Broadening the Concept of Sustainability and Measuring its Impact on Firm’s Performance

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Abstract

There is an enhanced awareness among the firms regarding the impact of their marketing and business activities on the environment and society largely due to consumer education, the role of activists and aftermath of some disasters. The firms have started to look at these issues in a more holistic manner which is evident from the sustainability practices undertaken by them. In spite of such efforts, their outcomes regarding sustainability efforts are not in line with the expectations, raising the bigger question whether the firms are displaying and enacting right set of behavior towards sustainability. In view of this background, this paper explores the multifaceted behavioral dimension along with its drivers that contribute towards sustainability in a firm. It also endeavours to develop a measure of sustainability for the firms by including behaviour at the firm level as an additional dimension apart from the economy, social and environmental dimension from triple bottom line perspective. The paper also proposes the relationship between sustainability of the firms and performance metrics including marketing metrics. This paper aims to delineate directions for marketers and policy makers with regard to sustainability marketing.

Key Words: sustainability marketing, sustainability index, performance metrics

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1. Introduction

The renowned ecologist Rachel Carson (1962) in her book Silent Spring has raised many alarming issues regarding future effects of the greedy and short-sighted actions undertaken by mankind for the course of development. Looking holistically at the world’s ecological balance, there is a sway towards the acute crisis mainly due to the reasons like global warming affecting climate change, degradation of air & water quality, uncontrolled exploitation of natural resources resulting in a threat for the environment and society. Now the onus lies on the different stakeholders of the society itself to get aware and take actions which are substantial and significant in nature. With time, there is awareness towards betterment of environment and society among the individuals extracting the natural resources and consuming different commodities and products for fulfilling their needs. During past few decades, the consumer environmentalism has grown significantly due to increased awareness towards environmental issues triggered by environmental disasters, protests by environment protection groups, and environmental education (McIntosh, 1991; Straughan & Roberts, 1999; Chen, 2010). Now consumers are more concerned about environmental issues and are showing greater willingness to buy products which are environment-friendly in attributes (Krause, 1993). The concerns of the consumers and societies have also compelled the firms to alter and align their business practices in line with the relevant issues (Ottman, 1992; Peattie, 1995; Kotler, 2011). In this changing scenario, environmental and social issues arising due to business practices are expected to have a deep influence on marketing theory and practice necessitating firms to pursue sustainability practices more actively (Kotler, 2011).

Although firms are increasingly engaged in marketing and business practices with a blend of sustainability, the concern over their footprint on the environment, economy and society has gathered momentum over a period of time due to ineffective outcomes and more
vigorously due to extreme events like Gulf of Mexico disaster by British Petroleum. Such happenings have also drawn attention towards behavioral aspects of sustainability at the firm level highlighting the role of behavior change for more focussed approach towards sustainability (Gardner & Stern, 2002; Press & Arnould, 2009). The successful implementation of the sustainability practices also largely depends on the institutionalization of the right perspective and modification of the behavior (Dopplet, 2003; Steg & Vlek, 2009). The basic concept of sustainability - encompassing all its elemental components i.e. social, environmental and economic aspects - perhaps is much more relevant at this juncture. Since the issues pertaining to the environment and ecology are intrinsically related to human behavior (Gardner & Stern, 2002), the success of the sustainability related actions in a firm is also dependent upon the way the different stakeholders such as management, employees and supplier perceive and execute it. The non-compliance of the behavioral aspect of sustainability, which is equally widespread both at firm level as well as at the consumption level, has in fact reduced the degree of benefit which would otherwise have been accrued (Midden, Kaiser, & McCalley, 2007). This pertinent matter of discussion emphasizes on adopting more focused approach on the requirements of behavioral change in the adoption of all such sustainability related actions by each and every stakeholder involved in the entire value chain. Although some efforts have been made to educate the consumers on this front by the firms (e.g. Peattie et al., 2011; Barcellos et al., 2011; Chen et al., 2012), there is a lot left for the marketers to understand on the behavioral front with regard to what could be the right set of behavioral elements at the firm level that contribute towards the success of sustainability of the firms. It also opens up a new avenue for the firms to incorporate necessary amendments in their overall marketing strategy invigorating the behavioral actions in line with the call of the time.
This paper intends to broaden the concept of sustainability by incorporating the elements belonging to the behavioral dimension of the sustainability at the firm level. The next section describes the problem area to be researched by exploring the extant literature on sustainability and sustainability marketing and displaying some potential gaps on pertinent issues culminating into formulation of the research questions. The theoretical foundation and relevant paradigm to extend the discussion is based on Means-End theory and polity-economy paradigm that leads to development of sustainability index which includes behavior as one of the dimensions along with the triple bottom line dimensions namely economic, social and environment. The paper finally summarizes the relationship between sustainability measure of the firms and different performance metrics leading to the formulation of propositions.

2. Literature Review

2.1. Sustainability and Sustainability Marketing

There are many views on the concept of sustainability. World Commission on Environment and Development (1987) has described sustainability as the “development that meets the needs of the present without compromising the ability of future generations to meet their own needs”. Sustainability can also be described as keeping the system according to environmental, economic and social considerations with a long term view (Bonn & Fisher, 2011). It contains the elements from economic, social and environmental settings (Smith & Sharicz, 2011) and is the collaborative effort of all stakeholders namely government, non-government organizations and business, which results in achieving the goal of sustainability (Murray et al., 2010). The sustainability in its entirety may be viewed as intertwined diverse groups comprising different entities sharing a common goal, policy and
ideology (Hunt, 2011). This common world view (Bridges & Wilhelm, 2008) shared by the diverse groups under this approach concern futurity, equity, and needs/wants (Hunt, 2011). The “triple bottom line” approach coined by John Elkington (1994) also discusses the sustainability by putting together ecological, social and financial performance of the firms (Prothero et al., 2010). It is also proposed to consider the triple bottom line approach as a guiding principle for development of this study.

The sustainability marketing has also been defined in a similar fashion by various scholars. Belz (2006) defined sustainability marketing as building and maintaining sustainable relationships with the social environment and the natural environment in addition to maintaining the relationship with customers. Sustainability marketing emphasizes on the goal of maintaining a development scenario which is sustainable in nature and is in congruence with supporting a sustainable economy (Hunt, 2011) with an ability to leverage optimum environmental cost of generation and consumption (Peattie, 2001).

2.2. Sustainability Research in Marketing and Potential Gaps

The sustainability research in marketing has mainly been focused on dimensions such as Social and Environmental, Internal and External and Legal, Ethical and Discretionary (Chabowski, Mena, & Gonzalez-Padron, 2011). Research on behavioral dimension is limited and is also not integrated. The available measurement tools for sustainability also lack behavioral dimension. We have adapted the social and environmental, external and internal, legal, ethical and discretionary dimensions of the sustainability research in marketing from Chabowski et al. (2011) and behavioral dimension at the firm and consumer level has been explored further in addition to these dimensions. The extant research on the social dimension is replete with contribution on topics related to corporate social responsibility (e.g. Maignan...
et al., 2005; Ellen et al., 2006; Matten & Moon, 2008; Schiebel, 2012), relation of corporate social responsibility and social causes with issues like satisfaction of the customers, effect on brand equity and reputational measure of the firms (e.g. Luo & Bhattacharya, 2006; Simmons & Becker-Olsen, 2006; Sen et al., 2006; Arora & Henderson, 2007; Krishna & Rajan, 2009) and social and environmental aspect of corporate social performance (e.g. Wood, 1991b; Waddock & Graves, 1997; Hull & Rothenberg, 2008). The literature on the internal and external dimension to the firm includes some important issues like cause-related marketing (e.g. Simmons & Becker-Olsen 2006; Arora & Henderson, 2007), external risk management (e.g. Lash & Wellington, 2007; Godfrey et al., 2009), marketing strategy due to activism (e.g. Den Hond & De Bakker, 2007; McWilliams, 2006), adoption of pollution prevention programs (Hart, 1997) and the organizational culture as an effect of leadership and internal stakeholders (e.g. Christmann, 2004; Waldman et al., 2006; Abela & Murphy, 2008).

The legal, ethical and discretionary dimension includes the works on compliance for pollution regulation by Nehrt (1998), requirement for water disposal by Rothenberg (2007), guiding principles on product and employee safety (e.g. Morgan, 1988; Tse, 1999; When, 2004), solution for customers on environmental issues by scholar like Moir (2001) and Sharma et al. (2010), work on cause specific donation by Dean (2003) and volunteer program for employees by Bhattacharya et al. (2008). The research on the behavioral aspect of sustainability has been looked upon from customer and firm level perspective. The firm level studies include research on the topics like attitude of managers & executives as legitimacy towards sustainability (Thomas & Lamm, 2012), organizational citizenship behavior for environment (e.g. Matten & Crane, 2005; Boiral & Paille, 2011) and environmental sustainability education for ethical behavior (Flannery et al., 2000). Some of the studies from the perspective of consumers include behavior towards climate change (Wells, Ponting, & Peattie, 2011), modelling behavior in energy usage (Chen, Cook, & Crandall, 2012), intention
and behavior of consumers (de Barcellos et al., 2011), sustainable lifestyles for encouraging pro-environmental behavior (Barr, Gilg, & Shaw, 2011) and transition to sustainability by analyzing environmental values and behaviours (Matutinovica, 2012).

The potential research gaps under the dimensions discussed above provide the avenue for forwarding the research on some important aspects of sustainability marketing such as the role of behavior for capability building towards sustainability or exploration of factors affecting behavioral elements acting towards sustainability efforts of the firms. The social and environmental dimension provides the opportunity to look at the impact of sustainability of the firms on their social and environmental performance. The gap on the behavioral dimension also provides the scope to measure the sustainability of the firms by incorporating behavioral dimension and to ascertain its impact on various metrics of the firm’s performance including the marketing metrics.

2.3. Research Questions

In view of the discussion on sustainability research in marketing on different dimensions and potential research gaps, the problem area to be researched are described in the form of research questions mentioned below,

R. Q. -1: What behavioral elements at the firm level contribute towards sustainability?

It is also intended to look into the subtle details of such behavioral elements by exploring the answer to the next research question which explores,

R.Q. -2: What factors seem to exert influence on behavioral elements at the firm level?

Based on the above elaboration and research gap in literature, it is quite inquisitive to ascertain the position of the firms on the overall dimensions of the sustainability that includes
behavioral dimension in addition to the social, environmental and economic dimensions. This leads us to look at the kind of tool which could help us in assessing the level of sustainability of the firms, thus propelling us to explore the answer to the next research question.

R.Q. - 3: How can we assess the sustainability of the firms on all dimensions including behavior?

In line with the research gap explained earlier, it is also intended to find the impact of sustainability on the firm’s performance and this precisely forms the next problem area to be addressed in the form of research question mentioned below,

R.Q. - 4: What is the impact of sustainability on the firm’s performance?

3. Theoretical Foundation

3.1. Means-End Theory

In order to address the problems highlighted in the research question no.1 & 2, it is proposed to extend the discussion using Means-End theory propounded by Gutman (1982). Means-End theory helps in exploring the cognitive processes that is needed to display a particular behavior with respect to certain values and belief system resulting in consideration for the expected consequences after aligning to a particular behavior (Wirth, 2004). Under a given decision scenario (e.g. exploring behavioral elements contributing to sustainability and factors influencing such behavioral elements at firm level in present study), the attributes of the decision act as means to achieve the end associated with the values wherein consequences are intermediate stages between means and values. Within the discussion on sustainability, there is an increased focus on means i.e. behavioral elements and the subsequent values that are in fact keys to behavior change. The Means-End theory in this study is proposed to be
utilized for garnering insight into abstraction of motivation of the people in an organization by considering them as goal-oriented (e.g. goal of sustainability in this study) decision makers who choose to exhibit behavior that is more likely to direct them towards their desired goals (Reynolds & Olson, 2001).

3.2. Polity-Economy Paradigm

For addressing the research question no. 3 & 4, it is proposed to explore polity-economy paradigm and extend the discussion in the context of the current study. One of the reasons for using polity-economy paradigm in the context of sustainability marketing include its usage in the macro-marketing context considering the exchange system from a social perspective wherein social and economic control processes like markets, politics and bureaucracy have been used for theory building (Arndt, 1981). In addition to this, the organizational approach to polity-economy explains the social systems as a network of interacting set of economic and socio-economic elements which is capable to alter the collective behaviour and performance (Stern & Reve, 1980). The polity-economy paradigm fits in the context of the present study since it has ability to address the issues of resource scarcity, allocation, and societal well-being with emphasis on the environmental degradation which is at the core of the sustainability (Hahn, 1990).

3.2.1 Sustainability Index

In order to answer the research question no.3 regarding assessment of the sustainability of the firms, it is proposed to explore the polity-economy paradigm and develop a
sustainability index for the firms. The sustainability index also provides an opportunity for the stakeholders to view and understand what the firms are doing and in what manner they are behaving for accomplishing their economic goals simultaneously making visible the footprints of all their actions in terms of behavior towards the environment and society. It acts as a benchmark that helps in managing the sustainability portfolios of the firms which ultimately provides a guideline for developing the products or services in line with the right kind of the indicators of economic, social and environmental dimensions (Hoti, McAleer & Pauwels, 2007). Some prominent sustainability indices namely Dow Jones Sustainability Index and GRI do not include behavioral dimension in their assessment of the firm’s sustainability. The current study proposes to add the behavioral dimension in the assessment of sustainability of the firms.

3.2.2 Mapping the Elements of Sustainability into Polity-Economy Paradigm

It is intended to map the elements of sustainability of the firms into the framework of polity-economy paradigm to develop a sustainability index. The four dimensions of polity-economy paradigm are internal polity, external polity, internal economy and external economy. We have taken into account the indicators from the behavioral dimension along with the indicators from economic, environmental and social dimensions based on the governmental guidelines and important indicators from the prominent indices. Table 3.1 shown below displays the mapping of some tentative indicators of the dimensions of sustainability under the framework of the polity-economy paradigm.
Table 3.1: Mapping of indicators of the dimensions of sustainability

<table>
<thead>
<tr>
<th>Polity / Economy</th>
<th>Indicator</th>
<th>Dimension</th>
<th>Code</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>External Polity</strong></td>
<td>Environmental Reporting</td>
<td>Environmental</td>
<td>ENV1</td>
</tr>
<tr>
<td></td>
<td>Audit issues</td>
<td>Economic</td>
<td>ENV2</td>
</tr>
<tr>
<td></td>
<td>Governance</td>
<td>Economic</td>
<td>ENV3</td>
</tr>
<tr>
<td></td>
<td>Social Reporting</td>
<td>Social</td>
<td>SOC1</td>
</tr>
<tr>
<td><strong>Internal Polity</strong></td>
<td>Presence of Environmental Policy</td>
<td>Environmental</td>
<td>ENV4</td>
</tr>
<tr>
<td></td>
<td>Measurement of firm’s Impacts</td>
<td>Environmental</td>
<td>ENV5</td>
</tr>
<tr>
<td></td>
<td>Measurement of Product Impacts</td>
<td>Environmental</td>
<td>ENV6</td>
</tr>
<tr>
<td></td>
<td>Environmental Management Systems</td>
<td>Environmental</td>
<td>ENV7</td>
</tr>
<tr>
<td></td>
<td>Board Composition</td>
<td>Economic</td>
<td>ECN1</td>
</tr>
<tr>
<td></td>
<td>Executive Compensation and Ownership</td>
<td>Economic</td>
<td>ECN2</td>
</tr>
<tr>
<td></td>
<td>Equal Opportunities and Diversity</td>
<td>Social</td>
<td>SOC2</td>
</tr>
<tr>
<td></td>
<td>Corporate citizenship policy</td>
<td>Social</td>
<td>SOC3</td>
</tr>
<tr>
<td></td>
<td>Human Rights Policy</td>
<td>Social</td>
<td>SOC4</td>
</tr>
<tr>
<td><strong>External Economy</strong></td>
<td>Monitoring of Suppliers</td>
<td>Environmental</td>
<td>ENV8</td>
</tr>
<tr>
<td></td>
<td>Investor Relations</td>
<td>Economic</td>
<td>ECN3</td>
</tr>
<tr>
<td></td>
<td>Customer Relationship Management</td>
<td>Economic</td>
<td>ECN4</td>
</tr>
<tr>
<td></td>
<td>Stakeholder Consultation</td>
<td>Social</td>
<td>SOC5</td>
</tr>
<tr>
<td></td>
<td>Product Safety and Social Impact</td>
<td>Social</td>
<td>SOC6</td>
</tr>
<tr>
<td></td>
<td>Human Rights Impact Assessment</td>
<td>Social</td>
<td>SOC7</td>
</tr>
<tr>
<td><strong>Internal Economy</strong></td>
<td>Production Initiatives</td>
<td>Environmental</td>
<td>ENV9</td>
</tr>
<tr>
<td></td>
<td>Employee Training</td>
<td>Environmental</td>
<td>ENV10</td>
</tr>
<tr>
<td></td>
<td>Risk and Crisis Management</td>
<td>Economic</td>
<td>ECN5</td>
</tr>
<tr>
<td></td>
<td>Scorecards/strategic planning</td>
<td>Economic</td>
<td>ECN6</td>
</tr>
<tr>
<td></td>
<td>Product quality/future value</td>
<td>Economic</td>
<td>ECN7</td>
</tr>
<tr>
<td></td>
<td>Human Capital Development</td>
<td>Social</td>
<td>SOC8</td>
</tr>
<tr>
<td></td>
<td>Employee Participation</td>
<td>Social</td>
<td>SOC9</td>
</tr>
<tr>
<td></td>
<td>Health and Safety of Workers</td>
<td>Social</td>
<td>SOC10</td>
</tr>
<tr>
<td></td>
<td>Employee Relations</td>
<td>Social</td>
<td>SOC11</td>
</tr>
</tbody>
</table>

The indicators belonging to the behavioral dimension shall be categorized after ascertaining the same through exploration of the answer to research question no. 1.
3.2.3 Diagrammatic Representation of the Sustainability Index

Figure 3.1 shown below represents the diagrammatic representation of the sustainability index which we intend to develop and measure for the firms. The formative indicators belonging to different dimensions of the sustainability are proposed to be combined for making up the sustainability index. The elements belonging to the behavioral dimension have been codified as BEH 1, BEH 2, BEH 3, BEH 4 for representation purpose.

Figure 3.1: Diagrammatic Representation of the Sustainability Index
4. Propositions

4.1. Measurement of the Firm’s Performance

We intend to measure the impact of sustainability, using sustainability index for the firms, on different metrics of firm’s performance in order to answer the research question no. 4. This leads to formulation of propositions in the form of different relationships.

4.1.1 Corporate Social Performance

The social performance of the firms i.e. Corporate Social Performance (CSP) has been described as the composition of three main elements namely the level of corporate social responsibility, the process of corporate social responsiveness, and the outcome of corporate behavior (Stanwick & Stanwick, 1998). Many researchers have directed increased attention towards conversion of socially responsible action into competitive advantage (Romm, 1994; Shrivastava, 1995) and it is imperative to note that socially responsible actions in fact help in building more positive image for the firms thereby improving their social performance (Fombrun & Shanley, 1990). The success of the firms towards sustainability have the capability to create value for the society as well as for the corporations which in turn acts as an enabler of the relationship between the firm and society (Wheeler, Colbert, & Freeman, 2003) and provide room for augmenting firm’s social performance. In view of the discussion, it is proposed that

P1: Sustainability of the firms is positively related to their corporate social performance.

4.1.2 Corporate Environmental Performance

Many researchers over a period of time have tried to define corporate environmental performance by segregating the indicators of the performance in three categories namely
environmental impact, regulatory compliance and organizational process (Lober, 1996; Wood, 1991b). The concept of sustainability intrinsically incorporates the elements of environmental performance of the firms (Elkington, 1994) and hence the firms engaged in sustainability practices invariably look actively for enhancing their environmental performance. In view of the discussion, it is proposed that

**P2:** Sustainability of the firms is positively related to corporate environmental performance.

### 4.1.3 Performance on Marketing Metrics

#### 4.1.3.1 Brand Equity

Brand equity has been defined by Keller (1993) as the “differential effect of brand knowledge on consumer response to the marketing of the brand”. Other prominent scholars like Lassar et al. (1995) in their definition of brand equity encompassed the elements like performance, perceived value of the exchange, image building, role of trustworthiness and thrust towards commitment. It is noticeable from such definitions that brand equity adds a factor of attractiveness to the product, services and the firm as a brand itself by enhancing their value. The sustainability efforts deployed by the firms have the potential to attract the consumers especially those who are environmentally conscious and thus help in building the brand equity. Arguably, the brand equity encompasses the preferences for a brand, attitudinal view towards that brand and purchasing behavior of customers with regard to the brand (Yasin et al., 2007). Since the sustainability efforts make a case for enhancement in the parameters like consumer’s brand preference and purchase intentions (Myers, 2003), it is proposed that

**P3:** Sustainability of the firms is positively related to their brand equity.
4.1.3.2 Consumer’s Attitude towards the Firm

There is enough evidence available in the literature that indicates the strong linkage between the attitude towards ecological actions and the resulting behavior and actions of the consumers due to the same (e.g. Lynne & Rola, 1988; Dunlap & Van Liere, 1978; Crosby et al., 1981). As per 2012 Tork’s report on sustainability, 31% of US firms and 30% of Canadian firms admit sustainability plan to impact their bottom line positively and realize the importance of it for consumers and business in a similar manner. This is a clear indication of the creation of positive influence on the consumers if the firms resort to the sustainability practices. In view of this discussion, it is proposed that

\[ \text{P4: Sustainability of the firms is positively related to their consumer’s attitude towards them.} \]

4.1.4 Performance on Financial Metrics

As per stakeholder theory, there is positive relationship between the corporate social performance and performance related to financial metrics (Orlitzky, Schmidt, & Rynes, 2003). This theory suggests that the satisfaction of various stakeholders plays a vital role in enhancing the financial performance of the firms (Donaldson & Preston, 1995). Sustainability does include the action and performance of the firms on the social dimension which has potential to affect the firm’s reputation externally (Orlitzky et al., 2003). The high reputation with the banker, investor and financial bodies may help the firms in accessing the financial instruments such as working capital in a faster manner (Spicer, 1978). Since the social investment has increasingly become the screening criteria for investment by the stakeholder, there is scope of impact on the share price of the firms also due to their sustainability actions (Epstein & Roy, 2001). Sustainability practices also help in building a reputation for the firms creating many other benefits such as strong association of the stakeholders with the firm,
signaling for good quality of the product and services thereby commanding price premium for the products especially in the uncertain markets (Shapiro, 1983; Roberts & Dowling, 2002). Profit before tax (PBT), enhancement of revenue, return on equity, return on assets are some commonly utilized financial performance measures (Cochran & Wood, 1984; Simpson & Kohers, 2002; Wenzel & Thiewes, 1999). In view of the discussion, it is proposed that

**P5 a:** Sustainability of the firms is positively related to the return on assets of the firms.

**P5 b:** Sustainability of the firms is positively related to the profit of the firms.

### 4.1.5 Sustainability and Firm’s Reputation

As per Fombrun (1996), reputation may be described as the overall evaluation of the firms in the views of its stakeholders such as the customers, investors, employees and the general citizen. Corporate reputation measures the corporate brand equity or the reputational equity of the corporation (Schwaiger, 2004) wherein the brand association also has a direct repercussion on the firm’s reputation (Menon & Menon, 1997). The consumers or any stakeholders nowadays are much more aware and conscious about the environment, social and economic footprint of their actions. A high score on the sustainability metrics in fact may create an edge for the firms compared to their competitors thereby resulting in a positive brand image and much deeper customer loyalty finally leading to enhancement in the firm’s reputation. In view of this discussion, it is proposed that

**P6 :** Sustainability of the firms is positively related to their reputation.
4.1.6 Moderating Effect of the Variables

4.1.6.1 Knowledge of the Consumer

The knowledge here is referred to as the knowledge of the consumers regarding sustainability practices consisting of environmental and societal responsibility undertaken by the firms. Knowledge helps in attaining a target by equipping the individuals with the intellect thus helping to behave in the most appropriate manner (Pellegrini, 2007). In line with the concept of Elaboration Likelihood Model propounded by Petty and Cacioppo (1983, 1986), knowledge has the capability to enhance the degree of involvement of the consumers. Thus knowledge about societal and environmental issues would eventually equip the consumers to make an informed decision while forming any sort of attitude towards a firm involved in sustainability practices. In general, knowledge and understanding about the environmental issues tend to impact the attitude and behavior towards the environment which is also supported empirically (Diekmann & Preisendörfer, 2003). In view of this, it is proposed that

P7: The knowledge of the consumers about sustainability is likely to moderate the relation between sustainability and their attitude towards the firm.

4.1.6.2 Visibility of the Firms

The dynamically oriented political and institutional system worldwide creates all sorts of pressure on the firms over the environmental and social issues. Bigger firms in the industry are more susceptible to visibility and thereby resulting actions from the activist group on their social and environmental performance compared to the smaller firms in the industry although bigger firms may be striving more efforts on such parameters (Garret, 1987). This prompts the firms to develop a comprehensive plan with inbuilt strategy to tackle different
institutional pressure evolved with a long term survival plan displaying varying degree of performance (Menon & Menon, 1997). Thus, the visibility of the firms due to such circumstances may moderate the relationship between sustainability and corporate social performance or corporate environmental performance. In view of this, it is proposed that

**P8a:** The visibility of the firms is likely to moderate the relation between sustainability and the firm’s corporate social performance.

**P8b:** The visibility of the firms is likely to moderate the relation between sustainability and the firm’s corporate environmental performance.

### 4.1.6.3 The Effect of the Perceived Brand Trust

Although sustainability has become a buzzword today but even this widespread attention hasn’t culminated into an enhanced market share for sustainable products (United Nations Environment Program 2005). This could be due to the gap between attitude and actual behavior. As per United Nations Environment Program (2005), although 40% consumers express their willingness to buy environmentally sustainable products only 4% actually end up buying it (Luchs, Naylor, Irwin, & Raghunathan, 2010). This points towards varied degree of attitude formation by the consumers towards the firm even though the firm is practicing the sustainability in all aspects. As per Morgan and Hunt (1994), the origin of trust in a relationship lies in the degree of confidence displayed by one party towards the integrity and reliability of another party. The degree of trust towards a brand is developed over a longer time horizon and is primarily based on the positive behavioral display by the firm as well as based on the performance of the products and services offered (Ashley & Leonard, 2009); thus affecting the consumer’s attitude formation in a dynamic manner. Trust in a
brand (firm as a brand has been considered in present study) could eventually affect the formation of the consumer’s attitude towards the firm (Moorman et. al, 1992; Morgan & Hunt, 1994). In view of the discussion, it is proposed that

P9: The perceived brand trust is likely to moderate the relation between sustainability and consumer’s attitude towards the firm.

4.2. Proposed Research Framework

Based on the above discussion and the propositions, following is the proposed research framework for the study.

Figure 4.1: Proposed Research Framework
5. The Way Forward

This paper looks at some of the gaps on the behavioral aspect of sustainability and the relevant problems identified in the sustainability marketing literature. These problems in the sustainability marketing have been developed in the form of propositions that elucidate the relationship between the sustainability of the firms and the different performance metrics. The propositions explained in earlier section need to be verified empirically by considering appropriate methodology and sampling. It is also important to select an industry which has wider impact on the various elements of sustainability so that the findings obtained are more insightful, constructive and generalizable.
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