Transformative green marketing: Impediments and opportunities

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Abstract

Green marketing is not achieving its potential for improving the quality of life of consumers, while improving the natural ecosystem. The failure is the result of the inability of consumers, firms and governments to adopt systems thinking, in which macro-marketing perspectives are integrated into their respective micro-decisions, that is, the anthropocentric view of the natural world is disregarded. The paper discusses why the three groups above have had difficulties in embracing environmental issues, thus impeding real transformative green marketing from occurring. To address the difficulties three proposed actions need to be undertaken: (1) Marketers need to look for new ways of calculating and communicating value that integrates environmental value, thereby moving away from financial measures which have no real environmental meaning. (2) Change the discourse regarding the environment, highlighting the importance of action and inaction, which needs to be based on increased education about the human–environment interface. (3) Marketing needs to refocus its emphasis on want satisfaction, shifting away from the acquisition of goods, thereby enhancing how marketers create value. Making these changes will allow marketers to operationalize transformative green marketing so the human condition and the natural system that humans operate within are both improved and bring about transformative green marketing.

Keywords: Green marketing, Marketing and society, Sustainability, Systems thinking, Transformative marketing

1. Introduction

Marketing academics’ and practitioners’ interest in how environmental issues impact marketing activities continue to grow (Chamorro et al., 2009), but is certainly not new (Fisk, 1974; Henion and Kinnear, 1976). A range of marketing contexts examines the interface between the natural environment and; consumer behavior (i.e., Menon and Kinnear, 1976). A range of marketing contexts examines the interface between the natural environment and; consumer behavior (i.e., Menon and Kinnear, 1976). Unfortunately, much of the existing research fails to embed environmental issues as a core tenet of marketing thinking. Thus, marketing strategists often incorporate environmental considerations as an extra feature to be leveraged for competitive advantage (Ginsberg and Bloom, 2004), rather than using the environment to shape strategy-improving market conditions and social welfare.

Scholars define green marketing using a range of terms (e.g., green marketing, ecological marketing, environmental marketing, and even responsible marketing). These definitions have a common focus on the exchange process (i.e., choices and decisions), with a proviso that exchange considers and minimizes environmental harm (where all parities are assumed to be aware of all potential environmental harm). Whether or not these definitions (and associated practices) seek to improve the quality of life of the world’s citizens, or improve the natural environment, remains unclear. An effective definition of green marketing, therefore, must integrate transformative change that creates value for individuals and society, as well as for the natural environment (i.e., environmental restoration and improvement). Thus, transformative green marketing is very different from a marketing perspective that focuses on not producing societal harm, as, at present, most marketers focus on meeting human needs rather than enhancing mankind’s quality of life and improving the natural environment. Marketers and society rely on nature and natural resources; nature does not rely on humanity, even though society can negatively impact it. Therefore, mankind (and, thus, marketing) and the natural environment are interdependent.

While some might debate the extent of mankind’s contribution to environmental problems, if the doomsayers are correct, failure to act in the medium term will result in the inability of the ecosystem to support present day consumption, potentially eliminating marketing as presently practiced (and possibly mankind). Therefore, it is surprising that the practice of marketing (and business strategy more generally) does not explicitly integrate and address environmental issues and how they impact society (Smart, 2010). In the not-so-distant past, businesses were quick to respond to less significant marketing-related problems. For example, firms, consumers and governments reportedly spent hundreds of billions, if not trillions, of dollars dealing with the...
millennium bug, or Y2K problem, as programmers feared that at 12.01 AM on January 1 2000, computers would incorrectly believe the year was 1900 which would cause systems to crash. The process of greening marketing seems to be viewed with significantly less urgency on the part of most consumers, organizations and governments, even though the potential costs of inaction are much more serious and pervasive (Smart, 2010; Varey, 2010). Whether or not the marketing discipline (both academics and practitioners) truly understands and embraces the profound significance of environmental issues remains unclear.

A number of marketing academics call for a change in thinking about marketing, in which transformative green marketing would be included. For example, early in the discipline’s history Kotler and Levy (1969) suggested that there needs to be a broadening of the marketing concept. More recently, others are questioning whether marketing needs to be reformed (Sheth and Sisodia, 2006). In the consumer behavior field, there is a growing chorus of transformative consumer researchers (TCR) calling for marketing to make a positive social impact (Mick et al., forthcoming). The integration of environmental issues into marketing would extend the TCR view. For example, the Journal of Public Policy and Marketing has a forthcoming special issue focusing on TCR, and the Journal of Macromarketing recently published a special issue on sustainability, examining how marketing can assist in addressing the environmental ills faced today (Kilbourne, 2010). Transformative green marketing extends this perspective incorporating environmental issues into core marketing activity, in the same way mankind is part of the natural system and not separated from the natural environment (Fisk, 1974; Smart, 2010).

2. The core problem: micronization of environmental issues

The natural environment is a complex, all-encompassing system that integrates the atmosphere (air), geosphere (land), hydrosphere (water) and biosphere (all living species) (Neace, 1995). Marketers understand the importance of business systems and use systems and network thinking extensively to address exchange issues, particularly in the business-to-business context (e.g., Håkansson et al., 2009). Marketers, however, frequently ignore such broader system approaches to understand or integrate the natural environment into strategy formulation.

The consideration of marketing’s impact on the natural environment is often classified as macro-marketing, that is, how micro-marketing impacts society, society’s influence on the broader macro-system and how systems interact (Fisk, 1982). Unfortunately, academics and practitioners sometimes perceive a disconnection exists between macro-marketing and micro-marketing, which lies at the core of green marketing’s inability to become transformational. The traditional micro-formation of marketing (Sheth et al., 1988) cannot easily capture environmental issues because classical micro-economics suggests that consumers (or individuals more generally) seek to maximize their own welfare (Russell and Russell, 2010). Potentially, the welfare of society and the natural world is excluded unless they are embedded in individuals’ values, that is, people integrate environmental issues in their decision-making because the environment is important to them. As will be described below, this perspective assumes that mankind controls their environment, which is clearly not the case.

The fact that sustainability and environmental issues are generally macro-focused is at the core of the dilemma that transformational green marketing faces (van Dam and Apeldoorn, 1996). How do marketers and society encourage micro-focused individuals and organizations to integrate broader macro issues and systems into their individual thinking? One might argue that this disconnection is one of the reasons why governments are forced to regulate activities to prevent distortions in the market from being exploited (Harris and Carman, 1984). The lack of a macro-focus may also be why social marketers need to encourage consumers to change their behavior to create fewer negative personal impacts (Rothschild, 1999), as short-term self-interest appears to outweigh the longer term benefits. For example, the classic tragedy of the commons suggests that because no-one owns the shared communal space (i.e., the commons) no individual has an incentive to protect the shared space. Thus, the aggregation of self-interested, individualist behavior destroys the value (i.e., the shared space) for all (Libecap, 2009). As a result, some regulation of individual behavior is needed so that the commons are available in perpetuity for all users.

When considering environmental issues, the tragedy of the commons is a metaphor that can be translated to consumer behavior in markets, firms within countries, or even countries within regions, as in each case, the broader ecosystem is used by all but truly controlled by none. Are humans like the elephants in Africa? When unfeathered by mankind, the elephants roamed the African plains with nature keeping their numbers in check. However, when they are artificially constrained on game reserves, culling is needed to ensure they do not eat themselves into starvation (van Aarde and Jackson, 2007).

The barriers relating to transformational green marketing arise from this fundamental conflict between benefits for the individual (person, firm, or nation) and benefits for society, more broadly defined as including the natural environment. The next section discusses how these economic actors (i.e., consumers, firms and governments) lack of a macro-focus lies at the heart of the green marketing dilemma. Then the article offers suggestions as to how marketers can possibly assist in using transformational green marketing to address the issue, and ends with some concluding remarks.

3. Barriers associating with consumers, firms and governments

3.1. Adopting transformative green marketing

A network or stakeholder approach argues that within green marketing all economic actors are interconnected (Polonsky, 1995), and the actors have the ability to facilitate or impede green marketing from becoming transformational. Marketers usually discuss the role of three main stakeholders – consumers, firms and governments – in enabling or regulating exchange processes (Fry and Polonsky, 2004). The following three sub-sections seek to explain how existing (i.e., traditional) marketing perspectives inhibit the effective integration of the natural environment into marketing theory and processes, as well as identifying issues that need to be addressed for transformative green marketing to occur.

3.2. Consumers

The early green marketing research sought to better understand how to motivate consumers to behave in more responsible ways. Early authors initially placed an emphasis on motivating consumers to integrate environmental issues into their decision-making, for example, motivating people to recycle (Henion and Kinnear, 1976). While macro-marketers suggested such changes in consumer or firm behavior would lead to wider benefits to society, micro-marketers focused on whether such environmental values could be leveraged to better target new segments of consumers (Ginsberg and Bloom, 2004), thereby increasing loyalty (Shrum et al., 1995), reducing price sensitivity (D’Souza et al., 2007), or improving communication (Polonsky et al., 1997).

Classical economic and consumer behavior theory suggests individuals make consumption decisions that maximize their own welfare. This, however, is done within a framework in which consumers usually think of themselves as the central actor in the exchange system. In such a view, the natural environment is a resource to facilitate this satisfaction (Varey, 2010) rather than a stakeholder to whom consumers are responsible (Starik, 1995). Such a human-centered
perspective (i.e., anthropocentric) possibly arises from the religious foundations of Western society:

... Be fruitful, and multiply, and replenish the earth, and subdue it: and have dominion over the fish of the sea, and over the fowl of the air, and over every living thing that moveth upon the earth. (Genesis 1: 28, italics added)

Seeing nature as subservient to human needs inhibits consumers from taking a systems view, as man (and woman) is only one part of the natural system and, clearly, not the focal actor. As a result, leading authors such as Kilbourne and his numerous co-authors (e.g., Kilbourne et al., 2002; Kilbourne and Carlson, 2008) highlight that the core problem with consumption is the anthropocentric value system underlying the Western dominant social paradigm (DSP). This view suggests that micro-changes to consumption will be doomed to fail (or at least have a significant uphill battle) if the anthropocentric view within the DSP is not changed (Kilbourne and Polonsky, 2005).

Even if environmental concern could be integrated as a cornerstone of the consumer psyche, the problem may still not be solved. Consumers will act in an environmentally-responsible fashion only if they believe such actions are in their best interest. Of course, some consumer segments do already seek to act in a way that considers their impact on the natural environment. For example, increasing numbers of consumers exist who “have freely chosen a frugal, anti-consumer lifestyle that features low resource use and environmental impact, i.e., they are voluntary simplifiers” (McDonald et al., 2006, p. 515). Such consumers believe that value accrues to them from behaving responsibly. However, why this realization has arisen in some consumers and not others is unclear.

The degree to which consumers believe environmental issues are or will become problematic, is possibly related to the disagreement regarding the causes, responses and timeframes in which remedial action must be taken. In the case of the Y2K bug, a clear deadline for the potential disaster existed – 12:01 AM on 1 January 2000, and the potential disaster was prominently discussed in the business and popular media (Tewksbury et al., 2004). For environmental issues, no fixed deadlines exist and there is no media promotion (or even discussion) of the impending environmental Armageddon. In most cases, consumers believe environmental problems are somewhere in the future and, thus, are not something to worry about today. Even when consumers agree that environmental problems exist, there is no guarantee appropriate responses will occur. For example, the scientific community generally agrees that society will run out of key natural resources in the foreseeable future, such as oil. This concept has been referred to as Peak Oil and will occur when world resources of oil decline below the level needed to meet world demand (Gardi, 2009). However, this has not resulted in wholesale changes in today’s consumer behavior and, in fact, dwindling oil reserves are not an issue that receives wide publicity in the press or policy debates.

Consumers generally have difficulty with integrating future outcomes and consequences in their decision-making. For example, the fact that millions of people continue to take up smoking is surprising given the unequivocal evidence that smoking is bad for one’s health, but consumers simply discount the future health consequences (Rindfleisch and Crockett, 1999). Unfortunately for environmental marketing, researchers have found that consumers discount future environmental problems more so than other types of risk (Hendrickx and Nicolaj, 2004). Can marketers assist in making environmental problems more current and urgent in consumers’ minds, thus stimulating action and providing real transformative solutions?

The tragedy of the commons where all members of a community are interconnected is another issue impacting individual behavior, as consumers frequently see systems thinking (i.e., connections amongst activities) as a barrier to behavior – How does my individual behavior impact on the wider natural system which is all encompassing? On the flip-side, a problem occurs when individuals ask – How can my individual behavior make a difference? The perceived inability to make a difference in terms of environmental problems was an early impediment to a range of environmental behaviors, including increasing recycling behavior (Schilder-Ellen et al., 1991). While attempts can be made to change the way people think about environmental issues or to enable less environmentally-harmful behavior to occur, more success might be achieved using market mechanisms that increase the pressure for individual action (i.e., change). For example, Linderhof et al. (2001) find that when the cost of home-based waste removal is calculated on volume or weight, people reduce their waste and increase their recycling behavior. Thus, forcing increases in prices through regulation might bring about desired outcomes better than getting consumers to identify that waste is an environmental problem. While this may or may not result in an increase in underlying environmental awareness and concern, raising consumer costs may bring about the same environmental benefit (i.e., reduced waste).

Finally, one of the core tenets of consumer marketing is that marketers frequently promote ownership as a way to achieve satisfaction, but increased consumption often results in environmental problems. The perceived need to consume is further exacerbated in some sectors where technological advances mean products are considered obsolete in 18 months or less (e.g., in the computer and mobile phone sectors). Marketing assumes that value is created in buyer–seller exchanges, but wanting satisfaction and the ownership of goods are not necessarily the same. Consumers can meet their needs in a variety of ways (i.e., alternatives exist) or even modify the wants that they have, for instance by practicing voluntary simplicity (Craig-Lees and Hill, 2002). Therefore, consumers do not necessarily have to own the want-satisfying goods to extract want-satisfying value. Research even suggests that one’s quality of life (as measured by happiness) and increased consumption can impede sustainable development (Zidansek, 2007).

The increased economic importance given to the service sector is an example of how wants can be met without ownership. Opportunities exist to expand this sector beyond renting homes, furniture or appliances, to renting all types of value creation. The potential hindrance is that, in some cases, goods have an inherent value that can appreciate over time in addition to satisfying wants (i.e., some items may become ‘rare’ and collectable, and thus have value outside want satisfaction). Other goods may continue to have, primarily, a functional value (e.g., the newest plasma television) which is not necessarily maintained through ownership of the good. Consumers’ preoccupation with goods rather than the underlying want-satisfaction means increased production is required to address consumers’ desire to have ready access to want-satisfying goods that they may use infrequently (i.e., a handyman might want to own all the tools he might ever need, rather than renting or collectively sharing those used infrequently).

3.3. Firms

At the most basic level, firms are collectives of individuals that, in many ways, suffer from the aggregation of individual problems at the corporate level. Taking a neoclassical economic perspective means firms have a responsibility to create value for the shareholders, although many argue that broader types of performance are also important (Hillman and Keim, 2001). The core issue revolves around defining the value of what is created. Marketing and management theorists propose that multi-dimensional measures of value can be developed, and this would include things such as the triple bottom line (TBL) that includes social and environmental value, in addition to financial value (Robins, 2006). Unfortunately, a firm’s financial performance is still the main focus. For example, research comparing the performance of traditional and responsible firms still uses traditional financial measures, not multi-dimensional TBL-type measures (Johnson, 2003). The focus, therefore, is on how to increase the financial bottom line, which explains why researchers are more interested in targeting green consumers and
extracting more value from them, than focusing solely on the societal impact of marketing. In the alternative view, green marketing becomes transformational and contributes to consumers, society and the environment. Unfortunately, profit, sales and other financial/marketing measures have no relevance to the environment. Mother Nature does not have a checkbook, financial balance sheet or a demand for traditional goods and, thus, unfortunately is not represented on corporate management boards nor is nature considered in most corporate decisions.

The question of how to define corporate value in a meaningful way that integrates firms’ environmental impact is less frequently discussed in research. However, some academic areas such as social accounting seek to quantify the social value of firms (Knirsch and Székely, 2005). But, again, these alternatives often revert to dollar assessments that may not capture the importance of environmental issues. Other areas, such as research into stakeholder theory, have partly begun to address these multi-faceted measures as well (Hillman and Keim, 2001), but they too often fall back onto financial measures of performance (Berman et al., 1999). Greening can be seen to create financial value in a number of ways, and extensive research examines how reducing harm can cut costs, reduce risk and, thus, increase the bottom line (Porter and Reinhart, 2007). Such approaches still use human-focused metrics to try and assign value to the environment (or, in reality, the costs of not looking after the environment).

Marketing, as a change agent in the wider economic system, is not usually the focus of corporate or consumer activities. However, marketing innovations are bringing about significant cultural changes (good and bad). For example, birth control advances change the dynamic between males and females in society, and the Internet is changing how information is created and communicated. Thus, embracing transformative environmental marketing can serve as an organizational stimulus for innovation, thereby improving value more widely, including citizens’ quality of life. Although some of the problems identified earlier, such as a lack of perceived urgency, or the fact that not all environmental costs are assigned to producers, even corporations are not pressured to address their negative environmental impacts.

Shocks to the economic system can clearly have an impact on businesses. Take, for example, the rapid innovations to increase the fuel efficiency of automobiles. The innovations have resulted in lighter automobiles; more efficient engines, alternative types of engines and fuels, systems to capture the pollution created, and even the development of alternative modes of transportation. Thus, some firms within the transportation sector have been quick to exploit aspects of the environmental debate, although changing corporate direction needs to be a long-term strategy (Menon and Menon, 1997). Unfortunately, the most recent turmoil in the US car market suggests that US firms failed to embrace the impending environmental changes. Even when manufacturers have acted, they have not sought to redefine personal travel and the need to travel, but rather they still focus on the individual automobile to address travel options (Kadirov and Varey, 2010). Of course, some would argue that firms are making incremental attempts to redefine the need for cars through video conferencing that allows people to meet without travel, and purchasing goods and services on the Internet, requiring fewer shopping trips. Increased public transportation alternatives also mean fewer cars are needed.

Corporate and industry innovations can be more proactive and bring about environmental improvements. For example, the US-based Leadership in Energy and Environmental Design referred to as LEED building certification (US Green Building Council, 2010) is designed to produce buildings that have smaller environmental footprints and lower operating costs (Muse and Plaut, 2008). While still more expensive to build, as its adoption increases, economies of scale will mean that costs will drop, further increasing the benefits.

All these actions are positive steps, firms still appear to be more focused on innovation and change that reduce costs, while complying with regulation or creating market value. Firms tend to be less focused on the environmental issues because of an underlying lack of value placed on responsible behavior, although examples exist of where these values are espoused (Hillman and Keim, 2001). Given that businesses want to stay in business, they are more driven by economic forces than are their consumers. Unfortunately, without well-defined performance measures that incorporate non-financial benefits to the environment, businesses will be unlikely to redefine their activities, as such action would not create measurable value (even using the flawed financial measures available).

In a firm’s quest for profits, a potential problem can arise regarding the extent to which new products deliver substantive additional value to consumers, after taking into consideration the environmental impact associated with production, use and consumption. Marketers have long been criticized for producing goods that have built-in obsolescence (Guiltinan, 2009) or trivial differentiation. This problem has been exacerbated by the decline in innovation cycles and rapid advancements in technology (Guiltinan, 2009). For example, Moore’s law suggests that computer capacity doubles every 18 months (Schaller, 1997).

While continuous product change can deliver incremental value to consumers, the question is at what environmental cost? Are firms seeking to generate value through churn (i.e., new purchases) or adding significant consumer value? If the latter, firms might look at how products can be designed so they can be upgraded rather than replaced. Upgradable products would, in fact, deliver additional consumer value, as consumers would be able to extract additional value from existing investments rather than purchasing extra value by buying new products. Of course, consumers would need to value upgradability rather than owning the newest product. Marketers also tend not to think about the environmental costs of replacing goods. For example, why don’t all retailers of mobile phones or computers automatically incorporate trade-ins through which they can then facilitate recycling or, at the very least, provide a reverse logistics system where extraction of the value from waste products can more easily occur? Some firms seeking to recycle components of their products have found them to be a highly valuable income stream that also reduces the environmental costs associated with producing remanufactured components (McConocha and Speh, 1993). In some countries, governments have imposed requirements on firms to take back unused goods or packaging from the consumers (Livingstone and Sparks, 1994). However, firms seem not to have knowledge about the full life-cycle environmental impacts of their actions. In some instances (i.e., reverse logistics) managing the life-cycle could generate income streams and, in this area, the lack of corporate systems thinking about value and environmental impacts is highlighted (i.e., failing to recognize the interdependence of mankind, production, consumption, and the environmental system).

The final corporate issue revolves around the question of growth. Businesses want to expand their markets and profitability, but can growth occur in an environmentally sustainable fashion (van Marrewijk, 2003)? This comes back to the very nature of the Western economic system. Investors want a reasonable return on their investments and, because of the competition amongst firms for assets, those that increase their return attract more resources, and expectations for further growth are increased. Unfortunately, a value concept that is based on financial returns and discounts the natural environment will see the environment as a resource to exploit rather than a partner in existence. Just as service-dominant logic has emerged as a new perspective (Vargo and Lusch, 2004), a need exists for an environmental dominant logic in which corporate and environmental values are intertwined. Unless the environment is given value, either as a resource or a cost to be minimized, the environment will continue to be under-considered in corporate decision-making.

The impending introduction of regulated carbon abatement schemes will see this potential loophole partly filled because the environment (or rather pollution of the environment) will have a cost that must be addressed by firms. However, such costs will not necessarily reflect the true value of the environment. Carbon pricing will stimulate innovation to reduce this cost, although, if carbon is
underpriced, paying for pollution will simply be seen as another cost of production.

3.4. Governments

Within marketing, governments are possibly closest to being a macro-force because they transcend individuals and corporations (although some might argue that multi-national corporations and some industry bodies transcend governments as well). In reality, however, governments are artificial constructions within the natural environment, as peoples agree (voluntarily or under duress) to divide up the world into units or nations. In the natural environment, national boundaries are irrelevant as bio-systems are inter-connected and transcendent artificial, socially-constructed boundaries. Pollution produced in one country travels and affects others. Animal species migrate across national boundaries, both into and out of protected areas. Nation states readily seek to control individual and corporate behavior within their boundaries, with some even trying to control corporate behavior outside their borders. Nationally focused controls fail to consider the system of interactions that occur in the ecosystem.

The inter-connections between countries can be complex. Economic well-being created in one country can translate into harm in another. For example, the poppy farmers in Afghanistan benefit from a product that causes harm in other countries around the world. Nations are cooperating to develop profitable alternative crops for the Afghan farmers as a means of enabling them to reduce the size of their poppy crops (van Ham and Kamminga, 2007). However, international cooperation combating environmentally harmful production processes in developing countries in order to serve the needs of consumer nations occurs infrequently. This scenario suggests that the developed countries should be actively assisting developing countries to adopt less harmful production practices, thereby protecting consumers in developed countries from the impacts of pollution. However, in the short-term, such actions might result in increased costs and higher consumer prices which would be opposed by the consumers that are being helped.

Governments increasingly seem to be focused on the short-term (as demonstrated by their ongoing preoccupation with opinion polls) and less willing to undertake radical changes if the changes might result in governments losing power. Exceptions to this occur. For example, the recent global financial crisis resulted in nations massively cutting their budgets and associated services. Such actions are, however, in response to external rating agencies threatening to increase the risk rating of government bonds if debt levels were not addressed (i.e., an immediate, short-term issue of risk arises (i.e., no impending environmental disaster). Therefore, short-term issues (such as lower bond ratings) take precedence over potentially more significant longer-term risks such as environmental degradation.

This is not to suggest that national governments are not seeking to minimize the environmental harm within their national boundaries; governments do undertake a range of actions to change both consumer and corporate behavior. These activities include using both carrots and sticks. Carrots include such approaches as requiring car manufacturers to increase automobile fuel efficiency, or creating incentives for consumers to purchase fuel-efficient automobiles. Governments also use sticks, such as the schemes applied by Singapore and London that tax people when they drive into the city thus encouraging them to use public transportation rather than personal cars.

From an environmental perspective, the problem is that each nation is seeking to address a small part of a bigger system issue. No overarching coordination or understanding of the complexity of environmental activities occurs. Nature is not bound by national boundaries, thus a system based solution is needed (Polonsky et al., 2003). Of course coordinated activities do occur on occasion. For example, the whale sanctuary of Antarctica involves nations collaborating to protect whales, although the power to enforce compliance is dependent on participant nations’ voluntary behavior. While other bodies such as the WTO regulate commerce, no such World Environmental Organization exists to regulate nations’ environmental behavior, although the United Nations Kyoto Accord does seek to coordinate action on global warming (Barrett, 2006). The Kyoto Accord, however, does not address the full gambit of environment problems threatening the earth (i.e., biodiversity, water shortages, salinity, etc.). Mother Nature cannot seek to directly protect her interests, even though she clearly has a stake in national activities (Starik, 1995).

4. Actions needed for transformational green marketing

The issues in regards to individuals, firms, and governments highlight the complexity associated with making green marketing transformation (i.e., facilitating a redefinition as to how marketers and society think about the interface between value, exchange and the natural environment). System wide solutions to this issue, therefore, have to be equally complex. The solution will necessarily focus on multiple actors (including the natural environment) in the exchange systems and certainly does not focus on one phase of the exchange process (Polonsky et al., 2003). While some might argue that such changes move beyond the traditional exchange-focused marketing, broadening of businesses’ understanding of what marketing is and how marketing interacts with the natural environment is essential if marketers are to maintain their relevancy and become an agent of change. At the very least, marketers must ensure that environmental issues are effectively integrated into marketing theory and strategy, thus broadening how we think about marketing (Kotler and Levy, 1969).

4.1. Environmental value

One of the main problems with making green marketing transformational occurs because business and society do not have a way of calculating value that integrates the natural environment, without reverting to financial measures that have no environmental meaning or intrinsic value. The definition of value needs to be driven internally by stakeholders and if the environment has utility for them, the environment will be valued. While marketers talk about this in terms of want satisfaction, an alternative might be to talk about the costs of actions as well, thereby using the existing exchange framework. This approach has already been proposed by authors such as Belz and Peattie (2009) who suggest that, if firms can somehow create a measure of the life-cycle costs of goods (i.e., production, use and disposal) they might create a measure of value that can be translated within the economic system. This perspective would transform consumers into economic agents, who would then evaluate the overall life-cycle cost of goods and make comparisons that include more than short-term want satisfaction. At face value, such a change seems minimal; however, achieving it requires a number of essential precursory steps.

The most pressing issue is to design a system that assigns the environmental costs to those producing environmental harm within the supply chain. The global discussion of carbon taxes is beginning to do this (Andrew, 2008), as the carbon taxes will assign the environmental costs to the production and consumption of pollution-producing exchanges. However, to be truly transformational, the costs need to be assigned to all parties in the supply chain (i.e., consumers and producers), as doing so will stimulate these actors to identify alternatives that reduce the new environmental costs, which will mean less environmental harm. Yes, this will mean Western consumers will certainly have to pay more for goods, and individuals may in the short or even long-term feel they are worse off. However, the costs associated with the consumption that creates the underlying production and consequent environmental harm will be covered by carbon taxes. Consumers’ culpability is inescapable and they bear at least some of the
responsibility for addressing environmental issues (i.e., the environmental free-lunch may be over).

Of course, carbon is only one of many issues that need to be integrated into environmental costs, therefore, broader regulatory mechanisms are needed to address the full range of environmental issues, as carbon taxes alone will be insufficient. Regulatory mechanisms need to reflect long-term environmental impacts and not simply focus on narrowly-defined, short-term issues. Unfortunately, other environmental issues, such as biodiversity and salinity to name a few, are less frequently discussed when talking about environmental costs or determination of value. Ideally, all environmental issues would be integrated into definitions of consumer and corporate value.

Identifying the organization that is responsible for developing and enforcing such mechanisms will be difficult. Any regulation clearly needs to be integrated across all nations given the global inter-connections in the natural environment and economic systems. Unfortunately, allowing national governments to respond individually will be unlikely to bring about an effective result, and firms may simply move to countries with less stringent environmental approaches (Nehrt, 1998). One might argue that multi-national governmental authorities could possibly address these issues, but these are unfortunately often plagued by party politics of nations (Hardy, 2006). A possibly more radical approach is to revert to independent trans-national organizations that, which are, in fact, already shaping a range of corporate behaviors across nations. For example, the International Organization for Standardization (ISO) has reshaped a number of areas. Standards for environmental management systems (ISO 14000) already exist and ISO even has an under-used standard on green marketing claims, (i.e., environmental labels and declarations, ISO 14020) (International Organization for Standardization, 2010). Such standards work because global organizations that adopt these standards then require all their suppliers to adopt them as well (Guler et al., 2002). These suppliers then require second tier suppliers to adopt them, and the standards spread throughout the business network, becoming global practice. Thus, an environmental pricing mechanism could, in fact, be driven by firms rather than governments or independent organizations and, if adopted by major multi-nationals, would have the same global impact by becoming accepted (or required) practice. For example, if large multi-nationals implement specific supplier programs (such as requirements on reporting carbon footprints), they could be transferred globally with second tier then third-tier organizations adopting similar standards (Sundararajani et al., 2010). Thus, supplier firms won't be reinventing the wheel and will maintain access to customer organizations that have also adopted the standards.

There needs to be one global practice, thus preventing organizations from trading-off one system against another. Nation states want to maintain their independence and remain autonomous rather than abdicate control to international governmental agencies, or independent bodies that governments have even less influence over. Thus, the political process may, in fact, impede agreement on an appropriate standard.

4.2. Discourse

The way businesses talk about the natural environment and the connections to marketing practice needs to change. People are unlikely to wake up and spontaneously realize that the environment is important, especially when this idea is not communicated effectively in managerial and public discourse. There is also limited urgency in the minimal discussion of issues that does occur. Public discourse increasingly describes the ills of the world as a war, which unfortunately conveys a possible exaggeration of their importance. In the past, politicians have promoted the War on Terror, War on Poverty, War on Drugs, etc., but society does not have a War on Environmental Degradation. Simply using the term a War does not necessarily lead to the issue being successfully dealt with; as many commentators would point out that society has lost all of those previous wars. However, intensifying the discourse and raising the profile and urgency of issues is important in getting them considered by the public (Tewksbury et al., 2004). Regarding the environment, failure to act (i.e., losing the environmental war), more directly threatens the current way of life in Western society than losing the other politician or media created wars.

Multiple opinions regarding each environmental issue exist. Each side espouses its own interpretation of the truth and competing opinions are communicated all at the same time. This makes managing and interpreting discourse difficult. Most would agree that the natural environment cannot support 6 billion people living the Western consumer’s dream, at least not in the way the consumer dream is presently being practised. Unfortunately, this is infrequently acknowledged by consumers or firms seeking to identify unique, sustainable, competitive advantages. Marketers actively promoting that everyone can live the Western dream (in developed and developing countries), is possibly one reason marketers are criticized as being partly responsible for the environmental problems we face. A balance needs to be struck between awareness and alarm, however, what is urgently needed is a greater understanding of the environmental implications of consumption and production. Today’s consumer behavior and any changes in that behavior will have long-term environmental impacts.

The evolving discourse also needs to focus on how humanity is part of the natural environment, not external to it, and Western society needs to move away from being anthropocentric focused (i.e., human centered). In strategy implementation, one way to gain support for organizational change is to show all employees how they contribute to the desired organizational goals. At present, this connection between consumption and the environment is generally lacking, and might indirectly relate to the fact that marketers don’t have meaningful ways to communicate this complex information. How do marketers change the discourse to focus on the link between consumption and environmental quality? The discourse needs to consider systems’ issues, locally and globally, as well as directly and indirectly.

Creating a measure for environmental value will certainly make communicating this message easier in any new discourse. That is, consumers need to be able to see the true costs of consumption and then modify their behavior with the new information in mind. Thus, if the price of gas increases to $10.00 a gallon because of environmental costs, consumers will either choose to pay or look for alternative transportation. Organizations, too, will respond, as the new costs will make some alternatives relatively less costly and trigger innovations for alternatives that don’t bear the costs or reduce the costs, including resource degradation and exhaustion (Eberlein and Matten, 2009).

The responsibility for initiating and changing the discourse needs to fall on governments, organizations and consumers. The scientific debates over the root causes of environmental problems will mean that consumers need to become more educated about the issues and their contribution to the problem, if they are to participate in the discussion, debate and behavioral change. However, knowledge alone does not guarantee action. Without knowledge enhancement, consumers are likely to ignore the discussion – I don’t understand the issues and, thus, I cannot participate. Under such circumstances, systematic changes in thinking are unlikely to occur in the medium or even long term. This clearly identifies the important role of education, both of today’s consumers and of future consumers.

4.3. Want satisfaction

Marketing exchange creates value for all parties involved. However, nothing within its definition suggests that consumers (or firms) need to acquire physical goods. Within the business context, firms outsource non-core activities (Varadarajan, 2009) and then contract back the outsourced activities (i.e., purchasing want satisfaction services rather than necessarily owning them themselves). Vargo and Lusch (2004)
advanced this thinking further, suggesting that firms and consumers co-produce value, thus ownership is not essential.

Redefining want satisfaction is one of the bigger shifts in thinking that is needed, but also possibly represents one of the greatest marketing opportunities. That is, how do marketers and businesses identify alternative ways of delivering want satisfaction without consumers owning the assets delivering the value? This, in turn, may result in the production of fewer value-creating assets, which will produce fewer negative environmental impacts (i.e., less production – less pollution). While outsourcing has been extensive in the business market, it is only starting to occur in consumer markets. For example, car sharing schemes are being developed in which people join a club and purchase time to use cars which are strategically parked throughout the cities where the program operates.

While such initiatives are only in their infancy, the schemes are, in fact, an extension of leasing a car where consumers may perceive it to be their own car, even though they don’t own the title and only have access to the car for a fixed period. Renting want satisfaction could, therefore, spread to a range of economic areas (renter markets for houses, holiday homes, furniture, white goods, evening formal wear, among others, already exist).

A potential problem may arise if people believe that this form of want satisfaction is somehow suboptimal when they don’t own the want satisfying asset. Thus, this perspective could be problematic when owning goods such as a car or a home is seen as a reflection of self-identity (Belk, 1988) and, thus, renting new forms of want satisfaction may be perceived less positively.

Facilitating changes in behavior would need to be supported by a new definition of value which integrates environmental consciousness. If value satisfaction rather than ownership is seen to be more responsible, and that responsibility is valued, such action will become more acceptable. This action would also need to be supported through discourse whereby communication focuses on responsible want satisfaction, not simply acquiring goods. As such, the acquiring of goods might, in fact, be seen negatively – why would you waste resources by owning things that you don’t need to own?

Any such changes would, of course, also require well-functioning markets where consumers have access to want satisfying goods when they need them. Consumers would also need to redefine how they consume goods, for example, they would not be able to decide five minutes before a movie starts that they want to go to the theater, as organizing transportation (i.e., your shared car) would require more planning. Given the importance placed on convenience within marketing (Berry et al., 2002), this change in behavior may be more difficult, but again assumes that environmental impacts are not as valued as much as other attributes such as convenience.

Technology also can facilitate changes in consumption and how wants are satisfied. For example, one can purchase products and services on the Internet and, as a result, travel less frequently to the shops. If taken to the extreme, one could argue that society would need fewer retail outlets thus further reducing the overall environmental impact of the consumption experience (i.e., fewer materials used in construction), and ecommerce could have a positive environmental impact (Sui and Rejeski, 2002). Such changes might not simply relate to consumers, but business’s use of technology could also translate to environmental savings. One practical example are virtual organizations in which people telecommute (Davenport and Pearson, 1998) requiring fewer offices and office infrastructure (buildings, carpet, furniture, etc.). These organizations often have regional centers where employees can use hot desks, hold meetings or use teleconference facilities to meet. This new model of structuring organizations creates significant environmental benefits while achieving organizational objectives (Allenby and Richards, 2007). Furthermore, as individuals get used to such innovations, the new products and behaviors become more widely-accepted consumption practices and become natural extensions of how people interact with technology.

Firms may also have to reconsider their development of new goods; are the goods being created to deliver substantive additional consumer value or simply updating useable products to more advanced models? Focusing on more substantive value improvements that consider the environmental cost will be controversial as firms will need to make less frequent incremental product modifications, and focus on more substantive value-delivering improvements. To address incremental improvements, firms could create upgradable products rather than replaceable products. For example, many might remember when computers were first introduced they were designed to facilitate upgrading as newer components (processors, motherboards, etc.) came on the market. Today, people look at computers as being outdated within two years or less, and the dollar cost of upgrading existing products is potentially more expensive than replacing them. If we to incorporate the environmental costs, would the decision be the same?

With the rapid technological advances, however, having fewer but more substantive improvements becomes problematic. As new market entrants offer added features, existing competitors are pressured to release new models sooner than they may have intended. To create a market where firms only introduce substantive product improvements, would require consumers to change their assessment of want satisfaction from having the latest to having the most effective. Thus, consumption focusing on updating existing goods to newer models would not be undertaken as it would not deliver sufficient extra consumer-defined value to justify additional expenditure. Achieving such a change in the definition of value is dependent on consumers integrating environmental considerations as a core component of their consumption assessment.

4.4. Conclusions

The environmental problems facing mankind create an imperative for transformational green marketing and require the inclusion of macro-issues into consumer, firm and governments’ micro-behavior. The environmental system is just that, an inter-connected system within which humans are only one small part. Unfortunately, understanding consumers’ and marketers’ roles in that system and responding by changing consumption patterns is not something that consumers, firms or even governments are presently doing. Being transformative requires a change in thinking, which is at the heart of the problem. Humans and societies (especially those in the West) have difficulty in taking a long-term, inclusive systems perspective that effectively values the natural environment. Current thinking translates into individual behavior, organizational strategy and government policy shaped primarily by a paradigm flawed with myopic anthropocentric individualist thinking.

To have any chance of success, transformational green marketing needs to use the existing structures and thinking to ensure environmental issues become a core component of how the markets and marketing operate. One of the most pressing issues is to develop a costing mechanism that ensures the integration of environmental costs of production and consumption into decision-making and stimulates innovation to address the new costs.

A carbon tax placed on all goods consumed by business and consumers is one step, but does not integrate all environmental issues and only focuses on one environmental issue that is easily measured, carbon. Unfortunately, a carbon tax will not work on its own without revisiting some of the basic assumptions of the free market. For example, free market thinking assumes instantaneous, free and costless information (which, in reality, rarely occurs), not to mention free global movement of resources. Environmental taxes need to be supported by a change in the way society thinks about the environment and acknowledgement that consumers are a part of the system, rather than the environment being a system for humans to use.

Even if consumers had access to all the available scientific information, would they be able to understand the issues sufficiently
to act appropriately? Does the language used at present adequately reflect the importance of these issues in relation to decision-making, both in terms of local and global impacts? Given the inter-connected nature of the ecosystems, remedial action cannot be limited to one country, as environmental issues traverse man-made, artificial national boundaries (for example, pollution in the US has resulted in acid rain in Canada).

Transformational green marketing can work within the present exchange system of consumers, business and institutions, as well as work to change the system to better integrate environmental issues. Marketers need to broaden their activities, creating alternative ways of presenting value and costs, changing the way businesses talk about human interactions and the environment, and reframing consumption from a focus on acquiring goods to ways to sustainably achieve want satisfaction. Marketers (business, government, and consumers) can assist in this process by identifying opportunities to redefine value within marketing and exchange. The world’s biosphere is sustainable; the marketing of human consumption in its present form may not be.

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