

Sustainability as a Competitive Advantage: Key Entrepreneurial leadership competencies for a successful and sustainable marketing strategy for small green businesses:

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Abstract

Venturing into the realm of sustainable small business marketing can be a complex task for any aspiring entrepreneur. Through a thorough investigation of previous research findings, this piece aims to uncover the essential leadership skills that are necessary to achieve sustainable entrepreneurship. Key competencies, such as stakeholder engagement, strategic thinking, adaptability, and effective communication, have surfaced as crucial elements in the successful development of small green businesses. Interviews with five professionals in the sustainable business development sector have provided valuable insights to support these findings. Policymakers and small business owners can learn from these findings and should consider implementing leadership development programs and incentives to promote sustainable practices. Such measures could have significant positive effects on the wider community.

Keywords: sustainability, entrepreneurship, entrepreneurial leadership, leadership competencies, small businesses, marketing strategy.

Introduction

In today's business world, more and more companies are realizing the significance of sustainability to address environmental and social issues. According to a survey by Nielsen in 2015, 66% of global consumers are willing to pay more for sustainable goods (Nielsen, 2015). However, mere compliance with regulations or reduction of negative impact is not enough. A competitive edge can be gained by blending sustainability efforts with business values and strategies. According to a report by the Harvard Business Review in 2012, companies that have integrated sustainability into their business models have outperformed their peers in the stock market (Eccles & Serafeim, 2013). This not only boosts the operational impact but also the overall performance of the company in the market. Enhancing brand image and reputation, increasing customer loyalty and satisfaction, and improving efficiency are all benefits that sustainability can offer to organizations. Compliance with regulations and the reduction of negative impacts are just the beginning. Research conducted by Kotler, Kartajaya, and Setiawan in 2010 also suggests that sustainability boosts employee motivation and retention while yielding cost savings (Kotler, Kartajaya, & Setiawan, 2010). Companies that embrace sustainability can leverage new business opportunities and develop innovative products and services to tackle environmental and social problems. Developing sustainability as a competitive edge necessitates more than adhering to ecological and social responsibilities. Effective entrepreneurial leadership and competencies must be established to develop successful and sustainable marketing strategies. In this review, we investigate how sustainability can provide a competitive edge and pinpoint crucial business leadership proficiencies to develop sustainable marketing initiatives that result in a competitive edge. We'll touch on the significance of anticipating future trends, managing stakeholders, and cooperating to build a sustainable marketing approach in line with a company's core principles and vision. Part one of the literature review delves into various aspects pertaining to sustainability as a competitive advantage, such as the advantages it offers businesses and how it can benefit them in a competitive setting. Part two of the literature review explores crucial entrepreneurial leadership skills that can prove essential to developing a successful sustainable marketing strategy.

Literature review

Sustainability as a Competitive Advantage

Beyond regulation compliance and minimizing negative impacts, sustainability offers numerous advantages to businesses. As demonstrated by studies, sustainable practices can enhance customer loyalty and satisfaction, augment brand image and reputation, minimize costs and raise efficiency, and bolster employee motivation and retention (Kotler, Kartajaya, & Setiawan, 2010).

Companies that prioritize sustainability can benefit from gaining a competitive edge through differentiation. The development of sustainable products and services allows these companies to stand apart from their competitors by creating a unique selling proposition that resonates with their customer base. In the words of Porter and Kramer (2011), shared value, or value that is generated for both the company and society, is key to achieving long-term success and competitiveness. Achieving this type of shared value is more likely among companies that prioritize sustainability.

Beyond differentiation, sustainability can also lead to competitive advantage through innovation. By adopting a sustainable mindset, companies can identify new opportunities for innovation and develop new products and services to meet emerging needs and address environmental and social issues. For example, in the automotive industry, companies such as Tesla have revolutionized the market by developing electric vehicles that are more environmentally friendly than conventional gasoline-powered vehicles (Kotler et al., 2010).

The role of entrepreneurial leadership in creating sustainable businesses

Sustainability strategist, Woolley, and Hiatt (2019), elaborated on the significance of entrepreneurial leadership when it comes to a company's prosperity and endurance. Business sustainability not only depends on the economy but also environmental and social factors. A key feature of entrepreneurial leaders is their ability to identify opportunities for growth while taking calculated risks and promoting sustainability to guarantee long-term accomplishment.

Long-lasting businesses require certain competencies from entrepreneurial leaders, as revealed by research. One of these skills is visionary thinking, which means being able to anticipate future trends and identify opportunities for growth and creativity (Woolley & Hiatt, 2019). Such leaders are capable of crafting plans that address emerging social and environmental issues, all while offering benefits to all parties involved, thanks to their forward-thinking nature.

Another crucial skill for entrepreneurial leaders is strategic planning. This involves the capacity to establish objectives and formulate practical plans that coincide with the company's mission and principles (Woolley & Hiatt, 2019). Through strategic planning, leaders can determine and rank sustainability tasks that are the most pertinent to their enterprise. It also ensures that these initiatives are seamlessly integrated into the company's culture and operations.

Entrepreneurial leaders who seek to establish long-lasting businesses must prioritize effective communication. By conveying their company's sustainability objectives and undertakings to both internal and external stakeholders, leaders can cultivate backing for sustainable practices. This, in turn, fortifies the organization's status as a socially responsible and eco-friendly entity (Woolley & Hiatt, 2019). Furthermore, lucid and systematic communication is vital in engendering an environment of openness and answerability, a culture indispensable for maintaining the support and confidence of stakeholders. For entrepreneurial leaders who aim to establish sustainable businesses, stakeholder management is a vital competency. Leaders can achieve this by interacting with stakeholders, which include community members, suppliers, customers, and employees. By doing so, leaders can gain a better understanding of their sustainability concerns and priorities, leading to the development of strategies that can address such issues (Woolley & Hiatt, 2019). When leaders collaborate with stakeholders, they can jointly create sustainable solutions that can benefit both society and their organization.

Entrepreneurial leaders who aspire to build sustainable businesses must possess the essential skill of innovation. This skill is developed by maintaining a mentality of perpetual progress and exploring alternate methods of execution. By doing so, leaders can create new, sustainable solutions that add value to all stakeholders (Woolley & Hiatt, 2019). In addition to this, innovation also aids organizations in staying ahead of the game in terms of upcoming sustainability trends and consumer inclinations.

Businesses like Patagonia implement strategic sustainability initiatives to highlight their dedication to social responsibility and environmental stewardship and demonstrating the specific competencies required for entrepreneurial leadership in sustainable marketing (Muniz & Schau, 2011). Patagonia's sustainable marketing approach emphasizes their commitment to helping the environment through their "Worn Wear" initiative, urging customers to repair and recycle their clothing to promote sustainability. By prioritizing sustainability, Patagonia has been successful in developing a loyal customer base that values their dedication to the environment and social responsibility.

Unilever, known worldwide for its consumer goods, has set an example for successful companies with its sustainability-focused marketing approach (Polonsky & Vocino, 2019). The company has made social and environmental sustainability its top priority, resulting in a strategy that showcases its dedication to sustainable practices. Unilever's implementation of initiatives such as the "Sustainable Living Plan," aimed at reducing its environmental impact and improving stakeholder well-being, is a demonstration of

this commitment. As a consequence of these efforts, Unilever is now at the forefront of sustainable practices, and its reputation for ethical and responsible business practices has been strengthened.

Entrepreneurial Marketing Strategies

Marketing strategies for entrepreneurs involve a distinctive approach to attracting customers and building brand awareness. Entrepreneurs need to think outside the box and develop innovative and unconventional strategies to succeed in a highly competitive market. One such strategy is to engage with customers on social media platforms and create a strong digital presence. Another effective technique is to leverage influencers to promote the brand and gain credibility. Additionally, entrepreneurs can use content marketing to provide valuable information to their target audience and establish themselves as experts in their field. Overall, entrepreneurial marketing strategies require creativity, adaptability, and a deep understanding of the target market to succeed in today's business landscape.

According to Morris et al. (2002), entrepreneurial marketing is the process of combining entrepreneurial behavior and strategic orientation with marketing concepts to establish and maintain customer relationships and value. Unique to entrepreneurial marketing strategies is their capability to adapt and respond to shifting market conditions, allowing businesses to create new opportunities and innovate. This adaptability makes entrepreneurial marketing an effective instrument for companies seeking to establish sustainable practices.

Sustainable Business Development

The development of sustainable businesses demands a careful approach that involves multifaceted planning and execution. Generating profits whilst contributing to the environment and society's welfare is crucial in the business model creation. A comprehensive and long-term approach is needed to ensure that the business operations' impact is considered, not just financially, but also socially and environmentally. Sustainable business development requires the incorporation of innovative technologies and practices that lessen waste and emissions, conserve natural resources, and support social justice. By prioritizing sustainable business development, we are promoting a more equitable future that benefits all.

The idea of sustainable business development, defined by Elkington in 1997, involves integrating economic, social, and environmental considerations into corporate practices to achieve lasting growth and prosperity. It recognizes that businesses must assess the impact of their actions on society, the economy, and the environment to guarantee sustainable progress. An often-used TBL model evaluates sustainable business development by including the three elements of economics, society, and the environment (Elkington, 1997).

The Role of Entrepreneurial Marketing Strategies in Sustainable Business Development

The implementation of entrepreneurial marketing strategies is pivotal in ensuring the longevity and prosperity of companies. It's an effective way to boost growth and meet both short and long-term goals. Entrepreneurs who adopt groundbreaking techniques that differ from conventional marketing practices can effortlessly captivate their desired audience and enhance brand recognition. Furthermore, it helps sustain businesses by keeping them abreast of emerging market trends. Therefore, for startups to develop sustainable businesses, it's imperative that they prioritize effective, customized marketing strategies.

To achieve lasting business development, it's essential that sustainability is integrated into business operations. One way to achieve this goal is through the implementation of entrepreneurial marketing strategies. According to Grybś-Kubica and Zatwarnicka-Madura (2020), this approach enables businesses to gain a competitive edge by adapting to evolving market trends and meeting consumer needs. Examples of these techniques include stakeholder engagement, market segmentation, and product innovation.

Entrepreneurial marketing strategies are a great way to boost sustainable business development. These techniques enable businesses to come up with pioneering and long-lasting goods that tackle environmental and social dilemmas. A sustainable product development approach means designing products that factor in environmental and social aspects, using resources efficiently, creating minimum waste, and enhancing the life of the product itself (Miles & Covin, 2000). Applying entrepreneurial marketing strategies in turn helps businesses pinpoint consumer demands, develop suits-all products, and promote sustainability.

Methodology

Small green businesses require a specific skillset in entrepreneurial leadership to achieve sustainability. To uncover these competencies, we used a qualitative approach with in-depth interviews of small business founders currently overseeing their marketing strategies. The founders we spoke with did not delegate or use outside providers for marketing. Our research aims to identify the abilities necessary for entrepreneurs to create and implement sustainable marketing strategies that lead to positive environmental and social changes.

Research approach

The study's methodology focused on qualitative research due to its ability to generate a profound comprehension of the phenomenon being examined. Rather than opting for a broad analysis, the study utilized in-depth interviews to collect copious amounts of data from small business founders. This allowed for an extensive investigation into the perspectives and experiences of these individuals. The approach perfectly suited the investigation of the aptitudes needed for entrepreneurial leadership geared toward sustainability, as it shed light on the precise behaviors, attitudes, and abilities wielded by small business founders that allowed them to design and execute sustainable marketing strategies.

Research Sample

Green-minded business owners currently managing their own marketing efforts were selected as participants for this study, as it was important that the participants directly dealt with the intricacies of marketing strategy. The selection process used purposive sampling, which involves selecting individuals according to predetermined criteria. In this case, these criteria included businesses that prioritize environmental sustainability and have taken initiatives to lower their ecological footprint. The participants in the study have not yet entirely outsourced their marketing needs to third-party service providers.

In order to delve into the competencies needed for leading a small green business with sustainability as the focus, each participant was subjected to in-depth semi-structured interviews from which data was collected. Questions were derived from a literature review on competencies for sustainability-based entrepreneurial leadership, which were revised by pilot testing. Consent granted, audio recordings were made of the interviews, taking place either in person or online, depending on the participant's choice.

Using the methodology of thematic analysis, we transcribed and studied the interviews word-for-word. This helped identify trends and common themes that were present among participants. Instead of forcing themes onto the data, we chose to analyse them inductively so that they naturally arose from the data. By following this approach, we were able to understand the nuances of the skills necessary for eco-friendly business leadership on a small scale. The analysis comprised of numerous steps, such as acquainting ourselves with the data, coding, developing themes, and refining them. Afterward, the themes were reviewed and validated themes to confirm their accuracy.

The validity and reliability of data were carefully ensured through various methods. Literature on sustainability-oriented entrepreneurial leadership competencies was reviewed to develop interview questions that were relevant and appropriate for the research question. Standardization of interview conduct ensured that all participants were asked the same questions equally. A multiple-perspective approach to data analysis was taken, with several members of the research team reviewing and validating themes.

This study followed ethical principles and guidelines throughout the process. Participants were required to provide informed consent prior to their participation, and their privacy was carefully secured throughout.

Results and Discussion

Data analysis

Several eminent competencies vital for succeeding in the sustainable business environment were discovered through thorough interviews of small business owners running their green marketing strategies. The abilities identified included stakeholder participation, effective communication, adaptability, and strategic thinking.

Key stakeholders, such as customers, suppliers, and community members, were deemed crucial for a successful green marketing strategy. Participants stressed the significance of engaging them in both

the development and implementation of marketing strategies since it ensured alignment with their needs and expectations. By involving these individuals and entities in shaping the future actions, participants garnered support, and buy-in which proved to enhance the chances of their strategy's success. Thus, ability to communicate with stakeholders was found to be an imperative skill for developing sustainable marketing strategies.

The participants also identified the importance of strategic thinking as a key competency. This involved the capacity to take a long-term perspective and disregard immediate profits. From an ethical and pragmatic standpoint, participants acknowledged the significance of sustainability beyond attracting environmentally conscious consumers; it could also boost brand reputation. Alignment between sustainability objectives and the overall business strategy was noted to ensure an integrated approach permeated all business aspects.

Adaptability also emerged amongst the data analysis themes as a crucial trait for effective entrepreneurship. Amidst the ever-changing landscape of this field, it was imperative for entrepreneurs to possess the ability to adjust according to shifts in consumer preferences, market conditions, and regulations. To achieve this, they had to be open-minded towards new ideas, willing to take risks, and open to receiving feedback. It also necessitated a desire for experimentation.

Stakeholders were aware of the significance of effective communication, which was identified as the fourth essential skill. They acknowledge the need to communicate their sustainable objectives and successes to everyone such as customers, suppliers, investors, and staff. By effectively communicating, stakeholders were able to establish trust and credibility, and also improve their brand reputation and customer loyalty.

Discussion and implications

Sustainable entrepreneurship requires a diverse skill set that includes effective communication, stakeholder engagement, strategic thinking, and adaptability. Studies done by Woolley & Hiatt (2019) and Henkel & Curley (2020) have previously identified these same competencies as necessary for sustainability-focused leadership. This reaffirms the importance of these skills in achieving successful entrepreneurship in sustainable business.

As policymakers and small business owners peruse these findings, they will undoubtedly be struck by their implications. Indeed, the insights gleaned from this study will likely have a profound impact on both groups. For small business owners in particular, learning about the importance of stakeholder engagement, strategic thinking, and other key capabilities can be invaluable for developing more effective marketing strategies and managing sustainable businesses. By taking these insights to heart, small business owners can position themselves for long-term success and growth.

To support sustainable business development, policymakers can utilize the findings as a guide. This could mean investing in various leadership development programs to assist small business owners to acquire required skills. They could also consider instituting regulations or incentives to encourage sustainability practices within small businesses marketing and daily operations.

A significant addition to the debate on how entrepreneurship relates to sustainable development has resulted from these valuable insights. In the face of current environmental and social challenges, it is imperative to herald the emergence of sustainable businesses. The study highlights how certain business strategies such as stakeholder engagement and strategic thinking contribute to the achievement of sustainable business development. As such, it behoves policymakers, practitioners, and researchers to delve more into the interconnectedness of entrepreneurship and sustainable development.

Sustainable business management relies heavily on researching the essential skills that evolve as the business world changes. Without ongoing research, it becomes difficult to identify crucial capabilities for effective leadership. Ultimately, sustainable businesses cannot grow without understanding the necessary skills. Continual research on sustainable business management can therefore lead to a better future for everyone.

Limitations

It should be emphasized that this study is not without its drawbacks. Firstly, the number of participants was quite limited, only consisting of those employed in eco-friendly corporations. Consequently, the discoveries may not be broadly applicable to alternate spheres or entities lacking an emphasis on ecological responsibility. Secondly, the data was gathered via extensive interrogations which might have been influenced by the individuals' biases and outlooks.

Including participants from diverse industries and increasing the sample size are ways to tackle the limitations of future research. Employing a range of methods, like case studies and surveys, can offer a deeper insight into the necessary skills for entrepreneurs focused on sustainability.

Conclusion

For small business owners, policymakers, and anyone interested in sustainably developing entrepreneurship, this study presents essential competencies for leaders. Analyzing data has revealed stakeholder engagement, strategic thinking, creativity, and adaptability as particularly significant capabilities (Boons, Montalvo, Quist, & Wagner, 2013). These findings emphasize the importance of contemplating entrepreneurial leadership in the face of sustainable marketing strategies. To truly foster sustainability and contribute to its future, small business owners must first acknowledge the critical importance of certain skills. Through educating on policies that support sustainable business growth and providing better resources, we can empower these entrepreneurs to operate thriving enterprises that remain environmentally and socially sustainable over time (Shepherd & Patzelt, 2011).

In sustainable business development, entrepreneurial leadership competencies have been shown to be crucial in previous research by Henkel & Curley (2020) and Woolley & Hiatt (2019). Nonetheless, this study's unique contribution focuses on the significance of these competencies in creating sustainable marketing strategies for small green businesses. In the future, Lopez-Fernandez & Serrano-Bedia (2019) suggest exploring how these competencies relate to financial and social performance over a more extended period.

Small green businesses can attract like-minded customers and develop marketing strategies that align with their values by engaging stakeholders, thinking strategically, communicating effectively, and being creative. This emphasizes the imperative entrepreneurial leadership competencies for sustainable marketing strategies development (Osterwalder & Pigneur, 2010).

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