

MARKETING AND ENVIRONMENTAL SUSTAINABILITY

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The main concern of this article is to address the contemporary marketing system with reference to its offering of environmentally sustainable products. Since the environmentally sustainable products can save the mother earth from ecological imbalances and help improve citizen's health and standard of living, the marketing of such environmentally sustainable products will further the cause of business to serve the society and still better the human cause.

I. INTRODUCTION

India is, population-wise, the world's second largest country, with twenty-eight states, six union territories and NCT Delhi as capital, and two time zones. India is a country with a democratic set-up. The multilingual India has life expectancy of 60 years. However, India has the distinction of endowing one of the world's lowest standards of living. Its population is more concentrated in the age below fifteen years (36%) with 28% in cities & towns and 72% in rural areas. Increased population makes some demand on the environment for the essentials of life.

Marketing has spread most rapidly in FMCGs, consumer durables and industrial products companies. It is being widely used by professionals like

lawyers, accountants, physicians and architects. Moreover, marketing seems to have spread, in addition to the business sector, in non-profit sector and the international sector.

This article looks at the marketing-society interaction from the consumer and business perspective. The implementation of the marketing concept helps the consumers to make choices and get desired products. However, there has been major social criticism of marketing – negative impact on individual consumers (high prices, deceptive practices, high-pressure selling, shoddy or unsafe products, planned obsolescence, and poor service for disadvantaged consumers), and society as a whole (false wants and too much materialism, too few social goods, pollution and too much political power).

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II. HISTORICAL PERSPECTIVE

Consumer action to regulate market has resulted into two major movements – consumerism and environmentalism. *Consumerism is an organised movement of citizens and government agencies to improve the rights and powers of buyers in relation to sellers.* Consumers have not only the right but also the responsibility to protect themselves, and not to leave this function to someone else. Consumers, who believe they got a bad deal from business, can take action by writing to the company president or to the media, by contacting state or local redressal agencies, and by going to ordinary courts.

Whereas consumerists' thrust is to consider whether the marketing system is efficiently serving consumer wants, environmentalists are concerned with marketing's effects on the environment and also deals with the costs of serving consumer needs and wants. *Environmentalism is an organised movement of concerned citizens and government agencies to protect and improve people's living environment.*

Environmentalists are not against marketing and consumption; they simply want people and organisations to operate with more care for the environment. The marketing system's goal, therefore, should not be to maximise consumption, consumer choice, or consumer satisfaction, but rather to maximise life quality. 'Life

Quality' means not only the quantity and quality of consumer goods and services, but also the quality of the environment. Environmentalists want environmental considerations to be included in both producer and consumer decision-making.

In 1970, the Ehrlichs coined the term 'Eco-catastrophe' to point out the harmful impact of certain Canadian business practices on the environment. In 1972 the Meadows published "The Limits to Growth", which warned people that the quality of life would decline in the face of unchecked population growth, spreading pollution, and uncontrolled use of natural resources. If marketers acknowledge the influence of ecological sanctions (of society) before the human impact on the physical environment leads to "ecocide", businessmen and consumers will change present marketing priorities and goals, modify their marketing and consumption practices, and invent new social institutions to attain ecological values. In India, emissions of sulphur oxide from coal and oil have almost tripled since the early 1960s. According to World Health Organisation, leading cities with excessive amounts of sulphur dioxide and other pollutants include New Delhi, Beijing, and Tehran. The Government of India awoke to the problem of growing environmental pollution in 1972 with the passing of various legislations on environmental protection.

III. IMPACT OF ENVIRONMENTALISM ON BUSINESS

The drive for environmentalism is a droplet in India, and is desired by environmental groups and concerned consumers, echoing damages caused to the eco-system and health problems. Government reinforced it by passing relevant laws and regulations that hit the industries hard. Steel companies and public utilities have had to invest millions of rupees in pollution control equipment and costlier fuels. The auto industry has had to introduce expensive emission controls in cars including new alternatives through CNG, batteries, etc. The packaging industry had had to find ways to reduce litter in the environment. These industries resent environmental regulation, especially when the regulations are imposed too rapidly to allow the companies to make the proper adjustment into their production processes, business objectives, etc. These companies have to absorb large costs, which have made them less competitive.

The total pressure of environmental groups, concerned consumers and passing of law, and regulations, has translated into the stronger commitment by companies, which are accepting responsibilities for doing no harm to the environment, a shift from protest to prevention and from regulation to responsibility. This business orientation has given rise to new concept called environmental sustainability.

IV. ENVIRONMENTAL SUSTAINABILITY

Once the initial resistance from business is controlled by their timely transformation into Government support and the legal imperative, the environmental concern forces companies to actively involve themselves in the environmental sustainability. The *Brundtland Commission Report* in 1987 and the *Rio de Janeiro Earth Summit's Agenda 21* in 1992 wherein controversial key propositions were accepted, are the starting points of the era of environmental sustainability. The World Bank financing of the projects whose objectives are primarily environmental are on the rise – 1986 (1), 1987 (5), 1998 (10), 1989 (16), 1990 (33), 1991(45), 1992 (70), 1993 (94), 1994 (119), 1995 (136) and 1996 (153). These investments cover a wide variety of environmental problems, ranging from industrial pollution and coastal zone management to protected areas management and bio-diversity conservation.

Among the ten *principles* propounded by the World Bank's environmental lending portfolio, the most striking ones that affect business are : use of market based incentives to reduce environmental damage, levelling of emissions and effluent charges, market-based extraction charges and tradable permits. Governments are asked to work with the private sector, not against it, to accelerate private investment in the

environmental conservation. Further, the economy's environmental problems can be rightly addressed, if citizens and NGOs are involved thoroughly into this exercise. Thus, the World Bank is helping Governments to use market-based instruments to involve industries, citizens and NGOs for improving the ecological environment.

The Government-business-citizen-NGO interaction can help attain environmentally sustainable global economy. The new environmentalism, characterised by greater rigour in factoring environmental costs and benefits into policy-making puts local people (citizens) and NGOs at the centre of environmental strategies. Thus *Environmental sustainability is the practice of adopting policies and developing strategies that both sustain the environment and produce profits for the company.*

Nearly three decades ago, Paul Ehrlich, etc. presented a simple model of the sustainable development : the Total Environmental Burden (EB) created by human activity is a function of three factors : Population (P), Affluence (A) and a proxy for Consumption and Technology (T) i.e. $EB = P \times A \times T$. Of the three factors, the control of *population* appears not immediately feasible because it is more political or calls for (un) wishful occurrence of a major public-health crisis. The second factor of decreasing the level of *affluence* would make problem worse, because poverty and population growth

go hand in hand – demographers have known that birth rates are inversely correlated with the level of education and standard of living, both accomplished by creating wealth on a massive scale. The first and second factors are more like social issues. The third factor (technology) which is used to create the marketing offer, is a business issue. It is estimated that technology will have to improve twenty-fold merely to keep the planet at its current levels of environmental burden. To implement it, sustainable development will constitute one of the biggest opportunities in the history of commerce.

V. TECHNOLOGY AND MARKETING OF PRODUCTS

Technology is the only factor that can be translated into business strategies. A cursory look at the contemporary businesses points little about the level of their technological involvement. There are businesses that are into marketing of products that help *pollution control* – provide products (trucks, cranes etc.) to clean-up the environment, once pollution has been created (like packages that are non-biodegradable, chemicals that pollute rivers, potable water, etc.) Since pollution control is the result of pollution creation, the most basic thing a business can do is to start product processes where pollution creation, the most basic thing a business can do is to start product processes where pollution prevention is the essence. This means the elimination or minimisation of the waste

before it is created – biodegradable packages, biodegradable plastic, better emission control standards, etc. This has resulted into new type of marketing : "green marketing". Thus, companies can be green and competitive by following the path of sustainable environment. The need for controlling the environment could be attained by *product stewardship* – redesigning and developing the products that ensure low pollution or no pollution during the entire life cycle of the product. Here all aspects of the effect of design on environment are studied to make products that are easier to recover, reuse, or recycle, called Design For Environment (DFE). Thus from birth of a product to its death (how the customer disposes it), the design of product captures all dimensions.

VI. THE ROAD AHEAD

The *pollution prevention and product stewardship* ways of environmental sustainability could be further stretched for their future implications. The emphasis on future can be attained internally by entirely new environmental technology or externally by developing sustainability vision. The *new environmental technology* is clean technology and replaces the existing ones; for example, cloth washing is done not by water and chemical reactions but by air pressure. The *sustainability vision* looks beyond the

pollution prevention, product stewardship or clean technology. It calls for a road map to the future, by showing the way products and services must evolve and by suggesting them what new competencies will be needed to get there. Amory Lovins of the Rocky Mountain Institute has demonstrated the feasibility of building HyperCars, vehicles that are fully recyclable, 20 times more energy efficient, 100 times cleaner, and cheaper than existing cars. These vehicles retain the safety and performance of conventional cars but achieve radical simplification with lightweight composite materials, fewer parts, virtual prototyping, and regenerative braking and very small, hybrid engines.

Once the business starts marketing products that can sustain the environment, the societal concerns – depleted farmland, fisheries, and forests; choking urban pollution; poverty and infectious diseases; and migration – will gradually diminish. In effect, the endeavour of humanity to try to maintain a balance between meeting current needs *versus* allowing future generations to meet their needs would be appropriately addressed.

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