



Green Marketing: a Way to Build a Greener World

KEYWORDS

Ecology, Green Washing, Eco-marketing, By-products, Environment

Junish R

Assistant Professor, Department of Management Studies, Ponjesly College of Engineering, Nagercoil, Kanyakumari District, Tamil Nadu

Archana L

Department of Management Studies, Ponjesly College of Engineering, Nagercoil, Kanyakumari District, Tamil Nadu.

ABSTRACT

The purpose of the paper is to discuss the increasing need of concern for the environment and to see how far various industries have understood their responsibility in conservation of ecology. This paper discusses how and why companies are emerging in the field of ecological management, which includes green marketing, eco-friendly products, ecological processes. It also shows how some companies are doing green marketing in various ways and the gain for them and the environment, through it. The paper concludes with the concern for ecology by bringing in a sense of becoming a valuable conserver of ecology.

INTRODUCTION

In this 21st century, many businesses believe long-term success will require increased attention to environmental issues. Today most of companies adopt green marketing and producing products of qualities that will protect the environment and replacing artificial ingredients with natural ingredients, because, as the world gets warmer and the resources deplete, there is increasing awareness about environmental responsibilities of the individuals and the corporates.

Green marketing is the marketing of products and services based on environmental factors or awareness and presumed to be environmentally safe. Green Marketing consist 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. Green marketing is a marketing strategy involving an emphasis on protecting the natural environment and promote healthy, reusable and eco-friendly products. 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 those approaches and provide a substantially different perspective. Corporate involved in green marketing make decisions relating to the entire process of the company's products, such as methods of processing, packaging and distribution. When companies come up with new innovations like eco-friendly products, they can access new markets, enhance their market shares, and increase profits.

THE EVOLUTION OF GREEN MARKETING

The American Marketing Association (AMA) held the first workshop on ecological marketing in 1975. 1980 was the first time green marketing emerged in Europe when some products were found to be harming the environment. AMA defines green marketing as the marketing of products that are presumed to be environmentally safe; it incorporates several activities such as product modification, changes to production processes, and packaging, advertising strategies and also increases awareness on compliance marketing amongst industries.

Ken Peattie of United Kingdom & Jacquelyn Ottman of United States of America was pioneer writers on green marketing. According to them, 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.

In begin green marketing strategy that has been adopted by numerous companies is green washing. "Green washing" is a term which refers to industries who adopt green ideologies for the purpose of increasing profit. Later firms face limited natural resources; they must develop new or alternative ways of satisfying these unlimited wants. Ultimately green marketing looks at how marketing activities utilize these limited resources, while satisfying consumers wants, both of individuals and industry, as well as achieving the selling organization's objectives.

In this 21st century increased attention is required to environmental issues and so today most companies are adopting green marketing, replacing artificial ingredients with natural ingredients and producing products of high qualities.

GREEN MARKETING MIX

Every company has its own green marketing mix. Green marketing mix differs from traditional marketing. The 4 P's of green marketing are

- **Green Product**

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. The products have to be developed depending on the needs of the customers who prefer environment friendly products. 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.

For example, Wal-Mart 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".

- **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.

- **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.

For example, British petroleum (BP) displays gas station which its sunflower motif and boasts of putting money into solar power. 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.

Green marketing manipulates the four elements of the marketing mix to sell products and services offering superior environmental benefits in the form of reduced waste, increased energy efficiency and decreased release of toxic emissions. 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.

GREEN MARKETING – REASONS FOR ADOPTION BY THE FIRMS

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

- **Opportunity**

Nowadays, most of the consumers prefer environmental friendly products and appears that all types of consumers, both individual and industrial are becoming more concerned and aware about the natural environment. So firms marketing goods with environmental characteristics have realized a competitive advantage over firms marketing non-environmentally responsible alternatives. Some examples of firms who have striven 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 driftnet 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.

- **Social Responsibility**

Many firms are beginning to realize that they are members of the wider community and therefore must behave in an en-

vironmentally 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. Firms in this situation can take two perspectives: 1) they can use the fact that they are environmentally responsible as a marketing tool; 2) they can become responsible without promoting this fact.

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.

- **Governmental Pressure**

Governmental regulations relating to environmental marketing are designed to protect consumers in several ways: 1) reduce production of harmful goods or by-products; 2) modify consumer and industry's use and/or consumption of harmful goods; or 3) ensure that all types of consumers have the ability to evaluate the environmental composition of goods. These governmental regulations are designed to control the amount of hazardous wastes produced by firms. Many by-products of production are controlled through the issuing of various environmental licenses, thus modifying organizational behavior. In some cases governments try to "induce" final consumers to become more responsible.

For example, some governments have introduced voluntary curb-side recycling programs, making it easier for consumers to act responsibly. In other cases governments tax individuals who act in an irresponsible fashion. 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**

Another major force in the environmental marketing area has been a firm's desire to maintain its competitive position. In many cases, firms observe competitors promoting their environmental behaviors and attempt to emulate this behavior. It is only in some instances that this competitive pressure causes 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. In another example when one tuna manufacture stopped using driftnets, the others followed suit. 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 Or Profit Issues**

Disposing of environmentally harmful by-products, such as polychlorinated biphenyl (PCB) contaminated oil are becoming increasingly costly and in some cases difficult. In minimizing wastes firms often develop a more effective production process that reduces the need for some raw materials thus serving as a double cost savings. In other cases firms attempt to find end-of-pipe solutions, instead of minimizing waste by trying to find markets or uses for their waste materials, where one firm's waste becomes another firm's input of production.

Green marketing covers more than a firm's marketing claims. While firms must bear much of the responsibility for environmental degradation, the responsibility should not be theirs alone. Ultimately green marketing requires that consumers

want a cleaner environment and are willing to “pay” for it, possibly through higher priced goods, modified individual lifestyles, or even governmental intervention. Until this occurs it will be difficult for firms alone to lead the green marketing revolution.

Environmental committed organization may not only produce goods that have reduced their detrimental impact on the environment, they may also be able to pressure their suppliers to behave in a more environmentally “responsible” fashion. Consumers and industrial buyers also have the ability to pressure organizations to integrate the environment into their corporate culture and thus ensure all organizations minimize the detrimental environmental impact of their activities.

COMPANIES GOING GREEN

The demand for eco-friendly products rising, the number of companies going green has also seen a substantial increase. Many of these green businesses have devoted their business efforts around developing and promoting the use of green products, in the process actively contributing towards a cleaner, safer, and ecologically more balanced environment. Some of the Companies Going Green are:

- **Green Line Paper Company:** It has been in existence since 1992 and continues to be one of the largest producers of recycled paper products. Owned and operated by a team of environmentalist, this is one of the companies going green that manufactures various tree-free, biodegradable, non-toxic, sustainable, and reusable paper products that are suitable for use at homes, offices, hospitals, schools and food industries. The eco-friendly products they carry include compostable trash bags, eco-friendly toilet tissue, office paper products like note pads, printing paper, envelopes, as well as cleaning products like window cleaners, dishwashing liquid, toilet cleaners, and furniture polish.
- **Johnson & Johnson:** Johnson & Johnson is also the second largest corporate user of solar power in the U.S., with an impressive 52 percent of its power coming from solar, wind and biomass sources. In January 2011, Johnson & Johnson launched their Healthy Future 2015 plan, which outlines its aspirations to become the most environmentally and socially responsible company in the world. But the company already has a good foundation of green practices. For the past 20 years, it has been working on reducing emissions and has reduced hazardous and nonhazardous wastes beyond their set goals. Goals for the coming years include launching public health initiatives around the globe, cultivating “the most engaged health-conscious and safe employees in the world” and partnering with sustainable suppliers. Johnson & Johnson also plans to reduce absolute facility emissions by 20 percent by 2015.
- **Nokia:** Last year, Nokia introduced eight new “eco hero” devices—energy efficient phones, some of which are made from bio materials, recycled plastics and recycled metals. And since 2010, Nokia has published ‘Eco Profiles’ on all its handsets, allowing consumers to better understand the materials, energy efficiency, packaging and recycling allowances associated with their purchases.
- **Toyota:** Toyota realized the need to go hybrid to reach a greener pasture early, before other automobiles realized that this is the only way in the long run. Toyota has gone one step further by incorporating what is the most successful of green energies. The company plans to install solar panels on its next-generation hybrid cars, becoming the first major automaker to use solar power for a vehicle. Toyota would equip solar panels on the roof of the high-end cars, and the power generated by the system would be used for the air conditioning.
- **Seventh Generation:** It is one of the companies going green that develops and sells household, personal care

and baby products that are safe for the environment, fabrics, as well as pets and people at home. Being in existence for over 20 years, Seventh Generation has become one of the most recognized companies for eco-friendly products. Seventh Generation carries green laundry products (such as natural powdered detergent, natural fabric softener, delicate care laundry detergent and chlorine-free bleach), as well as green household cleaners (such as natural carpet stain removers, natural glass surface cleaners, and kitchen cleaners). Seventh Generation also manufactures household paper products (such as 100% recycled bathroom tissue and recycled trash bags). Baby products manufactured by Seventh Generation include chlorine-free baby diapers, baby wipes, and training pants, baby laundry detergent. As one of the companies going green, Seventh Generation also donates 10% of their profits to organizations that promote environmental and health causes.

- **ITC:** ITC is a company which has been playing a leading role in ecology conservation. ITC’s Hotel Gardenia, Bengaluru is the first Indian hotel, and also the world’s largest, to get the LEED Platinum rating, which is the highest green building certification globally.
- **Hasbro:** Hasbro, creator of childhood favorites like Play-Doh and Monopoly, is an exception. It publishes all of its emissions data and works consistently to reduce its energy use and carbon footprint. In 2010, Hasbro reduced its greenhouse gas emissions by 11.3 percent from 2008 levels. The company is also committed to using sustainable packaging, sourcing at least 75 percent of its paper packaging from recycled sources or from sustainable forests. (Hasbro has banned the use of mixed tropical hardwood virgin fiber in its products and packaging.) And the world is giving credit where credit is due: This year, Hasbro was selected as a winner at the Environmental Protection Agency’s inaugural Climate Leadership Awards.

THE FUTURE OF GREEN MARKETING

Green marketing is not only the promotion of products with environmental characteristics but defines a broad concept which includes activities like product modification, changes in the production process or in packaging as well.

Although environmental issues influence all human activities, few companies and departments have integrated green issues into their daily operational tasks. This is especially true of marketing. As society becomes more concerned with the sustainability and natural environment, businesses have begun to modify their behavior and appearance in an attempt to address society’s “new” concerns. Some businesses implemented concepts like environmental management systems and waste minimization quite fast, and they have integrated environmental issues into all organizational activities. The future of green marketing seems to be bright; its growth may be slow and long.

CONCLUSION

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. Green marketing 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. Green marketing is a tool for protecting the environment for the future generation. Green marketing campaigns highlight the superior environmental protection characteristics of a company’s products and services. Marketers have responded to growing consumer demand for environment-friendly products in several ways, each of which is a component of green marketing. Marketers also have the responsibility to make the consumers understand the need for and benefits of green products as compared to non-green ones. Green marketing has a positive impact on environment safety. Because of the growing concern of environmental protection,

there is an emergence of a new market which is the green market. For companies to survive in this market, they need to go green in all aspect of their business.

REFERENCE

- Borin N., Cerf D.C, Krishnan R., (2011). 'Consumer Effects of Environmental Impact in Product Labeling.' *Journal of consumer marketing*, 28 (1), pp.76-78. |
- Bougherara D, Grolleau G, Thi'ebaut L., (2007). 'Benefiting From a Clean Environment versus Undertaking Efforts To Protect The Environment.' *Review of Agriculture Economics*, 29(2), pp. 224-226. |
- Jain, S.K., Kaur G., (2004). "Green Marketing: An Indian Perspective." *Decision*, 31 (2), pp. 169-176. |
- Peattie K. and Crane A. (2005). 'Green Marketing: Legend, Myth, Farce or Prophecy?' *Qualitative Market Research: An International Journal*, 8(4)pp.357-370. |
- <http://www.itcportal.com/about-itc/global-honours.aspx> |
- http://www.iimm.org/knowledge_bank/8_ecolabeling-scheme.htm |