

**Strategic Marketing - Contemporary Issues**  
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**Lecture - 28**

We have discussed in a previous session about the criticisms that are now leveled against marketing as a profession, and also the various theories that have been driving the marketing discipline for last several decades. And we had looked at criticisms like the exploitative and manipulative nature of marketing according to the critics. We had also looked at that there is downright deceitfulness on behalf of certain marketers and formation of cartels, manipulating prices, preying upon the fears of consumers, persuading people to over consume and all of these criticisms have been discussed in earlier session.

Obviously enlightened marketers, the more responsible global companies and it is particularly true for some of the global companies who have faced most of the criticism and it goes to their credit that many of them have come up over the last 15, 20 years with positive and effective responses to these criticisms. And in the long range most corporates now understand that doing good or being good, being responsible will be ultimately quite beneficial for the company's business as well. And we will discuss in today's session that how ethics, social responsibility, being good, doing good can be integrated into your marketing strategy for long range benefit. In the concluding part of the previous session, we had seen that how being trustworthy, being honorable, being caring actually can contribute to customer loyalty to customer advocacy.

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**RESPONSIBLE MARKETING**

A company's marketing should support long range purpose and value system that is ethically valid.

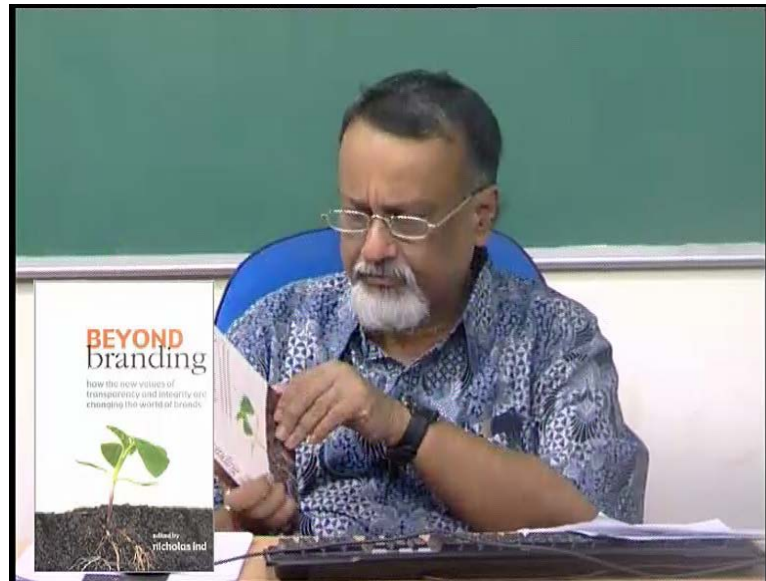
**Beyond STP-Beyond P's and C's**

- Customer-oriented marketing  
Customer-value marketing
- Sense-of-mission marketing
- Societal marketing

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And so we will look at these enlightened post-modern marketing concepts and how they can support a long range strategy of the organization and actually create value not only for the shareholders, but for the stake holders at large. So, beyond the usual segmentation targeting positioning and beyond the so-called P's which we normally talk about marketing mix 4Ps, 5Ps, 7Ps and all these sees like customers, competitors, consumers, and all those normal concepts or traditional bookish textbook concepts on marketing that have been prevalent for last several decades have now been reinterpreted in terms of some of these overriding philosophies like customer-oriented marketing or customer-value marketing or sense-of-mission marketing or societal society oriented socially responsible marketing and we are going to discuss some of these concepts. So, customer oriented marketing which is basically and as well as a customer-value marketing fundamentally looks at creating a higher ground, taking your brand taking, your company's image, positioning it on the platform of reputation and respect which is actually very beneficial to the brand at the end.

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In fact, there are excellent books like for example, this book Beyond branding, this is now available this is edited by Nicholas Ind and it is available in a low cost South Asian edition; costs just about 250 rupees and has excellent papers and some of those concepts I have used in this session and the next session where it actually talks about that beyond brand narcissism; that means obsession with your own story is not good, but you have to look at in terms of the customer. So brand sustainability, brand authenticity or creating the brand manifesto that is why brands must act now, in a way that means why marketers must act now or alienate the future primary most valuable consumer group. So, these kinds of concepts are coming up.

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**ENLIGHTENED MARKETING**

➤ **Consumer-Oriented Marketing:**

- All marketing activities from the consumer's point of view.
- Consumers as real people and not resource for exploitation.

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So, in customer-oriented marketing we are basically saying that every marketing activity must be interpreted from consumers point of view and look at consumers not as resources as numbers to be manipulated, to be harvested, to be harnessed, all these terminologies that we have been using in marketing and kind of take a stand against those that looking at market consumers as some kind of bank that can be exploited or some kind of a resource which quite normally you have seen that we have used earlier terminologies in the traditional textbook is on a way harvesting. And so now we look at consumers as people and their happiness, their sorrow and marketing must relate to real life. So, and there are some great examples in these. For example, we have seen campaigns by famous soap. A soap company which talked about real beauty; that means instead of always portraying beautiful models and film stars trying to promote a product, they actually looked at the impact of their product on real people and so the campaign I think was called the real beauty.

So, it actually showed that the beauty concerns are of real people and how the product actually related to those concerns. So, in a way it therefore stepped away from spending million of rupees on big superstars and so on and in a way they actually took that money and used it up in for real people. So, consumer-oriented marketing or customer-value marketing which basically looks at long term benefit of the customer and fund or resource that is saved in not trying to manipulate people or playing up on the fear of people or saving money from gimmicky ads and promotion or saving money from that

cosmetic change in the packaging and calling it in a product renewal or something; if you focus on real customer benefit, convenience, improvement of quality, improvement in usability, then that kind of marketing which goes hand-in-hand with total quality concept is actually is the new form of marketing.

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**MARKETING TODAY**

➤ **Sense-of-Mission Marketing:**

- Principle of enlightened marketing that holds that a company should define its mission in broad social terms rather than narrow product terms.
- Tata Tea, Saffola Oil, Atta, Rice and Classmate

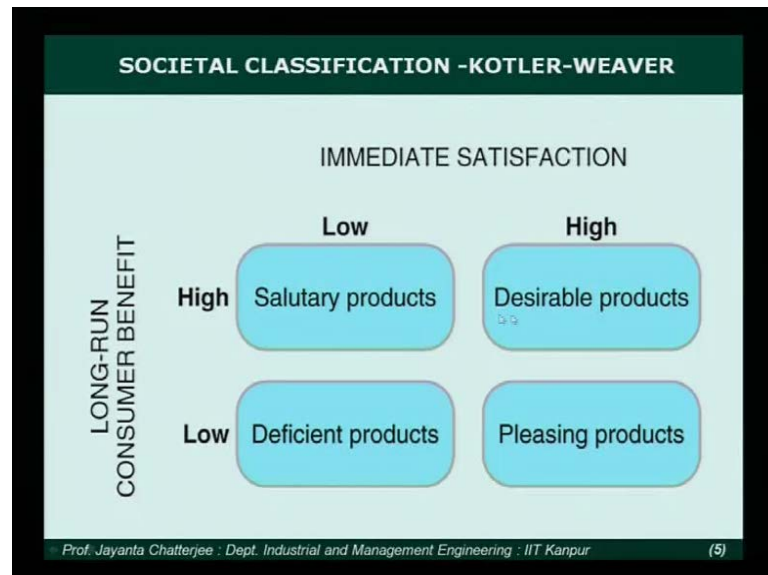
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Sense-of mission-marketing, this is actually again another move where you actually move your brand building to the higher level. So, instead of talking in terms of narrow product terms you take up broad social issues. So, excellent example is the Tata tea's campaign on Jaago Re. So, it is a very good up campaign because it on one hand it alerts us to social issues like corruption and social issues like bribery and so on and it alerts the customer to rise awake against all those malpractices in that, but at the same time it creates a subtle connection with our morning cup of tea which we normally associate with waking up. So, that is a very good example of using the sense of mission marketing which does good for society as well as for the brand as well as for that company's image.

In the same way when Saffola actually puts forth the cause of well being of the consumer; people who are suffering from sugar and cholesterol and so on and make that as the foundation for promoting their oil or their Atta or their rice, then that becomes this integrating kind of a mission, a societal orientation with your camping or classmate for example, from ITC which is a stationary brand and it talks about how you are spending on classmate products actually part of that will contribute to rural schools, education of

the disadvantaged children and so on. So, these are good examples of the so-called new interpretation of marketing which puts the consumer first, the society first and so on.

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This is a quite famous slide used by Kotler and Weaver and others which actually look at the long-term customer benefit a two by two matrix which looked at the long-term customer benefit and immediate satisfaction. So, immediate satisfaction low but long-term benefit is high; this actually relate to many low sugar product and so on. So, these are called salutary products but the one which is quite interesting is this whole area of what we call desirable product; that means the products which are high on long-term consumer benefit as well as high on immediate satisfaction. This is actually not so easy to create this position, but there are number of products which are now looking at this situation. So, we are actually looking basically always this long-term benefit either where immediate satisfaction may be low.

So, a low sugar product because you can always create the long-term consumer benefit which is low but the immediate satisfaction is high. So, you can have food products which are laden with salt which is laden with fat which is laden with elements and that makes it tasty makes it very chatpata as we say in Indian terms, but in the long-range that kind of fast food, that kind of street food is harmful. So, we can have a colorful sweet which is but that color maybe chemically detrimental to the human system. So, the whole movement towards organic food towards so-called pure ingredient, no artificial

sweetener added, no artificial preservatives added. All these moves are creating products which are salutary products where the immediate satisfaction may be lower, but there is a long term benefit.

And of course, we are always on the lookout for high long-term benefit as well as high immediate satisfaction. So, there are most of the top companies like McDonalds' or Pizza Hut or KFC or Nirula's or I think almost all food vendors, food and beverage marketers are now looking at these. So the juice, various kinds of fruit juice which have created a good popular category and it actually falls into this kind of category that where it provides you immediate satisfaction. So, you can use it instead of snacking on high cholesterol, high fat foods and use fruit juice instead. So, you have seen campaigns on that theme and those are examples of creating a desirable category.

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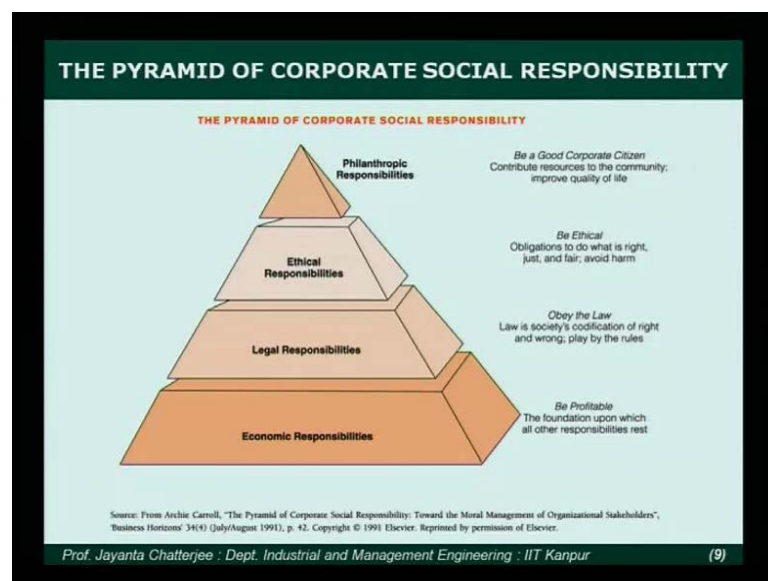


So, corporate marketing ethics must cover all the marketing activities whether it is channel-related activities where we look at non-coercive relationship where we look at this partnering relationship which we have discussed before advertising standards where you voluntarily avoid manipulating customer's fears or projecting causes which are socially reprehensible like saying that dark complexion is bad. So, everybody must go for fair complexion or how a dark complexion person actually fails in social situations. I mean these are obviously advertising standard that has been set now around the world,

these campaigns are against the moral ethical standards that enlightened marketers are embracing across the world.

So focus on customer service, fair transparent pricing; even if you have variable pricing be clear about the logic of that. Recently there were cases of the e-travel sites promoting some kind of an opaque pricing which was actually detrimental to the consumer's interest and they have since then been withdrawn. So, today there is a far more active consumer awareness bodies, the consumer protection regulations which we discussed in the previous session is something that every marketer must be conscious of and it is much better that you voluntarily comply or even create a leadership position based on compliance rather than get reprimanded by these regulating bodies or consumer forums and then you actually appear to be a reactionary rather than a proactive socially responsible marketer.

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So, the general ethical standards of course are also important. So, this pyramid that is actually borrowed from literature is very clear, you have the references there. So, it is actually from the 90s but it still holds good very well. So, the economic responsibilities; that mean you need to be profitable, otherwise the business does not exist. That is that goal remains for the marketing function, but we must build up on that the higher layers of ethical responsibility and philanthropic responsibility; that means looking at yourself not as we versus they or we are the marketers and they are the consumers type of



attitude, but understand that you as a corporate belong to the same society. So, what we now call the corporate citizenship. So, that and being ethical in all your dealings doing things that you can clearly feel that what is right, what is just, what is fair and what does not harm others. So, these concepts which are eternal concepts now are becoming part of the marketing strategy and very rightly sold.

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So, overall issues in marketing is that not to misrepresent, not to make false claims that use it for 7 days and you will become the handsomest, prettiest person around and make this kind of manipulation of fear creating a thing that you are not good, you are not okay and therefore use of my product and then you will become okay, all these manipulative exploitative approaches to marketing must be shunned. So, in the case of products not to use spurious products, defective products, be proactive in recalling if you have found a defective; we can see companies like Toyota or many other respected companies around the world how proactive they are with respect to product recall. So, this has become an important ethical marketing strategy which ultimately creates respect for the brand, respects for the organization. So price fixing, price discrimination, predatory pricing, trying to exploit an artificially created shortage, misleading communication, high-pressure sales by creating artificial incentives, these are general no-no issues in marketing today.

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**CHALLENGES OF BEING ETHICAL AND SOCIALLY RESPONSIBLE**

- **Business decisions involve complex decisions in which correctness may not be apparent**
  - Internet privacy, copyright, intellectual property, advertising claims
- **Ethical conflict may emerge from an inconsistency between personal values and the values held by members of the work group**
- **Ethical issues can develop into legal problems**

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Now it is important to understand of course, that this responsible marketing also need some education for the marketer that one has to understand things like privacy, copyright, these are now becoming much more important because we have the technology which can actually make us quite intrusive and or you can actually be constantly creating high pressure which many of us are irritated by those constant stream of text messages that we receive on our mobile phone from various marketers for which now protection has been created for the consumer. So, all of these therefore are complex issues because once you see them appeared to be a very attractive way of constantly reminding customer about your product, your service and so on, but it can also be invading the privacy of the citizen of the consumer.

So, all these ethical conflicts that emerge between your personal values and the values held by the organization or sometimes values that have been earlier promoted in the marketing profession. The best way to judge whether you are doing the right thing as a marketer is to ask your own conscience because in most of the time as many research work has shown that people actually always almost always know that what is that should be done and what is it that should not be done and it equally applies to the marketing situation.

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**ETHICAL CLIMATE**

- Part of a corporate culture that relates to an organization's expectations about appropriate conduct
  - The character component of an organization
  - Sets the tone for ethical decisions
  - Determines whether an individual perceives an issue to be an ethical issue

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So, ethical climate therefore is something that is cannot be practiced by the marketing discipline alone; it has to be part of the overall organization ETHOS. So, there is a tone culture that has to permeate the entire organization then only the responsible marketing can be successful.

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**CODES OF CONDUCT**

- Code of Conduct (Code of Ethics)
  - Formal statement that describes what an organization expects of its employees
  - Not an effective means of controlling ethical behaviour unless integrated into daily decision making
  - Not effective unless the code has support of top management
- Code must reflect management's desire for compliance with values, rules, and policies

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So, now organizations do have code of conduct which is actually based on very clear-cut explanations about different kind of practices under different kinds of conflict situation. Many top multinational companies have created a code of conduct which is kind of takes

into account their global operations across the world and create something that can be almost religiously practiced in any one operation. So, there are variations what is considered as bribery in one country may be considered as speed money in another country, there are places where you can even show a bribe expenditure as an incentive or something that was needed to facilitate the transaction. But these are corporations particularly global corporations can rise above these petty misinterpretations in certain localities and can create a code of conduct which can be universally practiced across all national operations.

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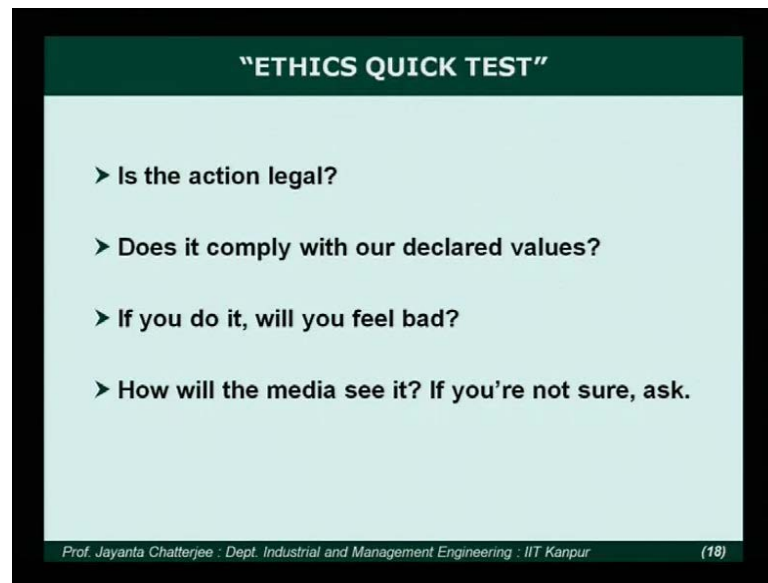
**CODES OF CONDUCT (CONTINUED)**

- **Code should have six core values**
  - Trustworthiness
  - Respect
  - Responsibility
  - Fairness
  - Caring
  - Citizenship
- **Code will not resolve every issue encountered in daily operations**
- **Code can help managers deal with ethical dilemmas**

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So, any of these codes when it comes to applying it to marketing they have six core values which are these wordings can change, but fundamentally trustworthiness, respect and being responsible, fairness, citizenship, caring. These are the six factors and of particular importance in this and we will perhaps discuss it in a little bit more detail that this intangible value of being trustworthy, being respectable, how that actually builds a reputation which is more and more becoming the foundation of strong brands in this splattered marketplace of today. And we will discuss about the strategies marketing strategies that can go towards building reputation where the social objectives, the ethical objectives, the objectives of being responsible can so well be congruent with your objectives of building a strong brand, building a strong relation with the customer and so on.

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So, this is a simple quick test which is used by many organizations with variations in the wordings but fundamentally your action must be legal, there is not much of ambiguity there, there may be some interpretation issues, but it is better be safe than sorry as far as being legal. Does it comply with your own declared values because many companies now have this code of conduct which is stated in their company document, on their website and so on and so any marketing decision when we face that particular problem can be checked against your own declared values. And every marketer can also ask at a personal level that will I feel good if I do this and earlier we have seen the so called company man to whom everything was fair as long as it made you win that concept of that hardnosed, the free market orientation people are now understanding that that was actually in many ways a misinterpretation and that a selfishness is good when you are actually clear with in front of your own conscience and you can look at yourself in the mirror with the clear conscience.

And that is another good test for marketing professionals whether a particular pricing strategy, whether a particular promotion campaign is good acceptable or bad and in the long range detrimental to the brand strength. So, another good thing today is all pervasive media, the presence of media through hundreds of channels on TV, 24 hour news channels, the ever-present internet, the tweets, the facebook and the various social on the forum on the electronic media. All these are in a way good for combining or integrating ethical approach with brand strategy because otherwise you can be in big

time trouble even with small lapses. So, today whether your hospital has good fire prevention is now no longer an option that you must spend that money in your service infrastructure which ensures safety health environmental consciousness because the media otherwise can completely destroy your brand position. So, the strong media ensures that you know that companies like Enron or companies like Lehman Brothers will not be able to create that strong brand which is internally corrupt and that power of media therefore in many ways is promoting, is supporting, is nurturing this ethical marketing strategy.

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**RESPONSIBLE MARKET ORIENTATION**

- The development of an organizational culture that effectively and efficiently promotes the necessary behaviours for the creation of superior value for buyers and, thus, continuous superior performance of the firm
- Strongly tied to ethics and social responsibility
- Stakeholder Orientation

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So, that brings us to the conclusion the responsible market orientation that is the development of an organization culture that looks at all these superior values so that focusing on the buyer, focusing on the consumer as real people and dedicating your brand to doing real good for them, then creates the compulsion for superior performance, for total quality approach and that goes hand in hand with the ethics and social responsibility and what we call stakeholder orientation; that means looking at the benefit of customers, looking at that the benefit of society, looking into back for employees benefit of. In fact, benefit of employees has become a very big way of testing because the employees are real people and they are also consumers in many cases and looking at their perception can actually give you a good test of what is good or what is bad in your marketing strategy.

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**STAKEHOLDER ORIENTATION**

➤ **Stakeholder Orientation**

- The degree to which a firm understands and addresses stakeholder demands

**Sense-Share-Respond**

- Organization-wide acquisition of data about stakeholder wants -needs
- Distribution of this information throughout the firm
- The organization's responsiveness as a whole to this intelligence

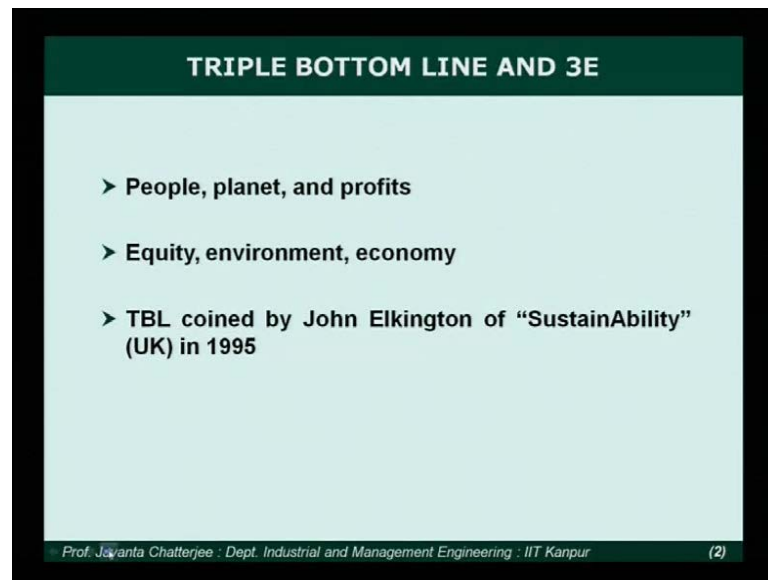
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So, how do you actually create this stakeholder awareness responsibility is very simply stated in this implementation concept of sense-share-respond; that means you create a sensing mechanism across your stakeholder network to understand their wants, their needs and their complaints and their discomforts and their inconveniences and then distribute that throughout across all the disciplines in the organization and create responses and if you remove inconvenience, if you remove causes of long term disadvantage for the customer, impact on the health or safety of the customer, health and safety of your employees, the fairness to your suppliers. All of these if you actually integrate across all the operational disciplines become your response and in a way the word responsibility is a combination of response and ability.

So, your ability to respond to the need of doing the right thing for the customer, for the employees, for the stakeholder at large focusing on not profit but the triple bottom line as we call it; that means focusing on people and the planet and then profitability is now becoming the key goal for all marketing strategy. So, we are going to look at in greater detail the concepts of the so-called triple bottom line or socially responsible marketing and how it relates to the overall corporate strategy that is based on sustainability. So, what is this sustainable marketing or sustainable strategy and how do we implement it and what are the do's and don'ts in that respect will be the topic that we will discuss now.



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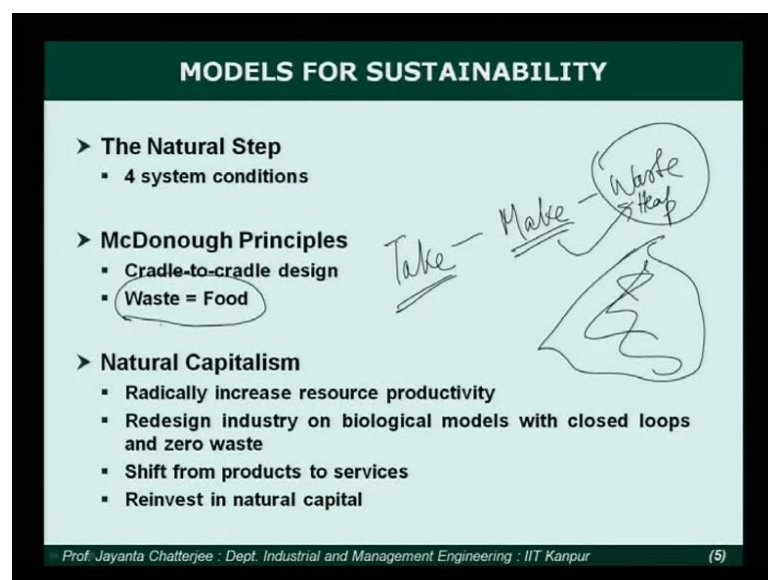
So, triple bottom line simply means also there is this concept of 3E, the triple bottom line was coined by John Elkington in 1995 and he talks about people, planet and profit in that order and therefore it says that this pure profit orientation can actually cause distortion and it also cautions us that the focus on profit predatory focus on profit actually is in the long range harmful for the brand, it can actually cause the collapse of the whole organization as we have seen in case of Enron and therefore, it is very important to first consider the well-being of customers of employees as real people.

So, focus on people in the sense in the long weight is actually focus on not only the stakeholders but society at large, the community where you operate, your own employees, your own customers, your own consumers and looking at them as real people just as your own person, your own family member, as people whom you love and cherish if you look; if you think of customers and employees and community in that term, then that can guide us to superior marketing strategy. In the same way focusing on the environment and this is what we will see at the conclusion of today's this session that ultimately actually the focusing on planet; that means being more resource efficient, consuming less energy, consuming less material. These are all ultimately quite beneficial to your profitability because they lower your cost short-term cost as well as long-term cost.



And similarly this concept of equity, environment and economy, they are also derived from the simple concept that corporate must not only answer the basic question as Drucker said that what business are we in. At the same time we must actually answer today's questions like what we stand for in the eyes of the customer how do we appear, I mean what is the purpose of our organization in the eyes in the perception of the customer or our employees. So this identity establishment, this what values do we project can become actually a powerful brand platform and can be actually a very powerful marketing strategy as we have seen with the success of many of the Tata brands or Godrej brands or some of these well-established Indian companies and their marketing success tell us that the approach that is now being proposed as models for sustainability are ultimately good marketing strategies.

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Some of the important concepts that are being use now in this domain like the natural step which talks about this. If you actually just search for TNS or the natural step, then you will find that it simply says that material from earth's crust should not actually land up in the biosphere due to your actions which means that use less fossil fuel because that is something that belongs to the crust and you are not actually going to use it processes that actually proliferate these elements to pollute the environment. So, concentration of substances extracted from the earth's crust should not find their way into the biosphere. This is actually one of the steps in the TNS. The second is concentration of substances produced by society; that means the human system manufactures the pet bottles or

detergents and they actually if they land up in or landfill, they actually choke our natural flow of water bodies then that is actually flouting the second principle.

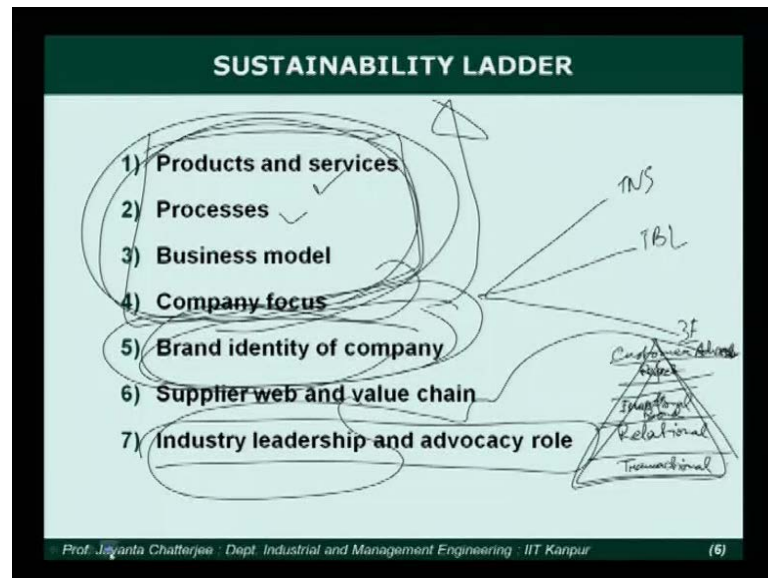
The third principle is degradation by physical means; that means we must eliminate our contribution to the continuous degradation of soil condition. For example, by excessive use of chemicals, this is what is third principal; that means degradation by physical means by industrial activities that must be avoided and lastly the TNS talks about that people are not subject to conditions that systematically undermine to meet the capacity of their own needs which means actually using bad chemicals as preservative in the food that you want to market to enhance your shelf life and in the process you harm the consumers. This is something that is detrimental or against the concept of TNS and this actually if you see websites like [www.naturalstep.org](http://www.naturalstep.org) you will find that how these simple natural steps can actually help you build very strong market positions on your respect and respectability becomes a very very desirable marketing strategy today.

McDonough actually brought in this principles like cradle-to-cradle design instead of cradle-to-grave; that means instead of at taking all our marketing activities which is now derided as that our activity should not be take, make and waste; that means we take stuff from a nature and make products and product which actually are marketed through manipulating marketing and therefore very soon they actually land up in the waste heap and in the process we actually enhance the garbage dump and choke our nation's oceans, choke our all natural habitats and create various kinds of environmental degradation. Instead of that if we think of design as the system and think that how we can actually a product when it has fulfilled its purpose, how we can actually recreate, reassign, reuse that product recycles. So, all these so-called R's are now and to be conceived of right at the inception stage of the products. So, that is called cradle-to-cradle design.

Again there are excellent material available on the internet which you can look at and you can see that how actually the cradle-to-cradle approach or approach is like creating waste is equal to food; that means you know create sort of closed-loop systems that you can take the waste material from your kitchen garbage and turn that into a compost which can be then used to fertilize your kitchen garden and grow more food or give it to people who will collect it and convert that into manure which is organic and much better than the so-called chemical manures used in the past. All these approaches are ultimately

good for society and therefore good for your brand and then there are concepts like natural capitalism.

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So, when we look at therefore from a marketing perspective the sustainability ladder, then we must understand that actually it has these products and services as well as production processes and the business model and the company focus. All these put together creates the brand identity of the company and if that is actually based on either the TNS principle or the triple bottom line principle or the TNS or TBL or 3E and if these are associated with the brand identity of your company which means that it actually must permeate in all these aspects, then you can actually create a leadership position and based on advocacy.

And this is very closely tied to our so-called famous brand pyramid where you know that from a transactional level or transient relation with the customer we want to create a relational level, we want to create emotional connection with the customer, emotional bond and then we can go to respect in the customer where the customer becomes your customer advocacy, customer becomes your marketer and this customer advocacy can only be achieved if you create a leadership position which is based on products, processes, business model and company focus creating there by brand identity which is actually connected to your concept, implementation of the sustainability models.

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**INTERFACE CORPORATION**

➤ **The largest commercial carpet manufacturer in the world**

➤ **Vision:**

*To be the first company that, by its deeds, shows the entire industrial world what sustainability is in all its dimensions: People, process, product, place and profits — by 2020 — and in doing so we will become restorative through the power of influence*

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There are many examples for example, Interface Corporation which is the largest commercial carpet manufacturer in the world and their vision says to be the first company that by its deeds shows the entire industrial world what sustainability is in all its dimensions, people, process, product, place and profits by 2020 and in doing so we will become restorative through the power of influence. So, you see if you actually implement this and this becomes a underlying philosophy that is are we in the respect in the eyes of your customers, then people will be proud to possess, procure your products and that is today's marketing high ground.

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**INTERFACE CORPORATION**

➤ **The Seven Steps**

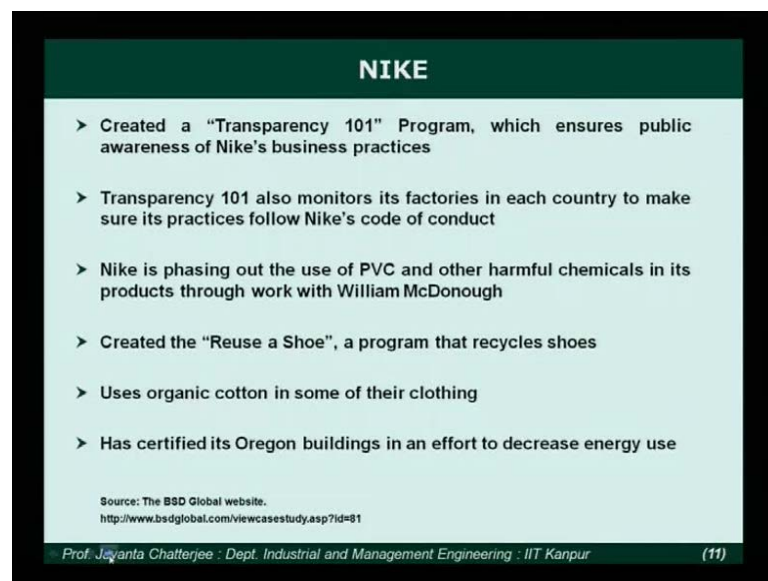
1. Eliminate Waste — QUEST program
2. Benign Emissions — Elimination of molecular waste
3. Renewable Energy — Reducing overall usage; transitioning to renewable
4. Closing the Loop — Creating cyclical material flows.
5. Resource Efficient Transportation — Reducing movement of products/people in favour of data, e.g. plant location, video-conferencing, telecommuting
6. Sensitivity Hookup — A community within and around Interface that understands natural systems and our impact on them.
7. Redesign Commerce — Providing services rather than products

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And I will give several other examples in this session that interface corporation implements through eliminating of the waste, they have a specific program and as you can understand elimination of waste simply means you are reducing your variable cost and fixed cost and ultimately actually you are also helping your margin which can actually make you much more competitive, you can actually become a low-cost strategist and that goes hand-in-hand with the this kind of approach of eliminating waste, running a lean operation, attacking every form of waste, waste of time, waste of material, waste of labor, wasteful exploitation of the environment. So, that being such to the question of emissions that you reduce your emissions, various forms of environment degrading emissions and by use of renewable energy and these all makes good economic sense and therefore improves your marketing strength.

So, resource sufficient transportation, if you go to the interface website and look at all these issues, you will understand that this approach is actually which is going to contribute to their strength in this field and it does not mean that only by doing this you will be successful but without doing this today it will be very difficult for you to be successful. So, Interface Corporation may fail due to other reasons, but no company fails because you are trying to be ethical, you are trying to be responsible because in the long range that is the only way you can have a respect respectable brand a reputation.

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**NIKE**

- Created a "Transparency 101" Program, which ensures public awareness of Nike's business practices
- Transparency 101 also monitors its factories in each country to make sure its practices follow Nike's code of conduct
- Nike is phasing out the use of PVC and other harmful chemicals in its products through work with William McDonough
- Created the "Reuse a Shoe", a program that recycles shoes
- Uses organic cotton in some of their clothing
- Has certified its Oregon buildings in an effort to decrease energy use

Source: The BSD Global website.  
<http://www.bsdglobel.com/viewcasestudy.asp?id=81>

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Nike for example, we all know that it is a very strong brand. It is doing well and it is also by the way responding to many criticisms and being responsive to those criticisms, they are constantly improving and in the process innovating coming up with products that are good for the customer, good for the environment. So, this 'Reuse a Shoe' campaign or recycling of shoes in ways actually create either new revenue streams or saves cost and expands the market. So, every aspect it is actually a good approach and there collaboration with the McDonough that is the whole concept of triple bottom line and sustainability has given them strength.

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**JOHNSON & JOHNSON**

- Has made a major effort to be more energy efficient by reviewing the usage of all aspects of its buildings (lights, fans, motors, etc.)
- Received 1995 Green Lights Partner of the Year Award for large corporations
- Received 1996 Sustained Excellence Award for completing and maintaining lighting upgrades for more than 94% of its workspace
- Involved in a variety of different programs, including "Climate Wise", "Energy Star Buildings", and "Energy Star Computers"

Source: The BSD Global website  
<http://www.bsdglobal.com/viewcasestudy.asp?id=76>

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Johnson and Johnson another good example that how actually in saving energy in their entire operation, being conscious about wasteful usage of lights, fans, motors, heating ventilation, air conditioning and trying to sustain, save energy is good for their cost, their bottom line, they are reducing their expenses. In the same way it makes them you have earned good brand value by saying that all our facilities are five star energy-saving facilities. These are all good building blocks today for successful brands.

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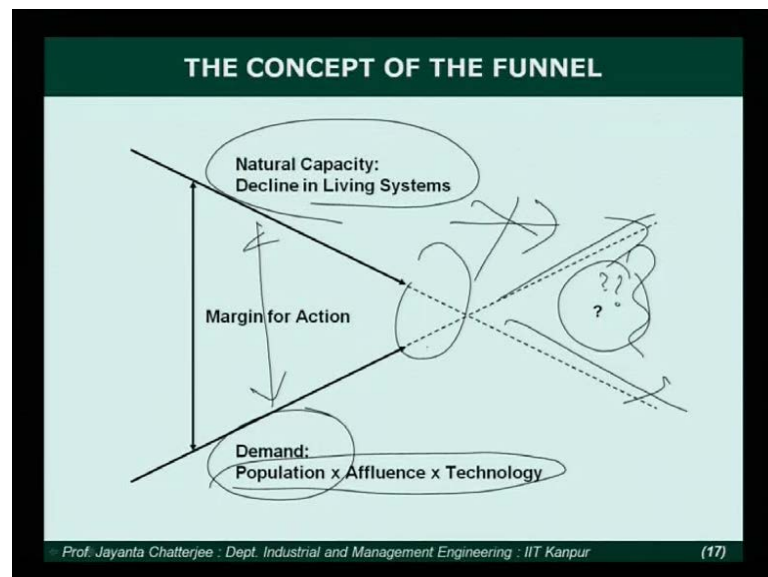
### FOUR SYSTEM CONDITIONS

- Substances from the Earth's crust must not systematically increase in the biosphere.
- Substances produced by society must not systematically increase in nature.
- The physical basis for the productivity and diversity of nature must not be systematically deteriorated.
- There needs to be fair and efficient use of resources with respect to meeting human needs.

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So, these are the four system conditions that we were discussing earlier in the context of the TNS that is we do not allow earth's crust material to go to the biosphere, we do not allow and the goods produced by our industrial system to pollute the environment and so on; this we have already discussed.

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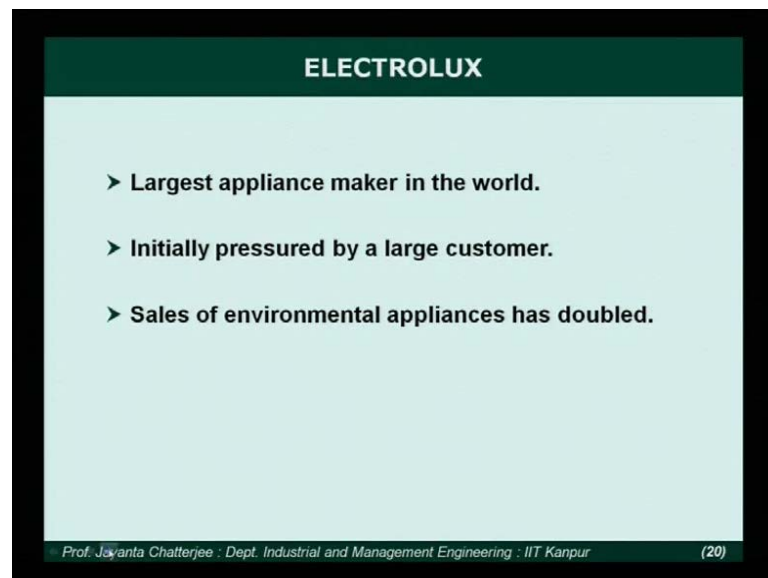


So, this leads us to this very interesting simple picture that the demand as such is going up due to this product or population into affluence into technological developments, but on the other hand we do have a limit to the natural capacity and the earth's resources. So,



if we look this and if we do not take action then we will soon have our demand will far exceed that what the earth can provide and this is an unsustainable situation. This is what is going to destroy our future customers, our society's as we have seen many areas around, say, even parts of India where one-ten usage of chemical fertilizer created acres and acres, thousands of acres of land which have now become so deep, which has now become alkaline, which has now become unusable and therefore villages have collapsed and those people have migrated to cities and are living in deplorable conditions in slums and all of these are result of being not mindful or being not responsible that what is the capacity of the community of your environment of where you live, where you work and how you are actually managing your consumption. So, this is what we call the margin for action and if we keep this and do not allow our system to go in this unsustainable detection that actually can give us good handle on our marketing and corporate strategy.

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**ELECTROLUX**

- **Largest appliance maker in the world.**
- **Initially pressured by a large customer.**
- **Sales of environmental appliances has doubled.**

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So, for example Electrolux which is a very large manufacturer of white goods around the world and initially some of their customers actually put the pressure.



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But today their environmental conscious the five star branded five star labeled their air conditioners, their washing machines, their microwave ovens, their dishwashers and all of these equipment on one hand they save energy, they provide a stronger brand position for them, they make it mandatory for their competitors to measure up and since these are they need good technology called sophistication and competence they actually create a better margin situation for their product line. So, companies like LG or companies like Voltas in India or companies like Electrolux by focusing on a responsible attitude towards saving of energy therefore ultimately saving of fossil fuel, focusing on various degrading elements in the original heating ventilation, cooling products by positioning themselves as responsible in terms of the triple bottom line or the natural steps. They have created a strong position just as this company IKEA which is of the leading furniture brand and again their furniture because it meets all nature conserving systems, they use now most of their products are now based on cradle-to-cradle designs, there are options of recycling, reusing in various ways.

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They are providing those facilities to customers they are showing the way and creating thereby a good standard for sustainable marketing best practices. So, these are important issues when you want to integrate sustainability because it may mean if you remember that two by two matrix that we showed that the long-range benefit for the consumer or it may actually be detrimental to some short-term profits. So, to operate in these two segments you may actually have to consciously give up this particular segment. So, something that is immediately the so-called pleasing products you know that those are actually as we are discussing about high cholesterol, high fat, high sugar content that can actually create products that are immediately pleasing, but in the long range detrimental to the consumers health.

So at one time, companies like most of the soft drinks companies, most of the fast food companies, they have made millions of dollars by operating in this area; that means attracting the customer for the short term pleasure. But today we know that these are no longer tenable positions, we have to find our position where we call the salutary products and services and desirable products and services. To be in those quadrants we have to have senior management commitment, we have to involve all the employees that is absolutely part of the sense, share, respond strategy of implementation that we discussed and we can start with low-hanging fruits like product packaging. So, that we actually use packaging material that does not clutter the environment. They are biodegradable or they are something that those packaging products can be reused.

This has been shown in a wonderful way in some companies in Africa where the packaging parts are so well-made that instead of their becoming part of the ragtag jugijopdi, they can actually become pre-designed so that they can easily become blocks for building huts or cottages. So, this kind of approach can be seen as a low-hanging fruit. So, companies like KONE elevators from Finland or Schindler or various other earth moving machinery manufacturers, construction equipment manufacturers have done some very interesting work, companies like Larsen Toubro in India, they have done good work on improving their packaging which is environmentally more responsible.

So, therefore a long-range action is also necessary to make your R and D, make your design and development responsible and therefore it goes into the product platform design which actually is based on concepts like reuse or remanufacture or recycle and then they can become part of your green marketing goals because interestingly by taking these companywide actions, you can create a strong brand position which is based on social respectability and as we will see, therefore that becomes the foundation of building your company's reputation and reputation today is an unassailable competitive advantage that must be the aim of most marketers who want to create a sustainable position for their organization.