

Green Marketing – The Fusion of Marketing Techniques with Sustainable Development

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Abstract

[Green marketing refers to the process of selling products and/or services based on their environmental benefits. As the demand for green products undoubtedly exists, Green Marketing provides an opportunity to the companies to increase their market-share by introducing eco friendly products. Stricter environmental regulations across the world, growing consumer preference for eco-friendly companies, and the inherent cost advantages in lowering toxic waste, are encouraging industries big and small to clean up. Though it's the responsibility of the firm to produce products, which are having minimum impact on the environment, ultimately it's the consumer who is having responsibility to use eco friendly products. Educated consumers choose environmentally preferable products when all else is equal. Ultimately green marketing requires that consumers 'Think Green, Think clean, Think Eco-friendly' i.e. they want a cleaner environment and are willing to "pay" for it, possibly through higher priced goods, modified individual lifestyles, or even governmental intervention. Until this occurs it will be difficult for firms alone to lead the green marketing revolution.]

Keywords: Green Product, Environmental Benefits, Market-Share, Individual Lifestyles, Governmental Intervention.

Introduction

Green marketing involves developing and promoting products and services that satisfy your customer's wants and needs for quality, performance, affordable pricing and convenience without having a detrimental impact on the environment.

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.

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. 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. Other similar terms used are Environmental Marketing and Ecological Marketing.

Green marketing refers to the process of selling products and/or services based on their environmental benefits. Such a product or service may be

environmentally friendly in it or produced and/or packaged in an environmentally friendly way.

Thus, green marketing incorporates a broad range of activities, including product modification, changes to the production process, packaging changes, as well as modifying advertising. Many firms are beginning to realize that they are members of the wider community and therefore must behave in an environmentally responsible fashion. So green marketing is also a way of looking at how marketing activities can make the best use of these limited resources while meeting corporate objectives.

Final consumers and industrial buyers also have the ability to pressure organizations to integrate the environment into their corporate culture and thus ensure all organizations minimize the detrimental environmental impact of their activities. With the human wants escalating heavily, the resources are decreasing. Hence it has become mandatory for the marketers across the globe to use the resources efficiently and not waste them under any circumstances. Green marketing is almost inevitable as the market for socially responsible products is increasing greatly.

Evolution of Green Marketing

The green marketing has evolved over a period of time. 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. 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.

Companies that develop new an 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.

Adoption of Green Marketing

There are basically five reasons for which a marketer should go for the adoption of green marketing. They are:

1. Opportunities or competitive advantage
2. Corporate social responsibilities (CSR)
3. Government pressure
4. Competitive pressure
5. Cost or profit issues
6. Green Marketing Mix

Perceptions of Green Marketing

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.

Importance of Green Marketing

Green marketing offers business bottom line incentives and top line growth possibilities. While modification of business or production processes may involve start-up costs, it will save money in the long term. For example the cost of installing solar energy is an investment in future energy cost savings.

Companies that develop new and improved products and services with environmental impacts in mind give themselves access to new markets, substantially increase profits and enjoy competitive advantages over those marketing non-environmentally responsible alternatives.

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

1. Organizations perceive environmental marketing to be an opportunity that can be used to achieve its objectives.
2. Organizations believe they have a moral obligation to be more socially responsible. Governmental bodies are forcing firms to become more responsible.
3. Competitors' environmental activities pressure firms to change their environmental marketing activities.
4. Cost factors associated with waste disposal, or reductions in material usage forces firms to modify their behaviour.

Green Marketing Mix

A model of a green marketing-mix should, of course, contain all 4P's and 4C's:

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.

Entrepreneurs wanting to exploit emerging green markets will either:

1. Identify customers' environmental needs and develop products to address these needs; or
2. Develop environmentally responsible products to have less impact than competitors.
3. Products that can be recycled or reused.
4. Products with environmentally responsible packaging.
5. Products with green labels, as long as they offer substantiation.
6. Organic products — many consumers are prepared to pay a premium for organic products, which offer promise of quality. Organic butchers, for example, promote the added qualities such as taste and tenderness.

7. A service that rents or loans products – such as toy libraries.
8. Certified products, which meet or exceed environmentally responsible criteria.
9. Whatever the product or service, it is vital to ensure that products meet or exceed the quality expectations of customers and is thoroughly tested.

Price: Prices for such products may be a little higher than conventional alternatives.

1. Pricing is a critical element of the marketing mix. Most customers will only be prepared to pay a premium if there is a perception of additional product value.
2. This value may be improved performance, function, design, visual appeal or taste. Environmental benefits are usually an added bonus but will often be the deciding factor between products of equal value and quality.
3. Environmentally responsible products, however, are often less expensive when product life cycle costs are taken into consideration. For example fuel-efficient vehicles, water-efficient printing and non-hazardous products.

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 easier to be market “green” than products imported.

1. The choice of where and when to make a product available will have significant impact on the customers you attract.
2. Very few customers will go out of their way to buy green products merely for the sake of it. Marketers looking to successfully introduce new green products should, in most cases, position them broadly in the market place so they are not just appealing to a small green niche market.
3. The location must also be consistent with the image you want to project and allow you to project your own image rather than being dominated or compromised by the image of the venue.
4. The location must differentiate you from your competitors. This can be achieved by in-store promotions and visually appealing displays or using recycled materials to emphasize the environmental and other benefits.

Promotion: A communication with the market should put stress on environmental aspects 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.

1. Promoting products and services to target markets includes paid advertising, public relations, sales promotions, direct marketing and on-site promotions.
2. Smart green marketers will be able to reinforce environmental credibility by using sustainable marketing and communications tools and practices. For example, many companies in the financial industry are providing electronic statements by email, e-marketing is rapidly replacing more traditional marketing methods, and printed materials can be produced using recycled materials and efficient processes, such as waterless printing.

3. Retailers, for example, are recognizing the value of alliances with other companies, environmental groups and research organizations when promoting their environmental commitment.

4. The key to successful green marketing is credibility. Never overstate environmental claims or establish unrealistic expectations, and communicate simply and through sources that people trust.

5. Promote green credentials and achievements. Publicize stories of the company's and employees' green initiatives. Enter environmental awards programs to profile environmental credentials to customers and stakeholders.

Belz and Peattie, in their book of *Sustainability Marketing*, have gone one step further in terms of not just marketing but operating "green". They transformed the 4 P's into the 4 C's.

The four C's are:

1. **Customer solutions:** These solutions go beyond selling physical products and present solutions to customer's problems. They imply knowing customers and their needs well and offering products and services that satisfy customer needs and that take into account social as well as environmental aspects.

2. **Customer Cost:** Customer Cost does not only include the financial price a buyer has to pay for a product or a service, it also considers the psychological, social and environmental costs of obtaining, using and disposing of a product.

3. **Communication:** "Green" communication goes beyond promotion, which is a form of persuasion and a one-way communication from seller to buyer. Communication is a process of interactive dialogue within which it is essential to build trust and credibility.

4. **Convenience:** Means that customer want to use products and services that meet their needs and that are easy and convenient to access and use.

Advantages and Disadvantages of Green Marketing

Green marketing involves companies positioning their products as environmentally friendly or energy efficient. Many different brands in a wide range of industries use green marketing as a way of standing out from among a crowded field of competitors, but green marketing can also cause problems for companies that rely on it at the expense of other forms of promotion.

1. Certification

To market products as "green" need to go through an expensive and lengthy process of getting environmental certifications. These certifications, which governments, industry associations, trade associations and consumer advocacy groups all distribute, require products to meet certain standards for energy use, efficiency or recyclability. Meeting these standards may be difficult, especially while keeping prices low. However, without an official certification, customers have no way of gauging the truth behind "green" claims.

2. Increased Scrutiny

If company's marketing makes claims about its green products or an overall commitment to environmental sensitivity, it may open up to enhanced scrutiny from consumers and environmental protection groups. Analysts may examine

everything from how much energy the manufacturing processes use to acquire raw materials and how much packaging to ship the products to market. Making environmental claims might only be wise once instituted a green policy that reaches every level of production and operations.

3. Individuality

Green marketing can make the company stand out from among others who have products with similar quality or prices. Green marketing promotes a more thoughtful, responsible corporate image. This holds true even for customers who don't make environmental concerns a major priority. It also gives company's marketing materials a wider range of talking points besides conventional claims about low prices, durability and style, all of which customers have heard many times before.

4. Customer Reactions

Green marketing can result in different types of customer reactions, which can serve as benefits or drawbacks to such a marketing strategy. Environmentally conscious consumers may flock to brand and embrace the products. It may also be able to use green marketing to gain an increase in neutral consumers who value other features more but see the environmental benefits of the products as a slight advantage over similar competing products.

On the other hand, some consumers equate green marketing with products that cost more or sacrifice practical value for vague or unproven environmental benefits. Green marketing may seek to avoid this negative connotation by using new terminology. For example, the website Environmental Leader notes that the construction industry uses the term "high-performance building" to avoid customer concerns over decreased durability when it comes to green construction materials and techniques.

There are a number of potential problems that must 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.

Strategies of Green Marketing

The marketing strategies for green marketing include:

- a) Marketing Audit (including internal and external situation analysis)
- b) Develop a marketing plan outlining strategies with regard to 4 P's
- c) Implement marketing strategies
- d) Plan results evaluation

Problems of Green Marketing

Although a large number of firms are using green marketing, there are a number of potential problems which need to be addressed. One of the main problem is that firms using green marketing must ensure that their activities are not misleading to the consumers or the industry, and do not breach any of the regulations or laws dealing with environmental marketing. In short, green marketing claims of a firm must:

- i. Clearly state environmental benefits;
- ii. Explain environmental characteristics;
- iii. Explain how benefits are achieved;
- iv. Ensure comparative differences are justified;
- v. Ensure negative factors are taken into consideration; and
- vi. Only use meaningful terms and pictures.

Furthermore, as many firms have tried to modify their products due to increased consumer concern, are misled with the fact that consumer's perceptions are always correct. While governmental regulation is designed to give consumers the opportunity to make better decisions or to motivate them to be more environmentally responsible, there is difficulty in establishing policies that will address all environmental issues. For example, guidelines developed to control environmental marketing address only a very narrow set of issues, i.e., the truthfulness of environmental marketing claims. If governments want to modify consumer behavior they need to establish a different set of regulations.

Thus governmental attempts to protect the environment may result in a proliferation of regulations and guidelines, with no one central controlling body. While this may be beneficial, it does not necessarily address the larger environmental problem, though it may minimize its short term affects.

Ultimately most waste produced will enter the waste stream, therefore to be environmentally responsible organizations should attempt to minimize their waste, rather than find "appropriate" uses for it.

Challenges of Green Marketing

Green marketing, though seems to be the need of every business today, and undergoes the following upcoming challenges:

1. Green products require renewable and recyclable material, which is costly.
2. Requires a technology, which requires huge investment in R & D.
3. Water treatment technology, which is too costly.
4. Majority of the people are not aware of green products and their uses.
5. Majority of the consumers are not willing to pay a premium for green products.

Golden Rules of Green Marketing

In order to protect the corporates from the common pitfalls and start to take advantage of new opportunities, the following Rules of Green Marketing can be followed by organisations:

1. **Know your customer.** If companies want to sell a greener product to consumers, they first need to make sure that the consumer is aware of and concerned about the issues that their product attempts to address.
2. **Empower consumers.** Companies must make sure that consumers feel, by themselves or in concert with all the other users of their product, that they can make a difference. This is called "empowerment" and it's the main reason why consumers buy greener products.

3. **be transparent.** Consumers must believe in the legitimacy of the company's product and the specific claims they are making.

4. **Reassure the buyer.** Consumers need to believe that the company's 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 companies are charging a premium for their product — and many environmentally preferable products cost more due to economies of scale and use of higher-quality ingredients — they should 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 companies must keep this in mind as they develop their target audience and product specifications.

The Future of Green Marketing

There are many lessons to be learned to avoid green marketing myopia, the short version of all this is that green marketing requires applying good marketing principles to make green products desirable for consumers. Business scholars have viewed it as a “fringe topic”, given that environmentalism's acceptance of limits and conservation does not mesh well with marketing's traditional axioms as the marketer can. Evidence indicates that successful green products have avoided green marketing myopia by following the important principles

- a. Consumer value position
- b. Calibration of consumer knowledge
- c. Credibility of Product Claim

Conclusion

Green marketing covers more than a firm's marketing claims. While firms must bear much of the responsibility for environmental degradation, ultimately it is consumers who demand goods, and thus create environmental problems.

It must be remembered that it is the uncaring consumer who chooses to dispose of their waste in an inappropriate fashion. While firms can have a great impact on the natural environment, the responsibility should not be theirs alone. It appears that consumers are not overly committed to improving their environment and may be looking to lay too much responsibility on industry and government.

Ultimately green marketing requires that consumers want a cleaner environment and are willing to "pay" for it, possibly through higher priced goods, modified individual lifestyles, or even governmental intervention. Until this occurs it will be difficult for firms alone to lead the green marketing revolution. It must not be forgotten that the industrial buyer also has the ability to pressure suppliers to modify their activities.

Thus an environmental committed organization may not only produce goods that have reduced their detrimental impact on the environment, they may also be able to pressure their suppliers to behave in a more environmentally "responsible" fashion. Final consumers and industrial buyers also have the ability to pressure organizations to integrate the environment into their corporate culture and thus ensure all organizations minimize the detrimental environmental impact of their activities.

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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