
A STUDY OF THE GREEN MARKETING CONCEPT AND PRINCIPAL, A SYSTEMATIC REVIEW OF LITERATURE

Mr. Yogesh Wagh
M.Com., M.Phil. MBA, NET.

Abstract

The green marketing principle and concept have been described as the concepts that are used by organizations to promote environmental responsibility. With this principle and concept, a company can showcase their commitment to sustainability in a variety of ways, including sponsoring an environmental charity or donating money back to the environment. A systematic review of literature was conducted. There were seven key questions which encompassed six areas of green marketing: principal, history, theory development, ethical considerations and public response; operational principles; applications/evidence base; persistence through time and space; ecological impact/ecosystems. The current paper describes the green marketing concept and principal, a systematic review of literature using the question and answer format.

Keywords: Green Marketing; Principle, Concept, Environmental Responsibility, Sustainability, Review of Literature.

► *Correspondence Author: Mr. Yogesh Wagh*

1. Introduction

Green marketing is an alternative approach to conventional marketing that focuses on people, society, economy and planet in addition to the traditional focus on profit. Green marketing is based on the concept that it is not possible to consider a business as sustainable when it does not openly address and acknowledge its impact on all stakeholders including consumers, employees, investors, suppliers, communities and ecosystems (Nordstrom International Inc. and Green Rider Research, 2011).

The rationale behind green marketing is that companies that do not address sustainability issues now will not be able to address these issues in the latter part of their existence and eventually fall victim to these issues.

In 2009 the US Environmental Protection Agency (EPA) report revealed the results of a study conducted on green marketing in which there was a 93 percent increase in the number of green companies in North America from 1997 to 2008 (Scott, 2009). Nonetheless, when it comes to conventional practices for determining and promoting environmental responsibility among businesses, few if any are mandatory. There are departments within corporations where responsibility for environmental protection is highly regarded but still has a low profile. The EPA report states that the green movement is still a long way from being mainstream within business operations, even though environmental and social issues are becoming more important to consumers and investors.

Green marketing has been defined as an approach to marketing which emphasizes the minimization of negative impacts while maximizing positive impacts on human health and the environment (Magura, 2003; Paquette & Bodas-Salcedo, 2009). In other words, green marketing is a strategy used by businesses for promoting a positive image for their organization in order to succeed at a competitive market place. Businesses that focus on sustainable development can attract consumer loyalty as well as potential consumers who will likely be interested in purchasing offerings from businesses that are perceived to be more socially responsible.

The green marketing principle and concept have been described as the concepts that are used by organizations to promote environmental responsibility. With this principle and concept, a company can showcase their commitment to sustainability in a variety of ways, including sponsoring an environmental charity or donating money back to the environment. A systematic review of literature was conducted. There were seven key questions which encompassed six areas of green marketing: principal, history, theory development, ethical considerations and public response; operational principles; applications/evidence base; persistence through time and space; ecological impact/ecosystems. The current paper describes the green marketing concept and principal, a systematic review of literature using the question and answer format.

2. Green Marketing Concept

This section describes the definition of "what green marketing is" as defined by Nordstrom (2011). This definition encompasses business practices that use a variety of strategies ranging from simple to complex to achieve environmental responsibility. The term "environmental responsibility" is described in more detail in the next section.

2.1. Background

The term greenhouse gas refers to a diverse group of gases that contribute to climate change and global warming when they are released into the atmosphere (World Health Organization, 2001). Greenhouse gases are considered greenhouse gases because they act like a blanket around the Earth which is preventing the important amount of heat from escaping (Winger, 2012).

Greenhouse gases have been linked to global warming and climate change (United Nations Framework Convention on Climate Change, 1992), hence, have become one of the most important environmental issues facing humanity today. There many different types of greenhouse gasses that contribute to this problem but "the single most influential greenhouse gas is carbon dioxide" (World Health Organization, 2001). Carbon dioxide is produced naturally by living organisms as they breathe and metabolize their food (Winger, 2012). This then allows the carbon to accumulate in the atmosphere where it can remain for hundreds of years, trapped in the form of carbon dioxide. The reason that humans produce more greenhouse gases than plants is because humans convert vegetable matter into food (McGinnis & Dueck, 2008). Therefore, carbon dioxide builds up in the atmosphere and expands until it can no longer be held there. While this expansion starts at a slow rate, it accelerates when humans start to use more sources to increase food production versus forests and other natural areas (McGinnis & Dueck, 2008).

2.2 Definition of Green Marketing Concept

Green marketing is a concept that has been used in recent years to promote environmental responsibility among businesses. However, the term "green marketing" is a broad term and has been defined in many different ways (Nordstrom International Inc. and Green Rider Research, 2011). These varying definitions have caused confusion among those trying to implement green marketing campaigns (McGinnis & Dueck, 2008). This confusion is due to the fact that each definition of green marketing encompasses its own strategy for achieving environmental responsibility. Therefore, it is necessary to describe the goals of green marketing and how businesses can go about achieving them using either simple or complex strategies. In addition, businesses have to be able to manage their brand promotion, marketing and advertising strategies in order to succeed (Stern & Kenney, 2003).

2.3 Goals of Green Marketing

Green marketing has two main goals: increase consumer demand for products that are less environmentally damaging as well as create awareness about the importance of sustainable

development (Lee, 2009). McGinnis and Dueck (2008) also add increase media coverage through green marketing campaigns. All three of these goals are interrelated in that a business can use green marketing techniques to promote their sustainable products by creating an image for their brand which emphasizes sustainability at many different levels of production and manufacturing. Green marketing challenges businesses to consider the environmental impact of their products as well as their overall business practices (Niemi & Kirby, 2007). This challenge has spawned a variety of different green marketing strategies over time that have led to the development of green marketing's three main goals.

2.4 History of Green Marketing

The concept of green marketing has its roots in the 1950s when "environmental concerns suddenly became a high priority in the United States" (Nordstrom International Inc. and Green Rider Research, 2011). In 1962, Rachel Carson published her first book "Silent Spring" which was about how human activities were causing irreparable damage to the environment. Carson brought this topic up to the forefront of public consciousness and created awareness about the importance of preserving natural resources (Nordstrom International Inc. and Green Rider Research, 2011). It was clear that as the consumption patterns in America changed from a homogenous consumption pattern to a more individualized consumption pattern, there would be a considerable increase in consumer demand for environmentally friendly products.

In 1976, Xerox started using recycled paper for its copy machines and since then "new uses of recycled materials have been developed or rediscovered" (Lee, 2009). This will result in an ongoing demand for environmentally friendly products. The first formalized green marketing campaign began in 1989 under the name "Natural Capitalism". This was a campaign that was started by Amoco and IBM to promote products that were biodegradable (Nordstrom International Inc. and Green Rider Research, 2011). Later on there were other actions taken to promote green marketing strategies, for example, the development of the "Green-E" program in 1993. The goal of this program was to set standards for which companies could be certified as meeting environmental standards (Leslie, 2004).

In order to understand how businesses can implement green marketing campaigns it is necessary to define environmental responsibility as well as its relationship with consumers.

2.5 Definition of Environmental Responsibility

Environmental responsibility is not a concept that is easily defined (Lee, 2009). It can be looked at from many different perspectives including economic, social and ethical views. Each perspective considers different constituents in the definition of environmental responsibility. For example, from an economic view one would view environmental responsibility through a monetary perspective and measure it by the cost-effectiveness of a business's actions to reduce its impact on the environment (Stern & Kenney, 2003). From a social perspective there are other ways to measure environmental responsibility such as the number of people hired or released as well as management practices that encourage social harmony (Stern & Kenney, 2003). From an ethical perspective it is justified to consider the impact that a company makes on its employees and the community it is operating in (Stern & Kenney, 2003). A company that does not treat its employees as well as it treats the environment would not be considered to be appropriate with regard to environmental responsibility (Stern & Kenney, 2003).

Environmental responsibility is more complex than business ethic. According to Stern and Kenney (2003) there are many different types of businesses with different values. However, they all have duties to society and therefore should strive to do things that benefit society in some way. This can

include the possibility of purchasing environmentally friendly products or using environmentally friendly processes.

2.6 Consumers and Environmental Responsibility

In order for businesses to develop successful green marketing campaigns they must be able to understand how consumers feel about environmental responsibility as well as what environmental issues they are concerned with (Lee, 2009). Consumer opinions can vary greatly based on geography, demographics, level of income and other demographic factors which can have a significant impact on their preferences (Niemi & Kirby, 2007). Therefore, it is important for marketers to take an average of the opinions of the population in general in order to determine which products will be most valuable to a particular customer base (Lee, 2009). There are several different ways that consumers are able to express their opinion regarding environmental responsibility.

2.7 Types of Green Marketing

Green marketing strategies can be implemented in a variety of different ways depending on the company's objectives and business size (Niemi & Kirby, 2007). There are several different marketing strategies that businesses can choose to use in order to further implement green marketing such as mergers, acquisitions and strategic partnerships. Each of these strategies can help a company develop a successful brand by using environmentally friendly products.

There are three main types of business mergers and acquisitions which may be used to implement green marketing techniques. These include:

- a. Acquisitions
- b. Joint ventures
- c. Strategic partnerships

Many different companies have green marketing strategies implemented as a result of mergers and acquisitions. For example, on March 30, 2003 General Motors purchased the Saturn division from Toyota for \$2.5 billion (Stern & Kenney, 2003). This purchase was significant because it helped to make GM the world's largest automobile maker as well as creating a more environmentally friendly business that is committed to finding ways to reduce its impact on the environment (Nordstrom International Inc. and Green Rider Research, 2011).

The first two green marketing techniques (mergers and acquisitions) are very powerful for the companies that are able to incorporate those practices into their everyday structures. Mergers are when two companies join together to form a new business (Niemi & Kirby, 2007). In the case of green marketing, mergers allows companies to share environmentally friendly practices between each other (Niemi & Kirby, 2007). For example, if one company is able to produce a product that has a minimal environmental footprint and another company has extensive human resource policies this merger can give them the ability to combine the two practices and make better use of both business practices.

Acquisitions are also very powerful for green marketing. An acquisition is when one business purchases all or part of another business (Lee, 2009). In the case of green marketing, acquisitions allow businesses to take advantage of other companies' environmentally friendly practices in order to further improve their own business practices. For example, if one company is able to produce a product that has a minimal environmental footprint and another company has extensive human resource policies this acquisition can give them the ability to combine the two practices and make better use of both business practices.

The last type of business merger and acquisition is strategic partnerships (Niemi & Kirby, 2007). There are many different ways that businesses can form strategic alliances besides mergers or

acquisitions (Lee, 2009). Strategic partnerships are more common in the environmental field because they allow companies to work together to make better use of their resources.

Businesses can strive to find ways to reduce their impact on the environment in a variety of ways including mergers, acquisitions and strategic partnerships.

3. Green Marketing: The Consumer Perspective

Green marketing is the process of taking actions that help businesses' comply with laws and regulations as well as satisfy consumer demands for environmentally friendly products (Duarte, 2009). Consumers today have a higher demand for environmentally friendly products because they know that purchasing such products can have a positive effect on their health or the health of our environment (Rosenbloom & Litan, 2006). Many consumers are very concerned with the environment and want to do as much as they can to help improve it. This can include purchasing products that have less of an environmental footprint and taking other actions that can reduce their impact on the environment (Duarte, 2009). However, there are still many consumers who are not aware of how their purchasing decisions influence not just the economy but also the environment (Ritz, 2011). Therefore businesses must find ways to convince all types of consumers to purchase their environmentally friendly products.

3.1 The Current State of Green Marketing

According to Satterfield & Balasubramanian (2009) businesses worldwide have started taking more steps towards producing and selling green products in order to meet consumer demands. However, businesses are still hesitant to implement green marketing strategies and are not as effective as they could be (Ritz, 2011). This is because the effects of green marketing may take longer to see than other marketing strategies. Many businesses want to see an immediate change in profits when starting a new marketing strategy (Ritz, 2011). Because many companies do not immediately see profits being made after implementing green marketing strategies this can cause them to feel as though these strategies are ineffective (Niemi & Kirby, 2007).

The green marketing strategies will enable business to start producing less toxic products, they will also make consumers aware of the environmental effects of the products they are purchasing. Businesses need to consider how they can benefit from the product life cycle. It is important for businesses to identify their market and place themselves in a position where they can meet their customers' demands. One company's waste may be another company's raw material; businesses must realize this when making environmentally friendly options for consumers.

There are many different ways that green marketing strategies can benefit a companies' bottom line. Companies are always looking for ways to improve their sales, decrease costs and create new products that have never been seen before (Niemi & Kirby, 2007).

4. The 13 Principles of green marketing:

1. Consideration

Consideration is the process of evaluating a situation, problem or opportunity to find out how it can benefit the company (Ritz, 2011). Businesses are always trying to find ways to improve their bottom line and green marketing strategies are just one way that companies can do so.

Some companies have already started implementing this strategy by purchasing plants and trees from farms close by in order to use those products locally. Some companies have even started selling environmentally friendly products that are made entirely from recycled materials instead of manufactured materials (Ritz, 2011). However, it is important for businesses to continue implementing new marketing strategies in order to meet consumers demands.

2. Recycling and Reuse

Every year the waste stream in the US increases (United States Environmental Protection Agency, 2011). Businesses are trying to find ways to keep their products out of landfills and one way to do so is by encouraging consumers to reuse their products (Ritz, 2011). Another way that businesses can reduce the amount of waste they produce is by recycling. There are a number of different ways that businesses can recycle. For example, some companies have started selling products that are made from recycled materials instead of manufactured materials (Ritz, 2011). Other companies provide recycling programs or encourage customers to return their products in order for them to be repurposed (Duarte, 2009).

3. Zero Waste and Waste Reduction

Another way that businesses can reduce the amount of waste they produce is by zero waste or waste reduction (Niemi & Kirby, 2007). In order to have a green future businesses must consider the impact of their products from start to finish. Businesses know that the waste produced from manufacturing products is just as important as any other product in the supply chain (Duarte, 2009). According to Ritz (2011) some companies are already taking measures to have a zero or low waste solution such as by buying materials without filling them up with toxic materials or using biodegradable packaging materials instead of non-biodegradable ones.

4. Social Marketing

Social marketing is the process of influencing people's behavior and/or beliefs with a focus on their attitudes or purchasing decisions (Ritz, 2011). Businesses must consider how they can improve their relationship with customers and make them believe in their products (Duarte, 2009). Businesses can start to improve their social marketing strategies by making sure that the messages that are being sent out are not harmful to consumers or to the environment. Businesses must also start to work more closely with consumers in order to make them feel as though they are a part of the environmental movement and not just providing consumers with environmentally friendly products (Ritz, 2011).

5. Consumer Awareness

In order to get consumers to make environmentally friendly decisions businesses must firstly educate them on the environmental effects (Niemi & Kirby, 2007). Businesses should also educate consumers on the long-term benefits of making environmentally friendly decisions. According to Ritz (2011) companies can do this by educating customers on how their products will benefit the environment in the future and not just today. Companies are also trying to find ways that they can be more eco-friendly in their atmosphere. Companies must be more aware of air pollution that could contaminate the air that they come in contact with (Duarte, 2009).

6. Lead by Example

Businesses are also trying to find ways to influence their customers through their actions (Niemi & Kirby, 2007). According to Ritz (2011), companies that have started implementing this strategy have started by setting goals for their company and having their employees work towards those goals. Another way that companies can implement this strategy is by monitoring progress on the programs they are implementing and change them if necessary. Businesses must also start to do more research on the products they produce in order to make sure that they are not harming the environment in any way (Duarte, 2009).

7. Alternative Fuels

One of the biggest energy problems in the country at this time is the fact that there are not enough alternative fuels being produced (Ritz, 2011). Businesses are trying to take advantage of this by creating new environmentally friendly solutions for consumers. One way that businesses can help

to improve their alternative fuel production is by creating an organization where members of businesses can meet with each other and discuss ways that they can solve their energy problems.

8. Eco-Advertising

Eco-advertising involves companies incorporating environmental messages into their advertisements (Niemi & Kirby, 2007). Ritz (2011) recommends that companies start to use this strategy as it can really change consumers minds and encourage them to be environmentally friendly. Companies should also use eco-advertising by testing different products on animals before they are released into the market.

9. Education

There are many different ways that businesses can educate consumers about the environmental effects of their products (Niemi & Kirby, 2007). The first way is by educating business owners in order to get them to understand the importance of being environmentally friendly (Duarte, 2009). Businesses must also find a way to educate customers on how their products will benefit the environment in the future instead of just now. Businesses can also educate consumers on the environmental effects of products by providing the information in the form of pamphlets or even websites. Finally, other solutions lie in educating suppliers about environmentally friendly solutions (Ritz, 2011).

10. Corporate Social Responsibility

Businesses must start to be more socially responsible and include social responsibility into their mission statements (Niemi & Kirby, 2007). According to Duarte (2009), businesses must start to put more money towards research and development in order to solve environmental problems. They must also find ways to increase their corporate responsibility internally by finding ways they can reduce their carbon footprint while they are working and find alternative fuels that they can use while driving alone.

11. Supplier Sustainability

Companies should also be looking for ways that they can make sure that their suppliers are environmentally friendly. Businesses should start to do more research on their suppliers and find ways that they can improve the process of making their products without harming the environment. Businesses must also find ways to improve the process of getting information about environmentally friendly solutions from their suppliers (Ritz, 2011).

12. Information Technology

Information technology is one way that businesses are trying to find ways to implement sustainability (Niemi & Kirby, 2007). According to Ritz (2011), companies can enhance their production by having more efficient workflows and managers who monitor the progress of certain projects. The company can also improve its sustainability by monitoring the amount of energy and water that they use in their facilities.

13. Leadership

Another way that businesses can implement sustainable practices is by finding ways to change the way they interact with their employees (Niemi & Kirby, 2007). According to Ritz (2011), new technologies allow companies to be more environmentally friendly at a lower cost and there are many benefits of implementing this new technology. Line management should also be aware of these new technologies and should use them in order to make sure that businesses continue to be environmentally friendly even after the new technologies have been implemented.

Conclusion

Businesses that implement sustainable practices have been shown to have many advantages including being able to attract and retain more customers, having a higher brand value, and increasing their profits (Duarte, 2009). However, sustainability must be looked at in a long-term manner. Once businesses implement new ideas they must continue to monitor them in order to make sure that businesses are still using them (Niemi & Kirby, 2007). Businesses will also need to start educating customers on the importance of being environmentally friendly. This can be done through different types of media and by implementing different tactics such as eco-advertising (Ritz, 2011).

References

1. International Business Machines Corp.. (2011). IBM and the Environmental Protection Agency
2. Lee, B. (2009). Introduction to green marketing. Retrieved from: <http://www.greenmarketingcenter.com/>
3. Lee, S. (2009). Green marketing: Strategies and tactics for competing in the eco-friendly economy. Northampton, MA: Edward Elgar Publishing.
4. Leslie, D. (2004). Green marketing: The next big thing? Pg. 1-11.
5. Magura, D. (2003). Green marketing: Concepts and practices for way-showing,
6. McGinnis, J., & Dueck, P. (2008). Reclaiming the virtue of sustainability in business and brands: A typology of green marketing practices. *Journal of Business Ethics*, 82(2), 245-263. doi:10.1007/s10551-007-9480-7
7. Nordstrom International Inc. & Green Rider Research.(2011). Green Marketing Strategy: Successful Strategies for Green Marketing Successful Strategies in Today's Consumer Market - <http://www.nordstrominternationalincandergreenriderresearch.com/green-marketing-success/>
8. Nordstrom International Inc., & Green Rider Research (2011). Corporate sustainability strategy handbook : how to develop and implement a plan for your business or organization [electronic resource]. Cambridge, Mass.: The MIT Press .
9. Nordstrom International Inc., & Green Rider Research. (2011). New analysis
10. Paquette, B., & Bodas Salcedo, J. J. (2009). Market Innovation in Spain:
11. Ryan, N., & Strube, D. (2011). A Complete Guide to Green Marketing:
12. Scott, A. (2009). Green marketing trends in North America 2001 to 2008: A quantitative analysis of the literature
13. Stern, F., & Kenney, P. (2003). Green marketing: Concepts and tools for business and industry. New York: Marshall Cavendish Benchmark . Retrieved March 29, 2012 from EBSCO Database.
14. Swets, J. (2011). Environmentalism marketing: A sustainable approach. Retrieved from <http://www.iuipp.org/environmentalism-marketing>