

«Note»

Sustainability Marketing and The Toyota Way

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Abstract

Over 30 years ago, the Brundtland Report defined sustainable development as meeting the needs of today and the future. Sustainability marketing is grounded in marketing principles for transformations, consumer solutions, and communications with diverse stakeholders. As a recognized leader in the automotive industry, Toyota Motor Corporation's status can be seen not only in terms of unit production and revenue, but also when viewed as an organization that has embraced corporate social responsibility (CSR). This report provides a brief background on the organization and its Toyota Way before exploring sustainability marketing management guided by the Toyota Global Vision. Sustainability initiatives are analyzed through specific actions taken by Toyota and the results against key performance indicators reported in publicly accessible online documents. Six specific themes framed as challenges guide Toyota's efforts more generally targeted as: (1) contributions to a low-carbon society, (2) contributions to a recycling-based society and (3) environmental protection contributions for harmony with nature. Successful implementation of sustainable marketing management must overcome certain barriers and address the incentives desired by different types of employees, areas ripe for future research into business communication and CSR.

30年以上前に、ブルントラント・レポートにより「持続可能な開発とは現在と将来のニーズに応えることである」という定義がなされた。持続可能性マーケティングは、組織の変容、消費者ニーズに応えること、さまざまなステークホルダーとのコミュニケーションのためのマーケティング原理にその基礎を置いている。トヨタ自動車株式会社は自動車業界の著名なリーダーと目されている。それは生産台数や収益の面のみならず、企業としての社会的責任（CSR）を担ってきた組織であるという観点にもよるものである。本レポートでは、この組織とそのトヨタ・ウェイの歴史について簡略に述べた後、トヨタ・グローバル・ビジョンに基づく持続可能性マーケティング・マネジメントについて検討する。トヨタの持続可能性イニシアティブは、同社が実行している具体的なアクション、およびインターネット上で公開されている重要業績指標に照らしたその結果を通じて分析されている。トヨタの取り組みを導く「6つのチャレンジ」は、より大きく分類すれば（1）低炭素社会への貢献、（2）リサイクル・ベースの社会への貢献、（3）自然との調和を図るための環境保護に対する貢献となる。持続可能性マーケティング・マネジメントを成功させるには、障壁を乗り越え、さまざまなタイプの従業員の望みに適したインセンティブに対応する必要がある。これらは、ビジネス・コミュニケーションやCSRに対する今後の研究の機が熟した分野である。

1. Sustainable Development, Goodwill, and Sustainability Marketing

1.1 Background to the Principles of Sustainability

The birth, essentially, of the concept of sustainable development occurred in 1987, in the publica-

tion of “Our Common Future” which was the final report derived from the United Nations World Commission on Environment and Development. As it was chaired by the Norwegian Prime Minister, Dr. Brundtland, this event also became known as the Brundtland Commission and the report was dubbed the Brundtland Report. The Brundtland Report is significant for sustainability marketing as it has set out the standard definition for sustainable development as “meeting the needs of the present without compromising the ability of future generations to meet their needs” (WECD, 1987, as cited in Belz & Peattie, 2012, p. 10). In addition to this overarching definition, the report was crucial in its recognition of the interplay between the three facets which have become widely associated with sustainability discourse: the environment, society, and the economy. The report further outlined either explicitly or by implication the key principles of sustainability (*needs, equity, intergenerationality, and global environmentalism*) which have largely stood to this day.

The first principle of needs ties in a concern for human social welfare and well-being as it relates to a sustainable environment. The implications of human-centeredness and “anthropocentrism” (Belz & Peattie, 2012, p. 10), where human needs are seen to come before those of other living creatures, are however seen by some as the root causes of ongoing population growth issues, animal extinction, and the ecological crisis.

The principle of equity is one that seeks to redistribute “the costs and benefits of economic development among different countries, regions, races, and age groups” (Belz & Peattie, 2012, p. 11) from the current 80/20 rule of wealth distribution. The notion is to close the gap between richer and poorer nations, yet also at issue are within-country disparities in wealth distribution and access to resources - said to still be widening in many countries and contexts such as the notion of the top 1% popularized by Bernie Sanders in his role as a US Senator vying for the Democratic nomination for President and the enormous wealth growth experienced by the richest individuals under COVID-19.

Intergenerationality is certainly one of the positive, appealing, longstanding contributions of the Brundtland Report where the long-term perspective to consider those needs of future generations is put on balance with present-day needs. This underlying “principle of futurity” (Belz & Peattie, 2012, p. 11) is however able to be more easily viewed as a much more sustainable or attainable goal in the case of more developed nations who have already made it through the industrial development curve and (while not having fully achieved it for all in their own populations either) are better at meeting basic food, shelter, and security needs than those in the poorest 20%, as mentioned above.

Finally, global environmentalism recognizes both the finite nature of the earth’s resources being used to provide for ever increasing production and rampant (over)consumption and the responsibility to deal with the resulting waste. Seeing the environment overall as a dynamic system which is vul-

nerable and already at risk is key with so many people in the world surviving off of that ecosystem and not as part of the consumer society or monetary market economies that have spawned from it.

The Brundtland report gained traction in the political circles and business communities on the simple principle (not so for those who run deficit budgets) that “the scale and nature of the human economy should not exceed what the planet could physically sustain” (Belz & Peattie, 2012, p. 11). Around the same time, however, in 1998, already over two decades ago, the World Wildlife Fund presented its first global eco-footprint for humanity which revealed that “humankind began to exceed the physical capacity of the planet to support our numbers, activities, and lifestyles indefinitely.”

Changes in the 20th Century and challenges for the 21st Century are evident in the increasingly common knowledge and awareness that the existing path of human development and consumption would not be sustainable. For example, in relation to climate change, Belz and Peattie (2012) have stated “we need an approach to our thinking that integrates the economic viability of particular technologies and systems of production and consumption with a consideration of their social significance and environmental impact in a far more holistic way” (p. 10). A representation of such orientation can be seen in corporate communication designed to drive brand ethos and goodwill.

1.2 Brand Ethos and Goodwill

The goodwill associated with a brand name is referred to as the brand ethos. As cited in the Belz and Peattie title *Sustainability Marketing* (2012), Arnold (2009) defines brand ethos as “the WHY behind the WHAT and the HOW of things companies do” (p. 124). Ethos comes from the Greek word for *character* which is then said to cover the beliefs, ideals, and values of a group or company. Brand ethos, therefore, for Belz and Peattie (2012), “reflects the core values of the company, its products and services” (p. 124). The core values of an organization are commonly expressed in the corporate vision and mission statements and in their documents and webpages on philosophies and guiding principles. It is essential that these are shared within the organization and beyond it. However, the real measure of ethos is in applied practice with how these are followed and acted on from the perspectives of both internal and external stakeholders.

While Interbrand may have its list of the most popular and visible and profitable brands (https://www.interbrandjapan.com/ja/bjb/japan_brands/2020.html), brand ethos is measured on a different scale. Belz and Peattie (2012) observe from the examples of companies that they have chosen to feature in Chapter 5 on “Sustainability Marketing Values and Objectives,” that there are four common traits seen in the corporate principles firms abide by:

- the companies seek to treat the group of people they depend on with respect and trust

- long-term thinking is more important to them than short-term thinking
- quality and innovation are part of their culture
- they feel responsible for the natural and social environments around them and integrate them into their daily business activities, including marketing

(Belz & Peattie, 2012, pp. 126–127)

Just as individuals need to be wary of being caught in negative images or scandals in the 24/7 news cycle of the information age, companies too need to be concerned with what might get shared as the next viral meme or quote recorded on video. As a result, favorable ethos for product sustainability and corporate social responsibility are under greater scrutiny and more important than ever before.

Even in the questionably “sustainable” automotive industry, from its leadership position, Toyota can demonstrate its concern for stakeholders including customers, employees, supply chain business partners, shareholders, and the local and global society and natural environment in which the company and these stakeholders operate. Patagonia, for its manufacturing practices and position on human rights and the environment, would place high on a list of firms with brand ethos. Freitag bags, as cited on pp. 285–286 by Belz and Peattie (2012), are made entirely from recycled materials to meet the needs and image for fashionable hipsters around the world. The one year that the main academic conference for the Japan Association for Language Teaching (JALT) used handstitched bags made by Cambodian women in sustainable workplaces, there was a visible sense of pride and appreciation over that decision. The Facebook postings of American election candidates using Made in China or Made in USA t-shirts had a ripple effect on goodwill, for something while not a pure brand per se, is certainly open to core value assessments. These examples describe how some brands have captured the attention of consumers with more favorable brand ethos towards sustainability.

1.3 Sustainability Marketing

Marketing has evolved from a physical place for bartering to a business process to increase and shape demand to the management function of developing new markets and meeting needs and wants. Owing to the environmental consequences of unsustainable economic growth, the next phase beyond modern marketing requires taking a significantly different perspective. The first step is a shift in focus away from commercial transactions to relationship marketing with narrower, more targeted approaches. The second shift involves recognizing that modern marketing as it has been manifested no longer fits the ecological and social realities in the market environment. This new approach requires a change in mindset to adapt the production and consumption systems and get past the assumption that marketing is about *selling more stuff to people*. Sustainability marketing represents a

move toward blending economic and technical perspectives with relationship marketing and social, ethical, environmental, and intergenerational perspectives. Sustainability marketing should endure forever: ecologically oriented, viable, ethical, and relationship-based (Belz & Peattie, 2012, p. 16).

2. Toyota – Its Way, Vision, and Previous Action Plans

Toyota Motor Corporation (Toyota) is an automotive manufacturer headquartered in Toyota, Aichi, Japan. In March 2019, the multinational corporation consisted of 370,870 employees worldwide (Toyota, 2020) and had produced and sold almost 9 million vehicles, making it the largest automobile manufacturer by production ahead of Volkswagen Group and General Motors. Toyota has grown over the decades to become one of the most successful car companies and is also recognized as one of the top global brands and has been a profitable firm operating within the motor vehicle manufacturing industry. Released in 1935, the Five Main Principles of Toyota reflect the thinking of founder Sakichi Toyoda and are the foundation for corporate management still to this day. Always:

- be faithful to your duties, thereby contributing to the company and to the overall good.
- be studious and creative, striving to stay ahead of the times.
- be practical and avoid frivolousness.
- strive to build a homelike atmosphere at work that is warm and friendly.
- have respect for spiritual matters, and remember to be grateful at all times.

(Toyota, 2020)

2.1 The Toyota Way

Since its foundation, Toyota has continuously strived to contribute through sustainability marketing with the manufacture and provision of innovative and quality products and services that lead the times and meet its Global Vision (see Figure 1).

The Toyota Way (Figure 2) released in 2001, is anchored by two tenets: continuous improvement and respect for people. At Toyota, continuous improvement means “we are never satisfied with where

Figure 1 – Toyota Global Vision (Toyota, 2015a)

Toyota will lead the way to the future of mobility, enriching lives around the world with the safest and most responsible ways of moving people.

Through our commitment to quality, constant innovation, and respect for the planet, we aim to exceed expectations and be rewarded with a smile.

We will meet our challenging goals by engaging the talent and passion of people who believe there is always a better way.

Figure 2 – The Toyota Way (2019)

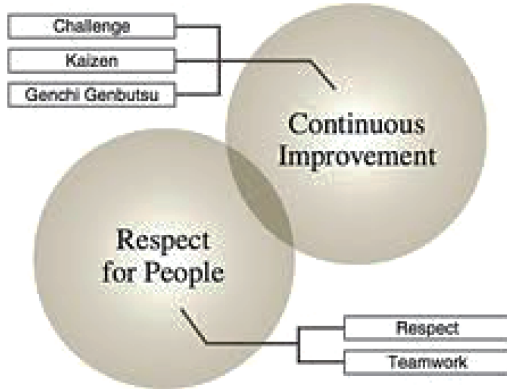
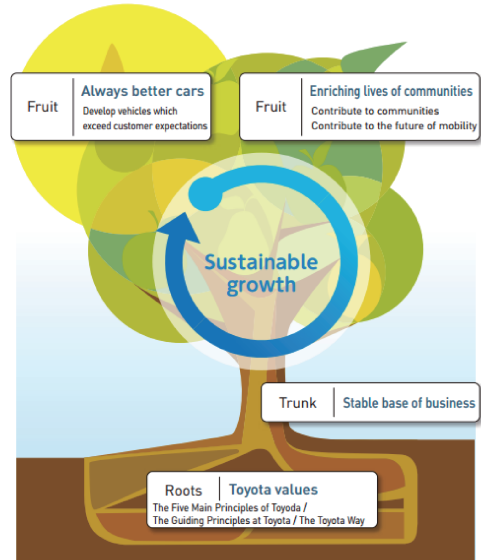


Figure 3 – The Toyota Global Vision Tree (2015a)



we are and always work to improve our business by putting forward new ideas and working to the best of our abilities.” And respect for people means “that we respect all Toyota stakeholders and believe the success of our business is created by individual effort (Toyota, 2020). Motor vehicles greatly expand the freedom of mobility but are also related to and affect a number of social and environmental issues. Bearing this in mind, Toyota listens carefully to its customers and local communities to pursue its business and transformations, seeking harmony with people, society, and the global environment through corporate social responsibility (CSR) and the long term development of sustainable marketing with the metaphorical image of a Global Vision Tree (2015a, see Figure 3).

Toyota is well-known for its innovative automotive products. The company is however not perceived to be operating in a sector which is highly sustainable as most of its products have relied on scarce energy sources, which also pollute our environment and thereby lead to global warming. Nevertheless, Toyota succeeded in its transition by recognizing the long-term success of the industry and its product line hinged upon this critical market transformation (Belz & Peattie, 2012). By investing significant funds in changing the core of the automotive industry – literally the motor that drives this sector – the company not only presented hybrid innovations that satisfied the rising demand for alternative mobility forms but challenged and forced its competitors to follow its lead.

Table 1 Guiding Principles at Toyota [translation] (n.d.)

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1. Honor the language and spirit of the law of every country and region, and undertake open and fair business activities to be a strong corporate citizen of the world.
 2. Respect the culture and customs of every country and region and contribute to economic and social development through corporate activities in their respective communities.
 3. Dedicate our business to providing clean and safe products and to enhancing the quality of life everywhere through all of our activities.
 4. Create and develop advanced technologies and provide outstanding products and services that fulfill the needs of customers worldwide.
 5. Foster a corporate culture that enhances both individual creativity and the value of teamwork, while honoring mutual trust and respect between labor and management.
 6. Pursue growth through harmony with the global community via innovative management.
 7. Work with business partners in research and manufacturing to achieve stable, long-term growth and mutual benefits, while remaining open to new partnerships.
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2.2 Vision of Environmental Management at Toyota

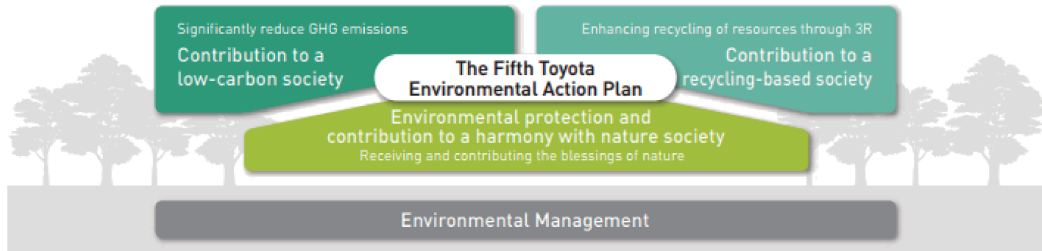
Toyota's philosophy and policies on the environment are based on the Guiding Principles at Toyota (n.d.), which were originally written in 1992 in Japanese and revised in 1997 (see Table 1).

Policies for environmental initiatives were formulated as the Toyota Earth Charter in 1992 and then revised in 2000. This Charter is shared among 608 Toyota consolidated subsidiaries around the world. The Toyota Global Vision (see Appendix A) announced in 2011 stresses the importance of "respect for the planet." Based on the above philosophy and policies, under the Toyota Environmental Challenge 2050, the firm seeks to reduce global average CO₂ emissions (TtW2) from new vehicles by 90 percent compared to Toyota's 2010 levels by 2050 and to completely eliminate all CO₂ emissions throughout the entire vehicle life cycle. As part of their strategy to provide consumer solutions with improved socio-ecological performance, Toyota will proceed with the development of a wide range of auto technologies, some requiring new infrastructure, including plug-in hybrids (PHVs), electric vehicles (EVs) and fuel cell vehicles (FCVs), so that customers can choose the type of eco-car best suited to their applications.

2.3 Environmental Management Action Plan

Nearly 10 years ago, the Fifth Toyota Environmental Action Plan set the direction of Toyota's environmental activities, outlining the company's ideal form and defining the action plan and goals for the five-year period started in FY2011. In developing the plan, Toyota streamlined actions from two points of view: environmental risks and business opportunities (such as penetration of eco-cars) in corporate operations and environmental initiatives expected of a company toward the decade between

Figure 4 – The Fifth Toyota Environmental Action Plan. (Toyota, 2015b)



2020 and 2030. As shown in Figure 4, the company positioned these issues under the three priority themes of: (1) contribution to a low-carbon society, (2) contribution to a recycling-based society, and (3) environmental protection and contribution to a harmony with nature society. Embracing these themes, Toyota will contribute to the sustainable development of society through *monozukuri* (manufacturing), *kurumazukuri* (car-making), and even traffic safety with products and services that are in harmony with the global environment and local context.

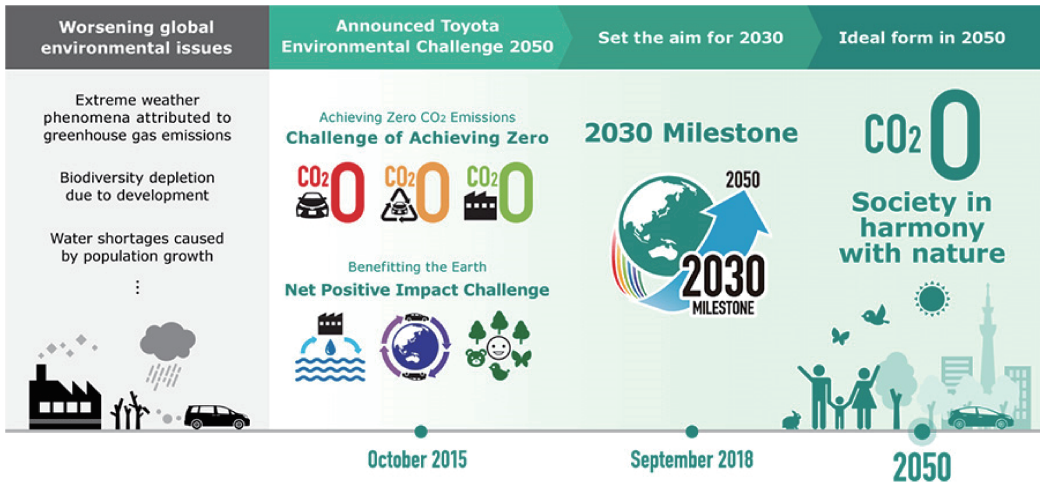
3. Sustainability Marketing at Toyota

Toyota Motor Corporation like most automotive manufacturers has not found it easy *going green* as these companies have a lot to consider in respect to the various elements of sustainability and in creating a sustainable marketing strategy. However, if a company wants to be successful in corporate transformation, they need to make a commitment to sustainability and make it an integral part of the company's values and vision. It is never as simple as simply adding the word "Green" or "Eco" in front of a brand name or indicating that you will donate to a certain social or environmental cause.

Many car manufacturers, in addition to Toyota have taken on sustainability for various reasons, including making a difference, peer pressure, public pressure, competitive advantage, cost savings, or just wanting to do something good. Within the marketing industry these are advantages, but the point of difference is only beneficial as long as you stand out from the rest. Such differentiation will not last for long and is only valuable as long as the customer values it. As such, sustainability is not the only driver when a customer evaluates the potential purchase of a major durable good such as a car. Other elements could include purchase cost, speed, resale value, vehicle aesthetics, instrumentation, color, reliability, fuel economy, and local servicing availability.

One of the all-time success stories for Toyota was the 1997 release of the Prius, a gas-electric hybrid vehicle, which had various sought after elements including durability and reliability as well as eco-friendliness and great innovation (Kaplan, 2011). The Toyota Prius appealed to the green cus-

Figure 5 – Toyota Environmental Challenge 2050 (Toyota, 2020)



tomter and owed some of its success to Toyota correctly identifying the target market along with providing a reasonably priced vehicle, yet \$15,000 higher between comparable US & Japan models.

Toyota’s ads for the Prius were directed more to emotion with bold headlines to attract attention. This generated ads with high impact and longer ad recall information. The product was advertised within feature films (e.g., *Get Shorty*), magazines (*Newsweek* and *Vanity Fair*), plus in TV advertising on the Discovery and History channels. These advertisements in 1997 cost over \$15 million on the marketing of the Prius and provided information on the Toyota brand, the environmental benefits, the bonus credibility of driving a green vehicle, and more importantly the convenience that new drivers of a Prius did not need to change their habits. On top of this, Toyota pushed the environmental qualities of the vehicle and took advantage of campaigns like “Earth Day.” The technology was also promoted as marketers realized many auto enthusiasts enjoy and marvel at the technological aspects of cars. The Internet and its range of communications also played an important part in getting out the initial message of the Toyota Prius, and still does so today.

Toyota’s future vision is to look at the balance between nature and industry and their associated cycles. As such, they have a new catch phrase “Society in Harmony with Nature” (Toyota, 2020) with the goal of CO₂ = 0. This slogan relates to the vision of management and employees collaborating to build a better world along the principles of sustainability. They believe this can be achieved through new technology, collaboration, cooperation with society, transparency, and the commitment of both management and employees (see Appendix B for Toyota’s CSR Policy). Figure 5 shows Toyota 2030 milestones to aim for grouped under achieving zero CO₂ emissions and benefitting the earth with net positive impacts.

3.1 Contribution to a Low-carbon Society

For Toyota, it has been a priority to establish a low carbon emission society and recognize the relevant issues to mitigate against global warming. Toyota has been looking at ways to reduce its own CO₂ emissions through energy reduction strategies within its product line and global business operations.

Toyota believes it can achieve a reduction in CO₂ emissions by investing in innovative technology and developing newer greener vehicles in addition to the Prius with plug-in hybrid electric vehicles (PHEV), battery electric vehicles (BEV), and fuel cell electric vehicles (FCEVs). These innovations help reduce vehicle emissions and push the carmaker's boundaries across the world and create a path to reducing vehicle CO₂ emissions and protecting the planet. Along with vehicle legislation across the developing world, Toyota has made significant progress in making its production vehicles more eco-friendly than previously. Additionally, Bennett (2011) reported on activities from a tie up between Toyota and Ford to develop hybrid technology for trucks and SUVs.

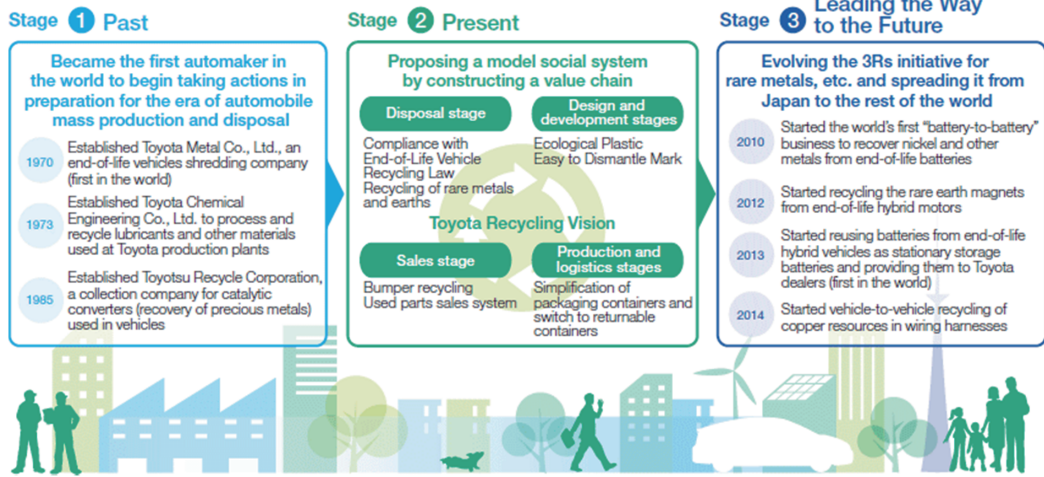
These reductions in CO₂ have improved the various vehicle model environmental performances, but Toyota has also run campaigns to make its facilities more sustainable. Toyota has focused on *kaizen* activities for logistics, introduced innovative production technologies for those consuming a lot of energy, and accelerated the global introduction of renewable energy, steamless & airless processes, and LED lighting. Toyota continues to meet its CO₂ targets under the Fifth Plan today from its partnerships and production activities around the world by setting new targets globally.

3.2 Contribution to a Recycling-based Society

Population growth, economic expansion in emerging nations, and improved living standards have driven increased consumption against the earth's limited resources. These realities have required attention and responses from global industrial manufacturers in terms of both resources and waste. Toyota recognizes that the supply of mineral resources to produce industrial goods such as cars and component parts are an issue in terms of depletion, uneven distribution, and volatile swings in currencies and the price of inputs. Furthermore, agricultural production in response to population growth is affecting water usage. Addressing waste is also a legitimate concern for producers in terms of reduction at the source, reuse or recycling, reclaiming at the end-of-life, and inevitably some disposal. Environmental management at Toyota, guided by The Fifth Action Plan, therefore also focuses on contributions to a society that overall is focused more, but not only, on recycling.

Since the 1970s, Toyota has worked on initiatives for recycling reusable materials from autos at their end-of-life. As shown in Figure 6, Stage 2 of 3R initiatives to reduce, reuse, and recycle have

Figure 6 – 3Rs (Reduce, Reuse, and Recycle) for End-of-Life Vehicles (Toyota, 2015c)



evolved to include vehicle design and the entire life-cycle of their automotive product line. Going forward, with limited infrastructure available to deal with the new technologies in hybrid vehicles, Toyota has pioneered efforts to lead a recycling-based society including a battery-to-battery recycling network, reuse of the batteries in hybrids, and the recovery of rare-earth metals.

Initiatives in this area of sustainability marketing can be categorized in three main areas: (1) design and development, (2) production and logistics, and (3) sales and recycling. Examples of design for recycling promoted in Toyota's environmental initiatives report (2015b) include: (1) specific structural designs making it easy to dismantle and separate parts, with input from value chain stakeholders at actual dismantling companies and (2) the world's first *ecological plastic* for automotive applications which is derived from plant material and used in 80% of interior surfaces of the 2013 SAI model hybrid, reaching one of their benchmarks ahead of schedule. Reducing production waste such as sludge and controlling logistical issues with packaging by simplifying wrapping specifications and expanding the use of returnable shipping containers are examples of the lean principles of process waste minimization (Lapinski, Horman, & Riley, 2005) at the core of the Toyota Production System. Valuing continuous improvement (*kaizen*) has helped to identify unique sustainable projects early and align high performance sustainably operating goals with business needs. Initiatives for sales and recycling involve the decentralized network of dealers and parts distributors in collecting damaged parts, promoting the resale of used parts, and using trucks over drums for transporting oil. Reaching key performance metrics and promoting initiatives through compliance with end-of-life vehicle recycling laws in Japan and overseas exemplify the Toyota strategy at work toward establish-

ing recycling-based systems and influencing society as a whole.

3.3 Environmental Protection and Contribution to a Harmony with Nature Society

Toyota is able to share a lot of data from various aspects of their corporate operations and undertakings. Yet there are times when it cannot escape the reality of its industry and the rhetoric inevitably promoting a journey toward sustainability that they have supposedly long been on. The various points shared as evidence of sustainable management practices and initiatives are typically measured against goals and performance metrics set by the corporation itself. As Ihlen and Roper (2011) ask “Is it sufficient to reduce *some* of the harmful emissions? Is a system sustainable if it can extend its form *somewhat* into the future? Are some industries simply based on a practice that at its core is unsustainable?” While many of Toyota’s initiatives can be lauded as innovative industry leading, sustainability is still seen as being corporate-centric where the survival of the corporation takes precedence.

The previous points are not to downplay the positive steps that Toyota has taken, but more to temper the power of biased self-reports promoting activities which should be met with a measure of skepticism and beg further analysis. Using the Kaldor-Hick Efficiency basis of cost-benefit analysis, Cortez and Penacerrada (2010) looked at Toyota Motors Corporation in a case study into environmental costs and economic effects. The goal was to correlate costs shown in environmental accounting with the environmental conservation effects and economical effects associated with environmental measures (p. 115). Findings showed there was a significant correlation between the economic effects and environmental costs and, while not implying causation, there was a significant correlation between profitability and environmental costs. This academic study may suggest that looking further to understand Toyota’s initiatives in practice has merit, albeit more research is needed.

Toyota is also aware of the need for conservation of nature and its biodiversity and the company seeks to integrate its automotive business and social contributions as part of keeping society in harmony with nature. For example, in a measure of true sustainability, Toyota production facilities in Japan and overseas are completely eliminating the use of harmful chemicals such as lead, mercury, cadmium, and hexavalent chrome while also complying with international regulations on other chemical substances in their products and processes. In its “Environmental Report” (2015b), Toyota refers to concrete actions in the area of biodiversity under contributions through technology, collaboration and cooperation with society, and information disclosure. Some examples include initiatives for improving traffic safety for a world where annual deaths in traffic accidents have reached 1.35 million (World Health Organization, 2018), as well as sponsoring eco-clubs with community partners

and running visitor booths. Farooq (2014) reports on an online video (*Vine*) campaign designed to involve youth in understanding socio-ecological problems as part of outreach for harmony.

4. Implementing Sustainability Marketing

Corporate transformations can be met with various barriers or resistance to change which Belz and Peattie (2012, p. 281) sort into three categories: (1) individual barriers, (2) organizational internal barriers, and (3) organizational external barriers. Overcoming these barriers to implement changes toward sustainability marketing management is said to require six essential components:

- a committed CEO
- empowered employees
- a clear corporate sustainability mission
- sustainability change agents
- sustainability marketing information systems
- sustainability incentive structures

(Belz & Peattie, 2012, pp. 281–282)

While each of these is critical, when considering this final component - *incentives*, it is important to understand that there are different types of employees with varying attitudes toward sustainability. Empirical studies have shown that there are four types of employees regarding sustainability attitudes and activities – defeatists, conventionalists, active realists, and nonconformist idealists. Thus, a range of incentives systems should be employed to secure buy-in and participation from different people.

Defeatists start out disinterested in any issues related to sustainability (or often virtually any organizational initiative). They do however represent one of the majority groups of employees and may be coaxed into responding to material rewards that are tied to specific objectives and sustainability performance metrics. As suggested by Wilhelm (2014) these should however be SMART goals that are Specific, Measurable, Actionable, Results-oriented, and Time-specific. Furthermore, the sustainability goals for individuals should be aligned with departmental and corporate goals and be within the sphere of control or influence of the individuals with whom performance incentives are pegged. Relevant material rewards may include cash bonuses, trips, or tangible materials goods.

Conventionalists together with defeatists make up the majority of a typical workforce in organizations that do not operate on the cutting edge of innovation like Google or IDEAA. Conventionalists did not start out as defeatists nor have they become so jaded to be a defeatist. As such, while they generally have a low level of interest in any initiative and disinterest can rise in the case of sustainability issues, conventionalists have been seen to work hard toward material rewards.

Active realists are positioned by Belz and Peattie (2012, p. 284) as showing “a high level of interest and activity that is not dependent on monetary incentives.” They are potentially available to contribute actively in a proactive way, but they are somewhat pragmatically realistic which can temper

how adaptive they may be. Such employees do not react to the carrot of financial incentives. They may actually be skeptical of the organizations motives and hence it would be better to offer praise or commendations as non-financial rewards potentially tied in with sustainability-related promotion opportunities or project work in teams.

Nonconformist idealists, together with active realists represent only a minority of the workforce in a typical work setting. These idealists are engaged employees who are interested and active in issues including sustainability. They can also however have high expectations and may be somewhat inflexible and even intolerant with the pace of progress within a bureaucratic organization. They too would not want to see or feel their support for initiatives such as sustainability is being bought, and non-material rewards of a non-financial type are again more suitable here.

Belz and Peattie (2012, p. 284) go on to caution that the internal changes potentially available through empowered employees under a sustainability incentive structure must however be met by suitable external change for a “sustainability fit” between the corporation and its environment. The details analyzed here and the general narrative around Toyota’s corporate image, brand ethos, and goodwill would suggest these issues are being addressed and managed. Although further investigation of the discourse in Toyota’s sustainability documents and qualitative inquiries would provide opportunities to research this growing strand of corporate communications in greater detail.

5. Conclusion

Toyota’s success is due to its business philosophy and its understanding of people as well as its effective strategic management of the cycles of nature and industry. Toyota has improved upon its performance through sustainability marketing via its research and development and product innovation, which have also had a positive effect on Toyota’s market growth as well as market share. Toyota has been very dynamic in making changes and local customizations to its products in different regions and countries giving it a competitive edge over its rivals and gaining positive feedback from customers and supply chain stakeholders. Local customizations and multi-segmentations have contributed to a more powerful brand ethos and loyalty for Toyota than its rivals with a positive perception and goodwill from consumers. Toyota recognizes that sustainability marketing is about understanding your customers and delivering to them greater value while ensuring the brand and organization remains viable over time. Marketers at Toyota following an environmental management mandate have had the power to push forward an internal transformation to address a more sustainable existence. This influence on product development while attending to the human side supports consumer decisions and meets society’s evolving needs for eco-friendly vehicles.

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Appendix A – 12 parts of the Toyota Global Vision (Toyota, 2015a)



lead the way

Toyota will be a frontrunner. We will seize opportunities and invest in the future.



future of mobility

We'll develop new forms of transportation and pursue new ways to connect technology with people.



enriching lives around the world

Through the concept of monozukuri, we will create jobs, develop people and contribute to society.



safest & most responsible ways of moving people

Safety is our number one priority – for our employees and our customers. Nothing is more important.



commitment to quality

We constantly raise our standards for dependability, reliability and customer satisfaction.



constant innovation

Our goal: "Always better cars." We continually reinvent ourselves, introduce new technologies and stay ahead of our competition.



respect for the planet

In everything we do, we will show consideration to the planet. We investigate and promote systems and solutions that are eco-friendly.



exceed expectations

Our attitude is to anticipate and deliver to the needs of those we serve.



rewarded with a smile

Customer satisfaction is best expressed with a smile. It promotes a behavior of gratitude and appreciation in all that we do.



challenging goals

We aim high and work together... that's who we are.



engaging the talent and passion of people

The power of our organization comes from the skill and diversity of our team members and business partners... solving problems and creating new ideas.



there is always a better way

The spirit of kaizen... reaching higher and challenging ourselves to find a better way in everything we do... every single day.

Appendix B

Toyota CSR Policy: Contribution towards Sustainable Development

Customers

• Based on our philosophy of “Customer First,” we develop and provide innovative, safe and outstanding high quality products and services that meet a wide variety of customers’ demands to enrich the lives of people around the world. (Guiding Principles 3 and 4) • We will endeavor to protect the personal information of customers and everyone else we are engaged in business with, in accordance with the letter and spirit of each country’s privacy laws. (Guiding Principles 1)

Employees

• We respect our employees and believe that the success of our business is led by each individual’s creativity and good teamwork. We stimulate personal growth for our employees. (Guiding Principles 5) • We support equal employment opportunities, diversity and inclusion for our employees and do not discriminate against them. (Guiding Principles 5) • We strive to provide fair working conditions and to maintain a safe and healthy working environment for all our employees. (Guiding Principles 5) • We respect and honor the human rights of people involved in our business and, in particular, do not use or tolerate any form of forced or child labor. (Guiding Principles 5) • Through communication and dialogue with our employees, we build and share the value “Mutual Trust and Mutual Responsibility” and work together for the success of our employees and the company. We recognize our employees’ right to freely associate, or not to associate, complying with the laws of the countries in which we operate. (Guiding Principles 5) • Management of each company takes leadership in fostering a corporate culture, and implementing policies, that promote ethical behavior. (Guiding Principles 1 and 5) (Guiding Principles 1 and 5)

Business Partners

• We respect our business partners such as suppliers and dealers and work with them through long-term relationships to realize mutual growth based on mutual trust. (Guiding Principles 7) • Whenever we seek a new business partner, we are open to any and all candidates, regardless of nationality or size, and evaluate them based on their overall strengths. (Guiding Principles 7) • We maintain fair and free competition in accordance with the letter and spirit of each country’s competition laws. (Guiding Principles 1 and 7)

Shareholders

• We strive to enhance corporate value while achieving a stable and long-term growth for the benefit of our shareholders. (Guiding Principles 6) • We provide our shareholders and investors with timely and fair disclosure on our operating results and financial condition. (Guiding Principles 1 and 6)

Local Communities/Global Society

Environment

• We aim for growth that is in harmony with the environment by seeking to minimize the environmental impact of our business operations, such as by working to reduce the effect of our vehicles and operations on climate change and biodiversity. We strive to develop, establish and promote technologies enabling the environment and economy to coexist harmoniously, and to build close and cooperative relationships with a wide spectrum of individuals and organizations involved in environmental preservation. (Guiding Principles 3)

Community

• We implement our philosophy of “respect for people” by honoring the culture, customs, history and laws of each country. (Guiding Principles 2) • We constantly search for safer, cleaner and superior technologies that satisfy the evolving needs of society for sustainable mobility. (Guiding Principles 3 and 4) • We do not tolerate bribery of or by any business partner, government agency or public authority and maintain honest and fair relationships with government agencies and public authorities. (Guiding Principles 1)

Social Contribution

• Wherever we do business, we actively promote and engage, both individually and with partners, in social contribution activities that help strengthen communities and contribute to the enrichment of society. (Guiding Principles 2)

(Toyota, 2019)