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GREEN MARKETING: A MODERN MARKETING TOOL FOR SUSTAINABLE DEVELOPMENT

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Green Marketing: A Modern Marketing Tool for Sustainable Development

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Abstract – Green marketing is a phenomenon which has developed particular important in the modern marketing era and has emerged as an important concept in India as in other parts of the developing and developed world, and is seen as an important strategy of facilitating sustainable development. In this research paper, main emphasis has been made of concept, need and importance of green marketing. The Paper aims at finding out what actually Green Marketing is all about and how can a business firm be more competitive by using green marketing strategies to gain a competitive edge over others. The paper also examines the present trends of green marketing. It also discusses on challenges of green marketing and concludes that green marketing is something that will continuously grow in practice.

Keywords: Green Marketing, Globalization, Sustainability.

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INTRODUCTION

The concept of 'green marketing' is the business practice that considers consumers concerns with regards to preservation and conservation of the natural environment (Coddington, 1993). Green marketing that has been previously and primarily focused on the ecological context has been shifted to more sustainability issues in the marketing efforts and main focus now is in socio-economic and environmental context. Whereas, green market is identified as a part of market segments based on the 'greenness' of the consumer (Charter et al., 2002; Simintiras et al., 1994). Therefore, green marketing is now dealing with fair trade of socio-economic benefits as well as environmental responsibilities through the green business.

Green or Environmental Marketing consists of 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. Thus we can say that Green Marketing involves:

- Manufacturing and providing products to the consumers which are of good quality and at the same time not harmful to them even in long run.
- Use the resources for development in such a manner which will enable the future generations to avail the resources to meet

their needs leading to Sustainable Development.

- Framing and implementing policies which will not have any detrimental effect on the environment i.e. at present as well in future.

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, 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. The first wave of Green Marketing occurred in the 1980s. 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 by Ken Peattie (1992) in the United Kingdom and by Jacquelyn Ottoman.

LITERATURE REVIEW

PROTHERO, A. (1998) introduces several papers discussed in the July 1998 issue of 'Journal of Marketing Management' focusing on green marketing. This includes; a citation of the need to review existing literature on green marketing, an empirical study of United States and Australian marketing managers, a description of what a green

alliance look like in practice in Great Britain, ecotourism and definitions of green marketing.

KILBOURNE, W.E. (1998) discusses the failure of green marketing to move beyond the limitations of the prevailing paradigm. The author identifies areas that must be examined for their effect in the marketing/environment relationship, namely economic, political and technological dimensions of the cultural frame of reference.

PROTHERO, A. & FITCHETT, J.A. (2000) argue that greater ecological enlightenment can be secured through capitalism by using the characteristics of commodity culture to further progress environmental goals. Marketing not only has the potential to contribute to the establishment of more sustainable forms of society but, as a principle agent in the operation and proliferation of commodity discourse, also has a considerable responsibility to do so.

OYEWOLE, P. (2001) in his paper presents a conceptual link among green marketing, environmental justice, and industrial ecology. It argues for greater awareness of environmental justice in the practice for green marketing. A research agenda is finally suggested to determine consumers' awareness of environmental justice, and their willingness to bear the costs associated with it.

KARNA, J., HANSEN, E. & JUSLIN, H. (2003) interpret that proactive marketers are the most genuine group in implementing environmental marketing voluntarily and seeking competitive advantage through environmental friendliness. The results also give evidence that green values, environmental marketing strategies, structures and functions are logically connected to each other as hypothesized according to the model of environmental marketing used to guide this study. Donaldson (2005) in his study realized in the Great Britain initially concluded that in general the ecological attitude of consumers changed positively. This study reported the strong faith of consumers in the known commercial brands and in the feeble behaviour referring to the "green" claims, which was the main cause behind the consuming failure to interpret their concerns beyond the environment in their behavior.

SANJAY K. JAIN & GURMEET KAUR (2004) in their study environmentalism has fast emerged as a worldwide phenomenon. Business firms too have risen to the occasion and have started responding to environmental challenges by practicing green marketing strategies. Green consumerism has played a catalytic role in ushering corporate environmentalism and making business firms green marketing oriented. Based on the data collected through a field survey, the paper makes an assessment of the extent of environmental awareness, attitudes and behaviour prevalent among consumers in India.

ALSMADI (2007) investigating the environmental behaviour of Jordanian consumers reveals a high level of environmental conscience. Unfortunately however this positive tendency and preference in the "green" products does not appear to have any effect on the final decision, obviously because these consumers have a stronger faith in the traditional products and a small confidence in the green statements. The above obstacles are further strengthened by the lack of environmental conscience by a lot of enterprises and the existence of a large scale of prices for the same product, many of which included an impetuous estimate of environmental responsibility. The same phenomenon has been presented in other researches too (Ottman, 2004; Donaldson, 2005; Cleveland et al, 2005).

BRAHMA, M. & DANDE, R. (2008), The Economic Times, Mumbai, had an article which stated that, Green Ventures India is a subsidiary of New York based asset management firm Green Ventures International. The latter recently announced a \$300 million India focused fund aimed at renewable energy products and supporting trading in carbon credits.

MISHRA (2010), Green marketing is a phenomenon which has developed particular important in the modern market. This concept has enabled for the re-marketing and packaging of existing products which already adhere to such guidelines. Additionally, the development of green marketing has opened the door of opportunity for companies to co-brand their products into separate line, lauding the green-friendliness of some while ignoring that of others. Such marketing techniques will be explained as a direct result of movement in the minds of the consumer market. As a result of this businesses have increased their rate of targeting consumers who are concerned about the environment.

MANJU (2012), Green Marketing refers to a holistic marketing concept wherein the production, marketing, consumption and disposal of product and services happen in a manner that is less detrimental to the environment. Green Marketing has emerged as an important concept in India as in other parts of the developing and developed world, and is seen as an important strategy of facilitating sustainable development.

OBJECTIVE AND METHODOLOGY

One of the biggest problems with the green marketing area is that there has been little attempt to academically examine environmental or green marketing. While some literature does exist, it comes from divergent perspectives. This paper attempts to throw light on the conceptual issues associated with green marketing. The present study is exploratory in nature to provide a clear guidance for empirical research. It is also descriptive where the focus is on fact finding investigation with adequate interpretation. For this purpose secondary data were collected. The

secondary data were collected through newspapers, magazines, books, journals, conference proceedings, Government reports and websites.

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 give themselves access to new markets, substantially increase profits and enjoy competitive advantages over those marketing no 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 perceives 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 PS OF GREEN MARKETING

Like conventional marketers, green marketers must address the 'Four Ps' in new perspective in view of changed scenario:

PRODUCT- Marketers 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.
- Products that can be recycled or reused.
- Efficient products, which save water, energy or gasoline, save money and reduce
- Environmental impact.
- Products with environmentally responsible packaging.
- 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.
- A service that rents or loans products – such as toy libraries.
- Certified products, which meet or exceed environmentally responsible criteria.

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.

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.

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.

GREEN MARKETING – REASONS FOR ADOPTION BY THE FIRMS

OPPORTUNITY- In India, around 25 percent of the consumers prefer environmental-friendly products and appears that all types of consumers, both individual and industrial are becoming more concerned and aware about the natural environment. Nowadays, firms marketing goods with environmental characteristics have realized a competitive advantage over firms marketing non-environmentally responsible alternatives. There are numerous example of firms who have strived to become more environmentally responsible, in an attempt to better satisfy their consumer needs. For Example the Surf Excel

detergent which saves water (advertised with the message—"do bucket paani roz bachana") and the energy-saving LG consumers' durables are examples of green marketing.

SOCIAL RESPONSIBILITY- Many firms are beginning to realize that they are members of the wider community and therefore must behave in an environmentally responsible fashion. This translates into firms that believe they must achieve environmental objectives as well as profit related objectives. This results in environmental issues being integrated into the firm's corporate culture. Firms in this situation can take two perspectives: 1) they can use the fact that they are environmentally responsible as a marketing tool; or 2) they can become responsible without promoting this fact. The HSBC became the world's first bank to go carbon-neutral last year. Other examples include Coca-Cola, which has invested in various recycling activities. Walt Disney World in Florida, US, has an extensive waste management program and infrastructure in place.

GOVERNMENTAL PRESSURE- Governmental regulations relating to environmental marketing are designed to protect consumers in several ways: 1) reduce production of harmful goods or by-products; 2) modify consumer and industry's use and/or consumption of harmful goods; or 3) ensure that all types of consumers have the ability to evaluate the environmental composition of goods. These governmental regulations are designed to control the amount of hazardous wastes produced by firms. Many by-products of production are controlled through the issuing of various environmental licenses, thus modifying organizational behavior. In some cases governments try to "induce" final consumers to become more responsible. For example, some governments have introduced voluntary curb-side recycling programs, making it easier for consumers to act responsibly. In other cases governments tax individuals who act in an irresponsible fashion. The Indian government too has developed a framework of legislations to reduce the production of harmful goods and by products. These reduce the industry's production and consumers' consumption of harmful goods, including those detrimental to the environment; for example, the ban of plastic bags in Mumbai, prohibition of smoking in public areas, etc.

COMPETITIVE PRESSURE- Another major force in the environmental marketing area has been a firm's desire to maintain its competitive position. In many cases, firms observe competitors promoting their environmental behaviors and attempt to emulate this behavior. It is only in some instances that this competitive pressure causes an entire industry to modify and thus reduce its detrimental environmental behavior. For example, it could be argued that Xerox's "Revive 100% Recycled paper" was introduced a few years ago in an attempt to address the introduction of recycled photocopier paper by other manufacturers. In another example when one tuna manufacture stopped

using driftnets, the others followed suit. Many companies take up green marketing to maintain their competitive edge. The green marketing initiatives by niche companies such as Body Shop and Green & Black have prompted many mainline competitors to follow suit.

COST REDUCTION- Reduction of harmful waste may lead to substantial cost savings. Sometimes, many firms develop symbiotic relationship whereby the waste generated by one company is used by another as a cost-effective raw material. For example, the fly ash generated by thermal power plants, which would otherwise contributed to a gigantic quantum of solid waste, is used to manufacture fly ash bricks for construction purposes. Certain firms use green marketing to address cost/profit related issues.

GREEN MARKETING AND INDIAN CORPORATE SECTOR:

Numbers of companies in India are beginning to realize that they are members of the wider community and therefore must behave in an environmentally responsible fashion. This translates into firms that believe they must achieve environmental objectives as well as profit related objectives. This results in environmental issues being integrated in to the firm's corporate culture. There are basically five reasons for which a company should go for the adoption of green marketing.

- i. Companies believe that they have a moral obligation to be more socially responsible.
- ii. Organizations perceive environmental marketing to an opportunity that can be used to achieve its objectives.
- iii. Cost factors associated with waste disposal forces firms to modify their behavior.
- iv. Competitors' environmental activities pressure firms to change their environmental marketing activities.
- v. Governmental bodies are forcing firms to become more responsible.

Top Companies that Paint India Green

Green business trends is a great way to ensure that your business stays fresh, flexible, and creative in the face of new challenges and opportunities,

1. Suzlon Energy

The world's fourth largest wind-turbine maker is among the greenest and best Indian companies in India. Tuls Tanti, the visionary behind Suzlon, convinced the

world that wind is the energy of the future and built his factory in Pondicherry to run entirely on wind power. Suzlon's corporate building is the most energy efficient building ever built in India

2. ITC Limited

ITC strengthened their commitment to green technologies by introducing 'ozone treated elemental chlorine free' bleaching technology for the first time in India. The result is an entire new range of top green products and solutions: the environmentally friendly multi-purpose paper that is less polluting than its traditional counterpart.

3. Tata Metaliks Limited (TML)

Every day is Environment Day at TML, one of the top green firms in India. A practical example that made everyone sit up and take notice is the company's policy to discourage working on Saturdays at the corporate office. Lights are also switched off during the day with the entire office depending on sunlight

4. (TNPL) Limited

Adjudged the best performer in the 2009-2010 Green Business Survey, TNPL was awarded the Green **Dr.K.Manian, Special Issue on Business Growth and Social Development** Page 55 Business Leadership Award in the Pulp and Paper Sector. The initiatives undertaken by this top green firm in India includes two Clean Development Mechanism projects and a wind farm project that helped generate 2,30,323 Carbon Emission Reductions earning Rs. 17.40 Crore.

5. Wipro Technologies:

Wipro Technologies, the global IT services division of Wipro Limited, has announced its membership in "The Green Grid", a global consortium dedicated to advancing energy efficiency in data centers and business computing ecosystems. Wipro's green IT initiatives extend from energy efficient data centers to ecofriendly product engineering designs and PC ranges. Wipro will broaden its green IT initiatives through its participation in "The Green Grid", as the consortium seeks to provide industry-wide recommendations on best practices, metrics, and technologies that will improve overall data center and business computing energy efficiencies.

6. HCL Technologies

This IT major may be considered as the icon of Indian green initiatives, thanks to the "go green" steps taken in solving the problem of toxics and e-waste in the electronics industry. HCL is committed to phasing out the hazardous vinyl plastic and Brominated Flame

Retardants from its products and has called for a Restriction on Hazardous Substances (RoHS) legislation in India.

7. Oil and Natural Gas Company (ONGC)

India's largest oil producer, ONGC, is all set to lead the list of top 10 green Indian companies with energy efficient, green crematoriums that will soon replace the traditional wooden pyre across the country. ONGC's Mokshada Green Cremation initiative will save 60 to 70% of wood and a fourth of the burning time per cremation.

8. IndusInd Bank

Green banking has been catching up as among the top Indian green initiatives ever since IndusInd opened the country's first solar-powered A TM and pioneered an eco-savvy change in the Indian banking sector. The bank is planning for more such initiatives in addressing the challenges of climate change

9. IDEA Cellular

One of the best Indian companies, IDEA, paints India green with its national 'Use Mobile, Save Paper' campaign. The company had organized Green Pledge campaigns at Indian cities where thousands came forward and pledged to save paper and trees. IDEA has also set up bus shelters with potted plants and tendril climbers to convey the green message

10. Hero Honda Motors

Hero Honda is one of the largest two-wheeler manufacturers in India and an equally responsible top green firm in India. The company's philosophy of continuous innovation in green products and solutions has played a key role in striking the right balance between business, mankind and nature.

CHALLENGES IN GREEN MARKETING

Need For Standardization

It is found that only 5% of the marketing messages from —Greenll 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. 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.

CONCLUSION

As the demand for green products undoubtedly exists, Green Marketing provides an opportunity to the companies to increase their market-share by introducing eco-friendly products. Stricter environmental regulations across the world, growing consumer preference for eco-friendly companies, and the inherent cost advantages in lowering toxic waste, are encouraging industries big and small to clean up. Researcher found that, consumers are not overly committed to improving their environment and may be looking to lay too much responsibility on industry and government. Though it's the responsibility of the firm to produce products, which are having minimum impact on the environment, but ultimately it's the consumer who is having responsibility to use eco-friendly products. Consumers are not too much concerned about the environment but as they have become more sophisticated, they require clear information about how choosing one product over another will benefit the environment. Consumer education results in their empowerment. Empowered consumers choose environmentally preferable products when all other factors are equal. Ultimately green marketing requires that consumers Think Green, Think clean, Think Eco-friendly i.e. they want a cleaner environment and are willing to "pay" for it, possibly through higher priced

goods, modified individual lifestyles, or even governmental intervention. Until this occurs it will be difficult for firms alone to lead the green marketing revolution.

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. The research paper concludes that business firms need to change their mind set from traditional marketing strategies to green strategies with a huge investment in technology, R and D and through Green marketing elements such as eco-design of product, eco-labeling, eco-packaging, green logo in order to survive in the green competitive world and to have a positive impact on the environment.

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