

THE ROLE OF MARKETING POLICY IN ESTABLISHING A SUSTAINABLE BUSINESS

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Abstract: The concept of sustainable development has become a widely used catchphrase in contemporary organizations. This concept is nowadays central to the programs of many government and non-government organizations, as well as in many businesses around the world. Still, scientific literature lacks a thorough and encompassing explanation of this concept through a variety of scientific disciplines and areas of business. This article aims to contribute to the literature in the field of marketing and sustainable development for understanding and effective implementation of this concept in real environment. Sustainable development refers to satisfying needs of people, without compromising the ability of future generations to satisfy their own needs. Here, marketing plays an important role, not only through the alignment of the company's strategy with the environment, but also through the promotion of the importance of the application of this concept.

Keywords: sustainable development, sustainable marketing, sustainable customers, sustainable products, sustainable market.

Sustainable development, as a relatively new and evolving area of theory and business, can be considered an emerging concept. Accordingly, sustainable development concept is continuously changing in relation to local contexts, needs and interests. However, there still exists a lack of a thorough and encompassing explanation of this concept through a variety of scientific disciplines and areas of business. On the other hand, there are several things which academic community mostly agrees on. First, the question is no longer about contradiction of development and environmental concerns. The question is how sustainable development can be achieved, while phrase "sustainable development" has become pervasive (Lele, 1991). This phrase is becoming more common as a topic of conferences, as a slogan of environmental activists, or development planners (Lele, 1991). Second, describing the sustainable development concept, most researchers point to its three main pillars in society: economic, ecological and social (Dyllick & Hockerts, 2002; Holling, 2001). Third, the solution of the problems of sustainable development is one of the priorities for national governments, global companies, and all forward thinking people of the world. So far, a lot of papers have been written on this topic, but authors still do not agree on the definition of this concept. Moreover, some authors believe that there is no need for a universal definition and that the value of this concept lies precisely in its ambiguity (Lele, 1991). According to some authors, the vagueness of the definition of sustainable development enables people who have had opposing views to jointly find a solution for the definition of this concept through a debate.

The lack of a harmonized definition of the concept of sustainable development hinders the application of this concept in practice. The basic elements of the complex problem of sustainable development are poverty and harmful impact of excessive consumption of the rich

population on the environment. At the United Nations Conference on Environment and Development (UNCED) held in Rio de Janeiro in 1992, the governments of the member countries of the United Nations highlighted the need to focus international and national policies of countries in such a way that the impact on environment should be discussed when making any economic decisions. This message has contributed to the principle of eco-efficiency to become one of the guiding principles not only in companies, but also in government institutions. For example, different modes of production, especially the production of toxic substances, such as lead in gasoline, or poisonous waste, are under both the UN (United Nations) and governments scrutiny; they seek to replace fossil fuels, associated with global climate change, with alternative sources of energy; they seek to develop public transport systems in cities, in order to reduce the pollution resulting from the emissions from vehicles (UNCED, 1992). Sustainable development, as a relatively new concept, was created as a result of understanding of people's harmful effects on their environment. This concept has been seriously accepted after the United Nations Conference on the Human Environment in Stockholm in 1972. Apparent climate changes, which present response of nature to harmful effects of people, contributed a lot to understanding the importance of this concept. Sustainable development has been defined in many ways so far. The definition that perhaps best describes the essence of the concept of sustainability is one that was given by Brundtland (1987) "Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs ". This definition is not precise enough (Lele, 1991), but it illustrates two fundamental problems related to environmental degradation that accompanies economic growth, as well as the need for such growth, in order to reduce the level of poverty (Adams, 2006). Also, Martin and Schouten (2012) described sustainability as the ability of the system to continuously maintain or renew itself, pointing to an important feature of this concept, where the system is inevitably changing, and it is not preserved or kept in a static form. The essence of modern theories of sustainable development is the notion that there are three dimensions of the concept: environmental, social and economic (Adams, 2006; Dyllick&Hockerts, 2002) (Figure 1). From the environmental standpoint, sustainable development should enable integrity of the natural environment as well as unhindered development and change. In doing so, the point is not to preserve and keep the system in a static state in which it loses its biodiversity, but to enable it to smoothly reproduce and adjust to various changes.

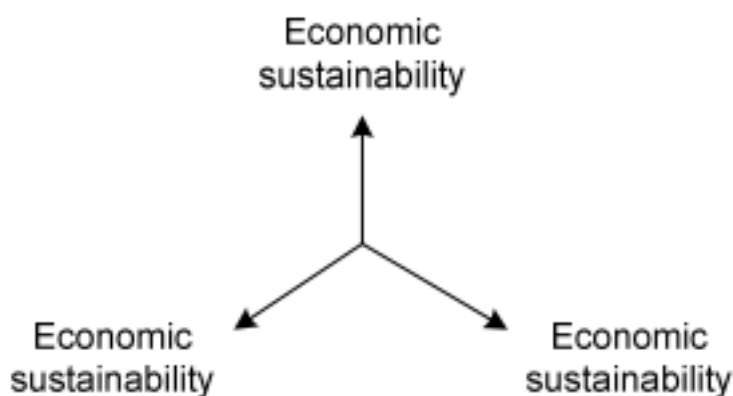


Figure 1: Dimensions of sustainable development

The social dimension is focused on human development, maintaining the stability of the social system and preventing social conflicts. A human being should be an active participant in development, through the management of his/her life. An important prerequisite for this is a fairer distribution of resources between people i.e. reduction of the so-called GINI-index, as well as tolerance among people and preservation of cultural heritage. The economic dimension refers to the optimal use of limited natural resources, as well as development of technologies that will achieve better energy savings. The essence of the economic dimension is to ensure the growth and to achieve the efficiency.

Bearing in mind all that has been said so far, it can be concluded that the application of the concept of sustainable development in companies is becoming an increasingly important topic and one of the key strategic goals of business of an increasing number of companies. They do not question whether it is necessary to integrate the concept of sustainable development in business any more, but how this can be achieved. Although there are many good examples of applying the concept of sustainable development, it is impossible to make a universal model of its implementation. Each company, depending on the market in which it operates, its size, industrial sector, must develop an adequate strategy, whose leading aim will be to preserve the ecological environment and take care of the interests of society with the achievement of adequate economic results.

Such sustainable strategy is focused on the future by meeting the needs of consumers and at the same time by achieving profitability for investors. Based on current marketing theory and practice and specificity of the concept of sustainability and sustainable development, it can be concluded that the role of marketing in the implementation of the concept of sustainable development is important and versatile. First, marketing as a business segment that is closely connected to customers through market analysis, as well as through the creation of offers of values, must take into account the principles of sustainability when designing a marketing mix, as well as when building relationships with consumers. Also, marketing, with its extensive knowledge and experience regarding the customer behaviour and promotion of new ideas can significantly help to spread the idea of sustainable development and increase sustainable market. Finally, sustainable marketing, with its focus on social and environmental issues, can be considered one of the drivers of sustainable development because of its enormous potential initiating cultural change in society.

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