



GREEN MARKETING AND GLOBAL SCENARIOS

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Abstract:

Green Marketing must satisfy two objectives Improved Environmental Quality and Customer Satisfaction. Although no consumer product has a zero impact on the environment, in business, the terms "green product" and "environmental product" are used commonly to describe those that strive to protect or enhance the natural environment by conserving energy and/or resources and reducing or eliminating use of toxic agents, pollution, and waste. The present study has made an attempt to describe why the firms are more concerned about going green & the present scenario of green marketing in global arena and concludes that green marketing or going green concept is something that will continuously grow and nurture because of the hour demand.

Key Words: Green Marketing, Eco friendly, Green Products & Startups

Introduction:

Economics is the study of how people use their limited resources to try to satisfy unlimited wants. Thus mankind has limited resources on the earth, with which she/he must attempt to provide for the worlds' unlimited wants. Unfortunately, a majority of people believe that green marketing refers solely to the promotion or advertising of products with environmental characteristics. Terms like Phosphate Free, Recyclable; Refillable, Ozone Friendly, and Environmentally Friendly are some of the things consumers most often associate with green marketing. Yet defining green marketing is not a simple task.

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 occurs, with minimal detrimental impact on the natural environment.

Green marketing consists of marketing products and services based on environmental factors or awareness. Companies involved in green marketing make decisions relating to the entire process of the company's products, such as methods of processing, packaging and distribution. Green marketing companies seek to go above and beyond traditional marketing by promoting environmental core values in the hope that consumers will associate these values with their company or brand. Engaging in these sustainable activities can lead to creating a new product line that caters to a new target market. According to the American Marketing Association, 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.*

Green -marketing had 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 took care of pollution and waste issues. Third phase was "sustainable" green marketing.

Review of Literature:

Rashid (2009) has identified that when consumers are aware of eco labels they react more positively towards knowledge of green marketing and the purchase of green products. The research by Kuhn (1999) added value to this research by identifying that the promotion of ecofriendly product manufacturing will definitely help improving a company's market share due to the ability of the company to present sustainable marketing strategies. Conflicting view were presented by Leire and Thidell (2005) they identified that consumer awareness of eco labeling does not necessarily lead to their green purchase decisions. This was further augmented by the research of Bleda and Valente (2008) stated that eco labeling schemes have been linked to negative firm's performance. D Souza (2004) on the other hand identified that there is not enough empirical evidence available to identify the relationship between the use of eco labels on products and its ultimate impact on eco-friendly labels. The reason behind this may be due to lack of trust among consumers. A survey conducted by National Geographic Society and the international polling firm Globescan (2010) to determine consumers' green attitude called "Consumer Greendex", the top scoring consumers were in the developing

economies of India, Brazil and China while industrialized countries ranked at the bottom. Consumers showing the largest increase in environmentally sustainable behavior were in India, Russia and the United States.

Why Firms are Using Green Marketing?

When looking through the literature there are several suggested reasons for firms increased use of Green Marketing. Five possible reasons are:

- ✓ Organizations perceive environmental marketing to be an opportunity that can be used to achieve its objectives.
- ✓ Organizations believe they have a moral obligation to be more socially responsible.
- ✓ Government bodies are forcing firms to become more responsible
- ✓ Competitors' environmental activities pressure firms to change their environmental marketing activities
- ✓ Cost factors associated with waste disposal or reductions in material usage forces firms to modify their behavior.

Unexpected or Surprising Difficulty in Going Green:

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 that firms face is that those who modify their products due to in-creased consumer concern must contend with the fact that consumers' perceptions are sometimes not correct. Take for example the *McDonald's case where it has replaced its clam shells with plastic coated paper. There is ongoing scientific debate which is more environmentally friendly. Some scientific evidence suggests that when taking a cradle-to-grave approach, polystyrene is less environmentally harmful. If this is the case McDonald's bowed to consumer pressure, yet has chosen the more environmentally harmful option.*

Few more to know more...

Pitfalls in Green Marketing (Problems in Going Green):

Refrigerator with Premium Price: For example, partially in response to the 1987 Montreal Protocol, in which signatory countries (including the United States) agreed to phase out ozone depleting chlorofluorocarbons (CFCs) by 2000. Whirlpool (in 1994) launched the "Energy Wise" refrigerator, CFC free cooler and one that was 30 percent more efficient than the U.S. Department of Energy's highest standard for its innovation Whirlpool won the "Golden Carrot," a \$30 million award package of consumer rebates from the Super Efficient Refrigerator Program, sponsored by the Natural Resources Defense Council and funded by 24 electric utilities. Unfortunately, Energy Wise's sales languished because the CFC-free benefit and energy-savings did not offset its \$100 to \$150 price premium, particularly in markets outside the rebate program, and the refrigerators did not offer additional features or new styles that consumers desired.

GM & Ford in Launching Zero Emission Vehicles: General Motors (GM) and Ford encountered similar problems when they launched their highly publicized EV-1 and Think Mobility electric vehicles, respectively, in the late 1990s to early 2000s in response to the 1990 zero emission vehicle (ZEV) regulations adopted in California. Both automakers believed their novel two-seater cars would be market successes (GM offered the EV-1 in a lease program, and Ford offered Think Mobility vehicles as rentals via the Hertz car-rental chain). Consumers, however, found electric vehicles' need for constant recharging with few recharging locations too inconvenient. *But GM Spokesperson explained "We spent more than \$1 billion to produce and market the vehicle, but fewer than 800 were leased."*

Mobil Hefty Bags: Mobil Corporation who followed the competition introduced "biodegradable" plastic garbage bags. While technically these bags were biodegradable, the conditions under which they were disposed did not allow biodegradation to occur. Mobil was sued by several US states for using misleading advertising claims. (*Avoiding Green Marketing Myopia -by Jacquelyn A. Ottman, Edwin R. Stafford, and Cathy L*)

Data monitor's latest survey titled '*Green Consumers in India*' finds that the Indian consumer is increasingly getting conscious about using environment friendly products. According to the survey, making green choices is a high priority for around 60 per cent of Indian consumers. And 95 per cent of consumers who make green choices claim to do so to protect the environment. The study revealed that the number of consumers willing to switch to using green products and services is increasing and will continue to increase over the coming years. This report provided an analysis of the Indian consumers' attitude towards green practices, products and services across, mainly, three sectors- energy, retail and transport. It also rated different consumer segments by assigning them green scores, based on their level of adoption of green behavior across these sectors. The report further indicated that women and urban dwellers are more inclined towards adopting green behavior across the three sectors as compared to men and the rural population. It also predicted that consumers in the 35-54 years age group will be able to surpass other age groups in adoption of green practices across the three sectors. As per the Data monitor Green Scores, India scores higher than most Asia Pacific countries except China since the Chinese consumers adopt green practices such as buying environment-friendly cars and using green energy at home more willingly as compared to Indians. (<http://www.business-standard.com/article/economy-policy/indian-consumers-go-green>)

Many companies have started realizing that they must behave in an environment-friendly fashion. They believe both in achieving environmental objectives as well as profit related objectives. The examples include Coca-Cola, which has invested in various recycling activities. Walt Disney World in Florida, US, has an extensive waste management program and infrastructure in place. LG India has been a pioneer in making electronic gadgets that are eco-friendly. Recently, it has launched a LED E60 and E90 series monitor for the Indian market. Its USP consumes 40% less energy than conventional LED monitors and they hardly used halogen or mercury, trying to keep down the use of hazardous materials in their products. Hindustan Computers Limited (HCL) is another brand that is trying to introduce eco-friendly products in the market and it has recently launched the HCL ME 40 notebooks. These notebooks do not use any polyvinyl chloride (PVC) material or other harmful chemicals and the Bureau of Energy Efficiency already given it a five star rating. Eco branding is a part of Haier's new green initiative and they have launched the Eco Life Series. They have semi automatic and automatic refrigerators and washing machines, split and window air conditioners and a lot more. Tata Consultancy Services (TCS) has a globally recognized sustainability practice and has already topped the Newsweek's top World's Greenest Company title. It also has a global green score of 80.4% and this has mainly happened due to their initiative of creating technology for agricultural and community benefits. Samsung India has always had a roaring range of light emitting diode (LED) TV screens and now they have come up with eco-friendly LED backlight. They use 40% less electricity have also no harmful chemicals like mercury and lead. Oil and Natural Gas Company (ONGC), India's largest oil producer is all set to change the way with the invention of green crematoriums that would serve as a perfect replacement for the funeral pyres that emit so much smoke and uses up excess oxygen. Indian Tobacco Company Limited (ITC) has adopted a Low Carbon Growth Path and a Cleaner Environment Approach and has introduced ozone treated elemental chlorine free bleaching technology that has improved the lives of millions worldwide. Wipro, has not only helped in the creation of technology that helps in saving energy and preventing wastes, but its corporate headquarters in Pune is the most ecofriendly building in this sector all over India. Madras Rubber Factory Limited (MRF) has launched the ZSLK series and this is all about creating eco-friendly tubeless tyres made from unique silica-based rubber and also offers extra fuel efficiency to those who drive their vehicles.

Various regulations were framed by the government in form of stringent laws, cess, fines etc. to protect the interest of the consumers and the society at large. The Indian government has developed a framework of legislations to reduce the production of harmful goods and by products. These reduce the industry's production and consumers' consumption of harmful goods, including those detrimental to the environment; for example, the ban of plastic bags in many states of India, prohibition of smoking in public areas, etc. Reduction of harmful waste may lead to substantial cost savings. Like McDonald's restaurant's napkins, bags are made of recycled paper. McDonalds replaced clamshell packaging with waxed paper, because of polystyrene production and ozone layer depletion. Xerox introduced a "high quality" recycled photocopier paper in an attempt to satisfy the demands of firms for less environmentally harmful products. Body Shop heavily promotes 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. Sometimes, many firms develop symbiotic relationship whereby the waste generated by one company is used by another as a cost-effective raw material. For example, the fly ash generated by thermal power plants, which would otherwise contributed to a gigantic quantum of solid waste, is used to manufacture fly ash bricks for construction purposes. Apart from proactively embracing green marketing it is also essential to comply with government legislation. Government aims to protect its customers and society by minimizing the impact of the business on the environment. In some sectors the companies which have taken this concept as their agenda through their initiatives have increased their market share in national and international level.

India is witnessing a brand new generation of startups, making their presence felt not just in the domestic sphere, but also globally. There are startups that are looking to mitigate these environmental hazards. Combined with a love for social good and a technology-led product, they are helping the country become greener. Entrepreneurs and activists who have started ventures towards sustainable development focusing on waste management, alternative sources of energy and awareness platforms. Digital Green is a not-for-profit organization which brings together technology and social organizations to improve agriculture, health and nutrition. They build innovative platforms to enable rural communities to create and share videos for wider adoption of locally relevant practices. They have partnered with local public, private and civil society organizations to share knowledge on improved agricultural practices, livelihoods, health, and nutrition using locally produced videos. Waste Ventures India averts up to 90% of waste from dumpsites and produces nutrient-rich organic compost. They have signed multi-year contracts with local municipalities and employed waste pickers at their processing units to segregate waste. Bengaluru-based Encashea collects scrap waste for cash in select areas of the city. They pay you for segregating your recyclable scrap properly, lowering its environmental impact. Encashea has an android app that makes it easy for users to request for a pickup. EnCashea has the prices for trash listed on the website. While books can go up to Rs. 6 per kg, e-waste can be sold for upto Rs. 10/kg. Banyan Nation collects plastic wastes from industries and recycles it for further use in the industry. "We

have come a long way on the engineering front and are now adding performance enhancers to the recycled plastic in order to ensure that the recycled plastic has a greater lifecycle,” says Mani Vajipey, co-founder of Banyan Nation who inaugurated its recycling unit at Patancheru in Hyderabad. The company recycles more than 300 tonnes of plastic every month. (<https://officechai.com/stories/green-startups-sustainable-development-india>) HonECORE was established in 2007 by a team of five young men coming from management and engineering backgrounds with an entrepreneurial vision of a “Greener World”. This is a Bangalore based startup. They provide ecofriendly packaging solutions and various other ecofriendly products that go into construction of green buildings. HonECORE today saves at least one ton of wood a day and truck loads of plastics in the form of bubble wrap as well as Expanded polystyrene (EPS), more popularly known as thermocol. The company started on a pro-active note to make Indian packaging greener. (<http://www.pixelonomics.com/3-eco-friendly-startups-india/>) Bakeys Foods Private Limited was established in 2010 in Hyderabad, Andhra Pradesh, India as an alternative to disposable plastic/wood cutlery and bamboo chopsticks this is a very unique startup as they produce edible millet cutleries and that too flavored. You can select sweet, savory or even unflavored cutlery. They prevent wastage of wood and then pollution by improperly disposed plastic cutleries. (<http://www.bakeys.com/>) Sustain Earth uses innovative biogas technology to provide affordable, clean cooking gas to rural communities. By rebranding the now-notorious biogas product as Gau Gas and implementing new materials, new processes, and new technology Sustain Earth solves the problems faced by the last generation of biogas users and changed the perception about the usefulness of Biogas. (<http://villgro.org/sustain-earth-a-low-cost-biogas-plant-for-household-use-in-rural-communities/>)

Thus overall market for green marketing is said to be worth \$ 3.5 trillion by the year 2017, according to a report by Global Industry Analysts Inc. of 2011. The report also states that increasing awareness about the environmental issues among the people, businesses and the governments is one of the main reasons for such market potential.

Conclusion:

Green marketing methods produce highly effective results. Lead to cut costs, raise response rates and increase growth. While the shift to "green" may appear to be expensive in the short term for the producer as well as for the consumer but it will definitely prove to be indispensable and advantageous, cost-wise too, in the long run. Green Marketing is still in the stage of infancy in the Indian companies. There are lot of opportunities available in the Indian market customers too are ready to pay premium price for the green products. This transformation in consumer's behavior is compelling corporate to think about the harmful impact of their activities on the natural environment of the world. Certain challenges exist in Indian markets with respect to green products but the producers are coming up with new strategies and ways to overcome these challenges. Further, it can be said that a great potential exists for green products in Indian markets, provided the producer understands the buying behavior and attributes of the Indian consumers. Since the success of green products depend on the consumers adopting or changing their attitude and behavior towards such products, it is imperative that green marketers identify all the factors that encourage cooperation. Thus the current study will also benefit the green marketers in developing a marketing strategy that persuades consumers to seek the value of collective gain over self-interest.

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