

## GREEN – MARKETING

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### ABSTRACT

The negative impact of human activities over environment is a matter of concern today. Governments all over the world are making efforts to minimize human impact on environment. Today our society is more concerned with the natural environment. Understanding the society's new concerns businesses have begun to modify their behavior and have integrated environmental issues into organizational activities. Academic disciplines have integrated green issues in their literature. This is true with marketing subject too, and the terms like "Green Marketing" and "Environmental Marketing" are included in syllabus. Governments all over the world have become so concerned about green marketing that they have attempted to regulate them. In this research paper, main emphasis has been made of concept, evolution, green marketing process, green marketing mix, issues and golden rules of green marketing.

Data has to be collected from multiple sources of evidence, in addition to books, journals, websites, and news-papers. It explores the main issues in adoption of green marketing practices. In today's business world environmental issues play an important role in marketing. All most all the governments around the world have concerned about green marketing activities that they have attempted to regulate them. There has been little attempt to academically examine environmental or green marketing.

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**"Progress is Possible, No one can stop it, but Obstacle is there, we have to face it." -**

**AmartyaSen**

### WHAT IS GREEN MARKETING?

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

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. Indeed the terminology used in this area has varied, it includes: Green Marketing, Environmental Marketing and Ecological Marketing.

While green marketing came into prominence in the late 1980s and early 1990s, it was first discussed much earlier. The American Marketing Association (AMA) held the first workshop on "Ecological Marketing" in 1975. The AMA workshop attempted to bring together academics, practitioners, and public policy makers to examine marketing's impact on the natural environment. At this workshop ecological marketing was defined as: the study of the positive and negative aspects of marketing activities on pollution, energy depletion and non-energy resource depletion. [Henion and Kinnear 1976b, 1]

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 environment friendly way.

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.

## **EVOLUTION OF GREEN MARKETING**

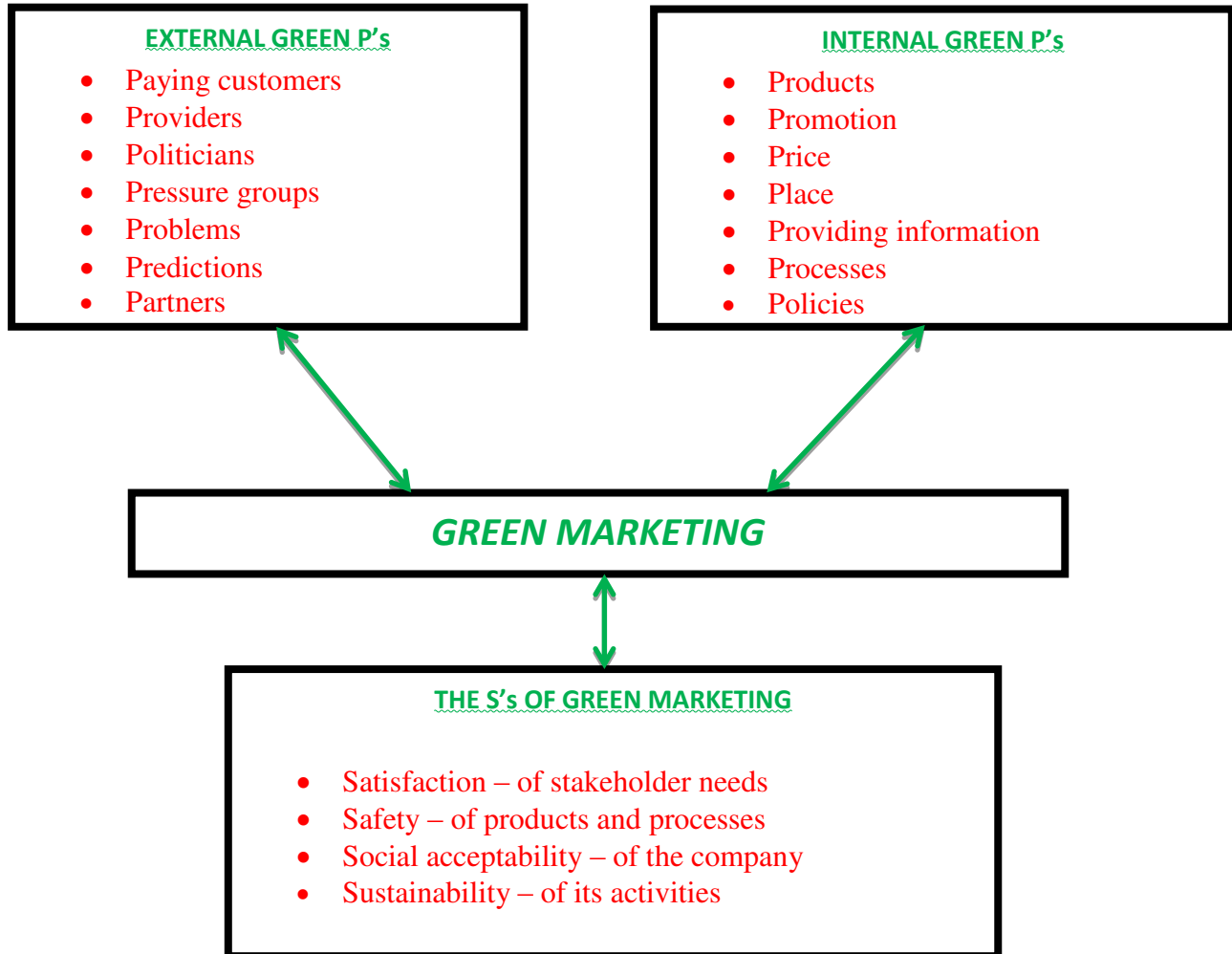
The term Green Marketing came into prominence in the late 1980s and early 1990s.

- The green marketing has evolved over this period of time. The evolution of green marketing had 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. This was the result of the term sustainable development which is defined as "meeting the needs of the present without compromising the ability of future generations to meet their own needs."

## **GREEN MARKETING PROCESS**

Green marketing process comprises with external and internal Ps. After integrating external and internal Ps, green success will automatically come through four Ss. Here external 7 Ps consists of Paying customers, Providers, Politicians, Pressure groups, Problems, Predictions and Partners; internal 7Ps consists of Products, Promotion, Price, Place, Providing information, Processes and Policies. After integrating external and internal 7Ps, we can find out the green successes through 4 S's such as Satisfaction – of stakeholder needs, Safety – of products and processes, Social acceptability –of the company and Sustainability – of its activities.

**FIGURE:**



Source: (Peattie (1992), p. 104)

## GREEN 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.

### 1. Product

The ecological objectives in planning products are to reduce resource consumption and pollution and to increase conservation of scarce resources. The marketer's role in product management includes providing product designers with market-driven trends and customer requests for green product attributes such as energy saving, organic, green chemicals, local sourcing, etc., For example, Nike is the first among the shoe companies to market itself as green. It is marketing its Air Jordan shoes as environment-friendly, as it has significantly reduced the usage of harmful glue adhesives. It has designed this variety of shoes to emphasize that it has reduced wastage and used environment-friendly materials.

### 2. 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. E.g. Wal Mart unveiled its first recyclable cloth shopping bag. IKEA, EASYDAY stores started charging consumers when they opted for plastic bags and encouraged people to shop using its "Big Blue Bag".

### 3. Promotion

There are three types of green advertising: - Ads that address a relationship between a product/service and the biophysical environment. Those that promote a green lifestyle by highlighting a product or service. Ads that present a corporate image of environmental responsibility.

### 4. 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.

## ISSUES OF GREEN MARKETING

1. 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.
2. It is found that only **5% of the marketing messages** from Green campaigns are entirely true and there is a lack of standardization to authenticate these claims. There is **no standardization** to authenticate these claims.
3. Indian literate and urban consumer is getting more aware about the merits of Green products. But it is still a **new concept** for the masses. The consumer needs to be educated and made aware of the environmental threats.
4. The investors and corporate companies need to view the environment as a major long-term investment opportunity; the marketers need to look at the long-term benefits from this new green movement. It will require a lot of patience and **no immediate results**. The corporate should not expect huge benefit for implementing Green Marketing immediately.

5. Green marketing is focusing on customer benefits i.e. the primary reason why consumers buy certain products in the first place. If the green products are **priced very high** then again it will lose its market acceptability.

## **GOLDEN RULES OF GREEN MARKETING**

**1. KNOW YOUR CUSTOMER:** Make sure that the consumer is aware of and concerned about the issues that your product attempts to address, (Whirlpool learned the hard way that consumers wouldn't pay a premium for a CFC-free refrigerator because consumers' didn't know what CFCs were.).

**2. 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 your target market, it's a case of "So what?" and your green marketing campaign goes nowhere.

**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 environmentally friendly. Both these conditions have to be met for your business to establish the kind of environmental credentials that will allow a green marketing campaign to succeed.

**4. REASSURE THE BUYER:** Consumers must be made to believe that the 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 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.

**6. GIVING YOUR CUSTOMERS AN OPPORTUNITY TO PARTICIPATE:** means personalizing the benefits of your environmentally friendly actions, normally through letting the customer take part in positive environmental action.

**7. THUS LEADING BRANDS SHOULD RECOGNIZE THAT CONSUMER EXPECTATIONS HAVE CHANGED:** It is not enough for a company to green its products; consumers expect the products that they purchase pocket friendly and also to help reduce the environmental impact in their own lives too.

## **CONCLUSION**

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.

Marketers also have the responsibility to make the consumers understand the need for and benefits of green products as compared to non-green ones. In green marketing, consumers are willing to pay more to maintain a cleaner and greener environment. Finally, consumers, industrial buyers and suppliers need to pressurize to minimize the negative effects on the environment-friendly. Green marketing assumes even more importance and relevance in developing countries like India.

### **IN A NUTSHELL**

- Green product development is more than just creating products that are environment 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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