

A Paradigm Shift in Marketing: Creating Value For a More Sustainable Future

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In brief

As businesses adjust management practices to reflect a world where resources are finite and continued growth is unsustainable, what is the role and responsibility of marketing? The practice of marketing traditionally benefits organizations by delivering revenue and profit through the promotion and selling of products. And it leverages customer data to more efficiently reach and communicate with customer segments. But what is the role of marketing when people, by choice or necessity, reduce consumption of new goods? How does marketing provide sustainable returns for an organization without depleting natural resources or creating waste? Can marketing create value while also reducing the proliferation of products and promotion?

The purpose of this article is to transcend existing definitions of marketing and provide a new marketing paradigm where marketing delivers sustained value to customers, business, and society in the context of a rapidly changing economy and environment. While a significant body of extant research and case studies focus on sustainable business management practices, few directly connect marketing strategies and practices to those initiatives. This article builds on sustainability research and demonstrates how the marketing function can be a key leverage point for achieving success measures within an organization, solving problems for customers, and proactively contributing to society by reducing the consumption of resources and intentionally striving for zero environmental impact.

Key Concepts

- Overproduction, overconsumption, and overpromotion, often the result of traditional marketing practices, are major contributors to environmental degradation and waste.
- Marketing strategies and practices, if redefined, serve as key leverage points for the development of a regenerative economy.
- Marketers can create sustained value for an organization by using an integrated systems approach to intentionally incorporate benefits to society when solving customer problems.
- Marketers can create value for society and the environment by implementing a marketing paradigm that incorporates the UN Ten Principles of sustainability.

Keywords:

Sustainable marketing, marketing paradigms, environmental impact, social responsibility, ESG

Introduction

Overconsumption, a major contributor to environmental degradation and climate change, is often attributed to the field of marketing because of marketing's historical role in promoting resource-reliant goods and energy-dependent goods and services to the masses. While marketing in some form has existed throughout human history, its impact grew exponentially with the onset of the Industrial Revolution.¹ Many businesses used marketing to maximize their revenue and profit by encouraging more product creation, shorter product life (planned obsolescence), and promoting increased consumption. Critics argue that no physical or mental space was left uncolonized by

brands,²⁻³ and much of the brands' promotion was targeted at children who are not equipped with the persuasion knowledge to combat advertising's influence.^{2,4}

In its historic role of generating sales and maximizing profit, marketing developed a negative reputation for dehumanizing customers, inciting over-consumption, and over-advertising or glutting the market with promotion in order to defeat competition.^{3,5} Yet, it is also possible that critics of marketing have conflated the field itself with the ends toward which it has traditionally been used. By intentionally integrating marketing with sustainable business strategy, we can instead establish a new marketing paradigm that creates sustained value for the business, its customers, and the society and environment that connect these stakeholders.

In the article that follows, we argue for a new definition and paradigm of marketing that is aligned with the reality of a planet with finite resources and that promotes the flourishing of life on earth. We will begin by providing an overview of past and current definitions and paradigms of marketing in order to set a benchmark for understanding the role that marketing has traditionally played in business and its impact on society. We will then propose a new definition and paradigm of marketing, demonstrating how this deviation from traditional conceptualizations of the field would contribute to a regenerative economy. We conclude with recommendations for areas aligned with the 4P's of marketing (product, place, price, and promotion) that are ripe for both future research and practical intervention as we reimagine how marketing can be leveraged to create value for a more sustainable future.

Marketing Defined

Marketing is often implemented in an organization based on a definition of the function assimilated by its leaders. Business leaders gain an understanding of what marketing is through college courses, textbooks, or industry associations and the definitions that those sources provide. Examining current definitions from these sources shows the *intent* or purpose of the role of marketing as it is integrated with other business functions.

According to the American Marketing Association “*marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large.*”⁶ The intent of the AMA definition reveals the role of marketing to facilitate “exchange of value” and “relationships” among multiple stakeholders.

The Chartered Institute of Marketing describes marketing as “*the management process responsible for identifying, anticipating and satisfying customer requirements profitably.*”⁷ Here the emphasis is on organizational profit with no mention of value for customers or society.

Merriam-Webster offers a simple definition of marketing as: “*The process or technique of promoting, selling, and distributing a product or service.*”⁸ This definition limits the intent of marketing to promoting and completing sales of goods and services.

Efforts to incorporate humanistic or sustainability theories into definitions of marketing date back to the 1970s and resulted in terms such as Social Marketing,⁹ Sustainable Marketing, Macro

marketing,¹⁰ Critical Marketing,¹¹ and Humanistic Marketing.¹² While these definitions apply some sustainability principles to the goals and objectives of marketing, they do not fully integrate sustainability principles into marketing practices. For marketing to remain a strategic partner that produces sustained benefits and value for the organization, while also providing necessary solutions for customers' problems, and avoiding the negative social and environmental impact of increasing consumption, dehumanizing customers, and over promoting, a new definition of marketing is needed to intentionally emphasize creating long-term sustained value for the business, customers, and society.

Thus, we propose a new definition of marketing:

Marketing is planning and implementing solutions to problems that intentionally create sustained value for business, customers, and society.

Traditionally, marketing has created value for the organization by generating revenue. In recent times, value was created for customers by addressing their specific needs or wants. Creating value for "society" has not explicitly been part of marketing definitions. We define "society" as the holistic environment in which a business operates. "Society" includes the natural resources of our physical environment, the human resources used to create and distribute product solutions, and the interaction of eco-systems that support life on earth.

Marketing Paradigms and Practices

Past marketing definitions have created different paradigms or practices in how marketing has been conducted over the past 50 to 75 years. As we determine how to implement a new definition of marketing that incorporates sustained value, it is helpful to look at the migration of marketing paradigms to see what changes are needed in the way the definition is applied. Sometimes referred to as "marketing orientations," the various marketing practices are consolidated into four classifications below. The first three describe ways marketing is practiced today. We propose the fourth paradigm to describe how marketing can be practiced to create value for business, customers, and society.

Product Pushing

While seldom overtly stated as a marketing practice, many companies utilize production oriented or product-pushing marketing to achieve their business goal of maximizing profits for shareholders. They identify their customers as "targets" in order to more effectively *push* information about their products to target populations primarily through selling and promotion activities. Product-pushing marketing is generally not structured to employ an integrated effort or marketing mix. Products are often developed outside the marketing department, the operations group makes distribution decisions, and pricing decisions are made in finance or the C-suite based on desired profit. In some cases, even direct sales activities are separated from marketing in a Sales Department. In such situations, marketing is reduced to communication and advertising that pushes the product to the customer.

Marketing in a product-pushing environment is responsible for increasing sales and revenue primarily through a sales group, promotion, and advertising. Product-pushing marketing engenders critiques of marketing as unethical, customer dehumanizing, and responsible for over-consumption because the focus is on the product and profit. A typical comment about product-pushing marketing is “marketing made me buy something I didn’t want.” This paradigm may serve the short-term goals of a business interested in profit maximization, but it does not create value for customers or society.

Market-Centered

The integrated market-centered approach to marketing is where an organization aims all of its efforts at satisfying the customers’ needs at a profit, sometimes referred to as the “marketing concept.” In contrast to the product-pushing approach that focuses on getting customers to buy the product they have, market-centered marketing means that actions and decisions made across an organization are centered on serving customers. The goal is to deliver value to the customer by aligning the marketing mix (product, price, place, and promotion) around meeting the customer needs better than the competition and making a profit along the way.¹³ This unified focus on satisfying customer needs expanded the function of marketing beyond managing sales and promotion to ensure product development, pricing, and distribution decisions are centered on meeting customer needs.

Market-centered or integrated marketing became a bridge for many organizations between the pure product-pushing-for-profit approach and the more data-driven customer-centered paradigm. Market-centered marketing can lead to unnecessary consumption and over-production as it attempts to meet ever-increasing customer needs and wants. Because market-centered business decisions do not explicitly include an obligation to preserve natural resources, consider environmental impact, or ensure fair treatment of workers, it may serve customers’ and business’s goals but not those of “society” or the natural and human environment in which the business operates.

Customer-Centered

In the late 1990’s the concept of relationship marketing took hold. Don Peppers and Martha Rogers started the One-to-One relationship marketing movement¹⁴ that redirected marketing efforts away from mass marketing of products to focus more on understanding the needs and behaviors of certain customer groups. Improved technological capabilities made it much easier for businesses to capture information about their customers and effectively manage customer information databases that could track and mine transactions and other customer behavior. Customer relationship management (CRM) and data analytics allowed companies to build more personal connections with customers and develop brand loyalty. Concepts such as lifetime customer value (LTV) help determine the overall profitability of serving the needs of a particular customer group.

The objective of customer-centered marketing is to focus resources and efforts in meeting the needs of specific customers who will be most likely to buy consistently and profitably. Through

a deeper understanding of the customer's changing needs, lifestyles, and behaviors, a company can adapt and profit from meeting those needs. The critique of customer-centered marketing is that it engenders selfish and self-focused attitudes where customers believe every want and need should be met. When products are created to serve small segments, proliferation of products consume resources without creating distinctive or larger social value. Superfluous production of products of limited value incurs environmental and social costs. Customer-centered marketing creates value for customers and may achieve business goals, but it does not add value for society.

Sustained Value Creation

In this proposed marketing paradigm, value is created for customers, businesses, *and* society. To deliver sustainable value, we must implement marketing practices in new ways that benefit an organization, its customers, and society at large within the natural resource constraints of our physical environment, the tenets of humanism, and the eco-systems that support life on earth. Much work has already begun as marketing leaders promote sustainable marketing practices that address environmental damage resulting from too much promotion or distribution through unscrupulous supply channels. Concepts such as “sustainable marketing” and “triple bottom line” opened the eyes of business leaders to deliver more than revenue and profits and move toward a regenerative economy that is resilient.

While these concepts helped some companies understand the “business case” for sustainability, the sustained value marketing paradigm embeds concepts of sustainability, humanism, and value creation into the foundations and functions of marketing. It goes beyond consideration of environmental or sustainability concerns to intentionally include society as a beneficiary of marketing practices.

Creating Sustained Value

What is *sustained value* and how does it apply to marketing and business practices?

Value for Business

In “The Big Pivot” Andrew Winston¹⁵ describes value-creation for businesses as improved environmental and social performance. He states that businesses can create more revenue, improve future opportunities, spend less money, reduce risks, and increase overall business value by integrating sustainable practices throughout an organization. While businesses may not see specific short-term or quarterly revenue spikes, sustained value marketing provides cash flow over time that supports the longevity of the business.

The role of marketing in creating sustained value for the business is to limit product development to only those solutions that actually address valid customer problems that are necessary and feasible to address. In limiting product development, marketing will reduce risk for the business, limit resource consumption associated with products that fail, reduce expenses related to excessive promotion, and ensure revenue and cash flow are sustainable based on customer data and buying patterns.

Creating value for *business* generates sustained financial results (revenue, cash flow and the value of customer loyalty).

Value for Customers

Looking at the previous marketing paradigms, one might think the best way to create value for customers is to take a customer-centered approach and provide whatever they need and want. However, in practice, the customer-centered approach does not serve *all* customers equally, as it uses data to select specific groups of customers to sell TO rather than provide value FOR. This practice does not reduce production or consumption of unnecessary products.

In fact, the best way to create value for customers is to not think of them as “customers” but as *people* – human beings. People buy things to solve problems. This is not a new marketing concept. As noted by Theodore Levitt decades ago in *The Marketing Imagination*, “By asserting that people don't buy things but buy solutions to problems, the marketing imagination makes an inspired leap from the obvious to the meaningful.”¹⁶

Marketing creates value by identifying real problems shared by people or organizations who are actively seeking or truly need a solution. Marketing then determines whether the identified problems can be solved by the organization in a way that does not negatively impact environmental resources and provides consistent revenue and cash flow. When an organization accurately defines a specific problem faced by a group of people or organizations and can effectively apply its skills and resources to provide a solution that enhances well-being with zero environmental impact, it creates sustained value for those customers.

Creating value for *customers* means solving their problems.

Value for Society

How does a business define, let alone provide, value to society? Research demonstrates that offering “well-being” (defined as access to a job that provides dignity and a decent standard of living) is more beneficial to society than are GDP and growth.¹⁷ When more products and services, or “stuff”, do not contribute to well-being,¹⁸ marketing can add value to society by reducing consumption (also referred to as “demarketing”)¹⁹ and ensuring that only *necessary* products (goods or services) that contribute to well being are created.

A starting point to assess how marketing adds value to society could be the 10 Principles of the UN Global Compact.²⁰ These principles incorporate human rights, labor, environment, and anti-corruption efforts and can be used as criteria for marketers as they identify “worthwhile” and valid problems to address. The Principles can also be used as standards for how a product or solution is designed and distributed. Recall that we defined “society” to include our environment, the human resources used to create and distribute product solutions, and the interaction of ecosystems that support life on earth. The UNGC principles provide a way to bring the voice of “society” to marketing decisions.

In a sustained value marketing paradigm, we use an integrated systems approach and apply traditional marketing concepts with a new framework that incorporates value for society. As an example, we can integrate the classic 4P's of the marketing mix (product, place, price, promotion) with the UNGC principles. Just a few examples could be:

- **Solutions (Products)** for the stated problem would only be created if they could be produced without negative impact on the environment and would be designed for a circular economy that considers the cradle-to-cradle of components and recycling. For example, Xerox uses zero-landfill-waste criteria for product development; Nike incorporates biomimicry in product design; and Plug Power changes the concept of product ownership to reduce production.¹ Intangible services could be privileged over the production of material goods,²¹ particularly emphasizing the offering of low-energy-consuming services, and packaging could be reduced or eliminated. Finally, marketers could collaborate with other stakeholders (e.g., civil society, NGOs, governments) to identify and develop solutions to some of the world's most pressing challenges. For example, mandatory or voluntary labeling could help inform consumers and incentivize sustainable production in a way that does not reinforce the power dynamics between the Global North and South (i.e., while organic labeling can promote the consumption of foods produced without the use of harmful pesticides, it is a system administered by the Global North that regulates farmers in the Global South).
- **Distribution (Place)** strategies would ensure that suppliers and distributors meet human rights, labor, and environmental standards so that providing a solution would also support humane and fair employment practices and reduce the impact of transportation on the environment. When Walmart and Target set supplier requirements for carbon emissions, their volume effectively drives environmental standards for all in the supply chain.¹⁵ In addition, local supply chains could reduce the distance that products travel before reaching consumers.
- **Pricing** strategies would consider the entire cost of ALL resources used in providing a solution, including the cost of externalities,²² such as pollution or other impacts that are not currently measured or valued. Price setting would include costs of fair labor practices and wages as outlined by UNGC. Marketers could work with governments to offer subsidies to green energy and sustainable agriculture rather than those currently provided to fossil fuels and factory farming.
- **Promotion** activities would be reduced to only communicating with those who specifically share the problem and who actively seek a solution. According to a film from Media Education Foundation, the pervasive nature of advertising has colonized our culture and crowds out thoughts of non-consumption possibilities.²³ To proactively limit advertising to only those who share a particular problem and need to know there is a solution not only conserves resources used in developing and delivering wasteful advertising but also allows us to reclaim our own culture and well-being apart from constant consumerism. Innovative forms of communication can go beyond advertising to truly build relationships with consumers and educate them on how to achieve a sustainable future. For example, Seventh Generation suspended its advertising

promotions and repurposed the money to fund 100 college-aged students who attended a social and environmental training program.¹

Creating value for *society* means that a solution to problems shared by people and organizations is intentionally developed to provide environmental, humanistic, and social benefits.

Conclusion

A search of marketing literature reveals a proliferation of definitions and terminology related to the practice of marketing. Why is a new definition needed? The proposed definition and associated paradigm for practicing sustained value marketing reflects a new approach to the practice of marketing in a business environment with radically changing global conditions and market demands. It is imperative to change how and why we create, distribute, price, and promote goods and services to reflect a world with finite resources.

Over-consumption, over-production, and over-promotion are not only damaging the benefit and reputation of marketing practices but also the natural environment. For organizations that seek to survive and thrive in an economy that moves beyond profit maximization, marketing is a critical leverage point that has a central role to play in creating sustained value for customers, business, and society. Practitioners and academics can build on this definition and paradigm to develop implementation tactics, ensuring that marketing proactively contributes to society by reducing the consumption of resources and intentionally striving for zero environmental impact.

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