



China Green Marketing Under the Low Carbon Economy

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Abstract

Green marketing is the important marketing trend under the background of low carbon economy. The external environment of enterprises will become more conducive to the implementation of green marketing. The introduction of low carbon index into the green marketing management can let the green marketing in the enterprises more operable, and also will make the certain differences in the theoretical circles on the green marketing theory further reduced, which will contribute to the further development of the theory of green marketing. This paper will analysis the green marketing problems of the domestic enterprises on the basis of the status quo, and put forward the Countermeasures of green marketing in enterprises, including: business concept innovation, technology innovation, green marketing strategy innovation.

Key words: Low carbon economy; Green marketing; Marketing innovation

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Now in the global scope, "low carbon economy" has moved from concept to reality, the impact on the real economy is increased gradually, at the same time it will bring to mankind a hitherto unknown values, developing mode, lifestyle revolution. Low carbon marketing is formed gradually under the drive of the environmental protection situation. And this ecobolic carbon marketing will become the mainstream marketing mode in twenty-

first Century --- the green marketing. The development of low carbon economy need the company to make a positive response and cooperation as the microcosmic economy main body, this also will be the realistic choice in the future development for enterprises to face.

1. LOW CARBON ECONOMY AND GREEN MARKETING'S CONNOTATION

Low carbon economy refers to the concept under the guidance of sustainable development through technical innovation, system innovation, industrial transformation, new energy development and other means to minimize coal oil and other high carbon energy consumption, to reduce the greenhouse gas emissions, to achieve economic and social development and ecological environmental protection. The development of low carbon economy is the realistic way to abandon the past treatment after pollution. Low carbon economy is the lowest cost economy economic development of carbon emissions, ecological environment and social economic which is able to improve the global ecological system of self-regulation ability.

Green marketing suggests the new marketing idea and the marketing strategy which takes the green environmental protection as the central idea of the sales and marketing activities. And its business philosophy is environmental protection, which takes the green culture as its value concept to meet consumers' green consumption to implement company profit, social and ecological benefits. In an effort to reduce or avoid the environmental pollution, the guidance of idea, product idea, design and production as well as the pricing and promotions planning and implementation will take the protection of the ecological environment as the prerequisite. Green marketing is a new marketing concept of enterprise with the demand of social civilization.

2. THE PRESENT SITUATION OF CHINESE ENTERPRISES GREEN MARKETING

From 1989 the Chinese Ministry of Agriculture formally puts forward the green food concept; China begins to implement green engineering. In the May of 1994, the China Environmental Labeling Product Certification Committee brought into birth, which is on behalf of the state of the certification authority of green products, environmental products and grant marks. Environmental signs are leading Chinese manufacturing industry to promote environmental awareness and the development of green economy. Until December 31st of 2003, China has promulgated 51 products environmental labeling standards, which effectively promote and guide the formation and development of green consumption. In 2010 Shanghai World Expo promoted green low carbon concept which presents to the world the impression of “zero carbon center”.

2.1 External Environment Condition

2.1.1 Lack of an Effective System of Incentive and Restraint of Sound Environmental Protection System

The United States, Japan and other developed countries basically have formed a relatively complete environmental protection laws and regulations and policy system to encourage and support enterprises to carry out green marketing, and the illegal enterprises were severely punished. Compared with them, although China continuously improved the importance of environmental protection, the related laws and regulations are not perfect, taking the green regulations as an example. To the end of 2009, China had developed more than 30 of the laws concerning environmental protection, coupled with the existing administrative regulations and environmental standards, which has initially formed a legal system of environmental protection. But the existing laws and regulations related to the content is not perfect, as well as insufficient law enforcement, which affects the implementation of the real green regulations, it is difficult to form enough incentive and constraint to the enterprise. Thus, even if some enterprises are willing to develop green marketing, but they are worried about technology risk and market risk, and they are also very difficult to hold on.

2.1.2 Lack of Green Consumer Groups

Consumers are rational economic man, whose goal is to minimize their costs and make oneself effective. Only when the green consumption utility is more than a green consumer expense, consumers will implement the green consumption behavior.

Although there are many consumers to buy green products, but in the consumer groups the proportion is very small. China social survey of things (SSTC) in

2005 in Beijing, Shanghai and other 10 cities made the consumers' green consumption concept and consumption behavior of special survey, which indicated that 53.8% of the people expressed their willingness to buy green products, 37.9% had already bought a green goods. The majority of the consumers' concept is still very traditional. They did not establish a good environmental philosophy, and they are willing to pay more attention to the functions and price of merchandise, instead of environmental protection. To some extent, it has a certain relationship with the whole social environment. The lack of adequate consumer groups makes the enterprise very difficult to have the power to carry out green marketing.

Although the majority of companies in developed countries have changed the original business goal of profit maximization, because of China's economic development is not enough, most of the existing enterprises still pay too much emphasis to the recent interests, instead of long-term ones of environmental and social considerations. Enterprises have “myopia” because there is no awareness of corporate social responsibility and less attention to environmental protection, and the cost is too high.

2.2 Current Situation of the Enterprise

2.2.1 Consciousness of Green Marketing

Although most enterprises of developed countries have changed the enterprise's goal of maximizing profit idea, but for the reason that Chinese economy development level is not enough, most of the existing enterprise still focus on short-term interest and does not think too much about the environmental protection, which is called “marketing myopia”. The reason is no consciousness of enterprise society responsibility and do not pay attention to environmental protection, and the cost is too high.

2.2.2 Green Technology Development Capacity Is Insufficient

Strong green technology development ability is the basic premise of enterprise's green marketing. In developed countries, many large enterprises have long attached great importance to the development of green products, has accumulated abundant technical strength, leading the trend of the international green marketing. But in China, green marketing dissemination is in a relatively short time, many enterprises still remain in the traditional product business model, which is mainly engaged in product processing, do not talk to go up the development of green products. Moreover, the majority of our enterprises are small and medium-sized enterprises, whose technical innovation level is generally low. The development of green product is a new project, which needs to have strong ability of technological innovation. At present, it is not realistic for the numerous small and medium-sized enterprises.

2.2.3 Marketing Behind Green Products

Green products are different from general products; in terms of sales it also has specific requirements. However,

some domestic enterprises in the marketing of green products use the traditional sales mode. For example, in the promotion, based on cost considerations, mainly rely on the marketing staff and handed out leaflets, which is difficult to arouse the desire of consumers to buy. In addition, in the sales channel construction, many enterprises still use the traditional marketing channels, without considering the environmental characteristics and the distribution of environmental requirements, which is very easy to create the green product polluted and make green products become no more "green".

3. CHINESE ENTERPRISES COUNTERMEASURES TO IMPLEMENT GREEN MARKETING

Low carbon economy request enterprise all departments to implement the low carbon management strategy. That require to build a series of energy saving and emission reduction system, to develop a set of effective low carbon evaluation system and incentive policy, to ensure and restrict the low carbon environmental protection measures, to strengthen the management and staff at all levels in the low carbon awareness, to make low carbon management and economic benefits link closely. The enterprise must set up the green marketing strategy.

3.1 Guide the Green Consumption Actively

To meet the demand for green consumption that is the green marketing point of departure. Green consumption refers to the consumer aware that the deterioration of the environment has affected their quality of life and lifestyle, which require company production, sales impact on the environment of green products to be minimal, to reduce environmental hazards, consciously to resist the harm to the environment and the consumer behavior. At present, China's consumer demand for green products the overall level is low, lack of green culture. Green consumption is a kind of concept innovation. We should vigorously promote the green consciousness to improve the weak situation. Enterprises may promote green consumers consciousness through the advertising education, publicity activities, the media or holding green festival activities, which will create a green atmosphere, arouse the public's environmental awareness, stimulate consumer demand for green products.

3.2 To Set the Concept of Green Marketing

The traditional enterprise marketing idea is center as the benefit, regardless of the deterioration of ecological environment and lack of rational cognition, which led to the deterioration of the ecological environment. Green concept is the idea foundation for the enterprise to implement the green marketing. Only to build good business unique green idea, green marketing of the

enterprises can be guaranteed. The enterprise should make managers and staff aware of green marketing important in today's society, should carry out ideological education work, make them realize the past economy high speed development is cost with sacrificial environment, enhance their environmental responsibility, so that enterprises of all staff aware of the environmental issues is the enterprise concern. Enterprises which escape environmental problems will go out of the way.

3.3 Market Green Segments

Green demand of public formed a huge market. The rise of green marketing can be said to be the response of business to consumer increasing environmental awareness, or is the business strategy of enterprise to establish new competitive advantage to meet consumer demand for green value. Therefore the enterprise must undertake consumer system research, market segmentation and confirm the target consumers to a specific green demand. Demand scale determined consumer demand for green. The green demand payment ability of consumers and green demand willingness to pay of consumers should be considered. Finally, the ability of the enterprise to meet the consumers green demand should be considered.

3.4 To Design Green Strategy

3.4.1 Green Products

The competition in low carbon era is the competition of low carbon technology. Only use low carbon technology to promote low carbon products development, energy conservation and renewable resources, the basic material of low carbon marketing implementation will be guaranteed. Green product includes the following several aspects: first, the concept of green product design. In product design, the core product, form product and extended product should satisfy the consumer with low carbon, low energy consumption, green energy and other green low carbon demand. Second, consumption chain of green products. Green product design and raw materials acquisition, green production, green consumption and green product tracking services, green product recycling reuse, that form a whole cycle.

3.4.2 Green Price

The natural resources should pay, alternative resource use may increase the cost, green marketing increased management costs, to comply with the new green environmental protection legislation will make the cost of sewage charges, ecological disaster prevention or elimination of pollution insurance expenses and so on, and all this will enable enterprises to increase a lot of cost. Consumers pay for green the ability and willingness to pay is limited, this is also one of the important reasons that a lot of small enterprises cannot participate in the green marketing. To implement the "green marketing" strategy should consider three aspects: profit, cost and responsibility. Therefore, in the promotion of "green

marketing” strategy the enterprise should be effective to integrate resources, to reduce costs, and to achieve both profit and enhancing the public image of enterprise.

The enterprise can use the minds of consumers “perceived value” to pricing: Using people’s innovation, seeking difference, and advocating natural psychology. According to the modern concept of the “polluter pays” and “environmental compensation for the use” the enterprise can do the work of pricing promotion. Green product price rising amplitude depends not only on the green product quality improvement and environmental protection cost number but also depends on the consumers of green products price understanding. In industrial developed country, the green product prices rose by a big margin, consumers are willing to accept. In China, because of consumers’ weak awareness, green product prices should not be too high. It should be with the general price level or lower by the support of government.

3.4.3 Green Channel

On channel strategy, enterprises should select and build a low carbon products network of distribution channels based on the strength and the product attribute, and strengthen the requirements in the members of marketing channel to strengthen the awareness of low-carbon. And in product transport processes the enterprise should pay attention to packaging use, recycling and energy saving etc.. Network channels and other short channel development should pay full attention to reducing the circulation link, using new technology to reduce circulation cost and logistics cost, and delivering the value to the ultimate consumer. Choose a good reputation of the middleman, in order to maintain the image of green products. Establish green products franchise, with environmental protection characteristic landmarks to decorative products to attract customers.

3.4.4 Green Promotions

In promotion strategy, it is supposed to strengthen consumers’ green consumption moral guidance, train the marketing staff with low carbon awareness, and establish a high-quality green promotion team. Green promotion is to carry out the various promotional activities on the green product. The core is through the transmission of information to establish a corporate, product image

of green, and consolidate the market position of the enterprise with consumer needs. Carry out a number of promotional activities to guide and encourage consumers to accept the idea of low carbon, low carbon products and low carbon consumption; green advertising is a marketing mode, overall consideration, and other promotions such as sales promotion, public relations to pursuit green promotion effect. Mass advertising itself does not meet the “green” principle which will result in waste of resources, at the same time in advertising design should have a unique “green” creative, so people can naturally pay close attention to environment.

Green marketing as a new marketing idea, is the enterprise response to the state of low carbon economy and the strategy of sustainable development, but also conducive to help enterprises to establish a unique competitive advantage. But at present China’s enterprise green marketing consciousness is still weak, lack of enterprise implementing green marketing initiative. Green marketing of the enterprises carrying out smoothly, it is inseparable among the government, enterprises and consumers together. All of these aspects together, it truly makes the enterprises do the green marketing, so as to achieve a low carbon economy and sustainable development of the whole society.

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