

An Empirical Analysis on Green Marketing Strategies: A Consumer Perception

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Abstract:

Green marketing is the marketing of products that are presumed to be environmentally preferable to others. Thus green marketing 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 marketing is a business practice that considers the consumer concerns about promoting preservation and conservation of natural resources. Green marketing campaign highlights the characteristics of the companies' product to protect the environment. As the public become more educated and informed about environmental issues, they soon realize that they may contribute unintentionally and unknowingly to greenhouse gas, acid rain, pollution and massive accumulation of waste. Environmentally conscious people strive to do their part to protect and restore our planet's resources and consumers have more willing to change their buying habits in ways that will reduce harm to the environment. Thus green marketing provide lot of opportunities like accessibility of international market, competitive advantage etc. The study aims to know the initiatives by following green marketing strategies in protecting the interest of the consumers.

Keywords: Green Consumerism, Eco-Labeling, Eco- Marketing, Green Promotion.

INTRODUCTION:

Green marketing or environmental marketing consist 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 minimum detrimental impact on the natural environment. No consumer product has zero impact on the environment. In business, the term green marketing product are commonly used to describe those that protect the natural environment by conserving energy or resources and reducing or eliminating use of toxic agents, pollution and waste. Green marketing is also known by alternative names, such as sustainable marketing, environmental marketing, green advertising, eco marketing and organic marketing.

DEFINITION OF GREEN MARKETING

Green marketing is a business practice that considers the consumer concerns about promoting preservation and conservation of natural resources. Green marketing campaign highlights the characteristics of the companies' product to protect the environment.

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.

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.

HISTORY:

The term Green Marketing came into prominence in the late 1980s and early 1990s. The proceedings of this workshop resulted in one of the first books on green marketing entitled "Ecological Marketing".

The Corporate Social Responsibility (CSR) Reports started with the ice cream seller Ben & Jerry's where the financial report was supplemented by a greater view on the company's environmental impact.

In 1987 a document prepared by the World Commission on Environment and Development defined sustainable development as meeting "the needs of the present without compromising the ability of future generations to meet their own need", this became known as the Brundtland Report and was another step towards widespread thinking on sustainability in everyday activity. Two tangible milestones for wave 1 of green marketing came in the form of published books, both of which were called Green Marketing. They were by Ken Peattie (1992) in the United Kingdom and by Jacquelyn Ottman (1993) in the United States of America.

According to Jacquelyn Ottman, from an organizational standpoint, environmental considerations should be integrated into all aspects of marketing - new product development and communications and all points in between. The holistic nature of green also suggests that besides suppliers and retailers new

stakeholders be enlisted, including educators, members of the community, regulators, and NGOs. Environmental issues should be balanced with primary customer needs.

The past decade has shown that harnessing consumer power to effect positive environmental change is far easier said than done. The so-called "green consumer" movements in the U.S. and other countries have struggled to reach critical mass and to remain in the forefront of shoppers' minds. While public opinion polls taken since the late 1980s have shown consistently that a significant percentage of consumers in the U.S. and elsewhere profess a strong willingness to favor environmentally conscious products and companies, consumers' efforts to do so in real life have remained sketchy at best. One of green marketing's challenges is the lack of standards or public consensus about what constitutes "green," according to Joel Makower, a writer on green marketing. In essence, there is no definition of "how good is good enough" when it comes to a product or company making green marketing claims. This lack of consensus-by consumers, marketers, activists, regulators, and influential people-has slowed the growth of green products, says Makower, because companies are often reluctant to promote their green attributes, and consumers are often skeptical about claims.

Despite these challenges, green marketing has continued to gain adherents, particularly in light of growing global concern about climate change. This concern has led more companies to advertise their commitment to reduce their climate impacts, and the effect this is having on their products and services.

OBJECTIVES OF THE STUDY:

The study deals with the following objectives

1. To study the initiatives of reactions to green consumerism
2. To analyze the four P's of green marketing apart from the social marketing p's.
3. To discuss about the green marketing activities

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. 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

THE FOUR P's OF GREEN MARKETING MIX:

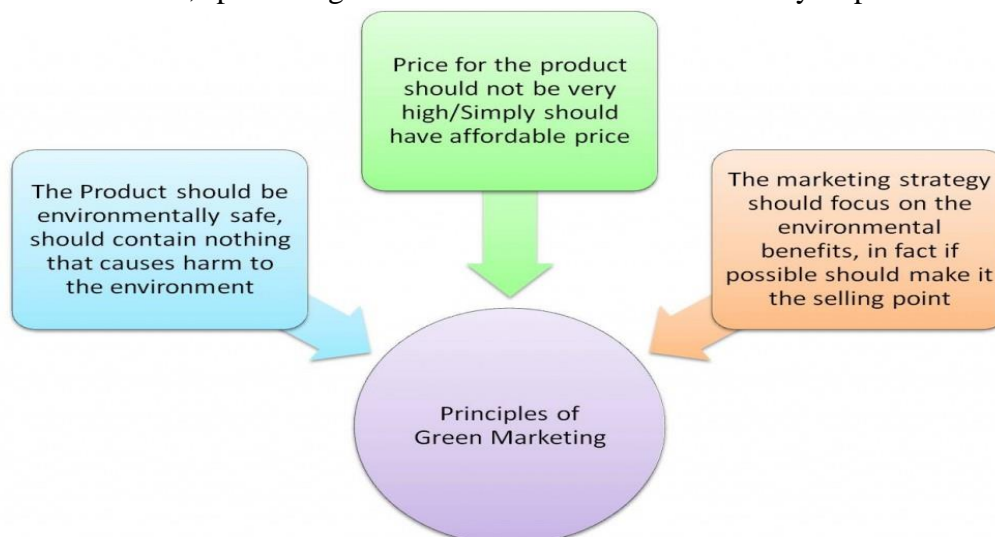
A model green marketing mix contains four "P's" they are as below:

Product: A producer should offer ecological products which not only must not contaminate the environment but should protect it and even liquidate existing environmental damages.

Price: Prices for such products may be a little higher than conventional alternatives. But target groups like for example LOHAS are willing to pay extra for green products.

Place: A distribution logistics is of crucial importance; main focus is on ecological packaging. Marketing local and seasonal products e.g. vegetables from regional farms is more easy to be marketed "green" than products imported.

Promotion: A communication with the market should put stress on environmental aspects, for example that the company possesses a CP certificate or is ISO 14000 certified. This may be publicized to improve a firm's image. Furthermore, the fact that a company spends expenditures on environmental protection should be advertised. Third, sponsoring the natural environment is also very important.



1.1. Principles of green marketing

Last but not least, ecological products will probably require special sales promotions. Additional social marketing "P's" that are used in this process are:

Publics: Effective Social Marketing knows its audience, and can appeal to multiple groups of people. "Public" is the external and internal groups involved in the program. External publics include the target audience, secondary audiences, policymakers, and gatekeepers, while the internal publics are those who are involved in some way with either approval or implementation of the program.

Partnership: Most social change issues, including "green" initiatives, are too complex for one person or group to handle. Associating with other groups and initiatives to team up strengthens the chance of efficacy.

Policy: Social marketing programs can do well in motivating individual behavior change, but that is difficult to sustain unless the environment they're in supports that change for the long run. Often, policy change is needed, and media advocacy programs can be an effective complement to a social marketing program.

Purse Strings: How much will this strategic effort cost? Who is funding the effort?

The level of greening-strategic, quasi-strategic, or tactical-dictates what activities should be undertaken by a company. Strategic greening in one area may or may not be leveraged effectively in others. A firm could make substantial changes in production processes but opt not to leverage them by positioning itself as an environmental leader. So although strategic greening is not necessarily strategically integrated into all marketing activities, it is nevertheless strategic in the product area.

GREEN MARKETING ACTIVITIES

1. 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. 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."

2. Eco-Labels:

An individual's belief that an environmental claim lacks honesty can have a negative effect on attitude toward a brand. If, on the other side, the consumer grants credibility to the claim, the individual will behave more respectfully toward the environment. The problem in extending that credibility to a brand is that consumers interested in ecological products generally are skeptical of commercial advertisements. This skepticism is due to various factors such as lack of language, the absence of scientific knowledge necessary to interpret advertising meaning, and, in particular, the falsehoods and exaggeration of some advertising techniques. To resolve this problem, independent organizations may choose to guarantee messages on the environmental benefits of brands with environmental labeling systems sponsored by independent organizations. This practice tries to diminish perceived biases in environmental information by promoting standardization of the information with the aim of improving confidence in the evaluation of environmental benefits of products-all of which should positively affect the purchase intention.

3. 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.

4. 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 government has resisted instituting an officially-sanctioned eco-labeling program.

CONCLUSION

Green marketing or environmental marketing consist 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 minimum detrimental impact on the natural environment. Now this is the right time to select "green marketing" globally. Green marketing plays an important role in saving the world from pollution. From the business point of view clever marketer is one who not only convenes the consumers but also involves the consumer in marketing his product. With the threat of global warming, green marketing should be essential for organization. Recycling of paper, metals and plastic etc. should much more systemized and universal. Marketer also has the responsibility to make the consumers understand

the need for and benefits of green products as compared to non-green ones. In green marketing consumers are willing to pay more to maintain a cleaner and greener environment.

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