

## **Green Marketing & its Changing Scenario**

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### **Abstract**

Green Marketing seems close to Earthly elements or the Environment, which has suffered a lot because of our fast pace of development. That's why, it is a golden goose these days for Marketers. The objective of this article is to represent the basic concept of Green Marketing and to spread light on Opportunities and Challenges ahead in the field of Green Marketing.

**Keywords:-** Greenness, Green Marketing myopia, Ecological, Environmental and Sustainable green marketing, Green Marketing –Mix, resource-intensive lifestyle, Sustainable Green marketing, Product design,

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### **Meaning**

**Green marketing** refers to the process of selling products and/or services based on their environmental benefits. Such a product or service may be environmentally friendly in it or produced and/or packaged in an environmentally friendly way.

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 of green marketing is that consumers will be willing to pay more for green products than they would for a less-green comparable alternative product - an assumption that, in my opinion, has not been proven conclusively.

While green marketing is growing greatly as increasing numbers of consumers are willing to back their environmental consciousnesses with their dollars, it can be dangerous. The public tends to be skeptical of green claims to begin with and companies can seriously damage their brands and their sales if a green claim is discovered to be false or contradicted by a company's other products or practices. Presenting a product or service as green when it's not is called green washing.

**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.***

The legal implications of marketing claims call for caution. Misleading or overstated claims can lead to regulatory or civil challenges. In the USA, the Federal Trade Commission provides some guidance on environmental marketing claims.

### ***Evolution of Green Marketing***

The green marketing has evolved over a period of time. According to Peattie (2001), the evolution of green marketing has three phases. First phase was termed as "*Ecological*" green marketing, and during this period all marketing activities were concerned to help environment problems and provide remedies for environmental problems. Second phase was "**Environmental**" green marketing and the focus shifted on clean technology that involved designing of innovative new products, which take care of pollution and waste issues. Third phase was "*Sustainable*" green marketing. It came into prominence in the late 1990s and early 2000.

### Why Green Marketing?

As resources are limited and human wants are unlimited, it is important for the marketers to utilize the resources efficiently without waste as well as to achieve the organization's objective. So green marketing is inevitable.

There is growing interest among the consumers all over the world regarding protection of environment. Worldwide evidence indicates people are concerned about the environment and are changing their behavior. As a result of this, green marketing has emerged which speaks for growing market for sustainable and socially responsible products and services.

#### Green marketing must satisfy two objectives:

1. **Improved environmental quality and**
2. **Customer satisfaction.**

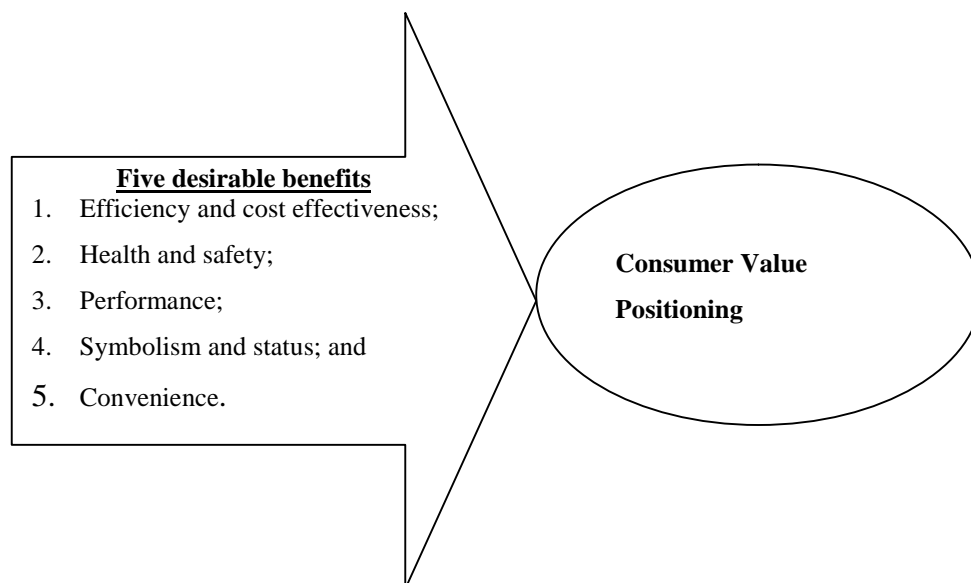
Misjudging either or overemphasizing the former at the expense of the latter can be termed “**green marketing myopia.**” By contrast, the analysis of past research and marketing strategies finds that successful green products have avoided green marketing myopia by following three important principles: “**The Three Cs**” of **consumer value positioning, calibration of consumer knowledge, and credibility of product claims.** Evidence indicates that successful green products have avoided green marketing myopia by following three important principles: consumer value positioning, calibration of consumer knowledge, and the credibility of product claims.

#### Table 1 “The Three Cs Principle” for successful green products

For green marketing to be effective, you have to do three things; be genuine, educate your customers, and give them the opportunity to participate.

#### Benefits of Green Marketing

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. There are at least five desirable benefits commonly associated with green products:



Additionally, when these five consumer value propositions are not inherent in the green product, successful green marketing programs bundle (that is, add to the product design or market offering) desirable consumer value to broaden greener technological innovation in the twenty-first century, and companies that fail to adapt their products and processes accordingly are destined to suffer from the consequences of marketing myopia and creative destruction. the green product's appeal. In practice, the implication is that product designers and marketers need to align environmental products' consumer value (such as money savings) to relevant consumer market segments (for example, cost conscious consumers).

### **Forces Pressuring Adoption of Green Marketing**

The basic forces that make Marketers to adopt Green Marketing are :

- Government programmes.
- Environmental concerns.
- Competitive advantage.
- Corporate social responsibilities (CSR)
- Competitive pressure.
- Cost or profit issues.

### **4Ps of Green Marketing Mix**

Every company has its own favorite 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**

There are three types of green advertising: -

1. Ads that address a relationship between a product/service and the biophysical environment
2. Those that promote a green lifestyle by highlighting a product or service
3. Ads that present a corporate image of environmental responsibility

#### **Place**

The choice of where and when to make a product available will have significant impact on the customers. Very few customers will go out of their way to buy green products.

#### **Strategies**

The marketing strategies for green marketing include: -

- Marketing Audit (including internal and external situation analysis)
- Develop a marketing plan outlining strategies with regard to 4 P's
- Implement marketing strategies
- Plan results evaluation

#### **Challenges Ahead**

- Green products require renewable and recyclable material, which is costly
- Requires a technology, which requires huge investment in R & D
- Water treatment technology, which is too costly
- 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

#### **Some Cases**

- McDonald's restaurant's napkins, bags are made of recycled paper.
- Coca-Cola pumped syrup directly from tank instead of plastic which saved 68 million pound/year.
- 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.
- Barauni refinery of IOC is taken steps for restricting air and water pollutants.

## **Conclusion**

Green marketing should not neglect the economic aspect of marketing. Marketers need to understand the implications of green marketing. If you think customers are not concerned about environmental issues or will not pay a premium for products that are more eco-responsible, think again. You must find an opportunity to enhance your product's performance and strengthen your 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.

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**Table 1 “The Three Cs Principle” for successful green products**

| <b>The Three Cs Principle</b>            | <b>Process for Implementation</b>  |
|--|--|
| <b>Consumer Value Positioning</b>        | <ul style="list-style-type: none"> <li>• Design environmental products to perform as well as (or better than) alternatives.</li> <li>• Promote and deliver the consumer-desired value of environmental products and target relevant consumer market segments (such as market health benefits among health-conscious consumers).</li> <li>• Broaden mainstream appeal by bundling (or adding) consumer-desired value into environmental products (such as fixed pricing for subscribers of renewable energy).</li> </ul>  |
| <b>Calibration of Consumer Knowledge</b> | <ul style="list-style-type: none"> <li>• Educate consumers with marketing messages that connect environmental product attributes with desired consumer value (for example, “pesticide-free produce is healthier”; “energy-efficiency saves money”; or “solar power is convenient”).</li> <li>• Frame environmental product attributes as “solutions” for consumer needs (for example, “rechargeable batteries offer longer performance”).</li> <li>• Create engaging and educational Internet sites about environmental products’ desired consumer value (for example, Tide Coldwater’s interactive Web site allows visitors to calculate their likely annual money savings based on their laundry habits, utility source (gas or electricity), and zip code location).</li> </ul> |

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| <b>Credibility of Product Claims</b> | <ul style="list-style-type: none"><li>• Employ environmental product and consumer benefit claims that are specific, meaningful, unpretentious, and qualified (that is, compared with comparable alternatives or likely usage scenarios).</li><li>• Procure product endorsements or eco-certifications from trustworthy third parties, and educate consumers about the meaning behind those endorsements and eco-certifications.</li><li>• Encourage consumer evangelism via consumers' social and Internet communication networks with compelling, interesting, and/or entertaining information about environmental products (for example, Tide's "Coldwater Challenge" Web site included a map of the United States so visitors could track and watch their personal influence spread when their friends requested a free sample).</li></ul> |
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