

## Trends and Opportunities in Green Marketing

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**Abstract:** Green marketing is the marketing of products that are presumed to be environmentally preferable to others. Protection of the environment is an issue of key concern which has permeated into all spheres of life. Green marketing is perceived as an opportunity by many organizations to achieve their longterm goals. Marketers, however, once felt that green products were a trend and simply attempted to exploit the potential opportunity at the moment. (Banerjee, Gulas&Iyer, 1995) Green marketing looks at how marketing activities utilize these limited resources, while satisfying consumers wants, both of individuals and organization as well as achieving the sales objectives of the organization. This paper attempts to examine the concept of green marketing, the various opportunities and the challenges that arise while using it as a strategy.

**Keywords:** Green Marketing, Eco- Friendly, Sustainability, Green washing, Renewable.

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### I. Introduction:

Any marketing activity of the firm that is intended to create a positive impact or to lessen the negative impact of a product on the environment, in order to capitalize on the consumer's concern about environment issues is known as Green Marketing. The term 'Green Marketing' came into prominence in the late 1980s and early 1990s. The Burtland Report of 1987 defined sustainable development as 'meeting the needs of the present without compromising the ability of future generations to meet their own needs'. This was a step towards widespread thinking on sustainability in everyday activities and was the start of Green Marketing. It refers to the holistic marketing concept wherein production, marketing consumption and disposal of products and services happen in a manner that is less detrimental to the environment with the growing awareness about the implications of global warming, non-biodegradable solid waste, pollutants etc. Nowadays, both marketers and consumers are becoming increasingly aware and want to switch to eco-friendly products and services. Shoppers are seeking out greener products, energized by the prospects of healthier alternatives, higher quality, preserving the environment and saving time and money. But the "greenwash" phenomenon threatens the green-marketing revolution.

The potential to confuse consumers with misleading green claims is high. Green issues are highly technical, complex and fast moving. When claims are unclear, marketers can be labeled as greenwashers and their marketing as greenwash. Being perceived as a greenwasher seriously can damage a company's credibility. Unfair or deceptive advertising can expose marketers to legal risks and accompanying expense. The impact of greenwash can hit the bottom line if disillusioned customers shift their purchases to more trustworthy competitors. Therefore, it is necessary for Firms to develop their credibility by gaining the trust as well as providing 'real' eco friendly products to conserve the environment.

### II. 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 a growing interest among the consumers around the world regarding the protection of environment. Worldwide evidence suggests that people are changing their behavior, tastes, and also tend to splurge more in buying recyclable and renewable products. As a result of this, Green Marketing has emerged which speaks for the growing market for sustainable and socially responsible products and services.

### III. The 4 P's Of Green Marketing:

Along with the 4 P's (i.e. Product, Price, Place, and Promotion) of Marketing, Green Marketing includes three additional P's: People, Planet, and Profits. But they are a part of the other four.

A. **PRODUCT:** The products have to be developed for the consumers who prefer environmental friendly products. They can be made with the help of the following points:

- i. Use recycled products in product production
- ii. Use 'green' energy (such as wind and geothermal energy)
- iii. Reduce production waste (in both, energy and materials)
- iv. Use eco-friendly methods, including sustainable and organic agriculture
- v. Reduce product packaging

- vi. Make products reusable and recyclable
- vii. Modify consumer and industries use and/or consumption of harmful goods.

For e.g.: When it comes to sustainability, Wal-Mart is emerging as the world's super 'Eco-Nanny'. In the long run, Wal-Mart's stated environmental goals are to use 100% renewable energy, to create Zero waste, and to sell only products that sustain the world's resources and environment. Towards that goal, not only is Wal-Mart 'greening-up' its own operation, it's also urging its vast network of suppliers to do the same.

B. **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.

For e.g.: Super markets in India have started charging extra for every plastic bag that consumers ask for after purchasing the products.

C. **Place:** Green Place is about managing logistics to cut down on transportation emissions, thereby in effect aiming at reducing the carbon footprint.

For e.g.: Sun Microsystems created its Open Work Program that gives employees the option to work from home, preventing nearly 29,000 tons of CO2 emissions, while at the same time saving \$67.8 million in real-estate costs and increasing worker productivity by 34%

D. **Promotion:** Green promotion involves configuring the tools of promotion such as Advertising, Marketing materials, Signage, White papers, Websites, Videos and presentation by keeping people, planet, and profits in mind.

**For E.G.:** Nike produces PVC free shoes, recycles old sneakers, and EDUCATES young people about conservation, reuse, and recycling.

#### **IV. Initiatives Taken Up By Business Organizations Towards Green Marketing:**

1. **Tide Coldwater Challenge:** This landmark marketing campaign addressed the money saved by washing in cold water and the product's deep cleaning and whitening abilities making green the ancillary benefit. The far-reaching campaign included national advertising, in-store programs, product sampling, a strong Internet presence, consumer promotions and strategic alliances. (2005)



2. **TOMS Shoes "Project Holiday":** For the month leading up to Christmas 2008, TOMS promoted their Project Holiday campaign to sell 30,000 pairs of shoes, so they could give the same number of protective rubber shoes to kids in Ethiopia. By the end of the campaign, they exceed their goal by 23% and raised unprecedented awareness for their cause – all without paid media. (2008)

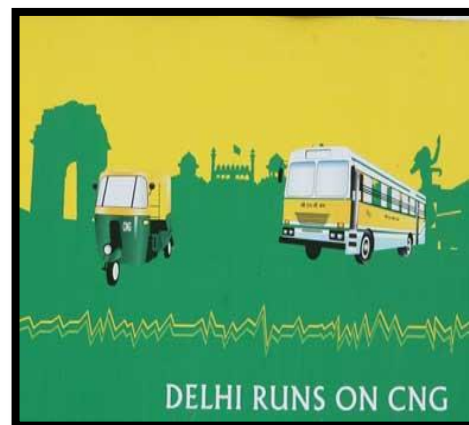


3. **Philips Light's CFL:** Philips Lighting's first shot at marketing a standalone compact fluorescent light (CFL) bulb was Earth Light, at \$15 each versus 75 cents for incandescent bulbs. The product had difficulty climbing out of its deep green niche. The company re-launched the product as "Marathon," 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.



4. **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.



5. **Bank of America:** A new Bank of America tower in Manhattan designed by Cook and Fox takes sustainability to new heights. Every drop of rain that falls on its roofs will be captured for use, scraps from the cafeteria will be fermented in the building to produce methane as a supplementary fuel for a generator designed to produce more than half the buildings electricity, and the waste heat from the generator will both warm the offices and power a refrigeration plant to cool them. The status: Environmental Goals:

- a) World's most environmentally-responsible high-rise office building, focusing on sustainable sites, water efficiency, indoor environmental quality, and energy and atmosphere.
- b) First high-rise to strive for U.S. Green Building Council's Leadership in Energy & Environmental Design "Platinum" designation. Reduce potable water consumption by 50%.
- c) Nearly zero storm water contribution to city wastewater system.

6. **AshokaBuildcon's CSR activity:** Energy conservation continues to be a focus area for the Company. Energy conservation measures are



meticulously followed and conform to the highest standards. ABL is committed to participate in social development at various levels. From extending a helping hand to under privileged individuals to creating international quality educational and research facilities, the vision is to make a contribution in building the nation into a fully developed country.

7.



**‘Green’ Opportunities:**

1. Competitive advantage
2. Increasing the consumer base
3. Government legislation and receiving subsidies from Government
4. Reduction in cost
5. Corporate social responsibility

These Opportunities also become the reason for companies to adopt Green Marketing.

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. Governmental bodies are forcing firms to become more responsible.
3. Competitors' environmental activities pressure firms to change their environmental marketing activities.
4. Governmental bodies are forcing firms to become more responsible.
5. Cost factors associated with waste disposal, or reductions in material usage forces firms to modify their behavior.

**Challenges:**

1. Need for standardization: It is found that only 5% of the marketing messages from “Green” campaigns are entirely true and there is a lack of 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.
2. 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.
3. Patience and Perseverance: The investors and corporate need to view the environment as a major longterm 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.

‘Green marketing has not lived up to the hopes and dreams of many managers and activists. Although public opinion polls consistently show that consumers would prefer to choose a green product over one that is less friendly to the environment when all other things are equal, those "other things" are rarely equal in the minds of consumers. How then, should companies handle the dilemmas associated with green marketing? They must always keep in mind that consumers are unlikely to compromise on traditional product attributes, such as convenience, availability, price, quality and performance. It’s even more important to realize, however, that there is no single green-marketing strategy that is right for every company. It is suggested that companies should follow one of four strategies, depending on market and competitive conditions, from the relatively passive and silent "lean green" approach to the more aggressive and visible "extreme green" approach - with "defensive green" and "shaded green" in between. Managers who understand these strategies and the underlying reasoning



behind them will be better prepared to help their companies benefit from an environmentally friendly approach to marketing.’

-Ginsberg, J.M. & Bloom, P.N. (2004). Choosing the Right Green-Marketing Strategy. MIT Sloan Management Review, 46(1), pp. 79-88.

### V. How Can Green Marketing Campaign Be Developed?

Green Marketing requires a holistic approach. A company cannot succeed simply by highlighting the green aspect of a particular product. Customers are skeptical of many green claims. Therefore, it is necessary to make a comprehensive plan.



1. It has to be BUSINESS WIDE: Manufacturing one 'green' product does no good if the company's other work distribution completely ignore environmentally-safe ways. For e.g.: Chad's (now acquired by Birko Co.) green marketing campaign bombed because he made the mistake of packaging his environmentally friendly product in Styrofoam.

2. Company should be HONEST: The firm should avoid unsubstantiated claims. Consumers are very much aware about their surroundings these days. Therefore, it is necessary that firms employ environmental product and consumer benefit claims that are specific and meaningful. For e.g.: CEOs at corporate-sustainability pioneers Patagonia (Yvon Chouinard), Stonyfield(Gary Hirshberg), Timberland (Jeff Swartz) and Tom's of Maine (Tom and Kate Chappell) maintain high profiles. Projecting a personal commitment to the environment, CEOs win their stakeholders' trust.

3. Company should be TRANSPARENT: Consumers always believe in information. Therefore, the company should provide the right information at the right time which can support their claims. The company can also provide access to the details of products and corporate practices and actively report on progress. They can also 'get a jump on' their competitors by disclosing as much as possible to their customers. Companies should avoid hiding bad news. For e.g.: Sigg, makers of eco-trendy aluminum bottles, learned this lesson the hard way. Thought to be BPA-free, Sigg's bottles came under fire when an open letter to customers from CEO Steve Wasik disclosed that bottles produced before August 2008 contained trace amounts of BPA — and that the company had known about it since 2006.

4. Certification by a THIRD PARTY: A product can be certified 'green' by a third party as it is seen that consumers are more likely to believe in the claims of the third party. Popular Green Certificates are:

- a. Green Seal
- b. Ecologo
- c. USDA organic (organic foods)
- d. Forest Stewardship Council (wood and other paper products)

- e. Energy Star (energy efficiency)
- f. Green-e (renewable energy)

5. Focus should be on PRIMARY BENEFITS: Companies must realize that 'green' products have to compete with other factors like pricing, quality, primary needs. If they are not fulfilled, the consumers tend not to buy the green product. Eco-aware or not, consumers want to know how products can benefit them personally. For e.g.: Ads for Sears' Kenmore HE5t Steam washer, which uses 77 percent less water and 81 percent less energy than older models, grabs readers with a promise: "You pay for the washer. It pays for the dryer."

6. Selling in the RIGHT MARKETS: 'Green' products are costly. Therefore, they should be sold in the areas where the consumers have more disposable cash, in addition to the local culture that promotes environmental consciousness. For e.g.: Selling 'green' products in Urban areas would be more rewarding than selling them in Semi-urban and Rural areas.

7. Consumers have to believe in the 'GREEN' PRODUCTS: Green products are costlier than other products. If a marketer is charging a premium, the consumer has to feel that it is worth it. However, if the consumers are not happy with the product or service, they will not find it worth it, and all the efforts of the firm would go waste. For e.g.: The Orchid Hotel, the Kamat Group's hotel in Mumbai, claims to be an ecotel hotel and uses environment-friendly products and reusable products, from the architecture of the hotel to water conservation, and from the materials used for the interiors to the operational practices, such as hangers made from sawdust, reuse of laundry bags made from cloth.

## **VI. 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 and loss of resources. 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 and diminishing non-renewable resources, 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.

## **VII. In A Nutshell:**

1. Green product development is more than just creating products that are environmentally friendly; it is about systemic change in society that includes consumers, producers and the general commercial structure within which they negotiate.
2. By widening & deepening the meaning of green, relevant actors will have an economic incentive to pursue green product development.
3. Harnessing the market forces that favor green product development will lead to mainstream green.

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