

Green Marketing: How Green is it?

Supriya

Assistant Professor, Department of Commerce, A.I.J.H.M. College, Rohtak, Haryana

ABSTRACT

The idea and practice of “green marketing” seems to be really fascinating. Green products suggest that less damage was probably done in producing and bringing those products to market than might otherwise have been done under some other way of operating. This paper will attempt 1) to introduce the terms and concepts of green marketing; 2) briefly discuss why going green is important; 3) examine some of the reason that organizations are adopting a green marketing philosophy; 4) mention some of the problems with green marketing.

INTRODUCTION

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; an example of this will be the existence of varying social, environmental and retail definitions attached to this term. Other similar terms used are Environmental Marketing and Ecological Marketing. Thus "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, no biodegradable solid waste, harmful impact of pollutants et cetera, 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.

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

IMPORTANCE OF GREEN MARKETING

Green marketing offers business bottom line incentives and top line growth possibilities. While modification of business or production processes may involve start-up costs, it will save money in the long term. For example, the cost of installing solar energy is an investment in future energy cost savings.

Companies that develop new and improved products and services with environmental impacts in mind gave themselves access to new markets, substantially increased profits and enjoy competitive advantages over those marketing non-environmentally responsible alternatives. When looking through the literature there are several suggested reasons for firms increased use of green marketing. Five possible reasons are as follows:

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 behavior.

THE FOUR P'S OF GREEN MARKETING

Like conventional marketers, green marketers must address the four P's in innovative ways.

1. PRODUCT: Entrepreneurs wanting to exploit emerging green market either identify customers' environmental needs and develop products to address these needs; or develop environmentally responsible products to have less impact than competitors. The increasingly wide varieties of products on the market that support sustainable development and are good for the triple bottom line include products made from recycled goods, such as Quik'N Tuff housing materials made from recycled broccoli boxes. Products that can be recycled or reused. Efficient products, which save water, energy or gasoline, save money and reduce environmental impact. Queensland's only waterless printer, Printpoint, reduces operating costs by using less water than conventional printers and is able to pass the savings on to customers. Products with environmentally responsible packaging. McDonalds, for example, changed their packaging from polystyrene clamshells to paper. Products with green labels, as long as they offer substantiation. Organic products — many consumers are prepared to pay a premium for organic products, which offer promise of quality. Organic butchers, for example, promote the added qualities such as taste and tenderness. A service that rents or loans products — such as toy libraries. Certified products, which meet or exceed environmentally responsible criteria. Whatever the product or service, it is vital to ensure that products meet or exceed the quality expectations of customers and is thoroughly tested.

2. PRICE: Pricing is a critical element of the marketing mix. Most customers are prepared to pay a premium if there is a perception of additional product value. This value may be improved performance, function, design, visual appeal or taste. Environmental benefits are usually an added bonus but will often be the deciding factor between products of equal value and quality. Environmentally responsible products, however, are often less expensive when product life cycle costs are taken into consideration. For example fuel-efficient vehicles, water-efficient printing and non-hazardous products.

3. PLACE: The choice of where and when to make a product available has a significant impact on the customers being attracted. Very few customers go out of their way to buy green products merely for the sake of it. Marketers looking to successfully introduce new green products should, in most cases, position them broadly in the market place so they are not just appealing to a small green niche market. The location must also be consistent with the image which a company wants to project. The location must differentiate a company from its competitors. This can be achieved by in-store promotions and visually appealing displays or using recycled materials to emphasize the environmental and other benefits.

4. PROMOTION: Promoting products and services to target markets includes paid advertising, public relations, sales promotions, direct marketing and on-site promotions. Smart green marketers will be able to reinforce environmental credibility by using sustainable marketing and communications tools and practices. For example, many companies in the financial 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, such as waterless printing. Retailers, for example, are recognizing the value of alliances with other companies, environmental groups and research organizations when promoting their environmental commitment. To reduce the use of plastic bags and promote their green commitment, some retailers sell shopping bags, under the banner of the Go Green Environment Fund. The key to successful green marketing is credibility. Never overstate environmental claims or establish unrealistic expectations, and communicate simply and through sources that people trust. Promote your green credentials and achievements. Publicize stories of the company's and employees' green initiatives. Enter environmental awards programs to profile environmental credentials to customers and stakeholders.

FIVE REASONS WHY GREEN MARKETING SHOULD BE PUT TO REST

1. It's not working : For all the hue and cry by green marketers over the years, shoppers seem conflicted and misinformed. People don't trust companies even though they want them to act. At the same time, the number-one way people determine a product is green is that they read the package. So, they trust the brand, but not the company behind the brand, though they trust the marketing claims the company makes on its package. Is it any wonder that, when it comes to making green choices, consumers are dazed and confused?

2. It remains a niche activity: Most of the major product purveyors have opted out of green marketing, or have dabbled in it so timidly as to relegate it to a single brand or product line. Of the 10 largest advertisers in 2010 (Procter & Gamble, AT&T, General Motors, Verizon, News Corp., Johnson & Johnson, Pfizer, Time Warner, General Electric and

Walt Disney), only two — GM and GE — have tried in earnest to market products as green. One of those, GE, is largely B-to-B.

3. It's not moving the needle: After all these years, green marketing isn't making any real difference. It's not changing consumer habits. It's not causing a significant shift in the kinds of goods and services companies are selling. And it's definitely not making a dent in addressing climate change, water and food security, biodiversity, energy prices, or any of our other serious environmental and economic challenges.

4. It's deluding people into thinking they're helping: Green marketing creates a false sense of engagement and action — that we can simply shop our way to environmental health. And it often creates an excuse for consumers to not do more. We all know (or are related to) someone who, consciously or not, believes that buying organic foods, recycling newspapers or driving a hybrid car offsets the rest of their personal environmental impact. That is, doing these things somehow makes the world safe for their other purchases, lifestyle and travel choices. Of course, it doesn't.

5. It's missing the bigger story: The bigger story is this: Most of what we buy has become greener in spite of our unwavering shopping habits.

Over the past few months, Green Biz has written stories about significant commitments and achievements made by some of the biggest consumer companies and brands: Adidas, Anheuser-Busch, Avon, Heinz, HP, Johnson & Johnson, Kellogg, Kraft, Levis, McDonald's, Nike, Pepsi, Planter's, Procter & Gamble, Puma, Smithfield, Sprint, Timberland and Verizon. Almost none of these commitments and achievements is going to show up in product marketing materials or ads. If anything, they'll be mentioned deep in a corporate website or buried in an environmental report. They're not being done to sell more stuff. They're being done because they cut costs, eliminate waste and inefficiency, improve quality and engage employees. That is, for sound business reasons.

Are these companies green, or even good? Not likely. But they're making a bigger positive impact than most consumers will ever know. So, green marketing isn't changing consumers' minds, is ignored by the biggest marketers, isn't changing things, misleads consumers and doesn't give companies credit where it's due. Are there any good reasons to keep doing it?

It is not suggested that consumers opt out of trying to nudge companies, markets and economies toward more sustainable products and practices. But relying on green marketing isn't the way to make change. Most of it is irrelevant and unhelpful.

What's helpful? Pushing companies to be transparent and accountable for their environmental (and social) impacts. Transparency has become the new lingua franca in sustainability — a demand for companies to account for and report their impacts, commitments, goals and progress. It's at the company or brand level that this makes sense: Why offer a few good, eco-labeled products if the organization behind them is headed in the wrong direction? Transparency is a fundamental building block of a green economy. It can build trust in companies, and ward off claims of green washing. Being transparent is no longer a question for consumer-facing companies. The only question is whether they do it themselves or have it done for them.

But for transparency to be effective means consumers will have to put aside their innate skepticism — or, if they prefer, hold their noses — and support leadership companies, even if the companies in question are far from perfect. Let's stop pretending that marketing green goods to consumers is somehow going to create a sustainable economy. There's plenty of hard work to do on the journey from here to sustainability. Dilly-dallying with green-marketing come-ons is a distraction.

SOME PROBLEMS WITH GOING GREEN

Although a large number of firms are using green marketing, there are a number of potential problems which need to be addressed. One of the main problem is that firms using green marketing must ensure that their activities are not misleading to the consumers or the industry, and do not breach any of the regulations or laws dealing with environmental marketing. In short, green marketing claims of a firm 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. Furthermore, as many firms have tried to modify their products due to increased consumer concern, are misled with the fact that consumers' perceptions are always correct. Take for example the McDonald's case where it replaced its clam shells with plastic coated paper. There is ongoing scientific debate which is more environmentally friendly. Some scientific evidence suggests that when taking a cradle-to-grave approach, polystyrene is less environmentally harmful. If this is the case, McDonald's bow to consumer pressure, has chosen the more environmentally harmful option.

CONCLUSION

Now 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. From the business point of view because a clever marketer is one who not only convinces the consumer, but also involves the consumer in marketing his product. 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. With the threat of global warming looming large, it is extremely important that green marketing becomes the norm rather than an exception or just a fad. Recycling of paper, metals, plastics, etc., in a safe and environmentally harmless manner should become much more systematized and universal. It has to become the general norm to use energy-efficient lamps and other electrical goods. Marketers also have the responsibility to make the consumers understand the need for and benefits of green products as compared to non-green ones.

In green marketing, consumers are willing to pay more to maintain a cleaner and greener environment. Finally, consumers, industrial buyers and suppliers need to pressurize to minimize the negative effects on the environment-friendly. Green marketing assumes even more importance and relevance in developing countries like India. Thus an 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. Final 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. World-wide evidence indicates that people are becoming concerned about the environment and are changing their behaviour accordingly. As a result, there is a growing market for sustainable and socially responsible products and services. When all else is equal – quality, price, performance and availability – environmental benefit will most likely tip the balance in favour of a product.

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