

## GREEN MARKETING: A PRIMER

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### ABSTRACT

The growing international concerns about environmental sustainability (environment, economy, and social justice) and the future of our planet have compelled companies worldwide to incorporate environmental issues in their business strategy. Green marketing (or environmental marketing) refers to the process of selling products/services based on their environmental benefits. It is done by the marketers to communicate their green products to the consumers. This paper will briefly introduce green marketing.

**Key words:** Green Marketing, Environmental Marketing, Business Environment.

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### 1. INTRODUCTION

Governments worldwide are making efforts to minimize human impact on environment. Consumers are also aware of the environmental issues like global warming and environmental pollution. Environmentalism has emerged to be a vital business movement and is impacting business choices.

A large number of businesses have employed strategies to address the growing concern for human health and the natural environment. Customers too are becoming more demanding and they have started to pay more attention to the environment. Today, concepts such as green marketing, green business and green products appear more frequently. As society becomes more concerned with the natural environment, businesses have begun to modify their behaviors in an attempt to address society's new concerns.

Green marketing (or ecological marketing) involves integrating concerns about the environment into the practice and principles of marketing. Green marketing practices include product design innovations, responsible sourcing, recycling practices, ethical standards, responsible advertising, green communication practices, sustainable packaging, and production of green products. Many companies are moving toward green marketing as part of their organization's overall social responsibility.

Although the idea of sustainable development appeared in the 1970s, only recently has it been incorporated by businesses. In the 21st century, corporations are under pressure to address environment issues. Green marketing has become important strategy for companies to remain profitable and competitive. It must meet two objectives: improved environmental quality and customer satisfaction. Several big brands have started to design and manufacture greener products.

Some common characteristics of products generally accepted as green are [1]: 1. Energy efficient. 2. Water efficient 3. Low emitting 4. Safe and/or healthy products. 5. Recyclable and/or with recycled content. 6. Durable. 7. Biodegradable. 8. Renewable. 9. Reused products. 10. Third party certified to public or transport standard. 11. Locally produced.

### 2. GREEN MARKETING CONCEPT

Marketing is a function that enables a company to create, communicate, and deliver products or services to its customers. A marketing mix comprises five dimensions, namely, 5Ps [2], which are explained below and illustrated in Figure 1 [3]. Green marketers must address the five Ps' in innovative ways.

- *Product:* Green marketing should begin with green product and service. A producer should offer ecological products. Companies are now offering more eco-friendly alternatives for their customers. Marketing green products is different from making non-green products.

- *Price:* Prices for such products may be a little higher than conventional alternatives. Products are marketed through competition based on price. Customers who are more receptive to environmentally friendly products are often more willing to pay extra for them.
- *Place:* The decision on where and when to make a product available has a significant impact on the customers being attracted. Marketing local and seasonal products e.g. vegetables from regional farms is easier to be marketed “green” than products imported.
- *Promotion:* Publicizing the green characteristics of the product. Ecological products will probably require special sales promotions. Green marketing is the promotion of a product based on its environmental performance. Promoting products and services to target markets includes advertising, public relations, sales promotions, and direct marketing.
- *Green Packaging:* Green packaging is also known as ecological packaging. Sustainable packaging is the development and use of packaging with improved ecofriendly packaging products. Sustainable packaging uses environmentally sensitive methods.

### 3. APPLICATIONS

Green marketing appeals to the desires of environmentally concerned customers. It has been successful applied in automobile industry, hotel industry, chemical industry, manufacturing, information and communication, pharmaceutical, and medical services.

- *Hotel Industry:* In the hotel industry, hotels promote their green products and services, such as guestrooms, the organic food ingredients, and beverage outlets. Many hotels strive to increase their bottom lines with different environmental services designed to improve the green image of their hotels [4].
- *Automobile Industry:* Given the increasing environmental awareness, automakers are poised to introduce innovative green gasoline-based cars; e.g., Volkswagen’s desire to use hydrogen as a fuel [5].

Many companies are behaving in an environmentally responsible fashion. For example, Body Shop offers consumers environmentally responsible alternatives to conventional cosmetic products. Coca-Cola have invested heavily in various recycling activities and have modified their packaging to minimize its environmental impact. Xerox introduced a recycled photocopier paper in place of firms which are less environmentally harmful products [6].

### 4. ADVANTAGES AND DISADVANTAGES

The marketing strategies for green marketing include the following points [7]:

1. It ensures sustained long-term growth along with profitability.
2. Advertisement saves money in the long run, although initial cost is more.
3. It helps the companies to market their products and services keeping the environment aspects in mind.
4. Most of the employees also feel proud and responsible to be working for an environmentally responsible company.
5. It promotes corporate social responsibility and improve corporate image.

Disadvantages of green marketing include [8]:

1. Change Leads to Cost
2. Costly Green Certificates
1. Availability of identical products in the market
2. Greenwashing.

### 5. BENEFITS

Green marketing is marketing products which are considered to be environment friendly. The main objective of any green marketing measure is to reduce the organization's environmental impact. Green marketing can also provide important benefits [9].

- Cost reduction resulting from lower water, energy and other resources consumption;

- Resource saving due to material recycling;
- Profit gain due to residual reuse;
- Detection of new raw materials and manufacturing processes;
- “Clean” manufacturing technology patents’ sales;
- Firm image improvement and sales increase, due to of ecological products development and launch;
- Possibility of entering in the international market, increasingly rigid in regards to environmental restrictions;
- Greater facility of obtaining foreign financing;
- Greater acceptability of shareholders who prefer to invest in environmentally responsible firms.

## 6. CHALLENGES

As green marketing becomes an essential tool for sustainable business strategy, companies are adopting green marketing practices. However, green marketing has not achieved its potential for improving the quality of life for consumers [10].

Many consumers will choose products that do not damage the environment over less environmentally friendly products, even if they cost more. For some consumers, the environmental benefit outweighs the price difference.

A major challenge facing marketers is to decide whether consumers are willing to pay more for environmentally friendly products. Without environmental labeling standards, consumers could not tell which products are truly green or beneficial. Marketers must also remember that green virtues compete against other factors (such as quality and price), and generally cannot be sold on their own.

Some consumers are skeptical and confused about green product claims and the truth of the green messages they receive. The act of giving lip-service to loving the environment or presenting a product as green when it is not is called greenwashing. In spite of these challenges, green marketing has continued to gain adherents.

## 7. CONCLUSION

The green movement is expanding rapidly worldwide. Green marketing is the marketing of environmentally friendly products and services. It is all marketing activities geared toward protecting the environment. It is a practice whereby companies seek to go above and beyond traditional marketing by promoting environmental core values. It should be regarded not solely as an activity, but also as a philosophy. It is the path to sustaining success. Green marketing is still in its infancy and there is still a long road to travel in both research and practice. More information on green marketing can be found in the book in [11] and two related journals: *Journal of Strategic Marketing* and *Electronic Green Journal*.

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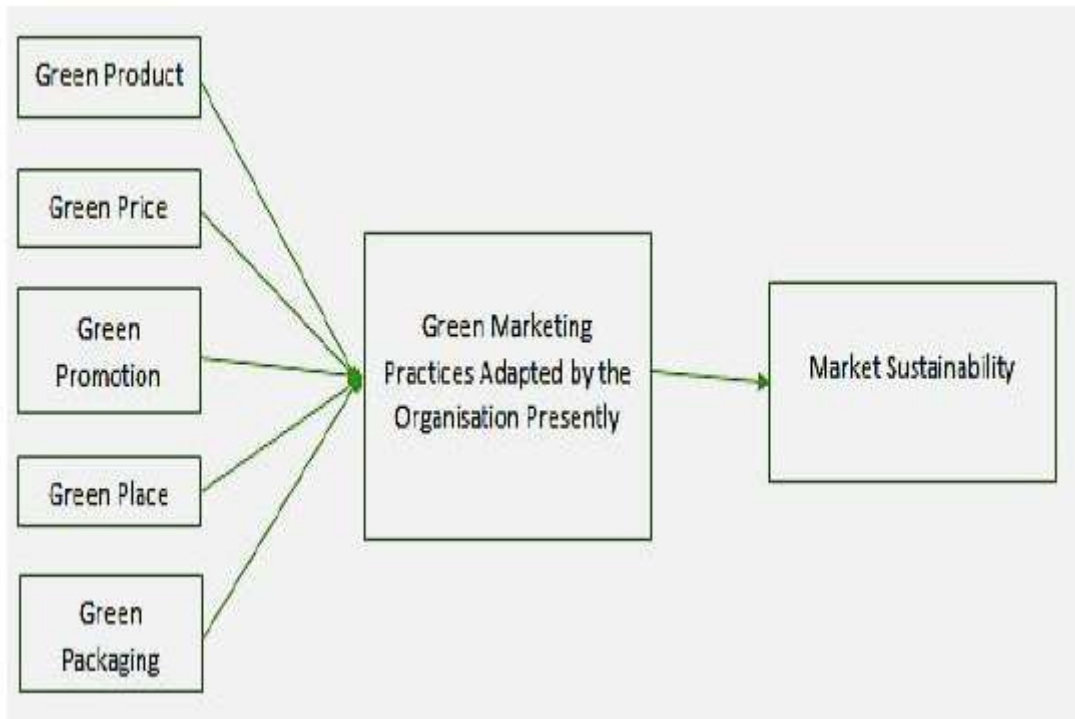


Figure 1 Green marketing concept [3].