



"GREEN MARKETING"

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ABSTRACT The term Green Marketing came into prominence in the late 1980s and early 1990s. The American Marketing Association (AMA) held the first workshop on "Ecological Marketing" in 1975. The proceedings of this workshop resulted in one of the first books on green marketing entitled "Ecological Marketing". 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. *The article seeks to understand the opportunities for innovation offered by green marketing and the challenges faced by it.* In the last decade, consumers have become more enlightened on environmental issues, marketing literature on greening products/firms builds on both the societal and social marketing research. Societal marketing implies that organizations (governments, businesses and nonprofits) need to determine the needs of target markets and to deliver the desired satisfactions in a way that enhances the consumer's and the society's well being. Thus, it becomes important to understand the impact of green marketing on customer satisfaction. *The paper also covers the various green marketing strategies & its managerial implications.* 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. Green marketing affects all areas of our economy, it does not just lead to environmental protection but it also create new market and job opportunities. Companies that are environmental stewards stand a chance of gaining many satisfied and loyal customers.

Objectives:

- To understand the opportunities for innovation offered by green marketing and the challenges faced by it.
- To understand the impact of green marketing on customer satisfaction.
- To study green marketing strategies & its managerial implications.

KEYWORDS :**INTRODUCTION**

The term Green Marketing came into prominence in the late 1980s and early 1990s. 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; It is the existence of varying social, environmental and retail definitions. Green, environmental and eco-marketing belong to the group of approaches which seek to address the lack of fit between marketing as it is currently practiced and the ecological and social realities of the wider marketing environment. Firms can 'green' themselves in three ways: value-addition processes (firm level), management systems (firm level) and/or products (product level). Greening the value-addition processes could entail redesigning them, eliminating some of them, modifying technology and/or inducting new technology – all with the objective of reducing the environmental impact aggregated for all stages.

"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.

LITERATURE REVIEW

Pride and Ferrell (1993) Green marketing, also alternatively known as environmental marketing and sustainable, 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.

Prakash (2000), a key challenge for marketers is to understand whether consumers view firm/product greening as motivating factors (their presence induces consumers to purchase a given product; preference for a product is an increasing function of the greening level) or hygiene factors (their absence may bother consumers but, after a low threshold of greening, the preference for a product is not an increasing function of the greening level).

OPPORTUNITIES

As demand changes, many firms see these changes as an opportunity to exploit and have a competitive advantage over firms marketing non environmentally responsible alternatives. For green marketing to be effective, marketers need to do three things; be genuine, educate their customers, and give them the opportunity to participate. Companies that develop new and improved products and services with environment inputs in mind give themselves access to new markets, increase their profit sustainability, and enjoy a competitive advantage over the companies which are not concerned for the environment. Some examples of firms who have strived to become more environmentally responsible, in an attempt to better satisfy their consumer needs are:

Xerox introduced a "high quality" recycled photocopier paper in an attempt to satisfy the demands of firms for less environmentally harmful products.

McDonald's replaced its clam shell packaging with waxed paper because of increased consumer concern relating to polystyrene production and Ozone depletion.

An example of a firm that does not promote its environmental initiative is Coca-Cola. They have invested large sums of money in various recycling activities, as well as having modified their packaging to minimize its environmental impact. While being concerned about the environment, 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.

CHALLENGES IN GREEN MARKETING

- Majority of the people are not aware of green products and their uses.
- Majority of the consumers are not willing to pay a premium for green products.
- Requires a technology, which requires huge investment in R & D
- 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 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. A standard quality control board needs to be in place for such labeling and licensing.

- **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. In those aspects the consumer is already aware and will be inclined to accept the green products.
- **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.
- **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. Do this right, and motivate consumers to switch brands or even pay a premium for the greener alternative. 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.

PRESENT TRENDS IN GREEN MARKETING IN INDIA

Firms have realized that consumers prefer products that do not harm the natural environment as also the human health. Firms marketing such green products are preferred over the others not doing so and thus develop a competitive advantage, simultaneously meeting their business objectives.

Governmental Bodies are forcing Firms to Become More Responsible. In most cases the government forces the firm to adopt policy which protects the interests of the consumers. It does so in following ways:

- Reduce production of harmful goods or by products
- Modify consumer and industry's use and /or consumption of harmful goods; or
- Ensure that all types of consumers have the ability to evaluate the environmental composition of goods.

IMPACT OF GREEN MARKETING ON CUSTOMER SATISFACTION

Customer satisfaction has been defined in two basic ways: as either an outcome or as a process. As an outcome, satisfying the end state resulting from the consumption experience. As a process, it is the

perceptual evaluative and psychological process that contributes to satisfaction. The definition is varied with regards to their level of simplicity which includes;

- Product satisfaction
- Satisfaction with the purchase decision experience.
- Satisfaction with the performance attribute
- Satisfaction with the store or institution
- Satisfaction with pre-purchase experience.

Consumers want to identify themselves with companies that are green compliant and are willing to pay a premium for a greener life style. As such, green marketing is not just an environmental protection tool but also, a marketing strategy.

GREEN MARKETING STRATEGIES

Greening products/ firms builds on both the societal and social marketing research. Societal marketing implies that organizations (governments, businesses and nonprofits) need to determine the needs of target markets and to deliver the desired satisfactions in a way that enhances the consumer's and *the society's well being*. Social marketing focuses on designing and implementing programs that *increase the acceptability of a social idea, cause, or practice* in (a) target group(s) (Kotler, 1994). Unlike traditional marketers, social and societal marketers seek to persuade consumers to alter their behaviours that have significant externalities.

The New Rules of Green Marketing shares with us 6 winning strategies:

1. Create new products and services that balance consumers' desires for quality, convenience, and affordability with minimal adverse environmental and social impacts over the life of the product.
2. Develop brands that offer practical benefits while empowering and engaging consumers in meaningful ways about the important issues that affect their lives.
3. Establish credibility for your efforts by communicating your corporate commitment and striving for complete transparency.
4. Be proactive. Go beyond what is expected from stakeholders. Proactively commit to doing your share to solve emerging environmental and social problems – and discover competitive advantage in the process.
5. Think holistically. Underscore community with users and with the broad array of corporate environmental and societal stakeholders.
6. Don't quit. Promote responsible product use and disposal practices. Continuously strive for “zero” impact

IMPLICATIONS

Green marketing subsumes greening products as well as greening firms. Managers need to identify what ought to be greened: systems, processes or products? Consumer apathy to green products is due to many factors, including inadequate information about levels of greenness, lack of credibility of firms' claims and the tendency to free ride. It also seems that green products that offer direct excludable benefits to consumers would have higher acceptability.

Consumer apathy may also be attributed to the belief that individual actions alone cannot impact the macro picture, and collective endeavours are impeded by free riding. To curb free riding and to reassure consumers that their actions will have macro impact, some green marketers favour policies/regulations that lead to collective sacrifices. This leads to another set of challenges, because environmental issues are often highly contested in terms of their etiologies and solutions.

Information provision about greenness is a key component of green marketing. Clearly, firms should not advertise products' environmental benefits unless such claims can be credibly substantiated. Firms can also form strategic alliances, including product endorsements and corporate sponsorships from environmental groups that provide credibility to their environmental claims (Mendleson and Polonsky, 1995). Finally, if managers believe that consumers view greenness as a motivating variable, they should invest in conveying information through advertising, direct mailing, brand labels, in-store displays and pamphlets.

CONCLUSION

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 roles because green marketing is essential to save world from pollution. In green marketing, consumers are willing to pay more to maintain a cleaner and greener environment. Customers want to associate themselves with companies and products that are eco-friendly. Green marketing is a tool for protecting the environment for the future generation. It has a positive impact on environmental 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. From the business point of view a clever marketer is one who not only convinces the consumer, but also involves the consumer in marketing his product. Our understanding of green marketing is still in its infancy, perhaps due to the multidisciplinary nature of the enterprise. Green marketing assumes even more importance and relevance in developing countries like India.

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