

## **Green Marketing: Golden Goose or Lame Duck**

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### **Abstract**

Earth is common to all. No one has any right to destroy its beauty. But humans, in order to satisfy their unlimited greeds, exploit mother earth's resources, making it unsuitable for the posterity. With increasing awareness among customers about the intensifying environmental crises and of the term that "my interest is the future where I am going to spend rest of life", marketers were also required to pay attention towards going green. However, many firms are using going green tool as an illusion, and misleading customers. This paper will focus on the concept of green marketing, green washing, benefits of going green, golden axioms of green marketing and strategies for going green, and the sins of green washing and ways to detect green washing. The paper will also pinpoint the initiatives by companies following green marketing and green washing, and explores opportunities and challenges business houses have with green marketing prospects.

**Keywords-:** Green washing, Green marketing, Sustainable development, Green code

### **Introduction**

We have noticed that, over the period of recent years, weather has been hotter than usual leading polar icecaps to melt, flooding certain areas and causing imbalance for natural habitat. It is biggest need of the time to have check on activities which are making mother earth unsustainable. According to Hawker, business has three issues to face-what it takes, what it makes and what it wastes. What it takes is the material taken from environment. What it makes is the product through the process of conversion and transformation. What it wastes is the environment cost arising from hazards to environment and this being most important factor to be considered. As consumers are becoming more and more conscious about the earth's sustainability, they have started to consume green products in their basket. Successful marketing has always been about recognising trends and positioning products, services and brand in a manner that supports consumer's intention as we live in a world where consumer is king. So, business houses have diverted their marketing attention towards going green instead of making, distributing, promoting products which are not environment friendly. This has lead to the emergence of the concept green marketing. By using green marketing as a marketing tool, business houses not only gets an opportunity to satisfy customer's expectation and address to environmental degradation, but also gains competitive edge and strong customer base and ease in getting license by governing body.

### **Research Objective**

- To know concept of green marketing and green washing
- To study need and importance of going green

- To acquaint with sins and method of detecting green-wash activities
- To explore companies practicing green marketing and green washing
- To identify challenges and strategies in pace of green marketing

### **Green Marketing**

The term Green Marketing came into prominence in the late 1980s and early 1990s. Green marketing consist of two words-Green means Earth and Marketing-Eco friendly innovation. So, Green marketing is marketing of products that are environmentally safe and which are less detrimental to human health. It is holistic marketing concept wherein activities designed in a manner which is less detrimental to environment.

Green marketing is not just concerned with giving green theme to companies, brand name or designing and packing product in green colour. It is the activity which, in total, focus on eliminating the processes which are destructive to environment and using methods for designing, promoting, distributing products in a eco-friendly way. No doubt by opting for such activities, business houses have to pocket out extra money but in long run this will pay to firms in terms of increased sales, revenues, profitability, customer base.

According to American Marketing Association(AMA)," Green Marketing is the marketing of products that are presumed to be environmentally safe, involves developing and promoting products and services that satisfy customers wants and needs for quality, performance, affordable pricing and convenience without having a detrimental input on the environment".

According to J. Polonsky, green marketing defined as "All activities designed to generate and facilitate any exchange intended to satisfy human needs or wants such that satisfying of these needs and wants occur with minimal detrimental input on national environment"

According to Pride and Ferrell " Green marketing refers to an organization's efforts at designing, promoting, pricing and distributing products that will not harm the environment".

### **Green-washing-**

It is illusion of going green. It is a disinformation promulgate by business houses to present an environmentally responsible public image. Green-wash is the practice of spending money on more advertising of being green instead of spending on environmentally safe practices. Green-wash cripples the customer in differentiating between valid and invalid claims.

"Disinformation disseminated by an organization so as to present an environmentally responsible public image; a public image of environmental responsibility promulgated by or for an organization, but perceived as being unfounded or intentionally misleading"

Green-washing is a figurative expression like "whitewash" used in green marketing to build a perception that business is indulge in activities which are environmental amiable. As we know there is wide difference in saying and doing. In other terms organizations are making claims of practicing green activities and heading towards green by spending vast resources on advertisement. In the race of earning huge profits in short span, organizations are trying to mislead buyers by creating gap between what buyers perceive and what companies are trying to communicate. There has been lack of genuine adherence by many companies in India and due to which buyers became cynical.

### **Why Firms Going Green-**

Green marketing is inescapable as in a situation where there is great need to save our mother earth so as to make it sustainable. As consumers started preferring green products, so it became inevitable for marketers to adopt green marketing. Green marketing have been adopted by firms on a worldwide scale and following are the reasons:

- **Opportunities-** With increasing awareness among customers about environmental crisis, they shifted demand to eco-friendly products and marketers saw these changes as an opportunity to grab and have competitive edge over the firms marketing non eco-friendly products.
- **Corporate Social Responsibility-** Many business houses have understood that it is their responsibility to behave ethically in a society as they get their resources from society only. With this many firms have laid their environmental objectives along with their profit related objectives. Business has not only to do business but has to shoulder the social responsibilities for better customer service and self improvement.
- **Government pressure-** Government of India has framed various regulations to protect society and check on production of harmful products by increasing tax and duties over it. Example- Ban of plastic bags in India; Supreme Court's decision to change of fuel in Delhi adopting for CNG in all public transport.
- **Competitive Pressure-**Green Marketing tool provides a competitive edge to firms adopting it. Green marketing initiatives by firm leads their competitors to promote eco-friendly behaviour. Sometime this competitive pressure causes industry to go green and reduce its impact on environment.
- **Cost or Profit issue-**With the adoption of symbiotic relation in which waste generated by one firm is used by another as a cost effective raw material which leads to significant cost saving to a firm in their cost sheet.

#### **Advantage of Going Green-**

List of the advantages by going green is illimitable but some of them are as follows

1. Provides competitive edge
2. Saves consumption of raw material and minimisation of wastage
3. Build image of Socially Responsible Company
4. Ensures long term growth with sustainability
5. Employees feel proud and confident in working with companies practicing green marketing
6. Saving scare resources which can help our off-springs
7. Marketeer can charge premium on products
8. Builds brand equity and wins brand loyalty from customers
9. Educates customers and provide them with the opportunity to participate in environmental friendly activities.

Thus Green Marketing promotes value-addition, energy saving, better performance, health and safety, social status and convenience

#### **Golden Axioms Of Green Marketing-**

- **Customer should be aware-** This law states marketeer should assures himself that buyer is aware and have concern about the issues which his product going to address.

- **Educate your buyers-** This law focuses on providing education to buyers about what marketer is doing to safeguard the environment and why there's need to do such activities.
- **Have Genuineness-** This law states marketer should makes such claims which are true and transparent as some companies tries to add customer base by indulging in green-washing.
- **Buyer be reassured-** Buyers should be assured that product performs its job as supposed to be. Marketeers should not desist product quality in the name of environment.
- **Consider your pricing-** Marketeers are charging premium for green product as it involves high cost of production. Make sure that buyers are willing to afford premium and feel worthwhile.

#### **Sins of Green-washing-**

- **Sin of Hidden Trade-Off-** This is committed by claiming a“product is green based on an unreasonably narrow set of attributes without attention to other important environmental issues.”. This sin committed by ink cartridges, dishwasher and laundry detergent, bathroom and multi-purpose cleaners, air fresheners, flooring laminate, wood paneling, and pesticides.
- **Sin of no proof-** Any environmental claim that cannot be authenticated by easily accessible supporting information, or by a reliable third-party certification. This sin committed by Personal care products (such as shampoos and conditioners) that claim not to have been tested on animals, but offer no evidence or certification of this claim.
- **Sin of Vagueness-** Claim that is defined in a badly manner that its real meaning likely to mislead potential customer. Example-“Chemical-free” claim as nothing is free of chemicals even water.
- **Sin of Irrelevance-** Claim that is truthful but not important for buyers requiring greener products. Example CFCs have been legally banned for almost 30 years, there are no products that are manufactured with it. Nevertheless, we found many individual products that presented CFC-free claims
- **Sin of Lesser of the Two Evils-** Claim that is true within product category but distorts buyer from greater environmental impacts of the category as a whole. Example- Organic cigarettes.
- **Sin of Fibbing-** Making environmental claims that are simply false. Example- Dishwasher claims to be packaged in “100% recycled paper”, and yet the container is plastic.

#### **Detecting Green-wash-**

There is no perfect tool to check for green-wash but the company Greenpace has contributed four point checklist called "CARE". CARE, helps in identifying dubious claims made by business houses of going green, stands for Core business; Advertising record; Research & development funding; and Environmental lobbying.

- **Core business-** Business activity of a company which is main. If company's core

business is to contribute towards environmental destruction and still company claims to be environmental friendly, then it is sure company's claim is green-wash.

- **Advertising Record/ Practice-** When company have huge advertisement budget and trying to spend on proving itself that it have green practices, so there is every try of company to green-wash.
- **Research and Development (R&D)-**R & D is core of any organization. If amount is invested to develop or reinforce unsustainable practices, so there is every try of company to green-wash.
- **Environmental Lobbying Record-** Companies that say one thing and do something different which the entire industry sees as injustice.

#### **Companies going green in India-**

**There is a big list of companies practicing green marketing but some of them are-**

1. **McDonald's** restaurant's napkins, bags are made of recycled paper.
2. **Badarpur Thermal Power station of NTPC in Delhi** is devising ways to utilize coal-ash that has been a major source of air and water pollution.
3. **Barauni refinery of IOC** is taken steps for restricting air and water pollutants
4. **Starbucks** coffee cup sleeves made of recycled paper saving roughly 78,000 trees per year
5. **Walmart** using 100% renewable energy sources
6. **LG** launched a range of eco-friendly products 'Eco-Chic' such as the platinum coated two-door refrigerator and washing machine with steam technology
7. **Samsung** has launched its advanced range of Split ACs, which claim to save up to 60 per cent energy
8. **Lifebuoy** advertising campaign encouraging children to keep their streets clean and not worry about germs as Lifeboy protects them.
9. **New Surf Excel** (Do Bucket Paani... Ab Rozana Hai Bachana) concerns for reducing water consumption
10. **Honda** introduced its Civic Hybrid car.
11. **Indusland Bank** installed the country's first solar-powered ATM and thus brought about an eco-savvy change in the Indian banking sector

#### **Companies practicing green washing in India-**

- **Coca Cola-** Coca-Cola was accused of polluting the canals that lead to the river Ganges and damaging the agricultural field surrounding northern part of India like Uttar Pradesh. Eight Coca-Cola bottling plants were tested and toxic heavy metals like lead, cadmium and chromium were found.
- **Nestle-** Nestle took help of "cause-related marketing" and launched a campaign in August 2012 in association with CRY, Times of India and cinema celebrities like Konkana Sen Sharma, Shabana Aazmi, which projected itself as mother and child friendly. Though misunderstood by the celebrities, but still the company's name got authenticity and legitimacy by their presence. Taking it to be a green-washing activity, Smt. Krishna Tirath, Minister of State (I/C) Women and Child Development Government of India, declined to participate in this very event.

- **Indian Railways-** Indian Railway Minister Pawan Bansal announced that “Railways remain firmly committed to protecting the environment and promoting sustainable development and use of energy efficient technologies.” It does not fulfill what it states.
- **HCL-** George Paul, the company's executive vice president who said that “HCL, as a socially responsible corporate citizen, has a comprehensive program to ensure protection of environment, health and safety of all its stakeholders, which also recognizes the need to minimize the hazardous impact of e-wastes of its products on the environment.” But company using PVCs and BFRs which are toxic chemical being used while manufacturing electronic products and computers.

### **Challenges in Green Marketing-**

1. **Need for Standardization-** There is no standard base to authenticate claims made by firms of going green. Regulatory Bodies need to place certain provisions for protecting customers expectations.
2. **Understanding-** As some consumers are aware of environmental crisis and green products but still many are unaware and to make them aware it will take lot of time and efforts as people generally resist to change. Even people prefer to satisfy their personal needs before caring for environment.
3. **Avoiding Green Myopia-** Green marketing must achieve two goals: improved environmental quality and customer satisfaction. It is of no use if product is green in all aspects but cannot provide customer satisfaction.
4. **Patience-** Marketeers should view environment as basket of long term opportunities. Marketeers who want to be rich in short span, try to play with customers' perceptions by making illusion of going green. Green marketers should acquaint themselves with old saying "Sabar ka faal meetah hota hai".
5. **Convincing -** Green Marketing have to strive hard in convincing stakeholders and many times it fails to convince due to its short term huge expenses compared to long term results.
6. **Unwilling to Pay Premium-** Customers have become health conscious but still their are certain segments who are not ready to pay extra price for a product against which they can have substitute at low price.
7. **Costliness-** Green Marketing is a golden goose but still it involves huge cost as renewable and recyclable material, water treatment technology and R&D investment is costly affair.
8. **Herd following-** Following the competitors in race of going green will lead to same mistakes as the leader is committing.
9. **Lack of Policies-** Government regulations are designed to help customers in making better decisions or to make more socially awarded but it is not possible for establishing policies relating to all environmental issues.
10. **Consumer Attitude vs Behavior-** There is a gap between environmental understanding and green purchase behavior. Better understanding can be through green marketing tools about green product by which consumers purchasing behavior can be changed.

### **Strategies for Green Marketing-**

Ken Peattie (1999) defined environmental marketing in terms of customer satisfaction in a sustainable fashion which refers as 'the holistic management process responsible for identifying, anticipating, and satisfying the requirements of the consumers and society, in a profitable and sustainable way'. It implies that business houses have to determine needs of target customers and deliver them benefits which outweighs cost of product. Green marketing involves focusing on promoting the consumption of green products. Therefore, it becomes the responsibility of the companies to adopt creativity and insight, and be committed to the development of environment-friendly products. This will help the society in the long run. Companies which embark on green marketing should adopt the following principles in their path towards "greenness."

- Adopt technology/ process that reduces environmental crisis
- Establish Management Control System that will lead to adherence of stringent environmental safety norms.
- Explore ways of recycling leading to less wastage
- Marketing Audit (including internal and external situation analysis)
- Develop a marketing plan outlining strategies with regard to 4 P's
- Implement marketing strategies
- Plan results evaluation
- Designing of bio-degrading prone packaging
- Product Differentiation
- Value positioning of consumer

### **Conclusion-**

Sustainability is the biggest part of corporate strategy and companies are diverting their focus towards going green. Though sustainability and eco friendly practices add significant cost to company's bottom line but also result in future savings. As Paul Hawker (1995) states that business is the only mechanism on the planet today powerful enough to produce the changes necessary to reverse global environmental and social degradation.

Green marketing has the ability to meet present needs and wants of the customers without compromising the ability off-springs to meet their needs and wants. With green marketing practices human needs and wants satisfied without creating the environmental crisis. Corporations should strengthen their status in competitive world by going green

Many companies treating recent trends towards going green as burdensome and in order to earn huge profits in race of going green, started playing with perception of buyer by making false claims of going green. False claims will definitely confuse customers about credibility of organization. If this green-washing goes on real green companies will lose their footings in business world. It is time that consumers should get knowledgeable against green-washing. Legal machineries should get more stringent regarding green-washing. Consumers can test a companies' honesty in terms of green-washing by probing into "Core Business", "Advertising Practices", "Research and Development" and "Environmental Lobbying Record". Harnessing the market forces that favour green product development will lead to mainstream green.

Resources are scarce and human wants are unlimited, it is important for the marketeers to utilize

the resources efficiently without waste as well as to achieve the organization's objective. So green marketing is inevitable. Customer is ready to pay the eco-premium but marketers have to enhance the performance of their product and avoid indulging in green-washing activities. 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 and leave planet earth sustainable for the future generations.

Thus Green Marketing is a golden goose as it improves efficiency of resources, decreases cost, provides competitive edge, increases firms value, retains image and builds brand loyalty among customers.

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