

## ECOLOGICAL MARKETING AS A COMPONENT OF THE POLICY OF SUSTAINABLE DEVELOPMENT IN THE MARKET OF ECOLOGICAL GOODS AND SERVICES

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*The article examines the problems associated with the formation of a policy of sustainable development based on ecological marketing by domestic enterprises. Currently, the mechanisms for the formation of the market for ecological goods and services are being developed and improved at the expense of the components of the sustainable development policy in terms of its ecological component. That is why, unfortunately, "ecological marketing" does not take into account the socio-ecological and economic needs of Ukrainian communities, as well as the peculiarities of the formation and development of ecological goods and services. The interrelationship of ecological and economic processes becomes the reason for the search for methods of balanced development of society, in which meeting the needs of current generations should not jeopardize the opportunities of future generations.*

**Keywords:** ecological marketing, ecological innovations, the market of ecological goods and services, sustainable development.

**JEL Classification:** O32, M30, Q01, Q56

**Introduction.** Gradual changes in environmental requirements for business privileges over the past few years have determined the direction of consideration of the surrounding world according to its characteristics. Means of environmental marketing (hereinafter – EM) are given considerable attention, as they become an important element of the strategy of forming the environmental benefits of sustainable development. The most common opinion is that, under the influence of various factors, the entrepreneurial activity of business entities is considered only from the standpoint of research and analysis of EM provisions. However, in order for international and domestic enterprises to be able to implement various goods and services related to EM, it is necessary to determine the regularities of the formation of environmental factors in the system of functioning of business structures. Also, it should be noted that the synergistic effect of measures aimed at the formation of ecological and economic principles of functioning allows to maximize the profit obtained, as the final result of the strategy of formation of ecological advantages of sustainable development.

**The analysis of the recent literature.** Currently, the subject of EM is quite far from the requirements of the state regarding the formation and improvement of the strategy of sustainable development in terms of information support for the process of implementation of ecological goods and services. The main provisions of marketing, which were formed in the studies of foreign scientists (G. Armstrong, F. Kotler, etc.), were formed under the influence of the

development trends of countries with developed market economies, but, unfortunately, are poorly adapted to the socio-ecological and economic situation of Ukraine. The scientific achievements of Ukrainian scientists, who devoted themselves to the study of EM features, mainly illuminate the opinion of foreigners regarding the management of marketing processes in relation to the natural potential of our country. Scientific publications that reflect the opinion of scientists (S. M. Ilyashenko [1; 2], P. M. Skrypchuk [9], O. V. Sadchenko [7; 8], etc.) regarding the analysis of the market of ecological goods and services also need attention, but they have a generalizing nature of covering the issues of environmental marketing as such. At the same time, the scientific works of M. I. are an important asset. Yu. Ye Petrunia [5] and T. A. Riabova [6], as they create the basis for further scientific research in the field and lay the foundations for improving EM as a component of sustainable development policy.

Since the concept of EM in the scientific literature is relatively new, the existing scientific and methodological provisions and practical recommendations for the formation of marketing strategies in the field of greening business and entrepreneurship are mostly irregular in nature. It is worth noting that the lack of science-based methods of conducting and analyzing the results of the implementation of the ecological marketing strategy creates the need to develop mechanisms for calculating and forecasting the results of the allocation of natural resources, the provision of resources in certain branches of the economy, the analysis of the factors of the formation

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of economic specialization and the spatial organization of the territory, etc.

**The problem statement.** Having analyzed the existing ones, we can say that the relevance of this study is due to the need to solve a wide range of problems: implementation of the principles of sustainable development in the market of ecological goods and services; lack of funding; proportionality of powers of authorities and enterprises; peculiarities of the implementation of strategic initiatives regarding the formation of environmental marketing measures.

**Formulation of the goals of the article.** The purpose of the article is the formation of key features of ecological marketing as a component of sustainable development policy in the market of ecological goods and services, as well as the definition of actual algorithms for their practical implementation.

**Results of the research.** Analyzing various marketing concepts (improvement of production, product concept, concept of intensification of commercial efforts, traditional concept of marketing, concept of socio-ethical marketing), the "concept of social-ethical marketing" is considered particularly relevant, because it is implemented on the basis of sustainable development and distinguishes between the interests of producers of goods and services (profit), end consumers (satisfaction of needs) and the community (sustainable socio-ecological and economic development). In connection with it, the idea (concept) of EM was formed, which includes a course of production and sales precisely to overcome the problems of reproduction of the ecological needs of end consumers, formation and encouragement to increase the demand for environmentally oriented goods/services. In order to implement the policy of creating ecologically oriented startups, public organizations and enterprises, approving the idea of promoting environmentally friendly products and services, buying/selling goods and using waste, the marketing system and its components need to be modernized in view of the list of socio-ecological and economic factors [9, p. 235].

The diversity of views on the concept of EM is formed by a huge number of scientific opinions on the issue of environmental marketing. Many scientists agree with the opinion that marketing should be considered from the point of view of the management process, some – as an "idea" (concept) that forms the basis for studying the market, consumers, competitors, product structure of the market, and analysis of the internal environment of the enterprise. In general, the scientific community identifies five concepts of ecological marketing [S. M. Ilyashenko, O. V. Sadchenko, T. A. Riabova]:

- marketing of goods and services, taking into account environmental standards and restrictions as the most important factor of the external environment;

- marketing of ecological goods and services – a specific type of marketing caused by the emergence of ecological needs of the population in connection with the deterioration of the quality of the living environment and the increase of environmental awareness of society;

- marketing of natural conditions and resources (marketing of nature use) – a corporate type of environmental marketing, the subject of which are local authorities and national governments – legal managers of natural resources located on the territory of regions and states;

- a non-commercial type of ecological marketing, the purpose of which is to preserve the human habitat and the gene pool of the biosphere, as well as to carry out appropriate measures for the reproduction of disturbed ecosystems and individual components of the natural environment;

- marketing of ecological knowledge and technologies – a type of marketing of ideas [2; 8; 6].

In our opinion, the most successful definition is based on the integration of the marketing approach and environmental requirements of the region, consumers, public, state and international organizations, enterprises. From this point of view, ecological marketing is a management function that organizes and directs the activities of public organizations, state institutions, and enterprises related to the assessment and transformation of consumer requests into ecologically oriented demand for goods and services that contribute to maintaining the qualitative and quantitative level main ecosystems, meet the needs of both individuals and organizations or society as a whole. In the system of managing the balanced development of the region, a necessary condition is the consideration of the territorial factor during the implementation of tasks, functions and principles of ecological marketing.

On the one hand, the territory from a simple place of economic activities becomes a seller of goods and services, that is, an equal participant in the market, and on the other hand, a region (part of the territory) can be sold as an ecological product that has its own value and ecological utility. The region is considered as a whole system, and the ecological advantages of this territory are used as its advertisement, for example, ecologically clean sources of drinking water, lack of air pollution, compliance with ecological standards, etc. In this case, ecological marketing of regions is aimed at attracting investments; development and implementation environmentally sound programs, projects, regional schemes for preventing the consequences of probable ecologically dangerous situations [1, p. 57]. Moreover, the process of evolution of ecological marketing in the region is inextricably linked with the formation of ecologically aware needs in the market (Table 1).

The first level of consumer awareness is the demand for environmentally safe products and services that do not harm the consumer's health and are environmentally friendly in the process of consumption and use. This level of demand is the easiest to ensure, since concern for the safety of one's life and the lives of loved ones is at the core of human consciousness. The formation of such demand and the development of products and services to satisfy it corresponds to the first concept of ecological marketing – the concept of the development of ecologically clean products and is the main task of society at the current stage. The second level of awareness is the demand for

products that are not only environmentally friendly and safe for consumption or use, but also their entire life cycle – from raw materials required for production to disposal or consumption (from "cradle to grave") – is safe for the environment. This level of demand must be formed gradually with the help of a system of environmental education and training, it is necessary to provide all products or services that meet these requirements with appropriate environmental signs and brands, and a high degree of trust in these ecosigns, ecolabels and environmentally certified goods and enterprises must be ensured. The formation of such demand corresponds to the second concept of ecological marketing – the concept of the development of ecologically oriented production [7, p. 126].

Summing up the theoretical approaches, one can build the hierarchy of definitions "environmental marketing", linked to sustainable development (Table 2).

One of the main questions that the company must answer is whether its pricing policy allows its customers to make

an ecological choice. Justification, calculation and pricing of ecological products offered by the company include the relevant procedure and stages of work (Table 3) [9, p. 235].

In the classic version, in order to attract the interest of consumers to products with improved environmental characteristics and to gradually establish themselves in a new market, it is advisable to set reduced prices (or penetration prices) compared to the prices of competitors or to the own prices at which the product is sold in already developed markets. After the formation of demand for ecological products, development of a certain share of the market and the formation of a stable clientele, enterprises try to maximize profits by gradually raising the prices of goods to the level of prices of other suppliers. The market is gradually becoming saturated and the main goal of companies is to maintain market share. For this purpose, companies take all possible measures to prevent a decline in sales and intensifying competition, do not allow excessive overestimation or underestimation of the prices of their products [5, p. 187].

**Table 1 – Types of environmental marketing concept in sustainable development policy**

Concept	Features of the conception
Concept of environmental marketing in sustainable development policy	Demand for products in the field of development of environmentally friendly enterprise
Concept of environmental marketing	Demand for products that meet the principles of sustainable development
Concept of development of ecologically oriented production	Demand for products, all vital. Cycle of which, from resources to consumption, use.
Concept of development of ecologically clean products	Demand for environmentally friendly, environmentally friendly products

Source: [10]

**Table 2 – Environmental marketing and related concepts**

Name	Content
Sustainable development	Marketing mechanism of environment management, ecological audit and environmental reporting in the marketing system
Steady development	Development that meets the needs of this time is not threatening the ability of the future
Sustainable consumption	Consumption of products and resources at the level and in a way that ensures sustainable development
Environmental marketing	This is the philosophy of organization and realization of marketing activity, which is determined by the its functioning on the principles of sustainable consumption

Source: [7]

**Table 3 – Analysis of stages of calculation of price of ecological goods/services**

Stages of analysis	Content of the stage
Setting market goals and objectives	Forming the demand for ecologically clean products and winning the corresponding share to maintain the market share. Profit maximization. Maintaining market share
Determining the demand	The upper limit of price
Calculation of production costs	The lower limit of price
Product and price comparisons of competitors	Competitor's prices and goods
Choice of pricing strategy. Choice of pricing method	Based on current prices at this cost. Average costs + profit. Breakeven with target profit. Liquid price. The price is based on the effect in the field of operation. Price based on market demand. Price based on perceived value of the product and others
Setting the option of the final price	Primary offer price
Determination of the final price	Final sale price with discount or extra
Adjustment to the price	Adjustment of the product price depending on the stage of its life cycle, degree of competitiveness, environmental safety and useful properties

Source: [4]

The following groups of consumers can be distinguished according to their attitude to ecological goods (S. M. Ilyashenko, O. V. Prokopenko, 2003):

Consumers who do not want to buy such a product. For example, vegetarians when calculating the demand for environmentally friendly meat products; those who do not drink alcohol, when calculating the demand for vodka products with environmentally friendly ingredients.

Consumers who cannot use it. For example, people whose health condition does not allow them to consume ecological products with certain ingredients (yes, a person with diabetes will not consume ecologically clean yogurt with a high sugar content), or the size of the apartment does not allow the use of oversized furniture; enterprises whose sizes do not allow the use of certain cleaning equipment.

Consumers who have not determined their attitude to the product.

Consumers who are ready to purchase a product of this name at a certain price with certain consumer qualities [3, p. 89].

Of course, the enterprise can sell the manufactured ecological goods only to consumers of groups 3–4. But finding out and analyzing the reasons why consumers of

group 1 do not want and consumers of group 2 cannot buy the product that is offered is very important because taking into account the results of such analysis is useful in terms of attracting additional consumers in the future. Finding out the reasons for refusing to buy a product will help in the right direction to recycle an ecological product, modify or change the methods of stimulating its sales, etc.

**Conclusions.** Summing up, it should be noted that the theoretical and methodological foundations of ecological marketing laid out in the article allow one to go directly to the formation of its practical tools (strategic and operational) in order to determine the most effective directions for the development of market opportunities and the development of environmental marketing measures adequate to the conditions of Ukraine in line with the concept of sustainable development. Further research should be directed in this direction.

The concept of ecological marketing involves the production and promotion of ecological goods and the formation of ecological needs among consumers. This is a separate type of non-commercial marketing aimed at the formation of a system of rational nature management while simultaneously satisfying the needs of consumers in ensuring environmental protection.

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## ЕКОЛОГІЧНИЙ МАРКЕТИНГ ЯК СКЛАДОВА ПОЛІТИКИ СТАЛОГО РОЗВИТКУ НА РИНКУ ЕКОЛОГІЧНИХ ТОВАРІВ І ПОСЛУГ

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У статті розглядаються проблеми, пов'язані з формуванням політики сталого розвитку на засадах екологічного маркетингу вітчизняними підприємствами. Наразі механізми формування ринку екологічних товарів і послуг розробляються та удосконалюються за рахунок складових політики сталого розвитку в частині її екологічної складової. Саме тому, на жаль, «екологічний маркетинг» на враховує соціо-еколого-економічних потреб громад України, а також особливостей формування та розвитку екологічних товарів і послуг. Взаємозв'язок еколого-економічних процесів стає причиною пошуку методів збалансованого розвитку суспільства, при якому задоволення потреб теперішніх поколінь не має ставити під загрозу можливості майбутніх. У такій ситуації екологічні інновації можуть активізувати процеси екологізації будь-яких галузей народного господарства. Систематизовано причини, що перешкоджають успішній розробці та впровадженню підприємствами цінової політики екологізації. Розглянуто чинники формування стимулюючих умов для розвитку інноваційної діяльності у сфері екологічного маркетингу. З точки зору сталого розвитку потреби задовольняються без шкоди майбутнім поколінням. Це пов'язано з вирішенням комплексу екологічних проблем: зелених, коричневих, синіх і глобальних. Водночас зі зміною ставлення до економічного розвитку та формуванням ідеології сталого розвитку змінювалися й концепції розвитку суб'єктів господарювання. Кожна наступна концепція розвитку суб'єктів господарювання, звичайно, не заперечує попередню, а доповнює її. Так, якщо концепція маркетингу говорить про необхідність задоволення потреб, то це не означає, що не слід приділяти увагу зниженню собівартості продукції тощо. Відповідно до концепції сталого розвитку, концепція екологічного маркетингу є також розвиваючу, яка полягає в орієнтації виробництва і збуту на задоволення екологічно орієнтованих потреб і запитів споживачів, створенні та стимулюванні попиту на екологічні товари (продукцію чи послуги) – економічно ефективні та екологічно безпечні у виробництві та споживанні з урахуванням різноманітних інтересів суб'єкти ринку.

**Ключові слова:** екологічний маркетинг, екологічні інновації, ринок екологічних товарів та послуг, сталий розвиток.

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