GREEN MARKETING: THE NEXT BIG THING

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ABSTRACT

The main objective of the article is to understand the concept of green marketing for the companies and its long term impact on the Business profitability. It has been observed that the companies that have favorable attitude towards green product and green marketing help in improving the sales and the image of the companies. In addition to the positive image of the company Green marketing also harmonizes environmental and individual interests of the company. Those companies who want to keep up with the development of green marketing and fulfilling their social expectations, need to get to know green marketing and its opportunities in the 21st century deeper. It is also believed by many companies that if they will offer green products to the consumers it will give them a competitive advantage over their competitors, as people these days have a positive attitude towards green products.

KEYWORDS: Green Marketing, Green Philosophy, Profitability

INTRODUCTION

The term Green Marketing has quite an old term considering the fact that almost 80-80 percent of the European countries are using this concept. Although in India this concept is a relatively new term considering the fact that the government was not so focuses on the environment conservation. But in the last decade many stringent laws formulated by the government forced the Indian companies to adhere to the stringent environment conservation rules. Moreover the awareness amongst the customers forced the companies to offer products which are less detrimental to the environment. The beginning of environment conservation in India can be referred to the 1980s and early 1990s with increasing concern about the impact of consumption and production patterns on the environment because of concern about health hazards and the impact of population growth. The major changes evolved only when the consumers also became more environment and health conscious and increased awareness about health and environment issues forced the companies to incorporate more and more the green marketing strategies and environmental friendly products. Moreover the customers are ready to pay extra for a product which is less harmful to the environment and to the health of the consumers. The consumers now having better paying capacity are more concerned about the quality of the product than the cost of the product. This concept of Green marketing is slowly and steadily gaining ground in India as almost all the companies operating in India are adhering to the Green manufacturing strategies so that he effect on environment can be lessened. Green Marketing which was a relatively new concept during the 1990s is now growing remarkably in India. Many companies which were involved in Green Washing are now focusing and concentrating on making actual Green products to satisfy the customers who have now become more demanding and more awakened towards the environment. The consumer buying patterns have undergone a major shift as usage and disposal of products have become primary concern for the consumers. Most of the companies have to rethink about their product due the changing customer...
buying patterns and successfully succeeded in creating an actual green product. Now the companies if they wish to compete in the highly competitive market will have to undergo major changes to incorporate the necessary changes so as to make products which adhere to the stringent government regulation and also satisfy the customers. Otherwise the acceptance by the customers will not be possible. This is needed to establish a long term and mutually beneficial relationship between companies and customers. Therefore consistent innovation towards better environment preservation is the key for future business enterprises.

New Perspectives

Cut throat competition has increasingly dented the ability of companies to generate sustainable profits from Existing methods used in customer relationships. The customers have ample online and offline methods available with them to choose from wide range of different and innovative products which may be green or Non Green depending upon the knowledge of the customer about Green products. Furthermore the changing buying patterns of the customers and stringent governmental regulation have forced the companies to adopt and include green marketing initiatives in their systems and in their 4P’s also. Everything from product production to promotion has to be in consonance with environment protection. Companies like IKEA a major furniture making conglomerate have 100% green systems with least effect on the environment. Thus innovative methods, advance techniques and commitment from the top are required for effective implementation of green marketing initiatives within the company. In the future, governments, enterprises and individuals will play an important role in preserving the environment, developing a green strategy to make decisions that have a positive impact on the environment. So the adoption of what we may call as a green Culture in the organization is required to effective handle this new buzz word. The influence of green marketing has changed the life styles and buying behavior process of the consumers specially the young generation which is more tech savvy and informed.

The shift from non green to green marketing might be challenging for many Indian companies but to emphasize on a relationship focused strategy in order to create value and enhance profitability including customer satisfaction and loyalty the companies are bound to adopt green marketing in future.

Development of Green Marketing

Development of Green Marketing can be attributed to the fact that the companies became more proactive in their approach towards environmental conservation. The main aim of adopting Green marketing in their 4P’s was to adhere to the new rules and regulations f the government and also to cater to the changing needs and wants of the consumers. Main Aim of green marketing is to reduce the dependency on environment and look for alternatives which are less detrimental to the environment. The products should be such so as to make the disposal of used products easy and environmental friendly. The examples of Green Marketing are the introduction of CFL Bulbs, the processes adopted by NOKIA to simplify their disposal systems of used Mobile phones.

The most important concepts of the 80s are: sustainability, clean technologies, environmental performance and green consumers.

The future form of green marketing, sustainable marketing is a more holistic approach addressing the impacts of products for the future generations, equity among nations, sexes and ages, and emphasis on needs rather than wants. According to Menon et al. (1999), environmental marketing is based on integrating environmental issues to products, marketing places, promotion activities, pricing strategy as well as decisions on which customers to serve (market
selection)(Menon et al. 1999: 3). Environmental questions can also be included in the overall positioning of the firm (Polonsky and Rosenberger 2001: 24) or the brand and to the firm’s stakeholder relations in a form of collaborative green marketing.

Strategy for Implementing Green Marketing

Most of the literature on Green Marketing sees it as part and parcel of a corporate environmental strategy. Green marketing is seen as an activity going beyond product promotion through marketing tools. It is a more general market strategy dealing with wider issues such as what kinds of products are offered to customers and even how the disposal or take-back of the product is organized. Since other approaches consider product development, logistics and disposal as separate forms or organizational action, this broad understanding of green marketing might seem confusing. Green marketing scholars, however, make a specific point of including these issues under the umbrella of marketing. The main point that can be drawn from the marketing literature is that in order for the green marketing strategy to be credible and effective, the product portfolio of the firm must undergo a strategic scrutiny from an environmental point of view and the environmental strategies and implementation of these must be acceptable in terms of the whole life cycle of the product. A number of scholars also address the drivers and reasons for companies to employ green marketing strategies and methods. According to Menon et al. (1999) green marketing might have positive impacts on customer response and financial performance of the firm. Green marketing can enhance the brand image, increase levels of customer loyalty, and give a favorable image of the corporation and help suppress negative publicity. Furthermore, it might enhance market share and the return on investments. Based on their empirical investigations, Baker and Sinkula (2005), indeed, suggest that there is a positive relationship between environmental marketing orientation of the firm and new product.

However, even though many scholars celebrate the benefits of green marketing, voices on the failure of this marketing strategy can also be heard in the marketing literature. Crane (2000) and Peattie (2001) refer to a green marketing boom in the early 1990s and a successive backlash. As green marketing activities were widely perceived as unbeneﬁcial for market development in the late 1990s, Crane identified different strategic responses to marketing. These responses were: Passive greening (under pressure from key stakeholders), Muted greening (behind-the-scenes working on environmental issues), Niche greening (targeting a specific environmentally conscious market segment) and Collaborative greening (collaboration with stakeholders, i.e. suppliers and environmental NGOs, to achieve environmental improvements).

The Green Marketing Strategy Mix

According to Ginsberg and Bloom (2004), differences among the four strategies of green marketing can also be
reflected from how these strategies implement the classic marketing mix four Ps (product, price, place and promotion) respectively (see the figure below). The lean green strategy focuses mostly on product related areas, including product design, development and production process. The defensive green strategy involves the element of promotion besides product, using promotions as a responding tool and defends with public relations. The shaded green strategy still puts emphasis on pricing issues as well as product and promotions when pursuing greenness. The extreme green strategy incorporates greenness into every aspect of the marketing mix with an elaborately selected distribution channels and distributors (Ginsberg and Bloom, 2004).

**Why are Firms Using Green Marketing and the Research Questions which need to be Understood?**

- What do Green marketing Strategies imply?
- Is it related to environment friendly marketing processes wherein complete marketing system inclusive of Segmentation, Targeting and Positioning and 4Ps is involved?
- Does it have to be understood with the perspective of relationship of STP and 4Ps with the other elements of the Supply Chain management system of an organization?
- Or is it just related to the Marketing exercise to be Green specifically focusing on the elements of 4Ps?
- How do they define Green marketing strategies and how do they implement those?
- How do they define Business performance?
- What would be the parameters of relationship of Green marketing Strategies hence defined by the organizations with the Business Performance?
- How do they measure the aforesaid relationship?

**Opportunities**

The opportunities of using Green Marketing are immense considering the fact that almost 90% of the European companies are using Green Marketing. But the main challenge with the Indian companies is the fact that the Indian Consumers need to be made more aware about the basic concept of Green marketing.

Some MNC’s which are using green marketing to its Advantage are the Companies like the Body Shop heavily promote the fact that they are environmentally responsible. While this behavior is a competitive advantage, the firm was established specifically to offer consumers environmentally responsible alternatives to conventional cosmetic products.

Another firm that does not promote its environmental initiatives is Coca-Cola. They have huge sums of money in various recycling activities, as well as having modified their packaging to minimize its environmental impact. Another example is Walt Disney which is equally environmentally responsible but they do not promote this strategy outside the organization. Walt Disney has an advanced waste management program and infrastructure in place, yet all these facilities are not marketed in their tourist promotional programs.

**CONCLUSIONS**

Green marketing is the buzz world in the near future as the government regulations and consumer awareness will lead the companies to adopt Green marketing Initiatives. Efforts from the government and the companies jointly will only
lessen the harm which the polluting companies are doing to the environment. While firms can have a great impact on the natural environment, the responsibility should not be theirs alone the customers should also change their buying behavior and their usage patterns along with disposal of the used products.

In nutshell Green product development is not about only creating products that are environmentally friendly, but it is about systemic change in society that includes consumers, producers and the general commercial structure within which they negotiate. By widening & deepening the meaning of green, relevant actors will have an economic incentive to pursue green product development. Final consumers and industrial buyers also have the ability to pressure organizations to integrate the environment into their corporate culture and thus ensure all organizations minimize the detrimental environmental impact of their activities. Harnessing the market forces that favor green product development will lead to main stream green.

LIMITATIONS

The fundamental aspect is that how are the organizations looking towards green marketing practices and the strategies is not universal and hence does not traverses universally towards the customers understanding which becomes a major aspect to be studied in further researches.

Literature on green marketing only is limited, and the connection of both marketing concepts is not covered in literature together; the common denominator therefore, is the creation of confidence, trust and value for customers.

Further research would be necessary to get a more detailed picture on a positive, controversial and independent basis of the topic.

Generally first movers gather advantages over later entrants in the market; however, the degree to which these advantages prevail is not elaborated.

“We shall require a substantially new manner of thinking if mankind is to survive”

-Albert Einstein

REFERENCES


