SWOT ANALYSIS AND STRATEGIES OF GREEN MARKETING

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Abstract

“Green” is the word of the day. The government, companies and consumers in general know the importance of the environment and the contribution done by all to degrade it. It becomes very much crucial now to alter the way of living to save the existence of our own. And marketing can do wonders to bring this change. Green marketing is a full service marketing strategy and brand development firm offering a complete array of services including marketing plan development, sustainability auditing and planning, branding/creative strategies, graphic design/copyrighting, PR, and integrated marketing communications development, among a host of others. This paper attempts to examine, the concept of green marketing, SWOT analysis as well as green marketing strategies.

Keywords: green marketing, consumer behaviour, eco-labels, eco-brands, green advertising, green product, green price and demographics.

Introduction

While globalization process continues in its full speed across the world, this process has also brought some problems with it. Leading one of these problems is environmental problems that affect all living beings negatively. These aforementioned environmental problems have started to come to the agenda more and more in the recent years and people have started to talk these negativities.

Consumers now have worries about the future of the world and as results of this mostly prefer environment friendly products. In return to these attitudes of the consumers, companies have started to form their marketing strategies so as to appeal increasing awareness of this environment-friendliness. These marketing strategies, named as green marketing. Green Marketing also known as ecological marketing or environmental marketing has become a vital topic in today’s fastest growing world.
Necessity of Green Marketing
As resources are limited and human wants are unlimited, it is important for the marketers to utilize the resources efficiently without waste as well as to achieve the organization’s objective. So green marketing is inevitable. There is growing interest among the consumers all over the world regarding protection of environment. Worldwide evidence indicates people are concerned about the environment and are changing their behaviour. As a result of this, green marketing has emerged which speaks for growing market for sustainable and socially responsible products and services [1,2,3].

Benefits of Green Marketing
Companies that develop new and improved products and services with environment inputs in mind give themselves access to new markets, increase their profit sustainability, and enjoy a competitive advantage over the companies which are not concerned for the environment [4,5].

Evolution of Green Marketing
The term Green Marketing came into prominence in the late 1980s and early 1990s. The American Marketing Association (AMA) held the first workshop on “Ecological Marketing” in 1975. Two tangible milestones for wave of green marketing came in the form of published books, both of which were called Green Marketing. They were by Ken Peattie (1992) in the United Kingdom and by Jacquelyn Ottman (1993) in the United States of America. Green marketing is an attempt to characterize a product as being environmental friendly (ecofriendly). The definition has been refined and segmented into three main brackets [4,5,6,7,8,9,10]:

Retailing: The marketing of products that are presumed to be environmentally safe.

Social Marketing: The development and Marketing of products designed to minimize the negative effects on the physical environment or to improve its quality.

Environmental: The efforts by organizations to produce, promote, package and reclaim products in a manner that is sensitive or responsive to ecological concerns.

Objectives
1. To identify the green marketing strategies.
2. To study the SWOT and challenges of green marketing.

Growth of Green Marketing
1. Opportunities available and competitive advantages.
2. Corporate social responsibility on the part of companies.


4. Competition with other responsible companies.

5. Goodwill of the company.


7. Conservation of scarce natural resources.

**Green Marketing: Swot Analysis**

As in formulation of green strategy, a firm may evolve it from a SWOT analysis Environmental Audit [4,5,6,7,8,9,10].

**Strengths**

1. Marketers get access to new markets and gain an advantage over competitors that are not focusing on “greenness”.

2. Marketers can charge a premium on products that are seen as more eco-responsible.

3. Organizations that adopt green marketing are perceived to be more socially responsible.

4. Green marketing builds brand equity and wins brand loyalty among customers.

**Weakness**

1. Most customers choose to satisfy their personal needs before caring for environment.

2. Overemphasizing greenness rather than customer needs can prove devastating for a product.

3. Many customers keep away from products labelled “Green” because they see such labelling as a marketing gimmick, and they may lose trust in an organization that suddenly claims to be green.

**Opportunities**

1. Marketing to segment which are becoming more environmentally aware and concerned. These consumers are demanding products that conform to these new attitudes.

2. Organizations perceive green marketing to be a competitive advantage, relative to the competitors. Firms, therefore, strive to improve upon their societal awareness. This complements the increase in consumers’ socially conscious behaviour and will therefore give them an advantage over competitors who do not address these issues.
Threats

1. Uncertainty as to the environmental impact of present activities, including that is perceived to be less environmentally harmful.
2. Uncertainty as to which green marketing activities are acceptable from a government perspective.
3. The possibility of a backlash from consumers or government based on existing green marketing claims, threat one and two above may cause backlash to arise.

Green Marketing Strategies

As consumers become more environmentally conscious, businesses must adapt or risk losing customers to competitors pursuing a green strategy. As a company tries to rebrand itself as green, it risks accusations of "green washing" or using marketing tactics to create a false impression of environmental responsibility. Small businesses seeking to leverage the power of "going green" should carefully coordinate genuine actions and marketing strategies [4,5,6,7,8,9,10].

Electronic Press Kit: For businesses with regular media contact, an electronic press kit puts a big dent into paper usage. Press kits typically include a company history, product brochures, and biographies of the company executives, photos and press clips. Companies often send a press kit to every media outlet in the area. A business could convert all of the documents and images into electronic files and offer the kit as a downloadable folder on its website. The electronic press kit requires no paper and no postage. The website could even indicate that the electronic press kit is part of an ongoing effort to reduce the business' environmental impact.

Green Packaging: Packaging that cannot biodegrade takes up enormous amounts of space in landfills. A business that manufactures and packages products can convert to ecofriendly packaging. Converting to biodegradable packaging provides customers with a visible symbol of the company's commitment to "going green." The business can also leverage the eco-friendly packaging as part of its advertising program to help draw in new environmentally conscious customers.

Electric/Hybrid Vehicles:

Small-business owners often serve as the most visible representative of the business itself. In effect, their public personas function as marketing for the business. If a small business owner tries to rebrand the business as green, but drives a fuel inefficient truck or SUV, the green marketing effort seems deceptive. Switching over to an electric or hybrid vehicle serves as another visible reminder that the business pursues a green policy.
Public Declaration: A very simple type of green marketing is to make a public announcement, through a press release for example, that the business will pursue green policies. The announcement should include details about the specific changes the business will make and on what time frame. If the changes go off as planned and, particularly, if they reap benefits like reduced costs, follow public declarations about the change can help to solidify the public perception of the business as green.

E-Newsletters:
Many businesses offer monthly newsletters to their customers. A business can cut paper waste and printing costs, while providing equal or greater levels of content, by shifting over to e-newsletters. In this case, the newsletter itself serves as marketing for the business and the delivery method functions as an easy way to go green.

Opportunities:
In India, around 25% of the consumers prefer environmental-friendly products, and around 28% may be considered healthy conscious. Therefore, green marketers have diverse and fairly sizeable segments to cater to. The Surf Excel detergent which saves water (advertised with the message-“do bucket paani roz bachana”) and the energy-saving LG consumers durables are examples of green marketing. We also have green buildings which are efficient in their use of energy, water and construction materials, and which reduce the impact on human health and the environment through better design, construction, operation, maintenance and waste disposal.

Conclusion
Green marketing has a long way to go. Green marketing has its roots in the ideas of environmental protection and sustainable development. It is closely related to ethics of the business. The challenge here for the businesses is to find better alternatives to traditional marketing which are affordable and hence, become widely acceptable. The key to a better planet is more of “green love” Consumers want to identify themselves with companies that are green compliant and are willing to pay a premium for a greener life style. As such, green marketing is not just an environmental protection tool but also, a marketing strategy.

References


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