

GREEN MARKETING MANIFESTO

VIJAY RAMBHAU BHOSALE

(MBA student) (Mob: 8275326255)

N. K.S.P. Trust, Institute of Management, Badnapur, Jalna Maharashtra (India)

bhosale_vilay@yahoo.co.uk

ABSTRACT - The term Green Marketing is do have very unique meaning is the used in industry which is used to describe business activities which attempt to reduce the negative effect of the products/services offered by the company to make it environmentally friendly which is accepted all over world and that's why discussion on subject emerged as one of important topic in recent. As society becomes more concerned with the natural environment, businesses have begun to modify their process in an attempt to address society's new issues. Some businesses have been quick to accept the newer challenges or changes like environmental management, minimization of the waste aligning with organizational activities. For a company to be successful in implementing green marketing strategy, it should not forget attitude of consumers towards green marketing. Eventually the marketers can save a lot on overhead costs and associated entities in the market. Keeping this thing in mind this paper is an attempt to understand awareness of consumers' towards green marketing and green branding along with exploring the concept of green marketing. Which basically try to analyze basic things to understand properly?

Keywords: Green marketing, aligning, exploring.

Definition of 'Green Marketing'

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.

Evolution of Green Marketing

The green marketing has evolved over a period of time. The evolution of green marketing has 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 take care of pollution and waste issues. Third phase was "Sustainable" green marketing. It came into prominence in the late 1990s and early 2000

I. INTRODUCTION

According to 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. Other similar terms used are Environmental Marketing and Ecological Marketing. The term green marketing came into prominence in the late 1980s and early 1990s. The American Marketing Association (AMA) held the first workshop on "Ecological Marketing" in 1975. The proceedings of this workshop resulted in one of the first books on green marketing entitled "Ecological Marketing" 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. Indeed the terminology used in this area has varied, it includes: Green Marketing, Environmental Marketing and Ecological Marketing.

II. WHY IS GREEN MARKETING IMPORTANT

The question of why green marketing has increased in importance is quite simple and relies on the basic definition of Economics: 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. In market societies where there is "freedom of choice", it has generally been accepted that individuals and organizations have the right to attempt to have their wants satisfied. As firms face limited natural resources, they must develop new or alternative ways of satisfying these unlimited wants. Ultimately green marketing looks at how marketing activities utilize these limited resources, while satisfying consumers wants, both of individuals and industry.

III. BENEFITS OF GREEN MARKETING

Green marketing offers business bottom line incentives and top line growth possibilities. While modification of business or production processes may involve start-up costs, it will save money in the long term. For example the cost of installing solar energy is an investment in future energy cost savings. Companies that develop new and improved products and services with environmental impacts in mind give themselves access to new markets, substantially increase profits and enjoy competitive advantages over those marketing non-environmentally responsible alternatives.

IV. WHY ARE FIRMS USING GREEN MARKETING?

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

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

V. OPPORTUNITIES

In a 1992 study of 16 countries, more than 50% of consumers in each country, other than Singapore, indicated they were concerned about the environment. A 1994 study in Australia found that 84.6% of the sample believed all individuals had a responsibility to care for the environment. A further 80% of this sample indicated that they had modified their behavior, including their purchasing behavior, due to environmental reasons. As demands change, many firms see these changes as an opportunity to be exploited. Given these figures, it can be assumed that firms marketing goods with environmental characteristics will have a competitive advantage over firms marketing non-environmentally responsible alternatives. There are numerous examples of firms who have strived to become more environmentally responsible, in an attempt to better satisfy their consumer needs.

- *McDonald's* replaced its clam shell packaging with waxed paper because of increased consumer concern relating to polystyrene production and Ozone depletion.
- *Tuna manufacturers* modified their fishing techniques because of the increased concern over driftnet fishing, and the resulting death of dolphins.
- *Xerox* introduced a "high quality" recycled photocopier paper in an attempt to satisfy the demands of firms for less environmentally harmful products.

This is not to imply that all firms who have undertaken environmental marketing activities actually improve their behavior. In some cases firms have misled consumers in an attempt to gain market share. In other cases firms have jumped on the green bandwagon without considering the accuracy of their behavior, their claims, or the effectiveness of their products. This lack of consideration of the true "greenness" of activities may result in firms making false or misleading green marketing claims.

VI. SOCIAL RESPONSIBILITY

Many firms are beginning to realize that they are members of the wider community and therefore must behave in an

environmentally responsible fashion. This translates into firms that believe they must achieve environmental objectives as well as profit related objectives. This results in environmental issues being integrated into the firm's corporate culture. There are examples of firms adopting both strategies. Organizations like the Body Shop heavily promote 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. This philosophy is directly tied to the overall corporate culture, rather than simply being a competitive tool. Fund managers and corporate developers too, are taking into account the environmental viability of the company they invest in. Venture Capitalists are investing in green business because they believe it's a growth opportunity. *Britain based HSBC* became the world's first bank to go carbon neutral late last year and is now turning its 11000 buildings in 76 countries worldwide into models of energy efficiency. **"Our customers have told us that they decide where they shop based on whether the business is a good neighbor" - Says David North, Tesco's community director.** An example of a firm that does not promote its environmental initiatives is *Coca-Cola*. They have invested large sums of money in various recycling activities, as well as having modified their packaging to minimize its environmental impact. While being concerned about the environment, *Coke* has not used this concern as a marketing tool. Thus many consumers may not realize that Coke is a very environmentally committed organization. Another firm who is very environmentally responsible but does not promote this fact, at least outside the organization, is *Walt Disney World (WDW)*. WDW has an extensive waste management program and infrastructure in place, yet these facilities are not highlighted in their general tourist promotional activities.

VII. GOVERNMENTAL PRESSURE

As with all marketing related activities, governments want to "protect" consumers and society; this protection has significant green marketing implications. Governmental regulations relating to environmental marketing are designed to protect consumers in several ways, 1) reduce production of harmful goods or by-products; 2) modify consumer and industry's use and/or consumption of harmful goods; or 3) ensure that all types of consumers have the ability to evaluate the environmental composition of goods. Governments establish regulations designed to control the amount of hazardous wastes produced by firms. Many by-products of production are controlled through the issuing of various environmental licenses, thus modifying organizational behavior. In some cases governments try to "induce" final consumers to become more responsible. For example, some governments have introduced voluntary curb-side recycling programs, making it easier for consumers to act responsibly. In other cases governments

tax individuals who act in an irresponsible fashion. For example in Australia there is a higher gas tax associated with leaded petrol. *New Delhi*, the India's capital was getting polluted gradually at a very fast pace till *Supreme Court of India* forced a change of fuel on it. In 2002, a directive was issued to completely *adopt CNG* in all public transport systems to curb pollution. One of the more recent publicized environmental regulations undertaken by governments has been the establishment of guidelines designed to "control" green marketing claims. These regulations include the *Australian Trade Practices Commission's (TPC)* "Environmental Claims in Marketing-A Guideline, the US Federal Trade Commission's (FTC) "Guides for the Use of Environmental Marketing Claims" and the regulations suggested by the National Association of Attorneys- General. These regulations are all designed to ensure consumers have the appropriate information which would enable them to evaluate firm's environmental claims. In addition to these guidelines many States in the US have introduced legislation to control various environmental marketing activities. Investment analysts are starting to see the environmental awareness of managers as a barometer of the likely long term success of their companies. Green policies, they say, tend to indicate hands on management, high consumer confidence and good corporate governance. *HSBC* won't do deals with cos. on projects like oil pipelines through Russia, that don't measure up to their environmental, social and governance standards

VIII. COST OR PROFIT ISSUES

Firms may also use green marketing in an attempt to address cost or profit related issues. Disposing of environmentally harmful by-products, such as polychlorinated biphenyl (PCB) contaminated oil are becoming increasingly costly and in some cases difficult. Therefore firms that can reduce harmful wastes may incur substantial cost savings. When attempting to minimize waste, firms are often forced to re-examine their production processes. In these cases they often develop more effective production processes that not only reduce waste, but reduce the need for some raw materials. This serves as a double cost savings, since both waste and raw material are reduced. In other cases firms attempt to find end-of-pipe solutions, instead of minimizing waste. In these situations firms try to find markets or uses for their waste materials, where one firm's waste becomes another firm's input of production. One Australian example of this is a firm who produces acidic waste water as a by-product of production and sells it to a firm involved in neutralizing base materials.

IX. GREEN MARKETING DOES LEAD TO SUCCESS

Green marketing is not a theoretical concept only. A lot of firms are using this concept to consolidate their market positions. A few examples are-

- *Tesco* is pumping \$200 me into environmental technologies to reduce the amount of energy they use by 50% compared with 2000 levels, by 2010. In addition to building 80 new eco stores across Britain over the next year –the greenest of which will be constructed of recycled materials and will burn food waste for electricity-they are also making small changes that could have big results. They are paying customers not to use plastic bags which they expect would cut consumption by 25% in two years.
- \$30 mn is what *Goldman Sachs* invested in *Canadian alternative-fuels Company Logen*. It was one of the several green ventures for ex-Goldman and Nature Conservancy head Henry Paulson, US Treasury secy.
- According to a recent report from the climate group, an international environmental charity, and 43 multinationals –including *Bayer*, *DuPont*–saved a combined \$11.6 bn last year by improving energy efficiency, reducing waste output and harnessing solar power.

X. SOME PROBLEMS WITH GOING GREEN

No matter why a firm uses green marketing there are a number of potential problems that they must overcome. 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. For example marketers in the US must ensure their green marketing claims can meet the following set of criteria, in order to comply with the FTC's guidelines. Green marketing claims must;

- Clearly state environmental benefits;
- Explain environmental characteristics;
- Explain how benefits are achieved;
- Ensure comparative differences are justified;
- Ensure negative factors are taken into consideration; and
- Only use meaningful terms and pictures.

Another problem firm's face is that those who modify their products due to increased 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. When firms attempt to become socially responsible, they may face the risk that the environmentally responsible action of today will be found to

be harmful in the future. Take for example the aerosol industry which has switched from CFCs (chlorofluorocarbons) to HFCs (hydro fluorocarbons) only to be told HFCs are also a greenhouse gas. Some firms now use DME (diethyl ether) as an aerosol propellant, which may also harm the ozone layer .Given the limited scientific knowledge at any point in time, it may be impossible for a firm to be certain they have made the correct environmental decision. This may explain why some firms, like Coca-Cola and Walt Disney World, are becoming socially responsible without publicizing the point. They may be protecting themselves from potential future negative backlash; if it is determined they made the wrong decision in the past.

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