Concept of green marketing in environment conservation: A literature review

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Abstract

The concept of green marketing mix is as well as the conventional marketing mix refers to the satisfaction of customer needs, wants, and desires related to the maintenance and preservation of the environment. Consumers interest in environmental care creates opportunities for companies to apply green marketing and to increase sales. Green marketing becomes an alternative strategy helps the company’s image, adds value to the company’s business, even consumers demand green choices and will to pay higher prices. The marketing strategy includes the company’s external and internal factors. The marketing mix strategy is the basic idea and generic function of marketing which consists of product, price, place, and promotion elements to shape the occurrence of sales. Developing the concept of green marketing mix (green marketing mix) is inseparable from the traditional 4P concepts (product, price, place, promotion), except a number of additional component are closely related to the intent of green marketing itself and other very influential things. The implementation of a green marketing strategy requires a fundamental, comprehensive and integrated approach in all functional aspects of marketing, including the overall marketing mix, such as product design, pricing, location and promotion.

Keywords:
Green marketing, marketing, strategy, environment

1 Introduction

Public awareness in various parts of the world about the importance of preserving the environment is increasing. The occurrence of global warming has made people to be more careful about using various products concern to the increasing level of global warming (Singh, 2012). Natural conditions have undergone climate change so it has an impact on changes in environmental conditions caused by human activities are not sensitive to environmental issues. Until now, the waste problem is still an unresolved problem because of the increasing amount of waste and the amount of waste is difficult to recycle (Guo et al., 2021).

One of the hard-to-recycle waste is plastic. Plastic has become a part of human daily life, its attractive packaging design and versatile functions are one of the reasons why plastic is favored by the public (Ncubé et al., 2021). However, many questions arise about plastic which is safe to use as food and beverages containers. As one alternative is to use environmentally friendly products, in this condition, what is called green marketing emerges.

Green Marketing is a term in marketing science became popular in the early 1990s. Especially since the emergence of a book titled "Green Marketing" by John Grant made the business world increasingly sensitive to the environment. Consumers' interest in environmental awareness creates opportunities for companies to apply green marketing and to increase sales. Green marketing then becomes an alternative strategy not only helps the company’s image, but also adds value to the company’s business, even consumers demand green choices and are willing to pay higher prices (Dangelico and Vocalelli, 2017). However, the concern of marketers to plunge into the world of green marketing is none other than because marketers feel their target market is not yet environmentally oriented, is why the growth of environmentally friendly products seems slow (Chekima et al., 2016).

Green marketing should be seen in a broader context. Green marketing is not just about offering environmentally friendly products to consumers but also includes how the production and distribution process of the production. Logically, green products are made based on green production processes as well. Therefore, green marketing is necessary for companies produce goods using raw materials related to the environment (Eneizan et al., 2016). For example, companies produce paper, batteries, plastics, metals and so on. In non-production activities, companies can also do something cares about the environment, for example the use of solar renewable energy which means it can save the use of energy comes from the earth.

The concept of green marketing mix is the same as the conventional marketing mix, which refers to the satisfaction of cus-
Green marketing is the marketing of products that are considered safe for the environment (Satyro et al., 2017). Thus green marketing incorporates a broad range of activities, including product modifications, changes in production processes, changes in packaging, and modifying advertising. Green marketing is defined as marketing's response to the environmental effects of the design, production, packaging, labeling, use and disposal of goods and services (Shabbir et al., 2020). So what is called green marketing covers many aspects before the product is offered to consumers as a green product. Other terms are often equated with green marketing are environmental marketing and ecological marketing.

2. The development of the green marketing concept

2.1 Environmental awareness

In the late 1960s the United States (US) started the modern environmental movement and became a world leader for environmental reform (Taylor, 2016). In the US, it turned out the ecological movement of the 1960s was able to increase public attention and awareness of the environment. This movement succeeded in creating "the Council on Environmental Quality" (CEQ) and "the Environmental Protection Agency (EPA)" in 1970 and produced a lot of laws related to the environment in the 1970s (Hecht, 2018). This was the beginning of strong regulation in response to the "bad reputation" of industries in the US lacked respect for the environment. Society in the US chose to blame industry for the nation's environmental problems.

The pro-environmental movement emerged in continental Europe much later than in the US. In the late 1970s the Green Party was formed in Germany. In general, it was only in the 1980s the public in Europe began to pay attention and take action on environmental issues (Mol et al., 2020). The emergence of the Green Party meant politicians had begun to bring environmental issues into politics. The Green Party then sprung up in other countries in Europe, which meant more and more politicians were bringing environmental issues into the political arena in Europe (Lauber, 2019). Such a situation is a major factor in the "hihau revolution" in Europe. From the 1990s until now the environment has become an important issue in most countries in Europe, including in countries are reluctant to discuss environmental issues such as Great Britain and Italy. Europe also established the European Environmental Agency, similar to the EPA in the US, with its headquarters in Copenhagen, the capital of Denmark. In general, the United States has stronger legal standards, strict enforcement policies and a better infrastructure for public participation in environmental decision-making than Europe.

2.2 Green marketing terms

Green marketing is the marketing of products that are considered safe for the environment (Satyro et al., 2017). Thus green marketing
Green marketing products sold by companies are generally able to provide profits to the company. In developed countries green marketing is more acceptable to consumers even though the price of green products sold is relatively more expensive. Perception of many business leaders is green marketing can provide profits for the company (Cronin et al., 2011). In 1989, a Gallup poll of 500 top executives according to Fortune magazine found 58 percent of them stated their customers were willing to pay more for environmentally friendly products such as packaging or recyclable components. Examples of the benefits or advantages gained by consumers in terms of using green products as contained in Table 1 (Ottman, 1996).

### Table 1: Benefits of using green products

<table>
<thead>
<tr>
<th>Product category</th>
<th>Consumer perceived benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>CFL bulb</td>
<td>Price savings, longer usage</td>
</tr>
<tr>
<td>Hybrid car</td>
<td>No noise, fuel efficient, status</td>
</tr>
<tr>
<td>Natural cleanser</td>
<td>Salvation, peace of mind</td>
</tr>
<tr>
<td>Organic products</td>
<td>Safety, better taste</td>
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<tr>
<td>Car sharing</td>
<td>Convenient, saves money</td>
</tr>
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In green marketing, although producers have more of a role in realizing green products, it can all be in vain if it is not supported by the wider community. Often the consequence of green products is a relatively higher price so consumers are reluctant to buy them. For example, car manufacturers Toyota and Honda have produced hybrid cars are environmentally friendly and have been marketed to consumers. Research costs cost billions of dollars inevitably make the selling price of hybrid cars expensive so hybrid cars do not sell well in the market. The question often arises from manufacturers is whether the company can make a profit from green marketing? Philips light bulb manufacturers are able to prove their energy-efficient lighting products are successful in the market even though they are quite expensive. This can happen because consumers are looking for more efficient lights to reduce the cost of electricity bills and also limited electricity power in their homes.

The higher price of green products also occurs in continental Europe and the US. The typical higher price of green-oriented products in Europe and the US is a reflection of the additional costs of modifying production processes, packaging and waste disposal processes. Another reason for the higher price of green products is the perception of consumers paying more for green products. A survey indicates consumers say they pay 7-20 percent more for environmentally friendly products (Bohdanowicz, 2006).

Green marketing activities can occur at three levels in the company: strategic, quasi-strategic and tactical (Polonsky & Rosenberg III, 2001). In strategic green marketing there is a substantial fundamental change in corporate philosophy. For example, a car wash company uses recycled water and a sealed wash bay. The quasi-strategic level of green marketing involves substantial changes in business practices. For example, to reduce water consumption, many hotels have asked hotel guests to place their towels on the bathroom floor or in the bathtub if they wish to wash them. In tactical green marketing, there should be changes in functional activities, such as promotion. In the dry season, water managers can use promotional campaigns to encourage consumers to be more water efficient.

In the US, the Industrial Designers Society of America (IDSA) gives a special award called IDEA (Industrial Design Excellence Award) to companies have excelled in ecoinnovative product design. The list of IDEA Award winners can be seen in the following Table 2 (Ottman, 2011:19).

### Table 2: List of IDEA award winners

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### 3 Green marketing mix

Developing the concept of green marketing mix, inseparable from the traditional concept of 4P (product, price, place, promotion) except with a number of additional components are closely related to the purpose of green marketing itself and other very influential things. Marketing mix as a combination of four variables or core activities of the company’s marketing system, namely products, prices, promotional activities, and distribution systems (Naiabho et al., 2020). These activities or various elements of the marketing mix need to be combined and coordinated so the company can carry out its marketing tasks and programs as effectively as possible.

The concept of a green marketing mix was first introduced by Bradley in the late 1980s (Bradley, 2005). Other researchers identified some aspects of the green marketing mix, for example, Prakash (2002) describes how products are greened. Polonsky and Rosenberg (2001) explain how prices are greened. Kaur et al. (2022) describes how promotion and place/distribution are greened. However, these researchers only touched on specific areas and concentrated more on other things in their studies, and this is one possible explanation why there is a theoretical gap, no single researcher explored how the green marketing mix, but the green marketing mix is often practiced and proposed by consultants.

#### 3.1 Green product

Product is a complex property, both palpable and intangible, including packaging, color, price, company performance, and retailers accepted by buyers to satisfy wants and needs (Yuliantie, 2021). What makes a product environmentally friendly has become a serious debate between environmentalists, government officials, manufacturers and consumers. Is it enough the material or product is perceived environmentally friendly, other consumers were skeptical because the product promoted environmentally friendly did not in detail inform the criteria for environmentally friendly products (Polonsky & Rosenberger III, 2001). Other research identifies the effect of green information on products varies widely.

Green products are products are not harmful to humans and the environment, are not wasteful of resources, do not produce excessive waste, and do not involve cruelty to animals (Nia et al., 2018). Green product is a product is designed and processed in a way to reduce effects can pollute the environment, both in production, distribution and consumption (Sdrolia & Zarotiadis, 2019). Environmentally friendly products are products are produced safe for consumption and do not have a negative impact on the environment (Borin et al., 2011). Companies produce environmentally friendly products also develop environmentally sound product responsibility in order to have a big influence on competitors.
In essence, green product is an effort to minimize waste during the production process while maximizing the products made while meeting environmentally friendly requirements (Rosen & Kishaw, 2012). Green product itself must have a durable product quality, in the sense it is not easily damaged, does not contain toxins, is made from recyclable materials and has minimalist packaging. Product quality as above still uses energy or resources produce emissions during the manufacturing process, therefore, a green product is where a product has the least possible impact on the environment, which must be considered from the product is about the price, quality, convenience and availability of the product. Consumers will pay more for green products. Prices are more expensive than the predetermined average price can only be sold by adding value to the product. Many people think the effectiveness of green products will be reduced from ordinary products. Assurance of product quality is fundamental and must be communicated convincingly. Quality is assessed by several features including performance, appearance, feeling, comfort and durability of a product.

### 3.2 Green price

Price is the value of goods and services measured in money. Based on this value, a person or company is willing to release goods or services owned to other parties. In a company, the price of a good or service is the determination of market demand. Prices can affect the company's competitive position. Pricing decisions should never be made by chance. In general products, a price decrease can increase sales, while in products carry a prestigious image, a price increase will increase sales because a high-priced product will show one's achievements. Price is the most valid information as an indicator of the quality of a product (Imkamp, 2018).

Furthermore, price is an important element in the marketing mix, most customers are willing to pay a premium price if there is an additional perception of product value. This value can be increased performance, efficiency, design, visual appeal and taste or due to other features of green products such as longer life expectancy and harmlessness (Mahmoud et al., 2017). But most importantly the green price should be reasonable and competitive. Green products have higher initial costs but low costs in the long run (Polonsky & Rosenberger III, 2001). Green price is the amount of money spent by consumers to get green products (Dabija et al., 2018).

Most consumers are willing to buy at a higher price than the usual price if the product they buy has more points when compared to ordinary products. Consumers’ desire to pay a certain amount of money for environmentally friendly products is more due to their concern about environmental problems (Shahsavar et al., 2020). This acceptance of a premium price factor for environmentally friendly products is what is often defined as green pricing. Environmentally friendly products are often cheaper when product life cycle costs are considered. Examples include vehicles are fuel efficient, or products do not contain toxins (J. A. Ottman et al., 2006).

### 3.3 Green place

Location includes company activities to provide products to target consumers (Ngugi et al., 2020). For product provision, the interaction between product providers and customers consists of 2 interactions, namely, customers come to product providers, product providers come to customers or customers and product providers transact business over long distances. Place reflects the activities of companies make products available to target consumers. Part of the distribution task is to select the intermediaries to be used in the distribution channel who physically handle and lift the product through the channel. Environmentally friendly distribution channels are a process of distributing environmentally friendly products do not have a negative effect on the environment and can prevent excessive air pollution by opening branches throughout Indonesia (Coelho et al., 2020). Sellers who want to achieve success in selling environmentally friendly products must position their products widely in the market so they can be recognized by the wider community because few customers really only want to buy products based on environmental friendliness alone (Joshi & Rahman, 2015).

Changes in the competitive environment and the pressures faced by organizations, then a synergy must be built by combining the company, distribution channels, and flexible technical capabilities (Kozlowski & Ilgen, 2006). Several previous studies have shown the development of quality channel relationships is the result of synergies built between the company's capabilities and company resources and expertise rooted in the concept of product marketing channel success.

The purpose of the concept of quality distribution channel relationships is to direct marketing management to serve the company's marketing channels as colleagues or business partners. This is in line with the opinion about marketing channels are an absolute requirement for every money activity aimed at marketing, offering products and brands for every company (Kotler, 2003). The quality of channel relationships is seen as very important in the distribution relationship process, where an important asset in distribution is maintaining relationships between suppliers and customers (La Rocca et al., 2019).

Intensive distribution reduces the time customers spend searching for stores and traveling from store to store, provides a convenient place to make purchases, and makes it easier to get product-related services. As distribution intensity increases, customers have the time and space to recognize the value of a product (Timonina-Farkas et al., 2020). The increase in product value is mostly contributed by the decrease in the sacrifice customers make to obtain the product. Increased value like this will increase the likelihood of customers making choices, customer satisfaction, quality appreciation, brand loyalty, and increased brand equity.

### 3.4 Green promotion

Promotion is one part of the marketing mix has a big role. Promotion reflects activities communicate product advantages and persuade consumers to buy them. So, this promotion is a component used to provide and influence the market for the company's products. Promoting a product and service to gain market can be done by advertising, public relations, direct marketing sales promotion and on-site promotions. Smart green product sellers will be able to emphasize the credibility of environmentally friendly products by using sustainable marketing as well as communication tools and practices in other words, green promotion is the process of introducing environmentally friendly products to the public with various environmentally friendly actions (Geap et al., 2018). Companies have concern for consumers and the environment will apply sustainable communication intensively in increasing public understanding of the green products they sell (Nguyen et al., 2019).

Many retailers have also begun to recognize the need for commitment to the environment by promoting the use of eco-friendly bags instead of plastic bags. Terms such as phosphate free, recyclable, refillable ozone friendly, and environmentally friendly are something is most often socialized as green marketing. The key to successful green marketing is credibility. By not over-exaggerating the environmental advantages of the product or forming unrealistic expectations in customers, communication about environmental advantages is sufficiently done through trustworthy figures (Braga Junior et al., 2019).

Green promotion means to transmit real environmental data to consumers relate to the company's activities (Geldermaan et al., 2021). Companies need to develop an integrated communic-
tion approach engages certain aspects of the company and specific products on environmental and social responsibility issues. The strategies and slogans used by companies should be properly based on research and information. Information should be communicated coherently and consistently to customers and other stakeholders.

4 Purchase decision

The decision to buy or not to buy is part of an element inherent in individual consumers called behavior which refers to real physical actions can be seen and measured by others (Stávková et al., 2007). Consumers are often faced with several choices in using a product. This causes consumers to consider well before making a decision to buy.

Stage in the buyer’s decision-making process where consumers actually buy (Kotler, 2003). Decision making is an individual activity is directly involved in obtaining and using the goods offered. Purchasing decisions are a problem-solving approach to human activities to buy goods or services in fulfilling their wants and needs which consist of recognition, needs and wants, information search, evaluation of purchase alternatives, purchase decisions, and behavior after purchase (Prasad & Jha, 2014). Purchasing decisions as a strong sense of confidence in consumers or customers who are convinced the purchase decision for the product they take is correct (von Helversen et al., 2018).

After purchasing a product, consumers will experience a certain level of satisfaction or dissatisfaction. Consumers who experience doubts regarding the accuracy of purchasing decisions or are dissatisfied will tend to switch brands. This will certainly harm the company because it will get complaints from customers, decreased sales and even a decrease in brand image. Meanwhile, satisfied consumers have a high probability of making repeat purchases. Consumers who like or are positive about a product will tend to have a strong desire to choose and buy the product they like. Conversely, if a consumer is negative about a product, then usually the product will not be considered as a purchase option, and it is not uncommon to convey this dislike to friends, relatives or neighbors (Fournier, 1998).

5 Conclusion

The concept of Green marketing mix which consists of green product, green price, green place and green promotion together has a positive and significant effect on product purchasing decisions. The green product variable has a positive and significant effect on purchasing decisions for Tupperware products that and which are considered by consumers to have product quality is durable, hygienic, green eco design and environmentally friendly. Green promotion variables have a positive and significant effect on product purchasing decisions are committed to creating products provide solutions for healthy ways to consume drinks and promote ‘green living’ (green lifestyle).

Declaration of competing interest

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