Chapter 13

Green Agricultural Marketing: Theoretical Approach

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ABSTRACT

This chapter presents the key elements of green agricultural marketing, referring to distribution and promotion. Similarities and discrepancies of conventional and green marketing of agricultural products are identified, using comparative analysis. Models of sustainable distribution and promotions are designed. The results and discussions reveal that green products, distribution and promotion meet both ecological principles (referring to environment), and economic ones (reduced costs). Green agricultural marketing is ethical, beneficial and safe for individuals and target groups.

INTRODUCTION

This research aims to investigate the key elements of green agricultural marketing. It focuses on establishing which are the similarities and discrepancies of conventional and green marketing of agricultural products.

In order to answer this question, a documentary study is developed, using the literature in the field of marketing and sustainable marketing.

The objectives of this piece of research relate to identifying the main features of sustainable distribution and sustainable promotion. The present study is useful for both food producers and traders that might develop their businesses according to both ecological and economic principles.

Environmental issues became part of marketing philosophy and practice in the 1970s and it can be distinguished between ecological and green/environmental marketing (Reutlinger, 2012, pp.16). “First, ecological marketing emerged, owing to the growing recognition of companies’ impact on the environment. However, ecological marketing focused more on industries which were energy and resource intensive and highly polluting. Subsequently, environmental and green marketing developed almost simultaneously during the 1980s and 1990s.” In contrast to ecological marketing, a variety of industries started to embrace these marketing concepts. “The aim was to make packaging and products more environmentally-friendly, besides the actual production process” (Belz & Peattie, 2009, pp. 29.)

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The term green marketing came into prominence in the late 1980s. The American Marketing Association (AMA) held the first workshop on “Ecological Marketing” in 1975. The proceedings of this workshop resulted in one of the first books on green marketing entitled “Ecological Marketing”.

There is no official definition for sustainable marketing and authors interpret the concept differently. Sheth and Parvatiyar (1995, pp.3-7) were one of the first who propose the sustainable marketing concept. In the context of conventional marketing, the consumption increased. The goal of sustainable marketing is to promote sustainable consumer behaviour and offer sustainable products, with the aim of economic and environmental sustainability. The customer’s wants and needs are satisfied in a sustainable way (Charter et al. 2002, pp.12; Belz & Peattie, 2009, pp.31; Martin & Schouten, 2012, pp.10). Therefore sustainable marketing can be defined as follows: “Sustainable marketing is a holistic approach with the aim of satisfying the wants and needs of the customers while putting equal emphasis on environmental and social issues, thus generating profit in a responsible way” (Reutlinger, 2012, pp.19). The holistic nature of term “green” suggests that, besides suppliers and retailers, new stakeholders should be enlisted, including educators, members of the community, regulators, and NGOs. Green marketing has continued to gain adherents, particularly in light of growing global concern about climate change. This concern has led more companies to advertise their commitment to reduce their climate impacts, and the effect this is having on their products and services (Mendleson & Polonsky, 1995).

As results from the Reutlinger definition, sustainable marketing puts emphasis on social issues. As a branch of social marketing, the issues of ethics in marketing are brought into discussion. It emerged from the fact that marketing receives much criticism: social critics claim that certain marketing practices hurt individual consumers, society as a whole and other business firms through high prices, deceptive practices, high-pressure selling, shoddy or unsafe products, planned obsolescence and poor service to disadvantaged consumers (Kotler et al. 1999, pp.43). Marketing’s impact on society as a whole consists in false wants and too much materialism, too few social goods (for example: roads, traffic control, parking spaces and police services), cultural pollution (advertising continuously pollute people’s minds with messages of materialism, sex, power or status). Sustainable marketing, by its specific tools that will be discussed further, is a solution to the social criticism received by conventional marketing.

The definition of sustainable marketing developed by Reutlinger sheds light on the key elements of marketing: wants and needs, as Kotler (1999, pp.10) considers “the most basic concept underlying marketing is that of human needs. A human need is a state of felt deprivation… Human wants are the form taken by human needs as they are shaped by culture and individual personality.” The definition can be supplemented with reference to the four pillars of marketing: product, price (value), placement (distribution) and promotion (communication). We consider green marketing as the process of communicating the value of products to customers, for the purpose of selling it in ways that support continued economic growth, environmental protection and ensuring better living conditions for future generations.

A model of green marketing mix contains sustainable products, prices, distribution and promotion. As regards product, producers should offer ecological products which not only must not contaminate the environment but should protect it and even liquidate existing environmental damages. Prices for organic products are higher than those for conventional ones, but specific prices strategies can be used for target groups who are willing to pay extra money for green products. Sustainable distribution focuses on ecological packaging and lower consumption of fuels. As regards promotion, the communication with the market should put stress on environmental
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