

GREEN PRODUCTS AND GREEN MARKETING

P.Thulasimani*

INTRODUCTION

Green Marketing is a phenomenon which has developed particular importance in the modern market. Green marketing is a way to use the environmental benefits of a product or service to promote sales. Many consumers will choose products that do not damage the environment over less environmentally friendly products, even if they cost more. With green marketing, advertisers focus on environmental benefits to sell products such as biodegradable diapers, energy-efficient light bulbs, and environmentally safe detergents.

GREEN MARKETING:

The concept of green marketing has been around since the first Earth Day in 1970. But the idea did not catch on until the 1980s, when raising the public interest in the environment led to demand for more green products and services. Manufacturers responded to public interest by labeling hundreds of new products “environmentally friendly”—making claims that products were biodegradable, compostable, energy efficient, or the like.

In spite of its growing popularity, the green marketing movement faced serious setbacks in the late 1980s because many industries made false claims about their products and services.

DEFINITION:

According to the American Marketing Association, green marketing is the marketing of products that are presumed to be environmentally safe. The green marketing incorporates a broad range of activities, including product notification, changes to the production process, packaging changes, as well as modifying advertising. Other similar terms used are Environmental Marketing and Ecological Marketing.

*Assistant Professor, Department of Commerce, PSG College of Arts and Science, Coimbatore

EVOLUTION OF GREEN MARKETING:

The green marketing has evolved over a period of time. According to Peattie (2001), 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.

WHY GREEN MARKETING?

As resources are limited and human wants are unlimited, it is important for the marketers to utilize the resources efficiently without waste as well as to achieve the organization’s objective. So green marketing is inevitable.

There is growing interest among the consumers all over the world regarding protection of environment. Worldwide evidence indicates people are concerned about the environment and are changing their behavior. As a result of this, green marketing has emerged which speaks for growing market for sustainable and socially responsible products and services.

BENEFITS OF GREEN MARKETING:

Companies that develop new and improved products and services with environment inputs in mind give themselves access to new markets, increase their profit sustainability. They enjoy a competitive advantage over the companies which are not concerned for the environment.

ADOPTION OF GREEN MARKETING:

There are basically five reasons for which a marketer should go for the adoption of green marketing. They are -

- Opportunities or competitive advantage
- Corporate social responsibilities (CSR)
- Government pressure
- Competitive pressure
- Cost or profit issues

GREEN MARKETING MIXES:

Every company has its own favorite marketing mix. Some have 4 P's and some have 7 P's of marketing mix. The 4 P's of green marketing are that of a conventional marketing but the challenge before marketers is to use 4 P's in an innovative manner.

Product

The ecological objectives in planning products are to reduce resource consumption and pollution and to increase conservation of scarce resources (Keller man, 1978).

Price

Price is a critical and important factor of green marketing mix. Most consumers will be prepared to pay an additional value if there is a perception of extra product value. This value may be due to improved performance, function, design, visual appeal, or taste. Green marketing should take all these facts into consideration while charging a premium price.

Promotion

There are three types of green advertising: -

- Ads that address a relationship between a product service and the bio-physical environment.
- Those that promote a green lifestyle by highlighting a product or service.
- Ads that present a corporate image of environmental responsibility.

Place

The choice of where and when to make a product available will have a significant impact on the customers. Very few customers will go out of their way to buy green products.

Strategies

The marketing strategies for green marketing include: -

- Marketing Audit (including internal and external situation analysis)
- Develop a marketing plan outlining strategies with regard to 4 P's
- Implementing marketing strategies
- Planning result evaluation

Challenges Ahead

- Green products require renewable and recyclable material, which is costly
- Requires a technology, which needs huge investment in R & D

- Water treatment technology, which is too costly
- Majority of the people are not aware of green products and their uses
- Majority of the consumers are not willing to pay a premium for green products

3 TIPS FOR SUCESSFUL GREEN MARKETING:

Consumers want to do the right thing when it comes in protecting the environment and their health. Even in this economic climate, the green movement is gathering momentum, and it's hard to miss the deluge of ads introducing new green products from well-known national brands.

Before you jump on the green bandwagon, make sure that the marketer takes these three essential steps:

PROVE YOUR CLAIMS:

Today's shoppers are willing to dig deeper to get the real facts by examining consumer reports, reviews, testimonials and recommendations, as well as certification seals, labels and ingredient lists. All the marketing efforts, from the website to sales tools, public relations placements and social networking, must go the extra mile to provide verification of the green claims.

GET PRICING RIGHT:

While many green shoppers are willing to pay extra price to do the right thing, the majority say price is very important in their purchase decisions. Consumers want quality products that are good for them and for the environment at a price that they can afford. Teen's ages 13 to 17 are the most price-conscious green shoppers, according to a survey from Generate Insight, an entertainment branding company. When rock bottom pricing is unachievable, great value can still add up to sales.

OFFER PERSONAL BENEFITS:

Saving the planet is a big promise and a meaningful to many consumers. But it will have more teeth if it relates that claim to a personal benefit, such as improving one's health or saving money. For example, food that's organically grown means that fewer pesticides and herbicides that will damage the environment are used an invaluable benefit. Yet the essential bottom line for many organic food shoppers is the assurance that fewer harmful chemicals will find their way into the bodies of their children and families.

THE FUTURE OF GREEN MARKETING:

There are many lessons to be learned to avoid green marketing myopia, the short version of all this is that green marketing requires applying good marketing principles to make green products desirable for consumers. Business scholars have viewed it as a “fringe topic”, given that environmentalism’s acceptance of limits and conservation does not mesh well with marketing’s traditional axioms as the marketer can. Evidence indicates that successful green products have avoided green marketing myopia by following the important principles

- Consumer value position
- Calibration of consumer knowledge
- Credibility of Product Claim

GREEN PRODUCTS:

Green products are those that have less of an impact on the environment or are less detrimental to human healths than traditional equivalents. Green products might, typically be formed or partly-formed from recycled components, be manufactured in a more energy-conservative way, or be supplied to the market with less packaging or all the three.

GETTING GREEN PRODUCT PARADOX:

A common mantra in green marketing is that if buyer wants the masses to buy the product, focus the marketer’s message on more traditional attributes such as price, quality or service. A product’s “greenness” is likely secondary for many mainstream consumers. For green marketers then, the Holy Grail may be to offer a product that is competitive on dimensions that are both traditional and eco-friendly. This would result in the greatest number of products sold and greatest impact on the environment. As such, the green product paradox presents quite the challenge for a marketer. For individual companies, such products can be both profitable and socially responsible. It is only by looking at the forest from the trees and perhaps a little into the future does it become apparent that, in aggregate, such products may paradoxically have a negative impact.

A sustainable brand might try itself to mitigate any impact that its products may have. But, this will only have broad impact if it ultimately compels competitors to follow suit. Given this, marketers should recognize that a solution to the paradox may not lie within an individual company’s grasp. Alternatively, it may take an industry consortium to make the necessary

product changes or evolve consumer. Overall, the green product paradox presents a difficult challenge for green marketers. Doing well for the planet may not always be as simple as motivating purchase of greener goods. In some cases, it just might be too much of a good thing.

Examples of environmentally-beneficial products and services:

- Paper containing post-consumer wastepaper
- Cereals sold without excess packaging
- Shade-grown coffee beans
- Cleaning supplies that do not harm humans or environment
- Wood harvested from sustainable forests
- Energy-efficient light bulbs
- Energy-efficient cars
- Energy from renewable sources of energy such as windmills and solar power

CONCLUSION:

Green marketing should not neglect the economic aspect of marketing. Marketers need to understand the implications of green marketing. If Marketers think that customers are not concerned about environmental issues or will not pay a premium for products that are more eco-responsible, think again. Marketers must find an opportunity to enhance the product's performance and strengthen the customer's loyalty and command a higher price. Green marketing is still in its infancy and a lot of research is to be done on green marketing to fully explore its potential.

BIBLIOGRAPHY:

1. Ottoman, Jacquelyn, and Miller, Edmond Shoaled. (1999). *Green Marketing Opportunities for Innovation*. New York: McGraw-Hill.
2. Chopra, S. Lakshmi (2007), "Turning Over a New Leaf", *Indian Management*, Vol-64, April-2007
3. Ottman, J.A. et al, "Avoiding Green Marketing Myopia", *Environment*, Vol-48, June-2006
4. www.greenmarketing.net/stratergic.html
5. www.epa.qld.gov.au/sustainable_industries