

## GREEN MARKETING STRATEGIES AND THEIR EFFECT ON THE ENVIRONMENT

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### ABSTRACT

Several studies have been conducted on green marketing and its implications on consumer behavior. This study intends to provide information on the environmental impact of green marketing. The environment, and environmental challenges, which are one of the reasons for the rise of green marketing, are discussed first, followed by an explanation of green marketing ideas. Green marketing speaks out against the manufacture, consumption, and/or disposal of items that affect consumers, society, and the environment in some way. It is critical that both businesses and consumers avoid dangerous items. In general, the marketing of environmentally friendly products and services is known as green marketing. More people are becoming concerned about the environment and are choosing to spend their money in ways that are kinder to the planet. In the first stage, I will talk about what green marketing is. In the second half, I will look at how it affects consumer behavior and the environment, as well as how I might study its effects, particularly on the environment.

**Keywords:** Green Marketing, Environmental Awareness, Green Products, Green Purchasing Behavior.

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## INTRODUCTION

*"You cannot get through a single day without having an impact on the world around you. What you do makes a difference and you have to decide what kind of a difference you want to make."*

*Jane Goodall*

Global warming has become a serious worry worldwide due to excessive amounts of carbon emissions. Every citizen in developed countries has an average carbon footprint of 11 metric tons per year (Vilkaite-Vaitone and Skackauskiene, 2019).

The significant damage done to our ozone layer due to significant amounts of greenhouse gas emissions has had a vital impact on the Earth's climate change. This includes rising sea levels, melting polar ice caps, ecosystem disruption, increased pollution, longer wildfire seasons, more severe and catastrophic natural disasters, and recurring heatwaves, which is why society is concerned about ecologically beneficial solutions.

Corporations are frequently directly responsible for enormous amounts of pollution and carbon emissions. Corporations emit both direct and indirect emissions into the environment as a result of their operations. Direct emissions are caused by the combustion of fossil fuels in factories and warehouses, whereas indirect emissions often occur within the supply chain when a product is created (Hertwich and Wood, 2018). According to the Carbon Disclosure Project, since 1998, only 100 firms have been responsible for 71% of worldwide greenhouse gas emissions that cause global warming. BP, Shell, and ExxonMobil Corp. are among these companies (Griffin, 2017). As a result of the damage done, organizations are being pressured to implement environmentally responsible and long-term societal initiatives. Adopting environmentally motivated strategies will provide firms with numerous benefits because they are also affected by the harm made by other corporate entities and society (Vilkaite-Vaitone and Skackauskiene, 2019). Businesses should use the green marketing approach to change their behaviors to lessen their negative impacts on the environment.

Green marketing is the process of promoting and selling products or services that are ecologically friendly. As more individuals become environmentally conscious, it helps build credibility, reach a new audience, and stand out from other competitors (The Balance Small Business, 2020).

The first step in green marketing is for a company to establish and practice sustainable business practices. If a company's business actions do not match its green marketing statements, it risks being characterized as dishonest, thus it must make sure it is practicing what it preaches. In green marketing, authenticity is crucial.

Investments that take a more radical, clean tech approach can reduce material and energy inputs while also lowering waste and pollution. Only one of the 181 waste reduction programs investigated by Porter and van der Linde (1995) inside 29 chemical industry plants resulted in a net increased cost, and the average annual savings (on the programs where this could be usefully measured) was \$3.49 per dollar spent.

When a company's green marketing efforts aren't backed up by major investments or operational changes, it risks being accused of misleading or false marketing. Greenwashing is a term used to describe this activity.

Green marketing as a company approach has a number of advantages. They are "appealing to a new market", "increasing profitability and brand loyalty", "responding to customer needs", "cutting down on overhead costs", and "being environmentally friendly".

## **1. GREEN MARKETING STRATEGIES AND EFFECTS.**

Here are green marketing strategies which will help us to reach the goals (Indeed, 2022):

### *Creating products that are environmentally friendly*

One of the most prominent green marketing approaches is producing sustainable products for consumers to use as alternatives to non-sustainable ones. Shampoos with fewer hazardous components that dissolving more quickly in water, as well as reusable straws and bottles of water, are among these items. Companies can gain traction in the green market by providing consumers with alternative items that help them feel better about their influence on the environment.

### *Using sustainable materials to make products*

Companies can use green marketing by manufacturing their products with environmentally friendly components. This may entail the use of recycled materials or other environmentally friendly materials, such as biodegradable product packaging. A coffee shop that utilizes compostable bags and a printing machine that uses remanufactured ink, for example, are both utilizing sustainable resources.

### *Waste management that is environmentally friendly*

The over-usage of plastic is the leading cause of pollution on our world. Estimates demonstrate that 8.3 billion tonnes of plastic have been created by 2015, with just about 9% recycled. (Geyer et al., 2017)

### *Choosing electronic marketing as a strategy*

Shifting a company's whole marketing approach to digital media is one tiny way to practice green marketing.

### *Using environmentally favorable energy techniques*

Companies that transition to renewable energy sources such as solar, wind, hydroelectric power, or geothermal electricity can reduce production costs while also helping the environment.

### *Using low-emission shipping methods*

Businesses can choose to ship things in bulk rather than individually to lessen their carbon impact, or they can give a green shipping option when customers check out.

### *Assisting in the formation of a green alliance*

Businesses can join a green alliance by pledging contributions to approved nonprofit or activist organizations that are working to save the environment in some manner.

### *Investing in community*

There are a variety of methods to accomplish this, like supporting a local recycling program or gifting sustainable infrastructure to local residents, such as solar panels or compost bins.

### *Green pricing*

If corporations charge high costs for environmentally friendly products, they must be careful to disclose specifics to show that their products are worth the money. Green product prices can rise for a variety of reasons, including greater material costs due to their quality, higher production costs due to more stringent limitations, and the internalization of environmental costs through increased taxation (Peattie and Crane, 2005).

I will mainly discuss "creating products that are environmentally friendly" and "using sustainable materials to make products" strategies later in the H&M case.

#### *1.1. Green marketing effect on consumer behavior*

Environmental changes are causing concern among customers. As a result, a growing number of buyers are opting for eco-friendly items. The term "green consumer" refers to someone who engages in ecologically friendly habits and/or chooses green items over traditional alternatives. Green consumers are more self-controlling because they believe that a single consumer can make a difference in the environment. As a result, they believe that environmental conservation should not be just the responsibility of government, business, environmentalists, and academics; consumers can also play a role. They are also less dogmatic about new items and ideas and more open-minded or accepting of them. Their open-mindedness makes it easier for them to accept green products and practices (Shamdasani et al., 1993).

Business organizations all around the world have begun to recognize changing client preferences and seek ecologically responsible marketing practices. When there is a demand for a new or different product in the market, firms will change what they offer and compete with one another to meet these demands; this also allows for new businesses to enter the market to meet consumer demand (Joyce, 2020).

As customers become more devoted to environmental action, "green products" will have a competitive advantage in the marketplace (Frankel, 1992).

Green marketing is one of the ecologically friendly concepts that, when combined with other environmental initiatives, has a beneficial synergetic effect on environmental conservation. When done correctly, green marketing may be a very effective marketing technique. Consider the following (The Balance Small Business, 2020):

- In order to lessen the environmental effect, 48% of consumers in the United States said they would definitely or probably modify their consumption habits.
- Products with sustainable qualities have steadily increased their share of retail sales, rising from 19.7% in 2014 to 22.3 per cent in 2017 and then to 25% in 2021.
- 90 per cent of millennials are willing to pay more for products made with sustainable or ecologically friendly materials.

According to a survey conducted by Duquesne University's Center for Green Industries and Sustainable Business Growth, interest in organic produce has increased by 240 per cent in the last ten years. During the same time period, the market for green construction methods has increased by nearly 1700%, while the market for traditional construction practices has fallen by 17%.

According to sales data from a prior Nielsen (Nielsen Company, 2015) survey of retail purchase statistics, companies that advertised sustainability on their packaging experienced a 2% year-

over-year increase in sales from 2011 to 2014, contrasted to 1% for those who did not. Brands that used marketing to promote acting sustainability reported a 5% rise in sales.

In this instance, it is beneficial for producers to manufacture ecologically safe items, so producers choose to adopt green marketing methods to increase the profitability of their products, which has a direct impact on the environment.

In 2009, Grail Research performed a survey of 800 green consumers in the United States. Consumers who have never purchased green products are stopped from doing so because they are thought to be too pricey, according to this study. The biggest reason why people do not buy green products is because they are too expensive (Grail Research, 2009).

### *1.2. Green marketing effect on the environment*

Bill Gates' notion of creative capitalism emphasizes that future generations' leaders are responsible not only for achieving desired outcomes but also for the effects of their decisions on factors other than their own enterprises and markets (Dunya, 2010).

The green marketing strategy has environmental benefits such as lower greenhouse gas emissions, less pollution, and a slower rate of global warming. The natural environment and ecosystem benefit from the implementation of green initiatives. In comparison to the other two categories of green marketing, social advantages are investigated the least, according to Vilkaite-Vaitone and Skackauskiene (2019). Increasing public awareness of environmental risks and pressuring firms to reduce these hazards enhances public health, which causes an increase in society's life expectancy.

Environmental activism and company advertising that adopt this technique is mostly responsible for the growth in awareness. Consumption of certain green products and services, such as organic cleaning products, helps to the overall improvement of public health. Green marketing has the potential to boost business development, the natural environment, and public health and life expectancy. As a result, businesses are being pushed to implement a green marketing plan (Vilkaite-Vaitone and Skackauskiene, 2019).

H&M, a Swedish global apparel retailer, is one company that exemplifies the benefits of sustainable marketing. H&M is a fashion retailer with around 3100 stores in 53 countries. H&M has adopted environmentally friendly initiatives such as employing environmentally friendly materials, offering safety training to employees, monitoring sustainable manufacturing, lowering CO<sub>2</sub> emissions in distribution, and marketing environmentally-friendly fashion (Shen, 2014). Global fabric use is projected to be around 30 million tons per year, resulting in significant environmental and social consequences. Some corporations, such as C&A and Adidas, seek to take advantage of lower production costs in the near term by ignoring environmental norms and standards. Companies like H&M and The North Face, on the other hand, have acknowledged the importance of incorporating green efforts into their supply chains. Because the garment sector is recognized for utilizing large amounts of chemicals, pesticides, and water in the manufacturing process, there is a demand from both businesses and customers to lower their carbon footprint. Growing consumer awareness of social and environmental issues has a direct impact on their eco-friendly fashion purchases (Shen, 2014). Consumers in the fashion sector are willing to pay a higher cost if their desires are met with sustainable fashion products, according to studies. Consumers realize that in order for the supply chain to become more environmentally friendly, more natural/reusable resources will be employed, resulting in less CO<sub>2</sub> being released

into the atmosphere, which may result in a price increase. H&M established a program called "Conscious Action" in 2009, which provided additional job possibilities in developing nations and increased the amount of recyclable materials utilized in the manufacturing process. In 2010, H&M debuted their first "Conscious Collection," which was made entirely of sustainable materials, including organic cotton and recycled polyester. (McConnell, 2021)

H&M is decreasing its environmental risks in part by providing training to its suppliers and employees. H&M's main production country is Bangladesh, where they have 163 suppliers. However, fire safety is a major worry for Bangladesh garment factories, and it remains a significant hazard. A big fire broke out in Bangladesh's Tazreen Fashion Factory on November 24th, 2012. The fire killed at least 100 individuals and injured more than 200 more, making it the deadliest factory fire in nation's history. H&M takes action to reduce dangers in the manufacturing process by providing safety training to suppliers and their staff, as well as monitoring plant compliance (Shen, 2014). Furthermore, H&M sources materials from the region in which they will be utilized, which promotes corporate development, the environment, and society. Local sourcing is stated to shorten lead times, which is advantageous for sustaining supply and demand patterns and implementing a quick reaction strategy. Local sourcing significantly decreases product waste and carbon emissions throughout the manufacturing and delivery stages. H&M's "Conscious Action" program altered the company's supply chain to be more environmentally, socially, and commercially responsible (Shen, 2014).

### *1.3. Green marketing and economy*

Waste is a by-product of economic activity, and it is produced by corporations, governments, and households. Waste is also an economic input, whether in the form of material or energy recovery. Waste management has financial ramifications for productivity, government spending, and, of course, the environment. The decisions made by businesses on how to manage disposal have an impact on their profitability. Firms can cut total costs and boost productivity by minimizing the usage of expensive raw materials, whether metal in manufacturing or paper in commerce if the advantages outweigh the costs. Optimizing the management of waste that develops can also help to cut costs. Consumer actions that result in waste have an influence not only on the environment but also on the amount of government investment required by local governments to collect and manage domestic waste. There are microeconomic themes surrounding the formulation of waste policy, in addition to the economy-wide implications of trash. Economics provides a framework for considering whether government action is acceptable, as well as what form of policy intervention is appropriate.

When the amount of waste generated is optimal, economic efficiency is achieved, i.e. the costs of lowering waste by one unit are equal to the economic and environmental benefits of having one less unit of waste. There are both costs and benefits to decreasing waste. Reducing waste, for example, by making industrial processes more resource-efficient, has benefits in terms of reduced GHG emissions and material prices. However, it is likely to incur additional expenditures in terms of the equipment and other resources needed to implement the change. Reducing waste is efficient as long as market failures are not internalized and the benefits outweigh the costs. (DEFRA, 2011)

And even only from a waste point of view, green marketing has a great impact on the economy.

## **2. BRIEF OVERVIEW OF RELATED LITERATURE**

The first study on this topic is McConnell's (2021). The interdisciplinary topics of sociology, green marketing, and environmental science are discussed in this paper. It discusses the negative effects of large corporations on the environment in terms of greenhouse gas emissions and pollution. It raises the question of whether they should change their activities to conform to green policies. This study also discusses global warming, carbon footprints, the definition of green marketing, the advantages and disadvantages of green marketing, and the benefit and opportunities associated with green marketing. He believes that corporations should implement green strategies since they will benefit not just themselves but also the environment and society in the long term. Businesses can ensure that their goods and services are delivered in a socially and environmentally responsible manner by employing the green marketing strategy.

Bin Shen's (2014) study contributes to the existing understanding of sustainable supply chains in the textile and apparel industries. On the basis of the available literature, he first displays the framework of the sustainable fashion supply chain, which includes eco-material preparation, sustainable production, green distribution, green retailing, and ethical customers. He looks at how H&M, a Swedish fast-fashion firm, built a sustainable supply chain by inventing eco-materials, giving safety training, monitoring sustainable manufacturing, lowering carbon emissions in distribution, and promoting eco-fashion. Furthermore, he claims that we can learn the lessons of H&M's sustainable fashion industry from a country perspective: (1) H&M's procurement managers may be more likely to choose suppliers in countries with lower levels of human well-being; (2) H&M's production manager may set a higher inventory level in a country with higher levels of human well-being; and (3) the H&M CEO may consider the degrees of human welfare and economic well-being.

## **3. SUGGESTED APPROACH/METHOD**

Firstly, we need to know the sequence. In the first step, companies choose to use green marketing strategies, and in this way, they affect consumer behavior. As a result of how consumers behave, companies know whether these strategies are effective for their business because even if the product is completely environmentally safe, but it is not profitable, they will not be interested in producing. So, we have to know how these strategies affect their finances. In the next step, we can examine the waste/disposal data from green companies to analyze whether these strategies have an effect on the environment. Actually, if companies implement these strategies properly, that is, they impose green marketing strategies worthily, it will definitely have a good impact on the environment.

To examine the effect of green marketing on the environment, I would use Nielsen's survey to see how consumers think about green products and how they would behave. It helps determine the demand of environmentally safe products (for ex.: are they ready to pay more for these products?). In the next step, I would use sales data from green companies to measure the effect of green marketing strategies on consumer behavior, therefore, the effect on the companies' finances. Then I would be able to know companies' willingness to use green marketing strategies. In the latter part, I would use DID (Difference-in-Differences) method to analyze waste/disposal data before and after green marketing strategies by companies. In that case, we will see how green marketing affects the environment in each region.

I would do it for each region separately because consumer behavior varies from region to region. We can unquestionably claim that developing countries' inhabitants will not behave in the same way as developed countries' people. For instance, they will not be ready to pay more for green products as US residents do. This challenge does not allow us to say that green marketing will absolutely work for all regions equally.

## **CONCLUSION**

Green marketing requires extensive research to fully realize its potential. The economic side of marketing should not be overlooked in green marketing. Marketers must be aware of the ramifications of green marketing. Green marketing should not be viewed as just another marketing strategy; rather, it should be pursued with greater passion because it has societal and environmental implications. Marketers must also educate stakeholders about the importance of green products and their benefits.

Every marketing strategy has advantages and disadvantages; however, it is the obligation of marketers to understand the long-term benefits of adapting to the environmental movement. Corporations are frequently held directly liable for massive amounts of pollution and carbon emissions. As a result of their operations, corporations emit both direct and indirect emissions into the environment. Fortunately, there are some consumers which called green consumers that are more conscious about environmental challenges, and they prefer to act socially responsible. They are trying to control their buying behavior as they think not only governments and businesses have to take responsibility on environmental issues, but also consumers can make a big difference. But as we found in this paper, consumers from different regions of the world can react to environmental changes distinctly. Especially, people in developed countries are more ready to change their behavior in front of issue than the others in developing countries.

Companies choosing to adopt new technology, change their production process, or any other green marketing strategy can receive a lot of opportunities "to appeal to a new market", "increase the profitability and brand's loyalty", "to cut down on overhead costs" and so on. They try to prove their "greenness" by obtaining certificates, and these documents let the consumer to know how green the company is. In this way, consumers make the companies to shift their production to more environmentally friendly ways.

Businesses should implement green strategies since they will benefit not just themselves in the long run but also the environment and society. They can ensure that their goods and services are offered in a socially and environmentally responsible manner by adopting a green marketing strategy.



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