THE ROLE OF GREEN MARKETING IN ACHIEVING SUSTAINABLE DEVELOPMENT

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Abstract: All forms of business affect the environment. In addition to the right to use natural resources, companies also have their obligations regarding their utilization. They must not be focused solely on profit, but must be socially responsible and take care of the environment. This raises the question of whether the company can be both environmentally and socially responsible and profitable at the same time. The aim of this paper is to show that it can, and one of the methods is the application of green marketing, which contributes to sustainable development. The issue of sustainability must be more closely integrated into the marketing strategy. This paper analyzes the benefits and difficulties of applying green marketing and its role in achieving sustainable development. The analysis was carried out from several aspects - the position of the main subjects in this field (consumers, enterprises, countries) was examined. For this purpose, the "meta" empirical analysis was applied - data from existing empirical research were used to obtain the results and conclusions of this paper. Since the aim of the paper is to give recommendations and examples of the green marketing application in enterprises, in addition to the research of the existing literature, we used the method of case studies analysis.

Keywords: green marketing, sustainable development, social responsibility, environmental awareness

1. INTRODUCTION AND LITERATURE REVIEW

Globally we are facing many challenges related to the environment. To overcome them, numerous concepts and approaches have been developed. One of them is green marketing, which responds to the needs of ecologically-conscious consumers. There are numerous definitions of green marketing. The most widely used and cited is the definition of the American Marketing Association, according to which green marketing is defined as the marketing of those products that are safe in respect of the environment, organic and have no harmful effects on the

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In the literature, green marketing can also be found as organic marketing, sustainable marketing, and environment marketing, because this is exactly what reflects its focus. Applying the concept of green marketing provides benefits to individuals, organizations and the environment. It helps individuals take care of their health more actively, by assisting them to use healthy products, and enables companies to save on resources and reduce costs, which will result in reduced harmful effects on the environment. Green marketing is also one of the most important business strategies that helps in ensuring sustainable development. As sustainable marketing implies meeting current needs without sacrificing the benefits of future generations (Li, Cai, 2009), the application of green marketing is one of the methods to bring it into practice, because it promotes ways to save and rationally utilize limited resources. Both concepts have the ultimate goal of protecting the environment. This work is aimed at analyzing the impact of the green marketing concept on achieving sustainable development. In particular, the application of green marketing strategies in the countries of the former Yugoslavia and examples of good practice are analyzed.

The concept of green marketing originated in the 1970s - 1980s. The American Marketing Association organized the first workshop on Ecological Marketing in 1975. In the eighties, some theorists have begun to deal with this topic, and it was in practice in the nineties, with the beginning of production of environmentally friendly products, as well as with developing marketing and business concepts that support this process. Some of the scholars who initially dealt with this issue were Stanton and Futrell (1987), as well as the Mint and Lozanda (1993). The essence of their concepts is that green marketing, in a wider sense, implies the marketing of activities that will make the exchange that satisfies the needs and aspirations of consumers, while reducing the impact of these activities on the physical environment, possible (quoted by Singh, Singh, Sharma, 2016).

Green marketing refers to the organization's efforts in production, promotion, pricing and distribution that will not harm the environment (Pride and Ferrell, 1993). Polonsky (1994) considers that green marketing consists of activities
designed to generate and monitor exchange that aims to meet the needs and desires of people, so that this satisfaction is occurring with minimal harmful effects on the natural environment.

Green marketing mix consists of elements and "eco-friendly" products, designed in such a way that has the least harmful impact on the environment and, with the help of natural resources, can satisfy consumer preferences that are unlimited (Chitra, 2007). From all the above definitions it can be concluded that green marketing promotes a way of doing business that aims to create products that will use the minimum resources in order to meet the needs of consumers.

On the other hand, sustainable development implies a development that responds to existing needs without compromising the ability of future generations to meet their needs (World Commission on Environment and Development, 1987). Sustainable development is the framework for creating policies and strategies for sustainable economic and social progress. It can be understood as maintaining a balance between the use, storage and restoration of all resources. The overall goal of sustainable development is the long-term sustainability of the economy and the environment, which will be achieved by integrating economic, environmental and social aspects of the decision-making process (Domazet, Simović, 2015).

Green marketing and sustainable development are linked to common goals, so different green marketing activities impact on achieving sustainable development: the production of environmentally friendly products, the use of recyclable materials that are biodegradable in packaging, the production and business process without environmental pollution – focused on the efficient use of energy, the application of efficient waste management (Domazet, Pantić, 2015). The concept of green marketing is crucial for achieving sustainable development for the following reasons: it contributes to cost savings, leads to the expansion of exports – as there are no issues with "green" bans, helps to establish the company's "green image", enables the company to be more competitive, helps the company to avoid "green taxes" (Zaharia, Zaharia, Tudorescu, 2010).

As sustainable development implies that satisfying needs is done without destroying the benefits of the future, green marketing has to change the classical marketing concept in order to contribute to it. This change must include product modification, changes in the production process, packaging, and promotion. The focus is a green product that does not contain harmful components and does not pollute the environment.
1.1. The goals of green marketing

Green marketing seeks to respond to the needs of ecologically responsible consumers. In order to be successfully applied, it must be accompanied by market and economic conditions, which encourage its development. To a large extent, this concept is also linked to socially responsible business, where business success is not focused solely on profit but also on environmental protection. In that sense, companies that apply green marketing do this in two ways: internally - investing in people and technologies that will be able to produce a green marketing mix, and externally - they are trying to have a positive influence on the local community. The basic tools of the green marketing mix are: green product, whose production does not disturb the environment, and the resources are consumed in rational quantities; Packaging, which respects the 3R concept (Reduce-use as little material as possible-Reuse-Recycle); Price - companies must strive to find the right price, since the price for green products is higher and the question is whether consumers will be willing to pay for it; and Promotion, where the green labels are used.

The main goals of green marketing are the following (Mishra, Sharma, 2014):

- To eliminate the concept of surplus,
- To modify the concept of the product,
- Prices must reflect actual and environmental costs,
- To make the environment profitable,
- To make changes in product manufacturing processes,
- To make changes in packaging,
- To modify advertising.

The green marketing concept implies that businesses find a way to reuse the surplus that remains from production. Accordingly, limited resources are saved. Green products are different from traditional ones because they are produced from materials that do not pollute the environment and are healthier for consumers. The prices of green products are, as a rule, higher because they have to cover the costs of the environment. On the other hand, they must not be at a level that is unacceptable to consumers. Therefore, companies should define prices that would meet both criteria. Companies using the concept of green marketing should demonstrate that this can also make them profitable, but that the profit is not the only goal of their business. Changes in production processes mean that energy saving measures are implemented, as well as that the environment is not polluted. Packaging in green marketing uses the 3R concept, as recyclable materials are used. When promoting, and in particular advertising, it is necessary to create messages that motivate consumers to use green products. An interesting challenge
lies in the fact that it is difficult to find evidence for statements promoting the use of green products.

1.2. Reasons for using green marketing

There are numerous reasons for using green marketing, which can be observed from the perspective of consumers, and from the perspective of organizations. With green marketing, consumers are given the opportunity to reach the products that are good for their health, which at the same time do not disturb the environment, for which they are increasingly concerned (Pantić, Đuričin, 2015). Green marketing gives companies the ability to re-brand their products, create specific product lines and to achieve their goals, along with the rational use of resources. The question arises as to whether the business can be environmentally responsible and profitable at the same time? Although green business seems to be more expensive, it offers certain advantages, which are (Bhaskar, Scholar, 2013):

- Opportunity to reach their goals,
- A moral obligation for social responsibility,
- Government bodies force companies to become more responsible,
- Competition aimed at protecting the environment,
- High costs, and on the other hand, availability of surplus.

The need for green marketing is increasing due to the problems of global warming, ozone depletion... On the other hand, more and more people are interested in environmental issues. Green marketing provides a good basis for the development of social entrepreneurship, as profit and non-profit organizations can unite on the environmental protection. This creates entrepreneurship of green communities – the collective ability to mobilize resources, including social capital, in order to provide products or services that are more focused on environmental protection than maximizing profits.

1.3. Issues with the application of green marketing

Often, the benefits of green marketing cannot be manifested only through money. Many companies question the actual effectiveness of green marketing, while others have difficulties to effectively communicate or fulfill what they claim. On the other hand, consumers themselves are very skeptical.

The application of green marketing is often observed only from the micro level, i.e. enterprise level, though broader – macro factors must particularly be taken into consideration.
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The issues that businesses most often face are:

- Companies must be sure that their green activities are not contradictory to the consumers or the economic branch in which they operate,
- Companies must be sure that their actions do not violate laws and other regulations,
- There is a lack of standards to prove statements used in green marketing campaigns,
- Environmental protection must be considered as a long-term investment,
- Green marketing has to focus on consumer benefits.

In order to overcome these issues, companies must first of all change their way of doing business, which implies a modified marketing mix, and in addition, people and technology adapted to new production processes. In addition, it is necessary to work on continuous education of consumers and strengthening their awareness about the importance of consuming green products, both for their health and for the protection of the environment. One should not forget the importance of institutional and overall social support to these processes (Pavlović, Ljumović, 2016). Responsible government institutions must recognize the importance of green action, and adopt adequate strategies to manage these activities in a sustainable way, with a long-term orientation.

2. RESEARCH AND METHODOLOGY

For the purpose of this paper, the results of the research that came within the PhD thesis "Marketing with a social goal and ecologically responsible behavior of consumers from the territory of the former Yugoslavia" were used (Raletić Jotanović, 2017). 1550 respondents participated in cross-cultural research, conducted in the territory of the former Yugoslavia, on the topic of ecologically responsible behavior of consumers and marketing with a social goal, used as a stimulus for increasing the environmental awareness of consumers. The basic research set included about 19 million people from: Serbia 7,186,862, Croatia 4,284,889, Bosnia and Herzegovina 3,827,343, Montenegro 620,029, Slovenia 2,063,371 and Macedonia 2,107,037. The analyzed demographic characteristics of the sample are: state, gender, age, professional qualification and monthly income of the household.

If the structure of the sample is observed according to the countries from which respondents come from, out of 1550 respondents: 276 are from Serbia, 250 from Croatia, 265 from Bosnia and Herzegovina, 250 from Montenegro, 253 from Macedonia and 256 from Slovenia. That is, from 100% of the sample: 17.81% is
from Serbia, 16.13% from Croatia, 17.09% from Bosnia and Herzegovina, 16.13% from Montenegro, 16.32% from Macedonia, and 16.52% from Slovenia.

If the structure of the sample is analyzed according to gender, it is concluded that the majority of the sample – 62.90% or 975 subjects are women, while men make 37.10% or 575 respondents.

When considering the age structure of the sample, respondents aged 18 to 30 make up the majority of the sample – 50.77% or 787 subjects. The second category by size are the respondents aged 31 to 40 with 25.23% or 391 subjects. Respondents aged 41 to 50 make up 12.52% or 194 subjects, 51 to 60 years old make 7.68%, or 119 subjects, while respondents between 61 and 70 years make up 2.65% of the sample, with 41 subjects. Only 11 respondents (<1%) were between the ages of 71 and 80, while 7 respondents did not answer the question of age.

When considering the structure of the sample according to the professional qualification, there is the same number of respondents – 39.81%, or 617 subjects who completed a college/university and those who have a high school diploma. These categories constitute the majority of respondents in the sample. Respondents with completed master studies, magistracy or doctorate make 19.16% of the sample, which makes 297 respondents. Only 15 respondents (<1%) have completed primary school, while 4 respondents did not provide information on the professional qualification.

The majority of the sample are households with average monthly income, 48.90% or 758 respondents. Respondents living in households below average monthly income make up 33.68% of the sample, or 522 respondents. The smallest number of respondents, 17.30% or more precisely 268 subjects, live in households where the monthly income is above the average. Two respondents did not answer the question about the monthly income of their households.

The sampling methods used are the stratified sample method and the simple random sample method. The population of consumers from the territory of the former Yugoslavia, which makes up about 19 million people, is divided into six strata, i.e. six countries from the territory of the former Yugoslavia: Serbia, Croatia, Bosnia and Herzegovina, Montenegro, Macedonia and Slovenia. A simple random sample method was used to randomly select subjects from each strata.

The technique used in the research is a questionnaire. First, a pilot questionnaire was created, followed by the final questionnaire, with some corrections. The final questionnaire consists of three parts. In addition to the introductory, which implied
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The respondents’ consent, the second part contains demographic questions, which are related to the following characteristics of the respondents: state, gender, age, education and monthly household income. Issues related to the state, gender, education and monthly household income are closed type, while the question regarding the age of the respondents is of open type.

The third part consists of two sub-questionnaires:

a) **Questionnaire for examining the environmentally responsible behavior of consumers.** It contains a total of 28 questions for determining four different types of behavior: 1) environmentally responsible buying 2) consuming products in an environmentally friendly manner 3) waste disposal so as not to degrade the environment and 4) post-use of the product. Every behavior is analyzed through seven different types of products: 1) food and beverages 2) home care 3) clothes and footwear 4) furniture 5) electrical appliances 6) transportation and 7) office supplies.

b) **Questionnaire for examining elements of marketing with a social goal as a stimulus for the environmentally responsible behavior of consumers.** It contains 31 questions: 1) price - 8 items, 2) distribution - 4 items, 3) promotion - 12 items, 4) previous experience - 3 items, 5) creativity - 3 items, and 6) partnership - 1 item.

Descriptive statistics were used to determine the frequencies of different types of environmentally responsible behavior: environmentally responsible purchasing, consuming products in an environmentally friendly manner, disposing of waste to avoid degradation of the environment and post-use of products by countries: Serbia, Croatia, Montenegro, Bosnia and Herzegovina, Macedonia and Slovenia. In addition, the same method was used to determine the frequencies of different elements of marketing with a social goal as a stimulus for environmentally responsible behavior: prices, distribution, promotion, partnership, previous experience and creativity.

### 3. RESULTS

The most important research results selected for the purpose of this work are:

- **There are differences in ecologically responsible purchasing, among consumers from Montenegro and all other former Yugoslav countries, where consumers from Montenegro are significantly less responsive to environmental purchases.** Consumers from Montenegro buy ecologic products to a lesser extent.
• There are differences in the consumption of products in an environmentally friendly way, among consumers from Montenegro in relation to consumers from Serbia, Croatia, Slovenia and Macedonia, where consumers from Montenegro considerably less consume products in an environmentally friendly manner. Consumers from Montenegro, for example, do not save enough energy, do not buy in second-hand shops...

• Consumers from Montenegro are next to the last in respect of waste disposal in an environmentally friendly manner (consumers from Macedonia are on the last place).

• Respondents from Montenegro consume products for post-use, to the least extent compared to others.

• Consumers from Montenegro consider distribution as a stimulant of ecologically responsible behavior to a lesser extent comparing to consumers from Serbia and Macedonia.

• Consumers from Montenegro are significantly less willing to change their behavior towards an ecologically more responsible under the influence of commercial propaganda.

• Respondents from Montenegro are least willing to invest money for the purpose of ecologically responsible behavior as consumers.

• Respondents from Montenegro are least willing to invest time for the purpose of ecologically responsible behavior as consumers.

• The partnership between the state institution and the company is the most stimulating partnership when it comes to increasing the ecologically responsible behavior of consumers from Montenegro. Partnerships that are least stimulating for the environmentally responsible behavior of consumers are: a) international institutions, companies and celebrities, b) state institutions, NGOs and celebrities, and c) international institutions, celebrities, companies and NGOs.

• According to demographic characteristics, foremost consumers who behave ecologically responsible are: women, elderly consumers, those with a higher education and those whose income is above the average.

This research shows that, compared to other consumers from the former Yugoslavia, consumers from Montenegro are less ecologically aware and willing to buy products that are safe for their health and environment. This data is quite surprising, since Montenegro is an ecological state, although it would be necessary to conduct a more detailed analysis to determine the real causes of this situation. One of these reasons probably lies in the habits of buying and consuming products, second in inadequate offer of green products, and the third in insufficient stimulus measures for manufacturers to invest additional resources and efforts to develop the concept of green marketing. Certain initiatives have been promoted and will be
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implemented within the process of Montenegro's enlistment to the European Union. One of the chapters is about the environment. It states that Montenegro seeks to systematically integrate environmental issues into all economic sectors and decision-making processes, and to pay special attention to investing in clean energy sources, effective prevention and control of pollution, minimizing waste and environmental risks, and integrating environmental sustainable practices in key economic activities, in order to change unviable patterns of consumption and production, with particular emphasis on combating climate change.

On the other hand, the results of the research give some recommendations and guidelines for developing strategies that would be aimed at raising the awareness of consumers from Montenegro about the importance of environmentally responsible behavior. The results that women are more ecologically aware are not surprising, because they have higher sensitivity to topics of social significance. From the age perspective, the older are more ecologically responsible, which can be explained by their greater concern for health, but also for the environment, which they leave in some way to their descendants. As educated people are more familiar with the existence and importance of organic products, they buy them more. This is also related to their income, which is higher than the average and gives them the opportunity to buy such products, which are, as a rule, more expensive. These analyses also provide recommendations on which categories it is necessary to focus in promo-educational campaigns, which primarily addresses the younger population and those less educated, because their ecological awareness is at a lower level. As the general public in Montenegro is less ecologically aware, it means that, to a certain extent, the activities should be directed towards everyone. First of all, consumers from Montenegro need to educate themselves about ecologically responsible behavior – its importance for their wellbeing, as well as for the environment and society in general. It is necessary to present them the importance of identifying eco-labels, which is the evidence of product quality. The presentation model must involve direct contact, and not only propaganda, which has not proved to be the most efficient way of communication among consumers in Montenegro. They must recognize the importance of purchasing green products and benefits that can be achieved, because price is not a key reason to stimulate them to buy.

The above outcomes were confirmed by the results carried out for the needs of the Carbon neutral tourism project, implemented by UNDP (UNDP, 2015). The research on low-carbon tourism in Montenegro was conducted in 6 coastal municipalities (Bar, Budva, Herceg Novi, Kotor, Tivat, Ulcinj) and in the capital of Cetinje, and encompassed three target groups: 1) 1.000 tourists/visitors; 2) 100 representatives of the business sector of travel and tourism - tourist workers; and 3)
representatives of competent institutions at the national and local level in the area of tourism and environmental protection.

The results showed the following:

- Tourists, tourist workers and representatives of relevant institutions at the national and local levels in the area of tourism and environmental protection have generally shown a relatively low level of awareness regarding low-carbon growth, and low carbon products and services in the area of travel and tourism. However, the general perception is that Montenegro is a clean and ecological tourist destination. No specific low-carbon tourism product or service, except the marine Porto Montenegro with their ecological standards for yachts, are offered in Montenegro.

- To some extent, tourist workers use measures to mitigate and reduce CO2 emissions, but additional incentives and systematic approach, which would be governed by state institutions, are needed. Responsible institutions are aware of eco-labeling programs and there are certain initiatives to provide assistance to tourist workers to include that in their offer.

- The main obstacles to the use or provision of low-carbon tourism products and services, which were put forward by tourist workers, relate to the lack of interest (perception that this would not attract more clients / tourists), the lack of resources and incentives. In addition, tourists are generally not interested in low-carbon tourism products and services, while competent national and local institutions indicate a lack of funds and a lack of interest by representatives of the tourism sector.

- Activities identified to neutralize the carbon footprint in tourism, which could be an incentive and motivation for the further creation of an environment for the development of low-carbon tourism, relate to pedestrian and cycling zones, bicycle paths and stations for electric bikes, tax incentives for accommodation of higher category, benefits for tourist facilities using an energy efficiency programs, adequate landfills, etc.

- This survey also showed that the awareness of various actors in Montenegro on low-carbon tourism is at a low level. Competent entities are familiar with the concept, but not with the methods of its application. On the other hand, even the tourists themselves are not demanding on this issue, so they do not exert additional pressure on the authorities to be more responsible. Although the state has enacted certain laws and strategies, no clear models for controlling their application have been established.

- The above indicates that in the coming period, we should work on raising awareness about the importance of ecologically responsible behavior not only of consumers, but also of business entities and state institutions, in
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order to systematically and in the long term deal with environmental protection.

The originality of this paper is reflected in the analysis of literature and conducted researches in the area of green marketing, sustainable development and their connection. A special contribution lies in the presentation of a comparative analysis of Montenegro and countries of the region, primarily in the segment of environmental awareness of consumers. The added value is reflected in the analysis of case studies and recommendations for the application of green marketing in an efficient way, which can contribute to the improvement of business operations, as well as to sustainable development of the economy and society as a whole in the long run.

The paper can serve to all those who want to further elaborate this topic both theoretically and practically. During the writing of the paper, the existing literature was analyzed, but also the practice related to the application of green marketing in achieving sustainable development. Despite the global framework of analysis, the focus was on Montenegro and the region, so that examples and recommendations can primarily be of importance to companies in Montenegro who plan to act more ecologically and socially responsible. The paper can also be used at faculties, in the study of marketing and green marketing - theoretically and through the analysis of the case study

Future Research Directions:

The paper analyzes a part of the existing literature related to green marketing and its importance, as well as the contribution of green marketing in achieving sustainable development. The researches conducted with the aim of analyzing the ecologically responsible behavior of consumers from the territory of the former Yugoslavia, as well as public researches in Montenegro regarding the knowledge of the low-carbon tourism concept, are presented in this paper. Research has shown that the application of green marketing has not been sufficiently developed on the territory of the former Yugoslavia, especially in Montenegro. In that sense, further research will focus on exploring the reasons for the insufficient environmental awareness of consumers in Montenegro, especially since Montenegro is an ecological state and consumers in this country should have greater responsibility towards it. Regarding the application of green marketing, in addition to the analysis of consumers, further research by the authors will also refer to the research of the behavior of business entities and competent state institutions. In accordance with the results of the research, the further work of the authors will be directed to giving recommendations, which can be the basis for the development
of strategies, which would raise consumers' and other subjects' awareness of ecologically responsible behavior and the importance of implementing the concept of green marketing.

4. CONCLUSION

Companies have great benefits from applying green marketing (reducing costs, creating new markets, etc.). These benefits can also be observed at the macro level, as such action leads to sustainable development (through, for example, energy savings, reduced waste, etc.).

In addition to businesses, consumers are also benefiting from green marketing because acting in accordance with its principles leads to the provision of products that are good for the health of consumers, but also to the protection of the environment in which people work and live.

Green marketing is increasingly being applied globally, primarily because consumers become ecologically aware and demanding when environmental protection is in question. On the other hand, states also realize that many resources are being spent uncontrollably, which can lead to their disappearance and unsustainability of certain industries in the future. That's why more and more models are being sought to respond to unlimited consumer needs with limited resources, and one of these models is green marketing. It contributes to achieving sustainable development, as it promotes the rational use of resources.

Marketing managers should also adapt to the new concept of action, as the traditional concept of marketing mix needs to accommodate to new needs. At the heart of green marketing is the green product, which is made of non-polluting materials. They are accompanied by green packaging, as well as branding that distinguishes products that are environmentally friendly. Promotion should contribute to consumer awareness and information about these products and, when presenting their advantages, to motivate people to use them. The prices of green products are usually higher due to the specific process of their production. However, they must be at a level acceptable to consumers, which can be achieved by reducing costs, saving energy, using surplus of materials and waste, and so on. The distribution should also be organized in accordance with the "green principles", primarily through adequate transport, and the use of fuels that are less harmful to the environment.

Special heed should be paid to consumer education, as their behavior significantly influences the implementation of the green marketing concept. On the other hand,
their actions will significantly influence the companies' business, as ecologically conscious consumers will "make them" behave more socially responsible, since they will choose to buy from such.

Consumers in developing countries are less ecologically aware than in developed ones. This is shown by the research of the ecological action of consumers from the territory of the former Yugoslavia. However, there is a difference between them. For example, consumers from Montenegro are significantly less ecologically responsible in purchasing from other countries of the region and are not sufficiently informed about how they can contribute to environmental protection. In this respect, an action for raising the awareness of consumers in Montenegro on ecologically responsible activities needs to be performed in the future.

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