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SOCIAL RESPONSILITY PROJECT FOR LIVEABLE WORLD AND A SUSTAINABLE DEVELOPMENT: GREEN MARKETING

YAŞANABİLİR BİR DÜNYA VE SÜRDÜRÜLEBİLİR BİR KALKINMA İÇİN SOSYAL SORUMLULUK PROJESİ: YEŞİL PAZARLAMA

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Abstract

Any source in the environment in which we live is not unlimited and humanity are a consumer from birth to death. While satisfying the needs, occuring during the life of the people, we are getting their consumption chances of future generations. Hence, people throughout his life must be included in the consumption behavior which is the most beneficial to the future generations, lived environment and society. Consumer characterizing this kind of behaviours and attitudes describes as a green consumer. These people carry out their preferences, even in free market conditions that protect the environment and contaminate the items and services purchased. Not only consumers, but also firms should perform attitudes and behaviours which are less harmful or harmless to environment and society and they must produce their goods accordingly. Green marketing, in terms of consumers, these scarce resources more effectively and efficiently in a marketing concept emerged, for the marketing methods used by the manufacturer to provide the consumer green environmental products which they produce. Green marketing is not a concept that draw attention or promote the environmental characteristics of many products and services. Actually, green marketing is a wide range of activities which can be defined as a product modification, replacement of the production process, change the packaging and advertising. More precisely, manufacturer does behave not only environmental awareness in the production phase of the product, but also the process of the supply of raw materials for the production, distribution of the products which they produce and act in the environmental consciousness while promoting them. The purpose of this study, explained the emergence of global issues and people's consumption habits for conducting the perception of social responsibility. Also businesses seen as a members of community that appears to explain the concept of green marketing that they use and evaluating marketing mix in terms of green marketing doing literature review about green marketing strategies.

Key Words: Green Marketing, Green Strategies, Consumption Habits, Sustainability, Social Responsibility

Özet

Yaşadığımız çevrede bulunan hiçbir kaynak sınırsız değildir ve tüm insanlar, doğumundan ölümüne kadar birer tüketicidir. İnsanoğlu yaşamları süresince oluşacak ihtiyaçlarını tatmin ederken gelecek nesillerin ihtiyaçlarını tüketme şanslarını ellerinden alıyoruz. Bu yüzden, insanın hayatı boyunca kendisi için, gelecek kuşaklara, yaşadığı çevreye ve topluma en faydalı olacak tüketim davranışında bulunması gerekmektedir. Bu davranış ve tutumlar da bulunan tüketiclere yeşil tüketici diye nitelendiriyoruz. Bu kisiler serbest pazar kosullarında bile tercihlerini cevreyi koruyan ve kirletmeyen ürün ve hizmetleri satın alarak gerçekleştiriyorlar. Sadece tüketicilerin değil, üreticilerin de çevreye ve topluma zarar veremeyen ve ya daha az zarar veren tutum ve davranışlar da olmalılar ve buna uygun şekilde üretimlerini gerçekleştirmeleri gerekmektedir. İşte yeşil pazarlama, tüketiciler açısından bu kıt kaynakları daha etkin ve verimli bir biçimde kullanılması için ortaya çıkmış bir pazarlama anlayışı, üreticiler için ise ürettikleri çevresel ürünleri yeşil tüketicilere sunmalarında kullandıkları pazarlama yöntemidir. Yeşil pazarlama aslında içinde birçok aktiviteyi barındırır: Bunlar; ürün modifikasyonu, üretim süreçlerinin değiştirilmesi, paketleme tarzlarının değişikliği ve de reklam faaliyetlerindeki değişiklikler olarak tanımlanabilir. Daha açık bir ifadeyle, üreticilerin ürünlerini sadece üretim aşamasında çevresel hareket etmelerini değil, üretim için gerekli ham madde tedariki sürecinde, ürettikleri bu ürünlerin dağıtımı ve tutundurulmasında çevre bilinciyle hareket etmelerini kapsar. Bu çalışmanın ana amacı, küresel sorunların ortaya çıkması ve insanların tüketim alışkanlıklarını sosyal sorumluluk algısıyla yürütmelerini açıklamaktır. Ayrıca, toplumun bir bireyi olarak görünen işletmelerin kullandıkları yeşil pazarlama anlayışını açıklamak ve pazarlama karması unsurlarını yeşil pazarlama açısından değerlendirerek, konuya uygun yeşil stratejiler hakkında bir literatür taraması yapmaktır.

Anahtar Kelimeler: Yeşil Pazarlama, Yeşil Stratejiler, Tüketim Alışkanlıkları, Sürdürülebilirlik, Sosyal Sorumluluk

INTRODUCTION

Because of the global warming and the declining of natural resources day by day and also using them unconsciously, ever-increasing of the world population with increased water and air pollution to occur in such cases has started to threaten the enviroment which human beings live. Business also has a great impact on these enviromental issues. Recently, when consumers buy products and services, they have conciously started to carry out their purchases by taking into consideration the natural environment. For example, 77% of Americans are worried about the environment in which they live, companies had introduced many new green products at an enormous rate over 1500 products in 2009 (Cronin, Smith, Gleim, Ramirez and Martinez;2010). Where consumers of all ages in the UK in the report, the UK's population of 6% portion is approximately 2.8 million people increased attitude towards ethical behaviour has been observed (The Co-operative Bank, 2007). In another report, 9000 people in 9 different countries including Japan, China and Italy consumers have not yet abonded ethical behaviours even during economic recession. Additionally, people buying behaviors clearly shows that green ethical issues and green product is an important factors for consumers (Magnet, Roche and Münnich; 2009). Hence green marketing is that an understanding of the ecological environment has advanced and become a more important. As a result of these problems, businesses, as an individual of their environment, should be a responsible for a portion of these problems and have to behave more consciously while producing, distributing and selling their products. Eventually businesses need to

combine social responsibility with their activities and begin to adopt the concept of green marketing.

1. Green Marketing: Theoretical Framework

Green marketing mainly focus on market demand and legal repression for environmently-friendly superior business performance. Green marketing also is defined as meeting customer's needs and achieving organizational goals its processes consistent with ecosystem the development of products, pricing, promotion and distiributing of planning, implementing and controlling (Kumar, Rahman, Kazmi and Goyal; 2013).

According to American Marketing Association, green marketing is the marketing of products that are considered environmentally friendly. In other words, green marketing include many different activities which are product promotion, production processes, packaging and product distribution. Another definition is about green marketing is that a concept producing products to service after sales to covering the whole process of thinking about the environment and the organization of activities with environmental protection consciousness rather than make a profit (Thulasimani, 2012).

When we analyze research work, the reasons for using of green marketing by firms are as follows;

- To achieve the goals and objectives of firms, green marketing as an important opportunity to reaching them,
 - Social responsibility is believed that have a moral obligation,
- Because of the government regulation, firms has to force acting responsibly towards the environment,
- Environmentally friendly activities of competitors create a significant threat in firms,
- Re-use of waste or materials which are required for production of the reduction or cost factors related to the more efficient use (Dhar, Das; 2012).

Green marketing is developed in a long time and is called with different terms. According to Peattie, green marketing concept consists of three stages. First stage is a Ecological - Green Marketing. Ecological marketing is a marketing approach which is especially focused products that harm our environment on reducing our dependence. This approach is common in the period, helping all marketing activities on environmental issues. It was directed to find solutions to environmental problems. Second stage is a Environmental - Green Marketing. Environmental marketing is more comprehensive about firms marketing activities that are related to both green consumer demand and competitive advantage opportunity. It is main aim to reducing environmental damage. These activities focuses on environmentally friendly technologies including innovative product design and seeking solutions to the pollution and waste problems. Third stage is a Sustainable - Green Marketing. Sustainable marketing is a marketing approach whose concept to create a sustainable economy for the production and consumption processes wanting to meet all environmental costs (Peattie, 2001).

Related to the concept of green marketing can be summarized as follows:

- Green marketing is limited to use natural resources in an efficient as much as possible way.
- Green marketing makes possible to happen rather than being disposable manufactured products protection of the environment living in, ensuring that the natural balance and minimizing energy consumption.

- Green marketing tackles activities reducing environmental pollution caused by manufacturers.
- Green marketing should encourage the use of environmentally friendly products, especially product packaging stage must be with a choice of packages making not environmental pollution and offering products that will raise awareness of recycling.
- Green marketing should develop an awareness of social responsibility and consumers, government, competitors and voluntary agency should be encouraged in this issue (Uydacı, 2002, s. 112).

2. Benefits of Green Marketing

Green marketing gives to the business a significant growth opportunity and provides incentives having a high rate of return. Although the organization cost is increased by operation or production processes regulations, these regulations allows for savings money in the long-term. For instance, to established the solar energy power is more expensive, yet in the long run it will positively effects on cost savings both financially and environmentally. Morever, businesses that develop environmental new or improved products or services have a significant opportunity to accessing market, increasing profits and gaining a competitive advantage (Dhar et al., 2012).

R. H. Wise, M. Fowlie, E Holt (2001) tried to explain why businesses want to be voluntary about environmental initiatives. At the end of the study, they have identified six motivation factors encourage to businesses behaving environmentally. These are increase productivity, improve social image, green marketing, reduce the risk of future environmental regulations, employee motivation and social charity.

C. N. Leonidou, C. S. Katsikeas, N. A. Morgan (2012) defined that firms marketing programs turn into green programs and so they can successfully reach positive product-market performance. While associating return on assets with green marketing program components directly or indirectly, revenue contribution of such an investments may be greather than their costs. They also reported that green marketing has offer a new approaches to managers who seeks the support of top management.

Table 1: Innovation Benefits for Process and Product

Improving environmental innovation for business can provide resource productivity. In addition to this, there are benefits of these innovation for both processes and product.

Process benefits

- Re-using or recycling of production inputs (raw materials), resulting in savings of useful material to be processed.
- Increasing in production process operations,
- More careful monitoring and maintenance and less downtime,
- Using better of semi-manufactured products,
- Transforming waste into valuable forms,
- Less energy consumption during the production process,
- Reducing in the cost of material storage and holding costs,
- Creating a safer work environment conditions,
- Reducing or eliminating the costs of activies such as waste storage, transportation and disposal,
- Causing product development by changing in processes of a semi-finished product,

Product benefits

- With higher quality and more standard products,
- Less product and packaging costs,
- ❖ Goes down products price because of decreasing in products costs,
- More safer products,
- More efficient use of resources in products,
- Higher retail sales and scrap value,

Resource: M. E. Porterand and C. van der Linde, Green and Competitive: Ending the Stalemate, Harvard Business Review, 1995

3. Green Marketing Mix

Companies that implement green marketing has to determine primarily a target market consuming green products. And then companies should develop a marketing mix for their target market's wants and needs.

a. Product

Green products are environmentally friendly and consists of products and services which are less harmful to human health. Green products are containing wholly or partly made of recyclable raw materials and semi-manufactured, which can be produced with less energy and less packaging material provided with a market or a combination of these three factors (Thulasimani, 2012).

The report published by Commission of the European Community's in 2001 named in Integrated Product Policy Green Working, it defined that green products are using fewer resources and less environmental impact and risks. They also described that while products producing, it has to be considered after process in consuming products to preventing environment.

In another definition is expressed that any product cannot be absolutely harmless to the environment, but these products are less energy consuming or using less scarce resources. Green products are encouraged non-using or reducing of toxic factors, pollution and wastes and are also expressed in manufactured products in which protect or enhance the natural environment (Ottman, Stafford and Hartman; 2006).

Energy, raw materials, pollution and waste are seen as key factors for a sustainable environment. Production activities provides greater environmental benefits or creates a smaller environmental costs in comparison wth similar products (Reinhardt, 1998). So, with this definition, green products are not only products which have low impact on the environment, but also that provide higher environmental benefits than other ordinary products. Producing, using and disposal of green products are important environmental and social performance, when compared to the traditional or competitive products (Dangelico and Pontrandolfo, 2010). This definition is underlined that a products with a green environmentally-friendly features should be used each period of product's life cycle. Besides, it is substantially more valuable for environment.

From the design stage of green products until the end of Consumption, it has to be considered its environmental impact. Toyota produced a "Prius" model car which is a green products can be given as an example. It runs both with electricity and gasoline. When working with electrical energy has the ability to charge itself. The car works with electric motor, in the city, more environmentally and economically for environment. While using in such as highway in wihch high speed is required and farther into the

living area, it uses engine motor working with gasoline are activated (Gordon, Carrigan and Hastings; 2011).

b. Price

Pricing is one of the most important decisions faced by a business which produces environmentally friendly products. The price of green products will be determined higher, lower or the same price of products having not eco-friendly features (Varinli, 2008). In 1990, according to J. W. Thompson, almost 82% of American consumers stated that they are willing to pay price for green products more than 5% compared to the price of similar products (Peattie, 2001). Most consumers may pay more money for each additional benefit if they have taken additional value product that willing to buy. This value can be caused by the product's performance, function, design or visual appeal. In terms of environmental awareness, green products can be offered higher prices because they provide an additional benefit for the society (Thulasimani, 2012).

Many green consumers give up traditional spending habits and then they pay more money for green products. These expenditures are consist of several different ways as described below.

- i. To pay higher prices for green products. While economic or environmental performance of the product increases, production costs are also likely increase. In order to compensate for the increase of production costs, new marketing strategies can be developed for niche markets paid a high price for green products.
- ii. Towards to increasing environmental performance of the product accept a lower technical performance. For instance; although the energy of the rechargeable battery is lower, it is cheaper and greener.
- iii. *Distribution of green products is made by companies that does not related to greenness.* Such as healthy food firms can sell detergent products (Baker, 2002, s.737).

c. Place

The management of supply chain, logistics and distribution channels that have used by business is creating an optimal distribution channel, it will cause both affecting the fall of distribution costs and transport vehicles whose greenhouse gas pollution fall to a minimum with a shorter distances. For example, Wal-Mart is to provide some incentives to farmers producing organic cotton. Because the firm is the world's largest recipient of organic cotton. Wal-Mart demand raw material from suppliers compressed products with a minimized or narrowed package. Thus, Wal-Mart's carrier fleet has supported the increase of energy efficiency initiatives and then began working with businesses producing concentrated detergent. Because it is concentrated detergents with small package compared to other products can be transported more than other detergent products in a transport and in this way greenhouse gas emissions have been reduced (Manget et al., 2009).

d. Promotion

Green promotion is to introduced the environmentally friendly products through various channels such as web sites, spots, labels on the clothes, magazines, newspapers, television and radio commercials. Mainly, green promotion is defined as introduction of green products feature or environmentally safe products by using media. One of the most effective ways to advertise greenness is the fund raising campaign. Tree planting is one of the most popular environmental program among institutions and organizations. Another way to promoting green promotion is to having a forum in which green consumer are

interested in green initiatives and are discussed in their shares, opinions and ideas (Nagarajan ve WiselinJiji, 2013).

Three different ways in the promotion of green marketing strategies can be summarized as follows:

- 1. The advertisement focuses on the relationship between the physical environment and the introduction of green products.
- **2.** Highlighting the importance of green products or services make a presentation green living.
- **3.** Firms must show their environmental responsibility to the society (Thulasimani, 2012).

4. Green Strategies

A company can follow different green strategies for reaching target and responding the needs of various stakeholder groups. Three of the major green strategy has taken place in the literature. These can be listed as follows; green innovation, green business and green strategic partnership.

- **Green innovation:** This strategy is the development of new or innovative green products. Developing new products or services by using green innovation, a company show that each stakeholder group create a positive judgment about company's greenness.
- **Green business:** This strategy is to concentrate on the company's environmental activities in itself. For purpose, businesses perform a greater effort to greening the processes related to the production of goods or delivery of a service.
- Green strategic partnership: Producing new green products or the greening the process of organization, businesses can choose to set up a partnership in order to more easily implement greening activities in the development of the green direction (Cronin et al., 2010).

A large part of the work has been completed, environmental strategies have been proposed classification with theoretical aspects. For instance, Steger (1993) defines four possible environmental strategies.

- An indifferent strategy; more generally used by less capable of obtaining market opportunities and to detect lower environmental risk associated with companies activities.
- A defensive strategy; by planning to invest in end of pipe technologies, the environmental impact of processes and products is an attempt to correct.
- An offensive strategy; to gain a competitive advantage, firm need to modify or develop of their existing products.
- An innovative strategy; making green product innovation, businesses implement that large and systematic changes in company's products, processes and management systems (Noci and Verganti, 1999).

Some authors have claim about the company can integrate environmental issues with the corporate strategy in what way the environmental behavior of different firms that take place at three levels.

- **A follower strategy,** in case of legal and environmental regulations, firms is forced to produce a product as an environmentally friendly.
- A market orientation strategy, business is less important factor in the environmental strategy. Environmental activities of the company is to achieve a particular market or is to create competitive advantage.

• An environmental orientation strategy, environment is an important factor and is integrated with corporate strategy (Wassenhove and Corbett, 1999).

CONCLUSION

Consumers prefer a product which can be produced with less raw material which are more reliable for the environment. Distribution and using green products causes less waste or loss both consumers and their environment. Green producst is also offering recycling opportunities and so their wastes can use re-production of them and called renewable sources. Therefore, conscious consumers behave in protection of the environment is important for increasingly engaged in business matters. Another factor that why businesses can follow green marketing strategies due to consumers ethical behaviors and ideas as well as government regulation and competition pressure. The other factors can be ordered as green marketing gives an opportunity such as reduce costs by increasing profitability of green marketing practices, energy saving, efficiency and effectiveness, reputation, competitive advantage benefits. Thus, the importance gained green marketing activities and an increased demand for green products, gives an competitive advantages. For this reason, marketing managers need to review the company's product mix and they require to make the necessary changes in environmental orientation. Environmental change is not only important marketing component for businesses, but also it deliver green messages to their clients about green activities transparently and accurately. Most companies that perform the production in industrialized developing countries such as China or India, green perception is higher than others. Because these countries has more population and more different producers in their restricted area. So firms must be more careful while producing. To achieve greeness purpose, businesses can use three different green marketing strategies; which are green innovation, green strategic alliances and greening business. To leave a better world to live healthy for future generations, particularly developing countries, including all countries to reconsider their production and consumption processes. In conclusion, green marketing should be draw more attention both society and businesses.

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