



**INTERNATIONAL JOURNAL OF NOVEL RESEARCH  
AND DEVELOPMENT (IJNRD) | IJNRD.ORG**  
An International Open Access, Peer-reviewed, Refereed Journal

# GREEN MARKETING

## “IT’S IMPACT ON GLOBAL MARKET”

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### ABSTRACT

*Green marketing is a new phenomenon which has developed in the global market and has become an important concept in India and other countries. During recent times consumers prefer more environmental friendly products over traditional products and their opinion and preferences has been changed towards the green products because of environmental issues. Green marketing means production, promotion and distribution of products and services which are environment friendly in nature and protect the environment from its degradation. Green marketing is a modern concept and it is adopted by companies and business firms due to harmful effect on the environment. This research paper explains the concept of green marketing, evolution of green marketing, green marketing mix, and challenges of green marketing and also explains the companies who are adopting green strategy in the market and also explains the factors which can influence the green marketing. This research paper is descriptive in nature and based on secondary sources which are collected from different sources such as books, websites, articles and research paper.*

**Keywords-** Green marketing, Evolution of green marketing, Green marketing mix, Green strategy.

### INTRODUCTION

In the modern world, environmental issues such as global warming, degradation of environment, misuse of natural resources has been increased as a result consumers are preferring more eco-friendly products. Researchers and Scientists investigate different ways to conserve the natural resources and protect the

environment by utilizing the minimum use of resources and marketing of eco-friendly products which has ultimately termed as “Green Marketing”. Green Marketing came into existence in the late 1980s and 1990s. The American Marketing Association (AMA) held the first workshop on “Ecological Marketing” in 1975. The first book on Green Marketing is published with a title of “Ecological Marketing”. Traditional marketing is concerned only with the production of goods and services and earn more profits for the companies, by ignoring the environmental issues. But now time has changed customers are more demanding green products and their opinion about green products have been changed in a positive way. Concept of traditional marketing is changed into green marketing. Green Marketing refers to the process of green production of goods and services. Green marketing consists of eco-friendly activities. It includes many range of activities such as product modification according to the environment, changes the production process into green process, changes packaging into green packaging and changes advertising into green advertising. Some examples of green products are- shade grown coffee beans, paper bags, reusable containers, energy efficient light bulbs and energy efficient cars.

## DEFINITION OF GREEN MARKETING

- **American Marketing Association**, “Green marketing is the marketing of products and services that are environmental safe”
- **Michael Jay Polonsky**, “Green marketing consists of all activities designed to generate and facilities any exchanges intended to satisfy human needs or wants such that the satisfaction of these needs and wants occurs with minimal degradation impact on the natural environment”.

Green marketing works on certain principles which include the three principles for green marketing. First principle explains that product should be safe for the environment, second principle explains that price of a product should be affordable so that more customers can purchase products and third principle explains that marketing strategy used for the production, promotion and distribution of goods should be environmental oriented. The companies are working on the development of green products and green services. The important factors which can influence the green marketing are – individual income, savings, health benefits, willingness to pay for goods, sustainability, company strategies, and price of goods and packaging of goods.

## EVOLUTION OF GREEN MARKETING

Ecological marketing encourage industries and business firms to produce and promote goods and services which have positive impact on the environment and develop new technology that helps to reduce environmental problems. According to Peattie, the evolution of green marketing has been divided into three phases-

- First phase was termed as, “**Ecological**” Green marketing which are concerned with the problems related to environment and also provides the measures the solve these environmental issues.

- Second phase was termed as, “**Environmental**” Green marketing which are concerned with the production of green products which have positive impact on the environment and also take care of waste issues. This phase also includes innovation of new technology to protect the environment from degradation.
- Third phase was termed as, “**Sustainable**” Green marketing which came into existence in the 1980s and 1990s which explains the proper utilisation of natural resources.

## GREEN MARKETING MIX

A large number of researchers state that Green marketing has same components as marketing mix i.e. Green Product, Green Price, Green Place and Green Promotion. According to Kotler and Keller marketing mix can be defined as, “mixing and matching marketing activities to maximize their individual and collective efforts”.

- **Green Product-** Companies identifies the needs and wants of the consumers and produce goods according to the needs and wants of the customers. The green products have the following features-
  1. Products with green labelling i.e. eco-labels
  2. Products that can be recyclable
  3. Products that are eco-friendly in nature
  4. Products which uses less energy and have low price
  5. Products with eco-friendly packaging that helps to reduce pollution
  6. Products made up of optimum utilisation of resources
  7. Products which are concerned of sustainability issues
- **Green Price-** Price is an important factor for products as well as for customers because it decides the demand for the products. Customers are willing to pay more prices for the goods only if they are getting green benefit from the consumption of products. Green pricing should be decided that it should increases productivity and also take care of the people, planet and profit. Marketers should fix the price of green products according to the income of the customers and according to the demand of green products. Green price should be fixing in such a way that more customers can afford it and companies can earn more profit.
- **Green Place-** Place is also important factor to be considered because some people are not willing to travel just to buy products. To attract consumers place selection is important where distribution of green products is an important task. Green place is about managing logistics to cut down transportation emission and aims to reduce carbon footprint. Green products should be made easily available in the global market so that customers can easily buy the products.

- **Green Promotion-** Green promotion involves tools of promotion such as advertising, public relations, direct marketing, sales promotion and site promotions, marketing materials, videos and packaging of products. Traditional advertising are now replaced by green advertising. Many companies are promoting their products and services by using internet advertising. Internet, Web Based Marketing and Web Based advertising are important tools used by the companies for the promotion of goods and services. Many researchers have claimed for 7Ps of Green marketing which includes green process, green people and green physical evidence. Other external P's of green marketing are- paying customers, providers, politicians, pressure group, problems, prediction and partners.

#### FOUR SERVICE OF GREEN MARKETING

- Satisfaction of customer needs and wants
- Safety of products and production for consumers, society, workers and for the environment
- Social acceptability of a product, its production and other activities of the company
- Sustainability of the product, their production process and other activities of the company

#### STAGES OF DEVELOPMENT OF GREEN PRODUCT

Development of green product goes through four stages like normal product do.

<p><b>First stage</b> <b>Development Stage</b></p>	<p>During first stage, main objective of a company is to collect raw material, components parts. Here the manufacturers are encouraged to check for environmental programs of suppliers, minimal packaging of inputs and using the raw material which can be easily recycled.</p>
<p><b>Second stage</b> <b>Production Stage</b></p>	<p>This stage is focused on encouraging manufacturing companies to reduce waste, emission and toxic and also encourage manufacturers to conserve the resources and find alternative sources of energy.</p>
<p><b>Third Stage</b> <b>Consumption Stage</b></p>	<p>This stage is focusing on minimisation of packaging, conservation of energy and also focused on the reduction of waste in the environment.</p>
<p><b>Fourth Stage</b> <b>Final Stage</b></p>	<p>It is the final stage of the development of a green product. It focused on the reuse and recycling of a product.</p>

## **BENEFITS OF GREEN MARKETING**

- Green marketing increases the competition in the environment and sustained long term growth with sustainability development
- Green marketing saves time and money in the long term.
- Green marketing manufacturers and provide goods to the customers which are eco-friendly in nature and do not degrade the environment.
- Green marketing helps in the better utilisation of resources and save the resources for future generation.
- Green marketing helps in the saving of energy, reduce use of natural resources and also reduces carbon footprint
- Green marketing recycles the products into a new product which can be use in future into another form.
- Green marketing reduce the negative impact on the environment
- Green marketing helps in the implementation of new innovation and technology according to the environment.
- Green marketing also to builds the reputation of a companies and enjoy the goodwill

## **CHALLENGES OF A GREEN MARKETING**

- Green marketing is a new concept and many consumers around the world are still not aware about the green products, it is great challenge for the manufacturers to achieve green marketing successful.
- There is no compulsory rules and regulations for the consumers to purchase the green products
- Renewable resources and recyclable materials that are used in the production of a green product is expensive in nature
- Green marketing requires a new technology which requires lot of investment for the research and development
- Some customers are not aware about the green products and services so they purchase traditional products over green products.
- Customers are not ready to pay premium prices for the green products because products are expensive and everyone can't afford it.
- It is difficult to convince the customers to purchase green products.

## **REASONS FOR THE ADOPTION OF GREEN STRATEGY BY FIRMS**

- Customers are now demanding more green products over traditional products because of environment issues. Companies see it like an opportunity to adopt green marketing and market new kinds of products and earn more profits.

- Many firms have started mixing environment issues with the business firm's culture. So companies behave in an eco-friendly nature to achieve both profit and achieved environmental objectives. Firms announce their environmental strategy and they commit their action towards sustainable environment.
- Governments of different countries established different rules and regulations to protect both the consumer and environment. Government established guide lines to control green marketing claims by firms and ensure the consumers to have right information about green products.
- Green marketing increases competition pressure in the global market due to which many companies started adopting green strategy to survive in the market. Green strategy increases profits and goodwill for the company.
- Customers have changed their opinion towards green products and start demanding more green products as a result business firms and companies started practicing green strategy.
- Many companies started practicing green strategy and use alternative resources for the production of goods in order to conserve natural resources from degradation.
- The marketers have limited resources both in raw materials and financial. Adopting green strategy reduces cost of production due to use of recycle materials. The cost of reduction attracts business firms to adopt green marketing.

#### COMMON GREEN MARKETING CLAIMS BY FIRMS

- **VOC Free-** VOC stands for Volatile organic compounds. VOC usually found in paints, floor polishing, household cleaning products, charcoal lighter fluid and some hair styling products. VOC emitted gases which are negative for the environment and health of the people.
- **Free from harmful chemicals-** Companies claims that their products are green in nature and free from any harmful chemicals and do not have negative impact on the health of the users.
- **Non-Toxic-** Marketers states that their products are non-toxic in nature and it is safe for both humans and environment.
- **Ozone Friendly-** The ozone layer in the atmosphere prevents harmful radiation from the sun from reaching the earth. Company states that their products are ozone free and their products do not harm the upper ozone layer and the air at ground level.
- **Biodegradable-** Company claims that their products are easily biodegradable in nature and do not pollute the environment and does not cause harm to animals and people.
- **Recyclable products-** business firms claims that their products are easily recyclable in nature and can be used in another form and used for further manufacturing of products.

- **Carbon Offset Claims-** companies can make claims to take action in reducing greenhouses gases in the environment like planting of more trees, using green technology which is safe for the environment and reduce carbon footprint.
- **Renewable resources-** many companies claims to use more renewable resources in place of non-renewable resources and promote sustainable development by conserving the natural resources or using it in a proper way.

## TYPES OF GREEN MARKETING STRATEGIES

Green strategy helps to take decisions and transform business strategies into green strategies to improve the quality of the environment. Green strategy helps to define the goals, mission and vision of a company according to the environment and their top priorities is to provide green goods and services in the global market place. There are different green strategies which are explain below-

- **Green Design-** First green marketing strategies is to design their product and services into green from the beginning. Companies have to change their production process into green process and advertising into green advertising. Green designing is the production of products that are eco-friendly in nature and uses less energy, flexible in nature and designed for longer use and fulfil the condition of reuse, reduce and recycle.
- **Green Positioning-** Green positioning builds brand positioning by providing information about the products. Eco-friendly products will not be successful if they are not communicated properly to the customers. Green positioning is of two types i.e. functional positioning and emotional positioning which are related to customer preferences of a product.
- **Green Pricing-** Green pricing is important strategy for the green marketing because cost of production and demand of a product depends upon green pricing. Green pricing should be fixed in such a way that customers can purchase green products and allows customers to take participate in the sustainability of an environment.
- **Green Packaging-** Green packaging attracts the customers to purchase the products. Green packaging is done by using raw materials and manufacturing methods that are eco-friendly in nature and has low impact on the energy consumption and on the environment. Companies should use biodegradable packaging and provides customers with a symbol of the company claiming that companies are adopting green strategy. For example- use paper bags for packaging in place of plastic bags.

- **Green Disposal-** Green disposal considered every step of product life cycle from production to disposal. Green disposal is the recycling of products into new products and can be used in another form or used in manufacturing of other products. Green disposal reduces emissions of harmful materials and reduces pollution in the environment.

### TOP 10 GREEN COMPANIES IN THE WORLD

RANK	GREEN SCORE	COMPANY SECTOR	COUNTRY	LOGO
1	87.70%	Shire PLC (Health Care)	Ireland	
2	83.90%	Reckitt Benckiser Group PLC (Consumer Staples)	U.K.	
3	83.20%	BT Group PLC (Telecommunication Services)	U.K.	
4	82.90%	Swisscom AG (Telecommunication Services)	Switzerland	
5	82.00%	Essilor international SA (Health Care)	France	
6	81.90%	NIKE Inc. (Consumer Discretionary)	US	
7	81.80%	Unilever PLC (Consumer Staples)	U.K.	

8	80.70%	Sky PLC (Consumer Discretionary)	U.K.	
9	79.60%	Siemens AG (Industrials)	Germany	
10	78.80%	Schneider electric SE (Industrials)	France	

### COMPANIES ADOPTING GREEN STRATEGY

LOGO	COMPANY	GREEN MARKETING PRACTICES
	Nerolac Paints	Removes all hazardous products from paints like lead, chromium, Arsenic, antimony etc.
	Wipro Info Tech	Development of eco-friendly desktops, laptops, Wipro green ware
	Samsung	Introduced recycle mobile and long run battery to save energy consumption and launched eco-phone which is produced from corn-based bio plastics
	HCL	Commits to manufactures products that are eco-friendly in all aspects i.e. price, place, product and promotion and products will be free from harmful chemicals.
	NOKIA	Minimizes use of toxic materials in production of a products and also promote recycling programme

	Cadbury	Introduced recyclable cardboard packaging for its chocolates and roses
	KFC	Uses biodegradable paper for its packaging for their food items
	Philips	Produce 80% energy efficient bulbs and household appliances which helps to save consumption of energy
	Natalia	Produces natural green berry tea for customers
	Mahindra Reva	Manufactures electric vehicle named as “e20”
	Go Green BOV	Manufacturers battery operated vehicles
	H.P	Produces energy efficient products and services and promote energy efficient operating practices in their facilities
	CISCO systems	Provides information about carbon emissions which are caused by the transportation and also limit greenhouses gases in the environment and manage air

		<p>quality, water consumption, and waste management and ensure proper disposal of hazardous.</p>
	<p>Infosys Technology Ltd</p>	<p>Focused on green buildings, conservation of resources, water harvesting and provides better transport management for its employees and promote bio-diversity in its campuses.</p>
	<p>Mc Donald</p>	<p>Uses paper napkins, bags in place of plastic bags</p>
	<p>Panasonic</p>	<p>Manufacturers eco-friendly refrigerators, air conditioners and washing machines, plasma TV, LCD</p>
	<p>Accenture</p>	<p>Focused on green buildings and data centres at all global offices</p>

## CONCLUSION

Green marketing is an instrument for protecting the environment for future generation by conserving the natural resources and use alternative sources of energy for production of goods and services. Green marketing is not an easy concept to be performed by any companies and business firms. Business firms and companies implement rules and regulations to achieve the goals of green marketing strategy and earn more profits. Evolution of green marketing is still in early stage in the market. Green marketing may not be achieved in the short run, but in the long run it will have a positive impact on the environment as well as on business firms and society. With the increase in environmental issues such as degradation of environment, misuse of resources, global warming and climate change etc. It becomes necessary for the company to adopt green lifestyle for the benefit of the society. Green marketing fulfil the condition of 3Rs- reduce, reuse and

recycle. Customers are ready to pay premium price for green products and green services. There is a need for adoption of green marketing because attitude and preferences of customers have been changed towards green products and customers are more demanding green products. Final consumers and industries have the ability to pressurize organizations to practice green strategy and mix environment into their corporate culture to minimize negative impact on the environment. Now it is time to select right green strategy according to the change in the environment. Government should make rules and regulations for every business firms to follow green marketing and reduces pollution in the environment. Marketers also have the responsibility to make consumers understand the need and benefits of green products over traditional products. In green marketing, consumers are willing to pay more premium prices for green products. It is still a great challenge to achieve successful implementation of green strategy in global market. To conserve the natural resources and to solve the problems related to environmental issues it is necessary to adopt green strategy. Green marketing is only a solution for sustainable development. In conclusion, it can be said that not only Indian industries but green marketing strategies are being applied worldwide. The above study shows that there is a positive impact of green marketing on global market as well.

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