CHAPTER - III

ENVIRONMENTAL MARKETING - AN OVERVIEW

An attempt has been made to provide an overview of environmental marketing in this chapter. It deals with the marketing's role in sustainable development and definitions of environmental marketing. It also deals with the strategies of environmental marketing to develop partnership to address environmental problems and strategies of solid waste management to reduce solid waste in order to mitigate the problems of water contamination and air pollution.

Huge increases in population and rapid economic growth have conspired to create an expanding environmental catastrophe. The list of pervasive and widespread environmental problems are checking air pollution, water pollution in the vast majority of rivers, water shortage throughout the country, ocean pollution, mountains of solid and toxic waste, destruction of the remaining scattered habitats, near-total deforestation, rampant over fishing, depletion of agricultural land and conspicuous consumption of even highly endangered species for food and traditional medicine.

The human and economic costs are monumental, with people suffering from pollution related diseases and frequently joining in mass migration to the cities. The cost to the country's economy from environmental degradation, resource scarcities, and air and water pollution has been estimated in India to be about 4.5% of GDP. 1 By far the most important reason for the changes that have occurred in the land, in the air, and in the water is the accretive scale of man's activity.

Marketing has been considered as an important element and its purpose is to enhance the wellbeing of all participants in the exchange processes. Marketing is one that extracts resources from earth, converts them into products and services and returns the residue back into the biosphere.

This becomes solid waste and produces substantial pollution problems. Our control over the natural environment has risen to the point that the natural order of the evolutionary processes is moving ever closer to being an anthropogenic system rather than a biocentric system. Until recently, little thought has been given by marketers to the impact of their activities. There is now substantial evidence to suggest that this supportive base-planet Earth- is not capable of sustaining the continued rate of marketing activity it has experienced over the past five decades.

Organized efforts by the economic planners or marketers break the link between man and the natural environment. The natural environment is viewed by humans as a free resource to be exploited and used for the well being, separating the people from the environmental results of the economic decisions. Indiscriminate use of resources depletes the biosphere of its natural ability to replete itself requiring massive amounts of energy, machinery and artificial stimulants and presents enormous disposal problems. The capacity of the natural system to withstand disruptions through the intrusions of wastes, extensive use of unnatural fertilizers or by harvesting some of the stock is limited.

The present economic, marketing and consumption culture effects pressure on earthly resources and therefore these activities and strategies have been essentially redefined. A shift in the fundamental approach of marketing needs to take place so as to facilitate sustainable development.

**Sustainable development**

Sustainable development is the ability to make development sustainable to ensure that it meets the needs of the present without compromising the ability of future generations to meet their own needs. The concept of sustainable development does imply limits-not absolute limits but limitations imposed by the present state of

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3 ibid., pp. 59.
technology and social organization on environmental resources and by the ability of
the biosphere to absorb the effects of human activities. The emphasis is placed on life
support system, which defined nature or environment as a source of services for the
utilitarian life support of mankind. Therefore, the development plans have to ensure
suitable and equitable use of resources for meeting the needs of the present and future
generations without causing damages to the environment. The future prosperity
simply depends on preserving 'natural capital'-air, water and other ecological
treasures-and all this will require balancing human activity with nature's ability to
renew itself.

Marketing's role in sustainable development

Marketing's role in the development processes is well recognized. Much of
the economic activity is triggered off by the marketing process that offers and
stimulates consumption opportunities to satisfy human needs and wants. However,
critical role of marketing in development will be appreciated only when it meets the
needs of the present without compromising the ability of future generations to meet
their own needs through environmental marketing. This means that the present
marketing practice of encouraging over exploitation of natural resources should be
given up. Keeping this in mind, a new marketing approach may be developed which
must aim at serving the material wants of consumers through an ever increasing
volume of goods without taking too much resources on already overdrawn
environmental resources.

The purpose of a business is to provide benefits to the customers through
products. This is accomplished by transforming resources into bundles of tangible
and intangible attributes that provide customer satisfaction. But this process has side
effects- the generation of waste, which is antecedent to pollution.

5 Philip Kotler. (1986) "The role of marketing in development, proceedings of the international
conference on marketing and development." Turkey, September 1-4.
6 Aadhagur, R and Elangovan A (2006) "Green Marketing and Environmental Protection." Indian Journal of
Pollution and its effects have become the most prominent social concern of the consumers. In other words, environmental concerns such as global warming, toxic waste disposal, resource depletion, and land fill management have created environmental sensitivity. Hence, the present marketing approach is expected to reflect this newly emerged environmental sensitivity.

The strategy can originate with a firm's evaluation of current production and marketing practices and adjusting behavior to reflect an increased level of environmental awareness. Further, change of strategy is necessary since many consumers perceive that business is responsible for an ample portion of the waste products generation in the country and therefore, should be held responsible for the current ecological crisis. The potential business response to the increased level of environmental awareness of the general public lies in the adoption of an ecological orientation. The following paragraphs will reveal what is environmental marketing and the strategies of environmental marketing.

Environmental Marketing:

A new paradigm is now in the making i.e environmental marketing. It is neither a social movement nor a system to return to the lower levels of living and a simple way of life, rather it is an adaptation of current marketing practice. Social marketing has become an important concept in the marketing discipline. Environmental marketing comes under the concepts and techniques to the marketing of various socially beneficial ideas and causes, instead of products and services in the commercial sense. This definition implicitly includes ideas on the preservation, conservation, and protection of the physical environment as a component of social marketing, building on the tenets of social marketing, Henion and Kinner offer a definition of ecological marketing:

8 Ashaghaiah R and Elangoan A. loc. cil.
Ecological marketing is concerned with all marketing activities that served to help environmental problems and that may serve to provide a remedy for environmental problems.\textsuperscript{10}

Thus, ecological marketing is the study of the positive and negative aspects of marketing activities on pollution, energy depletion and non energy resource depletion.

Mintu and Hozada have defined green marketing as "the application of marketing tools to facilitate exchanges that satisfy organizational and individual goals in such a way that the preservation, protection, and conservation of the physical environment is upheld".\textsuperscript{11}

Though. Minut and Lozada note that green marketing goes beyond image-building activities, their definition of green marketing parallels Caddington’s environmental marketing.

According to him environmental marketing is "marketing activities that recognize environmental stewardship as a business development responsibility and growth opportunity and the environmental marketer adds the environment to the standard mix of decision making variables".\textsuperscript{12}

Thus green marketing can also be called environmental marketing or sustainable marketing. In brief, environmental marketing is concerned with scanning the marketing environment, identifying ecologically sensitive customers and studying their green needs and motivation to designing, pricing, promoting and distributing products that have a minimum detrimental impact on the environment. In essence, environmental marketing places emphasis on sustainability of marketing activities of a firm so that these either create a positive impact or lessen the negative impact on the environment.


\textsuperscript{11} ibid., pp. 182.

\textsuperscript{12} ibid., pp. 183.
Strategy of environmental marketing

The present decade has been heralded as the decade of the environment. The rude awakening pertaining to the environment as a limited resource is forcing the society to face the unique challenge of becoming citizens of the world. As such, the major concern stems from the accelerated way in which Mother Earth is being destructed. This problem is mainly the result of the actions of business, governments and the consumers at large.

Figure 3.1 - The trio

The trio presented in fig 3.1 is crucial to the understanding of environmental problems and to the identification of creative solutions.

Several strategies are recommended in order to effectively understand environmental problems and provide solutions. A symbolic relationship or partnership has to exist between the trio members to strengthen the environment.

Corporate strategies for environmental marketing

Environmental Marketing requires practices of corporate strategies which would benefit both corporations and societies. With fast spread of environmentalism, business firms have to embark environmental marketing practices. Corporate managers have to recognize that environmental marketing is a critical component for gaining competitive advantage. And environmental management has to be included in their list of top strategic priorities. The following are the corporate strategies;
a) product planning  
b) Re-direction  
c) Re-orientation  
d) Re-organization

**Product Planning:**

Companies need to think not just about the impact of their product in the hands of the consumers, but also the processes by which the products made are sold. They have to be concerned about every product's eco-balance, the minimization of risks and impact throughout its product life cycle, and the resources required to make and deposit it.  

Product planning and production processes need to integrate environmental management issues. Commitment to quality now refers not only to the traditional production concept but also to environmental quality as well.

Corporations can effectively build a strategy for environmental marketing through four distinct efforts viz., promoting re-consumption, redirecting customer needs and wants; reorienting the marketing mix, and re-organizing organizational efforts. A new marketing approach promoting re-consumption should be considered in all product planning activities. The ability to use and re-use cyclable goods in whole or in part, over several use-cycles or generations are ideal thinking of product planning and development. More importantly since all natural and industrial processes generate waste, and waste becomes pollution when it exceeds the carrying capacity of the environment, finding ways to prevent pollution before it happens has become critical. Products, package design for disposal, designing for recycling, designing for pollution prevention and designing for resource conservation are some of the aspects to be considered while planning for product development.

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Redirection

It is a marketing task to redirect their needs and wants towards consumption that is ecologically least harmful. Marketing's promotional tools viz., advertising, promotion, personal selling and market research can be geared toward the redirection. The use of market research and in-depth customer analysis will provide the most sustainable results in this respect. Market researchers and consumer analysis need to identify the current consumption options, the criteria being used by the customer for choice behavior, the relative importance being placed on these criteria and the sources of information that are shaping these criteria. It is only then that marketers can intervene to appropriately change the criteria for consumer decision making in favour of ecologically begin consumption. In this respect, consumer's attitude studies will help in designing proper communication messages for environmental marketing.

Consumer sensitivity to environmental issues does not always translate into purchase behavior. The role of advertising and promotion cannot be understated in this regard.

It is the responsibility of marketers to use their communication and promotional tools to convert the latent desire for environmental quality of life into actions and activities that actually promote such environmental quality life. Large scale research on consumer behavior and net effect of interventions towards changing such consumption criteria could be effectively utilized by the corporate marketers in their efforts to redirect customer needs and wants.

Reorientation:

Environmental marketing requires the reorientation of the entire marketing mix, everything from product and packaging through positioning and promotion. Every market will have to assess the environmental impact of the manufacturing, content, packages, label, promotion, distribution, use and disposal of its products.

18. ibid., pp. 12.
Reorienting the marketing mix means the marketers should consider options regarding repackaging, re-labeling, reformulating and repositioning of their earlier strategies.

Consumers are familiar with the growing concerns regarding environmentally harmful product packaging. Marketers can think of using bio-degradable packages or recycled packages. Corporates can initiate efforts to re-formulate products to either remove the harmful ingredients, dangerous chemicals or make them energy efficient. Reorientation is also required in selling approaches and sales incentive programmes. Education based on credible environmental themes to wholesalers, retailers and customers can make a difference. Also packaging, product-mix variables and long lifetime warranties would be actions aimed at delivering ecologically beneficial offerings and advertising, labeling and reorientation of selling efforts would help redirect customer needs for environmental marketing.

Reorganization

Corporate environment sensitivity must translate into strategies and action plans. This may often involve reorganization, restructure and redesign of many processes and systems within the organization. Industries struggling in the market can develop environmentally sound substitutes. Alter the traditional roles of boards of directors and top management towards integrating the external and internal dimensions of a business and to provide new vehicles for stakeholders’ participation.

Organizations and employees who adopt the philosophy of environmental marketing must be complemented with proper incentive schemes. Providing technical and management training for environmentally sound operations can further enhance employee motivation. An organization that does not improve its own environment cannot market environmentally sound product and services.20

Government Intervention:

Environmental policy is inevitably interventionist. Without intervention by the Government our environment cannot be fully protected.21

21. Ibid., pp. 191.
Government and their agencies have to adopt a consistent national regulatory scheme to provide business some environmental guidance and direction. When free market processes will not sufficiently promote sustainable development, government mandate is recommended. Governmental measures must be strong enough to encourage everyone to follow the path of sustainable development and discourage these practices that cause environmental degradation. Government has to play the role of champion in leading the world towards sustainable development.

Its role has to extend beyond that of a watchdog to one of a promoter of better human life for current and future generations. The followings six intervention roles are suggested for the government.

a) Legislative measures
b) Regulation
c) Reforms
d) Promotion
e) Participation
f) Technology transfer

a. Legislative measures

Suitable government policies are essential to protect the environment and its resources. Keeping this in view, the Government has, from time to time, enacted a number of laws for environmental protection. Water (prevention and control of pollution) Act, 1974, Air prevention and control of pollution) Act, 1981, The environment protection Act 1986, The Hazardous Waste (Handling and management) rules 1989, Solid Waste (management and handling) Rules 1999 and National Tribunal Act 1995 are some of the important legislative measures. However, despite having a number of laws, their implementation has remained rather weak in checking pollution and degradation of the environment. It is therefore important to identify mechanisms that the government can use to induce change.

22 Sheth N and Atul parvathiyar op. cit., pp 15.
b. Regulation of policies

The Government can command and control the industry through the process of regulations and policies including performance standards for technologies and products to prevent it from damaging the environment beyond sustainable limits. If such command and control are to be successful, it has to be based on factors like what standards will lead to efficiency. The extent to which the regulations and policies permit flexibility of response regarding the manner in which industry can comply with such regulations. At present, the footmen of India made mandatory that all cars, most go for Bharat II and III, which control the emission of harmful gases from the vehicles. No relocation has been given in using this standard. If the green house effect is to be abated, all nations must control emissions of carbon dioxide and other gases. This requires international concern and agreements.

c. Reforms

Culture, social and political reforms are the need of the hour for sustainable development. Most countries recognize the linkages between production and consumption practices reasonably in dealing with environmental problems, consumption as well as wastes. Production reforms will have to occur simultaneously. The commitment of the Governments towards such reforms is actual. A clear path in this direction would be that of raising the level of knowledge about environmentally friendly consumption and production processes. There is also a need for reforms in the accounting practices as there is no provision for using replaceable natural resources or emission of waste and pollutants. Reforms of political institutions and alimentations may also be necessary for a recorded world. Military concerns of the Government will have to get less importance than economic and environmental question, which really threatens the international security systems. This may require redefining the roles of institutions so that they may function effectively.

d. Promotion

Government's promotional role should be beyond the use of economic instruments viz., pollution taxes and charges, tradable pollution permits, performance bonds, resource saving, credit, etc.. The true promotional role of the government comes with support facilities and institutions that help in strengthening the
environment. As in the case of export promotion whereby governmental organizations help business firms with information, training and other support services, they need to develop similar services to help business firms, make the transition towards sustainable business practices. Promotion of sharing of information through a more effective database to environment products, support services availability, and providing adequate training to consumers will be very useful.

e. Participation

In most countries of the world, the government is the largest single customer. Through its purchase and procurement policies that are favourable to ecologically friendly products, government can make a substantial impact as what goods are produced and by what processes. A resolve not to buy ecologically harmful products from companies that have environmentally defaulted would be appropriate. The government should involve industries in promotion of technology on their own. The government’s continuous efforts started paying dividends when paper bags, cups, battery operated cars, solar heaters, etc., started selling in the market.

f. Technology transfer

Technology co-operation is vital for enhancing our ability to solve environmental problems. It is nothing but technology transfer. Government’s role is important in facilitating such technology transfer.

Consumers

All the environmental problems, the garbage glut, pollution, waste of energy and materials, etc., are the results of conscious human choices. Therefore, the consumers must not remain apathetic to the solution that both governments and business offer to resolve environmental dilemmas. All can be solved, or significantly mitigated by making, more environmentally sound choices. The throw away mentality will be perpetuated unless society stops subsidizing the generation and disposal of garbage.24 This means, citizens need to make their consumption behaviours more compatible with environmental imperatives.

The current consumption behaviour needs to be changed. They need to be proactive toward green consumerism by which consumers favour those products that are friendly to the environment not only as they are consumed but also through their production and later disposal. Realizing that the society is the primary beneficiary of any attempt at sustainable development, individuals will have to read just their consumption and realign the satisfaction of needs with more environmentally friendly options that industries would offer. Government in turn must keep up pressure to comply with environmental standards that society at large can set as appropriate for a better quality of life.

Strategies of solid waste management:

Everyone is concerned with the growing problems of waste disposal with the scarce availability of land for processing and disposal of waste. Environmental remediation measures are becoming more expensive. It is therefore necessary not to think only about effective ways and means to process but also to dispose off the waste that we generate every time. It is also essential to seriously consider how to avoid or reduce the generation of waste in the market place. The following are considered some of the strategies to mitigate the problem.

They are,

a) Reduce.
b) Re-use
c) Recycle
d) Segregation of waste at source
e) Participation

a) Reduce

Reducing the waste or emissions is reducing at their source rather than to treat them after they are generated. The generation of waste should be prevented or reduced at its source whenever feasible. Since the cost savings associated with source reduction are roughly parallel to the amount of packaging eliminated, the tenets of this law are not only good for the environment, but also for the business. Less packaging also means less energy required for manufacturing and transportation and less pollution from the production of packaging itself.

b) Re-use

It is another way of reducing solid waste. Waste prevention involved changes at many levels in all areas of production, domestic or commercial. The new strategy focuses on the entire production processes, examining where wastes are generated and explores how they can be re-used.26 One person’s waste can be useful material for others. Efforts should, therefore, be made to encourage collection of such re-usable material through waste collectors, waste producers, instead of allowing re-usable waste to land up on the disposal sites. Bottles, cans, tins, drums and carton can all be reused.

c) Recycle

The problem of solid waste management can be addressed through recycling. Of late, several hard to recycle packaging materials are being used increasingly, such as PET bottles for soft drinks and mineral water / styrofoam and soft-foam products for packaging consumer durables and metallised plastic films for packaging several food items.27 It is, therefore, necessary to seriously consider switching over to the use of reusable or recyclable and eco-friendly packaging material to minimize the harmful effects of such packaging material.

d) Segregation of waste

It is essential to save the recyclable waste material from going to the waste processing and disposal sites and using up landfill space. Profitably use of such material could be made by salvaging it at source for recycling. This will save national resources and also save the cost and efforts to dispose of such waste. This can be done by forming a habit of keeping recyclable waste material separate from waste as bio-degradable and non-bio-degradable, in a separate bag or bin at the source of waste generation. By having a two-bin system for storage of waste at homes, shops and establishments where the domestic food waste goes into the municipal system and recyclable waste can be handed over to the waste collectors at the door steps. To make it effective, the local bodies shall direct households, shops and establishments not to mix recyclable waste in a separate bin or bag at the source of waste generation.28

27 Solid waste Management in class l cities in India (1999). Report of the Committee constituted by the Hon. Supreme Court of India. pp 83
28 ibid., pp 84
e) Participation

Public participation is the key to success in these efforts. It is essential to spell out ways in which public participation in hygienic solid waste management can be promoted and ensured, hand in hand with municipal initiatives.

Citizen co-operation is vital for keeping garbage off the streets, especially at the very first stage of keeping bio-degradable 'wet' kitchen and food waste unmixed and separate from recyclable 'dry' wastes and other hazardous wastes. If the reasons for this are explained, public participation is bound to improve. A series of measures can be taken to bring about a change in public behavior through public awareness campaigns.

Solid waste management services are highly labour intensive. Since the existing municipal employees are inadequate, municipalities can seriously consider NGO/private sector participation in solid waste management. NGO/private sector participation can be encouraged in the areas of door to door collection of domestic waste, commercial waste, hospital waste, hotel waste, construction waste, and yard waste in the area of awareness and creating public participation.

Summary

Conventional marketing involves providing products that satisfy consumer needs at affordable prices and supporting those products with communications that project value to the consumer. This has created an adverse impact on the environment which is very essential for the well being of all. The environmental concern is up everywhere. Therefore, it clearly conveys the fact that the modern marketing concept of understanding customer needs and fulfilling them-is insufficient in addressing the newly emerging concern i.e., environmental concern.

Hitherto, business has been managed largely by marketers who depend upon market research, scientific and technical breakthrough, quality and financial controls, trade relations and promotion to accomplish their mission. However, today, they have to include environment as one of the strategies in their marketing, planning and implementation processes.
The new paradigm is environmental marketing i.e., production-consumption systems designed to meet the needs of the customers, should not damage the ecosystem in the process. Environmental marketing simply requires that production consumption activities must become compatible with the ecosystem. Environmental marketing is a business growth opportunity. Moreover, regulatory and activist pressure for corporate environmental stewardship is increasing.

More forward-thinking marketers are expected to seize the new environmentally related business opportunities ranging from pollution prevention and more efficient technologies to environmental education and green product promotion. Sustainable economic development requires environmental management and environmental marketing.

To get success in the objective, proactive corporate marketing strategy and active government intervention to encourage ecological marketing is essential. The proactive corporate marketing strategies are redirection of customer needs, re consumption, reorientation of marketing mix, and reorganization. The government can intervene through regulation, reformation, promotion participation and technological transfer.

The current manufacturing and consumption activities generate large amounts of waste that represent potential sources of pollution. Less waste and potential sources of pollution translate into a win-win situation for the environment and the society. Therefore, waste reduction and potential problem of solid waste management can be solved through the strategies of reuse, reduce, segregation and participation.