

Proceedings of Two Days
National Conference
On
Sustainable
Business Development
Strategies

In Collaboration With
UNIVERSITY OF MUMBAI



University of Mumbai



ORGANISED BY :
Department of Commerce, Environmental Studies & Law

CONVENERS :
Mrs. Sangeeta Chaudhary Dr. Priti Gupta Mr. Sachin Joshi

November 20th -21st, 2012



Thakur Educational Trust's (Regd.)
THAKUR COLLEGE OF SCIENCE & COMMERCE
(UGC RECOGNISED & Affiliated to UNIVERSITY OF MUMBAI)
(NAAC Accredited Grade 'A' CGPA-3.10)
(ISO 9001:2008 Certified)



Green Marketing - A Key to Sustainable Development

Authored by

Ms Swati Shigoanker
Assistant Professor

Ms Shveta Desai
Assistant Professor

Ms. Safal S. Narvekar
Assistant Professor

M.E.S College of Arts & Commerce- Zuarinagar, Goa 403726



INTRODUCTION

In the last decade, consumers have become more enlightened on environmental issues. Green marketing refers to selling product or rendering services based on environmental benefit. It came into existence in late 1980s and early 1990s. Green marketing is growing rapidly and consumers are willing to pay a lot for green product. Green marketing affects all areas of our economy, it does not just lead to environmental protection but it also create new market and job opportunities. Companies that are environmental stewards stand a chance of gaining many satisfied and loyal customers.

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. 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.

OBJECTIVES OF STUDY

- 1) To understand the concept of Green Marketing.
- 2) To study the scope of Green Marketing.
- 3) To assess the pros and cons of Green Marketing.
- 4) To study the Green Marketing enterprises in Goa.
- 5) To study and analyse the consumer awareness and preference for green products.

METHODOLOGY

Primary data: The study was based on the field work. Primary data was collected with the help of personal visit and discussion. Based on the objectives set for the field work the set of question were prepared for seeking information. The questions helped us to open matter with the authorities.

Secondary data: Secondary data collected from books, magazines and internet.

LITERATURE REVIEW

In the world of changing business scenario, consumers interest towards protection of environment is raising dramatically & their consumption also gets changed noticeably towards the protection of environment. It is evident by a study, in India, around 25% of the consumers prefer environmental friendly products, & around 28% may be considered as health conscious. But one also witnesses confusion among the consumers regarding the product. Therefore, in the industry, green product manufacturers are emphasizing the features & significance of green products for society while advertising their products. Today, green advertising is an external non- personal promotion tool. (Studies In Business Practises)

A truly green product would be one that is designed, manufactured & marketed keeping as many environmental factors as possible in mind. This necessitates a complex but highly worthwhile exercise called life cycle assessment (LCA). Several Indian companies, textile exporters are working to meet stringent quality & environmental criteria prescribed for their products by importing countries. (Mahazareen Dustur).

Another area where green products can be pushed is eco - construction material. Green building policies have created enormous opportunities for innovation in energy - efficient technology. Market is abuzz with green building products for lighting, insulation & glazing. (Down To Earth Sept. 2012).

Sustainable green marketing therefore requires the development of a marketing mix that is compatible with the ecology. This is possible through product & delivery system designs for environment protection. For this role of marketing communication is one of educating customers about long term ecological benefits & values. (Rajan Saxena).

GREEN MARKETING - Meaning and Definition

Pride and Ferrell (1993) Green marketing, also alternatively known as environmental marketing and sustainable marketing, refers to an organization's efforts at designing, promoting, pricing and distributing products that will not harm the environment Green marketing consists 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 minimal detrimental impact on the natural environment. 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.

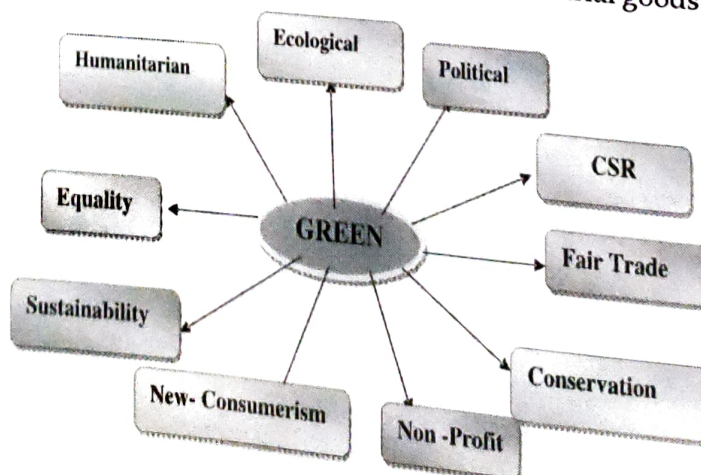


Figure 1:- Green Meaning

WHY GREEN MARKETING?

It is really scary to read these pieces of information as reported in the Times recently: "Air pollution damage to people, crops and wildlife in US. Total tens of billions of dollars each year". "More than 12 other studies in the US, Brazil, Europe, Mexico, South Korea and Taiwan have established links between air pollutants and low birth weight, premature birth, still birth and infant death". 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 behaviour. As a result of this, green marketing has emerged which speaks for a growing market for sustainable and socially responsible products and services.

Five possible reasons cited for firms use of Green Marketing are:

- **An opportunity that can be used to achieve its objectives**

Firms marketing goods with environmental characteristics will have a competitive advantage over firms marketing non-environmentally responsible alternatives. E.g. Xerox introduced a "high quality" recycled photocopier paper in an attempt to satisfy the demands of firms for less environmentally harmful products.

- **Moral obligation to be more socially responsible**

Many firms are beginning to realize that they are members of the wider community and therefore must behave in an environmentally responsible fashion.

- **Pressure from Governmental bodies**

Governments establish regulations designed to control the amount of hazardous wastes produced by firms. Many by-products of production are controlled through the issuing of various environmental licenses, thus modifying organizational behaviour.

- **Competitors' environmental activities**

Another major force in the environmental marketing area has been firms' desire to maintain their competitive position. In many cases firms observe competitors promoting their environmental behaviours and attempt to emulate this behaviour. In some instances this competitive pressure has caused an entire industry to modify and thus reduce its detrimental environmental behaviour. For example, it could be argued that Xerox's "Revive 100% Recycled paper" was introduced a few years ago in an attempt to address the introduction of recycled photocopier paper by other manufacturers.

- **Cost factors associated with waste disposal**

Firms that can reduce harmful wastes may incur substantial cost savings. When attempting to minimize waste, firms are often forced to re-examine their production processes. In these cases they often develop more effective production processes that not only reduce waste, but reduce the need for some raw materials. This serves as a double cost savings, since both waste and raw material are reduced.

GREEN CONCEPTS

- **Green Consumer**

The green consumers are the driving forces behind the green marketing. It is they who drive consumer demand, which in turn encourages improvements in the environmental performance of many products and companies. Thus, for a marketer it is important to identify the types of green consumers. Many organizations have found that two out of every three consumer is green in developed country.

- **Green Products and Its Characteristics**

The products those are manufactured through green technology and that caused no environmental hazards are called green products. Promotion of green technology and green products is necessary for conservation of natural resources and sustainable development. We can define green products by following measures:

- Products those are originally grown,
- Products those are recyclable, reusable and biodegradable,
- Products with natural ingredients,
- Products containing recycled contents, non-toxic chemical,
- Products contents under approved chemical,
- Products that do not harm or pollute the environment,
- Products that have eco-friendly packaging i.e. reusable, refillable containers etc.
- **Green Advertising**

Advertising is perceived as a form of strategy for every green marketer towards communicating and influencing the target market. In the present information era, green advertising is perceived as a tool of the business enterprise to bend the potential green consumers to purchase or consume a particular green product or service. Green advertising is an external factor of non personal promotional tool.

- **Green Washing**

There is often a thin line between doing so for its own benefit and for social responsibility reasons. The term "green washing" refers to all industries that adopt outwardly green acts with an underlying purpose to increase profits. The primary objective of green washing is to provide consumers with the feeling that the organization is taking the necessary steps to responsibly manage its ecological footprint. In reality, the company may be doing very little that is environmentally beneficial. The term green washing was first used by environmentalist Jay Westerveld when objecting to hotelier's practice of placing notices in hotel rooms which asked their guests to reuse towels to "save the environment". Westerveld noted that there was little else to suggest that the hoteliers were interested in reducing their environmental impacts, and that their interest in washing fewer towels seemed to be motivated by a concern to save costs rather than the environment.

GREEN MARKETING PROCESS

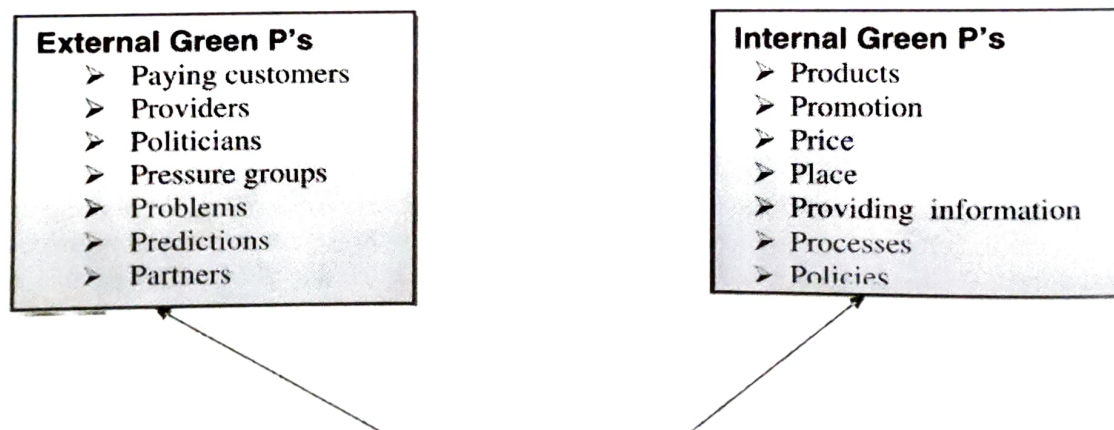


FIGURE 2: THE GREEN MARKETING PROCESS

The Ss of Green Success

- Satisfaction - of stakeholder needs
- Safety - of products and processes
- Social acceptability - of the company
- Sustainability - of its activities

PROBLEM OF GREEN MARKETING

- A problem firms face is that those who modify their products due to increased consumer concern must contend with the fact that consumers' perceptions are sometimes not correct.
- When firms attempt to become socially responsible, they may face the risk that the environmentally responsible action of today will be found to be harmful in the future.
- While governmental regulation is designed to give consumers the opportunity to make better decisions or to motivate them to be more environmentally responsible, there is difficulty in establishing policies that will address all environmental issues. Thus governmental attempts to protect the environment may result in a proliferation of regulations and guidelines, with no one central controlling body.
- Reacting to competitive pressures can cause all "followers" to make the same mistake as the "leader."
- The push to reduce costs or increase profits may not force firms to address the important issue of environmental degradation. End-of-pipe solutions do not necessarily address the larger environmental problem, though it may minimize its short term affects.

CHALLENGES

• Need for standardization

It is found that only 5% of the marketing messages from "Green" campaigns are entirely true and there is a lack of standardization to authenticate these claims. There is no standardization currently in place to certify a product as organic. Unless some regulatory bodies are involved in providing the certifications there will not be any verifiable means. A standard quality control board needs to be in place for such labeling and licensing.

• New concept

Indian literate and urban consumer is getting more aware about the merits of Green products. But it is still a new concept for the masses. The consumer needs to be educated and made aware of the environmental threats. The new green movements need to reach the masses and that will take a lot of time and effort. By India's ayurvedic heritage, Indian consumers do appreciate the importance of using natural and herbal beauty products. Indian consumer is exposed to healthy living lifestyles such as yoga and natural food consumption. In those aspects the consumer is already aware and will be inclined to accept the green products.

• Patience and perseverance

The investors and corporate need to view the environment as a major long-term investment opportunity, the marketers need to look at the long-term benefits from this new green movement. It will require a lot of patience and no immediate results. Since it is a new concept and idea, it will have its own acceptance period.

• Avoiding green myopia

The first rule of green marketing is focusing on customer benefits i.e. the primary reason why consumers buy certain products in the first place. Do this right, and motivate consumers to switch brands or even pay a premium for the greener alternative. It is not going to help if a product is developed which is absolutely green in various aspects but does not pass the customer satisfaction criteria. This will lead to green myopia.

GREEN MARKETING AND SUSTAINABLE DEVELOPMENT

According to the World Commission on Environmental Development (1978), Sustainable Development is "meeting the needs of the present without compromising the ability of the future generations to meet their own needs". The common theme throughout this strategy of sustainable development, is the need to integrate economic and ecological considerations in decision making by making policies that conserve the quality of agricultural development and environmental protection. This is what the end product of green marketing is, environmental protection for the

present and the future generation. The development of energy- efficient operations, better pollution controls, recyclable and biodegradable packaging, ecologically safe products are all part of green marketing which also leads to sustainable development.

GREEN MARKETING IN GOA

Green Essentials - Taleigao, Goa.

Started by Karan Manral and Yogita Mehra, They have made a foray into waste management, naturally. Green Essentials largely has the more popular terracotta compost pots ideal for apartment dwellers that aerobically turn all the biodegradable waste into ready to use compost. It also has insect and pest repellants and anti bacterial solutions that are chemical free and double up as air fresheners. Still in its nascent stage, being only a few months old, Green Essentials has already made profits way beyond expectations with only word of mouth publicity and referrals. Currently all the products are sourced from outside the state and are reasonably priced.

Valmik Construction

Datta Naik is an established veteran in the Goan real estate market. 'The Landings' is one of the first project in Goa to go eco-friendly and implement comprehensive and scientific green design guidelines from the Indian Green Building Council.

Integrated Water Management Plan

- Rainwater harvesting and Groundwater recharge
- Sewage treatment plant with ultra-purification
- Water-efficient fixtures and controls

Comprehensive Energy Efficiency

- Thermal efficiency measures for building exterior to reduce cooling requirements
- Solar Photovoltaic Power for common lighting
- Solar Thermal for water heating

Health and Well-Being

- Non-toxic low-VOC interior paints and finishes
- Fenestration design for optimum natural light and fresh air in living spaces

Eco-Friendly Idols

Idols in Goa are done considering the environment aspects. Idols of vegetables, dals, coconut coir, etc. The main goal is to save our marine life and environment by adopting Go Green Ganesha (eco-friendly) idols as an environment-saving alternative to the harmful Plaster of Paris (PoP) Ganesha idols.

CONSUMERS OF GOA

It is found that green businesses have a great potential in Goa as most Goans as consumers are not only well informed and aware but inquisitive and enthusiastic too. Almost all the consumers have shown a change in their attitude in order to preserve our environment. But on the other side they are not willing to pay a premium for green products. There is future for green products, provided they are sold at lesser price. The survey was done in Panjim and Vasco area which are metropolitan cities and their views are different compared to remote areas. So it may be wrong to say that majority of Goans are aware of it. But with the advent of people becoming more environment friendly in future period of time, Goans are going to go green.

LIMITATIONS

1. There were difficulty in securing information about green marketing in Goa as there are few enterprise who are dealing with green marketing.

2. The accuracy of data depends upon the information given by the respondents.

CONCLUSION

Green marketing helps in the effective outcomes like cost cutting, employee satisfaction, waste minimisation, society welfare for the companies as well for society also.

Now this is the right time to select "Green Marketing" globally. It will come with drastic change in the world of business if all nations will make strict roles because green marketing is essential to save world from pollution. Green marketing should not be considered as just one more approach to marketing, but has to be pursued with much greater vigor, as it has an environmental and social dimension to it. With the threat of global warming looming large, it is extremely important that green marketing becomes the norm rather than an exception or just a fad. Recycling of paper, metals, plastics, etc., in a safe and environmentally harmless manner should become much more systematized and universal.

Green Marketing is still in its infancy stage and a lot of research is to be done on it to fully explore its potential. It is the right time to adopt the concept of sustainable development in the marketing mix of the companies and integrate them to save the planet from the upcoming risk.

BIBLIOGRAPHY

1. Journal Of Commerce & Management Thought, Studies In Business Practises, G. Suresh, Consumer Confidence Towards Green Products, 2012.
2. Down To Earth, Anumita Roychoudhury, Green Buildings: It's Common Sense, September 16-30, 2012.
3. Down To Earth, Mahazareen Dastur, How Green Is Green? June 1-15 2012.
4. www.wikipedia.com
5. www.scribd.com
6. www.chillibreeze.com
7. www.indianresearchjournals.com
8. www.electronicgreenjournal.com
