Green Promotion:
A Study on Its Impact Towards The Business and Environmental Protection

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Abstract

This research aims to give acquaintance about the effect of green marketing on patron satisfaction and their purchasing deeds. Going green, sustainable life style and development, green revolution affect price purchasing deeds of the customers in positive way. Green promotion also known as ecological promotion or environmental promotion has become a vital topic in today’s fastest growing world. Manufacturers across the world are worried about the declining condition of environment and thus indicating the pace of healthy growth of economy. In very simple and precise way, green marketing can be defined as the selling of products that are alleged to be environmentally safe and friendly. This research paper attempts to find out the best possible connotation and importance of green marketing. This paper concludes with the future marketing that become safer and the consumers will have a safe and environment friendly way in to the products. This work also helps in minimizing the wastages and making the earth a safer place to live.

Key Terms: Parton behavior, Green promotion, Eco-friendly practice

1. Introduction

The American Marketing Association (AMA) held the first workshop on ecological marketing in 1975. 1980 was the first time green marketing came into existence. AMA defines green marketing as the marketing of goods that are presumed to be environmentally harmless, it incorporates several activities such as product modification, changes to production processes, packaging, advertising strategies and also increases awareness on compliance marketing amongst industries. Business glossary defines green marketing as promotional activities aimed at taking advantage of changing consumer attitude towards a brand. These changes are increasingly being influenced by a firm's policies and practices that affect the quality of the environment and reflect the level of its concern for the community. It can also be seen as the support of environmentally safe and beneficial products. Although environmental issues influence all human activities, few academic disciplines have integrated green issues into their literature. This is particularly true for marketing. As society becomes more concerned with the natural environment, businesses have begun to modify their behavior in an attempt to address society's "new" concerns. Some businesses have been quick to accept concepts like environmental management systems and waste minimization, and have integrated environmental issues into all organizational activities. Some evidence of this is the development of journals such as "Business Strategy and the Environment" and "Greener Management
International," which are specifically designed to disseminate research relating to business’
environmental behavior.

Before providing an alternative definition it should be noted that no one definition or
terminology has been universally accepted. This lack of consistency is a large part of the
problem, for how can issues is evaluated if all researchers have a different perception of what
they are researching. "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." [Polonsky 1994b, 2]

"All activities designed to generate and facilitate any exchanges intended to satisfy
human needs or wants" [Stanton and Futrell 1987]. 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. (To be accurate products making
green claims should state they are "less environmentally harmful" rather than "Environmentally
Friendly"). Thus green marketing should look at minimizing environmental harm, not
necessarily eliminating it.

2. Review and Discussions

Most consumers’ spending pattern shows that they have a desire for brands that ‘go
green’. Consumers not only want to buy their products but are willing to pay more for it. Based
on research, 70 percent of some 2000 people in US, UK, Germany, the Netherlands, Australia and
Japan are willing to pay a premium for energy alternatives such as, wind and solar power.
Consumers are motivated to buy from companies that are eco-friendly in the production. When
a company display's the green logo on their product, it shows that their product or services
stands out from the crowd and this gives them a competitive edge. Consequently, most
customer buying decisions are influenced by green product label like the US energy star logo,
Green label in Thailand, Korea Eco label and much more. There is now a real sense that
environmental protection is highly necessary. Everyone believes a green life is a better and
healthier life for present and future generation.

The authors have discussed that the [4] Marketing Management has initiated the topic
by discussing about the relevance of green marketing in the past few decades and has also
discussed the explosion of environmentally friendly products. However, according to the author
from the branding perspective green marketing programs have not been very successful.
Marketers tried and failed with green sales pitches over the last decade because of certain
obstacles which the movement encountered. The consumer behavior is such that most
consumers appear unwillingly to give up the benefits of other alternatives to choose green
products. [8] In International Marketing, has drawn a parallel line between green marketing and
product development. The author has cited a variety of examples where the importance of green
marketing has been laid focus on. Green marketing is a term used to identify concern with the
environmental consequences of a variety of marketing activities. It is very evident from the
author’s research and examples the packaging and solid waste rules are burdensome but there
are successful cases of not only meeting local standards but also being able to transfer this
approach to other markets. [12] have explained the Consumer Behavior in Indian Context, has
discussed green marketing legislation in association with the multinational corporations. These
face a growing variety of legislation designed to address environmental issues. Global concern
for the environment extends beyond industrial pollution, hazardous waste disposal and
rampant deforestation to include issues that focus directly on consumer products. [19] has set
forth that the Marketing Management, have given an explanation of what is green marketing.
According to the authors green marketing incorporates a broad range of activities including the
modification of product, production process and packaging. The authors have also discussed a few literature sources that have focused on green marketing and its relevance in today's era. It was evident that the possible reasons because of which organizations engage in green marketing.

Lets discuss and review the topics separately as follows,

1. Green Marketing in terms of Price, Product, Place and Promotion

Green Marketing begins with 'green design'. Product design constitutes an active interface between demand (consumers) and supply (manufactures) [1]. An example by Ottman and Terry [11]; super concentrated laundry detergents are associated with energy saving, reduced packaging, space and money. The product itself has to be made in such a way that it satisfies consumer and manufacture's needs. For ecologically sustainable products to be successful, green branding attributes have to be efficiently communicated [23]. Most buyer decisions are influenced by the labeling (green labeling) that states all that makes the product green compliant. The price of green product has to be affordable for the customer to encourage purchase. Industrial differentiation works only when products reduce client's cost. Most buyers are influenced by advertisement that reflects a company's commitment to environment [19]. Companies that do green advertisement that tend to portray an image of environmental friendliness, influences their customer purchase decisions. Consumers love to associate themselves with companies that are environmental stewards. When a company communicates this through their advertisements, promotions, publicity and corporate social responsibilities, they are sure to get many loyal customers. Green distribution is a very delicate operation. Customers must be guaranteed of the 'Ecological nature' the product. The green environment is a constantly regulated environment and as such high level of compliance is necessary when carrying out distribution of green products. This is a common procedure in the united state [11].

2. Green Marketing and Sustainable Development

According to the World Commission on Environmental Development (1978), Sustainable Development is 'meeting the needs of the present without compromising the ability of the future generations to meet their own needs'. The common theme throughout this strategy of sustainable development, is the need to integrate economic and ecological considerations in decision making by making policies that conserve the quality of agricultural development and environmental protection. This is what the end product of green marketing is, environmental protection for the present and the future generation. The development of energy-efficient operations, better pollution controls, recyclable and biodegradable packaging, ecologically safe products are all part of green marketing which also leads to sustainable development.

3. Customer Satisfaction and Green Marketing

Customer satisfaction has been defined in two basic ways: as either an outcome or as a process [25]. As an outcome, satisfying the end state resulting from the consumption experience [6]. As a process, it is the perceptual evaluative and psychological process that contributes to satisfaction. The definition is varied with regards to their level of simplicity which includes; Product satisfaction, Satisfaction with the purchase decision experience, Satisfaction with the performance attribute, Satisfaction with the store or institution, Satisfaction with pre-purchase experience. [29]

Marketing literature suggests that there is a relationship between customer satisfaction and loyalty. Satisfaction leads to attitudinal loyalty. It could be seen as the intension to purchase. [21], [15], [18], and [17]. Satisfaction is an outcome that occurs without comparing expectations [15]. Customer satisfaction could also be defined as an evaluative response to perceived outcome of a particular consumption experience. [3], [2], [9]. It is an overall judgment on
satisfaction, based on the assumption that satisfaction is the outcome of service quality [5], [26]. Many Authors believe that customers have a high level of involvement regarding environmental issues as a consequence of growing environmental consciousness. [14], [4], [10], [25]. Studies have shown the significant influence of environmental knowledge and consciousness on consumer environmental attitude [9], [24]. Consequently, companies that communicate their ‘green product’ in their packaging, advertisement or manufacturing process, gain satisfied customers. Because of the green trend, companies that fail to ‘go green’ are not failing to fail in their industry. Customers want to associate themselves with companies and products that are eco-friendly.

4. Stakeholders in Green Marketing Strategy

Based on marketing literature, stakeholders play one of the most influencing roles in any organization and market [20], [27], [18], [17]. They influence all aspect of green strategy also in areas such as purchase of green product, nature of the product, the packaging, advertisement, promotion and also Green awareness programs. When a particular company wants to ‘go green’, the stakeholders are at the fore front of their green marketing strategy. Jaime Rivera-Camino [12] said that stakeholders in green marketing include the plant, various animals, plant species and the future generations.

5. Environmental Safety

Environment is simply our surrounding. The increased awareness on environmental issues is as a result of increased publicity on the media on issues such as, the warring off of the ozone layer and increased pollution of the environment by industries. Customers have become concern about their everyday habit and the impact it has on their environment. Managing environmental safety issue is highly challenging, time consuming and expensive. There are many laws on environmental safety that have made companies liable to any wrongdoings. These laws cover areas such as, harmful pollution, managing of hazardous materials and soon. As a result, several hazard control, pollution control and prevention programs are held in different parts of the world on emergency procedures, contingency planning and employee training. Similarly, many regulatory bodies and acts are set to ensure environmental safety and protection, some of which include, OSHA (Occupational Safety and health Act), CERCLA ( Comprehensive environmental Respond Compensation liability Act), TSCA (Toxic Substance Control Act), HMTA ( the Hazardous Material Transportation Act), FIFRA ( Federal Insecticide, Fungicide and Rodenticide Act), FFDCA (Federal food, Drug and Cosmetic Act, Clean Air Act, Clean Water Act, GHS (Globally Harmonized System of Classification and labeling of Chemicals).

Environmental Safety is not an easy task to implement. Implementing the GHS standardization policies of a single frame work of the classification and labeling of chemicals so hazards are consistently defined across different national jurisdiction is beneficial but highly challenging, especially in countries like U.S, Japan and Korea that have multiple regulatory authorities. EH&S (Environmental Health and Safety) regulatory compliance and CSR (Cooperate Social Responsibility) initiative throughout the supply chain can help promote and sustain ongoing improvement within an organization. These improvements will help the company achieve regulatory compliance and position itself as a socially responsible company.

3. Summary

Green promotion is a tool for protecting the environment for the future generation which will lead way to healthy business environment. It has a positive impact on environmental safety, customer satisfaction and promoting business. Because of the growing concern of environmental protection, there is an emergence of a new market which is the green market. For companies to survive in this market, they need to go green in all aspect of their business which benefits both customer and environment. Consumers should be convinced to identify themselves with companies that are green compliant and should be willing to pay a premium
for a greener life style. As such, green marketing/promotion is not just an environmental protection contrivance but also, a marketing stratagem.

Reference


