



## The Green Revolution In Marketing – Is It Worth?

### KEYWORDS

Environmental benefit, socially responsible products, Green marketing

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**ABSTRACT** *The consumers who are known as the kings of the market are been provided the product which they like and are to be satisfied for the best-selling companies. World-wide is the evidence that the people are becoming more concerned about the environmental issues and are changing their preference for the product accordingly. Thus the companies producing the products when gives importance to price, quality and avability now the companies also needs to give importance to the environmental factors.*

*This paper will give light to 1) concepts and terms relate to green marketing 2) importance of the green marketing in the changing environment 3) why companies are changing to green marketing 4) limitations to green marketing.*

### INTRODUCTION

Although environmental issues influence all human activities, few academic disciplines have integrated green issues into their literature. As society becomes increasingly concerned about the natural environment, companies have begun to modify their behaviour in an attempt to address society "new" concerns. Some companies have been quick to accept concepts like environmental management systems and waste minimization and environmental issues are integrated into all activities of the organization. One of the business areas where environmental issues have been a major of discussion in the popular and professional press is marketing. Terms like "green marketing" an "Environmental Marketing" appear frequently in the popular press. Many governments around the world have become so concerned about green marketing activities that have tried regulating them. Thus the marketing issues related to the products and services should be taken care of along with the environmental issues.

### 2. ISSUES TO BE CONSIDERED

One of the biggest problems related to the green marketing is that the companies are not considering the environmental issues and are just giving importance to the 4 ps of marketing to satisfy the consumers. This paper will give light to 1) concepts and terms relate to green marketing 2) importance of the green marketing in the changing environment 3) why companies are changing to green marketing 4) limitations to green marketing.

### 3. TOPICS BEEN ELABORATED

#### 3.1 Defining the term "Green Marketing".

The obvious assumption of green marketing is that potential consumers will see a product or "greenness" of the service as a benefit and base their buying decision accordingly. The not so obvious course green marketing is that consumers will be willing to pay more for green products than they were a less green comparable alternative product - an assumption that, in my opinion, has not been proven conclusively.

Thus we can define that "Promotional activities aimed at taking advantage of the changing consumer attitudes toward a brand. These changes are increasingly being influenced by a firm's policies and practices that affect the quality of the environment, and reflect the level of its concern for the community. Thus we can just define green marketing in 3 simple words like being genuine, educating the customers about it and allowing them to participate in such a great opportunity to save the environment for a better future.

#### 3.2 Importance of Green Marketing:

Green Marketing offers incentives business bottom line and

top line growth opportunities. While changing business or production processes may involve initial costs, which will save money in the long term. For example, the cost of installing solar power is an investment in future energy savings. Companies developing new products and services and improved environmental impacts in mind are given access to new markets, increase profits and enjoy substantial competitive advantages over alternative marketers not environmentally friendly.

#### 3.3 The four P's of green marketing

Like conventional marketers, green marketers must address the "Four Ps" in innovative ways.

##### 3.3.1. Product-

Entrepreneurs who wish to exploit the emerging green markets either:

- ❖ identify environmental needs of customers and develop products to meet these needs, or
- ❖ develop environmentally friendly products to have less impact than its competitors.

#### The increasingly wide range of products on the market that supports sustainable development and is good for three include:

- ❖ Products made from recycled products such as building materials Quik'N based Tuff Broccoli recycled boxes.
- ❖ Products that can be recycled or reused.
- ❖ efficient products that save water, energy or fuel, save money and reduce environmental impact. Single Queensland waterless printer, Print Point, reduce operating costs by using less water than conventional printers and is able to pass the savings to customers.
- ❖ environmentally responsible packaging products. McDonalds, for example, changed the packaging from polystyrene clamshell paper.
- ❖ Green labelled products, as long as they offer justification.
- ❖ organic products - many consumers are willing to pay a premium for organic products, that offer promise of quality. Organic butchers, for example, promote the qualities added as flavour and tenderness.
- ❖ A service that rents or loan products - such as playgroups.
- ❖ certified products that meet or exceed environmental responsibility criteria.

##### 3.3.2. Price-

The price is a critical element of the marketing mix. Most customers are willing to pay a premium if there is a perception of extra product value. This value can improve performance,

function, design, visual appeal and taste. Environmental benefits are usually added value, but often the deciding factor between the products of the same value and quality. Environmentally Responsible Products, however, are often less expensive when the product life cycle costs are taken into account. For example, vehicles with low fuel consumption, water efficient printing and non-hazardous products.

### 3.3.3. Place-

The choice of where and when to make a product available has a significant impact on the customers are attracted. Very few customers go out of their way to buy green products just for the sake of it. Vendors looking successfully introduce new organic products should, in most cases, their position in general in the market so you are not only appealing to a small niche green.

The location should be consistent with the image the company wants to project. Location must differentiate a company from its competitors. This can be achieved by in-store promotions and visually appealing displays or use recycled materials to emphasize the environment and other benefits.

### 3.3.4. Promotion-

Promoting products and services to target markets including paid advertising, public relations, sales promotions, direct marketing and promotions on the site. Smart green marketers will be able to strengthen the credibility of the environment through sustainable use tools and practices of marketing and communication. For example, many companies in the financial sector industry are providing electronic statements by email, e-marketing is rapidly replacing more traditional marketing methods, and printed materials can be produced using recycled materials and efficient processes like waterless printing.

Retailers, for example, are recognizing the value of partnerships with other companies, the environment research groups and organizations when promoting their environmental commitment. To reduce the use of plastic bags and promote their green commitment, some retailers sell shopping bags, low the banner Go Green Environment Fund.

## 3.4 Reasons for the usage of Green Marketing?

When looking through the literature, there are several suggested reasons for firms increased use of Green Marketing. Five possible reasons cited are:

1. Organizations perceive environmental marketing to be an opportunity that can be used to achieve its objectives
2. Organizations believe they have a moral obligation to be more socially responsible
3. Governmental bodies are forcing firms to become more responsible
4. Competitors' environmental activities pressure firms to change their environmental

### Marketing activities

5. Cost factors associated with waste disposal, or reductions in material usage forces firms to Modify their behaviour

#### (A) Opportunities-

It appears that all types of consumers, both individual and industrial are becoming more concerned and aware about the natural environment. Nowadays, firms marketing goods with environmental characteristics have realized a competitive advantage over firms marketing non-environmentally responsible alternatives. There are numerous examples of firms who have strived to become more environmentally responsible, in an attempt to better satisfy their consumer needs.

- 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.

This does not mean that all firms who have undertaken environmental marketing activities actually improve their behaviour. In some cases, firms have misled consumers in an attempt to gain market share. In many other cases firms have jumped on the green bandwagon without considering the accuracy of their behaviour, their claims, or the effectiveness of their products. This lack of consideration of the true "greenness" of activities may result in firms making false or misleading green marketing claims.

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

There are examples of firms adopting both strategies. Organizations like the Body Shop heavily promote the fact that they are environmentally responsible. While this behaviour is a competitive advantage, the firm was established specifically to offer consumers environmentally responsible alternatives to conventional cosmetic products. This philosophy directly ties itself to the overall corporate culture, rather than simply being a competitive tool.

Coke has not used this concern as a marketing tool. Thus many consumers may not realize that Coke is a very environmentally committed organization. Another firm who is very environmentally responsible but does not promote this fact, at least outside the organization, is Walt Disney World (WDW). WDW has an extensive waste management program and infrastructure in place, yet these facilities are not highlighted in their general tourist promotional activities.

#### (C) 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 behaviour. 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. For example in Australia there is a higher gas tax associated with leaded petrol.

#### (D) 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 behaviours and attempt to emulate this behaviour. It is only in some instances that this competitive pressure causes an entire industry to modify and thus reduce its detrimental environmental behaviour.

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 manufacturer stopped using driftnets, the others followed suit.

#### (E) Cost / Profit Issues-

Certain firms use green marketing to address cost/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, 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. This serves as a double cost savings, since both waste and raw material are reduced.

#### 4. SOME PROBLEMS WITH GOING GREEN

No matter why a firm uses green marketing there are a number of potential problems that they must overcome. One of the main problems is that 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. For example marketers in the US must ensure their green marketing claims can meet the following set of criteria, in order to comply with the FTC's guidelines. Green marketing claims must;

- Clearly state environmental benefits;
- Explain environmental characteristics;
- Explain how benefits are achieved;
- Ensure comparative differences are justified;
- Ensure negative factors are taken into consideration; and
- Only use meaningful terms and pictures.

#### 5. CONCLUSION

Green Marketing has become a very popular way for corporations to get ahead of their competitors. It is a way for corporations to make them more marketable by hiding behind a mask and concealing their true colours. Not only has Green Marketing fooled the general public, but it has made many corporations extremely prosperous. With the amount of competition out there, it doesn't look like the end of Green Marketing is anywhere near. Green Marketing has proven it a workable solution for the many corporations using the technique, but at the same time, has stirred up a lot of discussion. Green Marketing will continue to be utilized by many corporations and the consumer will continue to buy. In a world where the fight to the top is a never ending battle, Green Marketing will continue to be the tool of choice.

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