

Green marketing

Business



Green marketing, also known as environmental marketing is a marketing activity, which entails production and subsequent sale of goods and/or services, based on their environmental advantages (Ward, 2010). Marketers either produce environmental friendly goods and/or services, or package them in an environmental friendly manner. Ward states that, “ 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 decisions accordingly” (2010).

Studies indicate that marketer, producing or packaging their products and/or services in an environmental friendly manner are gaining more sales and larger market shares than marketers who are not conscious about the environment. In the modern marketing environment, more consumers are becoming aware of the importance of conserving the environment. This implies that green marketing plays a vital role in determining the market share of a given marketer. Unlike in other marketing strategies, where consumers go for marketers who offer the best quality of goods and services at lower prices compared to other marketers, in green marketing, consumers go for markets who produce and/or package their commodities in an environmental friendly manner, even if other marketers are offering the same products or services at the same price. This implies that in a perfect competitive market, a marketer with a good green marketing strategy is likely to gain a higher competitive advantage than the rest.

However, while green marketing is increasingly becoming a popular marketing strategy for many marketers as the number of consumers, willing to back their environment with their money, is increasing, it can be

hazardous in some instances (Ward, 2010). For instance, a company can claim to be producing environmentally friendly products and/or services, while in real essence, it is not engaging in such practices. This can cause serious damage for such company's goods and/or services, if the public discovers that the company is falsifying green marketing practices, or when its other products and/or services contradict the green marketing claims. This can also cause serious harm to the consumers as well as to the environment, as consumption of products branded as "environmental friendly" continues to increase. Ward states that green marketing can be a very effective strategy for marketing, if only the marketers use it properly (2010).

For a marketer to achieve success through use of green marketing strategy, he/she should show potential customers that his/her business follows green marketing practices in production and/or packaging processes. "Green marketing isn't just a catchphrase; it's a marketing strategy that can help a marketer get more customers and make more money" (Ward, 2010).

Nonetheless, Ward states that a marketer has to do it right. A marketer can achieve this by employing the following success factors for green marketing, being genuine, educating the consumers, and giving the consumers an opportunity to participate in green marketing initiatives. By being genuine, Ward means that a marketer should actually practice what he/she claims to be doing in his/her green marketing campaigns (2010).

It also means that all business policies should be consistent with the environmental friendly claims, made by the marketer, in the green marketing campaigns. If a marketer decides to employ green marketing

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strategy, when marketing his/her products and/or services, then he/she must educate the customers. Educating the customers does not entail informing them what a marketer is doing in order to protect the environment, but it entails making them understand why it matters to be environmental friendly. Otherwise, informing the customers what one is doing to protect the environment can be just a question of “so what?” to a significant portion of target customers (Ward, 2010). Therefore, a marketer needs to educate the customers about the significance of engaging in environmental friendly production and/or packaging practices to the environment in general. In addition, a marketer should engage the target customers, when developing a green marketing strategy.

This allows a marketer to personalize the benefits of green marketing actions to various customer groups. Generally, success of green marketing entails ‘walking the talk,’ actual implementation of green marketing policies, and acting in an environmental friendly manner not only in the work place but also outside the work place (Mohr et al., 2001). Literature Review Currently, many consumers are buying goods and services with some degree of morality in their minds (Laroche et al., 2001).

They are considering environmental issues, when making purchasing decisions for various products. Many consumers are being driven by the desire to conserve energy by using more energy efficient products or looking for products that have been produced or grown through energy sustainable means. As environmental consciousness increase among the consumers, marketers, employing green marketing schemes, are easily swaying consumers from marketers who are not employing green marketing

practices (Laroche et al., 2001). In the year 2009, Accenture, a research group, conducted a study about the level of environmental consciousness among the consumers and marketers. The study pooled consumers and marketers from Europe, the United States of America, and Asia (Manget et al., 2009). In this study, in every group of ten consumers, nine of them were willing to pay more for products and/or services, produced, and/or packaged in an environmental friendly manner. Almost 70 percent of all the respondents in the study indicated their will to pay a premium for ecological friendly products. Similarly, a significant portion of marketer respondents indicated their will to incur more production or packaging costs in order to provide their customers with environmental friendly products and/or services.

This was observed in firms, which were previously involved in excessive production of green house gases within the last one decade. The increased use of green marketing practices is due to increased awareness of environmental risks that are associated with production of environmental harmful products and/services. According to Laroche et al. (2001), green marketing can range from green products and services production, to actual advertising. “ Going by different names, green marketing is generally a method of branding marketing message in order to capture more from the market by appealing to consumers who desire products and services, which are environmental friendly” (Laroche et al.

, 2001). There are different environmental issues that affect production and lending of goods and services. Therefore, there are many ways, in which business entities can employ green marketing practices. For instance, a <https://assignbuster.com/green-marketing-essay-samples-4/>

product, which uses a lot of water in its production process, can be produced using a process, which utilizes less water, or, horticulture products, produced in green houses, can be produced using processes, which emit less greenhouse gases. In addition, manufacturers and producers, who utilize large volumes of chemicals in their production processes, can employ production processes, which reduce toxic pollution of water bodies.

Studies indicate that the more environmental claims that a product or a service can make, the higher the chances of selection of such a commodity or service by the consumers, if the price of such a product or a service is not too high compared to that of alternative products/services (Laroche et al., 2001). According to Manget et al. (2009), the world is gradually becoming environmental conscious. Consumers in Italy and France are worried that many production processes are unfriendly to the environment. A study, conducted on Italy and France consumers, indicated that almost 80 percent of the respondents believed that the current environmental degradation is due to irresponsible behaviors of producers, manufacturers, and marketers towards the environment.

Similarly, a survey, conducted on Japanese consumers, indicated that more than 80 percent of the consumers felt that many production processes are of great threat to the environment. The same observations were made in the USA and the UK. In their study, only 12 percent of consumers were indifferent about environmental threats, posed by production and marketing activities, adopted by current manufacturers/producers (Manget et al., 2009). When asked about how manufacturers/producers of various products and services should consider reducing the amount of environmental

degradation, associated with their activities, they responded that companies should not only engage in production and marketing activities, which directly and positively affect the environment, but they should also engage in social responsible activities that are considered environmental friendly.

Manget and colleagues observe that consumers prefer to purchase environmental friendly products and services for various reasons (2009). Some of these reasons include health-related reasons, to create a safer world for the future generations, to avoid further pollution of the environment, and to save money. Consumers also engage in environmental friendly practices such as using less water, using energy efficient products or products that use natural energy as opposed to fuel energy, and recycling or reusing products. This implies that consumers do not only expect the producers/manufacturers to engage in green marketing activities alone, they also participate in it. With the high expectations of consumers from the manufacturers, concerning green marketing, it is clear that marketers, who engage in green marketing practices, are likely to command a greater market share than those who do not engage in such practices.

According to Ottman and colleagues (2006), there are five desirable benefits, associated with green marketing. These are: “ efficiency and cost effectiveness; health and safety; performance, symbolism and status; and convenience” (Ottman et al., 2006, p. 27). These attributes are closely associated with the consumers than the producers.

This implies that a marketer should consider designing green products and/or services, which align with the aforementioned attributes in various

consumer segments. A marketer cannot achieve much success by merely producing an environmental friendly product if he/she does not take into account the aforementioned attributes of green marketing. For instance, in the case of automobile companies, an environmental friendly vehicle can be termed as one, which does not utilize energy from fossil fuels, thus, does not emit carbon dioxide fumes to the environment. However, the vehicle might fail to achieve the desired success in the market, if its use is not cost effective, or it does not promote safety performance or convenience among the users. Therefore, for a product or a service to be deemed green, it must have a direct and a positive impact on the environment, as well as be more cost effective, show high performance and convenience, be of high status, and promote health and safety, than its traditional version or other closely related non-green products and services. Indeed, market positioning, based on green marketing, can achieve a broad appeal to consumers who are health and environmental conscious (Ottman et al.

, 2006). The objectives of this study are to find out if modern marketers engage in green marketing activities, when producing and/or packaging their products and services, and if modern consumers prefer green products than non-green products and services. Methodology This research utilizes secondary data in order to achieve its objectives. Secondary data can be either internal or external. Internal secondary data is data collected within an organization, where the research is being conducted, while external secondary data is data, obtained from outside resources, such as journal articles, magazines, personal collections, public records, reports, and government publication, among others (Research Using Secondary Data,

2004). The researcher chose to use secondary data over primary data due to various reasons.

First, secondary data is easy to collect, when a researcher has limited time to collect primary data. Second, secondary data is usually readily available, saves time and effort, and it is inexpensive. Besides, use of secondary data helps a researcher to avoid data collection problems that are associated with primary methods of collecting data. Lastly, secondary data allows a researcher to cover a wide geographical area within a short period on a relatively smaller budget (Research Using Secondary Data, 2004). These are the reasons as to why the researcher chose to use secondary data over primary data. The population of the study is made of marketers (producers and manufacturers) and consumers in the USA, UK, Asia, and European countries.

Since this research analyzes secondary data, collected by various market-research firms and marketing scholars, the sample size is based on samples, defined in the primary sources, consulted in this study, which were derived from their sources through random and stratified methods of sampling. Data, collected from the primary sources, consulted in this paper, is presented using tables and charts. Results and Discussion In the year 2008, the Boston Consulting Group conducted a worldwide research on marketers and consumers perception of green products and found that both marketers and consumers continue to care about environmental issues, despite the increasing cost of living, propelled by high costs of energy (Manget et al., 2009). The 2008 research by the Boston Consulting Group indicated that

marketers showed willingness to continue investing in green marketing strategies, despite the high energy costs.

Subsequently, the consumers indicated willingness to pay more for environmentally friendly products and services. Both the consumers and the marketers indicated general acceptance of unstable energy costs. They did not indicate any signs of abandoning green marketing initiatives due to rising energy costs. Instead, marketers and consumers appeared too worried about the depletion of natural resources, due to the practice of environmentally irresponsible production and marketing activities. The research indicated that consumers valued green products than non-green products. Consumers preferred green products because of their superior freshness and taste; greater performance and convenience, promise for safety and health; and cost effectiveness.

In the study, the Boston Consulting Group found that in the year 2008, consumers purchased and used more green products than in the year 2007. In addition, the study indicated that consumers were willing to pay slightly higher prices for green products (see figure 1). From the above chart, the percentage of consumers, who purchase and use green products and services, increased from 57 percent in 2007 to 65 percent in 2008. Likewise, the numbers of consumers, who are willing to pay more for green products and services, increased from 34 percent in 2007 to 43 percent in 2008. These indicate that more and more consumers are starting to become more conscious about the environment, and they understand the significance of using green products and services as opposed to non-green products and services. Based on these observations, it is clear that modern customers are

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expecting marketers to produce and market green products in order to satisfy their needs.

An increase in the number of consumers, consuming green products and services, indicate an increase in demand for green products and services. This implies that marketers have to produce more and more green products and services in order to satisfy the increasing needs of their customers. Production of green products and services is only possible through engaging in green marketing strategies, in either production or marketing processes, or in both processes. Similarly, in the year 2008, marketers engaged more in green marketing activities than in the year 2007. Marketers also indicated consideration of green marketing benefits that are associated with consumers.

These attributes include cost effectiveness; safety and health; convenience; and performance (see figure 2). From the chart, the percentage of marketers (producers/manufacturers), who engage in green marketing activities, increased from 30 percent in 2007 to 43 percent in 2008. Accordingly, the percentage of marketers, who consider the aforementioned benefits of green marketing, associated with the consumers, increased from 23 percent in 2007 to 32 percent in 2008. In the year 2007, BBMG, a branding and market research agency, based in New York, conducted a worldwide online survey to find out the level of environmental consciousness of the consumers. From the survey, it was observed that consumers were environmental “conscious” (Bemporad, & Baranowski, 2007). Many consumers were observed to be more likely to make purchases from companies, which manufacture energy

efficient products or use energy efficient processes of production for their products and services.

Out of the 2, 007 respondents, used in the survey, 90 percent of them indicated that they were likely to purchase their products and services from companies, which manufactured energy efficient products or used energy efficient methods of production. Eighty-eight percent of the respondents indicated likelihood of purchasing products and services, which promote environmental safety and general health, while 87 percents indicated commitment to environmentally friendly practices, through use of environmental friendly products and services (Bemporad, & Baranowski, 2007) (see table 1). These observations indicate that many consumers are aware about the importance of green marketing, and this is why they are more conscious about the environment. High percentages in numbers of consumers who are likely to purchase goods and services from marketers, who engage in green marketing activities, are very high. For such percentages to be observed among the various groups of consumers, it implies presence of high number of marketers who are currently engaging in green marketing activities. Otherwise, if there were less number of marketers, engaging in green marketing activities, then the number of environmental conscious consumers would be low, because there would be less number of marketers to supply them with environmental friendly products and services.

Conclusion Based on the above findings, it is clear that the number of environment-conscious marketers and consumers is increasing rapidly. This implies that many marketers are currently engaging in green marketing

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practices, which entail producing environmental friendly products and/or services, or packaging their products in an environmental friendly manner. Marketers engaging in green marketing practices are likely to reap more in the market, compared to marketers, who do not engage in green marketing practices, if they adhere to the three success factors of green marketing: being genuine, educating the consumers, and allowing the consumers to participate in green marketing activities. In addition, green marketing marketers are likely to succeed more than non-green marketers, if they consider the five benefits of green marketing from a consumer point of view: cost effectiveness, safety and health promotion, performance, convenience, and status. The research findings provide evidence that modern marketers are engaging in green marketing activities, when producing and/or packaging their products and services, and that modern consumers prefer green products than non-green products and services, thus, achieving the objectives of the study.