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Culture of Marketing Actions of a Company in the Area of Sustainable Marketing Mix

Abstract: The article focuses on the essence and importance of a sustainable marketing mix in business enterprises. In the first chapter the concept of this work the concept of sustainable product is brought closer. The characteristics of a sustainable product are presented. The further part of the article describes the prices of the products in terms of sustainability. Inter alia, the impact of the use of sustainable corporate policy on the price level of products is indicated. The third chapter addresses the issues of sustainable products distribution including the description of sustainable distribution channels. The final part of the work includes the information on sustainable marketing communication with the use of promotion mix instruments. The paper presents the main objectives of sustainable marketing communication and identifies means of marketing messages. The paper concludes with a summary.

Key-words: sustainable marketing mix, marketing mix, sustainable development, enterprise

Introduction

Degradation of natural environment and growing social problems constitute an important area of sustainable development. The international community more often take the debate on the future of our planet in the context of the development opportunities of future generations. Increasing, at a rapid pace, number of inhabitants of the earth causes an increase in consumption and meet the needs of existential societies. Enterprises in order to meet the growing needs of the population produce

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more goods, and this in turn, increases the demand for all kinds of raw material needed to produce specific product.

Important role in a sustainable functioning of production enterprises, plays sustainable instruments of marketing mix: product, price, distribution and promotion mix. Marketing as the main driving force of the world economy leaves a big footprint in both, the environment and society. Through marketing systems, most human needs and psychological needs are satisfied. For this reason, marketing, including marketing mix strategies implemented by companies play a significant and unique role in creating a more sustainable society.

Sustainable product

Undertaking considerations on sustainable marketing mix, special attention should be given to product as the most important element of the marketing mix. By purchasing product, the customers meets their needs and gains benefits associated with its use. D. Martin and J. Schouten argue that the main task of marketing is the development and management of products, which includes all goods and services that the company offers to its customers along with the packaging, which is part of the product. The range of products is the cause of interests of many sites, which include first of all the company's customers, both current and future. [Martin, Schouten 2012, p 122] W. Stanton, M. Etzel and B. Walker define the product as "a set of tangible and intangible attributes including packaging, color, price, quality, and brand. Plus the seller's services and reputation" [Stanton, Etzel, Walker 1994, p 211]

The concept of sustainable product already at the stage of designing assumes the use of materials, raw materials and other necessary components to produce a product which is environmentally friendly. Production processes should be designed in such a way to interact with the environment in a least disruptive manner. A characteristic feature of sustainable products is the use of energy-efficient equipment and appliances that are powered by electricity, fuel, gas or water in their manufacture process. During the production of sustainable products attention should be paid to the size of the waste products, emission of harmful gases into the atmosphere, or other substances and factors affecting the ecosystem and the quality of human life. Depending on the specificity of product, the production chain involves suppliers, contractors, co-operators, distributors and other entities that have an impact on the formation of the final product. Sustainable production in a sustainable enterprise requires cooperation with entities which are not indifferent to environmental issues or aspects of the quality of life of societies.

Sustainable product is characterised by its reliability during use. Reliable product quality allows its long-term use, and this in turn, causes a decrease in demand for its purchase. That way it also reduces the need for different kind of raw materials and

energy or fuel required to produce a particular product. Reducing the demand for the purchase of products is in conflict with the financial interests of the company. The aim of the manufacturing companies is to manufacture more and more of the products for sale, which translates into tangible financial benefits of businesses. Presented dependence is one of the most important areas of sustainable development, including sustainable marketing. For this reason, sustainable company takes into account in its operations the environmental and social aspects while achieving the economic objectives of the company. Ability to balance the mentioned aspects by the company management is the strength and competitive advantage of the organisation. Sustainable product in addition to the durability feature is functional and safe for its users, does not endanger the health and lives of purchaser. Depending on the characteristics of the product and its intended use, manufactured goods are characterised by low power consumption inducing the movement of the product. Referring to the product life cycle, specifically the fourth phase of the cycle, the decrease, withdrawing the product from the market, we should bear in mind the further fate of the product, which has already been withdrawn from the market. The amount of used equipment translates into countless tons of waste destined for disposal or recycling, which in turn, causes environmental problems associated with the storage of unnecessary products and social conflicts caused by such close proximity to the storage yard.

Sustainable prices of products

Product price is an important element of the strategy of the enterprise. In contrast to other instruments of the marketing mix, price does not generate costs for the company, but brings profits. In relation to the customer, price is the value expressed in money which the purchaser has to pay for the purchase of a particular product or service. The price for the buyer is, therefore, a cost. Z. Knecht specifies the price as a sum of money which the company charges the buyers and that buyers are willing to pay for the product. For the buyer the price is expressed in money at the expense which he bears, buying the product. [Knecht 2005, p 88]

Price, in sustainable marketing mix that specifies the value of a sustainable product, should include expenditures incurred to produce a sustainable product. Including the environmental and social aspects in the production processes may lead to the increase of costs. For example, using the non-conventional sources of energy for production, may increase the unit price of the product. The use of raw materials necessary to produce a sustainable product with a low or trace harm to the environment, may also translate into a rise in the price of the final product. Another reason for the increase of production costs, and thus, the increase in the price of the product, may be the use of environmentally and people friendly technology, which can be much more expensive than traditional methods of the product manufacture. An example of

sustainable product with a much higher purchase price can be a hybrid vehicle. The costs associated with the purchase of a hybrid car are higher than the price of a car with internal combustion engine. Analysis of the costs of buying a hybrid car may deter potential buyers to purchase such vehicle. However, higher costs of purchasing a hybrid vehicle are compensated by the advantages of this product. Hybrid cars consume less fuel, and this results in lower overall cost of its usage. Additionally, owners of hybrid cars in the countries of Western Europe, can count on the special relief, associated even with free entry to the city centre, as it is in London. However, the main advantage of hybrid vehicles is considerably lower emissions of harmful substances into the atmosphere, including carbon dioxide. Taking into account the condition of the environment and the health and life of humans, as well as the health of future generations, production and sales of hybrid or electric vehicles is a reasonable and legitimate action of car manufacturers. For the sake of the ecosystem and the quality of life of societies costs associated with the purchase of a hybrid vehicle are of secondary importance. Despite the risks associated with the increase in the unit price of the product through the use of clean energy, fuels, ecosystem-friendly materials and raw materials for production, sustainable packaging and other elements of the product, the company should undertake economic activities compatible with the ideas of sustainable development and sustainable marketing. Increased financial investments to produce sustainable products should be seen by the company not only as a cost of production, but above all, as a good investment in the future that will pay off with a mutual satisfaction of both, the buyers and the company itself. D. Fuller believes that „at the general level, sustainable pricing objectives address the challenge of integrating eco-costs into unit cost structures so that resulting prices better reflect the full costs associated with the resources being converted and offered for consumption.” [Fuller 1999, p. 277]

In order to increase the chances of sale of sustainable products, the product range of the company, after the previous segmentation of the market, should be addressed to groups of buyers that are socially and ecologically sensitive, which are not indifferent to the condition of the environment and increasing social problems. An important impulse inducing the purchase of sustainable product may be posting information on the product providing that it was manufactured in accordance with the principles of sustainable development, using sustainable marketing activities. Customer who has information about the product manufacture process will be able to pay a higher price for buying a sustainable product.

“Consumer costs for sustainable products are individually perceived, evaluated and weighted based on a number of personal and situational factors such as socio-ecological awareness, socio-ecological knowledge, disposable income, peer groups and purchasing situation. If the other cost components are more or less visible or predictable to the individual consumer, price has a special status in the cost

assessment process for the following reasons; it is known prior to the purchase; it is expressed in monetary units; and it (generally) belongs to the up-front costs. Since consumers tend to minimize present and not future costs, price takes the lion's share in the cost evaluation process." [Belz, Peattie 2010, p. 204]

Sustainable distribution of products

The growing number of the world's population increases the demand for various kinds of products satisfying the needs of existing societies. Increasing world population means an increase in demand for food products, material goods and services. In order to meet the needs and expectations of the global community it will be necessary to increase production and effectively provide desired products to buyers.

Distribution as part of a sustainable marketing mix plays a significant role in the economic development of societies. The main task of sustainable distribution is effective providing of products desired by purchasers in the given place at the right time while maintaining the integrity of the product in terms of quality. The essence of sustainable distribution are therefore social and environmental aspects relating to infrastructure, with particular emphasis on transport and storage processes. A significant role in the sustainable distribution play the participants of the distribution channels. [Trojanowski 2013, p. 1050] G. Armstrong and P. Kotler indicate that the distribution channel (marketing channel) is "a set of interconnected interdependent organisations that help in making the product (service) to consumers or business users." [Armstrong, Kotler 2012, p. 448]. A. Pabian shows examples of sustainable distribution - "selecting environmentally and socially sensitive commercial intermediaries, reducing the number and scope of the storage and transport, moving goods by using hybrid or electric vehicles, supporting charity activities it's just a few examples of sustainable distribution contributing to protect the environment and solving society problems." [Pabian 2012, p. 131]

Sustainable distribution requires a balanced action of all participants involved in the process of flow of goods from the producer to the target audience. Realtors, contractors, distributors, wholesalers, retailers and other participants in the distribution channel should include in their activities the environmental and social aspects. Sustainable flow of goods may be manifested in the choice of such means of transport that will affect, to the least troublesome extent, the environment in terms of emissions to air, noise level and adjustment of the type and capacity of the vehicle to the specific nature of the supplied goods. Besides, the logistical services should also determine the shortest and the fastest route, not only in the interests of the environment but for the quality of the goods and the speed of delivery, which will translate into customer satisfaction with the provided transport service. The

synchronization of orders is also important, the author has in mind the elimination of the so-called “empty runs”. Excessive use of means of transport, especially the vehicular one, becomes a source of environmental and social problems. In social terms the nuisance of road transport involves the destruction of roads and increasing danger to other road users.

Essential role in choosing the intermediaries involved in the process of distribution play the managers. On the decisions of the owners of the organisation may depend the choice of environmentally and socially sensitive participants in the distribution channel. The company can resign from the services of intermediaries, which ignore the problems of ecology and social aspects. One example is the decision of the head of the British branch of McDonald’s corporation, Steve Esterbrook, who initiated the processing of used cooking oil into bio-fuel that supply McDonald’s cars in the UK. Choosing sustainable distribution channels contributes to improving the image of the business among trading partners, customers and the community. Emphasising environmental and social sensitivity of enterprise will certainly meet with approval and positive attitude of market participants.

Communication of an enterprise with the use of sustainable promotion mix

Complementation of the activities of sustainable marketing mix sphere is the implementation of projects in the field of sustainable promotion mix. The fourth element of the marketing mix, which is the promotion mix, includes advertising, direct marketing, sales promotion, personal selling and public relations. The presented promotion mix instruments play a special role in sustainable marketing communications of businesses. Using these elements of the promotion, the company communicates with the market participants. B. Emery says that the task of sustainable marketing communications is to achieve four main objectives: [Emery 2012, pp. 218-219]

- to change everyone’s behaviour with regard to the sustainability of their lifestyle affecting variety of habits and practices such as: energy use and conservation, recycling, personal travel, consumption reduction and de-marketing,
- to change consumer purchase behaviour, encouraging people to lead more sustainable lifestyle through the consumption of sustainable alternatives to conventional products and services,
- to inform consumers and other stakeholders about the sustainable credentials, reputation, practice, performance and achievements of national, regional and local governments NGOs, charities, businesses and other interested parties,
- to persuade consumers to purchase goods and services from particular companies on the basis of their sustainable features and benefits.

Using sustainable promotion mix instruments is justified in the case of companies, which implement the concept of sustainable development in all aspects of the

business. The author has in mind, *inter alia*, the members of the staff, the materials and raw materials for the production, energy-efficient equipment and furnishing, as well as the promotion of financial austerity policies and the reduction of waste. Mission and goals of the organization shall be in accordance with the principles of sustainable development, and it manifests itself, *inter alia*, in the economic activity in such a way as to minimize the negative impact of businesses on the environment and society. [Trojanowski 2013, p 34]

Sustainable promotional activity poses no threat to the environment and does not cause social conflicts. Does not affect the chances of future generations negatively. The use of certain means and forms of communication with the company can have a positive impact on the environment and can positively affect social problems. Messages posted in the media calling for respect for the environment and the rational use of water, energy, or means of private transport can have a positive influence on the attitude of many market participants and to some extent, reduce the negative human impact on the ecosystem. Promotional social awareness campaigns carried out using mass media such as newspaper, radio or TV can be helpful for example in the fight against poverty, hunger, social exclusion, and can contribute to improving the quality of life of communities and the natural environment. Sustainable marketing communication also involves the use of means and forms compatible with the ideas of sustainable development. The contents of pro-social and pro-environmental marketing messages should be transmitted using such equipment and materials, which, in a least harmful manner, impact the surrounding environment and take into account the social aspect. A popular way to communicate the company with market participants is the use of media, press, radio, television and the Internet. Analysing various media, it can be said that the use of these measures is not really consistent with the principles of sustainable development. Marketing press releases are published on the paper, which is manufactured from wood. The use of sophisticated electronic equipment in the case of radio or television requires the acquisition of various raw materials for the production of specialised equipment, by means of which the marketing messages are created and transmitted. It remains to consider the question of disposal of spent or obsolete electronic equipment used in radio and television. [Trojanowski 2013 , pp. 35-36]

Marketing communication of a company with buyers plays a key role in achieving the marketing objectives of company. Without the use of effective means and forms of communication, the business organisation is doomed to a failure. The changing marketing environment of a company forces the change of the course of thinking of managers responsible for creating and managing promotional messages to the target audience.

Conclusion

The changing marketing environment the company involves a change in the current economic policies of the organisation. The increased interest of the international community with the aspects of the persevering natural environment and solving social problems forces the enterprises to a change and to adapt to sustainable development conditions, including sustainable marketing mix. The concept of sustainable marketing mix involves the use of sustainability standards for all four elements of the marketing mix, i.e. product, price, distribution and promotion mix by which marketing messages are transmitted. Selective action in accordance with the principles of sustainable development to one or two instruments of the marketing mix can not be regarded as a strategy for sustainable marketing mix. Applying sustainable marketing ventures to all four elements of the marketing mix is the basis for recognising the strategy as sustainable.

The implementation of sustainable development principles in the enterprise is not an easy task. This involves some difficulties, barriers and hanging costs. Despite the difficulties, actions towards the creation of sustainable enterprises must be taken, it will translate into financial benefits from marketing activities.

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