

A Survey on Green Marketing

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Abstract

Green marketing is the marketing of products or goods that are supposedly believed to be environmentally safe. 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 the general rules of targeting green consumers, those who are concerned about the environment and allow it to affect their purchasing decisions. The paper also examines the Keys of successful green marketing and describes the green marketing mix concludes that green marketing is something that will continuously grow in both practice and demand.

Keywords: *Green Marketing, Product, price, Place, Promotion.*

1. Introduction

Green Marketing is a phenomenon which has developed particular importance in the modern market. Green marketing is a way to use the environmental benefits of a product or service to promote sales. Many consumers will choose products that do not damage the environment over less environmentally friendly products, even if they cost more. With green marketing, advertisers focus on environmental benefits to sell products such as biodegradable diapers, energy-efficient light bulbs, and environmentally safe detergents [1]. The term "Green marketing" refers to the planning, development and promotion of products or services that fulfill the needs of consumers for quality, output, accessible prices and service, without however a negative effect on the environment, with regard to the use of raw material, the consumption

of energy etc. According to Kangis (1992), green marketing must be more than either a green way of marketing, or the marketing of so-called green products. "Green" indicates both to the method and to the product. This is why this particular idea of green marketing needs considerable development and analysis, with rules and integrity in economic, scientific, academic and ethical terms. According to the literature, the environmental parameter has been included in the strategy of marketing from the beginning of 1990s. Notwithstanding the existing obstacles, "green marketing" progressively gains continuously more supporters, specifically in industries that concern the climatic change and forest protection. The "green consumers" concept was the epicenter of the environmental marketing strategies of the "win-win" type, as well as the vital notion, on which marketing academicians and professionals focused at the end of 80s and in the early 90s. The growth of green marketing and green consumers is perhaps the biggest opportunity for enterprise and origination the industrial world has ever seen. A green consumers can be recognized to be one who avoids any product which may harm damage to any living organism, cause deterioration of the environment during process of manufacturing or during process of usage, consume a large amount of non-renewable energy, involves unethical testing on animals or human subjects. According to Rex and Baumann, 2007, those aspects will spur businesses to develop more products from an environmentally friendly perspective. Green marketing is a fragment of marketing and therefore shares a number of facets with traditional marketing such as price, promotions, products and place. Even green marketing requires that businesses develop and maintain a strong relationship with all their suppliers, their market intermediaries and significantly with the consumers. A number of businesses have begun committing themselves to making their entire operation more environmentally friendly. Thus corporations are becoming more aware of their responsibilities

towards the environment. This has forced the law makers, environment groups, consumers, financial institution, insurers and the organization's own employees to become more aware of environmental aspects and this in turn has led to an increase 'in the number of policies and schemes and regulations at both the national and international levels [2]. 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 [4].

Pride and Ferrell (1993) 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

Polonsky (1994) defines green marketing as .all activities designed to generate and facilitate any exchanges intended to satisfy human needs or wants, such that the satisfaction of these needs and wants occurs, with minimal detrimental impact on the natural environment.

Elkington (1994: 93) defines green consumer as one who avoids products that are likely to endanger the health of the consumer or others; cause significant damage to the environment during manufacture, use or disposal; consume a disproportionate amount of energy; cause unnecessary waste; use materials

derived from threatened species or environments; involve unnecessary use of, or cruelty to animals; adversely affect other countries [4].

2. Emerging Need for Green Marketing

The mankind has limited resources on the earth to satisfy their unlimited wants. As firms face limited natural resources, they must develop new or alternative ways of satisfying these unlimited wants. Green marketing looks at how marketing activities utilize these limited resources. Different group of consumers have different levels of environmental concerns and thus different attitudes towards green marketing. There are some reasons for which a marketer should go for the adoption of green marketing [5].

- **Social responsibility**

All types of consumers, both individual and industrial are becoming more concerned and aware about the natural environment. So firms are realizing to behave in an environmentally responsible manner and integrating environmental issues into the firm's corporate culture.

- **Governmental Pressure**

As with all marketing related activities, governments want to "protect" consumers and society; this protection has significant green marketing implications. Governmental regulations relating to environmental marketing are designed to protect consumers in several ways,

- To reduce production of harmful goods or by-products.
- To ensure that the consumers have the ability to evaluate the environmental composition of goods.
- To modify industry's consumption of harmful goods.
- Introduction of voluntary recycling programs.

For example, some governments have introduced voluntary curbside recycling programs, making it easier for consumers to act responsibly. In other cases governments tax individuals who act in an irresponsible fashion. For example in Australia there is a higher gas tax associated with leaded petrol.

- **Competitive Pressure**

Another major force in the environmental marketing area has been firm's 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, it could be argued that Xerox's "Revive 100% Recycled paper" was introduced a few years ago in an attempt to address the introduction of recycled photocopier paper by other manufacturers.

- **Cost or Profit Issues**

Firms may also use green marketing in an attempt to address cost or profit related issues. Disposing of environmentally harmful by-products, 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 reexamine 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. This serves as a double cost savings, since both waste and raw material are reduced [5].

3. The Green Marketing Mix

A model of a green marketing mix should, of course, contain all 4P's:

- **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.

- **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.

- **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 more easy to be marketed "green" than products imported.

- **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 [3]. 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 [3].

4. Simple Rules of Green Marketing

i). **Know your customer.** If you want to sell a greener product to consumers, you first need to make sure that the consumer is aware of and concerned about the issues that your product attempts to address.

ii). **Empower consumers.** Make sure that consumers feel, by themselves or in concert with all the other users of your product, that they can make a difference. This is called "empowerment" and it's the main reason why consumers buy greener products. This powerful principle underlies so many campaigns laden with tips.

iii). **Be-transparent.** Consumers must believe in the legitimacy of your product and the specific claims you are making.

iv). **Reassure the buyer.** Consumers need to believe that your product performs the job it's supposed to do. They won't forego product quality in the name of the environment.

v). **Consider your pricing.** If you're charging more for your product - and many environmentally preferable products cost more due to economies of scale and use of higher quality ingredients - make sure that consumers can afford the premium and feel it's worth it. Many consumers, of course, cannot afford premiums for any type of product these days, much less greener ones, so keep this in mind as you develop your target audience and product specifications.

vi). **Being genuine and honest** means that a) that you are actually doing what you claim to be doing in your green marketing campaign and b) that the rest of your business policies are consistent with whatever you are doing that's environmentally friendly.

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

viii). **Build better products.** Consumers will not think better of green products until companies make them equal to, or better than, their conventional alternatives. It's no surprise: most people value performance, reliability, and durability much more than ecological soundness.

ix). **Offer more.** Companies must ensure that consumers understand the financial and environmental returns on their investment in green products; for they are more willing to try new ones-especially those that cost more when they find it easy to track the savings.

x). **Bring products to the people.** Having decided to buy green products, many consumers encounter a last hurdle-finding them-either because manufacturers don't keep up with demand or advertise where they can be bought, or because wholesalers and retailers don't stock them or display them prominently. Bio fuel enthusiasts, for example, must often drive out of their way to fill up. So while the traditional marketing answer to the question, Should we market to the green consumer? Has been yes, the better answer is this: Instead of focusing on a green niche, focus on green behaviors that everyone can aspire to. The bottom line: Marketing needs to define what sustainability means for their company and then decide how to express those values in their offerings. Companies should stop trying to appeal to green consumers by building green myths into the products they have and start creating something real products that tell their environmental story for them.

5. Eight Keys to Successful Green Marketing

Show potential customers that you follow green business practices and you could reap more green on your bottom line. Green Marketing isn't just a catchphrase; it's a marketing strategy that can help you get more customers and make more money. But only if you do it right. For green marketing to be effective, you have to do three things; be genuine, educate your customers, and give them the opportunity to participate [6].

(i) Being genuine means that (a) that you are actually doing what you claim to be doing in your green marketing campaign and (b) that 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.

(ii) Educating your customers isn't just a matter of letting people know 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.

(iii) 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.

(iv) Know your customer: If you want to sell a greener product to consumers, you first need to 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!).

(v) Empower consumers: Make sure that consumers feel, by themselves or in concert with all the other users of your product, that they can make a difference. This is called "empowerment" and it's the main reason why consumers buy greener products.

(vi) Be transparent: Consumers must believe in the legitimacy of your product and the specific claims you are making. Caution: There's a lot of skepticism out there that is fueled by the raft of spurious claims made in the "go-go" era of green marketing that occurred during the late 80s to early 90s- one brand of household cleaner claimed to have been "environmentally friendly since 1884!"

(vii) Reassure the buyer : Consumers need to believe that your product performs the job it's supposed to do — they won't forego product quality in the name of the environment. (Besides, products that don't work will likely wind up in the trash bin, and that's not very kind to the environment.)

(viii) 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 [6].

6. Conclusion

Green marketing should not neglect the economic aspect of marketing. Marketers need to understand the implications of green marketing. If Marketers think that customers are not concerned about environmental issues or will not pay a premium for products that are more eco-responsible, think again. Marketers must find an opportunity to enhance the product's performance and strengthen the 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. Now Green Marketing is the better option in today's scenario to develop the actual advertising campaign itself. This paper concludes the general rules of targeting green consumers, those who are concerned about the environment and allow it to affect their purchasing decisions. The paper also examines the Keys of successful green marketing and describes the green marketing mix concludes that green marketing is something that will continuously grow in both practice and demand.

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