

A STUDY ON GREEN MARKETING INTERVENTION STRATEGIES AND SUSTAINABLE DEVELOPMENT

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ABSTRACT

The aim of this article is to study the literature on green marketing intervention strategies and sustainable development with a prominence on green marketing intervention strategies to environmental problems facing the world today. The study indicates that both individuals and organizations can gain from green marketing strategies and at the same time look after the environment to accomplish sustainable development. The weaknesses and the future of green marketing as a discipline and future directions for researchers are also reviewed.

KEYWORDS: Green Marketing, Green Price, Green Product, Green Logistics, Sustainable Marketing and Sustainable Development

INTRODUCTION

Rapidly changing environment is now a major concern for the people throughout the world, making them more and more concerned about the environment. To have sustainable, pollution free environment, it is paramount to implement the concept of green marketing, so that people are educated in this regard as much as possible. The concept of green marketing emerged in 1970s. Green marketing is a vital constituent of holistic marketing concept today. Many global players in diverse businesses are now successfully implementing green marketing practices.

OBJECTIVE OF THE STUDY

The objective of this study is to evaluate the marketing responses to environmental concerns facing the world today through green marketing intervention strategies to achieve sustainable development. Other business area responses are not considered, as the scope of the paper is limited to the marketing discipline.

GREEN MARKETING

According to American Marketing Association (AMA), Green marketing is the marketing of products that are presumed to be environmentally safe. Thus green marketing refers to holistic marketing concept wherein, the production, marketing, consumption and disposal of products and services happen in a manner that are less detrimental to the environment, with growing awareness about implications of global warming, harmful impact of pollutants etc., Green marketing incorporates a broad range of activities, including product modification, changes to the packaging as well as modifying advertizing. It refers to holistic marketing concept wherein the production, marketing, consumption and disposal of products and services happen in a manner that is less detrimental to the environment.

SUSTAINABLE DEVELOPMENT

Sustainable development is the latest trend in today's environmental conservation circles. There is no universally accepted definition of sustainable development, as different authors have given different definitions for sustainable development. According to the World Commission on Environment and Development 1978 "Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs.

FRAMEWORK OF SUSTAINABLE DEVELOPMENT

The framework of sustainable development is twofold in nature -the natural constant capital stock and man-made built in constant capital stock. Natural capital stock is the stock of all environmental and natural resource assets, from oil in the ground to the quality of social and ground water; and from the stock of fish in the oceans to the capacity of the globe to recycle and absorb carbon. On the other hand man-made built in capital stock comprises the stock of man-made capital machines and infrastructure such as housing and roads together with the stock of knowledge and skills, or human capital. The term constant is construed to mean constant or increasing.

GREEN MARKETING AND SUSTAINABLE DEVELOPMENT

Green or ecological marketing refers to the "the study of the positive and negative aspects of marketing activities on pollution, energy depletion and non-energy resource depletion" Sustainable development requires "sustainable marketing" that is marketing efforts that are not only competitively sustainable but are also ecologically sustainable. Indeed, the role of marketing in the development process is well recognized. Much of the economic activity is triggered by the marketing process that offers and stimulates consumption to satisfy human needs and wants. However, marketing's critical role in development will only be appreciated when, through sustainable marketing, it meets the needs of the present without compromising the ability of future generations to meet their own needs.

In response to the challenge of advancing simultaneously in economic development and environmental protection as the sustainable development demand companies and academicians have developed and/or adopted green marketing strategies and other corporate strategies. Green marketing focuses on undertaking all marketing activities while protecting the environment. On the other hand sustainable development demands that the future generations inherit the natural environment in the same state or better as inherited by the previous generations. This calls for the protection and improvement of the environment. Therefore, sustainable development is a dependent variable of green marketing and other factors (See fig I conceptual framework of green marketing and sustainable development which illustrates this relationship.)

Conceptual Framework of Green Marketing Intervention Strategies and Sustainable Development

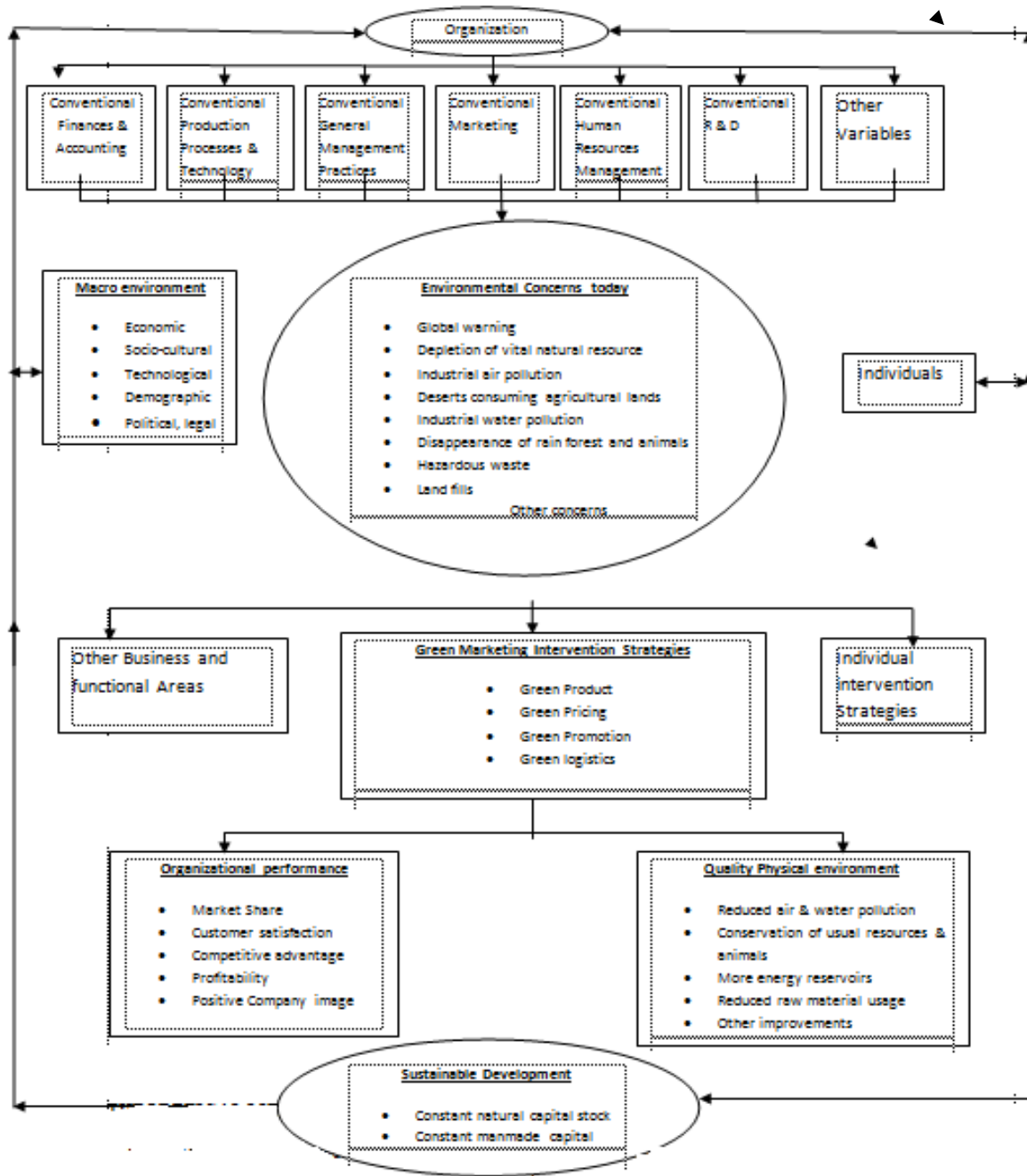


Figure 1

THEORETICAL LITERATURE REVIEW

The purpose is to review the theoretical literature on green marketing strategies that have been or can be used by organizations to solve environmental concerns facing the world today like pollution, acid precipitation, threat to earth ozone layer, accumulation of greenhouses gases, deserts consuming agricultural land, fast depletion of vital habitual resources, the disappearance of rain forests and loss of species with an aim of achieving sustainable development. The challenge of achieving sustainability over the next few decades requires a radical change in entire production and

consumption in industrial societies. Academicians and practitioners have suggested green marketing strategies to deal with the challenge of sustainability. These strategies are divided into two categories: Marketing mix strategies and general strategies.

GREEN MARKETING MIX STRATEGIES

Green marketing mix strategies include developing green products, green logistics, green promotion, green pricing.

Green Products

The products which are produced through green technology and which do not lead to environmental threats are called green products. Promotion of green product and green technology is required for conservation of natural resources and sustainable development. Green products stress on the straight and tangible benefits provided by greener designs, such as recycled content or energy efficiency, rather than focusing on the environmental attributes. For Example, use of CNG (Converted Natural Gas) vehicles, super concentrated laundry detergents which not only save energy and packaging but also save end space, money and effort.

Green Logistics

The most common form of green logistics is reverse channel system. Reverse channel systems deal with the concept of post-consumer recycling. The term recycling means converting waste material into reusable object. **Green logistics** describes all attempts to measure and minimize the ecological impact of logistics activities. This includes all activities of the forward and reverse flows of products, information and services between the point of origin and the point of consumption. Its aim is to create a sustainable company value using a balance of economic and environmental efficiency. Other components of green logistics include reduction of packaging material to directly or indirectly lower distribution costs, use of integrated transportation systems and the Internet.

Green Pricing

Going green is costly as it consists of various costs such as creating awareness, incorporation of modern technology, absorbing extrinsic costs, converting waste into recycled products. Undoubtedly these will cause the products to be more expensive. Hence green price is considered as premium price. Efforts must be put to rationalize these expenses and consumers need to be satisfied to pay a premium price so that realistic messages in adverts are needed.

Green Promotion

Green promotion is an activity of promoting products through focusing on presence of characteristics that do not harm the natural environment. Green promotion will have additional stress due to premium price. Promotional material is necessary in green marketing. The major information of go green has to reach the customers through different tools of promotion i.e., direct marketing, sales promotion, advertising and public relations. Public relations and advertising undeniably have become the most largely used platforms to launch green perspective of a business.

GENERAL STRATEGIES

The general strategies are not related to marketing discipline but are used by marketing as well as other functional areas of organization in dealing with problem of sustainability. However, they are very much needed in facilitating adoption or success of green marketing mix strategies. They include; adoption of eco-marketing orientation as a business philosophy, government intervention, Adopting life-cycle analysis and teaming up for success

Adoption of Eco-Marketing Orientation as a Business Philosophy

The success of organizations in green marketing or sustainable marketing rests on reorganization, restructuring and redesigning of various processes and systems within the organization. Like total quality management, sustainable marketing needs the involvement of employees from various functional areas, including marketing, production, procurement, accounting and information systems

Government Intervention Strategies

The support for government intervention in dealing with environmental degradation is extensive in nature. Recommended government intervention strategies include: -

- Setting up and enactment of regulation policies that promote the balancing of ecological and economic activities.
- Reforming the production and consumption practices through command and incentives. Government participation in procurement, R&D and international cooperation.
- Actively promoting environmental issues by collaborating with the industry.

These governments' related strategies are recommended where free markets process does not adequately promote sustainable development

Adopting Lifecycle Inventory Analysis/Assessment (LCA)

Lifecycle analysis involves measuring the environmental impact of products over their entire life cycle – resource extraction, refining, manufacturing, transportation, use, and disposal. In simple it is the listing of various positive and negative environmental aspects of a specific product throughout its life cycle. The information gathered from the analysis can help marketers modify the way the products are made, packaged, transported, sold, used, re-used, recycled and disposed of or develop entirely new products.

Teaming up with all Stakeholders for Success

There is a need of various societal stakeholders to merge together their collective skills, capabilities and resources to solve complex environmental problems. The stakeholders/marketers should form strategic partnerships or coalitions with general public, employees, retailers, suppliers, environmental groups, educators and government

CHALLENGES OF GREEN MARKETING

Although a large number of firms are practicing green marketing, it is not an easy job as there are a number of problems which need to be addressed while implementing Green marketing. The major challenges to Green marketing which have to be faced are:

Vague Credibility

False or misleading green marketing claims made by businesses that do not undergo proper certification but still want to appeal to environmentally conscious consumers can damage the credibility of the whole sector. Consumers have a hard time distinguishing between simple green advertisements and valid certified claims.

Deluding Information

Green marketing can lead to consumer awareness, but it also runs the risk of deluding consumers with erroneous information. There is always a danger that the marketing of these products or services may send a message that might lead to behavioral changes with substantial adverse affect on the environment and society in the future.

Gap between Sustainable Intention and Behavior

Although most consumers might claim that they are intending to follow a sustainable lifestyle or they would want to buy green products, when it comes down actually transforming these intentions into actions, only a fraction of people actually do it.

Price Premium

Consumers who are interested in making more sustainable purchases are often not willing to accept the comparatively high price of green products, resulting from the internalization of environment costs. Only a very small fraction of population is willing to compromise performance, quality or price in exchange for environmental performance in their purchasing decisions, diminishing the motivation for businesses into green production and marketing.

Information Gap

Despite the increasing consumer awareness of green purchasing alternatives, the number of people who are truly familiar with a wide range of green products or their benefits for the environment is still quite low.

CONCLUSIONS

This article has suggested that marketing alike other functional areas of a business bestow to environmental concerns facing the world today. Therefore, it has an important role to play in finding for solutions to these environmental problems. The article further suggests that marketing through green marketing and particularly green marketing strategies is acclaiming the challenge with positive outcomes of enhanced organizational performance, better physical environment thus leading to sustainable development.

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