

GREEN MARKETING

Prof (Dr). Bhosale Satish Arjun (Associate Professor)
 Appasaheb Jedhe College of Commerce, Science and Arts Pune- 411002.
 Email -satisbhosale781@gamil.com

INTRODUCTION

GREEN MARKETING products that are presumed to be environmentally safe. It incorporates a broad range of activities, including product modification, changes to the production process, [sustainable packaging], 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, environmental and eco-marketing are part of the new marketing approaches which do not just refocus, adjust or enhance existing marketing thinking and practice, but seek to challenge those approaches and provide a substantially different perspective. In more detail green, environmental and eco-marketing belong to the group of approaches which seek to address the lack of fit between marketing as it is currently practiced and the ecological and social realities of the wider marketing environment. Belz F., Peattie K. (2009): Sustainability Marketing: A Global Perspective. John Wiley & Sons

The legal implications of [marketing claims](#) call for caution or overstated claims can lead to regulatory or civil challenges. In the United States, the [Federal Trade Commission] provides some guidance on environmental marketing claims. This Commission is expected to do an overall review of this guidance, and the legal standards it contains, in 2011.

IMPORTANCE OF GREEN MARKETING AT PRESENT AND FUTURE

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

Green 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.

This type of marketing can be more expensive, but it can also be profitable due to the increasing demand. For example, products made locally in North America tend to be more expensive than those made overseas using cheap labor, but they have a much smaller carbon footprint because they don't have to fly across the globe to get here. For some consumers and business owners, the environmental benefit outweighs the price difference.

LOHAS

Consumers who prefer to purchase green products even though they might be more expensive fall into the 'LOHAS' category. LOHAS stands for Lifestyles of Health and Sustainability. According to Wikipedia:

"LOHAS describes an integrated, rapidly growing market for goods and services that appeal to consumers whose sense of environmental and social responsibility influences their purchase decisions."

These consumers are active supporters of environmental health and are the heaviest purchasers of green and socially responsible products. They also have the power to influence other consumers.

Green Marketing Methods

Beyond making an environmentally friendly product, business owners can do other things as part of their green marketing efforts. The following can all be part of a green marketing strategy:

- Using eco-friendly paper and inks for print marketing materials
- Skipping the printed materials altogether and option for electronic marketing
- Having a recycling program and responsible waste disposal practices
- Using eco-friendly product packaging
- Using efficient packing and shipping methods
- Using eco-friendly power sources
- Taking steps to offset environmental impact
- "Greenwashing"
- Some marketers try to capitalize on the growing number of green consumers by simply taking a green marketing approach to products that might not otherwise be considered green. They try to position their products as a better choice for the environment when they're really not. An example of this is when a company uses the color green in their packaging, or the word green somewhere in their messaging, when there isn't anything particularly eco-friendly about their product, nor it's not more eco-friendly than competing products. Greenwashing is not only misleading, but it can also be damaging to a company's reputation.
- If consumers want to be certain they are indeed buying a green product, they should look for official certifications listed on the product packaging.

- Chances are, you've seen a green marketing campaign or two and didn't even realize it. For example, in 2014, Tide launched its #TurnToCold marketing campaign, encouraging consumers to make the change from washing their clothes in hot water to washing in cold water. According to Tide, switching to cold water is an energy- and cost-saver which, in turn, benefits the environment. They even developed a detergent called Tide Coldwater Clean formulated to work better in cold water washes.
- TOMS offers another example of green marketing. The popular shoe manufacturer orchestrated a Project Holiday campaign, with the goal of donating a pair of shoes to children in Ethiopia for each pair (up to 30,000) sold. The green marketing initiative was so successful, Toms surpassed its goal by more than 20 percent, without spending a dime in advertising.
- Additionally, auto industry giant Toyota has made green practices not only part of its marketing, but its entire corporate culture. In addition to offering hybrid vehicles, Toyota has gone a step further by implementing green practices into its manufacturing and letting the public know about it. It has featured fast facts about its accountability on its website, including stats like "93 million gallons of water saved in North America through water savings projects."

Do any of these examples give you an idea what is meant by green marketing? No, it's not the color green, specifically, but the use of the word 'green' to signify a company's commitment to environmental values.

Green marketing is not simply the act of giving lip-service to loving the environment, but really making an effort, whether in designing products, offering services, or building a corporate culture that has a significant impact on the environment and the world around us.

The concept of green marketing goes beyond the simple, "Buy me!", type of advertising or selling, and not only tells the consumer about the product, but why it aligns with things that the consumer finds important. That might include:

- Recyclable packaging
- Sustainable manufacturing or design
- Free of toxins and chemicals

Many companies are moving toward green marketing as part of their organization's overall social responsibility. The idea behind social responsibility is that a company behaves in such a way that it is aware of, and behaves sensitively toward, concerns facing society, culture, and the environment. Maybe a business is able to reduce its energy consumption or has developed practices that make all of its packaging more Earth-friendly. Green marketing, then, is certainly one way to project an organization's social responsibility out into the world. Green marketing is particularly important in industries where consumers are focused on sustainability and more environmentally-friendly consumption, such as automobiles and foods.

Surprisingly? Green marketing is not for everyone, so companies must weigh whether their consumers are more - or less - motivated to make purchases or be loyal to a brand by green practices. If they think their customers will be attracted to green marketing, then a blueprint for green marketing might include any, or all, of the following components:

- **Credibility & Empowerment**

- Nothing in marketing works unless you have established credibility for your product or service. That's even more true in a green marketing environment where companies are making claims about what their eco-friendly product does (or doesn't do). If it helps you use less water, prove it. If it is a light bulb that promises a lower electric bill, be sure it can actually deliver. Back up your claims with the honest facts and be transparent. Consider acquiring certifications from leading third-party certification sources such as Energy Star.

Customers should also feel empowered by the green marketing message they're receiving, as well as the product at the center of the claim. Does the eco-friendly product or service you're selling enable consumers to feel like they're making a difference? Is that message clearly defined? If customers don't feel like they're helping to contribute to a better world, what is the point of your green product?

Environmentally-responsible or "green" marketing is a business practice that takes into account consumer concerns about promoting preservation and conservation of the natural environment. Green marketing campaigns highlight the superior environmental protection characteristics of a company's products and services. The sorts of characteristics usually highlighted include such things as reduced waste in packaging, increased energy efficiency of the product in use, reduced use of chemicals in farming, or decreased release of toxic emissions and other pollutants in production.

Marketers have responded to growing consumer demand for environment-friendly products in several ways, each of which is a component of green marketing. These include: 1) promoting the environmental attributes of products; 2) introducing new products specifically for those concerned with energy efficiency, waste reduction, sustainability, and climate control, and 3) redesigning existing products with an eye towards these same consumers. Marketing campaigns touting the environmental ethics of companies and the environmental advantages of their products are on the rise.

Most observers agree that some businesses engage in green marketing solely because such an emphasis will enable them to make a profit. Other businesses, however, conduct their operations in an environmentally-sensitive fashion because their owners and managers feel a responsibility to preserve the integrity of the natural environment even as they satisfy consumer needs and desires. Indeed, true green marketing emphasizes environmental stewardship. Green or environmental marketing may be defined as any marketing activity that recognizes environmental stewardship as a fundamental business development responsibility and business growth responsibility. This expands, to some extent,

the traditional understanding of a business's responsibilities and goals.

REACTIONS TO "GREEN CONSUMERISM"

A number of factors have caused business firms in some industries to incorporate an environmental ethic into their operations. The principal factor, of course, is the growing public awareness of the environmental degradation that has resulted as a consequence of the growth in population and natural resource consumption throughout the world during the last 50 years. The issue is particularly relevant in America, which accounts for fully one quarter of world consumption despite having only a small fraction of the world's population. This growing public awareness of environmental issues has brought with it a corresponding change in the buying decisions of a significant segment of American consumers. Many consumers, and not just the most environmentally conscious, have begun in recent years to incorporate environmental concerns in their personal buying decisions through the purchase and use of products and services perceived to be more environmentally friendly. In some cases, changes in commodity availability have been the motivation behind such shifts in purchasing patterns. For example, the gas price increases seen in 2004 and 2005 caused a sharp decline in sales of sport utility vehicles (SUVs) in favor of hybrid and other flexible-fuel vehicles.

Businesses took heed of this growth in "green consumerism," and new marketing campaigns were devised to reflect this new strain of thought among consumers. Companies with product lines that were created in an environmentally friendly fashion (i.e., with recycled products, comparatively low pollutant emissions, and so on) quickly learned to shape their marketing message to highlight such efforts and to reach those customers most likely to appreciate those efforts (an advertisement highlighting a company's recycling efforts, for instance, is more likely to appear in an outdoor/nature magazine than a general interest periodical).

Ironically, the most environmentally aware consumers are also the ones most likely to view green claims of companies with skepticism. The attempt to portray oneself as "green" may fall flat if they are perceived to be false advertising, particularly among those most educated about environmental issues. Corporate reputation, then, has emerged as a tremendously important factor in reaching and keeping these consumers. A company that touts its sponsorship of an outdoor-oriented event or utilizes nature scenery in its advertising, but also engages in practices harmful to the environment, is unlikely to gain a significant portion of the green consumer market. Of course, such tactics are sometimes effective in reaching less informed sectors of the marketplace.

GREEN PRODUCTS

In their book *The Green Consumer*, John Elkington, Julia Hailes, and John Makower discussed several characteristics that a product must have to be regarded as a "green" product. They contended that a green product should not:

- Endanger the health of people or animals

Damage the environment at any stage of its life, including manufacture, use, and disposal

Consume a disproportionate amount of energy and other resources during manufacture, use, or disposal

Cause unnecessary waste, either as a result of excessive packaging or a short useful life

Involve the unnecessary use of or cruelty to animals

Use materials derived from threatened species or environments

J. Stephen Shi and Jane M. Kane, meanwhile, noted in *Business Horizons* that the consulting firm FIND/SVP also judged a product's friendliness to the environment by ultimately simple measurements: "FIND/SVP considers a product to be 'green' if it runs cleaner, works better, or saves money and energy through an efficiency. Businesses practice being green when they voluntarily recycle and attempt to reduce waste in their daily operations. Practicing green is inherently proactive; it means finding ways to reduce waste and otherwise be more environmentally responsible, before being forced to do so through government regulations. Green promotion, however, requires businesses to be honest with consumers and not mislead them by over promising."

Life Cycle Analysis

Most analysts agree that the "life" of the product and its parts is one of the most important components in determining whether a product is "green" or not. Most people think only of the process of creating a product when gauging whether a product is green, but in reality, products impact on the environment at several additional stages of their useful lives. Life cycle analysis (LCA) and/or product line analysis (PLA) studies measure the cumulative environmental impact of products over their entire life cycle—from extraction of the resources used to create the product to all aspects of production (refining, manufacturing, and transportation) to its use and ultimate disposal. These studies are sometimes referred to as "cradle to grave" studies. Since such studies track resource use, energy requirements, and waste generation in order to provide comparative benchmarks, both manufacturers and consumers can select products that have the least impact upon the natural environment. Some detractors of LCA studies, though—while granting that they do provide useful information—contend that they are subjective in setting analysis boundaries and claim that it is difficult to compare the environmental impact of disparate products.

GREEN PROMOTION

Perhaps no area of green marketing has received as much attention as promotion. In fact, green advertising claims grew so rapidly during the late 1980s that the Federal Trade Commission (FTC) issued guidelines to help reduce consumer confusion and prevent the false or misleading use of terms such as "recyclable," "degradable," and "environmentally friendly" in environmental advertising.

Since that time, the FTC has continued to offer general guidelines for companies wishing to make environmental claims as part of their promotional efforts:

- Qualifications and disclosures should be sufficiently clear and prominent to prevent deception.
- Environmental claims should make clear whether they apply to the product, the package, or a component of either. Claims need to be qualified with regard to minor, incidental components of the product or package.
- Environmental claims should not overstate the environmental attribute or benefit. Marketers should avoid implying a significant environmental benefit where the benefit is, in fact, negligible.
- A claim comparing the environmental attributes of one product with those of another product should make the basis for the comparison sufficiently clear and should be substantiated.

The FTC regulations apply to all aspects and forms of marketing, including labeling, advertising, and promotional materials. "When a business makes any environmental claim, it must be able to support that claim with reliable scientific evidence," summarized Shi and Kane. "A corporation trumpeting an environmental benefit that it is unable to substantiate is treading on thin ice and leaving itself open to substantial penalties if a legal suit is brought against the company."

In addition to delineating marketing claims that might be regarded as false or misleading, the FTC also provides guidance to businesses on how to make specific claims about environmentally-friendly aspects of their operation, in part by clarifying the definitions of such commonly used terms as "recyclable," "biodegradable," and "compostable."

"Organic" is another term commonly used in marketing. Its popularity has grown with the growing demand for organic agricultural products. For a company to promote and label a product as organic, that product must meet the strict guidelines established by the Department of Agriculture (USDA). The guidelines for both production and labeling of organic agricultural goods are laid out in the USDA's National Organic Program

The popularity of green products created a need to regulate and standardize claims about the environmental characteristics of products. Many regulatory guidelines were issued (and remain in force) to accomplish this job. They are

designed not only to curb businesses engaged in misleading advertising practices, but also to clarify the regulatory environment for companies and make it easier for the consumer to differentiate between products that are truly "green" and those that are not.

ECO-SPONSORING

One avenue commonly used by companies to promote their specific ecological concerns (or polish their overall reputations as good corporate citizens) is to affiliate themselves with groups or projects engaged in environmental improvements. In the simplest form, firms engaged in eco-sponsoring activities contribute funds directly to an environmental organization to further the organization's objectives. Another approach is to "adopt" a particular environmental cause (community recycling programs are popular), thus demonstrating the company's interest in supporting environmental protection efforts. Sponsorships of educational programs, wildlife refuges, and park or nature area clean-up efforts also communicate concern for environmental issues. Environmental organizations charge, however, that some businesses use eco-sponsorships to hide fundamentally rapacious attitudes toward the environment.

ECO-LABELING

Another vehicle that has been used with increasing frequency in recent years to convey environmental information to consumers is "eco-labeling." Eco-labeling programs are typically voluntary, third-party expert assessments of the environmental impacts of products. Two firms that are involved in such third party label verification work are Green Seal and Energy Star.

Eco-labeling programs increase awareness of environmental issues, set high standards for firms to work towards, and help reduce consumer uncertainty regarding a product's environmental benefits. Thus far, however, the U.S. government has resisted instituting an officially-sanctioned eco-labeling progr

REFERENCE

1. Baker, Michael. *The Marketing Book*. Fifth Edition. Elsevier, 2002.
2. Federal Trade Commission. *Frequently Asked Advertising Questions: A Guide for Small Business*. Meiklejohn, Gregg. "
- 3 *The Marketing Value of Environmental Stewardship*." *Direct Marketing*. October 2000.
- Meyer, Harvey.
- 4 "The Greening Corporate America." *Journal of Business Strategy*. January 2000.
- 5 Smith, Allison E. "Green Markets: Survey shows consumers' desire for environmentally-sensitive products." *Incentive*. August 2005.