An investigation of green marketing practices assignment

Art & Culture

Initially, the paper differentiates the use of green marketing and regular marketing or clearer understanding. Next, company profiles of Proctor & Gamble and unlived, both FMC companies, were obtained through secondary research. By doing so, a positive correlation was found with the use of green marketing and increase of market share for both the companies. However, the assumptions behind this argument lacked concrete evidence to ensure green marketing was the cause of the Increased sales figures and market share.

Therefore, business theories such as CARS processes and brand-positioning maps allow additional input to evaluate the effectiveness of green marketing for competitive advantage. The CARS process diagrams indicate the possible disadvantages that arise with green marketing, such as greenmailing. While the maintaining competitive advantage in an over-all perspective of brand image. The conclusion of this paper discusses how green marketing can be beneficial for competitive advantage if consumers are attracted to protecting the environment, however it can be detrimental to a firm's image as well if not implemented in the right way.

Yet, when it comes to the brand image of a firm, companies that utilize green marketing tend to have an advantage for an over-all positive perception of the rim compared to companies that fall back on this opportunity by not utilizing green marketing. Likewise, the conclusion also states the importance of noting that escalation for the environment concern in last two decades is pressuring companies to prove the change to ensure the sustainable growth of the society.

It is important because it helps society combat many ecological issues regarding pollution, global warming and overexploitation (Sinai). On the other hand, the world of marketing and advertising is a part of our lifestyle that impacts our daily decisions and actions marketing together, since going green relies on discarding the idea of consumerism, while marketing fuels it (Grant). However, in today's business world, it is interesting to note that businesses use marketing as a tool to try sell and promote ethical lifestyles, which can be referred to as " green marketing".

Stepping into a retail store, where racks are filled with products ranging from toilet paper to expensive shampoo, the labels on these products seem to be bombarded with pictures of trees and the Earth, claiming to be green or greener than the products around them. Green marketing can be used for both high- involvement products and for fast-moving consumer goods, which are products that are normally non-durable and are quickly sold.

In this paper, I will examine different companies' market share in the FMC sector in relation to their use of green marketing to promote their products or services. This will be to investigate how effective green marketing is in terms of competitive advantage of brand image for fast-moving consumer goods. Next, I will be examining the successes and failures of businesses in relation to green marketing to find a correlation between brand reputation and green marketing. This will be evaluated by using various theories such as CARS and brand positioning to help come too clearer understanding.

It is important to note that a large portion of green marketing involves discussing costs, however this research paper will be focused more on the theoretical aspects, since discussing both is a large topic to cover all at once. This research could be significant because not only does green marketing play a part in our everyday lives as consumers, but also impacts the world we live in both socially and environmentally. If green marketing is seen to be significantly effective for businesses to achieve brand recognition, businesses may be able to expand and promote a more ethical lifestyle.

How is Green Marketing Different from Regular Marketing? The idea of green marketing incorporates a widespread of activities, such as product adjustment, changes to the production process, packaging, as well as adapting new advertising techniques. (Subhuman). Businesses tend incorporate environment issues due to numerous reasons such as, governmental pressure, competitive pressure, environmental pressure and cost or profit issues (Subhuman). Majority of people believe green marketing refers exclusively to the promotion or advertising of products with environmental characteristics (Shrinking).

Terms and phrases such, recyclable, refillable, ozone friendly, and environmentally friendly are common terms nonusers most often associate with green marketing (Subhuman). While these terms are relatable to green marketing, in general green marketing is a much wider concept that can be related to both consumer and industrial goods in addition with services (Shrinking). Environment-friendly purchasing may be considered as a highly intricate form of consumer behavior, both intellectually and morally as well as in practice.

Hence, it can be presumed that firms that practice green marketing have a competitive advantage over firms marketing non-environmentally responsible alternatives. Marketing Mix of Green Marketing According to Dry. Nostradamus, Just as there are the ups, product, price, place and promotion in marketing; there are the ups in green marketing too, which slightly " green" companies mostly develop their products with the attention on the needs and wants of the customers who prefer environment friendly products.

These types of products can involve characteristics such as saving water, energy and reducing harmful effects on the environment. For example, Nikkei was the first among the shoe industry to market itself as " green. " (Nostradamus). With pricing, companies that tend to aim towards being environmentally friendly take into consideration the customers, the environment and profit in a way that takes care of the health of employees and stakeholders (Grant). Similarly, the aim of logistics in green marketing is to cut down on transportation emissions and reduce the businesses' carbon footprint.

For example, instead of marketing imported mango Juice from outside India, the Juice can be licensed for local production. This prevents shipping of the product, thereby decreasing shipping costs and carbon emission by the ships and other modes of transport (Nostradamus). Lastly, promotion in green marketing comprises of organizing the aspects of promotion, such as advertising, Bessie and presentations by keeping the customers, the environment and profits in mind. British petroleum (BP) displays gas station which its sunflower motif and illustrates of locating money into solar power (Nostradamus).

Green Marketing and Market Shares: In the sass's, the idea that green marketing could be utilized as a basis of competitive advantage came from authors such as such as Lexington, Ozone, Fertile, Porter and Van Deer Linden (Sahara). It has been chosen by many businesses for various reasons such as opportunity, social responsibility, governmental pressure and sometimes cost-reduction (Grant). A prime example of a business that is known for it's green marketing is The Body Shop. The Body Shop strives to compete with a strong basis of CEO-performance by looking into the demands of their customers for greener products (Sahara).

Their claim is that green marketing allows them to set new challenges for companies, which allows them to be innovative and secure improvements in competitive, as well as environmental, performance (Sahara). Recently two of the biggest firms who work with the production of FMC, Proctor & Gamble and Milliner, have tested green marketing for many of the similar reasons above stated by The Body Shop example. In the case studies below for P&G and Milliner, this investigation will analyze how the companies incorporated green marketing to their products in order to achieve their business objectives, which includes a form of brand recognition.

Next, in order to find out whether or not the companies' new product and marketing campaigns made a positive impact on the firms, their annual reports will be examined, which were created after the new green marketing changes. The annual report includes market share figures that show a percentage of an industry or market’s total sales that is earned by a specific company ever a specified time period, which in this case will be a year. Taking the company’s sales over the period and dividing it by the total sales of the industry over the same period gives the market share (Market Share).

It can be valuable to analyze and look at market share figures since they can be an indication of the relative competitiveness a company’s products or services. When the total market for a product or service grows, a company that is upholding its market share increases developing its market share will be growing its revenues faster than its competitors (Market Share). Analysis of Two Green Marketing Business Examples P&G Case study Procter & Gamble (P&G) is an American multinational consumer (P&G). It was founded in 1837 and is now one of the leading consumer product companies in the world. Analysis of P&G). Their customer base serves consumers in more than 180 countries (P&G). Being such a large firm, it is important for them to follow their business objective that states, “ we will provide branded products and services of superior quality and value that improves the lives of the world’s consumers now and for generations to come. As a result, consumers will reward us with leadership sales profit and value creation” (Analysis of P&G). In terms of green marketing, P&G had announced their new product line in 2010, which was created with a “ sustainability vision”.

It was not only targeted towards becoming the world’s largest consumer goods firm, but was also to change the business world to a world of sustainable business (Moan). P&G had planned to spend approximately $50 billion (?? 34. 1 ban; EYE. Ban) on creating and promoting their new product launch, with the title of " sustainable innovation products" (P&G Launches...). This promotion also included P&G running it's first green marketing campaign in order to meet the firm's objectives (P&G Launches...).

Before carrying out this new strategy which dealt with promoting and creating more CEO-friendly products, P&G had surveyed it's customers using market research to find out whether this new product line would be beneficial for the firm. In this survey it was found that when asked whether participants were keen to change to brands, which helped reduce their use of resources without extra cost, 74% of their participants expressed an definite willingness to this change, while 42% ere " very likely' to do so (P&G Launches...).

With this data, P&G was able to come to a probable conclusion that allowed them to proceed with their decision with their new sustainable vision in addition to other cost factors and stakeholder meetings. Analyzing P&G's 2010 annual report to find a correlation between market share and using green marketing. The first important aspect to note was that in 2009, P's market share was down around half a point compared to earlier years (Analysis of P&G). In 2010, P&G's global market share went up by almost half a point and was continuing to accelerate (Analysis of P).

In the earlier years, P were striving to aim for market share in businesses accounting for only roughly 33% of sales. In 2010, their annual report stated that P were now building towards shares accounting for about 66% of sales in different brands and countries. In addition, P's market share increased in

14 out 17 of their top countries in terms sales (Analysis of P&G). This not only demonstrates that there might have been an increase in brand recognition for the firm but it could also connect with improving their overall brand image.

Nevertheless, there seemed to have been a positive trend or correlation in terms of heir sustainability vision. However, it is important to keep in mind that their market share might have increased due to other factors such as share of distribution or share of preference (Market Share). P&G’s green marketing campaign might have Just been a small percentage of the reason behind their increased market share. Milliner Case study Similarly, P’s biggest competitor, Milliner had also launched their green marketing campaign in 2010.

Milliner is a large British/Dutch firm with over 400 different brands and products (Milliner. Annual Report…). Milliner was established in the ass’s and since then its brands have had a social mission. Currently, corporate social responsibility highlights Milliner’s core objectives (Milliner. Annual Report…). In 2010, Milliner launched its Sustainable Living Plan (SLP) in order to campaign a more CEO-friendly strategy for their product (Milliner Sustainable Living Plan).

The goals that were implemented with this plan included, 1) Helping more than one billion people improve their health and well-being, 2) To halve the environmental impact of its products 3) Source 100% of agricultural raw materials sustainable (Milliner SLP) Before munching their new campaign, many business critics were unsure of Milliner’s new sustainability campaign change. They stated that it was not clear if the SLP was a “ step forward or backwards” (Milliner SLP).

The problem wasn’t the fact that Milliner was utilizing new marketing and sustainability tactics, such as sustainable sourcing, instead they were worried that Milliner’s method of collaborating marketing and sustainability efforts did not work together. This was because critics did not agree with Milliner calling it’s new SLP campaign “ a sustainable business in every sense of he world,” when the plan was Just a way to persuade customers to purchase Milliner products and act in a sustainable manner (Milliner SLP). Analyzing Milliner’s 2010 annual report to find a correlation between market share and using green marketing.

Despite predictions that stated that Milliner might not be able to keep up with it’s green marketing objectives, market shares increased positively throughout the year in most parts of the world, with the exception of India where competition intensified significantly (Milliner. Annual Report…). Since Milliner branches out to a diversity of products it was difficult to pinpoint it’s exact tenement of its market share, however there seemed to be a slight increase overall in volume share for 2010 and even more significant gains in the last quarter.

For instance, in developed markets, the share of personal care products went up by 17%, while in emerging markets the percentage went up by 83%. There is no substantial proof, which indicates that Milliner’s SLP resulted in these increasing market share figures, especially when there was such concern regarding the plan prior to it’s launch. The SLP is still in infancy, and has yet to prove it's long- term goals (SEC Newsweek). However, since such correlation does exist, it is helpful to keep in mind that there is a possibility that the SLP changes have been successful for it's initial start.

Now that there seems to have been a positive correlation in terms of market share and launching their green marketing campaigns for both P and Milliner, the analysis of this trend should be further discussed with the business theory of " CARS Process. " CARS refers to the corporate social responsibility that a firm adheres to. This theory is not a regular theory used by everyday businesses, instead businesses use his diagram to discuss and analyze their CARS changes (Fairness). Firms should use this process after a change has been made, since it allows the firm to reflect and evaluate the change from an ethical stance.

It is useful because it looks at both the production and progression of the CARS change and how it's implementation either benefits or harms the output/image of a business (Baristas). For instance, the different elements of CARS such as values, practices and stakeholder analysis are combined with the 4 As of green marketing to demonstrate the firm's ethical objectives and outcome. The diagram itself can be detailed much like a reflective portfolio, however for this investigation a short summary of the FMC firms' CARS processes will be outlined.

The diagram below illustrates how P&G and Milliner's green marketing tactics have affected their brand image. Diagram #1 : CARS process- By examining the CARS Process diagram, P's steps and approach for their use of green marketing can be seen. It gives a more detailed perspective on how the company worked through each step and it shows that the various benefits their campaign had on their company image and sales instead of relying Just on assumptions related with increased market share.

In addition, Grant's ups of green marketing can be associated with the different stages of the CARS process to identify and analyze their green marketing techniques. For example, the creation of the products in an environmentally friendly way and different promotion techniques used, indicate that P was focused with their objective of green marketing. However, for the stage of " output", research indicated that P had a negative impression on consumers since consumers stated that P's green marketing campaign was simply Just a scheme" (SEC Newsweek).

Customer complaints stating that " if P&G's 10% reduction was considered sustainable then 90% fat is considered low fat" (Moan). This not only creates negative image for the brand but also gives the impression of the firm being accused of greenmailing. Greenmailing is term coined to describe when a company or organization devotes more time and money asserting to be " green" through advertising and marketing than actually applying business practices that reduce environmental impact (About Greenmailing).

This is interesting to note since overall, the output of P&G's sales did increase and so did the firm's overall market share. It may be that the perception of P&G utilizing greenmailing may only apply to a small percentage of their customer base, while emerging markets may not be familiar with the term and therefore carry on with Diagram #2 CARS Process-

Milliner Similar to P&G's CARS Process diagram, Milliner seemed to have followed a similar approach on how they would set up their green campaign.

Their approach to the products that they sold in combination with promotion, place and pricing helped achieve increased market share and growth. The difference between P&G and Milliner seemed to be that Milliner seemed less at risk with its decisions because of heir long-term goals that they announced and the five levers that went with these goals. These goals included specific dates and statistics to support their " greener" change. Even though some could argue that their goals were somewhat too ambitious (Moan), there seemed to be more of a direct path that Milliner seemed to take, which could have attracted customers.

Also, as discussed before, customer distrust can be a problem area when it comes to green marketing, since becoming CEO-friendly has many critical aspects to it. Once a customer finds a way to accuse a company of greenmailing, their image can be immediately brought down (About Greenmailing). Therefore, Milliner's decision of planning for the long-term and making goals also helped establish a desirable image to customers that seemed to have benefited the firm for at least at that year.

Overall, their CARS change to implement the sustainable living plan seemed to have produced relatively positive outcomes similar to P&G. Thus, it can now be suggested with further evidence that the correlation of increased market share may have been associated with the firm's CARS changes, since the firm's CARS process diagrams for both the firms, resulted in comparatively positive results. The risk of green marketing for competitive advantage in terms of brand image Greener products have often struggled to compete on practical qualities against ordinary FMC products (Nostradamus).

This is because according to Dry. Nostradamus, green marketing as seen above, involves issues that can be complicated and costly to ideas such as customers being difficult to convince (Nostradamus). Especially for the FMC sector, consumers tend to opt for a cheaper product because they are low-involvement products that usually do not contain much emotional value. The media has also sometimes been more critical of hose struggling to improve their CEO-performance and exploit it, than of the most polluting and wasteful companies (Nostradamus).

In addition, green marketing can sometimes have a competitive disadvantage due to lack of awareness, negative perceptions, distrust of consumers and high prices (Sahara). Although many businesses want to turn " green", since a rising number of consumers want to associate themselves with environmental-friendly products (Sahara). This may be because of the escalating concerns for the environment that our society is adapting to. However, there is often misconception among the consumers regarding green reduces.

For instance, consumers sometimes have skepticism regarding the credibility of green products. Hence, to ensure consumer confidence in green law or standards relating to products or business practices (Sinai). However, it is possible that consumers today are becoming more mindful about the environment and being socially responsible. Thus, companies are accountable to consumers' intentions for purchasing environmentally friendly or ordinary products. Companies tend to want to have an early-mover advantage as they have to ultimately move towards becoming green.

Some of the advantages of green marketing are arrangement sustained long-term growth along with profitability, saving financial costs in the long run, though initially the cost might be more and helping companies' market their products and services while keeping environment aspects in mind (Sinai). Business theory Brand Positioning Map (Kelly) Since there is a hazy line between a firm being successful and their use of green marketing, seen with P&G and Milliner, a brand position map can help evaluate successes and failures of green marketing.

This brand-positioning map will include both firms that produce Fang's without the use of green marketing and businesses hat do utilize it. Not all these brands presented are involved in producing FMC, however for this investigation's purpose, only their packaged consumer goods are kept in mind. The axis of the brand-positioning map has been altered in order to evaluate different businesses in the perception of green marketing. Note: The following plots were marked by myself based on Judgment and research of the following firms.

After specific research from annual reports, customer reviews and company websites pertaining to their contribution to protecting the environment, this brand position map was created. Here, we can observe that companies that do not use green marketing to show a positive impact on the environment, can be perceived as cowboy brands even when in the regular marketing world they would be perceived as Premium brands, such as Esteem lauder.

At the same time, companies such as The Body Shop and Johnson & Johnson are placed relatively in the same position as they would with a regular brand-positioning map. This is because they would be considered as products with high quality and priced at a regular to expensive price. Therefore, if we were to compare an overall competitive advantage of brand image or these firms, the firms that use green-marketing are able to sustain their brand image whereas, companies that don't, fall behind in terms of brand image when it comes to green marketing.

Conclusion: The question that was researched was how effective is green marketing in terms of competitive advantage of brand image for fast-moving consumer goods? From the research it can be seen that market shares of Milliner and P&G did improve after trying to create a more " ecological" brand image, however it is important to note that this might not be only because of their new marketing strategies. Therefore to evaluate the firm's technique of green marketing, the CARS diagram was implemented on the two firms.

Here it was seen that firm's that follow out the CARS chart tend to have a greater positive output. On the other hand, firm's that practice false CARS methods tend to fall into the category of " greenmailing" From this investigation, it can be suggested that using green marketing can have a positive impact on a firm if the firm tries to stick to ethical ways of improving ecological problems instead of using it as a strategy to make money.