Green Marketing Strategies for Sustainable Business Growth

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ABSTRACT
Environment friendly, so called green marketing has become a discussed subject and companies are constantly trying to find the best ways to reach the customers with their green message. Customers are becoming more demanding and they have started to pay more attention to the environment. What is important with brands is how customers perceive them, what the image of the brand is? The aim of this study is to find out how strategic issues in green marketing are addressed by Companies. Green marketing incorporates a variety of activities, including modifications to products, changes to the production and distribution processes, packaging, and modifications to marketing communications. In this paper, the authors have tried to explain the need and importance of Green Marketing and strategies for Green Marketing. They have also tried to explain some strategies to avoid Green Marketing Myopia. At last some Green Marketing practices have been shared to convince the readers that, Green Marketing is not only possible but also it is sustainable as well as profitable from various quarters.

Key Words: Green Marketing, green message, organic, Environmentally Friendly, Myopia

Introduction
Green marketing is the marketing of products that are presumed to be environmentally safe. Thus green marketing incorporates a broad range of activities, including product modification, changes to the production process, packaging changes, as well as modifying advertising. Yet defining green marketing is not a simple task where several meanings intersect and contradict each other; an example of this will be the existence of varying social, environmental and retail definitions attached to this term. Other similar terms used are Environmental Marketing and Ecological Marketing. So, in this scenario of global concern, corporate houses have taken green marketing as a visible part of their strategic planning to promote products by employing environmental claims either about their attributes or about their systems, policies and processes of the firm that manufacture or sell them. Clearly Green marketing is a part and parcel of overall corporate strategy; along with manipulating the traditional marketing mix (4 Ps), it requires an understanding of public policy process. So, we can say green marketing covers a broad range of activities.
"Green or Environmental Marketing consists of 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 occurred with minimal detrimental impact on the natural environment." (Mr. J Polonkey)

Green marketing involves developing and promoting products and services that satisfy customers' wants and desires for Quality, Performance, Affordable Pricing and Convenience without having a detrimental input on the environment.

Evolution of Green Marketing

Green Marketing concept has been evolved over a period of time. According to Peattie (2001), the evolution of green marketing has *three phases*.

- **First phase**: "*Ecological*" green marketing and during this period all marketing activities were concerned to address environment problems and provide remedies for environmental problems.
- **Second phase**: "*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**: "*Sustainable*" green marketing. It came into prominence in the late 1990s and early 2000.

Why Green Marketing?

"Resources are Limited and Human Wants are Unlimited", it is important for the marketers to utilize the resources efficiently without any wastage as well as to achieve the organization's objective. 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. Since early 1990s, a major concern on ecological impact of industrial house on environment has been surfaced on marketplace. Not only the relation between human organization and natural environment being redefined, but the implication thereof are being interpreted, because of these new perceptions are being formed or revaluated on issues like environmental friendly products, recycle- ability, waste reduction, the cost associated with pollution and price value relationship of environmentalism. Pressure from various stakeholders, government, environmentalist, NGOs, consumers in placed on business, which in turn keeps them under constant and relentless watch in their daily operations. A direct result can be seen in developed and developing countries where government become more strict in imposing regulations to protect environment; at the same time the customers of these countries are being more and more outspoken regarding their needs for environmentally friendly products, even though questions remain on their willingness to pay a higher premium for such products.

So, in this era where consumers determine the fate of a company, green marketing imparts a proactive strategy for these companies to cater the market by imparting nature friendly products/ services which otherwise reduce or minimize any detrimental impact on environment.

Reasons for Adoption of Green Marketing

- Opportunities or Competitive Advantage
- Corporate Social Responsibilities (CSR)
- Government Pressure
- Competitive Pressure
- Cost or Profit Issues
- Increased Customer Consciousness
- Deterioration of Climatic Conditions

Organisations those develop new and improved products and services with environment inputs in mind give themselves access to new markets, increase their profit sustainability, and enjoy a competitive advantage over the companies which are not concerned for the environment.

Green Marketing MIX (Innovative Strategy for Corporate)

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

Product

The ecological objectives in planning products are to reduce resource consumption and pollution and to increase conservation of scarce resources (Keller man, 1978). The products have to be developed depending on the needs of the customers who prefer environment friendly products. Products 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.

Price

Price 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 these facts into consideration while charging a premium 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. 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".

Promotion
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 center piece of this portfolio is the IBM SurePOS 700, a point-of-sale system that, according to IBM, reduces power consumption by 36% or more. We even see the names of retail outlets like "Reliance Fresh", Fresh[at]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 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.

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. 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 Marketing and Customer Satisfaction:

Three ways to keep the customers satisfied as before or even more while adopting Green Marketing Strategies. In other words let's have look at the strategies for avoiding "Green Marketing Myopia".

1. Consumer value positioning

- To design environmental friendly products to perform.
- To promote and deliver the consumer desired value of environmental products and target relevant consumer market segments (such as market health benefits among health- conscious consumers).
- To broaden mainstream appeal by bundling (or adding) consumer desired value into environmental products (such as fixed pricing for subscribers of renewable energy).

2. Calibration of consumer Knowledge

- Educating consumers with marketing messages that connect environmental products attributes with desired consumers' value (e.g. "pesticide free product is healthier", "energy-efficiency saves money", or "solar power is convenient").
- To frame environmental product attributes as "solutions" for consumer needs (e.g. "rechargeable batteries offer longer performance").
- Creating educational internet sites about environmental product's desired consumer value (e.g. Tide coldwater's interactive website allows visitors to calculate their likely annual money savings based on their laundry habits, utility source [gas or electricity], and zip code location).

3. Credibility of product claims

- Employing environmental product and consumer benefit claims that are specific, meaningful, unpretentious, and qualified (i.e. compared with comparable alternatives or likely usage scenarios).
- To procure product endorsements or eco-certifications from trustworthy third parties, and educate consumers about the meaning behind those endorsements and eco-certifications.
- Encouraging consumer evangelism via consumers' social and internet communication networks with compelling, interesting, and/or entertaining information about environmental

products (e.g. Tide's "coldwater challenge" website includes a map of the United States so visitors could track and watch their personal influence spread when their friends request a free sample).

Consumer Environmental Segments

- ✓ **True blue greens (30%):** True Blues are the environmental leaders and activists. They are characterized by a strong knowledge of environmental issues. They are more likely than the average consumer to engage in environmentally conscious behavior, such as recycling.
- ✓ **Greenback Greens (10%):** Greenbacks do not have 5he time or inclination to behave entirely green. However, they are more likely to purchase green.
- ✓ **Sprouts (26%):** Sprouts are environmental fence sitters. They feel some environmental issues are worth supporting, but not others. They will purchase an environmentally conscious product, but only if it meets their needs.
- ✓ **Grousers (15%):** Grousers believe that their individual behavior cannot improve environmental conditions. They are generally uninvolved and disinterested in environmental issues.
- ✓ **Apathetics (18%):** Apathetics are not concerned enough about the environment to do anything about it. They also believe that environmental indifference is mainstream.

Challenges Ahead

- Green products require renewable and recyclable material, which is costly.
- Requires 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.

Some Cases of Successful Green Marketing strategies:

L&T:

- The cabins of all the executives are with ***sensor electricity facility*** i.e. if someone walks out of the corridor of the cabin then the lights are off automatically and vice versa.
- It has already discontinued the use of ***ozone depleting*** substances.
- The company saves over more than ***350,000 liters of water a day*** through "***zero discharge approach***" which basically involves water treatment and recycling for no potable purposes like gardening, horticulture etc.
- New product development is entirely focused on ***innovation from an environment perspective.***
- It has adapted the ***top-down as well as bottom- up approach*** where an employee even in a lower position can **suggest for environment protection**.

OMFED:

- OMFED (Orissa State Cooperative Milk Producers' Federation) launched packets of milk with a message on energy conservation.

- Since, the milk producers cooperative body sells about 8lakh packets per day, the initiative will convey a great message to the people including the children.

CNG IN DELHI:

- The need to be eco friendly is across the entire spectrum of activities. This need is greatly influenced by consumer forums and judiciary. To take an example when Hon'ble Supreme Court of India ordered the Delhi Government to examine ways and means to reduce pollution in Delhi, Hon'ble Court asked the Government to introduce clean fuel like ***CNG in public transport system***. *This put pressure on petroleum companies for launching clean fuels with low sulphur content and leads free petrol*. Also the only CNG supply company **INDRAPRASTHA GAS LTD** had to increase its supply. The vehicles had to be made with required alterations. This led to Delhi Transport Corporation becoming the largest CNG powered transport system in the country.

- This growing concern for the environment leads to the development in oil and gas exploration, refining and marketing. It also spurred development in the automobile sector which manufactured vehicles that could run on CNG fuels. Also the vehicles have to confirm to pollution control norms as laid down by the government like **Bharat –III, Ero-II.**

Surf Excel

- Some kids in Mumbai's Bainganwadi slums are grateful to Surf Excel, the Rs 485Cr brand which introduces a feel good marketing campaign-The Surf Excel 10/10 drive.

➢ It is found that, the Surf Excel buyers in the four cities of Mumbai, Delhi, Bangalore and Kolkata SMSing an amount to HLL (now HUL). The company in turn donates that amount to an NGO that was involved in educating under privileged children.

Ponds Cold Cream

➢ The Rs.355Cr brand Ponds of HLL, tied up with United Nations Development fund for women. For every flap of ponds cold cream mailed by the consumers, the company would contribute Rs 2 to the fund to fight domestic violence. Even though the proportion ad spends from its Rs 1000Cr advertising and promotion budget have been minimal, HLL says most of its brands will look for long term strategic linkage with social causes.

ITC

➢ Here another difference to note, Corporate Social Responsibility (CSR) is being used to build individual brands rather than the corporate brand. A case in point is the Rs 16,000 Cr ITC, that ran their CSR campaigns, about putting India first for its e-choupal initiative two years back. Cut to the present the company has linked the **Sunfeast brand** to its ***social forestry campaign***, where the company chips in with 25paise for every pack of Sun feast biscuit and Pasta sold and consumers to buy the Atta brand, Aashirvaad, contributed towards **ITC's rain harvesting campaign**. Divisional Chief Executive of ITC Mr.Ravi Naware says "consumers like to connect with the brand, if the brand is seen socially responsible brand then consumer get an emotional connect that far beyond just usage of the brand and consuming it. It is this higher level of connect that we are attempting to create through this campaign."

TATA Salt

➢ Very recently Tata has launched a campaign through T.V. advertising that if one will purchase Tata salt, a significant percent of profit per pack would be contributed towards the education of unprivileged children of the slams.

McDonald

➢ McDonald's restaurant's ***napkins, bags are made of recycled paper***.

COCACOLA

➢ Coca-Cola pumped syrup directly from tank instead of plastic which saved 68 million pound/year.

NTPC

➢ 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.

Indian Oil Corporation

➢ Barauni refinery of IOC has taken steps for restricting air and water pollutants.

PHILIPS

➢ PHILIPS developed Compact Fluorescent Light (CFL) that consume less electricity and radiate less heat as well.

Maruti

➢ Maruti has reduced its electricity consumption per vehicle by 20 per cent in the last 9 years, water consumption by 46 per cent, and land fill waste by 67 per cent.

Conclusion

Green marketing should not neglect the economic aspect of marketing. Marketers need to understand the implications of green marketing. If marketers think customers are not concerned about environmental issues or will not pay a premium for products that are more eco-responsible, then they should think again. Marketers must find an opportunity to enhance their products. Although, Green Marketing Myopia is another challenge before the marketers, it is the fundamental responsibility of the Marketers to innovate and adopt new marketing strategies those would safeguard our eco system as well as satisfy the customers.

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