

GREEN MARKETING – EMERGING DIMENSIONS

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Abstract- The importance of Green Marketing can well be emphasised by stating the fact that majority of consumers in all the countries want to buy from environmentally responsible companies. Consumers say environmental consciousness is an important corporate priority – ranking behind good value, trustworthy, and cares about customers. Consumers expect green companies to engage in a broad set of actions, particularly reducing toxics, recycling and managing water. Many consumers prefer to spend more on green products, especially in developing economies.

The worldwide emphasis on Green Marketing is primarily due to environmental concerns, climate change, water management issues, deforestation, etc. However the consumer is inclined towards green products but is still confused as regards labelling, certification and various green advertising. Moreover it is a challenge to buying green as selection spectrum is limited. Companies can connect with consumers by improving product selection and communications. The evolution of Green marketing over the period has lead to determine the essential and important marketing mix elements. What & why factors of Green Marketing have been explained in detail in the article. The detailed study of various components of Green Marketing helps in laying down the various opportunities and challenges that a Green Marketer faces. Recommendations to make Green marketing a success story have been elaborated by enumerating the simple rules to be followed. The conclusion focuses on various aspects of green behaviour, sustainability and other measures for Green marketing to gain foothold for the betterment of the society at large.

Green Marketing–Emerging Dimensions

Many people believe that green marketing refers solely to the promotion or advertising of products with environmental characteristics. Generally terms like Phosphate Free, Recyclable, Refillable, Ozone Friendly, and Environmentally Friendly are some of the things consumers most often associate with green marketing. In general green marketing is a much broader concept, one that can be applied to consumer goods, industrial goods and even services.

According to the American Marketing Association, green marketing is the marketing of products that are presumed to be environmentally safe. Thus green marketing incorporates a broad range of activities, including product modification, changes to the production process, packaging changes, as well as modifying advertising. Other similar terms used are

Environmental Marketing and Ecological Marketing.

Green marketing, also termed ecological marketing (Fisk 1974), and environmental marketing (Coddington 1993), is an integral constituent of the holistic marketing concept. Green Marketing refers to holistic marketing concept wherein the production, marketing consumption and disposal of products and services happen in a manner that is less detrimental to the environment with growing awareness about the implications of global warming, non-biodegradable solid waste, harmful impact

of pollutants, etc. Both marketers and consumers are becoming increasingly sensitive to the need for switch in to green products and services.

The holistic marketing concept advocates the philosophy that businesses must develop products and marketing strategies that not only address the needs of the consumers but also safeguard the long-term interests of those consumers as well as those of society at large [7]. Business organizations are often accused of making products and packaging as well as using manufacturing processes that damage the environment. The green movement holds that it is a part of the responsibility of business organizations to ensure that they conduct their activities such that they do minimum harm to the environment.

While the shift to "green" may appear to be expensive in the short term, it will definitely prove to be indispensable and advantageous, cost-wise too, in the long run. Green marketing was given prominence in the late 1980s and 1990s after the proceedings of the first workshop on Ecological marketing held in Austin, Texas (US), in 1975. Many organizations want to turn green, as an increasing number of consumers' ant to associate themselves with environmental-friendly products. Green marketing is defined as "Green or Environmental Marketing consists of 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" (Polanski 1994). This definition incorporates much of the traditional components of the marketing definition, that is "All activities designed to generate and facilitate any exchanges intended to satisfy human needs or wants" Therefore it ensures that the interests of the organization and all its consumers are protected, as voluntary exchange will not take place unless both the buyer and seller mutually benefit. The above definition also includes the protection of the natural environment, by attempting to minimize the detrimental impact this exchange has on the environment. This second point is important, for human consumption by its very nature is destructive to the natural environment. So green marketing should look at minimizing environmental harm, not necessarily eliminating it.

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. While green marketing is growing greatly as increasing numbers of consumers are willing to back their environmental consciousnesses with their dollars, it can be dangerous. The public tends to be skeptical of green claims to begin with and companies can seriously damage their brands and their sales if a green claim is discovered to be false or contradicted by a company's other products or practices. Presenting a product or service as green when it's not is called green washing. According to Peattie (2001), the evolution of green marketing has three phases. First phase was termed as "Ecological" green marketing, and during this period all marketing activities were concerned to help environment problems and provide remedies for environmental problems. Second phase was "Environmental" green marketing and the focus shifted on clean technology that involved designing of innovative new products, which take care of pollution and waste issues. Third phase was "Sustainable" green marketing. It came into prominence in the late 1990s and early 2000.

Marketing Mix of Green Marketing

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).

Price

Price is a critical and important factor of green marketing mix. Most consumers will only be prepared to pay

additional value if there is a perception of extra product value. This value may be improved performance, function, design, visual appeal, or taste. Green marketing should take all these facts into consideration while charging a premium price.

Promotion

There are three types of green advertising: -

- Campaigns that address a relationship between a product/service and the biophysical environment.
- Campaigns that promote a green lifestyle by highlighting a product or service
- Campaigns that present a corporate image of environmental responsibility

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.

When looking through the literature there are several suggested reasons for firms increased use of Green Marketing. Five possible reasons are as follows:

- Organizations perceive environmental marketing to be an opportunity that can be used to achieve its objectives.
- Organizations believe they have a moral obligation to be more socially responsible. Governmental bodies are forcing firms to become more responsible.
- Competitors' environmental activities pressure firms to change their environmental marketing activities.
- Cost factors associated with waste disposal, or reductions in material usage forces firms to modify their behaviour.
- 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 behavior. As a result of this, green marketing has emerged which speaks for growing market for sustainable and socially responsible products and services.

Besides above, organizations are adopting Green Marketing because of following reasons:

Social Responsibility

Many firms are beginning to realize that they are members of the wider community and therefore must behave in an environmentally responsible fashion. This translates into firms that believe they must achieve environmental objectives as well as profit related objectives. This results in environmental issues being

integrated into the firm's corporate culture. Firms in this situation can take two perspectives;

- They can use the fact that they are environmentally responsible as a marketing tool; or
- They can become responsible without promoting this fact. There are examples of firms adopting both strategies.

While this behaviour is a competitive advantage, the firm was established specifically to offer consumers environmentally responsible alternatives to conventional cosmetic products. This philosophy is directly tied to the overall corporate culture, rather than simply being a competitive tool.

An example of a firm that does not promote its environmental initiatives is Coca-Cola. They have invested large sums of money in various recycling activities, as well as having modified their packaging to minimize its environmental impact. While being concerned about the environment, Coke has not used this concern as a marketing tool. Thus many consumers may not realize that Coke is a very environmentally committed organization.

Governmental Pressure

As with all marketing related activities, governments want to "protect" consumers and society; this protection has significant green marketing implications. Governmental regulations relating to environmental marketing are designed to protect consumers in several ways,

- Reduce production of harmful goods or by-products;
- Modify consumer and industry's use and/or consumption of harmful goods; or
- Ensure that all types of consumers have the ability to evaluate the environmental composition of goods.

Various regulations are framed by the government to protect consumers and the society at large. The Indian government too has developed a framework of legislations to reduce the production of harmful goods and by products. These reduce the industry's production and consumers' consumption of harmful goods, including those detrimental to the environment; for example, the ban of plastic bags in Mumbai, prohibition of smoking in public areas, etc.

Competitive Pressure

Many companies take up green marketing to maintain their competitive edge. In some instances this competitive pressure has caused an entire industry to modify and thus reduce its detrimental environmental behaviour. For example, it could be argued that Xerox's "Revive 100% Recycled paper" was introduced a few years ago in an attempt to address the introduction of recycled photocopier paper by other manufacturers. In another example when one tuna manufacturer stopped using driftnets the others followed suit.

Cost or Profit Issues

Reduction of harmful waste may lead to substantial cost savings. Sometimes, many firms develop symbiotic relationship whereby the waste generated by one company is used by another as a cost-effective raw material. For example, the fly ash generated by thermal power plants, which would otherwise contributed to a gigantic quantum of solid waste, is used to manufacture fly ash bricks for construction purposes.

When attempting to minimize waste, firms are often forced to re-examine their production processes. In these cases they often develop more effective production processes that not only reduce waste, but reduce the need for some raw materials. This serves as a double cost savings, since both waste and raw material are reduced.

Implementation of Green Marketing in India

In India, around 25% of the consumers prefer environmental-friendly products, and around 28% may be considered healthy conscious. There fore, 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. In India, the green building movement, spearheaded by the Confederation of Indian industry (CII) - Godrej Green business Centre, has gained tremendous impetus over the last few years. From 20,000 sq ft in 2003, India's green building footprint is now over 25 million sq ft.

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.

Many companies want to have an early-mover advantage as they have to eventually move towards becoming green. Some of the advantages of green marketing which firms want to exploit are:

- It ensures sustained long-term growth along with profitability.
- It saves money in the long run, though initially the cost is more.
- It helps companies market their products and services keeping the environment aspects in mind.
- It helps in accessing the new markets and enjoying competitive advantage.
- Most of the employees also feel proud and responsible to be working for an environmentally responsible company.

- A strong commitment to environmental sustainability in product design and manufacturing can yield significant opportunities to grow your business, to innovate, and to build brand equity. All you have to do is get the word out...right?

There are however, several problems associated with organizations attempts to undertake green marketing practices. One major problem is that very often products that are more environmentally safe cost more. Though consumers say that they are willing to pay 7 to 20 % more for green products (Darymple and Parsons 2002), they are not be willing to do this for expensive product-items or for products where the price differential between green and non-green brands is more. Consumers may not like the performance or quality of green products. Moreover, if firms make the packaging of their brands smaller, they may be at a disadvantage because of the reduced visibility of their brands on retail shelves. In addition, smaller packaging may be perceived as reduced quantity and will present a smaller surface for promotional messages. Some other factors are the threat of recession tightening not only our budgets, but also our customers' budgets , increased pressure around ROI—again within own brand and among customers and a widening set of geographies to reach and manage. India's green brands have specific challenges like given the current low levels of consumer awareness about global warming; India's brands need to help raise consumer consciousness. Indian manufacturers have yet to find a market for green products. But by embracing the green imperative, and investing in green initiatives and consumer education, Indian brands can break this vicious cycle.

Green washing

A survey into green marketing in Australia has found almost all products carrying environmentally friendly claims are guilty of green washing. Terra Choice, an environmental marketing firm, has released its Seven Sins of Green washing report, which scrutinises the environmental claims companies put on products to see if they are misleading. It shows that more companies are using environmental claims but that 98 per cent have committed at least one of the seven sins. Most were guilty of the "sin of no proof", or making claims unsupported by third-party verification.

Green marketing myopia

Green marketing must satisfy two objectives: improved environmental quality and customer satisfaction. Misjudging either or overemphasizing the former at the expense of the latter can be termed "Green Marketing Myopia".

Research indicates that many green products have failed because of green marketing myopia marketers' myopic focus on their products' "greenness" over the broader expectations of consumers or other market players (such as regulators or activists). Aside from offering environmental benefits that do not meet consumer

preferences, green marketing myopia can also occur when green products fail to provide credible, substantive environmental benefits.

There are a number of potential problems that must be overcome. One of the main problems is that firms using green marketing must ensure that their activities are not misleading to consumers or industry, and do not breach any of the regulations or laws dealing with environmental marketing. Green marketing claims must clearly state environmental benefits. Reacting to competitive pressures can cause all "followers" to make the same mistake as the "leader." Thus blindly following the competition can have costly ramifications.

Green marketing faces a lot of challenges because of lack of standards and public consensus to what constitutes "Green". In essence, there is no definition of "how good is good enough" when it comes to a product or company making green marketing claims. This lack of consensus—by consumers, marketers, activists, regulators, and influential people—has slowed the growth of green products because companies are often reluctant to promote their green attributes, and consumers are often skeptical about claims. Another challenge green marketers -- old and new -- are likely to face as green products and messages become more common is confusion in the marketplace. "Consumers do not really understand a lot about these issues, and there's a lot of confusion out there," says Jacquelyn Ottman. Marketers sometimes take advantage of this confusion, and purposely make false or exaggerated "green" claims.

Recommendations for Green Marketing

To avoid marketing myopia

The analysis of past research and marketing strategies finds that successful green products have avoided green marketing myopia by

Following three important principles: "The Three Cs" of consumer value positioning, calibration of consumer knowledge, and credibility of product claims.

Consumer Value Positioning

The marketing of successfully established green products showcases non green consumer value, and there are at least five desirable benefits commonly associated with green products: efficiency and cost effectiveness; health and safety; performance; symbolism and status; and convenience.

Calibration of Consumer Knowledge

Many of the successful green products employ compelling, educational marketing messages and slogans that connect green product attributes with desired consumer value. That is, the marketing programs successfully calibrated consumer knowledge to recognize the green product's consumer benefits. The main steps are:

- Educate consumers with marketing messages that connect environmental product attributes with desired consumer value (for example,

"pesticide-free produce is healthier"; "energy-efficiency saves money"; or "solar power is convenient").

- Frame environmental product attributes as "solutions" for consumer needs (for example, "rechargeable batteries offer longer performance").
- Create engaging and educational Internet sites about environmental products' desired consumer value (for example, Tide Cold water's interactive Web site allows visitors to calculate their likely annual money savings based on their laundry habits, utility source (gas or electricity), and zip code location).

Credibility of Product Claims

Credibility is the foundation of effective green marketing. Green products must meet or exceed consumer expectations by delivering their promised consumer value and providing substantive environmental benefits. Often, consumers don't have the expertise or ability to verify green products' environmental and consumer values, creating misperceptions and scepticism. The actions required are:

- Employ environmental product and consumer benefit claims that are specific, meaningful, unpretentious, and qualified (that is, compared with comparable alternatives or likely usage scenarios).
- Procure product endorsements or eco-certifications from trustworthy third parties, and educate consumers about the meaning behind those endorsements and eco-certifications.
- Encourage consumer evangelism via consumers' social and Internet communication networks with compelling, interesting, and/or entertaining information about environmental products.

Simple Rules of Green Marketing

1. **Know your customer.** If you want to sell a greener product to consumers, you first need to make sure that the consumer is aware of and concerned about the issues that your product attempts to address.
2. **Empower consumers.** Make sure that consumers feel, by themselves or in concert with all the other users of your product, that they can make a difference. This is called "empowerment" and it's the main reason why consumers buy greener products. This powerful principle underlies so many campaigns laden with tips.
3. **Be-transparent.** Consumers must believe in the legitimacy of your product and the specific claims you are making.
4. **Reassure the buyer.** Consumers need to believe that your product performs the job it's

supposed to do. They won't forego product quality in the name of the environment.

5. **Consider your pricing.** If you're charging more for your product - and many environmentally preferable products cost more due to economies of scale and use of higher-quality ingredients - make sure that consumers can afford the premium and feel it's worth it. Many consumers, of course, cannot afford premiums for any type of product these days, much less greener ones, so keep this in mind as you develop your target audience and product specifications.
6. **Being genuine and honest** means that a) that you are actually doing what you claim to be doing in your green marketing campaign and b) that the rest of your business policies are consistent with whatever you are doing that's environmentally friendly.
7. **Educating your customers** isn't just a matter of letting people know you're doing whatever you're doing to protect the environment, but also a matter of letting them know why it matters. Otherwise, for a significant portion of the target market, it's a case of "So what?" and the green marketing campaign goes nowhere.
8. **Build better products.** Consumers will not think better of green products until companies make them equal to, or better than, their conventional alternatives. It's no surprise: most people value performance, reliability, and durability much more than ecological soundness.
9. **Offer more.** Companies must ensure that consumers understand the financial and environmental returns on their investment in green products; for they are more willing to try new ones-especially those that cost more-when they find it easy to track the savings.
10. **Bring products to the people.** Having decided to buy green products, many consumers encounter a last hurdle-finding them-either because manufacturers don't keep up with demand or advertise where they can be bought, or because wholesalers and retailers don't stock them or display them prominently. Bio fuel enthusiasts, for example, must often drive out of their way to fill up.

So while the traditional marketing answer to the question, Should we market to the green consumer? Has been yes, the better answer is this: Instead of focusing on a green niche, focus on green behaviors that everyone can aspire to. The bottom line: Marketing needs to define what sustainability means for their company and then decide how to express those values in their offerings. Companies should stop trying to appeal to green consumers by building green myths into the products they have and start creating something real products that tell their environmental story for them.

Green marketing should not neglect the economic aspect of marketing. Marketers need to understand the implications of green marketing. If you think customers are not concerned about environmental issues or will not pay a premium for products that are more eco-responsible, think again. You must find an opportunity to enhance your product's performance and strengthen your customer's loyalty and command a higher price. Green marketing is still in its infancy and a lot of research is to be done on green marketing to fully explore its potential.

In a nutshell

- Green product development is more than just creating products that are environmentally friendly, it is about systemic change in society that includes consumers, producers and the general commercial structure within which they negotiate
- By widening & deepening the meaning of green, relevant actors will have an economic incentive to pursue green product development.
- Harnessing the market forces that favour green product development will lead to mainstream green.

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