

GREEN REVOLUTION IN MARKETING

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ABSTRACT

Globally, business environment is passing through the phase of dynamic change where the needs and expectations of the people are changing day by day. Ecological issues regarding energy use, resource depletion, pollution, waste, ecological health and human health have been a matter of concern over a period of time. The customers are becoming more eco-responsible and are concerned about environmental issues. Green marketing in a broader sense is an ethical approach and also acts as an environmental protection tool that encourages businesses to become socially responsible to provide better products and contribute to the community. As such, green marketing is not just an environmental protection tool but also, a marketing strategy. This research paper highlights the important features of Green marketing which are related to business and environment. The paper also highlights the comparison and benefits of using green products over the conventional products. Companies need to evaluate themselves whether they are really practicing green and socially responsible marketing by inculcating green practices into their operations. So the development of green marketing concept has opened the door of opportunity for the companies to achieve long term profits in a greener way. For the global economy to become ecologically sustainable, it will be necessary to organize business and industry along ecologically sound principles. This will require transformation of corporations, their products, production systems and management practices.

Keywords: *Ecological issues, Environmental Protection, Green marketing, Sustainability*

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INTRODUCTION

The preservation, conservation and protection of the environment pose a crucial and serious challenge to business houses. The concern over the environment has emerged as an important topic in the practice of marketing. The business environment is going through the phase of dynamic change at the global level where the consumers of today are more environmental sensitive in their attitudes, preferences and purchases. Practically business depends upon society and society depends upon business. The business depends upon society for its needed inputs like men, material/services, money, skills etc while society depends upon business for products and services produced by business for their daily requirements and employment also.

Green Marketing

Green marketing is based on the principle that businesses have the responsibility to satisfy human needs and desires while preserving the integrity of the natural environment. The products that are manufactured through green technology and cause no environmental hazards are called green products. We can define green products by following measures:

- Products those are recyclable, reusable and biodegradable,
- Products with natural ingredients,
- Products containing recycled contents,
- Products that do not harm or pollute the environment,
- Products that have eco- friendly packaging i.e. reusable, refillable containers etc.

Consumers are becoming more aware and conscious regarding the protection of the environment in which they live and are slowly moving towards environment friendly products.

REVIEW OF LITERATURE

Chen (2009) made an investigation to understand the attitude of organic foods and found that concern of health and concern for environment were the two most important determinants which influence the consumer in purchase decision.

Ghosh (2010) had explained the difference between traditional marketing and green marketing and also briefed how organizations move from one stage to another during the implementation of green marketing processes.

Agarwal Kriti and Sharma Pooja (2013) concluded that green marketing is a phenomenon which has developed its particular growth in the modern market. It has emerged as an important concept in India which opened the door for companies to earn profits in greener way.

Tyagi Himani (2013) emphasized upon green marketing as a business practice that takes into account consumer concerns about promoting preservation and conservation of the natural environment. The study concluded that marketers are responding to growing consumer demand for environment- friendly products specifically for those concerned with energy efficiency, waste reduction, sustainability, and climate control.

OBJECTIVES

- (1) To highlight the requisites of good green marketing.
- (2) To examine some of the cause that organizations are adopting a green marketing philosophy.

- (3) To discuss the benefits of selected green products by comparing them with traditional products.

CRITERIA OF GREEN BUSINESS

The green business meets the following four criteria viz. (a) the business decisions of the company incorporate sustainability principles (b) the company manufactures environmentally friendly products/ services (c) it replaces demand for non-green products (d) it ensures enduring commitment to implement environmental principles in all business operations management (e) the company is totally different in concept as well as in practice. Thus, it is a business that “meets the needs of the present world without compromising the ability of the future generations to meet their own needs.

A Framework for Making Green Growth Happen

Achieving green growth requires a number of policies, and not just environmental policies. It also requires significant investment over a long period of time. For such investments and policies to work, appropriate governance arrangements must be in place. The following are the crucial building blocks for green growth:

Investment – a considerable amount of investment is required to build climate resilient and low carbon elements into investment decisions in sectors such as transport, energy, water and agriculture. However, these costs are usually outweighed by the benefits from insuring the investment against future extreme weather events, or the savings made from avoiding higher fuel costs in the future. Along with traditional investment patterns, countries need to invest more in natural capital and bio-capacity, such as in carbon storage, ecosystem services and increasing land productivity.

Innovation – technological innovation is crucial to increase productivity without consuming additional natural resources. Such innovation could both be ‘high-end’ technologies, or ‘local solutions’ to serve the needs of developing country markets. Innovation support instruments must be carefully designed to foster the emergence and uptake of efficient technologies while minimising the risk of technology locking or lack of competition. Organisational innovation is also important in ensuring adequate institutional arrangement is place to facilitate decision-making and implementation of green growth agenda.

Governance – effective, inclusive and equitable governance is both a precondition for, and a measure of, development. This is particularly true for green growth, which will be a change process that will involve risk and opportunities with winners and losers. For green growth to reduce poverty, it is especially important that the governance processes and mechanisms take into account the needs and interests of poor and vulnerable people. Furthermore, new systems for governing global public goods and new institutional structures will also be required for managing natural capital, in particular ecosystem services.

GREEN MARKETING MIX

The 4 Ps of green marketing are similar to those of conventional marketing; however, the challenge before green marketers is to use the 4 Ps in an innovative manner.

Product: Identify customers’ environmental needs and develop products to address these needs. Develop environmentally responsible products that have less adverse impact on the environment compared to the products offered by competitors. For example, McDonald’s changed their packaging from polystyrene to paper. Nike is the first among shoe companies to market itself as green. The company has significantly reduced the usage of harmful glues and adhesives in its Air Jordan shoes, which are being marketed as environment friendly. Nike has

designed this model of shoes to emphasize that it has reduced wastage and used environment-friendly materials.

Price: Most customers will only be prepared to pay a premium if there is a perception of additional product value. Environmental benefits are usually an added bonus but will often be the deciding factor between products of equal value and quality.

Promotion: This includes paid advertising, public relations, sales promotions, direct marketing and on-site promotions. Green marketers will be able to reinforce environmental credibility by using sustainable marketing and communications tools and practices. For example, many companies in the banking sector, like ICICI Bank, are providing electronic statements by e-mail.

Place: Few interested customers will go out of their way to buy green products merely for the sake of it. In most cases, green products need to be broadly positioned in the marketplace so they have a wider appeal and do not cater to only a niche segment. In-store promotions and visually appealing displays or using recycled materials can be used to emphasise the environmental and other benefits of the products.

REASONS FOR THE EXISTENCE OF GREEN MARKETING

Companies mostly or exclusively concentrate on profits; consumers make decisions on the basis of their own utility. Traditional marketing is also blamed on ecological problems, because

- “the consumer is the king” approach leads to the over consumption of goods;
- the system ignores environmental factors;
- the stress is on the primacy of the satisfaction of needs by material goods, social status is demonstrated by material goods;



- it is characterized by short- term profit maximization and turnover centrlicity;
- product life cycles are shorter and shorter due to the resource wasting fashion. (Nagy, 1997)

But now there is growing interest among the consumers regarding protection of environment. As a result of this, green marketing has emerged which aims at marketing sustainable and socially- responsible products and services. The main aim of green marketing is to minimize the dependency from special product groups responsible for environmental pollution (such as CFC) and to increase awareness of new product categories (such as products made of recycled paper).

WHY ARE FIRMS USING GREEN MARKETING?

Green marketing offers business bottom line incentives and top line growth possibilities. There are several suggested reasons for firms increased use of Green Marketing. These are:

- 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 behavior.

DIFFERENCES BETWEEN GREEN AND NON- GREEN PRODUCTS.

CFL VERSUS INCANDESCENT BULBS

CFL bulbs are energy efficient and they are costly (Sahakian, 2010). The average life span of CFL bulbs is life span of 8,000 hours and they need 13-15 watts of electricity. The carbon dioxide emission of CFL bulbs is approximately 1051 pounds per year. The CFL bulbs are sensitive to external environment and may not function efficiently at low temperatures. The disposal of CFL bulbs is an issue because it contains mercury is toxic for health and environment. CFL bulbs are more suitable for household lighting than outdoor lighting. The average life span of incandescent bulbs is 1,200 hours and they need 60 watts of electricity. The annual operating cost of incandescent is high compared to CFL bulbs. But incandescent bulbs do not contain mercury and they can be disposed easily compared to CFL bulbs. Incandescent lights turn on instantly and they are not sensitive to external environment compared to CFLs.

JUTE BAGS VERSUS PLASTIC BAGS

Jute bags are biodegradable and they are made from natural fiber. The manufacturing of jute bags does not consume petrol which is a scarce resource. Jute bags are reusable and available in various designs. Jute bags do not add any toxic materials to the products which are packed in them. The average life span of jute bags is approximately five years. Jute bags are eco-friendly and helps in reducing global warming. Jute bags are not resistant to environment unless they are treated with chemicals. Using jute bags becomes a promotional tool for organizations and people because they communicate the environmental concern of people. Jute bags carry more weight than plastic bags. Plastic bags create land pollution and add tons of carbon emissions to the environment. Plastic bags had endangered the life of aquatic animals when they are mistaken for food and consumed. The life span of plastic is thousands of years

and depends on thickness of the material. Plastic bags are resistant to the external environment. In the present world the use of plastic bags is becoming negative promotional tool for organizations and people.

ORGANIC FOOD VERSUS CONVENTIONAL FOOD PRODUCTS

The organic food is manufactured without using synthetic chemicals, antibiotics and hormones during crop production (Dimitri& Greene, 2000). Organic food products are environment friendly and they are producing through organic farming systems like nutrient cycling, crop rotation, and animal manure are recycled etc. The pesticide residue is low and almost nil in some organic food products compared to conventional food products. The farming of organic food products causes less environmental impact than farming of conventional food products. Organic food consists of more vitamins and antioxidants for example scientists have observed that organic tomatoes have a type of antioxidant than conventionally grown tomatoes (Chang, 2012). The process of manufacturing makes organic products costly than non organic products. At present the organic products attributes like quality, physical shape are not comparable to their counterpart non organic food. But in future these issues may be avoided with support of research and development in the organic food sector. The health consciousness and environment concern are the primary factors which positively influence consumers regarding organic food products. The carbon emissions caused by organic food manufacturing process is low. The process of manufacturing organic food products and the consumption of organic food helps the community to fight against global warming. Organic food do not cause any health related issues because pesticides and chemicals are not used during manufacturing process. The conventional food or traditional food had indirect health issues for using pesticides, and antibiotics etc.

CONCLUSIONS

To protect the earth from global warming and reducing carbon emissions the green consumption of green products is essential. Green marketing is an initiative which is making a reasonable growth in the modern market. Rising customer expectations, desire for eco- friendly products, government pressure and changing phase of business environment at the global level, are several forces driving companies to practice a higher level of CSR. The 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. Recycling of paper, metals, plastics, etc., in a safe and environmentally harmless manner should become much more systematized. Marketers also have the responsibility to make the consumers understand the need for and benefits of green products as compared to non-green ones. Green marketing assumes even more importance and relevance in developing countries like India and the green business is ultimately going to benefit the consumers with better products and thus help the society to save itself from pollution.

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