EMERGING TRENDS IN GREEN MARKETING

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Abstract: Green marketing is a business practice that considers the consumer concerns about promoting preservation and conservation of natural resources. Green marketing campaign highlights the characteristics of the companies’ product to protect the environment. As the public become more educated and informed about environmental issues, they soon realize that they may contribute unintentionally and unknowingly to greenhouse gas, acid rain, pollution and massive accumulation of waste. Environmentally conscious people strive to do their part to protect and restore our planet’s resources and consumers have more willing to change their buying habits in ways that will reduce harm to the environment. Thus green marketing provide lot of opportunities like accessibility of international market, competitive advantage etc. The study aim to know the challenges and opportunities provided by green marketing.

I. Introduction

The term green marketing comes into prominence in the late 1980’s and early 1990’s. The American Marketing Association held the first workshop on “Ecological Marketing” in 1975. The proceedings of this workshop resulted in one of the first book on green marketing entitled “Ecological Marketing”. 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 environmental friendly are some of things consumer more often associated with green marketing, while green marketing is broad concept, that can be applied to consumer goods, industrial goods and even services.

Green marketing or environmental marketing consist of all activities designed to generate and facilitate any exchanges intended to satisfy human needs or wants, such that the satisfaction of these needs and wants occurs, with minimum detrimental impact on the natural environment. No consumer product has zero impact on the environment. In business, the term green marketing product are commonly used to describe those that protect the natural environment by conserving energy or resources and reducing or eliminating use of toxics agents, pollution and waste. Green marketing also known by alternative names such as, sustainable marketing, environmental marketing, green advertising, eco marketing and organic marketing.
II. Definition of green marketing

Green marketing is a business practice that considers the consumer concerns about promoting preservation and conservation of natural resources. Green marketing campaign highlights the characteristics of the company’s product to protect the environment.

According to American Marketing Association, "green marketing is the marketing of products that are presumed to be environmentally safe. Thus green marketing incorporates the broad range of activities including, product modification, and changes to production process as well as modification advertisement. Yet defining green marketing is not a simple task here several meaning intersect and contradict each other.

According to Peattie(2001), the evolution of green marketing has three phases:

- First phase was termed as "ecological" green marketing. During this period all marketing activities were concerned to help environment problems and remedies for environment problems.
- Second phase was environmental green marketing and then focus shifted on clean technology that involved designing of innovative new products which take care of pollution and waste issues.
- Third phase was "sustainable" green marketing. It came into prominence in the late 1990’s and early 2000.

As the public become more educated and informed about environmental issues, they soon realize that they may contribute unintentionally and unknowingly to greenhouse gas, acid rain, pollution and massive accumulation of waste. Environmentally conscious people strive to do their part to protect and restore our planet’s resources and consumers have more willing to change their buying habits in ways that will reduce harm to the environment. Consumers seek out products they believe are better for environment and avoid products they believe are harmful to the environment. On average consumers are willing to pay 6 percent more for products that cause less pollution according to the 2005 green gange report.

According to FTC (federal trade commission) there are four general principles of green guides.

- First principle is that qualification and disclosures necessary to avoid misleading consumers and must be clear, prominent and understandable. For example company should not adverse itself as green while not stating why it is green.
- Second principle is that claims must be presented in such way as to make it clear whether they relate to a product, the packaging and the companies practices. For example a cereal box that is advertised as recyclable is not clear whether the claims apply to the paper cereal box or the plastic bag holding the cereal.
- The third principle is that a claim must not overstate an environment attribute or benefit.
- The fourth principle is that environment claim that includes a comparative statement should be presented in a manner that makes the basis for the comparison sufficiently clear to avoid consumer deception. And of course advertiser should be able to substantiate the comparison.
The green guides were updated in 1996 and 1998. Due to an increase in environmental marketing claims in marketing place. The FTC understands another revision of its guides again. The proposed change includes new guidance on marketer’s use of product certification and seal of approval, renewable energy claims, renewable material claims and carbon offset claims.

III. Objectives

- To understand the concept of green marketing and its benefits
- To know the opportunities and challenges face by the organization in context of green marketing.

Research methodology

Research methodology used in this study is descriptive in nature. For this study data and information has been collected with the help of Books, Magazines, Newspapers, Research articles, and E-Journals.

Benefits of green marketing

Investing in green technology now is potential way toward the sustainable development and new job creation. As remarked by OECD secretary general, Jose Angel Gurria, “stimulus packages are the greatest opportunity we have ever had for greening our economy”. Already there are notable sigh of growth in industries that are directly related to carbon reduction. The Asian Development Bank estimated that the global environment market could be worth more at USD $607 billion (2005). And could potentially rise to USD $ 836 billion by 2015. Notable, the environmental market is undergoing on explosion in developing countries. Compared to global annual growth rate at 3% between 1996 and 2001, environmental market in developing countries grew at 7-8% over the same period. The environmental goods and service market in the Asia and pacific region alone is expected to triple by 2015. Following benefits release by companies using green marketing:

Profitability

Green based product creates less waste, use fever raw material and save energy.

Competitive advantage

Companies that are first to put environment innovation on shelves enjoy competitive advantage.

Better products

Green based products are higher in quality in terms of energy saving, performance, convenience, safety etc.
Personal rewards
Green products offer consumers with the benefits of healthier, more fulfilled lives and power to make the world better place.

Better physical environment
Well coordinated use of all green marketing strategies will resulted in better physical environment in term of reduce air and water pollution, waste energy depletion, global warming and deforestation.

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 environment. 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 indicates that they had modified behavior due to environment reasons.

As demand change, many firms see these changes as an opportunity to be exploited. It can be assumed that firm marketing goods with environment character will have a competitive advantage over firms marketing non-environmentally responsible activities.

In agriculture sector
The failure of agriculture is threatened by a series of adverse environment outcomes:

Including the continuing loss of biodiversity and ecosystem services, depletion and erosion of top soil nutrients, increasing scarcity of fresh water, aggravated water pollution caused by poor nutrient management, hazardous chemical release, disposal, emission and waste. Whereas trade conducted on a business as usual scenario largely exacerbate these trends, sustainable trade has potential to maintain or increase agriculture output in the medium and long term while reducing resource use, preserving the natural environment and promoting food safety.

Sustainable farming methods can increase productivity, facilitate access to international supply chain and respond to the rising demands for more sustainable and organic products.

Accessibility of international market
Products with environmental friendly designs and companies that comply with sustainability standards for products and processes have an advantage in international market. Many suppliers are rendering their practices more sustainable in order to secure their position within international supply chain. This is illustrated for example by the 1500% increase in global ISO 14001 certification on environmental award between 1999 and 2009.
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. The HSBC became the world's first bank to go carbon neutral last year. Other examples include coca-cola which has invested in various recycling activities.

Competitive advantage

Another major opportunity provided by environmental marketing is that companies using green marketing have competitive advantage. Consumer are more environmental conscious so they willing to use those products which cause less harm to nature. In many cases firms observe competitor promoting environmental behavior and attempt to emulate this behavior.

CHALLENGES

New concept

Indian literate and Urban consumer is getting more aware about the merits of green products. But most of people of India lives in villages and there education level is very low. These people are not aware about green products and benefit of use them. The consumers need to be educated and made aware of the environmental threat. The new green movement will take lot of time and efforts to reach the masses.

Lack of financial resources

Green products require renewable and recycle material and also require new technology. Which result firm need to invest huge amount in research and development? On the other hand renewable and recycle material also much costly. So production of green products put additional financial Borden on manufacturer and consumers are also not ready to pay premium price for green products.

Green can be associated with lower quality

Customers think that green products are of lower quality because many of the environmentally harmful elements of certain products are the ones that give them recognizable quality.

Green isn’t motivational factor in itself

There"s only a certain small subset of the consumer population for whom greenness is motivational enough to buy products and services. Ironically, consumers are that super eco-friendly subset tends to cut back on their consumption across the board, which makes them a less than ideal target market. But for the mainstream consumer, green isn"t quite enough to motivate them to buy a product or service.
GREEN PRACTICES FOLLOWED BY DIFFERENT COMPANIES:

Continental airlines:
Continental airlines has spent over $16 billion in the last decade to replace its entire fleet of airplanes with more full efficient ones in addition to installing fuel saving “winglets” that cut emission 5% on its 737 model aircraft, beyond that, nitrogen oxide emission from continental’s busy Huston hub have been sliced by astounding 75% since the year 2000. Continental might also be the only company with 12 full time staff environmentalist on the payroll who are constantly pairing up with engine manufactu

ers to design greener, more efficiency processes into company operations. And is if were not enough, the company makes a point of sorting all of its trash to see what can be recycled.

Honda:
According to a CNN many “10 green giants” piece Honda has gone above and beyond in its environmental duties. Going so far as to call Honda “the most fuel efficient auto company is the US” CNN tells the story of how Honda is hard at work on the hydrogen fuel cell powered “FCX”. Honda is apparently also taking steps to create an entire infrastructure for hydrogen, looking forward to a day when hopefully more cars will be powered by that instead of gasoline. In addition to all of, this Honda has pledged to reduce its carbon emission by 5% between 2005 to 2010 and that’s not including that 5% it already achieved from 2000-2005.

IV. Conclusion
Green marketing or environmental marketing consist of all activities designed to generate and facilitate any exchanges intended to satisfy human needs or wants, such that the satisfaction of these needs and wants occurs, with minimum detrimental impact on the natural environment. Now this is the right time to select “green marketing” globally. Green marketing plays an important role in saving the world from pollution. From the business point of view clever marketer is one who not only convenes the consumers but also involves the consumer in marketing his product. With the threat of global warming, green marketing should be essential for organization. Recycling of paper, metals and plastic etc. should much more systemized and universal.

Marketer also has the responsibility to make the consumers understand the need for and benefits of green products as compared to non-green ones. In green marketing consumers are willing to pay more to maintain a cleaner and greener environment.

Reference
