

“A COMPREHENSIVE STUDY ON GREEN MARKETING”

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ABSTRACT :

Now a days there is growing interest among all sections of public regarding protection of environment, promote social development and to discard the ignominy of widespread poverty. Worldwide evidence indicates people are concerned about the environment and are changing their behaviour. As a result the concept of “eco friendly” has come in existence. This concept is not only limited to the production activity, but also spread to all functions of business. The Marketing is the main function of every business concern. Application of eco friendly function in marketing is simple called as “Green Marketing”, Environmental Marketing”, Ecological Marketing”, became topics of discussion in the popular press. As a result, green marketing has emerged a means for sustainable and socially responsible business. The object of this study is to understand the concept of green marketing, the benefits, measures to take to implementation green marketing.

Key Wards: Eco friendly, Green marketing

“A honeybee gathers nectar from the flowers to produce honey but in the process the flower does not loose either its shape or its fragrance”. – Rigveda.

INTRODUCTION:

Now a days there is growing interest among all sections of public regarding protection of environment, promote social development and to discard the ignominy of widespread poverty. Worldwide evidence indicates people are concerned about the environment and are changing their behaviour. As a result the concept of “eco friendly” has come in existence. This concept is not only limited to the production activity, but also spread to all functions of business. The Marketing is the main function of every business concern. Application of eco friendly function in marketing is simple called as “Green Marketing”, Environmental Marketing”, Ecological Marketing”, became topics of discussion in the popular press. As a result, green marketing has emerged a means for sustainable and Socially responsible business.

All the Governments in the world have become so concerned about green marketing activities that they have started to regulate them (Polonsky, 1994a). (Introduction of CNG – New Delhi). This Discloses society’s concern with environment.

As society becomes more concerned with natural environment, businesses have to modify their behaviour in an attempt to address society’s new concerns. Some businesses have been quick to Concepts like environmental management system and integrated environmental issues into all organisational activities.

OBJECTIVES:

The objective of the present paper has been to study the business practices of Indian Industry general in the thrust area of green marketing. However, specific objectives include;

1. To study the evolution of green marketing in India.
2. To study the benefits implementation of green marketing.
3. To analyse the methods used by firms in green marketing, and
4. To study on how do firms avoid green marketing myopia.

METHODOLOGY

The Present study is of descriptive nature. Therefore the use is made of secondary data collected mainly from various journals, articles, and online database research papers. The primary data has collected through discussion with experts and by following contemporary developments on the relevant topic in the popular print and electronic media.

CONCEPT OF GREEN MARKETING:

The concept of Green marketing is the budding concept in India. It is implementing to all consumer and producer goods and services also. Implementation of eco friendly concept in Production process, product modification, product packing, advertising etc comes under Green Marketing.

Defining green marketing is not a simple task where several meanings intersect and contradict each other. The existence of varying social, environmental definitions attached to this term deserves close examination. Other similar terms used are Environmental Marketing and Ecological Marketing. The legal implications of marketing claims call for caution. Misleading or overstated claims can lead to regulatory or civil challenges.

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.

BENEFITS OF GREEN MARKETING

Companies that develop new and improved products and services with environmental friendly 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.

In India, Companies are adopting green marketing initiatives due to the following reasons:

1. Business Opportunity

In India, around 25% consumers in general prefer environmental-friendly products, and around 28% may be considered health conscious. Therefore, green marketers have diverse and fairly sizeable segments to cater to. The Surf Excel detergent which saves water and the energy-saving LG consumers durables are examples of green marketing. We can see green buildings which are designed efficiently 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) gained tremendous impetus over the last few years.

2. Social-Responsibility

Companies have started realizing that they must learn to behave in an environment friendly manner. They can balance both in achieving environmental objectives as well as profit related objectives. The HSBC became the world's first bank to go carbon – neutral last year. Other example include Coca - Cola, which has invested in various recycling activities. Walt Disney World in Florida, US, has an extensive waste management program and infrastructure in place.

3. Governmental Regulation

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

4. Competitive Pressure

Many companies take up green marketing to maintain their competitive edge. The green marketing initiatives by niche companies such as Body Shop and Green & Black have forced many competitors to follow suit.

5. Cost Control

Reduction of harmful waste may lead to substantial cost savings. Sometimes, many firms develop a synergy whereby the waste generated by one company may be used by another as a raw material. For example, the fly ash generated by thermal power plants, which would otherwise contribute to a gigantic quantum of solid waste, is used to manufacture cement as well as bricks.

ADVANTAGES OF GREEN STRATEGIES FOR THE CORPORATE SECTOR

Green strategies are designed not only for environmental protection but also for the benefit of the Organisation. The strategies which benefit the environment as well as the organization may in fact help the cause, since they would be more sustainable when compared to pure philanthropic activities, otherwise known as Corporate Social Responsibility. The benefits of the environmental friendly strategies for the organization can be broadly listed as:

- Higher profitability by charging a higher price for environmental friendly products.
- Positioning products based on environmental friendly features.
- Increasing market share by developing consumer preference for environment friendly products.
- Building brand equity by associating with environment friendly practices and products.

FACTORS FAVOURING USE OF GREEN MARKETING

Review of existing literature revealed several reasons for companies focus Green Marketing as a Priority. Five prime reasons found in the previous studies are:

1. Companies perceive environmental marketing to be an opportunity that can be used to achieve its objectives. [Keller, 1987; Shearer, 1990]
2. Companies believe they have a moral obligation to be more socially responsible [Davis, 1992; Freeman and Liedtka, 1991; Keller, 1987, McIntosh, 1990, Shearer, 1990]
3. Government regulation is forcing companies to become more responsible [NAAG 1990]
4. Competitors' environmental activities force firms to change their environmental marketing Activities [NAAG 1990] and
5. Increased awareness among executives and employees on the environmental problems Pressurise companies to adopt environmental friendly policies.

METHODS TO IMPLEMENT GREEN MARKETING

Green Marketing involves focusing on promoting the consumption of green products. Therefore It becomes the responsibility of the companies to adopt creativity and insight, and be committed to the Development of environment-friendly process and products. This will help the society in the long run Companies which follow green marketing should understand the following principles in their Transition towards “greenness”.

1. Develop new technology and process or modify existing one so as to reduce environmental Pollution.
2. Establish a management and control system that will lead to the adherence of stringent environmental safety norms.
3. Shifting to more environment friendly raw materials at the production stage itself.
4. Ensuring recycling of the used products in order to ensure safety of environment.
5. Developing an environmental audit within the company activities and ensuring that the net Impact of the company activities is positive from environment side.
6. Developing green labels with distinguished package.
7. Including green products in advertising campaigns
8. Placing company products through exclusive retail outlets meant for green brands.
9. Participating in the green initiatives at the industry level
10. Making the company premises green by incorporating green design which could save electricity, water, flora and fauna of the locality.

AVOIDING GREEN MARKETING MYOPIA

Many marketers are obsessed to develop product offering rather than meeting customer needs, the condition termed as “Marketing Myopia” by Theodore Levitt (1960), Jacquelyn and Edwin (2006) build on this further to explain “Green Marketing Myopia”. They suggested that Green Marketing must focus on two objectives : improved environmental quality and customer satisfaction . misjudging or overemphasizing one at the cost of the other can lead to Green Marketing Myopia. Such myopia occur when products fail to provide credible environmental benefits.

Evidence indicates that successful green products have avoided green marketing myopia by following three Important principles: consumer value positioning, calibration of consumer knowledge, and the credibility of product claims.

1. Customer Benefit Positioning:

- a. Design environmental products to perform as well or better than available alternatives.
- b. Promote and deliver the consumer desired value of environmental products
- c. Target suitable consumer market segments.
- d. Expanding the value proposition by bundling extra value into environmental products.

2. Enhance Consumer Knowledge:

- a. Advertise with messages that connect environmental product attributes with desired consumer value.
- b. Promote environmental product attributes as solutions for consumer needs like “rechargeable batteries offer longer performance”
- c. Catch them young through introducing products to young consumers.

3. Credibility of product Claims:

- a. Employ environmental product and performance claims that are specific, meaningful, self-explanatory, and qualified when compared with comparable alternatives.
- b. Employ product endorsements or eco-certifications from trustworthy third parties to educate consumers.
- c. Encourage consumer interface through consumer’s social and Internet communication networks with compelling, interesting, and entertaining information about environmental products.

ORGANISATIONAL CHALLENGES WITH GREEN MARKETING

Businessmen want green products, but they are not clear as to how to define what green products are. They don’t trust manufacturers claims about how green their products are, but don’t have anyone else. “However, in the face of this they’re poised and ready to avoid manufacturers who lie to them. “Shelton added – both by boycotting their products and telling peers to do so as well. The consumers are still not buying green products because of inconvenience, lack of awareness, higher costs, and lower performance with significant environmental benefits. Certain reasons for the consumer resistance are as follows:

High Cost Materials: Production of Green products need renewable and recyclable material, which is Expensive in comparison to general products. This higher cost adds to the product price for which Consumers are not necessarily willing to pay. Common men are not concerned about environmental Issues which in turn cease the motivation to pay a premium for products that are more eco-friendly.

Huge Investment: Manufacturing green products need innovative technologies. As we know any thing innovative require unorthodox measures, thus producing such products would require greater investments in comparison to some thing which is produced on an orthodox assembly line. Apart from that these innovations require huge investment in R & D which adds up to the cost of the final product.

Majority of the consumers are not aware of green products and their uses. Green marketing should promote the socio environmental aspects. Marketers need to understand the long term implications of green marketing. The ecological objectives in planning product development are to reduce resources consumption, pollution and increase conservation of scarce natural resources.

Unwillingness to pay Premium: In India, majority of consumers are not willing to pay a premium for green products because of the price sensitive nature of our market. Price becomes a critical factor of consideration for green marketers. Most consumers will pay extra price, if there is a perception of extra product offering. This value may be improved performance, function, design, visual appeal or taste. Green marketing should take all these factors into consideration while deciding price.

Lack of trust by consumers: Green marketing involves developing and promoting products and services that satisfy customers want and need for Quality, Performance, Affordable pricing and Convenience in an environmentally friendly manner and letting the consumer take part in positive environmental action. Trust between the consumer and marketer is a precondition for effective green marketing.

KEYS TO SUCCESSFUL IMPLEMENTATION OF GREEN MARKETING

Green Marketing isn't just a catchphrase or fad. It is essentially a futuristic marketing strategy that can help a company get more customers and achieve marketing success. Companies have to redefine their priorities in the 21st century for commanding the respect of the future generations. Companies have to modify their corporate strategy for successful implementation of this. In order to achieve effective green marketing, they have incorporated the following changes.

1. **Change Corporate Mission:** Priorities of the 21st Century require the involvement of corporate sector in conservation of our nature. Sustainability of the processes, products and development assume as a benchmark in choice of human.
2. **Give Strategic Thrust to Environment Protection:** While framing corporate strategy. Environmental protection requires to be given top priority. Failing to do so would put heavy demands on the corporate policy from public forums. Hence the new direction of corporate strategy must be environmental protection.
3. **Develop green Technologies:** Companies have to allocate huge resources for development of green technologies. It does not require total change in our technology rather confirming to what is the need of the ecology.
4. **Being genuine:** It implies that you are actually doing what you claim to be doing in your green marketing campaign and the rest of your business policies are consistent with whatever you doing that's environmentally friendly. Both these conditions have to be met for a business to establish the kind of environmental credentials that will allow a green marketing to succeed.
5. **Customer Education:** It involves letting consumers know your processes, production methods to protect the environment. Company has to allow the target consumers to visit and observe the manufacturing processes. Significance of each and every thing you undertake as an enterprise will have an impact on environment which needs to be explained.
6. **Educate Employees:** Employees are our first customers. Without convincing them, we can not incorporate any change in the company strategy. Hence, Green Marketing campaign must start with the employees first which can easily percolate down to the employee level.
7. **Customer participation:** Customer is King for a marketing company. It means involving customers in marketing decisions taken by company and through the implementation process. It enhances the awareness of customers about the benefits of your environmentally friendly actions. The key here is to show potential customers that the company follow green business practices and you could harvest more green on your bottom line.

SOME CASES (Corporate Initiatives Towards Green Marketing)

ICICI BANK - ICICI in conjunction with the Bombay Natural Society, an NGO, has launched a "Go Green" tree-planting initiative in Mumbai. ICICI also encourages its customers to sign up for paperless bank statements, and the bank plants a tree for each complying customer.

The ITC LTD. (previously called the Imperial Tobacco Company of India), whose product portfolio extends from faster moving consumer goods to hospitality, has adopted the social mantra, "Let's put India first." The 4.5 billion-dollar company's triple bottom-line approach in which economic, environmental, and societal performance are all taken into account, has achieved milestone tags, such as "carbon positive," "zero solid waste," and "water positive."

Introduction of CNG – New Delhi, The capital of India, was being polluted at a very fast pace until the Honourable Supreme Court of India forced a change to alternative fuels. In 2002, a directive was issued to completely adopt CNG in all public transport systems to curb pollution.

CONCLUSION

Green Marketing is important because it offers Indian Industry bottom-line incentives and top line growth possibilities. While businesses have to understand the limitations of straight adaption of green marketing in a third world country like India, they shall not be complacent by believing that it is another western concept. They have to understand the Market benefits, cost benefits, technology benefits and finally the benefits of scale through the concept. Indian Industry has to understand the ultimate truth in the triple bottom-line approach of balancing the planet, people and profit in designing their marketing activities on a global scale. On the other hand they have to overcome a natural weakness popularly known as the Green marketing myopia and be wise through focusing on early mover advantage in India Green marketing will have high initial start-up costs but ultimately lead to monetary savings in the long run when they follow the suitable methods of implementing Green marketing. This is a must as Indian Industry in general aspires to play a key role in global marketing in the near future.

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