

Sustainable Development through Green Marketing: Need of the Modern world

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Abstract

Today's world is witnessing the environmental damage and degradation which is posing a serious threat to the mankind. It is becoming a major issue of concern amongst all the spheres. People are becoming conscious and aware of the ill effects of damage being caused.

Green marketing is the marketing of environmental friendly products and services. It is becoming more popular as more people have become concerned with environmental issues and decide that they want to spend their money in a way that is kinder to the planet.

Green business activities are performed in such a way so that it has limited negative ecological impact and which directly benefits the natural environment in some way. Such kind of marketing can involve a number of different things, such as creating an eco-friendly product, using eco-friendly packaging, adopting sustainable business practices, or focusing marketing efforts on messages that communicate a product's green benefits. The main objective is to meet the needs of the present without compromising the ability of future generations to meet their needs.

Key Words:

Marketing, Green Marketing, Sustainable Business Practices

Introduction

According to AMA, this is the marketing of products that are presumed to be environmentally safe; it involves development

and promotion of products and services that satisfy customer's desire and need for quality, performance, affordable pricing and convenience, without having a detrimental impact on the natural environment.

It is the process of selling products or services based on their environmental benefits. Such a product or service may be environmentally friendly in itself or produced in an environmentally friendly way, such as:

- Being manufactured in a sustainable fashion
- Not containing toxic materials or ozone-depleting substances
- Able to be recycled and/or is produced from recycled materials
- Being made from renewable materials (such as bamboo, etc.)
- Not making use of excessive packaging
- Being designed to be repairable and reused

The products are to be developed depending on the needs of the customers who prefer environment friendly products. They can be made from recycled materials or from used goods. Efficient products not only save water, energy and money, but also reduce harmful effects on the environment.

Green chemistry forms the growing focus of product development. The marketer's role in product management includes providing product designers with market-driven trends and customer requests for green product attributes such as energy saving, organic, green chemicals, local sourcing, etc., For example, Nike is the first among the shoe companies to market itself as green. It is marketing its Air Jordan shoes as environment-friendly, as it has significantly reduced the usage of harmful glue adhesives. It

has designed this variety of shoes to emphasize that it has reduced wastage and used environment-friendly materials.

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. Value can be added to it by changing its appearance, functionality and through customization, etc. Wal Mart unveiled its first recyclable cloth shopping bag. IKEA started charging consumers when they opted for plastic bags and encouraged people to shop using its "Big Blue Bag".

Green place is about managing logistics to cut down on transportation emissions, thereby in effect aiming at reducing the carbon footprint. For example, instead of marketing an imported mango juice in India it can be licensed for local production. This avoids shipping of the product from far away, thus reducing shipping cost and more importantly, the consequent carbon emission by the ships and other modes of transport.

Green promotion involves configuring the tools of promotion, such as advertising, marketing materials, signage, white papers, web sites, videos and presentations by keeping people, planet and profits in mind. British petroleum (BP) displays gas station which its sunflower motif and boasts of putting money into solar power. Indian Tobacco Company has introduced environmental-friendly papers and boards, which are free of elemental chlorine. Toyota is trying to push gas/electric hybrid technology into much of its product line. It is also making the single largest R&D investment in the every-elusive hydrogen car and promoting itself as the first eco-friendly car company. International business machines Corporation (IBM) has revealed a portfolio of green retail store technologies and services to help retailers improve energy efficiency in their IT operations. The centre piece of this portfolio is the IBM Sure POS 700, a point-of-sale system that, according to IBM, reduces power consumption by 36% or more. Even the names of retail outlets like "Reliance Fresh", Fresh@ Namdhari Fresh and Desi,

which while selling fresh vegetables and fruits, transmit an innate communication of green marketing.

Green marketer can attract customers on the basis of performance, money savings, health and convenience, or just plain environmental friendliness, so as to target a wide range of green consumers. Consumer awareness can also be created by spreading the message among consumers about the benefits of environmental-friendly products. Positing of profiles related to green marketing on social networks creates awareness within and across online peer groups. Marketing can also directly target the consumers through advertisements for product such as energy saving compact fluorescent lamps, the battery –powered Reva car, etc.

The green marketing express the satisfaction of consumer's needs for products and services at a certain price with high quality and durable protection of non renewable resources and the elimination of harmful substances from soil, water and air.

Green marketing is typically practiced by companies that are committed to sustainable development and corporate social responsibility. More organizations are making an effort to implement sustainable business practices as they recognize that in doing so they can make their products more attractive to consumers and also reduce expenses including packaging, transportation, energy/water usage, etc. Businesses are increasingly discovering that demonstrating a high level of social responsibility can increase brand loyalty among socially conscious consumers; green marketing can help them do that.

Evolution & Principles of Green Marketing

The concept of green marketing has been used since the 1960s when it was tried to introduce an environmentally friendly lifestyle and especially the integration of this green term in products or raw materials purchases.

According to Peattie, the evolution of green marketing has three phases such as:

First phase : "*Ecological*" green marketing, in which, all marketing activities were concerned to help environment problems and provide remedies for it.

Second phase : "*Environmental*" green marketing -the focus shifted on clean technology that involved designing of innovative new products, which take care of pollution and waste issues.

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

According to Earth Day 2000, the principles of Green Marketing include green and sustainable elements such as:

- Integrate green concepts, viewpoints, and benefits into every marketing project.
- Inform and educate associates and clients on green options and incentives that encourage and enable resource efficiency.
- Implement resource-efficient and green practices in the office environment.
- Promote and form coalitions with suppliers, staff, and clients to foster resource-efficient activities.
- Develop, implement and maintain green concepts and the green paradigm in interactions with our clients and their customers.
- Recognize, validate, and respond to concerns and priorities of our communities and stakeholders.
- Embrace and consider the interrelationships of sustainable business practices, smart growth, conservation, New Urbanism, and recycling/reuse
- Maintain and promote awareness of trends in sustainability, eco-friendly business practices, and economic development.

- Identify how the green philosophy can be employed in business and marketing activities of all types.

- Recognize and respond to obstacles—regulatory, building codes, costs, perceptions, lack of knowledge.

Companies that adopt and implement green marketing strategies obtain various long term advantages. It helps companies to market their products and services keeping the environment aspects in mind. It allow for accessing the new markets and enjoying competitive advantage. It ensures sustained long-term growth along with profitability. It saves money in the long run, even if initially the cost is higher. Most of the employees feel proud and responsible to be working for an environmentally responsible company.

Most of the companies are venturing into green marketing because of the following reasons:

- Being green is a strategic objective for many companies for two main reasons: the selling prices of the products are higher which means a higher added value for the company, the increase the number of customers.
- Protecting the planet and its resources are goals set by the governments of the member organizations of the world. The European Union through its political mechanisms makes the Member States to adopt national legislation on environmental protection and finances numerous programs for the environment.
- Large companies adopt these green marketing strategies to differentiate themselves from their competitors or to attract customers who are beginning to understand the importance of environmental protection.
- Cost-Reduction: Intense using of what nature provides will inevitably lead to cost savings.
- High level of products promotion to clients

- Through their marketing policies, companies have an educational role regarding protecting the environment. Through commercials or messages written on the packaging, you can send messages regarding the product components which can be recycled. The companies can also initiate campaigns whereby consumers are motivated to choose products that contribute to the conservation of nature, or are good for health.

Examples of Green Marketing

- Grocers that advertise organic produce. The organic food industry has grown in leaps and bounds as consumers express an increased preference for non-genetically modified foods that are free of pesticides.
- Restaurants that promote "locally sourced" meats, vegetables, fish, wines, etc. Local sourcing is attractive to consumers as it projects an image of sustainability and willingness to invest in the community.
- Toyota's marketing of the Prius hybrid. (The Prius outsells all other hybrid vehicles, mostly because its unique styling reflects the typical owner's passion for sustainability.)
- Volkswagen/Mercedes-Benz' marketing of its vehicles as "clean diesel" "Earth Friendly" vehicles. As truth in advertising.org pointed out in its roundup of companies accused of greenwashing on Earth Day 2016, "there's nothing clean about diesel engines that spew pollutants at levels way over the legal limit."
- Making claims that are not as impressive as they look. Some companies try to look green by making environmentally friendly claims that are essentially meaningless. For instance, Worldwatch shows an example of a Coopertone sunscreen with a "no CFCs" label. Being a chlorofluorocarbon-free product sounds great (you can help save the ozone layer),

until you realize that CFC production in the United States has been banned since 1995.

PepsiCo is one of the world's largest food and beverage producers with annual revenues of more than \$65 billion and a product line that includes brands such as Quaker, Gatorade, Pepsi-Cola, and Frito-Lay. Over the past decade PepsiCo has become a leader among corporations in water conservation and energy usage. In 2012 PepsiCo received the Stockholm Industry Water Award in recognition of its efforts to reduce water and energy usage across all of its business operations, from supply chains to factories.

PepsiCo sustainability efforts include:

- Working with farmers to monitor water usage and carbon emissions and maximize crop yields
- Retrofitting factories and corporate offices to improve energy efficiency. For example, the 350 employee Casa Grande Frito Lay facility in Arizona generates half the plant's electricity requirements with solar power, water is recycled to drinking standards, and waste is recycled wherever possible. The facility is one of over 20 other PepsiCo sites certified to LEED sustainability standards.

Challenges of Green Marketing

Green marketing faces challenges because of the lack of standards and public consensus about what the "Green" represents^{107, 109}. Some of these challenges could be:

- Renewable and recyclable material, which is costly
- New technology, which means huge investment in R & D

- Water treatment technology, which is too costly
- People are not aware of green products and their uses
- Consumers do not always want to pay a premium price for green products
- Lack of credibility or trust from consumers and end-users
- Confusion regarding green or sustainable product claims
- Reputational risk from "misleading claims"
- Liability risk from "green washing"

The key barrier to sustainable development practices such as green procurement is short versus long term cost; the cost of "greenness" often doesn't fit into short-term budgets that don't internalize long-term total costs. Are Consumers Willing to Pay More for Green Products? 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 is that consumers will be willing to pay more for green products than they would for a less-green comparable alternative product. Is this true?

Apparently, yes. The 2014 Nielsen Global Survey on Corporate Social Responsibility polled 30,000 consumers from 60 countries to determine statistics on consumer preferences for sustainable purchasing, and found that:

- 55% of consumers were willing to pay extra for products and services from companies committed to positive social and environmental impact (up from 45% in 2011)
- 52% made at least one purchase in the past six months from at least one socially responsible company

- 52% check product packaging to ensure sustainable impact

Interestingly, consumers in the Asia-Pacific region, Latin America, and the Middle East/Africa showed a higher preference (64%, 63%, 63%) to pay extra, whereas the preference in North America and Europe was lower (42% and 40%).

The Nielsen survey also looked at retail purchase statistics, and according to sales data, brands that advertised sustainability on packaging had 2% year-over-year increases in sales from 2011 to 2014, as compared with 1% for those that did not.

Misrepresenting Products or Service as Green Can Backfire

While green marketing is growing greatly as increasing numbers of consumers are willing to back their environmental consciences with their dollars, it can be dangerous. The public tends to be skeptical of green claims to begin with and companies can seriously damage their brands and their sales if a green claim is discovered to be false or contradicted by a company's other products or practices. Presenting a product or service as green when it's not is called **greenwashing**.

For example, in 2012 a CBC Marketplace study found that Dawn Antibacterial dish soap, which featured a label showing baby seals and ducklings and claiming that "Dawn helps save wildlife" was found to contain Triclosan which has been officially declared as being toxic to aquatic life - environmental groups have called for it to be banned. Understandably, Proctor & Gamble, maker of Dawn products, refused an interview request by Marketplace.

Seaworld Orlando's introduction of its "Cup That Cares" in 2013 was another dismal example of green marketing gone wrong. The cup was marketed as environmentally friendly; each time a person refilled the cup at a vending machine in the park, an embedded chip would display how much CO₂ he or she had saved. Unfortunately,

the cup was plastic - as were the 40 accessories that could be purchased separately to deck out the cup that doubled as a penguin toy.

Chad's green marketing campaign bombed because he made the mistake of packaging his environmentally friendly product in styrofoam.

Conclusion

Green marketing is about the whole company. One has to be authentic and real otherwise the company's image and reputation would suffer. For green marketing to be successful, it has to fit with the brand. Having a single green product when the rest of the products are not, for instance, can make customers wonder if the company is serious about its environmental commitment. Green marketing can be a very powerful marketing strategy though when it's done right. Green marketing can be seen as part of the concept of sustainability. Thus, green marketing acts as a marketing tool that aims at honest promotion to consumers and stakeholders regarding the company's sustainable activities. Several key elements can be identified as effective for green marketing programs, namely: Top management commitment; Integration of the organic products business strategy; Understanding customer desires and objectives; Certifying the "green" product; Using eco-labels for the company's products; Authenticity and credibility in green marketing efforts and complete transparency; Sustainable branding; the quality of a "green" product should not overshadow its original purpose.

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