

Sustainable development via green marketing

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Abstract

In today's hyper competitive marketplace, it has become a challenge for the organizations to maintain the customer base and even to keep the natural environment protected and that is the biggest need of the time. Consumers are growing conscious about the environmental issues, such as global warming and the impact of environmental pollution. They are becoming aware of the environmental impact of products and services and thus are demanding from the organizations to improve the environmental performance of its products and services and they even seek for sustainable development. The growing awareness of consumers regarding environmental issues and the responsibilities of humans toward promoting environmental friendly products has caused a shift even in the buying patterns of consumers. The evident changes in the environmental factors have made tap consumers to think seriously about the effects that their choice of products and services will have on environment. Organizations being part of this world cannot remain unaffected when the customers like to associate themselves with products and companies that are eco-friendly. In order to gain acceptance among customers organizations have to work towards going green. This can be achieved on many fronts and green marketing can play a significant role. Attuning the marketing of products on eco-friendly lines can help envisage the message of organizations in being environmentally responsible. The paper examines the impact of green business practices on the consumers spending patterns in view of their concern for the delicate ecological environment.

Keywords: competitive advantage, environment friendly, green conscious, green marketing, green products, sustainability

Introduction

The growing concerns of environmental protection among the consumers have led to the emergence of a new market which is the green market. For organizations to survive in the contemporary global and highly competitive economy, they need to go green in all the facets of their business. Nowadays, consumers are very much concerned about the drastic climatic changes that are taking place than they were even few years ago. Businesses have realized that the negative impact of human activities on the environment is a matter of high concern today. Organizations are continually making efforts to minimize the human impact on environment by modifying their behavior and by integrating environmental concerns with the organizational activities. For the survival of businesses in the modern times of globalization and for staying on the cutting edges of the industry trends businesses have developed a new marketing strategy which we call "Green Marketing".

Unfortunately, a majority of people believe that green marketing refers solely to the promotion or advertising of products with environmental characteristics. Terms like Phosphate Free, Recyclable, Refillable, Ozone Friendly, and Environmentally Friendly are some of the things consumers most often associate with green marketing. While these terms are green marketing claims, in general green marketing is a much broader concept, one that can be applied to consumer goods, industrial goods and even services. For example, around the world there are resorts that are beginning to promote themselves as "ecotourist" facilities, i.e., facilities that "specialize" in experiencing nature or operating in a fashion that minimizes their environmental impact [May 1991, Ingram and Durst 1989, Troumbis 1991] ^[9, 6, 17].

Green marketing is the marketing of those products and services that are assumed to be environmentally safe, that is,

marketing them on the basis of their environmental benefits. Such products and services may be environmentally responsible, that is, produced and/or packaged in an environment-friendly fashion. Green marketing involves marketing of those green products and services that aims to protect the natural environment by conserving natural resources and reducing or eliminating the use of harmful agents which degrades the natural environment. It encompasses a broad range of activities where in the production process, marketing, and disposal of products and services are carried out in such a manner that is less detrimental to the environment.

Green marketing holds the view that marketing which is the most integral part of business not only has to satisfy its key customer requirements but also has to take into consideration the interests of society and realizing the needs of the ecosystem with which it interacts. It helps in realizing objectives of sustainable development as it helps to satisfy human needs and wants whilst attending to the protection and conservation of natural resources.

Green marketing is essentially a way by which marketers can make the best use of limited resources and by which they are able to market the greenness of products and services as a benefit on which consumers base their buying decisions. It is a path by which organizations brand their marketing message in order to tap more of the market by appealing to people's choice of choosing between the products and services that are best for the environment.

Review of Previous Studies

According to the authors like Ottaman, (1993) ^[14] and Ken Peattie, (1993) conventional marketing is out and Green Marketing is in. According to the 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. Greening product or market is viewed as the outcome of rational strategic choice. It may thus involve the search for different types of competitive advantage (Gladwin, 1992) [4, 5].

Clearly, green marketing is part and parcel of the overall corporate strategy (Menon and Menon, 1997) [11]. Majority of people believe that green marketing refers solely to the promotion or advertising of products with environmental characteristics. Terms like Phosphate Free, Recyclable, Refillable, and Ozone friendly and environmental friendly are some of the things consumers most often associate with green marketing. While these terms are green marketing claims, in general green marketing is a broader concept, one that can be applied to consumer goods and industrial goods and services (Polonsky, 1994) [15].

Oyewole, P. (2001) [13], in his paper presents a conceptual link among green marketing, environmental justice, and industrial ecology. It argues for greater awareness of environmental justice in the practice for green marketing. A research agenda is finally suggested to determine consumers' awareness of environmental justice, and their willingness to bear the costs associated with it. Karna, J., Hansen, E. & Juslin, H. (2003) [7] interpret that proactive marketers are the most genuine group in implementing environmental marketing voluntarily and seeking competitive advantage through environmental friendliness.

The misconception of green marketing by majority of people makes its definition very critical; yet defining green marketing is not a simple task. Indeed the terminologies and definitions used in this area are varied. The terminologies include; green marketing, Environmental marketing and ecological marketing (Polonsky, 1994) [15]. Therefore, there is no universally accepted terminology and definition of green marketing up to today. Polonsky (1994) [15] defines green marketing as "consisting of all activities designed to generate and facilitate any exchanges intended to satisfy human needs, such that the satisfaction of these needs and wants occurs, with minimal detrimental impact on the natural environment".

Green marketing has attracted the expanded attention of management practitioners and scholars. More and more companies are adopting green marketing strategies, policies, programs, tools and technologies to behave positively in an environment-friendly fashion. Companies are realizing the in depth need for environment protection. Therefore, they are incorporating friendly policies and programs around the central tenants of marketing. Nowadays, customers prefer environment-friendly products and services over non-environmentally responsible products and those organizations that cater to those products and services are likely to survive because green marketing helps to maintain competitive edge over rival companies who aren't green conscious and those who fail to do so are thrown out of the competition.

Purpose of this Paper

The purpose of present paper has been to create awareness about the growing importance of green marketing in the current scenario of business, besides, the quick benefits which an organization can attain by green marketing. Further, the paper

examines the impact of green marketing on the sustainable development of organizations.

Green Marketing Mix

Marketing mix is a weapon, a business tool which is used in marketing and by marketers to execute marketing plans. Like traditional marketers, green marketers must address the four Ps of green marketing in innovative ways.

Product

While developing a new product/service green marketers should address the following:

Identify the environmental needs of customers and develop products and services that can cater to those needs.

- Developing products and services which are eco-friendly i.e., which are environmentally responsible than your competitors.
- Developing products which can be reused or recycled.
- Developing products which can reduce environmental impact and ensure sustainable living.
- Developing products and bringing those products into use which can help in achieving the goal of reduced carbon footprint.
- Developing products which can surpass the responsible criteria of environmentalism.
- Developing products with environmentally responsible packaging and discarding packaging which can result in litter e.g. products with green labels/ eco-labeling.

Price

Price is a captious element and an important parameter of green marketing mix. Customers who are concerned in making sustainable purchases are prepared to pay the relatively high prices of green products to protect the environment. Marketers may charge a premium for green products because it ensures the protection of environment which is the need of the hour, and green products are often worth price premium due to their special attributes like energy efficient, fuel efficient, water efficient, visual appeal, taste, performance, design, functions, non-hazardous, use of high quality ingredients etc.

Place

The availability of products/services significantly impacts the perception of customers. Smart green marketers must look into successfully introducing and positioning new green products/services in a broad market place rather than confining themselves to a small green niche market. The marketer must also bear in mind that the location should be consistent with the image which the organization wishes to project. Moreover, the location should be able to distinguish an organization from its competitors.

Promotion

Smart green marketers find green distribution a very delicate operation and needs to be addressed carefully by the green marketer. Promotion activities include paid advertising, public relations, sales promotions, direct marketing and on-sale promotions.

The ecological nature of products must be guaranteed to the customers through various promotional activities. Green marketers must be able to communicate the environmental

credibility about their products and services because environmental credibility is the key to successful green marketing. Green marketers must promote green credentials of their respective organizations. They must be able to publicize the green achievements of organizations and the green initiatives of employees. Besides, organizations can also confer special environmental awards to appreciate green achievers.

Benefits of Green Marketing

Organizations that develop environment-friendly products and services can tap new markets, increase their profit sustainability, generate more revenues, build improvised corporate and brand image, increase employee satisfaction and retention over the companies which are not bothered for environment protection.

Some of the benefits of green marketing are:

- Green conscious organizations stand a chance of gaining satisfied and loyal customers. Customers associate themselves with those products and organizations which are eco-friendly.
- Environmental steward companies influence the buying decisions and patterns of customers by green product label. Customers are ready to pay premium for green products and services and premium is the ultimate benefit of the organization.
- Going green helps organizations to positively actuate its workforce. Employees like to associate themselves with those organizations that have a green image.
- Green organizations are seen as a responsible entity in the market. It helps organizations to position itself as a socially responsible organization, thereby achieving regulatory compliance.
- It ensures long-term growth, long term profit sustainability of organizations.
- Green marketing enables organizations to enjoy competitive advantage over rivals by impressive corporate and brand image, besides it helps to build cordial relations with all the stakeholders of the business.

Why are organizations using Green Marketing?

Nowadays individuals and organizations are becoming more aware and concerned about the protection of natural environment. Organizations are realizing the fact that they are members of the wider community and therefore they must act in an environment friendly fashion. Organizations believe that they must accomplish both organizational and environmental goals. Organizations want to protect consumers and society from the haphazard's of the environment, and this protection has green marketing implications.

When going through the literature available on green marketing there are several reasons which are cited for the increased use of green marketing in organizations. Some of the reasons are:

1. Organizations perceive environmental marketing to be an opportunity that can be used to achieve its objectives [Keller 1987, Shearer 1990] ^[8, 16];
2. Organizations believe they have a moral obligation to be more socially responsible [Davis 1992, Freeman and Liedtka 1991, Keller 1987, McIntosh 1990, Shearer 1990] ^[2, 3, 8, 10, 16].

3. Governmental bodies are forcing firms to become more responsible [NAAG 1990] ^[12];
4. Competitors' environmental activities pressure firms to change their environmental marketing activities [NAAG 1990] ^[12]; and
5. Cost factors associated with waste disposal, or reductions in material usage forces firms to modify their behavior [Azzone and Manzini 1994] ^[1].

What really makes Marketing Green?

One of the central pre-requisites of going green vis-à-vis marketing is to remain aware about the environmental concerns and knowing how an organization can respond to these demands. Whilst attending to environmental concerns, the eco-friendly practices can be adopted such as:

Operational Sustainability

Those organizations which are engaged in manufacturing and service activities can entail greater operational sustainability by controlling the usage of energy, water consumption, waste management, eco-friendly materials and processes, reducing pollution level.

Green Products

Those companies which are in manufacturing business can play around a number of eco-friendly practices to incorporate more green factors in their offerings. This objective can be achieved via choosing recyclable materials, energy efficient products that can operate while consuming less energy. The packing of products should be done using materials that can be recycled or composted.

Sustainable Marketing

The actual marketing systems which organizations use should be green and distinct from operational sustainability whose primary focus is on manufacturing and production activities. This can be done in various ways e.g. Green web hosting, reduced carbon footprints, recycling materials, ecological packaging and so on.

Environmental Causes

An organization can promote its CSR by going green. Its concern for environmental sustainability can rope in the assistance of NGOs which already provide helping hand to non-profit organizations. Advertising the green concerns like recycling efforts, donations provided for various animal conservation programmes, conducting awareness programmes can help substantially to protect environment.

Factors which necessitate the adoption of Green Marketing

The factors which necessitate the adoption of green marketing by marketers in organizations are:

- Opportunities or competitive edge over rivals.
- Corporate social responsibility.
- Government pressure.
- Competitive pressure.
- Issues of cost or profit.
- Customer's pressure.
- Investor pressure.

- Community pressure.
- Business to Business customer's pressure.
- Employee's pressure.

Conclusion

This is the high opportune time for organizations to select Green marketing globally to save the world from the haphazards of environment. It will bring drastic changes in the world of business if all the organizations will strictly adhere to the principles of Green marketing. Organizations must make green marketing a norm rather than an exception, and they must pursue the goals of green marketing with much vigor. Clever marketers should not neglect the economic aspects of marketing and they must realize the implications of green marketing to survive and to compete in the global scenario of business. Moreover, there is a radical change in consumer preferences and tastes. They prefer products and services that are green compliant. Consumers are expecting their favorite brands to share the growing concern for environmental protection and proper actions to mitigate it and this is possible through green marketing.

Green marketing is a tool which can be used by the organizations for the pursuance of environmental protection for the future generations as it is having a profound impact on environmental safety. For the survival of organizations in this hyper competitive marketplace, they need to adapt green practices in all the aspects of their business. Consumers today are growing increasingly conscious about the climatic changes and they understand the need and benefits of green products and services. Consumers are willing to pay premium for green products and services to keep the environment greener and cleaner. Consumers are realizing the fact that green life is a healthier and better life for both present and future generation. Moreover, consumers like to identify themselves with those organizations that are green conscious. On analyzing the spending patterns of the buyers there is a clear indication that they like to associate themselves with those brands that are eco-friendly. Organizations being part of society also realize to shoulder the responsibility of making the consumers aware about the growing need of protecting the environment. They must make them realize about the need and benefits of the green products over the non green products. Smart green marketers should no longer view consumers as people who strive for mere material goods but human beings who are concerned about the protection of the environment in which they flourish.

Green marketing plays an unparallel role in making organizations environment friendly. Green conscious organizations are seen as a responsible entity in the market. It helps to build strong partnering relations with all the stakeholders of the business. An organization that develops new and improvised products and services whilst showing concern for the environment is seen as a responsible and good corporate entity and this impressive corporate image will help organizations to flourish and sustain in the competitive market.

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