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MARKETING PROGRAMS FOR GREEN PRODUCTS IN ACHIEVING ECOLOGICAL SUSTAINABILITY

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Abstract

This article explores one dimension of green marketing programs: their potential application as a solution in achieving and maintaining the ecological sustainability on global market. We examine the necessity to develop and launch green products which can respond to environment degradation as a treatment against this phenomenon.

This paper is structured in three sections: the first section is related to a clear delimitation and a better understanding of terms; the second one is an overview of the literature about ecological sustainability; the third section is the most relevant part of this paper because is trying to shape a framework of marketing programs for the development of green products, considering the decisions related to marketing mix elements.

Even if green marketing programs make sense, current understanding of how managers can start to develop or transform their marketing efforts is far from comprehensive; therefore, this study is addressed to this knowledge gap.

Introduction

In spite of economic growth and emphasis on life quality, concern is linked to industrialization that has had a negative effect on natural environment that reduced the sustainability of economic systems.

Consumers have become more concerned regarding their ordinary habits and their impact on the natural environment, the consequence of this fact being that more and more consumers transform their concerns in actually purchase green products (Martin & Simintiras, 1995; Krause, 1993). Consumers show a greater willingness to purchase from firms with a reputation for environment safety.

Growing preoccupation about the sustainability of the natural environment is forcing companies to adapt their marketing programs for green products in order to achieving ecological sustainability.

In recent years, there has been an accent on debates regarding business sustainability (Banerjee *et al.*, 1995). Companies around the world have recognized the necessity to respond adequately to sustainability challenge and environment degradation, and as a consequence, they have changed the development of marketing programs for new products. Thus, during the last period, a large number of studies have been undertaken on sustainable development of new products (Pujari *et al.*, 2004; Hart, 1997).

This article is structured in three sections, each of them treating the essential aspects regarding this topic. Thus, in the first part it illustrates a clear delimitation and a better understanding of terms, but also attempts to analyse the necessity of developing green product in this more and more degraded environment of modern society; the second section is an overview of the literature about ecological sustainability, and also it emphasizes why ecological sustainability represents a real challenge for marketing area; the third section is the most relevant part of this paper because it is trying to shape a framework of marketing programs development for green products.

1. Green products: Terms' delimitation and definitions

Today, the "green" concept has become a popular choice to describe the sustainable, ecological, and environmentally friendly terms, but even they are often used interchangeably, each term actually could mean something different. It can be said that "green" refers to *individual consumer and processes*, while "sustainable" relates to *entire system formed by all individual consumer products and others commercial materials*.

Also, there is a normal question which needs an answer: "What is the difference between an organic, natural, environmentally friendly, ecological, and green product?"

- A product called *organic* is a product which 95% of its ingredients are plants and minerals, and 10% of total composition should come from organic farming – without pesticides or chemical fertilizers.

- *Natural* product is a product provided from nature, but this is not a guarantee for a safety environment.

- The *environmentally friendly* product should have a very good biodegradability and a low toxicity.

- An *ecological* product refers to a product developed taking in consideration the formulation and packaging criteria in order to have an impact as low as possible on the environment.

A green product could be defined as an ecological product or environment friendly product that does not pollute the environment or deplore natural resources – a product that could be recycled and conserved (Shamdasani *et al.*, 1993). Green products refer to products that involve strategies in recycling, reducing packaging or using less toxic materials to minimize the effects on the environment (Elkington & Makower, 1988; Wasik, 1996).

The definition of green product could be different considering the area of the study. In order to get a better image to the concept of green product, Durif, Boivin and Julien (2010) formulated an integrative definition from academic perspective: "A *green product is a product whose design and/or attributes – and/or production and/or strategy – use recycling – renewable/toxic-free/biodegradables – resources and which improves environmental impact or reduces environmental toxic damage throughout its entire life cycle*". From industrial approach, a green product is generally a product that should considering the "3 R" – reduce, reuse and recycle. For consumers, green products are non-toxic for the environment, they have a positive impact on health, and also they are socially responsible and contribute to the planet safety (Durif, *et al.*, 2010).

2. Ecological sustainability: a challenge for marketing

The early 1990s saw a continuing focus on the environment, but also with an increasing emphasis on the broader concept of sustainability. Sustainability is a complex concept, which is not completely understood or developed (Mulvihill & Milan, 2007); it can be seen as the movement towards the use of renewable rather than finite raw materials, minimisation and eventual elimination of polluting effluents and toxic wastes.

Cars could be driven safely or dangerously, and so could societies. A society that is not ecologically sustainable is reckless and this is something that is not desired to continue. While safety is not a car destination, ecological sustainability is certainly a condition that should be achieved. It is not sufficiently to work towards ecological sustainability, it is necessary to find out how

ecological sustainability can be achieved, and how it can be maintained as the society continues to evolve.

A sustainable development could be defined as “the development that meets the needs of the present world without compromising the ability of future generations to meet their own needs” (Brundtland, 1987). Firms need to satisfy the three interconnected dimensions of “the triple-bottom line” – economical, social, ecological sustainability – that are the ultimate goal (Dylink & Hockerts, 2002; Elkington, 1997).

This paper is concentrated on ecological sustainability. Starik and Rands (1995) stated that *ecological sustainability* refer to “the ability of one or more entities, either individually or collectively, to exist and thrive for lengthy timeframes, in such a manner that the existence and flourishing of other collectivities of entities is permitted at related levels and in related systems”.

Companies should start to prepare for a more sustainable millennium by reassessment the environmental impacts of their marketing programs. This means re-evaluating their product, as well as the way these products are developed, produced and launched. In recent years, stores have been invaded with ecological products as recycled toilet tissues, unbleached tea bags, and catalytic converters. However, the introduction of green product has not always been without problems. There have been controversies related to political problems in labelling system development of green products, problems in setting the recycling initiatives.

Ecology and marketing are two different areas that have merged together in recent years because of the human lifestyle that has a negative impact on the environment.

The challenge of sustainability for marketing consists in the incorporation of sustainability elements in firms that conceive marketing strategies (Baker & Sinkula, 2005; Banerjee et al., 2003; Fraj-Andres et al., 2009), marketing orientation approaches to sustainability (Crittenden et al., 2011), socially responsible purchasing and distribution policies (Drumwright, 1994; Salam, 2009), green promotional practices (Banerjee et al., 1995; Maignan & Ferrell, 2004), the ways through that environmental issues can be integrated in firms pricing (Menon et al., 1999), and the design and development of new products (Pujari, 2006).

The role of marketing in sustainability is different depending on the industry, size, and company culture. When the market is characterised by pressure from customers, companies should take in consideration to launch more green products.

For an effectively business sustainability are some issues that need solutions, including: the analyze of the sustainability effects on the company's activities, the market research related to the

sustainability impacts on the company, the possibility to modify existing products or launch new products, the development of positive connections with the environment.

3. Green marketing program's decisions

Marketing programs can be reflected in firms' reputation by being socially responsible and responsive to environmental concerns, considering that this perception could influence the consumers' intention to purchase green products. This aspect of environmental safety is now recognize and accepted by the most competitive and successful multinational firms. Continued consumers attitude to protect the environment has made from green aspect an essential issue for managers and marketers.

Green marketing programs refer to marketing activities and policies related to natural environment and companies' goals – creating income and providing outcomes that satisfy company and consumer objectives for a product or line (Menon et al., 1999). Moreover, green marketing programs are those developed to achieve a company's goal but, in the same time aiming the reduction of harmful effects on the natural environment. This concept is based on marketing programs elements – product, price, placement and promotion – among which are necessary some changes in their design or execution in order to avoid as much as possible a decrease in environmental quality (Dahlstrom, 2011; Kotler, 2011).

Despite the importance of marketing mix paradigm for understanding the firm's marketing tactics, there are a small number of studies that treat all the marketing mix variables – product, price, promotion, and placement – in order to adapt them to green context.

The basic concern for most marketers is more an attempt to manage their firm's resources towards environmental impacts effectively and efficiently, rather than restructuring their business. In general, the challenge is to balance the consumers concerns with the cash flow, profitability (Berry & Rondinelli, 1998), and green marketing programs.

Green product's decisions refer to the actions regarding the product whose goal is to ensure the natural environment safety through maintaining energy and resources and decreasing the pollution and waste (Danjelico & Pujari, 2010; Ottman et al., 2006). Therefore, firms must invest in research and development of green products and services, and encourage sustainable innovation.

These decisions could include both strategic and tactical decisions. Regarding the strategic decisions, firms can embrace green product design techniques (Baumann et al., 2002), which may provide transformation of manufacturing process (Fuller, 1999). For example, Johnson has changed

the manufacturing process and it has edited all the products in order to eliminate polybutylene terephthalate (Esty & Winston, 2009) – commonly abbreviated and known as PET; in the same way, Nike has launched Air Jordan XX3 shoes, that has been made mostly from recycled materials and less adhesive in their construction (Ottman, 2011).

Considering the tactical decisions, firms should make decisions about packaging and labelling product in a greener way. Packaging presents a specific element of environmental concern for customer, therefore should not be neglected in green product decisions making.

For example, Hewlett-Packard minimizes the usage of disposable packaging at laptops by 97% (Belz & Peattie, 2009), also Nestle diminish the size of label on the water bottle by 30% (Ottman, 2011).

The goal of green labels should be to present information to customers about safety characteristics of the products, but also to support the firm in positioning as a company that is concerned in maintaining the natural environment.

In the development of green marketing programs, managers must consider that consumers can perceive different the value of a product. Consumers can tend to examine the green product of packaging, labelling, and product ingredients. In cosmetic industry has been claims regarding the products tested on animals and those that are potentially dangerous to the environment.

Green price's decisions should take into account both economic and environmental costs of manufacturing and marketing, and in addition to providing a value for customers, must to considering the essential goal of business – the profit (Martin & Schouten, 2012). Pricing decisions have the capability of helping direct the flow of consumption into socially and environmentally useful areas.

Price is a key element of the sustainable marketing equation. Firms could undertake pricing practices, like using a higher price to dangerous product for the environment (Polonsky & Rosenberg, 2001) – almost all big retailers introduce a fee for plastic bags in order to reduce their use –, or discounts for recyclable packaging which are returned (Menon *et al.*, 1999) – for example Coca Cola launch the RecycleBank idea to reward customers from U.S. for recycling the bottles (Goldschmidt, 2011).

Consumers could be price-sensitive when it comes about purchasing green products and also could be reticent to pay a premium price for green products. Contrary, some scholars believe that consumers are willing to pay premium price for green products because consumers often prioritize green attributes over traditional ones such as price and quality: 50% of Americans claim to look for environment labels and switch brands based on environment-friendliness (Phillips, 1999). In a study by

European Union, 75% of respondents agreed that they would pay more for green products.

Speaking from strategic perspective, establishing a green price could include techniques as life cycle cost – gathering product costs from research to implementation – used in decide prices in a sustainability context (Menon *et al.*, 1999; Shrivastava, 1995).

Green distribution's decisions are connected to the distribution chain activities, which should be conducted in a manner that could not affect the natural environment. Tactical actions rely on maintaining a contact with channel partners for products' reuse or elimination, also guarantying that customers may return the recyclable packaging – Hewlett-Packard has Staples as partner, and they have introduced a program related to recycling printer ink cartridges (Matthews, 2011).

On their way to achieve the marketing role, companies could develop policies demanding suppliers for adopt and respect some standards which are in concordance with environment policy (Zhu & Sarkis, 2004). Therefore, firms might build ecological alliances with channel partners to avoid a negative impact of their actions on the environment, like reconfiguring logistics in order to make them more environmentally efficient (Dahlstrom, 2011) – big firms have cooperated with Tesco, an essential retail partner, to build a coalition that promotes ways to minimize the carbon emissions of their activities chain (Spencer, 2007).

Green promotion's decisions are linked to communication actions which goal is to inform the interested parts about the firm's effort considering the environment safety (Belz & Peattie, 2009).

These could include activities to minimize the negative effects of marketing communication on the environment (Kotler, 2011) – Dell starts to use 50% recycle paper for catalogues (Gunther, 2006).

Also, green promotion might include information actions about the positive effect of firm's products on the environment, which could happened through various activities, such as:

- considering the environmental claims;
- presenting the environmental efforts;
- developing packing that includes these environmental claims (Banerjee, 2002; Menon *et al.*, 1999).

Timberland has brought its Green Index to inform consumers about the impact of each product on the environment (Ottman, 2011).

Conclusions

The propensity for this topic results from the fact that many managers have remained reluctant and suspicious to invest in marketing programs for green products in spite the support they enjoyed by consumers concerned about environment protection.

This paper provides some important contributions to the literature and new insights for managers. Through this article presents why managers can trust that green marketing programs could have a positive effect on their future performance, and also they should consider that the environmental reputation of their industry may show what elements of green marketing programs might provide the biggest investment potential.

In the definition of green products there is an issue in the concordance between the three approaches – researchers, industrials, and consumers – therefore it is confirmed the conclusion that the green product definitions is unclear and complex.

Green marketing programs are projected to achieve the ecological sustainability considering the necessity to reduce the negative impact on the environment.

It is suggested that each essential marketing program components – product, price, distribution and promotion – to be developed in a manner that is less dangerous to the environment.

Given that this article examined the marketing programs for green products from companies' perspective, future research could focus on customers' perception regarding marketing programs for green products considering the ecological sustainability.

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