Chapter 12

Green Marketing and Branding: Combining Micro and Macro Perspectives to Achieve a Circular Economy

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ABSTRACT

Green products and services have become an important part of consumption, as consumers' knowledge and concern towards environmental sustainability has increased and they have started to concentrate on their environmental impact. Nonetheless, green marketing still constitutes a small portion of the overall consumer spending. This chapter aims to highlight the importance of marketing activities in the adoption and social normalization of green consumption by the consumers generating public support and economic benefits for the companies as well as environmental and social gains for the society in return. Combining both micro and macro-level determinants and consequences, a conceptual framework is suggested which aims to contribute to literature both theoretically and practically.

INTRODUCTION

The notion of the circular economy (CE) fosters "reduction, reuse and recycle" of all resources and materials and those three fundamental aims can be achieved through the interplay of both micro (single company and consumer) and macro (region and country) levels (Ghisellini, Cialani, & Ulgiati, 2015). A circular economy is defined as "an industrial economy that is restorative or regenerative by intention and design" (MacArthur, 2013, p. 14) and "...which aims to keep products, components and materials at their highest utility and value, at all times" (Webster, 2015, p. 16). More recently, Geissdoerfer et al. (2017) include that circular economy is "a regenerative system in which resource input and waste, emission, and energy leakage are minimized by slowing, closing, and narrowing material and energy loops" (p.763). They add that "this can be achieved through long-lasting design, maintenance, repair, reuse, remanufacturing, refurbishing, and recycling" (p. 763). Thereafter, more environmentally conscious and "cleaner" production and consumption models as well as regulations and laws that encourage such

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models are among the antecedents and results of CE. Hence, not only recycling, which is the primary focus worldwide particularly in the early stages of CE, maintained through regional and national policies and legislations in most of the countries, but consumers' and companies' awareness and responsibility towards production, consumption and reuse of more environment-friendly thus greener products/services are also main and inevitable concerns of the CE (He, Lü, Zhang, & Shao, 2013).

Green products are products that are "typically durable, non-toxic, made of recycled materials, or minimally packaged" (Ottman, 1998, p. 89). More specifically, "a green product is a product whose design and/or attributes (and/or production and/or strategy) uses recycling (renewable/toxic-free/biodegradable) resources and which improves environmental impact or reduces environmental toxic damage throughout its entire life cycle" (Durif, Boivin, & Julien, 2010, p. 31). Hence; reduction, reuse and recycling as well as biodegradability are important terms for green production. On top of these, green products need to also be certified as such by a recognized organization (Gurău & Ranchhod, 2005) and should not employ animal testing (Durif et al., 2010). Consumers expect green products to be not harmful for the nature, themselves, their overall health and overall planet wellbeing (Durif et al., 2010). Green services, on the other hand, are defined as "services, in the offering or use of which the key target criterion is ecological sustainability" by Cocca and Ganz (2015, p. 181). Although some services such as laundry or cleaning services are concerned about their environmental footprint, most of the green services are more on the waste reduction aspect of green marketing. Hence, they focus on how to reduce energy and resources used during service encounters and on how to employ renewable energy supplies (Cocca and Ganz, 2015). With the dominant logic moving from products to services (Vargo and Lusch (2008), not only green products but also green services have become an important part of consumption since consumers' knowledge and concern towards environmental sustainability has increased and they have started to concentrate on their environmental impact. Though economically still not a huge market, as consumers have started to choose sustainable consumption over others, companies that advance in that aspect started to gain economic advantage over competitors. Accordingly, green consumption started to generate a non-negligible and important growing market. A recent international study reveals that brands' sustainability actions and intentions are shaping purchase decisions in more than 30% of consumers (Unilever, 2017). Moreover, consumers worldwide increase their green consumption and they are also willing to pay more for green products/services, particularly when they see a significant benefit and they are actively communicated by the brands about their sustainable acts as a differentiation point (BCG, 2009). Consequently, implementation of CE and green marketing at the micro level may create further opportunities generating high growth potential for sustainable brands; but obviously that requires continuous encouragement of the consumers' responsibility towards the environment (Zhijun & Nailing, 2007; Geng & Doberstein, 2008; Su, Heshmati, Geng, & Yu, 2013). Literature, more specifically scarce case studies, point out the fact that there is a beneficial cycle of interaction between macro and micro forces when it comes to CE and green consumption.

The aim of this chapter is to highlight the importance of marketing activities and branding, in the adoption of green marketing by generating public support and economic benefits for the companies. As stated in Ghisellini et al. (2015), companies' and consumers' awareness and knowledge worldwide are crucially important in the development of the CE. Nonetheless, there is scarce literature analyzing these issues from a micro level perspective, yet alone from a perspective combining both micro and macro levels, which will contribute both theoretically and practically. The chapter will initially discuss the role of consumers in the increased adoption of renewable technologies and materials at both micro and macro levels, as it will eventually generate economic growth and support for the implementation of CE.

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