

## Green Marketing-Changing Consumption Culture

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### ***Abstract***

*Green Marketing as all activities designed to generate and facilitate any exchanges intended to satisfy human needs or wants, such that the satisfaction of these needs and wants occurs, with minimum detrimental impact on the natural environment. The green marketing has evolved over a period of time. The evolution of green marketing has three phases. **First phase** was termed as "Ecological" green marketing, during which all marketing activities were concerned to help environmental problems and provide remedies to it. **Second phase** was "Environmental" green marketing and its focus shifted on clean technology that involved designing of innovative new products, there reducing pollution and waste issues. **Third phase** was "Sustainable" green marketing. It came into light in the late 1990s and early 2000. Green marketing can be implemented through various ways like, Products those are originally grown, Products those are recyclable, reusable and biodegradable, Products containing recycled contents, non-toxic chemical, Products contents under approved chemical, Products that do not harm or pollute the environment, Products that will not be tested on animals, Products that have eco-friendly packaging i.e. reusable, refillable containers etc. This paper highlights the concept of Green Marketing and current scenario of green marketing in India*

**Key Words:** *Green Marketing, Natural, Eco-friendly, Reusable, Ecological*

### **INTRODUCTION**

Although environmental issues influence all human activities, few academic disciplines have integrated green issues into their literature. This is especially true of marketing. As society becomes more concerned with the natural environment, businesses have begun to modify their behaviour in an attempt to address society's "new" concerns. Some

businesses have been quick to accept concepts like environmental management systems and waste minimization, and have integrated environmental issues into all organizational activities. Some evidence of this is the development of journals such as "Business Strategy and the Environment" and "Greener Management International," which are specifically designed to disseminate research relating to business' environmental behaviour. One business area where environmental issues have received a great deal of discussion in the popular and professional press is marketing. Terms like "Green Marketing" and "Environmental Marketing" appear frequently in the popular press.

### **GREEN MARKETING**

Green marketing refers to the process of selling products and/or services based on their environmental benefits. Such a product or service may be environmental friendly in itself or produce/packaged in an environmental friendly way.

The obvious assumption of green marketing is that potential consumers will view a product or service's "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 other comparable alternative product.

Green marketing can be defined as, "All activities designed to generate and facilitate any exchange intended to satisfy human needs or wants such that satisfying others needs and wants occur with minimal detrimental input on the national environment." 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.

#### **Pride and Ferrell**

Green marketing, also alternatively known as environmental marketing and sustainable marketing, refers to an organisation's efforts at designing, promoting, pricing and distributing products that will not harm the environment.

#### **Polonsky**

Defines green marketing as all activities designed to generate and facilitate any exchanges intended to satisfy human needs or wants, such that the satisfaction of these needs and wants occurs, with minimum detrimental impact on the natural environment.

**Elkington(1994)**

Defines green consumers as one who avoids products that are likely to endanger the health of the consumers or others; cause significant damage to the environment during manufacture, use or disposal; consume a disproportionate amount of energy; cause unnecessary waste; use material derived from threatened species or environments; involve unnecessary use of, or cruelty to animals; adversely affect other countries.

**HISTORICAL BACKGROUND**

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 workshop resulted in one of the first books on green marketing entitled "Ecological Marketing".

The 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, known as the Brundtland Report, talked about sustainable development of green marketing which include widespread thinking on sustainability in everyday activity. 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.

According to Jacquelyn Ottman, (author of "The New Rules of Green Marketing: Strategies, Tools, and Inspiration for Sustainable Brandin" from an organizational viewpoint, environmental considerations should be integrated into all aspects of marketing — new product development and communications and all points in between. The holistic nature of green also suggests that besides suppliers and retailers new stakeholders be enlisted, including educators, members of the community, regulators, and NGOs. Environmental issues should be balanced with primary customer needs.

The past decade has shown that tackling consumer power to effect positive environmental change is far easier said than done. The so-called "green consumer" movements in the U.S. and other countries have struggled to reach public and to remain in the forefront of shoppers' minds. While public opinion polls taken, it has shown that a significant percentage of consumers have a strong willingness to favour environmentally conscious products and companies. One of green marketing's challenges is the lack of standards or public consensus. In essence, there is no definition of "how good is good enough" when it comes to a product or company making green marketing claims. This lack of consensus—by consumers, marketers, activists, regulators, and influential people—has slowed the growth of green products because companies are often reluctant to promote their green attributes, and consumers have a doubt about their claims.

Despite these challenges, green marketing has continued to gain adherents, particularly in light of growing global concern about climate change. This concern has led more companies to advertise their commitment to reduce their climate impacts, and the effect this is having on their products and services.

### **CURRENT SCENARIO**

The green marketing has evolved over a period of time. The evolution of green marketing has three phases.

**First phase** was termed as "*Ecological*" green marketing, during which all marketing activities were concerned to help environmental problems and provide remedies to it.

**Second phase** was "*Environmental*" green marketing and its focus shifted on clean technology that involved designing of innovative new products, there reducing pollution and waste issues.

**Third phase** was "*Sustainable*" green marketing. It came into light in the late 1990s and early 2000.

As resources are scarce and human needs are unlimited, it is important for the marketers to utilize the resources efficiently without wastage for the achievement of 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 people are concerned about the environment and are changing their buying-pattern. Green marketing has emerged which speaks for growing market for sustainable and socially responsible products and services. Corporations such as McDonald's, Walmart, Procter & Gamble acknowledge that the environment must be protected and enhanced for economic growth. So for the same purpose, McDonald's has made a \$100 million commitment to its consumers for recycling purposes. Walmart encourages the purchase of environmentally friendly products and reports that the green labelling program contributed to an overall 25% increase in sales.

The United Nations Conference on Environment and Development (UNCED), held in Rio de Janeiro in 1992 also focused on integrating environmental protection with economic development to bring prolong development. It was during this Earth summit that it was first highlighted that business and industry should play a crucial role in bringing about sustainable Development (United Nations Environment Programme, sustainable business, 1998). Marketing, just like other business functional areas has a role to play toward providing solutions, to environmental problems facing the world today and to bring about development.

### **GREEN PRODUCTS AND ITS CHARACTERISTICS**

The products those are manufactured through green technologies and that caused no environmental hazards are called green products. Promotion of green technology and green products is necessary for conservation of natural resources and sustainable development. We can define green products by following measures:

- Products those are originally grown,
- Products those are recyclable, reusable and biodegradable,
- Products containing recycled contents, non-toxic chemical,
- Products contents under approved chemical,
- Products that do not harm or pollute the environment,
- Products that will not be tested on animals,
- Products that have eco-friendly packaging i.e. reusable, refillable containers etc.

**REASONS FOR USING GREEN MARKETING**

1. Organisations assume environmental marketing to be an opportunity that can be used to achieve its objectives.
2. Organisations believe that they have a moral obligation to be more socially responsible.
3. Governmental bodies are forcing firms to become more responsible towards society.
4. Competitors environmental activities pressurize firms to change their environmental marketing activities.
5. Cost factors associated with waste disposal, reductions in material usage forces firms to modify their behaviour.
6. Eco-friendly products serves as a tool for increasing the goodwill of the company.

**CASE STUDIES****1. Phillips's CFL Light Bulb**

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. Although its cost was high as compared to the normal bulb but still a portion of consumers preferred it because of its eco- friendly feature.

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.

**2. Car Sharing Services**

Car-sharing services address the long-term solutions to consumer needs for better fuel savings and fewer traffic tie-ups to complement the environmental benefit of more open space and reduction of greenhouse gases.

They may be thought of as a "*time-sharing*" system for cars.

Consumers who drive less than 7,500 miles a year and do not need a car for work can save thousands of dollars annually by joining one of the many services springing up, including ZipCar (East Coast), I-GO Car (Chicago), Flex Car (Washington State), and Hour Car (Twin Cities).

### **3. Electronics Sector**

The consumer electronics sector provides room for using green marketing to attract new Customers. HP's promise to cut its global energy use by 20% in the near future.

The Hewlett-Packard Company announced plans to deliver energy-efficient products and services and institute energy-efficient operating practices in its facilities worldwide.

### **4. Products & Services**

Companies are offering more eco-friendly alternatives for their customers.

Recycled products, are the most popular alternatives that can benefit the environment and society at large.

These benefits include sustainable forestry, clean air, energy efficiency, water conservation, and a healthy office.

### **Introduction of CNG in Delhi**

New Delhi, capital of India, was being polluted at a rapid fire speed until Supreme Court of India forced a change to alternative fuels which are eco-friendly.

In 2002, a directive was issued to completely adopt CNG in all public transport systems to curb pollution.

### **Eco-friendly Rickshaws before CWG**

Chief minister Sheela Dikshit launched a battery operated rickshaw, "E-rick", to promote eco friendly transportation in the city.

### **Wipro Green It.**

Wipro is putting efforts for sustainable tomorrow by reducing costs, reducing carbon footprints and become more efficient for saving the environment. Wipro InfoTech 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 Greenware. These products are RoHS (Restriction of Hazardous Substances) compliant thus reducing e-waste in the environment.

### **INDIA'S FIRST GREEN CITY: AGARTALA**

Tripura announced plans to make all public and private vehicles in Agartala run on compressed natural gas (CNG) by 2013, thus making the capital “India's first green city”. Tripura Natural Gas Co Ltd (TNGCL), a joint venture of the Gas Authority of India Ltd (GAIL) and the Tripura and Assam governments, has undertaken a project to supply CNG to all private and government vehicles. CNG will also be used in various machineries which are now using electricity, petrol and diesel.

### **Tata Going Green**

Tata Motors is now setting up an eco-friendly showroom which includes natural building material for its flooring and energy efficient lights. The Indian Hotels Company, which runs the Taj chain, is in the process of creating about 5% of the total rooms as eco rooms having energy efficient mini bars, organic bed linen and napkins made from recycled paper. The rooms will have CFLs or LEDs. Use of biogas based power plant, at taj hotel to meet cooking requirement.

### **Lead Free Paints from Nerolac**

Nerolac Paints Ltd. has always been committed to the welfare of society and environment and as a responsible corporate has always taken initiatives in the areas of health, education, community development and environment preservation.

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 and environment. Lead in paints cause damage to Central Nervous System, kidney and reproductive system. Children are more prone to lead poisoning leading to lower intelligence levels and memory loss.

### **GREEN MARKETING- CHANGING CONSUMPTION CULTURE**

Green marketing is in its childhood stage and it is not going to be easy concept. Its adoption might not be easy in short run but in long run it has positive impact in the companies. Many companies are putting efforts to make themselves green by environmental commitment, solid waste management, energy efficiency, water conservation and employee education/ community involvement. But still, financial help

should be given in the form of easy loans for manufacturing green products. There should be some stimulus from the government to encourage and motivate these companies in the form of award, reward or subsidies. As we know that green marketing is costly, tax incentives or tax holidays will also help in promoting Eco-mark or Eco labelling among the small and medium scale manufacturers. Few consumers are aware of the importance of the green products and they are ready to pay higher for these products. There is a need of social advertisement to be done at a large scale, to promote environment friendly practices and to promote the consumption of green products.

It is the task of the marketer to redirect the needs of the consumer towards consumption that is ecologically least harmful. This can be achieved through market research, and promotion. According to *Our Common Future*, a publication of World Commission for Environment and Development (WCED) (1987), prolonged development requires the promotion of values that encourage consumption standards that are within the limits of the ecological environment. In the past few decades marketing has been so successful in increasing societal consumption and in meeting human needs, ensuring that the air will be successful.

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