

IMPACT OF GREEN MARKETING – AN INDIAN PROSPECTIVE

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ABSTRACT

Green marketing definitions can be a little confusing, reason being it covers everything that form a part of product development life cycle i.e. from need identification to delivering the product to its end consumers. In true sense it actually refers to a specific marketing campaign which is essentially a way to brand your marketing message in order to capture more of the market by appealing to people's desire to choose products and services that are better for the environment. Marketing terms such as sustainable marketing, environmental marketing, green advertising, eco marketing and organic marketing, all point to similar concepts.

Green, environmental and eco-marketing are part of the new marketing approaches which do not just refocus, adjust or enhance existing marketing thinking and practice, but seek to challenge earlier approaches and provide a substantially different perspective. In more detail green, environmental and eco-marketing belong to the group of approaches which seek to address the lack of fit between marketing as it is currently practiced and the ecological and social realities of the wider marketing environment.

Environmentally-responsible or "green" marketing is a business practice that takes into account consumer concerns about promoting preservation and conservation of the natural environment. Green marketing campaigns highlight the superior environmental protection characteristics of a company's products and services. The sorts of characteristics usually highlighted include such things as reduced waste in packaging, increased energy efficiency of the product in use, reduced use of chemicals in farming, or decreased release of toxic emissions and other pollutants in production.

In current scenario marketers have responded to growing consumer demand for environment-friendly products in several ways, each of which is a component of green marketing. These include: 1) highlighting the environment friendly features of products; 2) introducing new products for niche market and consumers, specifically for those who concerned with energy efficiency, waste reduction, sustainability, and climate control, and 3) redesigning existing products with an eye towards these same consumers. Marketing campaigns touting the environmental ethics of companies and the environmental advantages of their products are on the rise.

Keywords : Sustainability, Eco-Marketing, Environmental Ethics, Green Product, Recyclable.

INTRODUCTION

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.

Thus "Green Marketing" refers to holistic marketing concept wherein the production, marketing consumption and disposal of products and services happen in a manner that is less detrimental to the environment with growing awareness about the implications of global warming, non-biodegradable solid waste, harmful impact of pollutants etc., both marketers and consumers are becoming increasingly sensitive to the need for switch in to green products and services. While the shift to "green" may appear to be expensive in the short term, it will definitely prove to be indispensable and advantageous, cost-wise too, in the long run.

Today's consumers are becoming more and more conscious about the environment and are also becoming socially responsible. Now marketers by way of "Green marketing" promotes the environmental benefits of products, or a company's sustainability initiatives. It is continuing to grow in popularity—in large part due to the fact that customers are increasingly integrating their environmental values into their purchasing decisions. More and more customers want to support companies that incorporate sustainability efforts into their product and service offerings.

THE GREEN MARKETING MIX

When companies come up with new innovations like eco-friendly products, they can access new markets, enhance their market shares, and increase profits. Just as we have 4Ps product prices, place and promotion in marketing, we have 4ps in green marketing too, but they are a bit different.

GREEN PRODUCT: The products have to be developed depending on the needs of the customers who prefer environment friendly products. Products can be made from recycled materials or from used goods. Efficient products not only save water, energy and money, but also reduce harmful effects on the environment. Green chemistry forms the growing focus of product development. 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.

GREEN PRICE: Green pricing takes into consideration the people, planet and profit in a way that takes care of the health of employees and communities and ensures efficient productivity. Value can be added to it by changing its appearance, functionality and through customization, etc. WalMart unveiled its first recyclable cloth shopping bag. IKEA started charging consumers when they opted for plastic bags and encouraged people to shop using its "Big Blue Bag". Prices for such products may be a little higher than conventional alternatives. But target groups like for example LOHAS are willing to pay extra for green products.

GREEN PLACE: Green place is about managing logistics to cut down on transportation emissions, thereby in effect aiming at reducing the carbon footprint. For example, instead of marketing an imported mango juice in India it can be licensed for local production. This avoids shipping of the

product from far away, thus reducing shipping cost and more importantly, the consequent carbon emission by the ships and other modes of transport. Similarly marketing local and seasonal products e.g. vegetables from regional farms is more easy to be marketed "green" than products imported.

GREEN PROMOTION : Green promotion involves configuring the tools of promotion, such as advertising, marketing materials, signage, white papers, web sites, videos and presentations by keeping people, planet and profits in mind. A communication with the market should put stress on environmental aspects, for example that the company possesses a CP certificate or is ISO 14000 certified. 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.

British petroleum (BP) displays gas station which its sunflower motif and boasts of putting money into solar power. Indian Tobacco Company has introduced environmental-friendly papers and boards, which are free of elemental chlorine. Toyota is trying to push gas/electric hybrid technology into much of its product line. It is also making the single largest R&D investment in the every-elusive hydrogen car and promoting itself as the first eco-friendly car company. International business machines Corporation (IBM) has revealed a portfolio of green retail store technologies and services to help retailers improve energy efficiency in their IT operations. The center piece of this portfolio is the IBM SurePOS 700, a point-of-sale system that, according to IBM, reduces power consumption by 36% or more. We even see the names of retail outlets like "Reliance Fresh", Fresh@Namdhari Fresh and Desi, which while selling fresh vegetables and fruits, transmit an innate communication of green marketing.

Green marketer can attract customers on the basis of performance, money savings, health and convenience, or just plain environmental friendliness, so as to target a wide range of green consumers.

Consumer awareness can be created by spreading the message among consumers about the benefits of environmental-friendly products. Positing of profiles related to green marketing on social networks creates awareness within and across online peer groups. Marketing can also directly target the consumers through advertisements for product such as energy saving compact fluorescent lamps, the battery –powered Reva car, etc.

Additional Social Marketing "P's" that are used in this process are as followed:

- **Publics :** Effective Social Marketing knows its audience, and can appeal to multiple groups of people. "Public" is the external and internal groups involved in the program. External publics include the target audience, secondary audiences, policymakers, and gatekeepers, while the internal publics are those who are involved in some way with either approval or implementation of the program.
- **Partnership :** Most social change issues, including "green" initiatives, are too complex for one person or group to handle. Associating with other groups and initiatives to team up strengthens the chance of efficacy.
- **Policy :** Social marketing programs can do well in motivating individual behavior change, but that is difficult to sustain unless the environment they're in supports that change for the long run. Often, policy change is needed, and media advocacy programs can be an effective complement to a social marketing program.
- **Purse Strings :** How much will this strategic effort cost? Who is funding the effort?

The level of greening-strategic, quasi-strategic, or tactical dictates exactly what activities should be under-taken by a company. Strategic greening in one area may or may not be leveraged effectively in others. A firm could make substantial changes in production processes but opt not to leverage them by positioning itself as an environmental leader. So although strategic greening is not necessarily strategically integrated into all marketing activities, it is nevertheless strategic in the product area.

WHY IS GREEN MARKETING CHOSEN BY MOST MARKETERS?

Most of the companies are venturing into green marketing because of the following reasons:

Opportunity: In India, around 25% of the consumers prefer environmental-friendly products, and around 28% may be considered healthy conscious. Therefore, green marketers have diverse and fairly sizeable segments to cater to. The Surf Excel detergent which saves water (advertised with the message—"do bucket paanirozbachana") and the energy-saving LG consumers durables are examples of green marketing. We also have green buildings which are efficient 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) - Godrej Green business Center, has gained tremendous impetus over the last few years. From 20,000 sqft in 2003, India's green building footprint is now over 25 million sq ft.

SocialResponsibility: Many companies have started realizing that they must behave in an environment-friendly fashion. They believe 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 examples 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.

GovernmentalPressure: Various regulations rare framed by the government to protect consumers and the society at large. The Indian government too has developed a framework of legislations to reduce the production of harmful goods and by products. These reduce the industry's production and consumers' consumption of harmful goods, including those detrimental to the environment; for example, the ban of plastic bags in Mumbai, prohibition of smoking in public areas, etc.

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 prompted many mainline competitors to follow suit.

Cost Reduction: Reduction of harmful waste may lead to substantial cost savings. Sometimes, many firms develop symbiotic relationship whereby the waste generated by one company is used by another as a cost-effective raw material. For example, the fly ash generated by thermal power plants, which would otherwise contributed to a gigantic quantum of solid waste, is used to manufacture fly ash bricks for construction purposes.

BENEFITS OF GREEN MARKETING

Today's consumers are becoming more and more conscious about the environment and are also becoming socially responsible. Therefore, more companies are responsible to consumers' aspirations for environmentally less damaging or neutral products. Many companies want to have an early-

mover advantage as they have to eventually move towards becoming green. Some of the advantages of green marketing are:

- It ensures sustained long-term growth along with profitability.
- It saves money in the long run, though initially the cost is more.
- It helps companies market their products and services keeping the environment aspects in mind.
- It helps in accessing the new markets and enjoying competitive advantage.
- Most of the employees also feel proud and responsible to be working for an environmentally responsible company.

PATHS TO GREENNESS

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 products. This will help the society in the long run. Companies which embark on green marketing should adopt the following principles in their path towards "greenness."

- Adopt new technology/process or modify existing technology/process so as to reduce environmental impact.
- Establish a management and control system that will lead to the adherence of stringent environmental safety norms.
- Using more environment-friendly raw materials at the production stage itself.
- Explore possibilities of recycling of the used products so that it can be used to offer similar or other benefits with less wastage.

GREEN MARKETING STRATEGIES

As consumers become more environmentally conscious, businesses must adapt or risk losing customers to competitors pursuing a green strategy. As a company tries to rebrand itself as green, it risks accusations of "greenwashing" or using marketing tactics to create a false impression of environmental responsibility. Small businesses seeking to leverage the power of "going green" should carefully coordinate genuine actions and marketing strategies.

Electronic Press Kit: For businesses with regular media contact, an electronic press kit puts a big dent into paper usage. Press kits typically include a company history, product brochures, and biographies of the company executives, photos and press clips. Companies often send a press kit to every media outlet in the area. A business could convert all of the documents and images into electronic files and offer the kit as a downloadable folder on its website. The electronic press kit requires no paper and no postage. The website could even indicate that the electronic press kit is part of an ongoing effort to reduce the business' environmental impact.

Green Packaging: Packaging that cannot biodegrade takes up enormous amounts of space in landfills. A business that manufactures and packages products can convert to ecofriendly packaging. Converting to biodegradable packaging provides customers with a visible symbol of the company's commitment to "going green." The business can also leverage the eco-friendly packaging as part of its advertising program to help draw in new environmentally conscious customers.

Electric/Hybrid Vehicles: Small-business owners oftenserve as the most visible representative of the businessitself. In effect, their public personas function as marketingfor the business. If a small business owner tries to rebrandthe business as green, but drives a fuel inefficient truck orSUV, the green marketing effort seems deceptive. Switching over to an electric or hybrid vehicle serves asanother visible reminder that the business pursues a greenpolicy.

Public Declaration: A very simple type of green marketing is to make a public announcement, through a press release for example, that the business will pursuegreen policies. The announcement should include detailsabout the specific changes the business will make and onwhat time frame. If the changes go off as planned and,particularly, if they reap benefits like reduced costs, followpublic declarations about the change can help to solidify thepublic perception of the business as green.

E-Newsletters: Many businesses offer monthly newsletters to their customers. A business can cut paper waste andprinting costs, while providing equal or greater levels ofcontent, by shifting over to e-newsletters. In this case, thenewsletter itself serves as marketing for the business andthe delivery method functions as an easy way to go green.

CHALLENGES IN GREEN MARKETING

No such thing as a green consumer: There are manymotivations for purchasing more eco-friendly products, andnot all of them involve saving the planet, so it is nearlyimpossible to create a profile for this consumer group. Thisvaries even more when considering different categories ofconsumer goods. Some folks may buy energy efficientappliances to save money, while others may pay a premiumfor natural cosmetics because they are perceived as saferthan conventional products. Although perhaps about 7 percent of consumers are motivated by altruism, themajority are motivated because they see the product asbetter in some way for themselves (such as health, lowerenergy cost, or safety). In many cases, the green product isthe tiebreaker or the cherry on top, thus green consumersmust see the product as the same, or better, than thecompetition.

Most rely on the packaging for information: According to the consumer study, Eco Pulse 2009, by the Shelton Group,product labels are more important than advertising forfinding out about green products. Of course untruthfullabels can be illegal by breaking Fair Trade CommissionStandards or considered to be greenwashing by consumers,so creating an affective label can be a tricky task.

“There is a lack of trust in the marketplace,” says Chris Nelson. For this reason, he considers the creation of standards to be particularly important. UL Environment is currently creating standards for green building products that will assist the LEED building certification process.

Make green purchasing easy: “Consumers don’t want to work hard,” says Amy Hebard. “They don’t want to be mini scientists.” Although some of us may use iPhone applications like GoodGuide, most don’t want to have to work so hard to make purchasing decisions. Shelton gave the example of Walmart selling only highly concentrated laundry detergent. “Walmart is making it hard to not make a green choice.”

Avoid negative or preachy marketing messages: Purchasing is an emotional decision, rarely a logical one. Consumer decisions are made because a product is perceived to have a higher value to them. Consider the question, “What’s in it for me?” This concept doesn’t necessarily apply to business-to-business purchases however, where specifications and the cost of ownership data often trump emotions. Joel Makower pointed out that this is often due to the large volume purchases. For

example, if 2,000 computers are inefficient, it will make a much bigger impact on the bottom line than a personal purchase of just one computer.

CONCLUSION

A clever marketer is one who not only convinces the consumer, but also involves the consumer in marketing his product. Green marketing should not be considered as just one more approach to marketing, but has to be pursued with much greater vigor, as it has an environmental and social dimension to it. With the threat of global warming looming large, it is extremely important that green marketing becomes the norm rather than an exception or just a fad. Recycling of paper, metals, plastics, etc., in a safe and environmentally harmless manner should become much more systematized and universal. It has to become the general norm to use energy-efficient lamps and other electrical goods.

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 effects on minimize the negative effects on the environment-friendly. Green marketing assumes even more importance and relevance in developing countries like India.

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