



Green Marketing: Evolution, Need and the Future

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ABSTRACT:

At present, each and every aspect of human life revolves around sustainability due to the imminent threat from human behaviour towards earth. Businesses are not immune to such changing factors. Hence, the phenomenon named eco-marketing was introduced and studied extensively. It is a phenomenon of immense importance to organisations, individual consumers and policy makers as well. The paper explains the historical evolution of the concept and how and why it achieved the importance through the years. This paper explains the needs of the eco-marketing and its impact on environmentally friendly practices. There is a consistent growth in consumer base which possess the eco-friendly behaviour and even expect companies or firms to adhere to sustainable model. Hence, this paper endeavour to understand the marketing strategies of some of the companies and how those strategies align with the changing behaviour of the end users. Though the concept has gained importance and researched and written about extensively, there lies misconceptions around matter. There is a mismatch between acknowledgement/purchase intention and final purchase behaviour among consumers. This conceptual paper help readers to understand the underlying difficulties in green marketing and suggest some of the changes to be adopted by private firms and policy makers to truly make marketing sustainable and to achieve the intended objective of greater sustainability.

Key Words: Green marketing, consumer behaviour

INTRODUCTION

Earth Summit held in 1992 by United Nations provided 17 sustainable goals to curb and mitigate the damages done by human kind on environment. It was agreed in summit that every nation would work towards achieving the goals. In response nations brought several environment related laws and. Indian government has brought many laws and reformed several laws in tune with the 17 goals. The rules and regulations under these laws compelled companies as well as consumer to behave consciously and thrive to lessen their carbon footprint. The concept of eco marketing or green marketing was first discussed in a conference held by "American Marketing Association" in 1975. The first definition for ecological marketing was given in this conference which states that the study of marketing practices which have direct relation with pollution, energy decline and other resource degradation. [Henion and Kinnear,1976]. But the concept attained much attention in 1990s. [Vandermerve and Oliff,1990]. In modern trends, green marketing is one of the major aspects in business. [kassaye,2001; McDaniel and Rylander, 1993]. Marketing which encompasses each and every activity which intend to produce and facilitate to satisfy human needs with reduced negative impact on the environment. [Polonsky 1994]. The organisational practises which direct towards design, promotion, pricing and distributing to end users that do not harm the environment. [Pride and Ferrel]. Here the authors emphasised on traditional marketing practices which are ecosystem conscious and contribute less towards environmental degradation. Though many authors researchers and marketing practitioners emphasise the practices undertaken by firms in providing products and services without harming environment, there is a segment of scholars which believes that green marketing does not mean a complete change of strategy but the practices which would help in reduction of harm towards the earth. [Polonsky,1990]. There are also few scholars who argue that it is equally a responsibility on consumers to behave environmentally friendly. Eco-friendly consumption is defined as the customer practices which avoids products that are harmful to health, environment, threaten other species, wastage or degradation of resources. [Elkington,1994]. The marketing strategy which intends to create a favourable consumer perception towards the company by incorporating environmentally friendly practices. [Harrison,1993].

RESEARCH METHODOLOGY

This paper is conceptual in nature. The study is explanatory and endeavour to provide clear suggestion for empirical research. It is also descriptive focusing on fact-finding and interpretative approach. Hence, the extensive use and interpretation of secondary data collected through news articles, research papers, websites and books were carried out.

LITERATURE REVIEW

The Greening of Marketing by Michael J. Polonsky (1995) examines the history of the concept and outlines the challenges and opportunities for corporates in this area.

Green Marketing: a theoretical perspective by Stuart Hart (1997) provides a theoretical framework of the concept which is helpful in understanding the implications of the concept on businesses.

Reevaluating Green Marketing: a strategic approach by Polonsky M. J and Rosenberger P. J (2001) critically examines the concept from a strategic viewpoint, focusing on its evolution and suggested the few ways to improve effectiveness of the concept to promote eco-friendly conscience.

Green marketing: challenges and opportunities for the new marketing age by Ottman J. A (1993) provides a comprehensive overview of green marketing. Also discusses the challenges and opportunities it presents in the modern marketing aspect.

Entrepreneurial Marketing Strategy: the emergence of corporate environmentalism as market strategy by Menon A (1997) discusses how corporates are integration environmental concerns into their marketing strategies to achieve competitive advantage.

Green Marketing Strategies: understanding consumer acceptance of eco-friendly products by Alan J. Fisk (1996) summarises how consumer perceives and behaves towards goods with eco-friendly tag.

The Impact of Green Marketing on Consumer Behaviour by Susan A. Moat (2004) examines the impact of ecological marketing on consumer choices, attitudes and behaviour leading to the purchase behaviour.

Greenwashing: The Dark Side of Green Marketing by J. Craig and Anna Kozinets (1999) discusses the issue of greenwashing and how it impeded the growth of green marketing.

Green Marketing in the Digital Age by Sewar Alkhatib, Petra, and Veronika Keller (2023) examines the use of digital marketing tools and usage of those tools to promote green marketing.

Green Marketing and the Sustainable Development Goals by Chung-Yee Lee and H-Ling Chang (2021) discusses the part played by the green marketing in achieving Sustainable Development Goals.

EVOLUTION: This phase can be divided into three stages:

1. *Ecological marketing (1960s-1980s)*: In the 1960s and 1980s, ecological marketing emerged in response to a growing public consciousness of environmental challenges. The main focus of this phase was to create awareness around environmental issues and promote products on the same idea. The following are the few characteristics of eco-marketing during 1960s-80s are,
 - Focus on environmental awareness: Environmental issues and the need for environmental protection were the main focus of ecological marketing during this phase. Businesses employed marketing strategies to inform customers about how their goods and services affect the environment and to persuade them to make more environmentally friendly decisions. Authors like Rachel Carson published book named "Silent Spring", which raised awareness of the dangers of pesticides on environment.
 - Promotion of "green" products and services- Additionally, eco-friendly marketing promoted goods and services that were seen to be less detrimental to the environment. Products that consume less energy or water, are biodegradable, or were manufactured from recycled materials could all fall under this category.
 - Lack of regulation: In its early stages, ecological marketing was mostly uncontrolled. This implied that businesses might assert whatever benefits their products had for the environment, even if those assertions were untrue or deceptive. The conferences like "UN's Environment on the Human Environment" tried to bring onboard nations to form laws to protect environment.

Some examples of eco-marketing campaigns in this phase,

Tom's of Maine- The organisation was committed to provide eco-friendly products using recycled packaging and renewable energy sources for production.

The Body Shop- Founded in 1976, the company focused on creating awareness around environmental issues such as animal cruelty and deforestation. The company was working with the commitment towards sustainable business practices.

Despite the challenges like rampant greenwashing and lack of regulation, this phase was successful in creating awareness around eco-marketing and laid the foundation for the regulated marketing practices.

2. *Environmental Green Marketing (1990s-2000s)*: This phase was characterised by greater emphasis on environmental responsibility and sustainability. The following are the few key characteristics of this phase:

- Focus on environmental responsibility: Promoting goods and services that were environmentally conscious was the main goal of environmental marketing. This meant that businesses had to take the environment into account when developing their goods and services, from the extraction of raw materials through the final disposal of the product.
- Use of eco-friendly materials and processes: Businesses started producing their goods and services with more environmentally friendly methods and resources. Usage of materials which are recyclable, greener energy sources like solar or wind energy are few examples for the same.
- Increased government regulation: In the 1990s and 2000s, environmental green marketing came under heightened government control to shield customers from deceptive marketing claims. Globally, nations were concerned regarding environmental degradation and climate change. Therefore, many nations and multinational organisations came to consensus on many environmentally conscious practices to mitigate the harm done. One such consensus building was occurred in Earth Summit, 1992.

Some examples being,

Toyota Prius- This particular car was launched in 1997 as the worlds first mass-produced hybrid car.

Whole Foods Market- This is a grocery store chain specialising in natural and organic foods. It mainly focused on sustainable farming practices using minimum resources like water and chemicals.

3. *Sustainable Green Marketing (2000-present)*: This phase aims to create a more sustainable economy by encouraging goods and services that are made to satisfy current demands without compromising the future generations to satisfy their own needs. Businesses are employing more environmentally friendly products and procedures while simultaneously attempting to lessen their total environmental effect. Some of the key characteristics are,

- Focus on sustainable practices: this stage majorly focused on promotion of sustainable goods/services. This made businesses accountable to their practices and aware how their products affecting society, the environment and the economy.
- Use of eco-friendly materials and processes: Sustainable businesses produce their goods and services using eco-friendly methods and materials.
- Transparency and accountability: Companies that practise sustainable green marketing are open about their environmental and social performance. In addition, they are answerable to their stakeholders for achieving their sustainability objectives. Many rules are formed to make companies transparent and accountable for their business activities. In India, companies have to follow environment impact assessment procedure to start any new development project. Many policies and rules are formed worldwide encouraging producers as well as consumers to adopt more sustainable practices and lifestyle respectively. The Paris Agreement adopted in 2015 which binds countries to take actions to combat climate change by reducing their GHG emissions level.

Some examples,

Apple: Apple is being endeavouring towards preserving the environment. The utilisation of recycled materials, renewable energy, and environmentally friendly manufacturing processes are highlighted in the company's marketing efforts.

Starbucks: Starbucks is a chain of coffee shops dedicated to environmental and social responsibility. The company's marketing campaigns emphasise its dedication to minimising its environmental impact and its sustainable coffee procurement methods.

Timberland: Known for its dedication to social and environmental responsibility, Timberland is a footwear and apparel manufacturer. The usage of sustainable materials and the company's dedication to ethical production practises are highlighted in its marketing efforts.

NEED

Eco-marketing is crucial due to the following aspects,

Meeting customer demand: Customers are requesting more and more environmentally friendly goods and services. According to a Nielsen study from 2021, 66% of consumers worldwide are willing to pay more for sustainable items.

Cost-cutting: By lowering waste and energy use, green marketing can help organisations cut costs. Companies that implement sustainable practises are more lucrative and have greater market valuations, according to a 2022 study by Harvard Business Review.

Enhancing brand reputation: By showcasing a company's dedication to environmental responsibility, green marketing may help organisations enhance their brand reputation. 83% of consumers have a better positive opinion of businesses that are devoted to social and environmental responsibility, according to a 2023 survey by Cone Communications.

Employee attraction and retention: Employers who are interested in working for a sustainable company can be attracted to and retained by businesses through green marketing. According to a Deloitte survey from 2022, 70% of millennials are more willing to work for an organisation that values sustainability.

In addition to these benefits, eco-marketing can also help businesses to:

Risk mitigation: Businesses face major risks from environmental issues such as climate change. By lowering their environmental effect and preparing for climate change, businesses may contribute to avoid these risks.

Compliance with rules: To combat pollution and advance sustainability, governments all around the world are putting more laws into place. Businesses can comply with these rules and avoid fines and other penalties by using green marketing.

Promote innovation: Environmentally friendly products and services can be developed by firms with the help of green marketing. This could provide businesses a competitive edge and lead to the creation of new jobs.

Overall eco-marketing is a smart strategy considering the changing purchasing patterns and demands.

THE FUTURE:

The prospects for green marketing are promising. Consumers are seeking more sustainable goods and services as they become more conscious of how their decisions affect the environment. Businesses are adapting more sustainable practises and promoting their goods and services in an ecologically friendly manner in response to this demand.

Few of the trends that are shaping the future of eco-marketing,

The emergence of sustainable business practises: In order to lessen their impact on the environment and satisfy customer demand, businesses are increasingly embracing sustainable practises. This covers the use of recycled materials, renewable energy sources, and trash minimization.

The growth of the eco-marketing: The green economy is expanding quickly, and new companies and industries are constantly developing. Consumer demand, government investment, and technical innovation are the main drivers of this expansion.

Importance of transparency: Transparency is becoming more and more important since customers want to know what they are buying and how it was manufactured. As a result, businesses are being asked for transparency more frequently. Green marketing initiatives must be open and honest about the ways in which their products and services improve the environment.

The application of technology: Technology is becoming a more significant component in green marketing. Businesses, for instance, use social media to spread awareness of sustainability among consumers and to advertise their eco-friendly goods and services.

Following reports supports the trends outlined above,

World Economic Forum report released in 2022 predict that the global market for sustainable products/services would reach USD 30 trillion by 2030.

A 2023 study conducted by Harvard Business Review conclude that companies which adopt sustainable practices are likely to make higher profits.

A 2022 study by IBM found that 80% of consumers are more likely to buy from companies that are transparent about their social and environment impact.

CONCLUSION:

Green marketing is not merely a fad. It represents a major change in how consumers and corporations conduct business. Green marketing will become more crucial as people's awareness of the need to protect the environment grows. Businesses that use green marketing techniques will be in a good position to satisfy consumer demand and prosper in the future. Customers who select environmentally friendly goods and services contribute to a more sustainable future for all.

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