

Research Paper on Green Marketing

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Abstract: *Green marketing is a phenomenon which has developed particular important in the modern market. This concept has enabled for the re-marketing and packaging of existing products which already adhere to such guidelines. Additionally, the development of green marketing has opened the door of opportunity for companies to co-brand their products into separate line, lauding the green-friendliness of some while ignoring that of others. Such marketing techniques will be explained as a direct result of movement in the minds of the consumer market. As a result of this businesses have increased their rate of targeting consumers who are concerned about the environment. These same consumers through their concern are interested in integrating environmental issues into their purchasing decisions through their incorporation into the process and content of the marketing strategy for whatever product may be required. This paper discusses how businesses have increased their rate of targeting green consumers, those who are concerned about the environment and allow it to affect their purchasing decisions. The paper identifies the three particular segments of green consumers and explores the challenges and opportunities businesses have with green marketing. The paper also examines the present trends of green marketing in India and describes the reason why companies are adopting it and future of green marketing and concludes that green marketing is something that will continuously grow in both practice and demand.*

I. 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.

Green marketing, also alternatively known as environmental marketing and sustainable marketing, refers to an organization's efforts at designing, promoting, pricing and distributing products that will not harm the environment

II. Why Green Marketing

It is really scary to read these pieces of information as reported in the Times recently: "Air pollution damage to people, crops and wildlife in US. Total tens of billions of dollars each year". "More than 12 other studies in the US, Brazil, Europe, Mexico, South Korea and Taiwan have established links between air pollutants and low birth weight, premature birth, still birth and infant death". As resources are limited and human wants are unlimited, it is important for the marketers to utilize the resources efficiently without waste as well as to achieve the organization's objective. So green marketing is inevitable. There is growing interest among the consumers all over the world regarding protection of environment. Worldwide evidence indicates people are concerned about the environment and are changing their behavior. As a result of this, green marketing has emerged which speaks for growing market for sustainable and socially responsible products and services. Thus the growing awareness among the consumers all over the world regarding protection of the environment in which they live, people do want to bequeath a clean earth to their offspring. Various studies by environmentalists indicate that people are concerned about the environment and are changing their behavior pattern so as to be less hostile towards it. Now we see that most of the consumers, both individual and industrial, are becoming more concerned about environment friendly products.

According to Peattie (2001), the evolution of green marketing has 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.

III. Green Products And Its Characteristics

The products those are manufactured through green technology and that caused no environmental hazards are called green products. Promotion of green technology and green products is necessary for conservation of natural resources and sustainable development. We can define green products by following measures:

- Products those are originally grown,
- Products those are recyclable, reusable and biodegradable,
- Products with natural ingredients,
- Products containing recycled contents, non-toxic chemical,
- Products contents under approved chemical,
- Products that do not harm or pollute the environment,
- Products that will not be tested on animals,
- Products that have eco-friendly packaging i.e. reusable, refillable containers etc.

IV. Need Of Green Marketing: An Anthropological View

Issues like Global warming and depletion of ozone umbrella are the main for the healthy survival. Every person rich or poor would be interested in quality life with full of health and vigor and so would the corporate class. Financial gain and economic profit is the main aim of any corporate business. But harm to environment cost by sustain business across the globe is realized now though off late. This sense is building corporate citizenship in the business class. So green marketing by the business class is still in the selfish anthropological perspective of long term sustainable business and to please the consumer and obtain the license by the governing body. Industries in Asian countries are catching the need of green marketing from the developed countries but still there is a wide gap between their understanding and implementation.

V. Challenges In Green Marketing

• Need for Standardization

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. There is no standardization currently in place to certify a product as organic. Unless some regulatory bodies are involved in providing the certifications there will not be any verifiable means. A standard quality control board needs to be in place for such labeling and licensing.

• New Concept

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. The new green movements need to reach the masses and that will take a lot of time and effort. By India's ayurvedic heritage, Indian consumers do appreciate the importance of using natural and herbal beauty products. Indian consumer is exposed to healthy living lifestyles such as yoga and natural food consumption. In those aspects the consumer is already aware and will be inclined to accept the green products.

• Patience and Perseverance

The investors and corporate 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. Since it is a new concept and idea, it will have its own acceptance period.

• Avoiding Green Myopia

The first rule of green marketing is focusing on customer benefits i.e. the primary reason why consumers buy certain products in the first place. Do this right, and motivate consumers to switch brands or even pay a premium for the greener alternative. It is not going to help if a product is developed which is absolutely green in various aspects but does not pass the customer satisfaction criteria. This will lead to green myopia. Also if the green products are priced very high then again it will lose its market acceptability.

VI. Golden Rules Of Green Marketing

1. **Know you're 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 livestock.

VII. Green Marketing – Adopted By The Farms

Green marketing has been widely adopted by the firms worldwide and the following are the possible reasons cited for this wide adoption:

1. **Opportunities** - As demand changes, many firms see these changes as an opportunity to exploit and have a competitive advantage over firms marketing non-environmentally responsible alternatives. Some examples of firms who have strived to become more environmentally responsible, in an attempt to better satisfy their consumer needs are:
 - McDonald's replaced its clam shell packaging with waxed paper because of increased consumer concern relating to polystyrene production and ozone depletion.
 - Tuna manufacturers modified their fishing techniques because of the increased concern over drift net fishing, and the resulting death of dolphins.
 - Xerox introduced a "high quality" recycled photocopier paper in an attempt to satisfy the demands of firms for less environmentally harmful products.
2. **Government Pressure** - As with all marketing related activities, governments want to "protect" consumer and society; this protection has significant green marketing implications. Government regulations relating to environmental marketing are designed to protect consumers in several ways,
 - Reduce production of harmful goods or by-products
 - Modify consumer and industry's use and/or consumption of harmful goods
 - Ensure that all types of consumers have the ability to evaluate the environmental composition of goods. Government establishes regulations designed to control the amount of hazardous wastes produced by firms.
3. **Competitive Pressure** - Another major force in the environmental marketing area has been firms' desire to maintain their competitive position. In many cases firms observe competitors promoting their environmental behaviors 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. For example when one tuna manufacturer stopped using drift nets the others followed suit.
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. There are examples of firms adopting both strategies.
5. **Cost of Profit Issues** - Firms may also use green marketing in an attempt to address cost or profit related issues. Disposing of environmentally harmful byproducts, such as polychlorinated biphenyl (PCB) contaminated oil are becoming increasingly costly and in some cases difficult. Therefore firms that can reduce harmful wastes may incur substantial cost savings. When attempting to minimize waste,

firms are often forced to re-examine their production processes. In these cases they often develop more effective production processes that not only reduce waste, but reduce the need for some raw materials.

VIII. Some Cases

Interestingly, green marketing continues to be an issue of global interests. In fact, Google Trends reports that, on a relative basis, more searches for “green marketing” originated from India than from any other country.

Rank	1	2	3	4	5	6	7
Country	India	UK	US	Thailand	Australia	Canada	China

Many companies are adopting green for capturing market opportunity of green marketing some cases

EXAMPLE 1: Best Green IT Project: State Bank of India: Green IT@SBI

By using eco and power friendly equipment in its 10,000 new ATMs, the banking giant has not only saved power costs and earned carbon credits, but also set the right example for others to follow.

SBI is also entered into green service known as “Green Channel Counter”. SBI is providing many services like; paperless banking, no deposit slip, no withdrawal form, no checks, no money transactions form all these transaction are done through SBI shopping & ATM cards. State Bank of India turn to wind energy to reduce emissions: The State Bank of India became the first Indian bank to harness wind energy through a 15-megawatt wind farm developed by Suzlon Energy. The wind farm located in Coimbatore uses 10 Suzlon wind turbines, each with a capacity of 1.5 MW. The wind farm is spread across three states – Tamil Nadu, with 4.5 MW of wind capacity; Maharashtra, with 9 MW; and Gujarat, with 1.5 MW. The wind project is the first step in the State Bank of India's green banking program dedicated to the reduction of its carbon footprint and promotion of energy efficient processes, especially among the bank's clients.

EXAMPLE 2: Lead Free Paints from Kansai Nerolac

Kansai Nerolac Paints Ltd. has always been committed to the welfare of society and environment and as a responsible corporate has always taken initiatives in the areas of health, education, community development and environment preservation.

Kansai Nerolac has worked on removing hazardous heavy metals from their paints. The hazardous heavy metals like lead, mercury, chromium, arsenic and antimony can have adverse effects on humans. Lead in paints especially poses danger to human health where it can cause damage to Central Nervous System, kidney and reproductive system. Children are more prone to lead poisoning leading to lower intelligence levels and memory loss.

EXAMPLE 3: Indian Oil's Green Agenda Green Initiatives

- Indian Oil is fully geared to meet the target of reaching EURO-III compliant fuels to all parts of the country by the year 2010; major cities will upgrade to Euro-IV compliant fuels by that time.
- Indian Oil has invested about Rs. 7,000 crore so far in green fuel projects at its refineries; ongoing projects account for a further Rs. 5,000 crore.
- Motor Spirit Quality Improvement Unit commissioned at Mathura Refinery; similar units are coming up at three more refineries.
- Diesel quality improvement facilities in place at all seven Indian Oil refineries, several more green fuel projects are under implementation or on the anvil.
- The R&D Centre of Indian Oil is engaged in the formulations of eco-friendly biodegradable lubricant formulations.
- The Centre has been certified under ISO-14000:1996 for environment management systems.

EXAMPLE 4: India's 1st Green Stadium

The Thyagaraja Stadium stands tall in the quiet residential colony behind the Capital's famous INA Market. It was jointly dedicated by Union Sports Minister MS Gill and Chief Minister Sheila Dikshit on Friday. Dikshit said that the stadium is going to be the first green stadium in India, which has taken a series of steps to ensure energy conservation and this stadium has been constructed as per the green building concept with eco-friendly materials.

EXAMPLE 5: Eco-friendly Rickshaws before CWG

Chief minister Shieladikshit launched on (**year not mentioned**) Tuesday a batteryoperatedrickshaw, “E-rick”, sponsored by a cellular servicesprovider, to promote eco-friendly transportation in the cityahead of the Commonwealth Games.

IX. Present Trends In Green: Marketing In India

Organizations are Perceive Environmental marketing asan Opportunity to achieve its objectives. Firms haverealized that consumers prefer products that do not harmthe natural environment as also the human health. Firmsmarketing such green products are preferred over theothers not doing so and thus develop a competitiveadvantage, simultaneously meeting their businessobjectives.Organizations believe they have a moral obligation to bemore socially responsible. This is in keeping with thephilosophy of CSR which has been successfully adoptedby many business houses to improve their corporateimage. Firms in this situation can take two approaches:

- Use the fact that they are environmentallyresponsible as a marketing tool.
- Become responsible without prompting this fact.

Governmental Bodies are forcing Firms to BecomeMore Responsible. In most cases the government forcethe firm to adopt policy which protects the interests ofthe consumers. It does so in following ways:

- Reduce production of harmful goods or byproducts
- Modify consumer and industry's use and /orconsumption of harmful goods; or
- Ensure that all types of consumers have the abilityto evaluate the environmental composition ofgoods.

Competitors' Environmental Activities Pressure Firmsto change their Environmental Marketing Activities. Inorder to get even with competitors claim to beingenvironmentally friendly, firms change over to greenmarketing. Result is green marketing percolates entireindustry.

Cost Factors Associated With Waste Disposal orReductions in Material Usage Forces Firms to Modifytheir Behavior. With cost cutting becoming part of thestrategy of the firms it adopts green marketing in relationto these activities. It may pursue these as follows:

- A Firm develops a technology for reducing wasteand sells it to other firms.
- A waste recycling or removal industry develops.

X. The Future Of Green Marketing

There are many lessons to be learned to be learned to avoidgreen marketing myopia, the short version of all this is thateffective green marketing requires applying good marketingprinciples to make green products desirable for consumers.The question that remains, however, is, what is greenmarketing's future? Business scholars have viewed it as a“fringe” topic, given that environmentalism's acceptance oflimits and conservation does not mesh well with marketing'straditional axioms of “give customer what they want” and“sell as much as you can”.Evidence indicates that successfulgreen products have avoided green marketing myopia byFollowing three important principles:

XI. Consumer Value Positioning

- Design environmental products to perform as well as (orbetter than) alternatives.
- Promote and deliver the consumer desired value ofenvironmental products and target relevant consumermarket segments.
- Broaden mainstream appeal by bundling consumerdesired value into environmental products.

Calibration Of Consumer Knowledge

- Educate consumers with marketing messages thatconnect environmental attributes with desired consumervalue.
- Frame environmental product attributes as “solutions”for consumer needs.
- Create engaging and educational internet sites aboutenvironmental products desired consumer value.

Credibility Of Product Claim

- Employ environmental product and consumer benefitclaims that are specific and meaningful.
- Procure product endorsements or eco-certifications fromtrustworthy third parties and educate consumers aboutthe meaning behind those endorsements and eco-certifications.
- Encourage consumer evangelism via consumers socialand internet communication network with compelling,interesting and entertaining information aboutenvironmental products.

XII. Conclusion

Now this is the right time to select “Green Marketing” globally. It will come with drastic change in the world of business if all nations will make strict roles because green marketing is essential to save world from pollution. From the business point of view because 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 consumer 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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