

The Concept of “Green Marketing”: Opportunities and Challenges

by Cosmin Tănase



Abstract

Green marketing is a phenomenon which has developed particularly important in the modern markets. Whether we refer to the developed or the emerging markets, the concept of pollution free activity is given more and more importance in all the sectors and in all stages. The environmentalists are targeting the industrial sectors as the major contributors for depleting natural resources and environmental destruction. Hence, both production and marketing divisions of industries are stressed more to take utmost care in these areas along with fulfilling the market demands. To overcome these difficulties a new concept has born in the present globalized world where production, consumption and also marketing of the products can be carried effectively ensuring environmental safety. This concept is named ‘Green Marketing’.

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Green issues have become increasingly important to corporate decision makers as companies are facing some delicate issues. Although environment issues influence all human activities a few disciplines have integrated green issues into their literature. People are becoming more concerned about environment issues, even the corporate started modifying their business strategies.

According to the American Marketing Association, Green Marketing is the marketing of the products that are presumed to be environmentally safe. Green Marketing incorporates a broad range of activities including product modification. The term Green Marketing or environment have received a great deal of discussion. Environment concerns have gained momentum in business as well as in public life.

From the beginning of the 1980's there have been ecological issues such as Global warming, Greenhouse effect, Pollution and climate changes which are directly related to industrial manufacturing. Green market is identified as a part of market segments based on the greenness of the consumer. So, Green Marketing is dealing with fair trade of socio-economic benefits as well as environmental responsibilities through green business. Due to increase of environmentalism which has dominated the world, there has been a raise in consumer concern with regard to environment protection and increase in the demand of Green Products.

Green Marketing refers to holistic marketing concepts. Green marketing incorporates a broad range of activities including, product modification, change, to the production process, packaging changes, as well as modification of advertising. There are some organizations implementing strategies which aim to solve ecological issues and build up the long term interest towards consumers. Some business has been quick to accept concepts like environmental management systems and waste minimization have integrated environmental issues into all organizational activities. Many governments around the globe have become so concerned about green marketing activities and they have attempted to regulate them.

Green marketing refers to the process of selling product and/or services based on their environment benefits. Such a product or service may be environmentally friendly in itself or produced and /or packaged in an environmentally friendly way.

Green Marketing, also alternatively known as environmental marketing and sustainable marketing, refers to organizations' efforts at designing, promoting pricing and distributing products that will not harm the environment. The holistic management process responsible for identifying anticipating and satisfying the requirements of customers and society, in a profitable and sustainable way. The marketing or promotion of a product based on its environmental performance or an improvement thereof Green Marketing also refers to an organization that puts its efforts in to promoting, pricing and distributing products with eco concern.

Characteristics of Green Products

Green Products are those which are manufactured by using green technology and that also do not have any negative impact on the environment. Green products have following characteristics:

- I. Products those are grown originally.
- II. Products those are recyclable and reusable.
- III. Products with natural ingredients.
- IV. Products which are having recycled contents and non-toxic chemical elements.
- V. Product content under approved chemical.
- VI. Product that do not harm or pollute environment.
- VII. Products that will not be tested on animals.
- VIII. Products that have ecofriendly packaging.

Green Marketing Mix

Product: The ecological objectives in planning products are to reduce resource consumption and pollution and to increase conservation of scarce resources.

Price: Price is a critical and important factor of green marketing mix. Most consumers will only be prepared to pay additional value if there is a perception of extra product value. This value may be improved performance, function, design, visual appeal, or taste. Green marketing should take all these facts into consideration while charging a premium price.

Promotion: There are three types of green advertising:

- Ads that address a relationship between a product/service and the biophysical environment.
- Those that promote a green lifestyle by highlighting a product or service.
- Ads that present a corporate image of environmental responsibility.

Place: The choice of where and when to make a product available will have significant impact on the customers. Very few customers will go out of their way to buy green products.

Key impact of Green Products:

1. Consumers have been asking for green products, i.e. there has been a clear raise in demand for such products.
2. Business have looked into the green process - Generating corporate environmental profiles, monitoring and evaluating green performance, and improving corporate image as a result.
3. Green products have also increased competition among business to generate more environmentally friendly products. Eco labelling networks that monitor and evaluate green

products have been developed in many countries. These networks have done life analysis to understand the impact of products .

4. Government have also taken several measures that have supported and facilitated such moves by business.

Key issues for the future include:

1. Health: A sentry lifestyle combined with health impacts of environmental pollution and emissions, use and abuse of pesticides, anti –biotic etc.
2. Pollution and consumption: Population increase, ageing populations, consumption pattern- living beyond means etc.
3. Globalization : Transboundary effect and free trade have both advantages (efficiency, profits, opportunities, demand) and disadvantages (unemployment, weaker control, unfair trade) etc.
4. Energy: Every source of energy has an environmental impact. Energy efficiency is not just technology, but also cutting back.
5. Water: Water use is increasing at twice the rate of population increase. Much can be done at the individual level.
6. Chemicals: Use of pesticides and other hazardous chemicals.
7. Natural World: Considerable pressure put on the natural world due to population increase and rises in consumption. 40% of all plant growth is consumed by human.

Why it's time for business to go green

Today most if not all companies recognize that climate change is a problem, some are marking attempts to solve the problem, resulting in a wave of sustainability, climate change, and environment projects. Here are the drivers for addressing suitability, listed in order of importance.

1. Company or brand image
2. Cost savings
3. Competitive advantage
4. Employees satisfaction, moral or retention
5. Product, service or market innovation
6. Business or process innovation
7. New source of revenue or cash flow
8. Effective risk management

Challenges in Green Marketing

1. Green products require renewable and recyclable material which is costly.
2. Requires a technology, which requires huge investment in Research and Development.

3. Water treatment technology is too costly.
4. Majority of the people are not aware of green products and their uses.
5. Majority of the people are not willing to pay a premium for green products

OPPORTUNITIES

It appears that all types of consumers, both individual and industrial are becoming more concerned and aware about environment. As demand changes, many companies see these changes as an opportunity to be exploited. Given this aspect, it can be assumed that marketing goods corporations with environmental characteristics will have a competitive advantage over companies marketing non environmentally responsible alternatives.

There are numerous examples of firms who have strived to become more environmentally responsible, in an attempt to better satisfy their consumer needs. This is not to imply that all firms who have undertaken environmental marketing activities actually improve their behaviour. In some cases firms have misled consumers in an attempt to gain market share.

In other cases companies have jumped on the green bandwagon without considering the accuracy of their behaviour, their claims, or the effectiveness of their products. This lack of consideration of the true "greenness" of activities may result in firms making false or misleading green marketing claims.

Conclusion

Green Marketing Green marketing is a tool for protecting the environment for future generation. It is not going to be an easy concept. The company has to plan and then carry out research to find out how feasible it is going to be. Green marketing has to evolve since it is still at its infancy stage. Adoption of Green marketing may not be easy in the short run, but in the long run it will definitely have a positive impact on the company.

Ultimately green marketing requires that consumers want a cleaner environment and are willing to pay for it, possibly through higher priced goods, modified individual lifestyles, or even governmental intervention. Until this occurs it will be difficult for companies alone to lead the green marketing revolution. An environmental committed organization may not only produce goods that have reduced their detrimental impact on the environment, they may also be able to pressure their suppliers to behave in a more environmentally responsible fashion.

Final consumers and industrial buyers also have the ability to pressure organizations to integrate the environment into their corporate culture and thus ensure all organizations minimize the detrimental environmental impact of their activities.

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