

Green Marketing

A new Trend to Promote the Green Consumerism

By

Shubhendu S. Shukla¹, Ashutosh Mishra²

¹(Asst. Professor/Department of Management/SR Group of Institutions, Lucknow)

²(Research Scholar/Department of Management/Singhania University, Rajasthan)

Abstract : *Now a days meaning of the term “marketing” is moving towards “consumer satisfaction along with environment protection” through the promotional campaigns of almost every big business houses across the globe. Green Marketing is a phenomenon which has developed particular importance in the modern market. Green marketing is a way to use the environmental benefits of a product or service to promote sales. Many consumers will choose products that do not damage the environment, even if they cost more. With green marketing, advertisers focus on environmental benefits to sell products such as recyclable diapers, energy-efficient light bulbs, and environmentally safe detergents.*

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.

In today's market, the choice for consumers has increased manifold with increased in the range of models. Under such circumstances, choosing an appropriate product that fits one's value propositions has become all the more important. There is no denying the fact that choice making has become very important task for a buyer, but it often does not end with that. There are additional things that they want to know before / after they buy a product. Today's marketplace is driven by the emergence of the "Green Consumer" or "Environmentalism" and will become even more responsive to products and services promising environmental responsibility well into the 21st Century.

Key Words : *Green Marketing, Green Consumer, Environmentalism, environmental marketing and ecological marketing.*

1. Introduction

Today's consumers are more concerned more than ever about the environmental impact of products they buy. Pragmatic consumers purchase those products and packages that can be recycled or otherwise safely disposed off in their communities. As a result, the number of industries under fire from environmentalists has grown very rapidly. Green Consumerism has helped to spur significant shifts in the way in which some industries view the environmental challenge.



2. Definition

Green marketing is the marketing of products that are presumed to be environmentally preferable to others. Thus green marketing incorporates a broad range of activities, including product modification, changes to the production process, sustainable packaging, as well as modifying advertising. Other similar terms used are *environmental marketing* and *ecological marketing*¹.

Green, environmental and eco-marketing are part of the new marketing approaches which do not just refocus, adjust or enhance existing marketing thinking and practice, but seek to challenge those approaches and provide a substantially different perspective.



3. Evolution of Green Marketing

The concept of green marketing has been around since the first Earth Day in 1970. But 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. The proceedings of this workshop resulted in one of the first books on green marketing entitled "Ecological Marketing"⁴.

The green marketing has evolved over a period of time. According to Peattie (2001), the evolution of green marketing has **three phases**:

3.1. Ecological:

During this period all marketing activities were concerned to help environment problems and provide remedies for environmental problems.

3.2. Environmental:

The focus shifted on clean technology that involved designing of innovative new products, which take care of pollution and waste issues.

3.3. Sustainable:

It came into prominence in the late 1990s and early 2000. This was the result of the term sustainable development which is defined as "meeting the needs of the present without compromising the ability of future generations to meet their own needs."

Although green consumers express their environmental concerns in individual ways, they are motivated by universal needs. (See exhibit 1) these needs translate into new purchasing strategies with implications for the ways product are developed and marketed.

Exhibit – 1 Green consumer psychology and buying strategies

NEEDS		STRATEGIES
Information	----->	Read labels
Control	----->	Take preventive measures
Make a difference	----->	Switch brands
Maintain lifestyles	----->	Buy interchangeable alternatives

Source: J. Ottman Consulting, Inc.

Terms such as "recyclable", "biodegradable", "environmentally friendly," "Sustainable," "Compostable" and "bio-based" are the latest buzzwords which green consumers looks for when they buy products². The broad scope of these buzzwords suggests that green consumers scrutinize products at every phase of their life cycle, from raw material procurement, manufacturing and production straight through to product reuse, repair, recycling and eventual disposal (Refer exhibit II). While in use attributes continue to be of primary importance, environmental shopping agendas now increasingly encompass factors consumers can't feel or see. They want to know how raw materials are procured and where they come from, how food is grown, and what their potential impact is on the environment once they land in the trash bin.

Exhibit – II Green Purchasing Buzzwords

Raw Materials	Manufacturing	Packaging	Distribution
Sustainably-harvested Petroleum-Free plant-based	Non- Polluting unbleached pesticide- free	Recycled Non-aerosol Source-reduced	Energy-efficient Reusable- packaging

Marketing	In-use	After use
Ethical Informative Cause –related	Low fume Resource – efficient Durable	Recyclable Refillable Reusable

Manufacturer
Socially - Responsible

Source: J. Ottman Consulting, Inc.

The success stories of companies from developed countries like P&G, Compaq, Macdonalds, Pepsi, Stonyfield, Toyota, 3M, Phillips, have set the ball rolling and paved a new way to do business for conscious and demanding Green Consumer.

Because of this transformation of consumers, companies have shifted their priorities from conventional marketing to what is called "Green Marketing". In fact some of the researchers have gone to the extent of profiling green product purchasers, to know their demographic composition and market behavior, thus marketing products according to these green segments liking. Environmental marketing is more complex than conventional marketing.

It serves two key objectives:

- (1) To develop products that have minimal impact on the environment and environmental compatibility with convenience.
- (2) Environmental sensitivity to both products attributes and its manufactures' track record for environmental achievement.

Successful green marketers no longer view consumers as people with appetite for material goods but as human beings concerned about the condition of the world around them. The corporations that excel in green marketing are those that are basically pro-active in nature. These organizations consider themselves to be interdependent with nature's processes. Outside they join hands environmental stakeholders in cooperative, positive alliances, and they work hand in hand with suppliers and retailers to manage environmental issues throughout the value chain. Internally – cross functional teams convene to find the best possible holistic solutions to environmental challenges. These companies essentially have a long term rather than short term orientation approach with an intention of not only making profits but also contributing to the society by socio cause-related marketing approach.

Although there are many companies who have started this approach, I would like to quote the example of Eastman Kodak's recyclable cameras. Eastman Kodak company introduced Kodak fun-saver 35mm one time use camera, which were designed not to be discarded but to be recycled and re used after reimbursement to the consumer. In late 1996, the company reported that more than 80 million one time use cameras had been recycled or reused saving 800 tractor loads of waste and also substantial savings in raw material and energy since 86% of each camera is reused, only the lens, battery and packaging are new, everything else is reused².

4. Importance of Green Marketing

4.1. In terms of marketers⁴:

- 4.1.1. **Opportunities:** It appears that all types of consumers, both individual & industrial are becoming more concerned and aware about the natural environment. Organizations think that green marketing can be used to achieve its objectives.
- 4.1.2. **Competition:** Competitors' environmental activities pressure firms to change their environmental marketing activities.
- 4.1.3. **Government pressure:** As with all marketing related activities, governments want to "protect" consumers and society; this protection has significant green marketing implications. (from harmful products & activities)
- 4.1.4. **Social responsibility of firm:** Organizations believe that they have a moral obligation to be socially responsible & green marketing provides a sense of social responsibility.
- 4.1.5. **Cost reduction:** Firms may also use green marketing in an attempt to address cost or profit related issues. (Waste disposal, recycle, reduction in material use etc.)
- 4.1.6. **Positioning:** Green marketing can differentiate the firm's products from the rivals which are helpful for brand positioning.

4.2. In terms of general people⁴:

- 4.2.1 **Green products ensure safety:** A true green product must not be harmful for the customer and it ensures a healthy life.
- 4.2.2 **Customer satisfaction:** Such products perform well and mitigate the financial risks.
- 4.2.3 **Social status:** Green products can enrich the living standards, enrich social status and make a sense that the customer is responsible to his/her society & environment.
- 4.2.4 **Cost & benefit:** In case of cost & benefit comparison green products provide a long run benefit.
- 4.2.5 **Government pressure:** Such as prohibition in using poly-ethane bag.

5. The Green Marketing Mix

A model green marketing mix contains four "P's":⁵

- 5.1. **Product:** A producer should offer ecological products which not only must not contaminate the environment but should protect it and even liquidate existing environmental damages.
- 5.2. **Price:** Prices for such products may be a little higher than conventional alternatives. But target groups like for example LOHAS are willing to pay extra for green products.



- 5.3. **Place:** A distribution logistics is of crucial importance; main focus is on ecological packaging. Marketing local and seasonal products e.g. vegetables from regional farms is more easy to be marketed “green” than products imported.
- 5.4. **Promotion:** A communication with the market should put stress on environmental aspects, for example that the company possesses a CP certificate or is ISO 14000 certified. This may be publicized to improve a firm’s image. Furthermore, the fact that a company spends expenditures on environmental protection should be advertised. Third, sponsoring the natural environment is also very important. And last but not least, ecological products will probably require special sales promotions.

Additional social marketing "P's" that are used in this process are:

- 5.5. **Publics:** Effective Social Marketing knows its audience, and can appeal to multiple groups of people. "Public" is the external and internal groups involved in the program. External publics include the target audience, secondary audiences, policymakers, and gatekeepers, while the internal publics are those who are involved in some way with either approval or implementation of the program.
- 5.6. **Partnership:** Most social change issues, including "green" initiatives, are too complex for one person or group to handle. Associating with other groups and initiatives to team up strengthens the chance of efficacy.
- 5.7. **Policy:** Social marketing programs can do well in motivating individual behavior change, but that is difficult to sustain unless the environment they're in supports that change for the long run. Often, policy change is needed, and media advocacy programs can be an effective complement to a social marketing program.
- 5.8. **Purse Strings:** How much will this strategic effort cost? Who is funding the effort?

The level of greening—strategic, quasi-strategic, or tactical— (as shows in Fig – 1) dictates what activities should be undertaken by a company. Strategic greening in one area may or may not be leveraged effectively in others. A firm could make substantial changes in production processes but opt not to leverage them by positioning itself as an environmental leader. So although strategic greening is not necessarily strategically integrated into all marketing activities, it is nevertheless strategic in the product area.

	Tactical greening	Quasi-strategic greening	Strategic greening
Targeting	Ads mentioning green features are run in green-focused media.	A firm develops a green brand in addition to its other brands.	A firm launches a new Strategic Business Unit (SBU) aimed at the green market.
Green design	A firm switches from one raw material supplier to another with more eco-friendly processes.	Life-cycle analysis is incorporated into the eco-design process to minimize eco-harm.	E.g. FUJI XEROX develops its Green Wrap paper to be more eco-friendly from the ground up.
Green positioning	E.g. a mining company runs a Public Relations (PR) campaign to highlight its green aspects and practices.	E.g. British Petroleum (BP) AMOCO redesigns its logo to a sun-based emblem to reflect its view to a hydrogen/solar-based future of the energy industry.	E.g. the BODY SHOP pursues environmental and social change improvements and encourages its consumers to do so as well.
Green pricing	Cost-savings due to existing energy-efficiency features are highlighted for a product.	E.g. a water company switches its pricing policy from a flat monthly rate to a per-unit-of-water-used basis.	A company rents its products rather than selling; consumers now pay only for use of the product.
Green logistics	A firm changes to a more concentrated detergent, which.	Packaging minimization is incorporated as a part of a firm's manufacturing review process.	A reverse logistics system is put into place by FUJI XEROX to reprocess and remanufacture copiers.
Marketing waste	A firm improves the efficiency of its manufacturing process, which lowers its waste output.	E.g. TELSTRA (a phone company) has internal processes so that old telephone directories (waste) are collected and turned into cat litter products by other companies.	E.g. a Queensland sugar-cane facility is rebuilt to be cogeneration based, using sugar-cane waste to power the operation.
Green promotion	An oil company runs a PR campaign to highlight its green practices in order to counter an oil spill getting bad press coverage.	A company sets a policy that realistic product eco-benefits should always be mentioned in promotional materials.	As a part of its philosophy the BODY SHOP co-promotes one or more social/eco campaigns each year with in-shop and promotional materials.
Green alliance	A company funds a competition (one-off basis) run by an environmental group to heighten community awareness on storm water quality issues.	E.g. SOUTHCORP (a wine producer) forms a long-term alliance with the Australian Conservation Foundation to help combat land-salinity issues.	A company invites a representative of an environmental group to join its board of directors.

Figure 1 Green Marketing Activities

6. Type of Green Consumers⁴

6.1. True blue greens: This group is characterized by business consumers who are-

- Highly committed to environmental products
- Buying environmental products whether it leads high cost
- Avoid products that are not made on environmental concern
- Highly involved in pro-environmental activities
- Make monetary contributions to environmental issues

6.2. Greenback Greens: This group is similar to the True blues. However, greenbacks are-

- Willing to pay premium for environmentally sound products
- Sometimes they switch to another products if the environmental products are not available or cope with the lifestyle

6.3. Sprouts: This group doesn't usually purchase green products but-

- Capable of doing so, if they are marketed to them in an appropriate way
- Tend to believe in environmental causes only in theory, not in practice
- They rank well above companies overall on when it comes to environmental requirements and standards. This makes the group a key swing group

6.4. Grousers: Grousers are-

- Not committed to environmental products
- Not believe that they are capable of effecting change
- Tend to claim that they have many reasons for not doing more for the environment

6.5. Basic browns: These business consumers-

- Do not think about the environmental issues
- Expose that it is not necessary to do many things for the environment
- Emphasize the profit only
- May harm the environment

7. Benefits of Green Marketing

7.1. Company's point of view⁷:

Many companies want to have an early mover advantage as they have to eventually move towards green marketing because of the benefits of green marketing:

- It ensures sustained long term growth along with profitability.
- It saves money in the long run, though initially the cost is more.
- It helps in accessing the new markets and enjoying the competitive advantage.
- Most of the employees also feel proud and responsible to be working for an environmentally responsible company.
- It enhances brand reputation and market value.
- Risk mitigation
- Effective Utilization of Resources
- Positioning

7.2. Customer's point of view:

- **Green products ensure safety:** A true green product must not be harmful for the customer and it ensures a healthy life.
- **Customer satisfaction:** Such products perform well and mitigate the financial risks.
- **Social status:** Green products can enrich the living standards, enrich social status and make a sense that the customer is responsible to his/her society & environment.
- **Cost & benefit:** In case of cost & benefit comparison green products provide a long run benefit.

8. Golden Rules of Green Marketing Or 7 Claims

Make the customers inform about your green marketing. Make sure that consumer can feel. Consumers must believe in the validity of the product and the claims.

- Consumers must believe that the product performs.
- Make sure that the consumers can afford the premium.
- Be aware of & concerned about the environmental issues, which your product addresses.
- Believe your claims. It's especially true for green businesses.

9. Challenges or Constraints or Problems of Green Marketing

Many organizations want to turn green and there is an increasing number of consumers' want to associate themselves with environmental-friendly products. But the implementation of green marketing in business is not an easy job. The firm has to face many challenges or constraints or problems while treading in the way of green marketing. Some of these challenges or constraints or problems are being as follows:

- Green products require renewable and recyclable material, which is costly.
- Requires a technology, which requires huge investment in R & D.
- Need for Standardization.
- New Concept for the masses.
- Majority of the people are not aware of green products and their uses.
- Majority of the consumers are not willing to pay a premium for green products.
- The customers may not believe in the firm's strategy of Green marketing,
- Green marketing will be successful only in long run.
- The firm may give up on Green marketing concept or be forced to practice unfair means to cut cost to sustain in the competition and thus the entire idea of going green will be a circus.
- The firms practicing Green marketing have to strive hard in convincing the stakeholders and many a times there may be some who simply may not believe and co-operate.
- Green marketing should not neglect the economic aspect of marketing. Marketers need to understand the implications of green marketing.

10. Conclusion

The term "marketing" is moving towards "consumer satisfaction along with environment protection" through the promotional campaigns of almost every big business houses across the globe. Green Marketing is a phenomenon which has developed particular importance in the modern market. Green marketing is a way to use the environmental benefits of a product or service to promote sales. Green marketing is performing the same thing with considering the environment⁸.

Green Marketing consists of all activities designed to facilitate human needs or wants, such that the satisfaction of these needs and wants occurs, with minimal harmful impact on the natural environment. Thus green marketing incorporates a broad range of activities, including product modification, changes to the production process, sustainable packaging, as well as modifying advertising. Yet defining green marketing is not a simple task where several meanings intersect and contradict each other; an example of this will be the existence of varying social, environmental and retail definitions attached to this term.

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Author's Profile



Author¹ (Shubhendu S. Shukla), has completed his MA (Economics) in 2005 and MBA in 2007, and M.Phil (Management) in 2010. He has done Post Graduated Diploma in Computer Applications from IGNOU and Post Graduated Diploma in International Business from Annamalai University.

Author is Member of *American Research Institute for Policy Development (ARIPD)* as *Member of Management Forum for American Association of International Researchers (AAIR)*, Member of Editorial Board in *International Journal of Advancements in Research & Technology*, *International Journal Of Multidisciplinary Research Academy (IJMRA)*, for *International Journal of Engineering & Scientific Research (IJESR)*, *International Journal of Science and Research (IJSR)*, *International Journal of Scientific Engineering and Research (IJSER)*, *International Journal of Engineering Research and Technology (IJERT)*, *International Journal of Modern Communication Technologies & Research (IJMCTR)*, *Journal of Human Resource (JHR)*, *International Journal Of Multidisciplinary Research Academy (IJMRA)*, for *International Journal of Engineering & Scientific Research (IJESR)*.

Author has more than 7 years of experience in academics as he is currently working as Asst professor in SR Group of Institutions, Lucknow. With the academics author has publish 18 International Research Paper, 12 National Research Papers, attended 7 National Conferences and Seminars, 4 International Seminars. Apart from SR Group of Institutions, Lucknow, he is Guest and Visiting Faculty of Study Centers of Global Open University Nagaland, Karnataka State Open University, Sikkim Manipal University.

Author has taught variety of subjects as Marketing, Sales and Distribution, Production and Operation management, Computer Application in Management, System Analysis & Design and Software Engineering, Database Management System, Electronic Commerce.