Ethical Dimensions of Sustainable Marketing: a Consumer Policy Perspective

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Sustainability has emerged as the buzzword of 21st century. However, the topic has attracted the interest of marketers since the late 1960s. Based on a review of the literature concerning sustainable marketing we argue that there is a need for increasing understanding of sustainability by elaborating on prevailing ethical approaches. We base our analysis on the idea that to develop and implement effective strategies for sustainable marketing, companies need to view themselves as ethical subjects and corporate citizens. Finally, the authors seek to stimulate further discussion on the role of marketing as a key driver of progress towards achieving sustainability.

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ABSTRACT
This paper works towards a better understanding of sustainability and social responsibility in business practice by elaborating on the prevalent approaches to environmental ethics and social responsibility that inform the discussion on sustainable marketing in the literature. Three different approaches to normative environmental ethics are identified (consequentialism, deontology, and virtue ethics), and the roles and responsibilities that different market actors have in each approach are analyzed. Conclusions are drawn particularly for environmental and consumer policy.

INTRODUCTION
Social responsibility and sustainability can be regarded as the watchwords of the 21st century. Among academics and practitioners alike, there has been a growing interest in business ethics and the responsibility of business communities towards society. In business research, much of this discussion has revolved around corporate social responsibility (CSR), corporate citizenship and the role of business activity in sustainable development (Carroll 1999; Collier 1995; Collier and Wanderley 2005; Crane 1999; Crane and Matten 2004; Doane 2005; Maignan and Ferrell 2004; Rondinelli and Berry 2000). Sustainability, in these discussions, usually refers to the long-term maintenance of systems according to environmental, economic and social considerations (Crane and Matten 2004).

Also in business practice, the topics of social responsibility, business ethics and sustainable business development have emerged in the corporate agenda (Collier and Wanderley 2005; Rainey 2006). In specifying and communicating their corporate values, for example, many contemporary business organizations currently express their commitment to social responsibility and sustainable development and thus also publish environmental and social reports as part of their investor relations programs (Doane 2005; Hummels and Diederik 2004).

In much of the recent discussion on these topics, marketing has been identified as a way to integrate social responsibility into business organizations, to promote more sustainable lifestyles as well as developed and diffuse sustainability innovations (Maignan and Ferrell 2004; Maignan et al. 2005; UNEP 2005). Marketing decisions have important consequences for the specific ways in which goods and services are produced and distributed in the markets, and thus on the resource use and waste generation patterns that can be attributed to the products and services of a company. Moreover, through internal marketing and marketing communication companies implement their strategic values and communicate their commitment to sustainability to their customers, employees, supply networks and other business partners (Polonsky and Ottman 1998).

Unfortunately, however, in the existing literature the concept of sustainability and the responsibilities that it entails are not at all clear. Both in theory and practice, sustainability and social responsibility mean very different things to different people (Cairncross 1993; Crane 2000; Crane and Matten 2004), and ‘corporate social responsibility’ continues to be a contested concept (Doane 2005; McWilliams et al. 2006). As a result, both researchers and business practitioners still seem to be struggling to understand how the principles of sustainability can be integrated successfully into business practice (Greenfield 2004).

In this paper, our aim is to work towards a better understanding of sustainability and social responsibility in business practice by elaborating on the prevalent approaches to environmental ethics and social responsibility that inform the discussion on sustainable marketing in the existing literature. We also analyze how the roles and responsibilities of different market actors are depicted in these different approaches to sustainable marketing, drawing conclusions particularly for consumer policy.

Our analysis is premised upon the idea that to develop and implement effective strategies for sustainable and socially responsible marketing, companies need to view themselves as ethical subjects and corporate citizens. Sustainable marketing entails complex ethical issues and requires that the company makes informed and justified ethical judgments about what is right and fair for all members of society—also from a consumer policy perspective. And to be able to make well informed and carefully justified ethical judgments they need to carefully analyze and evaluate the concepts, principles, and theories that they appeal to in defining and defending their philosophies and normative claims about sustainable marketing.

In the sections that follow, we first discuss how sustainability and social responsibility is conceptualized in marketing literature. Then we discuss the different approaches to environmental ethics that inform this literature and the public discussion on sustainable marketing, focusing particularly on the roles and responsibilities that each of the approaches ascribe to different market actors. Finally, we draw conclusions from this analysis for consumer and environmental policy.

SUSTAINABILITY IN MARKETING LITERATURE
Over the last twenty years, ever since the term ‘sustainable development’ was introduced by the Brundtland Commission and defined as ‘development that meets the needs of the present without compromising the ability of future generations to meet their own needs’ (World Commission on Environment and Development 1987), ‘sustainability’ has been a significant conceptual tool for assessing not only economic and social development, but also business activity more generally (Crane & Matten 2004). The Rio Declaration in 1992 and the follow-up World Summit on Sustainable Development in Johannesburg in 2002 further fostered the discussion on these topics and opened up new directions for the debate on the roles and responsibilities of business organizations in society. Hence, from the early 1990s onwards the discussion on sustainability has been extended into the field of business activity, and the terms ‘sustainable’ and ‘sustainability’ have been integrated into the standard business jargon. The beginning of ‘sustainable marketing’, however, can be dated back to the late 1960s and early 1970s, when the appropriate scope and the societal role of marketing was discussed and debated among marketing scholars (Dawson 1971; Feldman 1971; Kelley 1971; Kotler and Levy 1969, 1971; Kotler and Zaltman 1971; Lavidge 1970; Lazear 1969). In the following sections we discuss the emergence of sustainable marketing in its different theoretical forms in the history of marketing thought.

In the marketing literature of the late 1960s and early 1970s, there was a critical self-reflection and debate on the role of marketing in the processes of social and environmental change (Anderson
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and Cunningham 1972; Fisk 1974; Kelley 1971; Lavidge 1970). In some accounts, this self-reflection also involved an ethical and societal problematization of marketing as an institution as well as calls for business organizations to accept more responsibility in society as corporate-citizens (Dawson 1971; Lazer 1969; Lazer and Kelley 1973). Kelley (1971: 2), for example, called for a shifting of the emphasis of marketers from "individual want satisfaction to societal considerations". Dawson (1971: 67), for his part, argued that

"It is important to recognize that this thrust of interest in consumer welfare extends well beyond simple dissatisfactions of customers with allegedly inferior products. It covers the entire question of the nations poor, the minority groups, the elderly, and other disadvantaged citizens in terms of their ability to receive fair treatment in the marketplace."

Along these lines, Kotler (1972) made an endeavour to broaden the traditional marketing concept by introducing the societal marketing concept, which called for a customer orientation backed by integrated marketing and aimed at generating customer satisfaction and long-run consumer welfare as the key to attaining long-run profitability. While societal marketing responded primarily to the concerns of consumerism, the demands of environmentalism were taken up by other marketing scholars, who realized that the ecological challenge would call for deep changes in the marketing discipline, including the education of both consumers and marketers regarding the relationship between their daily decision-making and the natural environment (Feldman 1971; Fisk 1973, 1974). Feldman (1971), for example, stressed the importance of marketing for understanding and influencing life styles, as well as for determining the extent to which our society may be channelled into sounder consumption practices.

In this regard, Fisk (1973, 1974) made an important contribution by proposing the theory of responsible consumption and the ecological imperative, which stress the responsibility of marketers to work towards limiting individual consumption. From this perspective, a major social goal of marketing is to encourage responsible rather than frivolous consumption by involving the consumer as an informed responsible market actor. In another effort to provide further solutions to environmental problems Henion and Kinnear (1976) introduced ecological marketing, which is concerned with all marketing activities: (1) activities that have served to help cause environmental problems, and (2) activities that may serve to provide a remedy for environmental problems. The objective of introducing these concepts was to help marketers respond to social and environmental problems to maintain corporate legitimacy in the face of shifting social values and burgeoning civil movements (Crate 2000).

While research and academic discussion on social responsibility continued uninterrupted in the field of management during the 1980s, further efforts by marketing scholars were not channelled in that direction. Despite the initial boom of contributions in the 1970s, the discussion on the responsibilities of marketing toward the environment and society somewhat faded away, relegating the new marketing field to the annals of marketing history (Mintu and Lozada 1993; Sheth et al. 1988). It has been suggested that the recessions that originated from the oil crises of 1973 and 1980, together with a strong faith in the ability of the market mechanism to correct environmental imbalances, and the lack of committed interest among marketing practitioners in environmental and social issues made it difficult, at the time, for marketing scholars to engage themselves in further research in this area (Peattie 1995; Sheth and Parvatiyar 1995; Sheth et al. 1988). It was not until the late 1980s—when environmental and social problems were again in the focus of public attention—that the discussion on the role of marketing in society re-emerged and new concepts, such as green marketing, environmental marketing and enviropreneurial marketing, were introduced (Charter 1992; Coddington 1993; Menon and Menon 1997; Mintu and Lozada 1993; Peattie 1992, 1995; Peattie and Crane 2005; Varadarajan and Menon 1988).

The 1990s represented a new era for the further development of sustainable marketing (Mintu and Lozada 1993). Mintu and Lozada (1993), for example, proposed a definition of green marketing as the application of the marketing concept and tools to facilitate exchanges that satisfy organizational and individual goals in such a way that the preservation, protection, and conservation of the physical environment is upheld. In contrast to the concept of ecological marketing, this approach prescribed a more proactive role for marketers, not only in monitoring the negative impacts of marketing activities on the natural environment but also in actively engaging in practices that reduce or minimize these impacts.

At that time, also the need to turn the environmental imperative into profitable business opportunities was discussed. Walter Coddington (1993), a communications consultant, introduced the concept of environmental marketing, emphasizing the significance of environmental stewardship not only as a business development responsibility but also as an opportunity for business growth. According to this line of thinking, the success of such a sound business strategy lies mainly on the attitude of the management team regarding the role of the firm in relation to the environment.

It was not until 1995, however, that the term sustainable marketing was coined by Sheth and Parvatiyar (1995) who discussed marketing efforts that are both competitively and ecologically sustainable. Taking a macro-marketing perspective, they recognized the link between marketing and sustainable development and as a result, also the urgent need to move from the current consumption marketing to a more sustainable marketing. According to them, sustainability can only be achieved by combining active government intervention with proactive marketing targeting at sounder consumption and production patterns. Taking a more managerial perspective, Menon and Menon (1997) also proposed the concept of envidopreneurial marketing, referring to the process of formulating and implementing entrepreneurial and environmentally beneficial marketing activities with the goal of creating revenue by providing exchanges that satisfy a firm’s economic and social performance objectives (see also Varadarajan 1992).

In much of the discussion on the topic, however, sustainable marketing has been discussed in terms of a mere logical extension of the mainstream, managerial, marketing concept (Crane and Desmond 2002; Kilbourne 1998). Fuller (1999: 4), for example, redefines the concept as the process of planning, implementing, and controlling the development, pricing, promotion, and distribution of products in a manner that satisfies the following three criteria: (1) customer needs are met, (2) organizational goals are attained, and (3) the process is compatible with ecosystems. This stream of research tends to be based on a distinctively managerial, micromarketing approach as opposed to more societal, macromarketing perspective to sustainable marketing. In this literature, sustainable marketing, in its different forms, is primarily represented as a managerial technique, and the moral values and principles on which it is based have tended to remain implicit.

It is the thesis of this paper, however, that sustainable marketing is fundamentally an ethical issue, and should therefore be discussed as a philosophical and political question of environmental ethics. Next we shall discuss the prevalent approaches to
environmental ethics that inform and structure the discussion on sustainable marketing

PREVALENT APPROACHES TO ENVIRONMENTAL ETHICS AND SUSTAINABLE MARKETING

In general, discussions on sustainable marketing are based on a tacit understanding that it is morally wrong for individuals and firms to pollute and destroy the natural environment or use it in a way that poses threats to the ecological stability of the planet. It is acknowledged that neither social nor economic goals can be achieved without a healthy ecological system and therefore it is the moral responsibility of individuals and firms to refrain from destroying it. The theoretical development of sustainable marketing thus clearly involves an attempt to determine and frame the goals of business activities from an ethical perspective (Crane and Matten 2004).

The moral basis of this theoretical development, however, is very seldom elaborated. Accordingly with the managerial approach to marketing, it is implicitly assumed that morality is something singular; that there is only one appropriate perspective on morality that applies. Yet, in moral theory there are a number of different approaches to ethics, and firms and individuals have multiple perspectives to choose from when making their ethical judgments. Therefore, it would seem important to identify the values and implicit understandings about ethics that guide and constrain thinking and talking about sustainability and sustainable marketing in organizations and which also provide a rationale and legitimization for managerial practices. Here we discuss three major approaches to normative environmental ethics (Brennan 2002): consequentialism, deontology, and virtue ethics, discussing also the roles that these approaches prescribe to consumers in sustainable development.

Consequentialist approaches

The reasoning found in consequentialist ethical theories suggests that the rightness or wrongness of an action is determined by its consequences (bad/good). From a consequentialist perspective the environment has only instrumental value, since it is regarded as a means to satisfy human needs and interests. Therefore, intrinsic value is not attributed to the natural environment itself but to the pleasure and satisfaction it provides for human-beings. Within environmental ethics utilitarianism has arguably been the most prominent consequentialist theory.1

From the utilitarian perspective, the ethical status of behavior is evaluated based on its consequences (e.g. Smart and Williams 1973). Moral subjects are thus to judge their acts and decisions in terms of their utility or their usefulness in producing good consequences. The morally responsible green consumer, for example, “takes into account the public consequences of his or her private consumption” (Webster 1975: 188). Since utilitarianism is social in character and focuses on the welfare of society as a unit (Robin and Reidenbach 1987), a given decision is usually considered ‘right’ if it brings about positive consequences for all people involved, preferably producing the greatest good for the greatest number of people. From this perspective, the protection of the environment is morally right as long as it implies a greater balance of pleasure over pain for the greatest number of human beings.

While utilitarianism comes in different varieties (see Curd 1992), in the public discussion on environmentalism and sustainable marketing, it often takes the form of act utilitarianism, according to which the rightness of each individual act is evaluated based on its consequences (the unit of moral analysis is an individual act). In the context of eco-labels, it also takes the form of rule utilitarianism, according to which the rightness of individual acts is evaluated based on specific moral rules to which the principle of utility is applied. The ethical status of a consumer’s product choice, for example, is evaluated by testing whether or not it falls under a certain moral rule, such as “buy eco-labeled products when available”. And this rule is crafted and evaluated based on considerations of the consequences that result from consumers adopting that rule (the unit of analysis is the moral rule). Either way, the ethical status of marketplace behavior is based on complex and controversial analyses of the environmental consequences of different choices and practices—which ideally would need to be quantified and measured for comparison.

From a critical consumer policy perspective, however, utilitarian ethics may be problematic for a number of reasons (Moisander 2007). In particular, it holds consumers responsible also for things that they cannot control. Consumers and their actions are judged by the consequences of their acts even when they have no way of anticipating or controlling all the consequences that their actions have (Des Jardins 1997). Moreover, utilitarian approaches to environmental ethics and sustainable marketing often de-politicize sustainable development by downplaying the importance of the social and political dimensions of environmental problems. When representing sustainable development primarily as an economic problem, utilitarian ethical positions tend to represent sustainable development merely as a question of utility, satisfaction and individual responsibilities. As Des Jardins (1997: 30) has convincingly argued

In doing this, we can easily overlook how much our choices, attitudes, and values are influenced and limited by what is outside. Human beings not only create and shape their social institutions; these institutions in turn create and shape human’s attitudes, beliefs and values. Ethics must also challenge us to look at our social institutions and ask what are they doing to us and for us? Are our social institutions just? Are burdens and benefits distributed fairly? Do our social and political arrangements encourage cooperation and community or competition and domination? How is power distributed, ho is it limited? How should we—as a group, not individuals—live?

Deontological approaches

Deontological approaches to environmental ethics are based on the idea that there are distinct moral rules or duties, and the violation of these rules and duties is intrinsically wrong, while observance is intrinsically right (Brennan 2002). In the context of deontological approaches to environmental ethics, these rules and duties are based on the intrinsic value of the environment. It is taken that the environment has a moral right to respectful treatment, and this generates a moral duty to humans to protect it. In other words,
we have a prima facie duty not to harm it. Hence, while consequentialist theories require us to only protect the environment as long as doing so maximizes the overall good consequences, deontology argues that fulfilling duties and respecting rights lead automatically to something good.

Deontological approaches to environmental ethics can take different forms depending on how intrinsic value is ascribed to different elements of the natural environment. Some approaches are anthropocentric or human-centered in the sense that they assign intrinsic value only to human beings (anthropocentrism in an absolute sense) or they assign significantly more intrinsic value to human beings that to non-human things (Brennan 2002). Nonanthropocentric approaches, for their part, grant a moral standing to natural objects and thus recognize intrinsic value in the environment. Biocentric approaches are based on giving intrinsic value to all the organisms of the biosphere and ecocentrism grant intrinsic value to ecosphere as a whole. In marketing literature, however, it usually is some form of anthropocentric thinking that provides the basis for deontological approaches to environmental ethics, considering the rights of consumers (human-beings) rather than the natural environment (see e.g. Robin and Reidenbach 1987).

In the literature on sustainable marketing, deontological approaches to environmental ethics are hard to find. There seem to be grounds for assuming, however, that being a deeply concerned and dedicated environmentalist often involves a commitment to some sort of a prima facie duty, i.e., a duty that is obvious or evident without proof or reasoning (Moisander 2007). Harré et al. (1999), for example, have found that the moral discourse that many environmentalist organizations such as the Sierra Club rely on is deontological in flavor, placing an emphasis on doing something right in itself rather than for some practical end.

Moreover, while firms are usually expected to prescribe to some sort of anthropocentric approaches to environmental ethics, they might as well base their moral deliberations on some sort of biocentric or ecocentric accounts. They might well argue that sustainable development would downright require that consumers ascribe some kind of objective value to nature and adopt a moral obligation to protect all living things. They might well believe that the flourishing of human and non-human life on Earth has intrinsic value and that the value and rights of non-human life forms are independent of the usefulness they have for narrow human purposes. It may well be that some ‘environmentally responsible’ firms consider a given environmentally sensitive moral decision ‘right’ primarily because of some religious moral beliefs or moral obligations based on deontological and/or ecocentric ethical considerations, such as the respect for ‘mother earth’ or ‘healthy planet’ (see e.g. Patagonia, http://www.patagonia.com and Stonyfield, http://www.stonyfield.com).

From a consumer policy perspective, de-ontological approaches to environmental ethics would seem to pay more attention to the socio-political aspects of sustainable development. The wide scope of the different positions would also seem to encourage discussion and debate on the values on which sustainable development should be based on. From this perspective, deontological approaches to sustainable marketing might well foster transformative criticism and dialogue between different market actors and members of society.

Virtue ethics

Virtue ethics shifts the focus from rules, rights and utility to the moral character of the decision maker. It implies viewing both the environment and ourselves in a different way (Des Jardins 1997). Virtue ethics contends that morally correct actions are those under-taken by actors with a virtuous character and who pursue virtues such as wisdom, honesty, friendship, mercy, etc.

Central to ethics of virtue is the notion of “good life”. From a business perspective “good life” means more than profit generation and market share (Crane and Matten 2004). Indeed, virtue ethics involves a much more holistic approach to business, since not only profits but also employees’ satisfaction, good relationships with internal as well as external stakeholders are considered as important aspects of good business life (Collier 1995). Overall, considering virtues in environmental ethics helps us to determine not only what we want but also what we are (Sagoff 1990).

Virtue ethics has played an important role in the adoption of sustainable marketing by business organizations. For example, firms such as Ben and Jerry’s, Tom’s of Maine and the Body Shop have followed the instincts and personal values (virtuousness) of their leaders in determining their moral stance rather than taking a customer-led approach (Crane 2005). This reflects the extent to which the motivation and justification of actions are intertwined with the character traits of the acting agent (market actor). The moral character of the company’s leader can, as a result, be spread through the whole organization and its stakeholders. According to Collier and Esteban (1999), the notion of virtue gains meaning in practice where it contributes to developing excellence based on human capabilities. Although virtue ethics can be found in the practical application of sustainable marketing, this ethical approach has not been yet discussed within the literature related to sustainable marketing.

DISCUSSION AND CONSUMER POLICY IMPLICATIONS

The brief analysis above shows that the prevalent utilitarian approaches to environmental ethics are only one alternative way of deliberating on the ethical issues that sustainable marketing involves. Other possibilities include to act on principle, independently of its anticipated consequences, based on duties and rights (deontology) or to base one’s deliberations on some sort of religious teleological reasoning and to pursue some virtues related to environmental protection. In pursuing sustainability, firms, consumers and policy-makers thus have a number of different options in framing and determining their goals, decisions and strategies.

Our analysis also indicates that each of these ethical approaches to sustainable marketing tends to ascribe somewhat different roles, rights and responsibilities for different market actors. It is therefore important, we argue, to analyze the assumptions and beliefs about morality and sustainability that different environmental policies are based on, as well as to critically evaluate the complex implications of these assumptions for consumer agency. It would seem particularly important to acknowledge that sustainability is a complex issue, which entails complex political, socioeconomic, and moral questions.

Finally, our analysis suggests that environmental ethics may offer a valuable perspective and a set of useful conceptual tools for the further theoretical development of sustainable marketing. Ethical discussion and debate on the roles, rights and responsibilities of different market actors arguably contributes to better understanding of not only the theoretical assumptions but also the social values, norms and beliefs that guide and constrain thinking and talking about sustainability in organizations, be they private, public, or NGOs, as well as among consumers and policy-makers. It is important to know these values and beliefs because they provide a rationale and legitimation for managerial practices.

To conclude, we therefore argue that from a consumer policy perspective, the major challenge for sustainable marketing is to foster moral reflection and constructive dialogues with the appro-
private roles, rights and responsibilities of different market actors in society. There is a need to view sustainable marketing as a social process which involves multiple moral actors. Not only firms, but also consumers and other stakeholders play a key role in moving the global economy towards sustainability. This discussion and debate may not diminish the complexity of sustainable development but it may serve to make the phenomenon more transparent for all parties involved.

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