Jishnu Bhattacharyya · M. S. Balaji ·
Yangyang Jiang · Jaylan Azer ·
Chandana R. Hewege *Editors*

Socially Responsible Consumption and Marketing in Practice

Collection of Case Studies

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"We dedicate this book to our family, who supported and encouraged us in our journey."

—Editors

Acknowledgments

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About the Editors

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Jishnu Bhattacharyya is a Ph.D. candidate in Marketing at the University of Nottingham. Jishnu completed his postgraduate studies at the Indian Institute of Information Technology and Management Gwalior and received an MBA. He earned a B.Tech. in Electrical and Electronics Engineering from the Maulana Abul Kalam Azad University of Technology. Alongside these taught programs, he was engaged in short-term researches at IIT Delhi and IIT Indore. Prior to joining the University of Nottingham, Jishnu participated in research coursework at IIM Kozhikode, where he was a research scholar in the marketing area. Within academia, he has worked as a Project Scientist for IIT Delhi, where he contributed to the market research of the technical textile industry. He has also served as a visiting consultant (research) for a social science research project.

With an interdisciplinary background, he is actively engaged in research and is interested in marketing science. He enjoys asking questions that are both practically motivated and theoretically inspired along several interconnected research streams, including but not limited to sustainability marketing, socially responsible consumption, consumer interactions with technology, and services marketing (with a particular focus on artificial intelligence). Jishnu's current research focuses on sustainability communication, a dynamic and cutting-edge research area that aids in envisioning and creating more sustainable societies by emphasizing the central role of communication in shaping understandings of and responses to the urgent challenges of environmental and climate change. His work, accordingly, has implications for product manufacturers, service industries, retailers, and public policymakers. He is passionate about the importance of incorporating research into teaching and bringing about positive social change through the art and science of marketing. He has won awards for his academic and research excellence, including the best paper award. He serves as a reviewer for many leading marketing and business management journals. His work has appeared in academic journals, and he has also co-edited books, co-authored a book, and written case studies.

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An Overview of the Socially Responsible Consumption and Marketing

An Introduction to Socially Responsible Sustainable Consumption: Issues and Challenges

M. S. Balaji, Yangyang Jiang, Jishnu Bhattacharyya, Chandana R. Hewege, and Jaylan Azer

Unsustainable consumption and production patterns are endangering global development more than ever (United Nations Environment Programme, 2015). Indeed, the need to change the current economic model of excessive and ineffective production and consumption of natural resources is becoming increasingly prominent on the political agenda. The United Nations reviewed these global imperatives and endorsed the ideas of "Green Growth" and "Green Economy" as an alternative to the current economic paradigm at the Rio 2012 Conference on Sustainable Development (United Nations, 2012). By focusing on reducing carbon emissions, improving energy efficiency, and decreasing biodiversity loss through public and private investments, the green economy framework allowed governments to refocus their commitment to addressing the economic, social, and environmental dimensions of sustainable development (United Nations Environment Programme, 2015). This notion was reinforced in when the Sustainable Development Goals (SDGs) or Global Goals were proposed by the United Nations in 2015 to build an integrated approach to sustainable

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development to address the needs of current and future generations (United Nations, 2015).

Rising global temperatures associated with climate change have created much awareness among the people around the world resulting in organized protest campaigns against local and global institutions to act immediately before it is too late. The United Nations in its role as a supranational body has spent 30 years to bring all the countries together to agree on a plan to reduce CO_2 emissions. However, little progress has been made to agree on a net emission reduction target by the biggest polluters. The UN's secretary general has called on leaders of countries to propose concrete plans to reduce their national net carbon emissions to zero by 2050. This is considered critical given the anticipated, colossal damage to the ecosystem and lives of the people if global temperatures continue to increase by more than 2°C above pre-industrial levels (Gao et al., 2017). The scientists claim that 97% of climate change is caused by human behavior which is termed as anthropocentric perspective of climate change (Cook et al., 2016). Energy contributes nearly three-quarters of global emissions, followed by agriculture. If we closely look at the power generation and usage, electricity and heat generation constitute the largest portion of emissions, followed by transportation and manufacturing.

Most of us play the roles of consumer and producer in our day-to-day activities. Our unsustainable consumption and production behaviors are argued to be causing excessive amount of carbon emissions resulting in an aggravated level of global warming. Given the intricacies surrounding the political debate and differences of opinions as to whether climate change is real or not, rapid and significant actions by governments are assumed to be progressing at a very low speed. It is in this context that consumers and marketers could initiate meaningful action toward achieving a sustainable ecosystem by innovating novel ways of production and consumption of goods and services. Consumers in modern-day society have enormous power to influence business firms to change or upgrade their value creation processes so that business firms become important nodes of the circular economic network. Exemplary sustainable behaviors demonstrated by both consumers and marketers need to be propagated through case studies and further research. This is undoubtedly a task that should be performed by academics and practitioners alike.

Consumers are critical to the transition to a green economy because they must practice socially responsible sustainable consumption (Prothero et al., 2011; Sun et al., 2021). Sustainable consumption refers to consumer behaviors and purchases concerned with social and environmental responsibility (Balaji et al., 2019). In other words, consumers must strive to reduce the negative outcomes of their consumption process (including product acquisition, usage, and disposal) while increasing the social and environmental benefits (Lim, 2017; Wang et al., 2019). Today, sustainability consumption is regarded as the need of the hour because it entails development in the present while also working to safeguard resources for future generations to survive and live (Geiger et al., 2018; Pauluzzo & Mason, 2021). Given the importance of sustainable consumption in accomplishing sustainable development goals, it has piqued academics and practitioners' interest. For example, previous research has explored various aspects of sustainable consumption, such as environmentally

friendly consumption (Haws et al., 2014; Hosta & Zabkar, 2020; Yadav et al., 2019), environmental consciousness and knowledge (Golob & Kronegger, 2019; Polonsky et al., 2012), environmental value orientations and lifestyles (Sony & Ferguson, 2017), and environmental behaviors (Lacroix & Gifford, 2020; Paço & Lavrador, 2017). Furthermore, scholars have investigated sustainable consumption in a variety of contexts, including food products (Moser, 2016), apparel (Kim & Seock, 2019), hospitality services (Balaji et al., 2019), tourism destinations (Jiang & Hong, 2021), airline services (Hwang & Choi, 2018), utilities (Paço & Lavrador, 2017), and low-income consumers (Al Mamun et al., 2018). Similarly, a few scholars have investigated sustainable consumption from the perspectives of marketers, business models, and policymakers (Kiss et al., 2018; Torma et al., 2018; Tunn et al., 2019).

While these research efforts have enhanced our understanding of sustainable consumption, there are still significant hurdles to achieving sustainable development goals by 2030. Major challenges involve the maintenance of natural resources and equitable resource distribution. This indicates that a deeper understanding of how present consumption and purchasing behaviors might be made more sustainable in practice is required. Thus, the current chapter seeks to improve understanding of sustainable consumption, identify issues and challenges associated with sustainable consumption, and chart a course forward.

1   Sustainable Consumption

Sustainability consumption is regarded as an important goal in the pursuit of sustainable development. It is defined as the consumption of goods and services produced economically using techniques and materials that cause little environmental damage, are socially equitable, and meet the basic requirements of all individuals (Huang & Rust, 2011). Some consider it as a way of life which resists consumerism and materialistic lifestyles, and encourages living the simple life (Jackson, 2005). The term consumerism is now commonly used to denote conspicuous consumption or over-consumption but in the early periods it was used to mean organized actions by consumer groups against unfair or unsustainable business practices. However, few consider sustainable consumption as going beyond consumerism to regulate expensive expenditures for improved quality of life and happiness. The most comprehensive definition was offered by OECD (2002), who defined it as the consumption of products and services that meet basic requirements and improve the quality of life without risking future generations' requirements. According to the preceding discourse, sustainable consumption is a shared commitment between the consumer and the society, which is determined by the consumer's ability and capacity to take on the responsibility of sustainable consumption. Middlemiss (2010) defined this ability as the ecological footprint, which indicates the consumer's ability to use only a sustainable quantity of ecological resources. This ability of the individual consumer to take on the responsibility of sustainability varies and is determined by cultural capacity (cultural values and norms with which the consumer identifies),

organizational capacity (resources offered by organizations with which the consumer is affiliated), infrastructural capacity (facilities for a sustainable living), and personal capacity (personal resources such as knowledge, financing, etc.).

2   Achieving Sustainable Consumption

Consumers can practice sustainable consumption in various ways, such as responsible consumption, anticonsumption, and mindful consumption (Lim, 2017). Webster (1975) described a socially responsible consumer as one who analyzes the societal implications of his or her consumption and uses his or her purchasing power to promote social change. Socially responsible consumers exhibit three characteristics: they are motivated to acquire products or services when they see a social problem; they believe they have the ability to change the society; and they are interested in social affairs and community involvement (Prendergast & Tsang, 2019). The socially responsible consumer will strive to limit or eliminate hazards to the society while maximizing long-term benefits. As a result, consumers are more inclined to avoid products or services from companies that they believe to be harmful to the society and prefer products or services from companies they perceive to benefit the society (Mohr et al., 2001). Thus, socially responsible consumer behavior relates to the individual purchase, usage, and disposal of things with the goal of minimizing or eliminating any negative repercussions while maximizing the positive effects on society (Francois-Lecompte & Roberts, 2006). However, previous research has demonstrated that the behaviors of a socially responsible consumer can be quite different. This includes boycotting businesses that harm the natural environment, preferring eco-designed items, donating to social causes and charities, and opposing mass consumption behaviors (Palacios-González & Chamorro-Mera, 2020). While socially responsible consumer behavior is desirable, it is challenging to implement in daily consumption. Additionally, education and awareness initiatives on the social and environmental consequences of consumption are critical.

Anticonsumption is a term that refers to those who resist, challenge, or oppose consumption (Kozinets et al., 2010). In other terms, being anticonsumption involves abstaining from unsustainable behavioral tendencies such as overconsumption. In addition, it is related to the identification of feasible solutions for maintaining an adequate level of psychosocial well-being (Seegebarth et al., 2016). Anticonsumption is a kind of nonconsumption that exists as a conscious restriction or outright rejection of consumerism. However, if a consumer is strongly convinced and compelled to shun or reject a specific product or service, nonconsumption becomes synonymous with anticonsumption (Chatzidakis & Lee, 2013). Anticonsumption is distinct from the socially responsible sustainable consumption behavior, as it is viewed as a negative purchasing habit. Consumers engage in anticonsumption for a variety of reasons, ranging from environmental, social, and ideological concerns to symbolic benefits, self-interest, and well-being (Lee, 2019; Sekhon & Armstrong Soule, 2020). Past

studies suggest that anticonsumption is primarily motivated by self-interest, self-identity, and social or environmental concerns, rather than rational utility maximization (Ziesemer et al., 2021). Thus, anticonsumption is a critical component of sustainable consumption and development. However, it is not clear to what extent anticonsumption attitudes are motivated primarily by environmental concerns. Furthermore, understanding how demographic and psychological factors influence different anticonsumption choices made by consumers could aid in clarifying the motivations behind anticonsumption activities.

Mindful consumption is using mindfulness to guide consumers' choices (Sheth et al., 2011). It is based on an understanding of the implications of consumption in cognition and consequences. Mindful consumption entails the ability of the consumer to choose what and how much he or she consumes (Milne et al., 2020). This indicates that neither the circumstances nor the market conditions push or constrain an individual to consume in a particular way. Instead, the consumer makes a deliberate consumption decision based on his or her values and preferences (Brunneder & Dholakia, 2018). To that extent, the mindful mindset influences and shapes the consumer behavior associated with sustainable consumption. Researchers and practitioners propose mindful consumption as a crucial method for transforming the society, the economy, and individual well-being. Moreover, a consumer's religiosity and how it affects consumption choices have received researchers' attention. Specifically, Perera et al., (2018) explore how religiosity influences one's environmentally concerned consumer behavior. When considered as a process, mindful consumption requires consumers to pay attention to their physiological sensations, thoughts, and emotions in order to make consumption decisions based on their direct encounters with needs and values (Bahl et al., 2016). Additionally, it entails an attitude of self, community, and environmental stewardship, which translates into consumer behavior determining their acquisition, consumption, and repeat purchase behaviors. Thus, mindful processes emphasize the awareness of internal and external inputs, which helps to lessen ties to habitual behaviors and transforms marketplace choices and experiences. However, it is unclear how consumers may develop a caring mindset and what marketing activities can facilitate the development of a mindful consumption mindset.

From an overall ecological, socio-economic, and individual well-being perspective, ideal state that we ought to aim for would be achieving complete harmony with the nature when engaging in our production and consumption behaviors. The most effective innovative practices could be those practices that would enhance consumer utility (convenience or happiness) while minimizing the adverse effects of these practices to Mother Nature. Both consumers and marketers need to work collaboratively to achieve this ideal state of sustainable consumption that generates maximum happiness and well-being to consumers.

3   Issues and Challenges with Sustainable Consumption

Despite the fact that sustainable consumption is recognized as a cornerstone for reaching sustainable development goals, it confronts several challenges, including a lack of environmentally friendly products for consumers to engage in a sustainable way of living, sustainable production processes to support sustainable consumption, and policies to encourage a sustainable lifestyle.

Following the COVID-19 pandemic, consumers actively seek sustainable products and services and reward environmentally responsible businesses (Jiang & Wen, 2020). According to a recent survey by E.ON (Searle, 2020), 33% of consumers claimed that the company's environmental certifications and credentials impacted their buying decisions the most. A further 80% stated that they intended to buy goods and services from companies that actively engage in environmentally friendly business operations. The pandemic has drastically altered consumer behaviors, with 72% of consumers reporting that they are concerned about businesses' ecologically friendly operations. They are also ready to pay a price premium, with 51% of consumers saying that the product's environmental certifications are just as significant as the price they pay. While this presents a tremendous opportunity, businesses must address and ensure that the growing demand for environmentally friendly products is met. A big question is whether businesses can supply consumers with practical solutions to make sustainable consumption accessible to all and become a mainstream way of life.

While sustainable consumption has placed a strong emphasis on consumption patterns, sustainable production, which refers to creating products and services using procedures that have a low environmental impact, is gaining prominence. Sustainable consumption and lifestyles are inextricably linked to sustainable production. A new approach to production is required because sustainable production focuses on resource conservation and environmental regenerative capacity throughout the product's life cycle (product design and development, raw material procurement, manufacturing, distribution and logistics, product use, and disposal). Companies can benefit from sustainable production in various ways, including cost savings through improved material and energy efficiency, competitive advantages, adaptation to changes in consumer behavior, and long-term profitability. One of the most difficult challenges for sustainable production is appropriately pricing social and environmental externalities so that businesses can invest their revenues in sustainable processes throughout the product life cycle.

In recent times, the world has seen remarkable innovations underpinned by Internet of Things (IOT). To illustrate, innovative web 2.0-based business applications such as Uber Taxi, Uber Eats, Airbnb, Tripadvisor, Booking.com, DropBox, Airtasker, and TaskRabbit (to name few) have revolutionized the consumption and production relationships by creating a sharing economy that leads to blurring production and consumption roles and driving the emerging prosumer behavior. Uber has undoubtedly revolutionized the way people use taxi services and this business model has resulted not only in efficient use of motor vehicles but also in reducing the need for

owning a car. During the COVID-19 pandemic when restaurants are closed for dine-in they have kept their kitchens busy through online food ordering and delivery platforms. The concept of "ghost kitchen" is worth mentioning here, as it allows a chef to hire a common industrial kitchen space to offer a limited menu items on sale through home delivery. Without a dining area and restaurant face, these kitchens operate with the help of virtual restaurant applications reducing the demand for electricity and other utility resulting in low carbon emission operations. Consumers enjoy the convenience of home delivery of their favorite meal while an entrepreneur with minimum investment and infrastructure is able to operate a business. This is a win–win situation for the consumer, producer, and the environment. Sustainable "pro(con)sumer" practices underpinned by IOT would be the way forward for a sustainable consumption practices. We are witnessing a growing trend of new prosumers who refrain from buying services and ownership and tend to engage in swapping, borrowing, or renting from each other (Perera et al., 2020). For those readers who are inquisitive to learn more about sharing economy and the opportunities it presents to the world of consumption and production, we highly recommend reading, for example, Bardhi and Eckhardt, (2012); Belk, (2010, 2014a, b); Lamberton & Rose, (2012).

Policies, processes, and structures all play a critical role in enabling people to engage in sustainable consumption and production. Policies can mediate various capitals such as financial and human capital and resources such as natural resources. This mediation occurs through the government, civil society, and business sectors, which influence how markets operate. They all develop various policies to ensure that their initiatives are aligned with the sustainable development goals. Public policies can support a sustainable lifestyle by encouraging the regeneration of natural resources and raising awareness of environmental problems and solutions. Understanding the impact of government policies and corporate activities on the local environment, local residents' livelihoods, and the local ecosystem has been a serious challenge. An efficient regulatory framework is essential to connect all the industry stakeholders to a seamless value chain where every industry partner works for the overall betterment of the industry and the societal well-being.

4 Conclusion

Sustainable consumption is considered as one of the key priorities for achieving a sustainable future. It is now at the top of the agenda for businesses, consumers, media, and governments. Sustainable consumption provides a plethora of interesting opportunities for both the present and future. This, however, necessitates a thorough understanding of various issues and challenges related to sustainable consumption. The major goal of this book is to understand, through real-life case studies, the practice of sustainable consumption and production. This book will help readers gain a critical understanding of socially responsible consumption behaviors, as well as how businesses and governments may overcome barriers to generating positive environmental behavioral changes in consumers. This book takes inspiration from the

United Nations 2030 agenda for sustainable development to provide a rich account of sustainable consumption while seeking integrated solutions to make consumption more sustainable.

5 Organization of the Book

The remainder of this book is divided into four key sections. The book begins with an outline of socially responsible sustainable consumption and marketing. Readers can expect to learn about sustainable consumption concepts, initiatives, and strategies from these chapters. Second, the book includes a series of case studies that provide information about various practices of sustainable consumption and sustainable marketing initiatives and policies to encourage consumers to engage in sustainable consumption behaviors that have occurred in developing and developed countries. Third, the book contains a number of chapters that present the most recent findings from original research on sustainable consumption. Fourth, the book discusses pedagogical directions for teaching sustainable consumption and marketing. In conclusion, we hope that the chapters contributed by eminent scholars will be valuable to marketing academics, educators, and practitioners, and that our book will effectively empower future sustainable consumption initiatives and sustainable marketing activities.

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Succeeding with Responsible Marketing a Framework and Three Short Cases

Myriam Ertz and **Batiste Michelet**

Learning objectives

- Understanding the historical evolution of different forms of marketing and their progressive integration of corporate social responsibility and sustainable development.
- Determining the key differences between various forms of marketing involving responsibility.
- Identifying the key tenets and principles of responsible marketing.
- Understanding the components of the responsible marketing mix called "the 4Cs" in contrast to the conventional marketing mix of the "4Ps."
- Examining the implications of responsible marketing for stakeholders such as organizations, the State, and consumers.

1 Introduction

"Profits are like happiness in that they are a byproduct of other things. Happiness, for example, can stem from having a strong sense of purpose, meaningful work and deep relationships. Those who focus obsessively on their own happiness are usually narcissists—and end up miserable. Similarly, companies need a purpose that transcends money: they need sustainability strategies that recognize that you can make money by doing good things rather than the other way around." (Tata et al., 2013).

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Marketing, as we have known it for several decades, based on the acquisition of new customers, is experiencing "growing pains" (Kotler, 2017). This function is more and more expensive and less and less effective, and for those reasons it needs to be anchored in new perspectives and new paradigms (Grönroos, 2004, 2006). Over the years, several authors have argued that this new perspective for marketing can be found in a broadened perspective of the function in which its responsibility is enlarged to comprise not only strategic objectives, but also social, environmental, and ethical ones (Kotler & Lee, 2008; Kotler & Maon, 2016; Kotler et al., 2012; McKenzie-Mohr et al., 2011). Marketing is incidentally highly instrumental in conveying a responsible corporate image but contributing marketing to reach sustainability does not happen in a vacuum and remains a challenging endeavor.

As emphasized by Gbadamosi (Gbadamosi, 2019) marketing mediates between society and the organization by bringing information about consumers and markets to organization; it mediates also between the organization and society by framing the offering of a company in a specific manner. Yet, how ethical marketing is, both in the organizational and the social systems, has often been a fertile ground for criticism and debates. A few points of contention refer to the following (Gbadamosi, 2019): (1) unethical product management (i.e., marketing of faulty, harmful, or planned obsolescence products) (Kotler & Armstrong, 2018; Kuppelwieser et al., 2019); (2) lack of attention and protection of disadvantaged consumers (i.e., exploiting the base-of-pyramid, student, unemployed, homeless, elderly, low-wage, single parents, or disabled consumers) (Fyfe, 1994; Hamilton & Catterall, 2005); (3) high-pressure selling (i.e., "ingratiatory tactics and undue pressure" for selling products to consumers) (Gbadamosi, 2019, pp. 194–195); (4) cultural relativism in international marketing (i.e., lowering ethical standards in foreign markets) (Madichie & Opute, 2019; Svensson & Wood, 2003); (5) unethical pricing (i.e., false promotions and excessive pricing compared to the value obtained) (Gbadamosi, 2019); (6) unethical marketing communication (i.e., the early form of greenwashing in which marketers' claims exaggerate the true value of the product, and also marketing to children) (Gbadamosi, 2019; Munjal, 2016); and (7) unethical marketing research (i.e., exposure to harm, lack of informed consent, coercion, invasion of privacy, deception, breach of confidentiality, inducement to commit acts diminishing self-esteem, and breach of agreement) (Gbadamosi, 2019; ICC & ESOMAR, 2016; Ryen, 2011). Other dubious marketing practices have been documented idiosyncratically using case studies in Murphy et al. (2016) and many other authors have made thorough and comprehensive reports of misconduct in business (Ertz et al., 2019), or unethical marketing practices (Ingram et al., 2005; Leonidou et al., 2013). Even apparently unharmful practices such as nudge marketing (Lin et al., 2017) or big data analytics (Nunan & Domenico, 2013) have been subject to closer scrutiny for their alleged lack of ethics.

Meanwhile, although it is increasingly more complex for marketers to sort out the good and the bad, the moral and immoral, and the ethical and the unethical, tremendous progress has been made on various issues. By embracing a "more responsible marketing mix," marketers tend to ensure ethical products (e.g.,

durable, healthy, recyclable, reusable, compostable, repairable, with reduced packaging), prices (e.g., transparency in value, discount, premium pricing for responsible products, and taxes), and communication (e.g., green advertising, ethical sales, public relations, eco-labeling, promotions, and social media activities). Some issues remain, though, such as marketing to children, marketing of junk food, and addictive or immoral products (e.g., pornography, gambling, prostitution, violent games/movies/series/books/music, tobacco, alcohol, drugs, opioids) (Mishra & Sharma, 2014; Polonsky & Rosenberger, 2001). However, great efforts have been undoubtedly made to increase the availability of products for all consumers through e-marketing, integrated transportation systems, and stakeholder approaches toward channel members. Marketers improved also marketing to base-of-the-pyramid markets and to other disadvantaged consumers (Pal & Altay, 2019), while making giant leaps in marketing and entrepreneurship in subsistence marketplaces (Weidner et al., 2010). And it is almost certain that such endeavors will only continue and improve in the future.

Those positive evolutions in marketing have often been categorized under one or the other following labels: social marketing, societal marketing, green marketing, environmental marketing, corporate social/societal responsibility, environmental/social/governance (ESG) criteria, ethical marketing, marketing ethics, sustainable marketing, sustainability marketing, or responsible marketing. While each can be squarely defined, we shall make a case in emphasizing the concept of responsible marketing. The concept will be contrasted and compared to the other concepts that are nomologically close as well as defined more particularly in comparison to the notions of ethics, deontology, and sustainability. The chapter then presents an overview of a few cases of Canadian and French companies that have implemented such responsible marketing in various ways. Finally, we will analyze the role of the state and consumers, before considering the prospects for the future.

2 The Emergence and Meaning of Responsible Marketing

2.1 A Genesis and Dimensions of Responsible Marketing

Responsible marketing is now on everybody's lips but it has come a long way of emerging out as a marginal sub-area of marketing closely associated to niche markets and grassroot civil movements, to a full-fledged concept with substantial theoretical and empirical underpinnings that is now deployed on a large and global scale. Several forms of marketing have nonetheless preceded advent of responsible marketing. The following discussion is based on Belz and Peattie's (2009, 2012) as well as Katrandjiev's (2016) and Ertz' (2021) work.

Societal marketing. Is about making marketing decisions that take into account not only the immediate needs and demands of consumers, but also their long-term interests and those of society (Crane & Desmond, 2002; Kotler, 1972). In that sense,

societal marketing opposes the libertarian perspective, stipulating that individuals have the right to consume as they wish, with the sole condition that it be legal. In fact, societal marketing claims that these choices, when they are not judicious, may create negative consequences on society, health, and the environment (e.g., cigarettes, old diesel cars). Societal marketing is often confounded with social marketing (or "cause marketing"), although the latter goes much further. Social marketing consists of sending messages to society in order to spur social change for the benefit of all (McKenzie-Mohr et al., 2011). Social marketing is widely used by associations, NGOs, governments, and institutions to "nudge" individuals into changing their behavior for the greater good (e.g., public health, road safety) (Cheng, Kotler, & Lee, 2011). Recently, it has been used by private companies who supported the Black Lives Matter movement in their branding and communications to demand social justice and non-discriminatory practices. Governments made also heavy use of social marketing to fight the COVID-19 pandemic. The main issue though with both forms of marketing is who defines what is good and bad for society and for consumers? And who is in an authority to enforce it? Libertarian philosophers will further argue that imposing an equivocal and relativistic normativity goes against the freedom and liberty of individuals.

Ecological marketing. Takes its name from the ecological crisis that has followed mass production and consumption. As such, it primarily focused on the impacts of marketing on the environment. With rising consumption and production levels, ecological marketing seeks to remedy environmental issues such as overexploitation of limited resources, use of hazardous substances, pollution, and recycling, among others (Fisk, 1974; Henion, 1981; Henion & Kinnear, 1976). However, it remains limited to a few most urgent issues for the environment and is confined to a limited set of industries, typically the most impactful ones such as mining, oil, manufacturing, or transportation.

Green marketing. Green marketing, also known as "environmental marketing" promotes the green positioning of a brand or product and makes it one of its main selling points (Peattie, 1992, 1995). It is also used to promote the environmental actions carried out by the company, with the aim of improving its brand image (Ottman & Humphrey, 1993). In contrast to ecological marketing in the 1970s, green marketing is not only concerned with pollution and non-renewable resources depletion but extends to much broader environmental issues such as biodiversity loss or ecosystems destruction, and social issues including poverty and child labor, in any industry (Belz & Peattie, 2009, 2012). Green marketing lies at the confluence between ecological marketing and societal/social marketing merging both streams into a unifying whole. But, as emphasized by Peattie and Crane (2005), green marketing has been undermined by the lack of functional or utilitarian value in many "green product" as well as the challenge to define what greener products or consumers actually are. Green companies also face sclerosed institutional settings that do not necessarily accompany the transition toward greener offering. Off-shoring and uncontrollability over partners as well as international competition unrestrained by environmental considerations further undermined green ventures.

Sustainable marketing. Sustainable marketing is also known as "sustainability marketing" and is radically different in that it "accepts the limitations of a market orientation and acknowledges the necessity of regulatory alternations to the marketing mechanism" (Sheth & Parvatiyar, 1995) in 30, p. 28]. Sustainable marketing is therefore a macromarketing concept that goes beyond the narrow perspective of the firm (Dam & Apeldoorn, 1996). It further extends the "economy or social/environment" dichotomy by seeking to balance the triple bottom line (3BL) of sustainable development including economic, environmental, and social issues. As such, it subsumes the social focus of social/societal marketing and the environmental emphasis proper to ecological/green/environmental marketing into an integrated framework which also values long-term perspectives, relationship-orientations marketing practices, and the necessary role of institutions and politics to enact change. With such a sophisticated and all-encompassing framework, it is no surprise that sustainable/sustainability marketing has been embraced by a vast majority of scholars and practitioners (e.g., Fuller, 1999; Gordon et al., 2011; Kemper & Ballantine, 2019; Martin & Schouten, 2012; McDonagh & Prothero, 2014).

However, despite the advent of such a sophisticated framework as sustainable marketing, the 2000s have still been fraught with systemic issues in which marketing played a key role such as the global financial crisis (GFC) in 2007–2008, the fast fashion phenomenon, the planned obsolescence issue (e.g., Apple), and privacy concerns especially in relation with "Big Tech" companies. Some corporate scandals also occurred at Enron (2001), BP (2010), Volkswagen (2015), Wells Fargo (2016) Equifax (2017), and many others (see IG 2018 for a review). These various examples of manifest unsustainability point at deeper issues that pertain not only to lack of corporate social responsibility (CSR), of balancing the triple bottom line, of inclusion to all stakeholders, of prioritizing long-term over short term, or of favoring relational over transactional. Rather, they result from a sense of "irresponsibility" and unwillingness or incapacity to do what is right because of heavy systemic forces (e.g., debt and pressure to growth). Besides, sustainability is often implemented extrinsically to avoid coercive regulation or sanctions or as a means to increase financial performance, develop competitive advantages, or build stronger brand equity (Funk, 2003; Grubor & Milovanov, 2017; Laszlo & Zhexembayeva, 2017). Instead responsibility thus emphasizes a systemic transition that involves firms and institutions and where companies are responsible for their deeds while acting proactively to better themselves even though the legislation does not compel them to do so.

Responsible marketing. Conceptually the notion of responsible marketing (RM) has been connected to socially responsible marketing and corporate social responsibility (CSR) (Maignan et al., 2011; Sirgy & Lee, 1996). However, it goes way beyond that by internalizing stronger ramifications with ethical marketing (Laczniak & Murphy, 2006; Murphy et al., 2016). While the foundational premises of RM do not differ much from sustainable marketing (i.e., threefold mission of sustainable development [economic, social, and environmental], institutional involvement, long-term and relational perspectives), subsuming them in a cumulative and progressive

endeavor, RS takes a normative perspective underpinned by the notion of "responsibility" which needs to be understood in the sense of "responsiveness," and "proactiveness" and more broadly in ethical and deontological marketing. RM means that the organization is fully responsible for everything it does and answers for its deeds, while seeking to proactively do more or better than what the law or society requests. As such, it is deeply anchored in ethical marketing as theorized by Murphy et al. (2016) through their basic principles and tries to implement what McIntyre (MacIntyre, 1981, 2007) traditionally disentangled: applying the notion of pursuing personal ethics and virtue (at an individual level) to organizations, to create organizations striving to be ethical and virtuous.

In fact, in addition to the core tenets of sustainability marketing, RM draws largely on the seven basic perspectives (BP) of ethical marketing which have the advantage of offering a practical framework for deploying ethical marketing (Laczniak & Murphy, 2006; Murphy et al., 2016; Sirgy, 2001) in complement to the classical more descriptive one [e.g., Ferrell & Gresham, 1985; Hunt & Vitell, 1986). More exactly, the seven basic principles (BP) subsume squarely the key axes of sustainable marketing such as long-term orientations, relationship-based perspectives, and stakeholder approaches (Belz & Peattie, 2009, 2012) which is manifest in (BP6).[1] In addition, they emphasize putting the interest of others first (BP1),[2] proactively doing more than what the law requires (BP2)[3] (which is also a resultant of BP4),[4] and showing benevolence in all actions (BP3).[5] However, in contrast to sustainability marketing, the role of regulatory action as an extrinsic tool to enforce sustainability should be considerably lowered due to enhanced internalizing of ethical principles at the firm level in an intrinsic approach. In fact, RM integrates the crucial belief in having to answer for every corporate action either when confronted by stakeholders/authorities or not, i.e., self-willingly with the company punishing itself for going out of line. This vital aspect of responsibility (from the Latin *respondere* or "to respond to something," "reply," "answer to") overlaps tangentially with BP3 and benevolence. Besides, what would be "going out of line"? It would refer to going against the core set of ethical principles (BP5),[6] and the ethical decision-making protocol (BP7)[7] articulated by the firm itself, which should in any ways be superior to what the institutions and

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[1] BP6: Adoption of a stakeholder orientation is essential to ethical marketing decisions (Laczniak & Murphy 2006, p. 157).

[2] BP1: Ethical marketing puts people first (Laczniak & Murphy 2006, p. 157).

[3] BP2: Ethical marketers must achieve a behavioral standard in excess of the law (Laczniak & Murphy 2006, p. 157).

[4] BP4: Marketing organizations should cultivate better (i.e., higher) moral imagination in their managers and employees (Laczniak & Murphy 2006, p. 157).

[5] BP3: Marketers are responsible for whatever they intend as a means or ends with a marketing action (Laczniak & Murphy 2006, p. 157).

[6] BP5: Marketers should articulate and embrace a core set of ethical principles (Laczniak & Murphy 2006, p. 157).

[7] BP7: Marketing organizations ought to delineate an ethical decision-making protocol (Laczniak & Murphy 2006, p. 157).

society expects (see also BP2). This conceptualization is unique and while unheard of, worthy of further conceptual and empirical refinements.

Table 1 summarizes the three concepts while the next subsection explains in more details the responsible marketing mix.

Table 1 Summary and historicity of the different forms of marketing for responsibility

Dimensions	Period	Core focus	Issues
Social marketing	1960s	– Create social change for the greater good	– Authority to determine the good and the bad for consumers and for society – Restrictions on liberty and freewill
Societal marketing	1970s	– Seeking to align: – Organizational goals, – Consumer goals – Societal goals	Same issues as for social marketing
Ecological marketing	1970s–1980s	– Environmental issues: – Pollution – Non-renewable resources depletion – Environmentally impactful industries	– Limited on environmental issues – Limited set of environmental problems – Limited set of industries
Green/environmental marketing	1980s–1990s	– Environmental and social issues: – All environmental issues – Many social issues – All industries – Change via markets	– Lack of functional utility in green products-Definition of green products – Identification of the green consumer and the green market – Micromarketing orientation (company only)
Sustainability marketing	1990s–2000s	– Triple Bottom Line of sustainable development to align: – Economic issues – Social issues – Environmental issues – Stakeholder-based, long-term, and relationship-focused perspective – Macromarketing orientation (change via both markets and institutions)	– Extrinsic approach to sustainability – Avoid sanctions and regulations – Make economic and strategic gains – Limited scope (lacks a systemic perspective)

(continued)

Table 1 (continued)

Dimensions	Period	Core focus	Issues
Responsible marketing	2000s now	– Triple bottom line of sustainable development (economic, social, and environmental issues) – Business perspective anchored in ethics and morality (virtue) – Proactive change via markets, institutions, and the system	– Intrinsic approach to sustainability – Sustainability as a mean and an end in itself – Practical implementation

Sources: (Belz & Peattie, 2009, 2012; Fuller, 1999; Martin & Schouten, 2012)

2.2 The Responsible Marketing Mix

Responsible marketing draws on the notion of the responsible marketing mix developed in the framework of sustainable marketing and which posits that the conventional marketing mix of the "4Ps" consisting of modulating product, price, place (distribution), and promotion (communication) should be replaced by an alternative framework of "4Cs," that is, contribution, costs, convenience, and communications (Belz & Peattie, 2009, 2012).

Contribution. In responsible marketing, there is a mention of contribution instead of product since the notion of contribution is larger and refers semantically to the need to "contribute," ideally positively, to the economy, society, and so on. Therefore, the contribution refers to goods and services whose positioning indicates to the consumer a form of additional added value in the form of economic, environmental, and social benefits.

Costs. The notion of costs refers to two core aspects in responsible marketing. The first refers to the total costs during the total consumption process. A consumer may incur a variety of costs throughout the total consumption process: before the purchase, during the purchase, during the consumption phase, and at the post-consumption phase (i.e., disposal). However, the price only refers to the amount of money needed for the purchase at the purchase phase and as such does not accurately reflect the total costs that a consumer will disburse during the period of time during which she will use a contribution. Emphasizing costs instead of price of contributions is a way to promote responsible offers because it often happens that responsible offers incur comparatively lower costs than their non-responsible counterparts. For example, the price listed for an electric car may be higher than for a gasoline car. Yet, during the use phase that increased price will be offset by the lower expenditures in energy needed by the electric car in contrast to the gasoline car.

Second, costs refer also to the need to signal to consumers the responsible price which comprises all the economic but also environmental and social costs related to

the production of a contribution. In fact, not requiring payment of external socio-ecological costs sends a false message that hinders the functioning of market mechanisms (Fuller, 1999). This can be very harmful for society since current economic systems produce a lot of polluting goods and are also a source of waste. The products thus produced are, however, very inexpensive, as they do not include all of the ecological costs of their production or use (Shrivastava, 1995). The notion of responsible price thus overlaps with environmental full-cost accounting, full-cost accounting, or true-cost accounting which aim at tracing direct costs and allocating indirect costs by gathering and outlining information regarding the possible environmental, social and economic costs and benefits—the triple bottom line—or advantages for a given contribution (Schaltegger & Burritt, 2017). In principle, by following this form of accounting, organizations using child labor or cheap unregulated labor offshored to developing countries will bear a higher price in order to offset the social consequences entailed by their practices.

Convenience. A product is convenient for the consumer if it is available when and in the desired place, is intuitive and promotes comfort, and is adapted to his needs and desires. In addition, convenience can refer to a good, a service, or a type of store (shopping center, driving, supermarket, etc.), and it can be supplied at all stages of the consumption process: before and after purchase (after-sales service), but also during post-use (taken back by the company for repair, reconditioning, recycling, or upgrading discarded). While desirable, convenience is also particularly impactful from both an environmental and a social perspective. For example, 24/7 stores are highly convenient for consumers but require large energy consumption and submit workers to unregular working schedules (e.g., night shifts, weekends) which may impact their physiological and psychological well-being. Convenience is therefore a huge challenge from a responsible marketing perspective. How to ensure highly convenient offerings to consumers while ensuring that higher convenience does create harmful impacts for the environment and society?

Communication. Responsible marketing uses the same communication channels as traditional marketing. However, the messages conveyed are not the same. The objective of communicating responsibly needs to be done in a way that does not mislead consumers in any way such as by avoiding deceptive advertising, puffery, and obviously greenwashing. This is especially important in today's day and age since a single miscommunication can go viral through social media and modern communication networks. The organization needs therefore to be particularly careful about everything it communicates not only to its customers but to all its stakeholders (e.g., suppliers, wholesalers, retailers, government, press, local communities) as it will be scrutinized, saved, shared, and duplicated infinitely. The concept of an open, traceable, and decentralized database such as the blockchain may also offer promising solutions for organizations seeking to foster organizational credibility and trustworthiness around their business practices, such as responsible sourcing, green supply chain, fair trade, and so on.

3 Examples of Responsible Companies in Canada

In Canada, many companies invest in applying the principles of responsible marketing. In this part, we will see various and varied examples, from the textile industry, the fast-moving consumer goods (FMCG) industry, and the retail industry.

3.1 Message Factory

Message Factory is a textile company founded in 2005 by Julie Rochefort. The brand is distinguished by its local manufacturing (everywhere in Quebec) and its organic clothing made from organic or recycled cotton, hemp, recycled polyester, and bamboo. Orders are shipped in recycled packaging in order to reduce the environmental footprint related to the convenience of packaged goods. Besides, the brand integrates some principles of full-cost accounting since it donates 1% of its turnover each year to local organizations. Message Factory also supports Jeunesse Canada Monde, to which Julie Rochefort, participated in one of the programs in 1991. This organization's mission is to increase the capacity of young people to invest in the development of a fairer and more sustainable society.

3.2 Attitude

Attitude is a Canadian company present in 44 countries, it markets body care, for men, women, and babies, as well as for animal grooming. Household goods are marketed in the form of refills to preserve the environment. Its mission is to offer "natural products of superior quality, having a minimal impact on our families and our planet": an eco-responsible and sustainable positioning. In addition, the company has made another commitment to the preservation of the planet, by engaging in reforestation. The organization has tried to integrate the notion of full-cost accounting by incurring the environmental cost of its manufacturing into its price and business practices. In fact, for each product sold, Attitude plants a tree.

3.3 Rachelle Béry

Rachelle Béry is a Quebec company that has been selling natural and organic food products for 30 years. It is present throughout Quebec, mainly in the region of Quebec and Montreal, and there is a store in Ottawa (Ontario) and Saguenay. In addition to offering eco-responsible and local products, Rachelle Béry grocery stores are involved in neighborhood life, for example, by donating unsold perishables to

associations and food banks. Rachelle Béry is also distinguished by its innovations to improve the convenience of its services with neighborhood eco-delivery. The concept is simple: each customer coming to do their grocery shopping on foot or by bike can leave empty-handed and their purchases will be delivered to their homes by a hybrid vehicle. Deliveries are made within 5 km, and cost $ 4 with no minimum purchase, which is very inexpensive. In addition, they are free for people 65 and over. This eco-delivery is not yet available in all stores of the brand.

Table 2 summarizes the responsible marketing mix of each of those three Canadian companies using the 4C framework.

Table 2 Responsible marketing mix of three sample companies in Canada

4Cs	Message Factory	Attitude	Rachelle Béry
Contribution	Organic clothing made by hand from organic or recycled cotton, hemp, recycled polyester, bamboo	Natural body care, animal grooming, and household cleaning goods in the form of refills to preserve the environment	Retail chain selling natural, eco-responsible, local and organic food as well as beauty products
Costs	Integration of some full-cost accounting principles: the brand donates 1% of its turnover each year to local organizations	Integration of some full-cost accounting principles: for each product sold, Attitude plants a tree (reforesting)	Integration of some full-cost accounting principles: donating unsold perishables to associations and food banks
Convenience	Orders are shipped in recycled packaging Free delivery on online orders of $75 and more Free returns except for items in promotion	Natural products are said to offer higher quality and benefits than their non-natural counterparts Free shipping on online order of 60$ and more	For consumers coming by bike or by foot to the store, "neighborhood eco-delivery" by hybrid cars, in a radius of 5 km, no minimum amount of purchase, and free delivery for people aged 65 and over
Communication	No specific labeling but use of responsible fabric such as Tencel®, mention of manufacturing by hand, and local production in Quebec Online presence (social media + website)	Communication around the 4R (reduce, reuse, recycle, and reforest) Use of several eco-labels (EWG Verified™ [Environmental Working Group], hypoallergenic, animal cruelty-free and vegan, ECOLOGO, recyclable, made in Canada)	The retail chain has no specific eco-labeling since their contributions will bear many eco-labels The organization communicates heavily around the criteria of health, organic, and natural contributions

4   Implications for Future Responsible Marketing Agenda

4.1   *Company perspective*

We have seen previously that companies have obviously a very important role to play in the transition toward responsibility. However, since responsible marketing not only involves the market (i.e., organizations), but also society (e.g., individuals) and the State (i.e., institutions) for a systemic change (see also Table 1), it is imperative that individuals and policymakers be involved. This goes somewhat beyond the scope of this book but we believe it is necessary to make a systemic transition toward responsibility successful. Therefore, we will study individuals' and institutions' levers of action in the next sections.

4.2   *Consumer perspective*

It is important to realize that consumers have a central place in the process of responsible business management. Indeed, if there are no customers to buy the responsible goods, the effect is null. It has been historically difficult to define the responsible consumer (Gbadamosi, 2019) but a definition might read as follows: a consumer who tries to find an ethical meaning in her act of purchase. She can be qualified as a "consumer actor" for her thoughtful consumption approach, in relation to the social and environmental consequences of her purchases. Responsible consumers also seek to reduce their consumption, not only for environmental reasons, but also for economic reasons.

Each consumer has very different objectives depending on their own sensitivity and their own ethics. Some put forward the environmental side by favoring seasonal, organic, or ecological products. While others will highlight a socio-economic aspect by favoring short circuits and local goods. For example, by consuming local products, they think about the environment by avoiding bringing goods from the other side of the world. It is also complicated to define responsible consumption with great precision. It is specific to each person, however the common point between all responsible consumers is awareness of the economic, social, or even environmental consequences of their purchase, at all stages of the process (e.g., manufacturing, transport, logistics, purchasing) and the willingness to act so that consumption is positive. In Quebec, the most popular ways to consume responsibly are recycling and buying used products.

The responsible consumer also has an external role, she can act as a "marketing partner" for the responsible company by sharing her experience with those close to her, on her social networks. Consumers can also flag goods they don't like (for example, goods with too much packaging). The "consumer actor" must be active by doing her best to support the responsible business. This relationship must be reciprocal, it is important for a responsible company to see its customer not only as a

buyer, but also as a partner who can play an important role, especially when it comes to communication.

4.3 Regulatory And Governance Perspective

The state must of course put in place a legal framework that stimulates responsibility and ensure that it is respected. An interesting case study of this process occurred in France in 2001. At that time, the French government implemented the "NRE law" (Nouvelles Régulations Économiques [New Economic Regulations]) which required listed companies to publish information on their consideration of the social and environmental consequences of their activity (Favennec-Héry, 2009; Guibert & Laurencie, 2002). This law was extended in 2010 by the "Grenelle 2 law," which added the societal aspect to the previous law and increased the number of companies subject to it (Holroyd, 2020). This law was further extended in 2017 to comply with European law. It now concerns public limited companies and limited liability companies (LLCs) (Holroyd, 2020).

It is also up to the State to set the course to be reached in terms of sustainable development, through public investments and tax incentives that it gives to various economic agents, such as consumers (e.g., tax credit for sustainable renovations, for the installation of photovoltaic panels, or for the purchase of a hybrid or electric vehicle) but also to private organizations. In the latter case, administrations and public enterprises should set an example to the private sector.

Increasingly, the mission of the State is to ensure the advancement of the sustainability agenda set by supranational organizations such as the United Nations (U.N.). It should be mentioned that the debate remains regarding the legitimacy of a process through which unelected administrative bodies impose—even non-coercively—their agenda on democratically elected state representatives. In fact, such a process is not democratic per se and refers more squarely to technocratic governance. Yet, it appears that many frameworks including the 17 Sustainable Development Goals (SDGs), "decided" by the 193 member states of the United Nations, "should" further be achieved by 2030. While laudable, no country in the world is on track to achieve those objectives for 2030 (United Nations, 2021). Like many other countries, Canada tries to lead the way. In November 2018, the Canadian government launched a program to finance the sustainable development goals, offering up to $100,000 to projects lasting up to 12 months and which aim at raising awareness of the 2030 agenda, improve research, and ensuring that Canada meets its goals by 2030. While the goals of sustainable development may not be achieved by many countries in 2030, it is important that states join forces to create a more responsible global economy.

The role of the State in promoting a responsible economy is manifold. First, by developing local solutions, especially in the construction sector by making local companies work with local materials, for public works, then with major investments in renewable energies to reduce the dependence on oil and on nuclear power, which should gradually contribute to reduce CO2 emissions, especially through oil

consumption reduction. The State can also use social marketing to promote responsible behavior of both businesses and citizens, and promote the creation and then the development of local and community businesses while creating partnerships between the State, citizens, and these types of organizations.

Finally, Governments have a major role to play, as they have the power to set the tone and encourage businesses, but also citizens, to spur responsible production, distribution, and consumption.

4.4   The Way Forward for Responsible Marketing

Responsible consumption has greatly increased since the 2008 crisis. To try to anticipate what could happen in the future, it would be interesting to study the impact of the COVID-19 pandemic on responsible consumption. This pandemic and, in particular, the period of confinement which lasted 2 months has modified our habits (e.g., wearing a mask, social distancing, closed shops, teleworking, distance learning) and has had a great impact on consumption. In the early days of the pandemic, there was an increase in overall consumption as people feared shortages of basic necessities. Then, when this frenzy subsided, there was an increase in local buying in Quebec (68% said they made this choice when they had the opportunity) (Trespeuch et al., 2020). However, in the meantime, widespread practices such as recycling or buying used products have regressed (Trespeuch et al., 2020). By analyzing the impact of the pandemic on responsible consumption in Quebec, we see that there are roughly as many positive points as there are negative points. In fact, two-thirds of Quebecers believe they consume less during this period, they take advantage of being at home to cook, tinker, and garden (Trespeuch et al., 2020). In addition, half of the population says they are more careful about food waste. However, the consumption of second-hand products is very low, which can be explained by social distancing and the closing of non-essential shops (Trespeuch et al., 2020). It can be assumed that the figures for second-hand products will return to normal when the health situation improves. On the negative side, we can see that half of consumers of bulk products have abandoned this type of product. In fact, around 40% of people who do their shopping with reusable bags have abandoned them (Trespeuch et al., 2020). This is certainly explained by the fact that cashiers were no longer allowed to fill reusable bags.

How can a crisis cause a lasting change in the way we consume? First, the authors of this research observed changes during the lockdown period. Then, a crisis, like any difficulty, pushes to question one's beliefs and values. This period of uncertainty and stress is a lifelong experience and can be a defining moment, as consumer behavior during the crisis can gradually become a habit over the long term. The pandemic has also demonstrated that governments can show great determination to fight a virus. Their actions during this crisis really contrast with their inaction against problems causing much more damage such as pollution, overconsumption, tax evasion or unemployment. However, if governments put as much determination to solve these

systemic problems as to implement strong measures to manage the health crisis there are good reasons to be optimistic.

Certain companies have also particularly distinguished themselves during the health crisis. This is the case for the French sport retailer Decathlon, which provided the plans for its *Easybreath* diving mask, to create, with 3D printers, an adapter allowing it to be connected to respirators to limit the need for intubation (Sher, 2020). The mask has also served as a protective mask for the medical profession. The brand, present in 69 countries, has offered 30,000 masks in France and 7,000 in Canada, where the brand has been gradually establishing itself since 2018. The same reasoning can be used as for governments. If companies like Décathlon can take drastic measures "in times of war" as Jaylone Lee, marketing manager, declared, they can, if they put in the means, take effective measures to adhere to the principles of responsibility (Turner, 2020). However, we will have to wait and see how the economic sectors hardest hit by this crisis will recover. It is not impossible that there is awareness on the part of companies, but it would be better to wait until the end of the crisis and then see how the economic recovery is going, before claiming an improvement in responsible business practices.

5 Limitations and Future Research Directions

This research has presented an overview of how to succeed with responsible marketing by illustrating the implementation of responsible marketing with the use of three short Canadian cases. The research was therefore focused on the North American context which is very specific and has certain characteristics that might differ from other world regions. Therefore, the insights of this chapter might primarily apply to developed or emerged economies. Future research might investigate the implementation of responsible marketing in other world areas. A particular emphasis could be put on the study of emerging economies where sustainability remains a major challenge due to the perceived restrictive nature of sustainability which might hamper development.

6 Conclusion

Marketing, as we have known it for several decades, based on the acquisition of new customers, is experiencing "growing pains". This function is more and more expensive and less and less efficient. Consequently, an increasing number of companies are starting to question their raison d'être and their contribution to society. We therefore witness a growing trend toward the embracing of the sustainable development ethos within the marketing function. While this phenomenon is not new and could be traced back to the 1990s, it certainly reached an unprecedented scope and at an unmatched speed over the last two decades. Whether it is through corporate ethics,

corporate social responsibility, sustainable marketing, or responsible marketing, the diversity of concepts used to describe that shift only mirrors its growing popularity. In this chapter, we chronologically define and explain the dimensions leading to the notion of responsible marketing, including social marketing, ecological marketing, societal marketing, green/environmental marketing, and sustainable/sustainability marketing. Then, we examine a number of corporate cases using the responsible marketing framework. Finally, we analyze the role of the state and consumers, before outlining the prospects for the future of responsible marketing.

Lesson learned

- At the turn of the twentieth and twenty-first centuries, there has been a fast-paced evolution of polymorphous forms of marketing committed to responsibility, especially with the integration of closely related concepts such as corporate philanthropy, corporate social responsibility, and sustainable development.
- There are key differences between various forms of marketing involving responsibility, including social marketing, societal marketing, ecological marketing, green/environmental marketing, sustainable/sustainability marketing, and responsible marketing. These are all normatively loaded with moral, ethical, and deontological principles.
- The key tenets of responsible marketing presuppose: a business perspective anchored in ethics and morality (virtue), a broadening of ethical marketing by the specification of key areas of intervention using the triple bottom line framework (economic, social, and environmental issues), a quest for proactive change via not only markets, but also institutions and the system (systematic or macromarketing approach). Finally, it is an intrinsic, non-instrumental approach to sustainability, considering sustainability as a mean but also an end in itself and which can be applied in practice.
- The responsible marketing mix of "the 4Cs" consists of "Contribution," "Costs," "Convenience," and "Communication" in contrast to the conventional marketing mix of the "4Ps" (Product, Price, Place, Promotion).
- Responsible marketing remains a challenging task and, as a marketing approach oriented toward systematic shifts, it has profound implications for numerous stakeholders, especially organizations, the State, and consumers.

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Understanding and Raising Consumers' Normative Motivation for Sustainable Consumption

Sven Kilian , **Ann-Catrin Pristl, and Andreas Mann**

Learning Objectives

Readers of the current article will be able to denominate the basic psychological drivers of a normatively shaped motivation of consumers for sustainable consumption. In this connection, they are able to distinguish between activating and deactivating factors that drive a normatively shaped motivation for sustainable consumption. Furthermore, they will be able to recognize potential pathways by which norm-activating and norm-deactivating factors can be addressed within marketing strategy in order to motivate consumers to opt for sustainable consumption options.

1 Introduction

The question of how to encourage consumers to adopt more sustainable consumption patterns and lifestyles is a long-lasting concern for many practitioners in marketing and policy (Prothero et al., 2011; White et al., 2019). Frequently utilized approaches in this regard emphasize the personal value (e.g., healthier, more energy efficient) that is accompanied by green consumption alternatives. However, many sustainable products and services do not entail palpable added value compared to their nongreen counterparts (Steg, 2015). In those instances, companies and policy agents might benefit from exploiting other motivational approaches, especially since the

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long-prevailing notion of the consumer as a mere self-interest-oriented individual maximizing his or her own personal utility has changed (Hansen & Schrader, 1997). Currently, it is widely acknowledged that consumers are also concerned with the social-ecological impact that their decisions have (Balderjahn et al., 2013). Therefore, strengthening and facilitating this normative-oriented motivation of consumers can be a fruitful alternative approach for activities aimed at fostering sustainable consumption (Caruana & Chatzidakis, 2014). Numerous studies that relate to a variety of product contexts (e.g., food, FMCG, mobility, tourism, energy supply) have yielded strong evidence for the positive influence of normative motivation on sustainable consumption (Doran & Larsen, 2016; Golob et al., 2019; Joanes, 2019; Osterhus, 1997; Thøgersen & Ölander, 2006).

The current chapter seeks to provide a starting point for evidence-based strategic approaches to motivate sustainable behaviour via a normative motivational route. Particularly, after a brief definition of the concept of normative motivation, this chapter initially introduces major theories that provide determining factors for the activation of consumers' normative motivation, i.e., "conscience activators". In this regard, the current chapter focuses on (1) cognitive factors, (2) emotional factors and (3) social factors. The chapter then turns to psychological theories that entail potential mechanisms through which consumers offset their normative motivation, i.e., "conscience deactivators", accompanied by central empirical results. The chapter concludes with a systematic illustration of practical approaches by which "conscience activators" can be leveraged and "conscience deactivators" can be mitigated to encourage sustainable consumption. We hope this knowledge will be useful for consumer policy agents as well as marketing managers for sustainable products and services.

2 Consumers' Normative Motivation for Sustainable Consumption

Basically, the concept of motivation can be understood as an energetic force that drives human behaviour in certain directions. As underlying entities, certain goals or reasons give rise to motivation (Ryan et al., 1996). In the case of sustainable consumption, a prominent concept distinguishes between three major categories of motivational reasons: instrumental, moral and relational reasons (Caruana & Chatzidakis, 2014). To that end, instrumental reasons relate to personal benefits that can be derived from sustainable consumption, for instance, when the adoption of a sustainable consumption pattern (e.g., buying organic and regional food) or the abandonment of an unsustainable one (e.g., driving a gasoline-intensive car) is carried out for reasons of personal gain (e.g., saving money). On the other hand, moral reasons for sustainable consumption are based on a desire to act in accordance with one's own conscience and related personal judgements of right and wrong in regard to certain consumption practices, for instance, when the adoption of a more sustainable

consumption pattern (e.g., buying organic and regional food) or the abandonment of an unsustainable one (e.g., driving a gasoline-intensive car) is merely based on the feeling that doing so is the right/wrong thing to do. Relational reasons are based on a desire to meet the social expectations of relevant others and therefore adhere to social judgements of right and wrong, for instance, when the adoption of a more sustainable consumption pattern (e.g., buying organic and regional food) or the abandonment of an unsustainable consumption pattern (e.g., driving a gasoline-intensive car) is based on the expectations of relevant others that doing so is the right/wrong thing to do. Since moral and relational motivation are both derived from considerations of right and wrong, they can jointly be framed as normative motivations (Steg et al., 2014). Relevant factors that determine such normative motivations will be discussed in the following.

2.1 Factors Influencing the Activation of Normative Motivation

Cognitive Factors

The major theoretical approaches providing cognitively shaped conscience activators are grounded in the social-psychological research strands of prosocial and helping behaviour (Bamberg & Möser, 2007; Jackson, 2005). The two dominating theories in this regard are the norm-activation theory of Schwartz (1977) and its successor, i.e., the value belief norm theory of Stern et al. (1999). Crucial factors deriving from these theoretical models are consumers' problem awareness/awareness of consequences, self-ascription of responsibility and perceived outcome efficacy (Kaiser et al., 2005; Steg & Groot, 2010). It is proposed that these factors, which are adapted to specific contexts, determine the degree to which consumers feel a personal (moral) obligation to adjust their purchase decisions according to their social-ecological implications.

Specifically, it is proposed that problem awareness/awareness of consequences, which can be understood in this context as the degree to which a consumer is aware of the social-ecological problems that relate to certain consumption behaviours, initiates the activation process of moral motivation. In turn, heightened problem awareness will facilitate a reflection about one's own responsibility for the occurrence (self-ascription of responsibility) and the perceived efficacy of one's own (sustainable) consumption decisions for a resolution of the related social-ecological problems. These beliefs ultimately determine whether a consumer feels a personal (moral) obligation for sustainable consumption.

In particular, experimental research has confirmed this interdependent norm-activation process in a variety of consumption contexts (Harland et al., 2007; Steg & Groot, 2010). It has been shown that these beliefs have to reach sufficient levels in order to effectively activate consumers' feelings of a (moral) obligation for sustainable consumption. While problem awareness is a necessary precondition, high levels of self-ascribed responsibility within the problem occurrence, as well as a high

perceived efficacy level regarding one's own sustainable consumption decisions to resolve these issues, seem to be crucial for translating pure problem awareness into action. Therefore, addressing this triad of norm-activating beliefs by means of persuasion-oriented marketing activities is one major strategy for raising consumers' normative motivation for sustainable consumption.

Emotional Factors

In addition to the more reflective and belief-based activation of consumers' normative motivation, there is an activational route that is rather intuitive and affective in nature. The theory of social intuition that was endorsed by Haidt (2001) proposes that humans possess the capability to unconsciously judge whether something is morally right (e.g., minimizing waste) or wrong (e.g., travelling short distances by plane). These intuitive moral judgements—called social intuitions—can be understood as a moral gut feeling that is accompanied by emotional reactions that reflect either approval (e.g., awe, gratitude and elevation) or disapproval (e.g., contempt, anger and social disgust) (Haidt, 2001; Rozin et al., 1999). It has been proposed that social intuitions are derived from fundamental principles of justice and purity that are deeply enrooted in human nature (Haidt, 2007). The resulting emotional reactions provide the initial motivational force to act according to a social intuition (e.g., not travelling short distances by plane).

While research on the role of social intuitions and moral emotions within the derivation and inhibition of sustainable consumption is in its infancy, the initial evidence suggests that these two factors play a crucial role in this regard. For example, experimental research has confirmed that moral emotions are key variables within consumer reactions towards a company's socially responsible and irresponsible actions (Lindenmeier et al., 2012; Xie et al., 2015). In most instances, only when consumers experience moral emotions in regard to such actions are they ready to endorse the company for its responsible practices and ready to boycott it in case of irresponsible ones. Hence, applying communication activities that directly appeal to the activation of consumers' social intuitions and moral emotions in regard to (un)sustainable consumption and production is another major strategy for strengthening the normative motivation of consumers for sustainable consumption.

Social Factors

In addition to factors directly motivated by one's own moral standards, the attitudes and behaviours of others play a significant role in motivating people to adopt more sustainable consumption patterns. Humans, as social beings, have learned in the course of evolution that it is helpful and often advisable to orient oneself regarding what others think or do (Tajfel et al., 1979). Thus, social belonging is an important component for humans, which can be secured if they adhere to the informal rules of a group. These informal rules, i.e., social norms, represent behavioural conventions that conform to society (Cialdini & Trost, 1998). Cialdini, Kallgren and Reno (1991) shaped the understanding of how social norms work by developing the focus theory of normative conduct, according to which social norms serve as simple decision-making aids for people regarding what behaviour is appropriate in a given situation.

Basically, the theory distinguishes between two major variants of social norms, i.e., injunctive and descriptive norms. The former indicates what should be done (Cialdini et al., 1990; Schultz et al., 2008), whereas the latter describes actual behaviour shown, which is considered customary in a given situation (Goldstein et al., 2007). Thus, injunctive norms exert a behaviour-influencing effect through social evaluations, whereas descriptive norms operate through the transmission of social information, which often acts as an underestimated source of the origin of an individual's own actions (Cialdini, 2007).

Experimental research on the use of social norms to motivate sustainable consumer behaviour has confirmed their impact (Demarque et al., 2015; Melnyk et al., 2013) and specified the use of such norms in more detail, i.e., by depicting that norm salience at the point of decision plays a crucial role (Cialdini et al., 1990; Reno et al., 1993). Furthermore, the effectiveness of social norms is subject to additional influences. For instance, a negative formulation of a social normative message exerts greater influence than a positively worded message (Cialdini et al., 2006). The social distance of the person conveying such a message is also relevant since descriptive messages exert greater influence when they are conveyed by a proximal reference person than when they are conveyed by a distant reference person (Pristl et al., 2020). In summary, research on social norms underlines their suitability for triggering more sustainable consumer behaviour.

2.2 Factors Influencing the Deactivation of Moral Motivation

While it is one course of action to apply activities that positively effectuate a consumer's normative motivation to foster sustainable consumption, another course might focus on the circumstances that lead to its deactivation. It is theoretically implied that within humans, there are multiple selves present, which often contradict in regard to the goal to be pursued in a given situation. A major distinction to this end is made between the want self and the should self (Bazerman et al., 1998). While the want self is focussed on everyday survival and short-term oriented personal well-being, the should self is geared towards a long-term orientation and to adhering to the individual value system that one withholds (Loewenstein, 1996). An inner conflict between these selves triggers unpleasant emotions and the motivation to resolve them (Baumeister, 2002; Luce, 1998). In the domain of (un)sustainable consumption, there is generally a high potential for such self-conflicts. Often, products and services might be desirable due to their functional and hedonic attributes, e.g., low prices, high convenience and efficacy, and thus be appealing to the want self; however, at the same time, these products may also entail poor social-ecological value, e.g., non-regenerative or non-biodegradable materials, bad working conditions in production facilities, high carbon footprint, and thus be opposed to the should self. Within these instances, research has identified three major coping mechanisms

with which consumers let their want self prevail over their should self: wilful igno-rance (Ehrich & Irwin, 2005), wilful forgetting (Reczek et al., 2018) and moral disengagement (Kilian & Mann, 2020).

In the experiments identifying the wilful ignorance effect, participants were less likely to ask for attributes that were related to the social-ecological value of the consumption options used in the experiments compared to its functional attributes. They just did not want to know about them in order to prevent potential unpleasant tensions deriving from want/should conflicts (Ehrich & Irwin, 2005). It was further shown that this ignorance effect translates into memory. Participants in the exper-iments on wilful forgetting were also less likely to remember attributes that were related to the social-ecological value of the consumption options used in the experi-ments compared to their functional attributes. It was shown that the forgetting effect increases with an increasing potential for want/should conflicts (Reczek et al., 2018). Last, even when consumers neither ignore nor forget about attributes that are related to a negative social-ecological value of a consumption option, Kilian and Mann (2020) demonstrated that consumers tend to "reinterpret" the implications of opting for an unsustainable consumption option in such a way that it no longer appears quite as immoral in their own perception, which is a tendency that is termed "moral disengagement". These lines of research demonstrate that while raising normative motivation is a fruitful path for encouraging sustainable consumption, it might be limited in cases with a high potential for want/should conflicts. Thus, focussing on the potential for want/should conflicts in respective consumption contexts is crucial to the effectiveness of norm-oriented approaches.

3 Implications for the Marketing of Sustainable Products and Services

3.1 Activating Consumers' Conscience for Sustainability

A first basic strategic decision is the segmentation of the market and the selection of market segments to be addressed as target groups. For the formation of segments, attitudinal criteria related to sustainable consumption are of particular importance. In this regard, different segments can already be distinguished. On the one hand, there is a segment consisting of consumers who have a positive attitude towards sustainable consumption. This includes, for example, the so-called LOHAS, whose lifestyles are oriented towards health and sustainability. For this segment, it is important to make the products known to them and to highlight the advantages of one's own offerings over other sustainable purchasing alternatives. This is different for segments that have shown little interest in sustainable products. Here, a fundamental change in attitude towards sustainable consumption options is necessary. To achieve this, the target groups first need to be convinced of the social-ecological advantages of sustainable

consumption options over nonsustainable alternatives. To both ends, the introduced norm-activating factors can be leveraged.

Addressing Cognitive Factors

To raise consumers' problem awareness/awareness of consequences and self-ascribed responsibility regarding (un)sustainable consumption, it is important to depict the causality of (un)sustainable purchasing behaviour with its related ecological and social problems in a visible and comprehensible manner. The goal should be to establish clear and vivid mental pictures regarding the direct and indirect consequences of (un)sustainable consumption. Aside from negative labelling strategies that can highlight the absence of social-ecological value in a specific domain (e.g., animal welfare labels, product carbon footprints), communication campaigns using powerful visuals and analogies that illustrate the associated problem contribution might be supportive. In particular, the indirect contribution of consumers to social-ecological problems as a "pull factor" brought about by their demand might be effectively addressed within such campaigns. The possibilities of social media can be a particularly suitable platform in this regard, for instance, when such campaigns go viral. To increase the perceived efficacy of sustainable actions and thus eliminate the small agent perceptions of consumers, campaigns highlighting the "power of the many" and connecting it with certain sustainable consumption patterns might be effective in this regard.

The suggested recommendations might be integrated into marketing strategies for sustainable products and services in a variety of ways. At the top level, those accounts could be part of the (general) brand development strategy, particularly at the stage of brand positioning. At this level, the main objective is to establish certain relevant brand attributes as part of the brand image within target groups. To build and enhance the perception of a brand as being concerned with sustainability, the aforementioned communication campaigns could be integrated into broader CSR communication activities. Addressing consumers' social responsibility for sustainability by firms is termed "CnSR communication" (Fricke & Schrader, 2011). Employing such CnSR communication appears to be an emerging trend in sustainable marketing and can lead to both strengthening the sustainability dimension of the brand image and fostering consumers' normative motivation. However, a major boundary condition to that end is that brands employing CnSR communication need to possess a certain credibility regarding their sustainability-oriented intentions. A recent example from Germany is a series of advertising spots from the mail order company "OTTO", in which the firm states "Sustainability: Change begins with us" and then outlines how the firm's social responsibilities are intertwined with those of its consumers (Remberg, 2021). Similarly, IKEA has introduced an internationally launched campaign termed "A better world starts at home", which explicitly links their sustainable offerings to the decisions of consumers as a joint means by which to advance a sustainable world.

Furthermore, the aforementioned activities could be adapted at the product level to illuminate the "reason why" for purchasing a sustainable product or service for potential customers as part of a copy strategy. Highlighting particular social-ecological problems that are actively addressed by improvements of certain product or service

attributes might be an effective expansion of a sustainable product's positioning strategy. For example, precisely outlining the (negative) impact on the environment of maintaining a "traditional" status quo, as well as the (positive) impact of making it "sustainable" in the implemented way, can serve as a normative-oriented purchasing argument directed to the respective target groups. In the same manner, highlighting the particular way in which (potential) customers act as a "pull factor" when opting for a specific sustainable option within a certain product category can enhance and leverage the self-ascribed responsibility and perceived self-efficacy of the consumer for the social-ecological problem at hand. A prominent example in this direction is the "Nike Legend Pant" introduced in 2011, where a large part of the "reason why" statement was that "each pair saves an average of 10 water bottles from becoming landfill" due to recycled polyester being used as the fabric (NIKE, 2011).

Another possible approach to leverage normative motivation can be the establishment and promotion of sustainable consumption communities in which consumers form networks, e.g., via social media or dedicated platforms. These networks enable participants to join their knowledge and forces, through which individual effort and perceived powerlessness might be reduced. Promoting the formation of (online) brand communities as a tool to foster brand engagement and loyalty of customers is an approach that has been used by companies for a long time, for instance, by Apple (communities.apple.com) and Harley Davidson (Harley Owners Group, harley-davidson.com). Community members share knowledge and experiences with each other, and the brand is able to interact with them. Supporting such community formats that are adapted to sustainability-related issues by creating new community formats or engaging within existing formats might further facilitate customers' normative motivation for sustainable consumption and thus benefit the related brands' sustainable image. One prominent example of such a community-based account is that of the outdoor clothing and equipment retailer Patagonia with its "Patagonia Action Works" project (patagonia.com). In this regard, the brand connects its customers with certain activist groups that are oriented towards improving certain sustainability-related issues, such as reducing environmental pollution or protecting biodiversity.

Addressing Emotional Factors

To appeal to moral emotions and social intuitions as a means by which to raise normative motivation for sustainable consumption, it might be crucial to emotionally enhance merely fact-based approaches for communicating social-ecological problems. This could be achieved, for example, by utilizing storytelling approaches in which entities suffering from social-ecological problems now or in the future are dramaturgically embedded and linked to current and specific consumption patterns. A way to directly address social intuitions might be to emphasize the particular moral principles (e.g., caring, fairness or purity) that are violated within specific unsustainable production practices. The overall goal should be that information about social and environmental problems related to unsustainable consumption not only reaches the minds but also the hearts of the consumers. These recommendations particularly relate to the way in which communication campaigns within the aforementioned

sustainable brand development and copy strategic contexts might be designed more effectively.

Addressing Social Factors.

The basic premise for leveraging social norms in raising normative motivation for sustainable consumption is to foster the awareness of consumers that they implement socially (un)desirable behaviour by purchasing (un)sustainable products. To achieve this, small hints (e.g., "our most popular products") in advertising messages and descriptions on product packaging, promotional displays or in online shops can help in triggering a behavioural influence. In classical mass media, the use of testimonials (e.g., celebrities, stereotypical persons of a specific group) is a suitable means of conveying social normative communication messages, as they are often important as reference persons. Since they are seen as distant/comparative reference persons, the use of injunctive norms ("You should buy the sustainable product") is particularly suitable for them. Influencers as—especially for younger consumers—(credible) sources of information are also well suited for the transmission of social norms. These individuals can be seen as rather close reference persons, which is why the latter should focus on communicating descriptive norms ("Increasingly more young people buy sustainable products"). A further option is using seals authorized by socially recognized institutions (e.g., Greenpeace, World Wildlife Fund). Symbols that have a positive charisma, such as smileys, can also trigger a normative effect, as people are usually motivated to conform to social norms (Schultz et al., 2007).

3.2 Approaches to Prevent Consumers' Conscience Deactivation

In light of wilful ignorance and wilful forgetting towards social-ecological attributes of potential consumption options, it seems necessary to employ a push-oriented information provision strategy in this context and to ensure the proximity of relevant information to the actual point of purchase. It seems unlikely that mainstream consumers will actively search for such information prior to making decisions and that they will remember this information over a long period of time. Having assured that consumers possess the relevant information, the challenge is then to avoid the deactivation of the consumers' conscience by endorsing disputable justifications that give way to the pursuit of personal desire over social-ecological concerns. To this end, a starting point can be the identification of typical justification reasons among consumers that are frequently employed to morally disengage from moral concerns towards purchasing nonsustainable products. For this purpose, different market research methods can be used, e.g., in-depth interviews with individual consumers or group discussions. The main justifications for buying nonsustainable products in a respective category might form the basis for corresponding educational campaigns. Both classical analogue and digital mass and direct media can be used for the general education of consumers to

curb justifications of unsustainable consumption behaviour. When designing communication messages, especially in regard to classical mass media (e.g., TV, radio, newspapers and magazines), celebrities could be used as testimonials. These individuals should not only be known but also be perceived as credible to effectively invalidate the justifications for nonsustainable purchasing behaviour. This also applies to influencers on social media who can be used as educators. Again, these attempts might be integrated into the more general brand development approaches as well as into copy strategies at the product level. On this basis, addressing more general justifying arguments for unsustainable practices could be part of the aforementioned CnSR communication strategy, where instead of focussing on the cognitive and emotional drivers, the message content focuses on invalidating potential disengaging arguments in a comprehensible and convincing manner.

Another major strategy is the a priori lowering of potentials for want/should conflicts towards sustainable products. To this end, the goal should be that the design and functionality of sustainable products are equal to their nonsustainable competitors and thus equally desirable for their traditional attributes. The manufacturers of sustainable products should also pay special attention to creating and communicating those attributes in order to not just be perceived in light of its sustainability-oriented attributes by (potential) customers. Sustainability might then be the essential basis of the product, but not its unique selling proposition; it is rather an extraordinary design and functionality with a potential for strong appeal. The car manufacturer Tesla, for instance, has chosen this strategy and positioned its electric vehicles as desirable lifestyle products in the market.

These recommendations already concern the product innovation strategy and further extend to its marketing communication to (potential) customers. Within product innovation, it is recommended to minimize trade-offs in favour of sustainable attributes for attributes related to personal benefits since it is likely that heightened sustainability does not sufficiently compensate for reductions in personal benefits. Furthermore, it should be acknowledged that functionality and hedonic aspects of consumption are also crucial in the domain of sustainable products and services. The marketers of such products and services should therefore equally focus on optimizing their sustainability, functionality and hedonic experiences within the product and service designs or at least be aware of what attributes certain target groups are ready to trade off. Furthermore, regarding marketing communication, the "reason why" within a copy strategy should not be solely based on a product's sustainable value. While communicating its relation to social-ecological improvements is important for raising normative motivation, prominently highlighting its personal benefits as a large part of the "reason why" for buying a product can be crucial for motivating actual purchases, especially when embedded in markets where there is strong competition with marketers of traditional alternatives. An extension of such "mixed reason why" approaches might be to provide product-independent added personal benefits for the sustainable consumption decisions of customers. These might be especially relevant for products and services where the aforementioned trade-offs between sustainability and personal benefits are inevitable. Implementing loyalty programmes that disproportionately favour decisions for sustainable product options might be one possible

implementation strategy in this direction. For instance, the apparel brand H&M introduced a programme termed "Conscious Points", where customers are granted bonus points for recycling old clothes and opting for the sustainable product line. The points can be transformed into bonus vouchers that are redeemable with the customers' next purchase, which thereby introduces an accompanied personal value of sustainable purchase decisions.

4 Conclusion

The current chapter provided a condensed overview of the major psychological theories and the most relevant determinants of consumers' normative motivation for sustainable consumption. The determinants introduced throughout this chapter were conceptualized as cognitive, emotional and social factors. As cognitive norm-activating factors, consumers' problem awareness/awareness of consequences, (self-)ascription of responsibility and perceived outcome efficacy were described. As emotional factors, we introduced social intuitions and moral emotions. As social factors, we presented injunctive and descriptive social norms. We also covered the challenge of the deactivation of consumers' conscience in light of want/should conflicts. To that end, the major coping mechanisms introduced in this chapter were wilful ignorance and wilful forgetting of information regarding the social-ecological attributes of potential consumption options and the tendency of consumers to morally disengage from them. For each of the factors and mechanisms, we introduced potential approaches and strategies to address them within marketing practice and consumer policies to help increase consumers' normative motivation for sustainable consumption.

5 Lessons Learned

- Key areas of drivers shaping consumers' normative motivation and related key factors.

- Key strategies by which key factors can be addressed within marketing practice.

Area of normative motivation	Related key factors	Key strategies
Cognitive factors	Problem awareness, Self-ascribed responsibility, Self-efficacy	- Integrating CnSR communication within a sustainable brand positioning strategy - Utilization as a "reason why" in copy strategies at the product level - Leveraging (brand) community-based platforms
Emotional factors	Social intuitions/moral emotions	- Adjusting message content and design for emotional tangibility
Social factors	Injunctive/descriptive norms	- Including social norm cues in communication campaigns
Conscience deactivating factors	Want/should conflicts	- Invalidation of disengaging arguments - Strong focus on customers' personal benefits from the innovation and positioning of sustainable products - Sustainability benefits as an underlying theme

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Collaborative Fashion Consumption: A Contemporary Marketing Trend

Elisa Arrigo

Learning Objectives:

- To introduce collaborative consumption as a form of sustainable consumption.
- To understand the relevance of collaborative consumption in the fashion industry in terms of fashion sustainability.
- To clarify the notion and the main forms of collaborative fashion consumption.

1 Introduction

In recent years, consumers have become more environmentally and socially conscious in their purchase decisions and several forms of socially responsible consumption have arisen from an increased awareness of the consumption impact on the environment and society (Anderson & Anderson, 2020). Collaborative consumption symbolizes one of these forms of socially responsible consumption by involving the sharing of both intangible and tangible assets (e.g., electronics and dresses) through sharing, lending, reselling, and renting consumer products (Kim & Jin, 2020; Belk, 2014). Collaborative consumption has gained increasing popularity as an alternative form of consumption primarily driven by cost savings and having access to a wide array of alternatives (Botsman & Rogers, 2010; Zamani et al., 2017).

Numerous activities based on collaborative consumption have spread online across different industries such as accommodation, transportation, and even retail consumer goods (Botsman & Rogers, 2010; Kim, 2020). Sharing-based markets have recently grown at double-digit rates, generating an interesting change in capitalist economic systems. In fact, from old-style markets founded on businesses selling

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exclusive ownership of a product to their customers for an established price, there has been a shift toward collective schemes based on a platform subscribing to temporarily rent goods shared among multiple users or buying second-hand goods (Statista, 2021a).

The fashion business world is relevant for economic value; however, it also has a harmful environmental impact related to the exploitation of natural resources, generating considerable damage to the ecosystem (Grazzini et al., 2021; Moretto et al., 2018). Within the fashion sector, some collaborative fashion consumption models have arisen (Iran & Schrader, 2017) and examples of innovative fashion systems based on collaborative fashion consumption such as fashion renting, swapping, and sharing have quickly increased in a number of countries (Statista, 2021a; ThredUp, 2020).

The traditional fashion industry is estimated to reach 2,247 billion U.S. dollars by 2025 and the global shared apparel market will also rise to an expected 7.0 billion U.S. dollars in 2025, with the potential to become a sharing economy leader (Statista, 2021a, b). Despite many sharing and platform economies existing in the transportation (Matzler et al., 2015) and accommodation sectors, which have often been the focus of academic interest, little attention has been devoted to sharing systems in retail consumer goods and, especially, that of fashion items. Moreover, in spite of the increasing popularity of digital fashion platforms such as Rent the Runway, Tulerie, LeTote, and ByRotation, the notion of collaborative fashion consumption often remains unclear. The existing academic literature on this theme is also underdeveloped (Arrigo, 2021; Becker-Leifhold & Iran, 2018); therefore, the aim of this manuscript is to offer a depiction of this contemporary marketing trend, by deepening our understanding of what collaborative fashion consumption entails, explaining how the global shared fashion market is developing worldwide and discussing future research directions.

2   Collaborative Consumption

Collaborative consumption involves people collaborating to meet a specific need (Kim & Jin, 2020; Pedersen et al., 2020; Stål and Jansson, 2017; Benoit et al., 2017) and its advent is considered as noteworthy as the industrial revolution with reference to the changed thinking toward the concept of ownership (Belk, 2014; Botsman & Rogers, 2010). It has been studied since the 1970s, when it was considered as the collection of occasions in which individuals consume products or use services by participating in shared behaviors (Felson & Spaeth, 1978). In spite of the wide use of "collaborative consumption" to refer to new sharing models and/or technology-enabled exchanges, there is no consensus about its definition (Ertz et al., 2016).

For some scholars, the rapid development of collaborative consumption has been supported by "*the latest technologies and peer-to-peer marketplaces in ways and on a scale never possible before*" (Botsman & Rogers, 2010, p. xv). Belk (2014) also

spoke of "*an Internet facilitated ability*" that allows "*people coordinating the acqui-sition and distribution of a resource for a fee or other compensation*" (p. 1597), and Harvey et al. (2017) mentioned the idea of a "*computer-mediated economy.*" Simi-larly, Hamari et al. (2016) regarded it as a technological phenomenon, due to the origin of peer-to-peer collaborations in open-source systems. Nevertheless, it is significant to observe that although collaborative consumption is predominantly carried out online, collaborative consumption exchanges can also take place offline, for instance, through second-hand stores. Thus, the collaborative consumption notion has in part contributed to supplanting the notion of conventional consumption (Ertz et al., 2016) which is a resource distribution system characterized by passive consumers who buy goods from a provider.

Since the 2000s, the collaborative consumption of goods by renting or second-hand purchasing has become an important phenomenon (Pedersen et al., 2020). A key driver of its development has been the rapid expansion of online platforms, namely, virtual spaces where customers can share or rent resources in a very simple and convenient way (Fraanje & Spaargaren, 2019; Barnes & Mattsson, 2016). For instance, customers can easily rent a dress for an event using the digital platform Endless Wardrobe or a bag on the ShareMyBag website. In fact, the advent of the Web 2.0 has led to "*the rapid explosion in swapping, sharing, bartering, trading and renting being reinvented through the latest technologies and peer-to-peer market-places in ways and on a scale never possible before*" (Botsman & Rogers, 2010, p. xv).

2.1 Collaborative Fashion Consumption

The fashion industry has undergone significant developments in recent years, due in part to the launch of the fast fashion approach (Caro & Martínez-de-Albéniz, 2015), that has put emphasis on the mass production of standardized and trendy fashion items. Simultaneously, fast fashion has stimulated widespread consumption of clothing products (Joy et al., 2012; McNeill & Moore, 2015) which, despite being of considerable importance for the economies of many countries, often causes significant problems in terms of social and environmental sustainability (Shen et al., 2017). In 2019, the clothing industry's value chain produced 7.6 percent of overall global CO_2 emissions, equal to 2,891 million tons of CO_2 and, while this amount is expected to decrease in 2020 and 2021 due to the COVID-19 pandemic, CO_2 emissions are likely to return to their pre-pandemic level by 2022 (Statista, 2021b).

In terms of increased levels of fashion consumption, by comparing how many times a fashion garment was worn in 2004 with that forecasted in 2025, the world average suggests a progressive decline. Whereas, in 2004 on average, a fashion item was used about 200 times, by 2025 is estimated to fall to 130 times (Statista, 2021a). Moreover, it has been shown in 2017 that customers acquired 60% more fashion items than 15 years earlier (Business of Fashion, 2017), leading to the production of increasing amounts of waste. This excessive consumption of fashion garments has

generated in developed countries huge volumes of discarded clothing which is very dangerous for the environment.

The evidence suggests that approximately 60% of the ecological impact of clothing garments takes place at the consumption stage. Consequently, fashion sustainability is more and more related to consumers' intentions, behavior, and habits (Iran & Schrader, 2017; Henninger et al., 2016; Peattie & Peattie, 2009). Mont (2002) has also argued that collaborative consumption systems could limit the ecological problems related to consumption by encouraging consumers to become more conscious about their buying habits. From a sustainability perspective, clothing re-use reduces the environmental footprint of a fashion item's lifecycle (Hu et al., 2014) as it affords energy savings when compared to the manufacture of new garments. In fact, to counter the environmental problems generated in the fashion industry, different modes of collaborative fashion consumption have emerged, such as fashion renting, second-hand reselling, and swapping. Most studies concerned with collaborative fashion consumption have investigated customers' motivations and barriers to engage in similar systems by evidencing economic, utilitarian, and hedonistic motives as the main drivers, while lack of trust and information, lack of ownership, hygiene and health concerns, and consumption habits were noted as recurrent barriers (Arrigo, 2021; Kim & Jin, 2020; Becker-Leifhold & Iran, 2018; Zamani et al., 2017).

In the next section, a description of different collaborative fashion consumption modes and platforms will be provided.

3   Collaborative Fashion Consumption Modes

Collaborative consumption activities can be performed through different fashion "sharing" models; however, what are the main modes in which collaborative fashion consumption takes place is not clearly defined. Drawing on a literature review of collaborative fashion consumption research studies (Kim, 2020; Kim & Jin, 2020; Becker-Leifhold & Iran, 2018; Zamani et al., 2017; Iran et al., 2019; Iran and Schrader, 2017), it has been possible to provide a description of the most important collaborative fashion consumption modes. In fact, under the umbrella notion of collaborative consumption, two relevant modes can be distinguished in respect to the fashion context (Park & Armstrong, 2017). The first mode, defined as "utility-based non-ownership" (UNO), entails only customers' access to a fashion product without involving any ownership transfer (Reim et al., 2015), such as in fashion rental where personal ownership is absent, and customers' benefit from using a physical good for a limited period. In contrast, the second mode, defined as "redistributed ownership" (RO), involves personal ownership of a redistributed product (Botsman & Rogers, 2010) and therefore requires an ownership transfer, for instance, through swapping or resale (Park & Armstrong, 2017).

Iran and Schrader (2017) differentiated peer-to-peer (P2P) and business-to-consumer (B2C) platforms and, by examining fashion initiatives developed in Germany, UK, and the USA, identified other sub-types of collaborative fashion

consumption modes according to the platform organizer (user or enterprise) and compensation form (none, monetary, or non-monetary). For example, in B2C platforms, an enterprise provides the platform and the fashion items available for clients, by administering the exchanges. In contrast, in P2P platforms, fashion products are owned by customers and exchanged between one consumer and another. In this latter case, the platform could be also owned and managed by a business that facilitates the collaborative consumption exchanges between consumers and can, for instance, offset the expenses, by selling advertising spaces, or asking to customers the payment of an entrance fee (Iran and Shrader, 2017).

In P2P collaborative fashion consumption platforms, no payment is required to participate and acquire new garments in the case of gifting, sharing, and lending, while initiatives can often be organized online through social media networks. As an example, local Facebook groups exist where people can offer their unwanted items or lend items to other users. Similar groups can also organize events for swapping or second-hand buying and selling that, in contrast to gifting, lending, and sharing, involve a permanent transfer of ownership of unwanted or underused products and require some form of payment. In fact, in fashion swapping, customers receive non-monetary compensation represented by the exchanged fashion item, while in second-hand reselling the compensation is monetary. Traditional offline flea markets can also be publicized online by users on social media platforms.

Numerous examples exist of P2P collaborative fashion consumption platforms organized by a company that often entail a commission for the service provided. For instance, second-hand buying and selling can be realized online on "eBay," the global e-commerce company, or other specialized fashion platforms such as ThredUP (www.thredup.com) and Vinted (www.vinted.com).

ThredUP is one of the world's largest online resale platforms for women and children clothing, shoes, and accessories that operates as a second-hand online consignment and thrift store. ThredUP recently published an industry report highlighting the rapidly emerging "resale economy." With consumers seeking bargains from home, especially now due to the COVID-19 emergency, the online sales of second-hand items will increase between 2019 and 2021, and the entire second-hand fashion market is expected to grow twofold compared to that of fast fashion by 2029 (ThredUp, 2020).

Similarly, the fashion rental market has developed broadly in several countries (Lee & Chow, 2020) and is expected to develop further. In 2019, it was estimated to reach \$1,856 m by 2023 (Allied Market Research, 2019) and, though the COVID pandemic in 2020 and 2021, from 2022 it is forecasted to restart, as well as other sharing economy markets (Statista, 2021a).

Tulerie (www.tulerie.com) and By Rotation (www.byrotation.com) represent examples of P2P clothing rental apps, where fashion products available for rent are owned by the customer community. In contrast, Rent the Runway (www.renttherunway.com), founded in 2009 by an American company, was one of the first B2C rental platforms to start offering subscription-based fashion services and, over the years, has grown rapidly, also opening physical stores. In BtoC fashion rental platforms, customers can rent one or more garments for a limited time by paying a cost

equivalent to a small percentage of the retail price which also covers the care and cleaning of the fashion item (Arrigo, 2021). This is a key point, especially during the current COVID-19 pandemic, and the active role of fashion rental platforms seems to have overcome the hygiene concerns of customers, as after an initial decline in the number of rental requests during the first lockdown, many platforms have seen a strong increase (Hagel, 2020).

4 An Overview of the Collaborative Fashion Consumption Market

In this section, we will examine the size and expected development of the global collaborative fashion consumption market to understand its potential for further growth.

Firstly, it is useful to compare the size of the shared clothing market with that of the global traditional clothing market. Statista indicates that global shared clothing market revenue in 2019 was approximately 3.9 billion U.S. dollars, with Europe and the Americas creating the most revenue, while in the same year, the traditional clothing market amounted to 1,802.6 billion U.S. dollars. Therefore, currently the collaborative fashion consumption market represents a very small component of the overall fashion market (only 2.16%). However, it is considered as an extremely promising trend as specific factors such as socially responsible consumption (Anderson & Anderson, 2020), changing consumer behavior (Grazzini et al., 2021), and the general diffusion across different sectors of sharing economy business models could drive its further development (Statista, 2021a).

Secondly, in 2019, the Americas and Europe accounted for over 80% of the total shared clothing market and, also by including revenue generated in Asia, the three regions achieved 95% of the total global shared clothing market (Statista, 2021a). Differently to the traditional clothing market, where Asia (led by China) is the largest macro-region in terms of revenue, in the shared clothing market, the two leading regions are the Americas and Europe, followed by Asia in third place.

In Fig. 1, the shared clothing market's expected evolution is displayed for the three key regions (see Fig. 1).

The Americas represent the largest shared clothing market in the world, recording approximately half of the total market revenue; this market share is also expected to grow in future years with a CAGR of 9.7% for the period 2019–2025. After having experienced a period of recession in 2020, the American shared clothing market is expected to double its 2019 revenues by 2025 (Statista, 2021a).

Europe ranks second with a share of 32.1% in 2019 and is likely to see the fastest development with a CAGR of 11.7 percent covering 2019–2025. Following the impact of the COVID-19 pandemic on revenues in 2020 and 2021, a rapid increase in revenues for the European shared clothing market is forecast for the period 2022–2025.
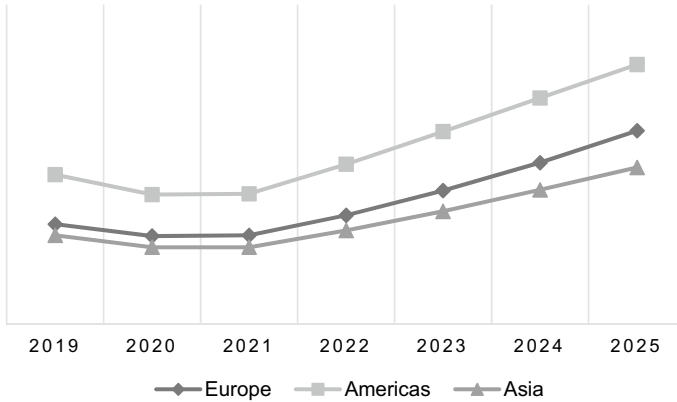
Fig. 1 Shared clothing market revenue in Europe, Americas, and Asia (in billion US dollars)

Asia, which had the largest share of the global traditional clothing revenues in 2019 (equal to 36.5%), holds a smaller share of the shared clothing market than either Europe or the Americas and is likely to reflect slightly slower growth (with a CAGR of 9.2%) over the examined timeframe. However, the Statista report indicates that the high resilience of the clothing market in Asian countries could also lead to a revenue growth of the collaborative consumption market similar to that of European and American markets (Statista, 2021a, b).

Thus, it is possible to state that collaborative fashion consumption shows signs of a promising development in the future in all three regions under examination where shared clothing market revenue is expected to grow significantly.

5 Conclusions, Limitations, and Future Research Directions

As shown previously, collaborative consumption models based on sharing or exchanging fashion products are likely to limit the environmental damage caused by the fashion industry, such as clothing overproduction, disposable fashion culture, and single-use fashion, through increasing the usage and lifespan of fashion items (Park & Armstrong, 2017, 2019).

The shared clothing market is expanding rapidly, and several digital fashion platforms have spread across a number of countries. Each of these platforms are worthy of further investigation, to understand how they operate, and if some collaborative fashion consumption modes are more promising than others. A key question to deal with is whether consumers trust these platforms enough with cleaning protocols that address issues around hygiene, and also the potential risks of infection (Brydges et al., 2021). As shared fashion items are used "close to the skin," such aspects will become

central, especially in P2P rental and swapping platforms, since in BtoC platforms the service provider is responsible for cleaning and sanitizing all available items. However, while hygiene and health worries can be simply faced up, for instance, by adding an evidence of professional cleaning, different barriers, such as the lack of ownership, are more challenging to surmount (Becker-Leifhold & Iran, 2018).

In spite of the pandemic, clothing reselling has marked a rise in sales and online traffic since the beginning of the COVID-19 pandemic, and the second-hand market is expected to increase to 51 billion U.S. dollars over the next years (ThredUp, 2020). To counter concerns around hygiene during the lockdown, the UK resale platform Depop (www.depop.com) has launched new tools to help customers make contactless home delivery and pick up, and remote sourcing for sellers who were also notified to adopt sanitary packing methods (Zwettler, 2020). Therefore, collaborative fashion consumption platforms will likely find new ways to engage customers by overcoming their concerns.

From an academic point of view, collaborative fashion consumption provides several future research directions. In fact, hygiene and contamination risks are worthy of further research to understand how the pandemic has changed customer attitudes toward collaborative fashion consumption. Past research has focused on analyzing customer intentions and barriers to engaging in collaborative fashion consumption modes (Zamani et al., 2017; Iran et al., 2019; Iran & Schrader, 2017; McNeill & Venter, 2019). However, beyond contamination risks, future research might also examine different aspects of customer fashion consumption, for instance, how consumers use fashion sharing to express their values. In conclusion, the environmental assessment of collaborative fashion consumption merits deeper investigation to demonstrate whether the environmental benefits derived from similar fashion sharing systems outweigh the environmental impact of transportation and cleaning, a question that remains unsolved.

Lesson Learned.

- The notion of collaborative fashion consumption has been clarified.
- The main modes in which collaborative fashion consumption takes place have been presented.
- A description of the global fashion shared market has been offered.
- An overview of collaborative fashion consumption as a new marketing trend has been provided.

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Sustainable Consumption Practices of Rural India

Akriti Srivastava and **Akancha Srivastava**

1 Background

The demographic canvas of India is divided into various strata of the society. An imperative classification has witnessed the rural–urban classification. India is now divided between rural and urban parts. These classifications have various different characteristics in terms of economic, political, social, and psychological needs. Where the urban India is characterized by densely populated spaces, cutting edge use of technology, commercialized markets, high job demands, less of social support, self-centered utilization of resources, the rural India is marked by easy availability of local resources, rich agricultural possessions, culture of cooperation, adequate use of technology, and mindful consumption of resources. These inherent factors pave a way to understand the consumption pattern of rural India which enables rural India to have high sustainability.

2 Way of Living in Rural India

According to the World Bank, 34% of the total population in India lives in urban areas. With more than 65% of Indian population residing in rural areas, fast-moving consumer goods (FMCG) are more consumed in urban India. FMGC sector in India is the fourth largest sector and the urban sector accounts for nearly 55% of revenue

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share in this. Looking from statistical figures it can be seen that way of living in India is changing very rapidly. These FMCGs have shorter shelf life and by the means of looking at the consumption level it can be inferred that 66% of Indian population who are residing in rural areas are doing something which is economic by means of preserving natural resources.

It was mentioned in Science the Wire (2021) that there is enormous difference in carbon emissions in rural and urban India, "Per capita carbon emissions in India vary greatly within and between urban and rural areas, while residents in mega districts such as Mumbai (1.76-ton CO_2/capita), New Delhi (0.98-ton CO_2/capita), Bengaluru (1.13-ton CO_2/capita), Chennai (1.11-ton CO_2/capita), or Kolkata (1.56-ton CO_2/capita) have a carbon footprint above the national average (0.56-ton CO_2/capita)". It was estimated by the UN-Habitat that cities are responsible for emitting up to 70% of harmful greenhouse gases while occupying just 2% of the global land.

According to Moudgil (2021) electricity and food are the largest contributor to household carbon emissions and it was reported that rich Indians who mostly reside in urban India are the main contributors to it. People in rural areas are more reliant on self-produce and prefer staying in more natural environment. Rural lifestyle is a combination of abundance and scarcity of resources. It contributes a significant amount in building our economy. The rural sector of the country mainly rests on agriculture and its allied activities. People are generally employed as farmers, daily wagers, landowners, and their living is simple.

The infrastructure and housing facilities are in the baby steps of development. Village households are generally made of clay, mud, and wood. Government of India, in order to provide proper and developed housing schemes have launched various schemes for the upliftment and welfare of the rural population. In order to facilitate the construction of "Pucca" house various policies like Rural Housing Scheme, Integrated Rural Development Programme (IRDP), and Jawahar Rozgar Yojana (JRY) as per the government's National Housing Policy have been launched. In terms of transport and road facilities they are limited unless its primary village holding political constituency or being the hub of mandi parishad. Schemes like Pradhan Mantri Gram Sadak Yojana (PMGSY) are a 100 percent centrally sponsored scheme which has a huge role to play in connecting rural India with urban spaces and paved the way for more urbanization.

But still rural people in India are basically agriculturists, they make their living out of occupations related to agriculture such as pottery, carpentry, and weaving. They understand if they are going to exploit nature, and it will negatively impact their future. For them, valuing natural resources such as land, rivers, and trees are not just means of production, livelihood, or property, and it is their way of life. Cultural practices and patterns of rural India have been derived from such agrarian practices. Celebration of festivals like Makarsankranti, Bihu, Ugadi, and Pongal all over India denotes that life revolves around the agrarian practices and people from rural India give respectable status to natural resources, and they give them the status of '*jeevandaayni* (lifesaving)'.

Even communication in rural India signifies the importance of natural resources and shows how they have attached meanings to agricultural produce and how it is the part of their lives which has the capacity to communicate shared meanings. Phrases like '*thotha chana baje ghana* (thin grams, sound dense—an empty vessel makes more noise)' show values attached to the produce that has a semiotic interpretation to it.

Rural India has a high level of sense of community; it is reflected by community sentiment which is a strong sense of belongingness and 'we-feeling'. There is predominance of primary relations and joint family which is largely due to an agriculturally based economy which requires more number of helping hands to produce; they are higher on homogeneity and informal social control. Village life is more stable by nature because nature of work remains the same generations after generations. Hence, social capital and sense of community acts like basic ingredients of rural society. Practices like '*sanja chulha* (community kitchen)' show how social relationships are important and lived-in various domains of rural life.

Agriculturally based economy, cultural practices surrounding it and way of living in rural India make way for sustainable consumer behavior as a natural way of living. Rural people do not have to do anything deliberately for sustainable behavior. It has been transferred from one generation to another in an effortless manner, and the challenge is to maintain it.

3   Sustainable Development in Rural India

The term sustainable development refers to adequate amounts of progress made by utilizing the resources for a longer period of time and make these resources available for future generations. It is defined as "Development that meets the needs of the present without compromising the ability of future generations to meet their own needs" as given on the homepage of International Institute of Sustainable Development.

To understand the sustainability in rural India it becomes necessary to understand classifying features of rural India. Sustainable development in rural India is about understanding, utilizing, and restoring the available resources for future consumption and to enhance rural community's wellbeing and improve the quality of life.

4   Sustainable Consumption Practices and Rural India

As Indian villages are more oriented toward agricultural lives their consumer practices are largely self-sustained. They are the producers, and largely their economy is self-sufficient in terms of meeting their personal needs, but they have to rely upon the market forces to sell their product. Howsoever, there is no consumer behavior

which has a zero effect on the environment but still village life has more sustainable pattern which can be observed from the following ways of their living:

- Using of eco-friendly products like bamboo furniture
- Pottery made of earthenware such as *surahi* and *mataka*
- Use of cots made of jute
- Less usage of electricity, preference to sleep without fan and air conditioner
- Less usage of television, people in villages are more oriented toward face-to-face interactions
- Less use of plastic, emphasis is more on using sustainable and recycled things and home-made bags
- Use of metal utensils rather than plastic plates
- Rare usage of bottled and canned products which results in less environmental deteriorating wastes
- Preference for walking is more in comparison to using vehicles
- Less influence of media hence, they do not believe in spending on luxuries and following fashion

Sustainable consumption practice is an attitude of village people toward life. They have positive beliefs about the environment, they understand what they get from mother-nature and how important it is for them, and hence they believe in preserving it. They are emotionally attached to nature because they grow up surrounded by it, and they are made to feel connected and bonded with natural resources from their childhood. They treat plants and trees as their siblings. This directs their behavior to be eco-friendly.

5 Quality of Life in Rural India

In order to understand the mechanism of sustainable consumption practices, there is a need to understand the quality of life of rural individuals. Mudey et al. (2011) investigated the nature of quality of life of aging individual of rural and urban population. The study showed that the elders living in the urban community reported significant lower level of quality of life in the domains of physical and psychological than the rural elderly populations. The difference between the quality of life in rural and urban elderly populations is due to the difference in the socio-demographic factors, social resource, lifestyle behaviors, and income adequacy. Mehrotra et al. (2018) assessed the association between life satisfaction and its various causes in aging population among rural India. It was found that life satisfaction was higher for family and recreational domains. While for 'Self' domain, life satisfaction was reported to be lower. Most common predictors of life satisfaction were family, access to recreational facilities, type of settlement, and access to available facilities. Banjare et al. (2015) explored the factors associated with the life satisfaction and have concluded that individual's social support plays an imperative role in determining life satisfaction among elderly adults which is mostly found in rural areas.

6 Theoretical Framework

Sustainable consumption practices of rural India can be understood on the basis of various theoretical frameworks. Following framework guides us in understanding how sustainable behavior is prevalent and practiced.

6.1 Theory of Reasoned Action and Planned Behavior

Theory of Reasoned Action and Planned Behavior explains that a person's behavior is the result of their intention to perform a particular behavior. This intention is determined by three components. First by the attitude towards that behavior, second by subjective norm, and third by perceived control (Ajzen & Fishbein, 1980). It has been seen that pro-environmental attitude and subjective norms are the results of the way that rural people are brought up in their social and environmental surroundings. The way that they are nurtured gives them ways and options to practice sustainable consumable behavior, and this leads them to have perceived control over their behavior. Having pro-environmental attitude and subjective norms with a sense of perceived control as they are exposed to those ways of practicing results in increased chances of behavioral intentions guiding actual behavior of rural people.

6.2 Conservation of Resource (COR) Theory

The main essence of COR theory (Hobfoll, 1989, 2001) is that people have an innate as well as acquired drive to make, promote, preserve, and safeguard the quality and quantity of their resources. Number of things can be considered as resources, but COR theory specifically focuses on those resources which are important for existence and welfare of the people such as shelter, relationships and self-esteem, or otherwise, which are associated to the process of generating and conserving strategic resources like money and credits (Gorgievski & Hobfoll, 2008). To explain this, authors have given following three postulates:

Primacy of Resource Loss. This postulate states that resource loss is inordinately more important than resource gain, which means that actual or estimated resource loss has more power to motivate in comparison to expected resource gain (Gorgievski & Hobfoll, 2008) which is why rural people are more careful in preserving what they have as natural resources.

Resource Investment. Another principle of COR theory is that people should invest resources in order to protect against resource loss, recover from losses, and gain resources (Gorgievski & Hobfoll, 2008). Another premise of this postulate is "those with greater resources are less vulnerable to resource loss and more capable of orchestrating resource gain. Conversely, those with fewer resources are more

vulnerable to resource loss and less capable of resource gain". Now with increased urbanization people from rural area want to preserve what they have and hence they value natural resources and thereby practice more sustainable consumer behavior.

Loss and Gain Spirals. This postulate states when people have less resources and they lose those, this makes them less adept with bearing additional threats to resource loss. It is also suggested by COR theory that cycles of reward also tend to generate by themselves and when people earn some resource gains, they tend to have better health and well-being and are likely to invest more in those resources to endure.

6.3   Gemeinschaft and Gesellschaft

Gemeinschaft (community) and Gesellschaft (society) are classifications which were given by the German Sociologist Ferdinand Tonnies in order to categorize social relationships into two dichotomous sociological types. According to the dichotomy proposed, communities can be classified into two: One that pertains to personal societal connections where roles, values, and beliefs all are based on those connections. While the second one is something that focuses upon indirect interactions, detached roles, formal values and beliefs, and interactions based upon those. Gemeinschaft states that people living in a community consider relationships as an end to itself. They value relationships more than anything else and that is, what is found in village life, people staying there have a strong feeling of belongingness, they live for meaningful relationships with others and with their surroundings, they know how to maintain work-life balance and they have pro-environmental attitude as they understand that work is important but relationships and preserving environment are more important, which is why sustainable behaviors are more practiced in rural areas. Whereas according to Gesellschaft, people living in society, that is, big cities do not have such feeling of connectedness for each other, for them relationships are means to an end. Hence, connection with the surrounding is less.

6.4   Structural Functional Approach

This approach explains society as a structure of integrated patterns of needs that are inherent to the body's need of survival. Hebert Spencer (1820–1903) stated that as various organs of the body work in synchrony so that body can keep functioning properly, similarly various parts of the society work together to keep society working. Spencer referred to different parts of the society as social institutions or patterns of beliefs and behaviors directed toward meeting societal requirements, such as government, education, family, healthcare, religion, and the economy. Spencer believed that society's survival depends upon the interaction of social institutions.

Within the rural setup, because of the shady availability of resources, the expenditure and consumption patterns are controlled to ensure the availability of resources for future generation. This is done in collaboration of various social institutions like communities, government, local bodies, and families working together for ensuring sustainable consumption patterns.

Durkheim (1997) considered that society is an intricate arrangement of interconnected and inter-reliant parts that work together to sustain permanency and that society is bound by shared principles, languages, and symbols. In the rural areas, there is the system and culture of mutual interdependence. Within the respective profession, for example, farming sector, cattle rearing practices, and livestock people are dependent on one another. This provides them with balance and stability thereby making them aware about the other person's needs as well.

Understanding various theories in the context of rural setting and modes of consumption gave an interlinked idea of weaving this understanding together that has resulted in developing a conceptual framework. It has provided us with a broad basis of understanding to develop a model of sustainable consumption practices in rural India which can help in further understanding the process. The following figure (see Fig. 1) depicts the whole process.

Figure 1 depicts how sustainable consumption practices evolve through cultural and socialization practices, people get molded to adapt such behavior, that gets ingrained in how they interact with each other and social institutions also reinforce such behavior. Sometimes, if things get against their way of living, they may take matter in their own hands like that an example of Chipko movement, when rural people took the charge of the situation to preserve the forests. It emphasized on the fact that 'Ecology is the permanent economy'. Thus, this is how the diagram depicts the process of sustainable consumption practices are lived in the rural areas.
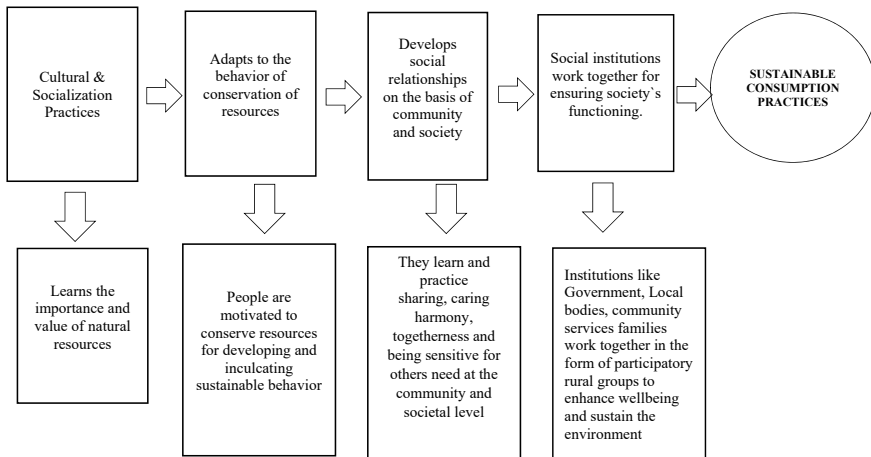
Fig. 1. Conceptual model representing sustainable consumption practices of rural India

7   Integrating Theoretical and Conceptual Framework

Theory of Reasoned Action and Planned Behavior states that behavior is determined by their intention to perform a behavior. (1) A person's attitude toward the behavior, (2) subjective norms regarding the behavior, and (3) perceived control. Intentions are important determinant of behavior. People's behavior is generally self-sustaining. Through early practices of socialization, they are taught to understand the importance and value of natural resources. Through culture (artifacts, practicing rituals, symbols, and languages) this behavior becomes strong and takes the form of inherent behavior. Subsequently this provides them strength to control their behavior and as a result they adapt to practicing sustainable behavior. *Conservation of Resource (COR)* theory maintains that management of resource loss is more powerful. It motivates to conserve resources. People must invest resources in order to protect against resource loss. As the rural lifestyle is a combination of abundance and scarcity of resources, people are motivated to conserve resources because of the concerns of scarcity in some areas. Through their practices they realize that for sustainable development, resources need to be conserved and utilized as per the requirement and therefore they believe in investing the resources for future generation as well. *Gemeinschaft and Gesellschaft* stated that social relationships are developed on the basis of roles, interactions, and values at community and societal level. The conservation of resources could be done through sharing and caring for each other. Therefore, people in rural area practice harmony, togetherness, and being sensitive for others need at the community level. *Structural Functional Approach* stated that social institutions work together for ensuring society's functioning. Institutions like government, local bodies, community services, and families work together in the form of participatory rural groups to enhance wellbeing and sustain the environment.

8   Limitations

Amalgamation of information and thought processes that has been communicated in the chapter gives the ground for an understanding of sustainable practices. Though the understanding is supported by secondary data but what it misses upon is its own data base that is primary source of information for substantiating the understanding. However, that gives the scope for further research and creating this understanding marks the beginning for takeaways to make urban areas more oriented toward sustainable living and preserving rural way of living for the sake of sustainability.

9   Implications

9.1   Practice

So far what has been understood in the context of sustainable consumption practices of rural India is that they believe in coexisting with the environment, they may have abundance of produce and natural resources, but they value it and consider it to be a part of theirs and take care of it as that of a family member. They take pride on what they have but they do not exploit those resources. People of urban area may need to understand that unnecessary purchasing of clothes, processed food, consumption of electricity and fuel is not helpful in the long run and is detrimental for the environment. Even being minimalistic is the trend which some of the urban people have started following, and it can be started from as simple as that of using metal utensils rather than plastic plates to use of bicycle and public mode of transportation and this can really help. Other than understanding of these consumption practices, it is also important that living with others and having a sense of community also enhances our well-being and working for eudemonic objectives give us satisfaction for life, which is the key factor for people in rural India having better well-being than urban India (Mudey et al., 2011).

9.2   Research and Intervention

This chapter gives the scope to do empirical based researches, by giving theoretical basis of understanding and conceptual model of sustainable consumption practices of rural India. Future researches may adopt mixed methodology for understanding the practices of rural India by investigating their practices and experiences and taking objective data for carbon emissions. Doing a comparative study, between practices of rural and urban India, will be even more beneficial. This chapter paves the groundwork on the basis of which further understanding can be developed.

Sustainable consumption practices is the need of the hour. It has local, regional and global level implications. Sustainable consumption behavior in the rural areas is economical, socially driven and is based on community level participation. To explore new dimension of sustainable development there is a need to probe this in more meaningful and applied aspect. At the academic level there is a need to have more interdisciplinary researches in the areas of sustainable development deciphering the myriad dimensions of sustainability on human growth and development. At a methodological level, interventions related to sustainable development should be conducted. Interventions related to motivation and intention level should be promoted. There is also the need of participatory call at different levels. In the urban areas planning and making cities should be priority which calls for more green public spaces. Disposing of household waste with effective treatments should be the

priority. Thus, identifying and understanding sustainable practices from rural India and customizing and implementing them in urban places can be of much of the help.

10   Conclusion

Drawing upon the understanding given by theoretical frameworks it can be said that life in village is more guided by having an understanding of coordination of various systems like family, friends, governmental agencies and environment so that with the available amount of resources, people can flourish in harmony with nature and systems. Also, such understanding is guided by positive behavioral intentions which is the result of positive attitude toward the environment and community life, environment friendly subjective norms and perceived control. This is the result of Gemeinschaft because for people in rural areas relationships with others and surroundings are an end in themselves, and they live for such relationships which is why they practice more sustainable consumer behavior. Also, they value natural resources and work for conserving those resources which if not preserved properly can be lost over the period of time. These if also practiced by people in urban places can ensure sustainability of the environment which can be performed by generations after generations as is how it is done in rural India.

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Teaching Case Studies

RangSutra Crafts India: The Story of Colored Threads and Weaving Artisans

Moumita Roy

1 Learning objectives:

1. To understand targeting and positioning new offering of RangSutra Crafts India
2. Understand the principles of social marketing in an emerging country.
3. How to beat competition from existing and new players in the unorganized fragmented sector
4. To explore handicraft industry, its future, and market penetration using social media as an essential tool.

2 Introduction

2.1 Indian Handloom and Handicrafts Industry

Among the developing nations in the world, Indian handicrafts industry is well known for its ethnicity and innovativeness. India being one of the major suppliers of handicrafts to the world market, its labor-intensive cottage-based industry is mostly spread in the rural areas. It is decentralized in nature and at least 6 million artisans earn their livelihoods through the handicrafts industry. As a potentially high source employment, the sector is economically important from the point of low capital investment, high value addition and has high potential for increased foreign exchange earnings for the country. The export earnings from Indian handicrafts industry for the period 2014–2015 amounted to US$ 4538 million (Fig. 1).

Handicrafts sector is largely unorganized and informal in nature, which in turn allows social enterprises and NGO's (Non-Governmental Organisations) to enter

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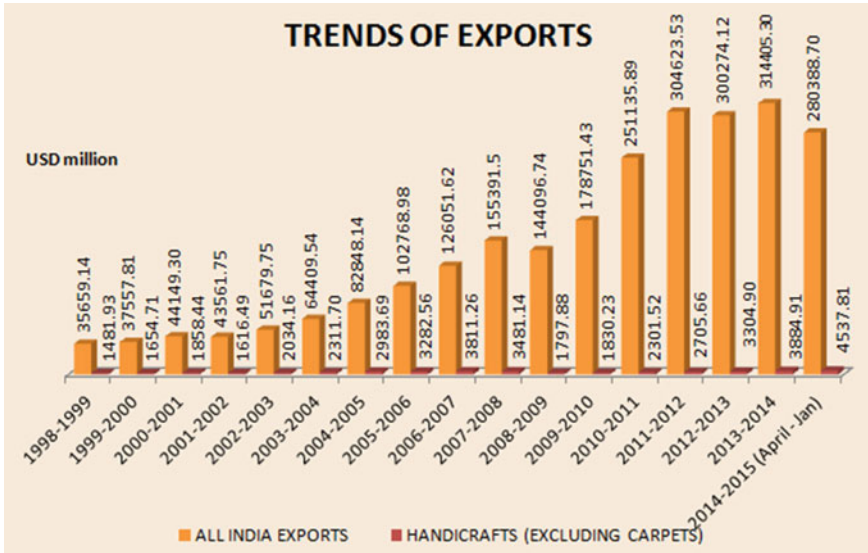
Fig. 1 Stats of handicraft exports (1998–2015), excerpt from handicrafts.nic.in

this sector and generate revenues. While there exists freedom to design sustainable activities for customers, there is a latent desire to better their lives as well through designing products that would adhere to their choice. As a result, often it is found that these firms get entangled into a dilemma of either developing marketing campaigns or promoting health beneficial outcomes. That is why social enterprises are able to mitigate these conflicts through developing interpersonal relationships with the stakeholders (e.g., the manual laborer and the customers) but face multilevel challenges in revenue generation and at times they are even shown doors because angel investors do not find any strategic benefit to invest in them. This case focusses on RangSutra, a social enterprise, and explore how it is trying to make its place in an unorganized and emerging market while it targets millennials to become its consumers.

2.2 Background

RangSutra did not start on day one because it was a journey to find the right threads, the right people, and the right collaborators. Sumita Ghose, the founder and managing director of RangSutra, was successfully working as a corporate. However, she always wanted to do something that she could associate with her mission and vision (Fig. 2). A postgraduate in Economics and Conflict Resolution, Sumita is a Fulbright scholar who has been awarded MacArthur Fellowship for Leadership at CII—Aspen India. She is also the recipient of the prestigious Narishakti Puraskar for her outstanding achievement in rural India's socio-economic development (Fig. 3); she believes that

Fig. 2 Women at work at a center in Bikaner—one anchor monitors a group of women (5–40). taken from https://www.facebook.com/rangsutra.crafts/

Fig. 3 Sumita Ghose, Founder, and MD of RangSutra receiving Narishakti Puraskar from President Pranav Mukherjee in 2017. taken from https://en.wikipedia.org/wiki/Sumita_Ghosh

RangSutra is a bridge between rural artisans and global consumers that provides sustainable livelihoods by reviving the traditional heritage of Indian crafts and empowering rural artisans. Sumita also states, "*We believe that our communities of artisans, particularly women, deserve economic opportunities. We aim to keep*

alive the rich tradition of their craftsmanship in a rapidly changing urban market. It was difficult to make the artisans unlearn few traditional habits (like Rajasthani artisans are adept at making 'woolen pattus') and make them use cotton yarn for the weave. We have to bring a divide between art, craft, and design, to make garments for the woman on the move".

Sumita Ghose followed the footsteps of her husband, Sanjoy Ghose, the radical social activist and reformer, whose single-minded devotion and outstanding dedication toward rural upliftment made him a catalyst for change. Sumita's experience in Rajasthan's rural areas has encouraged her to create employment opportunities and income in dignified conditions so that fewer workers migrate to large cities. To address this problem of worker migration, RangSutra started as a Producer Company in 2004, got itself registered as a private company in 2006, and now it is a Public Limited company. RangSutra is well known for its handmade clothing line with ethnic designs and embroidery. It started with artisans in Bikaner in Rajasthan, which has the most significant and oldest center of the company and later expanded to Uttar Pradesh, Jammu & Kashmir, Manipur, West Bengal, and Assam. As Sumita did not have collaterals to start a company, she decided to reach out to artisans she was working with through Urmul trust in Rajasthan. Artisans became shareholders by contributing INR 1,000/each from their savings, Rangsutra Crafts India started with a seed capital of 10 lakhs. It is mostly a women-centric organization with 70% women, 3500 artisans, and 2000 of them received the status of a shareholder, and 500 of these artisans attend RangSutra annual meetings every year. While an average artisan affiliate earns INR 5,000/per month for 4–6 h a day, financial independence has given them the agency to contribute to household decisions and take ownership of their lives. Having expert designers on board has helped the company train the artisans according to customers' requirements. These artisans belong to the rural villages of Rajasthan, Jammu & Kashmir, Manipur, and Uttar Pradesh. They have potentially revived the frayed local crafts like applique, handloom, Kashmiri embroidery, ralli, tie & dye, etc. These artisans act as workers, sellers, and leaders who train other women.

2.3   Current Perception of the Brand

RangSutra has been growing steadily over the past few years in the handicrafts industry. Primarily catering to the upper middle class and affluents, customers expect contemporary designs, hand embroidered, and superior quality. Also, these are one of the key factors that has made RangSutra's materials and design famous in terms of customer preference. RangSutra is able to differentiate itself from other competitive players in the markets by providing high end labeling and packaging. As the company moves with a positive brand image because of its association with labels like 'Being local' or 'Handmade-it is 'and that of a smiling artisan speaking about her sweet labor while making the craft. RangSutra is trying to particularly build relationships with its customers on social media, and the results have been good so far. Customers

Table 1 A sample catalog of items (1 pc.) sold by RangSutra. Facebook and shop.rangsutra.com

Item type	Price in INR
Cotton tops and kurta	585–3000
Cushion covers	400–2000
Sarees	1100–5000
Bottoms	850–1500
Raksha Kit (Facemasks + Potli + Rakhee)	350

have shown delight and excitement when new trends, designs, or products have been launched (Table 1). Also, it continues to hire passionate people from design colleges who are fresh pass outs and have lot of enthusiasm to travel and train the artisans. The brand has gained trust because of such honest claims which it now shares through videos and pictures as social media posts.

2.4 People, Collaborators, and Revenue

Women who became the company's first shareholders have framed their shareholding certificate on their wall, which gives them pride and honor; they say it is their only 'punji' or savings they made in their life. Making of RangSutra required that Sumita should invest at least ten years of her experience to make Rangsutra earn a revenue of INR 10 crores per annum. Since 2011, Rangsutra has actively engaged in apprenticeship programs that train women to upskill their craft knowledge and ability. Though workshops helped in the development, monitoring, and quality control of new products, they decided to control the entire operations in 2016 with their initiative called 'Be the Change' (Fig. 4) RangSutra's items are handcrafted and fair-trade products whereby artisans are paid wages according to the prevailing rates in each state. It tries to make each artisan a part of the product development process. The raw materials reach the artisans in their center where the raw materials like the fabric are cut, stitched, and mechanized. The packaging and delivery is done by craft managers paid for timely quality check and delivery of products. Their sale happens through their channel partners, social media like Facebook and Instagram, personal networks, exhibitions, etc. RangSutra's focus has been to positively impact the socio-economic position of women and artisans by making sure they receive credit for their work.

Their collaboration and partnership with *Fabindia* & *IKEA* have been advantageous. While *Fab India* has been a partner and promoter of village handlooms work and traditional crafts and skills, *IKEA,* a Swedish multinational group of companies, has been its export partner. RangSutra has earned fame in the market because its products are high on aesthetics, innovativeness, and subtlety. Products include a range of apparel, for men, women, and children, home furnishing and accessories.

2.5 RangSutra on Social Media

Using technology has been difficult for those who have been working on offline models. But the use of smart phones and the incoming Covid-19 pandemic has necessitated. Many organizations like RangSutra to embrace the use of social media by being active on a day-to-day basis. RangSutra is very active on Facebook, Instagram, and Shopify to increase it visibility and awareness, generate multiple leads through share posts and increase proximity with customers. RangSutra has marketing personnel employed to manage social media to enable customers purchase products anytime. Such responsiveness is also a part of the company's organizational culture as it tends to showcase achievements and affiliates through online posts. RangSutra's public profile is always up-to-date and offers its customers necessary information about its exhibitions, sale period, and other campaigns. As social media uses customer's sentiments through the comments and reaction section, RangSutra has maintained positive communication and keeps its customers engaged with two or more posts in a day. Yet, still many posts receive as few as 3–4 likes/comments which remains a challenge so far.

2.6 Challenges Due to COVID-19

RangSutra is working relentlessly to ensure that the artisans and the company gets better returns, yet its challenges have been many. Significant problems have been training human resources, dealing with artisan families, effective marketing, and delivering on time, and financials had been the constraints. The company has 100 employees and multiple women volunteers who work in rural centers where women gather to work. RangSutra receives support from a vast network of artisan organizations (URMUL Network of Organizations in Western Rajasthan, Society to Uplift Rural Economy, Barmer, Roshni Sansthan, Barmer, etc.), educational institutions (IRMA, IICD Jaipur, The Handloom School, Maheshwar, etc.), financial partners (Greater Impact Foundation, The World Bank, Asian Development Bank, etc.). Ever since, the lockdown 1.0 took place in March 2020 due to COVID19 (Fig. 5), in terms of facing difficulties in logistics, demand for safe and hygienic homes, orders, wages, and earnings, etc. Work progress has stalled because the customers have been dwindling. Though the financial year 2019–2020 had been fruitful, Sumita said, "We are using this time to discover innovative designs and restructure our working policies to accommodate these changes." Since there has been a considerable slowdown in orders, most artisans have gone back to farming and other occupations for earning. Places like Manipur and Bikaner have started sanitizing the artisans before they start weaving, such a process has been a constant in all centers and for everyone. In April, IKEA and RangSutra have launched a limited-edition collection called 'Botanisk' and Klarafina. It plans to design cushion covers, hand towels, throws, aprons, etc. with tactile materials like jute and fiber. They have also focused on making smaller

Fig. 4 Photos of Rangsutra Pre-COVID. taken from multiple internet sources including, social media and youtube channel of Indiatoday

items like masks, rakhis, and scarves and have put up an online sale in June–July 2020 to clear old stock. As an insider says, "we began as a livelihood initiative; after that, we must make regular income through work, and work orders keep them involved." All sale at present is happening through online platforms like Facebook and Instagram as well as from company's website.

2.7 New Developments

Sumita took up to the social media and wrote "2020 was a year of uncertainty, providing us an opportunity for reflection, for pausing before we resumed life and work in different ways". They have been into social marketing for a very long time and a separate team of three people handle it along with Sumita. Since the market they target is niche, the recent funding from World Bank—The Jammu Tawi Flood Recovery Project and HCL funded project in the year 2019–2020 (till present) has come as a boon to Rangsutra for their cluster of artisans Kashmir and Uttar Pradesh. They are planning to create market driven products by linking weavers with the requirements from global markets. This cluster would be registered with Government of India so that weavers are recognized and receive ownership for their work. On 1st January 2021, RangSutra had opened their first retail store in New Delhi (Fig. 6) followed by Varanasi which would house all products from clothes to tapestries.

For Sumita it was a year of great personal loss as she had lost her mother and aunt due to age, yet the teams, artisans, and her collaborators and sponsors continued to work through work from home (wfh) and periodic visits to clusters, craft centres, and offices.
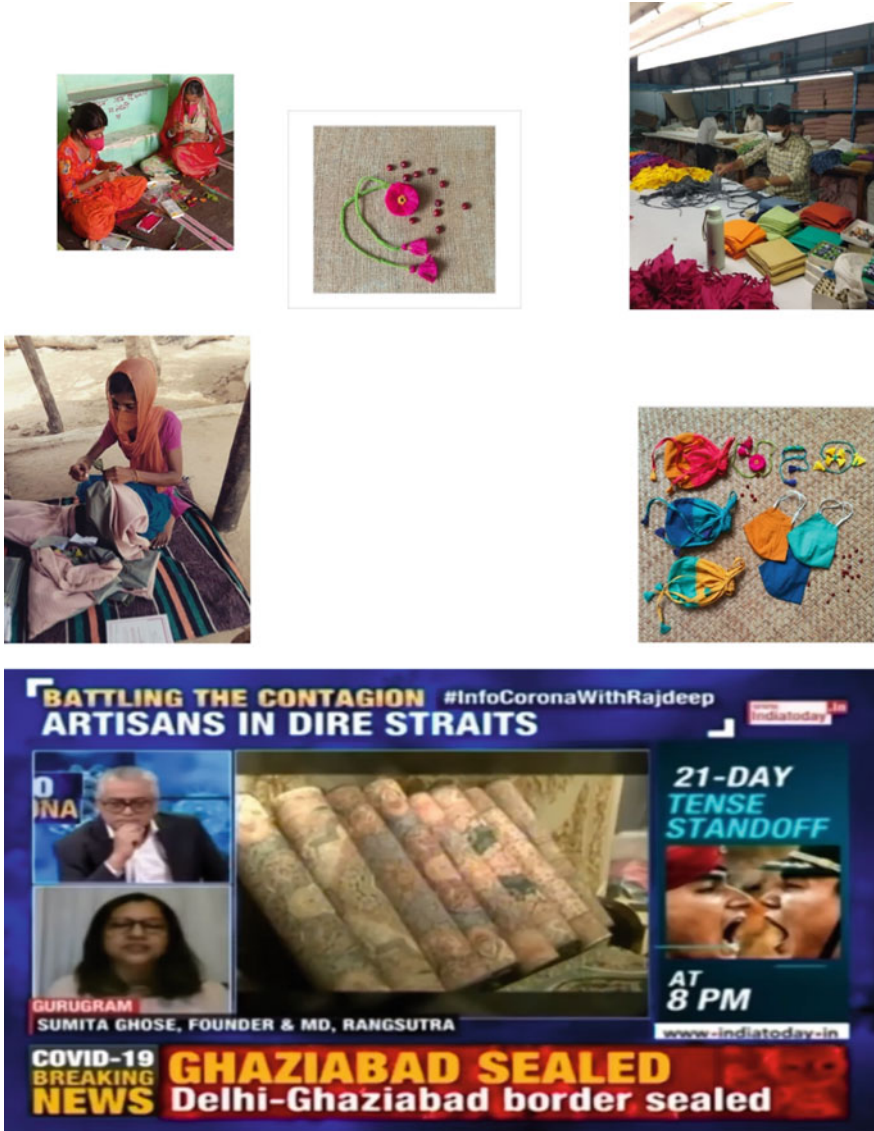
Fig. 5 Photos of RangSutra in COVID times. taken from multiple internet sources including, social media and youtube channel of Indiatoday

On the work front, at RangSutra, most of our artisans as well as our team managed with flexibility and agility to continue to work from home, with planned occasional visits to our offices and craft centres.

2.8   What is Next?

As Sumita Ghose seated in her armchair, staring outside her aesthetically beautiful verandah—she contemplates having to redesign her social venture planning, scaling, marketing, revenue, human resource management, etc. She recollects the initial days of struggle and the smiling faces of her artisans—it is time to make 'Be the Change' initiative into a movement. RangSutra has even started reminiscing its journey of 14 years by posting pictures under the thread 'Honouring Handloom Heritage' on Facebook. She wants to make incremental changes and is building on strategic planning. Suddenly, her phone rings, it is her public relations officer who wants to discuss a new initiative.

3   Case Exhibits

4   Conflicts of Interest/Competing Interests

The author declares that there is no conflict of interest.

Fig. 6 Post covid (Inauguration of new retail outlet in New Delhi). taken from online media source

5 Lessons Learned

By increasing the presence on social media and collaborating with rural players, the company can enter into a symbiotic relationship with the artisans thereby leading to diversified channels which further enhanced their connection-building tools—both offline and online. Again, the company needs to work with grass route entrepreneurs who are little experienced and know the terrain better can help overcome challenges posed by Covid-19 pandemic. The brand Rang Sutra also needs to allow wider exposure of its effort and marketing campaigns that will help consumers relate and establish bonds with the organization's mission and vision. The specific role of artisans is more important to be considered because they are the worst hit in the pandemic, as their livelihoods have been affected and altered, for example—few have come to city and join the labor market. This is big prize that the artisans must pay because they are forced to enter the labor market and learn new skills which might be easy for the younger population but difficult for the middle-aged adults. Such a step by the artisans also puts pressure on the organization to hire and train new artisans, thereby increasing the lead time and the associated costs. The company may start fundraising alerts and other alternate retail activities to mitigate the crisis and retain artisan workers till the Covid-19 effects recede. This would also help to build a cause of support from the consumers as the loyalists and supports of heritage crafts would come ahead to promote the brand through funding initiatives thereby urging RangSutra to evaluate their revenue models and other alternative business models. Understanding the nature of market is relevant here because that would help RangSutra consider cause related marketing to understand how a natural synergy of building strong and responsible consumption practices that is attached to a purpose (e.g., Kravets et al., 2020). Furthermore, this would lead to responsible practices within the consumers and they would continue to stay and support the brand in crisis of any magnitude.

6 Teaching Notes

6.1 Synopsis

RangSutra is well known for its handmade clothing line with ethnic designs and embroidery. It started with artisans in Bikaner in Rajasthan, which has the most significant and oldest center of the company. It later expanded to Uttar Pradesh, Jammu & Kashmir, Manipur, West Bengal, and Assam. Its founder and Managing director is Sumita Ghose, who started this social venture with a for-profit business model in 2006. RangSutra, a women-centric organization, has 3500 rural artisans who work with RangSutra, and 2000 of them are shareholders of the company. It is the major supplier to Fabindia, a renowned apparel retail brand of the Apparel Industry, while its overseas export partner is IKEA. They primarily cater to the

urban upper-middle class and the elites in the domestic market and have a strong consumer base overseas. It started as an export house, some 50 years back. Yet, in the last 15–20 years, it has transformed itself into a brand that uses blends of artisanal weaves. These traditional crafts identify with India's rich heritage and work on the sustainability of livelihood. It braces its artisans by providing design support, market linkages like workshops, seminars and exhibitions, procurement, and supplying raw materials like fabric, yarn & threads, education related to technology, and regular income. RangSutra works with 2000 artisans, and 70% of them are women who work from their villages. Working with scattered and unorganized mass is a big task, and this, coupled with less accessibility in communities due to remoteness, creates difficulty in coordination and communication. RangSutra is now increasing its base of artisans and revenue and wants to work with millennials to keep the craft knowledge alive.

As Covid 19 brought about unprecedented changes in the environment as well as organizations at large, RangSutra had to halt its expansion plans and operations across all centres. Due to this the cluster of artisans in all places (e.g. Bikaner, Kashmir, Manipur etc.) suffered. But, efforts to reintegrate all its systems and initiate the processes, it has been constantly working through social media so that RangSutra continues to exist (e.g., Ranjan & Ranjan, 2009). This has made the company lean to newer ways of social marketing and couple it both with online and offline initiatives. For example establishing a retail unit in the heart of Delhi at Saket on 1st January 2021 to bring its loyal customers to the shop and interact.

7   Pedagogy of Case Study

This case is written for students of marketing management and general management courses at undergraduate and post-graduate level. Focusing on emerging markets and social entrepreneurship, the case has implications for problem solving and strategic decision making skills sets among MBA students. Also, this case focusses on a women led business (e.g., Kravets et al., 2020; Vossenberg, 2013) and complex situations faced by them when dealing with dilemmas of growing business in social sector.

8   Objectives

1. To understand targeting and positioning new offering of RangSutra
2. Understand the principles of social marketing in an emerging country.
3. How to beat competition from existing and new players in the unorganized fragmented sector
4. To explore handicraft industry, its future and market penetration using social media as an essential tool.

Q1. As a product manager, what kind of livelihood campaign objectives would you choose? How would you identify the problems using the SMART objective framework?

- SMART Framework (https://www.smartinsights.com)

Specific—Is the campaign catering to the locale's specificities like villages in Bikaner, and is it helping cater to the problems of the particular rural communities? Does it recognize the artisan as an individual or a specific neighborhood?

Measurable—What kind of metric—financial or non-financial, qualitative, or quantitative?

Actionable—What kind of information would lead to an improvement in performance? If there are no induced changes, than the objectives of the campaign must be changed. For example—is it helping the artisans in organizing their fellow artisans?

Relevant—How can a marketer solve the problem? For example—Can transportation costs be reduced by fetching raw materials from nearby locales.

Time-bound—What can be the timelines and respective targets to initiate and complete the campaign objectives? Can there be a review of those timelines?

- Students can be asked to prepare campaign objectives after being divided into groups.

     For example—RangSutra can initiate Changemakers campaign where artisans can be given independent short term projects within the center. They can be assigned amongst themselves in terms of safety measures, sanitizing raw materials and other machinery, social distancing norms, hygienic packaging using safety tools, etc. these artisans can be rewarded later.

     Q2. A social enterprise needs a lot of volunteers towards community building. How can RangSutra get more volunteers to work with them?
- As they have already been selling on social media, it's time to become platform-dependent entrepreneurs. They would be able to do better outreach programs through user engagement and fruitful conversations.
- They can also target educational institutions and women-based NGO's to recruit volunteers. The volunteers must understand community-related problems like poverty, family issues, patriarchy, economic crisis, etc.

Q3. Since the COVID economy has led to massive digitalization through platforms, how can RangSutra increase its social media presence?

- The company is already using Facebook to reach its consumers, but a more strategic way of handling social media platforms must use to build more reliable connections with potential consumers.
- RangSutra can also increase its presence and intensity of activity in owned media (websites, social media pages) and paid media (advertising on TV, online webinars, newspapers, articles, magazines) by using proper channels and getting new hires with expertise in digital content and social media. Students can be asked to frame ideas for promotions that RangSutra can use in the present times to

attract consumers—for example – Using LinkedIn to connect to new partners and investors.

Q4. How can social marketing impact RangSutra's success in its action planning and implementation?

- Social marketing strategies require organizations to evaluate program success using criteria such as incidence, speed, continuance, low cost per unit, and absence of counterproductive consequences while adopting them. (Lee, 2020) According to the case study, they have been using marketing techniques via partners and supporting organizations while concentrating on operations and human resources training. COVID 19 requires them to spread the message of being conscientious consumers subtly through social marketing techniques (Sethu, 2021).
  Q5. Before COVID 19 pandemic, RangSutra did have some expansion plans, do you think they should do so?
- Yes and No. Yes, because few places in India are relatively coronavirus free. Work can happen smoothly. No, because they have limited funds, fewer orders, and lesser consumers. Instead, more focus should be given on building awareness programs for consumers. Then they would become conscientious consumers and buy something like aprons or cushion covers to contribute to the artisans.
  Q6. What kind of market strategies would you advise Sumita to implement post-COVID?
- A nuanced focus on markets and distributions channels in which there are less mass producer companies of handicrafts like those from China, the company can identify the market niches such as high-end accessories that can only be crafted manually or by skilled manual laborer's.
- The accessibility of the products must increase, which can happen by embracing a global style that combines ethical styles and contemporary designs. These products must bring an authentic, aesthetic, and indigenous element in their homes or their lives.
- Listing out domestic markets will spur opportunities and can lead to more significant markets.
- The up-gradation of skills and use of platforms would better the product quality and create distinctions in the market as consumers would see value in their purchases (Amawate and Deb, 2021). There will always be a market for unique, high end locally made products, and globalization is creating awareness for the same.
- RangSutra must find more home-based retail stores (apart from the one it has opened in Delhi) and create a brand of its own rather than depending on partner companies for labeling and packaging.

Q7. As far as RangSutra's future in textile handicrafts is concerned, can you map its present product line with the future? Do you think RangSutra can accommodate future trends in its organizational values?

Ten years back, when RangSutra started, it was into need-based clothing. Today it has expanded its crafts line into interior designing. As far as clothing is concerned, it's

not mere need-based, but its new innovative designs combined with the work culture. It tries to mirror the aesthetic elements of today by intertwining with the traditional art weaves like Kashmiri embroidery, tie, and dye, weft work, applique, etc. An introspection into its future—10 years ahead, they can manufacture temperature-controlled clothing or IT embedded apparel or eco-friendly assorted occasion wear, etc.

9 In-Class Activities

- Every student can be asked to prepare a specific problem, market, target customers, and a set of assumptions and recommendations for RangSutra.
- To enumerate social challenges that social entrepreneurs face as changemakers.
- Definition of stakeholders and probable partners who can come on board to help RangSutra deal with the present crisis.
- Designing potential strategies at organization and stakeholder (Partner organizations, employees, artisans, volunteers etc.) levels to ensure value co-creation.
- Develop a digital-based strategies for the case study to promote women's leadership at rural levels so that such pandemics can be handled better in future.

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Mindful Consumption and Universal Love: A Case Study of Sri Lankan Consumer Activists

E. S. Wickramasekara and W. D. C. Jayawickrama

1 Learning Objectives

(1) To comprehend the meaning and importance of the notions of mindful consumption, spirituality, and universal love toward Socially Responsi-ble Consumption

(2) To identify how consumer activists practice socially responsible con-sumption how the concepts discussed above dive their consumption

(3) To reflect and identify how the above concepts are diving the routine consumption practices of students' routine consumption practice

(4) To identify possible ways of changing students' consumption practices toward achieving sustainability.

2 Introduction

Overconsumption driven by materialistic mindsets seems to result in many environmental and social problems that would impact the long-term wellbeing of all living beings. Unsustainable consumption (or environmentally unfriendly consumption) emphasizes the need for change toward the well-being of future generations (Sharma & Rani, 2014) so that sustainability agenda can be effectively pursued with sustainable consumption practices among consumers at the individual level. To meet the challenge of overconsumption at the individual level, both behavior and mindset of individuals need to change, which can be achieved by instilling 'mindful consumption' (Sheth, Sethia, & Srinivas, 2011).

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Mindful consumption has a dominant influence on climate balance and the preservation of natural ecosystems yet investigations on mindful consumption of consumer activists are still in their infancy. The current study will elaborate on mindful consumption practices adopted by them.

Although many types of research have been conducted on sustainability and mindful consumption there are few discussions made on exploring the ways Universal love and spirituality are reflected in the consumption practices of Sri Lankan consumer activists.

In sum, the discussions with the respondents helped build an understanding of the roots of mindful consumption practices of the consumer activists with the reflection of universal love and spirituality. With the analysis of the 25 respondents, the findings confirmed that Spirituality and Universal love leads to Mindful consumption to overcome the challenge, Overconsumption through their activists' programs and practices. Overconsumption and the need for growing material wealth were treated unsuitable and as sources of environmental changes along with unhappiness by the respondents in general where some respondents remarked their mechanisms toward eliminating the environmental degradation through overconsumption with the application of technical solutions and by leading their followers. Respondents marked the significance of mindful consumption while highlighting their practices such as Reusing, Reducing, Rejecting, Recycling, and Redefining which were found common among all toward sustainability.

Study motivates readers to care and take responsibility for their personal and organizational impacts on the environment by altering their consumption patterns. Our study unearthed the ways through which spirituality and universal love were reflected in the consumption practices of consumer activists in Sri Lanka. It appeared that consumer activists' consumption practices were driven by an inner change that was inspired by love and spirituality through respect, compassion, responsibility, religious bonds, bonds with nature, and happiness.

Up to date, this is the first approach that examines the reflection of universal love and spirituality of the mindful consumption practices of Sri Lankan consumer activists. Perhaps the major limitation backing the major recommendation is that it included only in-depth interviews with 25 consumer activists, in one Sri Lankan city, Colombo. Thus, the results reported are not generalizable to all social activists who live in other cities.

Also, future research must go for a more diversified sample of consumer activists because the present sample included social activists who engage in many different charitable programs. More practitioners of sustainable living should be examined. Another limitation is the sample consist of the respondents who play the lead roles in their movements.

3   Key Lessons Learned and Implications

It was understood that for a society to change the change agents of the society must change. As consumers activists when they change the society changes. A major finding of the study is the reflection of mindful consumption, spirituality, and universal love-driven social and environmentally friendly orientations of the Sri Lankan consumer activists. The second learning is that by educating them about their impact they can inspire change in society. Society's consumption behaviors change with awareness. With the introduction of new sustainable consumption practices through consumer activists, the corporate sector and the policymakers were also directed with implications.

The insights of this study recommend organizations to change their way of thinking, most of their unsustainable business practice and the business goals needs actions that generate a positive influence environmentally, socially, and economically because most people follow these consumer activists' today toward a better sustainable world. Contributions from the corporate sector are also necessary for the members of society to adopt a sustainable lifestyle with ease. Hereby the corporates are advised to use environmentally friendly materials for their products, packaging, and promotional materials.

The corporate sector can also engage in their organizing awareness campaigns on re-wiring the spirituality levels of the general public through their corporate social responsibility (CSR) initiatives. Also, they can support the Consumer Activists in Sri Lanka by partnering up with their social activist movements. As per Drucker (1973) "Managers must convert society's needs into opportunities for a profitable business." As per the findings of the current study the identified means of overconsumption along with the mindful practices adopted by the change agents of society offer fruitful avenues for converting sustainability as one of the most persistent concerns of the community into a great opportunity to safeguard that business is both profitable and sustainable.

Despite consumer activists, as a changing force in any society, adopt different mindful consumption practices. The alterations which make their relationships with other human beings and with nature less self-centred and more loving are with the reflection of Universal Love and Spirituality. As it was not clear in the current literature how universal love and spirituality were reflected in their practices. Findings show that Universal Love and Spirituality are reflected through respect, compassion, responsibility, religion, bond with nature, and happiness. Thus, these ways can be treated as the core values of a society to improve sustainability initiatives in the society because the absence of such values is the root cause of the unsustainability and unhappiness that all societies suffer with.

Spirituality and Sustainability are connected than they seem, and they both provoke success at individual as well as in the organizational levels (Beehner, 2019).

The notion of spirituality has been theorized in relation to religions, it is independently conceptualized from religious affiliations (Melé & Fontrodona, 2017). Religion is referred to as an organized belief system (GÖÇEr & ÖZĞAn, 2018), and religion is a way through spirituality is practiced (Guillory, 2000).

The Consumer Activists function with the prime goal of changing the principles, practices, and policies of organizations, businesses, industries, and governments. The movement's activists publicly portray their goal, themselves, and their adversary (Melucci, 1989). Social movements have only commenced obtaining systematic attention within sociology in the past 25 years. Accordingly, Sri Lankan Consumer Activists show the same universal Characteristics similarly with the international Consumer Activists Movements. Policies surrounding the initiatives to mould the members of the society from their early stages must be effectively organized. Having explored how the Consumer Activists have evolved it is essential to reorganize the Educational System in Sri Lanka by teaching the children to love themselves, others around them, and nature. It is also necessary to educate the parents on their parenting skills to mould the children from their very early stages to the end. The findings of the present study could enlighten policymakers on some valuable aspects of individuals since the findings show that the Consumer Activists have become who they are with the light of their religious beliefs. We are endowed with the ability to downgrade our self-centeredness. All great religions can be considered as different pathways to realizing this purpose. The study highlights the importance of making the consumer activists aware of their impact toward further improved activism with the incorporation of meaning in Sri Lanka. It also indicated that not only do the consumer activists inspire society, but they get inspired by society and have changed their behaviors mindfully.

Mindful consumption also supposes that one is in a position to choose what and how much one consumes (Sheth, Sethia, & Srinivas, 2011). According to his or her values and preferences, consumers make conscious choices about their consumption practices, guided by the mindful mindset. The core attribute of the mindful mindset as per Sheth, Sethia, and Srinivas, (2011), the caring for nature, personal and community wellbeing were brought up and were confronted by the respondents through means of Respect to others and as a Responsibility toward others and to the community at large. They see soft-wired kindness and universal love as a responsibility. All most all the respondents saw the connection between materialism-driven overconsumption causing countless environmental problems along with the climate changes that create a long-term impact on individuals and the society at large. Accordingly, most saw that protecting the environment and trying to enhance and promote the current ecosystems as their duty. The respect held by respondents leads them toward certain mindful consumption practices and to all the social activists' programs they engage in. The respect comes from caring for their loved ones for the encouragement, love, protection, and mutual understanding provided to them and the caring for all beings around them whether at work or family. The inner respect expressed is backed by compassion in many ways as well.

It was found that mindful consumption broadens its horizons to many fields such as consumption, food preparation, social activities, and more. Table 1 below summarizes

Table 1 Mindful Consumption Practices adopted by the Sri Lankan consumer activists

Mindful consumption practices	Examples of consumption practices
1. Reducing	• Reduced or No use of Plastics and Polythene • Better waste management • The effort to reduce their waste to nature • The practice of not being wasteful • Reduced spending on wants
2. Reusing	• Reuse of Plastics and Polythene • Use of reusable items • Buying secondhand • Turning the waste into something valuable • The practice of careful consumption of their possessions
3. Rejecting	• Rejecting the consumption of animal flesh • Rejecting artificial products
4. Recycling	• Use of recyclable materials for their products and promotional materials • Use of Biogas • The practice of filtering water
5. Redefining Consumption Practices	• Living a chemical-free life • Eating healthy food • Tidiness and cleanliness in life • The practice of Loving and Kindness

Source Author Developed

the Mindful Consumption Practices adopted by the Sri Lankan consumer activists.

Most participants expressed their inner respect as a major reason for what they do. The key finding shows that consumer activists reflect universal love and spirituality through respecting their loved ones by being grateful for what they have done for them in return by extend their love and care to them.

The respondents also confirmed the findings of Ulluwishewa (2016), under the theme of Compassion, where he explains that the soft-wired brain has been programmed by our wrong perceptions to see ourselves, not as integral parts of the whole, but as individuals separated from others and the environment, and to perceive our fellow human beings as "others", "competitors" and "enemies" (Uluwishewa, 2016). Compassion was shared because of their social experiences by walking in the same paths in life before evolving as consumer activists. Also, the practice of compassion and kindness was backed by their parents, family, and the religious beliefs deeply held from childhood. The random acts of kindness were proven through their stories and their planned acts of kindness for the future were revealed filled with a gentle self-satisfaction toward happiness that lasts according to them. The respondent's beliefs shaped by their Religions was also found a major drive of mindful consumption and a reflection of universal love where sentience, kindness, and love to all beings was given as teaching of Religion that leads to the attainment of spirituality under religious grounds.

Most respondents saw being harmless to any being as their responsibility. The reason for going vegetarian for them was mainly due to unwillingness to see another being get killed just to fulfill their hunger which reflects universal love. Respondents confirmed the intrinsic, instrumental, and aesthetic values they held for nature under the theme of the Bond with nature. Where respondents expressed that we are a part of nature not apart from nature which is also backed by compassion in some ways.

Happiness, from the spiritual perspective, is not a worldly feeling we feel through our senses, brain, and the nervous system, but a property of the universal consciousness, or the energy-self (Uluwishewa, 2016; Ludwigs, Henning, & Arends, 2019) which was received as a response from all most all the respondents explained under the theme "Happiness".

Appendix 1 shows the diversity of the respondents, the researcher incorporated respondents with different demographic characteristics such as gender, age, religion, level of education, and the social activist programs conducted by them. It also summarizes the Profile of the Respondents, and it supports the argument that universal love and spirituality are reflected within their activism. Accordingly, we assure that universal love and mindfulness practices were as much more closely associated with their main area of activism. It was also clear that they were different from other ordinary consumers. They live their own social life, but they have dedicated themselves comparatively more toward a worthy cause. Table 2 summarizes the reflection of the notions in their practices.

The study was conducted among many respondents who played leadership roles in their movements who followed their dreams to make a change for a better world. According to Maslow (1970), they are 'self-actualizers'. He believed that a society with eight percent of self-actualizing people would soon be a self-actualizing society. Because self-actualizers act as agents of change and their behavior and the activities, they initiate inspire and encourage others around them, which indicates changes in the conduct of all individuals, institutions, and the community at large.

Mindfulness as a state or trait can be cultivated through the practice of mindfulness meditation; thus, policymakers must spare their attention to such efforts with all religious leaders in Sri Lanka because one can achieve spirituality through both religious and non-religious ways. Also, public policymakers and government could initiate public awareness programs to encourage more religious and non-religious spiritual practices to mould the members of the society to overcome the challenges of Overconsumption. Such awareness campaigns would help the society to identify their state of wellbeing and of those around them which may encourage them to be mindful in their Consumption Practices.

4   Lesson Learned

Findings the various mindful consumption practices adopted by them and reveal that universal love and spirituality are reflected through respect, compassion, responsibility, religion, bond with the nature, and through happiness. Given the case study

Table 2 Ways of the reflection of universal love and spirituality

Ways of the reflection of universal love and spirituality	The practices toward a worthy cause
1. Respect	• Respecting their loved ones and animals as to pay their gratitude in return • Respecting the team members and followers • Respecting other human beings and life in general
2. Compassion	• Compassion to their loved ones • Compassion to the needy segments of the society • Compassion to other humans in general
3. Responsibility	• Thinking responsible to add value to the society they live in with the different roles they play in the society • Thinking responsible to live a harmless life to all beings • Perceiving Social Work as Social Responsibility
4. Religion	• Consideration as religious humans • Following their holy teacher Lord Buddha • Belief in "Karma" • Belief in Jeses and his teachings
5. Bond with the Nature	• Perceiving the human body and the planet as the only homes • Perceiving all beings as a part of nature (instrumental values for the nature) • Touched by the natures' aesthetic values • Bonds with animals • Being empathetic about animal lives
6. Happiness	• Feeling the beauty of happiness by supporting another being • Overwhelmed with the self-satisfaction they receive • Enjoying a happiness that last forever • Not seeking to satisfy the pleasure centers

Source Author Developed

presented experiences of a unique consumer group in the society, application of their experiences to mundane consumption in the lay society would be challenging. However, discussion and sharing experiences of this nature could be a starting point for lay-consumers also to be stimulated and initiate their behavior changes too.

5 Declaration of Conflicting Interests

As per the authors' knowledge there is no conflicting interest with regard to the current case study, authorship, and publication of this case study.

Credit author statement

E.S. Wickramasekara participated in reading the relevant literature, data collection, and drafting the manuscript toward developing the final case study. WDC Jayawickrama participated in supervising the conduct of the study from the beginning, by providing necessary literature, finding suitable respondents, and supporting the data analysis.

Discussion questions

(1) Critically evaluate the importance of Consumer Activists to business organizations, government, society, parents, and religious leaders in this modern. Preferable to discuss how the Consumer Activists influence the PESTEL factors.
(2) Discuss the concepts of mindful consumption, spirituality, and universal love by providing real life examples.

Project/activity-based assignment/ exercise

(1) Critically evaluate the importance of Consumer Activists to a business organization in this modern business world with reference to their Marketing in Practices.
(2) Assess the contribution of the notions of mindful consumption, spirituality, and universal love toward Socially Responsible Consumption and Marketing in Practice.

Group Work

(1) Ask the students to list down their mindful consumption practices and the attitudes along with values that influenced such choices and thereby make a comparison with the mindful practices used by the consumer activists of the case study.
(2) Ask the students to find two or three consumer activists and to discuss about the mindful practices used by them in order to understand if there's a difference.

Additional Content

Did you know that Mindfulness is a 2500-year-old concept that originated from ancient eastern and Buddhist philosophy and that Jon Kabat-Zinn was the first to introduce the notion of mindfulness to the Western world?

support and for the opportunity. We thank the reviewers who guided us constructively through our journey. We are also grateful to all the great authors who have conducted studies which directed me through the study from the very beginning to the end. Finally, we extend our love and deepest gratitude to all our family members for their kind management of the household for us to comfortably complete our work.

Appendix

Pseudonyms	Age	Gender	Religion	Educational level	Consumer activist programs and their role
Respondent 1	39	Male	Buddhist	Primary	Founder of a Foundation that has donated the highest number of wheelchairs to disabled Donations for the neediest segments of the society
Respondent 2	27	Female	Buddhist	Secondary	Founder and President a social group
Respondent 3	38	Male	Buddhist	Secondary	Founder of a social service foundation Donations for the neediest segments of the society
Respondent 4	25	Female	Christian	Graduate	Organizer of the religious forum
Respondent 5	24	Female	Buddhist	Undergraduate	Co-Founder of Motivational session for students
Respondent 6	22	Female	Buddhist	Secondary	Coordinator of a social club
Respondent 7	23	Male	Buddhist	Undergraduate	Partner of a social business
Respondent 8	22	Male	Buddhist	Undergraduate	Coordinator of a social club
Respondent 9	34	Female	Christian	Secondary	Founder of a charitable movement
Respondent10	23	Male	Buddhist	Undergraduate	Founder of a social business Initiates social and community development programs and encourage young social entrepreneurs
Respondent11	54	Female	Buddhist	Primary	Coordinator of several humanistic clubs
Respondent12	24	Male	Buddhist	Undergraduate	Coordinator of Motivational session for students
Respondent13	29	Female	Buddhist	Graduate	Practitioner of sustainable living

(continued)

Pseudonyms	Age	Gender	Religion	Educational level	Consumer activist programs and their role
Respondent14	48	Female	Buddhist	Secondary	In charge of the kids' section of a hospital for patients of Cancer
Respondent15	30	Male	Buddhist	Graduate	Innovator, Lecturer, Geographer and the founder of their social group
Respondent16	22	Female	Buddhist	Undergraduate	Treasurer of a social club
Respondent17	22	Female	Buddhist	Undergraduate	Founder and president of a social club
Respondent18	28	Male	Buddhist	Graduate	Founder of an animal movement
Respondent19	25	Female	Christian	Graduate	Research Assistant on Spirituality and Management
Respondent20	24	Male	Buddhist	Undergraduate	Former Vice President of a social entrepreneurship club
Respondent21	26	Male	Buddhist	Undergraduate	Founder of a social entrepreneurship club
Respondent22	36	Female	Christian	Secondary	Founder of a charitable movement
Respondent23	24	Male	Buddhist	Undergraduate	Treasurer of a social entrepreneurship club
Respondent24	28	Female	Christian	Graduate	Research Assistant on Spirituality and Management
Respondent25	29	Female	Buddhist	Secondary	Founder of a social group

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Shhh!! It's a Taboo Don't Touch!! Pickles Go Sour! Sweets Become Inedible! Meals Become Impure! Plants Die!

Sonali P. Banerjee and Rahul Gupta

1 Introduction

Sanjana a first-generation entrepreneur wishes to help underprivileged members of society since her childhood, while attending a social meet she felt the pain faced by teenage girls and women during their menstrual cycle. She was aware that entering an area that is always considered Taboo in society, to talk in public, offer help to the underprivileged will require herculin efforts, but the pain is worth taken.

Ms. Sanjana Pai founder of "The Pink Box" offered by Crimson Fuchsia Retail LLP. Being a firm believer of women's rights and development, and children's education, contributing to the field of social entrepreneurship since the age of 16. As a philanthropist Sanjana wishes to break taboos related to periods, the stigma around, and much-needed health and hygiene issues, which seems to be lacking for women undergoing menstruation in our country.

2 Period Poverty

Lack of access to menstrual education and health items is known as period poverty. With 800 million women and girls menstruating every day, a subject that affects half the world's population. In India, only 36 percent of women have access to sanitary pads, which is of grave concern. Women and young girls observing menstruation around the world are ostracized from common practices, such as consuming certain

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foods or socializing. The societal stigma linked to menses and lack of opportunities discourages them from attending their daily chores.

"To fulfill the hygiene needs of teenage girls is a basic question of human rights, dignity, and public health," said Sanjay Wijesekera, chief of water, sanitation, and hygiene at UNICEF.

Even in advanced countries like the United States, the first time the word "Period" was used in mass media was only in the year 1985, the commercial that changed TV advertisements forever. There's nothing to be ashamed of about the monthly visitor!

Van Eijk (2016) in their paper talked about the restrictions faced by Menstruating girls especially for religious activities. Garg, S., & Anand (2015) discussed the Impact of Myths Related to Menstruation in Women's Life. Kumar, & Srivastava, K. (2011) discussed the cultural and social practices regarding menstruation among adolescent girls. Dhingra et al. (2009) in their paper finds that consuming foods like rice, curd, and milk during this period is taboo, along with other taboos, like untouchability, etc. Poor menstrual morale is punishing and oppressing women with the fact of getting five to seven days of bleeding and other associated symptoms every month. During this time women are not permitted to talk about their menses, without the penalty being a certain amount of shame and judgment.

3   Women Hygiene

Menstrual health is vital in empowering women and girls worldwide and to their well-being. It is about more than just obtaining sanitary pads and adequate toilets facilities. It is also about ensuring women and girls live in an atmosphere that respects and encourages their ability to handle their menstruation with dignity. Practical, safe, and culturally appropriate ways of addressing women's menstrual hygiene needs in low-income countries are recommended. Types of adsorbents used, hygienic practices, and cultural pressures during menstruation are correlated with negative health and psychosocial effects including infections of the reproductive and urinary tract, anemia, school absenteeism, and social isolation. Dasgupta and Sarkar (2008) talked about menstrual hygiene in adolescent girls. Penelope A Phillips-Howard (2016) discussed the girls dropping out of school due to menstruation and the need for menstruation hygiene in school. Benshaul-Tolonen et al. (2019) also discuss absenteeism in school due to the same reason.

4   Fact Check

- Over 23% of girls in India drop out of school when they begin menstruating.
- More than 77% of women use an old piece of cloth as an absorbent for periods, often reused many times.

- Only 12% of Indian women have access to sanitary pads. The other 88% uses a variety of absorbents like piece of old cloth, newspapers, dried leaves, ash, and more.

The use of these materials increases the woman's susceptibility to infections and leads to a painful experience every month.

5 Sanitary Pads in India

A very high percent of India's women still does not know what a sanitary napkin is or why it is being used for, it is a worrying figure but an even tougher counter. To tackle this issue with comparatively cheap and eco-friendly sanitary napkins is still a distant dream. India has seen a series of campaigns over the past many years aimed at educating women on menstrual hygiene and sanitation. The objective of Phillips-Howard et al. (2016) in their paper was to assess the status of menstrual hygiene management (MHM) among adolescent girls in India to determine the unmet needs. Garikipati and Boudot (2017) talked about women using pads, cloth, and other alternatives. The menstruation-related taboo outnumbers the women who must go through this cycle every month. From not touching the pickle, not walking into the temple, not entering the kitchen area, India has menstrual taboos and beliefs that have practically crippled its women with chronic reproductive infections. Not only are the taboos limited to rural parts but also are prevalent in urban areas. Shah & Nair (2013) discussed Improving quality of life with new menstrual hygiene practices. Thakre (2011) found one-fourth of the girls were ignorant about the use of sanitary pads during menstruation, and they also mentioned that this may be due to a lack of proper health education provided in schools. Hence, in a time like this, the need to speak and educate in favor of feminine hygiene practices is highly important.

6 Initiatives by Sanjana

"I believe I've found my ikigai" (a Japanese concept of finding "a reason for being").

Pink box contains items like sanitary pads, tampons, personal care items like pain relief cream, patch and roll-on and other items like hand sanitizers, sweets, chocolates, etc., these boxes have everything a woman needs during her period. Using Pink Box as a subscription service offering everything needed during periods is available at one place.

Crimson Fuchsia Retail LLP is a startup by Ms. Sanjana Pai, and she has very aptly named the company "Crimson Fuchsia Retail as the start-up works in the menstrual hygiene space. Crimson stands for blood, which is the most vital element of our body, Fuchsia stands for the fuchsia flower, also called The Dancing Lady, which

represents freedom and joy. Her vision is to see India as a period-positive society, where women are not held back by the taboo and stigma of having periods.

She saw alarming statistics around periods and menstrual hygiene which made her worried and she got determined to work in this field. She says the biggest issue that is faced by her venture is the stigma around menstruation. She constantly plays her part in de-stigmatizing taboos, while being sensitive toward various beliefs and traditions. She stated that the turning point was coming face-to-face with the women facing problems during their period.

The venture started in 2018 and is growing by each day, and they organized a "Period Party" a first-of-its-kind event to celebrate periods and come together as a community on the Menstrual Hygiene Day "28th May" in the year 2019. They have started a complete campaign 'Gift A Pack of Pads' as a gift to under privileged girls. How they made this campaign worked and involved society at large was by urging friends, family, colleagues, and extended circle to contribute a pack of sanitary pads, by contributing only Rs. 35, which would be gifted to a girl in need. One pack of pads would cover a girl's sanitary requirement for one month. They also took arts and crafts sessions with the children residing at the orphanage. They visit Rescue Home for Girls, where girls have been rescued from illegal professions and rehabilitated in a safe environment, where they are educated about maintaining health and personal hygiene during menstruation. Hundreds of girls have benefitted so far, and many more to go. They initiated a wonderful campaign called 'Back to the Sisterhood', to promote sisterhood among women at workspaces, a Pink Box is kept at office space across Mumbai filled to the brim with Sanitary Pads. The beauty of the box is a girl can take a pad in need and replenishes back whenever they can. Practice ensured that the box is always full of pads for others who may use a pad when in need (What a beautiful thought).

They conduct educational sessions on Menstrual Health and PCOS/PCOD at offices and workspaces. In the era of digital space, they have started a '21 Days of Self Care' challenge on Instagram and Facebook, where people are engaging with feel-good self-care activities to keep them going even when they are physically not in the office. All these efforts are being made to ensure our society a period positive society.

7   The Products Launched by the Pink Box:

The Ultimate Period Kit: a curated box of healthy snacks, sweets, stress busters, collectibles, and customers' choice of sanitary pads or tampons.

The Bio Box: upgraded regular pads with, biodegradable pads! The healthy eats and stress busters are featured in this box too! This one is the Ultimate Period Kit for eco-conscious women.

The Travel Kit: makes the period easy during trips and travel more comfortable. It has also got handy hygiene products, along with a travel-friendly pouch!

The PCOS Care Box: which is India's very first subscription service exclusively curated for women diagnosed with PCOS. The goodies in this box are all part of a PCOS-friendly diet.

8   Plans for Future

Sustainable Menstruation: Where efforts will be made to focus on making menstruation as well as menstrual hygiene products sustainable and eco-conscious. Each of us needs to make efforts to reduce our carbon footprint and play a vital role in these eco-conscious efforts.

Community Building: They are creating a community for women where they can discuss women's health without any reservations.

9   Other Issues

Lack of access to informed people about menstrual issues

We lack in creating awareness for menstruation hygiene be it rural or urban adolescents. Limited knowledge is dispersed down informally by friends, mothers, and they do not have acquaintance with reproductive health and hygiene due to socioeconomic status and illiteracy. Adolescent girls in low-income families face hygiene problems during Menstrual, especially while attending School due to lack of sanitation, and poor water facilities. Insufficient puberty education and unavailability of hygienic aids (absorbents) lead to menstruation as an uncomfortable and shameful experience among girls. Published reports suggest increased absenteeism from schools due to fear of humiliation and body odor. Cultural taboos complement their snags and prevent them from seeking help, restrict their activities during menstruation. Insufficient support leads to health issues related to urinary and genital tracts. Internationally awareness has increased to uplift and these taboos through various programs, focusing on dignity and privacy, break stigma, and make absorbents accessible and affordable.

Sensitize boys regarding menstruation

As noted by the bench of the Honorable Supreme Court of India on 26-Mar-2021 that the structure of our society is created by males for males, where the talk of equality is a farce. Health issues especially with women can only be understood by women. We face extreme gender-related disparity for health awareness and availability of separate washrooms, cleaning materials. The male members of the family and society need to be educated on the importance of the natural process, where female undergo every month, and only they possess this divine power to keep the generation growing and

proliferate the family lineage. The male members must understand and respect the natural phenomena, by helping and supporting women during their tough times.

Inadequate facilities for sanitary Napkins (SNs) disposal

Sanitary waste disposal has become a growing concern in India as the plastics used in disposable sanitary napkins are not biodegradable and contribute to hazards to health and the environment. The effect is more pronounced in the cities and villages due to unorganized methods of urban solid waste management and inadequate community collection, recycling, and transport networks. The 2016 Solid Waste Management (SWM) Rules show the problem, with only two cities in India, Bengaluru and Pune, introduced solid waste measures to successfully segregate and classify menstrual waste during daily garbage collection. Data notes that up to 125 kg of non-biodegradable waste can be produced by a single woman during her menstrual years. This involves using sanitary napkins, tampons, or menstrual cups that have just been in the market and yet not accepted very well in the market. Furthermore, studies indicate that it may take at least 500 to 800 years for one sanitary napkin to decompose due to its plastic material. Plastic is highly unbiodegradable and therefore can cause health and environmental hazards. Cowan and Miles (2018) and Kaur et al. (2018) in their review found that the disposal of menstrual waste is usually neglected which leads to improper disposal of the menstrual waste and harms users, the sanitation systems, and the environment as a whole.

10   Conclusion

Empowering women and girls, making them comfortable during menstrual, breaking taboo, and consider periods as a normal and important activity in every women's life. Adequate infrastructure with clean and hygienic washrooms with clean water, timely education among adolescents, and underprivileged girls and women is an urgent need. Efforts put in by Sanjana are worth appraising. Issues related to her plans need adequate and timely efforts. What all can be done for educating masses for hygiene and health during and after menstrual. Involvement of others like NGOs and support by government organizations is a mandatory requirement for today. Sustainable disposal of used products requires immediate attention as they contain plastic and takes centuries before decomposition. Sensitization of all is a must.

11   Lessons Learned

India with 1.36 Billion population, roughly 800 million women and girls requires sanitary hygiene products every day. We also encounter extreme gender-related disparity for health awareness among women. As men do not face this situation, and women are blessed with a unique system because of which they face these

trivial health and social issues. Unavailability of separate washrooms, cleanliness, hygiene level, accessibility changing material like pads, tampons etc. are discussed. After using the sanitary pads, its disposal is also an issue for the women and the authorities.

For user perspective how to dispose it off without facing any social stigma, and authority find it difficulty while disposing them with taking care for environment. Plastic particles used in the manufacturing of these products are not decomposable for years and requires a feasible solution for decomposing.

Educating users about the importance of hygiene during this period and educating society regarding myth associated with periods.

The societal stigma linked to menses which deter them with the opportunities and discourages them from attending their daily chores. Our responsibility is to guide and educate them and their associates eight at home or workplace. We must break this myth that working during periods is unhygienic or will destroy the social system. It is a completely natural phenomena every woman after a certain age needs to menstruate up to a certain age. UNICEF also says human rights, dignity, and public health is a fundamental right of all women. Initiatives taken by Sanjna are worth apprising with her pink box initiative. As a responsible citizen and member of society all of us must contribute for this social cause. Various social organizations, NGOs, and Government bodies take this issue with utmost delicacy. But we require more such initiatives as taken by our young entrepreneur.

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Deepika Store: A Dilemma of Being Sustainable or Profitable

Nimit Gupta and Anuj Kumar

Abbreviations

SKUs   —Stock Keeping Units
Dinks   —Double Income No Kids
VM   —Visual Merchandising
CL   —Category Leader

1   Learning Objectives

After undergoing this case, the participants should be able to assess the retails store management in detail. It also enables the participants to understand the food retail consumer behavior for organic, sustainable, and green products. The case provides an opportunity to define the various marketing mix inputs in a retail strategy. After going through this case, participants will be able to evaluate the choice of a general store versus a super-specialty store. Participants are also able to design a suitable layout keeping the super-specialty store in consideration. The various factors to be considered for evaluation of various alternatives enable the participants to think from the perspective of profitability versus sustainability. The key learnings will include:

1. Understanding the retail business
2. Developing a retail marketing strategy
3. Instill a framework for sustainable practices in a retail setting
4. Formulation of sustainable brand image and positioning

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2 Introduction

Deepika Store is a famous standalone retail store in a residential hub, involved in retailing the brands of daily needs to the residents of the area. This retail unit has done very well for the last 15 years keeping. Mr. Manish, the owner of the Deepika store, is wondering about the future of the store from the perspective of responsible and sustainable consumption, keeping in mind the increase in Stock Keeping Units (SKUs) offered by various companies and the limited shelf space in his retail shop. He wonders, with so many new, unwanted, and not required brands, products, and SKUs, consumers are going for products that are not of immediate use, storing them for the future, and buying the bulk packages, which seems to be economical. Manish wants to have his shop known for sustainable products, which helps the consumers to think before using. He is not very sure how this will be a future-oriented decision as, on one end, consumer wants more choice, though retailers have limited shelf space (O'Cass & McEwen, 2006). He is wondering; his shop can become the change agent who can be the change agent for sustainable consumption and helps the immediate society in moving toward responsible consumption. This case is an opportunity to discuss the importance of visual merchandising, shelf spacing, and category management for a retail outlet on the factors of sustainable brands and products. The case will showcase the dilemma of sustainability vs. profitability. The case ponders the thought process of SKUs vs. choice and choice vs. conspicuous consumption (Beneke, 2014). Can Manish be able to have a sustainable retail shop of first of its kind? Do consumers think the same way as Manish? Will Manish go for his own private label brands? Will Manish able to succeed in his new approach toward marketing and branding?

"Buy less, choose well."
Vivienne Westwood.

3 Case Opening

On a bright morning, Mr. Manish was about to reach his retail outlet store, Deepika, a famous retail store situated in the busy street where he was expecting a substantial footfall in his store due to the annual festival rush. He had updated the stocks and deployed two additional temporary salesforce executives to deal with high footfall during this auspicious festival season. However, the only thought creating anxiety in his mind was that many times, consumers of his store had returned dissatisfied due to the unavailability of a required variant of product/brand. He had witnessed this phenomenon during the last two years only. Consumers were generally looking out for any product/brand they see on either of the screens whether a TV or a mobile device. He was amused to see how consumers were becoming choice-conscious and brand loyalists.

4 Early Thoughts

Manish has been spending a lot of time observing consumers understand their demands and expectations from his old and famous retail shop. He was not very certain about the actual sales during this festive season. Moreover, he is also worried that with so many new SKUs and not required product variations, how much will he stock and why? He thought that instead of stocking so many variants, can he offer only sustainable products which are of need and that too unbranded and with very little choice in terms of variations. He believed this would help the consumers to think about conspicuous consumption in one way and become conscious of sustainability on the other side. He discussed this thought with Mr. Amitabh, who is his brother-in-law and a famous business consultant employed with a leading business consulting firm. Amitabh shared various facts regarding the growth of organic brands and limited choice stores. Manish, despite all the information received from various ends, including the retail industry predictions, not very sure how consumers will behave, was of this dilemma whether he should source the products from manufacturers or opt for getting it manufactured for him by direct producers. He was not very clear of how he was able to convince his customers who were wealthy, health-conscious but at the same time brand-conscious too. While his whole family was enjoying the dinner, he was still thinking of the future ahead of his store, which was one of the most sought after in the region (Archambault et al., 2020).

5 Deepika Store

Deepika is a convenience store, which deals with daily needs items of local consumers. Situated in the busy streets of a famous residential area, it has been in business since early 2000. The store was conceptualized by Mr. Satish, who felt the need for a convenience store after observing the lack of such stores in the area. Satish was highly involved in the business as this was his sole source of income. In the year 2000, he started this store with borrowed capital and established goodwill among the area due to the great variety of various products and brands. In the year 2005, because of high demand, all thanks to their USP of the highest product and brand choice, the store expanded by 300 square feet. This enables them to have new products from other categories and with a good consortium of international brands as well. 2010 was one of the most successful years for the store as in this year they were able to capture the market from other adjoining areas and emerged as a destination store; also, this is for the very first time, they were able to have demonstrations and showcasing of various products for their customers. Mr. Manish, the son of Mr. Satish, joined this family business in the year 2013 and was highly desperate to make radical improvements in the overall management of this retail business. However, the road to success was not an easy one for Mr. Manish. He had to investigate multiple

issues like the management of SKUs, dealing with suppliers, management of work-force, dealing with consumers' changing preferences, and competition from new stores coming up in and around the area. Out of these issues, one issue that bothered him most was the lack of display space in the shop, which hindered effective visual merchandising as he was witnessing there is a surge invariant of products and brands. In the year 2015, markets were changing rapidly due to the emergence of sustainable products and consumers becoming conscious. The number of variants of daily need products was growing at a rapid rate. For example, consumers began opting for hand wash instead of soaps, and the retailers were forced to stock both soaps and a hand wash. To add to the woes, these products have launched several variants based on size, usage, fragrance, etc. This was the case for almost all daily need items. Manish was always thinking about how he will manage these SKUs and why it is necessary to stock them (Cadeaux & Yee, 2013). In the year 2017, during an interaction with the distributor of Hindustan Lever, he realized that they had changed their logo in view of sustainability. This triggered Manish to think that will this sustainability approach be the new USP, and he started giving attention to all such products and brands which are sustainable. It was mid of 2018 when he decided to have 30% of his shelf space be attributed to sustainable products to achieve his mission. To inch ahead, he started giving a demo of such products and organized weekly information meets in the adjoining areas. Soon, his store gained the popularity of being the only store that has sustainable products (Solnick & Hemenway, 1998). In 2019, he thought of a drastic step of moving from a general retail store to a specialty store having only sustainable products. He had developed a strategy of educating consumers to buy less, buying sustainably, and be rational in buying. He was aware that in the initial years, he might have low revenues, but this is the future. When he discussed this idea with his father, he rejected this on the grounds that Manish was becoming more emotional rather than business oriented. He almost snubbed him by asking him to start his own new venture, do not dilute the long-term standing of Deepika Store. Also, Amitabh was not in his favor due to high investment and low revenue as per the industry forecasts. In fact, one of the loyal customers of the store—Badri, after not getting his desired packet of biscuits, said—The store is losing the reputation build by his father, and the son is putting all hard work of his father into a vein.

6   Target Market

Due to its location, Deepika was able to serve customers from various adjoining areas. Customers who were looking for a one-stop solution for all daily needs preferred to shop at Deepika. Initially, the store catered with very limited categories but later added several new categories to enhance the store's consumer base (Heffetz, 2011). Earlier consumers, who were nuclear family-based with both the husband and wife working—DINKS, were the target market, but in few years, the store becomes the choice of every household. Sunday seemed to be a very busy day for the Deepika store as Sunday was the weekly day off for both the husband and wife in most cases.

Mr. Manish has observed that, currently, his sales come almost equally from both the consumer segments, the consumer who visits the store to buy the products and the other who orders the products for home delivery. Their customers were brand conscious and looked for the specific products having a particular brand associated with them. (Refer Appendix 1).

7 Competitive Profile

Deepika, like other such stores, has a good number of loyal customers who order the merchandise monthly. Since its inception in 2000, the store enjoys a monopoly of being the single store offering a wide assortment of goods. It was very clear to the employees of the store that if there is no stock of any SKU available, and it must be procured on an urgent basis to meet ever-changing consumer demand. As the colony where Deepika was operating gets dense with population, there was mushrooming of small-scale "Mom and Pop" stores having a narrow but high demanded assortment. These stores often operated on non-commercial premises and, hence, have low operational costs. It was the year 2008 when for the first time, Deepika faced the market heat due to new and modern retail stores offering discounts on every product with a unique experience of family shopping for daily needs with cart and multiple options to choose from, broadly high SKUs. Two of the main segments of Deepika's sales, chocolates and candies, were shaken due to new and dedicated bakery shops offering wider varieties of chocolates. At the same time, big brands like "Big Bazar," "Reliance," "More," etc., made a substantial entry in sneaking profits across segments of Deepika. In recent years, online players such as "Grofers," and "Amazon" made the market more competitive and difficult to operate. The market had become more competitive with established brands offering high experience and new brands offering super value of money by offering huge discounts. The competition was becoming fierce on account of savings, SKU's, delivery time.

8 Retail Marketing Mix of Deepika Store

Deepika store enjoyed the tag of the most preferred retail store for many years due to the adequate marketing mix they had followed during their retail store operations. Deepika store procures products under various categories of international, national, and regional brands. The store also has its own private label under the brand name "Deepika." The store typically had 10–12 SKUs of each product under various categories. These SKUs were generally based on brand, size, and variants. One of the strongest points of the store was the availability of products as per brand, size, or variant. The store also gained their loyalty among the customers due to the discount they had offered on all products. It was very clear to the customers that the prices of Deepika are 10 percent less in the case of packaged goods having a maximum

retail price. Products that were sold loosely were typically under their private label, which was almost 15 percent less priced as compared to international or national brands. The store has not paid for many promotions as their customers were generally regular and spread positive word of mouth, with one of the primary reasons due to the availability of a high number of SKUs. Refer to Appendix 2.

9 Sustainable Tryst

Off late, Manish was approached by various sustainable brands to stock their products which were limited in number and offer good margin to the store. He was not very sure whether consumers will accept this; however, he was aware that the numbers of consumers looking for sustainable products were increasing gradually due to more awareness. In the year 2019, he also conducted display promotions for sustainable brands, and as per the revenue figures, he was satisfied, though it was very marginal about the branded products. Being sustainable and conscious of the purchase was one of the issues, which were gaining popularity. Keeping the future in consideration, Manish was determined that sustainable practices needed to be adopted by one and all in the coming years, though he was not sure, is it the right time for his store or not? He also researched various online operating sustainable brands and their operating profits. More he searched, he became inclined for sustainability, though the top line and bottom line remain his co- priority.

10 Going Forward

Manish was thinking of expanding the store to meet all such challenges, which requires huge investment but was required to be competitive (Hökelekli et al., 2017). This also can have to leverage the brand image of the Deepika store. He also thought of having more emphasis on home delivery as a major revenue driver, which one hand is economical and, on the other hand, is the growing segment. However, this requires a dedicated marketing approach. Despite all such, his heart was going for becoming a super specialty store for sustainable products and stocking limited but required products. He was very excited to develop a new brand image of the store, which can be a game-changer in the future to come. He was very much worried about which categories he should deal with, which categories he displays on shelves, which products he should develop on his own (Lim, 2021). He was also having meetings with various manufacturers who are ready to develop specific products which are organic and sustainable for his store brand (Kumar et al., 2020). He was also looking for a new layout for his store, Refer to Appendix 4, which can portray a sustainable image. From the past week, he was having his dinner contemplating these thoughts. The one big question he was looking for is—Is it the right time to be a "Deepika Specialty Store" with the tagline of "Be Wise, Buy Less and Think Sustainable." To

his surprise, one of the major brands having a good range of portfolio of sustainable brands offered him to collaborate for being the first store of such kind in the region (Kumar et al., 2021). Manish was still not very sure of his decision, and today he was planning to have a lunch meeting with his father, brother-in-law, senior director of the brand, offering the opportunity and with his wife, who is always a lucky charm for Manish.

11 Lessons Learned

- Retail store management—Retail store management is one of the important learnings of this case, as managing a retail store requires careful planning, implementing, and controlling of various factors. The category management, visual merchandising, use of shelves, understanding and decoding the consumers' behaviors are crucial elements for learning here. This case provides greater learnings of all such factors and elements for substantial business development. Managing a retail store, therefore, can be understood and critically analyzed using this case as a learning tool. The learning will elucidate the retail industry in general and in food retail.
- Sustainable consumption drivers—Sustainable consumption as a concept as well as in application is one of the centers focused learnings of this case. The case describes in detail the various consumption drivers which are linked with sustainability (Kumar & Ayedee, 2019). The concern for the environment, future generations, use of scarce resources, etc. are the important factors, which can be analyzed and interpreted for learning insights (Kumar & Aggarwal, 2018). The case also provides the learnings in the context of sustainable consumption, sustainable thinking, and sustainable ecosystem, leading to sustainable behavior by the consumers. The drivers of sustainable consumption like habit, choice, loyalty, concern, etc. are carefully introduced in the case to provide an integrated learning
- Use of retail variables for decision-making—In a retail setting, various variables play an important role. The case provides in-depth learning of such variables which includes the ratio and mix of category, products, and brands, the application of stock-keeping unit, the financial and sales turnover, and the consumer choice. The case provides a detailed perspective on consumer behavior in general and with consumer choice, brand proliferation, brand loyalty, brand switching to the retail industry with sustainability in focus. The integrated framework of the retail store marketing mix in the sustainable ecosystem is the summative learning of this case.
- Conspicuous consumption—The case provides distinct learning in conspicuous consumption. It is seen that consumers tend to buy the branded products and are not much inclined for organic, sustainable, and generic products. This learning has a direct linkage with the sustainability choice consumers have and their behavior (Bakshi et al., 2021). The main impact of this learning must emphasize consumption, which is conspicuous, not only the consumption. This learning will develop

deeper exploration on the concept of why, how much, and what is needed from the sustainable point of view.

12 Discussion Questions

Q1. If you were Manish, which categories would you prefer for the store and why?

Q2. If you were Manish, which option you choose specifically being profitable or sustainable?

Q3. What are the important variables you will consider for your evaluation of various alternatives?

Q4. Design a retail layout assuming Deepika store is a super-specialty store offering only sustainable products.

13 Project/Exercise

Develop a list of all the shopping items you generally buy when you visit a retail store. After developing this list, analyze and mark those products which you think you have bought out of impulse; you were brand conscious and necessary. Also, try to put on record how many SKUs you have seen for the product on the shelf of the store.

14 Additional Content

1. Do you know which is the first departmental store -The Bon Marché in Paris, which began as a small shop in the early nineteenth century, is widely considered the first department store
2. Do you know what it is planogram- A planogram is a diagram that shows how and where specific retail products should be placed on retail shelves or displays to increase customer purchases

15 Synopsis

Deepika Store is a famous standalone retail store in a residential hub of Delhi, involved in retailing of the brands of daily needs to the residents of the area. This retail unit has done very well for the last 15 years keeping. Mr. Manish, the owner

of the Deepika store, is wondering about the future of the store from the perspective of responsible and sustainable consumption, keeping in mind the increase in Stock Keeping Units (SKUs) offered by various companies and the limited shelf space in his retail shop. He wonders, with so many new, unwanted, and not required brands, products, and SKUs, consumers are going for products that are not of immediate use, storing them for the future, and buying the bulk packages, which seems to be economical. Manish wants to have his shop known for sustainable products, which helps the consumers to think before using. He is not very sure how this will be a future-oriented decision as, on one end, consumer wants more choice, though retailers have limited shelf space. He is wondering, can his shop become the change agent who can be the change agent for sustainable consumption and helps the immediate society in moving towards responsible consumption. This case is an opportunity to discuss the importance of visual merchandising, shelf spacing, and category management for a retail outlet on the factors of sustainable brands and products. The case will showcase the dilemma of sustainability vs. profitability. The case ponders the thought process of SKUs vs. choice and choice vs. conspicuous consumption. Can Manish be able to have a sustainable retail shop of first of its kind? Do consumers think the same way as Manish? Will Manish go for his own private label brands?

16 Learning Objectives

After undergoing this case, the participants should be able to assess the retails store management in detail. It also enables the participants to understand the food retail consumer behavior for organic, sustainable, and green products. The case provides an opportunity to define the various marketing mix inputs in a retail strategy. After going through this case, participants will be able to evaluate the choice of a general store versus a super-specialty store. Participants are also able to design a suitable layout keeping the super-specialty store in consideration. The various factors to be considered for evaluation of various alternatives enable the participants to think from the perspective of profitability versus sustainability. The key learnings will include the following:

1. Understanding the retail business
2. Developing a retail marketing strategy
3. Instill a framework for sustainable practices in a retail setting
4. Formulation of sustainable brand image and positioning

17 Case Positioning

The case can be used in sessions of marketing management/retail marketing/retail management for postgraduate programs in business management. The case can be positioned in the sustainable consumption/green consumer behavior module of the

course. The session in which case is intended to be used is based on the flexible structure in which the active audience is engaged in discussion. The prerequisite requires a sound understanding of retail marketing and sustainable consumption along with conscious use of brands.

18   Research Methods

Both primary and secondary methods have been used in this case. In primary methods, multiple rounds of interviews were conducted with the owners of the store, and observation methods of analyzing consumer buying patterns were deployed. By this primary research, most of the information was gathered for the case. The retail industry growth estimates, forecasts, and other competitors' information was gathered using the secondary analysis. Also, various relevant research papers were reviewed to build a sustainable perspective. In this case, both methods were used to provide unbiased perspectives.

19   Assignment Questions

Q1. If you were Manish, which categories would you prefer for the store and why?

Q2. If you were Manish, which option you choose specifically being profitable or sustainable?

Q3. What are the important variables you will consider for your evaluation of various alternatives?

Q4. Design a retail layout assuming Deepika store is a super-specialty store offering only sustainable products.

20   Additional Materials

- http://www.worldofanalytics.be/blog/the-paradox-of-sustainability-in-retail
- Jones, P., Comfort, D., & Hillier, D. (2007). Sustainable Development and the UK's Major Retailers. Geography, 92(1), 41–47.
- See Kwong Goh, MS Balaji, (2016) Linking green skepticism to green purchase behavior, Journal of Cleaner Production, Volume 10 Pages 629–638

21   Suggested Core Readings

- https://www2.deloitte.com/content/dam/Deloitte/us/Documents/consumer-bus iness/us-cb-future-of-retail-metrics.pdf
- Jishnu Bhattacharyya, Manoj Kumar Dash, Chandana Rathnasiri Hewege, MS Balaji, Weng Marc Lim (2021), Social and Sustainability Marketing: A Casebook for Reaching Your Socially Responsible Consumers through Marketing Science: Routledge, Taylor & Francis New York the USA

22   Teaching Plan and Timing

The case can be used in sessions of marketing management/retail marketing/retail management for postgraduate programs in business management. The case can be positioned in the sustainable consumption/green consumer behavior module of the course. The session in which case is intended to be used is based on the flexible structure in which the active audience is engaged in discussion. The prerequisite requires a sound understanding of retail marketing and sustainable consumption along with conscious use of brands.

The time plan is as follows for a class of 120 min.

Time (in minutes)	Discussion Topic	Key Take Away
15	Debriefing the case by students	How to summarize a case
20	Categories (Q.1)	Understanding of industry
25	Choice (Q.2)	Decision-making skills
25	Variables (Q.3)	Evaluation skills
25	Layout (Q.4)	Apply theory
10	Concluding thoughts	How to close a case

23   Analysis of Assignment Questions

Q1. If you were Manish, which categories would you prefer for the store and why?

Selection of profitable categories, sub-categories, brands, etc. forms a major part of SKUs. The following factors are important and can be looked for selection of categories in food retail:

S. No	Factor	Impact
1	Contribution to Sales %	Positive
2	Contribution to Profit %	Positive
3	Positioning Uniqueness- Sustainable Products	Positive
4	High Stock Turnover	Positive
5	More Shelf Space	Negative
6	Prone to pilferage/Theft/Expiry	Negative

The following model of category planning can be discussed in detail to determine the depth and width of various categories offered by Deepika stores. Refer Exhibit 1.

Q2. If you were Manish, which option you choose specifically being profitable or sustainable?

Manish can use the PESTEL analysis and the SWOT analysis in order to find out which is the best option for him. The use of consumer sentiments and aligned aspects can be undertaken here. For being a traditional store, there is a high chance of being profitable for the next few years; however, becoming super-specialty now can give him a pioneering advantage. The growth plans need to be charted in all the possible options.

Q3. What are the important variables you will consider for your evaluation of various alternatives?

The main variables were as follows:

S. No	Driver	Impact
1	Increase in Income	Positive
2	Shopping Trend	Positive
3	Consumers Choice for Sustainability	Can be both
4	The emergence of Organized players	Can be both
5	Product and Brand Proliferation	Negative
6	Government Regulation	Negative

Q4. Design a retail layout assuming Deepika store is a super-specialty store offering only sustainable products.

Various aspects of the visual merchandising can be deliberated and brainstormed using the case as a base for further discussions, including the following:

Layout
- Grid
- Race Track
- Free Form

Shelf Space
- Nature of Goods
- Demand Pattern
- Visual Appeal Requirement
- Sustaianability Perspective

Feature Areas
- End Caps
- POS Dispaly
- Fixtures
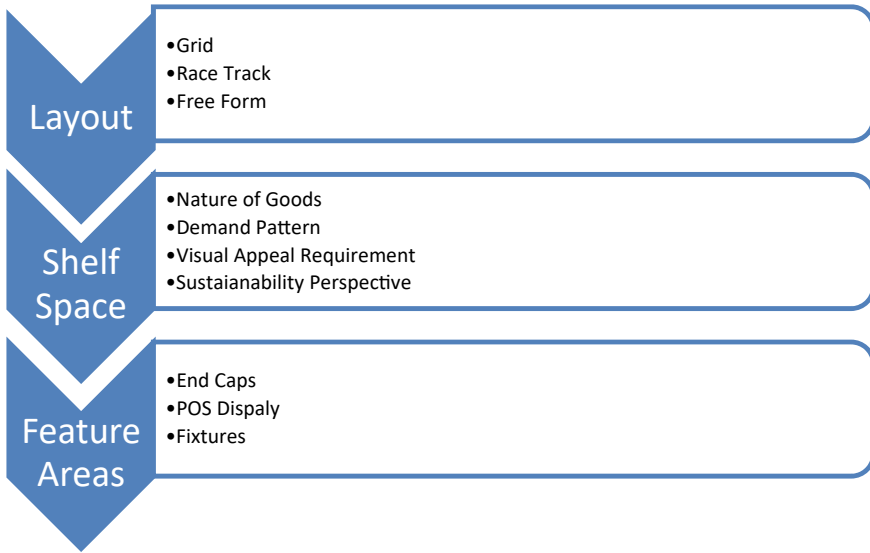
It is also useful and relevant to discuss the imperatives of visual merchandising from the major three stakeholders—Manufacturer, Retailer, and consumer. Refer Exhibit 2.

24 Key Learnings

- Retail store management
- Sustainable consumption drivers
- Use of retail variables for decision making
- Conspicuous consumption

25 Postscript

Manish went for the proposal, and Deepika store turned into the super-specialty store. The store is doing very well and is now looking for a second store of the same type in another region. Now, they are planning to have a chain of stores spread across the nation. The questions which can be further analyzed includes:

1. Can Manish opt for a hybrid model for their chain expansion?
2. Is it ok to venture into sustainable services like backward integration-based irrigation and drip irrigation?

26 Exhibits
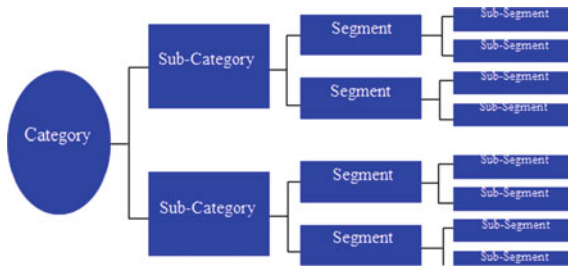
Exhibit 1

Exhibit 2

Appendix

Appendix 1 Details of Sales, Number of Customers, Ticket Size–Averaged for Month

Particulars	Number/ Amount (Per Average Month Basis)
Total Sales	24,56,600
Sales from Customer Walk-In	12,35,200
Sales from Home Delivery	12,21,400
Number of Customers	4800
Ticket Size	512

Source Authors' Own

Appendix 2: Categories at Deepika Store and Contribution % in Sales

S. No	Category	Products	SKUs	Contribution % in Sales
1	Dairy	Cheese, eggs, milk, yogurt, butter, flavored milk	37	7
2	Frozen Foods	ice cream, frozen packaged foods for consumption	16	4
3	Personal Care	shampoo, soap, hand soap, shaving cream, toothpaste, toothbrush, deodorants, talcum powder, hair oil	82	19
4	Kitchen	Wheat flour, pulses, cereals, spices, rice, sugar, salt, cooking oil, dry fruits, Condiments	131	31
5	Cleaners	laundry detergent, washing dish, washing powder, dish bar	67	7
6	Confectionary	Chocolates, candies, lollypop, mouth freshener	35	6
7	Electricals	Bulb, Batteries, Torches	19	6
8	Ready to Eat	Vegetables and Pre- Cooked Roti-Packaged	17	3
9	Snacks	Namkeen, Packed sweets, Papads, Chips, biscuits	73	10
10	Misc	Shoe polish, tissues, sanitary napkins, locks, toilet roll	31	7

Source Authors' Own

Appendix 3: Category Wise Shelf Allocation for Display

S. No	Category	Contribution % in Shelf Allocation for Display
1	Dairy	4
2	Frozen Foods	6
3	Personal Care	20
4	Kitchen	18
5	Cleaners	5
6	Confectionary	11
7	Electricals	3
8	Ready to Eat	8
9	Snacks	20
10	Misc	5

Source Authors' Own

Appendix 4: Layout of Deepika Store
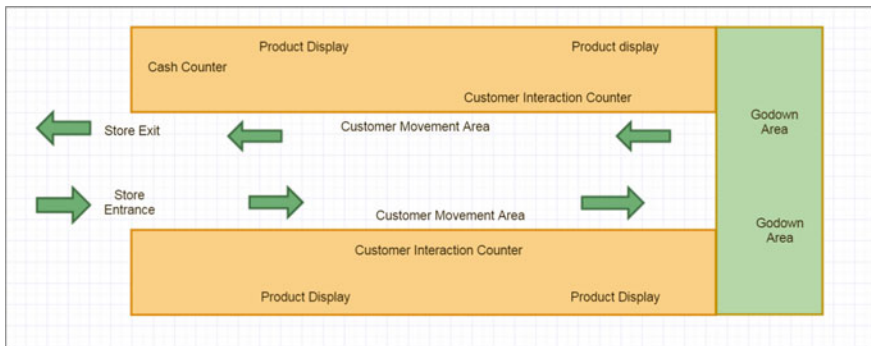
Source Authors' Own

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Lacoste: Save Our Species Campaign

Bikramjit Rishi and **Harvinder Singh**

1 Introduction

The announcement came as a big surprise for all the attendees of Paris Fashion Week 2018. That day, the French clothing company Lacoste announced a limited edition of its Polo t-shirts. The iconic product carrying the iconic "crocodile logo" had been the apple of consumers' eye for nearly a century. The new limited edition was expected to stir the market, and it does, but for a different reason. The company announced that the new series of t-shirts would not carry the crocodile logo (Foreman, 2021). Instead, it will have images of ten other endangered animals as logos. The audience wondered what made the company take such a vital decision. Many people wondered how the market would respond to this decision. Was the company earnest towards the cause of saving the species facing extinction, or it was merely a 'Green Washing' tactic to attract environmentally conscious consumers? If it was a serious effort by the company, how would loyal customers react to the elimination of the legendary crocodile logo they cherished for nearly a century?

2 Lacoste—The Company

Lacoste S.A. was established in 1933 by a French tennis player Rene Lacoste who represented France in the Davis Cup in 1927–1928. In 1933 Rene partnered with Andre Gillier, who owned a large knitwear manufacturing firm. The new company started by selling white tennis shirts. Till then, tennis shirts had long sleeves. Lacoste

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focused on comfort by reducing the length of the sleeve. Thus, the first typical short-sleeved polo t-shirt was born. The t-shirts also carried the signature crocodile logo embroidered on the chest of the t-shirt. The logo was inspired by the nickname (The Crocodile), which Rene Lacoste earned for his tenacity on the tennis court. The company claimed that it was the first instance of a brand name appearing on a clothing piece's exterior. The prominently visible logo made the brand instantly recognizable (Lacoste, 2021).

The polo shirts remained white till 1951, when the company offered a colourful range of these t-shirts. The colourful polos became famous as sportswear as well as streetwear. Lacoste white tennis shoes followed it in 1958. Over the years, the company added to its portfolio a complete range of clothing items, shoes and perfumes. The target market also expanded from sportspeople to include all men, women, and kids. To promote the brand, the company associated itself primarily with tennis and golf. To increase the visibility of the brand, the company signed contracts with top players like Andy Roddick (USA), Richard Gasquiet (France), Stanislas Wawrinka (Switzerland), Jose Maria Olazabal (Spain), and Colin Montgomerie (Scotland). In 2017, the company appointed Serbian tennis player Novan Djokowich as the brand ambassador, calling him the 'new crocodile.' For expanding the business beyond France, the company partnered with the izod corporation to manufacture and sell Lacoste products under license in the USA (Lacoste, 2021). It also licensed its trademark to French manufacturer Devanlay and ICC in Thailand. For Lacoste footwear, the license was given to the British group Pentland. Lacoste fragrances were produced under license by the American beauty company Coty Inc. Lacoste bags and leather goods were produced by the French company Cemalac SAS. All the efforts lead to increased acceptance and worldwide appeal of the brand, resulting in over 50 million Lacoste products in over 110 countries (Lacoste, 2021).

Rene Lacoste steered the company till 1963, when his son Bernard took over. Bernard Lacoste managed the company until 2005 when he transferred the company's presidency to his younger brother Michelle Lacoste. In 2012 the Swiss group Maus Frereis acquired Lacoste for USD 1.3 billion (IUCN, 2021).

3 Save Our Species (SOS)

Save our species campaign is the brainchild of IUCN. IUCN is an international organization promoting nature conservation and sustainable use of natural resources. It is headquartered in Switzerland and has offices all over the world. SOS is the world's largest network of species experts that enables the IUCN to steer its conservation efforts (IUCN, 2021). The campaign intends to help the vulnerable, endangered, and critically endangered species included in the IUCN Red List of Threatened Species in collaboration with IUCN experts, nature conservationists, and scientists worldwide. The campaign followed a three-legged approach focusing on the species, habitat, and people (Ibid. xxxx).

SOS, for achieving its objectives, partnered with communities, institutions, and organizations. Its partners' list includes the European commission's DG Devco, Balenciaga, Coq En Pate, and Lacoste S.A (Hyperbeast, 2021). The company signed a three-year agreement with Lacoste to support conservation action and global awareness of animals' endangered species. The agreement mandated that Lacoste will launch limited edition series of t-shirts featuring ten critically endangered species of animals as logos replacing the iconic crocodile logo. The company will launch 1775 polo shirts for all ten species. The animals used as logos included the Vaquita, the Burmese roofed turtle, the Northern Sportive Lemur, the Javan Rhino, the Kakapot Parrot, and the Cao Gibbon, The California Condor, The Saola, The Sumatran Tiger, and The Anegada Ground Iguana. The campaign aimed at increasing awareness about the condition of endangered species of animals. Besides, it also aimed at building Lacoste's reputation as a committed and responsible brand (Ibid. xxxx).

Lacoste's logo 'Crocodile' was appropriate for a campaign meant to save the species because crocodile as a species has survived on this earth for centuries because it can adapt to the environment. The campaign intended to use the crocodile to save other species. The crocodile logo had tremendous brand recall value. Removing that logo was expected to heighten attention to endangered species and raise awareness of the alarming condition (Homepage, 2021). The company produced 1775 white polo shirts on which ten endangered species were embroidered in green colour. The number of t-shirts for each species corresponded to the number of the remaining population in the wild for that species. The limited number of t-shirts conveyed that there were very few endangered animals in the wild (Saveourspecies, 2021).

Lacoste's partnership with IUCN gave credibility to the campaign was IUCN was a legitimate international organization working on environmental issues and having expertise in saving threatened species. After overcoming the credibility challenge, the campaign overcame the visibility challenge with a minimal budget. The post of Lacoste's social media network reflected a very high reach as well as engagement level (Natividad, 2021). Therefore, the company decided to run only a social media campaign to reach brand followers organically. The intention was to use the money for the cause and not for promoting the campaign. Therefore, the company chose to leverage the brand strength for making an impact. The company smartly decided on Paris Fashion Week to catch media attention. The campaign was launched with a video teaser showing disappearance of crocodiles which created chaos among the brand followers (Saveourspecies, 2021).

It was followed by a video giving details of the entire project. The video got viral and reached audiences far beyond the regular audience of Lacoste's social media network. The campaign also included the use of a television campaign having three spots booked between September 8 and 10, 2017, to reach out to the viewers in Europe at the cost of USD 1,00,000. It was followed by a sponsored post on social media during March 1–2, 2018, targeting the USA's viewers. The 24 h sponsored campaign costing Euro 2700 went viral, and the company decided to cancel the rest of sponsored promotion plan (Ibid. xxxx).

The social media campaign was a roaring success. It gained a reach of 111 million and 1.2 billion impressions. The content of the campaign has been shared more than

600 K times. This was seven times more impactful than the fashion show gains on the same day on the social media. The Euro 2700 spend on the sponsored social media campaign gave an earned media coverage of equivalent to 9.9 million Euros. Though the campaign was meant to target the USA audience, it gave media coverage worldwide. It also reached the audience in Asia, where the Lacoste Save the Species t-shirts were not offered for sale. The quality of impact can be judged from the fact that the Mexican government thanked CEO Lacoste Mexico for saving the Vaquita an endangered species found in Mexico's Gulf of California. The campaign also benefitted the other communication platforms of the save our species campaign and IUCN Bubble et al. (2021), Ibid. (xxxx), WARC, Lacoste (2021). The traffic on the website of saveourspecies.org went up by 200 per cent, and the subscription of its newsletter went up by 300% during the campaign month. The tweets by IUCN gained more than 9,04,000 impressions and 18,000 engagements. More than 2100 Twitter accounts retweeted the tweets. Lacoste.com website also benefitted from the campaign as 20% of its traffic came directly from this campaign's social media post. On Facebook, Lacoste earned ten times more followers than it did in 2017. Lacoste followers gained 26% more followers on Instagram as compared to 2017. All these outcomes made SOS the most impactful social media campaign by Lacoste in 2018 Bubble et al. (2021), Ibid. (xxxx), WARC, Lacoste (2021).

The social media campaign also helped the cause and the brand materially. The donations to the cause multiplied by four times during the campaign period. The cause also received a big boost from the campaign. It led to the initiation of a conservation program for the Burmese Roofed Turtle Bubble et al. (2021). The amphibian found in large rivers of Mynamar was critically endangered, with only 40 turtles living in the wild. The conservation action was expected to save this species from extinction. IUCN received 100% more inquiries from brands across various sectors, including sports and luxury tourism Bubble et al. (2021), Ibid. (xxxx), WARC, Lacoste (2021).

The polo t-shirts were received very well by the market. The entire stock of 1775 polos was sold within 24 h. It was a record achievement even for Lacoste. Weeks after the campaign was over customers, kept walking in Lacoste stores around the world and ask for these limited-edition polo shirts. Additionally, the company could attract and engage new customers who were inclined toward the environmental cause and creative projects. 76% of customers who bought the save our species t-shirts were first-time buyers of any Lacoste item Bubble et al. (2021), Ibid. (xxxx), WARC, Lacoste (2021).

4   The Way Forward

The communication and commercial outcomes of the campaign were encouraging for both Lacoste and IUCN. Inspired by these results, IUCN started showcasing the Lacoste SOS campaign as a successful example of how companies can support species conservation engagingly. However, Lacoste had to analyse the outcomes before concertizing the learnings. It was the first campaign for nature conservation

by Lacoste, and it created a tremendous buzz in the market. This initiative might be construed as a 'Green Washing' tactic for impressing environmentally conscious consumers. In the past, many companies fiddled with similar causes, gained attention and abandoned the cause subsequently Ibid. (xxxx).

Further the company has built its reputation during last one century with the help of Crocodile logo. Loyal customers of the brand had an emotional connect with it. The campaign captured the positive response of new consumers, but it did not elucidate or explain how the existing fans of the logo felt about it. Gaining a small number of environmentally conscious consumers at the cost of a large consumer base would be a pyrrhic victory.

5   Lessons Learned

This campaign has successfully contributed to achieving the objectives of both organizations. For Lacoste, the campaign established its reputation as an environmentally conscious brand, while for IUCN, it created awareness of the endangered species. The campaign successfully contributed to the conservation of endangered species with its commercial contribution. We can have the following learnings from this case study.

1. Joining of hands: The case study provides a lesson to the organizations which want to work in the environment area to identify the right partners for making an impact. Lacoste wanted to become an environmentally conscious brand while contributing positively to the conservation of endangered species. At the same time, IUCN was not much known in the market to save endangered species. With these requirements, they came together to make a successful agreement for achieving their aims. Lacoste's identification of IUCN contributed to the campaign's success and positively impacted both the organizations in achieving the campaign objectives.

2. Determination of campaign objectives: We can learn from this case study that while setting up the campaign objectives, one needs to be realistic and logical. For Lacoste, the aim was to establish itself as an environmentally conscious brand, while for IUCN, the objective was to create awareness about endangered species. In both cases, the campaign focused on the actual cause using the facts and positively contributed towards achieving the campaign's aim. We can learn that setting the right objectives of a campaign contributes to its success positively.

3. Identification and evaluation of risks: One can understand that there is always some risk involved in implementing an organization's decision. This decision of changing the Crocodile logo also had certain risks. The consumers were already aware of the logo, and any change in the logo may have negatively impacted Lacoste. Secondly, the consumers may have perceived it as a 'Green Washing' activity on Lacoste's part, believing that the company is only doing lip

service to environmental conservation. Third, consumers may have perceived commercial traction between IUCN and Lacoste, and the campaign is being run for commercial benefits.

Lacoste evaluated the decision logically. They made a fixed number of t-shirts based on the ten endangered species' actual number. It helped in communicating that the change in the logo is not permanent. Lacoste also used its social media handles to share the campaign and justified that it is fully involved in it. It has also taken a few initiatives to save the endangered species, indicating that it is not a 'Green Washing' activity for the company. Lastly, Lacoste was very transparent in passing on the sale proceeds of the limited number of t-shirts to IUCN. All the sale proceeds have been transferred to IUCN, and IUCN has taken initiatives to save SOS campaign species. So the company also addressed the third risk by using transparency in sharing the sales proceeds with IUCN. So we can learn that with proper planning, proper communication, and openness, one can manage the risks associated with a campaign.

4. Selection of the medium of communication: The brand has selected a suitable medium to reach the audiences. The choice of using social media to communicate the issue of endangered species was the appropriate one. The company used a teaser campaigner to attract the attention of social media followers. The teaser campaign showcased the disappearance of Crocodiles from the planet. Additionally, the company selected the Paris Fashion Week to release the campaign that also helped in creating a buzz among the fashion enthusiasts. After the Paris Fashion Week announcement, the company launched a video by giving the entire project's details. The video became viral on social media and even reached audiences far beyond Lacoste social media network's regular audiences. The campaign also spent some money on television and created a sponsored post on social media, but as the campaign became viral, the company stopped the paid media campaign. The social media campaign was a big success. It reached 111 million viewers and created 1.2 billion impressions.
   With this, Lacoste selected a suitable medium to reach the audiences to achieve the campaign's objectives. We can learn that the medium's selection plays a significant role in determining the campaign's success. If the suitable medium is selected, then the battle is won to achieve the campaign's objectives.

5. Campaign Outcomes: The campaign grabbed environmentally conscious consumers' attention towards animal rights and the current state of global biodiversity. The partnership between Lacoste and IUCN has contributed to building Lacoste's reputation as an environmentally conscious brand and increased the awareness of IUCN. IUCN used the campaign as a successful case study to showcase other organizations to engage in animal conservation more popularly and practical ways.

   We can learn that with society's progress also comes the challenges to manage the environment and biodiversity. The campaign explains the story of brands and

consumption with the evolution of society. A study by Havas media points out that the consumers will not care if 74% of brands disappear on earth but are concerned about the biodiversity's disappearance (Sustainable brands, 2021). The campaign focused on an environmental issue that the consumers feel concerned about and helped them take concrete action.

The campaign demonstrated to any brand that it did not require a lot of money to get people's attention but you need is a simple but powerful idea to grab the attention of the people Rishi and Bandyopadhyay (2017), Rishi et al. (2021). It also showcased that for an iconic brand, it is important to twist its own codes to establish a linkage with the worthy cause. It has opened up avenues for other brands to take actions in the most relevant way to contribute towards the planet.

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CUBO Modular Inc. Trailblazing Green Housing in the Philippines

Andrea Santiago and Al Rosenbloom

Learning Objectives

- Students learn how to identify the appropriate target market and develop marketing strategies that address the needs and wants of the target market.
- Students recognize the need to adapt marketing strategy according to product type, that is, marketing an FMCG product is different from marketing a long-term purchase.
- Students realize that sustainable consumption goes beyond FMCG products and that sustainable production extends beyond raw materials.

> *Sustainable consumption and production is about doing more and better with less. It is also about decoupling economic growth from environmental degradation, increasing resource efficiency, and promoting sustainable lifestyles.*
>
> *---United Nations Sustainable Development Goals*

Chapter Overview

Cubo Modular Inc. (CUBO) is an innovative modular home developer in the Philippines. This case describes some of the challenges co-founders Earl Forlales and Zahra Zanjani, CEO and COO, respectively, faced as they aimed to fulfill their vision of providing dignified homes for Filipinos that were fast to build and used sustainable materials.

CUBO's competitive advantages were engineered bamboo, modularity, which, in turn, created speed of construction. Engineered bamboo treated the bamboo to produce a robust, termite-, and moisture-proof building material, important in terms

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of withstanding Filipino weather conditions. Modularity reduced production costs because a CUBO home could be built off-site and assembled on the home site (speed) rather than in the traditional manner completely on-site construction.

Several unanticipated problems beset the fledgling company: (1) Lenders were hesitant to give a mortgages to CUBO home buyers. Because CUBO homes were modular, they can be disassembled, which meant that the home, as the mortgage's secured asset, could literally walk away. (2) Social media was used extensively not only to highlight the company's numerous awards in international home-building competitions but also to position CUBO as a sustainable product for the socially conscious consumer. Consumer interest was voluminous and overtaxed CUBO's ability to respond. (3) COVID-19 halted production almost a year, further limiting CUBO's ability to meet consumer demand.

Case Problem

How to segment socially conscious consumers to support long-term company success.

How to differentiate socially conscious consumers' buying behavior toward a long-term purchase from FMCG products

1   Introduction

Multiple-award winner, Earl Forlales, was CEO and co-founder of CUBO Modular Inc. (CUBO) in the Philippines. CUBO was the latest joint project he had developed with his co-founder and COO, Zahra Zanjani. Since college, they had been entrepreneurial partners on a number of projects. Together they tried to find a technological solution for the supply chain problems of sari-sari stores (small convenience stores common everywhere in the Philippines). When this did not work, they teamed up with a chemist to develop a chemical solution to protect agricultural crops against inclement weather. This venture was unsuccessful as well. However, neither Earl nor Zahra were discouraged.

CUBO was their third venture. Together, they mapped their path to fulfill their vision to provide dignified homes for Filipinos that were fast to build, using sustainable materials that were more affordable and could withstand the weather conditions in the Philippines. They were increasingly optimistic. Not only had Earl won the Cities for Our Future Challenge by the Royal Institution of Chartered Surveyors (RICS) with their CUBO house design, but both of them were recognized as Forbes 30 Under 30 Social Entrepreneurs in Asia.

CUBO had two significant innovations: engineered bamboo and their modularity. Engineered bamboo was processed to produce a robust, termite-, and moisture-proof building material. Modularity reduced production costs not only because of economies of scale but also because a CUBO house could be built off-site and assembled on the home site rather than in the traditional manner completely on-site construction.

In keeping with their generation, young, social entrepreneurs, Earl and Zahra made the decision to use social media to not only highlight their awards in international home-building competitions but also to position CUBO homes as a sustainable product for the socially conscious consumer wanting to express those values in their home. Their social media posts generated interest that resulted in demand outstripping supply capacity. Production was initially set to begin in March 2020 for their meticulously designed modular bamboo homes. Then, the COVID-19 pandemic hit, resulting in community lockdowns across the country. It was only in November 2020, when CUBO constructed their first commercial modular house made of engineered bamboo and delivered it to their customer a month later.

How It All Began

Earl grew up in very humble beginnings. His mother had to work to support the family, so Earl was sometimes left to the care of his grandparents, who lived on a farm just north of Manila, the Philippines' capital city. Typical of farmlands, farmers lived in nipa huts or "*bahay kubos*", houses built with indigenous materials, usually on stilts (see Exhibit A), that overlooked farm lands. His grandparents' home was a nine square meter structure with a little terrace fronting the main entrance.

Earl was fortunate to have earned a scholarship from Ateneo de Manila University, one of the top universities in the country. He was one of ten beneficiaries of an alumnus, who he continued to build a relationship with over the years. In 2017, he graduated with a combined degree in materials science and engineering and chemistry.

While at school, he met Zahra, a management economics major, when they both were involved in a student organization. Hitting it off, they decided to collaborate in some projects shortly after they graduated. First, they tried to find a technological solution for the supply chain problems of sari-sari stores. Sari-sari stores were small convenience stores that could occupy a space as little as two square meters (about 21 square feet). Their former classmates were not active and their project was technology-heavy so that endeavor fizzled out.

Then, the duo teamed up with another chemist to develop a chemical solution to protect agricultural crops against inclement weather. They had rented a laboratory at their alma mater and were thick into the research and development work. Unfortunately, their project was put on hold as team members each had their priorities.

As this was happening, Earl received a notice about an international competition sponsored by 150-year-old RICS, based in the United Kingdom, in partnership with UNESCO. This competition was opened to young people, to find solutions to issues facing rapidly growing cities. There being no entrance fees, Earl decided to join the competition with an idea he had toyed with for some time. He wanted to upgrade the *bahay kubo*, turning it into a twenty-first century solution. He mused, "*If you looked at the bahay kubo today and the bahay kubo a hundred years ago, you will see the same thing. How come? With all these building technologies, materials processing technologies that are coming out of the academy, how come we haven't improved the bahay kubo?*" And so, he decided he wanted to find a solution. Since engineered

bamboo was available but not yet used for mass housing, he decided to focus on this material.

From that moment, the tide took over. Earl won at the regional level, the international level, and finally garnered, in November 2018, the top cash prize equivalent to US$63,000 plus the opportunity to work with experts and mentors from within the surveying industry. Earl then joined forces with Zahra and another college classmate, Jacob Echague, to form CUBO in 2019. Together, they used the prize money to build their first prototype that was showcased in Worldbex, the Philippine's annual World Building and Construction Exposition. The exposition as well as articles about Earl's victory garnered much publicity for the modern *bahay kubo*.

<u>Trailblazing Challenges</u>

The young social entrepreneurs were off to a good start. They continued to gain recognition. They were awarded by the country's National Commission for the Cultural and Arts as the 2019 Ani ng Dangal (Harvest of Honor) Recipient for Architecture and Allied Arts as well as the province of Bulacan, from where Earl hailed from, as the 2019 Dangal ng Lipi (Ancestral Honor) Recipient for Science and Technology.

Excited about the positive response their technological idea was garnering, Earl and Zahra decided to move quickly. They spent most of 2019 determining how to position their product and finding the right source of raw materials.

With the help of their advisers, Earl and Zahra worked together to determine the best value proposition for their product. Three things became apparent. First, the company used bamboo that regenerated at a faster speed than other hardwoods. When treated, homes built could last 50-years. Second, the homes were designed to be modular and pre-fabricated, which meant families could spread the cost of their housing investment, expanding the house only when needed. Further, it was easy to assemble and disassemble, thereby allowing transferability of materials to another location with minimal waste. Third, it was a cheaper alternative to concrete houses that was common in the urban areas.

When Earl made his first pitch at the RICS competition, he envisioned that the engineered bamboo homes could be used for mass housing. However, Earl and Zahra soon met their first stumbling block. Diving deeper into the requirements of the National Housing Authority (NHA) and the Subdivision Housing Developers Association (SHEDA), they realized they were not qualified to become a supplier or developer without receiving a certification from a government inter-agency housing committee that their engineered bamboo panels were a viable alternative to concrete hollow blocks. Their building material would need to be accredited under the Accreditation of Innovative Technologies for Housing (AITECH) system. Yet, a requirement of the certification was that houses had to be built first so that the inter-agency committee could determine its quality. Consequently, CUBO would have to initially sell their products to the private sector before entering the mass housing space.

The second stumbling block was the supply of raw materials. There were hectares of land planted with bamboo, but these were scattered over the country. While there are many varieties of bamboo, CUBO focused on *dendrocalamus asper* and

bambusa blumeana varieties. These two varieties were determined to be more appropriate for building houses. Further, there were manufacturing plants that converted bamboo poles into engineered bamboo, but these facilities produced bamboo floor tiles and other bamboo products that also did not meet the dimensions needed for the envisioned modern *bahay kubos*. So, the team had to look overseas for its supply.

To find a supplier, then 24-year old entrepreneurs, painstakingly scoured through the internet and found a supplier who could custom-build the bamboo plyboards to Philippine construction specifications. Having reached an agreement, the duo declared they were ready to go into production and build meticulously designed modular bamboo homes by March 2020. Then, the COVID-19 pandemic hit, resulting in community lockdowns across the country.

For a few months, the country was at a standstill. During that time, the homes designed by CUBO continued to be noticed by curious and interested customers. The company received thousands of queries generated from their social media accounts and their website. Some even went to the extent of finding out the personal e-mail and contact numbers of the co-founders just to be noticed. Zahra remarked, "*There was even a time we had 5,000 unanswered e-mails! But we have managed to bring it down slowly.*"

The queries led to interesting dilemmas for the young social entrepreneurs. With bare units priced at about US$1,700 for a 6.5 square meter (70 square foot) house and larger accessorized units at about USS$10,000, they realized the amount was still steep for a young couple building their first home (see Exhibit B for sample design). Many inquired about housing loan availability. The company wanted to offer in-house financing but it was not viable. There were those who wanted to utilize their housing benefit with the Home Development Mutual Fund, a government home financing entity locally known as Pag-Ibig, or take loans out from their banks.

Two problems cropped up when customers inquired with their banks and with Pag-Ibig. First, the lending facilities asked for the standard bill of materials for them to be able to assess the house value. CUBO was unwilling to provide this information due to the proprietary nature of their product. They had not yet been issued their patent for modular houses made of engineered bamboo, so they were secretive at this point. Second, since the house was modular and could readily be assembled and disassembled, the lending institutions were not sure that the lien on the property could be secured. It was possible that a borrower could disassemble the home and run away without paying the loan. Zahra said, "*We could not really argue. That's like a big possibility. But it's just a very new space. It's a new product.*"

The Immediate Future of CUBO

Bombarded with queries and requests for quotation, Earl and Zahra felt they had to start the business despite the limitations brought about by the community quarantine. They gradually hired 12 workers who worked one shift in their 400 square meter (4,300 square foot) plant. They built their first 6.5 square meter (70 square feet) house in November 2020 and delivered this to a city lot by December. Theoretically, it would take about six days to prepare all the materials for assembly, a third of the time devoted to finishing. The housing parts were then delivered to the site and

assembled within a few days instead of hours due to inclement weather and other extraneous circumstances.

The pace of construction and delivery was comfortable for the young entrepreneurs. They felt they still had to master their craft and gain greater efficiencies. They did not want to be overwhelmed by too many orders. While they designed standard house kit packages, customers often times wanted to customize their homes. This entailed additional work for designers, engineers, and the production staff. They did charge premium prices for changes to their basic model. Some customers were, however, quite demanding, so they closed contracts with clients who were willing pay the down-payment or full payments without much demands. As of March 2021, they had about 30 such contracts that would be constructed and delivered up to November of the same year. This meant that their production line for the year was almost full.

Earl and Zahra wondered if they should work two shifts or expand their facility to increase production output. They were still concerned about the overhead expenses having grown human resources to 12 production workers and five office staff. That impetus would come from a large order, of say 100 units, that could be delivered on a staggered basis. Until then, finances appeared to be the limiting factor. They just did not have sufficient working capital to purchase the raw material that accounted for 70% of their costs.

Consumer Profile

Until financing was available for engineered bamboo as base material for mass housing, Earl and Zahra had to content themselves with their current market profile. Initially, they envisioned targeting the urban poor, families of about five, living in makeshift houses made of scrap material that could easily be destroyed by strong winds and rains. Others were more fortunate to have benefited from multi-story concrete mass housing units built by the government. However, CUBO were cheaper, faster, and utilized sustainable materials.

Thus far, CUBO had varied types of customers as well as potential customers who were attracted to the product for different reasons (see Exhibit C). There was one client who wanted to build isolation houses for employees suspected of COVID-19. There was another who wanted a vacation house within the compound located in the province. Still another, wanted farm houses for their farmers. They also had a delivery for a housing developer who wanted to showcase the product before purchasing a large quantity. The problem though is that they may be margin squeezed.

However, the majority of inquiries and closed sales have come from resort owners. In resort areas, there were typically two types of accommodations—an improved version of the *bahay kubo* but of low-quality bamboo and the concrete rooms with bamboo accents. The problem with the first type was that it was not sturdy enough and was subject to infestation. The problem with the second type was that it did not really blend with the environment, not to mention it was a bit more expensive to build. The CUBO units were seen as the best alternative.

CUBO in 20 years

The duo admitted that the company had been sidetracked from their vision to provide affordable homes for everyone. They looked forward to obtaining their AITECH certification so that they could enter the mass-housing space. Meanwhile, they contented themselves with serving the needs of clients who wanted affordable sturdy homes built in the shortest time possible.

Earl looked forward to the time housing developers turn to green products. He was aware that developers could garner green points whenever sustainable products are used. This would also open the doors to green financing in the Philippines, allowing their product to be more accessible to everyone.

Earl continued to dream. "*The current trend in the construction industry globally is timber construction because of the green initiative. Green requirements all over the world are popping up. Currently, the highest timber construction is 53 m (a little over 213 feet), if I remember correctly. That is a multi-story building in Canada. It is possible with even soft woods. Bamboo is even more structurally robust as compared to those soft woods that are being made for multi-story development. Maybe, 5–10 years from now, we can try that model,*" volunteered Earl.

Meanwhile, not to be forgotten were the bamboo farmers. Earl said, "*The main thing we wanted to do, to become a full-fledged social enterprise, is to engage with bamboo farmers. That is one thing that we have been trying to work on every day, since we started the business. But then we realized also that it is too early. We will be spreading ourselves too thin and not be able to come up with a sellable product.*" In time, Earl and Zahra would like to help the farmers work collaboratively and plant bamboo varieties that could produce more valuable products than chopsticks.

Lessons learned

* Values are what unite the socially conscious/socially responsible consumer across many different product categories.

* Market segmentation is always a key to marketing success, and it is no different when considering the socially conscious/socially responsible consumer.

* Do not think of the "socially conscious/socially responsible" consumer segment as monolithic. There are sub-segments embedded within this generic segment. An important key to marketing success is understanding that all segments can be further sub-divided (sub-segmented).

* Avoid marketing myopia when thinking about products that can target the socially responsible/socially conscious consumer. Infrequently purchased products, such as a home, can target them as well.

* A good entrepreneurial idea (sustainable homes built with sustainable bamboo and built in a modular format) is an excellent starting point. But to transform a good idea into success business takes savvy, insightful marketing.

Appendix

EXHIBIT A

Traditional *Bahay Kubo*

Source Commissioned by the Authors

EXHIBIT B

CUBO Modular Inc. Design

Source Photo from CUBO Modular Inc. website. Retrieved from: https://www.cubo.ph/cubo-catalog/batanes-origin

EXHIBIT C

Solicited Feedback from CUBO Modular Inc. Facebook Account Prospects.

Code	Gender	Comments
JP	Male	Low price, attractive styles and designs
EG	Female	What attracted me about the CUBO house was the speedy delivery, compared to the traditional construction of a house. Also, its natural wood finish appeal as well as its claim of being sturdier material than of hollow blocks that is fire proof and calamity proof. Finally, its flexibility, that it can be disassembled
MD	Female	Well I liked the design and also the fast installation of the house
AS	Male	My life mission and legacy is to help save the planet the best I can. I always look for good solutions to our biggest problems in many areas. I want less plastic, concrete and such materials in housing of course
CB	Male	I used to be interested. What attracted me was the price, sustainability, durability, and the warranty. However, I have to see to believe
PC	Female	I love bamboo to begin with. I am attracted to anything bamboo. I thought the appeal of CUBO was its price. But the real cost was a turnoff, when you add up everything else
JS	Male	The material itself it's made of bamboo, which is sustainable and appealing

(continued)

(continued)

Code	Gender	Comments
CC	Female	I have always wanted to build a house made of bamboo but my parents did not agree since it can blow up in flames if the roof is hit by firecrackers. Bamboo houses is appealing to me because it connotes relaxation. It is simple, but unique. When I go home from the city to my hometown, I feel I can relax inside a *bahay kubo*. Previously, I was quoted P500,000 (approximately US$10,000) to build a bamboo house. So, the offer price of CUBO is attractive. Finally, after watching documentaries, and learning that bamboo is sturdy, and it can have a modern look, is a plus
AP	Female	What appeals me to it is the use of sustainable wood supply and the ability to assemble it quickly. I have experienced building a home in the beach that had to change raw material along the way because of supply. It also took a very long time to build because of the need to transport materials from Manila to my beach in Palawan, thus adding up to 30% higher cost than expected
AA	Female	Product looks good in pics - quick installation, reasonably priced. Now not considering because of the following reasons: very poor customer service, seemingly unrealistic claims for 50-year warranty (not sure if company will be around in 50 years plus it's a product that hasn't really been tested that long)
CF	Female	Durability, design, cost. The CUBO looks like a cabin rest house. Very relaxing
MK	Female	My visions for our future reignited because of the inspiration from a sustainably sound product

Source Response of prospects solicited through inquiry postings on CUBO Modular FB account

Teaching Note

- Synopsis

CUBO Modular Inc. (CUBO) is an innovative modular home developer in the Philippines. The case describes some of the challenges co-founders Earl Forlales and Zahra Zanjani, CEO and COO, respectively, faced as they aimed to fulfill their vision of providing dignified homes for Filipinos that were fast to build and used sustainable materials that could withstand the Philippines's weather conditions.

CUBO's competitive advantage is engineered bamboo, modularity, which, in turn, creates speed of construction. Engineered bamboo treated the bamboo to produce a robust, termite- and moisture-proof building material. Modularity reduced production costs because a CUBO home could be built off-site and assembled on the home site (speed) rather than in the traditional manner completely on-site construction.

One unanticipated problem was the reluctance of lenders to give a mortgage. Because CUBO homes are modular, they can be disassembled, which meant that the home, as the mortgage's secured asset, could literally walk away. Also, unexpected was COIVD-19 which interfered with production.

The case describes Earl and Zahra's decision to use social media to not only highlight their numerous awards in international home-building competitions but also to

position CUBO as a sustainable product for the socially conscious consumer wanting to express those values in their home. Their social media strategy was successful and demand outstripped supply.

- Teaching objectives

To illustrate how values are the foundation for understanding the socially responsible consumer and socially responsible consumption;

To demonstrate that socially responsible consumption applies to product categories beyond Fast Moving Consumer Goods (FMCGs);

To practice the art of market segmentation and target market selection;

To connect product innovation with competitive advantage;

To discuss the relationship between a firm's positioning strategy as being a sustainable, socially responsible company, and purchaser motivations that are unrelated to sustainability and social responsibility.

- Research methods

An interview with the CEO, Earl Forlales and COO, Zahra Zanjani, short interviews with customers showing interest, along with supplemental secondary research produced the case.

- Assignment questions

1a. Why are understanding values essential for gaining insight into the socially responsible consumer?
1b. What values describe the socially conscious/socially responsible consumer?
2. Develop a segmentation scheme for CUBO. What insights does your segmentation scheme give for marketing CUBO homes?
3. Why was CUBO so successful using social media?
4. How is the marketing of a CUBO home similar to yet also different from FMCG products, such as green, organic or ethical products, that are also targeted toward the socially responsible consumer?
5. Can CUBO still claim to be a socially responsible firm if some consumers are motivated to buy on product attributes not related to sustainability (such as price or design)?

- Additional materials

Rokeach Value Survey: https://en.wikipedia.org/wiki/Rokeach_Value_Survey.

nLynn Kahle and Patricia Kennedy: Using the List of Values (LOV) to Understand Consumers. Download paper from here and have students read page 51: https://www.researchgate.net/publication/276060836_Using_the_List_of_Values_LOV_to_Understand_Consumers.

- Suggested core readings

Websites:

https://youmatter.world/en/definition/definitions-responsible-consumption-exa mples/

https://www.weforum.org/agenda/2019/09/why-responsible-consumption-is-everyone-s-business/

Open access scholarly articles:

M. Ertz: Proposition of an Integrative Theory of Socially-Responsible Consumption Behaviour https://escholarship.org/uc/item/6pz030h6

A. Lubowiecki-Vikuk et al., Responsible consumer and lifestyle: Sustainability: https://www.ncbi.nlm.nih.gov/pmc/articles/PMC7442902/

- Teaching plan and timing

CUBO is a critical thinking, sustainable consumption marketing case. It requires students to apply insights from consumer behavior and standard marketing principles. Discussion questions could be given as an individual, graded assignment, or simply as prompts for in-class or online discussions. If the discussion questions are used for active, online or in-class learning, teams can be formed to present their responses/insights for their assigned question.

CUBO can be taught in a 60-minute class.

Begin with this mini lecture. Marketing faculty may begin with either a short introduction to socially responsible consumption, which could be either a short mini-lecture on the topic or a series inductive questions that cover the following:

> Socially responsible consumption is a result of changes in consumer purchase behaviors that are prompted by recognitions that sustainability is a pressing, global problem. Some consumers are aware that the world faces many problems, many of which are connected with what, how, and when individuals purchase products and use services. Variously, responsible consumption has been described as "voluntary simplicity," "sufficient consumption," "frugality", "downshifting," "mindful," "slow," and "ethical and responsible consumption." Green marketing, sustainability marketing, and ethical marketing can all be considered under the heading "socially responsible consumption."

> What distinguishes socially responsible consumption and unites all these terms is that socially responsible consumers have an intrinsic desire to limit the amount of "stuff" that they buy as well as the desire to make purchases based on personal values. Green products (products that are environmentally friendly or have a minimum impact on the environment), organic products (naturally grown produce or products that are free of chemicals, growth hormones and/or other contaminants) and ethical products (products produced that don't exploit labor, animals, and/or the environment) are all product categories that respond to the specific needs of the socially responsible consumer. This is the very definition of what a market segment is: A group of people who are defined by a single or multiple variables that make them internally alike and homogenous, but are very different from other groups of people (i.e., other market segments).

Additionally, marketing faculty can remind students that "value" is different from "values." "Value" is the subjective interpretation by consumers of the tradeoffs made

in every purchase. Consumer weigh the benefits consumers make against the effort expended to receive those benefits. Students can be reminded as well that consumers do not weigh equally all the benefits products yield. Consumer value is created when the perceive benefits are greater than the total cost of acquiring the product (i.e., product price + search time + drive time + waiting in line time + instore/online comparisons, etc.). "Values" on the other hand are those enduring beliefs that guide one's behavior. Values motivate the consumer search process and can lead to product purchase if the marketer is savvy in creating value through each component of the marketing mix: Product creates value, price captures value, place/distribution delivers value, and promotion communicates value.

Finally, students can be reminded that product benefits fall into two broad categories: Functional and Symbolic. Functional benefits are instrumental in nature and very utilitarian: Does the product deliver on its fundamental promise? A pen must write, a car must move, a dictionary must correctly spell each word, a sauce pan must hold liquid and solids without leaking, and so on. Symbolic benefits are how emotional and psychological feelings relate to the purchaser's identity. How does the product make a consumer feel? What does the product say to others about the consumer? The point here is that socially responsible consumers are motivated by a combination of values they hold and the symbolic benefits they receive. For example, consumers that buy energy-efficient lighting are not simply motivated by the functional benefit of illumination. Traditional lighting delivers illumination as well. It is the value of wanting to conserve natural resources coupled with the self-perception that "I am good person who is aware of the impact that energy generation is having in the world" that motivates.

After Q1b, the instructor may open discussion to include how various cultures encapsulate and reflect the importance of the group. In the multi-cultural classroom, the instructor may encourage students to discuss their experiences. Alternatively, the instructor can note the following: That in Filipino culture, the Tagalog word "bayanihan" derives from "bayan" for nation, town or community. Bayanihan literally means "being in a bayan" and it refers to a fundamental aspect of Filipino culture: working together as a community to achieve a common goal. In Singapore, Malaysia and Indonesia, the similar idea is captured with the word "gotong-royong." "Gotong" means "carrying a burden using one's shoulder", while royong means "together" or "communally." The combined phrase is literally translated as "joint bearing of burdens" and means working together, helping each other or mutual assistance.

After Q2, the instructor should note that starting the segmentation process with demographics can lead to less effective segmentation schemes. Novice marketers (and frequently students as well) start with demographics because demographic data are easily accessible. While demographics is always important in further describing each segment, as this question indicates, values are a stronger place to start. When combined with demographic descriptors, this illustrates the power of psychographic segmentation. Psychographics best describe the socially responsible consumer.

Additionally, the instructor should note that market segments are always of different sizes. One of the strategic issues for CUBO is which segments after the Sustainability Warrior should they pursue and why.

Finally, the instructor should observe that the Sustainable Futurist reinterprets what might be considered a disadvantage into an opportunity. The case states that "lending institutions were not sure that the lien on the property could be secured. It was possible that a borrower could disassemble the home and run away without paying the loan." While true, once financing is secured the Sustainable Futurist sees opportunity in the fact that the home can be disassembled.

After Q4, the instructor might ask the class whether they know of other products that use bamboo besides furniture. Students may note that bamboo is increasingly being used in clothing and home goods products, such as towels, blankets, bedding, and even toilet paper. The goal here is encourage students to see the similarities between socially responsible consumption across product categories that include FMCGs (low involvement products) and much less frequently purchased products (high involvement). It is the underlying value structure Q1a that underpins socially responsible consumption.

The class can wrap-up by asking: What were your key learnings from this case? Responses may vary, but should include items in the next section.

1a.   **Why are understanding values essential for gaining insight into the socially responsible consumer?**

Students from either an introductory marketing or consumer behavior class should be able to develop something similar to the following:

Values are those enduring beliefs that guide an individual's behavior. Values motivate the consumer search process and can lead to product purchase—as is the case here with the socially responsible consumer. Values constitute the purposes and goals for which an individual believes life should be lived—for herself/himself and for others. Because values are deep-seated, they are enduring and don't change often. This is not to say that they don't change, but change happens slowly over a lifetime.

"A" students might add: Values are really about the "big things in life." This is why they are enduring and motivating. Because values are so important to an individual, values require one to "take a stand." "Taking a stand" means making choices about what is important. From a marketer's point of view, understanding consumer values, then, is about choice.

1b.   **What values describe the socially conscious/socially responsible consumer?**

Student responses may vary. The essence of this question is as follows:

Embedded in the term "socially responsible consumption" and its counterpart the "socially conscious consumer" are values: social responsibility and social consciousness. "Consciousness" and "responsibility" are both about awareness: of self and of others. Values of self-respect, self-fulfillment, and altruism are embedded in these concepts. The socially responsible/socially conscious consumer may also have values

of equality, justice and fairness. Responsibility raises the issue of "to whom" or "to what"? In this case, responsibility is to the environment and future generations who won't be disadvantaged by decisions made today. These values can include respect (for nature and humans).

"A" students might note that the socially responsible/socially conscious consumer interprets responsibility in terms of one's community. Students familiar with Hofstede's framework for understanding culture might link this to Hofstede's idea of "collectivism." The value here is subordination: The individual is subordinate to the group. Hofstede describes another distinguishing cultural characteristic as a long-term focus. Here the value is legacy and/or self-transcendence (i.e., the ability to think beyond one's self). The "A" student might also note the values of independence and self-assurance. They might argue that being socially conscious is typically not the norm, so individuals who are socially conscious in their purchase are acting independent of mainstream values and are self-confident in their actions.

1b.   **Develop a segmentation scheme for CUBO. What insights does your segmentation scheme give for marketing CUBO homes?**

This question is best answered using the ideas developed in Q1b and the case narrative itself. CUBO has the following segments:

1. The Sustainability Warrior. This segment is passionate about sustainability. Individuals are fervently committed to living a sustainable life and may engage in a broad range of sustainable consumption behaviors. They may, for example, buy energy-saving light bulbs, use biodegradable household cleaners, use products incorporating post-consumer waste (e.g., recycled paper), use using environment-safe shopping bags, bike instead of drive. If they do need to drive, they either use a ride-sharing service or own a hybrid vehicle. CUBO's construction using engineered bamboo speaks to them completely.

2. The Conscious Traditionalist. This segment appreciates the sustainable aspects of CUBO but subordinates those benefits to the cultural meaning represented in the homes. They have strong memories of and an appreciation for bahay kubos—as Earl's reflection and motivation for starting CUBO in the case narrative indicates. Just seeing a CUBO home in its traditional Filipino style brings back nostalgic memories and a feeling of "presence" that those memories evoke. Remembrance of family resonate in the home. Similar to the Sustainability Warrior, they value the sustainability aspects of the CUBO home. Unlike the Sustainability Warrior, though, they are more selective about their socially conscious consumption practices. They pick-and-choose which behaviors to engage in, without feeling conflicted over their choices. In this sense, they are pragmatic: Engage in socially responsible consumption activities that are most meaningful. Responsible consumption is not a complete lifestyle but the selective expression of values.

3. The Conscious Modernist. This segment fuses their desire for style with sustainable construction (essentially its engineered bamboo construction). The Conscious Modernist wants the aesthetic quality of their home to stand out. Thus, the Conscious

Modernist appreciates the contemporary design quality of all CUBO homes and says, "This is really who I am: A person who is stylish and wants to express that style in most of the things I purchase." By fusing their appreciation of the home's design aesthetics with their eco-consciousness, the Conscious Modernists feels they are living in the best of both worlds: style and sustainability.

4. The Sustainable Futurist. This segment focuses on CUBO's modularity. While they appreciate how the home's modular construction helps manage cost, they can see another unique benefit: That the home can be disassembled and moved. This gives the Sustainable Futurist great flexibility. This Sustainable Futurist envisions relocation in their lives. Because of this, the Sustainable Futurist is acting responsibly since future housing does not need to be "repurchased." CUBO homes are portable and literally can follow individuals wherever they move.

5. The Responsible Government. This is the governmental segment interested in how engineered bamboo can be used in mass-housing. The Responsible Government positions itself as a socially responsible actor in society, thereby attempting to change societal perceptions. Rather than building communal house with the cheapest materials, which can be subject to long-term deterioration due to Filipino weather, the Responsible Government trades-off cost for long term durability with a renewal resource: bamboo. This is a nascent segment, since, as the case suggests, CUBO needs to secure AITECH certification, which is dependent on "proof of concept" through CUBO's production of commercial housing.

6. The Pragmatic Developer. This segment is represented by Resort Owners, who wanted an improved version of the bahay kubo to replace the low-quality bamboo and the concrete rooms with bamboo accents they currently have. The Pragmatic Developer is motivated by the durability of engineered bamboo that can withstand infestation more than interests in socially responsible consumption. Their pragmatism is in the segment's name since a CUBO home is a ready-made solution to two long term problems: infestations and modernization.

This segmentation scheme spans consumer (B2C), governmental (B2G), and commercial markets (B2B). There is a broad market, potentially, for CUBO. Students should observe that there is more than one segment interested in CUBO. The Sustainability Warrior is the most obvious, but other segments share the values of sustainable/responsible consumption: The Sustainable Futurist, The Conscious Modernist, and the Responsible Government. Thus, sustainable consumption can be found in a number of segments, which translates into marketing opportunities for CUBO.

"A" students can infer that CUBO is an entrepreneurial start-up. "A" students will refer to the case fact that margins may be squeezed if CUBO attempts to do too much too soon. This is an issue of marketing strategy and the need to prioritize some segments over others.

3. Why was CUBO so successful using social media?

CUBO represents the power of social media. Essentially, CUBO created a "pull" communications strategy, similar to the "pull" strategy used in distribution. The

network effect of social media created product demand and this consumer demand led CUBO to respond. Social media also created opportunities to interact and develop "conversations" with customers. "Conversations" are both a benefit and a liability because "conversations" can go in many different directions, some of which may be negative to the firm. The case describes the large number of inquiries, one of which led to the emergent market segment of The Pragmatic Developer in Q2.

"A" students will observe an essential part of CUBO's successful use of social media was in large measure an outcome of CUBO having the right product for the right target audiences. The competitive advantages of engineered bamboo and CUBO's modular construction resonated immediately with the responsible and sustainable consumption values of the Sustainability Warrior, the Conscious Traditionalist, the Conscious Modernist, The Sustainable Futurist, and the Responsible Government.

"A" students will also note that CUBO's "success" also has a dark side. CUBO is already having problems with being a customer-responsive company. These students will cite Exhibit 3 noting that there is existing dissatisfaction/frustration with CUBO's lack of responsiveness to inquiries. They could easily infer that this puts CUBO already at a disadvantage and that whatever "success" CUBO is having right now with social media, social media can also amplify this dissatisfaction. CUBO needs to be much more responsive, more pro-active in dealing with potential customer inquiries. There is always an expiry date on consumer patience.

4. How is the marketing of a CUBO home similar to yet also different from FMCG products, such as green, organic or ethical products, that are also targeted toward the socially responsible consumer?

There are several similarities between the two product groups. Since the socially responsible consumer is always motivated by values (Q1b), the two categories share the socially responsible consumers' desires to be good stewards of the earth's finite resources through consumption decisions and purchases. In both categories, socially responsible consumers get great satisfaction from their purchases, since their values, their purchase intentions and their actual purchase are completely aligned. They simply "feel good" about their purchases. Similar in both is the value expressive quality of the purchases, which also communicates that "I am a responsible individual who cares about the long- term consequences of over-consumption."

What is different about the two categories is the consumer decision making process. Buying a home is an example of extended problem solving, while purchasing FMCG products exemplifies limited problem solving that leads to routine/habitual purchase. This means that risk is much higher for a home purchase than for FMCG purchases, in spite of the commonalities just mentioned. Extended problem-solving means that CUBO must be more proactive in responding to customer questions and perhaps hesitancies. Also, CUBO "marketing" should not stop after purchase. CUBO has an obligation to manage dissatisfactions (cognitive dissonance) after purchase. This may mean checking-in with their home buyers six months, one year, and two years post purchase. In short, with a much longer purchase cycle for CUBO than

for FMCG products, CUBO must practice stellar customer relationship marketing during the entire purchase and post-purchase cycle.

"A" students might add that in the context of the Philippines, there is a community component to the core value of being a good environmental steward. The socially responsible consumer also communicates that these consumption decisions also reflect a sensitivity to the group/community. "I am considerate of your needs while also thinking about my own."

5. Can CUBO still claim to be a socially responsible firm if some consumers are motivated to buy on product attributes not related to sustainability (such as price or design)?

This debate hinges on the definition of a socially responsible firm and its relationship with the socially responsible consumer. Arguments for the claim are: In profit-driven firms, the goal is sales. Sales signal demand, and demand is the marketplace indicator that there are consumers willing to buy your product. The Pragmatic Developer is an example from Q1b. Further, CUBO is still being a socially responsible firm because of its commitment to using an abundant, renewable resource—bamboo, as the primary element in its homes. CUBO is engaging in sustainable development because it is consciously thinking about its production process in light of the future. Bamboo used today will regrow and be available for future generations as well. Whether the Pragmatic Developer or others appreciate this is irrelevant.

Counter arguments are more cautionary: The above rationale highlights the core of this dilemma: It represents a sales-orientation rather than a marketing orientation. Sales are the sole justification. A market-oriented firm, such as CUBO, has choices. It can decide not only which market segments (Q1b) it wants to pursue, but also when it wants to pursue them (if it all). This is the essence of marketing strategy and what it means to be a market-driving firm.

"A" students would add the following to the cautionary argument: The tension between immediate sales and longer-term success is a dilemma faced by many entrepreneurial, start-up firms. The pressure to generate sales and thereby generate cash flow could mean that CUBO drifts away from its central target markets of the Sustainability Warrior, the Conscious Modernist, and the Sustainable Futurist.

- Key learnings

– Values are what unite the socially conscious/socially responsible consumer across many different product categories.
– Market segmentation is always a key to marketing success, and it is no different when considering the socially conscious/socially responsible consumer.
– Do not think of the "socially conscious/socially responsible" consumer segment as monolithic. There are further sub-segments embedded within this generic segment. The TN identifies them as the Sustainability Warrior, the Conscious Modernist, and others.

- Avoid marketing myopia when thinking about products that can target the socially responsible/socially conscious consumer. Infrequently purchased products, such as a home, can target them as well.
- A good entrepreneurial idea (sustainable homes built with sustainable bamboo and built in a modular format) is an excellent starting point. But to transform a good idea into success business takes savvy, insightful marketing.

- Postscript

In August 2020, Earl and Zahra decided it was time to start production and began to hire workers. CUBO manufactured their first units and delivered three units by December 2020. On March 2021, they declared they reached their maximum capacity for the year and announced they were processing orders for 2022 deliveries.

- Exhibits

None at this time.

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Combating Bullying and Judgment Through Socially Responsible Marketing

The Case of Planet Fitness

Jairo León-Quismondo

Learning Objectives

- To recognize the role of sports services for the stimulation of a responsible mindset among consumers.
- To understand how large enterprises can reach socially responsible consumers. For that purpose, the specific case of Planet Fitness marketing strategies is analyzed.
- To explore how Planet Fitness embraces responsible consumption inside and out of its centers.
- To introduce the Judgement Free Zone® and the Judgement Free Generation® initiatives developed by Planet Fitness for spreading kindness among society and, specifically, among youth.

1 Introduction

"If we could change ourselves, the tendencies in the world would also change."—Mahatma Gandhi

Spreading Kindness for a Better Future

Can a sport center positively influence society? How important are the daily actions and the philosophy of fitness centers for people? This chapter explores the case of Planet Fitness and its Judgement Free Zone® philosophy. Their socially oriented initiative contributes to reaching socially responsible consumers, avoiding judgment and bullying inside and out of their centers.

During the last decades, adherence to physical activity has significantly increased. A growing number of sports centers has stimulated the demand for sport-related

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services, leading to a higher number of active people. In this line, the increasing number of participants has caused a rise in the number of sport facilities. Among these sports centers, fitness centers are of special importance for expanding positive, active, and healthy habits among society.

Nowadays, the North American fitness industry is the most important in the world. The United States currently leads the fitness market with more than 41,370 health clubs serving over 64.2 million members and US$35 billion in revenue (IHRSA, 2020). The omnipresence of fitness centers is a key aspect for making easier the access of potential demand to them. Additionally, fitness centers are, currently, the reference of sport facilities, contributing to expand the culture of sport, helping to sport promotion (Cheung & Woo, 2016; Clavel et al., 2018).

Marketing strategies of big fitness centers' brands can be positive tools for bringing positive social changes to individuals and for influencing positive change for social good. Thus, fitness centers provide great opportunities for contributing to international plans such as the Sustainable Development Goals of the 2030 Agenda, adopted by all the United Nations Members States in 2015. This chapter particularly addresses the role of fitness centers in reaching goal #12 of the 2030 Agenda: sustainable consumption. Large sport organizations, in particular, have a high potential for transmitting positive messages to their consumers. Fitness centers can advocate for and contribute to providing inclusive activities that can be used to integrate people of all conditions. Fitness centers can raise awareness regarding equal opportunities and inclusive settlements for vulnerable groups and individuals (United Nations, 2015). For the previous reasons, the rising importance and popularity of fitness centers among society provide great opportunities for influencing individual behaviors in search of a better future.

2 Planet Fitness

2.1 Company Background

This case study offers a practical and real approach to the marketing strategy adopted by Planet Fitness, recognized as one of the most important fitness chains in the world. This American-based company currently holds more than 13.5 million members and 2,124 fitness centers as of December 31, 2020 in the 50 states, the District of Columbia, Puerto Rico, Canada, the Dominican Republic, Panama, Mexico, and Australia (Fig. 1). As Fig. 2 exhibits, of the total stores, 95% are franchised (n = 2,021) and 5% are corporate-owned (n = 103) (Planet Fitness, Inc. 2021). Its total system-wide sales are $2.4 billion: $2.3 billion from franchisee-owned stores and $116.5 million from corporate-owned stores.

Planet Fitness centers can be easily distinguished by common aspects such as (Planet Fitness 2021a; Planet Fitness, Inc. 2021):
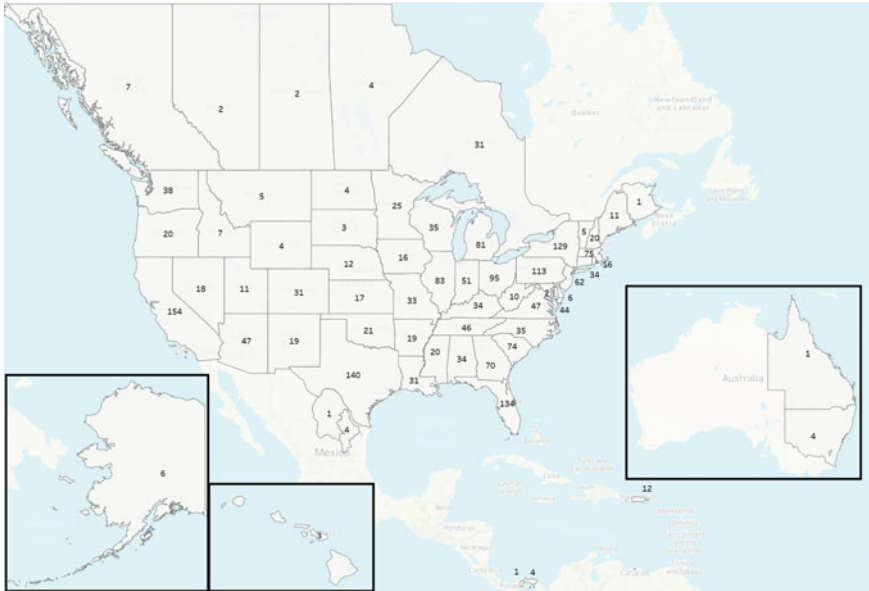
Fig. 1 Distribution of Planet Fitness centers per State as of December 31, 2020. *Source* Author's own elaboration with information retrieved from Planet Fitness, Inc. (2021) and www.planetfitness.com/gyms, accessed March 2021

Fig. 2 Relation of franchise-owned and corporate-owned Planet Fitness Centers
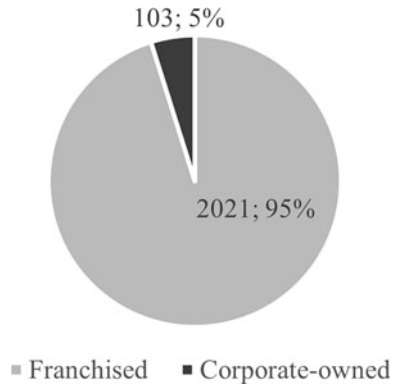
- Average stores with 20,000 square feet.
- Low price, with $10 a month as the standard membership.
- Purple and yellow color theme in all the centers.
- Cardio, circuit- and weight-training equipment.
- No group workout classes and no one-to-one trainings.
- No swimming pools, no racquet courts, no childcare areas, and no bars.
- Friendly staff.

Fig. 3 Planet Fitness, Inc. (PLNT) Stock Price. Historical Data from August 3, 2015 in USD.
Source Author's own elaboration with information retrieved from www.nyse.com, accessed March
2021

- Clean and spacious facilities.
- Many of the centers are open 24 h a day.
- Judgement Free Zone®. No matter you are a first-timer or an experienced one,
  everyone is accepted.

Planet Fitness is also recognized as one of the largest and fastest-growing global
franchisors and operators of fitness centers with a higher number of memberships
than any other brand and more than 95% of the centers owned and operated by
independent businessmen and women (Planet Fitness, 2020), something that allows
the brand having a clear positive trend in its stock price values (Fig. 3).

All these data make Planet Fitness a brand capable of influencing society
positively. The impressively large number of potential consumers they can reach
throughout the United States—and even out of the country—allows them to create
a culture of responsible consumption, thus influencing society's lifestyles. For that
reason, the marketing strategy of brands like Planet Fitness becomes fundamental.
In this specific case, the company's mission is to create a space for physical activity
that where everybody is accepted, and everyone can feel comfortable. In this regard,
Chris Rondeau, CEO of the company, compares Planet Fitness to Southwest Airlines
using the words 'The Southwest Airlines of the gym business', in reference to the
low prices (monthly fee of $10) and no-frills approach. This is a simple way of
democratizing fitness for everyone.

2.2 Origin and Expansion

Planet Fitness's origin dates back to the early nineties. In 1992, the brothers Marc and
Michael Grondahl decided to acquire a struggling gym named Gold's Gym, settled

in Dover, New Hampshire. At that moment, every gym was pretty similar to the rivals and had nothing different to offer. Their services were limited to the conventional model: free heavyweights, fitness classes, and healthy juice bars (Millward, 2018).

In 1993, a University of New Hampshire (UNH) student, Chris Rondeau, takes a front-desk job at Dover gym (Planet Fitness 2021b). Up to that moment, Rondeau had limited experience in the business world, just having helped out at his father's chain of New England drug stores (Millward, 2018). He would later be the CEO of the company, starting in 2013. At that moment, the two brothers had to face several problems, mainly related to the location and the lack of on-site parking. However, their story was about to turn into success.

After the bad experience in the first location in Dover, Marc and Michael started again in a new location in 1993, which turned out to be much better. Initially, the new center was named Coastal Center but, in 1994, they decided to rename it as Planet Fitness (Morell, 2013). The next steps were crucial for the presence of the chain. The monthly fee was set at $10. Later in 1998, the heavyweight was removed from all the facilities as new centers opened in New Hampshire. However, the traditional still remained with group classes, juice bars, and child care facilities (Millward, 2018). A new center, the fourth of the chain, was opened in Portsmouth. This new facility was a basic center operating with nothing but equipment. This fourth Planet Fitness was the reference of the company for the following expansion of the business (Millward, 2018). The current Planet Fitness was born.

Once their business model was settled, the firm advanced toward an innovative approach to the fitness industry. In 1997, Planet Fitness reveals for the first time their Judgement Free Zone® philosophy aiming to make easier and more comfortable the experience of first-time gym users (Planet Fitness 2021c). As Rondeau himself was later to recognize (Millward, 2018):

> It should have started with us [Planet Fitness] and Curves gym probably, getting first-timers acclimated to fitness. Since the inception of the industry, it is almost like the majority—the vast majority—of the population was neglected.

With this situation, Planet Fitness begins to experience a very favorable trend. Their expansion strategy starts to work as planned (Planet Fitness 2021c):

- In 2003, the first Planet Fitness franchise opens in Altamonte Springs, FL. This is probably one of the main milestones of the company since it allows to grow faster in the United States.
- In 2006, the 100th club opens in Logan, UT.
- In 2011, the first center outside the continental United States opens: the first center in Carolina, Puerto Rico.
- In 2012, the 500th club opens in Morton Grove, IL.
- In 2014, the first center outside the United States opens: Toronto, Ontario, and Canada.
- In 2015, the 1,000th club opens in Whashington, D.C. The first club in the Dominican Republic starts operation. Also in that year, Planet Fitness, Inc. (PLNT) becomes a traded company on the New York Stock Exchange.

- In 2017, the first center in Panama opens. Also in this year, the company reaches 10 million members.
- In 2018, the first center in Mexico opens.
- In 2019, the 2,000th club opens in Colorado Springs, CO.

The growth of Fitness Planet in number of centers and in number of memberships are exhibited in Fig. 4 and Table 1, respectively.

But what are the basics of Planet Fitness's success? The current success of its can be attributed to several factors. First, the price is extremely low. A monthly fee of only $10 gives their members access to the center. Second, the low-cost philosophy,
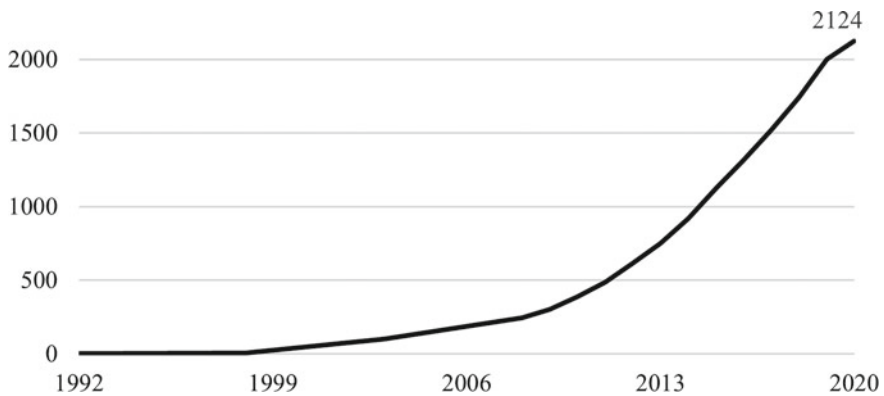
Fig. 4 Expansion strategy of Planet Fitness. Growth in number of centers

Table 1 Growth in number of members of Planet Fitness (2016–2020)

Year	Million Members	Growth (%)
2010	2.3	–
2011	2.9	+26.1
2012	3.7	+27.6
2013	4.8	+29.7
2014	6.1	+27.1
2015	7.3	+19.7
2016	8.9	+21.9
2017	10.6	+19.1
2018	12.5	+17.9
2019	14.4	+15.2
2020	13.5	−6.3[*]

Note [*]In 2020, the COVID-19 has impacted Planet Fitness operations

Source Author's own elaboration with information retrieved from https://investor.planetfitness.com/investors/financial-information/sec-filings, accessed March 2021

which includes no group workout classes. This contributes to cut costs and allows low monthly fees. Third, the marketing strategy, which embraces several strategies such as the Monday nights with free pizza or the strict policy against lunkheads with strict exercise and clothing rules.

2.3 Corporate Social Impact of the Company

Together with the expansion strategy, Planet Fitness has cautiously developed a parallel plan consisting of creating a positive impact on society. This initiative is not based on quantitative aspects (i.e. growth in the number of centers) but qualitative aspects (i.e. generating social impact on society). Through social impact, Planet Fitness tries to go beyond the effects of physical activity on individual and social health. Instead, it is based on the idea that fitness is for everybody.

Two of the main actions developed by Planet Fitness are the Judgement Free Zone® and the Judgement Free Generation®. The fundamental pillar of these actions is that the company feels committed to the stimulation of a sustainable mindset inside and out of its centers. This way, their work impregnates in society from young generations, encouraging to more socially responsible consumers. As a result, Planet Fitness was recognized in 2017 with the Gold Halo Award in the social services category for excellence in corporate social impact.

3   Home of the 'Judgement Free Zone®'

Planet fitness is well known for being the home of the Judgement Free Zone®. This way, the brand shows commitment to goals such as #12 of the Sustainable Development Goals of the 2030 Agenda. This initiative is based on the idea of creating an environment where everyone, regardless of their gender, previous experience, or condition, is welcomed and accepted. As the company states, its staff tries to offer a fitness service for 80% of people that do not belong to a fitness center. Rondeau, CEO of Planet Fitness clarify that over 40% of current Planet Fitness members are first-timers in a gym (Much, 2018).

The marketing strategy of Planet Fitness is crucial for raising awareness concerning inclusive spaces. That is exactly what the company is working on. Moreover, Judgement Free Zone's® philosophy and marketing strategy are part of their success. In the words of Rondeau (Much, 2018):

> We're a franchise business, and the franchisees are required to spend 7% of their membership dues on marketing locally and an additional 2% of membership dues support the national marketing efforts. When you think about the marketing spending, every incremental member is 9% more dollars spent on marketing. Our budget continues to expand. Every day we sell memberships, it allows us to tap into the 80% of the population that doesn't have a gym membership.

The germ of this initiative started in 1997 when the company revealed for the first time the Judgement Free Zone® philosophy to offer an optimal first experience to customers in their fitness journey (Planet Fitness, 2021c). This idea was materialized later in 2016, into the Judgement Free Generation®, a philanthropic initiative designed to fight against the existing judgment and bullying among youth by creating a culture of support and kindness. This philosophy tries to achieve an empowered generation, contributing to a world free of judgment, where everyone, regardless of their situation or characteristics, feels comfortable and accepted just like they are (Planet Fitness, 2021d).

3.1 How Does It Work?

Since 1997, Planet Fitness's philosophy is centered on being a Judgement Free Zone®, based on the idea of avoiding intimidation or, as they say, gymtimidation. It welcomes first-time users and helps them to feel comfortable throughout their experience in the gym. How does Planet Fitness manage to offer a kind and zone free of judgment? Several actions explain its success:

First, the most noteworthy action is the 'Lunk Alarm'. Every Planet Fitness center is equipped with an alarm that goes off when someone grunts while working out or when loudly drops the weights. This is an unequivocal way of targeting a specific market that is not the body beautiful, but the ordinary person who wants to get fitter. This is a measure of limiting intimidating behaviors.

Second, every Planet Fitness has a strict clothing policy. As the company states, to maintain a no-gymtimidation environment, no jeans, boots, sandals, or string tank tops are allowed. This initiative contributes to avoiding intimidating appearances among members.

Third, Planet Fitness's commercials are specifically intended for welcoming first-timers and people with the fear of being judged in the center. Every commercial includes a potential member saying 'And that's why I don't like gyms', followed by the response of a kind staff saying 'We are not a gym. We are Planet Fitness'. This is a sharp way of separating the company from the traditional conception of a gym. Besides, commercials typically end with 'No gymtimidation. No lunks. Just $10 a month', in addition to highlighting the idea of 'Tons of equipment. Clean spaces. No pressure. Unlimited fitness training. Helpful staff. Spacious locker rooms'. This message unquestionably leaves a mark on society.

Fourth, the centers themselves also convey the same idea expressed in the commercials through signs. A selection of no intimidation sentences and statements are presently exhibited in Planet Fitness's centers. Some examples are (Planet Fitness 2021a):

> Ricky is slamming his weights, wearing a bodybuilding tank top, and drinking out a gallon water jug… what a lunk!
>
> We at PF are here to provide a unique environment in which anyone, and we mean anyone can be comfortable. A diverse, Judgement Free Zone® where a lasting, active lifestyle can

> be built. […] In the end, it's all about you. As we evolve and educate ourselves, we will seek to perfect this safe, energetic environment, where everyone feels accepted and respected.

Lastly, a strategic action is performed with a greater technical background. The equipment distribution is carefully aligned with the aim of creating a kind environment and avoiding any kind of criticism or judgment. All the machines in the centers are oriented in the same direction. As machines are avoided to be placed face to face, respecting the privacy of the members.

The combination of all these actions results in a spectacularly successful formula. The evidence is that, at the last count, about 4% of the US population belongs to a Planet Fitness gym (Millward, 2018). The numbers also support this initiative since Planet Fitness ranked highest in customer satisfaction in the 2017 Health and Fitness Center Satisfaction Ranking, performing particularly well in the factors of cleanliness, equipment condition, price, and safety (J. D. Power Company, 2017).

3.2 *Judgement Free Generation®: Combating Bullying and Judgement*

Planet Fitness's vision is not limited to meet the needs of its members but to positively impact society starting from the earlier ages. Nowadays, feeling intimidated is the main concern of parents with school-aged children and bullying has become a general issue in today's society. Indeed, Planet Fitness (2021b) states that one in five youth report that they have been bullied. This problem has a clear underlying judgment issue. How can a company like Planet Fitness address this problem? As the home of the Judgement Free Zone®, the brand plays a key role in this matter. Addressing this issue is not an isolated action but a part of the whole program based on the no judgment motto. Starting in 2016, the Judgement Free Generation® focuses on spreading kindness and preventing bullying among society in general and youth in particular (Planet Fitness, 2017). This is a self-proclaimed pro-kindness movement based on being judgmental free regardless of the background or experiences of other people. The idea is very similar to the previously highlighted: first-timers in any matter should feel comfortable and out of any kind of judgment or criticism in every type of situation.

As the company states, it is all about bringing it to the community that they serve. In the end, the Judgement Free Generation® is a specific part of a whole movement. The campaign starts in the fitness centers and impregnates out of the gym, city by city, through the franchisees, who are committed to making a difference locally. In some way, the movement impacts children and grow up to the rest of the society.

Planet Fitness, in partnership with Boys & Girls Clubs of America, a leading organization that provides voluntary after-school programs to young people, runs different programs to positively impact new generations. Through life-enhancing programs and caring mentors, both organizations try to provide safer places for kids to grow (Boys & Girls Clubs of America, 2021). Together, both organizations

reach more than four million youth to reach their full potential (Planet Fitness, 2017, 2021b).

This partnership has led to the following social impact (Planet Fitness, 2021b):

- Contribution of more than $5 M to their nonprofit partners by Planet Fitness.
- More than 1,200 Boys & Girls Clubs reached all 50 states in staff and youth training.
- About $500,000 in awarded scholarships to youth who promote inclusion in their communities.
- 30 Mini Judgement Free Zone® mini centers built in selected Boys & Girls Clubs.
- Volunteered programs at Boys & Girls Clubs in the United States.

4 Summary of the Major Problem

In this chapter, the case of Planet Fitness is presented. Two main initiatives are covered, the Judgement Free Zone® and the Judgement Free Generation®, as part of a philanthropic program that contributes to reach socially responsible consumers.

The main problem addressed is: How can sport centers like Planet Fitness give back to the community? Starting in 1997, Planet Fitness reveals its Judgement Free Zone® philosophy that would later lead to the Judgement Free Generation® movement. In partnership with Boys & Girls Clubs of America, both organizations promote different support programs for new generations, thus combating judgment and bullying. Nowadays, the social impact generated is clear, helping to reach more socially responsible sport consumers.

5 Discussion

The marketing strategy followed by Planet Fitness for reaching socially responsible consumers has important implications:

First, the impact on current and future members is evident. Current members benefit from a welcoming environment, where everybody, regardless of their fitness goals, can exercise comfortably.

Second, this vision impregnates society. Planet Fitness's marketing strategies positively influence not only current members but also potential members and other individuals. The marketing strategy helps to showcase the brand philosophy both locally and nationally, thus reaching a large number of people that receive positive and responsible communications. After all, it has the power to change the intentions and future behaviors of consumers who feel identified with the brand.

Third, the case of Planet Fitness is a reference for other companies that wish to follow its model. In the end, every company with a strong position in the market is highly influencing. For that reason, the high power of stimulating responsible consumption is a great opportunity for contributing to social good.

6   Conclusions

This case illustrates a real-life case study of marketing strategies followed by Planet Fitness, one of the most important fitness companies in the world in terms of size, revenue, and influence.

The sports industry is an excellent way for changing society. Specifically, fitness centers are one of the most important sport services for social well-being. In this particular case, the cautiously marketing strategy allows current and potential members to feel identified with the brand, including colors, staff, commercials, and philosophy. Now that the importance of large sport companies is clear to influence responsible consumption, why not use this power for changing the world for the better?

7   Lessons Learned

- Fitness centers and other sport services have the power of influencing society for good and reaching responsible consumers.
- Large companies have greater influence power since they have a large base of current and potential members. Big brands can influence inside and out of their firms.
- Social impact can be reached from individual changes.
- The Judgement Free Zone® and Judgement Free Generation® by Planet Fitness are excellent real cases that exhibit the possibilities of sport for reaching socially responsible consumers.

8   Declaration of Conflicting Interests

The author declares no conflict of interest.

9   Credit Author Statement

Conceptualization, J.L.-Q.; Resources, J.L.-Q.; Writing—Original Draft, J.L.-Q.; Writing—Review & Editing, J.L.-Q.; Visualization, J.L.-Q.

10   Discussion Questions

- What is the role of fitness centers in today's society? How can they influence individual and social behaviors?
- Why Planet Fitness is an excellent company for providing corporate social impact?
- What is the target market of Planet Fitness?
- What are the Judgement Free Zone® and Judgement Free Generation® initiatives by Planet Fitness?
- What are the stakeholders of these two Planet Fitness initiatives? What is the role of the stakeholders in this context? Would the two initiatives be possible without the stakeholders?
- Do you think this case applies to any country? Discuss the difficulties of extrapolating this case to other contexts or markets.
- What do you think the future of socially responsible marketing will be in sports?

11   Activity-Based Assignment

- Compare different marketing campaigns from several fitness chains (e.g. LA Fitness, Crunch Fitness, Anytime Fitness). As a manager, how would you refine the marketing strategy for creating an impact on society and for reaching socially responsible consumers? Please provide specific examples for some of them.
- Prepare a draft of a program inspired by the Judgement Free initiative in a local fitness center. How would you make an impact on society? Compare the differences between Planet Fitness's case and yours. Consider how different the strategies are.

12   Additional Content

Did you know?

Pizza Mondays at Planet Fitness

- Since 1999, Planet Fitness centers offer free pizza on Monday. This tradition started in a Planet Fitness center in Concord, NH, when hot water was no available for a few days. Nevertheless, members continued attending the gym, despite the cold water in the showers. The company, as a way of appreciating the members' commitment, offered a round of free pizza for everyone. The gesture was so well received that all North-American centers started offering free pizza on Mondays. This way, the 'Pizza Mondays' were born.

Interesting terms

- Lunk Alarm: is an alarm located in Planet Fitness centers that goes off when someone grunts or loudly drops the weights. The Lunk Alarm tries to prevent intimidating behaviors.

Abbreviations

CEO	Chief Executive Officer
CO	Colorado
FL	Florida
IL	Illinois
NH	New Hampshire
PLNT	Planet Fitness, Inc
UNH	University of New Hampshire
USD	United States Dollars
UT	Utah

Appendix: Graphic Content

See Figs. 1, 2, 3, 4 and Table 1.

Teaching Note

Synopsis

Planet Fitness is a leading American-based company with more than 15.5 million members and 2,042 stores in the 50 states, the District of Co-lumbia, Puerto Rico, Canada, the Dominican Republic, Panama, Mexico, and Australia. They are self-proclaimed to be a Judgement Free Zone®, where people can exercise without any type of intimidation. All their cen-ters are provided with a 'Lunk Alarm', a loud siren that goes off when members drop their weights, grunt too loud, or behave in an intimidating way. This initiative is part of a broader vision called Judgement Free Gen-eration®, a philanthropic project designed to combat bullying and judg-ment in today's society, especially among youth. Since 2016, the market-ing strategy of Planet Fitness has been closely related to Boys & Girls Clubs of America, the nation's leading youth development organization (Kuperminc et al., 2019), positively influ-encing consumers into a socially responsible consumption through many Judgement Free Zones® and ac-tivities, getting kids into an emotionally safe space.

Planet Fitness was honored in 2017 with the Gold Halo Award for excel-lence in corporate social impact. In 2021, this movement is one of the most important and influencing programs in the fitness industry world-wide.

Teaching Objectives

This chapter aims to address how large companies can create a positive effect on society. This case provides an opportunity to analyze strategic decisions and ethical challenges in modern society. Specifically, the case tries to achieve three key objectives that marketing departments of large companies should consider:

- Understand the role of large companies, not only for current customers but also for the rest of society.
- Learn the basics of marketing strategies that aspire to be so-cially responsible.
- Explore how to manage marketing strategies for social good.

This case is especially suitable for people related to sport management, recreation, leisure, or marketing fields. While this case is about the sport industry, the lessons are transferable to practitioners, educators, university students, and researchers from any field of work who wish to make a positive impact on society through socially responsible marketing. Its level of difficulty makes it accessible from graduate levels.

Research Methods

This chapter has an observational cross-sectional approach, through the case study method.

Assignment Questions

- Why has Planet Fitness been so successful?
- Do you think Planet Fitness is correctly operating its marketing actions? Please consider commercials on TV or signs in the stores.
- If you were the owner of a Planet Fitness franchise, how would you look to create a positive impact on society? Please think about other strategies at different levels for wide audiences.
- Do you think that the strategies followed by Planet Fitness are enough for positively influencing people through socially re-sponsible consumers?

Additional Materials

Galan-Ladero MM, Alves H (eds) (2019) Case Studies on Social Marketing. A Global Perspective. Springer, Cham, Switzerland.

Valeri M (2019) Corporate Social Responsibility and Reporting in Sports Organizations. Springer, Cham, Switzerland.

Suggested Core Readings

Morell K (2013) Marc Grondahl of Planet Fitness: How a Lean Business Model Became a Franchise Heavyweight. In: Am. Express. https://www.americanexpress.

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Teaching Plan and Timing

- 5 minutes—Introduction.
- 15 minutes—Why has Planet Fitness been so successful?
- 30 minutes—Case study reading.
- 15 minutes—Do you think Planet Fitness is correctly operat-ing its marketing actions? Please consider commercials on TV or signs in the stores.
- 15 minutes—If you were the owner of a Planet Fitness fran-chise, how would you look to create a positive impact on soci-ety? Please think about other strategies at different levels for wide audiences.
- 15 minutes—Do you think that the strategies followed by Planet Fitness are enough for positively influencing people through socially responsible consumers?
- 5 minutes—Warp up.

Analysis of Assignment Questions

Through the discussion of the assignment questions, the reader is ex-pected to reach a deeper understanding of real strategies for reaching so-cially responsible consumption. The answers may be directed towards the following directions:

- Why has Planet Fitness been so successful?

  - Business model of Planet Fitness.
  - Growth of the business.
  - Franchise and corporate-owned centers.
  - Role of fitness centers in society.
  - Kind environment free of criticism, including the Judgement Free Zone® and Judgement Free Genera-tion®.

- Do you think Planet Fitness is correctly operating its marketing actions? Please consider commercials on TV or signs in the stores

  - Analysis of commercials on TV and their contribution to reaching socially responsible consumers.
  - Analysis of signs in the stores and their contribution to reaching socially responsible consumers.
  - Analysis of other marketing strategies such as Pizza Mondays or the Bagel Tuesdays and their contribution to reaching socially responsible consumers.
  - Analysis of Judgement Free Zone® and Judgement Free Generation®.

- If you were the owner of a Planet Fitness franchise, how would you look to create a positive impact on society? Please think about other strategies at different levels for wide audiences.

    – Need to properly analyze the characteristics of the con-text of the business (e.g. people, lifestyle, or prefer-ences).
    – Need to create a link between brand and consumers.
    – Strategies at corporate level, business level, and func-tional level.
    – Critical reflection about the pros and cons of marketing strategies such as commercials on TV or signs in the stores.

- Do you think that the strategies followed by Planet Fitness are enough for positively influencing people through socially re-sponsible consumers?

    – Critical analysis of the current strategies led by Planet Fitness and its social relevance.
    – Long-term reflection about the impact of Planet Fitness strategies.
    – Brainstorming of other large brands' strategies in dif-ferent industries. Possibility to adapt those strategies to other industries such as the sport industry.

Key Learnings

- First, large companies should engage their current members, inspiring them to adopt sustainable behaviors.
- Second, large companies should extend that inspiration, im-pregnating the whole society. The marketing strategy is key in this matter.
- Third, the case of Planet Fitness is a reference for success re-garding sustainability marketing for stimulation responsible consumption. Thus, other companies in strong positions should emulate actions like those adopted by Planet Fitness, thus contributing to social good.

Postscript

Mahatma Gandhi said: "If we could change ourselves, the tendencies in the world would also change". Now, the question is: How can large fitness center chains influence the responsible consumption of members? The answer to this question requires being willing to do it.

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Managing Sustainable Food Consumption: A Case Study of a Food Bank in Malaysia

Teaching Case Study

Vimala Kunchamboo and **Stephanie Kay Ann Cheah**

Learning objectives

This case study is developed based on the different strategic issues facing a local food bank involved in food sharing initiatives in Malaysia. The case is based on an actual but disguised social enterprise (in compliance with research ethics) suitable for classroom teaching and learning. The learning objectives associated with this case study are as follows:

1. Exposing students to a pressing twenty-first century societal issue relating to food waste and food security of Sustainable Development Goals.
2. Identifying key relevant areas of encouraging sustainable consumption through social marketing and cause-related marketing.
3. Exploring the increasing importance of food banks as social organization addressing cause related marketing.
4. Identifying challenges and opportunities in the operations of a food sharing initiative.
5. Discussing integrated solutions to support sustainable food consumption.

1 Introduction: Food Waste as a "Wicked" Problem

> There is enough on this planet for everyone's needs but not for everyone's greed.
>   —Mahatma Gandhi.

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Food security, diminishing food supply, and hunger are global issues that are gathering increasing interest and action. In the face of shortage of food, wastage is of particular concern. Approximately 1.3 billion tons of food, which is sufficient to feed 3 million people, are lost or wasted throughout the food supply chain (FAO, 2017). In the Asia Pacific region approximately more than half a million people are undernourished (FAO, 2019). However, reports indicate that developing Asian countries waste about 11 kg of food per capita and developed Asian countries account for 80 kg of food wasted per capita per year (FAO, 2021). In Malaysia, 15,000 tons of food is wasted per day and 60% of this involves avoidable food waste (Naidu, 2017). As a platform against food waste and to curb environmental degradation, societies are applying sharing economy principles to food consumption. The recent development in Malaysia on awareness and campaigns to reduce food waste spurred the establishment of a 'new wing' of charitable organizations, namely food banks (Dermawan, 2018). Food banks lead the food donation process by collecting food from businesses and donors and re-channeling the rescued food to people in the community with needs. Although the ruling government is aware and shows encouraging response to the need to establish food donation system, there is currently insufficient support, legislations, and funding assisting its development.

Consequently, food banks faced major operational and management obstacles. The State of Social Enterprises in Malaysia (2018) report indicates common challenges faced by food banks to include among other cash flow (51%), lack of awareness of social enterprises in Malaysia (36%), recruiting staff and volunteers (33%), obtaining grants (27%), shortage of business skills (17%), and lack of access to business support and advice (17%) (United Nation ESCAP, 2018). Our field research that includes a series of interviews and participant observations note revealed that these charitable organizations struggle to gain cooperation at wider level, lobbying with authorities for tax relief and other legislations, securing donors and face a misbalance between supply of resources, and the increasing demand of the recipient group. A further challenge involves operating within an unregulated system while managing consistent funding and manpower on a voluntary basis. Thus, this case study explained the various operational and management issues facing the food charitable organizations, namely food banks within a social network model that involves cross-sector collaboration with businesses, authorities, non-governmental organizations, and the public to contribute to a common cause of minimizing food waste. Consequently, this case study focuses on, "How do food banks address organizational challenges while developing and managing the cooperation from various stakeholders to achieve their organizational objectives?

2   The Case Study

This section introduces a specific food bank in Malaysia named as The Food Rescue Group and further explains the food consumption practices and food sharing initiatives in Malaysia.

2.1 The Food Rescue Group

Food Rescue Group (FRG) (pseudonym), an NGO was initiated in 2015 in Kuala Lumpur, Malaysia. Over the years the organization grew from a volunteer-based program utilizing a handful of individuals collecting surplus groceries to an established operation regulating over 500 volunteers and servicing more than 50 vetted needy organizations as their customers. FRG tackles issues of hunger, food waste, and sustainability in Malaysia and focuses its efforts to support the Sustainable Development Goals (SGD) through collaboration with key partners, government, and industry. At the current capacity, the firm operates with a minimum number of paid staff, mainly expatriates as volunteers, two vehicles and a warehouse that functions as a collection and distribution center. The rescued food items from donors are transported to the warehouse to be sorted and repacked by volunteers and redistributed to the recipients. On average FRG provides 33,000 meals a day, rescues an average of 10 tons of food per week from going to the landfill and prevents a weekly average of 19 tons of greenhouse gases from polluting the environment. The organization clearly states its stand to service those in need regardless of ethnicity, race, gender, age, or disability supporting the SDG goals.

> *We want to make sure that every group is covered because we are non-discriminatory. It is really important to our core function, so we have a real mix of [recipients]. We have [the] elderly, we have young children, we have HIV [individuals], we have disabled people, we have refugees [and those who are] stateless. (Podcast-Interview with Founder)*

In 2016, the organization signed its first surplus food donation contract with a local hypermarket. Currently, the organization collaborates with several hypermarket chains such as Giant and Tesco, bakeries and grocers in Klang Valley and redistributes quality surplus food to charities and residents in People's Housing Projects, servicing those categorized as B40 group. Malaysian households are classified into three income groups, namely the Top 20% (T20), Middle 40% (M40), and Below 40% (B40). The B40 consist of household that earns an income of RM2500 and below (Shared Prosperity Vision, 2030) and food takes up 30% of their living expenses (Abas & Ooi, 2016). Mainly these efforts are aimed at easing the financial burden of the needy and assist them to redirect their limited resources to pay for other essentials like healthcare and education, while addressing the need for ecological conservation. FRG as a hybrid organization (Baglioni et al., 2017) cultivates direct relationship with their stakeholders and faces various challenges in achieving their aim. In order to develop and maintain these relationships, the firm design various divisions with specific aims, including government liaison, supplier relationship management, customer relationship management, and internal customer relationship departments. Each department is headed and run by volunteers with less than a handful of full-time staff within the organization. As the firm's operation grows, FRG is faced with increasing challenges to build operational capacity, establish donor and recipient network, strengthening operational excellence, community engagement, and sustainable funding.

2.2 The Food Consumption and Food Sharing Initiatives in Malaysia

Food and food consumption are rich with meaning. What we eat, how we acquire, how we prepare and consume, and whom we share food with symbolizes in-depth meanings. In a multi-ethnic society such as Malaysia, food consumption communicates values, beliefs, and rituals that are embedded within cultural and religious practices. Food is strongly linked to the Malaysian identity and promoted as part of tourism attraction. Food is also treated as the highlight of festival celebrations and social gatherings. It is very much tied to Malaysian hospitality. Hence, the rich Asian food heritage, with its wide variety and flavors, is regarded as the pride of the region. Unfortunately, the abundance of food in this part of the region also supports a waste culture. Food waste is an outcome of unsustainable consumption activities.

Production, distribution, and technology support a changing food consumption habit in Malaysia. Availability of eateries, including food courts and "Mamak stalls" (operated by the Indian Muslim community) with 24/7 service and introduction of online food delivery services such as Food Panda and Grab Food provide easy access to food. A surge in roadside stalls, food courts, and restaurants offering varieties of cuisines at affordable prices, support a dining out culture. During the Muslim fasting month of Ramadhan, hotels promote buffet dinners to Muslim consumers to end the day's fast, which contributes to an increased amount of food being wasted (Basyir, 2019). Due to a lack of public gathering places, many consumers throng the shopping centers as favorite past time during the weekend. The ground floors of department stores are packed with food-related outlets and function as a pull factor for many Malaysians to spend their time at the premises. Consequently, the eating behavior and habits among Malaysians are changing. Meals times are extended beyond traditional meal hours. Recently, Malaysia has been ranked the fattest nation in Southeast Asia with approximately half of the population obese or overweight (Lum, 2018). The prevalence of overweight and obesity among adults increased from 16.6 and 4.4% respectively in 1996 to 30 and 17.7% in 2015 (Lum, 2018), giving rise to high-risk diseases, which in turn affect not only the quality of life but also the psychological well-being of the victim who often struggles with poor self-esteem and depression.

While those groups with higher spending power engage in throwing and wasting food, the marginalized groups in Malaysia, the bottom 40% income group (B40) are experiencing a lack of access to sufficient, safe, and nutritious food. The Edge (2019) reports that although 8.2% of GDP was derived from agriculture in 2017, and Malaysia has been ranked as the 40th among 113 countries in terms of food security index. The marginalized segments in Malaysia suffer from malnutrition, stunting, and obesity as they are unable to gain access to nutritional food such as vegetables, fruits, and meat. It is alarming to note that 20.7% of children under the age of 5 in Malaysia are stunted and undernourished, a figure higher than Ghana (18.8%) (The EDGE, 2019). In Malaysia, the most common waste management practices involve disposal, reuse, and recycling with minimum emphasis on recovery and prevention. Factors such as the absence of a well-established public policy on food waste management

and recovery system, a low level of knowledge and involvement among households, the lack of an education program on waste separation, a materialistic culture and poor incentives to recycle, hinder efforts to curb food waste (Abd Ghafar, 2017; Lim et al., 2016).

The food sharing industry in Malaysia is relatively new and mainly dominated by private food banks leading the food waste initiatives. The government lead pioneer project on food sharing was first launched in Penang in 2018 (Perinbanayagam, 2019). It has benefited more than 45,000 households and succeeded in saving 1055 tons of excess food (Tan, 2019) since its launch. Food waste management requires a broad mobilization of stakeholders involving the public and private sectors and the community. Further, effective management requires insight into awareness, attitudes, and community commitment to sustainable consumption practices. The Eleventh Malaysia Plan (2016–2020) emphasizes green growth and aims to enhance awareness and shared responsibility among the general public, federal and state governments, academia, and the private sector. Specifically, there is a focus to increase the household recycling rate to 22%. However, achieving this aim would require a fundamental change in the mind set and social behavior to value nature, and a stricter implementation of environmental policies and regulations.

3 Challenges in Food Sharing Initiatives in Malaysia

FRG faced different strategic challenges, particularly in the operation and management in the food sharing initiatives. These challenges are explained as below:

3.1 Food Waste Management and Government Support

In Malaysia, disposal, reuse, and recycling are the most common waste management solution practices. Minimum emphasis is placed on the recovery and prevention, even though these solutions are identified as a more effective practices to manage food waste. The emergent of local food banks in recent years and their increasing contribution to the food waste management network, re-emphasizes the importance of recovery and prevention solutions. The existence of non-profit organizations has been a consistent part of the Malaysian welfare system. The traditional social organizations in Malaysia previously have functioned mainly with the aim of addressing material and non-material needs of the recipients, relying on monetary donations and 'good' food donated by private and government institutions. The food bank's business model relies on 'thrown food item' that may involve risk of food contamination and misuse of the donated product, resulting in risk aversion behavior among both recipients and donors (Edwards, 2020). Moreover, consumption of food waste is traditionally and culturally perceived as a stigmatized practice (Edwards, 2020).

In regulating the food recovery network, established legislations and government support are fundamental, specifically to provide a uniformed protection and benefits for donors (Lohnes & Wilson, 2018). For example, unlike countries such as France, Italy, and Turkey that practice tax benefits for food donations, Malaysia lacks tax incentives to encourage donors' engagement (Gaiani, 2016). While the Malaysian government focuses their effort on areas relating to deforestation, sustainable palm oil and climate change, minimum emphasis is placed on managing food waste and related issues. Thus, despite wanting to be involved in the food recycling programs to communicate their social responsibility, many donor organizations are reluctant to collaborate with food banks.

> *[In the] beginning when we started doing this, nobody was doing this. [It] was really tough, trying to get companies to donate was hard, because no one else is doing it, and so companies were looking around saying, [since] no one else [is] doing this, why should we do it? We [are going to] get in trouble. What's going happen when we do this? (Podcast-Interview with founder)*

Specifically, in the absence of relevant policies and regulations to protect the donors, many donor organizations are unwilling to take the risk due to fear of civil action and negative publicity. International hotels, for example, are reluctant to join the program due to strict adherence to international food safety regulations. Moreover, donors are suspicious that the donated food maybe misused and sold in black market instead of reaching the targeted group. In 2020, a Food Donor Protection Act, 2020 was approved by the Malaysian government (Ministry of Trade & Consumers Affairs, 2021) to protect food donors from civil liability against any injury or disease or death arising from consuming the donated food. The act protects manufacturers, suppliers, wholesalers, hypermarkets and supermarkets, government entities, hotels and restaurants and charitable organizations against civil action. Nevertheless, the protection is not absolute, and the donor can still be liable if the harm is caused by due negligence or willful misconduct. Thus, there are many grey areas that needs clarity resulting in many donors' reluctance to donate surplus food to food banks. Commitment from donors greatly affects the success of FRG as the firm is greatly dependent on a consistent supply of donated food items while addressing the demand of their customers.

The launch of Food Bank Malaysia Program in 2019 resulted in many new NGOs now wanting to jump on the bandwagon of food-sharing, including establishment of Mutiara Food Bank and Yayasan Food Bank Malaysia. These additional players make it much more competitive in securing the volume of food received from donors and securing volunteers. Within the context of Malaysia, which is a Muslim nation, there is also the issue of halal food regulations. As such, FRG only sources for fresh fruits and vegetables from the Malaysian wholesale market in their fresh produce category. This complies with the religious criteria of Buddhists who are vegetarian, Hindus, who are non-beef eaters and Muslims who do not consume pork. Nevertheless, compliance to the local cultural norms place further constraint on their choice of rescued food and supply.

3.2   Securing Supply of Food and Fund

The launch of the Food Bank Malaysia Program has affected FRG's supply tremendously as many of these companies now contribute toward the government initiative that gains support and incentives from the authority. FRG's main contributors include Tesco, Aeon Supermarkets, bakeries in Klang Valley, and wholesale markets in Kuala Lumpur. Over the years, FRG has made inroads and established good relationships with manufacturers such as Unilever and Campbell which supply processed products such as mashed potatoes and canned soup. In addition, many local supermarkets have signed up with organization and contribute essential food products such as rice, sugar, and cooking oil. Many of these items are donated close to the expiry date, thus requiring continuous efforts by FRG to sort items by the 'use by date' and 'best before date' to facilitate food safety. Moreover, FRG receives monetary donations from private organizations supporting corporate social responsibility and individuals.

Increased competition for resources prompted FRG to actively source for suppliers to safeguard consistency in supply of food. Nevertheless, the organization heavily relies on a single food supplier, namely The Selayang wholesale market vendors for the supply of vegetables and fruits. These fresh produces consist of the main giveaways to the needy charities. The amount donated by the vendors from this market is influenced by fluctuating demand and supply. The demand and supply interaction is applied to control the prices of vegetables that the vendors at the market subsequently charge their customers.

> Sometimes vegetables such as radish, it is very high price, they [the vendors] keep them. Whichever is low price, they give it to us, because they [the vendors] can't sell (Interview-Staff).

Consequently, the price fluctuation results in inconsistent of donation affecting the operations of FRG. An oversupply lowers the price; however, the vendors are reluctant to sell their produce at a cheaper price. To maintain profit, they disposed the additional supply. Thus, the amount of food donated is determined by the wholesalers who donate vegetables that have an oversupply even though the vegetables are in perfect condition. Additionally, the type of vegetables and fruits supplied are often dependent on the weather and seasons. Consequently, it is difficult for FRG to estimate the type, volume, and supply of fresh produce.

> The lorry carrying the food produce from the Selayang wholesale market arrives at the warehouse. There were crates of watercress, spring onion, lettuce, paprika, brinjals, lime, coriander leaves, tomatoes, cabbage, few more bags of onions, potatoes, pumpkins and mint leaves. The volunteers crowd around the vehicle to help to unload the various creates full of vegetables. One of the volunteers mentioned that it is only 600kgs[and that is] not a lot. Today's supply is much lower than previous weeks where the amount were between 1 to 1.5 tons. The main volunteers members continue to discuss on which charity they need to prioritize as recipient due to the limited load today. (Observation fieldnote)

In addition to supply of food, as a non-profit organization FRG is depended on businesses, individuals, and government bodies for monetary funding. Funding is required to support the maintenance of the warehouse, employees' salaries, and

petrol and maintenance of the delivery trucks. An increasing competition from other NGOs in the country pose a challenge to FRGs efforts to secure consistent funding. Moreover, social organizations in Malaysia face general public and investors distrust (United Nation ESCAP, 2018). Increasingly donors are demanding on transparency of the use of fund and donations as a basic requirement when contributing (Aitamurto, 2011). Funders and investors are skeptical toward the goals of the social organization while questioning on their genuine commitment to social and environmental cause.

In gaining trust, FRG engages in value co-creation activities with their donors, for example by sharing of information on the quantity of food saved from polluting the landfill, meals provided from the rescued food and lowering of greenhouse emission. Such information provides data for other stakeholders as part of their common effort and support their corporate social responsibility. A high dependency on minimum number of donors results in FRGs aiming to develop relationship and trust between the firm and donor organizations through public relations activities, applying for grants and emphasizing transparency of operations.

> *Governance and transparent…. I think we are very transparent, we say this is what it is, we're not hiding anything, you can check all our books, all our books get audited. (Interview-volunteer).*

3.3 Managing Customer Expectation

FRG provides services to 50 vetted charities in the greater Kuala Lumpur area. In recent time, FRG extended their customer base to include families in People's Housing Projects and operates kitchens in refugee schools. A major challenge faced by FRG in servicing their customer is identifying the most deserving recipients, assessing their specific needs and ensuring a consistent food supply. FRG constantly receives request from new applicants requesting support. However, inadequate food supply, funding and volunteers limits the firm's capacity to expand their customer base. Further, our observation at the distribution center notes a heavy reliance by some of the recipient charities on the supply from FRG on weekly basis. While distributing food at the warehouse, tensions arising between the recipient's expectations and the organization's purpose. While FRG aims to minimize food waste and help to ease the burden of the needy group, the recipients expect FRG to yield to their specific needs such as hand-picking those that they want and rejecting certain vegetables and fruits that they do not favor.

> *[For] some charity, they have children. [They don't want] brinjal [because kids] don't want brinjal. So, I was telling them, if you don't want brinjal - you can't cherry pick. (Interview-Staff)*

The volunteer team from FRG assesses the proposal by prospective recipients and visits the applicant's premises to observe and to have informal conversation. The team assesses the legitimacy of applicant claims in relation to their financial situation, members, and needs. FRG customer service management identify and

evaluate each recipient charities' special requirements and volume based on the needs and size of the recipients' organization. For example, Charity A with 50 teenage orphan boys may have different requirements compared to Charity B which looks after 20 malnourished children. The teenage boys will require more food, while the children may require more fresh produce to overcome symptoms of anemia and scurvy. Moreover, FRG needs to periodically perform checks on recipients to deter recipients from reselling the donated food and to ensure food safety. As their customer base grows constant updating of their customer database and enhancing of enrolment system is required. The team has to manage the expectations of these customer groups, ensure that there is a consistent supply of food and safeguard that the quality of the food is good.

3.4 Sourcing and Managing Manpower

A major contributor to the growth of firm's operation is attributed to its grown volunteer base. While the firm begun with a handful of volunteers, the organization now has close to 500 volunteers. The majority of FRG's volunteers are expatriates, with locals making up less than 20% of them. The volunteers come from diverse cultural backgrounds and nationalities and function as a backbone supporting the operation of the organization in addition to spreading the word of mouth. Those volunteering their time are recruited and briefed on RFG's overall mission and safety measures while operating at the warehouse. The volunteers gather at the warehouse twice a week to sort, clean, and distribute the collected food. Additionally, some volunteers head departments and engage in strategy development to achieve the various departmental goals such as securing funding, volunteers and internal and external communication with stakeholders.

Volunteers in social organization are not bound by contractual agreement but by the passion to contribute to a common cause. Consequently, unlike contract employees, managing volunteers require a different management style and planning. Volunteers would continue to serve only if they are motivated and enthusiastic and feel that their work is valued. Moreover, in a contract-based employment arrangement staff may be given a warning note or can even be terminated for absence or under performance. In social enterprises, volunteers are not contract bound which challenges regulating manpower. Hence, motivating volunteers requires communicating to them that their effort is valued and acknowledging their contribution however minimum is necessary.

Among the arising issues to manage the volunteers include inconsistency of supply and a lack of commitment among the members, as volunteers choose to offer their time and effort at their convenience. This factor influences the supply and demand for manpower. Many of these volunteers are seasonal which makes it difficult for FRG to instill a sense of belonging to the community and ensure continuity. As a result, the more committed volunteers multi-task and invest time to train the newcomers

which takes up considerable time. Often, the lack of commitment on the part of the volunteers sees insufficient volunteers at specific events or on the day of operation.

Although, in the initial stage FRG practiced open door policy allowing anyone who is interested to contribute their time and effort, as the volunteer base grew the firm began to regulate their volunteers. Utilizing the social media, the communication team facilitates weekly schedules for volunteers. As the number of volunteers continue to increase, the system requires further update to address the complexity of operation. The organization's requirement for professional members to head various divisions, including communication and media management, engagement and sourcing for funding is also growing due to expansion and increasing competition. While FRG plans to expand its distribution by acquiring additional trucks to collect and distribute the food produce, this effort is hindered by the need to employ staff and manage the cost.

> So, now it is a question of how do we hire someone to drive the truck? How do we raise the money to pay the salary and maintain the truck, get all the licenses, [and go through the vehicle inspection authority in Malaysia], the inspections and all of that. (Interview-Volunteer)

A more efficient system of recruiting, training, and empowering volunteers needs to be set up, as these volunteers are FRG's most important assets. FRG is a social organization fully operated by expatriate volunteers with minimum local volunteers. Subsequently, their operations is viewed with a certain amount of skepticism by the authorities. Thus, there is a need to develop a relationship based on trust with the government through transparency.

> Many of our volunteers are expatriates. So the corporates, they like us because they think that we are more professional. But working with the government is challenging because they see us as expatriates. (Interview-Volunteer)

4 Discussion

In the last five years, FRG has grown from a small group of volunteers to a mid-sized NGO. The organization progressively recruited more donors, volunteers, and their recipients' number has grown tremendously. In addition, they have been offered a refrigerated truck by another organization as part of its corporate social responsibility program. While these represent an enormous opportunity for FRG to expand their operations, they come at a cost. The additional vehicles require more drivers, staff salary significantly increases the operating cost. Furthermore, the size of their warehouse is a major capacity constrain as FRG is unable to receive and store large quantities of fresh and manufactured products. The limited warehouse space further constraints the number of people working at the warehouse at a time. The situation is challenged particularly during the festive season when many organizations contribute to the different homes and orphanages. However, a larger warehouse will require substantial capital as they are renting the current warehouse at a very low

cost as part of goodwill. As limited financial resources remain a major challenge for the organization, there is a need to generate a sustainable income.

In recent development, the Malaysian government is re-emphasizing the need to manage waste holistically. The Eleventh Malaysia Plan (2016–2020, pp. 6–15) states the goal of "managing waste holistically through better coordination, encouraging 3R and using waste as a resource for other industries". The launch of Food Bank Malaysia program is a part of strategy to achieve the stated goal. These developments present more opportunities for food banks to expand and establish their operations. Securing this positive development, FRG embarked on strategic planning. A recent effort by FRG involves a document detailing strategic plans aimed at instilling confidence among the stakeholders, specifically the government and private donor organization. The strategic plan lists the organization's achievements, future goals, and ways to achieve these goals. These includes guidelines, procedures, SOPs, innovative improvements for departments; rebranding; effective volunteer management programs to grow and retain volunteer network; developing food donor relationship while attracting new generation of donor; and educating the Malaysian population on food waste.

An enhanced operating system, regulating policies, and sustainable source of funding and manpower needs to be established to address the growth and growing complexity of the business environment. Innovative ideas are proposed and implemented at FRG including to establish a composting business, joint ventures operations with funding organization on corporate social responsibility initiatives and utilizing social media to create awareness among public while recruiting volunteers. Recognizing that branding is an increasingly important marketing strategy for non-profit organization, FRG had developed a clear logo and slogan to create brand awareness. Their logo and slogan are displayed on their delivery trucks, social media postings, FRG's website, and joint venture programs. The exposure is instrumental to attract potential donors and to develop awareness and a perception of quality service. FRG actively broadcast their mission and operations through media such as BFM radio, and write-ups in local newspapers such as The Star. FRG joins force with other food banks to provide a collective voice while lobbying with the government for support and for recognition. Specifically, co-operations with the government authorities is enhanced through value co-creation initiatives for example, recording and supplying details of the amount of food rescued to government agencies such as town municipal councils. Such details are used by the authority as part of their record to monitor their environmental preservation achievements.

The current welfare state is moving away from government focused public services toward higher involvement of private and non-profit organization driving emerging societal needs. Thus, food banks as social organizations are likely to occupy a central position in the food waste management network. In the face of government inefficiency, resource constraints and unregulated environment the existence of food banks provide a social safety net for the society. Specifically, co-operative business-NGO and government-NGO relationships are effective in solving larger or 'wicked' problems such as food waste than relying on the capabilities of single organization (O'

Connor and Shumate 2014). While the businesses seek collaboration to build corporate reputation, the government engage with social organizations to address issues concerned with societal wellbeing. Social organizations' proximity to those directly affected including food vendors and needy charities provide an edge for communication and information useful to address food waste issues. Although a social network model involving food waste management is driven by a common motivation of sustainable consumption and positive outcomes, facilitating relationship among the stakeholders may be a challenge for food banks (Tidström, 2014; Xu et al., 2016). Differing personal goals, relationship tensions, and competition to gain resources may result in relationship tensions among the members. Thus, charitable organizations business model, environment, operations, and network relationships widely differs from traditional business enterprises.

5 Lessons Learned

The key learnings from the case are as follows:

1. Food waste is indeed a "wicked" problem because it is multi-faceted, complex and involves multiple stakeholders working toward the same goal but at times with conflicting interests. Thus, social innovations cannot be realized by isolated firms or efforts.
2. Sustainable innovation require collaboration across stakeholders (the Ministries and government bodies, other NGOs, suppliers, customers, donors, internal stakeholders) to share resources and knowledge to collectively curb food waste in Malaysia.
3. The business model of a social organization differs from a profit-oriented firm in creating, capturing, and delivering value. Specifically, the aim to achieve environmental and social sustainability generates unique management and operational challenges for social organizations. In addition to financial sustainability, management of a social organization requires seeking the support and protections from the government ministries and agencies, developing trust and confidence among the suppliers, sourcing, and securing sustainable resources, volunteer management, and addressing the needs and mind-set of food recipients and the needy organization.
4. Sustainable innovations can be achieved through collaboration across actors in the food waste management network. Some suggested strategies for social organizations include:

   - to create and form a continuous dialogue between the government ministries/agencies and NGOs.
   - to collaborate with new businesses/suppliers and recruiting volunteers as part of their CSR program
   - to capitalize on competitive advantage, collaborate and learn from other NGOs and competitors to form co-operation in the industry.

- to build a strong brand image and brand awareness among its key stake-
holders.

Funding declaration

This research was funded by the Seed Grant from the School of Business, Monash University Malaysia.

Declaration of Conflicting Interests

The author(s) declared no potential conflicts of interest with respect to the research, authorship, and/or publication of this case study.

Credit author statement

Vimala Kunchamboo: Conceptualization, Methodology, Formal analysis, Investigation, Data curation, Writing—original draft, Writing—review & editing, Visualization, Supervision, Project administration. **Stephanie Kay Ann Cheah:** Conceptualization, Investigation, Writing—review & editing, Visualization, Project administration.

Discussion questions

The following questions can be used as in-class discussion or as individual/team assignment question in the form of presentation and subsequently to submit a written case report.

1. Identify the stakeholders that are important to the case in this food-sharing initiative and briefly explain their roles.
2. How does FRG's role and operations as an NGO results in social innovation?
3. Identify the main challenges facing FRG's food-sharing initiatives in Malaysia.
4. What recommendations would you make to FRG with regard to some of the identified issues?

Project/activity-based assignment/exercise

Using the active learning pedagogy, think-pair-share, students will be paired up with another partner for this task. Instruct students to list down about their own household food waste behavior based on their daily observations for 30 min. Students should share their observational findings in class. The instructor could engage students to identify the common food waste behavior among households and further probe into external and internal factors (such as marketing strategies, culture, purchase behavior etc.) supporting food waste behavior among households. This exercise engages students to reflect on their own food consumption behavior as consumers, simultaneously providing a broader understanding of how external factors support/discourage food waste behavior of consumers.

Teaching Note

Managing Sustainable Food Consumption: A Case Study of a Food Bank in Malaysia

Synopsis:

The Domestic Trade and Consumer Affairs Ministry introduced the Food Bank Malaysia Program which involves an extensive network of hypermarkets, restaurants, social enterprises and individuals that enables excess food to be distributed to the needy. Food banks are social organizations, function as intermediaries within the food waste management network, supporting social innovations to address food consumption. In this case study, we focused on a specific food bank in Malaysia, namely the Food Rescue Group (FRG) (pseudonym), a non-governmental organization (NGO) that was initiated in 2015 and pioneered the food waste initiative in Malaysia. Over the years FRG grew from a volunteer-based program utilizing a handful of individuals collecting surplus groceries to a mid-sized establishment regulating over 500 volunteers and servicing more than 50 vetted needy organisation as their customers. FRG tackles issues of hunger, food waste and sustainability in Malaysia and focuses its efforts to support the Sustainable Development Goals (SGD) through cultivating direct relationship with their stakeholders and faces various challenges in achieving their aim. As the firm's operation grows, FRG is faced with increasing challenges to build operational capacity, establish donor and recipient network, strengthening operational excellence, community engagement and sustainable funding.

Teaching Objectives

This case study can be used in courses on International Business, Strategic Marketing or Management. It is appropriate for undergraduate and graduate students. Generally, the material in this case study will have broad implications for current issues on landfills, food-waste and environmental sustainability. The case is based on an actual but disguised social enterprise (in compliance with research ethics) suitable for classroom teaching and learning. The learning objectives associated with this case study are as follows:

1. Creating and exposing students on contemporary issues of sustainable management of food waste.
2. Identifying challenges and opportunities in the operations of a food sharing initiative.
3. Discussing strategic solutions for social organizational issues pertaining to waste management.

Research Method

This teaching case study is structured based on multiple data sources including observation field notes and interviews. It is also complemented with secondary sourced materials such as food bank and government websites, newspapers articles, podcast, blogs and media press.

Assignment Question

The discussion questions stated in the case can be used as assignment questions in teams in the form of oral presentation and subsequently to submit a written case report or a general class discussion prior to an individual case report submission.

1. Identify the stakeholders that are important to the case in this food-sharing initiative and briefly explain their roles.
2. How does FRG's role and operations as an NGO results in social innovation?
3. Identify the main challenges facing FRG's food-sharing initiatives in Malaysia.
4. What recommendations would you make to FRG with regard to some of the identified issues?

Suggested Core Readings

Baglioni, S., Sinclair, S. (2014). Introduction: Social innovation and social policy. Social Policy and Society, 13(3), 409-410. doi:http://dx.doi.org.ezproxy.lib.monash.edu.au/10.1017/S1474746414000177

Teaching Plan and Timing:

This case exposes students to operational challenges of an NGO. Students would be able to distinguish various issues involved in managing an NGO, specifically one that is involved in a mission to curb food waste. The instructor might ask the students to conduct a prior research on food waste and related factors contributing to food waste in the region and how food waste impacts the general well-being of society. This should spark a lively class discussion. The case can be taught in a variety of ways:

1. Taught in a didactic manner where the questions are assigned for discussion in the class.
2. The case can be assigned to a team of students for an oral presentation and subsequently to submit a written case report
3. Some students will have experiences with NGOs that they will be willing to share before case discussion.
4. Each of the challenges and issues can be assigned to a team of students for analysis and presentation to the class. This can be done before the class so that students can do additional research from around the region to strengthen the discussion and the instructor can draw conclusions after the presentation.

Pre class	Students can be given the case to read alongside supplementary notes provided by the instructor
10 minutes	Start with a discussion on the quote *"There is enough on this planet for everyone's needs but not for everyone's greed."*
5 minutes	Steer the discussion towards food related issues around the world. Open discussion with students on how these changes affect governments and businesses
24 minutes	Divide the class into 4 groups: Each group will discuss 1 question
16 minutes	Each group is given 4 minutes to present their discussion points to the class
5 minutes	Wrap up by having an open discussion with the whole class on how this industry will grow in the region

Analysis of Assignment Questions

These questions evaluate student's critical thinking and problem-solving skills, team work and communication skills.

1. Identify the stakeholders that are important to the case in this food-sharing initiative and briefly explain their roles.

Students can discuss a range of them but based on the case, the following are the key stakeholders:

- Government and regulatory bodies and ministries such as the Ministry of Domestic Trade and Consumer Affairs (mentioned in the case) and other Ministries that are not mentioned in the case such as the Agriculture Ministry, the Ministry of Water, Land and Natural Resources, the Ministry of Energy, Science, Technology, Environment and Climate Change, and waste disposal agencies.
- Other NGOs and non-profit organizations (e.g. soup kitchens, food banks) involved in nature preservation and sustainability efforts
- Suppliers (food manufacturers, distributors, grocers, hotels and restaurants, stall operators, farmer organization, individuals).
- Customers/Recipients (low income groups, refugees, needy organizations such as old folks homes).
- Donors (funding agencies, government bodies, individual members of the public).
- Internal stakeholders (volunteers, staff, board members).

2. In your opinion, how does FRG's role and operations as an NGO results in social innovation?

Social innovation refers to *"the capacity of society (through not-for-profit organisations, charities, social movements and community groups, as well for-profit enterprises) to address needs unmet due to the failure or absence of markets or state provision"* (Baglioni & Sinclair, 2014, p. 409).

- Food banks help to reduce the financial burden of the economically challenged (i.e. the marginalized community) group, enhancing their social well-being. As

30% of the household expenditure involves food, a consistent supply of food items would enable the targeted community focus their expenditure on other essential expenses including education and medical.

- Their operation help meet the nutritional needs of the lower income group, enhancing food security. An access to nutritional food such as vegetables, fruits and meat would address health issues related to malnutrition, stunting and obesity.
- FRG help regulate demand and supply of products for manufacturers and private organisations. They help manufacturers to manage over-production and play a vital role in helping to re-distribute unsold products. This specific function minimizes the cost of disposing the unsold products in the supply chain management of firms.
- Broadly, FRG supports the government goals to reduce the use of landfills, improve health of the citizens, and facilitate communication and co-ordination among stakeholders in food waste management network. In the absence of effective measures, policies and implementation efforts to manage food waste, they function as consultants to provide guidance to government on initiatives and policies to address food waste management and climate change.

3. Identify some of the main challenges facing FRG's food-sharing initiatives in Malaysia.

Some of the challenges include:

- Role of government: The launch of the Food Bank Malaysia Programme in 2019 has provided greater opportunities to cater for the poor and needy through food-sharing initiatives. Nevertheless, it also restricts access in securing the volume of food received by donors due to intense competition amongst other NGOs. As the program is relatively new, food policies favoring sharing initiatives are still underdeveloped. While a new Food Donor Production Act 2020 was enacted to protect food donors from civil liability, the protection is not absolute, and the donor can still be liable if the harm is caused by due negligence or willful misconduct. In the absence of an established food use hierarchy and enforcing regulations, most companies perceive higher risk in participating in surplus food donation via non-profit organisations than in sending the surplus food to landfills.
- Cost: The bulk of FRG's operation expenditure is the warehouse rental and distribution costs, in addition to the salary of the staff. The expansion of operation signals the need to have a large enough warehouse to manage the supply of fresh produce and manufactured products. Lack of space poses a physical hazard to volunteers during operational activities in addition to limiting the capacity of the volume of goods to be sorted and stored. There is a need to either increase the number of warehouses or move to a larger one to accommodate the inventories. In turn, FRG needs to purchase more vehicles and hire more drivers, consequently incurring more overhead costs. Investment is also required to equip the warehouse with refrigerators to store access of non-durable goods.
- Financial sustainability: The warehouse rental, purchasing of vehicles and hiring of drivers requires substantial capital. The issue of capital investment and the

generation of sustainable income remains a challenge for FRG. Currently the firm relies on public donations and corporate funding to support their operations. In Malaysia, due to increasing social problems, environmental issues and higher rate of poverty, the number of NGOs have increased drastically in recent years. Hence, there is increasing competition among the NGOs to source and assure operational funds. Furthermore, the country's current economic situation defined by a high amount of debt and political instability pose an additional challenge to FRG to gain financial support from the government.

- Managing food supply: FRG is responsible to ensure adequate supply of food to the needy as many of their customers are dependent on the firm for their daily supply. The expansion of their operations indicates that it is essential to continuously source and recruit food donors (e.g. fresh produce from the wholesale market and processed products from manufacturers and retailers) especially when the supply of fresh produce such as vegetables and fruits is often dependent on the weather, seasons and the fluctuating demand of the market. Therefore, the relationship between FRG and its suppliers becomes critical to ensure food supply is sourced appropriately, in a timely manner and delivered according to the customer's need. A lack of guiding policies on food sharing hinders donor firms' intention to participate. FRG also competes with other NGOs with similar aims of reducing food waste in sourcing for food donors.

- Recruiting and managing volunteers: FRG is an NGO and thus, the firm's success largely dependent on its volunteers. Recruiting and managing the supply of volunteers is imperative to the company as the majority of the volunteers are expatriates with locals making up less than 20% of them. In other words, the operation of a local NGO that is made up of volunteers who are expats may not be sustainable in the long run. In addition, the commitment of volunteers is an issue in FRG as the turnover rate of volunteers is relatively high. Unlike hired staffs, the volunteers are not bound by an employment contract. Hence, they are not subjected to comply to authority and are free to offer their service according to their convenience. Enormous time is spent on recruiting and training new volunteers constantly.

- Managing the mind-set of food recipients and needy organizations: FRG faces the challenge of assuring skeptical food recipients that the food sharing and food handling process it employs varies because it is cognizant of and honors the fact that Malaysia is a multi-ethnic and multi-cultural society. From the cultural perspective, food waste is perceived as "thrash". There is a social stigma associated with consuming 'thrown food'. Hence, getting people to consume food that has been thrown away is culturally challenging. Specifically, prepared food needs to be sourced from halal operators, expiry of food items requires monitoring, vegetables need to be sorted to maintain its freshness and quality. Further, many needy organizations in Malaysia are ethnic based. Different ethnic communities have specific preferences for food.

4. What recommendations would you make to FRG with regard to some of the identified issues?

Recommendations are as follows: Students' answers may vary and include other areas of focus such as communication, increasing awareness and partnership with other NGOs with similar aims.

- A continuous dialogue between the government and NGOs: A focus on developing co-operation with the government to gain financial and legal support is necessary for FRG. This can be achieved through continuous and consistent communication with the respective government bodies on the amount of food being saved from being dumped at landfills. For instance, FRG could record the daily/weekly amount of food collected from the supplier and delivered to the end consumers. Such information provides measurable impact of FRG's activity on the government's aim to increase recycling of food and minimize use of landfills and environmental impact. Hence FRG could position the organization as supporting government environmental initiatives. Additionally, FRG could lobby with the government authority for policy innovation and campaigns to raise public awareness and by extension, to develop and maintain trust with the authority through transparent reporting of monthly activities and outcomes. For the long-term plan, FRG may (1) establish consultancy division to advise the government on developing guidelines on food sharing, based on their experience as a middle-man in the surplus food re-distribution network and (2) work hand-in-hand with the Education Ministry's initiative to provide free meals at school for the children from low-income group.
- CSR as a marketing tool: One of the ways for FRG to encourage businesses and suppliers to take part in this program is to market it as part of their long-term CSR initiatives and by extension, building a collaborative relationship. For example, FRG may collaborate with supermarkets and wholesalers such as TESCO and Giant for constant supply of food to be recycled to the charities and end users. The collaboration involves FRG accessing information relating to supermarkets' and wholesalers' inventories. The more information is shared between FRG and suppliers, the stronger the bond between them and it allows easy and timely access of supermarkets' and wholesalers' fresh produce and inventories, delivering these items in a very tight deadline to ensure end-users receive the items promptly. FRG will need to communicate to the wider community (or public) of their current supplier portfolios and in turn raise awareness on food-sharing initiatives.
- Businesses and suppliers' employees to volunteer: Effort could be made to encourage businesses' and suppliers' employees to volunteer at FRG, which may in turn increase general awareness of food waste among the public. FRG can initiate collaboration with school and universities to support development of responsible current and future generations and leaders by engaging student group volunteers.
- Best practices: FRG may analyze other successful NGOs' operational models e.g. how they recruit, manage and retain volunteers. Learning what others (including competitors) have done will aid FRG to understand their operation better and note their position in the food-sharing program relative to others. Co-operation

with other local NGOs may help in distributing surplus food supply and access to volunteers.

- Brand awareness and branding: Branding is needed to gain the trust of stakeholders, facilitate donors, lobbying and to build reputation. Unlike profit-oriented firms, branding for NGOs is complex as it involves developing messages to various stakeholders and addressing multiple objectives. FRG should ensure visibility of their logo with the stakeholders at all touchpoints with the stakeholders mainly to develop awareness of the firm and its mission. Branding should emphasize the organization values as the core of the communication.

Key Learning

The key learnings from the case are as follows:

1. Food waste is indeed a "wicked" problem because it is multi-faceted, complex and involves multiple stakeholders working towards the same goal but at times with conflicting interests. Thus, social innovations cannot be realised by isolated firms or efforts.
2. Sustainable innovation require collaboration across stakeholders (the Ministries and government bodies, other NGOs, suppliers, customers, donors, internal stakeholders) to share resources and knowledge to collectively curb food waste in Malaysia.
3. The business model of a social organisation differs from a profit-oriented firm in creating, capturing and delivering value. The aim to achieve environmental and social sustainability generates unique management and operational challenges for social organisations. In addition to financial sustainability, management of a social organisation requires seeking the support and protections from the government ministries and agencies, developing trust and confidence among the suppliers, sourcing and securing sustainable resources, volunteer management, and addressing the needs and mind-set of food recipients and the needy organization.
4. Sustainable innovations can be achieved through collaboration across actors in the food waste management network. Some suggested strategies for social organisations include:

   - to create and form a continuous dialogue between the government ministries/agencies and NGOs.
   - to collaborate with new businesses/suppliers and recruiting volunteers as part of their CSR program
   - to capitalise on competitive advantage, collaborate and learn from other NGOs and competitors to form co-operation in the industry.
   - to build a strong brand image and brand awareness among its key stakeholders.

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ViveChachapoyas.Com: Encouragement of Sustainable and Responsible Consumption of Community Rural Tourism Through Digital Transformation

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Learning Objectives

- Analyze the ViveChachapoyas.com CRT platform's business model feasibility for contributing to the sustainable development of the communities.
- Identify the traveler's global trend, the national macro-environment that influences Tourism in Peru, and entry barriers and competitors within the CRT to elaborate the Integrated Business Plan to ViveChachapoyas.com.
- Propose a Marketing Strategy to guide the contents, touchpoints, and actions in the Customer Journey.
- Support if the ViveChachapoyas digital transformation project aligns with the goals of the National Tourism Strategic Plan - PENTUR 2025 (i.e., increase of tourism which goal is to reach 10%).
- Define an appropriate Digital Transformation Plan based on a new industrial value chains, and value network to ensure robust stakeholder management.

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1   Introduction

At the beginning of August 2018, from Jaen airport, Mimi Villegas sees Chachapoyas after 5 h by car. A year ago, she took the trip twice. First, as a tourist, and second, as a research trip to develop a regional impact project.

Entering the city, Mimi saw the main square's colonial style from the balcony of her hotel, which met in January 2017. Once settled, she went on her way to the Cathedral. There, Mimi entrusted herself to the Patron Saint, *"Mamita Asunta."*

The next day Mimi Villegas would meet with the DIRCETUR Amazonas head and Pablo Salas, the National Coordinator of Community Rural Tourism. She would expose the project to create a digital platform to promote Community Rural Tourism (CRT) in Chachapoyas. Furthermore, it was her opportunity to join the National Strategic Plan of Tourism of Peru - PENTUR 2025 team. Her first mission in 2019 would be to convince the local operators to be part of ViveChachapoyas.com.

She started conversations until the Covid-19 pandemic began. As a result, communications became digital, the tourism sector contracted, and operators looked for alternatives to boost tourism again. Mimi saw this as a vast decision dilemma and an opportunity to prepare the stakeholders for the digital transformation project.

2   An Entrepreneurial Traveling Spirit

Since Mimi Villegas was young, she followed the national TV channel's tourism programs. As a result, she was attracted to the communities' traditions.

After finishing school, she traveled to Cusco. In Machu Picchu, Mimi decided to be an archaeologist to care for and spread her country's resources. Unfortunately, her dream did not come true, but she remained connected to travel. In 2010, being a specialist in digital marketing, she made her first trip as a backpacker abroad, Argentina, under the advice of a tour operator, a friend of her mother, Mrs. Greta.

The experience marked her. Not due to the places she visited but because she lost her backpacks when they got to the airport and her taxi left her. The operator's support was crucial for her. Since then, she relied on the packages that the operators prepared for her new destinations.

In 2013 she traveled to Puno on the advice of Mrs. Greta. She experienced experiential tourism on the islands of *Amantaní* and *Taquile* and visiting commercial destinations.

The day she arrived in *Amantaní*, she felt emotion and fear. The locals in typical clothes looked at the tourists as strangers. They did not talk much, but they kindly transferred each of them to their homes. The houses were of adobe and stoves of wood. In contrast, there were rooms for tourists in another housing area. They were well-designed bungalows with light and cozy beds. Only the bathrooms were old. "Never mind," Mimi thought, "it is part of the adventure."

In the days that followed, Mimi detected a contrast between natural beauty and cultural reality. There was poverty. The community always kept a smile on the tourists, who asked to take pics for a coin. "With so much natural wealth, why not improve their economy? They have resources, tourists… something is wrong".

2.1 A Trip Without Operators or Deadlines

In 2014, Mimi Villegas decided to travel with two friends to Tarapoto to welcome the New Year 2015. She did not call Ms. Greta because her friends convinced her to trust that they had family in the communities there.

The jungle heat was suffocating, but it was worth the sacrifice. Mimi had her first motorcycle taxi ride to Lamas Castle. Moreover, the next day, a local guide took them to the Ahuashiyacu waterfall, hidden among the mountains. It was a great experience.

With this new journey, Mimi Villegas started her research on understanding and promoting CRT.

2.2 San Bartolo: Treasure Key in Chachapoyas

In January 2017, Mimi Villegas took a plane from Lima to Jaen. When she arrived, she would travel by land to Chachapoyas. A month earlier, she had scheduled the trip with Mrs. Greta. It was the rainy season, and the Gocta waterfall would be quite a show.

From Jaen, she moved to Bagua. The sweltering jungle heat made Mimi dizzy. "The agency would have warned me to be ready," she thought. At the first stop, she calmed down with a coca leaf tea. However, the discomfort caused by the weather and the altitude continued days later.

She visited the Kuelap fortress, the Gocta waterfall, the Leymebamba museum, and the Karajia sarcophagi. These were the main destinations in Chachapoyas. Then she followed the Revash mausoleums in the province of Luya. Finally, she could see the steep ravine toward San Bartolo's town from the bus. Once there, the tourists had to go into the undergrowth toward the tombs.

Upon arrival, the agency guide coordinated with the village manager, who would take the group to Revash. The rule was that only the locals could direct them. They knew the roads and ravines in the thick fog.

The walk started toward the wild jungle. The foreigners took pics and talked with Teo, the guide. When they reached the ravine, Mimi froze. Teo took her hand, and they were able to get the viewpoint. The Revash mausoleums were quite a sight.

Upon returning, a German guy noticed a concrete construction on one side of the stone path near the square.

– What is that, Teo?
– It is called "Tambo." It has the Internet, and it is for tourists when they want to sleep here.
– And why don't you use it?
– It is for tourists. We are okay with our houses in the community.
– And do they visit them often?
– At least not to stay. Getting to town is not easy, and not everyone knows us.

2.3 The Entrepreneurial Intention in CRT

Back at the hotel, Mimi stayed up the next day, investigating through her laptop. Looking back on her travels in recent years, she discovered the following:

- The CRT category is not entirely defined in Peru. For example, people use different terminologies and expressions to offer "experiential" packages, which are not necessarily CRT.
- The growth of informal operators is a latent risk at the national level. At the beginning of 2015, they made up between 52 and 55% of all Peru agencies (El Comercio, 2015). This informality puts travelers' safety and confidence at risk, who prefer to go to their destinations independently.
- The tourist can find diverse information on the Internet, but they will not know the region's most emblematic attractions unless they talk to locals. These data are the key pieces needed to boost Tourism and CRT around Chachapoyas.
- There was a lack of up-to-date digital platforms, with new and real-time information for tourists. Some sites promote Tourism and CRT in Peru, such as *Y tú qué planes*, *Turismo Rural Comunitario, Marca Perú, Perú-Travel* (which has an App). They offer packages and an operators' directory by region. However, they did not always have valuable and differentiated data.
- Some tourists had terrible travel experiences caused by misinformation from agencies or pages they found on the Internet. This experience generates negative "word of mouth" about services in Chachapoyas.

It was clear that CRT in Chachapoyas could contribute to the sustainable growth of the communities (An & Alarcón, 2020). However, it required a viable business model supported by digital platforms. These should be accessible and help local operators and communities in the digital transformation of this sector.

3 From Asian Initiative to Peruvian Inspiration at CRT

In 2015, the China National Tourism Administration and the State Council Leaders Group Office demonstrated the government's role in activating Tourism projects that

reduce poverty and revitalize rural areas. By 2020, they projected that Tourism should reduce poverty by 17%, benefiting 12 million people.

Thanks to WTO, the First World Conference on Tourism for Development took place in Beijing from May 18 to 21, 2016. There were 1,000 participants from 100 countries, and it claimed how Tourism contributes to the 17 Sustainable Development Goals (Appendix 1). This manifest addresses the 2030 Agenda for Sustainable Development, approved in September 2015 (OMT, 2016a).

In 2017, the International Year of Sustainable Tourism for Development was in Doha (Qatar) under the slogan "Sustainable Tourism: A Tool for Development." With this, the WTO wanted both the public and private sectors, stakeholders and tourists, to unite toward a positive change.

Moreover, from July 16 to 18 of the same year, the Second World Conference on CRT was held in Anji (Huzhou, China), where the Asia Pacific Travel Association (APTA) collaborated. The International Report on the Development of CRT was presented, highlighting the best practices and success stories executed in the Asia Pacific. This event increased the private sector's interest in the tourism sector (OMT, 2017a).

All this showed that, with well-organized Tourism, there are opportunities to create formal jobs, promote education, and inclusion activities. Moreover, it is all oriented to protect cultural heritage and foster a space of understanding, exchange, and respect for the communities (OMT, 2017b).

3.1   Tourism as Economic Growth Potential

According to the World Economic Forum—WEF, in 2017, tourism moved around US$ 7.6 billion globally. It created more than 290 million jobs. Tourism represented one in ten positions globally. Besides, six Latin American countries were among the 50 most competitive. Thus, Latin America and the Caribbean proved to be potential tourist destinations. Above all, most Latin American nations offer open international policies, extensive natural resources, and good hospitality.

Topping the list were six European countries: Spain (1), France (2), Germany (3), United Kingdom (5), Italy (8), and Switzerland (10). The two from North America: The United States (6) and Canada (9); and then Japan (4) and Australia (7). The Latin American countries are México (22), Brazil (27), Panamá (35), Costa Rica (38), Chile (48), and Argentina (50).

This report also mentions that Perú received around 3.5 million international tourists. These generated about US$ 3,319 million in foreign currency, and the average expenditure per tourist was US$ 960. Perú was seventh among 18 Latin American countries. Located in position 51 worldwide, it was over Ecuador, Colombia, Uruguay, and Bolivia (Appendix 2).

3.2   Peru, Latin American Inspiration in CRT

In September 2015, the first Latin American Catalog of CRT was released (Appendix 3). It is in Spanish and English and is shared free of charge on its website. It disseminates community initiatives from 15 countries: Argentina, Brazil, Bolivia, Costa Rica, Chile, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Peru, Puerto Rico, and Uruguay. In addition, the potential tourist can contact the professional operators that promote the CRT, the same families, or opt for more traditional alternatives (El País, 2015).

The communities organize in networks, and in coordination with the operators, they offer differentiated options to the tourist. There is ACTUAR in Costa Rica, TUSOCO in Bolivia, VIVA ATITLÁN in Guatemala and RUNA TUPARI in Ecuador. Other communities have allied with private operators to guarantee the communities' benefit and control over tourist activity. For example, in Argentina, ORIGINS works with the Salta Rural Tourism Network. TOURURALES collaborates with the National CRT Board of El Salvador. Estaçao Gabiraba is allied with Red Tucum in the northeast of Brazil. There is also TRAVOLUTION in Chile, where associations create operators that help communities market their offer, improve their infrastructure, and train them in other activities.

Furthermore, Latin American countries take the National CRT Program of Perú as a model to follow (Carrasco, 2014):

- The Paraguayan Ministry of Tourism requested to use the CRT manuals developed by MINCETUR to initiate its national program.
- The CRT Mapuche network of Chile did two internships to replicate the Peruvian enterprises and the National Program of CRT.
- The Ministry of Industry and Tourism of Colombia sent a technological mission to Peru to request cooperation on CRT issues.
- Argentina and Bolivia sought to apply MINCETUR concepts, approach, methodology, and tools to carry out their Tourism Borders Project.

4   From Traditional Tourism to Digital Tourism

According to the World Tourism Organization, this sector impacts "on the economy, the natural environment and built-up areas, as well as the local population of the places visited and the visitors themselves" (OMT, 2017b). Therefore, developing tourism management and supervision policies that encourage participating agents' tourism education and training is a priority.

For its part, the United Nations (U.N.) recognizes Tourism "as one of the ten sectors capable of promoting the change towards a green economy" (MINCETUR, 2016a). This concept implies achieving a balance between sustainability principles (economic, sociocultural, and environmental aspects) and applies to all forms of Tourism in all types of destinations, including mass tourism (or conventional) and

the various tourism segments. Therefore, all the support of tourism actors and firm political leadership is required to monitor constraints. The objective is to achieve tourist satisfaction. Thus, living a unique experience and recognizing sustainability problems, focusing on sustainable and responsible tourism practices (OMT, 2017d).

4.1 Community Rural Tourism—CRT

The reduction of poverty is a crucial action toward which Tourism should aim. The WTO hopes that the countries will promote comprehensive tourism projects that will reverse this precarious situation. Regarding this, CRT "is an appropriate tool for the sustainability and revitalization of rural areas. It increases the diversity of professions and preserves nature and the landscape" (OMT, 2017e). The CRT provides new job alternatives and opportunities for entrepreneurs. Meanwhile, other economic activities do not always succeed. Furthermore, these same opportunities reduce the migration of local inhabitants. They encourage staying in their community to develop it.

For his part, Cava (2013) mentions three CRT typologies:

Agri-tourism focused on rural productive areas (agricultural, livestock, or agroindustry) that share the community's way of life.

Ecotourism focused on observing nature and the area's traditional cultures without negatively impacting them. It motivates the conservation of the natural and cultural heritage in all its forms.

Experiential tourism focused on alternative tourism that promotes specific natural (caving, herpetology, ornithology, among others) or cultural (religion, art, mysticism, architecture, anthropology, festivals, sports, among others) activities. It motivates a connection between the tourist and the community, integrating with other cultural tourisms (Ethno-tourism, community tourism, agri-ecotourism, or rural tourism). Thus, it can complement strategies to achieve the community's socio-economic development through sustainable and responsible projects.

All Tourism can be considered "cultural" since travelers contact culture. However, the definition of cultural tourism oscillates between the depth of the experience or cultural motivation offered (OMT, 1985). The traditional approach promotes cultural heritage protection as a static tourist attraction, exposed to deterioration due to use. On the other hand, a new vision arises where Tourism and culture are linked, developing a broader "cultural economy." Here, knowledge transfer and innovation play a fundamental role, generating new relationships and synergies among stakeholders (OMT, 2016b).

4.2 Digital Tourism or eTourism

Technological development has directly impacted the Travel and Tourism sector, influencing the distribution of tourism products within the market (Buhalis & Law, 2008; Buhalis & Licata, 2002; Navío-Marco et al., 2018). As a result, their actions and strategies integrate the offline world (traditional media) and the online world, opening the way to digital marketing (Appendix 4).

Thus, marketing 2.0 and neo-marketing arises, which according to Alonso (2008) and Navío-Marco et al. (2018), consider:

Social changes where the consumer viralizes communication. Find and share information, opinion, and influence with the comments and report facts (e.g., Worth of Mouth—WOM).

Mobile connectivity represented by increasing portability. There are various mobile devices, which converge with computers and laptops.

Digitization where brands transform their image. Their presence on social networks, apps, blogs, and websites confirms that the interaction is digital.

Analytics and KPIs to measure consumer behavior and web traffic. The strategies adapt these patterns. There is critical information that Big Data uses as an Internet of Things (IoT) tool that connects companies and people (Appendix 5).

For their part, Kannan and Li (2016) argue that "digital marketing is an adaptable and IT-enabled process, where firms collaborate with clients and partners to jointly create, communicate, deliver, and sustain value for all stakeholders."

Consequently, Information Technology (IT) has led Tourism toward interactivity and connectivity. While increasing companies' competitiveness, consumers change their behavior and attitude, giving way to eTourism (Buhalis & Law, 2008; Navío-Marco et al., 2018). By the end of the 90 s, several tourism agents (airlines, hotels, travel agencies, among others) adopted the first digital tools and eCommerce as part of their strategies. As a result, Tourism became the first scenario where the Business to Business (B2B) and Business to Consumer (B2C) models are applied. First, tour operators build relationships with providers; in the second, with consumers through service quality. In both cases, digital platforms create adequate coordination spaces. They offer up-to-date information and the ability to make payments as part of eCommerce. The relationships among stakeholders allow emerging digital intermediaries or e-mediators (Buhalis & Licata, 2002).

5 A Digital Transformation Plan in Chachapoyas

In August 2017, Mimi Villegas was looking to consolidate her CRT digital transformation business plan. So, she made a market research and got an exploratory factorial analysis identifying eight factors: Environment Predisposition, Travel and Tourism

Policy Conditions, Tourism Stakeholders' Financial Conditions, Tourist Infrastructure, Tourist Attraction Resources, System Quality, Tourist Information, and Tourist Service Quality (Appendix 6).

Regarding the data sources, she prepared a Market Research Matrix to conduct interviews with elite informants and a survey to tourists through qualitative and quantitative methods, respectively (Appendix 7). The interview guideline had sixteen questions. Complementarily, the survey consisted of 50 closed questions: 18 socio-economic oriented and 32 Likert-scaled. Data collection was during a month between Lima and Chachapoyas.

In Chachapoyas (Appendix 8), she interviewed characters like Carolino Benites. He owned the oldest hotel in town. He was also the Raymi Llaqta creator, a traditional folkloric event representative of the zone.

The interview was at the hotel of colonial architecture, located in front of the main square. The local urban planning policies managed to preserve the properties, which tourists liked. Carolino recounted that in 1993 an association promoting Tourism was formed, and this organized the first visit to Kuelap. After that, the foreigners' presence was more substantial, motivated by the trekking routes. However, on the other hand, the national tourist still did not have much attendance.

Over the years, adventure activities declined. According to Tripadvisor, foreigners preferred recurring destinations (Appendix 9) since the Historic Center of Chachapoyas (Appendix 10), such as Kuelap Fortress (Appendix 11), Gocta Falls (Appendix 12), Quiocta Cavern, Revash mausoleums, or Karajia Sarcophagi. The hotel offers, local transportation, and restaurants increased. Among the current projects in the area, it was expected to open other routes, such as Jalca Grande. Only in the Luya province could one stay up to four days because there is a lot to visit. Carolino mentioned Huangli, the dead town, Ayashaki, Shanqui, and many others regarding prehispanic cemeteries.

Mimi verified how the lack of investment diminished the activation of new resources. Carolino continued: "The adventure routes have fallen. However, the influx of tourists has increased due to operators' promotion of traditional destinations. Last year it surpassed us. As a result, our hotel offer should grow 30%, accompanied by a better service quality in restaurants, local tourist agencies, and the roads. Everything goes together".

5.1   Need for Marketing Strategies Aligned to CRT

Days before arriving in Chachapoyas, Mimi Villegas interviewed Hitoshi Yan in Lima. He worked as a CRT specialist for MINCETUR for eight years. Moreover, now, he was a professor at a public university.

He believed in the need to value the local resources. Improve basic infrastructure (sanitation, water, drainage, roads, and accessibility to the site) and tourist services such as accommodation and food. Furthermore, on CRT, promote community organization to develop tourism activity, with trained human resources. On this, Carolino

stressed a "quality and focused preparation" from the government more than generic training. Local operators had to understand easily. "The goal is the same, but both parties need to integrate their needs," Mimi said.

Hitoshi identified an opportunity if they worked together. "Unite the national, regional, and district vision to have several development strategies. The key will be to invest more in basic infrastructure and digital platforms for tourism development in Chachapoyas. Generating more significant alliances with private parties, investing more in the area. Current services are not optimal. The community must be more organized. Leaders are needed to manage and guide the tourism initiatives of their communities.

5.2 Role of Digital Platforms

Carolino and Hitoshi agreed that the Internet was vital in Chachapoyas. The empowered tourists, before contact operators, visited web pages and profiles on social networks. The brochures had already gone out of style.

These platforms and virtual content must essentially offer truthful and up-to-date content. For Hitoshi, the tourist values living what is provided. "Trust goes a long way in achieving a more positive travel experience. Depending on the objective, these should generate the strategies and tactics online. If marketing is strategic, it must ensure that the tourist, upon entering, identifies with the positioning, their segment, and buys. If marketing is operational, the promotion of products and services on channels must obtain information that motivates and interests to the tourists. That is the important thing."

Carolino mentioned that inquiries had to be answered quickly (by mail, chat, or mobile) regardless of the digital platform. "Straightforward information. Good photographs, putting telephones and emails to communicate. If not, the experience will be traumatic."

They both agreed. Hitoshi added to consider the participation of specialists in the management of digital platforms. "If they do not know how to manage them, the initiative will not be sustainable and responsible beyond enriching the content. That is why some current pages do not convince the tourist."

6 From the Theory to the Practice

Internet is the principal means by which tourists access information before and during their trips. They do not just look for information on accommodations, restaurants, and destinations; they value other people and their friends' recommendations above all. These variables are part of a study by Ipsos Apoyo (2016). This study indicates that Peruvians are regular users of "smartphones," 32 years old, single, and dependent, on average. 81% are responsible for paying their consumption, and 59% of this group

are postpaid users. They can use their equipment at night (53%), in the afternoon (41%), and/or in the morning (33%).

In the market research conducted for this case, 62.5% admit that they have not gone to Chachapoyas. However, 37.5% have gone to the Kuélap Fortress among those who have visited it. Besides, 24.3% went to Gocta Falls, 11.8% to Karajía sarcophagi, 8.8% to Leymebamba, 4.4% to Huancas community, 5.9% to Revash, 5.9% to Sonche Canyon, and 6.6% to Cóndores lagoon. This last destination is one of the most courageous experiences of unconventional tourism. It is not well known and only heard of when you arrive in Chachapoyas. It is a one-day walk from the Leymebamba village, and the round trip takes three days.

Consequently, the most visited tourist attractions are those found on the Internet. However, the most remembered by those who already knew Chachapoyas is the unconventional destinations. This detail reveals the critical differential value that the tourist expects to find, to continue exploring.

Also, among the most emblematic tourist attractions of Chachapoyas, local tourists have heard of Kuélap Fortress (87.6%), Gocta Falls (54.2%), Karajía sarcophagi (29.2%), Leymebamba (15.3%), Huancas community (6.6%), Revash (8%), Sonche Canyon (13.1%), and Cóndores Lagoon (26.3%). Only 7.3% admit that they have not heard of the Chachapoyas attractions.

6.1 Many Roads, One Destination

In 2016, 61% of tourists came to Chachapoyas by land, from the cities of the "North Route." The roads are in good condition, and although the journey is long, the tourists value the landscape. Tourists arrive from Lima in 31% with 19 h of travel. Chiclayo in 20% with 8 h. Cajamarca in 9% with 8 h. Tarapoto is 8% with an approximate from 6 to 7 h. Jaen in 7% with 5 h of travel. And Trujillo in 6% with 11 h approximately.

Simultaneously, VivaPeru and LC Peru would provide air routes to Chachapoyas. The first would be from Trujillo, and the second, from Chiclayo. Other interested airlines were Movil Air and Star Peru. Besides, the Saeta company restarted flights to Chachapoyas from May 16, 2016, departing from Tarapoto in light planes for nine people with one way (La República, 2016).

In September of the same year, LATAM Airlines inaugurated the Lima—Jaen air route with 1:30 h. With this, the number of tourists that seek to arrive by air will grow compared to the 13% recorded in 2016.

On the other hand, Chachapoyas inaugurated the Cable Car to Kuelap on March 2, 2017. With it, tourists would reach the fortress in 20 min. The original route crossed a trail in 90 min of walking. This cable car has attracted 40,000 visitors, 75% of whom are national tourists. The MINCETUR is forecasted to reach an average of 120 thousand tourists (Mincetur, 2016b).

Everything was a consequence of the Institutional Strategic Plan projections and the Institutional Operational Plan of MINCETUR. Since 2015, they have included Chachapoyas as one of the tourist destinations to promote. Furthermore, at the annual

Peru Travel Mart event in May 2017 (Peru Travel Mart, 2017), the Kuelap Fortress was a new tourist attraction in Peru.

If policies and infrastructure seem favorable, what else is missing? If Mimi would develop a digital project to promote CRT in Chachapoyas, she had to identify the variables that impacted tourism activity.

6.2 *Impact of the Cable Car in Nuevo Tingo*

In January 2017, the Cable Car to Kuelap delayed its inauguration due to weather conditions. Nuevo Tingo town and its surroundings expected economic growth due to its arrival. However, it generated overcrowding of tourists at certain times of the year. Informality also arrived, as informal stands outside the cable car. Without clear and strict policies from the start, this would not end well.

By August of the same year, Mimi visited the village. She would interview Adrianne Moreau, a French tourist who married a local and, with her family, bought a land. Adrianne verified the tourist potential because she lives in the area. That is why she built the VidaKuelap shelter using ancient techniques.

– Representatives of the MINCETUR and DIRCETUR have come. However, the villagers get bored with technical training. They need practical workshops that integrate Tourism into their lives. Some do not want to change their habits. They can cultivate and teach visitors their local traditions.
– Adrianne, do the Nuevo Tingo people appreciate the Cable Car arrival?
– No. During the National Holidays, I was sad to see how the town was saturated with tourists. The villagers did not know how to react. Additionally, with the Cable Car, there are communities that no longer receive visitors.
– How can the promotion of these tourist attractions be maintained without impacting their ecosystem?
– For instance, VidaKuelap has a virtual agency. Tourists contact us through Booking and Airbnb. The important thing is to give them quality service to arrive happily and have a unique experience. We promote the care of the landscape and respect the town's culture.

7   Value proposition of ViveChachapoyas.com

Tourists valued the quality of service, answering their questions in the shortest possible time. As Adrianne said, "be kind to them, provide them with information on destinations, mobility, contacts for any need. Try to give the best service".

Tourists did their research and found a variety of options. However, what if they had reliable information organized in a digital platform? What if they could request personalized packages from authorized operators? The real advantage of it would

be that tourists had an official virtual guide. Simultaneously, local operators could register as reliable formal agencies and trade from the digital platform.

Mimi was clear that the ViveChachapoyas.com platform had to consider natural and cultural resources. If it was to become a digital CRT project, it had to show the real value of its community. So, the proposed Positioning strategy would be oriented to communicate the following message:

> *"Through the CRT digital platform in Chachapoyas, we do not tell stories. Instead, we build them with tourists in each adventure. Contact with communities and local operators is part of the lived experience since we are contacted. Guides' knowledge takes you back to the past to learn from their ancestors; and, it connects you with the present, showing you how people maintain their customs, adapt to today's world, and continue to honor the Apus. Dare to cross the barrier of the traditional and live your own experience. Build your own story with us."*

8 Discussion: A Viable Business Model

The business model of CRT's digital platform for Chachapoyas would be considered a unique experience. The roles of each stakeholder are critical in the service chain. Participation of local human resources, communities and the most recognized destinations will feed the Value Proposition. The tourist can find information on the Internet, but no details unless he talks to the locals. However, these details are vital issues that will repower CRT in Chachapoyas.

It is strategic to promote Joint Venture models with local operators, to value unconventional tourist activity within the circuits of the North region. Moreover, to manage an adequate cost structure where entrepreneurs from Chachapoyas and surroundings invest their knowledge to spread their attractions in a mutual alliance.

Creating a scalable business model over time with a sharing economy reinforces its viability. In addition, it will attract external private investors to contribute to the local economy.

Market research carried out shows that tourists seek to have a strong connection with the destination they visit. At the same time, they expect the tourism sector to continue growing, expanding its offer. From this, Mimi's digital CRT project proposes two visions that allow it to unify the B2C and B2B scenarios:

B2B: Global View—Scalable Business Model.

A strategy that directs all efforts to a proposal that can be scaled over time. By replicating the business model in other regions, Tourism sector policies are improved. This encourages the B2B structure, based on:

Comprehensive planning. The project is aligned with the objectives of the Community-based Rural Tourism Strategy and the PENTUR 2025.

Coopetition policy. Instead of competing between Tourism and CRT ventures, public and private sector efforts must be integrated to channel domestic tourists between mass and unconventional tourism options.

Sustainable development strategy. The management model proposed among the Tourism Stakeholders is the "Joint Venture." Operators, communities, and regional

municipalities join in strategic alliances that promote CRT. Further, public institutions are stakeholders with objectives within the domestic tourism policy.

B2C: Peer to Peer Network—Customer-based experience.

An adequate environment is built, where tourist satisfaction and experience are the centers of all services. The B2C connection is powered by:

Community. It is not only developing spaces where clients give opinions and recommend their travel experiences. A connection with Chachapoyas is designed as a tourist destination to which they will return to continue exploring.

Personal assistance. The online and offline channels reflect empathy and sensitivity toward tourists. The digital platform, more than informative, provides accurate and relevant content inspired by the domestic traveler looking for CRT options in Chachapoyas.

Automatic service. Being a user of the digital platform allows to connect with Chachapoyas. According to the tourist's research, package customization gives a 1 to 1 treatment from the first moment. This strengthens trust and relationships.

8.1 Tourist Segments

When domestic tourists travel to Amazonas (Chachapoyas), 93% of their motivations are holidays and recreation. They take advantage of holidays or "long" weekends to, at least, spend a minimum of two to three nights and spend on average S/584 (US$ 180 approximately). The preference of 30−35% is to travel with friends or family, without children. 32.1% prefer to go with their partners. Thus, more than 50% go to this destination without children's responsibility.

Within the PENTUR 2016–2025, segments of tourists identified by lifestyles are mentioned. Among them are those interested in living unique and personalized experiences (MINCETUR, 2016a):

Millennials, born from 1979 to 1995. They seek to interact with communities and options that generate a social commitment to the environment, social inclusion, and sustainable and responsible consumption. They use the Internet for information.

Trekkers, from 30 to 59 years old, NSE A and B + , with high purchasing power. They like inaccessible places. They come from Germany, Argentina, Australia, Brazil, Canada, the United States, France, the Netherlands, Italy, the Nordic countries, and the United Kingdom. They travel alone, with friends or partners, and use the Internet as a means of information. They use travel agencies but are more independent to purchase tour packages. Recommendations from friends or acquaintances on social networks determine their purchase intention.

Community Rural Tourists, from 30 to 50 years old, have higher education and income ranging from medium to high. Therefore, they can pay more for extended stays in destinations to enjoy new experiences while learning about other cultures. They appreciate the small accommodations of the local population, rustic and natural. They come from countries such as the U.K., the Netherlands, Germany, Switzerland,

and Spain. Their social and environmental awareness is so high that it guides them to purchase tour packages with these policies.

Vacationers, whose motivation is recreation and leisure. They are men and women between 25 and 54 years old, executives or technicians, without children, looking for hotels with 1 to 3 stars and staying in the destination for an average of 9 nights. They are attracted to visit archaeological sites, taste the gastronomy of the place and appreciate the landscapes. They are reported online or travel agencies. They come mainly from Chile, the United States, Ecuador, Argentina, Brazil, Colombia, France, Spain, and Canada (MINCETUR, 2016a).

Moreover, the market research showed that of tourists, 40.1% like adventure tourism; 36.5%, from conventional tourism; 13.9% from rural community tourism; and 8.8% eco-tourism.

8.2 Convergences

At the DIRCETUR department, Pablo Salas and Mimi Villegas are talking about the digital strategic plan project for ViveChachapoyas.com. If the problem were investments, it would be essential to self-generate it. Moreover, the digital platform posed a large-scale business model.

In order to materialize the Unique Value Proposal ViveChachapoyas.com, key resources are based on the improvement of IT and Digital Marketing strategies. These will increase the communication quality and contact availability in real-time among travelers, operators, and allied institutions that promote tourism activities.

Based on the market research conducted, Mimi explained to Pablo which variables value domestic tourists:

- 64.2% fully agree that communities and tourist destinations must have a digital presence to expand their dissemination. 21.9% agree.
- There is a perception that Regional Governments should promote tourism improvement works aligned to the country's Comprehensive Tourism Strategy. 71.5% of tourists totally agree, and 20.4% agree.
- 78.8% fully agree that airports should be in optimal conditions to offer new air routes.
- 72.3% fully agree that the excellent condition of roads and paths allows tourists to enjoy the journey until they reach their destination.

Regarding the region's growth, it is necessary to have a telecommunication and IT provider capable of ensuring the functionality of the digital platform. Likewise, IT engineers who are part of the ViveChachapoyas team must work hand in hand with the communication specialists of strategic allies to build a functional, friendly and safe digital platform capable of growing over time and content. This step should not sacrifice the systems or service quality, focused on users. Blended marketing actions are in 360º campaigns, along with the functioning of the B2C platform and the B2B intranet (for local operators).

The market research also shows that although Peruvians are aware of the importance of digital platforms, they are not 100% familiar with them. Therefore, it proposes to plan a 360º blended strategy, where online and offline media are used, connecting domestic tourists in all phases of the Customer Journey: Awareness, Consideration, Purchase, Service, and Loyalty.

As the digital transformation project grows, it is expected to apply a scale economy. It involves replicating the business model, optimizing the communication/distribution channels while expanding the scope of the results.

Mimi finished her presentation. The digital transformation project impressed Pablo. Now, she will be part of the National CRT team, and her first mission in 2019 would be to convince the local operators to be part of ViveChachapoyas.com.

She began conversations in person until the Covid-19 pandemic began. As a result, communications became digital, the tourism sector contracted, and operators looked for alternatives to boost tourism again. Mimi saw this as a vast decision dilemma but also as an opportunity to prepare stakeholders in the tourism digital transformation project from Chachapoyas to the world.

9   Lessons Learned

There is a lack of knowledge in the proper use of terms related to CRT. Therefore, it is a priority to standardize the language using the correct definitions.

The academic contribution of the ViveChachapoyas.com project is to be a study case that integrates relevant information on CRT in the region while offering niche market research about the tourism sector in Peru.

The practical contribution is to lay the foundations for a digital transformation project implementation, adding efforts to achieve the goal of tourism activity, which has proposed that tourism in Perú double by 2021, while domestic tourism grows up to 10% (Gestión, 2016).

ViveChachapoyas.com seeks to align itself with the PENTUR 2025 CRT Strategy. It projects to enhance current tourist destinations and promote new circuits. Under this approach, it would generate income that improves the infrastructure of cities. Nevertheless, for this, digital platform use is essential. This aspect will also help the news reach foreign tourists in the shortest term.

CRT in Chachapoyas still has much potential. However, it cannot be used until the development of a viable business model, using information technology as a facilitator, promotes the sustainable consumption of the communities in the region.

Declaration of Conflicting Interests   The authors declare no conflict of interest.

Discussion Questions

- What are the differences between CRT and Conventional Tourism?
- What are the reasons tourists would choose the CRT?
- What digital transformation conditions require ViveChachapoyas.com?
- What role should Tourist Stakeholders play in developing Chachapoyas?
- How could the digital platform as part of the business model for ViveChachapoyas.com be sustainable?

Project/activity-based assignment/ exercise

Analyze the ViveChachapoyas.com CRT platform's business model feasibility for contributing to the sustainable development of the communities.

Appendix

Appendix 1. Sustainable Development Goals

1. No Poverty
2. Zero Hunger
3. Good Health and Well-being
4. Quality Education
5. Gender Equality
6. Clean Water and Sanitation
7. Affordable and Clean Energy
8. Decent Work and Economic Growth
9. Industry, Innovation, and Infrastructure
10. Reduced Inequality
11. Sustainable Cities and Communities
12. Responsible Consumption and Production
13. Climate Action
14. Life Below Water
15. Life on Land
16. Peace and Justice Strong Institutions
17. Partnerships to Achieve the Goal

Appendix 2. 2017 World Travel and Tourism Competitiveness Ranking

Peru's strengths refer to natural and cultural resources, ranking 4th and 24th globally, respectively. Also mentioned is a good position in international openness (12), average in the infrastructure of tourist services (45); while, outside the leading ranking were human resources and the labor market (62), as well as prioritization of travel

and tourism (69). Regarding the weaknesses detected, there is infrastructure for air transport (73), environmental sustainability (73), business environment (83), health and hygiene (91), security and protection (108), land and port infrastructure (109), and price competitiveness (127).

Competitive Variables	Rank	Assessment
Natural resources	4	
International openness	12	
Cultural resources	24	Strengths
Infrastructure of tourist services	45	
Human resources and labor market	62	
Prioritization of travel and tourism	69	Average
Infrastructure for air transport	73	
Environmental sustainability	73	
Business environment	83	
Health and hygiene	91	
Security and protection	108	
Land and port infrastructure	109	
Price competitiveness	127	Weaknesses

Peru in last participations

Edition	2015	2017
Rank	58/141	51/136
Score	3.9	4.0

Note: Score is measured in a scale 1-7, where 7 is the best

Source: WEF (2017)

Source WEF (2017).

Appendix 3. Latin American Countries in the Travel and Tourism Competitiveness Index 2017, with the presence of CRT enterprises

Nº	Country	2017 (World rank)	Tourists (annual)
1	Mexico	22/136	35 millions
2	Brazil	27/136	6.3 millions
3	Panama	35/136	2.1 millions
4	Costa Rica	38/136	2.7 millions
5	Chile	48/136	4.5 millions
6	Argentina	50/136	5.7 millions
7	Peru	51/136	3.5 millions
8	Ecuador	57/136	1.48 millions
9	Barbados	58/136	5,87,800
10	Colombia	62/136	3 millions
11	Dominican Rep.	76/136	5.6 millions
12	Uruguay	77/136	2.8 millions
13	Guatemala	86/136	1.46 millions
14	Honduras	90/136	8,80,269
15	Nicaragua	92/136	1.38 millions
16	Bolivia	99/136	8,82,000
17	Venezuela	104/136	7,89,000
18	El Salvador	105/136	1.4 millions
19	Paraguay	110/136	1.2 millions

Shaded countries make up the Latin American Catalog of CRT.
Source WEF (2017), Alba Sud (2015).

Appendix 4. eTourism intermediaries framework
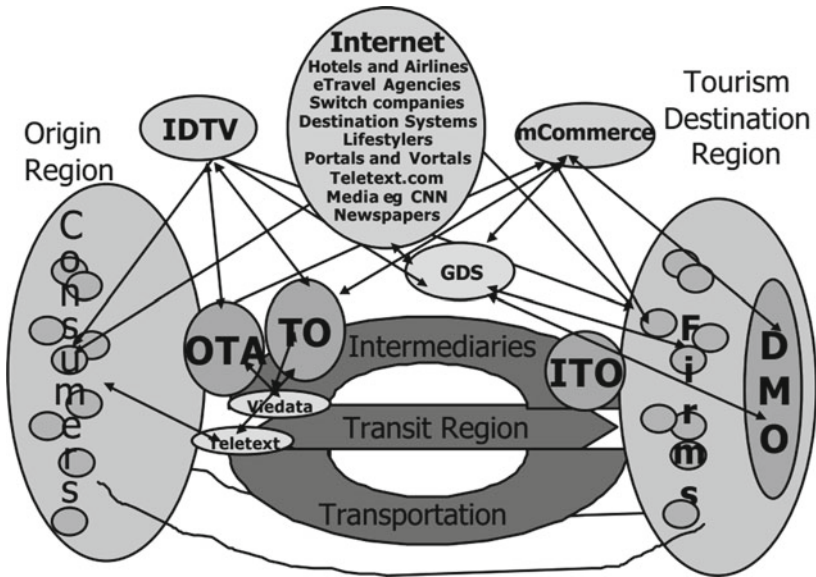
Source Buhalis and Licata (2002)

Appendix 5. Progress in information technology and tourism management: New trends

Consumer & Demand	Technological Innovation	Industry & Business
• Personalization	• "Everything connected" (Internet of Things, "smart phenomenon", wearables)	• Ratings, comments, rankings, reputation
• Prosumers & cocreation • Trust in peers	• Convergence between the physical and digital world • Big data & Analytics	• Social networks influence • From static to dynamic • Preeminence of intermediaries
• Digital natives/millennials • Experiences, immersion in destinations lifestyle • Global mobility/total connectivity	• Ontology and semantics • AI • Robots	• Platforms P2P • New alliances/new partners • Opportunities for highly
• Altruism	• Gamification	skilled professionals • Growing profitability • Sustainability

Source Navío-Marco et al. (2018)

Appendix 6. Interaction between factors and measurement variables
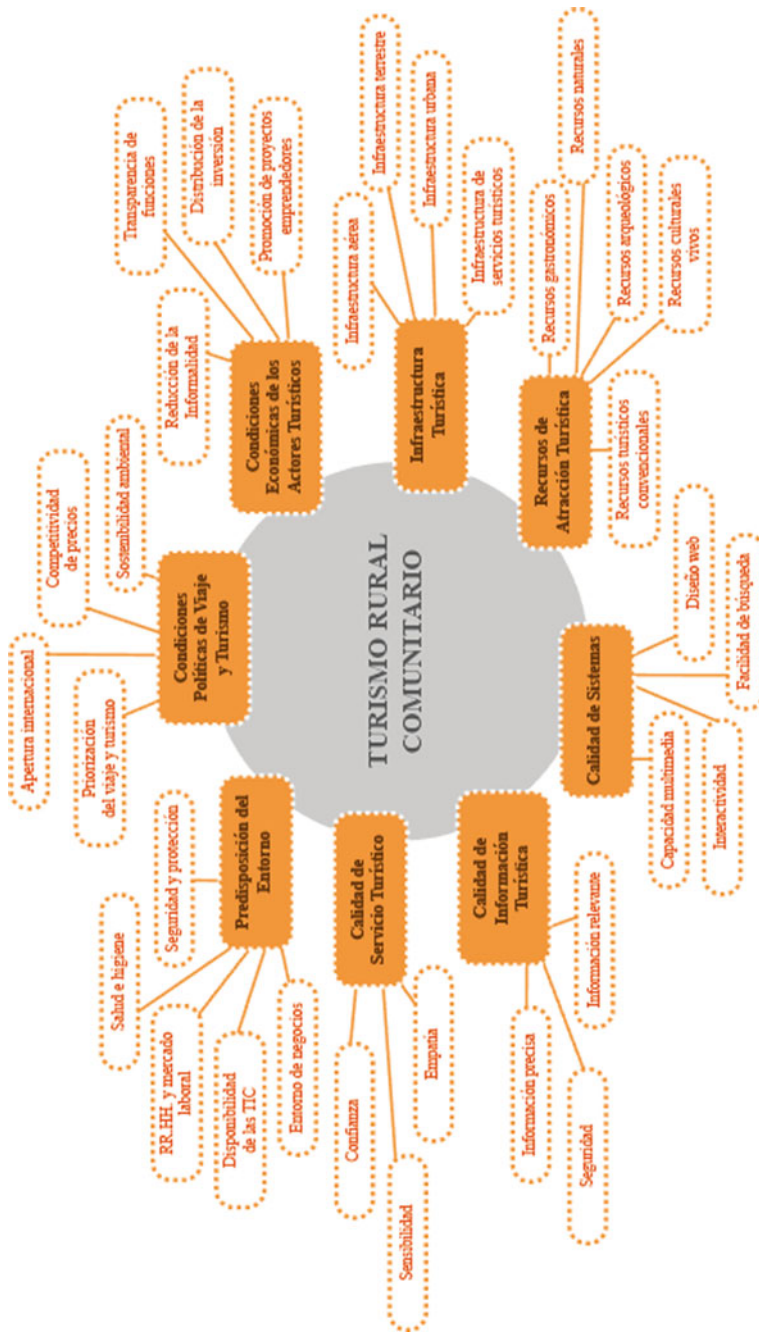
Source Own elaboration.

Appendix 7. Market Research Matrix

Factors	Variables	Methodology
Environment predisposition	• Business environment • Security and protection • Health and Hygiene • Human resources and labor market • ICT availability	
Travel and tourism policy conditions	• Prioritization of travel and tourism • International openness • Price competitivity • Environmental sustainability	Research type: No experimental, transversal, and participative.
Tourist actors economic conditions	• Formalization • Investment distribution • Officials transparency • Promotion of entrepreneurial projects	Research design: a) Sample Population: Officials from Promperu, Mincetur, and other government institutions.
Tourist infrastructure	• Air infrastructure • Terrestrial infrastructure • Tourist service infrastructure • Urban infrastructure	Chachapoyas and Lima agents, that offer CRT options.
Tourist attraction resources	• Natural resources • Archeological resources • Life cultural resources • Traditional cultural resources • Gastronomy resources	b) Analytical procedures:
System quality	• Web design • Searching facility • Multimedia capability • Interactivity	Descriptive analysis Factor analysis Correlations Regressions
Tourist information quality	• Concise information • Relevant information • Security • Trust • Sensibility • Empathy	

Appendix 8. Location of Chachapoyas (Peru)

Appendix 9. Tripadvisor ranking of attractions in Chachapoyas

1. Kuelap Fortress
2. Gocta Falls
3. Karajia Sarcophagi
4. Quiocta Cavern
5. Sonche Canyon
6. Yumbilla Falls
7. Revash: Mausoleum of the Chachapoyas
8. Luya Urco viewpoint
9. Historic Center of Chachapoyas
10. Huancas Community
11. Pitaya Petroglyphs
12. Huiquilla Private Conservation Area
13. Yanayacu Water Well

14. Pomacochas Lagoon
15. Gilberto Tenorio Cruz Museum Collection
16. Church of the Good Death
17. Chachapoyas Main Square
18. Chachapoyas Cathedral
19. Chachapoyas Model Market

Appendix 10. Historic Center of Chachapoyas (Peru)

Appendix 11. Kuelap Fortress, Chachapoyas (Peru)

Appendix 12. Gocta Falls, Chachapoyas (Peru)

Teaching Note

ViveChachapoyas.Com

Synopsis

The Community Rural Tourism (CRT) in Chachapoyas, Peru, will not entirely take advantage until developing a viable business model, supported by the information technologies (IT) as facilitators to introduce local operators and the communities. Thus, this particular industry faces a digital transformation challenge.

ViveChachapoyas.com focuses on developing a B2C-B2B model with social marketing strategies based on Community Rural Tourism (CRT) in Chachapoyas, Peru. The CRT has three typologies: agritourism, ecotourism, and experiential tourism. In the latter, Community and Tourist revalue the used resources, reinvigorating the area's cultural identity. Besides, it allows creating new jobs and sustainable trade opportunities among its stakeholders: communities, operators, and services (accommodation, restaurants, fairs, festivals, travelers, archaeological sites, among others).

Through an integration model, the community suppliers will keep local and foreign tourists up to date with valuable information and customize travel packages that promote archaeological, natural, and population riches on the tourist route.

Consequently, the case discusses strengthening relationships of trust between stakeholders, providing a digital alternative to reduce unnecessary transaction costs for intermediary agents, who have encouraged only commercial visits to Kuelap or Gocta.

Regarding the data sources, the case prepared a Marketing Research Matrix to conduct interviews with elite informants and a survey to tourists, respectively (Exhibit TN-1). The interview guideline had 16 questions. Complementarily, the survey consisted of 50 closed questions: 18 socio-economic oriented and 32 Likert-scaled. Data collection was during a month between Lima and Chachapoyas.

Teaching objectives

General Objective

- Analyze the ViveChachapoyas.com CRT platform's business model feasibility for contributing to the sustainable development of the communities

Specific Objectives

- Identify the traveler's global trend, the national macro-environment that influences Tourism in Peru, and entry barriers and competitors within the CRT to elaborate the Integrated Business Plan to ViveChachapoyas.com.
- Propose a Marketing Plan & Mix to guide the contents, touchpoints, and actions in the Customer Journey.
- Support if the ViveChachapoyas digital project aligns with the objectives of the National Tourism Strategic Plan—PENTUR 2025, contributing to the increase of domestic tourism for 2021 (which goal is to reach 10%).
- Define the most appropriate Digital Transformation Plan based on the proposal of new industrial value chains, company, and value network to ensure robust stakeholder management.

Research methods: Active learning

Assignment questions

1. What are the differences between CRT and Conventional Tourism seeing by tourists?
2. What are the reasons tourists would choose the CRT?
3. What digital transformation conditions require ViveChachapoyas.com?
4. What role should Tourist Stakeholders play to promote development around Chachapoyas?
5. Why could the digital platform as part of the business model for ViveChachapoyas.com be sustainable?

Additional materials or suggested core readings

An, W., & Alarcón, S. (2020). How Can Rural Tourism Be Sustainable? A Systematic Review. Sustainability, 12(18), 7758. https://doi.org/10.3390/su12187758

Buhalis, D. and Law, R. (2008) Progress in information technology and tourism management: 20 years on and 10 years after the Internet—The state of eTourism research. Tourism Management 29, 609-623. https://doi.org/10.1016/j.tourman. 2008.01.005

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Teaching Plan and Timing: Activity-based exercise.

The case discussion or debate that takes place in class should be oriented to address four critical aspects (each 15min):

1. Analyze macro- and micro-environments under which the ViveChachapoyas.com project arose.
2. Evaluate the evolution and concepts of e-Tourism and CRT worldwide and Peru.
3. Evaluate the business models' approach based on digital marketing strategies (B2B & B2C) in the sector.
4. Analyze the Customer Journey and the variables that local tourist's value to find the critical touchpoints connect with tour operators.

Analysis of assignment questions

1. What are the differences between CRT and Conventional Tourism seeing by tourists?

The tourist can find various information on the Internet, but they will not know unless they talk to locals are the region's most emblematic peculiarities and attractions. These data are the critical pieces needed to boost Tourism and CRT around Chachapoyas.

Some sites currently promote Tourism and CRT in Peru, such as *Y tú qué planes, Turismo Rural Comunitario, Marca Perú, Perú-Travel* (which has an App). They

offer packages and an operators' directory by the department. The project's digital platform looks to cooperate with these proposals by promoting its complementary services to raise an essential service quality for the tourist. Thus, they may choose among conventional tourism, unconventional, and CRT. Now, suppose a tourist enters a different platform. In that case, part of the strategy unified an internal tourism policy.

It is strategic to promote the Joint Venture management model with local operators to highlight the non-conventional tourist activity that Amazonas plays within the circuits of the Northern region. If an appropriate cost structure is managed, where entrepreneurs from Chachapoyas and surrounding areas perceive that they invest just enough to spread their attractions, the alliance will be consolidated.

2.   What are the reasons tourists would choose the CRT?

When domestic tourists travel to Amazonas (Chachapoyas), 93% of their motivations are holidays and recreation. They take advantage of holidays or "long" weekends to, at least, spend a minimum of two to three nights and spend on average S/ 584 (US$ 180 approximately). The preference of 30–35% is to travel with friends or family, without children. 32.1% prefer to go with their partner. Thus, more than 50% go to this destination without the pressure or responsibility to take children.

Internet is the principal means by which tourists access information before and during their trips. They do not just look for information on accommodations, restaurants, and destinations; they value other people and their friends' recommendations above all. These variables are part of a study by Ipsos Apoyo (2016). This study indicates that Peruvians are regular users of "smartphones," 32 years old, single, and dependent, on average. 81% are responsible for paying their consumption, and 59% of this group are postpaid users. They can use their equipment at night (53%), in the afternoon (41%), and/or in the morning (33%).

In the market research conducted for this case, 62.5% admit that they have not gone to Chachapoyas. However, 37.5% have gone to the Kuélap Fortress among those who have visited it. Besides, 24.3% went to Gocta Falls, 11.8% to Karajía sarcophagi, 8.8% to Leymebamba, 4.4% to Huancas community, 5.9% to Revash, 5.9% to Sonche Canyon, and 6.6% to Cóndores lagoon. This last destination is one of the most courageous experiences of unconventional tourism. It is not well known and only heard of when one arrives in Chachapoyas. It is a one-day walk from the Leymebamba village, and the round trip takes three days.

Consequently, the most visited tourist attractions are those found on the Internet. However, the most remembered by those who already knew Chachapoyas is the unconventional destinations. This detail reveals the critical differential value that the tourist expects to find, to continue exploring.

3.   What digital transformation conditions require ViveChachapoyas.com?

Chachapoyas is a destination with an excellent quality of attractive tourist resources, and the domestic traveler who knows or has heard of it keeps in mind. However, several Peruvians do not know it, basically due to their lack of information. Tourist Information Quality offered by digital platforms does not have relevant and precise

data that adequately guide. Tourist. When tourists learn that they could go to other attractions while traveling, they become unsatisfied. It is not enough that the city presents an excellent predisposition to the environment or infrastructure that connects the different towns. For instance, implementing the Cable Car to Kuélap or introducing a direct air route to Chachapoyas no has an effect when Tourist Service Quality is not as expected.

Furthermore, suppose there is no Security and Trust for travelers. In that case, they will not have a good experience and may not return but are likely to speak negatively of the services received (among their acquaintances and social networks), negatively impacting the agencies' reputation and the city itself. Therefore, it is essential to implement a digital platform capable of connecting domestic travelers with destinations and even with the same local operators to access valuable information that improves their travel experience at all times.

In order to materialize the Unique Value Proposal ViveChachapoyas.com, key resources that must be counted on are based on the improvement of IT and Digital Marketing strategies. These will be aimed to increase the quality of communication and contact availability in real-time among travelers, operators, and allied institutions that promote tourism activities in the region.

Regarding the region's growth, it is necessary to have a telecommunications and IT provider capable of ensuring the functionality of the digital platform. Likewise, IT engineers who are part of the ViveChachapoyas team must work hand in hand with the communication specialists of strategic allies to build a functional, friendly and safe platform capable of growing over time and content. This step should not sacrifice the systems or service quality, focused on users. Blended marketing actions are integrated with 360º campaigns through Customer Journey, along with the functioning of the B2C platform and the B2B intranet (for local operators).

Regarding that, ViveChachapoyas.com will have two approaches:

B2C, which connects the tourists with the operators and communities. It takes three types of functions:

PORTAL. With relevant and accurate content, as well as personalized tour packages. It should be the first web search option on CRT. Its information quality determines the connection with the tourists.

TRANSACTION BROKER. The national tourist is helped in the financial planning of the tourist packages through advice/tips online and supported by the contact of the local operators (union members).

MARKET GENERATOR. ViveChachapoyas is an intermediary that cares about building the right digital ecosystem for national tourists and local operators to communicate and exchange unique experiences.

B2B, where ViveChachapoyas aims to be a sustainable business over time, integrates local operators into an extensive valuable database for CRT. The intranet is active for the digital platform, but it can be integrated into the traditional tourism sector in the future.

In the second year, the Club Vive! Loyalty Program is launched, in its version for local operators. They will access as long as they participate in the CRT certification

workshops and events organized by ViveChachapoyas. The system of incentives and prizes is carried out under the concept of "gamification."

4. What role should Tourist Stakeholders play to promote development around Chachapoyas?

The same agencies must collaborate with the Regional Government and public institutions. The public perceives that a Comprehensive Tourism Strategy is not applied, which is an alert to consider. The same dissatisfaction among the Tourism Stakeholders, who mention that financial resources are not distributed in a balanced way among authorities, institutions, and communities, is a threat. If they do not receive adequate conditions to offer a quality service, the only thing that will be achieved is that they reduce the tourist potential of Chachapoyas and alienate tourists.

Additionally, the perception of how the Tourism Stakeholders themselves must align with the rules of the Tourism sector. 65% of the travelers fully agree that operators' formality guarantees the best competitiveness. This aspect involves the appearance of new package options and routes to explore. However, the use of Good Practices to make these experiences unique for the traveler implies that operators are trained under the same values and objectives. 70.1% of travelers state that they fully agree that good practice training is necessary to promote entrepreneurial projects.

5. How could the digital platform as part of the business model for ViveChachapoyas.com be sustainable?

Although tourists are currently digital, it shows that e-commerce growth in Peru will only reach 46% of users who surf the Internet by 2018.

Market research shows that tourists seek to have a strong connection with the destination they visit. At the same time, they expect the tourism sector to continue growing, expanding its offer. The digital CRT project proposes two visions that allow it to unify the B2C and B2B scenarios.

The digital platform promotes the CRT and the visit of new experiential tourist destinations, aiming at:

Perfect the systems and tools that manage the relevant information that accompanies the user in each phase of the "Customer Journey" with total efficiency (Exhibit TN-2). Personalize the customer experience and adapt the service to the demand. Encourage national tourists' culture of planning, which allows them to save money and book services in advance. Optimize the value chains' processes to improve after-sales support and provide more personalized experiences to the right segments.

Regarding that, the proposed Positioning strategy would be oriented to communicate the following message:

"Through the CRT digital platform in Chachapoyas, we do not tell stories. Instead, we build them with tourists in each adventure. Contact with communities and local operators is part of the lived experience since we are contacted. Guides' knowledge takes you back to the past to learn from their ancestors; and, it connects you with the present, showing you how people maintain their customs, adapt to today's world, and continue to honor the Apus. Dare to cross the barrier of the traditional and live your own experience. Build your own story with us."

The market research shows that of national travelers, 40.1% like adventure tourism; 36.5%, from conventional tourism; 13.9% from rural community tourism; and 8.8% eco-tourism. This allows building four concepts of the portfolio of tour packages that will be offered on the digital platform:

ViveAventure, for experiences related to exploration and adventure. **ViveTradition**, for the conventional tourism options in Chachapoyas. **ViveCulture**, experiential tourism. And **ViveEcology** for eco-tourism alternatives.

These concepts allow defining the business model of the digital platform. It is a blended solution, where the participations of the offline and online media are combined. From this, integration with the public is achieved.

From the four defined concepts (ViveAventure, ViveTradition, ViveCulture, and ViveEcology), the targets are:

Explorer Tourists are independent or not, and they like to take advantage of their free days to explore Peru. They allocate 4 to 6 days for it, they go alone or with a partner, and their main objective is leisure.

Thunder Tourists do not have much time to make long trips to the country's interior, only 2 to 3 days. They take advantage of long weekends and take specific tour packages that allow them to maximize their stay.

4x4 Tourists are the average vacationers who explore the tourist destination they are going to, from the conventional places to the little-known ones. His goal is to live the experience to the fullest.

Considering these characteristics, the tour packages offered on the digital platform will be assembled under the four concepts explained and the three profiles of potential customers.

Therefore, it is necessary to offer the public a digital platform that unifies the experience of knowing Peru and promoting e-Commerce. The traveler must live his adventure and create his own story. Under this perspective, the content must be new, personalized, built from the customer's experience, and with a friendly design (Exhibit TN-3 & Exhibit TN-4). The online tool accompanies tourists with accurate and relevant information, allowing them to share their adventures and history from the same platform.

Key learnings

Regarding the analysis, we identified the market opportunity for the digital platform ViveChachapoyas.com.

The academic contribution is to be a reliable secondary source that integrates relevant information on CRT in Chachapoyas by analyzing the tourist industry in Peru. Thus, it will serve future students who look for references to continue proposing entrepreneurial alternatives in the region.

The practical contribution focuses on implementing a digital transformation project through a business and a marketing plan. Besides, this combines efforts to the government objective, proposing that tourism in Peru grows for its bicentennial in 2021, considering a domestic tourism raise by 10%.

ViveChachapoyas.com looks to align itself with the CRT Strategy of PENTUR 2025. Its implementation will enhance current tourist destinations and promote new

circuits. It would generate revenues to improve city infrastructure. Thus, the digital platform proposal will allow local tourist news to reach foreign tourists quickly.

Exhibit TN-1. Market Research Matrix

OPERACIONALIZACIÓN		
Factores	**Variables de medición**	**Metodología**
Predisposición del Entorno	Entorno de negocios	
	Seguridad y protección	**TIPO DE INVESTIGACIÓN:**
	Salud e higiene	
	Recursos humanos y mercado laboral	No experimental, transversal y participativa
	Disponibilidad de las TIC	
Condiciones Políticas de Viaje y Turismo	Priorización del viaje y turismo	
	Apertura internacional	**DISEÑO DE INVESTIGACIÓN:**
	Competitividad de precios	
	Sostenibilidad ambiental	
Condiciones Económicas de los Actores Turísticos	Reducción de la Informalidad (Formalización)	**a) MUESTRA**
	Distribución de la inversión	**Población:** funcionarios de PROMPERÚ,
	Transparencia de funciones	MINCETUR e instituciones de Gobierno.
	Promoción de proyectos emprendedores	Operadores de Chachapoyas y Lima, que ofrecen opciones de TRC; artesanos de la localidad.
Infraestructura Turística	Intfraestructura aérea	
	Infraestructura terrestre	**b) PROCESAMIENTO DE DATOS**
	Infraestructura de servicio turístico	Análisis descriptivos, de factorización,
	Infraestructura urbana	correlación y regresión.
Recursos de Atracción Turística	Recursos naturales	
	Recursos arqueológicos	
	Recursos culturales vivos	
	Recursos culturales convencionales	
	Recursos gastronómicos	
Calidad de Sistemas	Diseño web	
	Facilidad de búsqueda	
	Capacidad multimedia	
	Interactividad	
Calidad de Información Turística	Información precisa	
	Información relevante	
	Seguridad	
Calidad de Servicio Turístico	Confianza	
	Sensibilidad	
	Empatía	

Prepared by the authors

Exhibit TN-2. Customer Journey

Market research shows that although Peruvians are aware of the importance of digital platforms, they are not 100% familiar with them. Therefore, it is proposed to plan a 360º blended strategy, where online and offline media are used, connecting domestic tourists in all phases of the Customer Journey:

Awareness. Through the project's digital platform and official social networks and those of strategic private and public partners. Also, the dissemination of events promoted by institutions related to the Tourism sector will be vital to maintain the connection with tourists (via web platforms, networks, and physical material). Blogs of influencers (travelers) can also consolidate the trust and prestige of knowing Chachapoyas.

Consideration. The digital platform must provide spaces where the whole travel experience can be qualified. Tourists value recommendations and comments, so it is appropriate to open channels that allow them.

Purchase. Achieving a purchase through a digital platform becomes a challenge. Then, it is necessary to consider offering two payment methods: online for the public that already uses it and the advance payment through banking agencies. In this last case, confirmation of tourist service purchase is done by email.

Service. What is offered on the digital platform (photos, service descriptions) must be the same that the tourist sees when arriving at the destination. This ensures a positive experience and recommendations.

Loyalty. Relationships with tourists must be maintained in time to return and/or influence new visitors to know Chachapoyas. Here, blended strategies must be robust and consider the use of online resources (mailing, raffles, promotions) and offline (merchandising, brochures, coupons).

As the digital transformation project grows, it is expected to apply a scale economy. This aspect involves replicating the business model, optimizing the communication/distribution channels while expanding the scope of the sustainable results.

Exhibit TN-3. ViveChachapoyas.com—Digital Platform Proposal
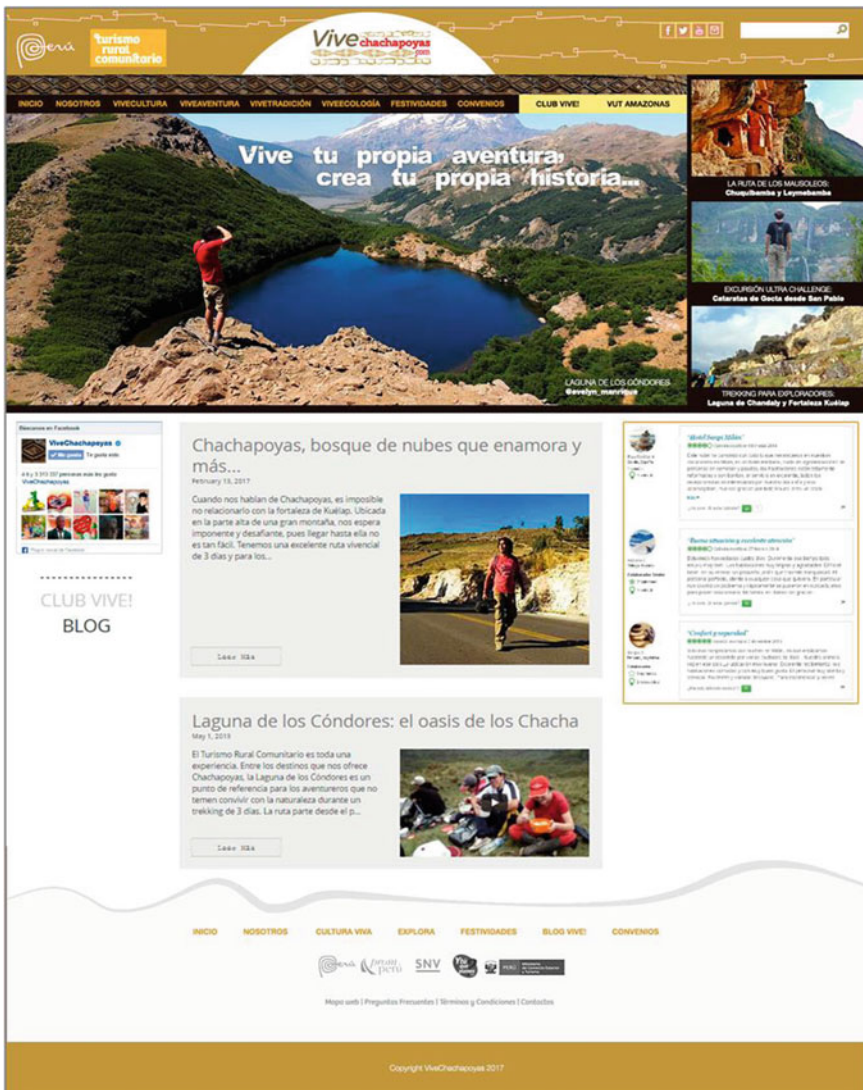
Exhibit TN-4. ViveChachapoyas.com—Mobile App Proposal
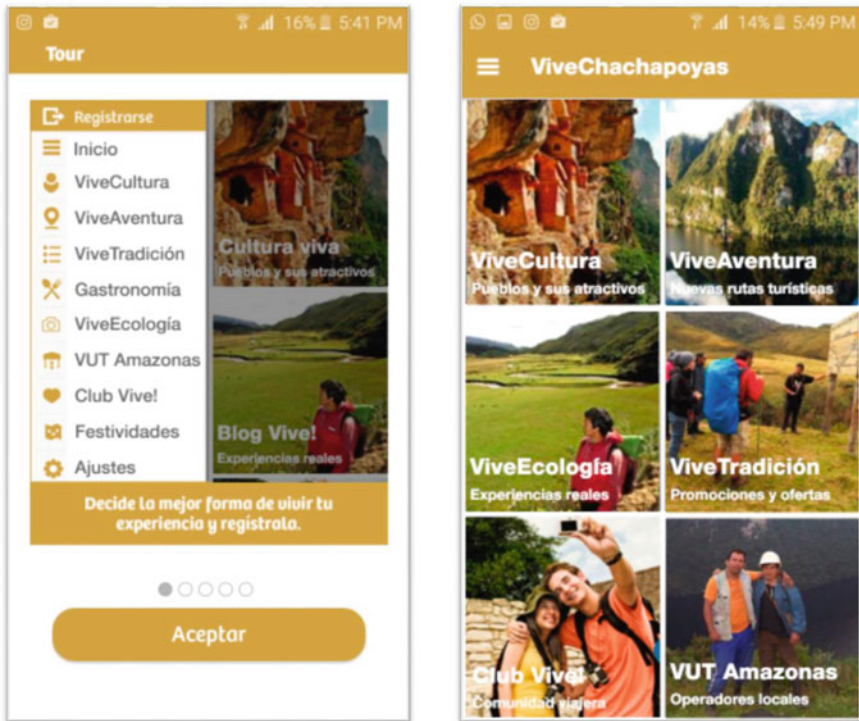
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Internal and External Marketing Nexus and Corporate Social Responsibility: The Case of an airline's Rescue Mission to Wuhan During COVID19

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Learning Objectives

- To describe the nature and uniqueness of corporate social responsibility during a crisis situation
- To describe the strategic role of responsible and ethical decision making in a crisis situation
- To identify the nexus between internal and external marketing in CSR strategy implementation
- To assess the effectiveness of strategic interventions aiming employee behaviour changes to deal with a crisis situation.

1 Introduction

Businesses certainly do not operate in a lacuna. Shared values are expected of contemporary firms; therefore, they should aim at solving social issues strategically, with the view of maximising economic as well as social value. Nevertheless, a firm's calls for corporate social responsibility (CSR) commitment can at times arise unexpectedly in the form of responding to a crisis (e.g., flood reliefs, managing a product-harm crisis, responding to industrial disasters etc.). In such instances, firms may not have the privilege of engaging in careful planning and implementation of CSR activities with a strategic motive. The (dis) connections between altruistic and strategic motives

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of CSR can also be twined by the employees' willingness to roll up their sleeves and rise up to a challenging situation. The case study revolves around such CSR commitment, illustrating the humanitarian efforts of a commercial airline, during the height of the covid19 pandemic, at a time when the unknown enemy, in the form of an invisible virus, was threatening the very existence of humanity.

The COVID19 pandemic has forced many firms to rapidly adjust their business strategies to manage the challenges of not only the economic crisis, but also the humanitarian crisis. The case study thus investigates a CSR strategy implementation, swift strategic actions of a full-service carrier with a modest fleet and its crew, in response to an exogenous shock, the COVID19 pandemic, which created an unprecedent humanitarian crisis. The case study unfolds how the national carrier responded to the unprecedented crisis and operated a rescue mission in early February 2020, to evacuate those stranded in Wuhan, China, the epicentre of the virus at the time.

This case study illustrates how firms can deliver their CSR commitments during times of crisis, through humanitarian operations, empowered by employees' agility, volunteerism, and altruism. The case study sheds light on several important lessons as outlined below that are relevant to CSR strategy implementation and how it can be fuelled by a strategic intervention which establishes a strong nexus between internal (within) and external (without) marketing through employee agility.

During times of crisis, the actions required by any firm are built around agility, resilience, and commitment of diverse individuals and organisations with different levels of degree of influence and impact on the actions. The case study exemplifies why strategic leadership should be encouraging employee altruism and voluntarism in a firm and how these behaviours could be leveraged to deliver CSR thrust upon the firm. During an unprecedented humanitarian crisis, customers and the wider society would expect firms to intervene in unique ways to alleviate distress caused by such crisis and such actions by firms pave the way to gain social legitimacy. The importance of focusing on both internal marketing (IM) as well as external marketing (EM) and the nexus between the two is detailed. The case study also offers insights that challenge the unfavourable attitude towards altruistic CSR.

The conceptual schema developed as part of this study (see Fig. 1) depicts the nexus between IM and EM operations in the context of CSR implementation, the importance of focusing on both operations and the role of strategic leadership in energising employee agility to bridge the gap between the operations. IM strategies aimed at the internal employees would enable firms to leverage on employee agility underpinned by altruism and volunteerism to drive CSR strategy where customer and wider stakeholder value is created. This can be achieved through strategic interventions aimed at employee behaviour changes. The strategic interventions can revolve around motivating and encouraging employee agility which is employees' ability to adapt and respond to crisis situations appropriately. Positioning such CSR strategy through EM strategies aimed at the customers would in turn pave the way to firms to gain social legitimacy. This process has a spiralling effect resulting in responsible marketing and consumption.
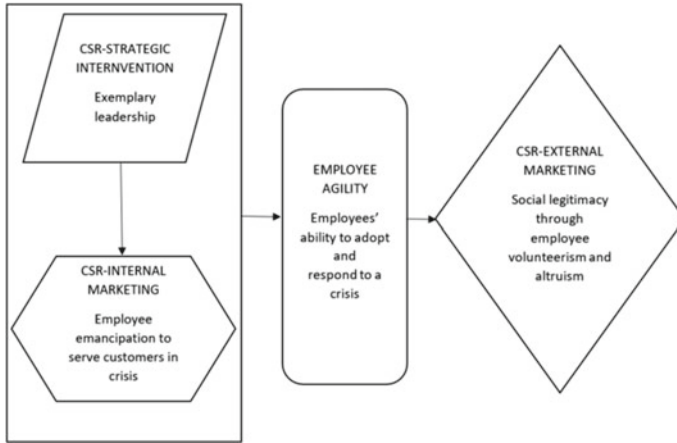
Fig. 1 Conceptual schema of IM and EM nexus of CSR

2 CSR Strategy Implementation Through Internal and External Marketing

This section provides some theoretical insights on IM and EM nexus of CSR strategy that informs the conceptual schema of the case study. The theory and practice of CSR have significantly influenced the way firms conduct their marketing operations. It is widely reported that global CEOs, millennials as well as consumers belonging to Generation Z prefer businesses with social impact—34,000 individuals in 28 global markets expect the businesses to solve social issues (Deloitte, 2021) and over 40% consumers from seven countries, aged 16–64 years expect firms to prioritise social issues and wellbeing of employees (GlobalWebIndex, 2021). Global giving is also ever increasing (Forbes, 2021). These trends clearly present a more vibrant view in the CSR arena from its initial debates (i.e., altruistic vs strategic CSR) and consolidates the importance of CSR for firms to gain social legitimacy.

CSR debates have evolved over the last few decades with significant theoretical contributions. Four classifications of CSR—economic, legal, ethical, and philanthropic (Carroll, 1991); principles of CSR-legitimacy, public responsibility, and managerial discretion (Wood, 1991); strategic view of CSR (Allen & Craig, 2016; Carroll & Shabana, 2010); climate change and CSR (Allen & Craig, 2016) and corporate citizenship and sustainability (Carroll, 2015) are notable contributions. In more recent times, given the criticality of anthropocentric climate change, sustainability has emerged as a key strategic priority for firms, main global drive being the wide acceptance of United Nation's sustainable development goals (Forbes, 2021). CSR and sustainability debates are now pervasive in the public media and as a result consumers and other stakeholders are increasingly made aware of the centrality of CSR and sustainability for any firm to gain 'social legitimacy' for their operations and existence.

If one looks at the bad CSR records of firms reported in the media, such as major oil spills, toxic emissions, environmental degradation and deforestation, child labour, modern-day slavery, and unhealthy food, it is easy to understand that there are serious implementation issues of CSR strategies of firms. Apparently, a priority is given to EM strategies where many business firms focus on promoting their CSR commitments to external customers to increase sales volumes through building higher customer preference and loyalty levels. Some of those promotional activities are largely perceived and criticised as short-lived 'green washing' practices. Among several other explanations, the misalignment of internal and external marketing nexus of the firm when strategising and implementing CSR seems to provide an explanation to the controversies surrounding CSR implementation. A key missing link here is that without motivating and empowering the employees to work as a team towards exerting their maximum effort to ensure overall wellbeing of customers, especially when the customers demand such effort, it is difficult to achieve a long-lasting record of higher CSR performance level. It is well accepted that highly motivated and satisfied internal customers (employees) would result in a higher, sustainable level of external customer satisfaction, thereby increasing the firm's profitability and overall success.

In the conventional CSR debates, it was widely discussed that a firm should not prioritise engaging in altruistic CSR because spending shareholder wealth for activities that do not generate an immediate return was considered a practice against the principles of strategic CSR. In the contemporary business environment, only 13% out of 34,000 individuals surveyed in 28 global markets consider shareholders as the most important stakeholders (Deloitte, 2021; Fink, 2020). Instead, many firms are urged to develop closer connections between internal and external communities. Further, it is reported that when a firm expresses its interest in human wellbeing, employees are 2.6 times more likely to be motivated (Deloitte, 2021).

According to well-cited work in the field of CSR, CSR is a highly effective component of IM (Bhattacharya et al., 2007; Kim et al., 2016). A well-designed CSR strategy can satisfy the internal customers', employees' needs who, therefore, would like to identify strongly with a CSR firm's image. However, in the marketing literature, both IM and EM nexus of CSR have been largely presented as separately developed business practices. CSR can clearly be embedded in both IM and EM with an integrative approach. Previous research shows that EM nexus of CSR can be driven by IM nexus of CSR (Basil & Erlandson, 2008). Nevertheless, deeper investigations into the phenomenon are somewhat rare.

If a firm strategically manages IM operations in such a way that it induces employees' agility to be altruistic and go voluntarily an extra mile when they serve their external customers and offer services to ensure the customers' social wellbeing, CSR performance of the firm can inevitably be enhanced and the firm can easily achieve remarkable levels of social legitimacy on their CSR records, a newfound conversation in the industry in the wake of Covid-19. It is expected that this case study sparks off such conversation. Figure 1 depicts the conceptual schema of the case study.

Figure 1 depicts the conceptual schema of the case study**.** As shown in Fig. 1 below, IM and EM are interconnected. George and Grönroos (1989) argue that IM can be considered as a philosophy aimed at managing a firm's human resources based on a marketing perspective. Other leading scholars in the field also claim that IM is about applying EM approach internally (Berry & Parasuraman, 1991). Grönroos (1985) pioneered the idea that IM's role is about motivating employees through active marketing-like activities. Employee motivation falls within the domain of human resource management, but the emphasis is on exerting high performance not necessarily making employees more customer-centric. IM therefore is expected to inculcate customer centricity in the minds of the employees.

In the context of CSR, we advance the argument that IM's role needs to be extended to induce employees to be altruistic and volunteering to enhance not only the direct customers' satisfaction but also the overall social wellbeing. More so, especially when unprecedented crisis situations arise calling for employees' commitment that go beyond their everyday responsibilities. Some research refers to this as employee agility, an employee's ability to react and adapt to changes promptly and appropriately (Cai et al., 2018, p. 52). We argue that employee agility is a key factor which could moderate the interconnection between IM and EM especially in a crisis management situation. Using an illustrative case study which is detailed below we discuss unique factors of employee agility and its value when responding to a humanitarian crisis which requires the firm's intervention.

3 The Case

3.1 Company Overview

The case company, the airline, is a limited liability company incorporated in 1979 and is the national carrier of a South Asian nation. Its shareholders are the government, an employee superannuation funding scheme under the auspices of the government, a state-owned bank and past and present employees of the airline who have been issued with stake under an employee share ownership scheme established several years ago. The international carrier is a full-service airline and is an integral part of the country's aviation industry. With a fleet of 24 aircrafts and approximately 5800 employees, the carrier has a global network of 113 destinations in 51 countries, spanning Europe, the Americas, Asia, the Middle East, and Australasia. In addition, the airline provides ground handling and catering services to all the international aircrafts that arrive and depart the country and has an internationally accredited repair and maintenance arm that provides services to third-party airlines. The airline is subject to the country's civil aviation regulations, international air safety regulations such as the Warsaw Convention of 1929 and the laws applicable in countries that are part of the airline's international network.

Globally, the aviation sector has been literally grounded by the COVID19 pandemic, and the International Air Transport Association (IATA) reports that the industry has experienced the worst decline since World War 2 (IATA, 2020). IATA predicts that the industry's recovery will not be immediate and that declining profits will continue in 2021 (IATA, 2020). The case study airline too has been severely affected by the COVID19 pandemic and reported a 75% reduction of turnover, compared to the pre-COVID era figures. It is noteworthy that the airline has recently reduced its staff by almost 30% through a voluntary redundancy scheme and has negotiated more favourable deals with aircraft lessors to brace during turbulent times. With such courageous decisions, the airline is hopeful that they will be able to stay afloat during the current crisis and is determined to make a profit post COVID.

3.2 Corporate Social Responsibility of the Airline: Strategic Intervention to Infuse Employee Agility

As the national carrier of the country, the airline focuses on several CSR initiatives. To this end, projects to facilitate education for children, sanitation, clean water, responsible waste management, wildlife protection and uplifting health and wellbeing of communities have been implemented by the airline. These initiatives are in line with the sustainable development goals of the country and support global initiatives such United for Wildlife, a global movement to curtail illegal wildlife trafficking and Earth Hour, a global movement organized by the World Wide Fund for Nature to encourage individuals, communities, and businesses to switch off non-essential electric lights.

The airline welcomes and encourages employees to get involved in these projects. Awareness creation, idea generation and events such as photographic competitions are part of the airline's CSR strategy, to encourage responsible behaviours and contribution of employees towards CSR initiatives. Furthermore, the airline strives to create environmental conscious behaviours amongst the community, especially school children. It strives to be a 'Planet Friendly Airline' and has a voluntary carbon offset programme. Another key CSR initiative of the airline is its charity set up to enhance the quality of education and health of children from underprivileged backgrounds. The charity is run by the airline with financial contributions from the airline, its customers, employees, suppliers, and the wider community. Overall, while the airline takes pride in having a well-planned CSR strategy, and for pioneering many CSR initiatives in the country, meeting unprecedented social expectations during a crisis was a novel experience for the airline. This is detailed below.

3.3   The Crisis Situation

On 23 January 2020, one of China's most populous cities, Wuhan, was subject to the world's first COVID19 lockdown and isolated from the rest of the world (Zheming et al., 2020). The COVID19 virus, of which little was known at the time was identified as the Wuhan virus. At the time, the virus was fast spreading in the city of Wuhan, with over 800 cases of infection and a rising death toll of 24 (Berlinger et al., 2020) Then, on the 30th of January 2020, the World Health Organization declared the health crisis as a public health emergency of the highest level (World Health Organization, 2020). Inevitably, travel bans came into effect, and evacuating citizens trapped in Wuhan became a huge challenge to nations across the globe. The commercial airline and its crew had no prior experience in this kind of operation. However, they were confronted with a challenge of rescuing 33 citizens, who were students and their families, helplessly trapped in Wuhan.

3.4   The Rescue Mission

The second of February 2020 marked a special day for the 33 passengers, including three children, and the 16-member aircrew, as the aircraft returning from Wuhan landed on a less frequently used airport of the island nation. A successful rescue operation was thus completed, the first of its kind, for the commercial airline and the crew who operated the aircraft. The challenges and risks associated with the rescue mission were many, and these ranged from medical concerns, precision of planning, getting clearance to land in Wuhan and coordinating landing, take off and all other embarking activities with just a skeleton of staff at the airport in Wuhan, which was shut to curtail the spread of the virus.

The crew members described the Wuhan airport as eerily deserted. Importantly, taking precautions to ensure that the infection does not spread within the country due to the repatriation operation was a key consideration. During this time, there were no local cases of COVID19 in the country of origin of the airline, the only reported infected case was a tourist from China, who was receiving treatment in hospital under strict quarantine conditions.

Within four days of obtaining clearance from the Chinese government to land in the locked down city of Wuhan, the 16-member crew, dressed in white fitted Ebola kits were on their way to rescue 33 individuals, stranded in Wuhan. The twenty-hour mission, which was much longer than a normal flight was the first of its kind for the airline. In addition, Wuhan was a destination that the airline has never been to before.

In preparing for the rescue mission, which was far from commercial passenger transport, the crew members were briefed by experts from the biological wing of the country's air force on how to wear protection gear, handle passengers and provide services such as meals, considering the high risk in the event of infected passengers. The aircraft landed in the deserted airport in Wuhan, and boarding passengers was a

slow and tedious task, where the airline had to coordinate with the skeleton of Chines staff at the airport. Due to health precautions, crew members were not allowed to get off the aircraft. The process was subject to stringent health and safety regulations issued by the World Health Organization, the country's national COVID prevention policy and regulation imposed by the Chinese government. For example, added to lack of staff at the Wuhan airport, each passenger was subject to a stringent health check by the Chinese authorities prior to boarding. Although initially the plan was to spend 50 min at the Wuhan airport for turnaround, due to the unexpected nature of the mission, close to 5 h were spent.

On board, the service provided was quite different to what passenger service usually is. Instead of the welcoming smiles of crew members wearing attractive uniforms, the passengers witnessed unrecognisable faces covered in protective head gear, and individuals dressed in white jumpsuits covering their entire body. The meals were served in disposable containers to be discarded no sooner the aircraft landed, to minimise risk of the virus entering the country. On arrival, the 33 passengers were handed over to a special unit of the country's defence force and the health authorities to carry health checks and facilitate quarantine. After 14 days in a quarantine centre, the 33 individuals were able to reunite with their families.

The crew had accomplished a successful rescue mission, and brought 33 fellow citizens to their motherland, a safe haven, away from Wuhan, where COVID infection and deaths were soaring. The rescue mission is a classic example of an instance when 'social consciousness' of a firm took precedence over economic gains. This is particularly so, considering the challenging time the aviation sector has had to endure, with passenger traffic coming to a halt due to travel restrictions and closure of borders. It is significant that the airline was the fourth airline in the world to have rescued stranded citizens from Wuhan.

3.5 Activating Social Consciousness to Enhance Employee Agility Through CSR Intervention During a Crisis

The 16-member crew of the airline volunteered to be part of the rescue mission. The leadership of the airline was initially of the view that it may be challenging to find crew members willing to travel to COVID-stricken Wuhan. Health risks, stigmatisation, fear of the unknown along with personal and family inconvenience were obvious concerns that would affect the willingness of crew members to volunteer for the rescue mission. However, to the contrary, 16 crew members promptly came forward, to be part of this humanitarian mission. Some of the crew members expressed that one major hurdle was convincing their families of their decision to fly to Wuhan. The chief pilot of the operation remarked that his actions were driven by what he would expect of other employees if his own children were stranded in Wuhan. Furthermore, he commented that as a chief pilot it was his duty to set an example by coming forward, and hence had no hesitation to promptly volunteer and lead the humanitarian

operation. In no time the other crew members volunteered to make the 16-member crew that flew to Wuhan.

On completion of the historic rescue mission successfully, the senior leadership of the airline promptly recognised the bravery and selfless efforts of the crew and thanked them for enabling the national carrier to deliver its duty to the nation. Public statements were issued by the airline and its senior officers using social media, print media and national television thanking the crew for their patriotism and concern for fellow citizens. At a special press conference and ceremony, the crew members' services and bravery were recognised by the airline. It is noteworthy, that the senior leadership of the airline attributed the 'glory' of the mission accomplished to the 16-member crew, who were in the frontline. The Department of Defence of the country felicitated the crew with a special medal, which was celebrated by the airline. While they were hailed as heroes by the airline and the nation for rescuing 33 fellow citizens, the crew displaying humility, was determined that they merely performed their job and referred to those they rescued as 'they are our own'. They praised the government and the airline for the crucial decision to send a flight to Wuhan to rescue those stranded.

Demonstrating compassion and a sense of duty to fellow citizens, the crew refused special incentives and allowances offered by the airline for the rescue mission. The Head of State hosted a special luncheon for the crew members and thanked them for their services to the nation during a time of need. The numerous social media responses show a nation that is grateful to the airline and its 16-member crew for a selfless act during a humanitarian crisis. The risk they took cannot be underestimated, as the virus, one year since the rescue operation, has claimed over two million lives worldwide (ABC News, 2021).

3.6   Enhanced Public Image of the 'Carrier with a Heart' After the Rescue Mission

Several national media outlets, social media networks and some international media outlets reported the rescue mission. Video clips and photos of rescued passengers and the operations of the crew members were featured in the media resulting in an overall enhancement of the public image of the airline. Personal stories of crew members and their altruistic behaviour were shared through social networks highlighting the social significance of the cause. In the annual report of the airline, the leadership team made special reference to the airline's crew and other support staff for their dedicated service, for risking their own safety and that of their families to operate a humanitarian flight that did not have commercial objectives. It is evident that these anecdotal stories of employee agility in responding to a crisis situation and coming forward to risking their lives towards a higher cause have touched the external customers. This can be shown as a good example of managing nexus of IM and EM through employee agility demonstrating altruism.

4   Lessons Learned and Implications for Practice

This case study showed how internal and external marketing nexus can effectively be managed to enhance the CSR standing of a firm. The case also argues that proper strategic intervention to enhance employee agility to altruistically contribute towards the society while playing the role of socially conscious employees tends to result in a higher CSR standing. This is instrumental in achieving a higher brand loyalty, acceptance and social legitimacy.

This case offers five key lessons:

Lesson 1

During times of crisis, the actions required by any firm are built around agility, resilience and commitment of diverse individuals and organisations with different levels of degree of influence and impact on the actions. The swift actions from several individuals and groups at various levels of a firm underpinned by a keen sense of social consciousness drives CSR activities in response to a crisis situation. These stakeholders who play an important role include the State enterprise, which in this case is also an investor, leaders and managers of the organisation and its employees, particularly those at the frontline of the crisis mission.

Lesson 2

The case study exemplifies why strategic leadership should be encouraging employee altruism and voluntarism and how these behaviours could be leveraged to deliver CSR thrust upon the firm. Therefore, the leaders should strive to create corporate cultures where altruism and voluntarism flourish and should encourage and reward employees who display these behaviours. 'What would motivate employees to act over and above their call of duty, and how can such behaviours be leveraged to enable a firm deliver societal expectations?' should be a prominent item in the agenda of corporates leaders' eager to deliver CSR towards customers and wider group of stakeholders. A plethora of cases are published in CSR literature on how CSR commitments provide firms with a competitive edge in external marketing. This case study adds value to existing marketing-related CSR literature by demonstrating the connection between the internal and external marketing operations in the CSR space.

Lesson 3

CSR can take a variety of forms. Broadly speaking, CSR is about furthering societal wellbeing on a voluntary basis, besides merely focusing on commercial outputs that are economically beneficial to the shareholders. This is founded on the rationale that commercial enterprises have a responsibility towards a wide range of stakeholders besides the investors. CSR practices traditionally include philanthropic actions by firms such as providing financial assistance to charitable causes, empowering communities, upholding human rights and protecting the environment. Topdown and bottom-up initiatives along with recommended best practices are common in the CSR agendas of modern-day firms. However, during a humanitarian crisis,

societal responsibilities require innovative forms of unprecedented CSR strategies, to gain social legitimacy. For example, in recent times, due to major catastrophes such as the Gulf of Mexico oil spill, Rana Plaza collapse in Bangladesh and climate change as a result of irresponsible behaviours of firms, scrutiny and societal expectations of responsible corporate behaviour have intensified. During an unprecedented humanitarian crisis, customers and the wider society would expect firms to intervene in unique ways to alleviate distress caused by such crisis. To this end, the third lesson of the case study provides a detailed account of how a firm voluntarily delivered societal expectations, through their efforts in ensuring the wellbeing of those in distress during a crisis situation, an act that paves the way to gain social legitimacy.

Lesson 4

The case study illustrates the importance of focusing on internal marketing, which concerns the internal customers of an entity, namely the employees. Often, external marketing, which encompasses customer satisfaction takes precedence as the prime objective of a firm's marketing strategy. The case study illustrates that higher levels of customer satisfaction can be achieved through focusing on internal marketing, and the importance of creating a strong nexus between the internal and external marketing as integral in achieving sustained levels of customer satisfaction and more. To put simply, 'happier employees make happier customers'. Therefore, firms should not neglect the internal marketing element, but place equal emphasis on both internal and external customers.

Lesson 5

Finally, the case study offers insights that challenge the unfavourable attitude towards altruistic CSR, where questions have been raised about the appropriateness of using shareholder wealth for activities other than those that generate economic gains to the shareholders. The effective use of marketing communications to position the commitment of the firm towards customer and societal wellbeing, can contribute to enhanced corporate reputation and sustainable customer loyalty, which would directly contribute towards creating shareholder value as well as shared value driven by both altruistic and strategic motives. Furthermore, internally, employees would feel a sense of pride in working for a reputable firm, which could lead to higher levels of motivation, organisational commitment, productivity, and lower employee turnover. Additionally, the goodwill positioning of a firm's image among future employees in the job market can also be enhanced, through showcasing the firm as a caring and responsible corporate citizen. Needless to say, being regarded as an employer of choice is the epitome of employer brand building. Therefore, altruistic corporate social responsibility practices need not operate in a lacuna, as they can be linked to strategic CSR, through effective marketing communication of such altruistic practices targeting both internal and external stakeholders of a firm.

The table below highlights the key implications for practice:

Key lesson	Implications for CSR-IM	Implications for CSR-EM
Exemplary leadership	Strategic leaders' preparedness to challenge the status quo in responding to a crisis situation Strategic leaders' ability to demonstrate exemplary leadership style by 'walking the talk'	Enhanced public trust on strategic leadership
Employee emancipation	Employees' sense of freedom to respond to a crisis situation	Enhanced image of a future employer
Employee agility	Employees' ability to adopt in response to a crisis situation	Higher customer satisfaction, trust, and loyalty (i.e., stewardship)
Employee volunteerism and altruism	Higher employee satisfaction and willingness to be associated with employers' image	Enhanced social legitimacy

5 Discussion Questions

1. Drawing from the lessons learnt from the case study, explain how a well-balanced internal and external marketing nexus can be utilised to improve the CSR standing of a company.
2. Proponents of strategic CSR argue that just giving away a firm's money for Philanthropic causes is against the maximisation of shareholder wealth. As such, they claim that all CSR actions should directly or indirectly should enhance company's ability to enhance profitability. Do you agree? Evaluate this statement in the context of Philanthropic and Strategic CSR concepts advanced in the CSR literature.
3. Explain how you would encourage employee volunteerism and their altruistic behaviour in your origination to improve external customer satisfaction and the overall CSR standing of your organisation.
4. Considering the successful humanitarian mission of the firm, how do you suggest that it be used in the firms' external marketing communications and for what purpose?

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How "Dieselgate" Changed Volkswagen: Rushing to Erase the Traces of Greenwashing

Gulcin Bilgin Turna (ID)

1   Learning objectives

– To discuss the challenges faced by Volkswagen Group since 2015,
– To discuss the stakeholder and image restoration theory in practice,
– To understand the importance of sustainable marketing,
– To analyze the actions of Volkswagen after the "Dieselgate,"
– To understand how Volkswagen collaborated with other companies and experts,
– To understand that being environment friendly is very important while making affordable cars by using advanced technology,
– To understand strategies that Volkswagen adopted to overcome the challenges due to "Dieselgate,"
– To understand the importance of the guidelines of the "Sustainable Development Goals (SDGs) of the United Nations' 2030 Agenda for Sustainable Development,"
– To analyze some of the projects of Volkswagen toward UN's SDGs.

2   Introduction

> You have to learn the rules of the game. And then you have to play better than anyone else.
> —Albert Einstein

"Millions of people all over the world trust our brands, our cars and technology. I am deeply sorry that we have broken this trust. I would like to make a formal apology to our customers, authorities and to the general public." said Volkswagen's then CEO Martin Winterkorn (The New York Times, 2015). He resigned over "damage to

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trust" in September 2015 right after the Dieselgate. Michael Horn, CEO of the VW Group of America, went further by saying "Our company was dishonest with the EPA (Environmental Protection Agency), and the California Air Resources Board and with all of you. We've totally screwed up." VW shares were down 17% (BBC, 2015). Other German carmakers BMW and Mercedes shares were also down because German automotive industry took a hit.

CEO Martin Winterkorn was replaced with Matthias Muller who was previously the head of Porsche. New CEO's job description was clear: pure crisis management. He had been with VW for almost four decades working his way up from apprentice to all the way to CEO. He said: "Personally I will do everything I can to win back the trust of our customers, employees, our partners, investors, and the general public." He was committed to get to bottom of the emission scandal and polish VW's tarnished image. But that would not be easy. It meant recalling at least 11 million vehicles worldwide and modifying them, so they meet appropriate emission standards (Deutsche Welle, 2015).

In April 2018, CEO Matthias Muller was replaced by Herbert Diess who has been VW brand chief after previously working at BMW. "Matthias Muller has done outstanding work for the Volkswagen Group. He led VW through the greatest challenge in its history, realigned the German automaker's strategy, and made changes to the company's culture" said VW supervisory board chairman Hans Dieter Potsch (CNBC, 2018).

3   VW Group Company Background: "Made in Germany"

The Volkswagen Group, Europe's largest automobile manufacturer, was founded in 1937 and is one of the leaders of the industry in the world. Headquartered in Wolfsburg-Germany, the Group operates 118 production plants (66 in Europe, 34 in Asia, 9 in South America, 5 in North America and 4 in South Africa) with its 662,575 employees worldwide. The Volkswagen Group's vehicles are sold in 153 countries. The Group comprises twelve brands from seven European countries: "Volkswagen Passenger Cars, Audi, SEAT, ŠKODA, Bentley, Bugatti, Lamborghini, Porsche, Ducati, Volkswagen Commercial Vehicles, Scania and MAN" (Volkswagen AG, 2021).

The Dieselgate, the greatest challenge in VW Group's history, happened in September 2015. Volkswagen cars being sold in America had a "defeat device" which is a software in diesel engines to change the performance accordingly to improve results. In other words, German car giant VW admitted cheating emissions tests; the engines emitted nitrogen oxide pollutants up to 40 times above what is allowed in the US. "Cars and the environment - two things that Germany cares so deeply about that they form part of the national character. Germans were shocked to discover that for years the country's biggest car manufacturer Volkswagen had been rigging environmental tests for diesel emissions" said Damien McGuinness, BBC Berlin. VW's image was ruined, and it had cost the company more than $30 billion in penalties,

fines, restitution, and settlement of lawsuits (affecting stakeholders from many countries) between September 2015–March 2021. The Dieselgate lawsuits are not final yet.

In 2016, as a reaction to Dieselgate, VW appointed an "Independent International Sustainability Council" to get recommendations for sustainable mobility, environmental protection, and social responsibility. The Council was comprised of 9 experts and has been meeting regularly with the Group Management Board. In 2016, VW started publishing sustainability council's reports, group sustainability reports along with the annual reports. It was clear that sustainability was the key factor for the success of the company that had to undergo a transformation in order to stride into the future.

"Shift," VW Sustainability Magazine, also came out in 2016 with the idea of "learning from a scandal and dealing with mistakes openly" through self-critical communication with external experts toward "electrification, digitalization and automation" (Shift Magazine, 2016) as a reaction to Dieselgate. The magazine was published once a year until 2019. In June 2017 Shift Magazine won a silver medal in the "Best of Content Marketing Award" and a bronze medal in the category for "Social and Public Responsibility" at New York's Astrid Awards for communication design (VW newsroom, 2017).

"Together 2025+ Strategy" was announced in 2016 and further developed in 2019 in order to make the VW Group more "focused, efficient, innovative, customer oriented, sustainable, geared toward generating profitable growth." With "electric drives, digital connectivity and autonomous driving," the company committed itself to "cleaner, quieter, more intelligent and safer automobiles." The company declared: "We are committed to the Paris Agreement on climate protection and are one of the first companies in our industry to commit ourselves to becoming a company with a neutral carbon footprint by 2050. This includes our vehicles, our plants and all processes." (The VW Group Sustainability Report 2020: 12).

VW put "**sustainable growth**" in the core of the company's business strategy with four target dimensions: "excited customers, excellent employer, role model for environment, safety and integrity, and competitive profitability." Mobility propositions were set as: clean, accessible, intelligent and inspiring. Enablers for the sustainable strategy are as follows: **stakeholder engagement** (systematic dialog with all stakeholders), **corporate citizenship** (social cohesion), **governance** (highest standards of integrity to increase the company's value), **digitalization** (digital transformation in the mobility, **culture change** (toward more openness with a focus on the "WE"). (VW Sustainability Report, 2020: 16).

VW Sustainability Narrative
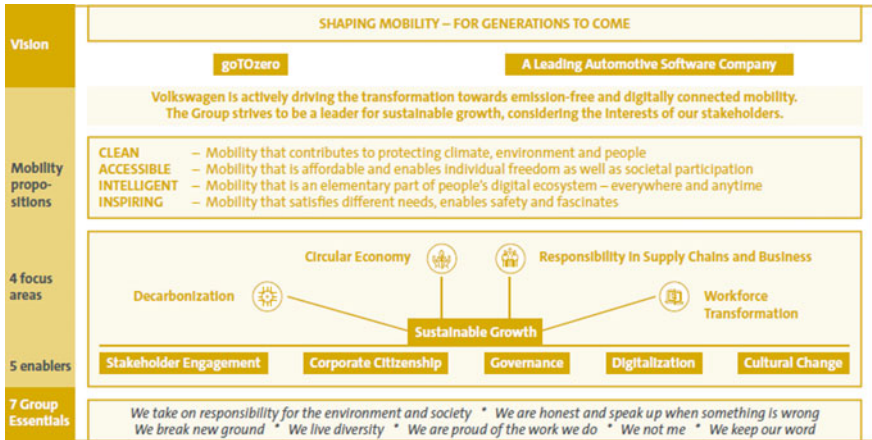
4   Collaboration & Transformation Toward Sustainability

An "International Independent Sustainability Council for Assistance with Sustainability and Social Responsibility": Crisis as an Opportunity

> Crises can only be overcome if they are resolutely used as a lever for change.
>
> —Klaus Topfer, Germany's second Minister of the Environment

After the Dieselgate, VW declared its "commitment to sustainable, transparent and responsible management ensuring a clear framework for the future-oriented handling of environmental issues, responsibility towards their employees and social engagement by their brands." In late 2016, an "International Sustainability Council" was appointed by the VW Group as a reaction to the diesel crisis for "assistance with sustainability and social responsibility." As of April 2021, the council consisted of 9 recognized experts from the fields of politics, science, and business who advised the company on "sustainable mobility, environmental protection, social responsibility and integrity." Members of the Sustainability Council are: "Prof. Dr. Ottmar Edenhofer (German) who is the Co-Director of the Potsdam Institute for Climate Impact Research; Magdalena Gerger (Swedish) who is the CEO & President Systembolaget AB; Rebecca Harms (German) who is the former President of the European Green faction in the European Parliament; Connie Hedegaard (Danish) who is the former EU Commissioner for Climate Action; Georg Kell (German) who is the founding Director UN Global Compact and chairing the VW Sustainability Council; Margo T. Oge (American) who is the former Director of Transportation Air Quality, US Environmental Protection Agency (EPA); Prof. Ye Qi (Chinese) who is the director des Instituts fur Public Policy der Hong Kong University Science and Technology; Michael Sommer (German) who is the former President of the

Confederation of German Trade Unions (DGB); Elhadj As Sy (Senegalese) who is the chair of the Kofi Annan Foundation Board, Co-chair of the WHO/World Bank Global Pandemic Preparedness Monitoring Board (GPMB)." Sustainability Council mandate was extended until 2022 (VW Group, 2020).

On 25 June 2017, in the first letter on "environmental leadership" from Sustainability Council to VW Group, Georg Kell (Spokesman Sustainability Council) said: "diesel crisis offers great opportunities to accelerate change towards a more transparent and accountable organization that is shaping the future with sustainable transport solutions with highest standards of integrity. Over the past months, we had opportunities to better understand how VW intends to navigate the twin challenge of the diesel crisis while embarking on a deep transformation toward **electrification**, **digitalization**, and **innovative transport solutions** with a view to establish VW as a global leader for **sustainable transport**. We believe it is now critical VW embrace environmental leadership as a core strategic principle and embed it in all policies and operations, accordingly. It would also be a credible and effective response to the loss of trust as the public would certainly understand over time that VW is drawing the right lessons from the diesel saga. We would encourage you to embrace carbon leadership as a core strategy, become an advocate for new standards that reduce pollution and drive electrification, and a leader on transparency, working with stakeholders to establish "gold standards" for emissions and fuel consumption and share actual performance data with the public. Embracing environmental leadership at the policy and operational levels and elevating it as a core strategic principle will greatly help to restore trust while laying the foundation for future success."

On March 22, 2018, Sustainability Council focused on "technology, policy and culture shift" in their letter: "what is required to restore trust and to lay the foundation for future success are: **technology shift** (electrification and sustainability services), **policy shift** (open dialogue and environmental leadership), **culture shift** (build value and integrity in line with societal expectations to regain trust)." On December 13, 2018, Sustainability Council published a brief interim report covering the progress of the VW Group between October 2016 and 2018: "The Volkswagen leadership has shown a genuine willingness to listen and is open to an honest exchange with stakeholders on controversial issues. Volkswagen Group has made significant progress toward e-mobility. The Sustainability Council supports Volkswagen's decision to make decarbonization a strategic management imperative. A more balanced and fact-based debate with the public and policymakers on the future of mobility and related environmental issues is still needed." VW Group allocated a budget of 20 million euros to The Sustainability Council for promoting cultural change and innovation within the company. The council finalized the following projects:

- "Open Source Lab for Sustainable Mobility (2018–2020): Supported by the German Research Center for Artificial Intelligence (DFKI), the project promoted dialogue with stakeholders on sustainable mobility solutions of the future."
- "Next Generation Policies (2018–2020): Project partners were the Mercator Research Institute on Global Commons and Climate Change (MCC), the Potsdam Institute for Climate Impact Research (PIK) and the Paul Scherrer Institute

(PSI). The project identified effective strategies against climate change and for decarbonization of transport."

- "Effects of electric mobility and digitization on the quality and quantity of employment at Volkswagen (2019–2020): The Fraunhofer IAO together with the Volkswagen Human Resource and Production Department performed joint data collection, analysis and modelling to evaluate qualitative and quantitative employment effects of e-mobility and digitization. The findings of the project shall serve as a valid basis for identifying and developing measures for a successful workforce transformation." (VW Sustainability Council, 2020).

5   Strategic Partnerships with Microsoft, Ford, and Amazon: Transformation Toward e-mobility and Digitalization

> Software competence is the only way forward.
>   —Herbert Diess, CEO of the Volkswagen Group

Volkswagen and Microsoft announced their strategic partnership in 2018 in order to link sustainability with digital transformation. In 2020 the companies agreed a long-term collaboration to strengthen both companies' social responsibility (VW Sustainability Report, 2020: 24). Volkswagen Group teamed up with Microsoft to "accelerate the development of automated driving" in February 2021. "As we transform Volkswagen Group into a digital mobility provider, we are looking to continuously increase the efficiency of our software development. We are building the Automated Driving Platform with Microsoft to simplify our developers' work through one scalable and data-based engineering environment. By combining our comprehensive expertise in the development of connected driving solutions with Microsoft's cloud and software engineering know-how, we will accelerate the delivery of safe and comfortable mobility services," said Dirk Hilgenberg, CEO of the Car.Software Organization (Microsoft, 2021) which started to operate as an independent business unit since January 1, 2020. Its main objective is to centralize the relevant associates within the VW Group.

In 2020, together with Amazon Web Services (AWS) and Siemens, Volkswagen opened the "Industrial Cloud" to other firms from the technology and engineering sectors (Amazon, 2020). By this way, new partners can link to VW sites and contribute their own software applications. This resulted in a rapidly growing supply of industrial software applications for VW's factories. Every site obtained applications for its systems, machines, and tools directly from the Industrial Cloud and therefore produced more efficiently. In 2021, the "10toGO Thinkathon" was hosted by VW and Microsoft Germany. Pina team from Munich was the winner and received funding of €100,000 for its sustainable forestry project. Microsoft and VW supported the project with digital infrastructure and expert advice. In July 2019, collaboration between VW

and Ford in the field of autonomous driving was announced. It included an investment in ARGO AI, a company specializing in software platforms for autonomous driving. At the beginning of 2019, a pilot project was launched on a nine km track in the city district of Hamburg (VW Sustainability Report, 2020: 27).

6 VW Group Environmental Policy Statement

"goTOzero" became VW's new environmental policy meaning "for all the products and mobility solutions VW aspired to minimize environmental impacts along the entire lifecycle—from raw material extraction until end-of-life - in order to keep ecosystems intact and to create positive impacts on society." VW focused on "climate change, resources, air quality and environmental compliance" in their environmental mission statement in 2019. Guided by the company's "Environmental Mission Statement," the VW Group was committed to the following requirements: "leadership, compliance, environmental protection, stakeholder collaboration, continual improvement"

VW'S Environmental Mission Statement

Climate change

We are committed to the 2° goal of the Paris Climate Agreement. We intend to become a **CO_2 neutral company by 2050.**

By 2025, we plan to **reduce our total life cycle Greenhouse Gas Emissions** of passenger cars and light duty vehicles **by 30%** compared to 2015. We actively contribute to the transition towards renewable energies along the entire life cycle.

Resources

We intend to maximize resource efficiency and promote circular economy approaches in the areas of materials, energy and water.

By 2025, we plan to **have reduced the production-related environmental externalities** (CO_2, energy, water, waste, volatile organic compounds) **by 45%** per vehicle compared to 2010.

Air quality

We are driving e-mobility forward to improve the local air quality.

By 2025, the **share of battery electric vehicles** in our model portfolio will be between **20 and 25%.** The share of electric vehicles in the Group fleet is to rise to at least **40%** by 2030.

Environmental compliance

We aim to become a **role model** for a modern, transparent and successful enterprise in terms of **integrity** by installing and controlling **effective management systems** covering the environmental **impacts** of our mobility solutions over all life cycle stages.

Source VW Mission Statement Environment, 2019.

7 VW's Compliance with United Nations' 2030 Agenda for Sustainable Development

> "We are determined to protect the planet from degradation, including through sustainable consumption and production, sustainably managing its natural resources and taking urgent action on climate change, so that it can support the needs of the present and future generations." —United Nations

The UNGC reinstated the Volkswagen Group five years after the diesel emission crisis. Georg Kell (founding Executive Director of the UNGC and spokesperson for the Volkswagen Group Sustainability Council) said: "Rejoining the UNGC shows that Volkswagen has learned from its mistakes. The best thing Volkswagen can do for climate protection is to take a pioneering role." (VW newsroom, 2021).

In 2019, 60 stakeholders, including decision-makers from various divisions and brands and representatives of the Group Sustainability Council, created a new strategic foundation for sustainability. The decisive factors were "the impact on the environment and society, stakeholder expectations, the Volkswagen AG business model and compliance with legal requirements and internationally established reporting standards." Four focus areas have been defined: "**decarbonization, circular economy, responsibility in supply chains and business, workforce transformation**." The Volkswagen Group linked its sustainability strategy to the United Nations Sustainable Development Goals. A survey was conducted with approximately 180 sustainability experts and managers in the Volkswagen Group during the reporting year to identify the current status of the prioritization and implementation of the SDG. As a result, SDG 13 "climate action" was identified as the primary target, followed by five more priorities: SDG 12 "responsible consumption and production," SDG 11 "sustainable cities and communities," SDG 8 "decent work and economic growth," SDG 9 "industry, innovation and infrastructure," and SDG 7 "affordable and clean energy" (VW Group Sustainability Report, 2020).

Prioritized SDGs for VW
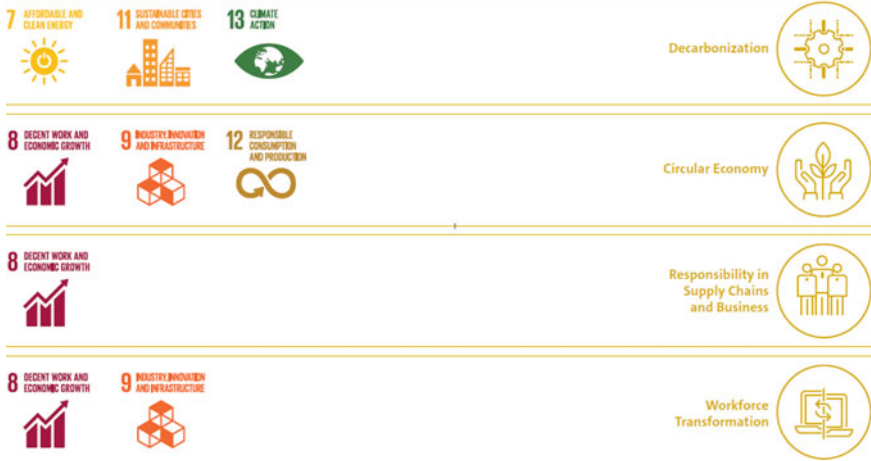
Source VW Sustainability Report, 2020: 17.

8   ID Stands for Intelligent Design, and VW Presented ID.3 as "World First" Overall Carbon–Neutral Electric Car

Roadmap E, which was launched by the Volkswagen Group in 2017 led the way to the third chapter in the history of VW starts with the ID.3. First two chapters were "the Beetle and the Golf Mk1." VW has introduced its first electric car that offers millions of customers affordable and unlimited daily usability. The "modular electric drive matrix" (MEB) on which the ID.3 is based served as the technical basis for the electric offensive (VW newsroom, 2021). To help drivers continue to use zero-emissions energy to power their ID.3s, Volkswagen also announced that 100% sustainable options are available through its subsidiary brand "Elli." (Electric Life).

The Group has claimed to become CO_2-neutral by 2050 in line with its "goTOzero" environmental mission statement. In reducing CO_2 emissions, the Volkswagen Group focused on electrifying its fleet: "MEB has been developed for this purpose since 2016. The ID.3 electric vehicle from balance-sheet CO_2-neutral production launched on this platform in 2020. In the further course of its e-offensive, the Group will launch around 70 e-models onto the market by 2025 and is expected to sell over three million electric vehicles annually. To produce this volume, eight vehicle plants in Europe, China and the USA will be converted to the production of electric vehicles by 2022. VW engaged worldwide in setting up fast-charging networks—via IONITY in Europe, Electrify America in the USA and CAMS in China" (VW ID Insights, 2020).

VW's CEO Herbert Diess joined Twitter on 20 January 2021 and below was his first tweet. He mentioned ID.3's success and referred to Elon Musk, the owner of Tesla, one of the biggest competitors in the electric car market.

9   Discussion

> You can't solve a problem on the same level as it was created. You have to rise above it to
> the next level.
>   —Albert Einstein

In 2015, after Dieselgate, the VW group "replaced the leadership, restructured the organization, redeveloped the strategy and rebranded the product" (Welch, 2019) by focusing on "sustainability." VW took the responsibility for the scandal and committed itself to change toward sustainable e-mobility through collaborations and transformation.

The company declared: "For Volkswagen, sustainability means pursuing economic, social and ecological objectives simultaneously and with equal energy. It is our aim to create lasting values, offer good working conditions, and conserve resources and the environment. When it comes to the emissions issue, we have failed to live up to our own standards in several areas. The irregularities in the handling of emissions tests contradict everything we stand for. We will do everything in our power to prevent incidents of this kind from recurring and are fully committed to re-embracing our standards and winning back public trust. With our sustainability concept we want to ensure that opportunities and risks associated with our environmental, social and governance activities are identified as early as possible at every stage of the value creation process. In keeping with this aim, we are determined that our corporate social responsibility (CSR) activities will have a lasting, positive impact on the Company's value and reputation." (VW Group sustainability website, 2021).

After the Dieselgate, VW initiated Volkswagen Group's transformation toward e-mobility. The market launch of the ID in 2020 signaled the kick-off for extensive e-offensive in the global automotive sector which marked a milestone on the journey toward climate-neutral mobility. Because the vehicle delivered to the customer as an electric car with a 100 percent CO2-neutral footprint. Volkswagen addressed the entire value chain from procurement to recycling (VW ID Insights Dresden, 2019). VW has 701 ongoing CSR projects in Africa, Asia & Oceania, China, Germany, Europe, India, North America, Russia, and South America (VW Group, 2021).

2020 was an unprecedented year for all the people in the world due to global COVID-19 pandemic. People were asked to stay at home because the virus was extremely contagious. It was also a year in which automobiles companies faced one of the biggest challenges. Despite the pandemic, VW managed to accelerate its transformation into a climate-neutral, software-driven mobility group with its 670,000 employees worldwide (VW ID Insights Dresden, 2019).

Building a new reputation as one of the leaders in electric vehicle market was an intelligent move for VW after the Dieselgate. **Collaboration** and **Transformation** have been the intertwined ideas of the VW Group's sustainable marketing strategy in order to erase the traces of "Dieselgate." Collaboration with independent international experts, other companies from various industries, and exchanging ideas with

stakeholders; and transformation toward e-mobility and transformation through technology, policy, and organizational culture change provided VW look into a favorable future.

10   Lessons Learned

VW had failed to deliver its environmental claims. The diesel emissions scandal was the exact definition of a "worst-case scenario." The company and the diesel technology itself experienced a loss of reliability and public confidence not only in Germany but around the world. Technical flaws could be fixed by returning the cars to the shop, but restoring the trust was not so easy.

There was an urgent need to review VW's attitude toward civil society. Especially environmental institutions had made an effort to draw the media's attention to the diesel crisis. One of the first actions VW took was to apologize to the public and make a change at the top leadership. Insight was "Learning lessons from a scandal and dealing with mistakes openly." Outlook was "electrification digitalization and automation point the way to the future." "Shift. The Volkswagen Sustainability Magazine" came out to create a platform where the company could shape its self-critical dialogue with its stakeholders. Even though the crisis revealed the weaknesses in company's processes, it opened doors for change. Strengthening VW's sustainability management became more important than ever. The company appointed an international "Sustainability Council" with extensive information, advisory, and rights so it can initiate projects. High caliber council of four women and five men with proven expertise in certain fields provided the company some comprehensive approaches in (1) "social responsibility and integrity," (2) "sustainable mobility and climate protection," and (3) "the future of work and digitalization."

A company that wants to position itself for long-term success in the market and competition must have a close knowledge of the business environment and its stakeholders and the factors that affect them. Right after the scandal, Volkswagen redoubled its efforts to regain its place in national and international sustainability alliances by stakeholder dialogues and partnerships. The company's stakeholder groups in media, science, business, politics and society, along with employees and customers, all made an effort to integrate into a systematic stakeholder management strategy. The new "TOGETHER–Strategy 2025" has laid the foundation, placing stakeholders firmly at the center: "we are taking responsibility for the environment, safety, and society." VW developed indicators that the company would use to measure its progress in three key arenas: "business, the environment, and social affairs." The aim was to ensure that VW took a balanced account of stakeholder expectations and kept its promises to society.

Declaration of conflicting interests The author declares that there is no conflict of interest.

Synopsis

German automaker Volkswagen had admitted to cheating 11 million of diesel vehicles around the world to circumvent emissions tests in the USA and elsewhere. The scandal, "Dieselgate" cost more than $30 billion in five years. It was one of the costliest corporate scandals in the history of contemporary automotive industry and interpreted as "greenwashing." How has the Volkswagen Group (VW) survived from such a huge scandal? After the scandal, change at the top management, change in culture, and change in company strategy helped the company regain its reputation back. Independent sustainability council was formed to give recommendations to VW. "Together 2025 + Strategy" was announced in 2016 to make the VW Group more customer-oriented. The scandal served as a turning point for VW to move toward e-mobility. The company seems to have survived the scandal since it has been focusing, more than ever, on "sustainable marketing" delivering value for the stakeholders by socially and environmentally responsible vehicles and practices. VW was a member of the United Nations Global Compact (UNGC) since 2002 and was withdrawn in November 2015 due to "Dieselgate." Ever since, VW continued to report in accordance with UNGC's requirements. In February 2021, five years after the scandal, UNGC reinstated VW as a participant. It seems the company managed the scandal successfully. This case focuses on the Volkswagen Group's strategies between September 2015 and April 2021 following the guidelines of the "Sustainable Development Goals (SDGs) of the United Nations' 2030 Agenda for Sustainable Development." Stakeholder theory and image restoration theory offers a framework for Volkswagen's sustainable marketing strategies as a part of brand's socially responsible production and practices. VW has been increasing their sales consistently by rebuilding the high esteem owing to its renewed strategy that took a start in 2015 due to "Dieselgate."

Teaching Objectives

– To discuss the challenges faced by Volkswagen Group since 2015,
– To discuss the stakeholder and image restoration theory in practice,
– To understand the importance of sustainable marketing,
– To analyze the actions of Volkswagen after the "Dieselgate,"
– To understand how Volkswagen collaborated with other companies and experts,
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– To understand strategies that Volkswagen adopted to overcome the challenges due to "Dieselgate,"
– To understand the importance of the guidelines of the "Sustainable Development Goals (SDGs) of the United Nations' 2030 Agenda for Sustainable Development,"
– To analyze some of the projects of Volkswagen toward UN's SDGs.

Research Methods

The case is written using secondary data sources (research documents, press information, journal articles, social media, and published interviews). Publicly declared company information on the official website of Volkswagen Group has further been leveraged to augment case facts.

Assignment Questions and Answers

1. **September 18, 2015, was a black day for Volkswagen–and a bitter blow for the Group's sustainability management. The notice from the US Environmental Protection Agency revealed that Volkswagen had broken not only the law, but also a promise to society. Clean diesel wasn't clean. Discuss the first actions of VW after the "Dieselgate" to regain its credibility.**

   VW had failed to deliver its environmental claims. The diesel emissions scandal is the exact definition of a "worst-case scenario." It stems from a premeditated circumvention of legal requirements and consequent mass deception of customers. The company as well as diesel technology overall have suffered a loss in credibility and public trust, in Germany and around the world. Technical defects could be fixed by recalling cars to the shop, but repairing trust wasn't so simple.

   There was an urgent need for review of the company's attitude toward civil society. Environmental organizations and institutions, especially, were persistent in their efforts to draw attention to the diesel crisis.

   One of the first actions VW took was to apologize to the public and make a change at the top leadership. Insight was "Learning lessons from a scandal and dealing with mistakes openly." Outlook was "electrification digitalization and automation point the way to the future." "Shift. The Volkswagen Sustainability Magazine" came out to create a platform where the company could shape its self-critical dialogue with its stakeholders. The crisis revealed weaknesses in company's processes and opened doors for change. Strengthening VW's sustainability management became more important than ever. The company appointed an international Sustainability Council that is vested with far-reaching rights of information, consultation, and initiative, and thus is able to initiate projects. The high-caliber council consisted of four women and five men. The proven expertise of the council members provided the company some comprehensive approaches in (1) social responsibility and integrity, (2) sustainable mobility and climate protection, and (3) the future of work and digitalization.

2. **Analyze VW's stakeholder management strategies.**

   A company that seeks to position itself for long-term success on the market and vis-à-vis the competition must have a close knowledge of its business environment and stakeholders, as well as the factors that influence them. And its strategy must take these into account. Right after the scandal, Volkswagen redoubled its efforts to resume its stakeholder dialogues and partnerships, and to regain its place in national and international sustainability alliances. Along with the employees and customers, company's stakeholder groups in science, business, politics, the media, and society all needed to be integrated into a systematic stakeholder management strategy. The new "TOGETHER – Strategy 2025" has laid the foundation, placing stakeholders firmly at the center: "we are taking responsibility for the environment,

safety, and society." VW developed indicators that the company would use to measure its progress in three key arenas: business, the environment, and social affairs. The aim was to ensure that VW took stakeholder expectations into account in a balanced way and keeps its promises to society.

3. **Assume you can afford and want to buy a new car, would you like to own a VW? Do you find VW credible and honest as of today? Do you think the company restored its image? Why or why not?**

Students' own answers. Class could be divided into two different groups (in favor and against) according to yes/no answers. They can discuss the image of VW.

Additional Materials

Websites and social media accounts of the companies and CEOs, speeches of stakeholders about the company on YouTube, newspapers, other case studies and articles related to Volkswagen.

Suggested Core Readings

https://www.volkswagenag.com/en/sustainability/reporting/cc-projects.html
https://www.volkswagenag.com/presence/nachhaltigkeit/documents/sustainability-report/2020/Volkswagen_NHB_2020_Stakeholder_Erwartungen_EN.pdf
https://www.volkswagenag.com/en/news/2021/03/European-CEO-Alliance-advocates-for-ambitious-climate-strategy.html

Teaching Plan and Timing

This case can be used in classroom discussions. Timing can be as follows:
0–5 min for introduction,
5–15 min for readings and discussion.
15–25 min for the discussion of question 1,
25–35 min for the discussion of question 2,
35–45 min for the discussion of question 3,
45–55 min for general discussion and conclusion.
Students might form groups of 3–4 people, study the case before coming to class and make a presentation.
Students might form debate teams. One team can be against, the other can be in favor of Volkswagen.

Key Learnings

Decision making in complex situations such as a worldwide scandal.
    Coping with criticisms, dealing with them openly.
    Leadership potential.
    Stakeholder and image restoration theory.
    Sustainability management.
    The 17 goals of the UN for sustainable development.

Interesting Facts

"Controversies and scandals around Volkswagen company go back to its original founding days in 1937 the company called Gesellschaft zur Vorbereitung des Deutschen Volkswagens mbH, which was put together by the German Labor Front (DAF), a national trade union, solely for Nazi party leader Adolf Hitler's idea of mass produced personal vehicle that's affordable for the average German folks (Volkswagen's literal English translation is people's car) The first Volkswagen factory opened its doors in the small town of Lower Saxony, Wolfsburg in 1938, starting with production of now infamous Volkswagen Beetle model" (Rosenfeld & Jaskot, 2008).

Complexity Academic Level

This case can help strategic marketing management classes at undergraduate and MBA levels better understand the concept of "socially responsible consumption and marketing in practice." What's more, courses on public relations and organizational communications can benefit from this case by exploring the relationship between Volkswagen and its stakeholders, especially Volkswagen's continuous success after Dieselgate by sustainability and digitalization. This case is well suited for consumer research and public policy courses centered on discussions of sustainability and digitalization toward UN's "2030 Agenda for Sustainable Development."

Exhibits

VOLKSWAGEN GROUP—ANNUAL REPORT (Seven-Year Review)							
	2020	2019	2018	2017	2016	2015	2014
Volume Data (thousands)							
Vehicle sales (units)	9.157	10.956	10.900	10.777	10.391	10.010	10.217

(continued)

VOLKSWAGEN GROUP—ANNUAL REPORT (Seven-Year Review)							
Germany	1.108	1.347	1.236	1.264	1.257	1.279	1.247
Abroad	8.049	9.609	9.664	9.513	9.135	8.731	8.970
Production (units)	8.900	10.823	11.018	10.875	10.405	10.017	10.213
Germany	1.633	2.112	2.303	2.579	2.685	2.681	2.559
Abroad	7.267	8.712	8.715	8.296	7.720	7.336	7.653
Employees (yearly average)	665	668	656	634	619	604	583
Germany	295	295	291	285	280	276	265
Abroad	370	373	365	350	339	329	318
Financial Data (in € million)							
Income Statement							
Sales revenue	222.884	252.632	235.849	229.550	217.267	213.292	202.458
Cost of sales	−183.937	−203.490	−189.500	−186.001	−176.270	−179.382	−165.934
Gross profit	38.947	49.142	46.350	43.549	40.997	33.911	36.524
Distribution expenses	−18.407	−20.978	−20.510	−20.859	−22.700	−23.515	−20.292
Administrative expenses	−9.399	−9.767	−8.819	−8.126	−7.336	−7.197	−6.841
Net other operating result	−1.466	−1.437	−3.100	−745	−3.858	−7.267	3.306
Operating result	9.675	16.960	13.920	13.818	7.103	−4.069	12.697
Financial result	1.991	1.396	1.723	−146	189	2.767	2.097
Earnings before tax	11.667	18.356	15.643	13.673	7.292	−1.301	14.794
Income tax expense	−2.843	−4.326	−3.489	−2.210	−1.912	−59	−3.726
Earnings after tax	8.824	14.029	12.153	11.463	5.379	−1.361	11.068
Personnel expenses	40.516	42.913	41.158	38.950	37.017	36.268	33.834
Balance Sheet (at December 31)							
Noncurrent assets	302.170	300.608	274.620	262.081	254.010	236.548	220.106

(continued)

VOLKSWAGEN GROUP—ANNUAL REPORT (Seven-Year Review)							
Current assets	194.944	187.463	183.536	160.112	155.722	145.387	131.102
Total assets	497.114	488.071	458.156	422.193	409.732	381.935	351.209
Equity	128.783	123.651	117.342	109.077	92.910	88.270	90.189
of which: noncontrolling interests	1.734	1.870	225	229	221	210	198
Noncurrent liabilities	202.921	196.497	172.846	152.726	139.306	145.175	130.314
Current liabilities	165.410	167.924	167.968	160.389	177.515	148.489	130.706
Total equity and liabilities	497.114	488.071	458.156	422.193	409.732	381.935	351.209
Cash flows from operating activities	24.901	17.983	7.272	−1.185	9.430	13.679	10.784
Cash flows from investing activities attributable to operating activities	18.372	20.076	19.386	18.218	16.797	15.523	16.452
Cash flows from financing activities	7.637	−865	24.566	17.625	9.712	9.068	4.645

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Beautification of Death: A Case Study of Green Oasis Coffins (Made) in Bangladesh

Jashim Uddin Ahmed , **Anisur R. Faroque, Quazi Tafsirul Islam** , **Mohammad Jasim Uddin, and Hafiza Sultana**

1 Introduction

> *Death is one of two things…*
>> *Either it is annihilation, and the dead have no consciousness of anything;*
>> *or, as we are told, it is really a change:*
>> *a migration of the soul from one place to another.*
>> *Socrates, Greek Philosopher (c. 470 BCE–c. 399 BCE).*

Although death is universal, the treatment of corpses and customs for funerals[1] vary across time, cultures, religions, and countries. The church along with the state-supported business entities initially took responsibility of funerals in the mid-nineteenth century (Walter, 2005). This organized approach related with the historical and cultural factors created a specific industry or cultural solution to arrange the death in a mobile, metropolitan, and modern society of different countries (Patel, 2017).

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The concept of beautification of death, developed in the late eighteenth- and nineteenth-century mortuary practices (Bell, 1990), indicates a significant modification in the funeral services industry from "traditional, community-based provision to commercial operation" (Walsh, 2011, p. 169). The recent changes in funeral industry are driven by consumer-related inspirations. Consumers today expect a certain touch of personalization in the products and services offered to them. Accordingly, funerals are cost-effective, eco-friendly, and sustainable (Beard & Burger, 2017). As such, the trend of green or sustainable death has received increasing attention in the last two decades. This is a new form of burials that implies people's changing attitudes to death, memorialization, nature, and landscape (Yarwood et al., 2015).

Furthermore, increased social mobility and improved transportation made families spread across the country. While this trend is the most popular in the United Kingdom (UK), Oasis Coffins, a small entrepreneurial venture from Bangladesh, has been pioneer to explore the opportunity by offering green or eco-friendly coffins and funeral products in the UK. The firm is solely export-oriented and driven by the goal of socio-economic benefits to the country.

How do the economic, social, and environmental dimensions integrate in the business model of Oasis Coffins, and, thus, make it a born-global firm? Why does the export-based nature of Oasis's operations make it a sustainable organization? In regard to this particular research, Oasis Coffins is a robust and unique business concept in Bangladesh.

1.1 Eco-Friendly or Green Burial

The section discusses the eco-friendly or green burial, born global firms, and its sustainability. The predominantly Christian funeral service industries are described in detail because of their relevance to the case study of Oasis Coffins.

There is no specific agreed upon definition of green burial or eco-friendly burial. However, the motivators for a green burial usually are the least impact on planet and very few resources to be expended that impact the planet itself. Although, the concept of eco-friendly or green products and services are available in the market, it is a relatively new trend in the death industry. Often one of the motivations behind an eco-friendly burial is the least cost associated with these burials than the traditional funeral, but cost is less important than the sustainability principle for this type of consumers (Beard & Burger, 2017). The UK is leading the trend of green death (Yarwood et al., 2015). A research by Funeralcare shows that out of every 20 coffins sold, one is now affected by requests for alternative materials. Green burials eliminate waste like wood, embalming fluids, reinforced concrete, etc., by leaving out almost all these materials (COOP News, 2013). When the more ecologically conscious baby boomers generation would age and die, the environment-friendly disposal methods are expected to be mainstream business instead of one-off instances (Chumsky, 2014). Although cremation is often considered as another eco-friendly option, it tends to

have more carbon footprint than green burials. Furthermore, green death movement is at the introductory stage in other countries of Europe, New Zealand, and Australia (Jeong, 2018; Yarwood et al., 2015).

The eco-friendly trend in green burials is reflected in two ways. First, the burial has minimum environmental impacts, for example, by using coffins made from biodegradable materials. Next, the grave itself contributes to the conservation of the environment, for instance, by supporting trees and fauna. With its environmental impacts, the green burial sites also benefit people in the nearby community. Therefore, adopting eco-friendly option is no longer only a choice for life but rather a choice for death (Mei Ling, 2009).

This brings us to the case of Oasis Transformation Limited, the entity that owns Oasis Coffins. Oasis produces beautiful hand-crafted ash urns and coffins made from Willow, Seagrass, or Bamboo. There are several challenges associated with industries relevant to post-death services. Oasis Transformation is addressing and providing a sustainable solution to the coffins by utilizing eco-friendly alternatives. The initiatives also touch specific Sustainable Development Goals (SDGs) as it operates in an emerging economy like Bangladesh. It also currently operates in the United Kingdom, Holland, and other parts of Europe, and even has a market in the United States. The organization alleviates the living standards of the remote village in Bangladesh by providing employment opportunities and a fair work policy. Besides creating income opportunities for rural Bangladeshi villagers, eco-friendly materials are sourced locally as well. Driven by the core value to do good for the society, Oasis not only improves the lives of the close to hundred workers from marginalized backgrounds, but also aspires to operate toward sustainability.

2   Oasis Coffins: An Overview

Oasis Coffins was founded by David How in 2006. The organization began its journey with a simple idea. The idea was based on sustainable sourcing of abundant natural resources in rural Bangladesh, making coffins and then shipping them abroad. By doing so they were also improving the standard of lives of 100 workers working for Oasis Transformation. The idea is based on leaving positive footprint on the planet and the society. The production facility of Oasis has been set up in Nilphamari district, which is 400 km away from Dhaka, the capital city (Oasis Coffins, 2019a). One of the major hurdles confronted by the organization was shortage of financial capital. As a result, Tindercapital established by Jerry Nicolson and Fiona Elizabeth Nicolson, and Panahpur, a UK-based impact investor, came forward[2] to supply Oasis Coffins with the necessary funding (Tindercapital, 2019). Jerry Nicolson visited Bangladesh for the first time and toured its cities, towns, and rural villages in 2004. He was convinced that Bangladesh is a land full of opportunities. His view was further reinforced when he befriended a fellow countryman, How, who was then working in Bangladesh. In 2010, Nicolson came back to Bangladesh with the sole purpose of setting up a business. With the integrated assistance from Tindercapital

and Panahpur, and work of the underprivileged women, Oasis Coffins has started growing since 2011. Later, the firm has become profitable, developed relationships with a coffin distributor to enter into the UK market, employed 40% more workers, and researched to implement living wages from factory floor to management. The biggest opportunity came in 2012, when Oasis Coffins made a deal with JC Atkinson, a renowned firm in the funeral industry in the UK. Ever since the market has expanded to the UK, Ireland, Holland, and several other European nations and orders have even reached as far as the United States.

2.1 Vision, Mission, and Values

Oasis's vision is to create a well-managed business that will generate fulfilling, up-skilling, and well-paid employment for people from the lower margins of the society, who, in turn, own the values of the business and influence their communities and society at large (Oasis Coffins, 2019b). It accomplishes the vision through designing, manufacturing, and selling life-enhancing products that are made from renewable materials and sourced from traceable supply chains. The mission of the organization is to create a safe working environment for its employees, so they are able to provide higher quality service and enjoy a better life. Its goal is to improve the experience of its suppliers and consumers, too. Furthermore, it has also made commitments to the ten principles of fair trade and initiative approved by Traidcraft in the UK. Through good performance, it aims to seek opportunities to further fulfill its potentials. Therefore, Oasis Coffins is a pioneer in holistic and value-based business.[3] The five core values of Oasis as stated by them are social justice, transparent demonstration, natural beauty, servant leadership, and honest relationship. These core values uniquely put Oasis in a different league altogether due to the culture that it thrives to create and uplift for the organization.

3 Background of the Market

Bangladesh is a developing country in South Asia, located on the Bay of Bengal, between Myanmar and India. In addition, the country has a huge population, 162.7 million (July 2020 estimate), that is growing at an annual rate of 0.98% (2020 estimate) (The World Factbook, 2020). However, regardless of being a Muslim majority country, the Bangladeshi culture and way of life is impacted by Indian subcontinental culture and deviates from the orthodox Islamic practices and beliefs (Hamadani & Tofail, 2014). As for the market, there is no other producer and distributor of traditional coffins in Bangladesh as the majority of the population is Muslim, and thus, the coffin is not a requirement during funerals. However, only a few percentage of the population consists of the Christian and Buddhist who opt for coffins and there are also close to 40 different indigenous communities who prefer the same.

There are locally produced low-priced and low-quality alternatives. There is absolutely no competition. However, there is a small but local demand for these products for affluent local non-muslims and immigrant families. Oasis can look into this niche in Bangladesh and also consider exporting to neighboring India, where there is a regional demand for coffins in specific locations.

4   Environmental Operations of the Company

a. Supply Chain.

Oasis currently has a plant in Nilphamari district of Bangladesh. It is approximately 400 km from the capital Dhaka and the base of development and production of Oasis. The unit employs approximately 70 workers, 50% of whom are women (Oasis Coffins, 2019e).

> *We make beautiful, high quality products in an environment that gives people reliable employment and good working conditions. Our products are in demand from people who are becoming increasingly conscious of their impact on the environment and others. It is encouraging to know that in bereavement, we can give life into people and a community in Bangladesh. We want people to know where their products are coming from, and to know that what they buy can benefit people elsewhere.*
>
> David How, Managing Director, Oasis Transformations.

Oasis Transformation has a partnership with another local NGO in Bangladesh named Supoth. With Supoth's involvement, it works directly with 40 producers from the rural community (Murray, 2013). The organization entered into an agreement with Supoth that it would train Oasis's production team in financial management skills, as well as in adult education. In addition, the structure of its coffins is made from bamboo instead of wood. Both bamboo and seagrass grow in Noakhali in abundance, and, thus, they are cost-effective. Oasis Transformation in Bangladesh has the resources and capability required to source sustainably. Many natural materials such as banana leaf, rattan, and water hyacinth are available here and help Oasis develop new products as well. The products are exported to the UK, Ireland, Germany, Netherlands, and other international markets.

b. Distribution and Promotion.

A wide variety of urns, coffins, and other relevant products of Oasis Transformation are available nationally in the UK through local funeral directors. The sole partner in UK is JC Atkinson. JC Atkinson is a green family business, which makes 75,000 coffins a year, which is around fifteen percent of the coffins used in the UK (Funeralzone, 2017). In addition, Oasis products are available in Holland through its local partner Seker (Oasis Coffins, 2019f). Oasis Transformation is a member of the Funeral Furnishing Manufacturer's Association (FFMA),[4] as well as a part of its new coffin certification scheme (Oasis Coffins, 2016b). Also, it has been a member of the

renowned Fair Trade community and a provisional member of World Fair Trade Organization (WFTO)[5](Oasis Coffins, 2016a). The WFTO label is one kind of symbol that assures consumers of the complete fair practices along the whole supply chain from producer to retailers. This helps consumers to easily identify products in whose purchase intention is dependent upon fair and sustainable practices inside the organization. This unique Fair Trade label is an added advantage for them. The official website of Oasis presents a detailed description of the organization, its products, raw material sourcing, distribution methods, and environmental concerns.

c. Products and Raw Materials Sustainability.

Sustainable business is an approach of doing business where creating long-term shareholder value is associated with exploiting the opportunities and managing challenges derived from profit, planet, and people aspects of development (Dow Jones Sustainability Index, 2005a). Therefore, the concept of sustainability is associated with an integrated outcome with social, economic, and environmental elements. Sustainability is based on Triple Bottom Lines (TBL) (Elkington, 1998), three discrete but interrelated dimensions, namely economic, social, and environmental (Christofi et al., 2012).

Oasis Coffins is the manufacturer of natural hand-crafted coffins and urns. Its coffins are made of willow, paulownia, seagrass, and bamboo. The willow wood is imported from the well-known "willow town" of Linyi, China. The willow is locally produced in Bangladesh by hand. It is piece-by-piece fit onto a frame made from locally sourced bamboo. The brown color of the willow is produced by either steaming the willow to draw out the natural brown color, or through the use of locally sourced, traditional, and environment-friendly vegetable-based natural dyes. According to James A. Khan, the director of Oasis Coffins, approximately 75% of all raw materials used in the coffins are sourced locally. The bamboo is sourced from locally grown plants in Noakhali district. In addition, seagrass which is a freshwater plant, also known locally as "*Hogla.*" *Hogla* is usually found along the banks of freshwater rivers and flood-prone land. In Noakhali the local producers harvest the grass twice a year and by drying, spinning it into long pieces of log of around 20 m in length (Oasis Coffins, 2019c). As the *Hogla* dries, it changes its color. The color transforms into an attractive red or brown from the green color. Bangladesh has a rich tradition of making woven products from this material. Oasis also offers traditional style coffin made from renewable Paulownia timber, a material which is very strong but lightweight (FFMA, 2019). After an elaborate study of the market and product, the firm offers a variety of coffins. The coffins are thoroughly tested to carry up to 160 kg (Oasis Coffins, 2019d). All types of coffins are available in 8 adult sizes and 2 child sizes, and can be ordered both in traditional and round shapes. The robust design of Oasis Coffins means that they can be folded flat for transport, and, thereby, easily constructed to form a sturdy, secure unit. Also, these can be interwoven with flowers and foliage to have a unique personal presentation. Similarly, natural styled ash caskets in bamboo, willow, and seagrass are designed to complement the coffins. Also, it makes other products such as urns, picnic baskets, and Christmas baskets on a small scale.

5 Social and Environmental Performance

Oasis Coffins aims to respect and value everyone regardless of their social identity. The organization helps to support Nilphamari, one of the most poverty-stricken districts in Bangladesh. As Oasis Transformation abides by the policies of fair trade and applies their principles to Oasis employees, they make a better workplace. Their fair practices are visible in terms of benefits, compensations, rewards, and even a healthcare coverage (COOP News, 2013). The employees receive 30% additional payment than that is expected for garment workers in the country. It deliberately chose an area in rural Bangladesh that suffers from poverty and lack of secure employment. The local residents get several benefits from Oasis as their quality of life is improved in several different ways. Not only are the workers treated well and paid fair wages for their work but also are the suppliers who source several different raw materials for the coffins treated fairly and paid a fair price for their efforts. This further impacts the lives of the locals (COOP News, 2013). Furthermore, as Oasis Transformations intends to use the WFTO label on their products, they also engage to ensure several other components of their management to be fair and just including transparency, creation of opportunity for underprivileged producers and suppliers, enhanced transparency in management, fair price, fair wage, diversity and inclusion, empowering women through inclusion and employment. Oasis also ensures freedom of association and fair working condition in line with Fair Trade guidelines (Oasis Coffins, 2016a).

Regarding Oasis Coffin's environmental performance (as summarized in Table 1), all the natural materials it uses come through a sustainable way from reliable sources. The bamboo plants are sustainably managed and harvested according to the best practices. Newer shoots grow each summer season as long as the plants are properly taken care of. In addition, Oasis perfects "branch cutting" methods to propagate new seedlings every year, which are distributed to local planters. Oasis coffins are carefully manufactured with the goal to maximize materials usage, as well

Table 1 Environmental Goals of Oasis Coffins

Low carbon emissions	Helps develop a "Life-Cycle Analysis" in order to understand and control the impact made to carbon released from all activities combined
Natural raw materials	Attempting to source all the raw material from natural sources and involving people to establish a genuine relationship and treating them fairly
Low usage of energy and other resources	Maximizing the utilization of natural materials through excellent product design, and lowering the consumption of energy, water, and other utilization of natural dyes from plant instead of chemical ones
Environment-friendly transport	Using smart design that ensures easier and safer yet lighter packing for sea transport and minimizing the movement of products by air as much as possible

as to minimize waste and energy use. The bamboo also happens to be a renewable resource; it has also been proven that it effectively absorbs carbon dioxide from the atmosphere. In addition, all materials used in Oasis's manufacturing are fully bio-degradable. Therefore, all Oasis coffins and urns are environment-friendly. Last of all, the organization has started to experiment and develop the cultivation of self-sourcing willow trees in their own land in Bangladesh.

6 Future Plans

Although Oasis Coffins is at an early stage, good quality products and strong customer relationships provide the organization a solid platform to grow. It looks forward to achieving rapid growth and building a new factory (Tindercapital, 2019).

> *Within the next 10–20 years we want to create job opportunities for thousands of people in this region and our work is going accordingly. Currently we are only importing the willow wood for our coffins. In the future we want to stop that import and use the wicker that is native to this part of Bangladesh. This will create more opportunities for the people of Nilphamari. In order to employ more people here, we are planning to enter the American market along with our existing European one. Very soon our coffins will be sold in the United States.*
>
> David How, Managing Director, Oasis Coffins.

Currently, the biggest challenge ahead for Oasis is the pandemic. Although there has been increasing demand for their products in Europe and new orders are coming through, however, it has been very challenging to successfully transport their products as frequent closure took place in Bangladesh and the UK with travel restrictions and airport shutdowns to curb down the pandemic. For the same reason, they are unable to access and explore the opportunities in neighboring markets in India.

Oasis Coffins has fulfilled its economic goals by being profitable, ensuring fair price, and marking its presence in international markets. Furthermore, the member-ship of the Fair Trade and WFTO guarantees the quality of its products. Its socio-economic concerns are reflected through its location, vision, mission, and values, along with the work environment it has created and the demographic characteris-tics of its workers. Last of all, it has multi-facet environmental goals. In addition to being a sustainable firm, Oasis can be considered a born global business. First, the entrepreneur, David How, recognized the opportunity for exporting green or eco-friendly coffins to foreign countries, while others have not. As the pre-dominant Muslim population in Bangladesh does not use coffins in burials, the prospective markets for Oasis have to be identified from foreign Christian nations. As a result, the organization has stared exporting soon after its inception. Nevertheless, being a small entrepreneurial venture, it has little financial resource that was necessary to grow. The firm acquired the resources from external sources, namely Tindercapital and Panahpur. These characteristics closely match with the characteristics of born global firms. This case demonstrates empirical evidences on how a venture from Bangladesh has become successful in the international markets despite its small size. In addition,

it offers valuable academic insights to understand a business model that has combined the features of a born global and sustainability. Lastly, the visionary entrepreneur of Oasis Coffins is one major factor for its success. This implies that more research is needed to investigate entrepreneur's capabilities with opportunity recognition and exploitation, as well as with performance of born global, from developing countries. This also implies that SMEs need to look for external resources to overcome the liabilities of newness and smallness (Aldrich & Auster, 1986). Second, Oasis Coffins has obtained financial resources through its network relationships, particularly with Timbercapital. This means the new ventures need to develop and maintain network relationships of personal and institutional nature (Dubini & Aldrich, 1991). In addition to networks in the foreign markets, the entrepreneur's vision is important to recognize and exploit an international opportunity. Last of all, the study demonstrates the necessity to support entrepreneurial activities by the government and society. The case study focuses on Oasis Coffins by drawing arguments from the existing research on born global and business sustainability. While both born global firms and sustainability have received significant academic attention in recent years, most studies, however, are based on developed economies. Addressing the research gap and taking into account the importance of such countries to global economic growth, the authors have selected Oasis Coffins, a small venture from Bangladesh. The discussion indicates that Oasis has successfully integrated the economic, social, and environmental dimensions of sustainability. In addition, its export orientation and internationalization process confirms the born global nature of the firm. The current study is a significant contribution to the SME, sustainability, and born global literature.

Case Summary

This case presents the story of Oasis Coffins, manufacturer of beautiful hand-crafted coffins and ash urns. This venture began its operations in Bangladesh, paradoxically a Muslim majority country where the demand for coffin is limited. However, the founder of Oasis, David How, who is a Chartered Environmentalist, took advantage of the location and sustainably sourced natural products that are abundantly available in Bangladesh. Using these products, Oasis dedicatedly develops the coffins and exploits the recent trend of "green" death in the global funeral industry. While both born global firms and sustainability have received significant academic attention in recent years, most studies, however, are based on firms of developed economies. The authors have selected Oasis Coffins, a small venture which successfully integrated the economic, social, and environmental dimensions of sustainability while operating from a developing nation. The case discusses how Oasis Coffins is operating as a sustainable business in Bangladesh and has been successfully exporting funeral products in international markets such as the UK, Holland, and Germany. The authors provide an account of the financial challenges, the supply chain, and the promotional strategies of Oasis. In addition to outlining the venture's strategies to protect the

environment, the case sheds light on their contribution in job creation and improving the lives of individuals from economically marginalized backgrounds. While this case is a significant contribution to the SME, sustainability, and born global literature, it broaches discussion on the founder's capabilities surrounding opportunity recognition, exploitation, and establishment of a born global firm in a developing nation.

Learning Objectives

Through completing this case study, students should obtain a stronger understanding of:

- The competitive dynamics of the Sustainable Business model.
- The strengths and weaknesses of Oasis Coffins' market and operational strategies.
- The business and revenue model of Oasis Coffins and the methods to make it more effective and efficient.
- The elements of Porter's Five Forces to analyze Oasis Coffins and its competitive market.

Theoretical Framework: Sustainable Business

Sustainable business is "a business approach that creates long-term shareholder value by embracing opportunities and managing risks deriving from economic, environmental and social developments" (Dow Jones Sustainability Index, 2005b). Therefore, the concept of sustainability is associated with an integrated outcome with social, economic, and environmental elements. Sustainability is based on Triple Bottom Lines (TBL) (Elkington, 1998), three discrete but interrelated dimensions, namely economic, social and environmental (Christofi et al., 2012; Mohrman & Worley, 2010). Some academics explain sustainability with the concept of 3Ps, i.e., People, Planet and Profit (Mohrman & Worley, 2010; Montiel & Delgado-Ceballos, 2014). Sustainability has become an integral part of doing business across the world (Montiel & Delgado-Ceballos, 2014), largely initiated by the pressure from multi-stakeholder groups (Gill et al., 2008). The eco-friendly trend in green burials is reflected in two ways. First, the burial has minimum environmental impacts, for example, by using coffins made from bio-degradable materials. Next, the grave itself contributes to the conservation of the environment, for instance, by supporting trees and fauna. With its environmental impacts, the green burial sites also benefit people in the nearby community. Therefore, going green is no longer just a way of life, but also a way of death (Mei Ling, 2009).

Teaching Strategy

Although we believe that the case is ideal for a 90-minute class, it is possible that many classes might fail to cover all the materials identified in the analysis section. Since the case is rich in data, the instructor should decide which areas he or she would like to focus on during the case analysis. Depending on the interest of the group, the instructor can focus on the broader issues of "Competitive Strategy" as an appropriate approach to analyze the competitiveness in the sustainable use of coffins. Of course, this would also depend on the sequencing of the case within the course. If students have already learned the basic concepts of "Competitive Strategy," one can generate an interesting discussion on possible heuristics which can use. The modular design adopted in case analysis provides the necessary flexibility to the instructor in structuring the class discussion. Hence, using Porter's Five Forces and Ansoff's product–market strategy, one can gain a wide understanding of the sustainable coffin business.

Notes

1. The funeral customs vary significantly across religions. For example, the rituals of the Muslims (burial without the use of a casket or coffin) and the Hindus (burning of the corpse) are different from those followed by the Christians (discussed in earlier sections).
2. Tindercapital works with pro-poor entrepreneurs at an earlier stage. It started working with Oasis Coffins at the beginning of 2011. Its investment served as a catalyst for Panahpur's involvement (Tindercapital, 2019). It started discussions to invest in Oasis Transformations in early August, 2010. Mr Jerry Nicolson who closely worked with Oasis evaluated the feasibility of the initiative and developed an investment plan. In the later part of 2010, Panahpur made the first investment and Tindercapital and panahpur made a contribution of 27,000 and 1,39,000 GBP by the end of 2012. Besides, Panahpur strongly contributed and participated in the organization and the development of a board for the Oasis Transformation.
3. The operations and relationships of the organization are governed by the set of following values (Oasis Coffins, 2019b):

    (a) Social justice: The firm operates in an environmentally responsible and friendly manner.
    (b) Transparent demonstration: To ensure visibility of the effectiveness of its solutions among the employers, suppliers, customers and other stakeholders, Oasis Coffins has established transparent and meaningful indicators.
    (c) Natural beauty: The organization aims to pursue beauty in their products, day-to-day work environment, processes and relationships.
    (d) Servant leadership: By serving the internal community efficiently, it enhances its quality of products and services toward the external community.

(e) Honest relationships: It searches for mutual trust and respect in all its business relationships.

4. FFMA was established in 1939 with the goal to ensure the goods produced are of good quality and high standards. As part of this role to promote quality, new scheme was developed to ensure all coffins produced and sold by FEMA members are as per need and quality (FFMA, 2019).

5. The WFTO is the global community of Fair Trade Enterprises. Established in 1989, they currently have over 400 members across 70 nations. Their community includes 330 Fair Trade Enterprises and broader initiatives of 70 organizations and extended network to sustain their goals. The WFTO ensures the commitment of all their members toward Fair Trading by peer reviewing and independent audits. These entities can be social businesses, cooperatives and the family owned entities. All of the corporations adopted practices and structures that ensure due priority toward employees, farmers, and artisans in their business decisions. They were born as alternative models of business in the struggle against inequality and injustice (WFTO, 2019).

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A Case Study on Socially Responsible Consumption with Opportunities for Australian Clothing Retailers

Sardana Islam Khan, Michael Shaw, and Priyantha Bandara

1 Learning Objectives

- How big clothing retailers can leverage responsible consumption by understanding and assessing the purchasing behaviour, wardrobe management and style in a certain market.
- How partnership with other clothing recycling organisations (both for profit and non-profit) and consumers will bring mutually beneficial outcomes in creating a circular economy.
- How sharing information and co-creation with stakeholders (including consumers), strategic partners and even competitors in recycling innovation and pattern of consumption can create shared values.
- How involving more local value chain partners in different regions to facilitate and motivate recycling can help create closed-loop supply bubbles.

2 Introduction

The textile industry generates 1.3 trillion USD per year and employs 300 million people. Clothing comprises 60% of total textile production. Each year approximately 85% of textile waste is sent to landfill. Production in this sector generates chemical

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pollution and ties up land which could be better used for food production. It is suggested that up to $500 billion (USD) is lost per year due to under utilisation of clothing and inadequate recycling (Staicu & Pop, 2018). The degree of recycling in this industry is usually limited to those saleable items which make their way into clothing recycling outlets.

Meanwhile what is remarkable about textile companies with respect to sustainability is the distance between their rhetoric and the reality (Jensen, 2015). Despite the best intentions, most textile waste gets recycled as industrial fibre or becomes land fill (Bianchi & Birtwistle, 2012; Cuc & Vidovic, 2011; Hawley, 2000). Against this backdrop, the production, marketing, sale, use and disposal of clothing emerges as key areas where the circular economy can evolve for governments, large companies, non-profits and SMEs. For consumers, this can be addressed at one critical site which is the wardrobe.

Determining the point where one can simply have too many clothes in the wardrobe and quantifying it is problematic. It is also difficult to categorise and evaluate consequent disposal behaviour because of the anxiety that it generates (Cwerner, 2001). Consumers may be locked into a repetitive cycle of unsustainable consumption which amounts to a fashion habit that traps them between daring and denial (Cwerner, 2001). With respect to sustainable or responsible consumption of clothing simply electing to use the cold option when washing them is no longer enough to achieve green credentials (Gardner & Stern, 2008). Fast fashion consumes money, energy, raw materials and space for landfill. This effectively amounts to a wicked problem for individuals, organisations, communities and the planet (Kennedy et al., 2017).

Of all the sites for the storage of possessions, the wardrobe is unusual because it is specifically designed for one item type split over several categories such as Jackets and Coats, Dresses, Pants and Trousers, Skirts, Jumpers and Cardigans. It combines items we use frequently with items that we do not use often. It is also a site of conflict between what someone does and what they want to be (Bye & McKinney, 2007; Cwerner, 2001). The idea has been put forward that ecologically sustainable behaviour like recycling or ethical sourcing of clothing can be regarded as giving the consumer a 'license to sin' (Cervellon & Carey, 2011). Cervellon et al. (2012) note a tension between 'frugality' and the 'need for status' that is present in female's purchase and consumption of vintage fashion. This struggle can be extended to consumption of fashion in general. However, increasing globalisation, faster fashion trends and cheaper prices could be eroding and transforming our traditional sense of value with respect to clothing items (Pookulangara & Shephard, 2013).

Against this backdrop, the wardrobe emerges as an appropriate site to develop a model for the disposal of consumer goods especially with a view towards recycling and responsible consumption. An empirical study was conducted via LinkedIn platform to examine the reasons for not wearing items, the reasons for keeping items not worn and the disposal channels that may be chosen by the Australian consumers. An investigation on a large Australian clothing retailer H&M Australia's recent value co-creation strategy then suggests how this process might be incentivised by the businesses to create more opportunities for recycle and resale. H&M Australia is a subsidiary of Hennes & Mauritz AB, global clothing-retail company originated

Table 1 Relevant information about H&M Group

Information	
First store opened	1947 (In Sweden)
Clothing items	Fast fashion
Countries of operation	74 (as of 2020) and 52 e-commerce
No of H&M stores (physical)	4,950 worldwide and 49 in Australia (as of 2020)
No of full-time employees worldwide	126,000 (as of November, 2019)
Net sales	USD22.5 Billion
Customer members (loyalty program)	120 million
Increase in recycled or other sustainably sourced materials	64% in 2020
Sustainability goal	100% in 2030
Goal to reduce packaging (with 100% recycling, reuse or composting options)	25% reduction by 2025 (2018 is the base year)
Partner brands	COS, Weekday, H7M Home, MONKL, & other Stories, ARKET, AFOUND
H&M brand introduction	'H&M is a fashion brand, offering the latest styles and inspiration for all—always. Customers will find everything from fashion pieces and unique designer collaborations to affordable wardrobe essentials, complete-the-look accessories and motivational workout wear. All seasons, all styles, all welcome! But H&M is more than just fashion. With price, quality and sustainability deeply rooted in its DNA, H&M is not only a possibility for everyone to explore their personal style, but it also offers a chance to create a more sustainable fashion future'

Source https://hmgroup.com.
https://www.afr.com/companies/retail/h-and-m-closes-three-stores-in-australia-as-pandemic-takes-toll-20210209-p570yv

from Sweden. The relevant figures and information about H&M group have been presented in Table 1.

3 Situation Faced

About 80 billion new pieces of clothing (400 percent more than 1999) are consumed every year worldwide and Australia is the second-largest consumer of new textiles after the US with about 27 kilograms of textile consumption per year. According to Australian Bureau of Statistics (2019) 23kgs of textiles per person, each year, goes to landfill (Inside Waste, 2020). According to the World Resources Institute, it takes 2,7000 liters of water to make one cotton shirt and textile industry is also responsible

to carbon and chemical emission with direct impact on ecosystem. Moreover, textiles can take over 200 years to decompose (https://www.roadrunnerwm.com/blog/textile-waste-environmental-crisis). Furthermore, leather and textiles are not commonly exported waste materials (ABS, 2019) and hence they remain in landfill despite having economic potential.

3.1 Fast and Slow Fashion

Bianchi and Birtwhistle (2012) and Watson and Yan (2013) made the distinction between 'fast fashion' or ranges of clothing that are intended to be worn for a limited number of times before disposal and 'slow fashion' items which have more longevity and consequent environmental benefits (Goworek et al., 2018). Increasing globalisation, faster fashion trends and cheaper prices could be eroding and transforming our traditional sense of value with respect to clothing items (Pookulangara & Shephard, 2013). Watson and Yan (2013) suggested three reasons for considering divestment of clothing items, i.e., fit, damage and boredom for fast fashion and fit and damage for slow fashion items. Laitala (2014) noted a commonality of approach in five studies in particular, and her integrative synthesis of these five studies identified a four-element list of reasons for not wearing items ranging from 'wear and tear' 'fit or size' 'fashion, taste or boredom' and 'other'. The reasons for keeping items that are not worn are also complex.

Jacoby et al. (1977) suggested nine basic choices stemming from three initial paths to dispose of an item, which are to (1) keep the product, (2) permanently dispose of it or (3) temporarily dispose of it. If the consumer decides to keep the product, they may keep using it, convert it for another purpose, or store it, maybe for later use in either its original form or another form. If the consumer wants to get rid of the object permanently, they may throw it away, give it away, sell or trade it. Finally, they may loan or rent it to someone else. Jacoby et al., (1977) identified three main factors that affected these disposition decisions: (1) psychology of the decision maker, (2) factors or qualities intrinsic to the product and (3) factors extrinsic to the product such as the amount of room available. Shim (1995) arrived at eight categories for disposition comprising economic versus charitable disposal across activities of resale, reuse donation and discarding.

3.2 Clothing Consumption and Disposal Pattern in Australia

As Fig. 1 suggests, the average respondent in this sample had more dresses at 17, than any other type of garment, closely followed by pants and trousers at 15, jackets and coats at 12, jumpers and cardigans at 13 with skirts at 8 coming last in terms of total quantity. There were 65 major garments in the average female wardrobe in this sample, with 34 being frequently worn (more than 20 times per year), 21 not being
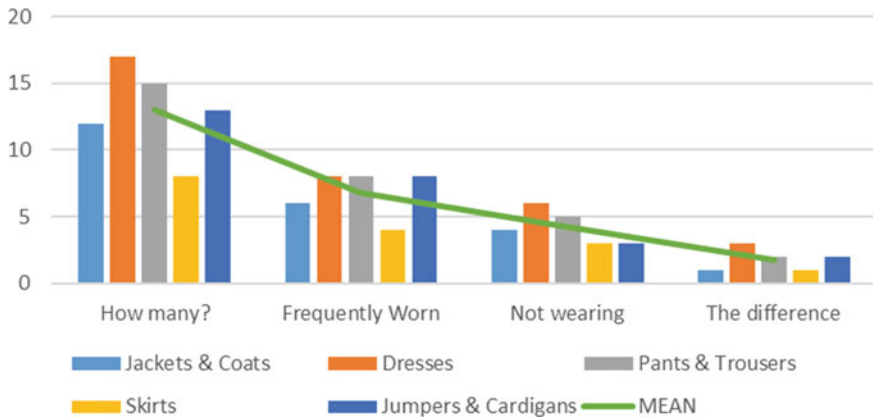
Fig. 1 Quantities of garment by category and frequency of wear

frequently worn (4 times or fewer), leaving 10 unaccounted for. In other words, 15% of the wardrobe's major garments were either overlooked or did not fall into one of the two categories which were garments frequently worn and garments infrequently worn. This was a consistent pattern with every garment category. Counting the 21 or 33% of garments not being frequently worn along with the difference or gap of 10, then 48 % of the average wardrobe in this sample was not frequently worn or in other words, potentially redundant.

As Fig. 2. indicates, reasons for keeping garments varied largely by garment type. The single largest category for disposal for all categories was to Give away to the opportunity shop, goodwill bin or charity (Mean = 48%), followed by Store / Hang on to (Mean = 25%) and Continue to use (Mean = 10%). The remaining disposition
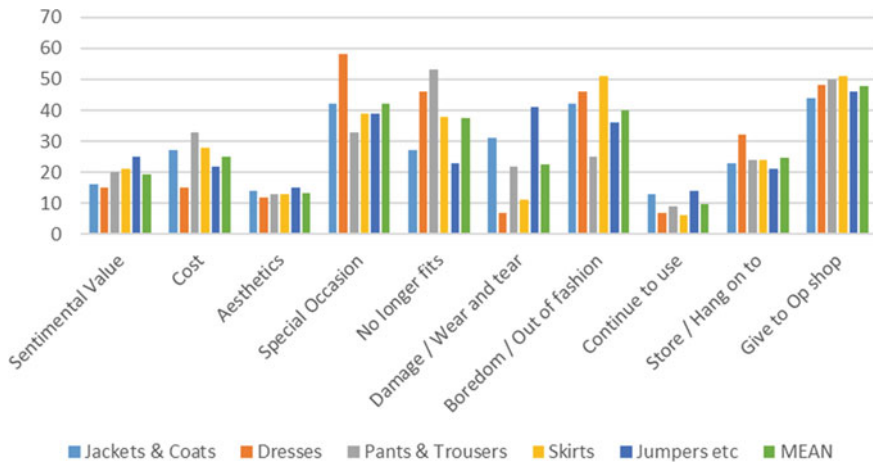

Fig. 2 Reasons for keeping garments, reasons for not wearing and channels of disposal

options (Jacoby et al., 1977) added up to 17% and included selling and giving away to friends or family. These will not be explored in detail because the focus of this study is on recycling. However, it must be noted that online selling via e-bay and other outlets is increasingly becoming a channel for clothing recycling.

3.3 Purchasing Behaviour, Evaluation of Wardrobe Management and Style in Australia

Questions in the last part of the questionnaire while falling outside of the model, were designed to throw some light on other aspects of respondent's wardrobe management behaviour such as purchasing behaviour, evaluation of wardrobe management, personal clothing style and general feedback. Respondents bought 38% of their clothing from recognised brands or labels, and 21% of their purchases were online, the surprising finding was that 22% of their purchases were still from opportunity shops or second hand. Local shops and boutiques come in at 19%, after major brands at 38%, online shopping at 21% and opportunity shopping at 22% have taken their share of the market. In response to the prompt: 'Would you say about yourself that …' most respondents reported that they bought what they liked and kept most things at 45%. The second most common response was that they managed their wardrobe at 29% followed by not paying fashion and clothing much attention at 15%. Another 29% considered that they managed their wardrobes, 5.4 % admitted that their wardrobes managed them, 3.3% considered that they fell into the category of other when it came to this question. With respect to evaluation of their own clothing style most respondents elected comfort first at 32%, with individualistic and quirky at 19% coming in a close second, followed by casual and dressy at 12%, eclectic on a budget at 11%, mainly corporate at 7%, edgy street wear at 5.0%; 2% wore mainly recognised labels and 1 % identified as anti-fashion and norm core. The balance identified with other at 11%. Response to this included Steam Punk, Nerdy, Casual and Dressy and Black and Minimalist.

3.4 Responsible Clothing Consumptions and Conscious Capitalism

As environmental and social sustainability is leading the campaign for conscious capitalism and circular economy, Australian clothing consumers are adopting the concept of responsible consumption behaviour. H&M, being one of the largest fast fashion global retail chain operating in Australia, has attracted some negative press and campaign over the years for their questionable contribution to the environment and overseas sweatshops (see Teicher & Khan, 2020) with exploitative labour practices. As a strategic response to this budding issue, the H&M group has gradually

made responsible clothing consumption the front and centre of their mission state-
ment and goal without compromising their economic gain (the COVID-19 impact
on clothing business has not been considered). H&M has managed to rebrand them-
selves as a service provider rather than just a retailer by becoming an advocate for
responsible clothing consumption beyond the call of legal and ethical responsibility.

The large global fast fashion retailers such as H&M have been criticised for
their significant contribution to landfill, chemical pollution (Inside Waste, 2020) and
exploitation of cheap labour through offshoring and running sweatshops in devel-
oping economies (Teicher & Khan, 2020; Khan & Teicher, 2019). Table 2 presents

Table 2 H&M's clothing and textile recycling initiatives and outcomes

Recycling leveraging initiatives	Partners	Outcomes
Recycling: Reuse Rewear Recycling (usually down cycled)	-In February 2013 H&M started to collect used clothes on all the H&M sales markets in cooperation with I:CO -Partner brands COS resell and ARKET has rental services	− 64.5% of H&M materials are from recycled or more sustainable sources as reported in 2020 sustainability performance report of H&M group - In 2019, H&M Group collected 29,005 tons of textiles for reuse and recycling - Financial outcome: Net sales worldwide has steadily increased 21% in 2019 from 2016. The net sale figures in Australia despite COVID-19 impact was 244.98 mil in 2020 which is only USD60.58 mil (2.4%) less than 2019 (H&M Annual report, 2020). Shareholder's equity has not shown any significant hit due to COVID recession and plummeted sales worldwide
Upcycling	-The Renewal Workshop (carefully mend and clean the restored clothing items to resell) -Re-Made capsule collection (upcycle project of 'Weekend' brand co-created with the H&M group's Laboratory, the internal innovation department)	
Partnership with other organisations for shared values and innovation	- For each kilogram of clothes that H&M collects 0,02 Euro is donated to a local charity organisation such as UNICEF Australia -Charity recycling operation such Salvation Army in Australia -CSR partnership with WWF to take responsibility for the freshwater challenges faced by textile industry (Water stewardship project)	USD 8,639.21 was donated to UNICEF Australia against 356,718 kg of collected clothing and textile for recycling USD 1,904,220.78 against 78, 628, 620 kg textile was donated to 54 local charities worldwide (as on 16–1-2019) Source: http://www.hm.charit ystar.com/en/home/

Table 2 (continued)

Recycling leveraging initiatives	Partners	Outcomes
Sustainability initiatives to reduce scope 3 emissions	Minimising packaging waste and using sustainable materials and transportation	– Net emissions for own operations (scope 1 + 2) increased by 18% in 2019 from previous year against only 10% increase in net sale -By 2025 H&M has an ambitious goal to reduce scope 3 emissions by 10% -BY 2030 H&M aims to reduce absolute scope 3 GHG emissions 59% per product (or 20% in absolute terms) by 2030 from purchased raw materials, fabric and garments, from a 2017 baseline

Sources: H&M annual report and sustainability report 2020

the recent initiatives of H&M group to leverage circular economy through using a value co-creation strategy that involves SMEs and local charity organisations, and consumers as supply chain partners. These partnered initiatives should be more visible in Australia (being one of the largest retail clothing consumers in the world after USA). H&M's strategy and collaborative initiatives in leveraging clothing recycling effectively integrated the triple bottom lines of sustainability, i.e. economy, environment and society.

4 Actions Taken by H&M for Leveraging Closed-Loop Supply Chain for Textile and Clothing

In line with extant literature and our survey findings, H&M's initiative for leveraging closed-loop production for textile and clothing covers recycling (rewear, reuse and recycle) and upcycling (Table 2). H&M official website states 'Recycle your old clothes at any H&M store and they will get a new life. Get a 15 per cent off voucher when you donate old textiles from any brand, in any condition'. The initiative of H&M clothing recycling and upcycling has been extended beyond their own brand which magnifies H&M's traditional role of clothing retailers to a service provider.

H&M website includes a special segment for 'sustainability' and offered an annual report on the initiatives and outcomes. The H&M's responsible consumption leveraging strategies and actions can be categorised in three major initiatives: (1) Creating awareness and educating consumers about responsible purchase, maintenance, use

and disposal of clothing and textile for a more sustainable wardrobe; (2) Leveraging recycling and upcycling of the textile material; and (3) Donating, supporting or partnering with other organisations in innovation leveraging textile recycling.

They have placed a recycling box in every local H&M store in Australia welcoming all textiles irrespective of brands and conditions. These textiles then go to the nearest recycling plants which is usually run by a partner organisation in a closed-loop supply chain model. These textiles are sorted by hand which is currently fascilitated by a business partner I:CO. H&M has incentivised such responsible behaviour and initiatives by offering a 15% discount card for the next in-store purchase which has leveraged the economic bottom line by creating shared economic values and more loyal customers for the brand in future (https://www2.hm.com/en_us/women/campaigns/16r-garment-collecting.html). In Australia, H&M has also partnered with non-profit organisations such as salvation army where possible who have experience and expertise in collecting and sorting the secondhand clothing. These partners can deliver these services much more economically due to having volunteers and social capital in the locality or regional locations.

After sorting, the possible 'rewear' segment is sold again as secondhand clothes, the 'reuse' segment is turned into other products such as cleaning cloths and the 'recycle' segment is turned into textile fibers for insulation or other cheaper products (downcycled). H&M also have another option for upcycling the used clothing in partnership with designers to upgrade the product to a high fashion wear (https://hmgroup.com/sustainability/circular-and-climate-positive/recycling/).

H&M has also increased investment in technology solutions for reuse and recycle all textile fibers by supporting or collaborating with companies such re:newcell, Worn Again, Ambercycle, Infinited Fiber, HKRITA, The Hong Kong Research Institute of Textiles and Apparel, in various projects to develop and commercialise sustainable materials and processes. H&M also donates 0.02 euros to a local charity organisation for each kilogram of textiles they collect (hm.charitystar.com).

The upcycling initiatives are limited to the H&M group brands only and includes on-demand initiatives created in collaboration with 'The Laboratory' which is an H&M Group department for trend forecasts, research and innovation. One of the H&M clothing brands is 'Weekday' which undertook a project titled, 'Re-Made capsule denim collection'. Under this project, the design team alters the garments to make them on-trend again. Such projects help create a two-way dialogue with customers to create a more sustainable wardrobe for them.

The Re-Made capsule collection up-cycles the design through a process of co-creation with the H&M group's Laboratory, the internal innovation department that explores new business models. This project helped H&M group to initiate a two-way dialogue with customers to provide them with a more sustainable wardrobe by turning fast fashion into clothes that will be in trend for longer (https://hmgroup.com/news/the-new-re-made-collection-from-weekday-turns-old-garments-into-new-designs/).

One of the H&M clothing brands COS initiated a similar project, partnering up with 'The Renewal Workshop' to make a collection, consisting of restored items sourced from COS's supply-chain or returned items repaired and cleaned by The Renewal Workshop. These items are then dressed to

resell (https://hmgroup.com/news/hm-group-saves-damaged-garments-in-first-ever-restore-collection/). 'The Renewal Workshop' started as a small organisation in USA in 2016 that turns discarded apparel and textiles into 'Renewed products, upcycled materials or recycling feedstock' (https://renewalworkshop.com/pages/our-story). They also collect and share data (with partner brands) on everything that flows through the system to help improve the production and design of future products.

5 Results Achieved

H&M has collected 56,000 tons of textiles globally—the equivalent of roughly 260 million T-shirts—since launching its garment recycling program in 2013 as reported by Public Radio International [PRI]. In 2019, H&M Group collected 29,005 tons of textiles for reuse and recycling through their garment collecting initiative which is equivalent to about 145 million T-shirts (https://hmgroup.com/sustainability/circular-and-climate-positive/recycling/). However, the recycling efforts of the big fast-fashion retailers such as H&M remain under scrutiny considering the same group has sold about 1.3 billion pieces of clothing in 2019 according to University of Delaware fashion industry expert Sheng Lu (reported by Inside Waste, 2020).

According to PRI, around 60 percent of H&M's collected old clothing goes to re-wear, whereas only 5–10% of collected clothing is recycled into fibers used to make new clothes (https://www.pri.org/stories/2017-12-08/how-good-hm-s-clothing-recycling-program). The remainder is 'downcycled' into lower-value products such as insulation. This is partly because textiles are mechanically shredded, which weakens and diminishes the fibers. Therefore, H&M is yet to achieve a zero waste or fully closed-loop supply chain model and chemical, packaging and use of natural resources are still weighing heavily over the outcome of their circular economy leveraging strategy. H&M leaders have countered such assertions by adopting a more ambitious goal of using 30 percent recyclable material in their new textile production and reducing 20 percent emission from their own operations by 2025. They also pledged to reduce scope 3 emissions (manufacturing, raw material, upstream transport, fabric production and so forth) from garment manufacturing by 10 per cent within that period of time (https://wellmadeclothes.com.au).

Implications of the results for other big clothing retailers, SMEs, charity organisations and consumers are elaborated in the following sections.

5.1 Understanding Purchasing Behaviour and Wardrobe Management and Style of Local Consumers

The data about the consumption pattern and preference in a particular region or location can help customise the recycling leveraging strategy of the big global retailers

in terms of selecting the most appropriate product development policy, outlet of disposal, upcycling options, and appropriate partners for creating a circular economy in clothing consumption.

For example, what is notable is the high level of intent to dispose of clothes that no longer fit, are damaged or out of fashion via Goodwill bins / Charity Outlets or Opportunity shops. Respondents also have high degree of redundancy in their wardrobes at 48%. What this suggests is that there is a fair degree of churning by respondents where garments are bought and not worn often, stored for a time, then disposed of via Goodwill bins / Charity Outlets or Opportunity shops. It is possible that women rationalise the loss of value from a previous purchase that is infrequently worn as a donation to charity (Cervellon & Carey, 2011). They might also use the visit to the opportunity shop as an opportunity to acquire bargains to offset their more expensive clothing purchases from recognised brand outlets. Consumers concerned about the ethics of overconsumption of clothing might consider sourcing more of their apparel from recycled clothing outlets, or alternatively buying better quality 'slow fashion' garments and retaining them for longer (Bianchi & Birtwhistle, 2012; Goworek et al., 2018; Watson & Yan, 2013). Large clothing labels and brands have not addressed the way that an awareness of the disposal process and patterns of behaviour with clothing might be constructively used to assist the way that they market their products. If the disposition of possessions is neglected in general (Jacoby et al., 1977) then the management of wardrobes is surely even less examined as a field.

5.2 Implications for Big Clothing Retailers

Considerable opportunities exist for established fashion brands with sustainability policies if they can leverage the clothing disposal process to their advantage. Offering discount vouchers redeemable at fashion stores which were distributed via the clothing recycling outlets would facilitate a monetarised pull towards those outlets rather than a non-incentivised push onto them, thus creating shared value (Porter & Kramer, 2019). To ignore this is to ignore commercial opportunity as well as a clear path towards a circular economy (Vehmas, et al., 2018). Two large Australian brands are already doing this: Myer Fashion Rescue with the Salvos chain and Country Road with Red Cross Fashion Trade both offering 10% discount vouchers in exchange for clothes dropped off (Country Road, 2016; Salvos, 2016). While a recycling outlet linking up with individual brands in exclusive arrangements is useful in the short term, it overlooks the wider potential of applying the principle to the market in general. There are many brands that are bought by the attentive shopper in a display of polygamous loyalty (Sharp, 2010).

Clothing Recycling Outlets which have exclusive arrangements with single retailers are restricting the evolution of a market wide incentivised flow system which could have benefits for retailers and the recyclers generally. Once started this could result in a bandwagon effect. Going further the potential for linking recycling to a carbon credit via internationally transferred mitigation outcomes (ITMO) needs

investigating at the global level (Gregson et al., 2015; Marcu, 2016; Mathews et al., 2011). However even at the national level, recycling of clothing can be incentivised.

5.3 Opportunities for SMEs and Partnership with Non-Profits

Companies in Australia may only be obliged to work towards to a national 1.46% voluntary target in carbon reduction, but after the 2016 Paris Accord, companies in Europe, China and the USA are working towards higher national figures of carbon reduction (Rogelj et al., 2016). Many of these companies have outlets in Australia and around the world. Being primarily market-driven with tight margins, fashion companies are not inclined to consider the use of Life Cycle Analysis (LCA) in their operations and if they do it is usually through being part of an ethical supply agreement (Kozlowski, et al., 2012). This tends to be at the manufacturing end rather than at the disposal end of the product life cycle. However, with the appropriate tracking mechanisms such as bar codes, and radio frequency identification chips and the technological advances of the internet of everything (IoE) life cycle analysis (LCA) can be expanded to include life cycle inventory (LCI). This is where SME and larger companies could work in partnership and expand their concept of what is in their inventory to include goods which have moved past the point of sale (Kozlowski et al., 2012; Langley et al, 2020). Effectively they would be taking some degree of responsibility for their products in the after-market but also gaining a carbon credit if the goods were recycled. Instead of simply leaving this to the conscientious consumer, suppliers could take custodianship of their product throughout all phases of its life cycle (Kalbar et al., 2016; Rockström et al., 2017). SMEs who were a part of this value chain could accrue monetarised carbon credits as they recycle, reuse and upcycle clothing.

To this end, SME might consider banding together into consortia and negotiating the reconfiguration of innovative business models with larger corporations and governments (Albats et al., 2019; Cosenz & Bivona, 2020). This innovation would incentivise circularity, involvement and cocreation of value with respect to all stakeholders and parties in the supply chain (Gardetti & Muthu, 2015; Grob & Benn, 2014; Osterwalder et al., 2011). Going further, knowing the time frame and quantities of goods retained, used and disposed of and the channels for disposal and recycling and on sale of items is also potentially valuable commercial information for established fashion brands since it would give them precise information about their product's use patterns, longevity and replacement potential. Circular initiatives like this could also have significant implications for emerging economies and could occur unilaterally (Patwa et al., 2020).

This would occur where the manufacturer of clothing offers a bounty when an item is recycled, bilaterally in agreements between clothing suppliers and recycling organisations or multilaterally, through collective agreements for many partners. These agreements could operate at the macro, meso or micro levels (Ghisellini et al.,

2016; Kozlowski, et al., 2012; Rogelj et al., 2016). The critical change is the attachment of a sum of value at point of sale to each garment which has a unique identifier. This would be guaranteed by strict protocols and redeemable at the point of resale or recycling.

5.4 Implications for Responsible Clothing Consumption and Sustainability

This case study illustrates recycling with respect to clothes, but elements of the model can also be adapted to disposal behaviour for other consumer goods. In general, the model needs more development, especially with respect to identifying potential trigger points in the actual decision to let items of clothing go. Extrinsic factors like relationship status, seasonality, age milestones, change of employment, change of residence, birth of a child or arrival of a guest could all be significant predictors of the decision to dispose of and recycle clothing (Jacoby et al., 1977). These aspects probably need to be introduced into any future investigations as categories for investigation. Finally, comparisons with male response and younger cohorts also need to be explored.

With respect to the implications for sustainability, Cervellon and Carey (2011) put forward the idea that ecologically sustainable behaviour can be regarded as giving the consumer a 'license to sin'. There are certainly environmental and societal issues for a fashion industry which encourage cyclical purchases and creates redundancy via attractive value propositions and deliberate oversupply. From an environmental perspective, buying quantities of clothes that are worn a few times before being thrown away or recycled is unsustainable and this behaviour persists despite consumer's having attitudes which cohere with sustainable behaviour in other areas (Henninger & Singh, 2017). Analysing the underlying social factors on a systemic basis to identify what is effectively a wicked problem for society, the environment and the individual could also be useful in finding solutions (Gail, 2017; Kennedy et al., 2017). It is suggested that having a wardrobe which is 48% redundant is also a significant waste of financial resources (Staicu & Pop, 2018). However, it does provide some depth of choice for constructing a variety of selves to fit social demands (Bye & McKinney, 2007; Cwerner, 2001).

Consumers might consider sourcing more of their apparel from recycled clothing outlets. They could also consider swapping clothing using a variety of venues and methods (Henninger et al., 2019). These would amount to moves towards circular fashion and the circular economy (Sarkis & Zhu, 2018; Vehmas, et al., 2018). Consumers might also be guided towards models of shared ownership, fashion libraries or rental options (Pedersen & Netter, 2015; Perlacia, et al., 2017). Another angle is to change the attitudes and practices of entire households by leveraging connectivity (Head, et al., 2013).

Alternatively, consumers could buy better quality 'slow fashion' garments (Pooku-langara & Shephard, 2013) and retain them for longer (Watson & Yan, 2013; Bianchi & Birtwhistle, 2012). One key solution is attaching redeemable credits at point of purchase for higher quality slow fashion garments. For example, a suitable level of incentive might be 5 percent of the sale price and it could be negotiated with the purchaser as an add on at point of sale in much the same way as environmental levies are added on to air tickets and other items. This is something that suppliers and SME's could consider as an aspect of private governance along with incentivising the recycling of fast fashion at the point of disposal (Bocken et al., 2016; Vandenbergh & Gilligan, 2017).

Doing this would involve the development of an eco-labelling convention and credit distribution system that was robust and transparent (Henninger, 2015). Such protocols would facilitate the monetarised transfer of value and act as driver of sustainability for SME.

6   Lessons Learned

The lessons from the case of responsible clothing consumption leveraged by big global retailers operating in Australia can be categorised in four key points.

- Leveraging responsible consumption: Understanding the purchasing behaviour, wardrobe management and style in a certain market is very important for the retailers to come up with an effective strategy to leverage responsible clothing consumption.
- Shared value: Partnership with other clothing recycling organisations (both for profit and non-profit) and consumers will bring mutually beneficial outcomes in creating a circular economy.
- Co-creation of value: Sharing information both ways with all stakeholders (including consumers), strategic partners and even competitors about recycling innovation and pattern of consumption can create a more sustainable wardrobe and textile and clothing industry for the future where absolute decoupling of depletion of natural resources and economic growth can be possible.
- Involving local value chain partners: Involving more local partners (SMEs, designers and charity organisations) in different regions to facilitate and motivate recycling can help create closed-loop supply bubbles which can also help control the scope 3 emissions which are relatively more uncontrollable.

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Advances in Knowledge of Socially Responsible Consumption and Marketing

Consumer Attitude and Intention Toward Avoiding Food Waste: The Role of Perceived Risk

Asli Elif Aydin and **Pinar Yildirim**

The main objective of this research is to provide valuable insight into consumer attitudes and intentions toward avoiding food waste. In this line, the study focuses on the association of several dimensions of perceived risk with wasting and not wasting food. The present research demonstrates that while physical, performance, and financial risks related to food waste are significantly associated with the attitude toward avoiding food waste, financial, and psychological risks are significantly associated with the intention to prevent food waste.

1 Learning Objectives

- To highlight the importance of food waste reduction.
- To understand the effects of perceived risks on attitudes and intentions toward avoiding food waste.
- To demonstrate how perceived risk dimensions can be implemented in food waste prevention policies.

2 Introduction

Almost a third of the world's food production is discarded (FAO, 2019). In the EU, the annual amount of wasted food reaches up to 88 million tons, creating a financial burden of €143 billion (FUSIONS, 2016). In addition to the monetary decrements, food waste has grave repercussions for the environment. When food is wasted, all of the natural resources employed for food production are wasted as well. Disposing

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of organic waste by burying is banned in several countries because of the methane gas emanating from wasted organic food (Eriksson et al., 2017). It is demonstrated that domestic food waste produces 1.2 tons of carbon emissions every year (von Massow et al., 2019). Wasted food does not only deplete limited resources but also its disposition constitutes dangers for society. Reduced food waste can help decrease the competition for land and contribute to humankind by reducing poverty while preserving clean water and providing a better life on land (IPCC, 2019).

A comparison of food discarded at food production, food service, retail, and household levels reveals that domestic waste constitutes the majority of the food waste (BIOIS, 2010). A higher percentage of food is thrown away by consumers, and retailers seem to act more cautiously to avoid food waste. Griffin et al. (2009) state that consumers are responsible for as high as 60% of all the food wasted, whereas production is accountable for 20% and distribution channels are responsible for 19%. Since consumers generate most food waste, investigating the factors associated with food waste at the household level becomes more crucial.

Consumers' concerns about socially responsible consumption have been increasing each day and so have the studies investigating societal and ecological effects of overconsumption (Gonzales et al., 2009; Durif et al., 2011). Based on one of the earliest definitions, the socially responsible consumer is aware of the adverse outcomes of his/her private consumption on to the environment and is willing to change it (Webster, 1975). According to François-Lecompte (2005), socially responsible consumption comprises reducing the amount of consumption as well. Socially responsible consumers are the ones who try to avoid excessive consumption. Recent research suggests that consumers have become increasingly concerned about the impact of their consumption on the environment (Berné-Manero et al., 2014). Consumers' environmental conscious purchasing positively affects consumers' behaviors toward avoiding food waste (Chen, 2019).

The increasing number of problems caused by food waste prompts a wide range of developed countries to act to prevent its harmful economic, environmental, and social consequences (Mourad, 2016). It is indicated that food waste should be stopped at the initial stage and preventive actions are more important than corrective measures. Understanding consumers' motives of food waste behavior and avoiding domestic food waste before it happens has a better chance of reducing the overall food waste globally.

The foremost aim of this research is to provide a better comprehension of consumer attitudes and intentions toward avoiding food waste and generate suggestions for public policy. In line with this goal, the study will focus on food waste-related risk perceptions and examine the influence of perceived risk on consumers' attitudes and intentions toward food waste.

This study makes a novel contribution to the food waste literature. First, food waste behavior is suggested to be defined by multiple behaviors rather than any single behavior (Aktas et al., 2018). One of this research aims to present an extensive evaluation of all perceived risk categories on food waste behavior. The goal is to carry out a thematic analysis of perceived risk as a determinant of food waste. In food waste literature, only one or two perceived risk dimensions are included in

research models, but a comprehensive analysis is missing. To the best of the authors' knowledge, this is the only study that focuses solely on perceived risk construct and elaborates on all five (financial, performance, physical, psychological, and social) perceived risk dimensions to examine food waste behavior. We believe analyzing all five will prove more helpful in understanding consumers' risk perceptions toward wasting food and thoroughly demonstrate the effect of perceived risk on food waste attitudes and behavior.

Second, consumer behavior literature usually associates perceived risk with purchase decisions. This study aims to extend the perceived risk studies to consumers' consumption decisions, specifically socially responsible consumption and food waste behavior.

3   Conceptual Background

The concept of risk has been denoted as one of the most critical factors for understanding consumers' purchase decisions (Aqueveque, 2006; Grewal et al., 1994; Mitchell, 1999). According to Bauer (1960), all consumer behavior carries risk because every consumer action will produce ambiguous consequences, including unpleasant ones. Perceived risk is outlined as the number of losses incurred if a behavior has adverse outcomes (Cunningham, 1967). Consumers try to lower the perceived risk to acceptable levels when they make decisions (Engel et al., 1973). Consumers assess various dimensions of risk, namely financial, physical, performance, psychological, and social risk (Jacoby & Kaplan, 1972), associated with their behavior when adverse consequences are probable. Similarly, the consumer act of wasting food or avoiding food waste entails risk. For some consumers, throwing food out food may generate financial risks in terms of wasting money (Visschers et al., 2016) and psychological risks in terms of harming one's self-image (Stefan et al., 2013). For others, not discarding food may lead to physical risk, which relates to damaging one's health, and performance risk regarding the loss of nutritional value and taste of food (Tsiros & Heilman, 2005). Also, trying not to waste food by preparing less food for family and friends may give rise to the social risk of harming one's good provider identity (Visschers et al., 2016).

In the upcoming section, we will analyze those five perceived risk categories in detail and examine their relation to attitudes and intention to reduce food waste.

3.1   Financial Risk

Financial risk is usually defined as the economic losses that may occur if a product does not perform its intended function (Aqueveque, 2006). It is also referred to as an economic loss prospect caused by a bad decision (Zielke & Dobbelstein, 2007).

In this study, financial risk is defined as the risk of economic loss incurred when the purchased food is not fully consumed.

As long as responsible consumption is concerned, purchase decisions are mainly determined by economic considerations (D'Astous and Legendre, 2009). Monetary savings are the most important source of motivation for most individuals to minimize discarded food (Graham-Rowe et al., 2014; Neff et al., 2015). Although individuals have environmental and health concerns regarding food waste, these are not as prioritized as economic concerns (Quested et al., 2011; Parizeau et al., 2015). Various studies relate price-consciousness to financial attitudes, and price-conscious consumers are shown to throw away food to a lesser extent (Aktas et al., 2018; Mallinson et al., 2016).

3.2 Physical Risk

Physical risk occurs when a product's usage poses a danger to users' health (Jacoby & Kaplan, 1972). One driver of food waste for consumers is the risk they perceive about the food's edibility, and the possibility that they may get sick eating expired or poorly preserved food (Barone et al., 2019; Farr-Wharton et al., 2014; Meah & Watson, 2013).

Individuals who are informed regarding food labels and expiration dates make more accurate judgments about the food's physical risk and consequently waste less food (Abeliotis et al., 2014).

3.3 Performance Risk

The risk of a product failing to satisfy quality expectations is defined as the performance risk (Tsiros & Heilman, 2005). It is also defined as the extent to which consumers think the product will perform less than expected in fundamental ways (Lutz & Reilly, 1974). We adopt a slightly different definition, as this study does not focus on consumers' purchase decisions, but decisions about whether to waste food or not. Performance risk is perceived when the food's expiration date approaches and consumers think that food has lost its taste, quality, or nutritional value. There is a difference between leftover food's physical risk and performance risk. Consumers may believe there is no material risk of eating leftover food, as the food does not threaten their health, but still choose not to consume it, thinking it lost its nutritional value and will do no good. Aschemann-Witzel et al. (2015) define a suboptimal food item as food that is not very tempting to consume because it is close to, at, or beyond the best-before date. Further, they state that suboptimal foods that are not consumed timely constitute the highest amount of food waste. Tsiros and Heilman

(2005) suggest that performance risk considerations along with functional and physical risks are more determinant in consumers' perishable grocery goods purchases than psychological, social, and financial risks.

3.4 Psychological Risk

Psychological risk is related to consumers' self-concept and whether buying or using a product will fit into that self-concept or not (Jakoby & Kaplan, 1972). Self-identity is found to be an essential determinant of ethical consumption (Oh & Yoon, 2014), and it is suggested that self-interest triggers consumers more than social causes to engage in socially responsible consumption (d'Astous & Legendre, 2009).

Aydin and Yildirim (2021) point out behaviors congruent with the self-concept as a key motivating factor in food waste behavior and suggest that consumers who believe throwing away food do not comply with their self-concept discard less food. Likewise, Graham-Rowe et al. (2014) indicate that self-identity is a behavioral antecedent of food waste and describe it as the extent to which the consumers define themselves as the type of individual who would commit to food waste.

3.5 Social Risk

Perceived social risk is associated with the way other people think of individuals regarding the purchase of a product (Jacoby & Kaplan, 1972). In addition, people are usually concerned about how their family and friends will receive their actions and whether they would be encouraged or discouraged regarding those actions (Nasir et al., 2015).

Engaging in socially responsible behavior (e.g., using recyclable packaged materials) provides benefits such as being perceived as a good person and owning a higher social status (Durif et al., 2011). People around us shape our behaviors because we adopt certain norms and behaviors when we want to be a part of or feel like we are a part of a particular group (Whitmarsh & O'Neill, 2010). Prior works highlight the importance of social risk in reducing food waste. Schmidt (2016) posits that expectations of our family and friends are essential motivators to prevent domestic food disposal. Graham-Rowe et al. (2014) find that social pressure affects the intention to reduce food waste. Visschers et al. (2016) define good provider identity as presenting an abundance of food to members of the household and guests to make them feel taken good care of. Good provider identity is a strong predictor of wasting food (van der Werf et al., 2019; Visschers et al., 2016) as it causes the food provider to serve more food than needed.

4   Methodology

The data for this study is gathered using a web-based survey. Both graduate and undergraduate students are invited to participate in exchange for course credit. The final sample consists of 147 participants of which 40.8% are female and 59.2% are male. The majority of the respondents (79.5%) is within 19 to 30 years (M = 26.61, SD = 7.97). Participants' mean household size is 2.95 (SD = 1.18).

The survey includes scales that measure attitudes and intentions toward avoiding food waste. Food waste attitudes are assessed using, Stancu et al. (2016) 4-item semantic scale. Respondents indicated their opinions on wasting food and filling the environment with their domestic food disposal as Not at all negative/Extremely negative and Not at all harmful/Extremely harmful. Intentions toward avoiding food waste are assessed using a 3-item scale. Respondents indicated their opinion regarding the statements (e.g., I will make an effort to generate less food waste) on a 7-point Likert-type scale ranging from (1) strongly disagree to (7) strongly agree.

Items covering physical, performance, and social risk dimensions of trying not to waste food and financial, psychological risk dimensions related to wasting food are also included in the questionnaire. Other than the performance risk scale, the scales for all risk dimensions are adapted from prior studies (Stefan et al., 2013; Visschers et al., 2016). All the scales are 7-point Likert-type scales ranging from (1) strongly disagree to (7) strongly agree. The physical risk of not wasting food is measured using items such as "I am worried that eating leftovers result in health damage." The performance risk is also assessed using a 3-item scale (e.g., I believe food products lose nutritional value as their use-by date gets closer.). The social risk is measured using three items adapted from the good provider identity scale (e.g., It would be embarrassing if my guests ate all the food I had prepared for them. They would probably have liked to eat more.). The financial risk of wasting food is assessed using three items (e.g., I think wasting food is a waste of money.). The psychological risk dimension is measured using three items (e.g., Wasting food does not fit in well with my self-image.). Finally, the demographic characteristics of the participants are inquired.

5   Analysis and Results

An analysis of multiple regression is performed to investigate the effect of perceived risk dimensions related to food waste on attitudes and intentions toward avoiding food waste. Before the analysis, multicollinearity is inspected. Since variance the variance inflation factors for all variables are below 3, no multicollinearity issues are detected.

The results of the regression model predicting the attitudes toward avoiding food waste reveal significant effects of physical, performance, and financial dimension of perceived risk (F $_{(9, 138)}$ = 4.750, p < 0.001, R^2 = 0.24). In particular, as perceived

physical risk ($\beta = -0.121$, p < 0.05), and performance risk ($\beta = -0.148$, p < 0.001) of preserving food decrease, attitudes toward avoiding food waste increases. Moreover, the increase in the financial risk of wasting food ($\beta = 0.145$, p < 0.05) is associated with the increase in attitudes toward avoiding food waste. The influence of psychological risk of wasting food has only a marginally significant effect on attitudes ($\beta = 0.112$, p = 0.052). Among the demographic characteristics only the relationship between the size of the household and attitudes toward avoiding food waste is significant ($\beta = 0.193$, p < 0.05).

The results of the analysis indicate that financial and psychological dimensions of risk of wasting food have a significant impact on intention to avoid food waste ($F_{(9, 137)} = 4.581$, p < 0.001, $R^2 = 0.32$). Specifically, as financial risk ($\beta = 0.166$, p < 0.05) and psychological risk ($\beta = 0.317$, p < 0.001) of wasting food increase, intention to avoid food waste also increases. Once again, the size of the household has a positive impact on intention not to waste food ($\beta = 0.116$, p < 0.05).

6 Discussion

The analyses demonstrate that physical, performance, and financial risks related to food waste significantly affect attitudes toward avoiding food waste. Specifically, the results reveal that an increase in the physical risk dimension reduces attitudes toward preventing food waste. Furthermore, when people worry that consuming leftovers may harm their physical health, they take a negative stance on food waste prevention.

Regarding the performance risk, a negative relationship exists between performance risk and attitudes toward preventing food waste. If people think that leftovers do not taste good compared to freshly cooked food, their attitudes toward avoiding food waste decrease. People might also develop negative attitudes toward food preservation if they think that reheating leftovers will reduce nutritional intake.

The study denotes that perceived financial risk influences both attitudes and intentions toward preventing food waste. Individuals who consider the financial consequences of discarded food items have more favorable attitudes toward avoiding food waste. Likewise, those, who are motivated to waste less food to save money, have heightened intentions to prevent food waste. Based on this finding, it can be concluded that monetary loss is a solid driver to avoid waste.

While having only a marginally significant effect on attitudes toward avoiding food waste, psychological risk has a significant impact on intention to prevent food waste. If people think that wasting food will threaten their self-image, their intention to avoid food waste increases.

This result is in line with self-concept maintenance theory, which suggests that individuals' behaviors are driven by their desire to preserve a positive self-image (Mazar et al., 2008). If consumers believe wasting food does not define who they are, they exhibit behavior congruent with that self-image.

The size of the household has a positive impact on both attitudes and intentions toward avoiding food waste. Probably it seems more wasteful when food is wasted

in a full house. Age, gender, and marital status do not have a significant impact. Moreover, the study presents no significant effect of social risk on either attitudes or intentions. One probable factor that might contribute to the lack of such significance is sample characteristics. For this study, a young student sample is utilized. It is likely that this sample is not accustomed to being the host or the provider of a household. Therefore, providing adequate food for the whole family and guests might not be perceived as a common risk.

7   Implications

First, the study demonstrates that physical risk is associated with attitudes toward preventing food waste. This finding points out that teaching individuals early on the methods of safely preserving food without endangering their health will get them to think more positively about saving food. While schools might incorporate food preservation methods in their curriculum, health institutions might also develop programs to raise awareness and personal knowledge in this domain.

Second, it is revealed that increased performance risk is associated with reduced attitudes toward avoiding food waste. Therefore, public programs on how to use uneaten food might be developed to foster positive attitudes. These programs might educate individuals on how to conserve the taste, flavor, and nutritional value of leftovers. In addition, websites or apps that provide recipes for uneaten food that demonstrate how to cook delicious food using scraps might also enhance attitudes.

Furthermore, the study results indicate that escalated financial risk is related to increased attitudes and intention to reduce waste. This finding may be employed in designing food waste prevention campaigns by addressing the financial burdens of wasting food. The effectiveness of food waste prevention campaigns can be improved if messages convey that throwing away food is throwing away money.

Last, the significant relationship between psychological risk and intention to prevent food waste may also present some implications for food waste prevention campaigns. Starting with the family and reinforced by other institutions, if people are educated to believe that food should not be disposed, this norm will become part of who they are. It is likely that to preserve this self-image, individuals' intention to avoid food waste will increase. Based on that, food waste prevention campaigns may aim to foster these norms within the society for long-term effects.

8   Limitations and Future Research

The study examined the effect of perceived risk dimensions on attitudes and intentions to reduce food waste. Individuals might have reported higher levels of attitudes and intentions than reality. Future studies might investigate the impact of the risk dimensions on food waste behavior using actual measures of wasted food.

Additionally, the participants in our research consisted of university students. To reinforce the external validity of the findings, a sample with a broader age range can be employed. As young individuals are not accustomed to being the host or the provider of a household, further research might benefit from using a representative sample while investigating the social risk dimension.

CRediT authorship contribution statement

Asli Elif Aydin: Conceptualization, Investigation, Methodology, Writing.

Pinar Yildirim: Conceptualization, Investigation, Methodology, Writing.

Declaration of competing interest

The authors declare that they have no known competing financial interests or personal relationships that could have appeared to influence the work reported in this paper.

Appropriateness to the Book

1. Why do you think that your proposal is suitable for our book? (Provide a 200-word response, separately)

Recent research suggests that consumers have become increasingly concerned about the impact of their purchasing decisions and consumption habits on the environment (Berné-Manero et al., 2014). Furthermore, consumers' environmentally conscious purchasing positively affects consumers' behaviors toward reducing food waste (Chen, 2019). Since this book attempts to understand how people consume and how socially responsible consumption is envisioned, providing a deeper understanding of consumer attitudes and intentions toward avoiding food waste with this study will be valuable.

Moreover, food waste has connections to several Sustainable Development Goals (SDGs). In addition to the *Responsible Consumption and Production* goal, reducing food waste contributes to *Zero Hunger* and *Climate Action* goals. As this book also addresses many of the 17 SDGs, incorporating our study is meaningful.

Finally, elaborating the impact of perceived risk dimensions on attitudes and intentions toward reducing food waste, this study will provide a novel perspective in understanding food waste. As this book intends to develop a higher awareness of marketing's role to address socially responsible consumers' needs and ensure positive behavioral changes, our work will make a relevant contribution.

2. Where, in theory, are you contributing? (Provide a 100-word response, separately)

One of the aims of this study is to provide an extensive evaluation of all perceived risk categories on food waste behavior. In addition, the goal is to carry out a thematic analysis of perceived risk as a determinant of food waste. In food waste literature, only one or two perceived risk dimensions are included in research models, but a comprehensive analysis is missing. To the best of the authors' knowledge, this is the only study that focuses solely on perceived risk construct and elaborates on all five (financial, performance, physical, psychological, and social) perceived risk dimensions to examine food waste behavior.

Second, consumer behavior literature usually associates perceived risk with purchase decisions. This study aims to extend the perceived risk studies to consumers' consumption decisions, specifically to socially responsible consumption and food waste behavior.

3. Please use relevant keywords that match our Proposed Book Coverage (3–5 Keywords, separately).

Food waste, Perceived risk, Attitude toward avoiding food waste, Intention toward avoiding food waste.

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Additional Readings

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Electric Vehicles as a Means to Sustainable Consumption: Improving Adoption and Perception in India

Ahmad Mohd Khalid and **Y. S. C. Khuman**

Learning Objectives:

- Link sustainable consumption to electric vehicles.
- Review key studies on electric vehicle perception and adoption in India.
- Discuss prominent theories used in electric vehicle adoption and perception studies.
- Highlight policy problems associated with EV adoption in India with respect to multiple stakeholders—consumers, sellers, manufacturers, and government.
- Propose possible actions for government and industry for effective deployment of EVs in India.

1 Introduction

There is an increasing global focus towards sustainable consumption and production (SCP) as the world continues to use natural resources unsustainably. SCP is also uniquely represented as SDG 12 in the global sustainable development goals. According to UN,[1] global material footprint increased from 73.2 billion tons in 2010 to 85.9 in 2017. It is also projected that if the global population reaches 9.6 billion; by 2050, the world will require three planets to sustain its current lifestyles. With increasing environmental problems, sustainable consumption has become "a

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[1]Refer to https://sdgs.un.org/goals/goal12.

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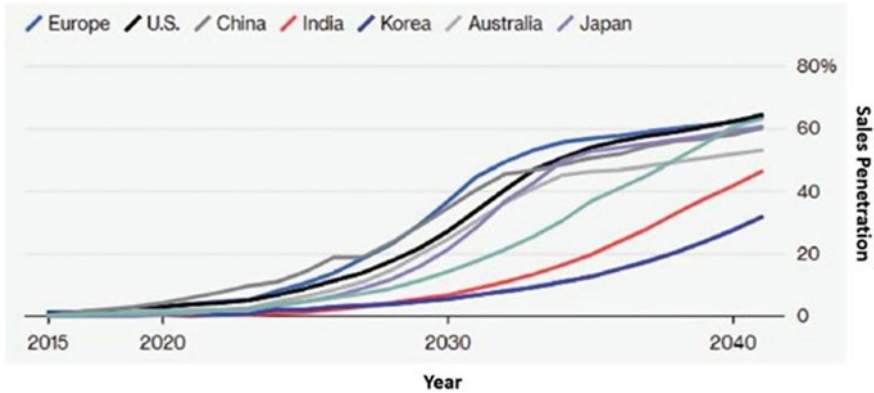e-mail: ysckhuman@ignou.ac.in

Fig. 1 Electric vehicles sales penetration across selected region and countries. *Source* Khurana et al. (2020)

new hotspot" and has attracted huge interest among researchers and policymakers (Wang et al., 2019, p. 2). The International Energy Agency (IEA) projects that by 2030, and transport sector will be responsible for nearly 50% of the global GHG emissions.[2] There is strong linkage between transport sector, fossil fuel and GHG emissions (Jansson et al., 2017). There is an urgent need to address this interconnectedness to keep humans within safe operating levels of the planetary boundary (Rockström et al., 2009; Steffen et al., 2015) and undergo complete makeover of existing unsustainable modes of transportation towards environmentally friendly transport modes like EVs (Rezvani et al., 2015; Jansson et al., 2017; Shalender & Sharma, 2021). There have been numerous studies that focus on low sustainable products like groceries, clothes, bottles; but high-end sustainable products like EVs which can significantly lower negative environmental impacts and influence consumer purchase and cognitive behaviour need further investigation (Prothero et al., 2011; Rezvani et al., 2018).

Electric Vehicles (EVs) globally have emerged as one of key alternatives to reduce GHG emissions, improve energy security, and provide low operating cost mode of transportation (Tarei et al., 2021; Haider et al., 2019; Wang et al., 2019; Jansson et al., 2017; Rezvani et al., 2015). EVs have gained popularity in almost all parts of the world. Countries like China, USA, Netherlands account for nearly 60% global EVs. Based on Bloomberg Opinion, it is expected that EV sales penetration globally is expected to rise sharply after 2030 (see Fig. 1) including India. India has the second largest road network in the world and is the fifth largest automobile market in the world (GIZ, 2021).

Considering the several benefits and environmentally friendly nature of EVs, Government of India (GOI) announced the National Electric Mobility Mission Plan 2020 (NEMMP) in 2012 to promote EV and make complete shift by 2030. GOI estimates indicate that car manufacturer's migration to EV production by 2030, 'will

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[2] Refer to https://www.iea.org/renewables2018/transport/

Table 1 Gains for India under 30% EV share condition by 2030

Area	Gains
Climate change	16 MtCO$_2$ of GHG emissions reduced
Air pollution	17% of PM and NOx, 18% of CO emissions Reduction
Energy security	INR 1.1 lakh crore worth of savings with 15% reduction in crude oil import bill
Manufacturing boost	INR 2.1 lakh crore of value-add generated in EV Power train, battery, and charger manufacturing sector
Employment	1.2 lakh jobs created in EV power train, battery and charger manufacturing and electricity generation sector
Cost advantage	9% to 20% lower TCO for EV users compared to ICE vehicles in the case of 2 W, 3 W, 4 W, and buses

Source Adapted from Soman et al. (2020)

curtail the oil bill by US$60 billion, cut emissions by 37 per cent, and reduce the dependence on the imports of fuel' (Khurana et al., 2020). Society of Indian Automobile Manufactures in its 2017 white paper estimated that EVs would make up 40% of new car sales in 2030 and 100% EVs by 2047 (SIAM, 2020). Under NEMMP, GOI also initiated the Faster Adoption and Manufacturing of Hybrid & Electric Vehicles Policy (FAME[3]) to support EV market and promote its domestic manufacturing in India with different incentive and support mechanism. The FAME policy was announced in two phases: FAME I (2015–2019) and FAME II (2019–2022). Despite these push and support mechanisms, the market for EVs continue to remain insignificant comprising 1–2% or even lower figures of total sales in India (SIAM, 2017; Kumar et al., 2020; Shalender & Sharma, 2021). According to National Automotive Board, hardly 54,499 EVs have been sold under the FAME II scheme as of September 2020. This aspect has a key bearing on government's decision to revise the 100% EVs target to 30% EVs by 2030. Research findings by Soman et al. (2020) show that under 30% EV scenario, it is estimated that India will witness nearly 165% rise in its vehicle population to meet its growing travel demand and this will be coupled with "slew of gains" (p. 18) (see Table 1). Despite these positive projections, recent works of (GIZ, 2021) on electric mobility and low carbon passenger transport in India cautions that even under 30% EV by 2030, "the momentum required to achieve the target would require transformational and radical measures to be adopted by policy makers in this space" (p. 15).

In addition to policy push and programmes of governments, the promotion and adoption of EVs is dependent on several socio-technical and environmental factors ranging from technical infrastructure, financial, social behaviour, psychological factors, among others (Egbue & Long, 2012; Haider et al., 2019; Mukherjee & Ryan, 2020; Rezvani et al., 2015; Tarei et al., 2021; Tu & Yang, 2019).

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[3] For details and incentive structure in the FAME policy refer to https://www.pib.gov.in/newsite/PrintRelease.aspx?relid=191377 & https://fame2.heavyindustry.gov.in/

Perception and adoption studies on consumer's purchase intentions of EVs are critical to their popularization, market growth, better product offering and clarity on part of manufacturers, producers and sellers and thus facilitate robust and comprehensive EV policy making. To best of author's knowledge, a review of consumer perception and adoption of EVs have not been sufficiently studied in Indian context. The relevance of such a study becomes more sensible when GOI has massive plan to have 30% EVs on road by 2030. Thus, this study has considered India as its case. The results and findings of the study are expected to add value to existing literature on EV adoption in context of developing countries. It will also help policymakers in India to devise robust policies on EVs that are conducive to needs and requirements of public and other key stakeholders such as sellers, producers, and manufacturers with an aim to improve better product offering leading to enhanced customer satisfaction and trust. The study also points to several gaps and areas concerning consumer behaviour where future studies on EV adoption in India may focus.

2 Methodology

This study first briefly explores and summarizes the factors that affect perception and adoption of EVs globally. In the next step, review of the existing studies on customer perception and buying behaviour of EVs in India have been conducted. Specific to India, studies post 2012 have been analysed as National Electric Mobility Plan was launched in this year. For this, the study uses secondary literature survey covering research articles, government reports, policy papers, and perspectives by several international institutions to understand consumer's buying behaviour, 'pull and push' factors or the 'enablers and the inhibitors' affecting EV adoption in India. Utilising the review findings, this study then highlights key policy challenges affecting EV adoption in India and suggests plausible solutions for different stakeholders including implication for research, policy, and society.

3 Factors, Perceptions, and Theories: Global EV Adoption Experience

Many researchers have studied factors that affect buying intention, perception, or adoption of EVs from consumer's perspective and in general. Several of these studies utilise popular theories such as Theory of Planned Behaviour (TPB), Technology Acceptance Model (TAM), Rational Choice Theory (RCT) and Innovation Diffusion Theory (IDT). Refer to Sect. 3.1 for brief background and examples on these theories.

Tarei et al. (2021) in their review work have classified the barriers in EV adoption into five main categories: technical barriers (technology, performance, range, reliability of suppliers etc.), infrastructural barriers (charging point shortage, low maintenance availability, lack of manufacturers, reliable electricity availability), financial barriers (high upfront cost, resale value, total cost of ownership), behavioural (scepticism on safety, reliability, perceived benefits etc.) and external (raw material use and recycling). Mukherjee and Ryan (2020) have summarized the determinants of global EV uptake into six key factors: economic (upfront cost, insurance, resale value, savings, government incentives etc.), non-financial (comfort and convenience, aesthetics, bus lane access, free charging while parking etc.), socio-demographic (income, educational level, household size, peer effects, ethnicity, technical experience etc.), spatial and building characteristics (housing density, distance to local charging point, commuting distance etc.), technical (fuel economy, reliability, safety, battery swap possibility etc.), psychographic (environmental concern, energy security, risk, price sensitivity, image, perception of new technology etc.) and behavioural (charging time, inertia, habits and current use).

A systematic literature review of articles between 2007 and 2014 by Rezvani et al. (2015) has characterised their findings in four factors: technical (environmental attributes, range, safety, carbon emission, battery material etc.), contextual (charging infrastructure—public and private, tax incentive, environmental regulation etc.), cost (purchase cost, saving fuel cost, payback time, maintenance cost etc.), individual and social (pro-environment lifestyle, resistance to change, first-hand experience, sustainability and awareness of EVs, concern for environment and climate change, excitement, emotion, social norm etc.)

Higueras-Castillo et al. (2020) have explored different factors to understand Spanish customers and their readiness to adopt EVs. Their findings have divided the customers into two ends: high end customers who are young, female, high income consumers with a high sense of green moral obligation, positive attitude and are least affected by aspects such as driving range and price. On the contrary, the low-end customers are males with average income, less sense of environmental obligation and have deep concerns for aspects such as cost and driving range. Adhikari et al. (2020) have explored barriers to EV diffusion in Nepal and found that infrastructure, policy, technical barriers were more critical factors as compared to social factors. Top three barriers included high upfront cost, lacking charging infrastructure and poor government planning and long-term goal setting. Broadbent et al. (2019) have identified barriers and incentives to support vehicle uptake in Australia. Their findings indicate that vehicle price, vehicle range and adequate recharge network are influential factors for EV uptake.

Jansson et al. (2017) studied norms and opinion leadership effect on EV adoption in Sweden and found that both interpersonal influence and attitudinal factors drive adoption of eco-innovation product like EVs. Alzahrani et al. (2019) tried to understand consumer intention to adopt hybrid EVs in Saudi Arabia. Their analysis shows that subjective norms and attitude were influential factors which explain buying behaviour of consumers. Further, subjective norms had thrice stronger effect than the attitudes.

Mersky et al. (2016) have use publicly available data to study factors impacting large adoption of EVs in Norwegian cities. Their findings show that charging infrastructure, regional income and tax incentives were critical factors in adoption. Noel and Sovacool (2016) studied the 'Better Place' initiative which operated between 2007 and 2013 in Israel and Denmark aimed at promoting EV uptake. Their assessment shows that the initiative failed owing to factors such as environmental attitudes (consumers did not viewed it as essential energy or security issue), resistance to change, mismanagement and strategic blunders in corporate strategy, high upfront cost.

Afroz et al. (2015) have studied values and attitudes of Malaysian consumers to find their EV purchase intentions. Their findings show that conservation values, self-transcendence value and self-enhancement were positively related to individual consequences. On the other hand, factors such as cost and convenience to consumers is negatively related to purchase intentions. In their comprehensive and detailed study, Egbue and Long (2012) in USA and Zhang et al. (2013) in China have found that EV purchase intention of consumers is affected by factors such as environment issues, cost factors and incentives, performance, and psychological needs.

3.1 Popular Theories in Literature Related to EV Adoption and Consumer Buying Behaviour

The Theory of Planned Behaviour (TPB) was proposed by Ajzen in 1991. The theory links belief of an individual to their corresponding behaviour. According to Ajzen (1991), any action an individual takes is dependent on three key factors—Attitude (AT), subjective norms (SN) and perceived behavioural control (PBC). TPB in recent times has been extensively used to understand EV adoption and intentions of consumers in studies such as Egbue and Long (2012), Nayum and Klockner (2014), Wang et al. (2016), Shanker and Kumari (2019), Tu and Yang (2019), Shalender and Sharma (2021) among others.

The Technology Acceptance Model (TAM) advocated by Davies et al. (1989) is based on the notion that when individuals are presented with a new technology, and there are number of factors that influence their decision to use focusing on 'perceived usefulness' and 'perceived ease-of-use' which are used as independent variables in the TAM analysis. TAM considers attitude, behavioural intention, and usage as dependent variables. TAM has been used in several EV studies such as perceived risk on purchase intention (Thilina & Gunawardane, 2019), consumer purchase decision (Tu & Yang, 2019), environmental concern and public acceptance (Wu et al., 2019), purchase intentions (Navalagund et al. 2020), consumer's intention on ride-sharing services (Wang et al., 2020), among others.

Rational Choice Theory (RCT) is a common framework used in economics and social studies. According to RCT, individuals have preferences, and each try to maximise their utility and benefits. Several RCT based studies exist which have

studied EV adoption behaviour of individuals in terms of their rational behaviour and evaluated their attitudes toward its purchase intentions and other attributes. For example, Jensen et al. (2013) have studied stability of preferences and attitudes. Krupa et al. (2014) have done analysis of consumer survey. Rezvani et al. (2015) have reviewed EV consumer adoption studies. Adnan et al. (2017) have also looked at EV consumer adoption, and Higueras-Castillo et al. (2020) have studied potential early adopters and their profiles.

Innovation Diffusion Theory (IDT) was proposed by Rogers in 1962. Rogers describes it as 'an idea, practice, or object that is perceived as new by an individual or other unit of adoption' (Rogers, 1962) and then gains popularity in society and diffuses among the masses. According to Schwarzer (1998), an individual or organization's acceptance of innovation is dependent on five key aspects which include relative advantage, compatibility, trialability, complexity and observation. Further, the adopters may be categorized into established adoption levels such as innovators, early adopters, early majority, late majority, and laggards. IDT has also emerged as a promising theory in understanding perception and attitudes of different stakeholders on EV acceptability, such as Bhalla et al. (2018), Zhang et al. (2018), Tu and Yang (2019), Tchetchik et al. (2020) and Verma et al. (2020).

4 Customer Perception and Buying Behaviour Regarding EVs in India

Some of the key the studies and associated themes covering perception and intention of consumers or sellers regarding EVs in India are presented in Table 2. Summary review of each study is presented below.

Kumar et al. (2015) have proposed strategies to enhance EV penetration in India. Their study has tested a vehicle to home scheme for a specific route in state of Kerala. The findings of the study suggest EVs to be used as an energy storage medium during parking time which may reduce payback period of EVs and increase consumer's willingness to pay. Digalwar and Giridhar (2015) have presented most critical factors for promotion and development of EVs. Several barriers identified in the study and authors conclude that improved battery technology, increased awareness levels and training coupled with cost effectiveness and proper government incentives may improve EV adoption in India.

Bansal and Kockelman (2017) have reviewed existing literature on vehicle ownership models and used expert interview to understand travel pattern and vehicle choice of Indians. Some of the EV adoption obstacles identified by the authors include lack of charging infra, public awareness and high upfront cost. Bhalla et al. (2018) have studied factors that affect consumer acceptance of EVs to understand their purchase intentions and which may lead to commercial success. Their findings show that critical factors affecting perception include environmental issues and technological

Table 2 Perception and intentions of consumers and sellers towards EVs in India

S. no	Authors	Study theme	Method/Theory	Findings/suggestions
1	Bansal et al. (2021)	Consumer EV preference	Literature review (LR); Nation wide web survey; Hybrid choice modelling framework	Consumer willing to pay more to reduce fast charging time, better driving ranges and to avoid future operating costs
2	Bansal and Kockelman (2017)	Review over vehicle choice	LR, expert interview	EV adoption obstacles—lack of charging infra, public awareness, high upfront cost
3	Bhalla et al. (2018)	Consumer perception and purchase intention of EVs	Questionnaire survey (QS), Innovation Diffusion Theory (IDT)	Perception affected by environmental issue and trust in technology, adoption influenced by cost, infrastructure, and social acceptance
4	Digalwar and Giridhar (2015)	Critical factors for promotion and development of EVs	Interpretive Structural Model (ISM)	Improved battery technology, awareness levels and cost effectiveness may improve EV adoption
5	Haider et al. (2019)	Attitude-gap behaviour	LR and DEMATEL	Power availability, battery life, charging infrastructure most critical factors
6	Jena (2020)	Sentiments of consumers towards EV	Sentiment Analysis; Deep learning and Big Data	Incentives weak attraction, battery technology and charging infrastructure crucial to adoption
7	Khurana et al. (2020)	Factors affecting customer EV adoption	Consumer QS in Delhi, Mumbai, Pune; Structured Equation Modelling (SEM)	Attitude main factor affecting EV adoption. Incentivization also essential
8	Kumar et al. (2020)	Challenges to EV adoption	LR and focus group discussion of experts	Cost of battery, price multiples, power grid stability crucial for better EV ecosystem
9	Kumar et al. (2018)	Commercial viability of EVs	Stakeholder interview, QS	Bureaucratic issue in setting up charging stations, high initial investment and large waiting time affecting scale up of EVs

Table 2 (continued)

S. no	Authors	Study theme	Method/Theory	Findings/suggestions
10	Kumar et al. (2015)	Strategy to enhance EV penetration	Vehicle to home scheme case of Kerala	Use parked EVs to store electrical energy. This will help in balancing peak load of the grid and provide cost benefits
11	Motwani and Patil (2019)	Customer buying intention towards EVs	Consumer QS in Pune; Regression Analysis	Mobility and recharging characteristics crucial determinant for consumer's EV preference
12	Navalagund et al. (2020)	Attitude and behaviour factors for EV adoption	Consumer QS in 10 cities of Karnataka; Rational Choice Theory (TCT), Theory of Planned Behaviour (TPB) and Technology Acceptance Model (TAM)	Pro-environmental behaviour and EV ecosystem crucial attributes
13	Shankar and Kumari (2019)	EV adoption intention from seller's perspective,	QS of sellers in Delhi, Chennai, Mumbai, Kolkata, and Bangalore; TPB, TAM and Dual-Factor Theory	Attitude, subjective norms, perceived behaviour controls aid adoption. Regret avoidance, inertia for non-EV sale, perceived threat may lead to resistance to EV
14	Shalendra and Sharma (2021)	Adoption intention of EV	Consumer QS; TPB	Subjective norms and perceived behavioural control two most influential factors
15	Shetty et al. (2020)	Attitude and perception factors of EV adoption	Consumer QS in India and Sri Lanka; Mixed method modelling	Economic benefits, EV functional characteristics, awareness and familiarity drive purchase behaviour
16	Vidhi and Shrivastava (2018)	Encouraging shared electric mobility in densely populated cities like Delhi	LR, life-cycle assessment	To reduce air pollution with adoption of EVs, government must promote sale of EVs, increase RE share in electricity mix, make EV battery manufacturing less polluting

Note: LR—Literature Review, QS—Questionnaire Survey, IDT—Innovation Diffusion Theory, RCT—Rational Choice Theory, TPB—Theory of Planned Behaviour, TAM—Technology Acceptance Model, DEMATEL—Decision Making Trial and Evaluation Laboratory

advancement. On the other hand, factors that influence adoption include cost, social acceptance, and infrastructure.

Kumar et al. (2018) have studied commercial viability of EVs in India. For this the authors have done a detailed study (survey and interview) to investigate 100 e-vehicles of a fleet operator and associated infrastructure. Their findings show that there are issues related to obtaining permission or No Objection Certificate (NOC) from authorities, high initial investment and large waiting time affecting scale up of EVs. Authors suggest an urgent need to beef up the charging infrastructure and start indigenous production of Li-ion batteries. This requires providing proper incentive and subsidy structure and initiating a single window clearance system to ease permission requirements.

Vidhi and Shrivastava (2018) have reviewed EV life cycle emissions studying air pollution in Delhi and provided recommendation on increasing EV penetration in India. According to authors, human behavioural changes is critical to 100% EV adoption and GOI needs to develop ecosystem that increases sale of EVs, promotes use of renewable energy and promotes environmentally friendly battery manufacturing process. In addition, the incentive structure of government should match the socio-economic needs of different stakeholders. Haider et al. (2019) have studied attitude-behaviour gap in sustainable transportation in India. The study uses a trial and evaluation-based laboratory method to analyse EV adoption barriers in Indian consumer's context. According to the findings of the study, three most crucial barriers to EV adoption in India concern power availability, battery life and lack of charging infrastructure.

Motwani and Patil (2019) have utilised 10 different factors affecting characteristics of an electric car to understand customer's buying intention. They utilized survey data from 345 respondent in Pune arrive at results. Their findings show that mobility and recharging characteristics are most crucial factors while regional transport office (RTO) norms is the least significant factor that affects consumer's buying decision. Shankar and Kumari (2019) have explored inhibitors and resistors of EVs and their adoption intent from seller's perspective. For this, author used survey analysis of 292 respondents based in metro cities of Bangalore, Chennai, Delhi, Kolkata, and Mumbai. The findings indicate that AT, SN, PBC, environmental issues and CSR have positive impacts on adoption. On the hand, factors such as regret avoidance, expected threat, perceived value and inertia act as resistors to EV adoption.

Jena (2020) have developed an empirical case study to perform a sentiment analysis of consumers towards EVs using big data and deep learning approaches. For this case study, authors have utilised data between 2016 and 2018 from different social media platforms. The results show that incentives are unable to attract sizeable customers. However, factors such as charging point infrastructure, uncertainty over battery technology and its life does affect consumer sentiments. Khurana et al. (2020) have studied various factors that affect EV adoption using survey of 450 respondent in cities of Delhi, Mumbai, and Pune. Their findings show that Attitude is the most critical factor for adoption. In addition, factors such as environmental concern and proper incentives further affect adoption intentions of individuals. Kumar et al. (2020) have explored the challenges to EV adoption in India by making a case for sharing

economy. For achieving this, the authors have done a secondary review of literature coupled with a focussed group discussion with experts. Authors have highlighted that adoption of EVs is impacted because of high cost, lack of infrastructure and low purchasing power of individuals.

Navalagund et al. (2020) have explored factors that affect EV purchase intention of Indian consumers using 384 respondent survey across 10 cities in state of Karnataka. Findings of the study show that pro-environmental behaviour and EV ecosystem crucial to adoption. On the contrary, factors such as financial advantage and cost do not have significant impact on the purchase decision. Shetty et al. (2020) have studied barriers to EV adoption considering consumer perception and attitudes in urban centres using 1230 survey respondents in India and Sri Lanka. The results indicate that functional knowledge of EVs, cost benefits, awareness, familiarity with EVs have a significant impact on the purchase intentions of the individuals.

Bansal et al. (2021) have studied the willingness to pay and attitude preference of Indian consumers for EVs. For this, the authors designed a small pilot survey of nearly 110 individuals followed by a survey of 2176 respondents across India. The findings show that consumers are willing to pay additional amount to reduce fast charging time, improved driving range and low maintenance cost. Shalendra and Sharma (2021) have predicted EV adoption intention of EVs in India. For this, authors have utilised adoption intention of 326 customers spread across 57 dealerships of five automobile companies—Maruti Suzuki, Hyundai Motors, Tata Motors, Honda Car and Toyota Bharat. The analysis results indicate that AT, SN, PBC, environmental concerns and moral aspects have a positive impact on customer purchase intention of EVs.

GIZ (2021) has done a detailed status quo analysis of electric mobility and transport landscape in India. Their findings show that EV adoption in India is influenced by factors such as low vehicle ownership, price sensitive customers, dependence on public transport, high traffic density, dominance by two-wheelers and three-wheelers and low commute distance of average Indian. The study anticipates that EV growth path in India will see rise in two-wheeler preference over four-wheelers by early adopters, higher adoption in commercial and public segment, acceptance of EVs in shared mobility with rise in three-wheeler population.

It may be observed from Table 2, there exist several factors that affect buyer's intention of buying EV in India. However, few points are worth noting. Firstly, cost advantage is not the most important factor governing EV purchase in India. Secondly, most important factors that affect consumer decision is a good and reliable battery technology, enough charging infrastructure, sound EV ecosystem for sellers and manufactures and appropriate awareness levels and positive attitude. Further, aspect to be noted is that most studies in India pertain to consumer's perspective only. So, this necessitates need for carrying out studies which particularly focus on needs, intentions, and expectations from sellers, manufacturers, and producers of EV and associated components.

Other key aspect to be noted is that most of the studies are survey based and localised around metropolitan cities like Delhi, Mumbai, Pune, and Bengaluru. One of the possible reasons may be that these are the most developed urban centres

in the country in terms of infrastructure, acceptability and awareness levels, and presence of industrial clusters. This aspect also becomes more evident from findings of Bansal et al. (2021) who conducted an all-India survey covering 35 states and UTs and covered more than 1000 individuals. Out of the 1031 respondents who completed the survey, nearly 78% response came from six states only: Maharashtra, Delhi, Karnataka, Tamil Nadu, Telangana, and West Bengal. Another reason is that, in addition to union government's different incentive and subsidies for EV, most of these state governments[4] have also rolled out their own perks and incentive structure for EVs.

5 Handling the EV Policy Challenge in India: Solutions for Different Stakeholders

As compared to much developed markets like China, UK, and Europe, India is still in nascent stage when it comes to EV penetration and manufacturing. This may be owed to lack in clarity in mandates and inconsistency in EV policies (such as FAME) resulting in several roadblocks for EV adoption in India. Further, in this EV transition several government ministries and departments are supporting the transformation in an undefined structure which poses a serious question of "whose jurisdiction is it anyway?" (Singh et al., 2020, p. 1). Some of the issues which concern the overall EV policy and FAME per se include inadequate infrastructure, domestic sourcing requirements, technical loopholes and insufficient research, varying policies across states, less public awareness among other things.

In terms of charging infrastructure, India needs adequate number of charging stations across the country to ensure large distances and last mile connectivity. Currently, India has only around 1827 charging stations.[5] Under FAME II there has been demand for 7000 charging stations, out of which only 2636 have been sanctioned leaving a gap of 4364 charging stations (GIZ, 2021). To improve business case for charging infrastructure in India, there is a need for "capping rental cost for public charging stations" (Singh et al., 2020, p. 36), mandate distribution companies to actively participate in infrastructure development, ease land acquisition and electricity connectivity, regulate provisions for participation in ancillary market and develop a mechanism for recovering expenditure through tariff (GIZ, 2021).

Batteries are crucial for performance of EVs. Typically, lead acid batteries are used because low cost and easy availability. However, because of environmental concerns, fast charging and high energy intensity factors, Lithium-ion batteries are preferred over lead acid batteries. But these are costlier and not easily available. India lacks raw materials for manufacturing EV components and in absence of an EV adoption mandate, the local EV supply chain is very weak (GIZ, 2021). Experts fear

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[4] Refer to https://www.transportpolicy.net/standard/india-state-level-ev-policies/ for state level EV policies in India.

[5] See details at https://cef.ceew.in/solutions-factory/tool/electric-mobility/charging-stations.

that if government does not develop suitable research capacity, skilled and trained work force, Indian battery market will be dominated by China like the mobile boom. There is a lot to learn from China's New Energy Vehicle (NEV) plans of 2009 and 2017 which are central to China's robust EV supply chain network, R&D and high EV deployment in the country. There is need to speed up the phased manufacturing programme and ensure that the local manufactures acquire latest vehicle technology through proper fund support and training. Battery swapping is key solution which can lower high upfront cost of EVs and facilitate its uptake, but this requires proper standardization of batteries, and resolving issues of brand trust and proprietary technology (GIZ, 2021; Tarei et al., 2021). Another important aspect related to batteries is their performance variation with changing temperatures (Jena, 2020). As we talk of a nation-wide programme, we should also consider needs and demands EV users in different climatic zones of India. There can be labelling on batteries which shows its best working conditions and its suitability for a typical climatic zone. This may be certified by a government approved or certified lab.

The government needs to properly design its subsidy and tax benefits for EV manufacturing zones in consultation with industry experts and utilising failure factors in the leading EV markets like China and Europe to avoid blind copy. Best practices and lessons are always a fruitful step in the learning trajectory, maturity, and acceptability of new technology. The transition process should be smooth and should take care of the local conditions, needs, and wants of different stakeholders. A very important role for the policymakers is to ensure that the country is ready with the required institutional capacity required for this massive shift. The governance and liability action should be stringent and clear to sellers, manufacturers, or suppliers in case of lapse and underperformance with respect to defined benchmarks and quality standards. Recent action of subsidy suspension[6] by Delhi government on a EV model of one of India's leading automobile manufacturers is a bold step and a clear message to all the stakeholders on what a committed government supporting EVs can do if cost and trust of consumers is at stake.

Another key question to ask is how we are going to fulfil additional electricity demand for EV charging and how would Indian electricity grids behave. There is need to undertake country-wide feasibility studies and understand potential options like renewable energy. This notion has also been suggested by different studies such as Navalagund et al., (2020), Kumar et al., (2020), Vidhi and Shrivastava (2018) etc. It will also be worthwhile to consider other policy solution in tandem with EV to reduce India's pollution levels and energy requirements. A well-designed policy mix along with renewable energy and energy efficiency will surely boost India's Climate Action campaign. Here, policymakers need to be more pro-active and take some bold decisions which affects future generations. For example, several European countries will completely shift to renewable energy by 2030–2050. Countries such as Ireland, Netherlands, and Slovenia have announced sales ban for ICE vehicles or 100% Zero Emission Vehicles by 2030 (Tu & Yang, 2019). Norway has put even

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[6] Refer to https://economictimes.indiatimes.com/industry/auto/cars-uvs/delhi-govt-suspends-subsidy-on-tata-nexon-ev/articleshow/81276737.cms. Last accessed on March 18, 2021.

more ambitious target to fulfil this norm by 2025. UK has set a deadline of 2032. In this regard, GOI's target of 30% vehicles on road to be EVs by 2030 seems somewhat a low target. According to findings by Soman et al. (2020), '30 per cent EV sales scenario is certainly not ambitious given that it can be met via sales of just e-2Ws and e-3Ws, which will have achieved cost competitiveness, both in terms of upfront cost and total cost of ownership by 2030. So, we strongly recommend that the EV roadmap for India should target a significantly higher share of EV penetration'.

Phase II of the FAME policy specifically requires 50% local sourcing of EV components. This is a tedious task for the manufacturers as vehicle parts are not easily available owing to low EV market in India. According to industry reports, EV sales remain as low as 1–2% in India as compared to more than 40% in China. This necessitates reconsideration or restructuring of the local mandate requirement. China houses or collaborates with several automobile giants, but Indian market primarily is driven by few automobile manufacturers such as Mahindra & Mahindra and the Tata. Several technicalities also exist in the Phase-II of the policy. For example, the policy has revised subsidy mandate to minimum 80 km range for two-wheelers. But, most of existing variants in the market are of 60 km range. There are other issues as well such as cap of 20% on ex-showroom price and reduction in incentives on city bikes. This is bound to create initial hiccups and lower confidence among the manufacturers.

Another key issue is large attention of FAME policy on public transport as compared to private vehicles. However, findings by Singh et al. (2020) demonstrate that in 30% EV by 2030 scenario, private cars have similar adoption rates as three-wheelers and fairly better than commercial cars. Total Cost of Ownership (TCO) and Willingness to Pay (WTP) analysis can help in accessing life-cycle cost of EVs, overcoming barriers and prioritising specific technologies. Findings by Kumar and Chakraborty (2020) on TCO show two-wheelers (2 W) and three-wheelers (3 W) EVs to be more economical than their IC engine counterparts. Analysis by Centre for Energy Finance, CEEW[7] suggests that in 'low-cost policy pathway' for EV deployment, India must first scale up two-wheeler EVs which have immediate life-time cost parity in terms of TCO as compared to four-wheelers which do not have current cost parity. They suggest that four wheelers should be promoted in a phased manner (second) as the local learning, low-cost battery technology would have much advanced by the end of phase 1 of two-wheeler EV deployment.

Behavioural changes will also play a crucial role in EV transition story of India. People will continue to weigh EVs with respect to traditional IC engine vehicles because of their high upfront cost, lack of infrastructure and unclear future. According to Hassan et al. (2014), relationship between consumer's intent to adopt and buy environmentally friendly and complex products (like EVs) requires detailed modelling. So, it would be sensible to test such models with actual EV users to verify whether actual intent led to adoption or not. There is also need to take tough stands such as disincentives or increased tax for IC vehicle owners. In the present scenario, when

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[7] Refer to https://cef.ceew.in/masterclass/analysis/low-cost-policy-pathways-for-electric-vehicle-deployment.

the Indian Automobile Industry is transitioning from Bharat Stage Emission Standard (BSES) BS IV to much stricter and costly BS VI norms (April 2020 onwards) to address local air pollution, the narrowed price differential of EVs with respect to IC vehicles will further aid EV adoption in India (Tarei et al., 2021). Union and state governments must initiate studies which look at customer needs and monitors existing users and provides their services accordingly. Here, the target should be to improve customer satisfaction and trust. For example, the services and existing ecosystem for EVs should encourage an individual or family move from an electric two-wheeler to a four-wheeler as a proud owner understanding its long-term environmental and cost benefits over IC engine vehicles. A good way will be initiate Pilot or Beta testing schemes across the country which may not just be limited to Tier 1 Metro cities. Here the marketers, producers and sellers should join hands together and play their part to improve customer confidence and educate them.

The positive attributes of EVs also needs to be popularised, promoted, and marketed well to create a mass movement towards EVs across the country. For example, introduction of green license plates, zero emission zones, celebrity endorsement, concessional and free parking spaces and use of EVs by senior politicians and business leaders (GIZ, 2021; Khurana et al., 2020) can have significant impact on EV adoption rates. Apart from government run sensitization programmes, the automobile manufacturers need to develop their own social and marketing campaigns which is not based on traditionally factors such as attractive style, luxury, or individuality; rather concerns important factors such as environment, society, future resources, among others. The policymakers and marketers also need to improve confidence to sellers or dealers of EV. There is a general tendency of risk and avoidance among the non-EV sellers towards EV (Shankar & Kumari, 2019). Authors suggest that technological changes in future may completely change the business structure in favour of EVs and thus forcing the sellers to adopt EVs. For their own good, a phased transition will help them break initial inertia and opt for EVs.

Several states in India have released their EV policies such as Delhi, Maharashtra, Telangana Uttar Pradesh (12+ states) which offer lucrative incentives and subsidies for EV manufacturers and buyers but there is high variation among them. There is a need for uniform policy across the country owing to manufacturing permits and concessions, road taxes, registration fees, parking perks to facilitate smooth EV adoption and transition. The structure may resemble like the popular Goods and Services Tax (GST) policy of GOI.

6 Conclusion

Electric vehicles have emerged as one of the key solutions that supports global sustainable consumption agenda, and it has deep connection in terms of fuel savings, less pollution, low cost of operation, among others. India is one the key global markets where EV is expected to grow rapidly in future. This study has presented a case on India and reviewed existing studies on perception and intention of individuals with

regards to EV adoption in India. Further, critical factors that affect consumer purchase decisions or affect EV ecosystem in India have been identified and suitable solutions meant for different stakeholders including implications that affect research, policy, and society have been suggested.

The findings of this study show that cost, charging infrastructure, battery technology and its availability, and sound EV ecosystem have emerged as the top factors influencing consumers EV adoption behaviour in India. Review also shows that theories such as Theory of Planned Behaviour (TPB), Technology Acceptance Model (TAM), Rational Choice Theory (RCT) and Innovation Diffusion Theory (IDT) can be very helpful in understanding consumer and sellers' sentiments towards EV adoption. It was also noticed that most studies in India have focused on consumers only and studies looking into sellers and manufacturers sentiments and intentions are rare. Further, these studies are mostly limited to big metropolitan cities like Delhi, Bengaluru, Pune, and Kolkata.

Society needs to look at EVs not only in terms of its high cost or as luxury. As an informed society they need to understand its long-term benefits related to clean environment, energy security, and better health for themselves as well as their future generations.

On policy front government's various programme and targets need realistic time bound targets, proper segmentation, portfolio management and fulfilment of stakeholder needs. In the first step union government in India needs to focus on Two-wheelers and Three-wheelers as they have the best rate of return and are the most cost competitive with respect to IC vehicles. Next crucial step will be to develop the EV Ecosystem particularly the charging infrastructure, battery manufacturing, maintenance facilities and effective supply chain in the country. This requires supportive policies aimed at boosting manufacturer and seller's confidence coupled with customised incentives, risk sharing, public–private partnership prospects keeping their interests in mind. Once this is achieved, it will be sensible to roll out four wheelers and commercial vehicles aggressively as the market, infrastructure and supply-chain would be ready. Throughout this process, the social marketing and sensitization strategy for EVs require large participation from manufacturers and sellers end, in addition to efforts of the union and state governments. Here, media and social networks can play an instrumental role. Lastly, constant innovation and R&D, capacity development and knowledge dissemination will further ensure Indian EV market remains competitive matching international benchmarks and standards and establishing India as a global EV hub.

7   Limitations of the Study

The main limitation of the study was existence of fewer studies covering seller's and manufacturer's perspective with respect to EVs adoption in India. Larger number of studies covering these two stakeholders could have enriched insights and discussion further.

8 Future Research Directions

On research front there is need for further investigation on understanding early adopters and monitor their satisfaction and future behaviour. This may involve more innovative interview, survey techniques and Multi-criteria Decision-Making Techniques. Another critical area would be looking at Total Cost of Ownership (TCO) and Willingness to Pay (WTP) factors as these provide detailed understanding on EV adoption. In addition to this, government as well as seller's may also consider looking at positive experience of all the existing (new and old) owners of EVs across different segments (private, personal, commercial) to influence EV adoption across the country.

9 Lessons Learned

- Attractive cost, technical factors, sound EV ecosystem and policy crucial factors to EV adoption in India.
- Theories such as TBP, TAM, RCT, and IDT are popular and helpful in understanding consumer and sellers' sentiments towards EV adoption.
- There is further research needed to focus on sellers and manufacturers sentiments and more prospective picture of EV adoption in India across different regions, states, and cities.
- Government of India's various EV programme and policies need realistic and time bound targets, proper segmentation, portfolio management and fulfilment of stakeholder needs.
- R&D, capacity development and knowledge dissemination crucial for Indian EV market to remain competitive and match international standards.

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Pedagogical Directions and Best Practices: Imparting Socially Responsible Consumption and Marketing Competencies

Using Live Briefs in Marketing Education: How to Increase Student Employability by Blending Sustainability and Internationalization

Hyunsun Yoon and **Tina Šegota**

Learning Objectives:

This chapter presents the pedagogy case study of introducing live briefs in a master marketing course curriculum. The learning objectives are as follows:

1. Recognize the benefits and challenges of introducing live briefs in the marketing curriculum.
2. Identify and enhance the development of student employability skills by using live briefs.
3. Plan more engaging, enriching and elevated learning and teaching experiences with live briefs.
4. Critically reflect on current marketing education practices by considering live brief-based module design.
5. Critically analyse the module delivery surrounding campaign strategy development for international, sustainable brands.

1 Introduction

This chapter critically reflects on a postgraduate module's pedagogy and learning practices in which international sustainable brands provided live briefs for the students to work on integrated marketing communications (IMC) strategy. It draws on the 30-credit module called Developing Advertising and Promotional Strategies that the authors have re-designed and delivered since September 2018. To date, over 200

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students in MA Strategic Marketing and MA in Strategic Advertising and Marketing Communications (University of Greenwich, UK) took this module.

Marketing is defined as "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" (American Marketing Association, 2017). Therefore, when theoretical approaches to the teaching of marketing are used, they are invariably designed to meet intrinsically practical ends (Bove & Davis, 2009). The University of Greenwich is one of the first universities to offer a specialist degree in marketing communications, of which postgraduate degree courses provide a wide range of modules such as Digital Marketing, Creative Content, and Data Analytics.

However, teaching and learning methods may not have been as diverse as the range of modules. For example, case studies were most frequently used to bridge the gap between theory and practice in the extant curriculum. However, traditional case studies are often seen as one-dimensional, static, and inadequate simulations of real-world problems in the marketing profession (Burns, 1990). On the other hand, the benefits of live case studies and client-sponsored projects in the context of marketing education have been well established from the perspective of a student, educator, and client (i.e., Elam & Spotts, 2004; Gremler et al., 2000; Kennedy et al., 2001; Lopez & Lee, 2005; Razzouk et al., 2003). The authors, therefore, aimed to diversify teaching and learning methods by introducing live briefs set by real-life clients.

When we pursued potential clients to collaborate in this module, we focused on identifying sustainable companies, ideally with a non-UK brand origin. This also aligned with the University of Greenwich's strategic values on sustainability, inclusivity, and diversity. The University of Greenwich won first place in People and Planet's University Green League (2012) and the Times Higher Award for Outstanding Contribution to Sustainable Development (2013). The University's commitment to sustainability was at the core of our module re-design process. In addition, the increasingly diverse and international student body in our MA marketing division is expected to find it easier to identify with international brands.

From the outset of the module development, our aim was threefold: first, to bring sustainable consumption to the core of marketing education; second, to develop graduate employability by facilitating real-life learning experiences involving clients; and third, to diversity and internationalize curriculum by introducing non-domestic, sustainable brands as clients.

In the years 2018 and 2019, we worked with the brand EQUA. Originated from Slovenia, EQUA quickly became a synonym for eco-friendly, reusable products (Novčić & Šegota, 2012, 2014). The brand's mission is to change consumer behaviour toward environmentally friendly sustainable consumption since its establishment in 2010. The mission is reflected in the brand's slogan, "For your health and nature's wealth", and more than 4 million sold products worldwide so far (MyEQUA, 2018).

In 2020, the brief was provided by the Serbian brand Koozmetik. Established in 2012, the brand represents all-natural handmade cosmetics. All products are made from top-quality natural ingredients, following unique recipes and the highest production standards. Depending on the application, production technology, and product stability, all products belong to one of the three categories of natural products: 100%

natural, 99% natural, and 89% natural. These categories testify to the brand's mission of "less is more", i.e., making cosmetics significantly simplified in terms of the number of products, designs, and ingredients.

2 Employability Discourse in Higher Education

Extant literature on employability in higher education (HE) has focused on how different disciplines face a considerable challenge in terms of responding to the increasingly prevalent employability agenda in HE (Chadha & Toner, 2017; Clarke, 2018; Lee et al., 2016; Turner, 2014). Marketing degree courses are not an exception to this. Employability is not a new issue for higher education. As long as 1963, the Robbins Report highlighted the need for graduates to make an effective contribution to the labour market (Yoon, 2019). However, since the 1990s, there has been an unprecedented level of external pressure for HE to prove their graduates add value to the economy (Dearing, 1997).

The definition and the model of employability have shifted throughout history and continue to be contested. Initial employability models focused on developing knowledge and skills for a student to gain graduate-level employment and meet employers' needs (Turner, 2014). However, Holmes (2011) argued that the focus should be on action rather than skills. Indeed, many within the HE sector increasingly see the 'skills agenda' as narrowly conceived, relatively mechanical, and inimical to HE purposes (Yorke & Knight, 2006). For example, the 2006 Leitch Review of Skills pos-its more focused attention on employability while identifying the need to develop the so-called 'high skills' in graduates to facilitate businesses to compete in the global economy (Lee et al., 2016).

The most commonly accepted definition of employability is as follows: "a set of achievements, understanding and personal attributed that make individuals more likely to gain employment and be successful in their chosen occupation" (Yorke & Knight, 2007: 158). The term 'chosen occupation' indicates that employability is a wide-ranging and evolving narrative. According to Helyer and Lee (2014), today's graduates need to hone their profiles and evolve to suit changing circumstances because it has become increasingly difficult for many graduates to enter their 'chosen occupation' in recent years.

Currently, UK HEs need to publish data on graduates' employment rates, which shows how the employability agenda in HE is focused on the result of job realization (Lee et al., 2016). It indicates that the current employability agenda seems less concerned with developing employable graduates than employed graduates (Italics are the authors' emphasis). Here, what is undoubtedly clear is that employability is an ongoing debate that must develop with the market, society, and the global situation (Heyler & Lee, 2014). Employability thus concerns the government, graduate employers, higher education providers, students, and graduates alike.

In terms of the employability framework, the USEM account of employability (Knight & Yorke, 2004) is one of the most well-known and widely-used
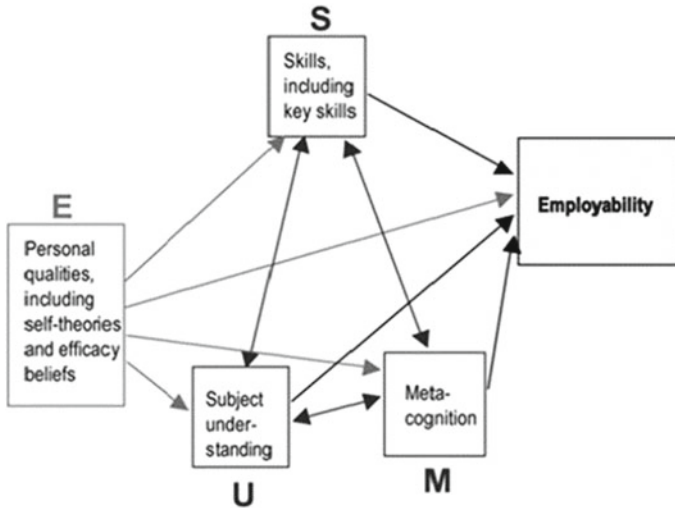
Fig. 1 USEM Model of employability. 2004 *Source* Adapted from Knight and Yorke (2004)

models in this field (Pool & Sewell, 2007: 278). USEM stands for the following inter-related employability components: understanding, skills, efficacy, beliefs, and metacognition (see Fig. 1).

Through the lens of the USEM model, all four inter-related components contribute to graduate employability. However, the pedagogical framework heavily relying on traditional case studies somewhat lacked skills (S) and meta-cognition (M). For example, as opposed to traditional case studies, live case studies and client-sponsored projects facilitate teamwork, problem-solving, and communication skills. Besides, in response to live briefs, students can engage in higher-order thinking that involves active control over the thinking processes involved in learning. The latter is an excellent example of what is referred to as 'high skills' in the aforementioned Leitch Review. Tasks such as planning how to approach a live brief, evaluating progress toward completing group work, and critically reflecting on one's practice are meta-cognitive in nature. Such meta-cognition activities enable students to take an active part in 'learning by doing', better understand themselves about learning, and develop employability for a better chance of acquiring their 'chosen occupation'.

3 Sustainable Consumption in Marketing Education

In order to make the module as practice-oriented as possible, the authors' embedded contemporary issues in marketing into the module. This was, and still is, tackling climate change issues with consumer behaviour to lower carbon emissions and waste.

Following the Climate Change Act 2008, the latter has been high on the UK government's agenda, as was the case with many other countries worldwide. Moreover, numerous calls have been made to change consumer behaviour to benefit the environment. Consumers are, however, often indifferent toward the effects of their consumption because, as human beings, we tend to relate to the issue if we see a direct impact on the individual while turning a 'blind eye' for something that is not happening 'in our backyard'. Furthermore, changing consumer behaviour is highly complex, diverse, and context-dependent (Young et al., 2010).

There is significant pressure on UK consumers, as they are seen as responsible for throwing away over a million tons of plastic by 2030 (Moss, 2018). Meanwhile, marketing communications are known to influence consumers' attitudes and behaviours, and therefore is seen as a tool to aid in sustainable consumption of the future. Therefore, it is vital to educate young marketing professionals about sustainable consumption and communication tools to change consumer behaviour. Considering the UK Department of Education's (DfE) initiative and demand for the educational institutions to meet the DfE policy on sustainability and education of young people, the authors re-designed the module to target postgraduate students whose chosen occupations will involve marketing communications.

4 Feedback from the Students

Listening to students, acting on students' feedback, and involving students in the process (Cook-Sather, 2001) is very important at the University of Greenwich. We 'listen to student voices' using the EvaSys student survey, which asks students to assess various aspects of the program's modules quantitatively and qualitatively.

Over the last three years, students have found this module helpful in enhancing the skills and knowledge they would need after graduation and challenging them to do their best work. Both could be attributed to students working with live briefs and international clients, creating an environment similar to the business environment they would enter after graduation. Students value that this module is "by far the most practical and most engaging" (student opinion, EvaSys, 2018/19) in the program. They recognize its employability agenda because "being able to work with a live brief gives a real insight to what students will be dealing with in the future" (student opinion, EvaSys, 2018/19). Moreover, they praised the teaching team for making the subject exciting and include viewpoints from a range of perspectives and backgrounds. They very often commented on teaching teams' characteristics, emphasizing making the con-tent attractive, "bringing lots of personal business experience", which resulted in many students being "more passionate about marketing and advertising" (student opinion, EvaSys, 2020/21). Overall, one of the most frequent comments provided by students about the module, in general, is something along the lines of "this is by far my favourite class" (student opinion, EvaSys, 2019/20) and "I am looking forward to it every week" (student opinion, EvaSys, 2020/21).

However, the teaching team is not observing the module through 'rose-coloured glasses' as there is still room for improvement. Over the years, students have reported that working in a group is demanding and that many issues would be overcome if the module would run over more than just six weeks. Students reported that more time would enable them "better time management" (student opinion, EvaSys, 2020/21). Having more time to manage work in groups could also contribute to making informed choices grounded in objective research instead of being influenced by group members' subjective opinions. Many students were struggling with setting boundaries between objective and subjective decision-making. Also, many complained about an opinionated individual taking the lead and steering the client pitch into a direction to demonstrate and develop their skills, with little room for others in the group to do the same. Better time management is essential for resolving such issues because students would have more time to improve their analytical skills, better understand a subject matter, and have stimulative debates informed by critical thinking (Gundala et al., 2014).

5   Limitations and Future Research Avenues

Experiences of re-designing and delivering Developing Advertising and Promotional Strategies using live briefs are not perfectly positive They have limitations and many benefits that need to be highlighted and further investigated.

Firstly, throughout our teaching of the abovementioned module, using live briefs and client work in the marketing education curriculum was exceptionally beneficial for enhancing student engagement. However, an in-depth understanding of students' first-hand experiences is needed to investigate the benefits and challenges of problem-solving, collaborative working, presenting, consumer research, creative planning, media planning, concept development, testing, and pitching to the client. A better understanding of those experiences would contribute to higher satisfaction of prospective students in the future and open more avenues for qualitative research.

Secondly, live briefs and client work of non-domestic, sustainable brands in the marketing education curriculum also provide a stimulating learning environment for the teaching staff. While it is challenging to secure working relationships with new brands in different cultures, it has been one of the most stimulating learning experiences for the teaching team. This chapter provided some initial insight into the feelings of the teaching staff in their reflection on working with live briefs. However, more research is needed to fully understand and capture the learning and teaching experiences of the teaching staff and their motivation to use live briefs in the curriculum.

Thirdly, such live briefs increase graduate employability as the work environment simulates real-life situation. Both teaching and learning theory (i.e., the USEM model) and student feedback support this argument. As discussed earlier, employability is a wide-ranging and evolving narrative, which require graduates to be more

resilient and adaptable. The recent COVID-19 pandemic poses an even further challenge in a job market where graduates often find themselves lacking in 'experience' that prospective employers require from them. With the pandemic challenging the delivery of learning experiences worldwide, new research is needed to address the impacts of the pandemic on student's employability.

International, sustainable brands are often looking for opportunities to enter the UK market, which provides a unique opportunity for marketing educators and students. Our experiences show that the students find sustainable brands more relatable because of brand values and lifestyle. From the brands' perspective, they can gain valuable insight into young consumers' needs and wants in a foreign market. Working with sustainable brands through live briefs provides a mutually beneficial and highly effective learning environment in marketing education, enhancing the student experience and graduate employability. These propositions need to be further investigated to better understand the brand's decision to collaborate with higher educators and students.

6 Lessons Learned

We present three lessons derived by critically reflecting on our experiences of redesigning and delivering Developing Advertising and Promotional Strategies.

Students feel more engaged with the module if they are presented with real-life experience. This module was developed to facilitate students' understanding of theories and practices in advertising and marketing communications. It is perceived as successful and 'a parade horse' in the Department for engaging students with academic literature and industry brief. Enhanced student experience and high satisfaction with the module were well demonstrated for the past three years of running this module. Lately, many more modules were 'enriched' with live briefs in the Department, testifying successful teaching practices set by the authors.

Live briefs provide a stimulating learning environment for the teaching staff, too. The staff can diversify the curriculum by introducing (non)domestic, sustainable brands. Securing working relationships with international brands may be challenging; however, it can also be one of the most stimulating learning experiences: the staff can learn about new cultures, new brands, new production methods etc. and use newly acquired knowledge to discuss industry-led knowledge progression.

Lastly, it is strongly recommended that such a module allows an adequate number of contact hours and module delivery length. For the first two years, this module had to be delivered intensively in six weeks due to the timetabling issues. When we changed the module content across twelve weeks, it enabled students to have a more informed, analytical, and critical decision-making process. Group work was also more effectively organized; for example, al-locating the team members based on their skillsets, preference, and compatibility into groups rather than leaving them to form groups based on convenience or friendship groups. It also allowed students to learn time management skills and organizational skills.

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Clients/Brands' Websites

EQUA: https://myequa.com/
KOOZMETIK: https://koozmetik.co/

Sustainability: University of Greenwich

https://blogs.gre.ac.uk/greengreenwich/

Additional Readings

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