

Chapter III

CHAPTER III

GREEN MARKETING - AN OVERVIEW

“Earth provides enough to satisfy every man's needs, but not every man's greed”

— *Mahatma Gandhi*

Modernization and population explosion has increased the demands for various natural resources. The environmental problems have been really social problems. Green marketing plays a prominent role to promote and emphasize the idea of environmental protection and sustainable development in the minds of the firms and customers. It has also been known as environmental marketing, ecological marketing or eco-marketing. Green marketing came into existence in the late 1980's and early 1990. It started from Europe when some products have been identified to be harmful and caused diseases for human and adverse effect towards environment. According to Ottman (1993)¹ “The emergence of green marketing is a result of the finding that companies are being evaluated not only based on the performance of product and services, but also on the social and environmental responsibility”. J. Polonsky (1995)² has defined green marketing as, “All those activities that are designed to generate and facilitate exchange with the intention to satisfy human needs or wants that occur with minimal detrimental input on the national environment which is applicable to industrial goods, consumer goods and services.”

Worldwide efforts have been made to conserve natural resources. Green marketing has been broadly used in developed nations of the world but it is becoming popular in developing nations like India, Pakistan, Brazil, Russia, China and Africa. The World Bank, the SAARC, the UNO, the WHO, and other globally influential organizations have started their efforts to promote and practice green marketing all over the world. To increase awareness among people, June 5th has been declared as the World Environment Day. All over the world, green branded products have been recognized by way of several certifications like Eco-label certification and Environmental system standards from the European Union and Energy Star certification from the United States and the International organisation for standardisation (ISO) created the Quality management and Quality guarantee standards.

¹ Ottman J.A, “Green Marketing: Challenges and Opportunities”, Lincolnwood, IL-NTC Business Books, 1993.

² Polonsky M J & MintuWimsatt A T, *Environmental Marketing: Strategies, Practice, Theory and Research*, TheHarworth Press, Newyork, 1995.

3.1 ISO INTERNATIONAL STANDARDS

Since 1991, International Organisation for Standardization (ISO) has developed these standards. It has a membership of 160 national standards institutes from various countries in the world. ISO International Standards ensure that products and services are safe, reliable and of good quality. It helps companies to access new markets and for developing countries to facilitate free and fair global trade. ISO 14000 consists a series of international standards on environmental administration. It offers a charter for the development of an environmental management system and various audit programmes. ISO 14000 series has been formulated to meet needs of enterprises to achieve environmental management systems. The ISO 14000 has been developed in order to contribute a sustainable development which focused on environmental activities of the company at the time of decision making. Further, standards also describe tools for implementing environmental performance evaluation, environmental management systems, and life cycle assessment (Zhang *et al.*, 2000)³.

3.1.1 ISO and the Environment

ISO standards have been framed to meet the needs of all stakeholders from business, industry, governmental authorities, non-governmental organizations, as well as consumers to protect the environment. It mainly focused on

- (i) Environmental management standards which can be implemented in any type of organization either public or private sector companies in administrating the public utilities.
- (ii) Greenhouse gas accounting, verification, emissions trading and for measuring the carbon footprint of products.
- (iii) Encouraging the inclusion of environmental aspects in product design.
- (iv) It has developed 570 International Standards for monitoring the quality of air, water, soil, as well as noise, radiation and for controlling the transport of dangerous goods. They also serve in number of countries as the technical basis for environmental regulations.

³ Zhang, Z. H., Shen, L. Y., Love and Treloar G 'A framework for implementing ISO 14000 in construction.' *Journal Of Construction Engineering And Management* 11(2) pp. 139–148, 2000.

The ISO 14000 series of international standards consists of voluntary environmental management standards and guides determining environmental impacts of products or services. It provides practical tools for companies and organizations of all kinds looking to manage their environmental responsibilities. The following table shows the ISO 14000 series of standards and its guidelines.

Table 3.1 ISO 14000 Series Standards

S.No.	ISO Series	Standards and Guidelines
1	ISO 14001	Environmental Management Systems – Requirements
2	ISO 14004	Environmental Management Systems – Implementation
3	ISO 14006	Environmental Management Systems – Incorporating Eco-design
4	ISO 14010	Guidelines for Environmental Auditing
5	ISO 14011	Auditing of Environmental Management System
6	ISO 14012	Qualification Criteria for Environmental Auditors
7	ISO 14015	Environmental assessment of sites and organizations
8	ISO 14020	Environmental Labeling - General Principles
9	ISO 14021	Environmental Labeling - Self-declaration Claims-Terms
10	ISO 14022	Environmental Labeling - Self-Declaration Claims-Symbols
11	ISO 14023	Environmental Labeling - Testing and Verification Methodologies
12	ISO 14024	Environmental Labeling-Practitioner Programs-Certification Procedures
13	ISO 14025	Environmental Labels and Declarations
	ISO 14030	Post-production environmental assessment
14	ISO 14031	Evaluation of the Environmental, Performance of the Management System
15	ISO 14040	Life Cycle Assessment, Pre-production planning
16	ISO 14041	Life Cycle Assessment — Inventory Analysis
17	ISO 14046	Guidelines for Water footprint assessments (air and soil emissions) of products, processes and organisations
18	ISO 14066	Competency requirements for green house gas validators and verifiers
19	ISO 14069	Provide guidance for organizations to calculate the carbon foot-print of their products, services and supply chain

(Source: ISO14000/14001, Global Green Standards, Environmental Management Guide)

3.2 GREEN MARKETING IN INDIA

India is the world's second largest populated country with incredible natural resources. This is the right time to pay attention for balance between consumption and conservation of natural resources. In India the ministry of environment and forests acts as the vital nodal agency for generating environment consciousness and making and implementing schemes for environmental protection. The government is not just the protector of the country's environment but also has a significant responsibility for sustaining environmental development. The central and the state governments own, control and develop forests, dams, major irrigation systems, industries, means of transportation, roads, railways, ports etc. The government's environmental policy focuses to check degradation of water and land through restoration of river water quality programs and waste land management. The policy also focuses to provide for conservation of natural resources by declaration of reserved forests, wet lands, biosphere reserves, mangroves, and protection of endangered species. It makes laws for environment protection and initiates penal measures against those who violate the laws. The government's initiatives is to plan and execute a nationwide programme for the prevention and control of environmental pollution. It emphasizes to lay down standards for the betterment of the environment in various aspects including discharge of environmental pollutants from various sources.

In India various initiatives have been taken for protecting the environment and promoting green products. The Government has passed various acts to protect environment.

The following are the important policies relating to environmental protection in India. They are as follows:

- The National Forest Policy, 1988
- Policy Statement on Environment and Development and National Conservation Strategy, 1992
- Policy statement for Abatement of Pollution, 1992

In 1980, the Department of Environment has been established in India. Later on it became the Ministry of Environment and Forests in 1985. The emergence of Eco-Mark Scheme has been introduced by the Government of India in 1981 towards the promotion of green marketing in the country. After the Bhopal gas tragedy Environment Protection Act 1986 came into existence. The

Eco-Mark Schemes of India have been started to reduce unfavourable environmental impacts. In the year 1991 the Confederation of Indian Industries and Indian Tobacco Corporation Ltd have established “Center of Excellence for Sustainable Development” to help industries in the development of sustainable strategy and approach. In 2008 the government revealed its first National Action Plan on Climate Change for Green Economy from sustainable tools. It can be achieved through Energy Efficiency, Clean Technology, Sustainable Habitats, Public Transportation, Resource Efficiency, Renewable Energy, Strategic Knowledge Centers, and Tax Incentives. In 2009, Indian government has launched the National Solar Mission to incentivize the installation of 22 Giga watts of solar power capacity by 2022. Government of India supports by providing subsidies or exemptions from taxes and regulations in order to promote a Green Economy.

In 1992, the Federal Trade Commission has taken steps to protect environment by creating guidelines for the use of environmental marketing claims such as ‘biodegradable’, ‘recyclable’, ‘environmentallyfriendly’, ‘compostable’, ‘sustainable’, ‘renewable’ and ‘bio-based’ to attract the customers. Business organizations, such as the Confederation of Indian Industry (CII), and Non-governmental research organizations, namely, The Energy and Resources Institute (TERI) and the Centre for Science and Environment have also been influencing and promoting green concepts. They focus mainly on the areas of green buildings, energy efficiency technologies, solid waste management, water use efficiency, pollution control measures and solar energy.

Government bodies are forcing firms to become more responsible and in few cases the government forces the firms to follow the environmental acts and to adopt policies which protect the interests of the consumers. To overcome competition, the firms should move to environmental marketing activities. The Ministry of Environment & Forests has been actively involved in monitoring and formulating ways to preserve India's natural beauty and maintain a healthy ecological balance. Several positive steps have been taken by Central Pollution Control Board (CPCB) to minimise pollution of the environment.

The following depicts the list of Environmental Acts in different categories:

Table 3.2 List of Environmental Acts in India

Year	Environmental Acts
	Forest and Wildlife
1927	The Indian Forest Act and Amendment
1980	The Forest (Conservation) Act and Rules
	Water
1977	The Water (Prevention and Control of Pollution) Cess
1978	The Water (Prevention and Control of Pollution) Cess Rules
1982	The Easement Act
1991	The Coastal Regulation Zone Notification
	Air
1948	The Factories Act and Amendment
1981	The Air (Prevention and Control of Pollution) Act
1982	The Air (Prevention and Control of Pollution) Rules
1982	The Atomic Energy Act
1986	The Environment (Protection) Act & Rules
1987	The Air (Prevention and Control of Pollution) Amendment Act
1988	The Motor Vehicles Act
	Environmental Acts
1986	The Environment (Protection) Act & Rules
1989	The Hazardous Chemical Waste (Management and Handling) Rules
1991	The Public Liability Insurance Act and Rules and Amendment,
1995	The National Environmental Tribunal Act
1997	The National Environment Appellate Authority Act
1999	The Environment (Setting for Industrial Projects) Rules
2000	The Municipal Solid Wastes (Management and Handling) Rules & The Ozone Depleting Substances (Regulation and Control)
2001	The Batteries (Management and Handling) Rules
2002	The Noise Pollution (Regulation and Control) (Amendment) & The Biological Diversity Act

(Source: <http://www.environmentallawsofindia.com/the-environment-definitions-and-acts.html>)

3.3 ROLE OF INDIAN GOVERNMENT

Government of India is capitalizing on an underutilized segment and constructing an infrastructure that will reduce emissions and generate economic growth. Also, Governmental Bodies are imposing firms to become more responsible. In most of the cases, government powers the firm to implement policy which protects the interests of the consumers by dropping the production of harmful goods, modifying consumer and industry's use and /or consumption of harmful goods. The Indian government has also made several efforts in promoting green marketing and eco friendliness by means of helping its automotive industry to develop greener vehicles by supporting hybrid and electric vehicles (EVs), banning plastic bags from daily use,

investing in green automobiles. Thus, Government ensures that all types of consumers have the ability to evaluate the environmental composition of goods.

In context of marketing related activities, government wants to “protect” consumers and society; this safeguard has outstanding green marketing implications. Governmental protocols relating to environmental marketing are planned to protect consumers in numerous ways, such as

- i) To decrease production of harmful goods or by-products;
- ii) To change the consumer and industry's usage or consumption of harmful goods;
- iii) To ensure all types of consumers possess the ability to assess the environmental composition of goods.

Government regulations are designed to control the volume of hazardous wastes created by firms. Many by-products of production are controlled by issuing various environmental licenses, and thus altering organizational behaviour. In some cases governments try to "persuade" end consumers to become more responsible. For example, few governments have announced voluntary curb-side recycling programs, making it easier for consumers to behave responsibly. In other cases, governments tax individuals who act in an irresponsible style. For example in Australia, higher gas tax is associated with leaded petrol.

Six important eco-friendly steps taken by the Government under the Prime ministership of **Narendra Modi in the year 2015⁴**,

- (i) **Swachh Bharat Abhiyan** - The Swachh Bharat Abhiyan (May 26, 2015)⁴ has been the India's main cleanliness drive ever. The campaign aims at cleaning streets, roads, and infrastructure. It covers nearly 4041 towns.
- (ii) **Ganga Action Plan** - A clean Ganga Action Plan has been launched to preserve water resources under the direct supervision of Minister Uma Bharti.
- (iii) **National Air quality Index** - India's first national air quality index (NAQI) in April, 2015 which will help in creating awareness about alarming levels of air quality across the country and simplify air quality rendition.

⁴<http://www.skymetweather.com/content/weather-news-and-analysis/6-important-eco-friendly-steps-taken-by-narendra-modi-government>.

- (iv) **Toilets Before Temples** - To ensure that affordable sanitation reaches the people who need it.
- (v) **Mount Everest Ascent** - A team of Indian Army climbers have set off on a mission to bring back at least 4000 kg of non-biodegradable waste from the world's highest peak the Mount Everest. This includes waste materials left behind by climbers over decades.
- (vi) **Water Conservation** - To raise awareness about water conservation, the government directed the states of India to ensure that 50% of the work taken up by National Rural Employment Guarantee Act (NREGA) should be for the improvement of water conservation. This includes construction of check dams and de-silting of water bodies.

Most of the companies in India have distinguished themselves from others by serving unique green marketing strategies and green product categories. Suzlon, Tata, Amul, ITC, Hero Honda, Wipro, Infosys, Dabur India, HUL, Maruthi, Godrej, BSA and LG electronics are some of them. Few of the companies are listed below with their eco-friendly initiatives,

- ❖ **Indian Railway Catering and Tourism Corporation (IRCTC)** -has introduced to its customers to carry Passenger Name Record (PNR), number of their E-Tickets on their laptop or mobiles to avoid printed version to save papers.
- ❖ **Forest and Environmental Ministry of India** - has ordered the retail outlets like Reliance Fresh, Big Bazaar and all retailers to provide polythene carry bags to customers only if they are ready to pay for it.
- ❖ **State Bank of India** - has introduced using energy efficient equipment in its new ATM's and not only saved power costs but also less carbon emissions. SBI also provides online banking facilities and ATM for customers to paperless banking.
- ❖ **Nerolac – Lead Free Paints:** Kansai Nerolac Paints Ltd has personalized by using environment friendly non – toxic chemicals to produce paints by removing hazardous heavy metals like, lead, mercury, chromium, arsenic, and antimony.
- ❖ **Indian Oil –Green fuel alternatives:** Indian oil is engaged in the eco-friendly biodegradable formulas for fuel refineries and upgraded EURO – III to EURO – IV. It has been certified under ISO-14000 for environment management systems. It is using Green fuel alternatives

for vehicles like Compressed Natural Gas (CNG), Auto Gas (LPG), Ethanol blended Petrol, Bio-Diesel and Hydrogen Energy to reduce carbon emissions.

- ❖ **Wipro and Infosys – Green IT:** Wipro and Infosys adopt green technologies. Wipro has launched environment friendly computer peripherals, new range of desktops and laptops and reducing e-waste called Wipro Green Ware. It was the first company in India who developed eco-sustainability in the form of saving energy, water efficiency and waste management.
- ❖ **TATA's Going Green:** Tata motors has set up eco-friendly showrooms using natural building material for its flooring and energy efficient lights. It plans to introduce Indica EV an eco-friendly electric car which will run on polymer lithium batteries.
- ❖ **TATA Metaliks Ltd:** has taken initiatives to reduce carbon emissions by green cover through plantation, ground water, power generation and use of natural fertilizers.
- ❖ **Suzlon Energy - Going Green** –Suzlon energy is the World's 4th largest wind power company among the greenest and best company in India.
- ❖ **Maruti Udyog Ltd., - Greening of supply chain:** The Company has remained in advance of regulatory requirements in creation of environment protection and energy conservation at its manufacturing facilities, and in development of products that use fewer natural resources and are environment friendly.
- ❖ **Philips** - Philips has launched the 'super long life' bulb which saves up to 20 percent energy.

3.4 GREEN MARKETING MIX

Green marketing mix has been composed of three key elements as Green product, Green price and Green place.

Green products - Green products or environmentally friendly products do not pollute the environment, do not waste resources and recyclable. That help to maintain and improve the natural environment by saving energy or resources and reducing the use of toxic substances thereby controlling pollution. Products with recyclable packaging, CFLs, cleansers and detergents whose elements are degradable in environment are few examples of green products. Though there are number of products in terms of eco-friendliness, selection of products for this

study has been based on five green product categories such as renewable, energy and water conservation, non-toxic substances, organic and recyclable materials.

Green Price - Price is the significant factor in the green marketing mix. Most of the green products are offered at a price higher than that of the similar products. Consumers are willing to pay a higher price for green products only if they can understand its added-value. Most of the consumers do not sacrifice their needs and desires for being green and environmental protection.

Green Distribution - A green distribution channel should have the characteristics like packaging products for transporting to the distribution place should be aimed to minimize the waste and the consumption of raw materials. Transportation of the green products to the distribution place should be intended to reduce environmental destruction, such as reducing energy consumption and thereby preventing pollution. A distribution channel with minimum length (containing manufacturer, wholesaler, retailer and consumer) is used to minimize packaging and shipping. Distributors offer enough information about green products and its usage to the consumers.

3.5 GREEN CONSUMERS

Consumers are the assets to the business and play a significant role in the economic development of a nation. In South Africa(1880) Mahatma Gandhi said, "A consumer is the most important visitor on the premises of any company. He is not dependent on us, whereas we are dependent on him. He is not an interruption to our work; he is the purpose of it. We are not doing a favor to a consumer by giving him an opportunity. He is doing us a favor by providing us an opportunity to serve him."In the present scenario, there has been an increasing concern on global environmental issues. Today's consumers have started to realize that their buying behaviour create a huge impact on the environment,hence, consumers are paying more attention to purchase green products. Green consumers are the persons who care about the environment and purchase the products which do not harm or do minimal harm to the environment and human beings. Environmental knowledge about the facts relating to the environment and eco systems is known as eco-literacy. Consumers included in the current study are those who have been using green products for more than one year.

Operational Definitions

According to D. E. Wind (2004)⁵ “Green consumer is an inhabitant who approves the principles of green marketing and emphasizes on eco-friendly life style”. According to Ginsberg and Bloom (2004)⁶ green consumers can be classified into five categories based on their friendly behaviour with the environment.

True Blue Green: These green consumers have strong environmental values and willing to participate in activities and organizations supporting the environment.

Green Back Greens: This sector of green consumers are not interested as true blue green to supporting environment but they show their interest to buy green products.

Sprouts: Sprouts are only concerned about the environment, and in practice they are less willing to pay extra-price for green products.

Grouzers: Environmental knowledge level in grouser consumers is very low, believes that green products have low efficiency and quality and the manufacturers' claims about these products are only to increase sales.

Basic Browns: This group of consumers are more involved with their daily problems and ignore the environmental problems.

3.5.1 Green Consumer Behaviour

Ajzen and Fishbein (1980)⁷ proposed the most significant theory on green purchase behaviour. According to this theory, “A person's behaviour is determined by his/her intention to perform the behaviour and that this intention, in turn, proposes a function of his/her attitude toward the behaviour and his/her subjective norm”. According to this theory intention is defined as the cognitive representation of a person's readiness to accomplish a given behaviour. It has been considered to be the immediate predecessor of green purchase behaviour. This intention has been determined by three things viz., attitude towards the specific behaviour, subjective norms

⁵ Wind D. E., “Green consumer psychology and buying strategie”, Prentice Hall, 2004.

⁶ Ginsberg J and Bloom P, *Choosing the Right Green Marketing Strategy*, MIT Sloan Management Review, 2004.

⁷ Ajzen & Fishbein, “The theory of planned behaviour”, *Organisation Behaviour and Human Decision Processes* 30, pp.179-204, 1991.

and perceived behavioural control. Also, Theory of planned behavior (TPB) predicts deliberate and planned behaviour of the consumer based attitudes.

Consumers' purchasing decisions may vary from time to time. Pro-environmental attitudes, concern about environment and purchasing behaviour of eco-friendly products make the consumers to move towards green products. According to McEachern and McClean (2002)⁸ "Green consumerism is described as being a multifaceted concept, that includes minimization of pollution, preservation of the environment, responsible use of non-renewable resources and species preservation and animal welfare."

According to Peattie and Charter (2003)⁹ marketers should only look for the impact of production and consumption on the quality of life and development of a sustainable society for internal processes of the production. The author also suggested that for the success of green marketing it is necessary to add to the four traditional Ps of marketing with four "S's": Customer Satisfaction, Social acceptability, Product Safety, and Sustainability of the products. Green buying behaviour is known for the consumption of goods and products that are recyclable and reusable, beneficial to the environment, in turn being responsible to the environmental concern (Lee, 2009)¹⁰.

3.5.2 Green Market Segmentation

Segmentation of the market plays a significant role in the development of business strategies that yield desired value for firms, their suppliers and their customers. Segmentation enables companies to identify consumer groups with needs in common and enables companies to analyze characteristics and buying behaviours of members of these groups. This segmentation process enables the firm to design a marketing mix that reflects the unique requirements of the group. Consequently, segmentation enables companies to address the value pursued by consumers while simultaneously accomplishing the firm's needs. The segmentation process begins by identifying explicit factors that reflect differences in customers' responsiveness. These differences in levels of responsiveness may be attributed to many factors such as purchase behaviour, usage, benefits sought or loyalty.

⁸ McEachern, M.G and McClean, P. "Organic Purchasing Motivations and Attitudes: Are They Ethical?" *International Journal of Consumer Studies*, pp.85-92, 2002.

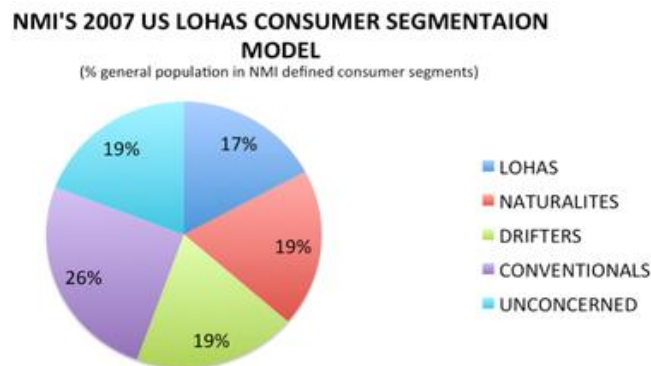
⁹ Peattie K & Charter M, "Green marketing", pp.388-412, *The Dryden Press, London*, 2003.

¹⁰ Lee, "Gender differences in Hong Kong adolescent consumers' green purchasing behaviour", *Journal of consumer marketing*, 26 (2), pp. 87-96, 2009

In consumer markets, firms often use demographic segmentation to separate potential buyers based on their age, gender, income, occupation and geographic segmentation. Several analysts of green marketing in the consumer sector have used psychographic segmentation to distinguish among consumer groups. Psychographics refers to the use of opinions, motives, attitudes, lifestyles, interests, values, or personality to distinguish among consuming groups.

Behavioural segmentation refers to the use of consumer behaviour or product use to distinguish among market segments. The market analysis provided by the Natural Marketing Institute (NMI) (2007) incorporates attitudes and behaviours towards environmentalism and consumption of the consumers in U.S.

The following chart has shown the NMI's 2007 US Lohas Consumer Segmentation model.



(Source: Natural Marketing Institute (NMI), Report – 2007)

The LOHAS (Lifestyles Of Health And Sustainability) consumers are focused on health, environment, social justice, personal development, sustainable living and the future of the society. These consumers are generous and often less concerned with success or making a lot of money, yet most live comfortably with middle to upper-middle incomes.

Naturalites are consumers who are primarily concerned about personal health and wellness. Their preference for food and beverage products is motivated primarily by a strong health focus, not an environmental focus. Although these consumers appreciate that companies should be environmentally conscious, they are not politically committed to the environmental movement, and they are not generally driven to buy eco-friendly durable goods.

Conventionals are consumers who recognize the value in buying products that save money in the long run, but the ecological merits of consumption are not paramount in their decision making.

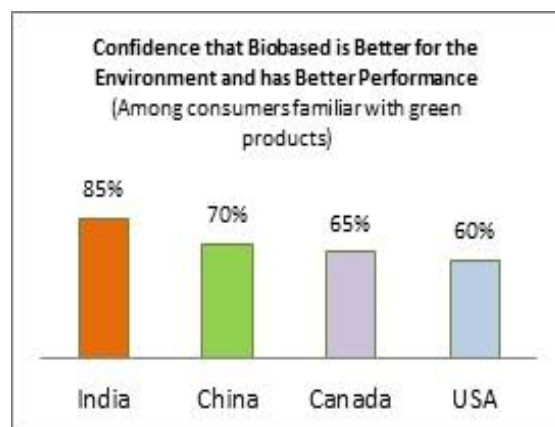
Drifters refer to consumers who are not highly concerned about the environment and believe that the problems will eventually be resolved and they focus on things that affect them directly. They are somewhat price sensitive and offer many reasons why they do not make environmentally friendly choices.

Unconcerned are the group of consumers who have priorities other than the environment and society. They are not aware of green product choices and are generally unwilling to find out such information. These consumers attitude is based on quality, convenience, price, and value with little repute for the action of companies marketing the products.

The US-based DuPont has commissioned nationwide conducted an annual survey with an objective to understand awareness and attitudes of Indian consumers towards green and bio-based products, which provides science-driven explanations for number of industries. This was the third such study by the company with the first in North America (US and Canada) and the second in China. According to “The DuPont Green Living Survey: India 2014¹¹”, conducted by TNS Global, a majority of Indian consumers are familiar with green products and have the confidence that green products are better for the environment and also feel that bio-based ingredients enhance the desirability of a product.

The following chart has shown the percentage of consumers who have the confidence that Bio-based is better for the environment in the selected four countries India, China, Canada and the USA.

Chart 3.1 – The DuPont Green Living Survey



(Source: DuPont Survey)

¹¹ The DuPont Green Living Survey: India, BS B2B Bureau, Hyderabad, October 7, 2014

3.6 SWOT ANALYSIS






Greenmarketing plays a significant role to reinforce and promote the idea of environmental protection and sustainable development in the minds of customers and firms. SWOT analysis is a method that finds the strengths, weaknesses, opportunities and threats of green business. Specifically, SWOT is a basic, analytical framework that assesses what an organization can and cannot do, as well as its potential opportunities and threats. It analyses the green strategy, a firm may develop from an environmental audit and divides it into internal strengths and weaknesses, as well as its external opportunities and threats.

SWOT Analysis of Green Business Strategies

<p>Strength</p> <ul style="list-style-type: none"> ▪ Green marketing builds brand equity and wins brand loyalty among customers. ▪ Marketers get access to new markets and gain an advantage over competitors. ▪ Marketers can impose a premium on all the products that are seen as more eco-responsible. ▪ Organizations that adopt green marketing are supposed to be more socially liable. ▪ Although initial cost is more, it saves money in the long run. 	<p>Weakness</p> <ul style="list-style-type: none"> ▪ Most customers prefer to fulfil their personal needs before thinking about environment. ▪ Magnify greenness rather than customer needs can solve hazardous for a product. ▪ Lack of awareness among the consumers about green products. ▪ Small players cannot promote their product. ▪ Lack of regulations and guidance for green products. ▪ It will take more time and effort for green movement to reach the consumers.
<p>Opportunities</p> <ul style="list-style-type: none"> ▪ Marketers get access to new markets focusing on “greenness”. ▪ Marketers can charge a premium price on products. ▪ Create an image about public. ▪ Organizations that perceive green marketing should have competitive advantage among competitors. 	<p>Threats</p> <ul style="list-style-type: none"> ▪ The possibility of a reaction from consumers or government based on existing green marketing claims. ▪ Green marketers have to work hard to satisfy the stakeholders. ▪ Marketers fail to adapt and adjust to the rapid changes in the market.

3.7 GREEN PRODUCT CERTIFICATION

International Organization for Standardization has developed ISO 14020 and ISO 14024 with an objective to establish principles and procedures for environmental labels and declarations that certifies and manufacturers must follow these morals with sound scientific methods, accepted test procedures, openness and transparency in setting of standard. To recognize genuine green products, many programs have been set up in the form of joint ventures with the United States Department of Energy and the United States Environment Protection Agency to endorse green products manufacturers. The following are the some of the green product certification labels and the certifying organizations with a brief detail about the labels.

	<p>Energy star (1992) – A labelling program for energy efficient home appliances and electronics. Energy star is a joint program of the U.S environmental protection agency and protect the environment through energy efficient products and practices.</p>
	<p>Green Seal (1989) – Green seal certification ensures that a product meets accurate science based leadership standards. It is a lifecycle assessment based labelling program for building products, green operations and maintenance procedures. A green seal can be found on any type of products.</p>
	<p>Forest Stewardship Council (1994) – A certification program for wood products that come from forests that are managed in an environmentally responsible, socially beneficial and economically possible way.</p>
	<p>Leadership in Energy and Environmental Design (LEED 2000) – The LEED certification was created by the U.S Green building council in 2000, it in an internationally recognized standard for green building and design. The rating system associated to both business and residential buildings. It focuses on whole building sustainability which can be used by diverse professionals and government agencies.</p>
	<p>USDA Organic Product (2002) – The United States Department of Agriculture has implemented the National Organic Program to conserve bio diversity and foster cycling of natural resources. This means synthetic fertilizer, irradiation or genetic engineering practices will not be used.</p>

	<p>Animal Welfare Approved (AWA 2006) – Animal Welfare Approved is a food label for meat and dairy products that come from farm animals ensure the highest animal welfare and environmental standards.</p>
	<p>The Cradle to Cradle Certified (2005) - Cradle to Cradle Products Innovation Institute (C2C) Certified represents the most comprehensive product quality mark. This standard rewards achievement in five categories and at five levels of certification, Building materials, carpeting, textiles, packaging, cleaning products, furniture, clothing and more products.</p>
	<p>EPEAT (2006) - Electronic Product Environmental Assessment Tool is a global registry for greener electronics.</p>
	<p>Fair Trade Certified (1998) - USA enables Fair Trade Certification for sustainable development and community empowerment for equitable global trade mark for coffee, tea, chocolate, honey, clothing, nuts and grains, personal care products, wine and more.</p>
	<p>Good House Keeping Green (2009) - The Green Good Housekeeping Seal was introduced by Good Housekeeping magazine and the Good Housekeeping Research Institute (GHRI). The Green Good Housekeeping Seal helps the consumers to make environmentally responsible choices of cleaning products, personal care products, home appliances, electronics, food, paints and so on.</p>
	<p>GREENGUARD (2001) - GREENGUARD Indoor Air Quality Certification provides assurance that products designed for use in indoor spaces meet strict chemical emissions limits which contribute to the creation of healthier interiors namely, paints, finishes, adhesives, window treatments, textiles, insulation, furniture and flooring.</p>
	<p>Coalition for Consumer Information on Cosmetics' (CCIC) - Leaping Bunny internationally recognized logo for companies producing cosmetic, personal care, household products and pet grooming products, it provides the best assurance that no new animal testing is used in any phase of product development by the company, its laboratories, or suppliers.</p>

	<p>Marine Stewardship council (1997) - The MSC certified standards are used for sustainable fishing and seafood.</p>
	<p>Veriflora Certified (2005) - Sustainably Grown label provides guarantee that cut flowers and potted plants have been produced in an environmentally and socially responsible manner with high quality standards.</p>
	<p>Water Sense (2006) - The U.S. Environmental Protection Agency have been certified water sense label maintain high environmental standards to protect the future of our nation’s water supply by offering people to use less water with water-efficient products, new homes, and services namely, showerheads, toilets, urinals, bathroom faucets and landscaping irrigation controllers.</p>
	<p>Global Organic Textile Standard (GOTS 2006) - The world’s leading processing standard for textiles, clothing, fabrics, hygiene products made from organic fibres. All chemical inputs such as dye stuffs and auxiliaries used must meet certain environmental and toxicological criteria.</p>

3.8 GREEN PRODUCTS

Green products are the products that do not harm the environment. It helps in energy conservation, minimizes carbon footprint or the emission of greenhouse gases, and does not lead to substantial toxicity or pollution to the environment, biodegradable and recyclable or compostable. The recycled product helps to reduce the need for new raw materials and the amount of waste sent to landfills. Environmentally friendly, Eco-friendly, Green and Nature-friendly products are other similar words used by the marketers represent as green products. Green technology includes using unleaded gasoline, solar energy and alternative fuel vehicles and electric vehicles. Companies use these ambiguous terms to promote goods and services with additional specific certifications, such as eco-labels, green seals and so on. Features of the green products have been classified into.

Renewable

Renewable resources are ones that cannot be depleted, such as sunshine, wind, water and soil. We must take initiatives to ensure their sustainability. Organic farming is sustainable because there are regulations restricting soil, use of biodegradable pesticides and harvesting procedures. Renewable products contain no toxic compounds.

Energy Efficiency

Conserving energy is one of the most basic concepts involved in going green with simple strategies like turning off the lights when leaving. There are several energy-efficient products available varying from light bulbs to large appliances that help to conserve energy. These products not only cut down on consumer energy consumption, but also improve utility production. The federal government's Energy Star program will give awards to motivate consumers to recycle outdated appliances, to install energy-saving solar and wind generators at home. In addition to saving energy, energy efficient products have low maintenance expenses and save money. Although these products may be a little more expensive initially, they can save energy and money in the long run.

Recyclable

Wastes or by-products can be reused in the production of other products. Paper, plastic and aluminium are all examples of components commonly found in a closed-loop recycling system. Some closed-loop recycling uses old items to remake the same product, like old soda cans into new soda cans; or it allows for collected items in the loop to be made into different products, like old milk jugs to be recycled into new trash bins.

All Natural

All-natural foods differ from organic in that they are not regulated by the same agencies, although both processes are sustainable. All-natural products use no chemicals and are 100 percent biodegradable, including non-food items like pesticides and cleaning products.

Environmentally Friendly (Natural)

These are products that contain no ozone-depleting substances and are produced without toxic by-products. Their production is sustainable; however, the vast majority of industry is still too dependent on fossil fuels and hydroelectric production that release huge amount of carbon dioxide into the atmosphere. But changing industrial infrastructure is highly expensive and a hefty task. While the green movement is in full rock, it's still going to be a while before technology catches up and allows truly positive change. In the meantime, consumers can opt for green products and continue in the right direction.

Reduce Pollution

Recycling is a vital component of reducing pollution. Materials such as plastic can be recycled and reused rather than thrown away to remain in a landfill for years together. Food scraps can also be recycled in the form of compost that could be utilized as fertilizer.

3.9 GREEN PRODUCTS TAKEN FOR THE STUDY

Eventhough there are so many products available in the market, five classification of green products have been chosen for this study. The following are the categories of the green products considered for this study.

3.9.1 Solar products - (Renewable energy)

Solar energy is a flow from the sun to the biosphere. It is one of the four basic ecosystem processes. Solar products are innovative mechanisms that can help conserve energy, and thus, help in balancing the ecosystem. Solar products are environmental friendly and are generally cost effective as well. Today, there are several solar power products in the market for domestic and office use. Solar Products include items such as solar heaters, solar panels, solar heating systems, solar calculators, solar flashlights, small radios, solar lighting, solar battery chargers, solar car batteries,solar lanterns and much more.



3.9.2 Durables – (Energy star labelled products eg. LED TV, refrigerator, air conditioner)

Environmental technology (envirotech),Green technology (greentech) or clean technology (cleantech) is the application of environmental science, green chemistry, environmental monitoring and electronic devices that are designed to monitor, model and conserve the natural resources, and to curtail the negative impacts of human involvement. The term is also used to define sustainable energy generation technologies such as wind turbines, photovoltaic,

bioreactors, etc. Sustainable development is the essential part of environmental technologies. It also describes a class of electronic devices that can stimulate sustainable organisation of resources. Energy conservation is the utilization of devices that require lesser amount of energy in order to lessen the consumption of electricity.



3.9.3 Non – durables (Phosphate free, non-toxic detergents, beauty and health personal care herbal products)

Non-durable goods are the products consumers purchase to use for a short period of time usually three years or less. It includes, fast-moving consumer goods such as cosmetics and cleaning products, food, condiments(herbs, spices, etc.), packaging and containers, paper and paper products, personal products, office supplies, rubber, plastics, textiles, clothing, and footwear, deodorant, toothpaste or dish soap and light bulbs.



3.9.4 Organic products - (Natural products)

Organic food is a food produced in a technique that complies with organic standards set by government ministries and various international organizations. Organic food production is a deeply regulated industry, separated from private gardening. This is a method of agricultural mechanism at grass root level safeguarding the reproductive and regenerative capacity of the soil

management, good plant nutrition and produces nutritious food rich in vitality which has resistance to diseases. Organic foods are not processed using industrial solvents, irradiation, or chemical food additives. To maintain ecological balance and conserve biodiversity, chemical fertilizers and synthetic pesticides are not involved, although few organically approved pesticides may be utilized under limited conditions.



3.9.5 Stationery products - (eco-labelled recycled notebooks, paper bags)

There is a mounting concern around the world for preserving forest reserves. The “Greenhouse Effect” has directed people to become more alert about the environmental concerns. It has been noticed that, in the recent few years various communities, corporations, government agencies and other private organisations have come forward to promote products and technologies that lead to the protection of the environment. The paper-making process uses energy, water and chemicals and produces wastes. Paper made from recycled fibres and handmade paper requires at least 50% less energy and up to 75% less water than producing it from virgin fibre. It also produces up to 90% less waste water and reduces air pollution by 70%. It is a good way to recycle waste and scrap into delightful possibilities. This leads to less deforestation, thus saving trees. Also it is done with pollution free methods as solar energy is used extensively.

The paper bag is always environment friendly and easily biodegradable. Hence, to protect environment and atmosphere from the catastrophic plastics, consumers must start using paper made products. Most of the paper bags are made from kraft paper. It may be unbleached (brown) or bleached (white). Notebooks and notepads made of handmade paper are quiet popular in these days. As they are made of handmade papers, they are classified under green products. These are now available in various designs textures and colours. These are directly engaged in saving hundreds and thousands of trees and thus saving Planet Earth from "Deforestation" and "Greenhouse Effects".



3.10 RETAILER

Global warming, water crisis and food shortages have increased the frequency of disasters with all indications that humans have mishandled nature. According to Dr R. Pachauri (Coca-Cola Research, 2008)¹², the climate change is more likely to have few irreversible impact on food shortages, ecosystems, health and coastlines. Business and consumers have to act responsible and there is a strong need to mitigate and work towards stabilization of the natural environment. Responsible business organizations are producing products in an environmentally safe way. Consumers are also concerned about the environmental impact of products they buy. The organizations that often form the link between the businesses and consumers are the retailers and their role is important as they are the intermediaries between the producers and consumer. Retailing constitutes an important part of the private service sector in all countries and contributes to an increasing proportion of gross national products and employment. A retailer sells small quantities of products or services to consumers for their personal, family and household use.

Retailers have an impact on both consumers and suppliers by,

- providing better choices to customers in the form of green products thereby, impelling consumer behavior,
- adopting green business practices themselves,
- influencing suppliers to adopt green practices and fair trade to supply environmental friendly products.

The retailers can have an impact on consumption habits of consumers by offering them the correct choice of green products thereby, play an important role in facilitating right

¹² Coca-Cola Retailing Research Council.(2008). *Sustainability in Retailing*,Electronic document. Retrieved from www.coke.solutions.com/BusinessSolutions/.../Global_Report.pdf accessed, 2011.

production and consumption patterns. In today's globalised world, retailers frequently operate across the boundaries, buying and sourcing from one part of the world and selling in another. Jones, Peter Comfort, Daphne Hiller and David (2005)¹³, have stated that the retailers act as a change agents taking their knowledge of processes and practices from one part of the world to another and hence, help in encouraging sustainability in the long run. Green retailing is built on socially responsible, environmentally sustainable and economically profitable business practices. Such practices explicitly involve the impact of a retailer's actions on the customer perception and behavior, environment and community, employees, suppliers ultimately, shareholders returns.

Retailers are encouraging suppliers to use ecofriendly raw materials which may sometimes lead to alternative formulation of the product with the scope of controlling waste and conserving natural resources in retail operations. The word greentailing has been used in two different ways like the sale of environmentally-friendly products, and the use of sustainable, eco-friendly methods in running a retail business. Consumers constantly influence retailers through changing preferences and expectations. Retailers play a significant role to create and influence the mindset of consumers to opt for greener products. Also, enabling customers to make preferred choices by engaging them through communication, using recyclable packaging, giving information on whether the product is organic, whether producers use fair practices, etc., will help customers opt for the correct products. This would also involve the tough task of converting customer attitudes about usage, consumption and disposal of products in their daily lives. Helping consumers adopt green technology in their lives, even if it is outside the direct purview of retailing, reinforces the brand image in the eyes of the community. Encouraging customers to change from plastic bags, redesigning recyclable packaging selling loose wherever possible, hence, reducing the amount of waste in packaging are some initiatives that can be implemented.

The Indian organized retail story has just started unfolding. India has set to become a \$450 billion market by 2015 comparable to the market in Italy (US \$ 462 billion) and much larger than that of Brazil (US \$ 258 billion) according to a McKinsey Report (2008)¹⁴. Internally,

¹³ Jones, Peter Comfort, Daphne Hiller and David, "Retailers and Sustainable Development", *UK International Journal of Retail and Distribution Management*, vol. 36, No.12, pp. 995-1001, 2008.

¹⁴ McKinsey & Company, "The Great Indian Bazaar: Organized Retail Comes of Age in India", 2008.

it is one of the fastest growing sectors that accounts for about 22% of the country's gross domestic product (GDP) and contributes to 8% of the total employment (IBEF, 2011)¹⁵.

The organized players lead to implement green retail in the Indian context. At the business level, Stern & Ander (2008)¹⁶, introduce T.A.S.C. model which incorporates green into the company mission.

T stands for **Think green** – incorporates green into the company mission.

A stands for **Act green** – construct green practices as to how the organization has managed, from how the buildings are construct.

S stands for **Sell green** – natural products, fair trade products, organic products – are all ways of safeguarding green products which reach the customer.

C stands for **Convey green** – work towards educating the customers, employees on green aspects and how it is incorporated in the company's processes.

New formulations with eco-friendly ingredients, monitoring fair trade practices at the suppliers end and highlighting to promoting green products in the store, are all examples of selling green. Retailers can have a direct impact on the consumption patterns by educating customers and making green products available and they can influence the choices of the customers. The Government support in the form of fiscal policy that encourages low impact products, tax rebates on using renewable energy sources, simplifying the process for green licenses and regulations, providing incentive to all business to use recyclable packaging, are the few initiatives that could encourage and expand the adoption of sustainable practices.

Paradox of Going Green – Going Green promises future savings, but going green also affects present budgets. The perception of retailers using eco-friendly material for store interiors is not only expensive, but also lead to a adjust on the store experience of the customer. Retailers are the link between manufacturers and consumers. They could impact the production processes of the suppliers and consumption patterns of the consumers, hence, they are the best and right ones to begin sustainable practices. The future of retail can be formed by changing collaboration with the suppliers,

¹⁵IBEF-Indian Brand Equity Foundation(2011).Retail, Electronic document.Retrieved from http://www.ibef.org/artdispview.aspx?in=63&art_id=28443&cat_id=376&page=1 accessed June 2011.

¹⁶Stern, Neil & Ander, Williard N., "Greentailing and Other Revolutions inRetail: Hot Ideas That Are Grabbing Customers' Attention and Raising Profits".USA: John Wiley and Sons, 2008.

store operations moving towards green practices and having relationship with the customer. These practices have to be followed in emerging economies like India as the green retail practices are in the emerging stage and expected to grow exponentially. Creating policies now would save a lot of time, finances, energy and ultimately, contribute towards a greener planet.

The current study comprises the activity related to selling green products to the customers through channels such as departmental stores, super markets, speciality shops and electronic shops and so on.

3.10.1 TYPES OF RETAILERS

- ❖ **Department Stores** – offering a wide range of products at various pricing levels and a large variety of products to be purchased from one retailer.
- ❖ **Supermarkets** – concentrates in supplying food and beverage, home, fashion and electrical products and offers retail goods.
- ❖ **Warehouse retailers** – usually situated in retail or business Park and where premises rents are lower, to stock, display and retail a large variety of goods at very competitive prices.
- ❖ **Speciality Retailers** – specialising in specific industries or products with high level of service.
- ❖ **E-tailer** – enables customers to shop on-line, highly convenient and able to supply all over the world.
- ❖ **Convenience Retailer** – located in residential areas and offers a limited range of products and services at premium prices.
- ❖ **Discount Retailer** – offers a variety of discounted products, less fashionable branded products from a range of suppliers by reselling at discounted prices.

3.11 CHALLENGES IN GREEN MARKETING

Over the past few years, the demand for green products in India has been growing significantly due to the increased interest on the environment. It seems everyone is “going green” these days. Living a green lifestyle is known as going green. The slogans are everywhere in store to promotion on product labels and in newspaper articles leading more people to choose a greener lifestyle every day. Recycling helps to save the world through green living. Many

companies have come in to the market in the commercial sale of green products with corporate social responsibility. Purchasing only all organic, chemical free products, energy saving, biodegradable and recycled products are another way to going green. It is considered a very effective method of trying to save the world and all of its resources. Green living is important in all activities of daily life, to protect the world. People should act responsible and willingly participate in saving world by buying green products.

Maintaining an ecological balance has been a major issue deal with the corporate world today. Green marketing has a special set of challenges. It starts from the manufacture process to disposal of the product. It requires huge investment for manufacturing the green product. It consists of renewable and recyclable material for production purpose, requires advanced technology and needs research and development and department for improvement, water treatment technology and waste management. To meet the environmental standards both marketers and consumers are gradually becoming sensitive to the need for switch in to green products and services. The consumer needs to be educated about environmental threats and conserving nature by purchasing green products. Consumers have confusion in selecting green products compared to normal products. It is necessary to provide labels for identifying green products. Most of the people have not enough knowledge about green products and its uses. Manufacturers should give green advertising not only for promoting products but to encourage people to buy green products and protect the environment.

The study has been structured to obtain the opinion from the 400 green consumers and 100 sellers in Coimbatore about the green products.