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# **Eco Marketing Mix for Sustainable Development of Companies**

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## **Introduction**

The environmental problems in the world, as a result of human reckless behavior, require the need to manage the environment and to alert consumers and producers of the impact they may have on preserving the environment. This creates a segment of environmentally responsible consumers as well as producers. Although their numbers are insignificant compared to the others, they are still interesting as a target market. Trying to target them, marketing adapts to them by creating and shaping new activities they call eco marketing. Eco marketing is aimed at consumers, that is, to create products that will motivate consumers to buy and for which they will pay a higher price to behave environmentally conscious.

The Eco Marketing Mix is a set of marketing activities that begin by exploring the needs of eco products consumers and undertaking other business activities that will satisfy consumers and generate reasonable profits. The marketing mix of “green” or eco products differs from the marketing mix of products that are non-ecological or “brown”, with only environmental care and incorporation of information useful to the environment. Eco or “green” marketing mix instruments are: eco products / services with eco packaging, eco price, eco distribution and eco communication.

## **Eco product**

The Eco product is a “green” product and is characterized by properties and qualities that differentiate it from conventional products, giving consumers greater satisfaction in consumption. For a product to be “green” or environmentally friendly and organic, it must contain 95 percent organic ingredients, as well as comply with sanitary and health regulations. (Law on Organic Farming in the Republic of Macedonia, 2009) Eco product is included in the luxury product class due to its high price, limited sales outlets and low demand due to lack of information from consumers.

The term eco-product is intended to refer to products and services whose impact on the environment and the health of consumers is reduced compared to other products having the same purpose and use. The fact is that a “green” or eco product does not fully exist because all products use energy and resources and produce side effects throughout their life cycle. (Nefat, A., 2015.) As eco products, we can name energy-efficient bulbs, hybrid vehicles, solar panels, vegetables and fruits grown under special conditions, rechargeable batteries, t-shirts made of environmentally friendly cotton, health and care products and the like.

To be environmentally friendly, products must be made of recycled materials, reduce environmental impact, and save energy, water and money in their production.

The role of marketers in product management includes providing market-driven product design and customer requirements with specific features such as, energy saving, organic, “green” chemicals, local natural renewables and the like. Materials made from naturally renewable sources and mainly of plant origin are biodegradable in composition and can be

safely burnt. In addition to protecting human health, the main advantage of eco-food is environmental protection, as such production does not pollute the soil or water. Organic food is not like classically industrially grown food full of harmful chemicals, but incorporates all environmentally, economically and socially justified production and technological methods.

To increase sales of environmentally friendly products, a strong and lasting identity of the product or service needs to be developed, and confidence in the consumer that will develop a sense of usefulness, safety and well-being from the use of the product or service should be fostered. Therefore, companies need to develop eco brands that show consumers that they care about the environment. If consumers believe in the brand and identify with it, they are more likely to be encouraged to buy and consume it. This way the company can create a great competitive advantage over other companies in the market. "Green brands can offer functional, experiential and symbolic benefits. Functional benefits relate to the performance of the "green" product, and the experiential ones are feelings about using it. They are related to the characteristics of the product itself. The symbolic benefit is related to consumers' perception of the green product and is a function of their self-expression or social acceptance." (Nefat, A. 2015., p. 61) The problem with eco brands is that there is sometimes a risk of what is promised and presented with what is offered to the consumer market.

Special imperative at a time when the environment is more threatening than ever is the emergence of eco-friendly packaging of products. This implies rational use of resources and raw materials, improved production efficiency of product packaging, and subsequent recycling and disposal. The purpose of eco packaging is to provide market competitiveness to protect the natural environment, save money on equipment procurement, energy consumption, environmental sustainability and development.

The "green" or eco packaging should have the following characteristics:

- 1) Packages that would be practical and that would have an environmental impact should be reduced in size.
- 2) The packaging should be easy to reuse or easy to recycle.
- 3) The packaging should be degradable so as not to generate waste.
- 4) The packaging material must be non-toxic to the human and biological environment. Packaging materials must not contain toxic substances or be controlled by toxic substances and contents.

Packaging adjustments should be made by all participants in the supply chain. Manufacturers should consider the amount and type of packaging material used in designing the material. The use of proper packaging is also important in the logistics process, as lighter and thinner packaging affects the better utilization of the warehouse space, reduces transportation costs and ultimately produces less waste. Retailers are an important factor in pushing manufacturers to offer eco-packaging. (Nefat, A. 2015., p. 61)

To encourage companies to apply high environmental standards in manufacturing or service, eco-labels have been designed as voluntary environmental instruments that manufacturers can apply to product packaging. They confirm that they adhere to high environmental standards

throughout the product or service life cycle. These eco-labels are also important in promoting international policy on sustainable production and consumption. Not everyone can have them. They are designed for those who meet the highest standards.

### **Eco price**

Products that are environmentally friendly are still treated as luxury, largely because of their higher price than other "ordinary" or "brown" products that have the same use and purpose. The higher cost of "green" or eco products is based on the company's workload with higher costs incurred in researching and developing these products, as well as their non - mass production. In order to maintain their profitability, manufacturers must charge more for the environmentally friendly product. Its environmental characteristics, in turn, give the manufacturer a competitive edge. However, not every consumer is financially fit enough to buy this product, so he usually chooses ordinary products or alternatives to eco products that are cheaper than eco products.

### **Eco distribution ("green" supply chain)**

Supply chain means the flow of goods, services, and information from suppliers through transportation to manufacturers, distributors, retailers, to the end consumer, which in a word is distribution. In this way it is easier to follow the whole process and develop interconnections, especially with the development of information technology.

To ensure ecological acceptability of the product on the way from raw materials, through production and delivery to the end consumer, a "green", ecological supply chain management has been developed. Eco-distribution supply management is much more than reducing resource use and reducing environmental pollution. Supply chain management can be defined as "the integration of thinking about environmental and supply chain issues, which includes product design, procurement and selection of materials, production processes, delivery of finished product to consumers, as well as expiry date management when it is no longer useful for use." (Nefat, A., 2015, p. 87)

For the third element of the marketing mix to be eco-friendly, the whole process needs to be ecologically based. So, companies that want to declare themselves environmentally conscious should react at the very beginning when creating a product. Namely, they should start from product design, production process, to take responsibility for the transfer of products to points of sale, ie. transport and distribution. In this way, the companies act environmentally positive on the consumers themselves, as well as on those who supply them with the raw materials for making the products. The biggest cost in the distribution channel is waste, so it might be best for companies to reduce the number of suppliers, especially those that generate more waste.

Today, managing the "green" eco-supply chain, with the help of new technologies, methods and approaches to doing business, is becoming an indispensable concept for modern companies, trying to follow other companies as well.

### **Eco Marketing Communication**

In recent years, manufacturers have increasingly used their awareness of the need to protect the environment when communicating with consumers. They use promotional messages to

show consumers how much they care about the environment by designing their products. With promotional messages, the product reaches the consumer who gets to know it and receives useful information. Unlike before, now companies know how sensitive consumers are to the topic of environmental protection. Therefore they offer products and packages that meet the criteria for eco marketing.

Green advertising can be used in three forms:

- 1) By linking the product or service with environmental protection;
- 2) By promoting healthy living without directly linking to a product or service;
- 3) By linking the corporate image to environmental protection and responsible behavior. (Kesić, T., 2003.)

Companies differentiate their environmental connection with consumers. Most often they label the product packaging that it is an eco product, meaning that it was created in collaboration with nature and that its consumption and disposal does not harm nature. Companies are also associated with various sponsorships of ecology-related events and activities and most often they associate these eco activities with a company product or its logo. Various BTL activities are organized at the outlets, specimens and brochures to interest consumers to educate and purchase eco products are exhibited. Consumers are heading to supermarkets and grocery stores looking for eco friendly products. They need to know what “green” products are, unlike “brown” products, in which stores they can be found and how to spot recyclable products and packaging in their surroundings. Therefore, you need to communicate with consumers in the right way.

Environmental-friendly products, such as mercury-free alkaline batteries or paper towels made from recycled material, often differ from “browns”. Other eco-friendly products, such as citrus-based cleaning products, are often out of the reach of customers. (Ottman, J. 2004, Chapter 2)

In order for companies to manage public communications well, they need to follow some rules or recommendations. Some of the recommendations are:

- 1) Assertion must be specific - these claims should be used to avoid general claims, such as: “friendly”, environmentally friendly, environmental or environmental friendly. Identifying similar claims avoids the possibility of misinforming consumers or creating distrust for all products that have a general label.
- 2) Assertion must deter the current sense of postponement - this applies to claims that are technically correct but practically inaccessible in certain environments because there are no adequate waste disposal and recycling containers. The best example is glass that does not dissolve in the ground and any claim in this regard is incorrect. On the other hand, the glass with the container for disposal is recycled, which means that it can be reused for glass packaging production.
- 3) Assertion should be focused on the essence - environmental claims should be significant. Some common phrases like “We need to protect the environment” or “Protect trees” and “Forests for future generations” are worn out and cannot work. Therefore, it is necessary to

find messages that are relevant to the immediate environment and that relate to a particular activity, such as community afforestation activities involving schools, the military, the police and all citizens (“Let's clean the river bed”, “Keep our city clean”).

4) Claims need to be substantiated - actions taken by companies or the wider environmental community must be visible. This practically means that statements that can be supported by facts can be used. (Kesić, T., 2003, p.580)

However, there are many companies that have used fraud and false information in trying to keep up with environmental problems in different ways. One of the most common activities is customizing products that are far from eco-friendly.

### **Six sins of “green” marketing**

In 2007, Terra Choice Environmental Marketing conducted a survey of 1,081 products and 1,753 claims to see if their environmental claims were true. The results showed that all but one of the allegations were incorrect or led to the wrong conclusion. The Terra Company has identified six forms of claims, ie. six sins as he called them:

1) Hidden exchange sin was committed by 57% of companies who, on the basis of one trait, claimed that their product was “green”. Usually it was a highlight that the product was made from some recycled materials. Such claims were not false, but they neglected other attributes of the products.

2) For 26% of the products tested, they could not find evidence to support the allegations. This was the case with the personal hygiene products that the manufacturers claimed had not been tested on animals without any evidence. This is a sin of no evidence.

3) The foggy sin was made by companies (10% of the surveyed) who had general claims whose meaning could be misinterpreted. These claims are that the product is chemical-free, natural, or recyclable.

4) The so-called sin of insignificance has misplaced companies that labeled an asset as something that really didn't matter to consumers who wanted to buy an eco product. This is most often the case for products that are advertised to not contain disputed CFCs, although it was banned in the United States more than 30 years ago. Such were 4% of the companies.

5) Claiming lesser evil refers to when a product in the category of harmful products is advertised as more acceptable. For example, organic cigarettes or "eco" insecticides.

6) Less than 1% of companies have deceived and promoted their product as an environmental friend. These companies usually claim that they have a certificate even though they do not have it, or that their products are 100% recycled even though they are not. (Zeleni Marketing, 2014)

### **Conclusion**

Eco Marketing Mix is a set of all eco elements of marketing mix. To become eco or “green”, the marketing mix has to go through a difficult process ranging from understanding the characteristics of consumers and their behavior to creating an appropriate eco product, to initiating eco feedstock for suppliers, eco appropriate pricing and the right eco message like

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one of the biggest difficulties for marketing professionals. For a successful eco marketing mix, just having a product made from natural materials as well as a proper packaging made from recycled materials is not enough. A strong brand needs to be created in order for the products to have a lasting identity. It should be a brand that targets the consumer and fosters a sense of trust, usefulness, prosperity and security. Products on the packaging should also have eco labels to show manufacturers that they comply with high environmental standards throughout the product life cycle. Today, managing the eco supply chain with the help of new technologies, methods and approaches to business is becoming an economically viable, almost indispensable concept for the business of modern companies. Communication with consumers is also very important. Consumers should be informed about the characteristics of the product. It is no longer enough to use epithets as a “friendly” or “environmentally friendly” product. Good communication should be reduced to messages related to a particular activity, such as forest afforestation activities involving the majority of citizens. Social networks also play an important role in today's world. With their regular environmental releases to the public and creating good relationships with their customers, companies create a good corporate image that they know how to value and respect consumers and competitors.

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