



ECOLOGICAL MARKETING AND COMPETITIVE CITIES – BEST PRACTICES FOR SUSTAINABLE DEVELOPMENT OF GREEN CITIES

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Nowadays, cities cannot be considered truly competitive unless they operate with holistic visions and strategies, which combine “green” economic growth with sustainable development. Therefore, this study investigates the issues of competitive cities from the perspective of ecological marketing. Firstly, this study addresses the ecological marketing of goods and services, and secondly, the ecological marketing of cities. Thirdly, this study reveals some best practices for sustainable development of green competitive cities in Europe through the use of renewable energy and other ecological solutions to the challenges encountered by cities. The findings of this study reveal that there is a strong connection between the ecological marketing and the competitiveness of cities. The holistic strategies, campaigns and projects carried out by urban managers in order to reach a sustainable green urban development are becoming extremely important these days. The “European Green Capital” Award and the “Green Capital of Romania” Program are only some examples of best practices for sustainable development of green cities in Europe. The results of this study may be used for further research in the area of ecological marketing and sustainable development of green competitive cities and regions.

Keywords: Ecological marketing, Green capital, Competitive city, Renewable energy, Sustainable urban development.

Introduction

From an organisational point of view, the importance of the environment should be integrated in all the aspects of marketing – from the development to the manner of promoting new products. The holistic nature of all that is “green” suggests that, besides suppliers and traders, the other stakeholders should be listed, like teachers, local authorities, mediators, etc. The environmental problems should be balanced with the essential needs of the society (Ottman, 2004: 12).

The last decade has shown that the orientation of the consumer’s power is really easy to speak about, but it is very difficult to put in practice. While the questionnaires answered at the end of the ’80s showed that a significant share of the population in the USA, as well as in the other parts of the world, would be willing to favour the ecological products and companies, the efforts of the consumers to translate this thing in the real life has not reached the following level after the “project” level.

One of the impediments of the ecological marketing would be the lack of standards and of the citizens’ consent on what constitutes and implies the word “green”. In fact, there is no definition for “how

well is very well” when it is about the company or the product which claims to be ecological. The lack of the agreement among the consumers, traders, suppliers and sellers, as well as among the workers, mediators and other influential persons has hindered the increase of the “green” products number because of the fact that the companies often avoid promoting ecological products, and the consumers are sceptical regarding the statements of the latter (Makower & Pike, 2009: 28).

Despite all these problems, the ecological marketing has continued and continues to win supporters at world’s level, many of them being more and more preoccupied with the global warming and the effects of climate change on their own way of life.

Nowadays cities cannot be considered truly competitive unless they operate with holistic visions and strategies which combine “green” economic growth with sustainable development, having in mind all the issues related to city life. Therefore, the next two sections of the study are approaching the ecological marketing of goods and services and the ecological marketing of cities, while the third next section reveals some best practices for sustainable development of green competitive cities in Europe through the use of renewable energy and other ecological solutions to the challenges and changes encountered by cities in a world of increased environmental concerns.

Ecological Marketing of Goods and Services

The concept of “green marketing” or “ecological marketing” emerged in the end of the ’80s, becoming very fashionable in the beginning of the ’90s. Its evolution consisted of three stages: (1) *the first stage* was the *ecological one*, when all marketing activities were focused on obtaining solutions and helping the environment; (2) *the second stage* was *the environmental one*, when the main axis moved to the search for new “cleaner” technologies, which consisted of obtaining innovative products, solving thus the problems of the pollution and the resources waste; and (3) *the third stage, the sustainable (green) ecological marketing*, started in 2000. Its occurrence was inevitable because global resources are limited compared to the more and more dynamic needs of humankind. The agents of the market have been forced on one hand to use the resources more efficiently, without any kind of wastage, and on the other hand, to reach their objectives.

The American Marketing Association organised the first workshop on “ecological marketing” in 1975. The debates within this workshop resulted in one of the first books in this field, called “Ecological Marketing”. Given the vision of the American Marketing Association (2005), *green marketing* represents the marketing of products and/or services that are presumed to be environmentally safe.

The ’80s lead to the occurrence of the concept of “Social Responsibility of the Organisations” (SRO). The innovation came from the Ben & Jerry’s Ice Cream Company, whose financial report was supplemented by an impressive vision regarding the impact of the company on the environment.

In 1987, the World Commission for Environment and Development defined the *sustainable development* as “a way to satisfy the needs of the present without compromising the capacity of the future generations to satisfy their own needs” (WCED, 1987). The document drawn up by the commission was called *the Bruntland Report* and represented another step towards the spreading of the “sustainable” thinking of people in their activities.

The obvious assumption of the ecologic marketing is that the potential consumers will analyse the benefits brought by a product or a service according to the degree or the manner in which the environment is helped, and thus they decide how much money they pay for the purchase of the products or services. An indirect consequence of this change of the market is that the one who are willing to buy “ecological” products will have to pay more than they would pay if they chose other “less green” products.

The popularity of such an approach of the market is strongly debated, occupying on a weekly basis the first ranks in the priorities and the attention of the media. The supporters pretend that the preferences for the environment have risen in number. For instance, the logo of “Energy Star” that is a label identifying and promoting energy efficient products and practices (figure 1) appears on more than 11,000 models of the companies, for 38 product categories from washing machines and bulbs to skyscrapers and



Figure 1. “Energy Star” logos.

Sources: <http://www.green3dhome.com>; <http://earthandindustry.com>; <http://www.treehugger.com>

houses. However, people prefer to choose more profitable products, even if this means damaging the environment and it seems that the “green” tendency loses field.

Some of the studies conducted in this area showed that a large percentage of the population (42%) believes that ecological products do not function as well as the conventional ones (Roper, 2007). This opinion has its origins in the first trials of the ‘70s, when the showers first brought only dirty water, and the natural detergents left the clothes dirty. Given this, even the “greenest” clients will chose synthetic detergents against the ones of a superior quality, proverbially named *Happy Planet*. Nevertheless, the last reports have indicated that the green products are more and more preferred by people as compared to the conventional ones, environmentally unfriendly.

According to Hanas (2007), approximately 12% of the USA population may be called “*True Green*”, the category with the true ecological consumers, the ones who search and buy only eco-friendly products, which do not damage the environment. Other 68% may be classified under “*Light Greens*”, consumers who sometimes choose green products.

What the marketing managers always search for are the points of contact with the clients, a very important thing which is still not happening. Managers are convinced that the promotion of the environment in their activities shall bring a categorical modification to the entire production line (Hanas, 2007).

The companies which extend their activity by creating improved products and offering services which bring benefits to the environment ensure at the same time the access to various markets, increase their profit on a long period of time and enjoy the satisfactory competitive advantage compared to the companies that do not care about the environment. We could mention several reasons for which any agent on the market should adopt the ecological marketing: (1) opportunities or competitive advantage; (2) corporatist social responsibility; (3) governmental pressure; (4) competitive pressure; and (5) cost/profit problems (Corbos & Popescu, 2010).

Ecological Marketing of Cities

Nowadays almost half of the world's population lives in cities and the consequences of the urban growth on the environment are significant. Generally, cities are prolific users of natural resources and large generators of waste. In addition, cities are producing the highest amount of greenhouse gas emissions which are the main cause of global climate change. Cities often are depreciating the quality of local water, are diminishing the aquifers, are polluting the marine environment, are clogging the air and are expanding on huge areas of land. There is no surprise to anyone that in the next quarter century the population growth will be concentrated in urban areas.

There is a need for competitiveness of cities today more than ever, because they operate on a global market, competing with other urban settlements from around the world for investments, residents and tourists. Nevertheless, a city cannot be competitive unless it offers security, infrastructure and efficiency to its investors. Therefore, urban managers must include environmental problems within the management strategies and planning (Cobbett, 2009).

A modern city is truly successful only if it can convincingly demonstrate that it complies with environmental requirements by recognizing its own natural values, by creating an efficient transport infrastructure, for water and energy, and also by protecting its citizens against present and future effects of climate change.

Today, cities cover only 30% of the urban environment that we will have in 2030. Thus mayors and planners have the opportunity to influence the kind of planning for future urban environment. Currently, the extension of the urban areas draws attention through tripling the space requirements for each doubling of the city's population. The local administration could prevent the spread of suburbs and urban sprawl by creating a larger number of cities with efficient transportation and energy systems, that will stop the negative trend of using the natural resource base on which cities are built.

With a rate of approximately 80% gas emissions with greenhouse effect coming from cities and three-quarters of the urban settlements located in the coastal areas at risk of sea level rise, the local governments are also becoming more involved in global efforts to combat climate change.

Centres for innovation, efficiency, investment and productivity, but also the main cause of climate change, cities must assume an important role in the environmental problem. The solutions for more than half of humankind to sustainable development and global climate change are to be found in the ecological urbanization of cities (UNEP, 2009).

The two most remarkable projects of ecological cities are Treasure Island in the city of San Francisco, in the USA (Aster, 2007), as well as Masdar City, in Abu Dhabi, in the United Arab Emirates (Masdar City, 2011).

Situated in San Francisco Bay, between San Francisco and Oakland, the artificial island known as Treasure Island was conceived as a self-sustaining city, which is intended to produce its own energy and to recycle its waste transforming the traditional city environment from a factory into an ecosystem. By integrating smart eco-friendly systems a city like this one will be able to support a larger number of citizens with far less resources (Aster, 2007).

The Abu Dhabi Future Energy Company, or Masdar, a subsidiary of Abu Dhabi-owned Mubadala Development Corporation has settled the objective to build a city which will rely entirely on solar energy and other renewable energy sources, zero carbon emissions and no waste. The construction of the city, situated 17 km East South-East away from Abu Dhabi, begun in 2006. Masdar will have 6 square kilometers and will host 45,000 to 50,000 people and 1,500 businesses specialized in ecological products production and trade. In addition, Masdar City will host the Masdar Institute of Science and Technology (MIST), which will be assisted by the Massachusetts Institute of Technology (MIT). The project, which was to be completed in 2016, has been extended until between 2020 and 2025, as the first phase will be completed in 2015 (Haider, 2010).

According to Masdar project (Masdar City, 2011), the main axes of a sustainable city (figure 2) are the following: (1) energy generation and management; (2) water generation and management; (3) waste



Figure 2. Axes of the sustainable city.

Source: Masdar City, 2011

management; (4) planning, engineering and architecture; (5) sustainable building materials; and (6) transportation planning and management.

Masdar is a model for regional and global sustainable urban development, seeking to be a commercially viable development that delivers the highest quality living and working environment with the lowest possible ecological footprint (Masdar City, 2011).

Best Practices for Sustainable Development of Green Cities in Europe

Sustainable development requires action on all the levels, including the regional and urban levels. There is a need for co-operation, for a strong partnership between the local stakeholders in order to develop competitive green cities, and also for actions and/or programs that may promote and/or support the use of “green” solutions for the development of cities. Therefore, this sub-section of the paper discloses some best practices for sustainable development of green cities in Europe under the “umbrella” of the “European Green Capital” Award and the “Green Capital of Romania” Program.

1. “European Green Capital” Award

Urban sustainable development is a major priority of the European Commission, which launched in 2010 the “European Green Capital” Award (figure 3) with the aim to promote and reward the ecological activities of the European cities. Thus, the European Green Capital Award promotes the ecological urban environment and acknowledges the endeavours of the local authorities to solve the environmental problems and to improve the inhabitants’ quality of life.

Every year, starting in 2010, a European city will be selected to be the European Green Capital, the prize being awarded to a city which meets the following requirements: (1) it carries out consistent activities related to the achievement of high environmental standards; (2) it continuously sets ambitious targets for environmental improvement and sustainable development; and (3) it can act as a model to inspire other cities and to promote the best practices to other European cities (European Commission, n.d.). This prize refers to the desire of a city and its capacity to solve the environmental problems, in order to improve the inhabitants’ quality of life and in order to reduce its negative environmental effects. Among the 35 applicant cities to the European Green Capital Award, eight reached the final and two managed to win the award, Stockholm (Sweden) for 2010 and Hamburg (Germany) for 2011, within a ceremony which took place in Brussels. Moreover, Vitoria-Gasteiz (Spain) and Nantes (France) were awarded the European Green Capital title for 2012 and 2013 respectively.



Figure 3. “The European Green Capital” Award logo.

Source: European Commission, n.d.

Stockholm, the European Green Capital in 2010, has added more fame to its traditionally known name (“Venice of the North”) by winning this prize. It is not surprising, having in mind the strong arguments that make this city an ecological one and moreover, Europe’s eco model: (1) it is formed of 40% parks and green spaces, including no less than 7 natural reservations; (2) holds more Swan eco-hotels, belonging to famous hotel chains; (3) it has a bus system that function with biogas and ethanol and which is used by over 77% of its inhabitants; (4) has inaugurated a new ecological tramway line in 2010; (5) it has numerous cycling tracks, which are used by the citizens all year long (despite the cold and snow in winter) when going to the workplace; and (6) the City Hall adopted lately a series of measures to reduce the pollution and the greenhouse gas emissions.

In 2009, Stockholm recorded a CO₂ level of emissions of 3.4 tons per capita, aiming that, until 2015, this would be reduced to 3 tons per capita. In the rest of Europe, the CO₂ emissions are situated around the level of 10 tons per capita, with a tendency to increase. In order to achieve such results, the Swedish capital focused on the reduction of the pollution produced by transportation and heating, two sectors that represent 43% of the total greenhouse gas emissions from the European Union. As regards the transportation field, it is to mention that all trains and buses used in the city run on renewable fuels and, moreover, the City Council has the ambitious objective of becoming completely fossil fuel independent until 2050. With reference to the thermal heating, indispensable for half a year, Stockholm has considerably reduced the emissions, through the investments made into a municipal central heating that uses renewable energies and to which 75% of the households are connected (European Commission, n.d.).

The development of the city is based on a global vision, which combines the expansion with sustainable development. Efficient measures for reducing the phonic pollution, a protection plan setting new standards for cleaner water, and an innovative integrated system of waste are only some of the improvements made lately into the city.

In May 2010, Stockholm presented two urban sustainable development plans that may become models for other European cities. The first project refers to the transformation of a deserted industrial area into the most attractive area for an eco living, aiming to become fossil fuel independent until 2030, to reduce the emissions under 1.5 tons per capita until 2020, and to improve the reputation of Stockholm as city adapted to climate change. The second example is the “Järva” project, which will develop the sectors around the Järvafältet natural reservation, built between 1965 and 1975, as part of the “million houses” project, thought to prevent the lack of living spaces so as to transform the post-war suburbs into energy efficient household sectors.

The Swedish capital is now ready to inspire other cities in achieving the sustainable development. In the beginning of 2010, Stockholm launched a new Professional Program for Study Visits in order to raise the local and international awareness regarding the environmental problems, and to strengthen the

relationships with other European cities, organizations and research centers. The program allows the visitors to explore Stockholm's solutions regarding waste management, planning of new urban projects, prevention of climate change, and efficient and sustainable transportation (European Commission, n.d.).

Hamburg, the European Green Capital in 2011, combines global approaches, political commitment and financial sources needed in order to find ecological answers to metropolitan challenges and changes. In other words, it has a participative and integrated planning strategy and a strong commitment to the "green" vision.

Hamburg has set ambitious environmental objectives, such as the reduction of the CO₂ emissions with 40% until 2020, and with 80% until 2050. The CO₂ emissions per person have been reduced with approximately 15% compared to 1990, and the annual savings in energy are of approximately 46000 MWh, a major achievement for a big city, with a population of about 1.8 million persons. The city has also reached high environmental standards and high performances regarding the cycling and the public transportation indicators. Almost all citizens of the city have access to the optimal public transportation in maximum 300 meters from their houses. There is also a systematic structure of green spaces, which allows the citizens a very easy access (*European Commission, n.d.*).

In April 2011, the city of Hamburg launched the "Train of Ideas", which has seven carriages, each one looking at a different aspect of life in a green city, such as mobility, energy, climate protection, nature, economy and consumption. Hamburg is targeting the broadest international audience and will present its own best practices, as well as examples from other cities, from the local to the global perspective (*European Commission, n.d.*). The train will travel around Europe in order to spread the experience and good practices in an innovative manner.

2. "Green Capital of Romania" Program

The campaign "Green Capital of Romania" (figure 4), one of the most extensive environmental initiatives in our country, is a competition addressed to the cities in Romania and is part of the social responsibility program "The Green Umbrella", released by Tuborg Romania in the summer of 2007, in partnership with the Ministry of Environment and Forests.



Figure 4. "Green Capital of Romania" Program logo.

Source: Tuborg Romania, 2007

The campaign's objectives are to change the mentality that "my gesture does not matter" and to convince Romanian citizens that all of them must preserve Romania clean, through actions which aim to the empowerment by the power of the personal example. As well, the campaign wishes to encourage both local government officials and citizens to initiate or participate in environmental projects, which can improve the quality of life in Romania's major cities (Popescu & Corbos, 2010: 128).

This initiative rewards the municipalities that have the most and more efficient initiatives for the following: (1) reduction of pollution (of any kind); (2) development of green spaces or the forestation of some areas; (3) waste selective collection and recycling; (4) empowerment and education of citizens in the field of environmental protection; (5) citizens' involvement in environmental projects; (6) care for protected areas in the county (if they exist); (7) use of organic products; and (8) development of ecological tourism.

In 2010, Brasov won the title “Green Capital of Romania”, and the city will be allowed to use it throughout the whole year 2011. The main advantages of Brasov were local development policies and programs of the past three years, which provide an important role to the environmental health and protection, but also to the inhabitants’ attitude towards nature. For example, Brasov had the largest number of volunteers in the project “Let’s Do It Romania”. The introduction of the “Local register of green spaces”, the implementation of some alternative and sustainable energy policies by getting involved in the European association Energy-Cities, the selective waste collection, or the rehabilitation, protection and conservation of the biodiversity in the protected area “Tampa Mountain” have played a role in earning this award.

The next competition will take place between May 25th and December 1st of 2011, and it is open to all cities’ mayors in Romania. Cities can apply for one of the three categories, depending on the number of inhabitants: first category (less than 50,000 inhabitants); second category (between 50.001 and 199.999 inhabitants); and third category (more than 200,000 inhabitants). The gala awarding “Green Capital of Romania” will take place in Bucharest in January 2012.

The program currently enjoys the support of over 1,200 volunteers from 32 counties and over 950 blog partners. In addition, more than 120,000 stickers with the message “I do not throw garbage in the street” were distributed both through actions performed in traffic, and direct actions to the beneficiaries.

Conclusions

This study has revealed that there is a strong connection between the ecological marketing and the competitiveness of cities. The holistic visions and strategies, which combine “green” economic growth with sustainable development, as well as the campaigns and projects carried out by urban managers in order to reach an “eco” development of cities and rural areas around, are becoming extremely important these days.

There is a need for co-operation, for a strong partnership between the local stakeholders in order to develop competitive green cities, and also for actions and/or programs that may promote and/or support the use of “green” solutions for the development of cities. The “European Green Capital” Award and the “Green Capital of Romania” Program are only some examples of best practice for sustainable development of green cities.

The results of this study may be used for further research in the area of ecological marketing and sustainable development of green competitive cities.

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