

# Green Marketing As A Mechanism For Establishing Marketing Ethics In Business Organizations

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## ABSTRACT

This study aimed to elucidate how the adoption of green marketing by business organizations contributes to upholding marketing ethics. Many organizations remain unaware of the benefits of green marketing, which include: rationalizing the consumption of natural resources and reducing environmental pollution levels, avoiding provoking environmental groups and protecting consumers, strengthening the organization's relationships with its existing customers, and gaining new ones. Accordingly, by adopting green marketing, business organizations adhere to many of the standards that must be followed in the marketing process, known as marketing ethics, including marketing green products and preventing or reducing pollution during the various stages of the marketing process.

**Keywords:** Green marketing, environmental pollution, green products, green customer, green advertising, green packaging, green label.

## Introduction:

The issue of combating environmental pollution has gained significant attention from governments worldwide. The environment's capacity to absorb and process pollutants has been overwhelmed due to the increasing quantity and variety of these pollutants. The emergence of global environmental problems such as climate change and the ozone hole has intensified calls to halt environmental degradation, especially as studies increasingly link recent human diseases to pollution. Consequently, numerous international conferences have been convened to address environmental pollution, and environmental awareness has grown at the international level. This has led to the introduction of new terminology in various fields related to the environment. In the realm of business administration, the term "green marketing" has emerged, referring to a set of marketing activities aimed at reducing negative impacts on society and the environment. Green marketing plays a vital role in upholding marketing ethics. This study aims to elucidate this contribution and clarify related concepts. The research question can be formulated as follows:

### How does the adoption of green marketing contribute to upholding marketing ethics?

This central question encompasses the following sub-questions:

- **What is green marketing? What is its importance?**
- **What are the mechanisms of green marketing to support marketing ethics in business organizations?**

To address these questions, this study is structured as follows:

✓ **Chapter 1: An Introduction to Green Marketing**

✓ **Chapter 2: The Role of Green Marketing in Supporting Marketing Ethics**

## Chapter 1: An Introduction to Green Marketing

### 1.1 The Concept of Green Marketing

Green marketing emerged as a modern marketing concept in the early 1990s. Businesses began to recognize that among their customers were individuals with a strong desire to protect the environment and consider environmental factors in their purchasing decisions. This type of marketing revolves around an organization's strong commitment to environmental responsibility in its marketing activities.

### Définitions of Green Marketing:

- ❖ Green marketing is a marketing activity aimed at creating a positive impact or eliminating a negative impact of a particular product on the environment<sup>1</sup>.
- ❖ It is a set of marketing activities aimed at reducing negative impacts on the environment and society.
- ❖ It is the comprehensive environmentally responsible process related to the flow of green activities and products from the company to the customer through distribution channels to meet customer needs and company goals<sup>2</sup>.
- ❖ Green marketing is a branch of green economics, that studies all the organization's activities with an environmental dimension during its planning, implementation, direction, control, and development of marketing mix elements to achieve its goals and satisfy the needs and desires of current consumers and preserve the environment of future consumers<sup>3</sup>.

## 2 Rationales for the Emergence of Green Marketing

### A. Depletion of Raw Materials:

Raw materials in the environment can be classified into three types:

- ❖ **Renewable Resources (e.g., water):** These resources are also facing certain problems today, and there will be a risk to them in the long term, so their use must be rationalized.
- ❖ **Limited Renewable Resources:** These include forests and food. Forest depletion has led organizations to focus on conservation and reforestation in anticipation of future demand.
- ❖ **Non-renewable Limited Resources:** These include oil, coal, and iron, which, when depleted, cause real problems because these resources are limited and cannot be renewed. Here, many organizations are focusing on research and development to find alternative materials that contribute to reducing the depletion of these resources.

### B. Rising Energy Costs:

Energy is the lifeline of successful businesses, as product costs depend directly on the cost of energy used in the production process. Due to rising oil prices, organizations have turned to using clean energy.

### C. Rising Pollution Levels:

Many human activities lead to pollution of the environment, whether directly or indirectly, resulting in rising pollution levels.

### D. The Changing Role of Governments:

Governments vary in their level of environmental concern. Some place a strong emphasis on environmentalism and put pressure on businesses to be environmentally friendly. Others pay no attention to the environment due to their limited financial resources. Examples of government roles in this area include providing support to businesses for green products. For instance, Britain exempted Toyota from congestion charges because it manufactures environmentally friendly engines.

In Germany, the enactment of the Packaging Materials Act led to a reduction in the volume of plastic, glass, and paper packaging from 13 million tons to 11.7 million tons. Companies have collected packaging from consumers for recycling. The following table shows the growth rate of recycling.

**Table 1:** Growth of the Material Recycling Process

Year Recycled Materials	1993	2002
Glass	62%	82%
Paper and cardboard	55%	90%
Aluminum	7%	70%

**Source:** Prepared by the researchers based on: Moustafa Yousef Kaffi: The Philosophy of Green Marketing, Arab Community Library for Publishing and Distribution, First Edition, Amman, Jordan, 2014, p. 47.

## 3. Importance of Green Marketing

The importance of green marketing can be summarized in the following points: <sup>4</sup>

**A. Optimization of Natural Resource Consumption:** Green marketing plays a significant role in the optimal use of natural resources in all their various forms. Consequently, it contributes to boosting efficiency within business organizations.

**B. Satisfying Stakeholder Needs:** Green marketing approaches are expected to open new avenues and market opportunities for adopting organizations. This leads them to achieve a competitive edge in the market, especially when targeting environmentally friendly products. By doing so, they attract environmentally conscious consumers and achieve higher profits and returns. Additionally, they gain a positive reputation within the community.

**C. Ensuring Safety:** The focus on marketing environmentally friendly products compels organizations to reduce pollution levels and avoid negative attention from environmental and consumer protection groups.

**D. Social Acceptance of the Organization:** Organizations that embrace green marketing gain strong support from society due to the alignment of their goals with societal goals regarding environmental commitment. This social support helps the organization strengthen its relationships with existing customers and attract new ones in the future.

**E. Sustainability of Activities:** By avoiding legal repercussions and gaining community support, green organizations can continue offering their products and sustain their commercial activities.

**F. Increased Profits:** By employing production methods that rely on fewer raw materials, utilize recycled materials, or conserve energy, organizations can achieve cost savings and subsequently, higher profits<sup>5</sup>.

## 2. The Role of Green Marketing in Supporting Marketing Ethics

Green marketing employs various mechanisms that can strengthen and promote ethical marketing practices. These core mechanisms of green marketing can be summarized in the following key aspects:<sup>6</sup>

### A. The Green Customer:

The primary focus in the business world is the customer. In a highly competitive environment, customers are the ones who can elevate an organization's position. The growing concern for the environment has led to the classification of customers into two types: green customers and gray customers. Where the green customer is considered the customer who avoids environmentally harmful products and seeks environmentally friendly products. As for the gray customer, he is the customer who does not include the environment among his criteria in the purchasing process. The strength of the influence of green customers can be mentioned in the following points:

- **Market Importance:** Numerous studies have confirmed that green customers constitute a significant portion of the market in many countries. For example, five studies conducted in Britain revealed that green customers range from 28% to 60% of the total customer base. The Gallup Institute, on the other hand, confirmed that more than 75% of US customers consider the environment when making purchasing decisions. Additionally, a study conducted in the UAE indicated that 82% of customers are willing to pay a 5% price premium for green products.
- Green customers can exert significant pressure on businesses by boycotting products that do not align with their environmental values.
- Green customers can form powerful advocacy groups that can influence businesses through lobbying efforts, media campaigns, and other means.

### B. The Green Product:

The worsening environmental problems have brought renewed focus on green products. These products deliver superior environmental and societal performance throughout their lifecycle – production, use, and disposal – compared to traditional products. Many organizations have responded to environmental demands by modifying existing products or developing entirely new green products. Green products are characterized by the following features:

- ✓ **Environmentally Friendly Benefits:** These products have minimal negative environmental impacts, such as generating waste that can be safely disposed of in an environmentally friendly manner.
- ✓ **Increased Use of Renewable Materials:** Green products prioritize renewable materials, such as paper packaging instead of glass packaging.
- ✓ **Reduced Environmental Harm and Costs:** Compared to similar products, green products cause less environmental damage and incur lower environmental costs. Examples include lead-free gasoline and recyclable packaging.
- ✓ **Utilization of Renewable Energy Sources:** Green products utilize renewable energy sources like solar and wind power.
- ✓ **Alignment with the "Five Rs":** Green products embody the "Five Rs" waste reduction principles:
  - ✚ **Refuse:** Avoid unnecessary products or packaging.
  - ✚ **Reduce:** Minimize the amount of materials used.
  - ✚ **Reuse:** Find new ways to use existing products or materials.
  - ✚ **Recycle:** Convert waste materials into new products.
  - ✚ **Rot:** Compost organic waste to create nutrient-rich soil.
- ✓ **Reduced Use of Hazardous Materials:** Green products minimize the use of harmful substances like chemicals and toxins.
- ✓ **Extended Product Lifespan:** Green products are designed for durability and longevity, reducing the need for frequent replacements.

### C. Green Advertising:

Advertising is a crucial activity that encourages individuals to try an organization's products. It utilizes various media channels<sup>7</sup>, including magazines, newspapers, posters, radio, television, and more. For

decades, advertising has been considered the most influential marketing tool for boosting sales. Green advertising is characterized by the following features:

- ❖ Green advertising focuses on promoting products that are environmentally friendly and align with sustainability principles.
- ❖ Green advertising provides detailed information about green products, raising consumer awareness of environmental issues.
- ❖ Green advertising presents evidence and data to support claims about the environmental friendliness of advertised products.

#### D. Green Packaging:

Packaging is an integral part of a product, serving as the container or wrapping material, whether it's made of paper, plastic, metal, or other materials. Organizations that invest heavily in advertising often view packaging as an extension of their promotional efforts, accompanying the product into the consumer's home.

Packaging materials account for approximately one-third of solid waste in developed countries, posing a significant environmental burden. This has led to the emergence of green packaging, which emphasizes the use of recyclable, biodegradable, or environmentally friendly materials compared to conventional packaging options. For instance, Germany has enacted legislation mandating that all packaging materials be recyclable.

#### E. Green Labeling:

Product labels provide essential information about the product, including its name, brand, size, origin, usage recommendations, and more. Green labeling goes beyond these elements to include a symbol or logo that signifies the product's environmental friendliness. This serves as a call to action for environmentally conscious consumers, encouraging them to prioritize the product over competitors. The green label also acts as a verification of the product's environmental credentials, indicating its reduced environmental impact.

Germany was the first nation to adopt green labeling with its "Blue Angel" eco-label in 1978. Currently, over 4,000 products carry this label in Germany. The European Union has also developed a green labeling program, instructing member states in 1992 to establish standardized criteria for awarding the EU eco-label to products that meet these requirements. The first product to receive this label was Hoover washing machines in the UK in 1992. Hoover incorporated the label into its advertising campaigns, leading to a sales increase of 12% to 25%. In addition to the aforementioned labels, the recycling symbol is widely used today, indicating that the product can be recycled.

Despite the growing focus on green labeling, these labels remain voluntary rather than mandatory. Organizations must actively seek certification, as it is not imposed upon them. As consumer environmental awareness grows, green labels are becoming increasingly influential in purchasing decisions, incentivizing organizations to prioritize their adoption.

**Figure 1: Green Labeling Examples**



EU Eco-label

Blue Angel

Recycling Symbol

**Source:** Najem Abboud Najem, *Environmental Responsibility in Modern Business Organizations*, Al Warraq

Publishing and Distribution Establishment, First Edition, Amman, Jordan, 2012, p. 252.

In today's environmentally conscious marketplace, brand loyalty is increasingly intertwined with a company's commitment to sustainability. A study conducted across European Union countries revealed that 93% of respondents affirmed a strong connection between brand loyalty and environmental considerations<sup>8</sup>.

#### F. Green Purchasing:

Purchasing is defined as the process of acquiring the right materials, in the right quantity, from the right source, at the right time, in the right place, and at the right price. This definition highlights the six essential elements of optimal purchasing: materials, source, quantity, time, place, and price. Green purchasing, in contrast, expands upon these six elements by incorporating an additional layer: the environment. This involves establishing environmental criteria that suppliers must adhere to. For instance, Japanese automaker Honda mandated that all its domestic suppliers obtain ISO 14001 certification by 2005 while extending the deadline to 2008 for international suppliers.

Key Characteristics of Green Purchasing:



- ✚ Suppliers must implement an environmental management system aligned with international standards, such as ISO 14001 certification.
- ✚ The extraction and manufacturing processes must not involve the use of environmentally banned substances.
- ✚ Products must not contain prohibited materials.

The US Environmental Protection Agency (EPA) further outlines five characteristics of green purchasing products:

- ✚ Products should be made from renewable materials.
- ✚ Products should promote efficient energy and water usage.
- ✚ Products should incorporate recycled materials.
- ✚ Products should not contribute to ozone layer depletion.
- ✚ The company should adopt green information technology practices.

### Conclusion:

In conclusion, the following key findings can be summarized:

- **Emergence of Green Marketing:** Green marketing emerged as a modern concept within the marketing realm during the early 1990s.
- **Definition of Green Marketing:** Green marketing encompasses a set of marketing activities aimed at minimizing negative impacts on both the environment and society.
- **Drivers of Green Marketing:** The rise of green marketing can be attributed to several factors, including dwindling raw materials, rising energy costs, and escalating levels of environmental pollution.
- **Facets of Green Marketing:** Green marketing encompasses various aspects, including the green consumer, green products, green advertising, green packaging, green labeling, and green purchasing.
- **Environmental Benefits:** Green marketing plays a pivotal role in promoting resource conservation and reducing environmental pollution levels.
- **Legal and Social Benefits:** By adopting green marketing practices, organizations can avoid attracting the attention of environmental groups and consumer protection agencies, thereby minimizing the risk of legal repercussions. Additionally, green marketing fosters social acceptance of the organization, enhancing its reputation among existing customers and attracting new ones.

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