
ECOLOGICAL MARKETING IN THE FUNCTION OF SUSTAINABLE DEVELOPMENT

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Abstract: The modern marketing concept uses all the existing and finds new potentials in order for companies to communicate as successfully as possible and respond to market demands. At the end of the 20th century, humanity's concern for the preservation of the environment influenced the growing demand for environmentally friendly products and services. With the emergence of a new market segment, environmentally conscious consumers, there was a need to develop ecological marketing.

The commitment of a company for ecological business involves the adoption of a new concept of ecological development of effective and efficient marketing mix in order to address local, regional and global environmental issues. Therefore, ecological marketing must incorporate environmental care into its study in a standard marketing mix of variable sizes. Through classical instruments of marketing mix i.e., product, price, distribution and promotion of ecological marketing aims to identify, anticipate, meet the needs of consumers and society in a profitable and sustainable manner.

Sustainable development is a process allowing development to take place without degrading or depleting the resources on which it is based. This is, in general, possible either by managing resources in such a way that they can self-renew to the extent that they are used, or by greater representation and use of resources where the regeneration period is short. With such an approach, resources can serve future, to the same extent, as present generations.

The demand for organic products has influenced the development of organic production, because in addition to the economic and ethical dimension, it also contains an ecological dimension. Marketing of organic products means placing on the market of certified organic food products, in order to meet the needs of consumers, make a profit and preserve the environment. The model of marketing organic products has theoretical and practical significance from the aspect of strict control and certification from production and procurement of inputs, organic production, purchase and sale, processing, commercialization of products and distribution channels to consumers or customers.

The paper starts with the assumption that the ecological marketing is in the function of sustainable development. Each ecological product occupies a special position, i.e., a place in the minds of consumers in relation to competitors, which is the result of their ranking based on attributes or dimensions important to consumers. The methods used in this paper are based on secondary or existing sources of information (books, monographs, research projects and studies, articles, papers, web information and other available bibliographic sources). The aim of the research is to see what ecological marketing is, and then what combination of marketing instruments is necessary in the function of sustainable development. The subject of research is ecological marketing in the function of sustainable development.

Keywords: sustainable development, marketing, ecological marketing, organic production.

1. INTRODUCTION

Since its occurrence until today, marketing has developed and gone through various phases, but its basic function, communication with the market to stimulate the exchange of goods and services, i.e., purchase and consumption, has remained basically the same. The goal of marketing is no longer just the sale of goods and services that will satisfy the needs of customers, but the constant creation of new needs, stimulating consumption but also its improvement. At the beginning of the 21st century, humanity is facing more than ever the problem of endangerment and the need to protect the environment. One of the causes of endangerment and reasons for protection is irrational consumption. Humanity lives in a time when it is necessary to harmonize the concept of behaviour and consumption with the needs and requirements for environmental protection, as an equal obligation of individuals, consumers, the economy, governments and international forums. The principle of behaviour change is one of the basic principles of harmonious development (sustainable development), which implies a non-exploitative attitude towards nature and the creation of a new way of life. New approaches and contents are expected from marketing, the power to influence the positive behaviour of all participants in production and exchange, the concretization and realization of environmental components in each area and activity. Ecological marketing is both a need and a reality, a program and results, an idea and a realization, a vision and a measurable effect. This part of the paper will describe contemporary marketing trends and ecological marketing.

2. CONTEMPORARY MARKETING TRENDS

Marketing is a part of company management and a sophisticated business concept. Yet, it is still often simplified and identified with some of its elements and instruments such as advertising, services or ideas. It starts from the consumer and all activity is focused on meeting his/her needs.

The original, so-called sales concept, was based on the ability of the manufacturer to make the right product. Through the sales concept, the sales skills were improved, in order to reach the concept that anticipating and satisfying the needs of consumers is the starting point and goal of every activity with, of course, increased profit.

With the classic combination of four elements: *Product, Price, Place of distribution and Promotion*, known as the 4P's marketing mix, the concept was realized and a new marketing experience was gained. Using 4P marketing model in different field is given in the papers (Alipour-Hafezi M. et al., 2013; Gürbüz T. et al., 2014; Song, & Cui, 2013). If added within the 4P concept of element of *Process*, the obtained so-called 5P methodology (Raji, 2019). If for concept (4P), *Process, People and Physical evidence* are added, which is referred to as 7P's (Kotler, Brady, Goodman, & Hansen, 2019). Success depends on the skill in combining these elements to satisfy the consumer and be better than the competition. Namely, it is about presenting new contents of each instrument, each combination, each business activity, each new goal, each possible way to achieve it. Using 7P marketing model in different field is given in the papers (Kukanja et al., 2017; Kumar, & Prasad, 2016; Kusumawati et al., 2014; Mallik, & Achar, 2020; Novela et al., 2018).

In this context, when the focus of marketing interest is the consumer, i.e., the customer, the basic four elements can be described as follows. The product is the desires and needs of consumers. The prices are the costs (expenses) of consumers. The place (distribution) is comfort, consumer satisfaction.

The promotion is mutual communication. Thus, the concept of 4P's is changing to 4C's, which is, in fact, an expression of enriching the content of each instrument and its use, an expression of new consumer expectations and a constant search for ways to optimally meet needs. Marketing should promote, facilitate and speed up exchange, to help individuals and groups understand what they need and what they can exchange with each other. The condition is, of course, that each side has something to offer and is stimulated to exchange. The consumer "offers" his needs and ability to pay, the producer offers his mix, and everything takes place in a given environment, full of various influences and tendencies. The most general characteristics and trends in which the marketing concept is realized (exposed to certain influences) are: increasing international competition, very fast and comprehensive communication channels, constant technological product improvements, development of organizations and movements dedicated to "quality", increasing product reliability and the like (Gligorijević, & Veljković, 2019).

In recent times, both owners and managers are personally involved in marketing activities, even in strategic creations. On the one hand, it shows how much they value marketing, and on the other hand, it carries the risk of wrong decisions and other consequences of unprofessional actions. In particular, "ownership" interference is undesirable when making long-term decisions and where specific highly skilled knowledge is required.

3. ECOLOGICAL MARKETING

The increase of interest and activities of the society for the protection and preservation of the environment in the second half of the 20th century found its place in marketing as well. The first environmental topics appeared during the seventies of the XX century, which is, in fact, the beginning of a new branch of marketing. There are terms such as ecological marketing, green marketing, environmental marketing and the like. The most common are opting for ecological marketing, which became very popular during the late eighties and early nineties of the XX century and very quickly took a prominent place.

The American Medical Association (AMA) held its first workshop on ecological marketing in 1975. As a result of that workshop, the first book on this topic appeared entitled: "Ecological Marketing" (Henion, & Kinnear, 1976). This workshop tried to combine academic and practical approach and to assess the place and role of marketing in environmental protection from that point of view. "Ecological marketing is defined as the study of the impact of positive and negative types of marketing activities on pollution, depletion of energy and non-energy resources" (Henion, & Kinnear, 1976). This definition has three key components: it combines marketing activities in this area, assesses positive and negative activities and consequences, and is limited to specific ecological topics. This definition was sufficient and encouraging to begin with. Today, however, it can be said that no definition is universally accepted.

"Green or environmental marketing consists of all activities aimed at creating and facilitating any exchanges designed to meet human needs and desires, so that the satisfaction of these needs and desires takes place with minimal negative impact on the environment" (Polonsky, 1994). This definition is much broader and includes all important components of other definitions.

"Marketing implies all activities intended to create and facilitate any exchange with the aim of satisfying human needs or desires" (Stanton, & Futrell, 1987). This definition contains many traditional definitions of marketing, where the interests of the organization and the interests of its consumers must be satisfied, since a voluntary exchange will not take place if the interests of both participants in the exchange (suppliers and customers) are not satisfied.

Ecological marketing expands social marketing including increased care for the natural environment. It can also be defined as "a complete management process that is responsible for identifying, anticipating, meeting the needs of consumers and society in a profitable and sustainable way" (Peatie, & Charter, 1997).

The need for ecological marketing can also be seen by analysing one of the positive definitions of economics from the following point of view. Economics is the science of how people use their limited resources to meet their unlimited needs. Thus, the human species has limited resources on Earth, which it tries to meet with unlimited needs. In market societies where freedom of choice is immanent, it is generally accepted that individuals as well as organizations have the right to try to meet those needs. As companies encounter limited natural resources, they must develop new or alternative ways of using limited resources to meet the unlimited needs of consumers. Finally, ecological marketing looks at how these limited resources are used, to meet the needs of consumers, individuals and the economy as a whole.

The goal of ecological marketing is to use the power of its instruments to act proactively and directly on the new evaluation of the environment, change the way people behave and use all natural resources more purposefully (Milenović, 1999). Therefore, ecological marketing implies the expansion of the business philosophy and its enrichment with complete care for both the consumer and his/her ecological environment in particular.

In the 21st century, all companies are slowly beginning to introduce ecological marketing into their business. The question is how did the companies introduce this concept in their operations. Whether such a decision was influenced by the environmental awareness of the company's management, the pressure of ecologically determined consumers and other social groups, the lack of natural resources, legal norms or something else. In answer to these questions, in the continuation of this part of the paper, the introduction of ecological marketing in the company and the relating problems will be described.

4. THE PROBLEMS IN INTRODUCING ECOLOGICAL MARKETING

Regardless of the reason for the introduction of ecological marketing, there are a number of potential problems that companies must overcome on that occasion. One of the main problems is the guarantee that their activities do not deceive consumers and industry and that they do not violate any rule or law related to ecological marketing. For example, in the United States, it is necessary to ensure that ecological marketing claims meet the criteria contained in the Federal Trade Commission's Guide (FTC) with respect to (Federal Trade Commission's Guide 2021): clearly expressed environmental benefits, explanations of environmental characteristics, explanations on how the benefits are achieved, persuasiveness of comparative differences, the guarantees that negative factors have been taken into consideration and the use of terms and images of significance.

The companies have yet another problem, and that is the fact that perceptions from consumers are sometimes incorrect. For example, the world-famous food chain McDonald's replaced styrofoam packaging boxes with waxed paper. This happened due to the consumer's claim that polystyrene, from which styrofoam is made, is an environmentally harmful substance. However, it has not yet been proven whether this was the right move, and scientists are still debating which of these two solutions is less harmful to the environment, or more "environmentally friendly", i.e. more "environmentally inclined". Some scientific evidence indicates that, throughout the product life cycle, polystyrene has been observed to be less environmentally harmful (Gifford, 1991). In that case, McDonald's may have chosen, under pressure from customers, an option that is more harmful to the environment.

In an effort to become more socially responsible for their actions, companies face the risk that what is environmentally responsible action today, may be harmful in the future. An example is the aerosol industry, which switched from CFCs (chlorofluorocarbons) to HFCs (hydrofluorocarbons), only to later determine that HFC is a gas that contributes to the greenhouse effect. Some companies today use DME (dimethyl ether), which can also be harmful to the ozone layer. Limited scientific knowledge at any time cannot guarantee companies to make far-reaching environmentally sound decisions. This may explain why some companies have become socially responsible and environmentally active without making much publicity. Thus, they protect themselves from a possible negative reaction, if it is later proven that the decisions made were wrong.

On the other hand, there is another risk. By responding to competitive pressures, followers in making ecological marketing can make the same mistakes as leaders. Following the example of competition, Mobil Corporation introduced and presented plastic garbage bags to the public. Although these bags are technologically rapidly

degradable, the conditions under which they were disposed of did not allow the development of the biodegradation process. Mobil Corporation found itself in court as it was sued by several U.S. states for using misleading claims in a promotional campaign. Therefore, blind monitoring of competition can sometimes cause great damage (Dangelico, & Vocalelli, 2017).

Ecological marketing covers much more than the marketing claims of companies. Under the pressure of great responsibility for destroying the environment, companies respond that it is consumers who create demand for goods and thus create environmental problems, citing McDonald's as the example. This world-famous restaurant chain has been accused of polluting the environment, because used boxes and glasses and other food packaging from the restaurant ended up as waste by the roads. To the corporation's claims that the consumers are those that are irresponsible, accusing them of being the ones who pollute (endanger) the environment by leaving waste by the road, the question rightly arises as to why the conditions are not provided for this waste to be disposed of in an adequate manner.

5. CONCLUSIONS

Green or ecological marketing consists of all activities aimed at creating and facilitating any exchanges designed to meet human needs and desires, so that the satisfaction of these needs and desires takes place with minimal negative impact on the environment. Companies introduce environmental marketing for several reasons, and by adopting environmental marketing companies can achieve their goals (meet the needs of environmentally conscious consumers), companies accept moral obligations to be more socially responsible, the pressure from government bodies on companies to become more responsible is getting stronger, ecological activities of competing companies indirectly influence companies to change their environmental marketing activities and special types of costs for waste disposal, reducing the use of some raw materials and the like affect the overall costs and determine the company's behaviour.

Expansive and uncontrolled industrial development over the past few decades has been accompanied by many undesirable environmental, social and cultural consequences and imposes the need to bring this activity under the concept of sustainable development. Sustainability of development depends on the ability of the environment to provide a stable and long-term development basis.

Organic sustainable agriculture is a mode of production which, viewed over a longer period of time, improves the quality of the environment and resources on which production is based, meets the human needs for food and fibres, has an economic value and improves the quality of life of farmers and their families and the entire society. Organic farming products are of good quality, safe and have higher nutritional value. The consumer must pay for a quality and safe product at a higher price than for a conventional product. Distribution should be done through specialized sales channels and special places on the shelves of wholesale and retail, but on the doorstep. Promotion and advertising should be in the function of the quality of organic products, protection of consumer health and preservation of the environment. Organic production in the world in 1999 was organized on an area of 11 million hectares, while in 2019 it was as much as 72.3 million hectares. The largest share of areas under organic production in agricultural land has Oceania with 49.60%, Europe with 22.9%, Latin America with 11.50%. North America has the largest turnover of organic products with 45%, followed by Europe with 43% and Asia with 10%. In the Republic of Serbia, it is necessary to organize organic production, processing, distribution and develop a diverse quality health-safe certified range of organic products, financially encourage production and marketing to shape organic products in accordance with consumer desires to make profits and sustainable development.

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