

HOW TO GO GREEN

MAULIK K RATHOD^{*}, HIMANSHU VAIDYA^{**}

ABSTRACT

As a part of Corporate Social Responsibility (CSR) philosophy, the concept of Green Marketing runs parallel to the canon of societal marketing and concedes the tenet to gratify wants of customer is not ample and organizations should have consider environmental concerns of the society as well. The scope of green marketing is a much broader that can be conducive to consumer durables, industrial goods and even services. This conceptual research studies the theoretical concepts of green marketing. In reference to strategic management, researcher like to examine the core elements of marketing mix in context of Indian market. This will be helpful to marketers to price, place & promote their qualitative green offerings to consumers.

KEYWORDS: Green Marketing, Marketing Mix, Green Strategies.

INTRODUCTION

As a part of Corporate Social Responsibility (CSR) philosophy, the concept of Green Marketing runs parallel to the canon of societal marketing and concedes the tenet to gratify wants of customer is not ample and organizations should have consider environmental concerns of the society as well. There is no agreement among the scholars with regard to what is green marketing strategy and what is green marketing (Vatsa et.al, 2015) but still Green marketing can be understood as Eco-Friendly marketing, Environmental marketing, Sustainable marketing which generally refers to efforts of company to design-to promote-to price-to place the product & service that will not be harmful to nature. So, one can agreed on the environment is the most vital beneficiary of the green marketing. The scope of green marketing is a much broader that can be conducive to consumer durables, industrial goods and even services.

DEFINITION OF GREEN MARKETING

Green marketing has been a very emergent topic for research since the subject evolved in the late 1970s. In November 1975, The American Marketing Association held the first national workshop on ecological marketing in Austin, Texas.

The proceedings of this conference is published in the form of a book entitled "Ecological Marketing" (Henion & Kinnear, 1976) which defines Eco-friendly marketing as "the study of positive and negative aspects of marketing activities on pollution, energy depletion and non-energy resource depletion" However, this definition considers both positive and negative aspects of organizational activities, environmental issues were examined in a narrow range and defines ecological marketing as a subset of the overall marketing activity.

* Research Scholar, Rai University, Ahmedabad.

** Research Supervisor, Rai University, Ahmedabad. **Correspondence E-mail Id:** editor@eurekajournals.com

According to (Polonsky M. J., 1994) “green or environmental marketing consist of all activities designed to generate and facilitates any exchange intended to satisfy human needs or wants, such that the satisfaction of these needs and wants occurs with minimal detrimental impact on the natural environment”

After addressing the scope of issues correlated with an environmental approach to marketing, the term Green Marketing is defined by AMA as “*the study of all efforts to consume, produce, distribute, promote, package, and reclaim products in a manner that is sensitive or responsive to ecological concerns*” (American Marketing Association, 2004). Here, “all efforts to consume” concedes that green marketing is not limited to government or NGOs, nor is it solely an activity undertaken by consumers. Industrialists, merchandisers and services firms each has opportunities to contribute to green marketing of goods (consumers & industrial), services, events, experience, persons, places, properties, organizations, information, idea. It also acknowledges the need to consider the production, distribution, and reclamation of products as integrated elements of the marketing activities.

In 2007, AMA defines green marketing with concern to the aspects of sustainable development i.e. economy, society and environment.

Green Marketing in terms of:

- Retailing (Economy) “the marketing of products that are presumed to be environmentally safe”
- Social marketing (Society) “the development and marketing of products designed to minimize negative effects on the physical environment or to improve its quality”
- Environment “the effects by organizations to produce, promote, package and reclaim

products in a manner that is sensitive or responsive to ecological concern”

Grant (2012) has suggested that the prime objective of green marketing practices is to educate and make people willing to go green because it has influence on changing the lifestyle and behavior of potential customers. Green marketing integrates efforts of company towards product modification (Design) and its process of manufacturing, packaging, pricing, promotion and place distribution that will not adversely caused to environment (Aryanto, 2012). These efforts of developing and promoting green products & services to satisfy needs, wants and desires of consumers are confluent with the preservation and conservation of the eco system (Vatsa et al. 2016) By strategies 4Ps of marketing mix to sell products and services such environmental benefits like waste reduction, efficient utilization of energy, decline in release of toxic emissions can be acquired. While the move to green may be expensive for the time being, it will turn out to be pivotal and productive over the long term.

RESEARCH OBJECTIVES

The objectives of the study are:

- To Examine the Concept of Green Marketing
- To Study Strategic task of Green Marketing

This paper will be helpful to marketers to select suitable green strategy and price, place & promote their qualitative green offerings in market of India.

RESEARCH METHODOLOGY

The present study is conceptual in nature. The present paper studies the theoretical concepts of the green marketing and its practicability in context of India. This conceptual study is based on secondary data which have been collected through research articles from journals, focus

group transcript, newspapers, magazines from library and websites.

HOW TO GO GREEN?

Convention marketing satisfy the human needs whereas green marketing concerned to environmental issues with the satisfaction of consumers. It's a need of hour that corporates have to take initiative to opt going green as a strategic move to gain revenue in long run. In the words of (Lendel, Soviar, & Vodák, 2015) any holistic business strategy has to conceive goals of green marketing in corporate plans. Marketing strategy and Marketing mix ate core constituents of marketing theme. However, firm has to select the way to be proactive or to be assertive for going green as a part of marketing operations.

APPROACH TO GO GREEN

To target environmental concerned consumers, marketers develop green marketing strategies through being wakeful about environmental issues and involving the same into strategic marketing program (McDaniel & Rylander, 1993). They also argued that increased awareness and concern on environmental issues means marketers and consumers have to realize that green marketing can bring profitability rather than only pure altruism. They point up that concept green marketing must be integrated into policy & manner of company's strategic approach. There are two approaches of green marketing i.e. Defensive and Assertive approach.

DEFENSIVE GREEN APPROACH

A manner in which firms that do the minimum in order to avoid negative consequences is referred as defensive green approach. It also known as reactionary strategy. Generally to avert penalties, fine or punitive actions, most of the companies meet only the minimum environmental regulations inflicted by the government. Some companies opt this to meet minimum standards

to avoid a boycott of consumers. Even companies also be defensive to react on competitor's environmental activities to keep pace with competition by doing no more than what is needed (McDaniel & Rylander, 1993). However, the cost of defensive green approach may be relatively lower but the benefit is quite limited as it will not meet notable raise in market acceptance or gain competitive advantage.

ASSERTIVE GREEN APPROACH

Companies that initiate green marketing have better opportunity to take sustainable competitive advantage in market. Assertive green approach means to be first mover to going green rather than by government regulations. It also known as aggressive strategy which means marketers should respond to market incentive rather than to regulations (McDaniel & Rylander, 1993). They claimed that this strategy can provide sustainable competitive advantage in market to the company and regarded as an environmental concerned entity - positive public image in the market. They also argued that the image of "first mover" is the key to earn profit over the latecomers, whom may be seen as imitator, even be doubted of its true intent by public. Company with assertive green approach may avoid inspection and regulation. Thus with the multiple benefits, both the researchers suggested assertive green approach is desirable for the marketers on the base of profitability.

STRATEGIES TO GOGREEN

Marketing strategy means a continuous process in which demand measurement, segmentation, selection of target market and positioning (STP Process) are conducive to competitive advantage (Asha'ari, Maryam, & Daud, 2017). On the base of STP process a firm proceed to select a marketing strategy for going green. Ginsberg & Bloom(2004) has developed a matrix of green marketing strategies which makes a company able to ecologies products / services and select the green

market segment for the company. This will be resulted into sustainable marketing by redesigning and restructuring of organizational system and operational processes.

In different market condition and competitive settings, each firm has to select different strategies of marketing to go green. Before the selection of green strategy the marketer should consider:

- How significance the green consumer segment for the firm?
- Is it possible to differentiate the firm's offering from green dimension?

Ginsberg & Bloom(2004) has suggest the firms to consider the likely size of the potential green market with in industry and the availability of firms to differentiate their products on the edge of market competition.

LEAN GREEN

Lean green companies have low substantiality to going green and not much able to differentiate themselves as green marketers.

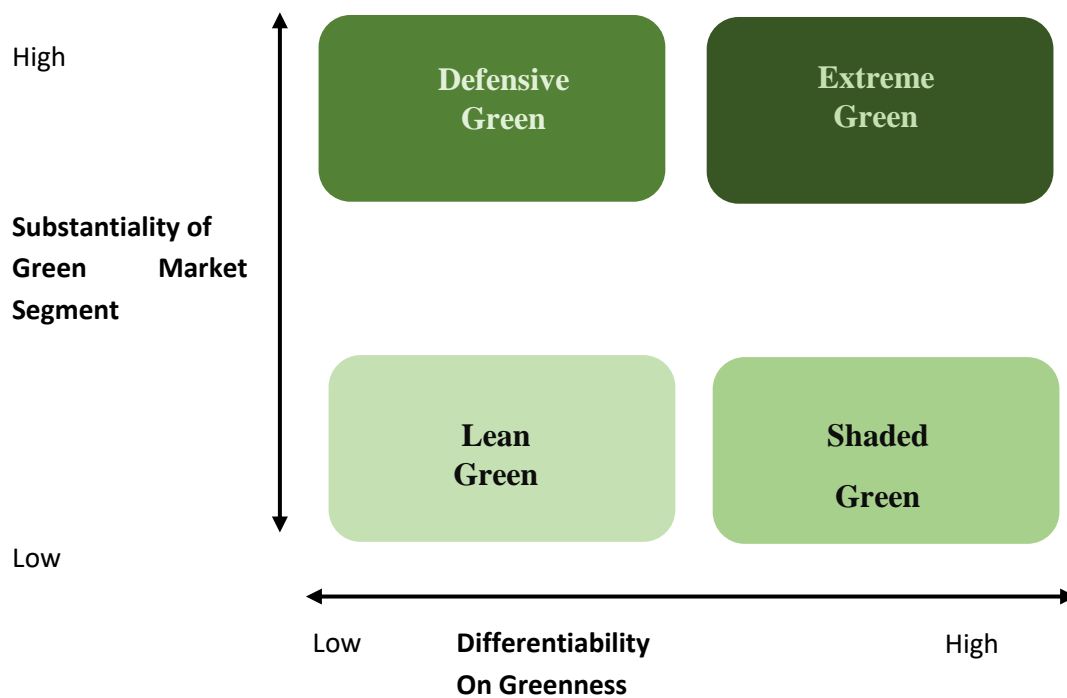
- They try to be responsible for society as good corporate citizen.
- Their interest lies on reducing costs and increasing efficiency through pro-environmental activities to build competitive advantage on lower cost.
- Companies follow the rules and regulations and comply with all norms inflicted by government but their expectation is not to generate major income through green marketing.

- Promotion of initiative in green marketing activities and claiming of green attributes of products is uncertain as company is feared to differentiate itself from competitors in market and being able to live up to green claims.
- Lean companies believes that to proclaim green initiatives may cause its all offerings to be labelled as green which may not be gainful. So it's a much safer to establish a discrete brand of eco-friendly products.

DEFENSIVE GREEN

Defensive green companies have high significance in green market segment but are not able to differentiate on green initiatives.

- Companies are aware and concerned about the importance of green marketing and its profitability as well as know that they can't afford to be separate from going green.
- Companies utilize going green concept as a prevention in the time of crisis or response to a competitive moves in market. To enhance brand image these companies attempt to go green concept.
- The promotional efforts of the company for greenness are not aggressive. Even the promotional attempts are sporadic, irregular and temporary as the intention of company is not to differentiate from market competition through green marketing.
- However, defensive green company may sponsor social events and awareness programs on environmental concern.



by Ginsberg & Bloom (2004)

Figure 1. Matrix of Green Marketing Strategies

SHADED GREEN

Shaded green companies have low significance in green market segment but ability to differentiate as green is on higher side.

- Companies which OPT shaded green strategy make substantial investment in environmentally sustainable process for long term in the form of financial and non-financial resources as well.
- They view the green marketing as opportunity to create innovative products on green technology that meet customer needs with satisfaction and take competitive advantage in market.
- Esmaeili, Sepahvand, Rostamzadeh, & Joksiene (2017) suggest this company initially promote direct & tangible benefits in market and later on promote environmental activities.

- Company has capability to differentiate on greenness but it opts to earn profit through other attributes.
- The promotional activities are most efficient as ability of product is enough to benefit the user to make saving on recurring cost such as energy, fuel and power.

EXTREME GREEN

Extreme have green companies have higher substantiality in green market segment and better ability to differentiate as green entity.

- The philosophy of extreme green companies are shaped by holistic values. From the very beginning greenness as a major driving force in their marketing operations.
- There is full integration of environmental issues as part of corporate social responsibility with organizational process and product life cycle.

- They sell their eco-friendly offerings in niche market through special outlets and distribution channels.
- They practice on life cycle pricing, total quality environmental management and manufacturing with environmental concern.

Although this matrix of green strategy is a beneficial tool for corporate to opt for go green concept through which they integrate and implement the marketing strategy into their green marketing plans. However, this is not enough to use easily in general.

GREEN MARKETING MIX

Generally, marketing mix is the set of actions that a company uses to promote its product in the market which consists of Product, Price, Place and Promotion. Like conventional marketers, green marketers address the 4Ps of marketing mix in innovative way for new perspective in the view of changed scenario. It will be beneficial to marketers if they considerately assessing the target customer to know whether "Green" is an opportune selling trait and how to incorporate the same into the marketing mix. However, People, Process and Physical environment - additional 3Ps also considered by marketers.

PRODUCT

In the words of Ottman(1998) normally green products are durable, nontoxic and made from recycled material with minimally packaged. The role of marketer in product management is to design and offer the product in accordance to market-driven trends with green attributes such as organic ingredients, minimum utilization of energy & resources, least pollution, local sourcing, reusable etc. Following are general features of green products which are eco safe and pleasant for use, which comprises of or is combination of (Bhat, 1993; Charter & Polonsky, 1999):

- Sustainable source of raw material.
- More durability with ability to repair & biodegradability / compostable.
- Reusable / re consumption and recyclable
- Minimum packaging or environmentally responsible packing.
- Non pollutant or non-harmful to eco system and least environmental impact.
- Certified products which meet or exceed environmentally responsible criteria e.g. Energy stars, eco labelling etc.

PRICE

Pricing is consider as a vital dimension in formulation of marketing strategy. In the view of Peattie (1999) and Polonsky & Rosenberger (2001) generally customers have assumption that green products are available at higher price than conventional products.

In niche marketing, most of the customers are willing to pay premium price if the products possess such values like improved performance, visual appeal, green attributes. If we consider cost of product life cycle, eco-friendly products are less expensive in long-term. However, researches shown that price is still remain critical element among 4Ps of green marketing mix in Indian market as conventional products are less costly than eco-friendly products as they keep out socio-environmental costs.

Today the marketers faced challenge to offer green products / services on such a price that is smart and competitive enough to overcoming to fulfill the goal of sustainable marketing. Green price decision should be consider the People, Planet and Profit i.e. core aspect of sustainable development such as Society, Environment and Economy.

PLACE

Strategies of distribution are refers to the channel-an organized structure which a company

may employ to available its goods & services to its customers. This channel will bridge the gap of time and space between producer and purchaser. Green place refers to an easy availability of products to public without / reducing carbon footprint in terms of least logistics and cut down carbon emission on transportation. Even location has to be compatible in terms of ease in availability to consumers than other marketers. The choice of *When* and *Where* in terms of production and distribution has an important impact on buying behavior of Indian customers.

In his research paper Kinoti (2011) has mentioned a reverse channel system as most common green logistic strategy which deals with recycling of product after the consumers has used it. One of the unique feature of reverse channel is that the consumers become the seller and the manufacturer becomes the buyer through sorting and accumulation. He also note the recyclable material can flow backwards through reverse channels to industrial markets i.e. original manufacturer, raw material producer firms or other industries that can use recyclables as virgin material substitutes (Fuller & Allen, 1997).

The best suitable example of green place is rather than import some products from abroad, we can licensed for local production which avails shipping cost both economically and environmentally.

PROMOTION

Green promotion will be helpful to consumers to overcome on the lack of information towards environmental issues (Schlossberg, 1993). In the book of "Environmental marketing" Fuller &

Allen, (1997) referred green planning as to promoting products that do not have any negative effects on environment. Ottman (1997) has suggested such promotional strategies to green companies not only help to lessen the gap of environmental information in public but also enhance the acceptance criteria of green products.

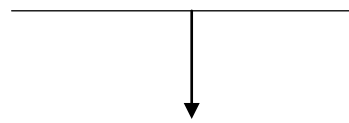
- Educate consumers on the environmental problems and promote green products as a solution for the same.
- Promote green credentials of the company with achievement on green initiatives practiced by stakeholders of the company.
- Empower consumers to buy green products as their individual contribution towards preservation of the environment and safe future for next generation.
- To promote products to the target markets through paid advertisement, sale promotional tools, public relation events, on-site promotion, direct marketing etc.
- Don't overstate environmental claims. Use simple way communication with suitable mix of media.
- Promotional message should addresses the interrelation between product / service and environmental concern of the company and present corporate image as environmentally concerned.
- In the contemporary era of globalized marketing the success of green marketing is depends on effective & efficient formulation and implementation of green marketing mix which comprises of following external and internal Ps :

Internal Green Ps

- Product
- Price
- Place
- Promotion
- Process

External Green Ps

- Partners
- Problems
- Pressure Groups



Success of Green Marketing

- **Satisfaction** of Stakeholders
- **Safety** of People, Planet & Profit
- **SocialAcceptability** of the Company
- **Sustainability** of Operations

Figure 2.Green Marketing Mix

Table 1.Primary Marketing Mix Elements with Green Strategies

Green Strategies	Elements of Green Marketing Mix (4Ps)			
	Product	Price	Place	Promotion
Lean Green	√			
Defensive Green	√			√
Shaded Green	√	√		√
Extreme Green	√	√	√	√

In the theory of Ginsberg & Bloom(2004) on green marketing strategy, the differences among four strategies can be seen by considering how four elements / 4Ps of marketing mix are utilized.

CONCLUSION

Green marketing manipulates elements of marketing mix to sell products & services which offering prime environmental benefits such as alleviation of waste, enhance energy efficiency and downsizing release of toxic emissions as well (Pride & Ferrell, 1993).By strategies 4Ps of marketing mix to sell products and services with environmental benefits like waste reduction, efficient utilization of energy, and decline in release of toxic emissions can be acquired. While the move to green may be expensive for the time being, it will turn out to be pivotal and productive over the long term.

REFERENCE

[1]. American Marketing Association. (2004, March). American Marketing Association.

Retrieved January 2015, from www.marketingpower.com: www.marketing power.com/_layouts/Dictionary.aspx?Letter=G.

[2]. Aryanto, R. (2012). Considerable Study of Green Marketing Application in Business Enterprises. International Seminar “Strategic Leadership: Green Management, II. Jakarta. Retrieved January 17, 2013, from https://www.researchgate.net/publication/259242953_CONSIDERABLE_STUDY_OF_GREEN_MARKETING_APPLICATION_IN_BUSINESS_ENTERPRISES/citations.

[3]. Asha’ari, Maryam, J., & Daud, S. (2017, September 1). The Effect of Green Growth Strategy on Corporate Sustainability Performance. *Advanced Science Letters*, 23(9), 8668-8674. doi: <https://doi.org/10.1166/asl.2017.9949>.

[4]. Fuller, D., & Allen, J. (1997). “A Typology of Reverse Channel Systems for Post-consumer Recyclables”. In M. Polonsky, & A. Mintu, *Environmental Marketing Strategies, Practice, Theory and Research*

- (pp. 241-256). New York: Haworth Press Inc. Retrieved from <https://books.google.co.in/books?hl=en&lr=&id=pbp907Da5IMC&oi=fnd&pg=PA241&dq=A+Typology+of+Reverse+Channel+Systems+for+Post-consumer+Recyclable&ots=FzllpsbiOD&sig=idU94NEdhaHiyUQfUVizT435f1c#v=onepage&q=A%20Typology%20of%20Reverse%20Channel%20Systems%20f>.
- [5]. Henion, K. E., & Kinneer, T. C. (1976). *Ecological Marketing*. National Workshop on Ecological Marketing (Austin, Tex) (1975). Chicago: American Marketing Association.
- [6]. Lendel, V., Soviar, J., & Vodák, J. (2015). Creation of Corporate Cooperation Strategy. 2nd Global Conference on Business, Economics, management and Tourism.23, pp. 434 - 438. Prague, Czech Republic: Procedia Economics and Finance. doi: [https://doi.org/10.1016/S2212-5671\(15\)00384-6](https://doi.org/10.1016/S2212-5671(15)00384-6).
- [7]. McDaniel, S., & Rylander, D. (1993, March). Strategic Green Marketing. *Journal of Consumer Marketing*, 10, 4-10. doi: <http://dx.doi.org/10.1108/07363769310041929>.
- [8]. Peattie, K. (2001, June). Towards Sustainability: The Third Age of Green Marketing. *The Marketing Review*, 2(2), 129-146. doi:10.1362/1469347012569869.
- [9]. Polonsky, M. J. (1994). An Introduction to Green Marketing. *Electronic Green Journal*, 1(II), 2-3. Retrieved June 3, 2015, from <http://www.greenprof.org/wp-content/uploads/2010/06/An-Introduction-to-Green-Marketing.pdf>.
- [10]. Schlossberg, H. (1993). Effect of FTC Green Guidelines Still Doubtful for Some Marketers. *Marketing News*, 6.
- [11]. Vatsa, M., Chakrabarti, M., & Kumar, R. (2016). Analysis of Green Marketing Trend in Passenger Car Segment of Indian Automobile Industry. *International Journal of Management (IJM)*, 7(6).
- [12]. Vatsa Madhuranjan, Chakrabarti Milindo, Kumar Rajesh and Singh, J.V. 2015, GMS is Powerful Force in Passenger Car Segment of Indian Automobile Industry to Enhance Innovation and Widen Profits, *International Journal of Engineering Research & Technology (IJERT)*, 4(9), pp. 278-295.