



Green Marketing Initiatives By Corporate World: A Study

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Abstract:

Green marketing examines issues in understanding the relationship between the marketing discipline, the public policy process and the natural environment. Many terms describe this relationship: environmental marketing, ecological marketing, green marketing, sustainable marketing and greener marketing. Although the notion of marketing is more expensive.

This paper will attempt to introduce – the terms and concept of green-marketing; about the importance of green marketing; examine some reasons that make the organizations interested to adopt green marketing philosophy; it highlights the positive and negative aspects; social responsibilities and opportunities of green marketing. Finally it concludes with some problems that organization may face to implement green marketing.

Keywords: *Environment, Greenness, Lifestyle, Productivity, Resource.*

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, 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 Concept

Green marketing refers to the process of selling products and 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 services "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.

While green marketing is growing greatly as increasing numbers of consumers are willing to back their environmental consciousnesses with their dollars, Green marketing can be a very powerful marketing strategy.

- o The first wave of Green Marketing occurred in the 1980s. 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.
- o 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 Brundt land Report and was another step towards widespread thinking on sustainability in everyday activity.

- 0 Two tangible milestones for wave 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 Ottman (1993) in the United States of America.
- 0 In the years after 2000 a second wave of Green marketing emerged. By now CSR and the Triple Bottom Line (TBL) were widespread. Such publications as a 2005 United Nations Report, then in 2006 a book by Al Gore and the UK Stern Report brought scientific-environmental arguments to a wide public in an easy to understand way.

Criteria	Conventional Marketing	Green Marketing
Consumer	Consumer with lifestyle	Human being with lives
Products	“Cradle to grave” one size fits all products.	“Cradle to cradle” flexible services.
Marketing & communication	Selling oriented, End benefits	Educational Values.
Corporate	Reactive Independent Competitive Departmentalized Short term oriented Profit maximizing	Proactive Interdependent Cooperative Holistic Long term oriented Double Bottom Line

Table 1:New green marketing paradigm

Why Green Marketing?

It is really scary to read these pieces of information as reported in the Times recently: "Air pollution damage to people, crops and wildlife in the US totals tens of billions of dollars each year". "More than 12 other studies in the US, Brazil Europe , Mexico , South Korea and Taiwan have established links between air pollutants and low birth weight premature birth still birth and infant death".

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. Thus the growing awareness among the consumers all over the world regarding protection of the environment in which they live, People do want to bequeath a clean earth to their offspring. Various studies by environmentalists indicate that people are concerned about the environment and are changing their behavior pattern so as to be less hostile towards it. Now we see that most of the consumers, both individual and industrial, are becoming more concerned about environment-friendly products. Most of them feel that environment-friendly products are safe to use. As a result, green marketing has emerged, which aims at marketing sustainable and socially-responsible products and services. Now is the era of recyclable, non-toxic and environment-friendly goods. This has become the new mantra for marketers to satisfy the needs of consumers and earn better profits.

Green marketing is the process of developing products and services and promoting them to satisfy the customers who prefer products of good quality, performance and convenience at affordable cost, which at the same time do not have a detrimental impact on the environment. It includes a broad range of activities like product modification, changing the production process, modified advertising, change in packaging, etc., aimed at reducing the detrimental impact of products and their consumption and disposal on the environment. Companies all over the world are striving to reduce the impact of products and services on the climate and other environmental parameters. Marketers are taking the cue and are going green.

Green marketing was given prominence in the late 1980s and 1990s after the proceedings of the first workshop on Ecological marketing held in Austin, Texas (US), in 1975. Several books on green marketing began to be published thereafter. According to the Joel makeover (a writer, speaker and strategist on clean technology and green marketing), green marketing faces a lot of challenges because of lack of standards and public consensus to what constitutes "Green". 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.

Green marketing is a vital constituent of the holistic marketing concept. It is particularly applicable to businesses that are directly dependent on the physical environment; for example, industries like fishing, processed foods, and tourism and adventure sports. Changes in the physical environment may pose a threat to such industries. Many global players in diverse businesses are now successfully implementing green marketing practices.

Marketing Mix Of Green Marketing

When companies come up with new innovations like eco friendly products, they can access new markets, enhance their market shares, and increase profits. Just as we have 4Ps product prices, place and promotion in marketing, we have 4ps in green marketing too, but they are a bit different. They are buttressed by three additional Ps, namely people, planet and profits.

Product

The products have to be developed depending on the needs of the customers who prefer environment friendly products. Products can be made from recycled materials or from used goods. Efficient products not only save water, energy and money, but also reduce harmful effects on the environment. Green chemistry forms the growing focus of product development. The marketer's role in product management includes providing product designers with market-driven trends and customer requests for green product attributes such as energy saving, organic, green chemicals, local sourcing, etc., For example, Nike is the first among the shoe companies to market itself as green. It is marketing its Air Jordan shoes as environment-friendly, as it has significantly reduced the usage of harmful glue adhesives. It has designed this variety of shoes to emphasize that it has reduced wastage and used environment-friendly materials.

Price

Green pricing takes into consideration the people, planet and profit in a way that takes care of the health of employees and communities and ensures efficient productivity. Value can be added to it by changing its appearance, functionality and through customization, etc. Wal Mart unveiled its first recyclable cloth shopping bag. IKEA started charging consumers when they opted for plastic bags and encouraged people to shop using its "Big Blue Bag".

Place

Green place is about managing logistics to cut down on transportation emissions, thereby in effect aiming at reducing the carbon footprint. For example, instead of marketing an imported mango juice in India it can be licensed for local production. This avoids shipping of the product from far away, thus reducing shipping cost and more importantly, the consequent carbon emission by the ships and other modes of transport.

Promotion

Green promotion involves configuring the tools of promotion, such as advertising, marketing materials, signage, white papers, web sites, videos and presentations by keeping people, planet and profits in mind. British petroleum (BP) displays gas station which its sunflower motif and boasts of putting money into solar power. Indian Tobacco Company has introduced environmental-friendly papers and boards, which are free of elemental chlorine. Toyota is trying to push gas/electric hybrid technology into much of its product line. It is also making the single largest R&D investment in the every-elusive hydrogen car and promoting itself as the first eco-friendly car company. International business machines Corporation (IBM) has revealed a portfolio of green retail store technologies and services to help retailers improve energy efficiency in their IT operations. The center piece of this portfolio is the IBM SurePOS 700, a point-of-sale system that, according to IBM, reduces power consumption by 36% or more. We even see the names of retail outlets like "Reliance Fresh", Fresh@Namdhari Fresh and Desi, which while selling fresh vegetables and fruits, transmit an innate communication of green marketing.

Green marketer can attract customers on the basis of performance, money savings, health and convenience, or just plain environmental friendliness, so as to target a wide range of green consumers.

Consumer awareness can be created by spreading the message among consumers about the benefits of environmental-friendly products. Positing of profiles related to green marketing on social networks creates awareness within and across online peer groups. Marketing can also directly target the consumers through advertisements for product such as energy saving compact fluorescent lamps, the battery –powered Reva car, etc.

Why Is Green Marketing Chosen By Most Marketers?

Most of the companies are venturing into green marketing because of the following reasons:

Opportunity

In India, around 25% of the consumers prefer environmental-friendly products, and around 28% may be considered healthy conscious. Therefore, green marketers have diverse and fairly sizeable segments to cater to. 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. We also have green buildings which are efficient in their use of energy, water and construction materials, and which reduce the impact on human health and the environment through better design, construction, operation, maintenance and waste disposal. In India, the green building movement, spearheaded by the Confederation of Indian industry (CII) - Godrej Green business Center, has gained tremendous impetus over the last few years. From 20,000 sq ft in 2003, India's green building footprint is now over 25 million sq ft.

Social Responsibility

Many companies have started realizing that they must behave in an environment-friendly fashion. They believe both in achieving environmental objectives as well as profit related objectives. 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

Various regulations are framed by the government to protect consumers and the society at large. 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

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.

Green Marketing Strategies: Why Green Marketing?

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The Marketing Strategies For Green Marketing Include

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

Green Marketing Strategies Adopted By Stated Business Houses*Philips Light's CFL*

Philips Lighting's first shot at marketing a standalone compact fluorescent light (CFL) bulb was Earth Light, at \$15 each versus 75 cents for incandescent bulbs. The product had difficulty climbing out of its deep green niche. The company re-launched the product as "Marathon," underscoring its new "super long life" positioning and promise of saving \$26 in energy costs over its five-year lifetime. Finally, with the U.S. EPA's Energy Star label to add credibility as well as new sensitivity to rising utility costs and electricity shortages, sales climbed 12 percent in an otherwise flat market.

Electronics Sector

The consumer electronics sector provides room for using green marketing to attract new customers. One example of this is HP's promise to cut its global energy use 20 percent by the year 2010.[21] To accomplish this reduction below 2005 levels, The Hewlett-Packard Company announced plans to deliver energy-efficient products and services and institute energy-efficient operating practices in its facilities worldwide.

Introduction Of CNG In Delhi

New Delhi, capital of India, was being polluted at a very fast pace until Supreme Court of India forced a change to alternative fuels. In 2002, a directive was issued to completely adopt CNG in all public transport systems to curb pollution.

Agartala To Be India's First Green City

It plans to make all public and private vehicles in Agartala run on CNG by 2013, thus making the capital "India's first green city". Tripura Natural Gas Co .Ltd (TNGCL), a joint venture of Gas Authority of India Ltd (GAIL) and Tripura and Assam Governments, has undertaken a project to supply CNG to all private and government vehicles. Agartala will be the first city in India within one year to become a green city.

Best Green IT Project: State Bank of India Green IT@SBI :

It uses eco and power friendly equipments in its 10000 new ATMs; the banking giant has not only saved power costs and earned carbon credits, but also set the right example for others to follow. It also entered into green service known as "Green Channel Counter". SBI is providing many services like: paperless banking, no deposit slip, no withdrawal form, no cheques, no money transaction form and all these transactions are done through SBI shopping & ATM cards.

Lead Free Paints From Kansai Nerolac

Kansai Nerolac has worked on removing hazardous heavy metals from their paints. The hazardous heavy metals like lead, mercury, chromium, arsenic and antimony can have adverse effects on humans. Lead in paints especially poses danger to human health where it can cause damage to central nervous system, kidney and reproductive system.

Maruthi: Greening of Supply Chain

The company has remained ahead of regulatory requirements in pursuit of environment protection and energy conservation at its manufacturing facilities, and in development of products that use fewer natural resources and are environment friendly. The company credited the 'Just-in-Time' philosophy adopted and internalized by the employees as the prime reason that helped to excel in this direction. The company has been promoting 3R since its inception. As a result the company has not only been able to recycle 100% of treated waste water but also reduced fresh water consumption. The company has implemented rain water harvesting to recharge the aquifers. Also, recyclable packing for

bought out components is being actively promoted. The company has been facilitating implementation of Environment Management System (EMS) at its suppliers' end. Regular training programs are conducted for all the suppliers on EMS. Surveys are conducted to assess the vendors who need more guidance. The systems and the environmental performance of suppliers are audited. The green co-efficient of this system is much better than the conventional system.

HCL's Environment Management Policy Under HCL Eco Safe

In building a system to identify, develop and sustain the maintenance of an environment management system at corporate level we have formulated a program that we proudly refer as HCL's Eco Safe. The aim is to encapsulate knowledge, awareness, and key developments on all environmental issues faced by today's world and to incorporate these in HCL's operations assuring our commitment in delivering quality products, solutions and services. The key objective under HCL Eco Safe is targeted at integrating environmental management procedures into its business processes thereby protecting the environment, health, and safety of all its stakeholders. HCL commits to manufacture products that are environment friendly in all respects and are free from hazardous chemicals. HCL Eco Safe focuses on product lifecycle management to ensure that our products right from when they are manufactured, bought by customers, recovered at their end-of-life and recycled after useful life is done in environmentally responsible manner Key initiatives undertaken through HCL Eco Safe programs.

Indian Oils Green Agenda

Indian oil is fully geared to meet target of reaching EURO-III complaint fuels to all parts of the country by the year 2011; major cities will upgrade to EURO-IV complaint fuels by that time. Indian oil has invested about Rs 7,000 crore so far in green fuel projects at its refineries; ongoing projects account for a further Rs 5,000 crore. Motor spirit quality centre commissioned at Mathura refinery.

Going Green By TATA Ltd.

Tata motor is setting up an eco-friendly showroom using natural building material for its flooring and energy lights Preliminary stage. Taj hotel use napkins made from recycled paper. Chemicals are used to clean those. One of the most interesting innovation has

came in the form of Taj green cove in Kovalam, which uses the waste generated at the hotel to meet its cooking requirements.

McDonald's restaurant's napkins, bags are made of recycled paper. Coca-Cola pumped syrup directly from tank instead of plastic which saved 68million pound/year.

Benefits, Problems, & Public Opinion Of Green Marketing

Benefits Of Green Marketing

Today's consumers are becoming more and more conscious about the environment and are also becoming socially responsible. Therefore, more companies are responsible to consumers' aspirations for environmentally less damaging or neutral products. Many companies want to have an early-mover advantage as they have to eventually move towards becoming green. Some of the advantages of green marketing are,

- 0 It ensures sustained long-term growth along with profitability.
- 0 It saves money in the long run, though initially the cost is more.
- 0 It helps companies market their products and services keeping the environment aspects in mind. It helps in accessing the new markets and enjoying competitive advantage.
- 0 Most of the employees also feel proud and responsible to be working for an environmentally responsible company.

Problems Of Green Marketing

Many organizations want to turn green, as an increasing number of consumers' want to associate themselves with environmental-friendly products. Alongside, one also witnesses confusion among the consumers regarding the products. In particular, one often finds distrust regarding the credibility of green products. Therefore, to ensure consumer confidence, marketers of green products need to be much more transparent, and refrain from breaching any law or standards relating to products or business practices.

Paths To Greenness

Green marketing involves focusing on promoting the consumption of green products. Therefore, it becomes the responsibility of the companies to adopt creativity & insight, & be committed to the development of environment-friendly products. This will help

the society in the long run. Companies which embark on green marketing should adopt the following principles in their path towards "greenness."

- 0 Adopt new technology/process or modify existing technology/process so as to reduce environmental impact.
- 0 Establish a management and control system that will lead to the adherence of stringent environmental safety norms.
- 0 Using more environment-friendly raw materials at the production stage itself.
- 0 Explore possibilities of recycling of the used products so that it can be used to offer similar or other benefits with less wastage.

Public Opinion On Green Marketing

- 0 Shoppers are thinking green, but not always buying that way, according to a new study released by the Grocery Manufacturers Association (GMA) and Deloitte. The study found that while 54 percent of shoppers indicate that environmental sustainability is a factor in their purchasing decisions, they actually bought green products on just 22 percent of their shopping trips. The survey is the basis of the GMA-Deloitte report titled Finding the Green in Today's Shoppers: Sustainability Trends and New Shopper Insights and was based on interviews with over 6,400 shoppers.
- 0 Now eco packaging is poised to become the next low-hanging fruit of the clean tech world. Investors and entrepreneurs this week at Europe's most important annual clean tech conference reported unprecedented interest in reducing the use of raw materials while finding superior protection for food and other products.
- 0 Consumers are increasingly putting plastic shopping bags and non-green wrapping items on their naughty list, according to Deloitte's 2008 Annual Holiday Survey. Nearly half of the 13,000 consumers polled said they'd be willing to pay more for green gifts. This was up from 17 percent last year.
- 0 Consumers perceive themselves as being environmentally responsible. Successful green marketing requires matching a company's brand attributes with its customers' identity as "green." An article suggested examining green marketing from the perspective of the 4 P's of marketing -- product, price, placement and promotion -- plus a 5th P, "prove it."
- 0 Americans are quick to identify polluting companies as "socially irresponsible" and make their purchasing decisions accordingly, says a new survey. The poll also found

- that American consumers between the ages of 18-29 are more likely to spend more on organic, environmentally preferable or fair trade products than other age groups.
- 0 The survey, by the research firm Global Market Insight, quizzed more than 15,000 online consumers in the U.S. and 16 other countries about their socially conscious business practices.
 - 0 Americans placed the highest value on corporate community involvement; when asked what factor was the most important in determining if a business is socially responsible, "contributing to the community" (e.g. sponsorship, grants, employee volunteer programs) came in highest with 47%. On the other hand, all of the other countries surveyed (India, Canada, Australia, Germany, China, and Japan) selected environmentally preferable practices (recycling, using biodegradable products) as the top factor.
 - 0 "In the high-tech era where employees are expected to work 24/7, it's significant that Americans rate giving back to the community as their top priority in recognizing socially responsible companies," said Marjorie Thompson, co-author of *Brand Spirit: How Cause Related Marketing Builds Brands*. "It shows that people want to feel connected to each other and that they are willing to reward businesses who tap into this sense of mutual support and belonging. Companies will need to start thinking of their community programs as core to their businesses and brands, and central to how they market themselves."
 - 0 Not surprising, the U.S., along with other countries such as India and China, which have experienced environmental disasters caused by corporations (e.g. Love Canal, Bhopal, Exxon Valdez) or have had to deal with major polluting issues (e.g. coal plants, manufacturing), believe that damaging the environment is associated with acting socially irresponsible. Other countries, including France (60%), Denmark (52%) and Italy (45%) selected the use of child labor as the main factor in making them think a corporation is socially irresponsible.
 - 0 Juxtaposing Americans' negative opinions on damaging the environment, the GMI Poll found that only 42% of all Americans are willing to spend more for products branded as organic, environmentally friendly, or fair trade, except for the Y Generation. While only 14% of 18-29 year olds label themselves as socially responsible consumers, half of this age group (50%) responded that they will spend more on these types of products (organic, environmentally friendly or fair trade)

compared to their older and wealthier counterparts, with only 37% of 45-64 years olds saying they would spend more on green products.

- 0 Thompson adds: "Based on the findings, Generation Y is obviously more environmentally conscious and socially savvy, which is expected given that many are aware of the issues surrounding globalization and trade and how this can negatively affect the environment, labor pool and the local communities."
- 0 Surprisingly, a large majority of online consumers in the less developed countries of China and India, 91% and 71% respectively, will pay more for socially responsible products, while almost half (47%) of the U.K. respondents indicated they would spend more for these types of goods.

Conclusion

Green marketing should not neglect the economic aspect of marketing. Marketers need to understand the implications of green marketing. If we think customers are not concerned about environmental issues or will not pay a premium for products that are more eco-responsible, think again. We must find an opportunity to enhance our 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. Think of a refrigerator for example. While we may have had to be convinced in the 1950s to buy a refrigerator, we would have wanted the great white box to look cool in the 1970s, but in today's uncertain world, we might ask ourselves about the impact of the chlorofluorocarbons (CFCs) that our refrigerator is emitting and demand a more environmentally friendly refrigerator.

So, if today's successful marketing is about appealing to personal values and delivering consumer empowerment, then surely the time is right to inject sustainable development into the marketing mix to help address some of the gritty issues currently facing our planet. Green marketing methods produce highly effective results. They apply all of the steps you need to cut costs, raise response rates and increase growth in the most important marketing metric we are all held accountable for—the bottom line. Green marketing assumes even more importance and relevance in developing countries like India.

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