



ENVIRONMENTALISM AND SOCIAL IMPACT OF THE GREEN MARKETING STRATEGY

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Did You Know?

- According to the Carbon Majors Report, just 100 companies are responsible for 71% of the global greenhouse gas emissions that cause global warming since 1998
- Emissions = $\sum_p EF_p * P_p$

Background Information

- In developed countries, the average carbon footprint is 11 metric tons per year for every citizen.
- In 2019, the average carbon emissions per capita in Tuvalu was 1.02 metric tons.
- Consequences are rising of sea levels, melting of polar ice caps, interference with the ecosystem, increase of pollution, longer wildfire seasons, more severe and deadly natural disasters, and recurrent heatwaves.
- Direct emissions: burning of fossil fuels
- Indirect emissions: occur in the supply chain while creating a product

Thesis Statement

- Businesses should shift their practices to reduce the detrimental impacts that they pose onto the environment by utilizing the green marketing strategy. They can ensure that their goods and services are supplied in a socially and environmentally responsible way, while synchronously, bringing them certain benefits and growth for the firm.

What is Green Marketing?

- Regulated by the Federal Trade Commission
 - *FTC's green guides*
- Green marketing: “all marketing activities which are responsive to protecting the environment.”
- It can also be referred to as environmental marketing and ecological marketing
- Began in the 1960's but did not become prominent until the 1980's, because the growth in awareness of environmental hazards
- Environmental hazard: is any substance or circumstance that can potentially cause harm or negative effects on human health or the natural environment.

Carbon Footprint

- According to research, direct and indirect emissions from the industry sector have increased exponentially in the period of 1995 to 2015
- Scientists say they are at least 95 percent certain that people are responsible for the majority of effects from climate change since the 1950s
- A carbon footprint analysis (CFP) or a greenhouse gas emissions assessment provides an organization with the total emissions caused by any business activities that contribute to global warming, and it allows companies to identify and aim to reduce emissions from its practices

Benefits of Businesses Using Green Marketing

- Five key benefits for companies:
 - *strengthening relationships with consumers,*
 - *increase in profit*
 - *input to achievement of organizational goals*
 - *strengthening of competitive advantage*
 - *decrease in costs*
 - *enhancement of brand reputation*
- Environmental/social benefits:
 - decrease of greenhouse gas emissions,
 - decrease of pollution,
 - deceleration of global warming
 - *increased life expectancy of society*

Corporate Social Responsibility

- Corporate social responsibility: a business philosophy, that can also be defined as a company's voluntary decision to contribute to a better society and cleaner environment by taking social and environmental measures in everyday business activities.
- Green marketing is a tool of corporate social responsibility
- It demonstrates to consumers that your business takes interest and initiative in wider environmental and social issues that impact human welfare, than just those that impact sales.
- Based on triple-bottom-line theory

Drawbacks of Green Marketing

- The term “green marketing” itself faces confusion and challenges since there is a “lack of standards and public consensus of what ‘green’ constitutes”
- Only 5% of green marketing campaigns are entirely true
- “Green-washing”
- A common challenge corporations face when adopting green marketing strategies is being motivating solely because of the potential profit margins.
- For instance, there is no legal definition for the term “clean beauty” so companies define it to fit their marketing agendas

Conclusion

- Protecting society and the environment should be at the top of companies' long-term interests. Limiting the carbon footprint from some of the most toxic industries using green marketing would not only improve the ecosystem, prevent further warming of the atmosphere, and increase the average life expectancy and public health, it also brings firms numerous benefits and opportunities.

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Any Questions?