

Environmental Marketing (Green Marketing Rudiments)

Dr. Sunmeet Banerjee

Associate Professor, Sasmira's Institute of Management Studies and Research
Sasmira Marg, Worli, Mumbai 400 030 sunmeetbanerjee@gmail.com, + 91.98028.86890

Abstract:- The conception of Environmental, Green or Ecological marketing gained impetus during the 1990's to accentuate products and production methods that improve environmental performance, promote ecological causes, or solve environmental problems. Green marketing is a business practice that takes into account consumer concerns about promoting preservation and conservation of the natural environment. They include such processes that lessen waste in packaging, augment energy efficiency of the product in use, diminish use of chemicals in farming, or decrease release of toxic emissions and other pollutants in production and modifying advertising. There is an amplified consumer demand for environment friendly products and services which the marketers must respond to. It is imperative that business organisation's conducted their operations in an environmentally-sensitive fashion owing to their responsibility to preserve the integrity of the natural environment even as they satisfy consumer needs and desires.

Purpose: Study the significance, augmentation and inference of Green marketing

Approach: Input from marketers. Secondary data – analysis, interpretation, challenges and conclusions

Findings: During the course of article with references and figures

Keywords:- Ecological marketing, Green marketing, sustainable marketing, corporate social responsibility

Environmental, green and eco-marketing are part of the new marketing approaches which augment change, fine-tune or develop existing marketing approach, but seek to confront those and provide a substantially different perspective. 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.

Green marketing is the marketing of products that are presumed to be environmentally safe. Green marketing incorporates a broad range of activities, including product modification, changes to the production process, packaging changes, as well as modifying advertising.

Marketing that promotes a company's sustainable initiatives serves as a bridge between corporate and profitability. These initiatives often require a significant capital investment to change the way a company does business or to innovate its products and services so they have a more positive impact on the environment. Investments in sustainability are only worthwhile to a corporation if they result in increased profitability. While social goals are admirable, a corporation has a fiduciary duty to maximize profits for its stockholders. Sustainable marketing assumes this investment is viable by crafting messages that tap into this consumer concern with the expectation that it can be translated into purchasing decisions.

Green marketing at the product level is designed to bring these new eco-friendly features to the consumer's attention. At the public relations level, the company can report to its shareholders and customers that it is a responsible corporate citizen that is concerned about sustainable product innovation for the sake of future generations.

I. NARRATION

The term Green Marketing came into prominence in the late 1980s and early 1990s. The American Marketing Association (AMA) held the first workshop on "Ecological Marketing" in 1975. The proceedings of this workshop resulted in one of the first books on green marketing entitled "Ecological Marketing".

The Corporate Social Responsibility (CSR) Reports started with the ice cream seller Ben & Jerry's where the financial report was supplemented by a greater view on the company's environmental impact. In 1987 a document prepared by the World Commission on Environment and Development defined sustainable development as meeting "the needs of the present without compromising the ability of future generations to

meet their own need”, this became known as the Brundtland Report and was another step towards widespread thinking on sustainability in everyday activity. Two tangible milestones for wave 1 of green marketing came in the form of published books, both of which were called Green Marketing. They were by Ken Peattie (1992) in the United Kingdom and by Jacquelyn Ottman(1993) in the United States of America. According to Jacquelyn Ottman, (author of "The New Rules of Green Marketing: Strategies, Tools, and Inspiration for Sustainable Branding" (Greenleaf Publishing and Berrett-Koehler Publishers, February 2011)) from an organizational standpoint, environmental considerations should be integrated into all aspects of marketing — new product development and communications and all points in between. The holistic nature of green also suggests that besides suppliers and retailers new stakeholders be enlisted, including educators, members of the community, regulators, and NGOs. Environmental issues should be balanced with primary customer needs.

Green business is often interpreted as having minimal negative impact on the global or local environment. However, it encompasses a wide range of community, society and economic issues.

The Brundtland Report emphasized that sustainability is a three-legged stool of “the three pillars”:

- **People**
- **Planet**
- **Profit**

Deviating from traditional bottom line of business which is either "profit" if positive or "loss" if negative, the concept of a triple bottom line (abbreviated as TBL or 3BL, adds two more "bottom lines"; social and environmental concerns.

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II. SCENARIO

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Shel Horowitz, a green marketer for over 30 years and primary author of *Guerrilla Marketing Goes Green* (John Wiley & Sons, 2010), states that to market effectively, green businesses need to market differently to three different audiences: "deep green," "lazy green," and "nongreen"; each will have different trigger points that will move them to buy, and for the nongreen audience, marketing effectively usually requires emphasizing product superiority rather than care for the planet. On the other hand, Roper's Green Gauge shows that a high percentage of consumers (42%) feel that environmental products don't work as well as conventional ones. This is an unfortunate legacy from the 1970s when shower heads sputtered and natural detergents left clothes dingy. Given the choice, all but the greenest of customers will reach for synthetic detergents over the premium-priced, proverbial "Happy Planet" any day, including Earth Day. New reports however show a growing trend towards green products.

The past decade has shown that harnessing consumer power to effect positive environmental change is far easier said than done. The so-called "green consumer" movements in the U.S. and other countries have struggled to reach critical mass and to remain in the forefront of shoppers' minds. While public opinion polls taken since the late 1980s have shown consistently that a significant percentage of consumers in the U.S. and elsewhere profess a strong willingness to favor environmentally conscious products and companies, consumers' efforts to do so in real life have remained sketchy at best. According to Joel Makower, a writer on green marketing. In essence, there is no definition of "how good is good enough" when it comes to a product or company making green marketing claims. This lack of consensus—by consumers, marketers, activists, regulators, and influential people—has slowed the growth of green products, says Makower, because companies are often reluctant to promote their green attributes, and consumers are often skeptical about claims.

III. CHALLENGES

One challenge green marketers -- old and new -- are likely to face as green products and messages become more common are confusion in the marketplace. "Consumers do not really understand a lot about these issues, and there's a lot of confusion out there," says Jacquelyn Ottman (founder of J. Ottman Consulting and author of "Green Marketing: Opportunity for Innovation.") Marketers sometimes take advantage of this confusion, and purposely make false or exaggerated "green" claims. Critics refer to this practice as "green washing".

One of green marketing's challenges is the lack of standards or public consensus about what constitutes "green".

An important challenge facing marketers is to identify which consumers are willing to pay more for environmentally friendly products. It is apparent that an enhanced knowledge of the profile of this segment of consumers would be extremely useful.

While international trade in greenhouse gas reductions holds substantial promise as a source of new funding for sustainable development, this market can be largely inaccessible to many smaller-scale projects, remote communities, and least developed localities.

Greenwashing: Corporations are increasingly recognizing the benefits of green marketing, although there is often a thin line between doing so for its own benefit and for social responsibility reasons. The term "greenwashing" refers to all industries that adopt outwardly green acts with an underlying purpose to increase profits. The primary objective of greenwashing is to provide consumers with the feeling that the organization is taking the necessary steps to responsibly manage its ecological footprint. In reality, the company may be doing very little that is environmentally beneficial. The term greenwashing was first used by environmentalist Jay Westerveld when objecting to hotelier's practice of placing notices in hotel rooms which asked their guests to reuse towels to "save the environment". Westerveld noted that there was little else to suggest that the hoteliers were interested in reducing their environmental impacts, and that their interest in washing fewer towels seemed to be motivated by a concern to save costs rather than the environment. Since then greenwashing has become a central feature of debates about marketing communications and sustainability, with "awards" for greenwashing established and numerous campaigns, law and advices developed in an attempt to reduce or curb it.

Statistics from USA: According to market researcher Mintel, about 12% of the U.S. population can be identified as True Greens, consumers who seek out and regularly buy so-called green products. Another 68% can be classified as Light Greens, consumers who buy green sometimes. "What chief marketing officers are always looking for is touch points with consumers, and this is just a big, big, big touch point that's not being served," says Mintel Research Director David Lockwood. "All the corporate executives that we talk to are extremely convinced that being able to make some sort of strong case about the environment is going to work down to their bottom line."

In 1989, 67 percent of Americans stated that they were willing to pay 5-10 percent more for ecologically compatible products. By 1991, environmentally conscious individuals were willing to pay between 15-20 percent more for green products. Today, more than one-third of Americans say they would pay a little extra for green products.

Shift towards green: Everett Rogers, communication scholar and author of "Diffusion of Innovations", claims that the following five factors can help determine whether a new idea will be adopted or not, including the idealism of the shift towards "green":

1. **Relative advantage:** is the degree to which the new behavior is believed to accrue more beneficial outcomes than current practice.
2. **Observability:** is how easy it is to witness the outcomes of the new behavior.
3. **Trialability:** is the ease with which the new behavior can be tested by an individual without making a full commitment.
4. **Compatibility:** is the degree to which the new behavior is consistent with current practice.
5. **Complexity:** is how difficult the new behavior is to implement.

LOHAS: LOHAS stands for Lifestyles of Health and Sustainability, and describes an integrated, rapidly growing market for goods and services that appeal to consumers whose sense of environmental and social responsibility influences their purchase decisions. The Natural Marketing Institute's (short: NMI) estimates the US LOHAS consumer market of products and services to be USD 209 billion – sold across all consumer segments.

The five LOHAS segments as defined by NMI include:

1. **LOHAS:** Active environmental stewards dedicated to personal and planetary health. These are the heaviest purchasers of green and socially responsible products and the early adopters who influence others heavily.
2. **Naturalites:** Motivated primarily by personal health considerations. They tend to purchase more LOHAS consumable products vs. durable items.
3. **Drifters:** While their intentions may be good, Drifters follow trends when it is easy and affordable. They are currently quite engaged in green purchasing behaviors.
4. **Conventionals:** Pragmatists who embrace LOHAS behaviour when they believe they can make a difference, but are primarily focused on being very careful with their resources and doing the 'right' thing because it will save them money.
5. **Unconcerned:** Either unaware or unconcerned about the environment and societal issues mainly because they do not have the time or the means – these consumers are largely focused on getting by.

Marketing Mix: A model of a green marketing mix include all 4P's:

1. **Product:** A producer should offer ecological products which not only must not contaminate the environment but should protect it and even liquidate existing environmental damages.
2. **Price:** 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.
3. **Place:** A distribution logistics is of crucial importance; main focus is on ecological packaging. Marketing local and seasonal products e.g. vegetables from regional farms is easier to be marketed "green" than products imported.
4. **Promotion:** 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.

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

5. **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.
6. **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.
7. **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.
8. **Purse Strings:** How much will this strategic effort cost and who is funding the effort.

Initiatives and innovation on green marketing: Consumer population can be identified as True Greens who seek out and regularly buy so-called green products and others can be classified as Light Greens who buy green sometimes. The market for ecological products and services is ever burgeoning. Businesses have

limited financial, human and capital resources, so a focus on the resources on the top performing marketing activities of business is vital. Use an aggressive growth strategy for your biggest growth markets. Adopt a selected growth strategy for new or emerging markets. Build an authentic brand that attracts genuine interest from your target market. Collaborate with customers to develop more targeted products and to get to market sooner. Use permission based marketing and avoid interruption based marketing. We can create a big impact by influencing our staff and other businesses to adopt sustainable business practices. Let your suppliers know you are looking to work with suppliers who adopt sustainable business practices.

Minimise your contribution to greenhouse gases by undertaking activities such as:

- Print your business stationery using environmentally friendly inks and recycled paper
- Reduce your use of direct mail: use online communications instead
- Create online catalogues instead of printed catalogues
- Use virtual communications such as skype, video conferencing and webinars
- Use a Navman to take the most direct route on business trips.

For example, a company that produces talcum powder can design a product that has less volume, needs less packaging, and uses natural ingredients instead of chemicals. This product innovation costs the company a significant amount of money to accomplish. It will only make this investment if it believes that consumers will value the product and make a purchasing decision based on its new features. Sustainable marketing at the product level is designed to bring these new eco-friendly features to the consumer's attention. At the public relations level, the company can report to its shareholders and customers that it is a responsible corporate citizen that is concerned about sustainable product innovation for the sake of future generations.

IV. CONCLUSION

Green marketing has taken hold in the mindset of consumers and has become a value proposition to corporations; environmentalists want to move the definition forward. They would like to see it changed to reflect corporate responsibility to market in a sustainable way, one that is profitable but responsive to actual worldwide need rather than rampant consumerism. Ideally, sustainable marketing would stop encouraging irresponsible over consumption in developed nations simply to improve profits.

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.

Life cycle assessment (short: LCA) were invented which allowed ecological considerations to be introduced into marketing decisions. The life cycle assessment model seeks to identify the main types of environmental impact throughout the life cycle of a product. The main goal of the LCA is to define the energy and environmental profile of the finished products. The reasons to use LCA arose from the need to have a precise process accounting and to highlight potential improvements that could be used in order to increase the environmental, energy and economic efficiency and overall effectiveness of the processes.

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