

Green Marketing: A Myth or Reality

Rajesh Rathore

Dean, Faculty of Commerce & Management
Madhav University, Pindwara (Sirohi), Rajasthan
e-mail: rajesh_rathore@rediffmail.com

Abstract

Green marketing is a phenomenon which has developed particular importance in the modern market. This concept has enabled for the re-marketing and packaging of existing products which already adhere to such guidelines.

This paper discusses how businesses have increased their rate of targeting green consumers, those who are concerned about the environment and allow it to affect their purchasing decisions. The paper identifies the three particular segments of green consumers and explores the challenges and opportunities businesses have with green marketing. The paper also examines the present trends of green marketing in India and describes the reason why companies are adopting it and future of green marketing and concludes that green marketing is something that will continuously grow in both practice and demand.

Key Words: Green Product, Recyclable, Environmentally safe, Eco Friendly, Green Marketing, Environmental Protection, Resource conservation, Recyclable, Ecological marketing,

Introduction

Green marketing is one of the most arguable subjects which are least understood in most of the part of the world. Although it is one of the most emerging subjects in the world now but it is very difficult to find the mutual consensus on this concept. Different scholars of the marketing have defined this subject differently. So it is very difficult to find the most appropriate definition of this subject. Green marketing is a phenomenon which has developed particular importance in the modern market. Green marketing is the marketing of products or goods that are supposedly believed to be environmentally safe. This concept has enabled for the re-marketing and packaging of existing products which already adhere to such guidelines. Additionally, the development of green marketing has opened the door of opportunity for companies to co-brand their products into separate line, lauding the green-friendliness of some while ignoring that of others. Such marketing techniques will be explained as a direct result of movement in the minds of the consumer market. As a result of this, businesses have increased their rate of targeting consumers who are concerned about the environment. These same consumers through their concern are interested in integrating environmental issues into their purchasing decisions through their incorporation into the process and content of the marketing strategy for whatever product may be required.

Emerging needs of green marketing in the corporate world

The human being has limited resources on the earth to fulfill their needs. As firms have limited natural resources they have to develop new ways of satisfying consumers wants. The biggest challenge before the green marketing is to satisfy consumer units while using marketing activities. There are some reasons by which the Green Marketing concept has emerged. Some of these reasons can be explained in following way.

1. Corporate social responsibility:

Now-a-days the companies have started realizing that they are the part of the society so they should behave in much more responsible way. Even customers or the consumers become more concerned about the Green marketing and they have asked many companies to disclose their steps taken for the green marketing.

2. Cut-throat competitive pressure:

Sometimes to retain the competitive position in the market, the companies are compelled to modify and reduce the behaviour which is detrimental for the society and environment.

3. Government pressure:

Because of the growing awareness of the people, the government also wants to protect the consumers and the

society. The government has also formed some regulations to protect the consumers.

4. Cost minimization:

The companies can reduce the detrimental wastes and can reduce the cost significantly. When companies try to reduce their waste then they also try to reevaluate their production processes. As a result companies not only reduce waste but reduce the need for some raw materials also.

5. Opportunities and Competitive advantage :

Sometimes companies also adopt the concept of the green marketing, availing the new opportunities in the market and also take the distinctive advantage in the market.

Barriers to Green marketing

There are many concerns regarding the commercial viability of green products, their acceptance by consumers and also how beneficial they are.

Lack of Awareness

Consumers are equally confused about buying green products and with good reason. Companies should create awareness among consumers regarding green products and facilitate their sales. For example, Honda has run a campaign to build awareness about how fuel efficient its cars fleet is. With an average fuel economy of 30.1 MPG, Honda claims to sell “greener” products (inclusive of both hybrid and conventional engines) that are more than 20% more fuel efficient than the US average over the past 10 years.

Negative Perceptions

Even when consumers can correctly identify environmentally sound products, the green label sometimes proves to be the kiss of death. Some green products such as Toyota Motor Corp’s “Prius automobile” has become status symbol, but many environmental friendly products suffer an image problem. According to the 2007 Green Gauge study of more than 2,000 Americans, 61% believe that green goods perform worse than conventional items. Indeed, early green products often trailed behind their conventional competition. Early hybrid cars, for example, had less power than non-hybrid cars. CFL light bulbs also had to overcome problems, early versions were slow to light up, had weak light when

they did illuminate, and didn’t fit properly into most normal light fixtures.

Distrust

A 2007 study by Terra Choice Environmental Marketing Inc. (“The Six Sins of Green washing”) examined 1,753 environmental product claims and found that all but one were misleading or just plain false. In the misleading category, some companies tout product features that are actually mandated by law. For example, insecticides, lubricants, oven cleaner gels, cleaners, and disinfectants all labeled as CFC-free. But no products sold today in the United States have CFCs, because the federal government banned the ozone-eating propellants almost three decades ago.

High Prices

Price is considered as the largest barrier for buying green products, found the U.K. Department for Environment, Food, and Rural Affairs in its 2007 survey of 3,600 U.K. consumers. Sometimes, the markets are not mature enough to accept green products because of their high price as compared to the non-green equivalents. As in case of Honda’s hybrid car, green products have to be made more affordable in order to increase their acceptance.

Breaking down barriers: Keys to successful Green marketing

Knowing what stops consumers from buying green products is only half the battle. The other half is to know how to break down these barriers. Below are the ways which companies should consider for removing the hurdles between green thoughts and green acts.

Know your customer

Make sure that the consumer is aware of and concerned about the issues that your product attempts to address. For example, Whirlpool learned the hard way that consumers wouldn’t pay a premium for a CFC-free refrigerator because consumers did not know what CFCs were.

Empower consumers

Make sure that consumers feel, by themselves or in concert with all the other users of your product, that they can make a difference. This is called “empowerment” and it’s the main reason why consumers buy greener products.

Be transparent

Consumers must believe in the legitimacy of your product and the specific claims you are making. This means that companies are actually doing what they claim to be doing in their green marketing campaign and the rest of their business policies are consistent with whatever they are doing that's environmental friendly. Both these conditions have to be met for business to establish the kind of environmental credentials that will allow a green marketing campaign to succeed.

Reassure the buyer

Consumers must be made to believe that the product performs the job, it is supposed to do; they won't forego product quality in the name of the environment.

Consider your pricing

If companies are charging a premium for their product and many environmental preferable products cost more due to economies of scale and use of higher-quality ingredients, make sure that consumers can afford the premium and feel it's worth it.

Give your customers an Opportunity to participate

This means personalizing the benefits of your environmental friendly actions, normally through letting the customer take part in positive environmental action

Green initiatives taken by some Indian companies

Many companies in India are adopting green for capturing market opportunity of green marketing. Listed below are examples of some Indian companies which have taken a green initiative. This shows a commitment of companies, either as part of their corporate social responsibility or otherwise, to do something worthwhile in this direction.

- **Idea Cellular** implemented its national campaign 'Use Mobile, Save Paper'. The company organized Green Pledge campaigns to save paper and trees. Idea decorated bus shelters with potted plants and tendril climbers to communicate the green message.
- **Nokia's** policy is to reduce the environmental impact of its products. It has taken the initiative to take back, recover useful materials and dispose of waste in a manner that causes least harm to the environment

- **IBM** is selling green solutions to corporate data centers where energy constraints and costs are limiting their ability to grow, with the promise that the energy costs would be reduced by half.
- **Wipro InfoTech (Green It)** 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 Green ware. These products are RoHS (Restriction of Hazardous Substances) compliant thus reducing e-waste in the environment.
- **Samsung**, in fact, offers a host of eco-friendly products. It was the first to launch eco-friendly mobile handsets (made of renewable materials) – W510 and F268- in India.
- **Tamilnadu Newsprint and Papers Limited (TNPL)** was awarded the Green Business Leadership Award in the pulp and paper sector for the year 2009-10, based on the EVI Green Business Survey conducted by Financial Express and Emergent Ventures India. This was given in recognition of two clean development mechanism projects implemented by the company generating biogas from bagasse wash water, and using the same as a substitute for furnace oil.
- **Oil and Natural Gas Corporation Ltd (ONGC)**, India's largest oil company, has introduced energy-efficient Mokshada Green Crematorium, which saves 60 to 70% of wood and a fourth of the burning time per cremation.
- **Reva**, India's very-own Bangalore-based company was the first in the world to commercially release an electric car. Reva is being sold in countries like UK, Ireland, Belgium, Spain, Cyprus, Greece and Norway.

Conclusion

Though the steps have been taken by the governments and the companies in different countries to create awareness among the people and promote green products but still Green Marketing concept is in infancy. So, more efforts need to be done to make this concept more viable and workable. Companies should take green marketing as a positive concept as it can promote the sales and profitability.

Green marketing subsumes greening products as well as greening firms. Though normative concerns impact consumers' and firms' decision making, economic aspects of green marketing should not be neglected. Managers need to identify what ought to be greened: systems, processes or products? Consumer apathy to green products is due to many factors, including

inadequate information about levels of greenness, lack of credibility of firms' claims and the tendency to free ride. It can also be argued that while green marketing initiatives are linked to specific product improvements, corporate-level initiatives are linked to the overall

management of the firm's reputation. Thus, in some ways, green marketing at the corporate level overlaps with the strategic management function. With minimum side effect and nutritious and natural foods would have higher acceptability.

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