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B.Com Honours | Semester III | Calicut University

SUSTAINABLE MARKETING AND ETHICAL PRACTICES

Course Code: COM3FV108 • Module 2 Notes

Module II: Sustainable Marketing Mix & Sustainable Consumption

Redesigning the 4 Ps of marketing (Product, Price, Place, Promotion) using circular economy concepts, Life Cycle Assessment (LCA), and Triple Bottom Line accounting.

Unit 6: Sustainable Products & Services – Ecolabeling & Design

Developing products with biodegradable materials, energy-efficient designs, and certified Ecolabels (e.g., Energy Star, Fairtrade, Forest Stewardship Council FSC).

Unit 7: The 3 R's of Sustainability – Recycle, Reuse, & Reduce

Reduce: Minimizing raw material consumption. *Reuse:* Extending product lifespans. *Recycle:* Recovering end-of-life materials into secondary manufacturing.

Unit 8: Sustainable Pricing Decisions & True Cost Pricing

Incorporating environmental and social externalities into product prices (True Cost Pricing) rather than shifting pollution cleanup costs onto society.

Unit 9: Sustainable Marketing Communication & Greenwashing Avoidance

Communicating eco-friendly benefits transparently while strictly avoiding *Greenwashing* (misleading marketing claims exaggerating environmental friendliness).

Unit 10: Triple Bottom Line (TBL) Approach & Value Creation

> **TBL Success = Financial Performance (Profit) + Social Impact (People) + Environmental Stewardship (Planet)**

Unit 11: Sustainable Consumers & The Attitude-Behavior Gap

Analyzing eco-conscious consumer segments (LOHAS - Lifestyles of Health and Sustainability) and bridging the *Attitude-Behavior Gap* (where consumers express pro-environmental values but purchase cheaper non-green alternatives).

Practical Problem 1 (Sustainable True Cost Pricing & Carbon Footprint Calculation): An eco-apparel firm manufactures organic cotton shirts. Base manufacturing cost = Rs. 600.
External Environmental Cost: Water purification fee = Rs. 50/shirt; Carbon offset fee (0.005 tons CO_2 @ Rs. 4,000/ton) = Rs. 20/shirt; Fair-trade worker healthcare premium = Rs. 30/shirt. Desired profit margin = 25% on

Total True Cost. Calculate (a) Total External Ecological & Social Cost per shirt, (b) Total True Cost per shirt, and (c) Sustainable Selling Price per shirt.

Step-by-Step Solved True Cost Pricing:

- **1. External Environmental & Social Costs per Shirt:**
  > **External Costs = Water Fee (50) + Carbon Offset (20) + Fair-Trade Premium (30) = Rs. 100**
- **2. Total True Cost per Shirt:**
  > **Total True Cost = Base Cost (600) + External Costs (100) = Rs. 700**
- **3. Sustainable Selling Price (25% Profit Margin on True Cost):**
  Profit Markup = (700 imes 25% = ext{Rs. 175}).
  > **Sustainable Selling Price = True Cost (700) + Profit (175) = Rs. 875 per shirt**