

Green Marketing in Current Scenario

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Abstract

This study aimed to identify the role of Green marketing, key to success of green marketing, opportunities and challenges in Green Marketing. Although environmental issues influence all human activities, few academic disciplines have integrated green issues into their literature. As society becomes more concerned with the natural environment, businesses have begun to modify their behaviour in an attempt to address society's "new" concerns. Some businesses have been quick to accept concepts like environmental management systems and waste minimization, and have integrated environmental issues into all organizational activities. One business area where environmental issues have received a great deal of discussion in the popular and professional press is marketing. Terms like "Green Marketing" and "Environmental Marketing" appear frequently in the popular press. Many governments around the world have become so concerned about green marketing activities that they have attempted to regulate them.

I. Introduction

Green marketing is the marketing of products that are presumed to be environmentally safe. Thus green marketing incorporates a broad range of activities, including product modification, changes to the production process, packaging changes, as well as modifying advertising. Yet defining green marketing is not a simple task where several meanings intersect and contradict each other; an example of this will be the existence of varying social, environmental and retail definitions attached to this term. [Other similar terms used are Environmental Marketing and Ecological Marketing

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II. What Is Green Marketing

Unfortunately, a majority of people believe that green marketing refers solely to the promotion or advertising of products with environmental characteristics. **Terms like Phosphate Free, Recyclable, Refillable, Ozone Friendly, and Environmentally Friendly are some of the things consumers most often associate with green marketing.** While these terms are green marketing claims, in general green marketing is a much broader concept, one that can be applied to consumer goods, industrial goods and even services. Thus green marketing incorporates a broad range of activities, including product modification, changes to the production process, packaging changes, as well as modifying advertising. Yet defining green marketing is not a simple task. Indeed the terminology used in this area has varied, it includes: Green Marketing, Environmental Marketing and Ecological Marketing.

III. Why Is Green Marketing Important

The question of why green marketing has increased in importance is quite simple and relies on the basic definition of Economics: **"Economics is the study of how people use their limited resources to try to satisfy unlimited wants."** Thus mankind has limited resources on the earth, with which she/he must attempt to provide for the worlds' unlimited wants. While the question of whether these wants are reasonable or achievable is important, this issue will not be addressed in this paper. In market societies where there is **"freedom of choice"**, it has generally been accepted that individuals and organizations have the right to attempt to have their wants satisfied. As firms face limited natural resources, they must develop

new or alternative ways of satisfying these unlimited wants. Ultimately green marketing looks at how marketing activities utilize these limited resources, while satisfying consumers wants, both of individuals and industry, as well as achieving the selling organization's objectives.

IV. Why Are Firms Using Green Marketing?

When looking through the literature there are several suggested reasons for firms increased use of Green Marketing. Five possible reasons cited are:

1. Organizations perceive environmental marketing to be an opportunity that can be used to achieve its objectives [Keller 1987, Shearer 1990];
2. Organizations believe they have a moral obligation to be more socially responsible [Davis 1992, Freeman and Liedtka 1991, Keller 1987, McIntosh 1990, Shearer 1990];
3. Governmental bodies are forcing firms to become more responsible [NAAG 1990];
4. Competitors' environmental activities pressure firms to change their environmental marketing activities [NAAG 1990]; and
5. Cost factors associated with waste disposal, or reductions in material usage forces firms to modify their behavior [Azzone and Manzini 1994].

V. Keys To Successful Green Marketing

1) Being genuine means that

- a) that you are actually doing what you claim to be doing in your green marketing campaign and
- b) that the rest of your business policies are consistent with whatever you are doing that's environmentally friendly. Both these conditions have to be met for your business to establish the kind of environmental credentials that will allow a green marketing campaign to succeed.

2) Educating your customers isn't just a matter of letting people know you're doing whatever you're doing to protect the environment, but also a matter of letting them know why it matters. Otherwise, for a significant portion of your target market, it's a case of "So what?" and your green marketing campaign goes nowhere.

3) Giving your customers an opportunity to participate means personalizing the benefits of your environmentally friendly actions, normally through letting the customer take part in positive environmental action.

To be genuine, you have to ensure that none of your business practices contradict your decision not to use plastic bags. Not using plastic bags appears to be environmental no-brainer, but you will still need to educate your target market.

10 EASY WAYS YOUR BUSINESS CAN GO GREEN

Whether you run a home-based business or a brick-and-mortar retail business, there are simple, easy things you can do to go green. And operating a green business is not only good for the environment but good for your business's bottom line because conserving resources and cutting down on waste saves money..

1. **Turning off equipment** when it's not being used. This can reduce the energy used by 25 percent; turning off the computers at the end of the day can save an additional 50 percent.
2. **Encouraging communications by email**, and reading email messages onscreen to determine whether it's necessary to print them. If it's not, don't!
3. **Reducing fax-related paper waste** by using a fax-modem and by using a fax cover sheet only when necessary. Fax-modems allow documents to be sent directly from a computer, without requiring a printed hard copy.
4. **Producing double-sided documents** whenever possible.
5. **Not leaving taps dripping**; always close them tightly after use. (One drop wasted per second wastes 10,000 litres per year.)
6. **Installing displacement toilet dams in toilet reservoirs.** Placing one or two plastic containers filled with stones (not bricks) in the toilet's reservoir will displace about 4 litres of water per flush - a huge reduction of water use over the course of a year.
7. **Finding a supply of paper with maximum available recycled content.**
8. **Choosing suppliers who take back packaging for reuse.**
9. **Instigating an ongoing search for "greener" products and services in the local community.** The further your supplies or service providers have to travel, the more energy will be used to get them to you.
10. Before deciding whether you need to purchase new office furniture, **see if your existing office furniture can be refurbished.** It's less expensive than buying new and better for the environment.

VI. Opportunities

It appears that all types of consumers, both individual and industrial are becoming more concerned and aware about the natural environment. In a 1992 study of 16 countries, more than 50% of consumers in each country, other than Singapore, indicated they were concerned about the environment [Ottman 1993]. A 1994 study in Australia found that 84.6% of the sample believed all individuals had a responsibility to care for the environment. A further 80% of this sample indicated that they had modified their behavior, including their purchasing behavior, due to environmental reasons [EPA-NSW 1994]. As demands change, many firms see these changes as an opportunity to be exploited.

VII. Social Responsibility

Many firms are beginning to realize that they are members of the wider community and therefore must behave in an environmentally responsible fashion. This translates into firms that believe they must achieve environmental objectives as well as profit related objectives. This results in environmental issues being integrated into the firm's corporate culture. Firms in this situation can take two perspectives; 1) they can use the fact that they are environmentally responsible as a marketing tool; or 2) they can become responsible without promoting this fact.

An example of a firm that does not promote its environmental initiatives is Coca-Cola. They have invested large sums of money in various recycling activities, as well as having modified their packaging to minimize its environmental impact. While being concerned about the environment, Coke has not used this concern as a marketing tool. Thus many consumers may not realize that Coke is a very environmentally committed organization. Another firm who is very environmentally responsible but does not promote this fact, at least outside the organization, is Walt Disney World (WDW). WDW has an extensive waste management program and infrastructure in place, yet these facilities are not highlighted in their general tourist promotional activities (Murphy 1985).

VIII. Governmental Pressure

As with all marketing related activities, governments want to "protect" consumers and society; this protection has significant green marketing implications. Governmental regulations relating to environmental marketing are designed to protect consumers in several ways, 1) reduce production of harmful goods or by-products; 2) modify consumer and industry's use and/or consumption of harmful goods; or 3) ensure that all types of consumers have the ability to evaluate the environmental composition of goods.

Governments establish regulations designed to control the amount of hazardous wastes produced by firms. Many by-products of production are controlled through the issuing of various environmental licenses, thus modifying organizational behavior. In some cases governments try to "induce" final consumers to become more responsible. For example, some governments have introduced voluntary curbside recycling programs, making it easier for consumers to act responsibly. In other cases governments tax individuals who act in an irresponsible fashion. For example in Australia there is a higher gas tax associated with leaded petrol.

IX. Some Problems With Going Green

Marketers in the US must ensure their green marketing claims can meet the following set of criteria, in order to comply with the FTC's guidelines. Green marketing claims must;

- Clearly state environmental benefits;
- Explain environmental characteristics;
- Explain how benefits are achieved;
- Ensure comparative differences are justified;
- Ensure negative factors are taken into consideration; and
- Only use meaningful terms and pictures.

Reacting to competitive pressures can cause all "followers" to make the same mistake as the "leader." A costly example of this was the Mobil Corporation who followed the competition and introduced "biodegradable" plastic garbage bags. While technically these bags were biodegradable, the conditions under which they were disposed did not allow biodegradation to occur. Mobil was sued by several US

states for using misleading advertising claims. Thus blindly following the competition can have costly ramifications.

X. Conclusion

Green marketing covers more than a firm's marketing claims. While firms must bear much of the responsibility for environmental degradation, ultimately it is consumers who demand goods, and thus create environmental problems. One example of this is where McDonald's is often blamed for polluting the environment because much of their packaging finishes up as roadside waste. It must be remembered that it is the uncaring consumer who chooses to dispose of their waste in an inappropriate fashion. While firms can have a great impact on the natural environment, the responsibility should not be theirs alone. In the EPA's 1994 study consumers gave the following reasons for why they damage the environment.

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