

Prospects and Challenges of Green Marketing in Bangladesh

Abdul Matin

Lecturer, Department of Food processing & Engineering, Faculty of Food Science and Technology
Chittagong Veterinary and Animal Sciences University, Bangladesh

Md. Alauddin

Lecturer of Marketing, Department of Business Administration, International Islamic University Chittagong

Abstract

Green marketing is a latest addition in the field of business. Consumers are now very much careful due to information and communication technology in choosing products. Food scientists are also helping the marketers to develop green products. Green marketing is a popular concept in recent times. This concept is expanding not only in Asia but also around the world. There is a huge prospect of green marketing in Bangladesh. Green marketing is the ethical marketing considering the environment that ensures safety of the consumers. It can bring new dimension in the field of business with proper implementation of green marketing policies and strategies.

Keywords: Green Marketing, Marketing mix, Business environment.

INTRODUCTION

Green marketing concept incorporates a broad range of activities for establishing the consumer rights, protecting the environment and meeting the consumer needs. In the present world consumers are more conscious about their safety of life and want everything would be environment friendly and making the green world. Green marketing battles with deceptive practices, grey marketing, food adulteration and protects consumers from unscrupulous businessman. This concept is already activated all over the world. So Bangladesh would not be out of this. By now, from the Government to different parties, agencies, NGO's and private organizations, all are committed to shoulder the responsibilities. Unfortunately, a majority of people believe that green marketing refers solely to the promotion or advertising of products with environmental characteristics. Terms like Phosphate Free, Recyclable, Refillable, Ozone Friendly, and Environment Friendly are some of the things consumers most often associate with green marketing.

CONCEPT OF GREEN MARKETING

A variety of terms are used to capture the essence of green marketing and these range from environmental marketing, eco-friendly marketing, sustainable marketing, ecologically-correct marketing to ecological marketing. Polonsky (1994) defines green marketing as "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". In the words of Peattie (1995), green marketing is "the holistic management process responsible for identifying and satisfying the requirements of customers and society, in a profitable and sustainable way". The term "green marketing" describes an organization's efforts at designing, promoting, pricing and distributing products that will not harm the environment (Pride and Ferrell, 1993). Green marketing started to play dominance role for consumer's satisfaction when public expressed their demand for green products or services and green life. And then green concept came into prominence in the late 1980's and early 1990's. The word "environmentally preferable" considers –the products and services which would be matched with the environment friendly and from the manufacturing to the packing and selling of the products must have to be protected from deception and unprincipled things. One Study focused on promoting "sustainable marketing", a strategy that deals positively with ecological environment and is sensitive to the needs of future generation's in areas including product, price, distribution channel, and promotion (Murphy, 2005). These efforts have been encapsulated by green marketing philosophy, which reflects concern about the effects of manufacturing and consumption on the environment. Organizations engaged in the marketing of eco-friendly products and ideas include both business and non-business organizations. While business firms make use of green marketing to market green products and services and/or building a green corporate image, non-business firms pursue it as a non-profit activity with a view to identify, develop and promote eco-friendly ideas, products and manufacturing processes/technologies among the consumers, business firms and other organizations.

OBJECTIVE OF THE STUDY

The main objective of this study is to find out the prospects and challenges of green marketing in Bangladesh. Specific objectives of this study are:

1. To know the current scenario of green marketing in Bangladesh.
2. To identify the marketing mix of green marketing in Bangladesh.

3. To identify the challenges of green marketing in Bangladesh.

LITERATURE REVIEW

While these terms are green marketing claims, in general green marketing is a much broader concept, one that can be applied to consumer goods, industrial goods and even services (May 1991, Ingram and Durst 1989, Thrombi's 1991). Since 1970, green marketing concept has been included with different marketing philosophies, and also arising from one of the concept of Philip Kotler's five marketing management concepts (Societal marketing concept). But this concept has not been practiced properly until 1980's, because, marketers could not match it with the traditional marketing concepts, and even defining green marketing concept was not a simple task. The terminology used in this area has varied, it includes: green marketing, environmental marketing and ecological marketing. The people of Bangladesh have been living with natural hazards and catastrophe and the infrastructure of Bangladesh is not developed. This country is polluted by many ways like air, water, noise etc. Green Marketing concept will help to protect our country. Our industry will go for customer driven policy and to create demand for green products. Bangladeshi consumers must adopt environmentally sound behaviors to sustain the clean environment. Through such conscious choices (green product), consumers can take steps to protect the earth's natural resources and to prevent further environmental damage of Bangladesh.

Low-lying Bangladesh is predicted to be one of the worst victims of global warming (Nupur, 2011). In Many countries around the world where the governments have become very concern about the activities of green marketing, steps have been taken to regulate their markets. Unfortunately the issue of green production process, packaging changes, as well as modifying advertising. However, to define green marketing is not a simple task. The terminology used in this area has varied; it includes Green Marketing, Environmental Marketing and Ecological Marketing (Aker, 2012). Green Marketing is integrating business practices and products that are friendly to the environment while also meeting the needs of the consumers. According to the American Marketing Association, green marketing is the marketing of products that are presumed to be environmentally safe (Nupur, 2011). Green marketing is the marketing of eco-friendly sustainable products that continue to achieve steady sales even during adverse condition, especially among eco-aware customers. Such eco-friendly customers generally remain loyal to their companies and their brands (Hossan, 2013). The term Green marketing refers to the planning, development and promotion of products or services that satisfy the needs of consumers for quality, output, accessible prices and service, without however a negative effect on the environment, with regard to the use of raw material, the consumption of energy etc (Peattie and Crane 2005, Grant 2008, Pride and Ferrell 2008). In the USA the green market counts about \$250 billion, while 63 million of consumers are directed towards products that either protect the environment contrary to the conventional ones, or have been produced with processes that respect the society and the environment. The same consumers are prone to spend an additional 7-20% in order to buy pure green products and reject the non-viable alternatives, offered to them by the conventional market (Reitman 1992, Papadopoulos et al. 2012).

Saha, M. & Darnton, G. (2005) realize that Green marketing has not lived up to the hopes and dreams of many managers and activists. Although public opinion polls consistently show that consumers would prefer to choose a green product over one that is less friendly to the environment when all other things are equal, those "other things" are rarely equal in the minds of consumers. How then, should companies handle the dilemmas associated with green marketing? They must always keep in mind that consumers are unlikely to compromise on traditional product attributes, such as convenience, availability, price, quality and performance. It is even more important to realize, however, that there is no single green-marketing strategy that is right for every company. It suggests that companies should follow one of four strategies, depending on market and competitive conditions, from the relatively passive and silent "lean green" approach to the more aggressive and visible "extreme green" approach -with "defensive green" and "shaded green" in between. Managers who understand these strategies and the underlying reasoning behind them will be better prepared to help their companies benefit from an environmentally friendly approach to marketing.

Ginsberg, J.M. & Bloom, P.N. (2004) present a conceptual link among green marketing, environmental justice, and industrial ecology. It argues for greater awareness of environmental justice in the practice for green marketing. In contrast with the type of costs commonly discussed in the literature, the paper identified another type of costs, termed 'costs with positive results,' that may be associated with the presence of environmental justice in green marketing. A research agenda finally suggested determining consumers' awareness of environmental justice, and their Willingness to bear the costs associated with it

Green marketing involves developing and promoting products and services that satisfy customers want and need for Quality, Performance, Affordable Pricing and Convenience without having a detrimental input on the environment.

Pride and Ferrell (1993) Green marketing, also alternatively known as environmental marketing and sustainable marketing, refers to an organization's efforts at designing, promoting, pricing and distributing products that will not harm the environment. Polonsky (1994) defines green marketing as .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. Elkington (1994: 93) defines green consumer as one who avoids products that are likely to endanger the health of the consumer or others; cause significant damage to the environment during manufacture, use or disposal; consume a disproportionate amount of energy; cause unnecessary waste; use materials derived from threatened species or environments; involve unnecessary use of, or cruelty to animals; adversely affect other countries.

SCOPE OF THE STUDY

The proposed paper would be empirical one, secondary data has used in this study. The secondary data collected from various books, reference, journal and seminar papers and articles. In this paper it has been tried to unveil the area of consumer behavior with impact of the different variables on the awareness and knowledge of green product and properties leading to customer satisfaction and expectation. 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 decision accordingly. The not-so-obvious assumption of green marketing is that consumers will be willing to pay more for green products than they would for a less-green comparable alternative product - an assumption that, in my opinion, has not been proven conclusively.

METHODOLOGY OF THE STUDY

Secondary and primary data have been used to collect the required information. The secondary sources of data are journals, books, magazines and different organization's past, present activities and the future planning is also included with them. These types of information will help for descriptive research studies. Descriptive research helped for identifying and describing the characteristics in different situation. The secondary data helped for describing the overall situation in Bangladesh for making the green Bangladesh.

ANALYZING GREEN MARKETING MIX

Every company has its own favorite marketing mix. Some have 4 P's and some have 7 P's of marketing mix. The 4 P's of green marketing are that of a conventional marketing but the challenge before marketers is to use 4 P's in an innovative manner.

Product

The ecological objectives in planning products are to reduce resource consumption and pollution and to increase conservation of scarce resources (Keller man, 1978). Product must be eco-friendly and acceptable to all concerned customers.

Price

Price is an important element of marketing mix. Green marketing will not be implemented properly without effective pricing. Improved performance, function, design, visual appeal, or taste. Green marketing should take all these facts into consideration while charging a premium price.

Promotion

Promotion is very important to create awareness among mass customers. Advertising that address a relationship between a product/service and the biophysical environment. Advertising are those that promote a green lifestyle by highlighting a product or service. Promotion is another important element of marketing mix. It will play an important role to make the customers aware.

Place

The choice of where and when to make a product available will have significant impact on the customers. Very few customers will go out of their way to buy green products.

GREEN MARKETING PROCESS

Green marketing process comprises with external and internal Ps. After integrating external and internal Ps, green success will automatically come through four Ss. Here external 7 Ps consists of Paying customers, Providers, Politicians, Pressure groups, Problems, Predictions and Partners; internal 7Ps consists of Products, Promotion, Price, Place, Providing information, Processes and Policies. After integrating external and internal 7Ps, we can find out the green successes through 4 Ss such as Satisfaction – of stakeholder needs, Safety – of products and processes, Social acceptability –of the company and Sustainability – of its Activities.

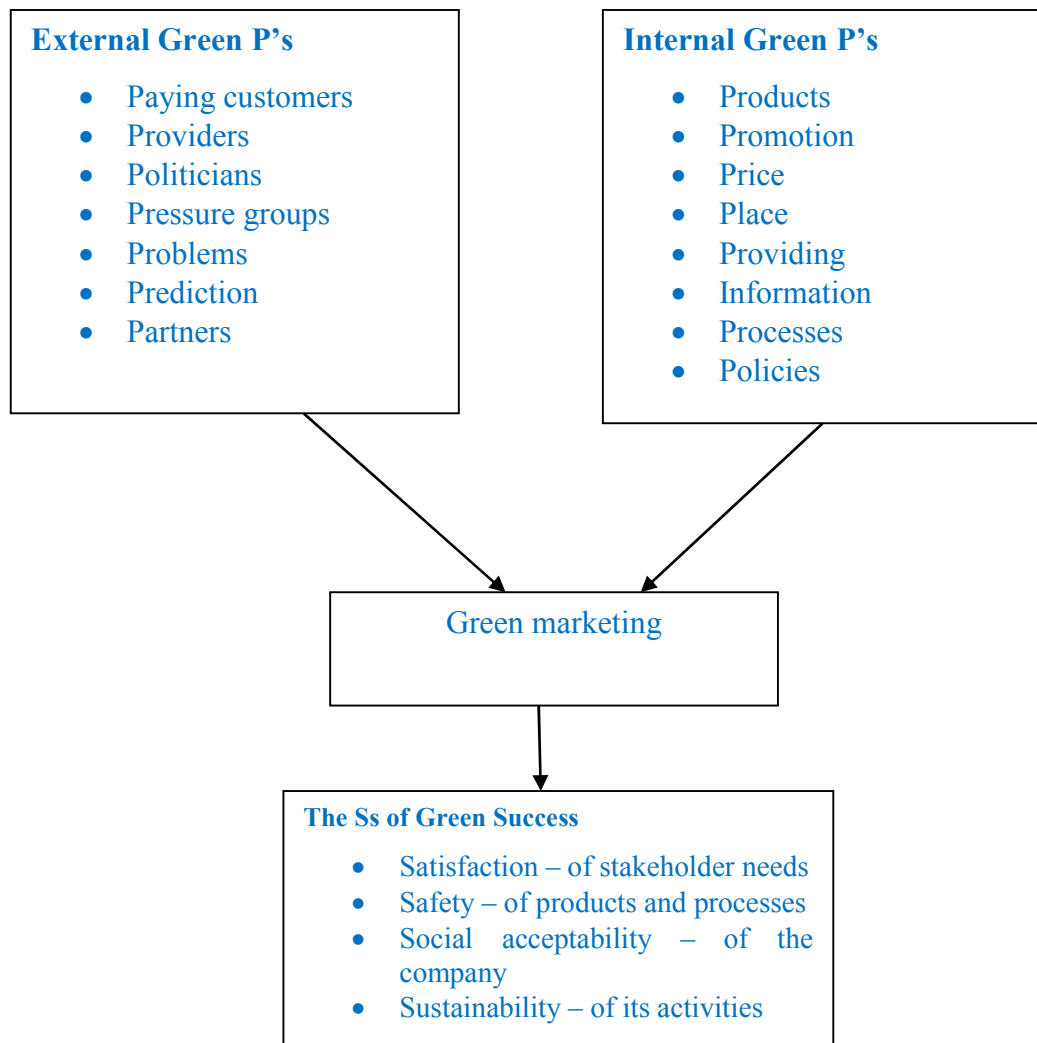


Figure: The green marketing process

Source: (Peattie (1992), p. 104)

THE FUTURE OF GREEN MARKETING IN BANGLADESH

There are many lessons to be learned to avoid green marketing myopia, the short version of all this is that effective green marketing requires applying good marketing principles to make green products desirable for consumers. Evidence indicates that successful green products have avoided green marketing myopia by following three important principles.

Consumer value positioning

- Design environmental products to perform as well as (or better than) alternatives.
- Promote and deliver the consumer desired value of environmental products and target relevant consumer market segment.

Calibration of consumer knowledge

- Frame environmental product attributes as “solutions” for consumer need.
- Create engaging and educational internet sites about environmental product desired consumer value.

Credibility of product claim

- Employ environmental product and consumer benefit claims that are specific and meaningful.
- Procure product endorsement or eco- certifications from trustworthy third parties.

CHALLENGES IN GREEN MARKETING

Need for Consistency

There is no standardization to authenticate these claims. There is no standardization currently in place to certify a product as organic. Unless some regulatory bodies are involved in providing the certifications there will not be

any verifiable means. A standard quality control board needs to be in place for such labeling and licensing.

Lack of Promotion:

Another challenge of green marketing in Bangladesh is lack of promotion. There is no huge publicity or advertising for green products. Customers are not getting enough information due to lack of promotion. Promotional campaign must be improved to educate the mass customers to purchase green products.

New concept

Customers are very careful in today's. They consider now many things before purchasing any product. But it is still a new concept for the mass people. The consumer needs to be educated and made aware of the environmental threats. The new green movements need to reach the masses and that will take a lot of time and effort. Today's customers prefer more natural and hygienic product rather than artificial product. In those aspects the consumer is already aware and will be inclined to accept the green products.

Patience and perseverance

The investors and corporate need to view the environment as a major long-term investment opportunity, the marketers need to look at the long-term benefits from this new green movement. It will require a lot of patience and no immediate results. Since it is a new concept and idea, it will have its own acceptance period.

Avoiding green myopia

The first rule of green marketing is focusing on customer benefits i.e. the primary reason why consumers buy certain products in the first place. Do this right, and motivate consumers to switch brands or even pay a premium for the greener alternative. It is not going to help if a product is developed which is absolutely green in various aspects but does not pass the customer satisfaction criteria. This will lead to green myopia. Also if the green products are priced very high then again it will lose its market acceptability.

Scope for Further Research

Green Marketing is a growing sector for conducting the research. Identifying customer expectation and customer perception about green marketing are very important to develop this sector in Bangladesh. Further research should be carried out in order to enhance the understanding of customer satisfaction. Moreover a similar study could be conducted with a larger sample size so that results could be comprehensive to a large population to identify the prospects and challenges of green marketing in Bangladesh.

Conclusion

The importance of green marketing in the society is immense. It is spreading all over the world day by day. This is the right time for the businessmen to choose green marketing internationally. It will bring revolutionary change in the world of business if all nations will formulate strict roles because green marketing is essential to save world from pollution. Green marketing should not be considered as just one more approach to marketing, but has to be pursued with much greater vigor, as it has an environmental and social dimension to it. With the threat of global warming looming large, it is extremely important that green marketing becomes the norm rather than an exception or just a fad. Recycling of paper, metals, plastics, etc., in a safe and environmentally harmless manner should become much more systematized and universal. It has to become the general norm to use energy-efficient lamps and other electrical goods. Marketers also have the responsibility to make the consumers understand the need for and benefits of green products as compared to non-green ones. In green marketing, consumers are willing to pay more to maintain a cleaner and greener environment. Finally, consumers, industrial buyers and suppliers need to pressurize to minimize the negative effects on the environment-friendly. Green marketing assumes even more importance and relevance in developing countries like India.

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