Green marketing orientation: evolution, conceptualization and potential benefits

Abstract: Global economic fluctuation, post-Brexit challenges, changes in the landscape of corporate social responsibility are pushing managers to build sustainability into the performance of marketing mix. Traditional marketing is no longer able to address all the issues in modern markets. This led to green marketing, a new marketing philosophy. The paper provides researchers and marketing managers with a comprehensive view of the concept of green marketing, its causes, contents, and outcomes. Authors suggest a structured and outcome-based viewpoint to the construct of green marketing. Theoretical presumptions confirm structuration of green marketing initiatives to strategic, tactical, and operational levels. It was found out that cohesive marketing activities in these levels have the crucial impact of green marketing in organizational, environmental, and social contexts. Strategic, tactical, and operational activities in the field of green marketing may lead to business development, improvement of the natural ecosystem, and increased quality of life. The findings of the research present opportunities for researchers and managers to apply green marketing orientation.

Keywords: ecological marketing, environmental marketing, sustainable marketing, strategic green marketing, environmentally friendly products.

1 Introduction

Multiplication of global population increases the demand for goods and services. In such a context, society is at risk of causing damage to ecosystems. Damage involves the destruction of ozone layer, climate change, increase of pollution and other negative effects that have an either direct or indirect impact upon population, business, and governmental institutions. Organizations fall into an ambiguous situation: they not only experience the impact but also determine the damage as every citizen, business entity or public institution have impact upon the environment, i.e. they produce carbon footprint. In reference to data of Carbon Footprint Ltd (2019), the average amount of produced carbon footprint in developed countries is 11 metric tons per citizen in a year. Even if in Lithuania carbon footprint is considerably lower (4.38 metric tons per citizen), it is still above the set benchmark in order to stop climate change (2 metric tons per citizen). While emissions of carbon dioxide are not decreasing, organizations are expected to adopt strategies that not only address the needs of shareholders, managers, employees but also safeguard the long-term interests of society. Therefore, private and public organizations face the demand of adopting cleaner or “green” practices.

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Customers are anxious about the prospect of environmental changes. As a result, an increasing number of customers prefer environmentally friendly products. Consequently, business organizations all over the world have begun to realize the changes in customer preferences and seek environmentally friendly marketing practices. One of the environmentally friendly concepts is green marketing which applied in integrity with other environmental initiatives has a positive synergetic impact upon environmental protection.

Researches in the field of green marketing appeared in 1970’s. In 1980’s only initial rudiments of green marketing were noticed. In scientific publications the term of green marketing was already employed, however, other related concepts such as ‘ecological consumption’ and ‘ecological marketing’ gained much more attention. In 1990’s the majority of researchers concentrated upon one particular element of green marketing, i.e. advertising (Kilbourne, 1995; Shrum et al., 1995). During 2000’s scholars had been intensively disputing about the usefulness of green marketing and its results (Chan, 2000; Mathur, Mathur, 2000). Studies in the 2010’s have investigated the impact of green marketing upon customer preferences, green marketing strategies (Suplico, 2009; Montague, Mukherjee, 2010). After 2011’s researchers analyzed green marketing communication, management, limitations and potentialities of green marketing (D’Souza, 2015; Garg, 2015; Wymer, Polonsky, 2015; Zampese et al., 2016). During the last few years, the concept of green marketing has gained a substantial position in researches; however the topic of evolution, conceptualization and potential benefits of green marketing remains new and significant field of management studies.

Damage to ecosystems stimulates organizations to create and develop ecological products. Increase of consumption and favourable attitude towards ecological products stimulate the development of green marketing. This type of marketing concentrates upon the protection of environmental resources and provides additional value for products. Green marketing integrates ideas of friendliness to the environment, sustainability and social responsibility. In order to get benefit from green marketing, there exists a demand to research its theoretical basis. Therefore, this study aims at analysing evolution, conceptualization and potential benefits of green marketing orientation. The analysis employs methods of scientific literature analysis, comparative analysis, abstraction, and synthesis.

The manuscript is structured as follows. Analysis of evolution of green marketing orientation provided an underpinning for the conceptualization of green marketing. This is followed by specification of dimensions and benefits of green marketing.

## 2 Evolution of green marketing orientation

Green marketing is also known as sustainable marketing, organic marketing, eco-friendly marketing, environmental marketing, and ecological marketing. In scientific literature and practice sometimes these concepts are used interchangeably. However, they are not synonyms, majority of them cover only a part of the content of green marketing. Evolution of green marketing proves this proposition: during different stages of this evolution, distinct constituents (ecological marketing, environmental marketing, and sustainable marketing) gained major attention. Following the aforementioned argument, this study uses the term of green marketing.

Green marketing has been developing since 1960 (Figure 1). Evolution of green marketing covers three phases, i.e. ecological, environmental and sustainable (Mishra, Sharma, 2014; Zampese et al., 2016; Lazar, 2017; Papadas et al., 2017). During the first one, i.e. ecological phase, all marketing activities were supposed to be a cure for environmental problems. At that time the most damaging and toxic industries (chemicals, mining) were at the centre of the focus of researchers and practicians. The main focus was limited to the front line polluters (Papadas et al., 2017). The ecological stage did not provide useful results. The only benefit that was gained during that phase was awareness from the government. Government recognized green marketing to be “a form of response to environmental activism” (Zampese et al., 2016).

In the late 1980s changes in social and business landscapes raised environmental issues within the field of green marketing. During the environmental phase, marketers focused on clean technology applicable to the design of innovative products, a decrease of pollution and waste (Lazar, 2017). Compared to ecological
Phase, environmental phase was not limited to consumption of resources but put a capture to environmental problems, such as destruction of the ecosystem, extinction of species. Green marketing covered not only the most damaging and toxic industries but electronics, tourism, clothing as well. In product markets, environmental issues became a core competitive factor (Papadas et al., 2017). During the environmental phase companies faced difficulties in assuring the greenery of products and their attributes, customers demonstrated distrust to green initiatives. Still, this stage provided some practical results in efficient implementation of packaging recycling. Environmental stage provided some scientific results as well: in the 1990s the field of green marketing gained considerable interest, however, later this interest declined. This decline might be related to the fact that the majority of companies at that time perceived green issues as a cost factor and a constraint rather than a marketing function (Papadas et al., 2017).

Global recognition of environmental problems as symptoms of unsustainable production and consumption systems initiated the further development of green marketing. Sustainable phase that started since 2000 features the initiatives of specific requirements for product consumption, i.e. to have a low impact upon the environment. Marketing becomes more radical with a goal to meet full environmental costs of production and consumption in order to create a sustainable economy. Sustainability phase raises a special requirement for production and consumption: to ensure that the current material standard of living shall not be harmful to living of future generations (Peattie, 2001). In a sustainable stage, green marketing gains considerable relevance in many companies. Companies in various industries began to apply the principles of sustainable marketing: orientation toward the future, justice, and emphasis on needs (not wants) (Katrandjiev, 2016).

Analysis of the evolution of green marketing proves that this orientation has matured over the past six decades. There is no doubt that green marketing is still evolving, so there exists a probability that soon green marketing orientation will overrun the boundaries of sustainable phase.

3 The concept of green marketing

Evolution of green marketing resulted in a variety of definitions of green marketing. Some of them are provided in Table 1. Defining green marketing is a complicated task because particular meanings contradict and intersect each other.

There seem to be three important aspects of the definitions of green marketing. The first aspect links green marketing to processional thinking (Thapa, Verma, 2014). This viewpoint on green marketing involves various sub-processes that lead to the selling of products while gaining environmental benefits. A second aspect is built upon holistic thinking (Mishra, Sharma, 2014; Papadas et al., 2017). It means that green marketing can be treated as a system of various elements, i.e. consumption, production, disposal and other activities of strategic, tactical or internal types. A third aspect argues that green marketing should
have environmental benefits (Mishra, Sharma, 2014; Thapa, Verma, 2014; Papadas et al., 2017). This aspect is particularly important and requires special attention. An exceptional attention to the environmental benefits of green marketing shall be given in the analysis of benefits of green marketing.

Table 1. Definitions of green marketing

<table>
<thead>
<tr>
<th>Author(s)</th>
<th>Definition</th>
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<tbody>
<tr>
<td>A. Mahamuni, M. Tambe (2014)</td>
<td>Marketing efforts for the production, promotion and application of environmentally sensitive products</td>
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<tr>
<td>P. Mishra, P. Sharma (2014)</td>
<td>Holistic marketing concept where marketing, consumption, production, disposal of products happens in a way that is less harmful to environment with increased awareness about the impact upon global warming, harmful effect of pollutants, non-biodegradable solid waste</td>
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<tr>
<td>S. Thapa, S. Verma (2014)</td>
<td>The process of selling products based upon their environmental benefits</td>
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<tr>
<td>C. D’Souza et al. (2015)</td>
<td>Green marketing is a company’s strategic effort that intends to supply customers with green products</td>
</tr>
<tr>
<td>P. Singh et al. (2016)</td>
<td>Marketing of environmentally safe products</td>
</tr>
<tr>
<td>M. Ahmadzadeh et al. (2017)</td>
<td>Strategic effort to present organization’s eco-friendly products to customers</td>
</tr>
<tr>
<td>C. I. Lazar (2017)</td>
<td>The complex of economic methods and production means applied in organization in order to ensure the achievement of organization’s objectives without pollution and avoidance of any component that does harm to environment</td>
</tr>
<tr>
<td>K. K. Papadas et al. (2017, p. 240)</td>
<td>Organization’s engagement in strategic, tactical and internal activities and processes that have a holistic aim to create, communicate and deliver products with the minimal environmental impact</td>
</tr>
<tr>
<td>R. K. Ranjan, R. K. Kushwaha (2017)</td>
<td>All marketing activities that are taken by companies in a way that has a positive effect upon environment</td>
</tr>
<tr>
<td>I. D. Parkman, A. J. Krause (2018)</td>
<td>Marketing products as energy efficient, environmentally friendly or organic</td>
</tr>
</tbody>
</table>

Some definitions of green marketing seem to be too narrow. For example, A. Mahamuni, M. Tambe (2014), D’Souza et al. (2015), P. Singh et al. (2016), M. Ahmadzadeh et al. (2017) mention only some elements of marketing mix (particularly, product and distribution) that should be environmentally safe. According to S. Thapa and S. Verma (2014), green marketing covers only the activity of selling. C. D’Souza et al. (2015) and M. Ahmadzadeh et al. (2017) characterize green marketing solely as strategic efforts. However, the concept and scope of green marketing should be broader, as it is in traditional marketing. Definition of C. I. Lazar (2017) covers much more than green marketing practically does; such definition can be easily applied to any green operations of an organization. Definitions of R. K. Ranjan, R. K. Kushwaha (2017), I. D. Parkman, A. J. Krause (2018) do not feature the aforementioned drawbacks; however, authors fail to specify what marketing activities fall under the concept of green marketing.

Consequently, the definition that clearly indicates types of marketing activities proves to be the most favourable. However, types of marketing activities mentioned in the definition of K. K. Papadas et al. (2017) raise some doubts due to their incongruity with planning horizons (strategic, tactical, operational). Such incompatibility incites to define green marketing as organization’s engagement in strategic, tactical, and operational marketing activities and processes that have a holistic aim to create, communicate and deliver products with the minimal environmental impact. This definition suggests that green marketing is much more than a green way of traditional marketing and the concept of green marketing is applicable for various products, i.e. industrial products, consumer products, and services.

4 Dimensions of green marketing

Green marketing is a multidimensional construct. Previous research in green marketing (Chamorro, Bañegil, 2006; Gazquez-Abad, 2011; Papadas et al., 2017) identify three pillars of the concept of green marketing (Figure 2), i.e. strategic green marketing, tactical green marketing, and operational green marketing. Some definitions of green marketing (see Table 1) clearly represent one particular dimension
of green marketing (Mahamuni, Tambe, 2014; D’Souza et al., 2015; Singh et al., 2016; Ahmadzadeh et al., 2017); others demonstrate multidimensional approaches to green marketing (Papadas et al., 2017; Ranjan, Kushwaha, 2017; Parkman, Krause, 2018).

![Fig. 2. Dimensions of green marketing](image)

Strategic green marketing orientation is “the extent to which organizations integrate the environmental imperative in strategic marketing decisions” (Papadas et al., 2017: 240). At the strategic level, green marketing involves the analysis of the growth of green market, contribution towards satisfying the needs and challenges of green marketing, assessment of consumer behaviour regarding purchases of green products (Gazquez-Abad, 2011). Apart from these constituents, strategic green marketing covers goals, marketing opportunities, marketing budget, clear identification of the target market, etc. Strategic green marketing involves market environmental actions that are oriented to process and environmental actions that are oriented to market. Process-oriented market environmental actions are related to internal processes in the company, such as green logistics, eco-design, eco-packaging. Market-oriented environmental actions are initiatives in green advertising, eco-labelling (Papadas et al., 2017). According to Y. Shi and Y. Yang (2018), implementation of green marketing strategy involves decisions of starting and management green actions (1), definition of target market (2), and ways of promotion of green actions.

The tactical green marketing orientation is “the extent to which organizations embody environmental values in tactical marketing decisions” (Papadas et al., 2017: 240). This orientation refers to actions that change traditional marketing mix into a green marketing mix (Gazquez-Abad, 2011; Padhy, Vishnoi, 2015; Papadas et al., 2017). It means that the tactical dimension of green marketing has to address marketing mix.

Marketers have to form qualitative and innovative tactics to contribute well with sustainability principles throughout the elements of marketing mix. The aim of the green marketing mix is to maintain honesty, provide credibility, increase the identification of brand, and strengthen trust, transparency (Padhy, Vishnoi, 2015) and fundamentally to minimize the negative impact upon environment (Papadas et al., 2017). Apart from these aims, green marketing mix duplicates objectives of the traditional marketing mix as well. They include an increase in sales, profit, market share creation of brand value, strengthening of competitive position. In order to achieve these aims, green marketing should cover tactical decisions related to product, price, place, and promotion.

Development of a green product is a starting point for adoption of green marketing. A green product is less harmful environmentally than its direct alternative (Ku et al., 2012; Kalburan, Hasiloglu, 2018). The product should be made from used goods or recycled materials and match the needs of eco-conscious customers. The product is required to be natural, environmentally safe. For example, “Adidas” created shoes (The UltraBOOST Uncaged Parley) produced from recycled ocean plastic waste recovered from the sea. A combination of 95% plastics recovered from the Indian Ocean and 5% recycled polyester.
During products’ development and management processes, the main task of marketing specialist is to inform product designer about customer needs for green products and market-driven trends (Singh et al., 2016). Marketers are suggested to use eco-labelling, green packaging, reusable or recyclable content, renewable energy, re-examination of the life cycle of the product (Arnaud, 2017; Papadas et al., 2017; Ranjan, Kushwaha, 2017; Shi, Yang, 2018; Talebi et al., 2018). K. K. Papadas et al. (2017) suggest adopting circular economy orientation for the maintenance of value of materials, resources, and products as long as it is possible.

Price of green products is usually higher than traditional alternatives (Sharma, Iyer, 2012; Padhy, Vishnoi, 2015; Singh et al., 2016; Garg, Sharma, 2017; Papadas et al., 2017; Shi, Yang, 2018). The main reason for a higher price is related to the costs of raw materials of green products. Apart from this, the price of green products includes the costs of donations to environmentally responsible initiatives. The price of a green product has to cover not only the production costs of green product but its packaging, distribution, promotion as well. It means that the costs of a green product have to cover the costs of other elements of marketing mix. The organization needs to earn some profit too. As a result, organizations face a problem of making profits through the set price regarding costs of green marketing. Prices of “Adidas” shoes produced from recycled ocean plastic waste in April 2019 were from $100 to $250 (in official website www.adidas.com). A cursory evaluation of prices in “Adidas” website shows no significant differences between the prices of The UltraBOOST Uncaged Parley shoes and other models, however, in order to find out if the set price is higher than other alternative shoes a more thorough analysis should be performed.

Place in green marketing aims at managing logistics in a way it cuts down on transportation emissions, focusing at local and seasonal products (in order to avoid shipping of other alternatives) (Singh et al., 2016). Electronic or hybrid vehicles are appropriate to use for the distribution according to the philosophy of green marketing. K. K. Papadas et al. (2017) suggest working with channel partners that are environmentally responsible and encouraging customers to return materials that can be recycled. These actions create a greener supply chain that has a huge potential to reduce the environmental impact of company’s distribution strategy. In the case of “Adidas”, the company seeks elimination of virgin plastic from the supply chain.

Promotion is of very high importance because proper, purposeful and timely communication determines successful development and implementation of green marketing strategies. Successful promotion of green product should give clear information about the benefits of a green product to customers (Kalburan, Hasiloglu, 2018). It is advisable for marketing communication to emphasize environmental aspects, i.e. environmentally-driven modifications of a product, environmental sponsorships, tangible environmental actions (Singh et al., 2016; Papadas et al., 2017). For example, Adidas in promotion of shoes produced from recycled ocean plastic waste recovered from the sea clearly states the goal to contribute to saving oceans.

The promotion element includes not only the message that should be transferred to customers but also tools for the transfer. Such tools should also be environmentally friendly or include some elements that reduce environmental impact. For example, promotional booklets or leaflets might be printed using soy-based ink. Such ink reduces environmental impact. Companies that apply green marketing often avoid printed material at all, they use electronic media instead. K. K. Papadas et al. (2017) suggest using social media, websites, and blogs for the public dialogue about green products. These platforms can enhance the education of customers’ authenticity, openness, and exchange. Such a transition from print to online communication is useful in catching the attention of new strategic audiences. P. Singh et al. (2016) mention eco-sponsoring as a relevant tool to spread company’s green marketing initiatives. Eco-sponsoring is used to promote specific environmental concerns and to affiliate the company with projects, teams or organizations that are engaged in environmental activities.

Operational marketing is focused on the short term. In case of green marketing, it also comprises day to day operations. Traditionally operational dimension focuses mainly “on gaining the attention of the target customers and effectively completing a sale in order to generate revenue” (Keyvani, 2011, p. 7767). Green marketing maintains the attention of the target customer; however commercial benefit (effective sale completion, generation of revenue) seems to be not enough. Environmental and social values are other benefits that should drive operations of green marketing.
Strategic, tactical and operational dimensions of green marketing as a whole proceed in reaching external audiences and internal as well. Green marketing oriented towards internal audiences spreads environmental values in the organization in order to ensure a wide corporate green culture. The following actions should be employed in order to embed corporate green culture: environmental leadership, employee training, initiatives for the promotion of environmental awareness inside an organization (Chamorro, Bañegil, 2006; Papadas et al., 2017).

Conceptualization of green marketing orientation lets to explain green marketing as a set of three dimensions, i.e. strategic green marketing orientation, tactical green marketing orientation, operational green marketing orientation. The complex of these three dimensions if applied properly should assure benefits for different stakeholders.

5 Benefits of green marketing

The concept of green marketing prevails to deliver commercial, environmental, and social benefits (Figure 3). Majority of studies of green marketing (Sharma, Iyer, 2012; Anand, 2013; Mahamuni, Tambe, 2014; Mishra, Sharma, 2014; Suresh, 2014; Garg, 2015; Wymer, Polonsky, 2015; Zampese et al., 2016; Lazar, 2017; Papadas et al., 2017; Parkman, Krause, 2018; Shi, Yang, 2018; Talebi et al., 2018) emphasize commercial benefits of particular orientation. There exists sufficient evidence that proves the positive impact of green marketing upon the following aspects:

- **Strengthening relationships with customers.** Green marketing is treated as a mean to develop closer relationships with customers (Zampese et al., 2016). Close relationships have to be based on trust. As a result, green marketing strengthens customer trust (Garg, 2015).

- **Increase in profit.** Green marketing has the potential to result in increased profitability (Anand, 2013; Mishra, Sharma, 2014; Wymer, Polonsky, 2015; Papadas et al., 2017).

- **Input to the achievement of organizational goals.** Organizations believe that green marketing can be applied to achieve its objectives (Anand, 2013; Mahamuni, Tambe, 2014).

- **Strengthening of competitive advantage.** Green marketing is a powerful competitive force; it helps to maintain a continuous competitive advantage. Companies that adopted green marketing may achieve a sustainable competitive advantage over the companies that have not (Sharma, Iyer, 2012; Anand, 2013; Mahamuni, Tambe, 2014; Mishra, Sharma, 2014; Lazar, 2017; Papadas et al., 2017; Parkman, Krause, 2018; Shi, Yang, 2018; Talebi et al., 2018). In some cases, activities of competitors stimulate organizations to make changes in their marketing activities (Mahamuni, Tambe, 2014) or access new markets (Mishra, Sharma, 2014).

- **Decrease in costs.** Even if green marketing may appear to be cost demanding initiative in the short term, it will definitely prove to be advantageous, cost-wise and indispensable in the long run (Mishra, Sharma, 2014). Organizations make changes in their behaviour due to waste disposal, reductions in raw material usage (Mahamuni, Tambe, 2014). It saves money in the long run (Anand, 2013; Mishra, Sharma, 2014; Suresh, 2014; Papadas et al., 2017).

- **Enhancement of brand reputation.** Green marketing enhances brand reputation due to organizational environmental initiatives (Suresh, 2014).

Strengthening of relationships with customers, increase of profit, input to the achievement of organizational goals, strengthening of competitive advantage, decrease of costs (in a long run) and enhancement of brand reputation stimulate the development of business. Business also develops because the company gets access to the new markets.

Environmental outcomes did not gain such a vast attention in researches of green marketing as commercial benefits did. There exist recommendations to base green marketing upon proper demand forecasting, recycling products. These actions let to achieve lower resource use (Chamorro, Bañegil, 2006; Sharma, Iyer, 2012; Suresh, 2014). Researchers also mention the following results of green marketing: slowdown of global warming (Suresh, 2014), decrease of greenhouse gas emissions (Chamorro, Bañegil,
2006; Polonsky, 2011; Suresh, 2014), and decrease of pollution (Chamorro, Bañegil, 2006; Anand, 2013; Suresh, 2014). These benefits altogether result in improvement of the natural ecosystem.

Social benefits are the most uncommon in researches of green marketing compared to other types of benefits. Green marketing is entitled as a phenomenon that increases environmental awareness, improves public health and increases the life expectancy of society (Boztepe, 2012; Suresh, 2014). The increase of awareness happens mainly due to promotional activities of companies implementing green marketing orientation. Consumption of particular green products contribute to the improvement of public health and this improvement leads to the increased life expectancy of society.

Benefits of green marketing result in business development, improvement of the natural ecosystem and increased life quality. Therefore, marketers are suggested to embrace green marketing strategies.

Fig. 3. Commercial, environmental and social benefits of green marketing and their effects
6 Conclusions

This work is a relevant contribution to the development of the field of green marketing because this study has conceptualized the construct of green marketing. Results extend previous researches in the field of green marketing by providing a structured and outcome-based viewpoint to the construct of green marketing. Theoretical presumptions confirm structuration of green marketing initiatives to strategic, tactical and operational levels. Cohesive marketing activities in these levels have the crucial impact of green marketing in organizational, environmental and social contexts. Strategic, tactical and operational activities in the field of green marketing may lead to business development, improvement of the natural ecosystem and increased quality of life. According to these findings, authors suggest conceptualizing the phenomenon of green marketing as organization’s engagement in strategic, tactical and operational marketing activities and processes that have a holistic aim to create, communicate and deliver products with the minimal environmental impact, considerable commercial and social benefit.

Green marketing practices might feature unique characteristics in different contexts, so in the future it would be useful to research how strategic, tactical and operational dimensions of green marketing operate in distinct social, economic, cultural, political environments. Opportunities for future research also arise in terms of how different outcomes of green marketing orientation (commercial, environmental and social benefits) affect the performance of organizations operating in different industries.

References


