



## Green Marketing- Challenges and Best Practices

### KEYWORDS

Environment, Green Marketing, Green Products, Green Marketing Mix, Sustainable Development.

### Nidhi Aggarwal

Assistant Professor in Commerce in DAV College, Jalandhar, Punjab.

**ABSTRACT** *Eco marketing, otherwise known as green marketing or sustainable marketing, is the practice of improving the ecology and economy of marketing through sustainable marketing and green business practices and the formation of partnerships with environmentally responsible, eco-conscious vendors.*

*The objective of this paper is to highlight the challenges being faced by Indian companies which have adopted Green Marketing and also what should be done by such companies if they actually want to harvest the benefits out of the practice of going green.*

*The present paper studies the theoretical concepts of the green Marketing, green products, green marketing mix and benefits of green marketing.*

*The research paper concludes that Green marketing should not neglect the economic aspect of marketing. Marketers need to understand the implications of green marketing. We must find an opportunity to enhance our product's performance and strengthen our 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.*

### What is Green Marketing?

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.

Eco marketing, otherwise known as green marketing or sustainable marketing, is the practice of improving the ecology and economy of marketing through sustainable marketing and green business practices, paperless, interactive and social media eco marketing techniques, and the formation of partnerships with environmentally responsible, eco-conscious vendors.

Bottom line, consumers are comparing not only products and how eco-friendly they are, consumers are evaluating the companies that make them and whether their production processes and business practices are eco-friendly and sustainable.

Companies that make eco-friendly not just a product description, but part of their business mantra win more of the market share as the green movement continues to grow.

Obviously this isn't a new movement, yet with every advancement in technology and awareness there are some so-called best practices for all companies to improve the products, processes, efforts toward sustainability, and the ways they communicate back to consumers about their genuine passion for the environment .

Businesses take a wide range of green initiatives. One of the most common examples is the act of "going paperless" or sending electronic correspondence in lieu of paper when possible. On a higher level, examples of sustainable business practices include: *refurbishing used products* (e.g., tuning up lightly used commercial fitness equipment for resale); *revising production processes* in

order to eliminate waste (such as using a more accurate template to cut out designs); and choosing non-toxic raw materials and processes. For example, Canadian farmers have found that hemp is a sustainable alternative to rapeseed in their traditional crop rotation; hemp grown for fibre or seed requires no pesticides or herbicides.

### BENEFITS OF GREEN MARKETING

Today's consumers are becoming more and more conscious about the environment and are also becoming socially responsible. Therefore, more companies are responsible to consumers' aspirations for environmentally less damaging or neutral products. Many companies want to have an early-mover advantage as they have to eventually move towards becoming green. Some of the advantages of green marketing are

- It ensures sustained long-term growth along with profitability.
- It saves money in the long run, though initially the cost is more.
- It helps companies market their products and services keeping the environment aspects in mind.
- It helps in accessing the new markets and enjoying competitive advantage.
- Most of the employees also feel proud and responsible to be working for an environmentally responsible company.

### GREEN PRODUCTS AND THEIR CHARACTERISTICS

The products those are manufactured through green technology and that caused no environmental hazards are called green products. Promotion of green technology and green products is necessary for conservation of natural resources and sustainable development. We can define green products by following measures:

- Products those are originally grown.
- Products those are recyclable, reusable and biodegradable.

- Products with natural ingredients.
- Products containing recycled contents, non-toxic chemical.
- Products contents under approved chemical.
- Products that do not harm or pollute the environment.
- Products that have eco-friendly packaging i.e. reusable recycled containers etc.

### CHALLENGES IN GREEN MARKETING

Many organizations want to turn green, as an increasing number of consumers' want to associate themselves with environmental-friendly products. Alongside, one also witnesses confusion among the consumers regarding the products. In particular, one often finds distrust regarding the credibility of green products. Therefore, to ensure consumer confidence, marketers of green products need to be much more transparent, and refrain from breaching any law or standards relating to products or business practices.

#### 1. Need for Standardization

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. There is no standardization currently in place to certify a product as organic. Unless some regulatory bodies are involved in providing the certifications there will not be any verifiable means.

#### 2. New Concept

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. The new green movements need to reach the masses and that will take a lot of time and effort. By India's ayurvedic heritage, Indian consumers do appreciate the importance of using natural and herbal beauty products. Indian consumer is exposed to healthy living lifestyles such as yoga and natural food consumption.

#### 3. Patience and Perseverance

The investors and corporate 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. Since it is a new concept and idea, it will have its own acceptance period.

#### 4. Avoiding Green Myopia

The first rule of green marketing is focusing on customer benefits i.e. the primary reason why consumers buy certain products in the first place. It is not going to help if a product is developed which is absolutely green in various aspects but does not pass the customer satisfaction criteria. This will lead to green myopia. Also if the green products are priced very high then again it will lose its market acceptability.

#### 5. Lack of awareness

Majority of the people are not aware of Green products and their uses. People often perceive that green products are expensive compared to traditional products.

#### 6. Huge Investment -

Green Marketing depends on technology and requires a huge investment in Research and development.

### What Practices To Be Followed for Effective Green Marketing

Shel Horowitz, a green marketer for over 30 years and primary author of *Guerrilla Marketing Goes Green* states that to market effectively, green businesses need to market to three different audiences, "deep green," "lazy green," and "non-Green", and that each must be approached differently. Each will have different trigger points that will move them to buy, and for the non-green 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. However there is a growing trend towards green products.

### PATHS TO GREENNESS

Green marketing involves focusing on promoting the consumption of green products. Therefore, it becomes the responsibility of the companies to adopt creativity and insight, and be committed to the development of environment-friendly products. This will help the society in the long run. Companies which embark on green marketing should adopt the following principles in their path towards greenness.

Adopt new technology/ Process or modify existing technology/ Process so as to reduce environmental impact.

Establish a management control system that will lead to adherence of stringent environmental safety norms.

Explore possibilities of recycling of the used products so that it can be used to offer similar or other benefits with less wastage.

Using more environment-friendly raw materials at the production stage itself.

The Eco: nomics Conference, one of the most popular conferences in the green industry was held in Santa Barbara, California. High-profile leaders from Walt Disney, Recycle Bank, Yale, GE and The Climate Group, as well as Wall Street Journal's editors, got together to talk about the real risks and opportunities in the fast-changing world of environmental capital.

One of the topics discussed was green marketing and best practices. These were the main outcomes:

#### What works

- Companies should focus on improving their own energy efficiency, while emphasizing benefits to local communities. Look for the "low-hanging fruit" for quicker ROI.
- Companies should give customers reasons to adopt environmentally responsible behaviours.
- When it comes to green marketing, provide information about a product's environmental benefits close to the point of purchase. Make the message personal by explaining how a consumer's purchase has direct environmental results.
- When providing information to stakeholders, avoid a hard sell on environmental benefits. Instead, engage stakeholders in a dialogue.
- In green marketing, explain the benefits to the environment as part of a bigger value proposition.
- Consider how waste can be an opportunity, not a cost or liability.

- When working with nongovernmental organizations, there must be a shared understanding of the goals and constraints of a partnership, with both sides understanding and respecting the rules of engagement.
- To get a project off the ground, consider new forms of financing, both public and private. For instance, it is possible to add solar panels at no upfront cost using a power purchase agreement (PPA).

#### What doesn't work

- Participants suggested that the government should not be put in a position "to pick winners and losers" for any technology or business process. Instead, the government should help develop technology-neutral standards.
- Companies cannot use uncertainty over government action on climate change as an excuse to stop innovating.
- Firms cannot simply talk about being green. Sustainability must become part of a company's DNA.
- Avoid politicizing sustainability. Instead, explain the economics behind adopting energy efficiency and reducing environmental impacts.
- When working with nongovernmental organizations, do not strike a deal that has no substance. Be sure to carefully consider the people and resource needs of a partnership.
- For best results when financing energy efficiency or other environmental projects, the market requires more certainty in government policy.

In order to help companies bring successful eco-friendly products to market, PR News Press recently published their Guide to Best Practices in Corporate Social Responsibility & Green PR. Noral's article translates into usable insight a comprehensive analysis from the most successful green marketing case histories in the world's largest collection of award-winning cases, providing 5 Best Practices for Successful Green Marketing Campaigns.

Although the five "must-do's" appear to be particularly important in successful Green marketing campaigns, the following can be applied to many marketing endeavours:

#### 1 – Make it Simple

Consumers want to buy green but are confused by the terminology and technology. It may be hard to feel "environmentally" good about a purchase under those circumstances. Make it possible for consumers to comprehend and appreciate the benefits of technological innovation without confronting a single technical fact.

#### 2 – Make it Relevant

Consumers care about the environment and the world they live in. But they do so second to the things that affect them and their family directly. Help them see the brand (and its functional benefits) in the context of what it can actually do for them and who/what they care about.

#### 3 – Make Sure It's Believable

Consumers are more wary than ever of the claims marketers make about a product. Successful green campaigns go beyond establishing "I'll buy that" credibility. They back up environmental claims with clear and direct evidential support.

#### 4 – Make Sure it's Distinctive

Any brand can "bite the bullet" and offer environmentally friendly packaging to reduce energy consumption in manu-

facturing. The challenge is to be creative and avoid being lumped into the oversaturated green marketing club. Look for that green selling proposition that only you can make, given your brand or product's unique features and benefits.

#### 5 – Make Sure It's Engaging

Many consumers find it difficult to be persuaded that their individual actions can make an impact to save the environment or stop global warming. People need places to get information, form opinions, and be part of a group with like-minded individuals making positive change. Make it easy for people to feel they belong to a community that can collectively make a difference.

#### EXAMPLES OF GREEN MARKETING IN INDIA:-

1. Digital Tickets by Indian Railways. :- Recently IRCTC has allowed its customers to carry PNR no. of their E-Tickets on their laptop and mobiles. Customers do not need to carry the printed version of their ticket anymore.
2. No Polythene carry bags for free :-Forest & Environmental Ministry of India has ordered to retail outlets like BigBazar ,D-Mart etc that they could provide polythene carry bags to customers only if customers are ready for pay for it.
3. Green IT Project: State Bank of India:-By using eco and power friendly equipment in its 10,000 new ATMs, the banking giant has not only saved power costs and earned carbon credits, but also set the right example for others to follow.
- 4: Lead Free Paints from Kansai Nerolac:- Kansai Nerolac has worked on removing hazardous heavy metals from their paints.
5. Wipro's Green Machines:-Wipro Infotech was India's first company to launch environment friendly computer peripherals. These products are RoHS (Restriction of Hazardous Substances) compliant thus reducing e-waste in the environment
6. ITC has been 'Carbon Positive' three years in a row (sequestering/storing twice the amount of CO<sub>2</sub> than the Company emits). 'Water Positive' six years in a row (creating three times more Rainwater Harvesting potential than ITC's net consumption).
7. McDonald's restaurant's napkins, bags are made of recycled paper.
8. Coca-Cola pumped syrup directly from tank instead of plastic which saved 68 million pound/year.
9. Badarpur Thermal Power station of NTPC in Delhi is devising ways to utilize coal-ash that has been a major source of air and water pollution.

#### Green Marketing Mix

Every company has its own favourite 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.

**Product** The ecological objectives in planning products are to reduce resource consumption and pollution and to increase conservation of scarce resources (Keller man, 1978).

**Price** Price is a critical and important factor of green marketing mix. Most consumers will only be prepared to pay additional value if there is a perception of extra product value. This value may be improved performance, function, design, visual appeal, or taste. Green marketing should take all these facts into consideration while charging a premium price.

**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 eco-friendly products.

**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.

### Conclusion

Green marketing should not neglect the economic aspect of marketing. Marketers need to understand the implications of green marketing. If we think customers are not concerned about environmental issues or will not pay a premium for products that are more eco-responsible, think again. We must find an opportunity to enhance our product's performance and strengthen our 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. Today's successful marketing is about appealing to personal values and delivering consumer empowerment. This is the right time to ensure that sustainable development takes place and some of the grave issues being faced by our planet are addressed to. If companies follow Green marketing methods in a prudent manner they will certainly produce highly effective results. If we think customers are not concerned about environmental issues or will not pay a premium for products that are more eco-responsible, think again. We must find an opportunity to enhance our product's performance and strengthen our customer's loyalty and command a higher price.

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