Chapter 5

Green Marketing: A Conceptual Framework and Suggestions for Industrial Services Marketing

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ABSTRACT

Due to the negative impact of globalized production and consumption on the natural environment, businesses keep facing increased pressure to eliminate their harmful processes and transform into environmentally conscious organizations. Marketing as a business function having a high interaction rate with customers and other stakeholders receives its share from this wave. Every day, more organizations become engaged in green marketing practices either by complying with laws and regulations or seizing proactive environmental marketing strategies. This chapter aims to propose a conceptual framework for green marketing by reviewing the existing green marketing and sustainable marketing literature. In addition to that, considering the less developed literature in Business-to-Business (B2B) green marketing, the chapter uses previous strategic frameworks for suggesting green marketing activities for industrial services. Logistics is selected as a specific field for the proposition of the examples. The chapter concludes with implications and further research directions.

INTRODUCTION

Together with the increasing pressure caused by highly globalized production and consumption on the natural environment, demand for business practices that acknowledge this negative impact and that make an effort to eliminate it is accelerating. This demand does not stem from the markets primarily; actually it is stimulated by the awareness raised through legislation initiatives imposed by regulatory bodies and non-governmental organi-

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zations (NGOs). These regulations caused organizations to take measures some of which were only "compliance marketing (Peattie & Crane, 2005)" or green washing. However, within time and together with the enlarged awareness, inclusion of an environmental concern to manufacturing, purchasing, distribution and also marketing became inevitable.

This concern evolved within time and scope. The last era of environmental movement in marketing is named as sustainable marketing era (Peattie, 2001; Hunt, 2011). This age of the movement integrates green marketing's scope with corporate social responsibility (CSR) or societal marketing. The three pillars of sustainable development's triple bottomline, which are the economy, the society and the environment, are frequently mentioned within holistic green marketing strategy. Throughout this evolution period, though, scholars state that there is no single definition for green marketing that is agreed upon by all parties indicating that the topic is still open for conceptualization efforts.

One of the aims of this chapter is to provide a conceptual framework for sustainable marketing as an umbrella term covering green marketing. This effort is derived from the triple bottomline approach and is followed by a detailed review of the green marketing literature combined with green marketing strategy and practice suggestions.

Green marketing is defined as "the holistic management process responsible for identifying, anticipating and satisfying the needs of customers and society, in a profitable and sustainable way" (Peattie & Charter, 2003: 727). The definition integrates the concern for the physical environment into one of the definitions of the marketing concept. This concern consequently results in the incorporation of physical environment to "marketing processes" (Kotler & Armstrong, 2013). Organizations need to think green when analyzing marketing opportunities and should consider the environmental factors when selecting target markets. Marketing mix components should be developed according to the environmental goals of the organization and the environmental performance should be an indicator while executing the marketing program.

Despite the vast amount of research on green marketing in consumer markets, industrial exchanges are less studied in the literature. Actually they are generally located under supply chain management literature as the industrial exchanges take place within supply chains (Chan, He & Wang, 2012). In addition, they mainly focus on

the buyer perspective and consequently green purchasing or green supply issues. Green supply has two different subdimensions. The first one mainly deals with green supplier management where the purchasing organization tries to assess and improve the environmental capabilities and performance of its suppliers. The second one deals with the green products where the focus is on the products which are being purchased. Recycling, reducing waste, elimination of hazard-ous destruction processes are all examples of this type of green supply (Bowen, Cousins, Lamming & Faruk, 2001; Rao & Holt, 2005).

Rather than taking a green supply perspective, the second aim of this chapter is to make an attempt to focus on green industrial marketing strategies, especially for industrial services. By taking the logistics industry as an exemplary field, the study suggests a path for green marketing activities at three strategic levels. Considering the heavy burden that the logistics industry - especially the transportation part (Wu & Dunn, 1995) - creates on the environment, green industrial marketing strategies can provide a valuable competitive advantage for the marketers operating in this industry and create value for all stakeholders that are impacted by the activities of logistics industry.

GREEN MARKETING: CONCEPT AND PRACTICES

Marketing is about exchanges and transactions taking place for satisfying customer requirements. Although not having a globally accepted standard definition (Polonsky, 1994), green marketing integrates the concern for the physical environment to the definition of the marketing concept. It aims to reduce the negative effects on the environment while completing tasks for satisfying consumer needs. Ecological marketing or environmental marketing are different terms that are used to emphasize the environmental concern in marketing action. Green marketing is sometimes used

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