

# A Study on Sustainable Marketing Strategy to Target Green Consumers

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**Abstract-** This article discusses the emerging research concerned with sustainable development to target green consumers. Until somewhat recently; marketers have thought consumers to be basing their product decisions upon two factors: function and emotion. Recent awareness about the environment has caused the emergence of a third dimension -- opinions about the social responsibility of the product and/or company. Overall, an organization achieves market-based sustainability to the extent that it strategically aligns itself with the market-oriented product needs and wants of customers and the interests of multiple stakeholders concerned about social responsibility issues involving economic, environmental, and social dimensions. At some point it is assumed that consumers will buy largely on the basis of whether or not the company at hand has a commitment to environmentally responsible practices. In an effort to adapt to a changing market and potentially gain a competitive advantage, businesses need to begin responding to the needs of this emerging target market. While the studies on these new consumers are still in their infancy, how can marketers develop and implement a solid sustainable marketing plan? This article reviews and synthesizes prior research in the field of marketing and sustainability to reveal important and meaningful information on how to develop a sustainable marketing strategy.

**Keywords**— sustainable marketing, green marketing, marketing mix, sustainable value, marketing strategy, competitive advantage

## I. INTRODUCTION

Increased concerns about the environment have caused many people to re-evaluate the decisions they make on a day-to-day basis. These changing attitudes towards a “greener” value system have prompted the customer to question with whom they are currently doing business and favor organizations that operate in an environmentally sustainable manner. Many recent global studies suggest that customers, employees, and investors prefer companies that are “perceived to be socially and environmentally responsible” (Charter 6). It is clear that the value systems of customers are changing. However, the question remains, how can organizations alter their current marketing strategy to accommodate these changing customer attitudes?

As stakeholders’ values continue to change, there is an immediate need for organizations to develop a more sustainable marketing strategy. Building and implementing a sustainable marketing strategy, however, can pose a challenge for marketers. While marketers may be well-practiced in researching consumer needs and expectations, attitudes on sustainability are still somewhat of a moving target (Charter 18). The purpose of this paper is to review recent prior research on the topic of sustainable marketing and to synthesize information across these sources for similarities and differences in findings. Recognizing and outlining trends amongst prior research will reveal new and meaningful developments in marketing strategy.

Examining how market strategy will need to change with the onset of this added consumer value is of great importance to pursue. Without this knowledge about consumers, businesses may struggle to maintain their customer base with the changing market values. Understanding the new needs and

expectations of customers is important to market environmental products and services efficiently and effectively. Some large market research companies predict that market pressures towards sustainability will have the potential to greatly alter the productivity and profitability of organizations. Eventually, they suggest that a time will come where sustainability becomes fundamental to brand choice, and as a result, necessary to compete successfully in the marketplace (Responsible Marketing par.1).

## II. BACKGROUND

Concern about the environment and corporate social and environmental responsibility is not altogether new. Throughout the past five decades consumers have been taking notice of the effects of environmentally irresponsible business practices. In the 1970’s, customers scrutinized a handful of industries (such as cars and chemicals) for their pollution and resource overconsumption. Concerns widened in the 1980’s when consumers sought environmental responsibility from household products, cosmetics, tourism, and food industries. Consumers focused on such products as aerosols, cars, and detergents. It was during this time that companies began to recognize the emergence of the “green consumer” and consequently, a new target market. The 1990’s brought an emphasis on not only environmental responsibility, but also the more holistic outlook of sustainability. Impacts of globalization triggered businesses to begin focusing on Corporate Social Responsibility (CSR) (Charter 6).

People perception towards green or ecofriendly products also play important role. There has been a change in consumer attitudes towards a green lifestyle. Organizations and business however have seen this change in consumer attitudes and are

trying to gain an edge in the competitive market by exploiting the potential in the green market industry (Jacob,2012). Author attempts to analyze the usage of eco-friendly products among customers with different age groups and educational qualifications. This paper finds that the young generations are more inclined towards the use of eco-friendly products as compared to the middle or senior age groups and also finds that there is a statistical difference between the educational qualifications of high school students and professional people. Therefore, more awareness towards eco-friendly products is need to be created across the various age groups and educational qualifications. (Amanpreet, 2017)

Sustainable development and CSR have continued to push to the forefront of business agendas. With each passing year, more businesses are introducing products and services that are environmentally responsible in an effort to earn a place in this emerging market (Charter 6). Some companies that have migrated towards sustainable operations and marketing include: 3M, Johnson and Johnson, Hewlett Packard, Apple, Toyota, Nike, General Electric, and Samsung. These, to name a few, fill the top 25 spots on Interbrand's "Best Global Green Brands of 2011" (Interbrand).

### III. PURPOSES OF GREEN MARKETING

Sustainable marketing is a method companies use to reach an environmentally conscious target audience. Sustainable brands highlight their eco-friendly practices to increase brand loyalty and impact the purchasing decisions of green consumers (customers who value green products and services).

Eco-friendly practices a company might employ include pairing their waste disposal with a [recycling](#) program, making the switch to renewable energy, and sourcing renewable materials for manufacturing processes. Adopting these and other practices— "going green"—can help companies achieve environmental sustainability, an achievement that green marketing can highlight for potential or current consumers.

#### 3 COMPONENTS OF A GREEN MARKETING STRATEGY

A green marketing strategy's success depends on a company's willingness to make real changes to its production methods and business practices. Here are three aspects of a green marketing strategy a business must consider or address in some way to use this type of marketing plan:

- 1. Claiming social responsibility: In claiming corporate social responsibility for past transgressions and establishing initiatives to adopt eco-friendly practices, a company can take its first steps toward [sustainability](#). Even a company that has had a negative impact on environmental issues, such as pollution or the destruction of natural resources, can rebrand to better connect with a green consumer base.
- 2. Manufacturing eco-friendly products: A company can promote the sustainable products they create locally using locally sourced materials. This strategy can encourage [customer loyalty](#) in two ways. First, the company's investment in the environment will

earn them brand-conscious consumers. Second, locally sourced products can boost nearby economies and create jobs.

- 3. Promoting sustainable business practices: When companies go to extreme lengths to combat climate change, it incentivizes certain consumers to choose their products over less sustainable brands. Some common incentives include a brand's use of sustainable packaging, donations to charitable causes, or the use of recycled materials in their products.

#### PROS OF GREEN MARKETING AND SUSTAINABLE BUSINESS PRACTICES

Here are three ways a green marketing campaign might benefit a company and encourage it to continue reducing its impact on the environment:

- 1. Identification of new and renewable resources: Moving away from traditional, nonrenewable resources and [fossil fuels](#) forces companies and industries to find creative alternatives. Although such a transition might temporarily reduce production, scarcity can lead to innovation, which can lead to finding more profitable processes that have less impact on the global environment.
- 2. Increase in brand loyalty and conversions: Companies selling goods or services that appeal heavily to the Lifestyles of Health and Sustainability market demographic (or LOHAS) might experience an increase in sales and customer loyalty after adopting green practices and employing a green marketing strategy.
- 3. Reduction in overhead costs: Renewable manufacturing processes can reduce a company's required use of utilities, such as water and electricity. As its green production strategy progresses, a company can become more self-sufficient and spend less of its overhead budget on utility bills..

#### THE "MARKETING MIX"

The term "marketing mix" was originated in the 1960's when Neil Borden identified twelve "controllable marketing elements that, properly managed, would result to a „profitable business operation“" (Constantinides 408). Later, Jerome McCarty condensed these twelve elements into four simple elements: product, price, place, and promotion (affectionately called the "4P's Marketing Mix framework"). To this day, the 4P's is considered "the toolkit of transaction marketing and archetype for operational marketing planning" (408). The 4P's is considered the "controllable parameters" used in marketing to influence consumer decisions (408).

#### IV. METHODOLOGY

Databases such as EBSCO Host, Academic Search Complete, and Business Search Complete as well as individual journal websites were searched for recent articles and reports on the topic of sustainable marketing. Keywords included sustainable marketing, green marketing, marketing research, marketing mix, 4P's, product, price, place, promotion, sustainable value, marketing strategy, and competitive advantage. Additionally, works cited of recovered articles

were used to generate more relevant articles. To be included in this review, the documentation must have been related to business plans, agendas, or strategies that aim to create and market a more sustainable business model.

## RESULTS

A few articles/reports were uncovered by using the aforementioned search criteria. The information from these documents were analyzed and synthesized for patterns and trends in information. All publications in some way used product, price, place, or promotion as a means of categorizing considerations and methods into an overall sustainable marketing strategy. Thus, the results of this review are categorized using the traditional elements of the marketing mix, namely the “4P”s.”

This study would like to explain conceptual green marketing and its role as a source sustainable competitive advantage in industrial revolution 4.0. The environmental issue is a sizzling topic nowadays as almost every country’s government and society has started to be more aware of these issues. Plus, there is currently a phenomenon of industrial revolution 4.0 which demands business practices to be more consumer-oriented. Public concern over environmental damage has made marketers know the needs and value of environmentally friendly marketing, namely green marketing, which is a new strength to create a sustainable competitive advantage. This study is a library research gathering and analyzing information from related references and theories, which have become the basic foundation and sources in analyzing problems in this research. This study seeks to offer Green Marketing ideas as the latest approach in dealing with various business threats. The results show that green marketing able to encourage companies to prepare themselves faster and better, the definition of green marketing has changed over time according to the growing relevance of environmental sustainability.

### 1. PRODUCT

On the subject of reinventing marketing towards sustainability, “product” is probably the most studied element of marketing mix. This is likely because products and services are the basis for determining price, place, and promotion. Product is also the element that is received by the public and is most scrutinized as a result. Of the six articles reviewed, five indicate that it is necessary to change product development to be environmentally responsible.

While this subsection focuses mainly on product development, sustainable marketing expands beyond goods to services as well. Service industries have the opportunity to become more sustainable by “demonstrating their environmental concern in their use of energy and physical supplies and to contribute to conservation causes” (Kotler132). For instance, a number of resorts are positioning themselves as “ecotourist” establishments that concentrate on providing a nature experience and operate in a way that lessens environmental impact (Polonsky).

Should a company choose to advertise a single product as environmentally friendly, it is assuming the risk of increased scrutiny on all other market operations as well as the social and environmental responsibility of the company as a whole

(Charter 6). “Companies that learn how to develop more sustainable products and business models that support them will gain a significant market advantage” (Nasr 16). In order to do this, companies need to re-evaluate their entire consumption system to extend the product lifecycle (Charter 6). Extending the product lifecycle can occur in a number of ways including repairing, reconditioning, remanufacturing, reusing, recycling, and reducing (Prakash 286).

Remanufacturing or “closing the loop” has become increasingly important to validate environmental responsibility in the eyes of the consumer. Whereas industrial systems traditionally evaluate what is needed to meet customer demand, a more sustainable approach, “analyses all of the material and energy flows necessary to meet the demand, including the return of waste flows to the environment” (Nasr 15). Product remanufacturing needs to be implemented, replacing the current product sales model, which retires products at end of market life rather than “disassembling, cleaning, inspecting, repairing, replacing, and reassembling the components of a... product... to „as-new“ condition” (16).

Considerations involved in “design for remanufacturing” include: design for disassembly, design for many lifecycles (durability, reliability), modular design, and product support (Nasr 15). Alongside product development, packaging design should also be carefully developed (Kotler 133). Questions for sustainable packaging include: Is packaging necessary? Is it biodegradable, natural, reusable, or recycled (Charter 22)? While remanufacturing and sustainable packaging are important goals towards sustainable product development, they cannot be reached unless change occurs at every step of the product development process (Nasr 15).

### 2. PRICE

Price is a “key element of the sustainable marketing equation” (Charter 23). Traditional economics models have not included environmental and social costs as a portion of the total cost of a product or service. This is changing, however. Government legislation has begun to force accountability for environmental irresponsibility in the form of increased costs, which are often passed along to the consumer. Carbon taxes, for instance have been put in place to punish companies that continue to release excess amounts of pollution into the atmosphere. As a result, these irresponsible companies are being forced to pay the price for the external costs of pollution. The benefit of this is that “if the Government increases the relative price of non-green products, it may encourage the purchase of more beneficial substitutes” (Charter 23).

There are many other ways that companies and legislation has controlled pricing on green or non-green products and services in an effort to stimulate sustainability. Five of the six articles reviewed recognized that changing price is important to a more sustainable marketing strategy. Some include partnership pricing, green tariffs, alternative pricing, and demarketing (Charter 24).

Demarketing is one way that companies are making responsible marketing decisions for the sake of sustainability. In short, the goal of demarketing is to decrease over-consumption of a product by raising prices or reducing access or distribution (Medway 125). In a study explained in the



Journal of Marketing Management, thirteen interviews were conducted with “place-marketing practitioners” to understand the primary rationales for demarketing places. The study showed that the main reason for demarketing was “sustainability of the place product”. Companies have implemented demarketing strategies for the purpose of making their product/service more sustainable through managed visitor numbers. “Even though some places would benefit financially from more visitors, those responsible for their management recognize that there may be adverse effects on the place product with consequent implications for the place „brand”” (129).

### 3. PLACE

In terms of sustainability, “place” is likely the least represented of the four elements of the marketing mix. While few of the articles reviewed argued a need to manipulate the place element, only two articles identified specific considerations in the physical distribution, wholesaling, or retailing of products and services. Both articles advocate the “localization” of the production and distribution systems to lessen the environmental impacts of moving goods (Kotler 133). In general, localization is important to the green consumer because of both its environmental as well as its economic benefits. To improve sustainability retailers and marketers can review suppliers, manufacturers, transport, and distribution channels for their proximity, conservation efforts, and overall “commitment to sustainable practices.” Within the retail establishment, managers can improve upon energy efficiency, waste management, and recycling efforts (Charter 25).

### 4. PROMOTION

Promotion of sustainability can occur on two levels. Individual products can be promoted and the company as a whole can be promoted for sustainability. Since launching a sustainable product almost always prompts a response from customers to observe the company-wide sustainable practices, companies should develop a communications approach that demonstrates sustainability on both levels. Promotion is an incredibly important aspect of the marketing mix in that it communicates the company’s sustainability efforts (in product, price, and place) to the customer. Of the articles reviewed, few articles indicated that it is important to alter promotion in a sustainable marketing strategy. (Smith 2012) The current study identifies emerging marketing strategies that are influencing Millennials’ awareness of environmentally preferable products and also impacting their consumption behavior. Specific symbols and terms are identified as being effective in conveying the green message. An article in the Journal of Cleaner Production states that promotion is largely underutilized as a means of marketing. Specifically, the article discusses how ecolabels have not been positioned correctly as a promotion tool, rather they have acted as a policy instrument, falling under the category of product. While ecolabels are used as a specific example, the authors argue that green marketing needs to move towards an emphasis on all elements of the conventional marketing mix (price, place, and promotion, not just product) to gain a competitive advantage (Rex 573). This study would like to explain conceptual green marketing and its role as a source sustainable competitive advantage in industrial revolution 4.

0. which is a new strength to create a sustainable competitive advantage. This study seeks to offer Green Marketing ideas as the latest approach in dealing with various business threats. (Ika, Muhammad)

In addition to ecolabeling, promotion can include areas such as campaign development, advertising, sales promotion, publicity, and personal selling (Rex 572). When developing a campaign marketers must consider research on the target market, the balance between corporate and product-level communication, labeling, the use of environmental terms and the consumer’s familiarity with them, and the printers’ and designers’ knowledge of sustainability issues. Promotional media may include media advertising, literature, public relations, direct marketing, and tradeshow (Charter 27). Each media has its own set of questions that are answered by identifying the needs, wants, expectations, and interests of the green consumer. For instance, direct marketing may be completely shifted to an online marketing strategy, replacing traditional printed promotions. This would reduce costs for paper, ink, and distribution as well as appeal to the target market, which recognizes and appreciates these considerations (Kotler 133).

### DISCUSSION

This review of prior research has revealed a number of meaningful findings about how to develop a sustainable marketing strategy that effectively reaches the green consumer. Through this research, it is overwhelmingly apparent that a holistic approach must be taken in order to develop and implement a sustainable marketing plan. Every article in this review recognized that consideration and change towards sustainability must be present at all steps of the marketing mix. Product, price, place, and promotion should each be reevaluated and improved upon to create a more sustainable business model that can then be promoted as such. Product lifecycle development has received particular concern for improvement from stakeholders. A conclusion that can be drawn from this is that people are beginning to look beyond the present to future sustainability efforts. Thus, the companies that are the most proactive in R&D and sustainable product development will likely steal the competitive advantage.

This synthesis of prior research has also revealed that customers are increasingly interested in a company’s commitment to sustainability at both a product/services as well as a company-wide level. Most of the articles reviewed indicated that a company should develop an approach that addresses corporate and product/service communication.

### CONCLUSION

This review of prior research has uncovered a number of important findings on the topic of sustainable marketing strategy development. The conclusions above are of great importance to business owners, who might find difficulty in adjusting to the added green values of consumers and seek to “add an environmental dimension to their profile” (Kotler 133). This review offers many specific considerations from valued sources on how to develop and implement a sustainable marketing strategy, which is becoming increasingly important to compete in today’s marketplace.

While this review covers a wide range of marketing elements, it does not indicate which tactics have been found to be most effective. Further research may include case study examples, which demonstrate the most widely effective sustainable marketing methods. This research would offer companies not only confidence in implementation, but also a benchmark with which to compare their results.

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