

Current Situation relating to Green Marketing in China

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Abstract

This paper analyzes the current situation of Green Marketing in Enterprises in China and puts forward strategies and suggestions aimed at promoting and implementing Green Marketing and at the realization of sustainable development.

Key words: green marketing, current situation and development

Definition and Characteristics of Green Marketing

Peattie (2001) identifies that “Green Marketing has been used to describe marketing activities which attempt to reduce the negative social and environmental impacts of existing products and production systems, and which promote less damaging products and services”. These types of marketing activities with the main characteristic of protecting the environment and promoting cleanliness of the natural world. The main features of this kind of marketing activities are as follows:

1. Promotion of green consumption consciousness. This process entails ensuring that in purchasing green products, the purchasing intention of green consumers is not only focused on the process of purchase and consumption but on the green productive process and the later recycling and disposal of purchased products. With the enhancement of awareness of environmental protection, consumers’ mode of thinking, values and even consumer psychology and behavior has changed and their desire for environmental conservation has gradually emerged. Consumers began to care about the environmental cost of consumption and call for

Green Products that are both pollution-free and healthy. The ideas of green consumption consciousness have gained traction around the world. Recent market research found that 92% of Japanese housewives are interested in organic food, and about 50% of the French and 80% of the German are willing to choose environmentally friendly products when shopping. While in the United States, 30% of consumers claim that they care about the environmental records of large companies, and 84% of consumers consider the company's environmental reputation when buying products. Thus, the promotion of care about the environment has evolved to the concept of green consumption. Green consumption has developed as a new trend of public consumption around the world.

2. Consumers' Green consciousness and consumer habits are put through and strengthened by the process of Green Marketing. The fundamental difference between Green Marketing and other marketing methods is that enterprises are closely linked to the "green" concept of maintaining ecological balance, focusing on the preservation of environment, and facilitating people's quality of life. These ideas are reinforced through Green Marketing campaigns, which entail conducting such activities as market surveys, product development, distribution and after-sale service.

3. Green Marketing can combine economic, social and environmental benefits. This is because environmentally aware consumers seek out green products. Consequently, Enterprises can obtain sustainable profits and competitive advantages when choosing to market and sell Green Products. More sales also mean greater job generation.

4. Use a Green Logo. Adopting Green Logos is an important feature of Green Marketing. This importance has been understood in China. China's current green label is a kind of product regulated by state designated non-governmental organization. This organizations must act in accordance with environmental label product standards and related regulations. It confirms if a product and its productive process meets environmental performance standards. The organization also informs consumers which products meet requirements of environmental protection in the form of logo graphic. This benefits the environment, which is the overarching of Green Marketing.

The Significance of Implementing Green Marketing Strategy

1. The implementation of Green Marketing by Enterprises meets the needs of social sustainable development strategy.

2. Green corporate image is the symbol of high-quality enterprises.

3. The implementation of Green Marketing contributes to breaking down "green barriers". To be specific, establishing a green corporate image is important in breaking through various "green barriers", or perceptions of unattractiveness of environmentally friendly measures. This process entails strengthening the green concept, emphasizing green design, promoting cleaner production, enhancing green packaging, and actively striving for ISO14000 certification.

The Current Situation of Green Marketing in China

Currently, the green marketing in domestic enterprises is prone to experience the embarrassing situation of "prisoner's dilemma", where the players in the environment protection field choose self-interest instead of cooperation, to their detriment. It is a fact that China's green product market is still in the period of market introduction, in addition, the majority of people lack the awareness of green consumption. Therefore, the

level of green consumption is still very low. Further, the introduction of green products into the market requires the payment a huge fee. This leads to a negative profit as the production cost and environmental cost are included in the cost of green products. Thus, numerous Enterprises in their marketing strategy face a dilemma of "prisoner's game". They have to increase their prices to cover the government's fees.

In short, the development of green marketing in China is still in the initial stage, and there is a big gap compared with developed countries.

This is because, firstly, the main goal of enterprises is to maximize profits and achieve rapid expansion of scale, what has been termed the primitive period of capital accumulation. Macroeconomic and long-term interests, such as ecological environment factors are a long way from becoming "endogenous variables", meaning those factors considered as affecting an Enterprise's operation, hence are overlooked. Secondly, China's environmental property rights mechanism is defective, and there are many problems in the Government's environmental legislation and judicial system. For example, it is often the case that the local-level government does not vigorously enforce environmental protection laws and regulations because they are in conflict with various local interests. Also, functional departments lack determination in implementing pro-ecological strategies as part of the environment management. Thirdly, environmental awareness within society needs to improve. Largely due to the above two reasons, green consumption consciousness of consumers in most areas of China has not yet formed, except for large metropolises, for example Beijing and Shanghai. Moreover, in contrast to a few leading Enterprises, the majority of Enterprises in China still lack the consciousness of environmental protection. If this situation cannot be changed quickly, where Green policies play a more pivotal role, China is less likely to achieve the goal of sustainable economic development and national ecological security, planned for the 21st century in China, and its Enterprises will face difficulties or even go bankrupt amidst global competition.

Suggestions for Enterprises to Implement Green Marketing

Suggested measures that ought to be adopted so that Enterprises successfully implement principles of Green Marketing are outlined below.

1. Green Marketing should be implemented

To be specific, the implementation of Green Marketing requires the application of the "5R" management principle. These are: "Research", emphasizing the research into measures enterprises can implement to reduce environmental pollution; "Reduce", reducing and eliminating the discharge of harmful substances; "Recycling", dealing with and reusing waste materials; "Rediscover", transforming ordinary products into green products, products, designed to minimize their impact on the environment; "Reserve", participating in social environmental protection activities actively and establishing environmental awareness.

2. Green Marketing should be led by the Government

2.1 The Government should strengthen public awareness of sustainable development strategies and introduce and promote green logos. It should make full use of the market mechanisms to control resource allocation and adjust and balance the demand for limited resources against the pressures of economic growth.

2.2 The Government should formulate and improve the relevant environmental protection laws and regulations and adopt an active role in enforcing them. On the one hand, it is necessary for the Government

to revise and promote the relevant laws and regulations according to the international standards while taking into account existing laws, regulations and decrees and requirements of China's social development. On the other hand, through strengthening enforcement of the introduced green laws, the Government would provide people with not only laws to follow but ensure violations of those laws be investigated and those found breaching the laws swiftly punished.

2.3 Education must come first

The implementation of green marketing is a long-term task since the development of environmentally friendly goals by Chinese enterprises and institutions is slow going and green consciousness of Chinese society is poor. To address this issue, the main task is to investigate and promote green products, develop green markets and introduce green consumption awareness to consumers. The "education first" approach would entail educating the entire society about environmental protection, so that every citizen realizes that protecting the environment is the fundamental obligation. As one of the main bodies of implementing green marketing, Enterprises need to establish a new business philosophy, with the view of seeking general harmony between people and nature, social economy and ecological environment. Such a philosophy should emerge from combining consumer, environmental, ecological and enterprises' own interests, so as to realize sustainable utilization of resources, sustainable development of the economy and sustainable operation of Enterprises.

3. Green Product Development and Marketing

3.1 Accelerate Green Product Development

It is vital that green products are developed, and that innovation of green products is accelerated. Currently, the key issue for China's green marketing development is how to achieve both "economic and environmental protection". The effective way to resolve this "dilemma" is to develop "green technology" and evolve technological innovation so as to produce products that not only meet the green needs of consumers but satisfy the quality standards of environmental protection. Therefore, Green Technology makes it possible for products to be more competitive in the market and relatedly for Enterprises to make greater profits.

3.2 Green Marketing

The process of introducing Green Marketing to an Enterprise means that employees responsible for marketing in a given Enterprise implement environmentally friendly Green Marketing practices as part of their usual process of marketing their products.

3.3 Implement Green Marketing System Theory

Enterprises ought to implement the new mode of Green Marketing based on the system theory. This means that the thinking mode needs to be applied to the whole process of Green Marketing management with an overarching holistic and systematic view. During the thus-understood process of Green Marketing, it is necessary and important to constantly summarize good experience in implementing Green Marketing. These good experiences ought to be absorbed by Enterprises and put into practice, facilitating Green Marketing continuously. Concurrently, Enterprises should eliminate some outdated Green Marketing modes, and increasingly improve their strategies to form a new and more dynamic Green Marketing model.

Reference

[1] Peattie, K. (2001). Towards sustainability: the third age of green marketing. *The marketing review*, 2(2), 129-146.