

A Study of Green Marketing is Presenting

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Introduction

Global ecological imbalance and global warming (also global cooling) have called upon environmentalists, scientists, social organisations, and alert common men to initiate the concrete efforts to stop further deterioration of ecological environment. The World Bank, the SAARC, the UNO, the WHO, and other globally influential organisations have started their efforts to promote and practice green marketing. The world environment summit at Copenhagen (2009) is the mega event that shows the seriousness of ecological imbalance.

To increase awareness, 5th June is declared as the World Environment Day. Green marketing emphasizes on protection of long-term welfare of consumers and society by production and use of pure, useful, and high quality products without any adverse effect on the environment. Mass media have started their campaign for protecting the earth from further deterioration. Worldwide efforts are made to conserve natural water resources.

Thus, green marketing is a marketing philosophy that promotes production and selling of pure (eco-friendly) products with protection of ecological balance. Green marketing involves multiple activities. Green Marketing encourages production of pure products by pure technology, conservation of energy, preservation of environment, minimum use of natural resources, and more use of natural foods instead of processed foods. Efforts of people, social organisations, firms, and governments in this regard can be said as green marketing efforts.

Green marketing raises the voice against production, consumption, and/or disposal of such products that anyway harm consumers, the society, and the environment. It is necessary that businessmen and users should refrain from harmful products.

IMPACTS OR IMPORTANCE OF GREEN MARKETING:-

Green marketing affects positively the health of people and the ecological environment. People are aware of pure products and pure methods of producing, using, and disposing the products. It encourages integrated efforts for purity in production and consumption as well.

WE CAN WITNESS FOLLOWING IMPACTS OF GREEN MARKETING:-

- Now, people are insisting pure products – edible items, fruits, and vegetables based on organic farming. The number of people seeking vegetarian food is on rise.
- Reducing use of plastics and plastic-based products.
- Increased consumption of herbal products instead of processed products.
- Recommending use of leaves instead of plastic pieces; jute and cloth bags instead of plastic carrying bags.
- Increasing use of bio-fertilizers (made of agro-wastes and wormy-composed) instead of chemical fertilizers (i.e. organic farming), and minimum use of pesticides.
- Worldwide efforts to recycle wastes of consumer and industrial products.
- Increased use of herbal medicines, natural therapy, and Yoga.
- Strict provisions to protect forests, flora and fauna, protection of the rivers, lakes and seas from pollutions.
- Global restrictions on production and use of harmful weapons, atomic tests, etc. Various organisations of several countries have formulated provisions for protecting ecological balance.
- More emphasis on social and environmental accountability of producers.
- Imposing strict norms for pollution control. Consideration of pollution control efforts and eco-technology in awarding IS, ISO 9000, or ISO 14000 certificates and other awards.
- Declaration of 5th June as the World Environment Day.
- Strict legal provisions for restricting duplication or adulteration.
- Establishing several national and international agencies to monitor efforts and activities of business firms in relation pollution control and production of eco-friendly products.

ADVANTAGES OF GREEN MARKETING-

Companies that boast new products, services, processes, or procedures that shine a light on their attention to environmental or social issues are in for some positive benefits. Consider the following:

1. You can reach new markets. Consumers who may not previously have been interested in your products may show new interest now that they see the benefits of your recyclable or

- renewable products.
2. You become more profitable. Thanks to being able to reach new markets, you are likely to see a boost in your sales, as eco-savvy consumers make the switch from their usual brand to one boasting more environmental awareness.
 3. You can best your competition. Want to stand out among a sea of competitors? You no longer have to market solely on your product's price or value; instead, you can focus on its environmental and social benefits.
 4. You save money (eventually). It might take a bit more investment to get environmentally-friendly manufacturing processes in place or to change up your marketing tactics, but in the long run, you will be saving money through your eco- friendly practices. For example, it may cost money to install solar panels initially, but the reduced energy consumption will save you bigbucks going forward.
 5. You raise awareness of important issues. Coca-Cola has focused much of its green marketing on the lack of clean drinking water in underdeveloped countries. This has created partnerships between Coca-Cola and others focused on trying to provide clean water sources to these communities.

DISADVANTAGES OF GREEN MARKETING -

Some companies have made an effort to become more environmentally friendly, also known as “going green.” Reasons for going green can include achieving better public relations, tapping into the growing green market or even because the company may simply feel it is the right thing to do to help protect the environment. However, there can be a number of disadvantages to going green for corporations.

CONVERSION EXPENSE -

It can be costly for a corporation to go green initially. For example, the switch to solar power will create the need to install solar panels at business facilities. The cost reductions in energy savings gained by going green are not always enough to offset the initial upfront conversion costs.

COSTLIER PRODUCTS

In some cases, the switch to using green materials can lead to more expensive products for

consumers. According to Jon Kaplan, owner of Green works Cabinetry, a Florida company that manufactures eco-friendly furniture products, he must get many of his building materials from the West Coast and even Asia, which leads to higher prices for the consumer.

LACK OF SUPPORT -

There can be an “entrenched bias” against companies that want to go green, as evidenced by some laws and regulations, according to Andrew Georgiadis, a South Florida green development expert. Georgiadis points to the fact that as of April 2010, fewer than 50 South Florida businesses have been able to obtain Leadership in Energy and Environmental Design certification, a system that verifies performance regarding the implementation of energy-saving measures.

GOING PAPERLESS

For some companies, a common method of going green is to minimize or even eliminate the use of paper. This can pose some disadvantages. For example, if employees lose or experience the theft of laptop computers, sensitive information that would normally be kept in a locked paper file could fall into the wrong hands. If companies don't properly back up their computer files, a system crash could prove disastrous.

CUSTOMER BACKLASH

Companies may intentionally or unintentionally make false claims regarding the environmental friendliness of their products, a process known as “green washing.” If consumers become aware that a company is engaging in green washing, the company may suffer harm to its credibility.

It is quite established a fact today that sustainable competitive advantage(SCA) is one of the fundamental basis for long term success of a firm. In fact different resources & organizational behaviour that contributes SCA are the fundamental issues in marketing strategy (Varadarajan & Jayachandran, 1999). Competitive advantage (CA) converts into SCA when other competing firms can not duplicate the strategy(Berney,1991) . According to Porter , ‘the basis of above average performance within an industry is SCA’. The term SCA actually emerged in 1985 when Porter revealed the basic types of competitive strategies firm can adopt(low cost or differentiation) to achieve SCA. But Berney (1991) is probably the first person to give a formal definition to SCA. According to him ‘A firm is said to have a SCA when it is implementing a value creation strategy not simultaneously being implemented by any current or potential

competitors & when these other firms are unable to duplicate the benefits of this strategy'.

Green marketing refers to the process of selling products and/or services based on their environmental benefits. Such a product or service may be environmentally friendly in it or produced and/or packaged in an environmentally friendly way.

The obvious assumption of green marketing is that potential consumers will view a product or service's "greenness" as a benefit and base their buying decision accordingly. The not-so-obvious assumption of green marketing is that consumers will be willing to pay more for green products than they would for a less-green comparable alternative product - an assumption that, in my opinion, has not been proven conclusively. While green marketing is growing greatly as increasing numbers of consumers are willing to back their environmental consciences with their dollars, it can be dangerous. The public tends to be sceptical of green claims to begin with and companies can seriously damage their brands and their sales if a green claim is discovered to be false or contradicted by a company's other products or practices. Presenting a product or service as green when it's not is called green washing.

The increased attention being focused on green marketing has stimulated interest in research regarding corporate social responsibility, green products, green consumerism and socially conscious consumers in the areas of business. Despite the significant effect of image on product/service value (MacInnis & Price, 1987), customer satisfaction and loyalty (Andreassen & Lindestad, 1998), to date, no research efforts have focused on examining the image of a green brand from the perspective of young customers. This study addresses this omission. The first objective was to explore the development of a green brand image using the concept of cognitive, affective and overall images. Second, the study aimed to investigate how a green brand image affects behavioural intentions, [(1) intention to offer positive recommendations and (2) willingness to pay a premium.]and in a way helps the firm to gain and sustain competitive advantage.

WHY IS GREEN MARKETING IMPORTANT

The question of why green marketing has increased in importance is quite simple and relies on the basic definition of Economics: Economics is the study of how people use their limited resources to try to satisfy unlimited wants. [Mc Taggart, Findlay and Parkin 1992, 24] Thus mankind has limited resources on the earth, with which she/he must attempt to provide for the worlds' unlimited wants. (There is extensive debate as to whether the earth is a resource at man's disposal, for example, see Gore 1993.) While the question of whether these wants are reasonable or achievable is important, this issue will not be addressed in this paper. In market societies where there is "freedom of choice", it has generally been accepted that individuals and

organizations have the right to attempt to have their wants satisfied. As firms face limited natural resources, they must develop new or alternative ways of satisfying these unlimited wants. Ultimately green marketing looks at how marketing activities utilize these limited resources, while satisfying consumers wants, both of individuals and industry, as well as achieving the selling organization's objectives.

LITERATURE REVIEW

Researchers over the years have given a greater emphasis to find out the specific resources & skill sets required to achieve SCA. The main contributions in this regard along with the name of the contributors are given in the following table

(Source: Hoffmann/ An Examination of the "Sustainable Competitive Advantage" Concept Academy of Marketing Science Review volume 2000 No. 4)

So it is quite imperative from the above references that firms should identify & combine their superior skills in a way so that other firms cannot imitate it simultaneously. As far as resources of a firm is concerned, they are generally of two types, tangible resources (easy to imitate) & intangible resources (difficult to imitate).

When a firm employs a strategy which is successful in leveraging those rare & valuable resources, then they are most likely to gain a competitive advantage over others (Clifford & Coyne , 1999) .

Examples of intangible resources include reputation of the firm, brand equity, & probably the most important one – human capital & their knowledgebase. Among all the intangible resources human capital & their knowledgebase is the most critical one, simply because it is most difficult to imitate. “Sustainable competitive advantage is no longer rooted in physical assets and financial capital, but in effective channelling of intellectual capital” (Seubert, Balaji and Makhija, 2001) So for gaining SCA a firm must manage this resource base properly by identifying , acquiring , aggregating & implementing them properly.

IMAGE FORMATION -

The frequently cited definition of an image is a conceptualization that reflects the set of beliefs, ideas and impressions that a public has of a product, service, destination, person, firm or brand (Kotler, Haider, & Rein, 1993). Assael (1984) similarly conceptualised image as the global perception that the public develops on the basis of information that is acquired and processed over time. Various images (corporate, destination, product and brand images) have been widely discussed in the literature.

For example, a brand requires a unique, favourable image to convey a strong sense of branding (Keller, 1993), which implies that a positive image is essential to brand power (Govers, 2003). Image also strongly influences a consumer's decision-making process and behaviour by offering mental shortcuts when processing purchase data (Kotler & Gertner, 2002).

Image has therefore been seen as a major research area in the literature of hospitality and tourism, as well as in business more generally. Substantial research (e.g. Baloglu & McCleary, 1999; Beerli & Martin, 2004; Lin, Morais, Kerstetter, & Hou, 2007) has been devoted to the theory of image formation. Researchers have concluded that image is shaped through three sequential phases: cognitive, affective and overall images.

These formation stages are linked to the idea of image as an attitudinal concept (Doyle & Fenwick, 1974; James, Durand, & Dreves, 1976) that comprises cognition (beliefs), affect (feeling) and conation (behavioural intention).

According to Bagozzi (1978) and Breckler (1984), cognition represents consumers' beliefs and knowledge about the object, whereas affect refers to their emotional response (feeling, mood) towards the object. Conation is the term given to behavioural intentions and verbal statements as a function of cognition and affect.

Dichter (1985) and Mazursky and Jacoby (1986) similarly argued that image is an overall phenomenon/impression formed by an individual as a result of cognitive and affective evaluations of an object's attributes.

While a cognitive image (CI) relates to consumers' beliefs about an object (such as a green hotel) based on an evaluation of its known attributes, affective image (AI) centres on individuals' feelings towards an object. This perspective is consistent with the two main dimensions of corporate image, namely the functional and the emotional.

The functional dimension is measured by evaluating the tangible attributes of a firm, whereas the emotional/psychological dimension is related to feelings towards a firm (Barich & Kotler, 1991). A similar view has been put forward as a means of assessing store image; this perspective includes both functional (e.g. merchandise, salespersons, value for money) and psychological elements (e.g. dull/exciting, dislike/like) (Golden, Albaum, & Zimmer, 1987).

In addition, tourism research generally postulates that a destination's image can be assessed using cognitive, affective and overall image. For example, Baloglu and McCleary (1999) used three cognitive dimensions – quality of experience, attractions and value/environment – to

describe the CI of a destination.

Beerli and Martin (2004) also adopted factors related to destination attributes in examining CI. Both studies adopted affective bipolar scales (e.g. arousing/sleepy, pleasant/unpleasant), as proposed by Russel and Snodgrass (1987). The majority of research to date (e.g. Gartner, 1993; Stern & Krakover, 1993) has posited that CI is an antecedent of AI that is triggered by a set of knowledge and beliefs regarding an object.

Such a causal relationship has been confirmed by seminal work in the social sciences (Weiner, 1986) that suggested ways in which cognitive knowledge can lead to affective responses. Dichter (1985) and Mazursky and Jacoby (1986) contended that an overall image is impacted by the combination of CI and AI. In this manner, CI and AI can directly contribute to an overall image.

Building on this theoretical viewpoint, subsequent studies (e.g. Baloglu & Mc Cleary, 1999; Beerli & Martin, 2004; Lin et al., 2007) suggested that a CI affects the overall image directly as well as indirectly via the AI. Similarly, the AI directly influences the overall image.

BEHAVIOURAL INTENTIONS -

Behavioural intentions are considered to be a critical factor in explaining customer behaviours in that an individual's strong intention to perform a certain behaviour is likely to result in its performance (Ajzen, 1991). The concept of behavioural intentions is grounded in the theory of planned behaviour by Ajzen (1991), who posited that intention is determined by attitude towards behaviour, subjective norms and perceived control. In a study on green marketing, Kalafatis, Pollard, East and Tsogas (1999) examined antecedents to consumers' intentions towards environmentally friendly products using the model of the theory of planned behaviour.

They found the validity of the theory in explaining intentions in the green marketing domain. Ajzen and Fishbein (1980) insisted that most individuals' behaviours are predictably based on his/her intentions. In this regard, numerous researchers in various settings have examined the formation of behavioural intentions to better comprehend customers' purchasing behaviours (Han, Hsu, & Sheu, 2010; Han & Ryu, 2006).

While the definitions of behavioural intentions vary across the previous literature, researchers generally agree that behavioural intentions are one's readiness/likelihood to conduct a specific behaviour (e.g. Ajzen, 1991, 2009; Han & Ryu, 2006; Oliver, 1997). Specifically, Oliver (1997) described behavioural intentions as "a stated likelihood to engage in a behavio[u]r" (p.

28). In a hospitality context, Han and Ryu (2006) defined behavioural intentions as an affirmed likelihood to perform a purchasing behaviour. Ajzen (1991, 2009) asserted that one's intentions are indicators of one's readiness to carry out a certain behaviour (Ajzen, 1991, 2009).

An individual's intention can be either favourable or unfavourable. According to Zeithaml, Berry and Parasuraman (1996), such favourable/unfavourable behavioural intentions correspond to the following: (1) the intention to offer positive/negative recommendations, (2) the willingness/unwillingness to pay a premium price and (3) the intention to repurchase/switch.

These elements have also been used to capture attitudinal loyalty, since they reflect a certain emotional commitment to a product or a brand (Yi & La, 2004). Manrai, Manrai, Lascu, and Ryans (1997) conducted a study to investigate how green-claim strength (a car that emits less pollution) can impact a company's image (Toyota) and how an improved company image can, in turn, enhance the customers' likelihood to purchase the car.

This research supports the notion of the positive correlation between an overall green image and behavioural intention, since it would seem that a positive CI (green-claim strength) can enhance overall image (company image), which, in turn, triggers promising behavioural intentions (likelihood of making a purchase).

THE RESEARCH OBJECTIVES -

The concept of green marketing is yet to gain recognition, popularity and acceptance to the full extent. In view of growing concern over the environmental issues across the world the marketers are attempting to address the green issues by way of increased attention to 'cradle to cradle' products instead of 'cradle to grave' products. Though the shades of green are different, the marketers are constantly addressing the concept.

Successful marketing strategy needs to be customer centric and so also the green marketing strategy. Among other things it is the positive perception, attitude, interest awareness and preference of consumers towards the green products that ensure sustainable success. These pertinent aspects are yet to be explored with much vigor. Against this background this study has been attempted with the following objectives:

- To capture and categorize the respondents on the basis of their level of eco friendliness and to understand their profile.
- To study the level of awareness, source of awareness, preference and level of satisfaction with respect to select eco friendly products.
- To study the influence of select demographic variables on the perception of eco friendly

products.

- To explore the difference in the perception regarding eco friendly products among the various categories of respondents.
- To discriminate among the various categories of respondents on the basis of select demographic variables.
- To offer suggestions based on the findings.

METHODOLOGY

The study assumes the characteristics of both exploratory and descriptive research. The study was based mainly on the primary data captured through a specially designed questionnaire.

The content of the questionnaire is as below; The questions designed in the interview schedule aims to explore

- (1) the profile of the respondent in terms of age, gender, education etc.,
- (2) Awareness level of green products
- (3) Knowledge base pertaining to green products
- (4) Preference towards green product category
- (5) Loyalty rating
- (6) Attitude towards green products.

This database is used to categorize respondents into different category of green consumers.

DATA INTERPRETATION -

Results of the findings are presented under various headings. It appears that consumers are not overly committed to improving their environment and may be looking to lay too much responsibility on industry and government.

Ultimately green marketing requires that consumers want a cleaner environment and are willing to "pay" for it, possibly through higher priced goods, modified individual lifestyles, or even governmental intervention. Until this occurs it will be difficult for firms alone to lead the green marketing revolution. Having said this, it must not be forgotten that the industrial buyer also has the ability to pressure suppliers to modify their activities.

Thus an environmental committed organization may not only produce goods that have reduced their detrimental impact on the environment, they may also be able to pressure their

suppliers to behave in a more environmentally "responsible" fashion. Final consumers and industrial buyers also have the ability to pressure organizations to integrate the environment into their corporate culture and thus ensure all organizations minimize the detrimental environmental impact of their activities.

Reference

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