

Green marketing and ethical consumerism marketing essay



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Green marketing refers to the process of selling products and/or services based on their environmental benefits. Such a product or service may be environmentally friendly in itself or produced and/or packaged in an environmentally friendly way. It takes advantage of customers' willingness to purchase, and sometimes pay a premium for products that provide private benefits as well as public environmental benefits. This market place is predicted to grow by \$845 billion by 2015, categories within the green market place are ; sustainable economy (green buildings), healthy life style, ecological life style(eco tourism). Top reasons why green consumers consume these green products are; to ensure a safer environment, protect and conserve natural resources, consistency with moral, ethics and personal beliefs.

Green marketing targets such customers under the assumption that they will pay a premium for environmentally-preferable, or green, electricity products, and the development of this customer driven market has been heralded by some as offering significant, new, ' market-based' opportunities for renewable's. (Nakarado, 1996).

In the marketing literature, there is a growing consensus that the green market is significant and that companies can profit by improving environmental performance and developing green products. But not all green products are successful in garnering customer interest, and customer surveys of attitudes toward, and even intended purchase of, green products often substantially overestimate actual product demand (Kempton, 1993).

Ethical consumerism has to do with the purchase of products and services that consumers view as ethical, this consumption of such goods and services is intentional as most consumers are interested in purchasing goods that has an ethical brand, and one of the definition of what makes an ethical brand to a consumer are products of companies that promotes the environment.

Ethical consumerism by some people is seen as a way of life

An increasing number of people have begun to realize that it is often possible to do far less damage to the environment simply by taking more care over what goes into the shopping basket. This can be related to ethical consumerism, which includes buying foods produced under environmentally sustainable methods , buying coffee and other goods procured via fair-trade arrangements; boycotting companies that use sweatshop labor; favoring products with low carbon emissions (hybrid vehicles, Energy Star appliances); recycling diligently; shunning products with wasteful attributes (bottled water); buying animal products only from suppliers that use humane husbandry methods (cage-free eggs). Recent studies consistently report that a large number of residential customers (40-70%) express a willingness to pay a 5-15% premium for green products (Farhar and Houston, 1996). While this is the case, some consumers also find these green goods too expensive and these producers actually claim that the extra prices reflect the extra cost involved, but refuse to discuss their profits margins. The rapidly growing body of literature on consumer willingness-to-pay for products associated with more sustainable resource exploitation sends out a pessimistic message regarding the market potential for ' green' (kempen et al, 2009), In a scenario like in the third world countries, most people are not willing to pay

an extra premium to purchase green / ethical products. Different studies on developing countries concerning green consumerism have also showed that people in developing countries have a negative willingness to pay for green products, for example; Bonsu and Zwick (2007) concluded that Ghanaian consumers exhibit lower levels of ethics compared with Western counterparts, which suggests that ethical markets are not very likely to prosper in this country. Goswami (2008) found that only a small segment of consumers- wealthier liberal professionals-is positively motivated to preferentially buy eco-labelled clothing in India, supporting the proposition that only few (richer) consumers in developing countries may be ready to pay a premium for green products. Nonetheless, Mohamed and Ibrahim (2007) found that 32% of their sample of Malaysian consumers would be willing to pay a premium for environmentally certified wood products and that the average premium for this subgroup would amount to a sizeable 14.4%. The assumption underlying these conclusions is that consumers from developing countries cannot afford to care about the ethical profile of their consumption; specifically they are just too poor to be green.

They are some factors that affect ethical consumption and they include income; goods that are environmental friendly are more costly than regular goods, so the propensity to consume these goods will rise with income. Conversely, ethical consumption practices that are intensive in time rather than money (e. g. recycling and reusing materials, commuting via public transportation) may tend to decline with income, (Starr, 2009 p. 918).

2. Age: Younger people are generally more involved in the participation of the environmental friendly world, because having been educated more
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recently, there is a high possibility that they may have a better grasp of problems related to the environment and global warming than older people, so that the value they attach to consuming ethically would be higher than that of the old people.

3. Income: Controlling for income and other factors, education could be expected to raise the likelihood that a person consumes ethically, due to the advantages in acquiring and processing information on social, ethical and environmental issues that it confers, thereby lowering its extra costs over 'regular' consumption. (Starr, 2009 p. 918). But everything boils down to the income of the individual, because they may be aware of the benefits of purchasing these products to the environment but have inadequate income to purchase these goods.

Social Norms: People are more likely to consume ethically when they live in an area in which it is relatively common, this shows the influence of the immediate environment in ethical consumption.

Starr found a positive relationship between these factors listed above and buying ethically, " first, buying ethically is positively associated with education, consistent with education conferring ' efficiency' advantages in acquiring and processing information about social, ethical and environmental implications of individual consumption decisions, Second, buying ethically is also positively affected by income, consistent with its extra costs being less prohibitive for those with less binding budget constraints." (Starr, 2009 p. 924)

The bandwagon effect associated with ethical consumerism is a very missed blessing (Irvine, p. 3), and there is a risk of consumers being seriously manipulated in ways like , some companies are more interested in cleaning up their image rather than their act, also some unscrupulous businesses are only interested to rip off a green consumer through unreasonable high prices on environmental- friendly products, another issue is the middle man who is standing between the producers and the would be green consumer is the advertising industry, these advertising industries exploit these green consumers, most of the adverts about environmental products are deliberately misleading and some others are false, governments are not even helping matters by providing necessary information in order for consumers to make appropriate choices, words such as natural, real, environmental friendly have become thoroughly polluted through misuse, all in the aim to increase the sale of a particular product, thereby misleading the consumers to think they are buying these products in order to protect their environment.

They are factors that have resulted in green marketing, and they include; first environmental law: It draws from and is influenced by principles of environmentalism, including ecology, conservation, stewardship, responsibility and sustainability. Most governments favour incentives to favor economic incentives to encourage consumers and industries to behave in ways that do little harm to the environment. Most of these environmental laws require these companies to protect their environments, so these leads to green marketing opportunities. Second, damage on the environment and its awareness through the media: individuals seek to want

to protect the environment, and they are very sensitive to the issues of the environment, like the damage of the ozone layer of the earth, global warming, acid rain and reaching the limits of sand fills, and with the help of the media reports of these natural disasters are made known to the general public, freilich, (1989 p. 45), found out that events and threats influence consumers behaviors. Hardly a day passes without a mention of issues that has to do with environmental damage and a study in the United Kingdom found that the word ' green' was used 3617 times in some newspapers and five years later, it was mentioned 30, 777 times (Smith, 1990, p. 77) this shows more than 60% increment and this was 20 years ago, probably it will be mentioned more than 100, 000 times now.

Thirdly, public opinion and Social concern for the environment: Public opinion in both Europe and the United States of America, as influenced by environmental damage, media coverage, has led to actions to protect the environment (Gazda and Lampe, 1995. Pp. 298). public opinion concerning the environments shows an increasing support and need to clean up the environment. Fourthly, the need for greening of businesses: due to public concerns of the environment, these concerns have led to potent forced for the environment for the environment including green consumerism(the use of individual consumer preference to promote less environmentally damaging products and services) and green political power(environmental political party, for example, the United kingdom greens party, Australian greens party and the, Germany green party), these forces and pressures from investors, governments, consumers has been major catalyst for the greening of the business, it has also put pressures on retailers (particularly

supermarkets) to meet the growing demand for environmentally friendly products. In the world now, socially responsible investing is a growing trend; most individual and investors will avoid companies with poor environmental criteria, a study by commissioned by the Michael Peters group found that 77% of Americans said a company's environmental reputation affects what they buy (Kirkpatrick, 1990, p45). Because of this most companies have taken up environmental cause, like recycling, innovations of new technologies for environmental protection.

All these issues has led to green marketing in one way or the other , either collectively or individually.

conclusion

The obvious assumption of green marketing is that potential consumers will view a product or service's " greenness" as a benefit and base their buying decision accordingly. The not-so-obvious assumption of green marketing is that consumers will be willing to pay more for green products than they would for a less-green comparable alternative product - an assumption that, in my opinion, has not been proven conclusively.

Green marketing has not lived up to the hopes and dreams of many managers and activists. Although public opinion polls consistently show that consumers would prefer to choose a green product over one that is less friendly to the environment when all other things are equal, those " other things" are rarely equal in the minds of consumers. How then, should companies handle the dilemmas associated with green marketing? They must always keep in mind that consumers are unlikely to compromise on <https://assignbuster.com/green-marketing-and-ethical-consumerism-marketing-essay/>

traditional product attributes, such as convenience, availability, price, quality and performance. It's even more important to realize, however, that there is no single green-marketing strategy that is right for every company. It is suggested that companies should follow one of four strategies, depending on market and competitive conditions, from the relatively passive and silent "lean green" approach to the more aggressive and visible "extreme green" approach - with "defensive green" and "shaded green" in between. Managers who understand these strategies and the underlying reasoning behind them will be better prepared to help their companies benefit from an environmentally friendly approach to marketing.