

Determining factors towards sustainable marketing strategy and its contribution to the strengthening of the enterprise's competitive ability

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Abstract

The aim of this paper is to investigate sustainable marketing strategy planning practices within enterprises in North-western Croatia and assess its importance for enterprise's general business ability. As the previously domestic taken researches mainly were based on environmental measures, this paper wants to include and the other elements of sustainability as are socio-cultural and economic measures as well. The objective of this paper is to examine manager's attitudes towards sustainability and sustainable development in general, towards sustainable business practice in the domain of environmental, socio-cultural and economic activities. The purpose of this paper is to show what are the benefits of sustainable marketing strategy implementation by achieving certain competitive ability as well to show some restrictions which might occur. For the purpose of collecting replies quantitative method in the form of a questionnaire was chosen. This provided numerical evidence and allowed statistical analysis. The questionnaire was consisted of closed-ended questions. In order to measure respondent's agreement with the given statements the 'Likert method' was applied.

Key words: *sustainability, competitiveness, marketing, strategy.*

Introduction

Recently, many researches are focused on the inclusion of sustainability initiatives into the culture of business entities, processes, products, services, etc., So, there is new developed theoretical assumption, which is increasingly accepted in business

marketing policies and marketing strategies for sustainability from which is stemmed new paradigm of sustainability marketing. Enterprises now are offering to the internal and external stakeholders perception of new values based on concern for the environmental and social balance. In marketing planning for the sustainability consumer remains in the central focus of marketing decisions and the fact that the marketing activities are influenced by broader social context (Schouten, Martin, 2012, 34; Hartman, Ibañez, 2006, 680). Recent studies have also shown that striving for sustainability does not result solely through environmental and social improvements for the company, but also through increased economic value for businesses and for the consumers (Høgevold, Svensson, 2012, 147).

The paper analyzes existing activities within the company. The purpose of this paper is to demonstrate possibilities which enable businesses to build their competitive advantage through the active involvement of the principles of sustainability into their business models. That could indirectly influence the positive trends in their local economies and at the level of the national economy as well.

Within the defined object and purpose of research, it is assumed that the integration of sustainability principles into marketing strategies resulting in greater marketing efficiency and it significantly contributes to the better business results of the enterprises.

The objectives of the paper are to analyze the entrepreneurs' attitudes towards the integration of sustainability into marketing strategies on the example of enterprises in Northern Croatia.

Sustainability marketing

The shift in the definition of marketing leads to the creation of new marketing dimension which is known as sustainability marketing. Sustainability marketing primarily should be understood as a tool for sustainable development (Quinn, Dalton, 2009, 26).

In the practice as in the theory marketing grounded its strategic commitment to the premise of unlimited spending of natural resources, and on the general negligence of the Earth's carrying capacity, as well as disregard the fulfillment of the conditions of social balance (Fenwick, 2007, 639). Also, it was considered that the quality of life and personal well-being is correlated with growth of consumption. But

the more obvious disturbances in the biosphere, as well as within society is bringing new thinking in terms of the protection and conservation of nature and the reaffirmation of social relations and values in the society. Marketing in this sense takes on a new role whose task is to solve the most pressing environmental and social problems as well as the changes in the perception of the role of marketing within enterprises (Wilhelm, 2013, 102).

Now it is clear that the challenges confronting modern society can no longer be addressed with conventional marketing. It requires changes in current practice, and the solution is the marketing of sustainability that takes into account the basic principles of sustainability and offers marketing organizations a holistic approach to the provision of goods and services (Peterson, 2013, 15; Martin, Schouten, 2012, 44; Crittenden, Crittenden, Ferrel, Ferrell, Pinney, 2011, 77). Also, the marketing organizations have the opportunity to become a very viable, and thus acceptable to the environment and the society.

The fundamental starting point of understanding the bonds of sustainability and marketing certainly arises from the premise of sustainable development according to which, sustainability marketing represents a strategic commitment in the planning and implementation of marketing that takes into account the interests of all current and future stakeholders in a way to ensure long-term prosperity of the business associated with its positive effects on ecological, social and economic systems within a community or social structure. (Lovrinčević, Mikulić, Reich, 2006, 615; Marijanović Samardžija Karlovčan 2010, 20).

Materials and methods

For the purposes of this research it was conducted quantitative research through questionnaires, as an instrument of research, on the sample of SMEs in Koprivnica Križevci county, Varaždin county, Međimurska county and Bjelovarsko-bilogorska county.

A questionnaire with an accompanying letter in which was explained the object of research, the purpose and significance of the research were transmitted to the electronic contact address. Also, in some cases followed a phone call in terms of reminders and rush notes for the fulfilment of the same. The questionnaire was consisted of 14 questions that included: questions about importance of sustainability elements, questions about key implementation factors, about key

benefits of sustainability marketing and about limiting factors that could adversely affect the implementation of sustainability marketing. The questionnaire used Likert scale from 1 through 5.

In this research, the basic set are represented by active small and medium-sized enterprises (≤ 249 employee) in the area of Koprivnica Križevci county, Varaždin county, Međimurska county and Bjelovarsko-bilogorska county, operating continuously for more than ten years. The sample frame was a database of the Croatian Chamber of Commerce. The sample size for the survey was determined at 158 companies. The unit basic set is represented by the individual company, the owner or general manager, or managers at lower levels. According to the collected sample it can be concluded that this sample was an occasional, not representative sample for mentioned enterprises in Northern Croatia. So the conclusion which can be made on this sample can be treated a pilot study.

Sustainable marketing strategy through the inclusion of sustainability

Inclusion of sustainability dimension into business daily practices

The first step of research included giving basic attitudes expressed by managers regarding including sustainability dimension into their business daily practices.

To determine the first objective respondents were asked to evaluate their agreement with statements toward the level of inclusion of each sustainability dimension in their daily business practices (Table 1).

Table 1. Mean, standard deviation of inclusion of sustainability dimensions into business daily practices and overall

Inclusion of sustainability dimensions into business daily practices	Mean (M)	Standard deviation (S)
Economic	3,21	0,52
Environment	4,23	0,63
Socio-cultural	2,82	0,72
OVERAL INCLUSION OF SUSTAINABILITY DIMENSIONS INTO BUSINESS DAILY PACTIES	3,42	0,38

Source: Research results

The highest result in inclusion of sustainability dimensions into business daily practices is regarding the inclusion of environmental dimension into business process (M=4,23; s=0,63). It is obvious that the concern for environmental issues in observed enterprises is the most developed due to general awareness of environmental protection and especially because of the legislation that obliges enterprises to pay more attention to energy conservation, the use of environmentally-friendly materials, recycling, etc.

The lowest score in inclusion of sustainability dimensions into business is social dimension (M=2,82; S=0,72) which, on a scale of 5 degrees (maximum), means that the entrepreneurs are not likely to be implementing sustainable practise in the social dimensions such as supporting the community, informing about their activities or their products or services, supporting local initiatives, etc.

All sustainability dimensions are in the M=4,23–2,82 range which is a medium value, therefore there is quite enough place for improvements.

Benefits of application of elements of sustainability in the marketing planing process

Next step of reasearch was to establish percived benefits in terms of enterprise's competitive ability which emerge from application of elements of sustainability in the marketing planing process (Table 2).

Table 2. Benefits of application of elements of sustainability in the marketing planing process

Benefits of aplication of elements of sustainability in the marketing planing process	Mean (M)	Standard deviation (S)
Cost reduction	4,53	0,97
Negative reputation reduction	4,27	1,14
Increased added value for customer	4,32	0,79
Increased employee satisfaction	3,96	0,44
Improved image to community	3,61	0,51
Enhanced image	4,42	0,74
OVERAL BENEFITS OF APLICATION OF ELEMNTS OF SUSTAINABILITY IN THE MARKETING PLANNING PROCESS	3,75	0,77

Source: Research results

The overall perception of benefits was relatively high with a scale value 3,75 and a standard deviation of 0,77. Most of respondents highly evaluate cost reduction as a benefit (M=4,53; S=0,97). Such as energy or water saving measures could be a good motive for enterprises (Tzchentke *et al.*, 2004, 121). The reason for such high score of cost reduction is that other measures are not seen as a direct impact on enterprise's competitive efficiency.

Compared to other benefits last agreements gained improved image to community (M=3,61; S=0,51) which could be explained through the social sustainability dimension which was very low scored in previous part of results.

However, some respondents disagreed with the statement of increased employee satisfaction. Explanation can be found in the currently very bad situation regarding labour market as well general economic situation in Croatia. There's been sixth year of economic crisis which caused many working place lost and many enterprises ceased.

Competitiveness prerequisites with regard to the implementation of elements of sustainable development

The respondents had to evaluate arguments that assume that competitiveness is linked to the presence and application of sustainability in the marketing planning (Table 3).

The claim that the goal of the enterprise is not only profits was evaluated very well (M = 4.71, S = 0.63). This is indicator of an understanding of the practical approach to the interpretation of modern marketing paradigm which says that other no less important goals of marketing are concern for environmental and social balance.

However, the claim that the application of sustainable development policies is a success key, it was assessed with an average score (M = 3.71, S = 0.46), which is not considered quite satisfactory.

Barriers to the implementation of sustainability into marketing strategies

The respondents were also asked to point out to what extent and which of given barriers could hinder the implementation of sustainable marketing strategy in their business practices (Table 4).

Table 3. Competitiveness prerequisites with regard to the implementation of elements of sustainable development

Competitiveness prerequisites with regard to the implementation of elements of sustainable development	Mean (M)	Standard deviation (S)
Održivi razvoj i profitabilnost su kompatibilni	4,29	1,04
Cilj poduzeća nije samo profit	4,71	0,63
Poduzeće je učinkovitije kada su radnici pozitivno stimulirani	4,62	0,88
Konkurentnska prednost poduzeća ovisi o stupnju primjene politika održivog razvoja	4,86	0,54
Primjena politika održivog razvoja ključne su za opstanak poduzeća	3,71	0,46
OVERAL COMPETITVENESS PREREQUISITES WITH REGARD TO THE IMPLEMENTATION OF ELEMENTS OF SUSTAINABLE DEVELOPMENT	4,44	0,71

Source: Research results

Table 4. Barriers to the implementation of sustainability into marketing strategies

Barriers to the implementation of sustainability into marketing strategies	Mean (M)	Standard deviation (S)
Implementation costs	3,39	0,75
Complexity	3,17	0,67
Lack of knowledge	3,44	0,54
Legaslitive obstacles	3,22	0,49
Low business priority	2,54	0,88
OVERAL BARRIERS TO THE IMPLEMENTATION OF SUSTAINABILITY INTO MARKETING STRATEGIES	3,15	0,67

Source: Research results

Almost the majority of respondents agreed that implementation costs are the most important barrier to the implementation of sustainability into marketing strategies (M=3,39; S=0,75). Although high costs represents a barrier, the implementation of sustainability could be a good investment for the future of enterprises. The biggest obstacle for avoiding such investments is current unfavorable economic situation in the country which makes local entrepreneurs to stay away from the implementation of sustainability into marketing strategies. Besides implementation costs, lack of knowledge regarding sustainability (Ham, Forjan, 2009, 233), as well as legalistic obstacles and complexity of the matter were also highlighted in the questionnaire results. The major obstacle seen by Croatian entrepreneurs is also slow bureaucracy which not gives adequate assistance.

Conclusion

Summarising the main results, the general perception of benefits, barriers and understanding of the main prerequisites of application of elements of sustainability is very positive. It is obvious that the majority of the respondents understand importance of inclusion of sustainability dimensions into business daily practices. The overall results are positive and showed that incorporation of sustainability elements into marketing strategies in Northern Croatia's enterprises is of rather high importance.

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Method

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Results

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Discussion

It is obvious that the concern for environmental issues in observed enterprises is the most developed due to general awareness of environmental protection and especially especially because of the legislation that obliges enterprises to pay more attention to energy conservation, the use of environmentally-friendly materials, recycling, etc.

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The overall results are positive and showed that incorporation of sustainability elements into marketing strategies in Northern Croatia's enterprises is of rather high importance.

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