A CONCEPTUAL FRAMEWORK ON GREEN MARKETING – A TOOL FOR SUSTAINABLE DEVELOPMENT

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ABSTRACT

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. The green marketing has evolved over a period of time. According to Peattle (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 involves developing and promoting products and services that satisfy customers want and need for Quality, Performance, Affordable Pricing and Convenience without having a detrimental input on the environment.
INTRODUCTION

The promotion of environmentally safe or beneficial products, green marketing began in Europe in the early 1980s when specific products were identified as being harmful to the earth’s atmosphere. As a result, new “green” were introduced that were less damaging to the environment. The concept caught on in the United States and has been gaining steadily ever since. Divergent aspects of green marketing include ecologically safer products, recyclable and biodegradable packaging, energy-efficient operations, and better pollution controls. Advances produced from green marketing include packaging made from recycled paper, phosphate-free detergents, refillable containers for cleaning products, and bottles using less plastic.

As today’s consumer become more conscious of the natural environment, businesses are beginning to modify their own thoughts and behavior in an attempt to address the concerns of consumers. Green marketing is becoming more important to businesses because of the consumer’s genuine concerns about our limited resources on the earth. By implementing green marketing measures to save the earth’s resources in production, packaging, and operations, businesses are showing consumers they too share the same concerns, boosting their credibility.

MEANING OF GREEN MARKETING

Green marketing is all those activities designed to generate and facilitate any exchange intended to satisfy human needs or wants such that satisfying of these needs and wants occur with minimal detrimental input on the national environment. It is a full service marketing strategy and brand development firm offering a complete array of services including marketing plan development, sustainability auditing and planning, branding / creative strategies graphic / copyrighting, public relations and integrated marketing communications development, among a host of others.
DEFINITION OF GREEN MARKETING

According to the American Marketing Association Green Marketing is the marketing of products that are presumed to be environmentally safe.

Pride and Ferrell (1993) Green marketing, also alternately known as environmental marketing and sustainable marketing, refers to an organizations efforts at designing, promoting, pricing and distributing products that will not harm the environment.

Other similar terms are Environmental Marketing and Ecological Marketing.

ORIGIN OF GREEN MARKETING

The term Green marketing came into prominence in the late 1980s and early 1990s. The American Marketing Association (AMA) held the first workshop on “Ecological Marketing” in 1975. The proceedings of this workshops resulted in one of the first books on green marketing entitled “Ecological Marketing”. 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. 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 Brundtland Report and was another step towards widespread thinking on sustainability in everyday activity. 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 Ottman (1993) in the United States of America.

Objectives of The Study

- To study the green marketing as a business strategy.
Mrs. Nandini and M. Deshpande

- To know the benefits of green marketing to sustainable development
- To study the background of sustainable development.

METHODOLOGY

This paper has solicited the information from secondary data. It consists of reference books, research journals, newspapers, and web-sites. Data was collected in relation to fulfill the designed objectives of this paper.

Sustainable Development

Sustainable development is a concept, it underscores that rate of consumption or use of natural resources should approximate the rate at which these resources can be substituted or replaced. It further requires that a nation or society is able to satisfy its requirements –social, economic etc.

It means concerns for protecting environment and avoiding depletion of non-renewable resources. It requires shifting from reliance on one resource to another. Secondly, it requires equity (i.e. equal access to resources). Accordingly, it is futile to talk about environmental problems of inequality and poverty are ignored and the principle of intergenerational distribution of resources is not observed. Finally, system thinking cannot be ignored insofar as sustainability is concerned.

Background


- No doubt, coordination of environment issues at international level began with UN Conference on Human Environment, held in Stockholm in 1972. It marked the beginning of organized international efforts for comprehensive programme to safeguard environment while also promoting economic development.
General Assembly’s Resolution of Dec 1972 - Stockholm Conference was followed by the United Nations General Assembly resolution on Dec 15, 1972, emphasizing need of active cooperation among the states in the sphere of human environment.

Another resolution was passed which provided for institutional and financial arrangements for international cooperation for environment, establishing a Govt. Councils for Environmental Programme.

- Charter of Economic Rights and Duties of States, 1974
- UN Habitat conference on human settlements in Vancouver, 1976
- World water conference, Argentina, 1977
- UN Desertification conference, Nairobi, 1977
- Paris conference "Saving tree’s and forests", 1986
- Environmental Education Conference, 1977 organized by UNEP & UNESCO
- World Commission on Environment and Development, 1980
- Earth Summit +5
- Earth Summit 2002, the second world summit on sustainable development was held in Johannesburg from 26th Aug to 4th Sept 2002.
INDIA’S EFFORTS FOR SUSTAINABLE DEVELOPMENT
ENVIRONMENTAL PROTECTION)

Before first international meet on environment, Stockholm, 1972, India had provided for significance of Environmental protection and resources conservation in it’s Fourth Plan (1969-74)

- Constitutional Provision- within 5 years of Stockholm conference, India amended its constitution to include “Environment Protection” as a constitutional obligation.

- National committee on Environment planning and coordination was set up after Stockholm conference.

- Tiwari Committee, 1890, for recommendation on environmental issues.

- Environment Protection Act, 1986

- The Water (Prevention & control of Pollution ) Act, 1974

- The Air (Prevention & control of Pollution ) act, 1981

- Forest (Conservation) act, 1980

- The Seventh (1985-90) and Eighth Plan (1992-97) - The Seventh plan lays down well-defined strategy for environmental protection. Eighth plan further strengthened the Environmental policies.

- Ninth Plan (1997-2002) and Tenth Plan (2002-2007) emphasizes on environmental education amongst masses through the involvement of NGO’s youth educational institutions.

THE MARKETING STRATEGIES FOR GREEN MARKETING

The word “Green” has been extensively used in marketing by companies in the form of green marketing, green customers, green products, green supply chain, green services, green retailing and many more. It plays important role in informing consumer about pro-environmental aspects of the
products and services. Many companies stress their social responsibility by projecting their efforts towards becoming more environment friendly and by advertising their green claims via corporate marketing. Such green advertisements addresses the relationship between a product and its biophysical environment. It present and an image of a company or its products as being environment friendly in which the production processes ( packaging and recycling ) have minimum impact on environment.

The eco- friendly claims of the products ( may or may not be authentic) are appealing provided the public or customer is educated about the inevitability of ecological considerations, in developing of poor countries, this kind of education is yet to take off. Green marketing strategy offers a great opportunity to mitigate the environment problems. Thus, as a marketing strategy green marketing includes:

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

**Adoption of Green marketing**

- Opportunities or competitive advantage
- Corporate social responsibilities (CSR)
- Government pressure
- Competitive pressure
- Cost or profit issues

**Green Marketing Mix**

Every company has its own favorite marketing mix. Some have 4 P’s and some have 7 P’s of marketing mix. The 4 P’s of green marketing are that of
a conventional marketing but the challenge before marketers is to use 4 P’s in an innovative manner.

**Product**: The ecological objective in planning products are to reduce resources consumption and pollution and to increase conservation of scarce resources.

**Price**: It is a critical and important factor of green marketing mix. Most consumers will only be prepared to pay additional value 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 of these.

**Promotion**: There are three types of green marketing:

- Ads that address a relationship between a product/service and the biophysical environment.
- Those that promote a green lifestyle by highlighting a product or service.
- Ads that present a corporate image of environmental responsibility.

**Place**: The choice of 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.

**Benefits of Green marketing**

- First and foremost, a good marketing program is one that either: adds renewables that would not already be added or supports renewables projects that might not otherwise continue to operate. If these things are already happening and being paid for by all, the program doesn’t meet the bottom-line test: green marketing programs must make a difference.
- A sign of a good green marketing program is one that has strong links to local environmental groups and that achieves broad support among regional and national groups with an interest in promoting renewable power. Public Service of Colorado, for example, has developed a close
working partnership with the Land and Water Fund and other environmental groups in the state.

• A green marketer that is seriously interested in greening the electric system will have a program that is linked to a larger vision and a strategic plan for making renewables an increasingly larger part of the generation mix.

• For green marketing programs to be successful in the long run, they should both improve the environment and be fair to consumers. Prices should not be excessively higher than the actual cost of the resources in the portfolio. The is particularly true for green pricing programs, which are scrutinized by regulations, and in imperfectly competitive markets, because in these cases, there is no real competition in the green market. In markets that are vibrantly competitive and in which consumers have good information, this is less of a problem since lower-cost providers can compete to displace those providers charging excessive prices.
NEGATIVE ASPECTS OF GREEN MARKETING

Selling green power at a mark–up that would have been produced anyway with the cost shared by all. An example of this would be renewable power that is already included or would be included in a utility’s rate base without the green program. These types of programs sell nothing as if it is something, which is worse than doing no green marketing at all, because these programs are
fundamentally unfair and breed consumer cynicism. If we permit these types of programs to occur, they will undermine the market for those marketers who are actually making a difference.

Programs that do not in some way directly benefit the renewable generator. An example of this would be a utility that has an existing power purchase contract with a renewable generator, but does not flow any benefit through to the generator.

Programs that make false claims and do not adequately inform consumers about the nature of their product. For example, selling “nuclear and coal free” power when consumer dollars are sent to a nuclear- and coal- owning utility. This is a recipe for creating cynicism, once the anti- nuclear consumers find out their dollars have been channeled to the owners of plants they dislike. Electrons and dollars are fungible, so, in these kinds cases, unless the marketer can prove to the public that the consumer dollars they are collecting do not in any way support the nuclear and coal plants, and support only the resources claimed as “green,” such claims should not be made.

Collecting premiums in exchange for vague promises to build renewables in the future. Consumers should not be asked to pay for someone else’s investment when they get nothing in return, and when no tangible benefit to society results.

**IMPORTANCE OF GREEN MARKETING IN INDIA**

India is a second largest population country in the world. In India, around 25% of the consumers prefer environmental – friendly products, and around 28% may be considered healthy conscious. Many developed and developing countries are looking at India as a huge consumer market. Following tables will make to think, to the point of consumer trend and dependency ratio of Indian people.
Table No.1 Age – Mix of Consumer India- Present and Future
(Estimated figures)

<table>
<thead>
<tr>
<th>Age Group</th>
<th>2006</th>
<th>2011</th>
<th>2016</th>
<th>2026</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-14</td>
<td>306</td>
<td>351</td>
<td>243</td>
<td>328</td>
</tr>
<tr>
<td>15-64</td>
<td>702</td>
<td>780</td>
<td>854</td>
<td>967</td>
</tr>
<tr>
<td>65+</td>
<td>52</td>
<td>66</td>
<td>78</td>
<td>116</td>
</tr>
<tr>
<td>All age group population</td>
<td>1114</td>
<td>1197</td>
<td>1275</td>
<td>1,411</td>
</tr>
</tbody>
</table>

Population figures are in Millions

Table No. 1 – on the basis of estimated age-mix of consumers in India-present and future, highlighted that India will be main consumer market and its consumption ability would be more than other developed as well as developing countries in the world. This is big issue how to handle environmental problems and stoppage of detrimental products to environment.

Table No. 2 Favorable Dependency Ratio

<table>
<thead>
<tr>
<th>Year</th>
<th>Dependence Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>1985</td>
<td>72%</td>
</tr>
<tr>
<td>1995</td>
<td>68%</td>
</tr>
<tr>
<td>2005</td>
<td>60%</td>
</tr>
<tr>
<td>2015</td>
<td>52%</td>
</tr>
<tr>
<td>2025</td>
<td>48%</td>
</tr>
</tbody>
</table>

Table No. 2 shows that India’s dependency ratio will be low in coming year. It is an indication to economic growth. Purchasing power of India grow along with the huge choices to consumers due to globalization. Government should be aware about the environmental issue before India would catch in
environment problems. According to World Bank, Asian Countries are grabbed in severe diseases due to degradation of ecological or change in climate.

**CHALLENGES AHEAD**

One of the main problems is that firms using green marketing must ensure that their activities are not misleading to consumers or industry, and do not breach any of the regulations or laws dealing with environmental marketing. Another problem firms face is that those who modify their products due to increased consumer concern must contend with the fact that consumer’s perceptions are sometimes not correct like in McDonald’s case where it has replaced its clam shells with plastic coated paper. When firms attempt to become socially responsible, they may face the risk that the environmentally responsible action of today will be found to be harmful in the future. This may explain why some firms, like Coca-Cola and Walt Disney World, are becoming socially responsible without publicizing the point. They may be protecting themselves from potential future negative backlash, if it is determined they made the wrong decision in the past. Thus the problems with going green are:

- Green products require renewable and recyclable material, which is costly.
- Require a technology, which requires huge investment in R & D.
- Water treatment technology, which is too costly.
- Majority of the people are not aware of green products and their uses.
- Majority of the consumers are not willing to pay a premium for green products.

**THREE KEYS TO SUCCESSFUL GREEN MARKETING**

**Being genuine** means that a) that you are actually doing what you claim to be doing in your green marketing campaign and b) that the rest of your business policies are consistent with whatever you are doing that’s environmentally friendly. Both these conditions have to be met for your business to establish the
kind of environmental credentials that will allow a green marketing campaign to succeed.

**Educating your customers** isn’t just a matter of letting people know you’re doing whatever you’re doing to protect the environment, but also a matter of letting them know why it matters. Otherwise, for a significant portion of your target market, it’s a case “So what?” and your green marketing campaign goes nowhere.

**Giving your customers an opportunity to participate** means personalizing the benefits of your environmentally friendly actions, normally through letting the customer take part in positive environmental action.

**Some Excellent Cases of Green Marketing**

- McDonald’s restaurant’s napkins, bags are made of recycled paper.
- Coca-Cola pumped syrup directly from tank instead of plastic which saved 68 million pound/year.
- Badarpur Thermal Power station of NTPC in Delhi is devising ways to utilize coal-ash that has been a major source of air and water pollution.
- Baraunt refinery of IOC is taken steps for restricting air and water pollutants.

1. Role of Government, Corporate Sector and Society towards Green Environment
government should strengthen the environment governance. There is need of changing the mind set of administrators on the environmental issues in relation to proper environmental clearance reports.

2. Government should make extra provision in budget for implementation of environmental policies.

3. Government should make compulsion of social audit to corporate sectors.
4. Government should take steps to make laws about “go green” recycling materials etc.

5. Business organization should use renewable sources of energy and green channels of distribution. These may beneficial to cut down their cost tremendously.

6. Society i.e. employees and customers should take initiative for green products and services which are healthy to environment.

7. Youth are great green warriors of future. If youth are sensible then green with any activity is possible.

8. Consumerism movement on the point of environment issue should be strengthened.

9. Government should use mass communication to provide information and knowledge to public about importance of green products and services for their generation and for their children.

10. Employees should take about green working environment and tries to make management to devise green environment policy at workplace as well as surrounding the company etc.

CONCLUSION

Green marketing should not neglect the economic aspect of marketing. Marketers need to understand the implications of green marketing. If you think customers are not concerned about environmental issues or will not pay a premium for products that are more eco-responsible, think again. You must find an opportunity to enhance your 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.

Thus green marketing is a golden goose, and can be a very powerful marketing strategy though when it’s done right.
REFERENCES


