

GREEN MARKETING: OVERVIEW

Prof. Mrunal Mehta

Assistant Professor, JG College of Commerce

Contact No.: +91 942 657 3330, Email Id.: mrunal_mehta18@yahoo.com

Dr. Belur Baxi

Assistant Professor, GLS University

Contact No.: +91 9328517755, Email Id.: b.baxi71@gmail.com

Abstract

Human activities have a negative impact on the environment. In the last decade the environmental sustainability has raised at the top of the international political agenda, Corporate and social agenda it has been recognized as a key driver of innovation. This study is the conceptual paper with the objective to understand the concept, mix, advantages, and challenges of Green marketing. The literature review is done with the help of books, research papers, articles, reports, and websites. On the basis of the literature review, we draw a conclusion that Marketers need to develop a green marketing mix. Although it is difficult to implement it one needs a separate set of strategies for implementing such a mix. There is a segment in the market that is ready to pay a premium price for the green product. Sustainable development of the country and organization can't be possible without green products and production.

Keywords: Greening, Green marketing, Marketing mix, Advantages, challenges, sustainable, unsustainable.

INTRODUCTION

Human activities have its impact on the environment. Governments all over the world are making efforts to minimize the negative impact of human activities on the environment. Today society at large becomes more concerned with environmental issues. Understanding the new concern of the society the business has also modified their practices and policies in the way that it integrates with environmental issues. Green marketing is not just adopted by corporates but also integrated as a part of the syllabus by the academicians. The government of India is highly concern about green marketing that they attempt to regulate green marketing. There is a number of environmental issues created due to the production of goods and services. Green marketing is the solution to varied environmental problems (issues): as it saves water, reduces pollution, cut toxic pollution, and clean indoor air and easily recyclable products.

The definition of green marketing is confusing as it includes anything from greening product to actual campaign of marketing. Green marketing is also known with the alternative names such as Environmental marketing, Sustainable marketing, Organic marketing, Eco markets or Green advertising.

DEFINITION

“Green marketing is the process of promoting products or services based on their environmental benefits.”

The first definition related to Green Marketing dates back to 1976 when Hennion and Kinnear (p. 1) highlighted that Ecological Marketing was “concerned with all marketing activities that have served to help because environmental problems and that may serve to Provide a remedy for environmental problems”.

Fuller (1999, p.4) of Sustainable Marketing as “the process of planning, implementing and controlling the development, pricing, promotion, and distribution of products in a manner that satisfies the following three criteria: (1) customer needs are met, (2) organizational goals are attained, and (3) the process is compatible with eco-systems”. This definition of green marketing has focused on cleaner production and operation system.

According to Kotler (1991), Marketing is the social process by which individuals and groups obtain what they need and want through creating and exchanging products and value with others. The marketing concept is a customer orientation backed by integrated marketing aimed at generating customer satisfaction as the key to satisfying organizational goals. But this concept has undergone a change, now consumers are not focused on getting just good quality products but a product that is environmentally friendly, recyclable, reusable and planet-friendly. This need of society is fulfilled by Green Marketing.

Green Marketing as defined by American Marketing Association(AMA) is the marketing of products that are presumed to be environmentally safe; it incorporates several activities such as product modification, changes in production processes and packaging, advertising strategies and also increases awareness on compliance marketing amongst industries.

OBJECTIVES

1. To understand the concept of green marketing
2. To understand the importance of Green marketing.
3. To see the challenges of Green marketing.

RESEARCH METHODOLOGY

The paper is a conceptual research paper. The research is exploratory in nature; it focuses on Literature review, News Papers, Journals, websites and other reliable sources.

LITERATURE REVIEW

The literature is taken from reputed journals of both National and International Journals pertaining to Green Marketing and its related issues. The literature has also been reviewed through Text Books, Magazines, & Websites.

R. Surya, 2Dr. Mrs. P. Vijaya Banu(2014) concluded that Consumers, industrial buyers, and suppliers need to pressurize the minimizing of the negative effects on the environment. Green marketing assumes even more importance and relevance in developing countries like India. In the process of green marketing economical aspect should not be neglected and to earn the brand loyalty & higher price for the product, the producers have to focus on the performance & strength of the product. P.Raman (2014) stated that Greening is a journey, not a destination. Greening capabilities can be implemented & enhance by the continuous effort over the period of time. Greening is not a single function it is a combination of cross-functional collaboration within & outside the organization. Kumar, Ishwar Kumar ...et al (2011) have concluded that Go Green is only the way of Survival. In the present senior consumer's consumption pattern has shifted from Unsustainable to Sustainable Product. The transformation in consumer behavior has compelled the corporate to rethink about their products and service; they have to shift from unsustainable to sustainable products. The companies have redefined the marketing mix that helps them to introduce new image in the market. Superset Kara (2015) has analyzed that the automobile industry is very lucrative in the Indian market due to an increase in disposable income in the urban and rural areas. The automobile companies are induced to use environmentally and socially preferred production with the expectation to earn high profit and large market share. The companies can earn and retain customers by developing proper drivers to channelize the customers towards environment-friendly products. According to the Ekta Rastogi, Dr. M.S.Khan (2017) green marketing is not a choice but it is a compulsion for the sustainability and survival of the companies. Green marketing is focusing on importance, impact on competitiveness & performance and improving the effectiveness of green marketing. Dr. Jaya Tiwari has concluded that Green marketing is still in the childhood age in India but then also Indian customer's behaviors have shifted from unsustainable to sustainable products and even they are ready to pay a premium price for the Green product.

McKinsey Quarterly, Mar 2008 report based on the survey conducted in Brazil, Canada, France, Germany, India, United Kingdom, and the United States has revealed that consumers say that they are concerned about the environment and worried about the air pollution, depletion of natural resources, hole in the ozone layers, shrinking of animal habitat, etc. Further to this, the report has indicated that 87% of these consumers are concerned about the environmental and social impacts of the products they buy. However, when it comes to the actual purchase, the purchase behavior differs from what they say. It may be because of consumer's laziness, not sincere towards the environment. But, it may not be the only reason for not buying a green product. It may be consumers are not properly educated about the benefit of green products or it may be firms are not been able to make the green products that can satisfy consumers by fulfilling their needs. Many customers buy Green Product for the non-green reasons without even knowing that they are green or not necessarily for environmental reasons while buying the product. For example, recycle or biodegradable paper products like napkins, towels, computer paper etc.

GREEN MARKETING - EVOLUTION

According to Peattie (2001), the evolution of green marketing has three phases:

Stage one: "**Ecological**" green marketing, and during this period all marketing activities were concerned to help environmental problems and provide remedies for environmental problems.

Stage two: "**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.

Stage three: "**Sustainable**" green marketing. It came into prominence in the late 1990s and early 2000 concerned with developing good quality products which can meet consumers need by focusing on the quality, performance, pricing, and convenience in an environment-friendly way.

GREEN MARKETING – CHARACTERISTICS

1. Products that are originally grown.
2. Products that are recyclable, reusable and biodegradable.
3. Products with natural ingredients.
4. Products containing recycled contents and nontoxic chemicals.
5. Products contents under approved chemicals.
6. Products that do not harm or pollute the environment.
7. Products that will not be tested on animals.
8. Products that have eco-friendly packaging i.e. reusable, refillable containers, etc.

GREEN MARKETING- GOLDEN RULES

1. Know your Customer: Make sure that the consumer is aware of and concerned about the issues that your product attempts to address.
2. Educating your customers: It is not just a matter of letting people know, whatever you're doing is to protect the environment, but also a matter of letting them know why it matters.
3. Being Genuine & Transparent: means that a) You are actually doing what you claim to be doing in your green marketing campaign and b) The rest of your business policies are consistent with whatever you are doing that's environment friendly.
4. Reassure the Buyer: Consumers must be made to believe that the product performs the job, in this firm should not forget product quality in the name of the environment.
5. Consider Your Pricing: If you are charging a premium for your product and many environmentally preferable products cost more due to economies of scale and use of higher-quality ingredients make sure those consumers can afford the premium and feel it's worth it.

GREEN MARKETING -MARKETING MIX

Four P's of the marketing mix are the most important element for the success of companies. The right composition of these 4p's accelerating the business.

Green Product: A product could be called "green" if its production process is eco-friendly and less damaging to the environment. Every business is responsible for reducing environmental pollution in its production process.

Green Price: The process of going green is expensive in terms of installing new technology and equipment, training people, absorbing external costs, and converting waste into recycled products. These costs are inevitably integrated into the final price of a product. Green price is, therefore, a premium price, which further increases with the addition of the cost of promotion. These expenses must be rationalized by marketing efforts; at the same time, consumers must be encouraged to shell out a premium price. The practices of green pricing consider both the economic and environmental costs of production and marketing, while simultaneously providing value for customers and a fair profit for the business.

Green Place: Green distribution denotes the selection of channels in a manner that minimizes environmental damage. Most of the damages to the environment occur during the transportation of goods. Hence, firms must implement safety precautions for the delivery of products.

Green Promotion: Green marketing likewise involves promoting the material of business. Sales promotions, direct marketing, public relations, and advertising are some of the means of conveying to the customers the core message of greenness green promotion programs are an effective means of informing stakeholders about their environmental preservation efforts, commitment, and achievements. From the tactical perspective, firms can undertake programs that are designed to reduce the detrimental environmental effects of their marketing communication efforts.

GREEN MARKETING – ROLE OF IT

IT departments are under the pressure to deliver environmentally sound solutions. Large data centers are one of the most significant energy consumers in an organization's IT infrastructure, so any measures that the organization can take to reduce this consumption will have a positive impact on the organization's environmental footprint. A green data center is defined as one in which the mechanical, lighting, electrical and computer systems are designed for maximum energy efficiency and minimum environmental impact. The construction and operation of a green data center are involved in advanced technologies and strategies.

Some examples include:

- i. Reducing the power consumption of the data center.
- ii. Using low-emission building materials, carpets and paints.
- iii. The consumption of energy is considered dominant and often the only factor in defining whether or not a facility is green.

GREEN MARKETING – ADOPTION

1. Opportunities: As demands change, many firms see these changes as an opportunity to be exploited and have a competitive advantage over firms marketing non-environmentally responsible alternatives.
2. Governmental Pressure: As with all marketing-related activities, governments want to “protect” consumers and society; this protection has significant green marketing implications.
3. Competitive Pressure: Another major force in the environmental marketing area has been the firms’ desire to maintain their competitive position. In many cases firms observe competitors promoting their environmental behaviours and attempt to emulate this behavior. In some instances, this competitive pressure has caused an entire industry to modify and thus reduce its detrimental environmental behavior.
4. 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.
5. Cost or Profit Issues: Firms may also use green marketing in an attempt to address cost or profit related issues. Disposing of environmentally harmful by-products, such as polychlorinated biphenyl (PCB) contaminated oil are becoming increasingly costly and in some cases difficult.

GREEN MARKETING – CLASSIFICATION

According to Ginsberg and Bloom the companies are classified in the four categories:

1. Lean Green- These companies adopt green practices but they do not focus to publicize these initiatives. They implement environment-friendly practices just for cost reduction & improve efficiency.
2. Defensive Green-This kind of marketer uses green marketing as a precaution to avoid the crisis situation or to counter the competition. They use green marketing to create a positive brand image. Environment initiatives may be sincere but temporary just to differentiate from the competitors.
3. Shaded Green- The companies that adopt a shaded green strategy invest in long-term, environmentally friendly processes that require significant financial and nonfinancial dedication. They differentiate their product on the basis of greenness.
4. Extreme Green- Extreme green adopts green marketing mix in a holistic manner. They integrate environmental concerns in overall marketing strategy. The greenness is the main driving force for the companies. Concept of life cycle assessment, total environmental quality management, waste reduction, and environment friendly.

GREEN MARKETING- ADVANTAGES

1. It ensures sustained long term growth along with profitability.
2. It saves money in the long run, though initially, the cost is more.
3. It helps the companies market their products and services keeping the environmental aspects in mind.
4. It helps in accessing the new markets and enjoying the competitive advantage.
5. Most of the employees also feel proud and responsible to be working for an environmentally responsible company.
6. A company can enter new markets when it brings attention to a positive environmental impact.
7. Gain more profit from green marketing
8. Green marketing brings a competitive advantage
9. Raise awareness of important environmental or social issues
10. It makes the company out the line, which helps them to gain profit in a long time.

GREEN MARKETING – CHALLENGES

1. Need for Standardization
2. New Concept
3. Patience and Perseverance
4. Avoiding Green Myopia
5. **Change leads to costs**
6. **It is hard and costly to get Green Certifications.**
7. Companies may intentionally or unintentionally make false claims regarding the environmental friendliness of their products, a process known as “greenwashing.”
8. Sometimes customers don’t accept natural products because it is costly as a comparison to normal products.

GREEN MARKETING PRACTICES

Many organizations have adopted green marketing concept. The adoption of green products among consumers is one of the biggest challenges. Over and above making the entire production process green is extremely difficult. Hence, organizations are making initiatives in the part. Anyone of the element of the marketing mix has been focused and marketers make an attempt to practice green marketing. The following are different green marketing practices adopted by selected marketers.

GREEN PRODUCT

Making environment safe product is one of the challenging tasks for the marketer. Using eco-friendly material either in the product or packing is included in it.

Green Tyres by MRF

MRF is the leading tyre manufacturing company in the country with the highest market share. MRF has come up with a unique product in the category of car tyres. Eco-friendly tyres are made to reduce fuel consumption, which is affected by the rolling resistance of a tyre. As tyre treads on a surface, it creates friction. The more the friction, the higher is the fuel consumption. Green tyre reduces the amount of friction created by their movement. In other words, their lower rolling resistance means that the vehicles fitted with these types of tyres won't consume much fuel while traveling.

ITC Classmate

Paper is one of the important product whose raw material one can get from trees. Paper production is one of important and complex process. To make paper whiter one needs to use chlorine. But chlorine is harmful to the environment of the earth. Repeat exposure to chlorine in the air can affect the immune system, the blood, the heart, and the respiratory system of animals also. ITC has developed a production process of paper that does not require chlorine for making writing paperwhite.

GREEN PRICE

Either no use of paper or use of third stage recycled paper for the bill can be treated as effective initiatives in this area.

McDonald is using third-grade recycled paper

McDonald's is one of the most popular brands among youngsters in the world. The daily footfall of the restaurant is significantly higher in downtown during Saturday and Sunday. Hence the company has started using third-grade recycled paper in its billing system. This is a huge saving in the consumption of fresh paper. This is an indirect way of protecting the earth from cutting trees.

E-bill by restaurant or Kirana Store

Digital bill is one of the important concepts in marketing. Slowly and gradually this concept is being adopted by many restaurants, kiranawala as well as organized retailers also. Products are scanned at the billing counter and later on, the bill is either mailed or messaged to consumers and payment is made digitally. This saves paper to a great extent.

GREEN PLACE

ITC Hotels

ITC Grand Chola is the World's largest LEED (Leadership in Energy and Environmental Design and is an independent, non-profit, third-party rating system established by the U.S. Green Building Council) Platinum-certified green hotel. ITC Gardenia, ITC Windsor, ITC Maratha, and ITC Grand Chola are powered 100% by renewable energy. ITC Sonar is the only Hotel in the World to have earned carbon credits. ITC has designed hotels in such a way that one can get maximum lighting as well as develop vertical gardens also. This garden generates sufficient oxygen.

Lowest Carbon footprint Project Place

L&T is an engineering giant of India. The company is considering the environment as the most important aspect. Hence every activity of the firm is designed after considering the environmental effect. The company determines target lowest carbon footprint from particular operations. After that, every step of production and other activities are designed.

GREEN PROMOTION

Eco-friendly Media

Promotion of local brands in selected cities through radio channel is one of the important aspect of the promotion strategy of many brands in Ahmedabad city. Usage of electricity is comparatively less in the Radio Advertisement. Different Ice cream brands in the city are using battery running “Lari” for vending ice creams. It is two in one process. Selling product and making advertisement also. Entire Lari is running on second hand battery. Over and above entire lari is using LED lighting system. Thus power consumption level is lower.

Product Promotional activities with social responsiveness

Times of India have launched one very unique Public Relationship programme called “Happy Street” in collaboration of Ahmedabad Traffic Police and Ahmedabad Municipal Corporation. One particular Road is being occupied by the participants for various activities. Times of India provide several small equipments for street activities. The objective of entire programme is to provide space for kids and young ones for outdoor activities. Thus promotion of entire Times group can be done with good social cause and without creating adverse activities to the earth.

GREEN SERVICES

Withdrawal of Cash though card (without use of paper) by SBI

State bank of India come up with green channel. Under this one can withdraw money and deposit money through card in bank without using a paper. It saves paper to great extent. Confirmation of transaction is done with audio. This creates trust amongst users.

CONCLUSION

The concept of green marketing is new so it is difficult to implement it. The green marketing is not free from challenges even though it has number of advantages. Now with the interference of government the application of greening will be fast. Greening is not the result it is the long - time visionary and costly process. Companies have to develop for p's for the on the bases of greening but companies should not avoid economical aspect. Consumers are ready to premium price for green products. Greening is not a choice for marketers it is compulsion for their growth and survival.

Marketers know that Green Marketing is need of an hour. It is extremely difficult to make every element of marketing mix either eco-friendly or green. Hence marketers make an attempt to make one of P of marketing mix eco-friendly. Currently very few marketers have adopted such practices. We can expect that in near future more and more marketers can understand need of Green marketing and align their practices in such direction. One should create fund for discovering or inventing such Green Marketing Practices.

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