

“GREEN MARKETING”

Varun Singh Yadav

Assistant Professor, Govt. College, Barwala (Pkl)

E-Mail ID: vsychd@gmail.com

Abstract- Green marketing refers to the marketing of products and services based on environmental factors or awareness. Green marketing is environmentally responsible marketing. Green marketing considers consumer concerns about preservation and conservation of the natural environment. It includes a broad range of activities and decisions relating to entire process of company's products viz. changes in production processes, sustainable packaging, modifying advertising and distribution. The paper brings an insight into how green marketing and green products influence business, customers and economy. Campaigns on green marketing mainly create awareness on highlighting the superior environmental protection characteristics of a company's wide range of products and services. Such characteristics include reduced waste in packaging, increased efficiency of the product in use, reduced use of fertilisers and chemicals in agriculture, decreased release of toxic emissions and other pollutants in transportation, industrial and production processes. It is known by different names such as environmental marketing, sustainable marketing, eco-marketing and ecological marketing. According to the author, green marketing is the need of the hour since it would lead to sustainable development of all the agents involved in its production, packaging, promotion, distribution and consumption. Companies engaged in green marketing are committed to sustainable development and corporate social responsibility. It may be understood from the fact that 25 renowned global companies are leading the green revolution such as Bank of America, General Electric (GE), McDonalds, Dupont, Innovest, Wal-Mart, Coca-Cola, Toyota, Honda, Tesla Motors, Tesco, Dell, Hewlett-Packard(hp), S.C. Johnson, Goldman Sachs to name a few. Many companies and brands are venturing into green marketing for other reasons like opportunity; profitability, better promotion, govt. pressure, competitive pressure, cost reduction, sustainable long term growth and customer satisfaction. The 2014 Nielsen Global Survey on Corporate Social Responsibility polled 30,000 consumers from 60 countries to determine statistics on consumer preferences for sustainable purchasing, it was found that (i) 55% of the consumers were willing to pay extra for products and services from companies committed to positive social and environmental impact (up from 45% in 2011). (ii) 52% made at least one purchase in the past six months from at least one socially responsible company. (iii) 52% check product packaging to ensure sustainable impact. Examples of green marketing or environment friendly products include non-genetically modified products that are free of pesticides, not containing any toxic materials or ozone depleting substances, able to be recycled and/or produced from recycled materials, being made from renewable materials like bamboo, sheep's wool, cellulose, not making use of excessive packaging like some banks going for paper less transactions or mobile or net banking and being designed to be repairable and not

'throwaway' like automobiles and computers in U.S.A.

Keywords: Green Marketing, Ecological Marketing, Environmental Marketing, Socially Responsible Marketing, Green Products, Benefits, Limitations

I. INTRODUCTION

Green marketing is environmentally responsible marketing. It is a business practice that considers consumer concerns about conservation and preservation of the natural environment. Campaigns on green marketing mainly create awareness on highlighting the superior environmental protection characteristics of a company's wide range of products and services. Such characteristics include reduced waste in packaging, increased efficiency of the product in use, reduced use of fertilisers and chemicals in agriculture, decreased release of toxic emissions and other pollutants in transportation, industrial and production processes.

II. MEANING AND DEFINITIONS

Green marketing is the marketing of products and services based on environmental benefits. It is the marketing of such products and services considered to be environmentally safe or produced in an environmental friendly manner. It includes the following:

- 1) Being manufactured in a sustainable manner.
- 2) Able to be recycled and/or is produced from recycled materials.
- 3) Not containing toxic or poisonous materials or ozone-depleting substances.
- 4) Being made from renewable materials (e.g. bamboo, jute, solar plant, hydro electric power station, wind energy etc).
- 5) Not making use of excessive packaging (e.g. use of paper by cutting down trees).
- 6) Being designed to be repairable and not "throwaway (e.g. in U.S.A., people throwaway computers and automobiles in the junkyard and purchase new ones in their place).

Green marketing includes a broad range of activities such as product modification, changes in the production process, sustainable packaging, modifying advertising and distribution. However,

defining green marketing is not a simple task where several meanings intersect and contradict each other; an example of this will be the existence of varying social, environmental and retail definitions attached to this term. It is known by different names such as environmental marketing, sustainable marketing, eco-marketing and ecological marketing.

1. According to American Marketing Association (AMA), Green Marketing is the marketing of products and services presumed to be environmentally safe. Various similar terms used are environmental marketing and ecological marketing. It includes a broad range of activities viz. product modification, changes to the production process, sustainable packaging and modifying advertising or sustainable advertising and distribution.

2. According to Pride and Ferrel (1993), Green Marketing refers to organisation's efforts at designing, promoting, pricing and distributing products that will not harm the environment.

3. According to Michael Polonsky (1994), Green Marketing includes all activities designed to generate and facilitate any exchanges intended to satisfy human needs or wants that has minimal detrimental impact on the natural environment.

4. According to Elingston, Green Consumer is defined as one who avoids products that are likely to

- Endanger the health of consumer and 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 globally.

III. HISTORY AND EVOLUTION OF GREEN MARKETING

The term "Green Marketing" came into prominence in a workshop during late 1980s and early 1990s. The proceedings of this workshop resulted in one of the first books on green marketing entitled "Ecological Marketing".

The Corporate Social Responsibility (CSR) Reports started with the ice cream seller Ben & Jerry's where the financial report was supplemented by a greater view on the company's environmental impact. In 1987, a document prepared by the World Commission on Environment and Development defined sustainable development as meeting "the needs of the present without compromising the ability of

future generations to meet their own need", this became known as the Brundtland Report and was another step towards widespread thinking on sustainability in everyday activity. Two tangible milestones for wave 1 of green marketing came in the form of published books, both of which were called Green Marketing. They were written by Ken Peattie (1992) in the United Kingdom and by Jacquelyn Ottman (1993) in the United States of America.

IV. OBJECTIVES OF THE STUDY

1. To know whether customer are willing to pay more for green products.
2. To know why companies and brands are venturing into green marketing.
3. To know what are the disadvantages or drawbacks of green marketing.

V. WHY ARE COMPANIES VENTURING INTO GREEN MARKETING?

Eco-friendly products usually mean that their production or certainly use doesn't damage the environment, for example, made from biodegradable material that will not contribute to the large landfill sites or cause toxic waste, so firstly this helps the appearance of the environment the safety, many reduce the effect of global warming, acid rain and various other environmental problems, many wastes can be hazardous to animals etc. so obviously it's beneficial.

However they can often be expensive for example, biofuel is more expensive than normal fuel, also many of the material and products are being developed this means that time and money is wasted in some people's opinion rather than on for example cures to certain disease etc. also many of the products being in development can have unknown risks and reactions so many people may be reluctant to use them.

Some companies have made an effort to become more environmentally friendly, also known as "going green." Reasons for going green can include achieving better public relations, tapping into the growing green market or even because the company may simply feel it is the right thing to do to help protect the environment. However, there can be a number of disadvantages to going green for corporations.

Many companies and brands are venturing into green marketing for different reasons such as opportunity, social responsibility, government pressure, competitive pressure and cost reduction. There are various benefits of green marketing

- Sustainable long term growth
- Profitability
- Saves money in the long run
- Helps promoting products in an environment friendly manner
- Helps in breaking through newer markets for competitive advantages

VI. ARE CUSTOMERS WILLING TO PAY MORE FOR GREEN PRODUCTS?

The obvious assumption of green marketing is that potential consumers will view a product or service's "greenness" as a benefit and base their buying decision accordingly. The not so obvious assumption is that customers are not willing to pay extra more for green products.

According to Nielsen's 2014 global survey on Corporate Social Responsibility, a growing amount of people are taking that into consideration when making their purchases. The poll surveyed 30,000 internet users in 60 countries to find out how passionate consumers are about sustainable practices when it comes to what they buy. The survey showed that 55 per cent of global online consumers are willing to pay more for products from companies they know are making a conscious effort to reduce their carbon footprint. That is up from 50 per cent in 2012 and 45 per cent in 2011. Further, the report said, globally 52 per cent of purchase decisions are dependent on the packaging.

Regionally, respondents in the Asia-Pacific are leading the way, with 64 per cent of online users saying they would pay more for sustainable products. That is followed closely by Latin America (63 per cent) and the Middle East/Africa (63 per cent).

VIII. ADVANTAGES OF GREEN MARKETING

Green marketing can result in different types of customer reactions, which can serve as benefits or drawbacks to such a marketing strategy. Environmentally conscious consumers may flock to your brand and embrace your products. You may also be able to use green marketing to gain an increase in neutral consumers who value other features more but see the environmental benefits of your products as a slight advantage over similar competing products. On the other hand, some consumers equate green marketing with products that cost more or sacrifice practical value for vague or unproven environmental benefits. Green marketing may seek to avoid this negative connotation by using new terminology. For example, the website Environmental Leader notes that the construction industry uses the term "high-performance building" to avoid customer concerns over decreased durability when it comes to green construction materials and techniques. Environmental responsibility has been added to the corporate agenda in the 21st century. Businesses are held accountable by both the government and society to operate in environmentally friendly ways. Green marketing is used by companies to communicate a brand's emphasis on business practices or products that are beneficial for the environment

VIII. PRODUCT OPPORTUNITIES: Growing consumer awareness and interest in preserving and utilizing natural resources has contributed to an influx in sales and marketing of environmentally friendly and reusable products. "Organic" has become a key word in marketing. Sales of organic products reached \$26.6 billion in 2009, according to Barbara Haumann in her April 2010 report for the Organic Trade Association. \$24.8 billion was generated from organic food sales and an additional \$1.8 billion was realized through non-food organic products.

IX. ENHANCED ENVIRONMENTAL AWARENESS

The Encyclopedia of Business (2nd Edition) pointed out that a benefit that resonates with industry and consumers alike is the expansion of environmental awareness. As companies market their green-friendly efforts and products, they simultaneously encourage the green initiative. This perpetuates the efforts by other companies to operate with more green responsibility and causes consumers to remain vigilant in holding companies accountable for their actions.

X. DISADVANTAGES OF GREEN MARKETING

A) Premium Prices: Keeping up with environmental expectations can be expensive for a company. Preserving rain forests, recycling, reducing waste and other green-friendly actions take time, resources and concerted effort. A benefit of green marketing expansion is that consumers may become more comfortable and accepting of paying higher premium prices to acquire earth-friendly products or to support companies that engage in green activities. The Encyclopedia of Business acknowledges that it is a crucial task of marketers to get customers to take on this premium price

B) Supplier Expansion: A challenge faced by early adopters of the environmental movement was the limited supply of earth-friendly food and non-food products. Companies that initially sold organic foods faced high prices due to a limited number of organic farmers and suppliers. However, Haumann notes in her report "farmers' markets, co-ops and CSA (community-supported agriculture) operations gained a lot of interest as consumers increasingly look for locally and regionally produced organic foods." Grocery retailers also benefit from stronger local supplies of organic food products.

C) Conversion Expenses: It can be costly for a corporation to go green initially. For example, the switch to solar power will create the need to

install solar panels at business facilities. The cost reductions in energy savings gained by going green are not always enough to offset the initial upfront conversion costs.

D) Costlier Products: In some cases, the switch to using green materials can lead to more expensive products for consumers. According to Jon Kaplan, owner of Greenworks Cabinetry, a Florida company that manufactures eco-friendly furniture products, he must get many of his building materials from the West Coast and even Asia, which leads to higher prices for the consumer.

E) Lack Of Support: There can be an “entrenched bias” against companies that want to go green, as evidenced by some laws and regulations, according to Andrew Georgiadis, a South Florida green development expert. Georgiadis points to the fact that as of April 2010, fewer than 50 South Florida businesses have been able to obtain Leadership in Energy and Environmental Design certification, a system that verifies performance regarding the implementation of energy-saving measures.

F) Going Paperless: For some companies, a common method of going green is to minimize or even eliminate the use of paper. This can pose some disadvantages. For example, if employees lose or experience the theft of laptop computers, sensitive information that would normally be kept in a locked paper file could fall into the wrong hands. If companies don’t properly back up their computer files, a system crash could prove disastrous.

G) Customer Backlash: Companies may intentionally or unintentionally make false claims regarding the environmental friendliness of their products, a process known as “greenwashing.” If consumers become aware that a company is engaging in greenwashing, the company may suffer harm to its credibility.

XI. ADAPTABILITY OF GREEN MARKETING

In 1989, 67 percent of Americans stated that they were willing to pay 5-10 percent more for ecologically compatible products. By 1991, environmentally conscious individuals were willing to pay between 15-20 percent more for green products. Today, more than one-third of Americans say they would pay a little extra for green products.

An important challenge facing marketers is to identify which consumers are willing to pay more for environmentally friendly products. It is apparent that an enhanced knowledge of the profile of this segment of consumers would be extremely useful.

Everett Rogers, communication scholar and author of “Diffusion of Innovations”, claims that the following five factors can help determine whether a new idea will be adopted or not, including the idealism of the shift towards “green”:

A) **Relative Advantage:** It is the degree to which the new behaviour is believed to accrue more beneficial outcomes than current practice.

B) **Observability:** It is how easy it is to witness the outcomes of the new behaviour.

C) **Trialability:** It is the ease with which the new behaviour can be tested by an individual without making a full commitment.

D) **Compatibility:** It is the degree to which the new behaviour is consistent with current practice.

E) **Complexity:** It is how difficult the new behaviour is to be implemented.

XII. CONCLUSION

Green marketing is concerned with marketing of such products and services which are environmentally safe. Companies engaged in green marketing are committed to sustainable development and corporate social responsibility. Many companies and brands are venturing into green marketing for other reasons like opportunity; profitability, better promotion, govt. pressure, competitive pressure, cost reduction, sustainable long term growth and customer satisfaction. Examples of green marketing or environment friendly products include non-genetically modified products that are free of pesticides, not containing any toxic materials or ozone depleting substances, able to be recycled and/or produced from recycled materials, being made from renewable materials like bamboo, sheep’s wool, cellulose , not making use of excessive packaging like some banks going for paper less transactions or mobile or net banking and being designed to be repairable and not ‘throwaway’ like automobiles and computers in U.S.A.

The customers are willing to pay more for those products which are environmentally safe, biodegradable, renewable and recyclable. Campaigns on green marketing mainly create awareness on highlighting the superior environmental protection characteristics of a company’s wide range of products and services. Such characteristics include reduced waste in packaging, increased efficiency of the product in use, reduced use of fertilisers and chemicals in agriculture, decreased release of toxic emissions and other pollutants in transportation, industrial and production processes. . It is known by different names such as environmental marketing, sustainable marketing, eco-marketing and

ecological marketing.

The 2014 Nielsen Global Survey on Corporate Social Responsibility polled 30,000 consumers from 60 countries to determine statistics on consumer preferences for sustainable

purchasing, it was found that (i) 55% of the consumers were willing to pay extra for products and services from companies committed to positive social and environmental impact (up from 45% in 2011). (ii) 52% made at least one purchase in the past six months from at least one socially responsible company. (iii) 52% check product packaging to ensure sustainable impact. However, green products are also not free from drawbacks such as premium prices, costlier products, customer backlash, going paperless, conversion expenses and supplier expansion. Despite these defects, green marketing is the need of the hour in modern times and companies should invest heavily in green marketing to give

benefits to the consumers, manufacturers, environment and economy.

REFERENCES

- [1] The New Rules of Green Marketing by Jacquelyn Ottman. [1]
- [2] Street Smart Sustainability by David Mager and Joe Sabilia. [1]
- [3] [https:// en.wikipedia.org/wiki/Green_marketing](https://en.wikipedia.org/wiki/Green_marketing). [6]
- [4] www.businessdictionary.com/definition/green-marketing.html[6]
- [5] escholarship.org/uc/item [6]
- [6] <https://www.sustainablemarketing.com> [6]
- [7] Business Dictionary: Green Marketing [6]
- [8] Encyclopedia of Business (2nd Ed.): Green Marketing