Theoritical Approach: The Impact off New Environmentalism and Green Marketing On Maximize Bothe the Producers and the Consumers Life Quality

Dr. Adnan Ahmad Ali Obaidat
Faculty of Administrative and Financial Sciences,
Jordan/Irbid National University
Irbid Jordan

THE NEW ENVIRONMENTALISM AND GREEN MARKETING

On Earth Day 1970, a newly emerging environmentalism movement made its first large—scale effort to educate people about the dangers of pollution. This was a tough task: At the time, most folks weren't all that interested in environmental problems. These days, however, environmentalism has broad public support. People hear and read daily about a growing list of environmental Problems-global warming, acid rain, depletion of the ozone layer, air and water pollution, hazardous waste disposal, the buildup of solid wastes and they are calling for solutions.

The new environmentalism has caused many consumers to rethink what products they buy and from whom. According to one recent study, nearly half of all Americans say they would change product brands to support environmental friendliness. "People are changing their brand loyalties based on things like a company's reputation for helping or harming the environment," comments an environmental researcher. For example, when the Massachusetts utility market recently was opened to competition, over 25 percent of customers chose to pay more by signing up with a utility employing "green" sources such as Wind, geothermal, and solar power. Such consumer attitudes have sparked a major marketing thrust—green marketing--the movement by companies to develop and market environmentally responsible products. Committed green companies pursue not only environmental cleanup but also pollution prevention. True green work requires companies to practice the three Rs of waste management: reducing, reusing, and recycling waste.

McDonald's provides a good example of green marketing. It used to purchase Coca-Cola syrup in plastic bags encased in cardboard, but now the syrup is delivered as gasoline is, pumped directly from tank trucks into storage vats at restaurants. The change saved 68 million pounds of packaging a year. All napkins, bags, and tray liners in McDonald's restaurants are made from recycled paper, as are its carry out drink trays and even. the stationery used at headquarters. For a company the size of McDonald's, even small changes can make a big difference. For example, just making its drinking straws 20 percent lighter saved the company 1 million pounds of waste per year. Beyond turning its own products green, McDonald's purchases recycled materials for building and remodeling its restaurants, and it challenges its suppliers to furnish and use recycled products.

Producers in a wide range of industries are responding to environmental concerns. For example, 3M runs a Pollution Prevention Pays program, which has led to substantial pollution and cost reduction. Xerox now remanufactures its copy machines and markets them as "proven workhorses" under names such as "Eco-series," "Renaissance," and "Green Line." Herman Miller, the large office—furniture manufacturer, set a trend in the furniture industry when it began using tropical woods from sustainably managed sources, altering even its classic furniture lines. But it went even further by reusing packaging, recapturing solvents used in staining, and burning fabric scraps and sawdust to generate energy for its manufacturing plant. These moves not only help the environment, they also save Herman Miller $750,000 per year on energy and landfill costs.

Service providers are going green, too. Studies indicate that 85 percent of travelers are willing to pay as much as 8 percent more to stay in an environmentally friendly hotel. Sheraton Hotels recently opened its first environmentally smart hotel in the United States. At a cost of $14 million, it built the Sheraton Rittenhouse Hotel in Philadelphia using only materials and fabrics that are produced without toxic bleaches or dyes. All of the hotel's furniture is made of wood harvested from managed forests and all of the carpets, draperies, paint, and wallpaper are free of toxic chemicals. The entire hotel is designated nonsmoking and a ventilation system ensures that fresh air is circulated into all rooms at all times. A six—story

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central atrium houses bamboo trees, which grow at a rate of one meter each day and produce oxygen at a rate 35 percent higher than most other plants. The walls of the atrium are fashioned from Wall Street Journal rejects and soybeans, while the floor is made from engineered bamboo.

Even retailers are jumping onto the green bandwagon. For example, Grow Biz International has developed a $100 million business selling used equipment through retail chains such as Play It Again, Once upon a Child, Computer Renaissance, Music Go Round, and Disk Go Round. Wal—Mart is pressuring its 7,000 suppliers to provide it with more recycled products. In its stores, Wal—Mart runs Videos to help educate customers, and the retailer has set up more than 900 recycling drop—off bins in store parking lots around the nation. It's even opening "ecofriendly" stores. In these stores, the air—conditioning systems use non-ozone-depleting refrigerant, rainwater is collected from parking lots and rooftops for landscaping, skylights supplement fluorescent lighting adjusted by photo sensors, and the road sign is solar powered.

During the early phase of the new environmentalism, promoting environmentally improved products and actions ballooned into a big business. In fact, environmentalists and regulators became concerned that companies were going overboard with their use of terms like recyclable, degradable, compostable, and environmentally responsible. Perhaps of equal concern was that, as more and more marketers used green marketing claims, more and more consumers would view them as little more than gimmicks. In 1992, as a result of such concerns, the Federal Trade Commission issued a set of voluntary guidelines for green marketing terms to help guide marketers making environmental claims for their products. Revisions of the guidelines were finalized in 1998.

As we move into the twenty—first century environmentalism appears to be moving into a more mature phase. Gone are the hastily prepared environmental pitches and products designed to capitalize on or exploit growing public concern. The new environmentalism is now going mainstream-broader, deeper, and more sophisticated. In the words of one analyst:

Dressing up ads with pictures of eagles and trees will no longer woo an environmentally sophisticated audience. People want to know that companies are incorporating environmental values into their manufacturing processes, products, packaging, and the very fabric of their corporate cultures. They . . . want to know that companies will not compromise the ability of future generations to enjoy the quality of life that we enjoy today. . . .As a result, we're seeing the marriage of performance benefits and environmental benefits . . . one reinforces the other.

In all, some companies have responded to consumer environmental concerns by doing only what is required to avert new regulations or to keep environmentalists quiet. Others have rushed to make money by catering to the public's mounting concern for the environment. But enlightened companies are taking action not because someone is forcing them to, or to reap short—run profits, but because it is the right thing to do. They believe that environmental farsightedness today will pay off tomorrow—for both the customer and the company.

SOURCES

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