

GREEN MARKETING

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ABSTRACT:

The Marketing products and services based on environmental factors or awareness. Companies involved in green marketing make decisions relating to the entire process of the company's products, such as methods of processing, packaging and distribution. Yet defining green marketing is not a simple task. Other similar terms used are Environmental Marketing and Ecological Marketing. The importance of green marketing and the firms used in green marketing and opportunities are explained in this paper. Social entrepreneurship of green marketing, E-retailing cost or profit issues, green marketing principles and problems in green marketing is described in this paper. Green marketing covers more than a firm's marketing claims. While firms must bear much of the responsibility for environmental degradation, ultimately consumers demand goods, and thus create environmental problems.

INTRODUCTION:

Marketing products and services based on environmental factors or awareness. Companies involved in green marketing make decisions relating to the entire process of the company's products, such as methods of processing, packaging and distribution. Yet defining green marketing is not a simple task. Other similar terms used are Environmental Marketing and Ecological Marketing.

The term green marketing came into prominence in the late 1980s and early 1990s. The American Marketing Association(AMA) held the first workshop on "Ecological Marketing" in 1975. 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.

IMPORTANCE OF GREEN MARKETING:

- ❖ Green marketing is important since it helps to advance environment friendly products.
- ❖ Thus, it also aids to reduce the origins of global warming as well as other environmental issues.
- ❖ It also helps companies use Mother Nature resources efficiently.
- ❖ 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.

The main idea behind green marketing has been re-marketing of products that are already manufactured, which adhere to certain environmental guidelines. A green consumer is one who is aware of the background of the products he consumes, which he chooses upon careful investigation of their broad effects on the environment.

This spirit is essential in customers, so that they do not blindly fall for a company's advertisements, which will hinder the progress of the green movement. Hence it is only with the right attitude from both the consumers and the marketers, that "going green" can be achieved in the true sense. And when that happens, we can finally feel safe, and at home.

Thus mankind has limited resources on the earth, with which she/he must attempt to provide for the worlds' unlimited wants. 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.

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:

- ❖ Organizations perceive environmental marketing to be an opportunity that can be used to achieve its objectives.
- ❖ Organizations believe they have a moral obligation to be more socially responsible.
- ❖ Governmental bodies are forcing firms to become more responsible.
- ❖ Competitors' environmental activities pressure firms to change their environmental marketing activities.
- ❖ Cost factors associated with waste disposal, or reductions in material usage forces firms to modify their behavior.

OPPORTUNITIES:

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.

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. As demands change, many firms see these changes as an opportunity to be exploited.

It can be assumed that firms marketing goods with environmental characteristics will have a competitive advantage over firms 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.

SOCIAL ENTREPRENEURSHIP:

Social entrepreneurship is the use of start up companies and other entrepreneur to develop ,fund and implement solution to social,cultural,or environmental issues to combine commerce and social issues in a way that improves the lives people connected to the cause they don't measure their success in terms of profit alone success to social entrepreneur means that they have improved the world however they define that....

COST OR PROFIT ISSUES:

Firms may also use green marketing in an attempt to address cost or profit related issues. Disposing of environmentally harmful by-products, such as polychlorinated biphenyl (PCB)contaminated oil are becoming increasingly costly and in some cases difficult. Therefore firms thatcan reduce harmful wastes may incur substantial cost saving

E-RETAILING:

Electronic retailing is the sale of goods and services through the internet electronic retailing or e-retailing ,can include business to business (B2B) and busibess to consumer (B2C) sales of product and services , through subscription to website content, or through advertising

Etailing less frequently etailing is the selling of retail goods on the internet short for electrtonic retailing and used in internet discussion

GREEN MARKETING PRINCIPLES:

Earth Day 2000 marked the date that The Stiel Report™ formally adopted its Green Marketing Initiatives. In 2006, we updated the overall goals of the The Stiel Report Green Marketing Initiative to include the following principles:

- ❖ Integrate green concepts, viewpoints and benefits into every marketing project.
- ❖ Inform associates and clients of green options and incentives that encourage and enable resource efficiency.
- ❖ Implement resource-efficient and green practices in the office environment.
- ❖ Promote and form coalitions with suppliers, staff, and clients to foster resource-efficient activities.
- ❖ Develop, implement and maintain green concepts and the green paradigm in interactions with our customers and their clients.
- ❖ Recognize, validate, and respond to concerns and priorities of our communities and stakeholders.
- ❖ Embrace and consider the interrelationships of sustainable business practices, smart growth, conservation, New Urbanism, and recycling/reuse.
- ❖ Maintain and promote awareness of trends in sustainability, eco-friendly business practices and economic development.
- ❖ Identify how the green philosophy can be employed in business and marketing activities of all types.
- ❖ Recognize and respond to obstacles—regulatory, zoning, building codes, costs, perceptions, lack of knowledge that can impede green practices.
- ❖ Inform customers and clients of the significance and value of LEED, Energy Star, and other rating systems.

SOME PROBLEMS WITH GOING GREEN:

No matter why a firm uses green marketing there are a number of potential problems that they must overcome. One of the main problems is that firms using green marketing must ensure that their activities are not misleading to consumers or industry, and do not breach any of the regulations or laws dealing with environmental marketing. For example 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. Another problem firms face is that those who modify their products due to increased consumer concern must contend with the fact that consumers' perceptions are sometimes not correct.

Take for example the McDonald's case where it has replaced its clam shells with plastic coated paper. There is ongoing scientific debate which is more environmentally friendly. Some scientific evidence suggests that when taking a cradle-to-grave approach, polystyrene is less environmentally harmful. If this is the case McDonald's bowed to consumer pressure, yet has chosen the more environmentally harmful option. When firms attempt to become socially responsible, they may face the risk that the environmentally responsible action of today will be found to be harmful in the future. Take for example the aerosol industry which has switched from CFCs (chlorofluorocarbons) to HFCs (hydro fluorocarbons) only to be told HFCs are also a greenhouse gas. Some firms now use DME (dimethyl ether) as an aerosol propellant, which may also harm the ozone layer.

Given the limited scientific knowledge at any point in time, it may be impossible for a firm to be certain they have made the correct environmental decision. This may explain why some firms, like Coca-Cola and Walt Disney World, are becoming socially responsible without publicizing the point. They may be protecting themselves from potential future negative backlash; if it is determined they made the wrong decision in the past. While governmental regulation is designed to give consumers the opportunity to make better decisions or to motivate them to be more environmentally responsible, there is difficulty in establishing policies that will address all

environmental issues. For example, guidelines developed to control environmental marketing address only a very narrow set of issues, i.e., the truthfulness of environmental marketing claims.

If governments want to modify consumer behavior they need to establish a different set of regulations. Thus governmental attempts to protect the environment may result in a proliferation of regulations and guidelines, with no one central controlling body. 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. The push to reduce costs or increase profits may not force firms to address the important issue of environmental degradation. End-of-pipe solutions may not actually reduce the waste but rather shift it around. While this may be beneficial, it does not necessarily address the larger environmental problem, though it may minimize its short term affects.

CONCLUSION:

Green marketing covers more than a firm's marketing claims. While firms must bear much of the responsibility for environmental degradation, ultimately consumers demand goods, and thus create environmental problems. It must be remembered that it is the uncaring consumer who chooses to dispose of their waste in an inappropriate fashion. 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 firms alone to lead the green marketing revolution. Having said this, it must not be forgotten that the industrial buyer also has the ability to pressure suppliers to modify their activities. Thus 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.