

Contemporary green marketing paper flashcard



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Green marketing is a hometown which has developed particular importance in the modern market and has emerged as an important concept in India as in other parts of the developing and developed world, and is seen as an important strategy of facilitating sustainable development. A "Green" business activity can be defined as any business activity that is performed in a way so that it has either limited negative ecological impact or it directly benefits the natural environment in some way. The issue of environmental protection has brought the consumers, the industry and the government to a common platform where each has to play its own role.

In present scenario govt. Regulations and consumers concern for the environment create opportunities for green marketing and forced business to adopt green business strategy. Corporate entities worldwide in general and Indian corporate in particular are now focusing on green marketing as strategy to beat competition, attract customers, become closer to public and society. Corporate entities are taking up green initiatives as a part of corporate social responsibility which is mandatory in India. Major players in the industry have taken various initiatives to prove themselves as environmental friendly.

This paper will attempt to introduce the term and concept of green initiatives, green business strategy, and green marketing activities, analyze reasons that make the organizations interested in adopting green marketing, need & applications of green marketing and benefits to organizations and how all this has changed the face, scope and potential of green marketing, making it most contemporary and essential modern marketing approach. Keywords - Green Marketing, green marketing

practices, green initiatives, green marketing applications, green business, green organizations, “ going green” etc

The term green marketing is often used loosely and in the wrong context. Green marketing is the marketing of products which are considered not to be harmful for environment. The terms like phosphate free, recyclable, refillable, ozone friendly and environmentally friendly are some of the things consumers most often associate with green marketing. But green marketing incorporates a broad range of activities such as the product modification, changes to the production process, packaging changes, as well as modifying advertising which can be applied to consumer goods, industrial goods and even services (Welling and Chapin 2010).

According to American Marketing Association “ Green Marketing is the marketing of products that are presumed to be environmentally safe”. Hence being a very broad concept green marketing incorporates all activities designed to generate and facilitate any exchanges intended to satisfy human needs and wants, such that the satisfaction of such needs and wants occurs with minimum detrimental effect on the natural resources. One of the biggest problems with the green marketing area is that there has been little attempt to academically examine environmental or green marketing.

Some businesses have been quick to accept concepts like environmental management systems and waste minimization, and have integrated environmental issues into all organizational activities. Conceptual Discussion - “ Green Marketing” refers to holistic marketing concept wherein the production, marketing consumption and disposal of products and services

happen in a manner that is less detrimental to the environment with growing awareness about the implications of global warming, non biodegradable solid waste, harmful impact of pollutants etc. Both marketers and consumers are becoming increasingly sensitive to the need for switch in to green products and services. While the shift to “ green” may appear to be expensive in the short term, it will definitely prove to be indispensable and advantageous, cost-wise too, in the long run. According to Jacqueline Ottoman (1993), Green Marketing serves two key Objectives first , achievement of Organizational goals and second to enable the development of products that incorporate convenience, affordability, economic price and performance , both objectives are served while having minimal impact on the environment.

As referred earlier Green Marketing is marketing of products that are presumed to be environmentally safe . Thus, Green Marketing incorporates a wide range of activities including product modification, Changes to the Production process, Changes to packaging as well as modifying advertising in the interest of the Society and environment. Green Marketing is also referred to as Ecological Marketing or Environmental Marketing. The term Green Marketing came into prominence in late sass’s when American Marketing Association held their first hockshop on “ Ecological Marketing” in 1975 and then Green Movement started in U.

S. A , which picked up pace with rising environmental concerns and increasing awareness among customers. Sustainable development. In 1987 , 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 needs”, the report known

as Borderland Report says Green Marketing can act as a catalyst for Corporate to achieve success in efforts of alignment towards sustainable development coupled with profitability , experienced image and economic progress.

Green Marketing has emerged as prime concern for all , developed as well as developing countries due to increased environmental deterioration and more so cause it has varying degrees of social , ethical, health and safety related angles attached to it besides its major objectives. Jacqueline Ottoman, expert, consultant and author of various books on Green Marketing recommends that environmental considerations should be integrated in all marketing elements of any Organization for becoming a successful green organization, he says that green marketing emphasizes balancing environmental issues with primary customer needs.

Green Marketing thus involves - 1. Manufacturing, Packaging and providing green products to the consumers which are of good quality and efficiency and at the same time not harmful to them even in the long run. 2. Utilization of natural and man made resources in such a manner , which will enable the future generations to avail the resources to meet their needs leading to sustainable development. 3. Most importantly framing and implementing policies for manufacturing , production , packaging and distribution processes with green touch which will not have any detrimental effect on the environment I. E. At present as well as in future.

Past decade has shown tremendous awareness about Green Marketing esp.. In U. S. A and other developed economies but still lack of understanding

about the concept and its much wider coverage leads to confusion among customers and manufacturers as well. Nevertheless, Green Marketing movement has gained much speed in the light of growing global concern about climate change. Taking an integrated approach towards green Marketing we can say that green marketing connects and influences producers, consumers, and the global. Mechanisms creating green environment thereby leading to sustainable development of the nation.

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 etc. Environment Conservation- Is the protection and positive effect on natural and environmental resources like vegetation, ground water, flora, fauna, air envelope etc, that is created by use and consumption of experienced green products & services. ii. Green Technology- Green technology is the development and application of products, equipment and systems used to conserve the natural environment and resources, which minimizes and reduces the negative impact of human activities. G. Gretchen, SCM & Clearance. Lb. Green Supply Chain- A Green Sustainable Supply Chain can be defined as the process of using environmentally friendly inputs and transforming these inputs through change agents - whose byproducts can improve or be recycled within the existing environment.

This process develops outputs that can be reclaimed and re-used at the end of their life-cycle thus, creating a sustainable supply chain. V. Green Packaging- It is process of utilization of environment friendly , natural , biodegradable, non-toxic, renewable, green non-polluting material for snacking and centralization. VI. Greenmailing- It is misleading act of companies, governments, organizations and individuals trying to promote unjustified environmentally friendly practices, products & services through branding, misleading, packaging or public relations. VII.

CEO-labeling-CEO-labeling is labeling of products and materials to indicate their environmental quality including how they have been produced and their impact on environment. CEO-labels are generally awarded by third party organizations for products and services that are determined to meet specific environmental criteria. Cost of the researchers define sustainable development as “ meeting the needs of the present without compromising the ability of future generations to meet their own needs”. Objects of Green Marketing - In brief the following are the objectives of green marketing- a.

Provision of CEO-friendly products offering convenience, comfort , performance, good price, ease of use and efficiency besides achieving organizational goals. B. Improved environmental quality and Increased customer satisfaction. C. Promotion of Green products by adapting and implementing green manufacturing and packaging strategies and practices. . Increase in productivity of natural resources. E. Promotion and implementation of environmentally sensitive production techniques. F. CEO-labeling, recycling of Scrap and waste material to produce alternate products, use of byproducts and substitutes with low energy and cost

consumption. . Allocates five features to green products – efficiency & cost effectiveness , health & safety , Performance , Symbolism & status and convenience . Many Meanings of Green (Fig. 2) Reasons for Organizations to take up Green Marketing – In today's information explosive world, environment concerns all. There is therefore an overwhelming urge on the part of consumers to do something to protect the environment, and the suggestion by marketers to buy their products which help either to protect the environment or reduce damage to the environment has highest appeal among the consumers.

Apart from this the following reasons make green marketing the right thing for the organizations to do – 1. Organizations perceive green marketing to be an opportunity that can be used to achieve their business and social objectives. 2. Organizations believe they have a moral obligation to be socially more responsible. 3. Governments are forcing organizations to be more responsible, reduce pollution, adopt alternate energy source and manage affluent besides encouraging use of biodegradable materials.

Governments also ban the production of products that are health hazards. 4.

Increasing consumer awareness and role of Nags. 5. Competitors green marketing activities pressure organizations to adopt it themselves. 6. Cost factors associated with waste disposal or reduction in material usage.

Contemporary Green Marketing Mix – The new green marketing mix has been redefined to provide not only green edge but green content to the marketing readings- prefer environment friendly products. Products can be made from recycled materials or used goods. Efficient products not only save

fuel, water, and money and the environment friendly manufacturing forms the chief virtue of the product.

For example NIKKEI is marketing its Air Jordan shoes environment friendly as it has significantly reduced the use of glue adhesives. So also many famous brands selling leather-goods manufacture their products with artificial leather, and project this fact. 2. Price: Green Pricing takes into consideration, the people and planet along with the refit in such a way that it prices the product to cover the expenses on green ingredients as well as people's health and environment. Wall mart unveiled its first recyclable cloth shopping bag and started charging for plastic bags. This has been adopted by Metro Cash & Carry mega malls in India also. . Place: Green Place is about managing logistics to cut down on transportation emissions, thereby in effect aiming at reducing the carbon footprint: For example, marketing an imported fruit drink brand can be carried out by licensing local production thereby avoiding shipping and transporting costs and consequent mission and pollution. Most of the reputed brands of drinks do this. 4. Promotion: Green promotion involves campaigns, advertising, marketing materials, signage, white-papers, websites videos and presentations all proclaiming the environment-friendly product or process .

TIC has introduced environment friendly papers and boards which are free of chlorine. Toyota is pushing its electricity and gas-based hybrid car, We also see signboards like reliance fresh, Fresh @ Maidenhair, Fresh & Dies , and hoardings for green concrete blocks by Pocketed Cements to cite a few.

Steps for Orientation of Organizations towards green marketing- 1 .

Integration of green initiatives into every organizational aspect Companies

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are trying to link the corporate brand to efforts in social responsibility and environmental stewardship can affect the bottom line as it improves customer relationships.

At United Parcel Service (UPS), the company shortened delivery routes by 28.5 million miles, saving 3 million gallons of gas and reducing carbon emissions by 31,000 metric tons. The company is trying to develop their brand image through efficiency and environmental savings.

2. Using collages and ecology on products or marketing materials - Perhaps the most well-known collage is the recycling symbol composed of chasing arrows, created in 1970 by Gary Anderson, who won a graphics and design competition hosted by the Container Corporation of America. Other widely recognized symbols include the USDA Organic, which signifies the use of organic ingredients in food; Forest Stewardship Council (FSC) indicates wood and paper products produced in methods that advocate responsible forestry; and Energy Star identifies home, building and construction, and electronics that are energy efficient. But these labels should be adopted carefully as consumers today only recognize a handful of labels. Therefore, marketers must identify whether the logo is credible, meaningful and recognizable by the intended audience; and whether it fits with the organization's message.

Engaging consumers in green marketing: Companies should try to motivate consumers by encouraging them to participate in the campaign or directly other marketers to participate in green programs online. A largely positive feedback from marketers is seen who've attempted to bring customers into the mix and the number of those doing so is growing. One such example is the "Recycle Please" program, a nationwide public education campaign

where DAM members are asked to display a “ Recycle Please” logo in catalogues and direct mail pieces. 4.

Asking and respecting customer choices and preferences: Companies that are leveraging customer data and respecting their preferences will inevitably have fewer unnecessary mailings. In October 2007, the DAM launched its Commitment to Consumer Choice policy, which among other stipulations, requires all DAM members to provide existing and prospective customers and donors with notice of an opportunity to modify or opt out of commercial communications. By giving consumers this choice, companies are not only acting environmentally responsible, but also reinforcing their corporate responsibilities. 5.

Adopting a lifestyle approach: Companies are selecting green materials and products for their marketing materials and adopting a lifestyle approach that looks at the whole of the campaign, thereby foreseeing areas of potential waste. More & more marketers are adopting recycled and FCC-approved papers and printing, vegetable and soy-based inks, smaller formats and trim sizes, and a reduction in paper use overall. Aromatherapy and skincare treatment provider Decoder now only uses Programmer for the Endorsement of Forest Certification and FCC-certified paper, despite the fact that it's 3 percent to 7 percent more costly.

Moreover, the company only maintains relationships with FCC- certified printers and has actually stopped doing business with a printer that wasn't green until that printer came back six months later newly certified. 6.

Shifting to the virtual space: Digital marketing was projected to reach \$25. 6

billion in 2009, and reach \$55 billion, 21 percent of all marketing spend, by 2014, according to Forrester Research's United States Interactive Marketing Spend report. Channels included in this report were mobile marketing, social media, email marketing, display advertising, and search marketing.

More and more companies are requiring that employees remind email recipients to think about the environment before printing. Popular Recycle Logo Organizational Strategies for Going Green - The profit of the green market is the innovation, flexibility and change (Polygons 1991). The new rules have emerged from the cloud of green marketing. Ottoman consulting has suggested seven winning organizational strategies of green marketing, which are as below

1. Understand the full range of environmental, economic, political and social issues that affect consumer, products and services now and over the long term.
2. Create new products and services that balance consumer desire for high quality, convenience and affordable pricing with minimal environmental impact over the entire life of the product.
3. Empower consumers with solutions. Help them understand the issues that affect your business as well as the benefits of your environmentally friendly products.
4. Establish credibility for marketing effort.
5. Communicate corporate commitment and project your values.
6. Don't quit. Continuously strive for Zero environmental impact of your products and processes; learn from mistakes.

Green Marketing Practices & Initiatives By Organizations - There are numerous examples of firms who have strived to become more environmentally responsible, in an attempt to better satisfy their consumer need. McDonald's replaced its clam shell packaging with waxed paper

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because of increased consumer concern relating to polystyrene production and Ozone depletion. Xerox introduced a “ high quality” recycled photocopier paper in an attempt to satisfy the demands of firms for less environmentally harmful products.

This is not to imply that all firms who have undertaken environmental marketing activities actually improve their behavior. Organizations like Body Shop heavily promote the fact that they are environmentally responsible. While this behavior is a competitive advantage, the firm was established specifically to offer consumers environmentally responsible alternatives to conventional cosmetic products. An example of a firm that does not promote its environment initiatives is Coca Cola.

They have invested large sums of money in various recycling activities, as well as having modifies their packaging to minimize its environmental impact, Walt Disney World (WAD). WAD has an extensive waste management programmer and infrastructure in place, yet these facilities are not highlighted in their general tourist promotional activities. In India Updater Thermal Power station of NNTP in Delhi is devising ways to utilize coal-ash that has been a major source of air and water pollution and Brain refinery of OIC is taken steps for restricting air and water pollutants.

The environment responsible behavior (Davis 1992) originates from the realization that they (organizations) belong to the world community. As a result of this, organizations achieve their profit objectives along with environmental objectives . There are many examples of companies all over the world that apply environmental policies in order to become more

responsible for the environment such as 1. Window (Taiwanese company) is dedicating research and development of innovate high-tech products and to the advancement of information society toward higher efficiency in resource utilization.

Also, Window follows ISO 14001 clauses to establish and review the essential environmental objectives and targets on all function areas of activities, products, and services through management mechanisms. 2. Johnson & Johnny's goal are based on identifying all sources of waste within every plant, developing a five-year capital appreciation plan for waste reduction activities, estimating waste reduction savings, benchmarking best-in-class practices among Johnson & Johnson companies and other corporations, and formulating measurable goals. 3.

McDonald's replaced its clamshell packaging with waxed paper because of increased concern relating to polystyrene production and ozone depletion. 4. Xerox introduced a high quality recycled photocopier paper in an attempt to satisfy he demands of firms for less environmentally harmful products. 5. The controlling vision of Ben & Jerry has linked prosperity of stakeholders through continued evaluation and improvement of its performance with respects four mission. Major Global Green Practices - 1 . Tests is pumping \$Mann into environmental technologies to reduce the amount of energy they use by 50% compared with 2000 levels, by 2010. N addition to building 80 new stores across Britain over the next year -the greenest of which will be constructed of recycled materials and will burn food waste for electricity-they are also making small changes that could have big results. They are paying customers not to use plastic bags which they expect would cut consumption

by 25% in two years. 2. Renewable Energy Corp., a Norwegian Solar energy company, had the world's largest ever renewable energy PIP in May. 3. \$30 MN is what Goldman Sachs invested in Canadian alternative-fuels company Logon.

It was one of the several green ventures for ex-Goldman and Nature Conservancy head Henry Paulson, US Treasury sec. 4. According to a recent report from the climate group, an international environmental charity, 43 multinationals -including Brayer, Dupont -saved a combined \$1.6 bn last year by improving energy efficiency, reducing waste output and harnessing solar power. 5. GE's CONTAMINATION campaign to cut carbon emissions, partly by selling low emissions products ranging from power plants to fluorescent light bulbs have raked in \$1.1 bn in 2005 as compared with \$6.1 bn in 2004. The World's two largest insurance cos. Swiss Re and Munich Re are now taking cos. Policies on climate change into consideration when determining risks. Similarly in Japan about 800 cos. Annually publish reports explaining how they plan to cut carbon emissions and make their products and factories greener. 6. GE signed a deal of \$10 bn with British Petroleum to develop hydrogen power plants that will capture carbon and bury it underground so it doesn't lead to global warming. 7. Goldman Sachs has invested more than \$1.5 bn in renewable energy sources, including bio fuels 8.

Markets are also beginning to recognize that cos. That do not do right by Mother Nature may have more volatile stock prices. SEG (Environmental, Social and Governance) Index now ranks the world's largest cos. Based on how environmentally friendly their operations are. Some of the Venture

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Capitalists who bankrolled the dot com boom of sass now see alternative forms of energy as next big thing. 9. Vandall Stamps, the silicon valley venture capitalist who got big and early with Google and Amazon, is now betting \$man of his dot com cash on next generation ethanol. 10. Venture capital investment in renewable energy coos. Was up 36 % last year to a record \$Mann. 11. The wilder Hill Clean Energy Index which charts 40 alternative energy firms has risen 485 since its 2004 debut. 12. World's largest wind turbine energy firm, Solon Energy was 28 times oversubscribed when it launched for \$340 MN at the end of last year. 13. Chinese Solar company Sunsets power raised \$ Mann in December. 14. Largest venture capital backed PIP in Europe last year was of German renewable energy company Q-cells, which raised \$ 400 MN in a month. Cosmetics and toiletries manufactured from herbs and plant extracts has been popular in many Asian countries. However, green marketing of these products is rather recent. Encouraged by the growing environmental consciousness on the part of citizens and a growing market for cosmetics and toiletries, several global and local impasses have entered Thailand. Major Indian Organizations & their Green practices- State Bank of India: By using CEO and power friendly equipment in its 10, 000 new Tams, the banking giant has not only saved power costs and earned carbon credits, but also set the right example for others to follow.

SIB is also entered into green service known as " Green Channel Counter". SIB is providing many services like; paper less banking, no deposit slip, no withdrawal form, no checks, no money transactions form all these transaction are done through SIB shopping & ATM cards. State Bank of India

turns to wind energy to reduce emissions Going green @ Data - Carbon Emission cut across Companies, If globalization was the driving factor for Data Group in the last decade, going green may well be the buzzword for the present one.

From being on the fringe, the green movement is gaining momentum within the group. Indian's oldest industrial house is stepping up efforts to reduce its carbon footprint across the value chain ? from manufacturing processes to distribution networks to CEO-friendly consumer products. For instance, Data Steel aims to reduce carbon dioxide emissions at its Jackhammers Lana from the current tone to 1. 7 tone per tone of liquid steel made by 2012. The ideal global benchmark though is 1. 5.

Data Motors is setting up an CEO-friendly showroom using natural building material for its flooring and energy efficient lights. Data Motors said the project is at a preliminary stage. The Indian Hotels Company, which runs the Tag chain, is in the process of creating CEO rooms which will have energy-efficient mini bars, organic bed linen and napkins made from recycled paper. One of the most interesting innovations has come in the form of a biogas-based rower plant at Tag Green Cove in Coverall, which uses the waste generated at the hotel to meet its cooking requirements.

Green Suburban Transport India may have recently vowed to slash carbon emissions by 20-25 per cent but Mamba's new electrical suburban trains are already speeding ahead of this target. These local trains curb carbon emissions by 40 per cent and save 30 per cent more electricity than a normal train. The saving is made through the regenerative braking system,

which reuses electricity for other trains on the same line. Wiper's Green It. Wiper can do for you in your quest for a sustainable tomorrow - reduce costs, reduce our carbon footprints and become more efficient - all while saving the environment.