

THE CONCEPT OF GREEN MARKETING

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ABSTRACT

Humankind has reached for deep reserves of natural resources in 1986, while increasing social welfare determines limitation of biocapacity resources in the following years. One of the goal of green marketing is to stimulate an increase of ecological footprint. Therefore, evolution of the scope of a marketing activity has created a term "green marketing" which is focused on connecting an activity of production companies with principles of respect for natural environment.

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1. STAGES OF GREEN MARKETING

In consequence of development of interest in ecology increasing number of ecological products are available in the market and instruments which encourage to purchase these kind of products are implemented. Marketing which is characterized by orientation on ecological products has been defined for the first time in 1976 (Henion, Kinnear) as the "all marketing activity, which may contribute to discovery of remedy for environment problems".¹ The first stage of green marketing was in fact a response to activity of ecological movements. Typical features of green marketing were as follows:

- focus on individual activity of companies while ignoring market context oriented on consumers' needs.
- concentration on final product while ignoring rules of ecological and technological process,
- circumventing legal regulations concerning corporate social responsibility in ecological aspect in order to avoid consequences of breaching the law.

The second stage of green marketing fell at the turn of the 1980' of 20th century. One of the reasons for establishment of this stage was OECD Report called Brundtland Report published in 1987, which contained decalogue of human threats. Brundtland Report has created a concept of sustainable development, which is nowadays well accepted and promoted by the European Union agendas as a the EU Sustainable Development Strategy. The fundamental assumption of the second stage of green marketing was a true engagement of societies in rational exploitation of natural resources. The comprehensive approach to innovativeness in economy with pro-ecology and social development have become a paradigm of sustainable development. Social issues were raised in order to increase social cohesion – to level out social differences, introduce the policy of equalizing opportunities, limit discrimination and marginalization of social groups. An approach towards natural environment which assumes limiting harmful influence of technological processes on

¹ Henion K.E. Kinnear T.C. *Ecological Marketing*. Chicago. 1974. After: Marketing i Rynek. 2008, No 5, p. 8

environment and minimizing disastrous effects of consumption on natural resources enabled to enhance the concept of sustainable development and define eco-development.

Eco-development has modified traditional approach to marketing through:

- perception of marketing with its processes of research, production and distribution as factors influencing natural environment,
- implementation of technologies safe for environment,
- development of cooperation between organizations active in the companies' surroundings such as government and non-governmental agencies, consumers movements, consumers initiatives²,
- green marketing becomes a strategic activity (in contrast to stage I, where it was treated as a tactical activity).

Third stage of green marketing up to the middle 1990' of 20th century is based on creation of competitive advantage of companies on the basis of protection of natural environment. The strategy of eco-marketing is stimulating innovations and in the long term it contributes to increase in benefits associated with seizing new markets thanks to orientation on pro-ecological consumers which results in costs reduction.

Green IT which arouses recently, is a new trend in marketing.

2. ECOLOGICAL INNOVATIONS

In modern business, pro-ecological activity has become an obligatory standard. Goals of ecological innovations in company can be clearly visible in two different trends:

- innovations connected with company surroundings through minimizing threats for natural environment, which in consequence lead to increase in firm's prestige, market share, and identifying new customer segments,
- innovations associated with internal company strategy which includes its development, increase in product competitiveness, limitation of environment threats connected with firm activity, improvement of employees health and increase of identification of workers with the company.

The source of innovations in companies lays in acceptance of paradigm which forces saving of resources – especially non-renewable ones. Cities use 75 percent of energy and emit 80 percent of greenhouse gases created by people. The only rescue from ecological catastrophe is to decrease emission of greenhouse gases as soon as possible.

To a large extent, the stimulus for increase in firms' innovativeness is a result of pressure of customers who have high ecological awareness.

According to OECD documents, innovations can concern two groups:

- technological innovations (Technological product and process – TPP) associated with new products and processes in the area of: ecological lifecycle of a product, decrease in the use of natural resources, extension of time of objects' exploitation (product lifecycle), waste utilization, improvement in ecological features of exploitation, eco-logistics, rise in safety for users.³
- organizational innovations associated with issues connected with managing the company such as: improvement of workplace safety, control of energy consumption in

² Ibidem, p. 9

³ Chodyński A. *Wiedza i kompetencje ekologiczne w strategiach rozwoju przedsiębiorstw*. Published by Difin. Warsaw. 2007, p. 128. 135

the company, restructuring of workplaces, increase of ecological awareness among employees.

Innovative and pro-ecological type of management is realized mainly by global companies. Examples of firms and cities which implement a strategy of environment protection on all levels of management – starting from supply chain, through production of low-energy goods up to work style restructuring are showed below:

- Velux; company which in 1997 elaborated a climate strategy; companies all over the world included in the Velux Group (among others Polish-based entity) received ISO 14001 certificates which specifies requirements for an environmental management system, implemented program of limiting CO2 emission by 20 percent until 2012 and by 50 percent until 2020.⁴
- General Electric which for several years has been restructuring its activity towards pro-ecological technologies,
- Bogota (capital city of Colombia), where for the last several years, hundreds of kilometers of segregated cycle facilities have been built, more than thousand of green areas which replaced parking lots have been created, and a perfect city communication system has been implemented – as a result car traffic in rush hours has decreased by 40 percent. Additionally the quality of air and public space has improved,
- Paris (France) as a imitator of Bogota has set a goal of limiting traffic until 2020 and as a result – carbon dioxide emission by 40 percent. In the frames of this program special lanes for buses and cycles have been separated and new cycle service has been introduced⁵.
- Adidas company is a producer of ecological collection – the Grun Collection; all products from this ecological line are made from secondary materials or from natural skin,
- Clorox Green Works brand apart from a name which suggests ecological character represents in 99 percent natural products which are fully biodegradable, antiallergic, packed in returnable bottles and not tested on animals.

Responsible business and ecology on western markets have finished its first stage of eco-fashion. Business initiatives undertaken up to date can be classified in the following categories:

- *Eco – embedded* which are limited to purposeful identification of communication elements which support natural environment.
- *Eco – boosters* which genuinely implement strategies based on eco-trends and promote them in contacts with business partners and individual clients.

In creation of ecological responsibility the following three elements should be underlined:

- *Eco – ugly* with economical overestimation and low efficiency of Green activity
- *Eco – chic* i.e. environment friendly activity,
- *Eco – iconic* implemented by companies fully aware of ecological responsibility, which are supported by millions of consumers.⁶

Ideas such as ecological documentation (initiatives which respect paper), decrease in gas emissions to atmosphere, ecological activity of corporations, support for global initiatives such as the Earth Day are only certain examples of green marketing.

In order to maintain market position and create positive image of the company, modern marketing accepts environment friendly activity as a fundament of strategy. It becomes

⁴ Kwinta W. *Biznes docenia wartość ekologię*. In: Businessman. Pl, No 3, March, 2009, p. 28, 29

⁵ Bednyk E. *Marchewka na dachu*. In: Polityka, No 16, April 16, 2009

⁶ Maciorowski A. *Sprzedaż...krępuje marketing*. In: Marketing w Praktyce. August 2008, No 8, p. 35, 36

more and more clear and necessary to maintain natural conditions intact through improvement and rationale decisions of exploitation of natural resources. Pro-ecological technologies are placed in the center of green marketing interests⁷. Consumers do not limit their expectations do the area of satisfying needs, but more and more often pay attention to social and ecological engagement of companies. Although green marketing does not have a mass character it directly contributes to a positive image of the firm in local environment.

3. CULTURAL CIRCLES AND PRO-ECOLOGICAL ATTITUDES

Research conducted in identification of correlation between consumer cultural circle⁸ and his preferences for ecological products enable to claim that majority of supporters of ecological products live in Portugal – 81,4 percent, while young British people (31,9 %) and Spanish inhabitants (34,6 %) perceive ecological features of the product as the least important. In other cultural groups, large deviations from average number oscillating around 50 percent have not been identified. Therefore, in order to promote products for young people, their ecological character should be especially underlined in Portugal, the Czech Republic, Germany, France and Poland.⁹ In Poland, public funds both national and European destined for companies for environment protection are used effectively. Between 2004 and 2006 the most popular source of financial assistance was activity 2.4 of the Sectoral Operational Program Improvement of the Competitiveness of Enterprises (SOP ICE). On the basis of this Program 252 agreements which amount to PLN 960 million (aprox. EUR 214 million) have been signed.¹⁰

Ecological credibility of global brands can be checked by modern consumer only individually. Ecological labels granted by government institutions can be helpful. The greatest reputation on the global markets is held by the American certificates Energy Star or EPE – AT which confirm that product marked by these labels was verified with regard to rigorous norms created by the American Environmental Protection Agency. Companies more and more often submit to ecological verification for two reasons – they want to improve their public image and gain advantage over competitors.

4. GLOBAL ECOLOGICAL INITIATIVES

From 1 to 12 December 2008 the Climate Change Conference COP 14 - a fourteenth session of the United Nations Framework Convention on Climate Change (UNFCCC) together with the meeting of the Parties to the Kyoto Protocol on its fourth session took place in Poznan (Poland). This United Nations Framework Convention on climate change is considered one of the most important ecological agreements which formulate foundations of international activities in combat with global climate warming. On the basis of agreement accepted during the Earth Summit in Rio de Janeiro (1992) general targets and rules of different countries cooperation have been determined. These rules were set in order to prevent climate changes and limit negative effects among others through reduction of greenhouse gases emission. The COP 14 was the greatest political summit in this part of

⁷ „Zielony marketing” jako nowy trend dla firm, które stawiają na profesjonalizm. In: www.porfel.pl May 18, 2009

⁸ Research conducted on inhabitants of Poland, Czech Republic, Spain, Portugal, France, Germany, Finland and Great Britain between 2005 and 2008

⁹ Bartosik – Purgat M. *Obszary decyzji konsumenckich a typy osobowości młodych Europejczyków*. In: *Marketing i Rynek*, No 9, 2008, p. 35, 36

¹⁰ Kwinta W. *Dotacje są rozchwytywane*. In: *Businessman*. pl, No 3. 2009, p. 31

Europe, and after 12 days of negotiations, as an official statement reveals, representatives of countries from all over the world "succeeded in attaining the objective of making their standpoints much more uniform on the new climate change agreement".¹¹ Participants of this COP 14 meeting agreed on establishment of the Adaptation Fund, and the Poznań Technology Transfer Strategy, and completed the review of the Kyoto Protocol. Unfortunately many initiatives on the government levels or included in international agreements are still only declarations, which are not supported by any activities or legal sanctions. The project of ecological planning – the Dongtan eco-city on the Chongming island near Shanghai can be similarly assessed. The first stage of construction should have been completed in 2010, eco-city should have draw energy from renewable sources, only ecological vehicles powered by fuel cells should have moved in the city, and all garbage should have been processed. Green technologies were planned to decrease energy consumption in buildings by 70 percent, and the city was expected to exist in a symbiosis with ecological agriculture. Unfortunately, ambitious eco-project was not implemented, while the concept was not only a care for respect for nature rights, but also an effort to prove that the fastest urbanizing country has adopted a strategy of sustainable development.

5. GREEN IT

Greent IT is a new tendency in marketing which aroused quite recently. Global crisis, apart from its negative dimension, for IT industry can contribute to acceleration of low-energy technologies which are friendly for environment. Companies from IT industry are forced to search for radical savings. In Poland since 2009 the share of energy bills in IT budgets have grown from 10 percent up to 20 percent¹². What is more, information technologies enable to save thanks to implementation of more efficient software and changing hardware for more low-energy equipment. Polish government plans to support companies which invest in low-energy technologies and, if Polish parliament pass appropriate regulation, starting from 2010 all energy facilities will be obliged to financially support these type of projects. Nevertheless, the most important issue in fight for green marketing idea is to understand and internalization of its principles both among managers and consumers.

CONCLUSION

According to the Report of international ecological organization WWF until 2025 the demand for energy should be stabilized on the same level, and energetic transformation should be aimed at decreasing carbon dioxide emissions (through increase in share of renewable energy industry and development of technology of capture and storage of carbon dioxide emitted from nuclear power stations). Above-mentioned WWF Report as a paradigm has adopted a requirement for changes in consumer attitude and governments policies.¹³ Therefore, an age of transition to natural capitalism is expected together with elimination of waste. In economics apotheosis of efficiency will be replaced by effectiveness which is a rule broadly observed in natural environment.

¹¹ www.cop14.gov.pl

¹² Wrabiec P. *Zielone procesory*. In: Polityka, No 12, 2009, p. 76

¹³ Bendyk E. *Dieta naturalna*. In: Polityka, No 44. 2008, p. 78

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