

SUSTAINABLE DEVELOPMENT THROUGH GREEN MARKETING: A REVIEW

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ABSTRACT:

In the modern times of globalization, the biggest need of the time is to maintain the customer base as well as keep the natural environment safe. Consumers are conscious of the current environmental issues, such as global warming and the effect of environmental pollution. Because of the challenges posed by various environmental issues nations and people these days have a high concern for environmental protection and a new concept of business has emerged as the “Green Business”. The industries which claim that their products are environmentally safe as termed as “green Industries”, the marketing philosophy that they follow is termed as “green marketing” and the products that they produce are termed as “green products”. Thus, green marketing has emerged as an important concept in various parts of both developed as well as developing nations and is seen as a prime strategy for facilitating the sustainable development. USA National Policy Act (1969) has defined sustainability as: “To create and maintain conditions under which humans and nature can exist in perfect harmony, and fulfill social, economic and other requirements of present and future generations”. Sustainable development is that development which focuses at sustainable consumption and sustainable economic growth and which strives to protect the environment. The paper is an attempt to highlight the implications of green business practices on the consumer’s buying practices in view of their concern or no concern for the fragile ecological environment. It shall highlight the prevailing scenario of such practices world-over in general and India in particular. The paper examines the impact of green marketing on the sustainable development of the nation states from the perspective of business. In view of the review made in the paper, recommendations are made and policy implications have been drawn regarding the cognitive, affective and behavioral aspects of green marketing and green business practices from the perspective of sustainable development.

Keywords: Green Marketing; Sustainable Development; Societal Marketing; Green Philosophy

INTRODUCTION

Sustainable development according to the “Report of the World Commission on Environment and Development (United Nations, 1987)”, Sustainable development is a type of resource use that seeks to meet human needs while protecting the environment in order to meet these needs not only in the present, but also in future. Broadly defined, the concept of sustainable development enjoins present generations to incorporate a systems approach to growth and development and to handle natural, produced, and social capital for the wellbeing of their own and future generations. The most widely accepted norm for corporate sustainability comprises of a firm’s efficient use of natural capital. This eco-efficiency is generally determined as the economic value added by a firm with respect to its aggregated ecological impact. This thought has been popularized by the world business council for sustainable development under the following definition, “Eco-efficiency is achieved by the delivery of competitively priced goods and services that satisfy human needs and bring quality of life, while progressively reducing ecological impacts and resources intensity throughout the life-cycle to a level atleast in line with the earth’s carrying capacity”

Sustainable development has constantly evolved as a strategy for protecting the world’s natural resources, but its actual agenda is to manage the world’s resources. Keeping in mind its significance, nowadays one

of the most crucial business strategies ensuring sustainable development has taken the form of green marketing. The concept of green marketing emerged from societal marketing. It's an effort to categorize a product as being eco friendly. It's supports the idea that marketing which is a part of business has to satisfy customers in particular as well as take into account the interests of society. That means everyone directly or indirectly influenced by the activities of a business should be taken into consideration while framing the policies and objectives of an organization. This process has already helped to boost the recent trend towards the greening of the companies.

Based on these concepts of sustainable development and its significance in growth, many nations have taken up "Green Marketing" as a fundamental part of their business strategies. They have realized that Green marketing isn't just a notion, it's a marketing strategy that can help them to acquire more customers and thereby make more profits, eventually leading to sustainable development.

EVOLUTION OF GREEN MARKETING :

The green marketing has evolved over a period of time. According to Peattie (2001), the evolution of green marketing has three phases.

- Phase I: The First phase was called as "Ecological" green marketing, and during this phase all marketing activities involved helping environment problems such as air pollution, oil spills, and synthetic DDT (dichloro-diphenyl-trichloroethane) and provide solutions for environmental problems. This phase focused on those industries and products that have a direct influence on the environment such as oil, mining, chemical industries.
- Phase II: The Second phase was called the "Environmental" green marketing and its focus was mainly on clean technology that incorporated designing of new and innovative products, that take care problems related to pollution and waste issues. This phase focused on products generally used in homes such as cleaning products, carpets, papers etc. in addition to services such as banking and tourism.
- Phase III: The Third phase was called as "Sustainable" green marketing. It came into limelight in the late 1990s and early 2000. The field of marketing is starting to address green marketing, not just in terms of decreasing environment damage, but in quest of sustainability. Companies like IBM and McDonalds' have used their bulk purchasing power to implement their back supplier for improving their eco-performance at their own level and back it up with green audits.

LITERATURE REVIEW

One of the significant references relevant to review of literature is that of Hentze (1991), who writes that, the decade of the nineties, like the sixties, appears to be an era in which social and cultural concerns were becoming increasingly paramount. As the "me" attitude of the 1980s becomes less prevalent, it is becoming apparent that consumers are looking at far more than a company's product offerings. These more sophisticated consumers are also concerned with a holistic view of corporate image, particularly with regard to social concern and responsibility, and are "Changing their purchasing patterns in accordance to their more socially responsible beliefs". An eco-marketing orientation, adapting McNamara's (1972) frame work for measuring an organization's degree of marketing orientation, may be measured by some combination of structural and behavioral indicators. These indicators may include:

- (1) employee, supplier, community, and customer eco-education programs;
- (2) toll free social concern and eco-hotlines;
- (3) a designated ecological and social concern marketing staff;

- (4) cradle to graveplanned product eco-lifecycles;
- (5) explicitly considering ecological and social concerns in all strategic and tactical planning; and
- (6) a systematic environmental scanning procedure explicit in all business decision making.

The adoption of a green marketing orientation by a firm is principally a response to the increased pressures by society for business to meet its comprehensive ethical and moral responsibilities, while adhering to the marketing concept's basic tenants as suggested by Mc-Carthy and Perreault (1984) of meeting customer needs at a profit. In addition, an eco-marketing orientation may provide the organization with a strategic competitive advantage in both domestic and international markets. Crosby, Gill, and Taylor (1981) segmented U.S. consumers by their utilizing consumers' self-designated "greenness" to segment consumer markets (Schwartz and Miller, 1991). One of the most prominent social concerns is the determination of the level of a firm's ecological sensitivity. Ecological issues such as global warming, toxic waste disposal, resource depletion, and landfill management are items of public as well as legislative concern which have prompted organizations to interject pro-ecological values into their system of corporate heuristics. These issues are of increasing importance to the global community, with some of the more advanced nations even incorporating ecological regulations as an integral component of antitrust legislation (Polonsky, 1991). These changes typify the findings of strategy researchers (Khandwalla, 1977; Foxall, 1984; Smith, Arnold, and Bizzell, 1988; Slevin 1990; Lee and Ball, 2003) who suggest that successful firms tend to adapt to the dynamics of their unique environments, typically resulting in changes in both organizational philosophy and behavior.

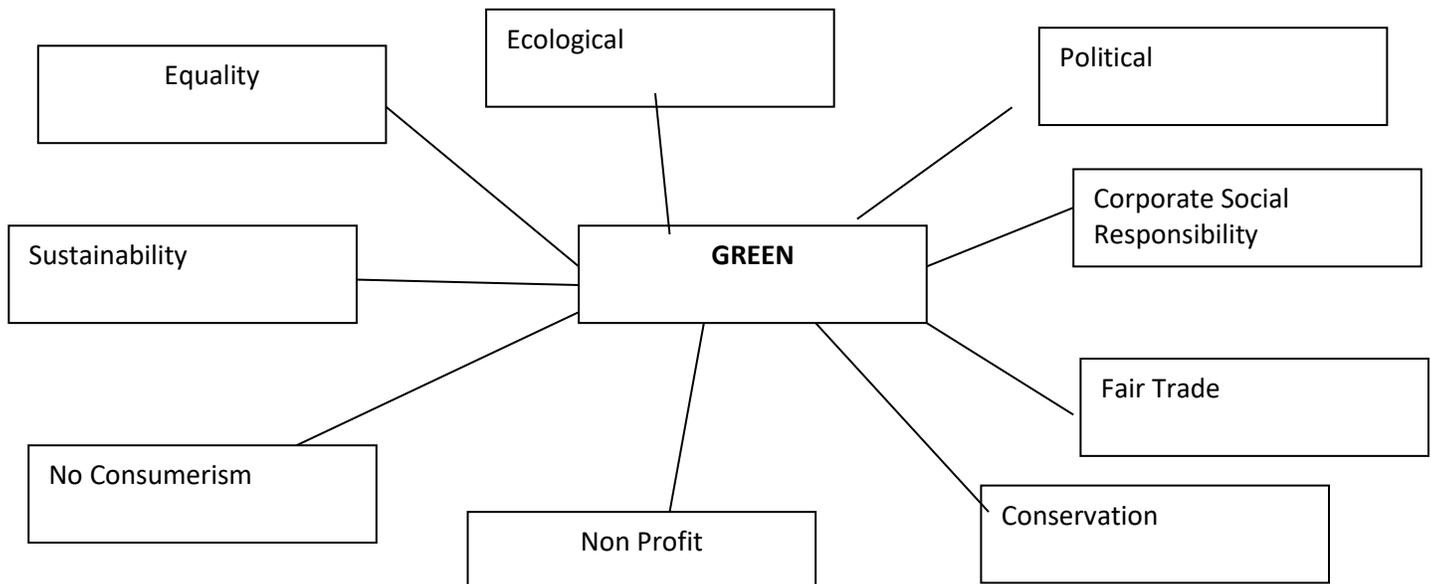
The "green" consumer point of view cannot be ignored. In a survey conducted in the United States of 400 Midwestern consumers, 36 percent of the respondents were found to be "very likely" to change from one food brand to another competitive label which used a recycled carton; only 2.8 percent stated that they would be "somewhat unlikely" to make brand changes because of recycled packaging (Eisenhart, 1990). In many cases, mandatory environmental legislation is also forcing behavioral changes in consumers. Business may adopt an eco-marketing orientation as a strategic response to the dynamic environments of the nineties (Clarke, Geri, 2004).

WHAT IS GREEN MARKETING

- The marketing or promotion of a product on the bases of its environmental performance or an improvement thereof (Charter & Polonsky 1999).
- The holistic management procedure responsible for identifying, anticipating and satisfying the requirements of customers and society, in a cost-effective and sustainable way (Peattie, 1995).
- A holistic and responsible strategic management process that identifies, anticipates, satisfies and fulfils stakeholder needs, for a reasonable reward, that does not adversely affect human or natural environmental well-being (Charter (1992), p. 394).

According to Brundtland Commission (1987), Development that meets the needs of the present without compromising the ability of future generations to meet their own needs (Rowell, 1996). Green marketing comprises of all the activities designed to generate and assist any exchanges aiming to satisfy human needs or wants, such that their needs and wants are satisfied with negligible detrimental impact on the natural environment. It is unfortunate to say, a large part of people believe that green marketing refers only to the promotion or advertising of products with environmental benefits. But the truth is that green marketing comprises a wide range of activities, including product modification, changes in the production process, changes in packaging, as well as modifying advertising. Yet defining green marketing is not an easy task. But the terminology used in this area has varied, it includes: Green Marketing, Environmental Marketing and Ecological Marketing.

Figure: The Many Meanings of Green



A large part of market research has been concerned with recognizing the green consumer. A clear picture has not yet been established and it differs to a great extent between different markets. But some generalizations about the green consumer can be made based on the research done so far. The green consumer:

- Is inconsistent
- Is confused
- Is generally a woman
- Is adults who are more concerned about the environment
- Is sophisticated in wants and needs (Peattie (1992), p. 118)

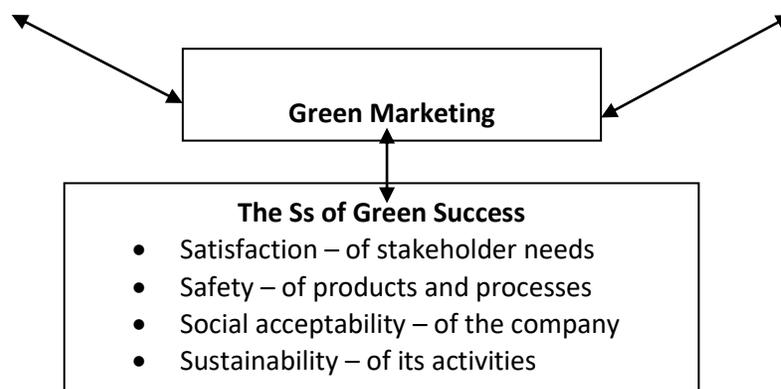
Green product means any product, which is not harmful for environment and customer as well, and it also works as a future remedy of negative impact of a product. For example, CNG (Converted Natural Gas) use in the vehicles, superconcentrated laundry detergents not only save energy and packaging, they save end space, money and effort.

GREEN MARKETING PROCESS

Green marketing process incorporates both external and internal P's. After integrating external and internal Ps, green success will automatically come through four S's. Here external 7 Ps involves paying customers, providers, politicians, pressure groups, problems, predictions Mand partners; internal 7Ps consists of products, promotion, price, place, providing information, processes and policies. After integrating external and internal 7Ps, we can find out the green successes through 4 Ss such as Satisfaction – of stakeholder needs, Safety – of Mproducts and processes, Social acceptability –of the company and Sustainability – of its activities.

FIGURE : THE GREEN MARKETING PROCESS





CONCLUSION

Green marketing should not be treated as just another approach to marketing, but it has to be pursued with much greater dynamism, as it has both environmental and social dimension to it. With the threat of global warming looming large, it is very essential that green marketing becomes the custom rather than an exception or just a fad. Recycling of paper, metals, plastics, etc., in an environmentally safe and harmless manner should become much more organized and universal. Marketers are also responsible for making the consumers understand the requirement for and benefits of green products as compared to non-green ones. Green product development is more than just making products that are environmentally friendly, it is about systematic change in the society that includes consumers, producers and the general commercial structure within which they negotiate. By broadening & deepening the meaning of green, relevant agencies will have an economic incentive to pursue green product development. By harnessing the market forces that support green product development will lead to mainstream green.

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