

MODERN PARADIGM OF ECOLOGICAL MARKETING

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Green marketing refers to the process of selling products and services based on their environmental benefits. Such a product or service may be environmentally friendly in itself or produced and packaged in an environmentally friendly way. Advertising and promotion of such a product often makes claims of less environmental impact in terms of energy, materials, processes, or toxic substances [1, 2].

Firstly, we should identify what is green product. There is no widespread agreement on what exactly makes a product green. Some general guidelines include that a green product:

- does not present a health hazard to people or animals;
- is relatively efficient in its use of resources during manufacture, use, and disposal;
- does not incorporate materials derived from endangered species or threatened environments;
- does not contribute to excessive waste in its use or packaging;
- does not rely on unnecessary use of or cruelty to animals.

Other favorable attributes from the green point of view are the incorporation of recycled materials into the product and the product's own recyclability. For example, Samsung Electronics' products have been recognized for their eco-friendly design and technology, achieving eco-labels in many markets around the world. Below are some examples of Samsung's eco-labeled products.



Figure 1. Samsung's eco-labeled products [3].

Secondly, it is necessary to define what stands for ecological pricing. On the one hand greener pricing decisions are based on the premise that goods and services associated with greater environmental damage should cost more. But on the other hand ecological products cost more. Several recent studies indicate that people are willing to pay up for environmentally friendly products and services:

- an IBM survey reveals that the majority of consumers in developed nations are willing to pay more for eco-friendly energy;
- a study by Accenture indicates that nearly two-thirds of people would be willing to pay a premium for products and services that produce lower greenhouse gas emissions;
- A Wells Fargo/Gallup Small Business Index poll found that 43% of business owners believed their customers would be willing to share the added cost of being environmentally friendly. Two-thirds of the business owners said that they would pay more for environmentally friendly goods and services for their businesses [4].

As a result, we can make a conclusion that customers are ready to pay more for green products.

Thirdly, we should analyze green promotion as part of ecological marketing. Perhaps no area of green marketing has received as much attention as promotion. Most buyers are influenced by advertisement that reflects a company's commitment to environment [5].

Companies that do green advertisement that tend to portray an image of environmental friendliness, influences their customer purchase decisions. Consumers love to associate themselves with companies that are environmental stewards. When a company communicates this through their advertisements, promotions, publicity and corporate social responsibilities, they are sure to get many loyal customers.



Figure 2. Advertisement of ecological products

Green promotion is a great tool which can be used efficiently by ecological companies. Environmental certification or labeling programs attempt to increase consumer awareness and knowledge of environmental issues. Marketers use eco-labels to convey information about a product's environmental benefits and to differentiate among competing products.

While green marketing is growing greatly as increasing numbers of consumers are willing to back their environmental consciences with their dollars, it can be dangerous. The public tends to be skeptical of green claims to begin with and companies can seriously damage their brands and their sales if a green claim is discovered to be false or contradicted by a company's other products or practices. Green marketing can be a very powerful marketing strategy though when it's done right.

References:

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