with consumers today and are seen as the modern way of
WOM, where consumers easily can share their thoughts of companies sustainable efforts (Watkiss 2014, Ritchie 2012).

2.4.2 What is the reason for sustainable marketing practices?
Marketers need to think beyond immediate customer satisfaction and business performance, towards strategies that preserve the world for future generations (Gittel et.al. 2013). The reason for practicing sustainable marketing according to Kotler et.al (2012) is because the original marketing concept does not always serve the future best interest of either or the business. Hence sustainable marketing should according to theory be practiced to meet current needs without compromising future generation’s need. This idea of practicing sustainable marketing in order to maintain needs for customers and businesses in the future as well as for today, is demonstrated in figure 1 (Kotler et. al. 2012. p. 598).

![Figure 1 - Sustainable marketing concept, Kotler et. al. 2012. p. 598](image)

2.4.2.1 Triple Bottom Line
Furthermore, Belz and Peattie (2012) suggest that the reason for practicing sustainable marketing can be divided into perspectives which they organized based on the TBL.

- Sustainable marketing from a social perspective
The missions with social sustainable marketing are to increase the security among products and decrease the destructive impact on humans’ health. Further they argue that increased knowledge regarding production and working conditions have created a platform for companies to marketing their products which have been produced during good conditions.
- **Sustainable marketing form an environmental perspective**

The environmental perspective of sustainable marketing enlightens the consumers of the environmental responsibility taken by companies. It also aims to inform consumers about a product’s total impact on the nature and its resources. In other words: marketing the concept of sustainability (ibid).

- **Sustainable marketing from an economical perspective**

Economical sustainable marketing focuses on increasing sales of sustainable products and services instead of the ordinary ones. The idea is to mediate a feeling of quality, value and environmental products, in order to ensure long-term relationships with customers (ibid). The economical sustainable marketing activities are mainly a perspective to foster profits and market shares.

### 2.4.3 Opportunities and challenges

#### 2.4.3.1 Demarketing

Sustainable marketing is a concept which aims to increase businesses sustainable efforts for the long-term (Fuller, 1999). The strategy of demarketing, as a part of the concept of sustainable marketing, thereof consists of long-term objectives for marketers. Sodhi (2007) argues that in the future it is reasonable to expect oscillation in the market environment between creating demand and reducing demand.

Kotler and Sidney (1971) where the first to coin this concept of demarketing and they defined it as “that aspect of marketing that deals with discouraging customers in general on either a temporary or permanent basis” (p. 75). This concept highlights the importance where marketers must also be willing to manage consumer demand and encourage responsible consumption. Demarketing strategies include higher prices, scaled-down advertising, and product redesign. Marketers often think of the problem of increasing demand which makes the problem of reducing the demands something that is not always taken in consideration.

There can be several reasons to use demarketing as an opportunity for the business. Whether the mission is to reduce the level of total demand without effecting loyal customers, to discourage the demand coming from certain segments, or to appear to want less demand for the sake of actually increasing it, demarketing is helpful (Medway et. al. 2011, Fullerton, et al.
Demarketing is one strategy to rethink the original processes in order for business opportunities.

2.4.3.2 Creating Shared Value
Porter and Kramer highlight in their theory of “creating shared value” that today’s problem is companies which are stuck in a “social responsibility” mind-set where the societal issues are at the periphery, not at the core. Their suggested solution lies in the principle of shared value which means creating economic value in such a way that also creates value for society. In contrast to sustainability and social responsibility, shared value is not on the margin of what companies do but at the center (Porter & Kramer, 2011).

An example of the difference with assessing the shared values compared to other strategies is by looking at the fair trade movement. Fair trade aims to increase the revenue that goes to farmers by paying them higher prices for the same crops. Unfortunately, this is more about redistribution rather than expanding the overall amount of value created. Instead, a shared value perspective focuses on improving growing techniques and strengthening the local cluster of supporting suppliers in order to increase farmers’ efficiency, yields, product quality and sustainability. This will be beneficial for both the farmers and the company buying from them.

There are three distinct ways suggested by Porter and Kramer for companies to create economic value by creating societal value. First is by reconceiving products and markets, second is by redefining productivity in the value chain and last to build supportive industry clusters at the company’s locations. These are all together part of the virtuous circle of shared value; improving value in one area gives rise to opportunities in the others (ibid).

2.4.3.2 Sustainability and WOM
Sustainability and CSR efforts have according to research shown that 55 percent of executives believe that such efforts help their companies build a strong reputation. Further in the same study it is stated that customer satisfaction leads to customer retention, purchase intentions and WOM (Chung, et al. 2015). In the findings it also claims to be a relationship which shows that CSR positively affects customer satisfaction and loyalty. Other studies within the same area also show that CSR activates can be used to create a positive customer loyalty (Martinez & Bosque, 2013). Thought the study a relationship between CSR, Customer Satisfaction and WOM have been carried out. CSR is proved to have a positive effect on Customer Satisfaction
which in turn leads to WOM. The influences of WOM will probably grow due to the digital revolution where the concept is no longer a one-on-one communication. Company reviews are posted online and opinions are spread in social networks (Bughin, et al. 2010). These online reviews are an emerging market phenomenon which plays an important role in consumers’ purchase decisions (Chen & Xie, 2008).

WOM is thereby an exceptional tool for communicating sustainable efforts, but can on the other hand be used as the trigger which Kotler & Armstrong (2011) believe will bring marketing success. They argue that the challenge for marketers are to discover how they can trigger WOM and make potential ambassadors feel confident enough in their offering to recommend it. Sometimes this trigger of sustainable efforts has turned out to be a marketing strategy to create an illusion which in fact does not represent the general truths as the term “greenwashing” refers to (McKinley, 2012).

2.5 Summary
In this study the theoretical framework is mainly based on Belz and Peattie’s (2012) ideas regarding the practice of the sustainable four Ps and the reasons derived from the TBL. The four Ps will compose the framework for analyzing and addressing the empirical collecting of the first question: “How is sustainable marketing practiced?” and the TBL is the main concept used for the second question: “What do the companies claim to be the reason for practicing sustainable marketing? These two are the common used concepts in previous research and in sustainable marketing literature. Lastly the third question: “How do the businesses representatives perceive future outlooks regarding opportunities and challenges of sustainable marketing practices?” will be analyzed through some new concepts and ideas regarding sustainable marketing. These are the concepts of demarketing, creating shared value and WOM.
3. Research Design

In this chapter the methods and research approaches that have been used throughout the process of this study will be presented. This chapter also contains a discussion of possible criticism and ethical aspects that can be leveled against the choice of methods.

3.1 Problematics

The contradictions embedded within the concept of sustainable marketing compose the problematics in this study. Consequently the data collected aim to generate awareness regarding the practices of sustainable marketing from a business perspective. Due to previous criticism and presumptions related to the practice of sustainable marketing, it is necessary to approach the area from a real business practice perspective, in order to not merely base the knowledge on previous theories and criticisms. Even though there are theoretical suggestions and models for how sustainable marketing can be approached, the question of how it really is practiced remains. Is sustainable marketing an oxymoron which hardly can be practiced, or is it an optimal way for communicating sustainability?

3.2 Operationalization

In order to find answer to the question of how sustainable marketing is practiced, the need for understanding the overall marketing practices and processes was important. The overall processes and activities of marketing within the organization also show what effect marketing has on the productions process, pricing strategies, distribution etc. Moreover, strategies and initiatives regarding CSR and sustainability efforts within the overall business strategies were needed to be studied to get a perspective on how the companies are working with sustainability in general. The question of the underlying reasons for these practices was answered through questions of the overall opinions and perceived importance of sustainability. Is it important in order to meet with customers demand primary? Or, is it because of a more substantive and meaningful level of commitment? The representatives’ predictions of the future opportunities and challenges were also contributing to a perspective of the possible transformation of sustainable marketing practices. Will sustainable marketing
become more significant in businesses, why is that, and what do they perceive as the challenges in implementing more sustainable communication?

3.3 Scientific Perspective

This study has gathered qualitative primary data from interviews with key persons such as marketing managers and communication managers from the chosen companies (Farquhar, 2012). It was written from an explanatory point of view. The term “explanatory research” implies that the research is intended to explain, rather than simply to describe, the phenomena studied (Harwell, 2011). The formation of the conclusions drawn on the basis of the above mentioned objectives leaves room for explanatory and further research. The relationship between companies and sustainable marketing are currently controversial and still in need of further examination. This research was fuelled by a vision to get a better understanding about this relationship and how and why sustainable marketing is practiced today and in the longer term.

3.4 Method

3.4.1 Choice of Cases

As mentioned in the introduction section, to get a broad perspective on this subject the authors chose to carry out this research in different kind of companies with influences from different markets and industries. The chosen companies are IBM, Max Burgers and H&M.

3.4.2 Data Collection

Besides the interviews which forms the base of the main data collection in an exploratory and qualitative way, data from observations of companies’ communication activities, such as public reports were needed to be collected as well. Through this complementing factor, it was discovered how much could be generalized accordingly to what was claimed in the interviews. By observing the way the companies communicate through different public reports, it contributed with a deeper understanding to match the data collected through interviews. The observation of public reports also answering to the aspect of conformability where influences as personal values or theoretical inclinations from the researcher and the interviewed person to a certain point could be eliminated (Farquhar, 2012).
Consequently, this study used two methods of data collection methods, primary data from interviews and secondary data from public reports. One criticism towards the choice of method could be that the materials collected derived directly from the interviews by the chosen companies. Thereof it was important to remember that there might be some interests by company representatives to appear in a good manner and not to discuss negative aspects of their business. The data collected through reports were used as a compliment to the interviews in order to minimize influences from personal values and opinions.

3.4.3 Interview Procedure

The interviews were based on the semi structured interview strategy where themes are used to create a structure of the process, but where the interviewed person have the ability to answer in preferred ways and not feel so controlled by the questions (Bryman & Bell, 2011). A few basic questions were prepared prior to the interviews. The questions were as simple and broad as possible so a general discussion could occur, view the interview template in Appendix 1 in order to get a complete understanding regarding the contexture. Hence, background information as business position, years of working in the organization and other relevant questions were asked in order to relate the answers to a certain context (ibid).

The authors are very grateful for the company representatives who took their time to contribute with their knowledge, and made sure to stick to the time limit that was agreed upon. The representatives also got the opportunity to review their quotes used in the empirical findings and during the interviews recordings were done in order to be able to listen to it on replay and analyze the answers again. To ensure the quality of the interviews, the authors also deposited time after the interviews in order to discuss the feelings, expressions and other important aspects when it was still clear in mind (ibid).

Five interviews have been carried out in the three chosen companies. In Max Burgers and H&M the interviews were made with the specific relevant persons working with sustainable communication, while IBM did not have one person working in the exact relevant area for this study. Consequently, at IBM the data was collected from three different key persons who all worked within either the marketing or corporate responsibility department and made it possible to collect the required data.
**IBM**

**Susanna Salwén**
Susanna Salwén started working for IBM in 2003 as a consultant. For two years ago she became the Corporate Citizenship and Corporate Affairs manager at IBM Sweden and is today working with IBM solutions towards society issues. Her mission is to identify different society issues in Sweden and address how IBM can contribute with its knowledge.

**Andreas Lundgren**
Andreas Lundgren is the Segment Marketing Manager for IBM Nordic and started working for the company in 1997. Previously he worked within the area of corporate responsibility at IBM, where he among other initiatives wanted to prove that IT is the solution to environmental issues.

**Christopher Fleming**
Christopher Fleming is the Nordic Marketing Manager for IBM solutions within the commerce, mobile and social business areas. He has been in touch with the concept of sustainability before, but not directly in his area of marketing. However, sustainability is part of the IBMs Corporate Citizenship & Corporate Affairs, within the Marketing and Communication function.

**Max Burgers**

**Pär Larshans**
Pär Larshans is the Chief Sustainability Officer at Max Burgers in Sweden. He has been involved within the area of sustainability for over ten years. Since 2008 he has been assessing the challenge of communicating Max Burger’s sustainability efforts.

**H&M**

**Karin Brinck**
Karin Brinck is the Project Manager within sustainability marketing at the Global Marketing Department at H&M. Her career began in the marketing area, but for about six years ago she developed an interest for sustainability. Sustainable communication is a well-known concept at H&M, although they call it: “Conscious Communication”.

16
3.5 Trustworthiness

In order to establish trustworthiness in a qualitative study the criteria of credibility, transferability, dependability and confirmability need to be considered (Farquhar, 2012).

- **Credibility**
Credibility refers to the ensuring that the study was conducted in a way where the subject studied was accurately identified and described. One way to do this was to clearly describe the complexity of the processes and interactions needed in order to collect all the data (ibid). Performing face-to-face interviews is a way to increase the credibility of a study and provide interactions with the representatives in a way not possible with other types of interviews.

- **Transferability**
Transferability in qualitative research means that the study actually identifies and investigates the phenomenon that is set out to be studied and allows the results to be transferred to similar contexts. One way of arguing for transferability is to provide some background data in the chosen topic to establish the context of the study and detailed description, which allows the readers to make their own comparisons (ibid). To answer the issues of transferability we refer to the theoretical frame to show how concepts and models have guided the data collection and analysis.

- **Dependability**
Dependability refers to the stability of data over time and conditions. A researcher might need to make changes in the way to collect and analyse the data (ibid). Dependability was strengthened by the fact that all interviews began with the same opening question to ensure stability of data and facilitate comparison of the interviews. The participants were encouraged for open reflections and explanations of their thoughts regarding the subject. The conditions were mainly the same during all interviews, except for one interview that was needed to be done by phone. But the processes of questionings were remained the same.

- **Confirmability**
In order to assure confirmability, the authors needed to persuade the readers that the study is not overly influenced by personal values or theoretical inclinations (ibid). The interviews were performed in-depth and the authors encouraged the representative to talk openly. The
interviewed person had the ability to answer in preferred ways and was not intended to feel controlled by the questions.

3.6 Authenticity

In establishing authenticity, the authors seek reassurance that both the conduct and evaluation of research are genuine and credible. Authenticity is achieved through being genuine to the experience and to understand the world of the case through abandoning the authors’ own biases and assumptions (ibid). In order to ensure authenticity the authors choose to perform in-depth interviews with open questions to encourage the representative to talk and answer the questions openly and not feel controlled by the questions outline. The authors own thoughts and views of the concept of sustainable marketing were not included in the interviews, nor was the research approach admitted to the company representatives.

3.7 Source Critical Consideration

One of the criticisms that can be directed towards a qualitative approach involves sample size. When a qualitative approach is used, it is usually not possible with a larger sample due to the time aspect and involvement of the study. Therefore, the sample size tends to be relatively small (Sverke, 2003). The optimal way of gathering insights in real marketing practices is to study a range of representatives from the companies. Unfortunately this research could not be carried out through a longitudinal study which gives a critical view of the qualitative approach (Farquhar, 2012).

Even though the interviews have been complimented with data from public reports, the issue regarding the company representatives own statements and information are not avoidable. Both the interviews and the reports are consisting of data directly communicated from the company, which might not be generating a total representative view of the actual business regarding sustainability. This is unfortunately difficult to collect under any circumstances and is something needed to have in mind throughout this study.

3.8 Research Ethical Reflection

The ethical aspect in this research is based on two suggested elements from Farquhar (2012): access and confidentiality. The access to the relevant company is a presumption to carry out
this research. To gain access and trustworthiness by the company it was necessary to provide valuable information of the study before the participation and involvement of the company. Confidentiality refers to the ritual where the researchers ensure to be respectful and use the collected information in an ethical way. These two aspects have been considered when doing the interviews.
4. Empirical presentation, Analysis & Findings

This chapter connects the empirical findings obtained by the five interviews and the public reports with the theoretical framework presented in chapter three. It begins with a brief presentation of the representatives and the public reports, followed by thematised findings and analysis.

4.1 Empirical presentations

The empirical presentations consisting of interviews from all companies, together with public reports, are presented below. Thenceforward, the empirical results and analysis are presented together in a separate section.

4.1.1 Interviews

- Susanna Salwén, Corporate Citizenship and Corporate Affairs manager at IBM Sweden.
- Andreas Lundgren, Segment Marketing Manager for IBM Nordic.
- Christopher Fleming, Nordic Marketing Manager for IBM’s solutions within the Commerce, Mobile and Social business area.
- Pär Larshans, Chief Sustainability Officer at Max Burgers.
- Karin Brinck, Project Manager within Sustainability Marketing at the Global Marketing Department at H&M.

4.1.2 Public Reports

IBM

IBM publishes a globally corporate responsibility report available for anyone where the performances, yearly contributions and awards within responsibility and environmental efforts are presented. The report shows IBM’s approach towards responsibility and clarifies their interest within the area by referring to the second chief executive officer at IBM, Thomas Watson Jr, who said: “We serve our interest best when we serve the public interest…we want to be at the forefront of those companies which are working to make our world a better place” (IBM, 2013).

Max Burgers

Max Burgers’ latest accessible report on climate impact and initiatives begins with a quote from “Forum for the Future” where Max Burgers’ sustainability efforts is highlighted and
receiving appreciated comments on their sharing initiatives. Throughout the report the environmental initiatives are their primary focus where the stores and the idea of putting the climate on the menu are presented. (Max Burgers, 2011).

**H&M**

H&M has been publishing sustainability reports since 2002 (H&M 2014). They have named it: “H&M Conscious Actions Sustainability Report” and are also providing a summarized report alongside the main one to communicate their conscious action highlights. The report is beginning with an interview with the chief executive officer, who discusses the importance of sustainability and the fashion industry’s dependence on natural resources, which require a change in the production process.

### 4.1.3 Procedure for analysis

In the interviews the authors have chosen to exclude certain information and answers classified as somehow irrelevant to the subject, such as information regarding a global perspective of the different companies. The interview structure was consisting of three areas: “marketing”, “sustainable marketing” and “sustainability. The responses diverging from these three areas were excluded from the presented findings and analysis. Furthermore, the data was arranged into groups based on the research questions of how sustainable marketing is practiced, why it is practiced and future predictions in the development of the concept sustainable marketing. The data diverged from these three groups were also excluded from the study.

### 4.2 Empirical findings and analysis

The empirical findings will be presented thematically based on the research question of how and for what reasons sustainable marketing is practiced. In these sections, the empirical results together with theoretically grounded analysis will be done for each company’s practices. Finally, the question of future predictions of sustainable marketing practices will be presented as results and analysis in a united section involving all companies.
4.2.1 How is Sustainable Marketing practiced?

IBM

The empirical results based on the question of how sustainable marketing is practiced at IBM can be approached from different perspectives. First of all, the results present different views in the practice of sustainable marketing. Lundgren claims that sustainable marketing is not practiced:

*It is not practiced since we have not been developing so called green offerings*  
(Lundgren, 2015).

Furthermore, Fleming (2015) argues that he has not been in touch with the concept of sustainable marketing before, but is well familiar with the company’s sustainability initiatives being covered in IBM’s Corporate Citizenship & Corporate Affairs. For example IBM’s concept of “a smarter planet” which consists of IT solutions to make healthcare more accessible, education more effective, transportation more reliable and cities more livable etc.

Sustainability has been implemented within IBM’s overall business since 1953 when their discrimination policy regarding gender, race and religion was constructed. Hence, Salwén explains in her interview that due to the implementation of sustainability as a part of the overall strategies especially within the concept of “a smarter planet”, employees may not always perceive the communication as marketing sustainability, but rather marketing efficiency.

*I believe that some marketers are not aware of that they are practicing sustainability*, she argues (Salwén, 2015).

The idea of efficiency is a strongly united philosophy and theme during all interviews.

*The development of new offerings is not primary done from a sustainable perspective, although the reason for doing business is to generate more efficient business, which in its own is sustainable.* Fleming (2015) discusses.

This philosophy is also clearly embraced and reflected when Lundgren refers to his computer as his office and simultaneously argues the benefits with IT from a transportation perspective.
This is my office and I can do my work anywhere. Is driving into an office for an 8-5 working day really efficient for businesses and from a sustainability perspective? (Lundgren, 2015)

The waste reduction in both supply chain and in terms of efficiency is another aspect of sustainable marketing within the product category where IBM’s offerings are working towards reduced waste. The waste management is for example one of the success factors highlighted in the award list from the 2013 report (IBM, 2011).

IBM is also using several promotion strategies to communicate their sustainable efforts.

We were one of the founders of the Electronic Industry Citizenship Coalition which was created to unite the IT industry to become more sustainable, Salwén (2015) states.

Moreover, Salwén highlights IBM’s own volunteering program as another way to promote what efforts they are taking regarding sustainability and encouragement towards other businesses.

The analyzing of these empirical results uses the concept of the four P’s. Since IBM is not typically involved in the development of green products or offerings, the adaption of the first “P” in the sustainable marketing mix, including products using materials and ingredients with a low environmental or social impact, is not applicable. This could possibly explain why Lundgren claims that sustainable marketing is not practiced. IBM’s offerings are not marketed or developed as green, but rather in terms of efficiency. Sustainability regulations are covered in their overall business and in their way of working with efficiency. This can especially be discovered in their concept of “a smarter planet”. Within the IT industry, the production and involvement of hardware, is considered the business with the most negative environmental impact. Hence, IBM’s involvement in software can be considered as the clean way of using IT which IBM is marketing as a more efficient way of doing business.

The product “P” as well as the place “P” is also involving the whole product lifecycle, including distribution and suppliers. This is an aspect taken into consideration by IBM due to their requirements communicated to their suppliers. Their guidelines and certification have an
essential impact on the choice of suppliers, which Salwén emphasizes. Adding to this, their work in waste management within the supply chain can also be considered as a way of working with sustainable marketing from a marketing mix perspective.

From a promotion “P” perspective, IBM uses several strategies to promote their sustainable efforts. Their role as one of the founders of the Electronic Industry Citizenship Coalition (EICC) and their own volunteering program are two recurrent examples in the interviews and report. In both examples, IBM encourages other companies within the IT industry to be involved in sustainable businesses and according to Pandey et al. (2013) this should be the key reason for sustainable marketing promotion.

**Max Burgers**

The beginning of communicating sustainable marketing practices at Max Burgers began when the traditional marketing strategies of communication were turned out to be ineffective.

*Marketing through traditional advertising channels did not give the results we hoped for.* (Larshans, 2015)

Max Burgers wanted people to know about their sustainable effort in hiring people with functional disabilities and other initiatives such as putting the climate on the menu. Thereof, instead of using traditional marketing methods, Larshans turned to politicians, opinion-formers, environmental activists and other critics.

*We realized that the transparency was of significant importance and suddenly we got environmental critics referring to us as the leading example* (ibid).

Consequently, Max Burgers received influential ambassadors who shared the knowledge about the Swedish hamburger restaurant. Their initiative of 100 percent climate compensating their products is one of the efforts well mentioned by these ambassadors. From environmental critics Max Burgers also received the nomination of being the most sustainable company in the restaurant industry 2009 (Sustainable Brand Index, 2015).
Since the environmental criticizers turned out to be our main influential ambassadors the risk for negative publicity has reduced, Larshans (2015) claims.

Max Burgers are today also promoting their successful concept by sharing their expertise to other businesses and are becoming a leading example of how to use sustainable strategies to improve the business. One of these successful concepts is the “Victory Formula” which is a model constructed by Larshans himself. It consists of a model to encourage changes where marketing and communication is highly relevant. The model consists of key elements such as transparency, social, environmental and organization. Transparency represents the idea of everything becoming more accessible and visible which requires the companies to actually include sustainable strategies in its core business.

Max Burgers way of practicing sustainable marketing can be analyzed and derived from the way they are developing their products “P”, how they are hiring employees and how they are promoting “P” these initiatives and sustainable efforts. The beef products are the company’s biggest environmental impact throughout the whole business (Max Burgers, 2011). These products are not in line with the sustainable marketing mix requirements for products being produced from good materials and ingredients as well as products minimizing the company’s carbon footprint.

Despite the beef production which is admitted being the company’s biggest environmental challenge, other sustainable product initiatives are implemented such as for example their initiative of climate compensating their products. This is a responsibility taken for all their suppliers in the supply chain which shows how the place “P” can be addressed in their practices. Max Burgers are not only climate compensating their own emissions but are also taking responsibility for their suppliers and the suppliers’ suppliers etc. The whole production chain, from the beginning to the end is taken into account and is compensated by cultivating of new trees in Africa (ibid).

The promotion “P” of their products and initiatives is also adding another aspect of sustainable marketing practices since Max Burgers are not only promoting their actual business of burgers. They are also sharing their expertise of hiring employees with functional disabilities in order to increase the value of those people and make other business see the value of hiring employees with different backgrounds and abilities.
H&M
Brinck explains how sustainable marketing is practiced at H&M by referring to different initiatives such as their membership in the “Better Cotton Initiative” (BCI) and the “Sustainable Apparel Coalition”.

*BCI develops and promotes good agricultural practices. A BCI farmer uses less water and chemicals, care about the earth and habitats, and promotes good working conditions* (Brinck, 2015).

H&M is also one of the founding members of the “Sustainable Apparel Coalition”. It is an index that standardizes the measurement of the environmental and social impacts of products across the product lifecycle and throughout the supply chain (Brinck 2015, H&M 2014).

Brinck argues that consumer does not seem to be as loyal towards brands today, which makes the communication of sustainable efforts more essential. Simultaneously the histories of companies being involved in greenwashing scandals have made H&M choosing a cautious approach towards their communication of sustainability.

*We are careful in claiming that we offer a sustainable alternative, and rather like referring to a more sustainable alternative. In general we like to be cautious instead of taking risks* (Brinck, 2015).

Regarding H&M’s promotion and distribution Brinck describes different marketing channels within the organization. She explains that the primary channel consist of the stores. This is where most of their communication can be spotted. As examples Brinck mentions:

*We are using green hand tags on the conscious clothes and washing recommendations in the fitting rooms to encourage sustainable consumption and usage* (ibid).

H&M operates on the global market and their products are produced in many factories which they do not own. Brinck highlights the problematic of not being able to control the whole supply chain. Instead H&M is highly collaborating with different governments in order to ensure the standards of the factories.
Analyzing how H&M is practicing sustainable marketing, their involvement in making the products more sustainable is their primary initiative. From the perspective of sustainable products “P” their involvement in the BCI and “Sustainable Apparel Coalition” ensure the materials, chemicals and working conditions related to the products. Although their initiative of garment collection is in line with the product lifecycle criteria in sustainable products, their choice of eliminating key words such as sustainability, recycling etc. makes the efforts questionable from a promotion perspective. When involving in sustainable initiatives the communication should focus on encouraging sustainable behavior, but the elimination of sustainable terms such as sustainability and recycling is not the sustainable suggested way of communication. It might as well cause confusion.

In relation to the sustainable place “P”, their efforts of labelling in stores and encouragement in fitting rooms can be analyzed as a sustainable initiative of marketing. Although, by approaching a broader perspective, their lack of control of factories is problematic from a sustainable perspective. H&M is aware of this and are working with governments in different countries to ensure the standards of the factories.

4.2.2 What is the reason for sustainable marketing practices?

IBM

Lundgren claims that the reason for practicing sustainability and thereby communicating these initiatives is because the consumers demand it.

The situation today consists of consumers who demands sustainable companies and products, and in turn companies demand suppliers to show their responsibility certifications and so on. (Lundgren, 2015)

Fleming also believes that the consumers demand for sustainable business overall requires companies to communicate their efforts through marketing. He argues in general terms:

I believe companies today are working with sustainable marketing for two reasons combined or separately. First of all for branding opportunities where companies need to communicate sustainable efforts because they expect to be sustainable and the
consumers demand it. Secondly it is practiced because they want to be sustainable (Fleming, 2015).

He demonstrates the difference between expecting and wanting to be sustainable by explaining that wanting to be sustainable is included in the core strategy of the company, in contrast to expecting which is as an adapted strategy because the consumers specifically demands it.

One reason for sustainable marketing practices that Salwén mentions during her interview is related to the idea of IBM being a corporate citizen. Sweden has right now some educational issues based on the PISA results and IBM sees this as an obligation to support and help in education. They need future generations to be educated, employable with the right competence in order to run their business.

It is as a win-win situation where a better and more sustainable society is important for our business (Salwén, 2015).

Analyzing the reasons for sustainable marketing practices at IBM can first of all be derived from the concept presented by both Kotler (2012) and Gittell (2013) regarding missions beyond meeting current needs that might not serve the future best of interest for businesses or consumers. IBM’s concept of “smarter planet” with the main purpose to generate smarter and more efficient businesses though IT, reflects the idea of a long-term and future perspective.

The second reason for practicing sustainable marketing can also be derived from the presented theory about the TBL (Tripple Bottom Line). Social problems were raised repeatedly during the interviews and not least during Salwén’s interview. Her mission is to identify different social and society issues in Sweden and address how IBM can contribute with its knowledge and involve other businesses to help creating a better society.

From an environmental perspective derived from the TBL, which refers to informing consumers about different impacts on the nature and its resources, IBM’s concept “a smarter planet” can be seen as such an initiative. The main idea is to generate smarter and more efficient businesses though IT which automatically refers to a sustainable society and future. More efficient businesses with for example better waste management, increases the chances
of maintaining the earth's resources. Naturally, this is also beneficial for the company’s financial resources.

From an economical perspective IBM sure is involved in a lot of initiatives because the society, customers and the future demand it but as Salwén (2015) and Lundgren (2015) both clarify, the economical aspect is naturally the main important reason for these practices. The involvement in society, in schools, in the development of the Swedish IT industry, is good for their business. However, Fleming’s idea of the reasons for sustainable marketing practices overall is another way to approach and combine the economic, environmental and social elements. Either companies practice sustainable marketing because they are expecting to be sustainable from a societal perspective or they practice it because they want to be sustainable based on the profitability and with the future environmental aspects in mind. The last-mentioned is also in line with Kotler (2012) and Gittell et al. (2013) belief of a long term perspective.

Max Burgers
Larshans believes that the reason for practicing sustainable marketing is because of the increased transparency in society. The requirements for companies to actually involve in sustainable businesses become more essential and visible. Furthermore another reason for their practice of sustainability is based on their long term survival. Max Burgers realized they had a big social problem which was threatening their future business.

Sweden has an ageing population and the youth are composing the main group of our employees, Larshans (2015) emphasizes.

Moreover, the company knew that about 10 percent of the population are diagnosed with some kind of functional disability and many in society can mostly relate to someone with such diagnose. This resulted in Max Burgers rethinking their employment criteria and started hiring employees with functional disabilities. This initiative was based on a long-term perspective of the business survival and economic growth, and resulted in a social responsibility activity which Larshans believes is one of the main reasons for their growth.

The transparency aspect have also according to Larshans made Max Burgers realize that they need to assess their biggest environmental problem in their business. No matter how much
they communicate sustainable efforts, the statistics will not change due to their maintained production of beef burgers, which is also acknowledged in their report (Max Burgers, 2011). From a short term perspective the sales of beef burger is necessary in financial terms, although the company tries to encourage more consumers choosing other alternatives. Larshans argues that no company is perfect, but the involvement in sustainable efforts shows which companies aim to improve and become better.

_The transparency becomes more and more important and the companies trying to idealize their business will be repelled. It is better to be honest and contribute with the efforts that can be done_, Larshans (2015) argues.

Max Burger’s decision to hire employees with functional disabilities can be analyzed from both the social and economic underlying reasons in the TBL. The social reasons include the responsibility taken for production and working conditions, which also have created a platform for marketing. And the economic reason is based on the knowledge where the population is ageing and the company is depending on the youth. These are two reasons for sustainable marketing practiced. The third reason can also be derived from the TBL environmental perspective. Max Burgers are aware of the impact of their beef production and in order to minimize negative publicity and to be trustworthy in their other areas of sustainability initiatives, the decision of cultivating trees in Africa is both beneficial for their image and for the environment.

Finally, another reason for practicing sustainable marketing at Max Burgers takes all the elements of the TBL into consideration altogether. Max Burgers are also involving in activities to communicate and share their victory formula in how other companies can combine social and environmental activities simultaneously while increasing the financial profit.

### H&M
One of the reasons for H&M’s involvement in sustainable marketing is argued by Brinck to be affected by the future resources. The material problems will continue to increase in the future, which is also acknowledged in their report (H&M, 2014). Brinck also emphasizes the trend of sustainability as a reason for such marketing practices:
The consumers are becoming more and more aware of the product history and the trend of sustainability is something the companies need to consider (Brinck, 2015).

H&M is struggling with social sustainability initiatives connected to different societies where they are located in. H&M is operating globally and acts as “One H&M” no matter where they are located. Instead, Brinck claims it is easier for H&M to engage in environmental sustainability initiatives. For example the development of product materials, green hand tags to increase product knowledge and garment collecting initiative. These environmental initiatives are also done due to the demand from consumers according to Brinck (2015).

Another reason for sustainable marketing practices is H&M’s conscious collection and the fact that the sales have increased more than expected (ibid). This collection involves the usage of better materials and working conditions for the farmers and the primary reason for this collection was to target the consumers that wanted to purchase sustainable fast fashion. However, this increase in sales of the conscious collection does not exclude H&M’s mission to increase sales within the overall product range.

The future mission is not to let the conscious collection replace the original product lines, but rather to increase the sales of both collections, Brinck argues.

Analyzing the material problems and H&M’s approach Brinck’ expressed thoughts towards these issues for the garment industry is in line with the idea and reason for sustainable marketing practices to satisfying today’s businesses and consumers aligned with the future’s (Kotler 2012, Gittell et al. 2013). The environmental initiative can be derived from the TBL because of their involvement in finding solutions for today’s material use. Although this naturally includes an aspect of profitability and is done for the businesses’ best interest, the economical reason seems to be a bit too dominant from a sustainable perspective.

According to the sustainable economic perspective of the TBL, the focus on increasing sales of sustainable products compared to the ordinary ones could potentially be practiced by H&M due to their increased sales in the conscious collection. The question regarding if this is their intention or future mission was also directly asked during the interview. As presented in the empirical results, Brinck clearly states that this was not their intention, but rather they like an increase of sales overall. From this perspective the reason for sustainable marketing is not in
line with the previously discussed issue of the material problems for future business. Rather it is in direct contradictory to a long term perspective and future customer demands.

4.2.3 Opportunities and Challenges
This section includes a set of ideas regarding the future of sustainable marketing concept in businesses overall. All company representatives’ opinions will be presented together followed by an analysis of these ideas.

IBM, Max Burgers and H&M
Salwén (2015) and Lundgren (2015) from IBM believes that the opportunities and challenges with sustainable marketing in the future will consist of more regulations and demand for businesses practicing sustainability “for real”, in order to be considered as a sustainable company. This is a thoroughgoing idea argued by all business representatives. Brinck (2015) from H&M believes that the companies trying to communicate sustainable efforts without actually practicing it will be easier to discover when information becomes more available.

Furthermore, Larshans from Max Burgers describes his perspective of sustainability’s role in business by comparing it to a gutter (figure 3).

* Sustainability should be used as a gutter which embraces all the areas within a business and every department and sub-business should be seen as a drainpipe with its base from the gutter (Larshans, 2015). *

He did not claim that Max Burgers were there yet, but this is the model he worked for and believes that future businesses should be working with in order to incorporate sustainability for real.
Fleming (2015) from IBM is also suggesting a developed way of approaching sustainability similar to Larshans model:

*Maybe the concept of sustainability needs to be upgraded to the next level. Sustainable practices today are more of a normalization which more and more companies are adapting, so sustainability 2.0 might be necessary,* he argues (Fleming, 2015)

H&M are visualizing a future where all the clothes and garments can be reused and turned into new beautiful clothes. They are calling it “closing the loop”. This vision is also communicated through H&M’s Conscious Actions Sustainability Report, published 2014 (H&M, 2014). H&M knows that the future will consist of fewer resources for the fashion industry to use, and the strategy to find a sustainable way of recycling is included within their vision (Brinck, 2015).

Larshans also believes that the future will allow new ways of acting sustainable and involve in sustainable initiatives. At Max Burgers they have already begun working with other sustainable marketing strategies which primarily does not encourage their short term businesses. They are climate labeling their products and offer alternative products such as chicken and veggie burgers in order to increase attention to those products. Larshans claims that this is a way to increase the demand for products with a lower environmental impact, but it cannot be seen as a replacement for their beef burgers.
Sharing expertise was also highlighted by both Salwén and Larshans. Salwén believes that future businesses will probably be involved in more sustainable activities together with other businesses to work along with sustainable initiatives towards a sustainable future. Larshans also specifically emphasized the importance of sharing knowledge, successful concepts and increasing collaboration within the industry for the future. He refers to the saying: what goes around comes around, and argues that collaborations and sharing will be beneficial for all parts. Furthermore he claims it to be a cost effective way to collaborate (Larshans, 2015, Max Burgers 2011).

Lastly, Lundgren also believes that the millennium generation will require responsible working places and therefore the importance for strong marketing communication becomes essential in order to be an attractive workplace. And lastly he once again states the criterion of which he believes is the most important aspect for future:

*Sustainable marketing and sustainable efforts will probably not be carried out in the future if there is no profitability involved for the companies. The challenge is to balance the financial aspect together with sustainability, Lundgren (2015) argues.*

Analyzing the future predictions regarding the concept of sustainable marketing, the idea of creating shared value suggested by Porter and Kramer (2011) can be discovered in many of the ideas presented by the representatives. The belief of “real” sustainable practices included in the overall business strategy can be derived from the idea of adapting it at the core instead of the periphery. Larshans’s idea of adapting sustainability as a gutter which embraces all areas of the business and his beliefs in sharing expertise is directly connected to this idea as well. Furthermore at H&M, their future vision of “closing the loop” is also a vision to include sustainability in the center of their business. The mindset of the creating shared value concept might consequently be the future trend of sustainable marketing practices which Fleming emphasized as sustainability 2.0.

Brinck’s beliefs in transparency and increased interest for sustainability is in line with the idea of that a combination of WOM (Word-Of-Mouth) and sustainability will be more crucial when the consumers thinking in terms of sustainability more continually. WOM can be an aspect contributing to this transparency.
The reputation through WOM can possibly be crucial factors for “real” sustainable marketing practices. Especially according to Brinck and her ideas of increased interest for sustainability and the belief where consumers will be thinking in terms of sustainability more continually. WOM can also have an impact on the company’s ability to communicate good workplace which Lundgren emphasizes as an important communication for the future. And since WOM and sustainability have been shown to have an effect on the customer loyalty it can also be affecting the business profitability.

The concept of demarketing can also be visualized throughout Max Burgers’ sustainable marketing strategies of increasing interest for non-beef products. Although this is not a strategy which aims to remove the current demand for the beef burgers, but a strategy for the long term business and can be derived from the demarketing concept.
5. Discussion and Critical Reflection

This chapter is based on the overall problematics and research questions. The aim is to address the findings and analysis from the last chapter into a new context. In this context the similarities of sustainable marketing practices and ideas from the different companies will compose a general discussion and critical reflection of the overall concept of sustainable marketing.

The used concept of the four Ps has given rise to further insights in how sustainable marketing is practiced. The concept could mostly be derived from the development of products, the strategies for promotion and choice of place and belonging distributions. The fourth element of “price” was not applicable according to the findings. The concept of the TBL was very usable in the analysis since the natural elements of combining business with environment and society also is included in the concept of sustainable marketing. Many of the company representatives referred to the TBL without the authors mentioning the usage of the concept in the study.

Some similarities in how sustainable marketing is practiced in the chosen companies can be generalized from the analysis and results. The exclusion of traditional marketing methods such as advertising is almost infinitive in the practice of sustainable marketing by IBM, Max Burgers and H&M. Instead, both IBM and Max Burgers are targeting groups of interests for their activities. IBM through their involvement in addressing societal issues, and Max Burgers through its targeting of politicians, opinion-formers, environmental activists and other critics. Another strategy for practicing sustainable marketing in both Max Burgers and H&M is the development of more sustainable products as an alternative and compliment to the original ones. These products are often marketed directly in the stores by labeling and hand tags.

However, the most dominant similarity in sustainable marketing practices, discovered in the analysis and results, is the general cautiousness toward sustainability. The usage of chosen notions within the area of sustainability reveals the companies’ prudence in claiming sustainable efforts. H&M is the company where this was most visible. Their decision of using the word “cautious” instead of “sustainability”, and their attitudes towards the process of recycling although that concept is not admitted, shows their approach towards cautiousness. According to Brinck this is an intended strategy to reduce the risk for criticism and judgement.
that can harm the brand. This observation might also be generalized to the potential reason for why IBM is referring to “efficiency” instead of sustainability. The concept of sustainable involvement within different departments of the organization did not seem to be referred to as sustainable actions. This was also confirmed by Salwén when she expresses her belief that many are working with sustainability without knowing it. Can this be a cautious choice? Once again referring to the conversation with Brinck, the companies claiming to be sustainable is an easy target for criticism.

Another reflection regarding cautiousness is connected to the theory of demarketing. If the companies are practicing sustainability for the long-term, should not the sustainable product alternatives be the primary marketing focus and the mission for companies to sell? In H&M the conscious collection is a compliment to the ordinary, but the vision is not to replace the ordinary fashion with the cautious one. If this was the attempted strategy, demarketing of the ordinary products should be the strategy to increase the demand and marketing for the cautious fashion. Max burgers’ strategy of climate labelling can also be questioned from this perspective. Their mission is neither to encourage their consumers to only purchase their chicken or veggie burgers, but to give them a chance to choose alternatives with a lower environmental impact. From a sustainable and a long-term perspective they will probably benefit from a demarketing strategy of beef burgers and instead marketing their more sustainable alternatives. Once again, the cautiousness within the area of marketing sustainable initiatives can be found in all of the studied companies. It seems like the potential risks composing of knowledge where previously companies involvement in sustainability efforts have resulted in greenwashing scandals and negative WOM, are affecting the companies’ strategies.

The general reasons for sustainable marketing practices can be derived from the TBL. All company representatives where directly and indirectly mentioning the social, economic and environmental reasons. The social and environmental elements where equally referred to but the economic aspect was always the core reason for their practices. The demands need to be satisfied in order to generate profitability which composes the reason behind the practices. In order to satisfy the consumers and remain profitable, the future business is of highest priority for all companies involved in this study. It seems like the future somehow is becoming nearer and the reality of finite resources and market places have affected the companies businesses.
During this research it has been discovered that sustainable efforts will not be performed if it is not profitable for the company. It does not necessary mean that the short-term perspective have to gain some profitability, it might as well be beneficial for the long-term purposes. But if the sustainable initiatives do not result in some kind of profitability on neither the short- nor long-term perspective, a sustainable initiative will not likely be of interest for most companies. The element of profitability does not necessary need to include the profitability in financial terms. For example in IBM’s and Max Burgers’ cases where they engage in social responsibility which is not primary for financial reasons, but rather for a long-term perspective were they can use the competence to develop their own business.

Regarding the outlook for future opportunities and challenges in sustainable marketing practices, a new way of approaching sustainability might be a future solution as different company representatives suggested. Larshans argues about the importance of viewing sustainability as a gutter which embraces all the areas of the organization. Fleming is also discussing the area of where sustainability might need to reach a new level in order to have effect again. He refers to the level of 2.0 where real sustainable practices become essential in order for efficient marketing practices. As all the representatives mentioned during the interviews and which Larshans particularly highlights in his Victory Formula, the transparency will and are becoming more essential. Hence the cautiousness which earlier was discussed might be such a strategy that can be exposed and potentially create a negative image of the company.

Furthermore the theory of shared value, which also refers to the perspective of viewing sustainability as a core strategy, is matching the representatives’ future beliefs regarding sustainable marketing. The belief of sharing expertise and success within sustainability initiatives will become necessary and even more engagement in industry solutions where companies gather to discuss missions is most likely to come.
6. Conclusion

The final conclusion of the study will be presented in this chapter together with suggested further research within this area.

Previous theories and opinions regarding the area of sustainable marketing have consisted of questions whether sustainable marketing is another strategy to encourage needless spending, or a way to communicate the business contribution to a sustainable future. If these two opinions are each other’s complete opposites, the results of this study can be presented somewhere in between. Based on the research questions of how sustainable marketing is practiced, the reason for these practices and the predicted opportunities and challenges for the concept in the future, the conclusion can be summarized as followed:

- Sustainable marketing is practiced with the vision of future business opportunities in mind.
- Sustainable marketing is a concept practiced with cautiousness.
- Profitability is the main reason for sustainable marketing practices.
- Real practices of sustainability are the future challenges for marketers.

According to the studied companies, nothing is done without some kind of profitability for the business. Sustainable marketing can be practiced as a unite strategy where the long-term goal is in line with both the sustainable and profitable aspect. It is something that the consumers demand, which automatically generate further business opportunities. Furthermore, the sustainable initiatives mostly presented in this study, represents a strategy where the future business is of the primary interest. H&M engage in their Better Cotton Initiative because they know that today’s resources are finite. Max Burgers believe that the transparency will become more and more visible; hence they need to address their biggest environmental threat, which is the beef production. IBM is depending on the Swedish society and future employees with the right competence and that is why these initiatives are their primary focus of sustainability.

The idea of the future becoming more real and near reflects the way companies are working with sustainability. The sustainable initiatives seem to already be implemented in many levels of the organizational process, but the communication regarding sustainability is somehow
modest. The development and well known concept of greenwashing is often referred to within the area of sustainable marketing, and have been mentioned during the interviews of this study. Some of the cautiousness in the communication has been claimed to be a result of that concept. The belief of increased transparency and real sustainability practices for the future, combined with the fear of receiving negative publicity though being associated with something that the company cannot answer to, can be visualized in some cautiousness of the communication. From a critical perspective it can also be questioned whether this cautiousness is something intentional to maintain the brand image. For example, is Max Burgers cautious with communicating its sustainable efforts to consumers and to marketing their sustainable alternative offerings, because they risk losing consumers that does not care and cannot associate with the company’s sustainable beliefs?

This could be an area for future studies to proceed on. How sustainable are companies willing to become? How is a sustainable approach affecting the brand image? Moreover the area of profitability can also be an area for further research. This study shows that the profitability aspect is of primary importance for sustainable marketing strategies. But how are the companies perceiving the profitability aspect and result from sustainability initiatives? How much is centralized to the financial contribution and how is profitability valued in terms of the company’s future existence and environment?

To summarize the conclusion of this study, sustainable marketing practices based on the studied companies can be discovered in different product development initiatives, promoting initiatives and in increased requirements on suppliers and distributors in the supply chain. In general, the term “sustainability” is used with cautiousness. Sustainable marketing practices is not primary a strategy of using the trend of sustainability to create sustainable and effective communication of the brand. Neither is it only practiced to communicate sustainability efforts and encourage consumers and other companies to be sustainable. Sustainable marketing is practiced because the consumers demand it and it is beneficial for the future environment, society and consequently for the business’ profitability and existence. Finally, according to the predictions highlighted in this study, the importance of real sustainability practices will become essential in the future. This confirms the importance for developing more studies within this field in order for further knowledge contribution in the area of sustainable marketing practices.
7. Limitation of Research

In this short and last chapter the authors will reflect upon possible flaws or limitations of this study.

The main limitations of this research are time and extent limits. The time spent on reports could be carried on a more circumstantial level in order to give a complementary perspective to the interviews. Moreover, the data collection would also in an optimal situation involve more interviews from different representatives at H&M and Max Burgers. This study aimed to generate awareness regarding the concept of sustainable marketing. Therefore, in a broad context, the findings and data collection within each area are also limited due to the limitations of the research questions and the chosen companies.

The findings are naturally based upon the company representatives’ opinions and what they claimed being practiced. Consequently, there is a risk that the representatives might have withheld information regarding their practices that potentially could have harmed the brand, but would have been beneficial for the study. However, the authors perceived honesty in the representatives’ statements and expressions, since many negative aspects were emphasized as well. The importance of profitability was for example not withhold, which almost all representatives were optionally mentioning. The challenge of studying what is actually being practiced by companies has previously been discussed as impossible or at least very difficult to achieve. However, the relevance of carrying out such research remains, and would be necessary in order to further strengthen the conclusions of this study.
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Appendix

Interview template

Opening questions
- Operating range?
- Working duties?
- Years within the company?

Marketing
- How would you define and describe the marketing concept? What is the purpose?
- In which departments of the company do marketing exist?
- What are the company’s main channels of communication?
- How do you think marketing will evolve in the future?
- What opportunities and challenges do you see with marketing at the present and in the future?

Sustainability
- How is the company practicing sustainability?
- What is the reason for practicing sustainability?
- How do you think the sustainability aspect will develop in the future? What opportunities and challenges do you see?
- Why do you think that companies are working with different sustainability issues?

Sustainable marketing
- How do you interpret sustainable marketing?
- What is the company’s opinion about sustainability and sustainable marketing?
- Do you think that sustainable marketing is a part of your company’s marketing strategies today? Why? why not? In what way? Should they include it?
- Are there any specific examples of sustainable marketing initiatives?
- What opportunities and challenges do you see with sustainable marketing?