

# Green Marketing-An Initiative towards and Ecological Balance

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**Abstract.** Green Marketing is the need of the hour. It is a broad concept which needs to be comprehended by one and all. It has various benefits which would lead to sustainable development and would help to use the resources efficiently and effectively. Green Marketing is an attempt to cut down the hazards like pollution and promote eco-friendly methods of production of goods and services. Organizations and particularly the Citizens of our Country lack awareness of the same. The problem lies at the grass root level as they are unwilling to adapt the changes in the environment which would be beneficial for them in the long run. The paper identifies the particular segments of Green consumers and explores the challenges and opportunities businesses have with Green Marketing.

**Keywords:** Environment, Green Marketing, Green Products and Green Marketing Mix

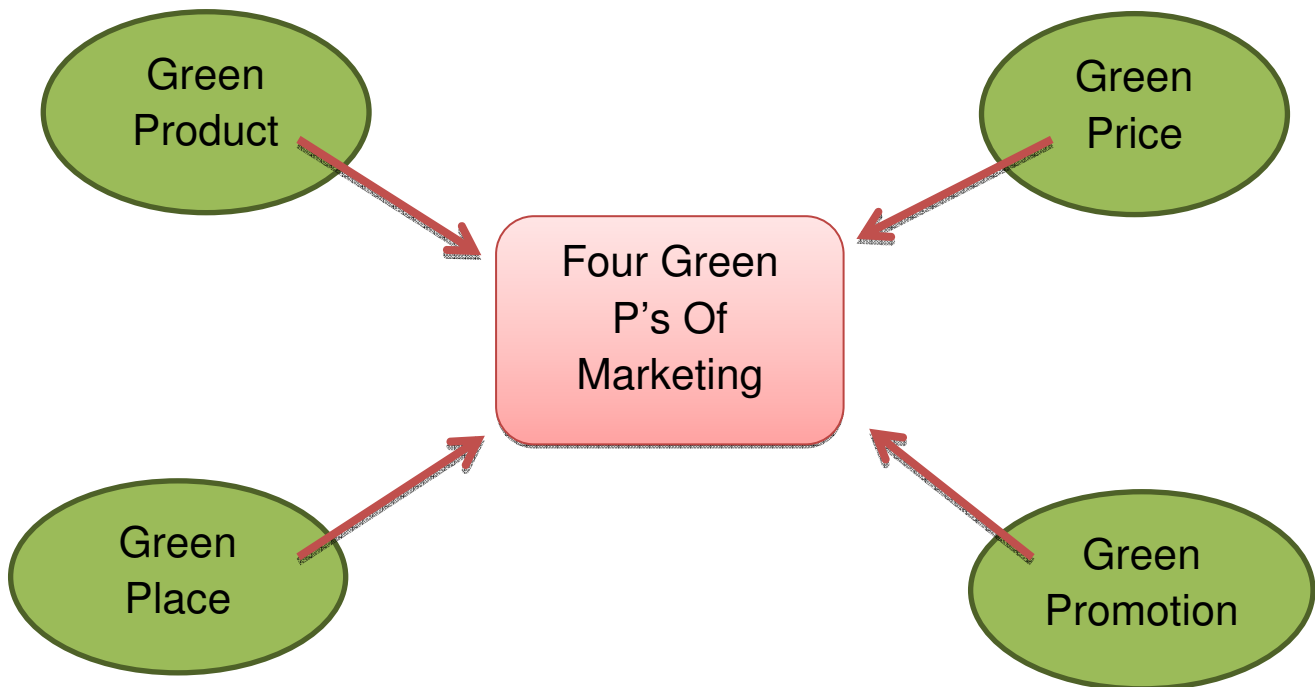
## 1 Introduction

Green marketing is marketing products and services based on environmental factors or awareness. It incorporates a broad range of activities such as: product modification, changes to the production process, packaging changes, modifying advertising. Green marketing is part and parcel of the overall corporate strategy (Menon and Menon, 1997). Along with manipulating the traditional marketing mix (product, price, place and promotion), it requires an understanding of public policy processes. Green marketing also ties closely with issues of industrial ecology and environmental sustainability such as extended producers 'liability, life-cycle analysis, material use and resource flows, and eco-efficiency. Thus, the subject of green marketing is vast, having important implications for business strategy and public policy. In implementing green marketing, consumers, corporate and the government play a very important role. But there are few constraints in implementing it like lack of consumer awareness, financial constraints, limited scientific knowledge, lack of stringent rules and competitive pressures. Green marketing is

defined as “Green or Environmental Marketing consists of 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.”

Every company has its own favorite marketing mix. Some have 4 P’s and some have 7 P’s of 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.

- a. **Green Product:** While manufacturing green products the firms should incorporate environmentally friendly resources or materials in the product. The characteristics of the resources or materials used in the product and its packaging should influence environmental elements.
- b. **Green Promotion:** The firms should focus more on “Green Advertising” in order to communicate to its green customers (who uses eco-friendly products) and as well as traditional customers (who are not green users) about the concept of environmental protection. Apart from this, the firms should also launch promotional tools such as schemes, coupons, offers and premium etc; in order to attract consumers to buy ecofriendly products.
- c. **Green Place:** Green products and services which are to be delivered from the point of producers to the point of ultimate green consumers. In this context, the firm should choose a proper channel considering product characteristics, consumer characteristics and market characteristics.
- d. **Green Price:** It is often perceived by the consumers that the prices of green products are relatively higher compared to the traditional products. If production and operating costs are lowered, it would give green products more competent force on the market.



## 2. Why the Firms are Adopting Green Marketing?

- Organizations perceive environmental marketing to be an opportunity that can be used to achieve its objectives.
- Organizations believe that have a moral obligation to be more socially responsible.
- Governmental bodies are forcing firms to become more responsible.
- Competitor's environmental activities pressure firms to change their environmental marketing activities.
- Cost factors associated with waste disposal or reductions in material usage forces firms to modify their behavior

*Golden Rules of Green Marketing:* 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. *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.

*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.

*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.

*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!).

*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.

*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.

*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.)

*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 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.

### 3. Benefits of Green Marketing

Green marketing has positive influences on multiple participants in the economy. The environment, developing economies, consumers, corporate strategy, the product, production processes, and supply chain benefit from green marketing.

*Environmental Benefits:* The obvious benefactor of green marketing is the environment. Conditions and trends in climate change, air, water, and soil conservation. Green marketing can have an influence on climate change in several substantial ways. Fossil fuel consumption is a major source of greenhouse gases associated with climate change. Two leading sources of climate change are the burning of coal for electricity and the burning of gasoline for automobile transportation. Green marketing initiatives focused on product development strategies reduce the need to rely on these forms of energy. For example, new appliances are designed with fuel efficiencies that clearly reduce energy consumption. It is important to recognize that the consumer must incorporate concern for the environment with multiple other considerations.

*Developing Economies:* The term developing economies refers to nations that have a relatively low gross domestic product (GDP) per capita. The low income, underdeveloped assets, and economic vulnerability common to these economies results in high dependence on the agricultural sector. Inhabitants in these markets, however, face increased exposure to drought, intense storms, floods, and environmental trauma that limits the ability to enhance quality of life. Research performed by the United Nations indicates that inhabitants of these countries are much more likely to be affected by natural disasters than inhabitants in high-income countries. Climate change limits agricultural productivity, increases water stress, raises sea levels, negatively transforms ecosystems, and thwarts human health. These factors do not operate in isolation; interactively, they contribute to hunger and poverty in developing markets. Green marketing and production position to reduce climate modify and consequently limit hunger and poverty.

*Consumer Benefits:* Consumers benefit in several important ways through green marketing. These benefits often influence consumer decision making, and consumers will vary in the extent to which they value these benefits. Initially, consumers benefit from the knowledge that they are doing their part to reduce climate change. These consumers are likely to favor corporate efforts to reduce pollution over efforts to raise corporate profitability. Consumers also value the opportunity to be associated with environmentally friendly products and organizations.

*Strategic Benefits:* Managers of corporate strategy realize multiple benefits from a green approach to marketing. Companies that incorporate ecological consciousness into their mission statements and strategy enhance their images among consumers, employees, investors, insurers, and the general public. Some consumers have strong attraction toward green products, and approaching the market with an ecological focus enhances image of the brand among these consumers.

*Product benefits:* Product benefits refer to components introduced into production outputs or services designed to benefit the consumer, whereas process benefits refer to tools, devices, and knowledge in throughput technology designed to facilitate manufacturing and logistics. For example, a hybrid engine is a product innovation, whereas a just-in-time inventory system is a process innovation.

*Production Process Benefits:* Production processes focus on organizational efforts to produce the highest-quality products at the lowest possible cost. Process benefits accrue for handling of products, by-products, and waste. The materials costs associated with sustainable manufacturing techniques can be reduced in a number of ways.

*Supply-chain Benefits:* Green marketing influences relationships among the firms that make up the channel from raw material mining to consumption. Green strategies that seek to eliminate waste in the supply chain result in firms analyzing truck loading and route planning in the delivery process. Routing that seeks to eliminate fuel costs can maximize truck capacity utilization and improve customer service.

#### **4. Challenges in Green Marketing**

- i. 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.
- ii. 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.
- iii. 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.

- iv. 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.
- v. 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. (Marketing Myopia)

## **5. Green Products in India**

- Wipro Info tech (Green It) was India's first company to launch environment friendly computer peripherals.
- Samsung, was the first to launch eco-friendly mobile handsets (made of renewable materials) –W510 and F268-in India.
- Oil and Natural Gas Corporation Ltd. (ONGC), India's largest oil company, has introduced energy-efficient Mokshada Green Crematorium, which saves 60% to 70% of wood and a fourth of the burning time per cremation.
- Reva, India's very-own Bangalore based company was the first in the world to commercially release an electric car.
- Honda India introduced its Civic Hybrid car.
- ITC has introduced Paper Kraft, a premium range of eco-friendly business paper.
- Indusland Bank installed the country's first solar-powered ATM and thus brought about an eco-savvy change in the Indian banking sector.
- Suzlon Energy manufactures and markets wind turbines, which provide an alternative source of energy based on wind power. This green initiative taken by the company is extremely important for reducing the carbon footprint.

## 6. Concluding Observations

Green marketing is a tool for protecting the environment for future generation. It is not going to be an easy concept. The firm has to plan and then carry out research to find out how feasible it is going to be. Green marketing has to evolve since it is still at its infancy stage. Adoption of Green marketing may not be easy in the short run, but in the long run it will definitely have a positive impact on the firm. Green Marketing is still in the stage of childhood in the Indian companies. Lots of opportunities are available. 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 rules 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.

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