

# Ecological Marketing Practices for Creating Competitive Advantage

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## Abstract

Environment concern and ecological marketing are closely related issues of this current world.. This study will discover practices of ecological marketing through eco labeling, ecological packaging, advertising media of ecological marketing. In recent times traditional marketing activities are fully converted to eco friendly marketing which creates scope for attaining competitive advantage by using eco in every steps of marketing over their competitors.

**Keywords:** Ecological marketing, Eco Packaging, Eco labeling

## 1.1 Introduction

Environmental deterioration causes for global warming, depletion of stratospheric ozone layer, pollution of sea. The consequences of environmental degradation are global warming, depletion of stratospheric ozone layer, pollution of sea and rivers, noise and light pollution, acid rain and desertification reported that about 40% of environmental degradation has been brought about by the consumption activities of private households. As the environment continues to worsen, it has become a persistent public concern in developed countries. Furthermore it has also awakens developing countries to the green movement for preservation of the environment. (Chen1 and Chai 2,(2010). So the rapid increases of environmental degradation create the importance to move toward ecological marketing and this consciousness creates a trend of ecological marketing So first ecological marketing concept arrived in 1975 and ecological marketing mainly related to green marketing, environmental marketing. The 1990s were marked by a heated debate in the field of Business and the Environment around “whether it pays to be green (orsato,2006). Moreover environmental investment of business turns into sources of competitive advantage. Competitive advantage can achieve by lower cost or differentiation. Eco efficiency and eco branding create a platform of competitive advantage for ecological marketing. (Lozada,1999). Marketing might become a part of the solution instead of a part of the problem. Indeed, the ecological marketing research has produced fruitful knowledge mainly with reference to the investigation of the factors that might be able to influence pro-environmental behavioral changes. This knowledge aims to be useful both to the public policymakers and to the firms, which are interested in adopting ecological strategies of any type. Tilikidou and Delistavrou .(2008).

### 1.1.1 Research problem

Production, marketing, consumption and everything else that goes with it more ecologically sustainable is therefore one of the recent challenge .Marketing activities seen as hostile to environment and creates imbalance in environment .Business activities create environment hamper. This detrimental impact creates importance for ecological marketing. The conventional marketing system provides emphasis on profit maximization and new product development, waste production. So ecological marketing can create a competitive advantage over conventional marketing.

Another one is lack of consciousness about ecological packaging. Generally packaging of product increases waste and hamper our ecological balance. Most of the producers are not interested in ecological packaging. As a result our environment face lot of waste of packaging daily which causes environmental degradation and creates contradiction in ecological balance. Most of environment degradation is the causes for packaging waste. Ecological packaging can reduce these types of problem.

There is lack of consciousness about eco labeling in consumer consumption activities. Eco product ingredients information are not given in labeling of product .In absence of eco label consumer are not interested in buying ecological product. Without popularizing ecological marketing we cannot creates consciousness among consumer about eco label of product .In absence of ecological label ingredients of eco product not show the real ingredients of the product.

Television advertising and paper advertising creates environmental and visual pollution, which causes environmental degradation. Excess advertising destroy the urban area’s view. So ecological advertisement can ensure ecological balance in our society.

### 1.1.2 Objective of the Study:

In the light of the main objective the specific objectives of the study are as follows:

1. To study the ecological marketing practices as a way of competitive advantage.
2. To analysis environment friendly packaging, eco labeling, eco advertising with some recommendation.

### 1.1.3 Methodology of the Study

For conducting a fruitful research, Secondary data will be collected from text books, research journal, government research publication, and other survey report on this subject. For making the research worthwhile and purposeful qualitative research will also be conducted. presented in such a way the readers, academicians, will be benefited from the proposed research work. The output of research will add new dimension in the existing stock of marketing knowledge and theory.

### 1.1.4 Scope of the study

This study will cover ecological marketing in Bangladesh perspective. In recent times our main concern is try to keep our environment safe and reduce environmental deterioration .For this reason Ecological marketing scope is boarder than any other marketing related topics because its involve the ecological balance. The main aim of ecological marketing is performing marketing activities by maintaining ecological balance .Ecological marketing means producing product with natural resources and environmental safe element, eliminating negative impact of product uses on environment and ensuring product recyclability. The comprehensive knowledge on the ecological marketing and through knowledge on business changes come under the scope of this research.

### 1.1.5 Literature review

Ecological marketing practices shape business activities on the basis of natural resources. For performing business worldwide ecological marketing worked as a competitive prerogative and showed as a way of modern business performance by efficient utilization natural resources.

Lozada,(1999) focused that ecological marketing creates a way for rethinking of business activities and transforming business activities into Eco friendly business. Companies get some types of competitive advantage by using ecological approach in their business activities as like 3M, Kraft food and take initiative for recycling, waste reduction and pollution prevention. Orsato,(2006) constructed a framework for four generic competitive environmental strategies. The strategies are determined by competitive advantage and competitive focus that the company has. Competitive advantage can be obtained through differentiation or lower cost and competitive focus can either be obtained through organizational process or product.Grants(2007) stated that green marketing is creative opportunities to make difference and at the same time achieve business success .to reach these goals of achieving business success in a environmentally market companies have two solution :cost saving and market opportunity potentials. By reducing amount of raw materials and energy used in production as well as reuse and recycle companies can save money. Retro A.L. 2010 stated that eco friendly business operation & green market are not only beneficial to the environment but provide a way for business to gain competitive adverb stage & strange consumer base. Karna. J.,Hansen. E. & Juslin, H. (2003) Interpret that proactive marketers are the most genuine. group in implementing environmental marketing voluntarily & seeking competitive advantage through environmental friendliness. The result also give evidence that green values, environmental marketing strategies structures, function are logically connoted each other as hypnotized according to the model of environmental marketing used to guide this study. Raspaile,(2010) focused that traditional advertising media can caused environmental cost and created ecological problem by using TV, magazine and journal, he also provided solution of these problem i.e use internet and digital media of advertisement for participating ecological marketing . Nieves, (2009) studied that advertisement created ecological harm and visual pollution. He suggested ecological advertisement can change the consumption culture and created social value. Coca-Cola Company painted almost two and a half million square meters of walls and planted billboards along almost a million kilometers of roads in the United states, “enough to turn this into a nightmare for the consumer.” that nightmare is now called *visual pollution*. it has been defined as “the excess of advertisements on the open public space which deteriorates the urban view and turns it chaotic. (Nieves,2009).Margareth et al., (2009), studied that eco label provided and ensured product safety for consumer health and for environment. Eco label was another way for brand development, attracted more customers and made all information visible to customer. Basel,(2006)suggested that eco labeling decreased the environmental impacts of products and eco labeling can be implemented by stakeholders .Eco labeling also help the consumer to make wise decision about purchasing of product and products become more competitive.Dyllick,(1989) mentioned that ecological packaging used natural resources, reduced the problems of scarcity of resources and eco friendly packaging. Other competitors are encouraged to become participate ecological packaging and create value for society. This packaging ensured waste reduction and proper recycling.

### Ecological Marketing for creating competitive advantages:

Ecological marketing means using natural resources as a raw material of product and this product uses not

creates any hindrances to environment and this product waste must be reused for another product or waste must be recycled properly. Now traditional marketing concept changes to ecological marketing concept, reshape the marketing activities and customer are become user to ecological product. For maintaining ecological balance most of the organization shows the positive reception towards ecological marketing. Sustainable development, a concept originally popularized by the 1987 report titled 'our common future' proposes that future prosperity depends on preserving "natural capital" air, water, and other ecological treasures - and that doing so will require balancing human activity with nature's ability to renew itself. Within the realm of business, this idea refers to development that meets the needs of business organizations without compromising the ability of future generations to meet their own needs. Among other socio-economic sciences the Ecological Marketing "needs and wants" (in marketing terminology) to offer its own contribution to the environmental protection.

Today's the natural environment is an important arena for economy and competition. Ecological issues regarding natural resources pollution and waste offer both competitive opportunities and constraints. They are changing competitive landscape in several industries. Environmental issues become a competitive aspect for organization. The legal requirement is answered by threshold resources. For that reason organization can gain competitive advantage by managing ecological variables. The way environmental issues are handled by an organization can become core competence for it.

Incorporating this concept of ecofriendly, environmental care in the organization process was in origin, done without ambition of creating growth but respecting the environment. When more organization started implemented it, they aimed to gain competitive advantage from their competitors, claiming that their product and services were less damaging the environment than their competitors product and services. (Peattie, 1995)

Eco marketing appears as a way to gain image trust and confidence leads an organization to a situation of advantage over its competitors. According to Porter (1985) there are two ways to reach competitive advantages, cost leadership and differentiation, focus. Michael Porter developed some green competitive strategies as like green cost leadership means there are lot of opportunities to reduce cost by reducing resource inputs, green differentiation means product differentiation on the basis of superior eco performance, green focus means a focus strategy involves targeting a product which is differentiated or low cost at particular segment of the market. Competitive benchmarking as the fact of comparing customer satisfaction with the product services and relationships of company with those of competitors (Doyle and Stern, 2006). Peattie (1995) classified a product as green when it meets customer needs and wants and when it is socially acceptable and produced in a sustainable manner. Green business operation one of the ways business can do this is by using green marketing to gain a competitive advantage in the vast marketplace. (Rentro, A.L. 2010) Ecofriendly business operation & green marketing are not only beneficial to the environment, but provide a way for business to gain competitive advantage & a strong consumer base.

Ecofriendly business can market to the aforementioned green consumers to significant competitive advantage. According to Ottman, many marketers now know that being the first to the staff with an environmental innovation brings competitive advantage. Green marketing can help business gain an edge the marketplace, especially if they are the first in their product category to do so. America's environmental ethic makes emission control gasoline, Water saving washing machines & dishwashers, phosphate free laundry power & mercury free & rechargeable batteries the new gold standards in their respective product. This is more proof of the competitive edge that business can gain by producing & marketing ecofriendly products. This being said green business is booming & it is crucial for competitive companies in America to participate. Business should invest in going green through their business operation & green marketing overall these efforts can save the environment. In addition, companies will need the benefit by gaining a strong consumer base, increases sales, revenue & gaining competitive advantage in their product category.

Some terms believed that green common in essential tool to communicate environmental & are attempting to give a green identity & on image to their products. In this climate, green advertising is becoming increasingly common in today's society across product categories & sector.

### **Eco Label**

Eco label can be a proof used by a firm to inform and show their customer that it has employed environmentally sensitive production or distribution method. According to Global Eco Labeling Network (2004) an eco label is label which identifies overall environmental preference of a product or service within product category based on life cycle consideration. To be trustworthy Eco labels must have essential features voluntary this means participation in an Eco label system cannot be imposed upon suppliers, distinction in environmental performance, sound scientific evidence. A good way for a company to differentiate their product from non eco-friendly product. An eco-label is given to products that have met specific environmental criteria. As there is wide range of product available on the market environmental performance labels & declarations vary greatly. The growing number of environmental claims led the U.S federal trade commission (FTC) in 1992 issue title 16 part 260 CFR : guides for the use of environmental market.

The international org for standardizations has identified three broad types of voluntary environmental labels.

Type-i: Environmental labels on the product indication overall environmental preference of a product within a particular product category based on life cycle.

Type-ii: Informative environmental self-declaration claims.

Type-iii: Voluntary programs that provide quantified environmental data of a product. Under present categories of parameters set by a qualified third party & based on lifecycle assessment & verified.

### **Eco Packaging**

In mature markets the importance of green packaging in contributing to brand communication & appeal (on shelf in store) is increasing due to number of factors which include increasing awareness & demanding tendency of customer towards brand choice product quality health optical & issues. The environmental challenge for companies to optimize the use of materials after, energy, minimize waste or maximize the recovery of used packaging is also contributing towards high inclination for Eco packaging.

In today, world packaging is used to enhance brand perception and value. It provides an in-depth analysis of current & amazing trends & strategies for enhancing brands through packaging. This is exactly what big corporate like Procter & Gamble, Dell, McDonalds ITC, Wal-Mart, Apple HP etc. are focusing upon Green packaging must meet the functional & economic needs of present without compromising the ability of future generations to meet their own needs.

Companies which climb on eco marketing should adopt the following initiative in their path towards greenness: Dhir, S., & Sharma, B. (2012).

Adopt near technology which reduce environmental impact.

Establish management control system that will lead to adherence of stringent environmental standards.

Explore possibilities of recycling of the used of product so that it can be used to offer similar or other benefit with less wastage.

Using more environmental friendly raw materials at the production stage itself.

### **Eco Advertising**

There are various dimensions in eco advertising: One is education focused which aims to enhance consumers' understanding towards the nature & environment. Another is commercial focused which is designed to increase the sales of products or services, some concern about improvement and enhancement of firms' green image in order to generate long-term customer loyalty. Zinkhan & Carlson (1995) defined green advertising as the appeals that try to fulfill consumer needs & aspirations regarding to environmental concern & health issues from different perspectives including ecology sustainability, & pollution free messages.

Chinese advertising industry has dramatically gained double digit growth, which obviously reflects a demand for transparent information of production methods & a popular anxiety of health & security. Excessive food scandals breed insecurity, so buying and using green products & green advertising are the ways of eliminating this negative feeling. So affluent & educated customers are willing to pay 4.5 percent more for green products compared to conventional products (Chan 1999). Green advertising in both television & print media is defined as any ad that meets one or more of the following criteria (Banerjee, Gulas & Iyer 1995). So some firms believe that environment friendly or eco communication is an essential tool to communicate environmental conscious messages and green identity to their product.

Explicitly or implicitly address the relationship between product & service & the biophysical environment.

Promotes a green lifestyle with or without highlighting a product/service.

Present a corporate image of environmental responsibility.

#### **1.1.6 Recommendations**

Based on the above discussion we conclude some recommendations for the implications of ecological marketing. By adopting ecological marketing a business can enhance its performance and ensure competitive advantage over traditional business. Conventional marketing practice, what might be called 'brown' marketing, has been criticized for its lack of ecological sustainability. (Schaefer, 2010). Corporations will have to find solutions to environmental challenges through marketing strategies, products, and services in order to remain competitive. These include: (1) new technologies for handling waste, sewage and air pollution; (2) product standardization to ensure environmentally safe products; (3) providing "truly" natural products; and, (4) products oriented toward resource conservation and greater occupant health. For example, refurbished office equipment has entered the market with the backing of powerful names (Xerox's Eco-series and Renaissance copiers. (Lozada, 1999)). So ecological marketing will work as a way of competitive advantage for new business and create a new scope for existing business as like Volkswagen's switch to water-based paints for their automobiles and IBM's phase out of CFCs in electronic production.

With the alarming rise in ecological problems and energy crisis, it is a high time to have a relook at

advertising mediums and adapt them in order to achieve ecological sustenance. So we have to identify new media of advertisement for sustainable development and ecological marketing. Green internet marketing involves cutting down on energy consumption and pollution generated by advertising mediums such as newspaper, magazines, billboards, business cards, gift cards, coupons, flyers, etc. Eco-friendly intention should be to replace these traditional ways with cleaner digital advertising and internet marketing that bears minimal on the resources. (Raspaille,2010) Carlson, A., Grove, S. J., & Kangun, N. (1993) provided Different types of eco advertising claims that can be included in eco advertising:

**Product orientation:** The claim for uses on ecofriendly attributes that a product possess. The product is biodegradable. The claim deals with an organization's internal technology, production technology disposal method yields environmental benefits. 20% rate materials used in producing the good are recycled.

**Image orientation:** The claim associates with an organization with an environmental cause on activity which there in broad based public support. We are committed to public support.

**Environmental fact:** The claim involves an independent statement that in ostensibly fact end in nature from an org. about the environmental at large or its condition. Rainforest are being destroyed at the rate at two acres per second.

In this trend, we can say that, Eco-labels scheme will work as a one of communication and affirming environment management activities. The general objective of Eco-label scheme is to guide consumer to purchase product which less harmful to environment, and to encourage firms to commit more on management production process under environment perspective. Consumers assume that an eco-labeled product is both safer for health and the environment. In fact, research has shown that consumers are primarily drawn to eco labels because they believe that such labels indicate that a product has a safer health profile than the product's conventional counterpart. (Margareth et al., 2009). So we have to consider eco label, which is more informative becomes as a essential part of ecological marketing.

We also consider ecological packaging which will created by utilization of natural resources can enhance environment safety and reduce waste of conventional packaging.. The successful introduction of an ecological focus in marketing yogurts in Switzerland forced all competitors to improve on the ecology of their packaging as well, thereby reducing the amount of resources and energy wasted Four criteria are mainly used in evaluating different ways of yogurt packaging: protection (product safety, safety of the user and the environment, quality preservation, hygiene, durability), favorability (for transportation, storage, handling, rationing), ecology (energy usage, resource usage, pollution, waste production), and cost (packaging material, packaging, transport, storage, recycling). These criteria demand very different qualities from any concrete form of packaging. (Dyllick , 1989). Glass packaging, on the contrary, has some ecological advantages: no waste, provided it is returned and reused, resource and energy savings. It preserves the quality of the contents better than any other form of packaging. (Dyllick, 1989).

### 1.1.7 Conclusion

So at last we can say ecological marketing changes the whole pattern of marketing and change the ways of marketing. Ecological marketer can protect the environment and resources. By expanding this concept marketer, producer and consumer can act wisely to our earth and prevent the participation in pollution activities and create a competitive advantage for business. Ecological consumption activities are contributed to ecological marketing. Ecological marketing practices must redirect consumer needs to environmentally safe product.

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