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Is it Green Marketing, Greenwash or Hogwash? We Need to Know if We Want to Change Things

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Abstract

This paper explores the issue of sustainable marketing practices; more explicitly: whether or not marketers will trade off profitability for the environment. To examine this notion, a question was asked of certified practicing marketers (CPM) during a webinar on hot topics in marketing. Results show that the long term environment is still at risk as marketers are unwilling to trade off profits for sustainable practice. This implies that social marketing activities may require more intense efforts to redress this situation. These activities may need to include upstream social marketing that will require underpinning research for strategic direction.

Background

Sustainable business practice requires a consideration of environmental, economic and social sustainability issues (Herremans and Reid, 2002). However, as businesses are comprised of individuals, individual behaviours must also lead to sustainable practices. Businesses, *per se*, are not capable of doing environmental damage but the individuals engaged within them are. Consequently, we contend that to be a 'green' business requires a personal commitment from individuals to the philosophy and practices of environmentally sustainable business. Many businesses on Australia are purporting to be 'green', to the point that the Australian Competition and Consumer Commission has provided a booklet that describes how to avoid misleading claims about being green (ACCC 2008). This booklet would not be necessary if all claims to be green were true. Thus, what exactly is green (marketing or business) remains a topic for debate.

A complicating factor in the green marketing debate is that there is an assumption that socially desirable pro-environmental behaviours will lead to a sustainable environment (cf. McKenzie-Mohr 2000; Garling et al. 2003). However, it can also lead to difficulties. For example, biofuels can be damaging to the environment and the societies which produce them (Peskett et al. 2007) but many are encouraged to buy them in the mistaken belief that they are contributing to the greening of the environment (Frondel and Peters 2007). Pro-environmental behaviour in this case can lead to less pollution in your back yard but more starvation in the developing country which is producing the biomass that is converted to biofuel (Peters and Thielmann 2008) – an unintended but actual consequence (Fry and Polonsky 2004).

Sustainability is an abstract term with multiple dimensions (Binney and Brennan 2007) and the meaning suggests supported or upheld over time. Thus, it is clear that to be sustainable, an action has to be capable of being maintained over the longer term (Herremans and Reid 2002). The term 'environmental sustainability' has come to contain these ideas in relation to the nature of the biosphere. That is, in order for

business, products and actions to be sustainable, the biosphere must support and bear them. The biosphere must also be protected (defended) and upheld in the longer term. However, who will do this defending? Is it the responsibility of the individual, the corporation or the government? It is not clear if individuals be relied on to take (or not take) apposite action in circumstances where their personal best interests are not served (Brennan, Binney, and Grant 2008).

In terms of corporations accepting responsibility, a promising field of enquiry is the green marketing arena. Green marketing or the incorporation of environmental dimensions into marketing activities promised consumers of the 90s socially responsible marketing activities (Polonsky and Rosenberger 2001). However, the term now covers a wide range of corporate activities regardless of how environmentally appropriate or sustainable they might actually be in practice (Crane 2000). One of the reasons for consumer scepticism towards green marketing has emerged from the practice of firms making claims relating to the stated adoption of environmental activities into their marketing. Hence, the term 'greenwash' has been used to describe promotional activities and corporate activity. As mentioned earlier, in March 2008 the ACCC issued guidelines, under the Trade Practices Act, for firms using environmental claims in their promotional material (Australian Competition and Consumer Commission 2008). The term has also been used to describe the activities of corporations who make claims about their status as socially responsible corporate citizens by ensuring shareholders and stakeholders that their business activities have accounted for community environmental concerns (Marsden and Grayson 2007). These concerns have led to consumer disillusionment in green marketing (Roberts 2008).

The concept of sustainability and green marketing has been known for a long time, albeit not necessarily by their current names. For example, in the early 1970's, Kotler & Zaltman (1971) put forward the idea of societal marketing which encompassed the idea of the environment. While this idea was originally in response to an oil crisis, it is not news that 'green' marketing has gained ground of recent times. However, closely linked to green marketing concepts are environmentalism (Gerald and Ahmad 1997; Peattie 2001; Chamorro, Rubio, and Miranda 2007) and the green consumer (Cope and Winward 1991; MacKenzie 1991; McDonald and Oates 2006; McEachern and McClean 2002). Furthermore, there is a difference between marketing a range of green products and encouraging green behaviours by consumers, for example, Chamorro et al. (2007) suggest that there is a difference in the type of research being conducted for marketing purposes and public policy research. This multiplicity of terms leads to very different understandings of environmentalism and environmentally friendly behaviours (cf. Schaefer and Crane 2005). Bamberg and Moser (2007) have stated that self-interest and pro-social motives are the most frequently applied theoretical models to explain pro-environmental behaviour (for a comprehensive overview of pro-environmental behaviour research, see Bamberg and Moser (2007)). We have a number of extant models, with a number of disparate meanings; therefore it is not surprising that people are unsure of what is required in 'going green.' They may also be unsure of their individual contribution to green efforts.

There is a plethora of research about green consumption behaviour (Tzschentke, Kirk, and Lynch 2004; Cleveland, Kalamas, and Laroche 2005; Gilg, Barr, and Ford 2005;

Chamorro, Rubio, and Miranda 2007; Mostafa 2007) and social marketing to promote green consumption (McKenzie-Mohr 2000; Altman and Petkus 1994; Polonsky, Binney, and Hall 2004; Frame and Newton 2007). Notwithstanding this research, it is clear that not all individual consumers will trade off personal well-being for a sustainable environment (Wasserman 2007). The implication is therefore that the corporate world has a greater opportunity to influence pro-environmental behaviour.

One model for enabling environmental responsibility is that of corporate social responsibility (CSR). Those corporations that are adopting a corporate social responsibility stance would imply that the organisation will not trade off the environment for profits and customers (and therefore that customers will get what is responsible for the environment and society, not necessarily what they demand). Furthermore, we could expect that these organisations would be developing products and services that are pro-environmental and are leading to a sustainable future.

As part of CSR behaviour firms provide claims and evidence for their stakeholders and shareholders that they are promoting a sustainable future by these practices. Evidence from the UK relating to CSR and climate change suggests that one of the first and apparently the greatest motivation underpinning company's carbon management programs is profit (Okereke 2007). There have been claims that when corporations have shown interest and indications of support for action on climate change it has been dismissed as 'public relations greenwash' (Levy and Newell 2000).

The dilemma arises: are corporations 'greenwashing' instead of being 'truly' environmentally responsible? And, if their consumers are demanding products that make profits but are not environmentally responsible, will the organisations give the customer what they want rather than what is right for the environment (as all good marketers are taught they should)?

An Opportunity to Examine a Dilemma

A unique chance arose to see this dilemma in action. We were provided with the occasion to ask a group of CPMs at an online seminar conducted by the Australian Marketing Institute (April 9th 2008). Participants were certified practicing marketers (see ami.com.au for a description) and drawn from a variety of Australia's top 1000 companies in addition to consultants and a small percentage of academics. The webinar's main topic was 'Hot Topics in Marketing' and a wide ranging discussion by a panel covered issues such as environmental sustainability, the use of technology and the professionalisation of marketing as a discipline. After a discussion regarding environmental sustainability (only one of the many meanings associated with the word); there was only one question asked of participants: *Would you trade off profits for sustainability. And... would your stakeholders let you?* This is a double barrelled question and the authors accept that this is not 'research' in any academic sense. We aim merely to elucidate that a problem exists and is worthy of future (rigorously conducted) examination. We do not argue that this is a 'method' to be defended. Notwithstanding this knowledge, the opportunity to ask one 'hard' question of nearly 100 senior professional marketers was not to be missed. Participants could respond anonymously and results were posted immediately on line.

Of the 98 seminar participants, 25 responded that yes, they would trade off profits for sustainability. While this is heartening, 43 participants answered no, they would not trade off profits for sustainability. While this is less than half the people, if this figure is indicative of the business population at large, it is a serious concern for those involved in increasing environmental sustainability. Importantly, 29 people suggested that they may trade off profits for sustainability. This figure indicates that there is potential to persuade them to say 'yes' the next time they have to trade off profits for sustainability. What we do not know is, how pervasive this issue is, nor how far people are willing to make trade offs, nor whether it is the individual, the stakeholders or the business entity's policies and processes. Perhaps the individuals have no capacity or capability to make such tradeoffs within the constraints of 'doing business'. The authors did not expect such an honest response after the ensuing discussion. We thought that social desirability bias, at least, would encourage a stronger 'yes' answer. That so many people suggested that they would not make tradeoffs indicates that the problem requires further investigation. In future research, there is much work to be done in studying this issue in context. Unfortunately, the seminar did not allow for further questioning of the audience.

Directions for Future Research

One immediate conclusion to be drawn from this result is that despite the rhetoric, business clearly is *not* adopting CSR across their organisations (or more people would be willing to trade off profits for sustainability). As a consequence, there may be a greater role for government to play in establishing sustainable behaviours. This has been demonstrated to be effective in arenas where there is limited individual incentive to change behaviours. As illustrated by Brennan & Snitow (2005), a tripartite approach of legislation, education and enforcement is sometimes required. Getting government involved, as is required for a legislation framework, would require the use of upstream social marketing activities. Just what format this needs to take needs research.

These findings may also indicate that change directed at the individual (downstream) is not making satisfactory progress. These individuals have signalled that in a trade-off situation, profit will come before their environmental concerns. This suggests that a number of steps can be taken to promote the urgent changes that are required. Firstly, more detailed research into the change process at the individual firm is necessary to provide guidelines. Previous studies have investigated aspects such as recycling (Barr and Gilg 2006) and carbon emissions/climate change (Okereke 2007) however, these studies have not presented a satisfactory model to guide the strategies required for change.

In addition, it is not known whether or not marketers have an ability to influence corporate strategy or whether or not they are at all concerned with the environment. With marketing and marketers being responsible for much of the rampant consumption within Western societies (if one assumes that marketing actually achieves what it purports to); it is necessary to assess how to limit consumption to sustainable levels. If marketers are unable or unwilling to takes these steps, there is a high risk that sustainability will not be attained. Thus, we need to know if such trade offs are allowable within organisational processes and structures.

We suggest that a second area of further research should be cross-disciplinary research that draws on the rich area of management research. For example, stakeholder research and agency theories come to mind. Why is an individual environmentally conscious (and for example, recycling (Barr and Gilg 2006)) in the domestic situation, but not practising this sustainability in the workplace? The motivations, drivers and barriers for change require further elaboration at the individual firm level. Further research could be conducted using ethical and moral frameworks.

Asking 'just one hard question' uncovered a *Pandora's Box* of unanswered questions for developing sustainable marketing. This paper presents a research agenda for those interested in developing a sustainable future.

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