

Green Marketing: The New Age Marketing

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Abstract-

The concept of green marketing has been around at least since the first Earth Day in 1970. But the idea did not catch on until the 1980s, when rising public interest in the environment led to a demand for more green products and services. It can be termed as new age marketing as it is gaining popularity over the period of time. The concept of green marketing has emerged as a viable solution to address environmental issues and market the products of the company.

Keywords - Green Marketing, The New Age Marketing, SWOT Analysis

I. INTRODUCTION

The term green marketing came first into foray in the late 1980s and early 1990s due to increasing environmental concerns. The companies were compelled to consider the externalities of their products and their eventual negative impact on the planet. The result of such deliberations was the alternative available to the companies to “go green”. Green marketing, also known as Environmental marketing or Ecological marketing, includes all the marketing activities of the firm, starting from conceiving the product idea to the actual sale of the product, which are designed with the objective to either create a positive impact or reduce the negative impact of its products on the environment.

II. GREEN MARKETING

Green marketing refers to selling product or rendering services based on environmental benefit.. It is growing rapidly and consumers are willing to pay a lot for green products. There have been little analysis of the impact of this new market on the consumers and the environment so far. Green marketing affects all areas of our economy, it does not just lead to environmental protection but it also creates new market and job opportunities. Companies that are environmental stewards stand a chance of gaining many satisfied and loyal customers. 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.

III. GREEN MARKETING AND SUSTAINABLE DEVELOPMENT

According to the World Commission on Environmental Development (1978), Sustainable Development is “meeting the needs of the present without compromising the ability of the future generations to meet their own needs”. The common theme throughout this strategy of sustainable development, is the need to integrate economic and ecological considerations in decision making by making policies that conserve the quality of agricultural development and environmental protection. This is what the end product of green marketing is, environmental protection for the present and the future generation. The development of energy- efficient operations, better pollution controls, recyclable and biodegradable packaging, ecologically safe products are all part of green marketing which also leads to sustainable development.

IV. NEED FOR GREEN MARKETING?

The concept of green marketing has emerged as a viable solution to address environmental issues and market the products of the company at the same time. Let us take a look at the factors that impel organizations worldwide to go green.

A. Social Responsibility

Companies have decided to incorporate green marketing in their ambitious corporate social responsibility initiative. It integrates nicely with the strategies of business. The world is waking up to sustainable development and environmental protection. Companies have realized the need to behave in a more environment-friendly fashion.

B. Competitive Advantage

Going green provides a certain degree of competitive advantage to the business in the sense that its products are ranked favorably amongst the consumers and it can aim to sell them at a price higher than the industrial norm as the consumers are willing to pay more for green products.

C. Consumer Awareness

The increasing consumer concern towards green marketing makes it a very lucrative business opportunity for the business. More than 25% of Indian urban consumers prefer green products. The company may design new products solely to capitalize on consumer conscience.

V. GREEN MARKETING MIX

To use 4 P's of green marketing in an innovative manner is a challenge before the marketer:

A. Product:

The ecological objective behind this is to reduce resource consumption, pollution and to Increase conservation of scarce resources.

B. Price:

Most consumers will only pay additional 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.

C. Promotion:

There are three types of green advertising:-

1. That shows relationship between a Product and Service & Biophysical Environment.
2. That promotes a Green Lifestyle.
3. That presents a corporate image of environmental responsibility.

D. Place:

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.

VI. SWOT ANALYSIS

STRENGTHS: 1. Marketers get access to new markets and gain an advantage over competitors that are not focusing on "greenness." 2. Marketers can charge a premium on products that are seen as more eco- responsible. 3. Organizations that adopt green marketing are perceived to be more socially responsible. 4. Green marketing builds brand equity and wins brand loyalty among customers. E.g. research and development capabilities for clean processes and green products and human resources committed to environmental protection.

WEAKNESS: 1. Most customers choose to satisfy their personal needs before caring for environment. 2. Overemphasizing greenness rather than customer needs can prove devastating for a product. 3. Many customers keep away from products labelled "Green" because they see such labeling as a marketing gimmick, and they may lose trust in an organization that suddenly claims to be green. E.g. products cannot be recycled, and hazardous wastes) of a company.

OPPORTUNITIES: 1. Marketing to segment which are becoming more environmentally aware and concerned. These consumers are demanding products that conform to these new attitudes. 2. Organizations perceive green marketing to be a competitive advantage, relative to the competitors. Firms, therefore, strive to improve upon their societal awareness. This complements the increase in consumers' socially conscious behaviour and will therefore give them an advantage over competitors who do not address these issues. E.g. offering an environmental friendly product and saving resources, and relating them to internal strengths.

THREATS: 1. Uncertainty as to the environmental impact of present activities, including that is perceived to be less environmentally harmful. 2. Uncertainty as to which green marketing activities are acceptable from a government perspective. 3. The possibility of a backlash from consumers or government based on existing green marketing claims, threat one and two above may cause backlash to arise. E.g. competitors.

VII. GREENAGE MARKETING-REALITY CHECK

CIPLA: Cipla-India's second largest drug company by market share has planned and started replacing all its CFC contained drugs to meet the international standard and Montreal Protocol ban deadline. The CFC depletes the ozone layer and also is a major cause of global warming. Cipla has updated the necessary technology to avoid the CFC and has also done its clinical trial in India and overseas. The Rotahaler and the Asthalin inhaler are environment – friendly inhalers, used by asthma and bronchitis patients. These inhalers are using HFA (Hydro Fluro Alkaline) technology. The Rotahaler is a powder based inhaler, different from regular inhaler which contains propellants.

MARUTI SUZUKI: 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. The Country's largest car manufacturer had managed to slash energy consumption per car at its Gurgaon factory by 26 per cent over the past six years, while its carbon dioxide (CO₂) emissions during car manufacturing processes has come down 39 per cent in the past five years.

ITC: It has been carrying out green initiatives mainly to reduce Green House Gas emissions through energy conservation, use of renewable sources of energy and identifying ways of mitigating the adverse effects of climate change caused by global warming. ITC has implemented several CDM projects under the Kyoto Protocol and ensured carbon dioxide (CO₂) sequestration through large-scale social and farm forestry initiatives.

Energy efficiency practices of ITC have helped in achieving world-class standards of energy utilisation in several units. Through a rigorous process of audits supported by benchmarking, specific energy consumption has been reduced year on year. ITC has proactively aligned its strategies and joined international efforts in mitigating/delaying the adverse impacts of climate change. All ITC businesses strive to minimize energy consumption and wherever possible use environment friendly sources of energy.

30.9 % of ITC's energy consumption is from renewable sources. Flowing from its commitment to the triple bottom line philosophy, ITC has chosen Wind Energy as a focus area for enhancing its positive environmental footprint. The Company has already invested in wind energy generation in Tamil Nadu to meet the requirements of its Packaging business in Chennai. This 14 megawatt Clean Energy Initiative has delivered performance parameters which exceed original projections. The Company's investments in Wind Energy are eligible for Carbon Credits under the Clean Development Mechanism of the Kyoto Protocol, resulting in substantial cost savings.

GODREJ- The consumer durables giant came up with the EON series in refrigerators and air conditioners which are 5 star rated products in terms of energy saving. Moreover the company has adopted the concept of "Green Think", As an initiative in this space, the company has taken a step towards reusing discarded materials as a resource for manufacturing. They came up with 3 Rs- Reduce, Reuse, Recycle element in their processes. The primary benefits of recycling are:

- *Saves Natural Resources*: By reusing materials we conserve land and also eliminate digging into the minerals.
- *Saves Energy*: It takes less energy to make recycled products, for instance making recycled aluminium takes 95% less energy than new aluminium from bauxite ore.
- *Saves Clean Air and Water* : Making products from recycled material creates far lesser air and water pollution compared to manufacturing products from virgin materials

ONGC-Oil and Natural Gas Corporation Ltd (ONGC) , India's largest oil company, has introduced energy-efficient Mokshada Green Crematorium, which saves 60 to 70% of wood and a fourth of the burning time per cremation.

IBM- It is selling green solutions to corporate data centres where energy constraints and costs are limiting their ability to grow, with the promise that the energy costs would be reduced by half.

Wipro InfoTech (Green It)-It was India's first company to launch environment friendly computer peripherals. For the Indian market, Wipro has launched a new range of desktops and laptops called Wipro Green ware. These products are RoHS (Restriction of Hazardous Substances) compliant thus reducing e-waste in the environment.

VIII. CONCLUSION

Green marketing has a long way to go. Green marketing has its roots in the ideas of environmental protection and sustainable development. It is closely related to ethics of the business. The challenge here for the businesses is to find better alternatives to traditional marketing which are affordable and hence, become widely acceptable. The key to a better planet is more of "green love" Consumers want to identify themselves with companies that are green compliant and are willing to pay a premium for a greener life style. As such, green marketing is not just an environmental protection tool but also, a marketing strategy.

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