

Marketing and the impact of environmental issues



**ASSIGN
BUSTER**

In today's business world environmental issues play an important role in marketing. Almost all the governments around the world have concerned about green marketing activities that they have attempted to regulate them.

Many people believe that green marketing refers solely to the promotion or advertising of products with environmental characteristics. Generally terms like Phosphate Free, Recyclable, Refillable, Ozone Friendly, and Environmentally Friendly are some of the things consumers most often associate with green marketing. In general green marketing is a much broader concept, one that can be applied to consumer goods, industrial goods and even services. For example, around the world there are resorts that are beginning to promote themselves as "ecotourism" facilities, i. e., facilities that specialize in experiencing nature or operating in a fashion that minimizes their environmental impact. Thus green marketing incorporates a broad range of activities, including product modification, changes to the production process, packaging changes, as well as modifying advertising.

Green marketing is defined as "Green or Environmental Marketing consists 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 minimal detrimental impact on the natural environment."

This definition incorporates much of the traditional components of the marketing definition, that is "All activities designed to generate and facilitate any exchanges intended to satisfy human needs or wants"

Therefore it ensures that the interests of the organization and all its

consumers are protected, as voluntary exchange will not take place unless both the buyer and seller mutually benefit. The above definition also includes the protection of the natural environment, by attempting to minimize the detrimental impact this exchange has on the environment. This second point is important, for human consumption by its very nature is destructive to the natural environment. So green marketing should look at minimizing environmental harm, not necessarily eliminating it.

OPPORTUNITIES

All types of consumers, both individual and industrial are becoming more concerned and aware about the natural 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 need. McDonald's replaced its clam shell packaging with waxed paper because of increased consumer concern relating to polystyrene production and Ozone depletion. Xerox introduced a "high quality" recycled photocopier paper in an attempt to satisfy the demands of firms for less environmentally harmful products. There are two real advantages for a small business becoming green. One is branding and

marketing advantage. The other is the impact on the bottom line'. More and more companies are incorporating profit-centered activities with environmentally friendly practices. Shell are practicing environmental sustainability, producing profits whilst also attempting to improve living conditions and maximize life quality. Other organizations, like Wrap and Heinz, have joined forces in a project of product stewardship, redesigning materials used in can ends and bodies in order to reduce the impact of the product on the environment not just in its lifetime but also in order to reduce its effect as waste.

Damage to Green Brand

Too often green marketing is seen by organizations as a marketing tool by which companies merely adapt their product to suit demand for environmentally friendly products. In some cases firms have misled consumers in an attempt to gain market share. In other cases firms have jumped on the green bandwagon without considering the accuracy of their behavior, their claims, or the effectiveness of their products. This lack of consideration of the true "greenness" of activities may result in firms making false or misleading green marketing claims. Unfortunately, some companies practice green marketing at the most basic level because there are so many meanings and issues related to environmentalism (such as sustainability, animal conservation, human rights, planet conservation, fair trade, organic trade, corporate social responsiveness etc) that green marketing becomes much more complex than the term may at first suggest. There has been a significant backlash against green marketing.

Organizations in the 1990s were thought merely to have paid lip service to

green marketing in order to make profits from rising consumer concerns regarding the environment following tragedies such as the Bhopal chemical poisonings (1984), Chernobyl's fatal radioactivity release (1986) and the Exxon Valdez oil spill (1989). Green marketing was also discredited because of underperforming products, products made from re-cycled material were seen as inferior, overzealous promotion campaigns, inexact science (terms such as biodegradable, recyclable and environmentally friendly - were unproven) and legislation was inconsistent. There was no scientific proof that these 'environmentally friendly' products had any more positive effects on the environment than their predecessors, but companies were making money and enhancing their reputations as caring organizations based on these spurious claims. Marketers sometimes take advantage of this confusion, and purposely make false or exaggerated "green" claims. Critics refer to this practice as Greenwashing. Greenwashing is described as putting a lettuce in the window of your butchers shop and declaring you now cater for vegetarians. It leads to increasingly skeptical consumers

"The Six Sins of Greenwashing" as:

• The Sin of the Hidden Trade-Off ("Okay, this product comes from a sustainably harvested forest, but what are the impacts of its milling and transportation? Is the manufacturer also trying to reduce those impacts?");

• The Sin of No Proof (e. g., "product that claims not to have been tested on animals, but offer no

evidence or certification of this claim");

• The Sin of Vagueness (terms like “ all-natural,” and “ environmentally friendly”);

• The Sin of Irrelevance (claims such as a “ water-efficient lightbulb,” where the claimed attribute is not normally an area of concern);

• The Sin of Fibbing (completely unsubstantiated claims); and

• The Sin of Lesser of Two Evils (“ organic” cigarettes or “ green” insecticides).

THE GREEN CONSUMER

‘ There is considerable evidence to suggest that the much vaunted consumer concern for the environment and concomitant desire for green products had not subsequently translated into purchase behavior ‘ Sustainability is a tendentious catch-all term with a certain political flavor and its own contradictions. It is hardly surprising, therefore, that the public at large is confused or indifferent’ ‘ There is no green consumer’ which seems to be supported by the findings of a study undertaken by the National Consumer Council who admits that their research shows that ‘70 percent of the population do not know what the term means, and only 19 percent of consumers say they would welcome information on sustainable lifestyles’

As individuals increasingly seek to live a life in harmony with nature consumption necessarily gets relegated to second place. As conservation attitude, rather than a consumption attitude, is adopted and individuals opt for voluntary simplicity building anti-materialist/anti-consumption communities, ecologically friendly marketers are faced with considering the

true environmental costs of all their decisions. As the market is becoming increasingly aware of issues relating to sustainability, ' marketers are finding it harder to ignore the " ethics gap" between what society expects and what marketing professionals are delivering' There are many examples of customers rejecting technically excellent products because of the environmental harm caused in their production or disposal (for example, Nike experienced boycotts when they used sweatshop labor). Individuals may choose to eat fair trade chocolate because they are concerned that coco farmers in developing countries get a fair day's pay for their labor Pre 1980 many organizations were offering products to what was considered a niche market at an inflated cost to the consumer, but, as more people became environmentally savvy, organizations have worked hard to stratify what was once believed to be an homogenous green market into, ' shades of green segments. For example, the market was divided into True Blue Greens, Greenback Greens, Sprouts, Grouzers and Basic Browns, with True Blue Greens most likely to purchase green products and Basic Browns being completely disinterested.

Skeptic attitude:

Sustainability is often met with suspicion and distrust, particularly by developing countries as much global environmental change is seen to have been caused by rich countries which have already gone through a process of industrialization. It is the wasteful consumption, conspicuous consumption and materialistic lifestyle of industrialized nations that has put stress on the resources of developing countries. ‘ It is the view of some elements in the United Nations that poor countries are growing poorer because they are “ exploited” by the global trading system ‘. It is not surprising that many people in organizations are not interested in corporate social responsibility as defined in the document Corporate Social Responsibility: Companies often do not seek to engage in activities that have positive effects on the environment, society or promote public welfare because they are driven by short term profit and fear that this type of activity will have a negative effect on the bottom line. ‘ Being environmentally sustainable is a tricky business and companies need to conduct a thorough appraisal of all aspects of their business if they want to claim to be truly green. A company’s environmental impact spans its greenhouse gas emissions, its use of natural resources, the effect of its products on the natural world, and the effect of its employees ‘. Commentators try to oversimplify the ‘ win-win’ opportunities linked to change and that this is not surprising as companies would be more reluctant to engage in socially responsible activities if they were framed as complex, difficult and as involving compromise.

Conclusion:

The popularity of such marketing approach and its effectiveness is hotly debated. Supporters claim that environmental appeals are actually growing in number-the Energy Star label, for example, now appears on 11, 000 different companies' models in 38 product categories. However, despite the growth in the number of green products, green marketing is on the decline as the primary sales pitch for products. On the other hand, Roper's Green Gauge shows that a high percentage of consumers (42%) feel that environmental products don't work as well as conventional ones. This is an unfortunate legacy from the 1970s when shower heads sputtered and natural detergents left clothes dingy. Given the choice, all but the greenest of customers will reach for synthetic detergents over the premium-priced, proverbial " Happy Planet" any day, including Earth Day. New reports however show a growing trend towards green products. About 12% of the U. S. population can be identified as True Greens, consumers who seek out and regularly buy so-called green products. Another 68% can be classified as Light Greens, consumers who buy green sometimes. "