Preface

In an age of rising environmental concerns, it has become necessary for businesses to pay special attention to the resources they are consuming and the long-term effects of the products they are creating. These concerns, coupled with the current global economic crisis, demand a solution that includes not only business, but also politics, ecology, and culture as well.

*Handbook of Research on Developing Sustainable Value in Economics, Finance, and Marketing* provides the latest empirical research findings on how sustainable development can work not only for organizations but also for the global economy as a whole. This book is an essential reference source for professionals and researchers in various fields, including economics, finance, and marketing; operations management; communication sciences; sociology; and information technology.

This book is organized into five main sections. The first section explores the role of Marketing in sustainability. Marketing has long been criticized for the role it has in making consumers consume more than they should and contribute negatively to the environment. On the other hand, most campaigns designed to promote sustainability also rely on marketing to spread their message. In addition, concepts such as green marketing, socially responsible marketing, and mindful marketing are now starting to be adopted by corporations all around the world.

Another concern for the environment is how to deal effectively with waste and increasing energy use. The second section deals exclusively with waste management and finding creative energy alternatives. In addition, examples from the developed countries of the world, such as Sweden and Switzerland, are provided so the reader gets a practical idea of implementing effective environmentally sound policies.

The beginning of the 21st century was marked with corporate scandals. The Enron scandal even led to a well-known audit and consulting giant to split into two companies. The Sarbanes-Oxley act (SOX in short), which was passed by the Congress of the United States in 2002 in response to various corporate scandals, has had a profound effect on management practice to this date. Ethical management no longer became an option but became required by various legal mandates. Section three will talk about ethics in management and how firms can act to institutionalize ethical practices. The section will also include two chapter on the link between financial reporting and sustainability.

One aspect of sustainability is macroeconomic stability. Global crises, demise of banks, collapse in financial markets ultimately cause turmoil in nations, and the repercussions affect the global interconnected economic system. Financial crises may cause social unrest, internal migration, and even result in wars. Section four will contain chapters dealing with financial markets and macroeconomics stability.

If one aspect of sustainability is the environmental concern, another important aspect is the ability of firms to survive and make profits in an ever more competitive environment. In a globalizing world, firms need to find ways to effectively manage quality, acquire and retain loyal customers, and find creative ways
to communicate to the new generations immersed in different forms of social media. The final section deals with a variety of issues, including sales force management, quality management, globalization, customer loyalty, information and communication technologies, consumer behavior, and cultural economy.

Chapter 1 starts the discussion with explaining how “Mindful Marketing” has become a new and important concept for positive marketing outcomes. Mindful marketing, a customer-centric approach, is an increasingly significant concept in marketing literature that considers both sellers’ and buyers’ interests at the same time. Considering the mindfulness concept as a form of marketing approach along with its conceptualization and meaning, this chapter introduces the importance of “mindful marketing approach” for positive marketing by discussing how mindful marketing contributes to firms’ social responsibility, environmental concern, and consumer and societal well-being. In other words, it discusses how mindful marketing leads to ideal marketing by helping an organization improve individual and societal well-being while at the same time helping the organization and its stakeholders enjoy profits or increased business.

Chapter 2 explores the effects of NGO campaigns in terms of consumer characteristics. The main aim of this chapter is to find out the effects of NGO campaigns on consumers in terms of attitude and behavior and discover any relationship between this effect and sustainable personality factors such as altruism, locus of control, and long-term orientation. A survey is conducted with 177 consumers who reside in Turkey for at least two years that are older than 18 years. Experimented with two popular environmental NGO campaigns, results reveal clearly that altruistic personality trait has a positive effect on consumers in terms of behavior. Locus of control and long-term orientation are not correlated with environmental behavior and attitude of consumers. In addition, only age is positively correlated with consumer behavior in one of the campaigns. Demographics are not found to be sufficient to explain consumer behavior in environmental campaigns.

Chapter 3 investigates the prices that consumers are willing to pay for products that demonstrate an environmental friendly attitude. This chapter aims to identify the percentage of premium and absolute price that consumers are willing to pay for environmentally friendly products. The approach of existing studies in asking the percentage of the price premium that consumers are willing to pay for environmentally friendly products could lead to the risk of a socially desirable response, making the research conclude a biased finding. To verify this argument, this chapter compares the percentage of price premium that the respondents claimed to be willing to pay with the absolute price that the respondents were willing to pay for the environmentally friendly products. The findings of the study show that the respondents were willing to pay a higher price for both daily usage and durable environmentally friendly products. As such, the findings reveal that the respondents could have over-claimed the percentage of premium price that they are willing to pay for environmentally friendly products.

Chapter 4 is a content analysis of corporate websites and social media, examining the different sustainability messages communicated over the Internet. Sustainability is becoming a key concept of competitiveness for brands around the globe. Brands incorporate sustainability into their strategic plans and communicate messages with an aim to attract consumers. In this context, Web and social media are important communication platforms to access to a large number of target consumers. It is now considered to be critical to understand the extent to which brands use such platforms to communicate their sustainability messages, especially in emerging markets where world trade is expanding towards. In this chapter, sustainability-focused communication strategies and messages of the top 100 Turkish and 100 global brands on websites and social media platforms, namely Facebook and Twitter accounts in Turkish language, are examined by content analysis. Their approaches in delivering messages and publicizing practices about different sustainability dimensions in different platforms are also compared. The results indicate important implications for brands to highlight their sustainability messages online.
Chapter 5 focuses on the concept of Green Marketing, especially as it applies to the industrial services marketing. Due to the negative impact of globalized production and consumption on the natural environment, businesses keep facing increased pressure to eliminate their harmful processes and transform into environmentally conscious organizations. Marketing as a business function having a high interaction rate with customers and other stakeholders receives its share from this wave. Every day, more organizations become engaged in green marketing practices either by complying with laws and regulations or seizing proactive environmental marketing strategies. This chapter aims to propose a conceptual framework for green marketing by reviewing the existing green marketing and sustainable marketing literature. In addition to that, considering the less developed literature in Business-to-Business (B2B) green marketing, the chapter uses previous strategic frameworks for suggesting green marketing activities for industrial services. Logistics is selected as a specific field for the proposition of the examples. The chapter concludes with implications and further research directions.

Chapter 6 is another look at the concept of Green Marketing, especially as it has evolved into Strategic Corporate Social responsibility. This chapter investigates the concept of strategic corporate social responsibility to broaden the concept of green marketing. The guiding thesis is that social marketing has evolved throughout the decades and has led to strategic corporate social responsibility. There is, however, a lack of consensus on the definition of corporate social responsibility as the fundamental norm of this strategic state. In this chapter, a strategic framework that offers to broaden the concept of green marketing is provided. This chapter also explores the nature of strategic corporate social responsibility with a view towards understanding its components. Then discussion is framed by CSR theories and critical approaches.

Chapter 7 examines the concept of healthy lifestyle and its effects on sustainable development. The effects of an improper diet and lack of exercise can lead to soaring healthcare costs and a social welfare system unable to meet the demands of the population. In this light, a healthy lifestyle questionnaire is developed and empirical results are presented.

As the starting chapters of Section 2 on Environmental Conservation and Waste Management, Chapters 8 and 9 focus on the different ways waste can be treated. Waste is generated anytime and anywhere. As human life goes on, it is not possible to avoid the generation of the waste. The aim in this situation is not to avoid the generation of the waste—minimize, maybe—but separate according to the types and avoid paying unnecessary costs for useless treatment and (just the opposite) gain the advantage of gaining income from the waste. Waste reduction can be supplied in the individual level by consuming less, organizing the shopping and daily life consciously, encouraging reuse and recycle. In the industrial level, newer techniques, which are supported by green technologies, such as co-generation in order to regain the energy, zero-waste manufacturing processes, the processes that require less material in the end products, not depending on raw materials. Sustainability can be executed only if the waste allows beneficial revenue. By separating and processing the wastes accordingly, these chapters will help solve the waste problem and also derive profit.

Energy use is yet another important factor contributing to the global environmental problems. Chapter 10 illustrates how creative ways of finding alternative sources of energy can help nations reduce their energy shortages. Energy has a strong impact on both economy and ecology. Global economy and ecology need to obtain sustainable and clean sources of energy, which is an issue of financial challenges. Developing countries face problems of energy sourcing due to costs and risks. But using the natural sources of energy in creative ways is cheap and clean. Therefore, developing economies must develop energy strategies based on creative energy solutions. Turkey as a developing country implemented policies to
improve renewables and energy efficiency in line with EU requirements. Turkey does not have enough conventional energy but very large renewable energy resources. In this chapter, the large potential of creative energy alternatives in Turkey is explored. The indistinct start of energy savings market and the risks of financing huge energy projects show that Turkey needs to depend on investing in the cheapest forms of creative energy solutions.

Chapter 11 discusses the concept of the Ecological Footprint, which is a method that can quantify the environmental impact of human activities. The greatest threat that lies ahead of sustainable development is the gap between the amount of natural resources demanded by human activities and the amount of natural resources the world we live in can provide. In 1992, a natural resource accounting tool was developed that measures numerically the amount of resources owned, rates of consumption of resources and by whom it is consumed. Available technology and resources management needs to produce the products for individual, community, or activity consumption, and the need for biologically productive land and water areas to eliminate created waste can be defined as the Ecological Footprint, and this is expressed in “Global Hectares” (GHA). In today’s world, competition is increasing for access to biological capacity. Over time, the supply of natural resources cannot be assured. A resource accounting approach such as the “Ecological Footprint” can be an effective tool to guide strategic decisions about resource management.

For many developing nations, lessons learned from developed countries that for years have learned how to deal with environmental concerns can be very valuable. Chapter 12 provides such examples from developed nations. The importance of adopting sustainable development is facing many challenges that affect political decisions and social changes. Many countries are facing the conflict between the development of businesses and economic growth and saving the environment. Unfortunately, sometimes people choose to neglect the environment and consequently harm themselves in an indirect way. Some countries take certain measures to fight pollution and global warming and to achieve sustainable development. Such measures can be seen in their policies. For example, Switzerland, Sweden, and Japan have imposed environmental policies that target better resource management. This chapter discusses the cases of the successful resource management systems making them a role model for other countries to target achieving sustainable development.

Chapter 13, the starting chapter of the section on Ethics and Environmental Reporting, discusses ethics in management and institutionalization of ethics. Throughout world economies, place and role of government and public sector have weakened over time, and on the other hand, efficiency, function, and responsibility of the business world and private sector have increased on the global market system. In addition, changing and developing socio-cultural structure has increased social sensitivity stakeholders' consciousness and importance given to ethic values due to increasing social necessities. Ethics turned out to be one of the most important management subjects for entities and governors in the business world. Ethical performance and ethical quality of enterprises are also important for social responsibility towards all stakeholders, enterprises’ ethical values, reputation of the enterprise, increasing brand value of goods produced or service provided, providing trust and support of investors, customers, and the public. In this context, ethics, managerial ethics, institutionalization of ethics, and importance of ethical principles in enterprises in terms of corporate managerial principles are evaluated in this chapter.

Chapter 14 explores the idea of corporate social responsibility and ethics in management in light of sustainable development. This chapter introduces the concept of corporate social responsibility and argues that it offers potential contributions to sustainable development by bringing incentives for corporations to act socially responsibly. This chapter continues by exploring the theoretical framework including
conceptualizations and the historical perspective of the concepts. It then introduces related terms such as ethics, business ethics, sustainability, and development. As a result, the chapter discusses corporate social responsibility and ethics in management in light of sustainability and development. The conclusion reflects on possible weaknesses, limitations, and challenges to corporate social responsibility and ethics as the primary actors for sustainable development.

Chapter 15 highlights the importance of integrating ethics into management. Ethics is the science of morals dealing with human morality revealed in the human character and conduct. In general, ethics shows a corporation how to behave properly in all their businesses and operations. In business, ethical behavior means feeling responsible, being honest and confident towards your clients, employees, and stakeholders. On the other hand, when a company does not respect ethical criteria and fails to improve them, this will disrupt its integrity and unity and lead to internal or external conflicts. The rules of behavior are set by the government and society in the public area whereas the rules of behavior are set by employers in the workplace. The corporate world has always had some rules, norms, and standards in doing business. In this chapter, the authors show the impact of ethics in the field of management.

The final two chapters of the section, Chapters 16 and 17, deal with accounting and reporting related issues. Living with carrying capacity of natural resources of the Earth and keeping and improving the quality of human life are the most important environmental issues that we face today. Rapidly growing industrialization, facilitation of international trade due to technological improvements, and expansion of national and international markets depend on growth of population cause depletion of resources offered by the Earth. Implementation of numerous arrangements to decrease the negative effects of industrialization and new laws and regulations have become a serious current issue. These regulations aim to push responsibility to the firms for the well-being of the public. These regulations have not only been issued by local governments but also by global agreements such as the Montreal Protocol, the Rio Declaration, and the Kyoto Protocol. Therefore, with the help of worldwide regulations and national regulations, environmental information has increasingly become economically relevant information for decision makers. Businesses have become increasingly aware of the environmental implications of their operations. Poor environmental behavior may have an adverse impact on the business and its finances. Accounting, which is the language of business in numbers, needs to complete the adoption of the new situation for producing environmentally related information and accurate calculation of environmental costs. Environmental Management Accounting (EMA) is needed as an application of conventional accounting that is concerned with the environmentally induced impacts of companies, measured in monetary units, and company-related impacts on environmental systems, expressed in physical units. In this chapter, the emergence of environmental information will be discussed, and it is followed by the definition and framework of environmental accounting, environmental costs, and EMA. In addition, the new environmental issues in financial reporting, especially in international financial reporting standards, will be presented.

Chapter 18 starts off the discussion on Macroeconomic Stability and Financial Markets with an analysis of the effect of capital structure on profitability, which is an empirical analysis of the companies listed in the Turkish stock market. The capital structure is defined as the mix of debt and equity that the firm uses to finance its investments and assets. The capital structure choice that provides the greatest appeal to investors and shareholders, that results in the lowest cost of capital and maximized firm value in the presence of efficient investment strategies, is called Optimal Capital Structure. One of the principal objectives of corporate finance is to make a firm reach an optimal capital structure that would facilitate its operations to maximize profitability and firm value. While firms can choose among many alternative
capital structures, including lease financing, warrants, convertible bonds, forward contracts, and bond swaps; under the general headlines, firms mainly use either debt or equity. The trade-off between using debt and equity in the financing decisions of investments, the lack of an agreement about what would qualify as the optimal capital structure in the manufacturing and non-manufacturing sectors, and finally, the necessity to comprehend whether capital structure affects profitability or not in Turkey constitute the primary motive to conduct this research.

Chapter 19 looks at how banks’ financial performance is related to their human resource policies. The purpose of this chapter is to emphasize the effect of bank employee turnover on profitability. Researchers so far have commonly studied employee turnover, job satisfaction, and commitment. The current research intends to fill the gap by focusing on the relationship between employee turnover and profitability. In this chapter, firstly, employee turnover, its terminology, and the nature of turnover are defined. This relationship in the banking sector is analyzed and three private banks in Turkey are scrutinized. The main argument of the research is that there is an adverse relationship between employee turnover and bank profitability. Conversely, the results of the study do not thoroughly support the assumption. As a result, findings show that banks minimize the effects of economic crisis by dismissal and not recruiting new employees to replace a quitting worker or recruiting for a new position.

In Chapter 20, the authors study how credit default swaps are related to financial stability. The credit default swap market has experienced an exponential growth in recent decades. Though the first credit default swap contract was negotiated in the mid-1990s, the market has enjoyed a surge of popularity beginning in 2003. By the end of June 2013, the outstanding amount reached 24.3 trillion dollars. It is mostly used to transfer or to hedge credit risk. Concurrently with the global credit crisis, several shortcomings in CDS markets have appeared. One of the obvious questions is whether they affect the stability of financial markets. In this context after broader exhibition of credit default swaps market, speculative use of CDS, inception of central counterparty, and transparency of CDS market is handled. As a conclusion, it is true that the CDS market still has some weaknesses, but it is no more prone to be destabilizing than other financial instruments.

Chapter 21 focuses on the problems of the small to medium enterprises and suggests solutions. The global economic crisis affected the giant companies and Small- and Mid-Sized Enterprises (SME). Financial problems of SMEs illustrate the necessity of effective management and a sufficient capital structure. In this chapter, the significant role of SMEs in the Turkish economy is evaluated. The major financial problems of SMEs and their effects on management and capital structure are analyzed. The financial problems of these fast-growing enterprises are highlighted and solution suggestions are provided.

Chapter 22, the initial chapter of the Section on Sustainable Organization, Globalization, Communication, and Culture, starts off the discussion by examining the effective use of sales force appraisal systems. Performance appraisal is an important control tool in all functional areas of an organization, more so in sales management, as it is an important area to be considered for an organization’s bottom line, sales revenue, and profits. Having an integrated and holistic approach to a Sales Force Appraisal System (SFAS) is useful for motivating and retaining the sales force in a competitive environment, particularly with the use of IT in the appraisal process, referred to in the current context as automated SFAS. In this chapter, the authors look at the importance of such a system and how this approach has helped reap benefits in one of the organizations in the pharmaceutical industry. This model has immensely transformed the organization’s environment into a high sales performance culture. Additionally, this model can serve as an addition to the existing literature on sales force performance appraisal and its role on sales management.
Chapter 23 presents a study on the structural effects of quality management control systems on organizational performance. This chapter discusses the results of an investigation into the effects of control systems on organizational performance within the context of Quality Management (QM). Data were collected using questionnaires from 205 managers within local authority organizations in Malaysia. Respondents were selected using stratified random sampling, and the data was analyzed using two computer software programs: SPSS and AMOS. The findings demonstrate the existence of a significant effect for Quality Management Control Systems (QMCS) on employee satisfaction, innovation, and cost benefit. Although the direct effect of QMCS on customer satisfaction was insignificant, this relationship was mediated by the dimensions of employee satisfaction and cost benefit. In summary, this chapter provides evidence for the significant role performed by control systems as a source for performance improvement within QM-organizations. In addition, this study reveals that the relationship between control systems and performance is not a simple and direct relationship but rather a structural relationship. This conclusion can be drawn with confidence, at least with reference to scenarios in which various dimensions of performance are investigated simultaneously.

Chapter 24 explains the firm’s de-internationalization process by using a resource-based view. The main purpose of this chapter is to analyze why some firms fail in their international operation either right after their exposure or after a certain period of time. Resource-Based View (RBV), which deals with firms’ competitive advantage and their superior performance, is used to predict the underlying reasons of firms’ failure of internationalization process. In international marketing, RBV basically states that the firm internationally expands its territory when it decides to exploit its resources and capabilities in other markets. This chapter extends RBV literature by applying it to de-internationalization process of the firm. It also provides a framework that shows the actions that need to be taken when firms are faced with a failure in their international operation.

Chapter 25 investigates the antecedents of loyalty by applying a Structural Equations Model. The retailing sector in Turkey is witnessing an intensive competition. Therefore, customer loyalty becomes a central focus for retailers to maintain market shares. The objective of this chapter is to form a model of customer loyalty for supermarkets in the Turkish retailing sector, which investigates the extent to which customer loyalty is influenced by customer perceptions of service quality, customer perceptions of product quality, comparative price perceptions, discount perceptions, value perceptions, and customer satisfaction. Structural equation modeling has been used to analyze the data collected from 1530 customers of four major supermarket chains in Turkey. After building a measurement model for customer loyalty and its potential antecedents, the relationships are examined. The direct effects of customer satisfaction, comparative price perceptions, and discount perceptions on customer loyalty; value perceptions, comparative price perceptions, and service quality perceptions on customer satisfaction; comparative price perceptions, discount perceptions, product quality perceptions, and service quality perceptions on value perceptions; and discount perceptions and service quality perceptions on product quality perceptions are empirically supported.

Chapter 26 stresses the importance of information and communication technologies in establishing healthcare services with a universal coverage. One of the most important challenges faced by the healthcare system is the organization of healthcare services to cope with the increase in population and aging of citizens. Especially in developing countries, demographic movements of the population, regional disparities, political concerns, and increasing expectations of health services have led to a search for new ways to serve all of the population with healthcare services. With traditional methods, it is not possible to increase the supply of health services because of inadequate infrastructure and shortcomings
in quantity and quality of healthcare staff. This new health system called e-health and uses all of the possibilities provided by information and communication technologies that aim to improve public health. In this chapter, the effects of e-health practices on the quality and accessibility of healthcare services are assessed and the extent of e-health practices in Turkey are evaluated.

Chapter 27 looks at the different consumer behavior exhibited by the so called “C” generation and how firms can create effective communication strategies aimed at this special group of consumers. Finally, Chapter 28 looks at a growing field called Culture Marketing in terms of how the movie industry can benefit from marketing.

During the first decade of the 21st century, the world has witnessed corporate scandals, global economic crises, and rising environmental concerns. As a result of these developments, there has been growing pressure on businesses to pay more attention to the environmental and resource consequences of the products they produce and services they deliver. The concept of sustainable development has gained more importance as a solution to these problems. Sustainable development has a number of facets related to politics, ecology, economics, business, and culture. Researchers and practitioners face increasing challenges in terms of integrating issues of sustainability with the traditional areas of management, such as marketing, operations, finance, accounting, and organizations management. In order to fully understand this multidisciplinary area and how it impacts global business, this book tries to shed light on aspects related to the social sciences, particularly Marketing, Finance, and Economics.

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