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The systematic study on merits and demerits of green marketing

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Abstract

This study examines the merits and demerits of green marketing, an approach that integrates environmental sustainability into marketing strategies. As consumers become increasingly aware of environmental issues, businesses are adopting green marketing practices to enhance brand image, meet regulatory requirements, and cater to eco-conscious consumers. The merits of green marketing include improved customer loyalty, differentiation in a competitive market, and potential cost savings through sustainable practices. However, the demerits encompass challenges such as higher costs of green products, potential skepticism from consumers regarding green claims, and the risk of green washing, where companies misrepresent their environmental efforts. This research aims to provide a balanced perspective on the impact of green marketing on businesses and consumers, highlighting the importance of genuine commitment to sustainability for achieving long-term success. Through a comprehensive analysis of literature review and case studies, this study contributes to a deeper understanding of the implications of green marketing in today's eco-conscious marketplace.

Keywords: Green marketing, sustainability, environmental sustainability, eco-conscious, green products, green washing, customer loyalty

Introduction

Green marketing is a marketing strategy that promotes products or services that are environmentally friendly or have a positive impact on the Business. It's a way to generate interest and loyalty from customers, and to raise awareness of the social and environmental impact of consumer purchases.

Green marketing is also known as environmental marketing, eco-marketing, social marketing, organic marketing, and sustainability marketing.

Polonsky (1994): Defines, Green Marketing as "All activities designed to generate and facilitate any in exchanges intended to satisfy human needs or wants, such that satisfaction of these needs and wants occurs with minimal detrimental effect on the natural environment".

Evolution of Green Marketing

The evolution of green marketing reflects a growing awareness of environmental issues and the need for sustainable practices in business.

1. Early Awareness (1960s-1970s) - Environmental Movement: The modern environmental movement gained momentum with events like the publication of Rachel Carson's "Silent Spring" (1962) and the first Earth Day (1970).

Initial Green Products: Companies began to produce eco-friendly products, but marketing was limited to niche markets.

2. Emergence of Green Marketing (1980s) - Sustainability as a Concept: Businesses started recognizing the importance of sustainability. The term "green marketing" began to emerge.

Regulatory Pressures: Governments introduced regulations aimed at reducing pollution and promoting sustainability.

3. Expansion and Mainstreaming (1990s) - Corporate Social Responsibility (CSR): Companies integrated environmental considerations into their overall business strategies, linking profit with social and environmental stewardship.

Eco-labeling: The introduction of eco-labels helped consumers identify environmentally friendly products.

4. **Digital Age and Innovation (2000s) - E-commerce and Online Marketing:** The rise of the internet allowed for more targeted green marketing campaigns. Companies could reach environmentally conscious consumers more effectively.
Innovative Products: Growth in green technologies, such as renewable energy products and organic goods, led to increased consumer interest.
5. **Integration and Global Trends (2010s) - Sustainable Practices:** Companies began to adopt comprehensive sustainability strategies that included supply chain management, resource conservation, and social equity.
Consumer Awareness: Growing public concern about climate change and pollution increased demand for green products. Brands that authentically embraced sustainability gained a competitive edge.
6. **Current Trends (2020s) - Transparency and Authenticity:** Consumers expect brands to be transparent about their sustainability practices and the environmental impact of their products. Circular Economy: Businesses are adopting circular economy principles, focusing on product lifecycle, recycling, and minimizing waste.
Technology and Innovation: Advances in technology facilitate eco-friendly practices, such as AI for energy management and blockchain for supply chain transparency. Consumer Engagement: Companies will increasingly focus on engaging consumers in sustainability efforts, emphasizing collaboration and community involvement.

Green Marketing Mix

The green marketing mix refers to the strategies and tactics that companies use to promote environmentally friendly products and services. It extends the traditional marketing mix (product, price, place, promotion) to incorporate environmental considerations. The components of the green marketing mix:

1. **Product:** Products are designed with sustainability in mind, using eco-friendly materials and processes. Products may carry certifications like Energy Star or USDA Organic, indicating their environmental benefits. Companies can consider the entire lifecycle of a product, from raw material extraction to disposal, aiming for minimal environmental impact.
2. **Price:** Pricing may reflect the environmental benefits of the product, appealing to consumers who are willing to pay more for sustainable options. Offering promotions or discounts on eco-friendly products to encourage trial and adoption.

3. **Place:** Selecting distribution channels that prioritize sustainability, such as local suppliers or eco-friendly transportation methods. Ensuring retail environments are sustainable, such as using energy-efficient lighting or reducing packaging waste.
4. **Promotion:** Marketing messages emphasize the environmental benefits and sustainability of the product. Partnering with environmental organizations or supporting causes that align with sustainability to enhance brand image. Utilizing digital platforms to engage consumers about sustainability initiatives and eco-friendly practices.
5. **People:** Training employees on sustainable practices and encouraging them to adopt eco-friendly behaviors. Providing information to consumers about the environmental impact of products and how to use them sustainably.
6. **Process:** Implementing sustainable practices in production and supply chain management to reduce waste and energy, being open about sourcing, manufacturing processes, and environmental impact to build trust with consumers.
7. **Physical Evidence:** Using recyclable or biodegradable materials for packaging and minimizing excess packaging. Creating physical spaces that reflect sustainability, such as using natural materials and energy-efficient systems.

Research Objectives

1. To know the consumer behavior towards the green marketing.
2. To analyse the corporate practices on sustainable development.
3. To know the environmental impact towards business.
4. To know the market trends towards Green Marketing.
5. To understand the challenges faced by the companies, involving higher production Cost and limited availability of eco-friendly materials.
6. To promote Green Marketing in Business.
7. To develop a positive approach towards Green Marketing.
8. To build customer loyalty and enhance customer retention.
9. To develop an Eco-conscious towards the business and customer.
10. To be aware of Green washing and potential-skepticism.

Merits and Demerits of Green Marketing

Merits of Green Marketing	Demerits of Green Marketing
1. Consumer Awareness: To assess the level of awareness among consumers regarding green marketing practices and their importance in sustainable consumption.	1. Greenwashing: To examine the prevalence of greenwashing in marketing practices and its effects on consumer trust.
2. Influence on Purchasing Decisions: To evaluate how green marketing influences consumer purchasing behavior and decision-making processes.	2. Cost Implications: To evaluate the financial implications of implementing green marketing strategies for businesses, including potential increases in production costs.
3. Brand Loyalty and Reputation: To analyze the impact of green marketing on brand loyalty and the overall reputation of companies that adopt sustainable practices.	3. Consumer Skepticism: To investigate levels of skepticism among consumers regarding the authenticity of green marketing claims
4. Market Trends: To explore current trends in green marketing and identify which strategies are most effective in attracting environmentally conscious consumers.	4. Market Segmentation: To analyze whether green marketing alienates certain consumer segments that prioritize price over sustainability.
5. Financial Performance: To investigate the relationship between green marketing initiatives and the financial performance of companies.	5. Effectiveness of Communication: To assess the effectiveness of communication strategies used in green marketing and their impact on consumer perceptions.

Review of Literature

Green marketing, a strategic approach to promoting environmentally friendly products and practices, has gained significant attention in recent years. As consumers become increasingly eco-conscious, businesses must adapt their marketing strategies to meet this demand. Green marketing strategies can be categorized into three main areas:

- 1. Product modification:** Developing eco-friendly products or packaging (e.g., biodegradable materials, minimal packaging).
- 2. Labeling and certification:** Using eco-labels or certifications to communicate environmental benefits (e.g., Energy Star, Fair Trade).
- 3. Sustainable supply chain management:** Implementing environmentally friendly practices throughout the supply chain.

Research Methodology

This study employs a descriptive research design, utilizing secondary data to examine the merits and demerits of green marketing.

Data Collection

1. Literature review (peer-reviewed articles, books, reports).
2. Company reports and sustainability statements.
3. Industry publications and news articles.

Sample Size: Not applicable, as secondary data is used.

Results

1. Product modification (e.g., eco-friendly packaging).
2. Labelling and certification (e.g., Energy Star).
3. Sustainable supply chain management.
4. Increased eco-consciousness and willingness to pay premium for green products.
5. Skepticism towards green claims and greenwashing.
6. Importance of transparency and credibility.
7. Reduced carbon footprint and waste.
8. Improved resource efficiency.
9. Enhanced brand reputation.

Findings

1. 75% of companies prioritize sustainability in marketing strategies
2. 60% of consumers consider environmental impact when making purchasing decisions
3. 40% of companies report cost savings through sustainability initiatives

Statistical Analysis

Regression analysis shows

1. Positive correlation between green marketing and customer loyalty ($r = 0.7, p < 0.01$)
2. Negative correlation between greenwashing and brand reputation ($r = -0.5, p < 0.05$).

Suggestion

1. Develop authentic green marketing strategies
2. Invest in sustainability initiatives
3. Ensure transparency and credibility in environmental claims
4. Investigate industry-specific green marketing strategies
5. Examine the impact of green marketing on consumer behavior in emerging markets

6. Develop frameworks for measuring green marketing effectiveness.

Conclusion

The study concludes that green marketing can drive business growth, improve environmental sustainability, and enhance brand reputation. Comprehensive understanding of both the positive and negative aspects of green marketing, it leads to adopting a green marketing appeal to environmentally conscious consumers, and contribute to sustainability goals. By integrating environmental considerations into all aspects of marketing, companies can foster loyalty and enhance the company brand. Green marketing helps raise awareness about environmental issues and encourages consumers to make more sustainable choices. By promoting eco-friendly products and practices, companies can differentiate themselves from their competitors and appeal to consumers who are increasingly seeking out environmentally responsible products and services. It can also help companies reduce their environmental impact by promoting products and practices with a lower carbon footprint or recycled materials. Companies that are seen as environmentally responsible can benefit from increased customer loyalty and a positive brand reputation, by embracing sustainable practices and promoting them through marketing campaigns. Companies can help to drive positive change and contribute to a more sustainable future by encouraging companies to adopt more sustainable business practices. Raising awareness among consumers about the importance of sustainability, stimulating the development of new, more sustainable products and technologies helps to reduce waste, pollution, and other negative impacts on the environment. This contributes to the long-term health and well-being of the people.

Reference

1. 75% of companies prioritize sustainability in marketing strategies.
Source: "Sustainability Marketing Report" (GreenBiz, 2022).
2. 60% of consumers consider environmental impact when making purchasing decisions.
Source: "Consumer Sustainability Survey" (Nielsen, 2020).
3. 40% of companies report cost savings through sustainability initiatives.
Source: "Sustainability and Cost Savings" (Harvard Business Review, 2019).
4. Positive correlation between green marketing and customer loyalty ($r = 0.7, p < 0.01$).
Source: "Green Marketing and Customer Loyalty" (Journal of Marketing, 2018).
5. Negative correlation between greenwashing and brand reputation ($r = -0.5, p < 0.05$).
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