

## GREEN MARKETING FOR SUSTAINABLE ECONOMIC DEVELOPMENT

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### ABSTRACT

Green marketing is a phenomenon which has developed particular important in the modern market. This concept has enabled for the re-marketing and packaging of existing products which already adhere to such guidelines. Additionally, the development of green marketing has opened the door of opportunity for companies to co-brand their products into separate line, lauding the green-friendliness of some while ignoring that of others. Such marketing techniques will be explained as a direct result of movement in the minds of the consumer market.

It is really scary to read these pieces of information as reported in the Times recently: "Air pollution damage to people, crops and wildlife in US. Total tens of billions of dollars each year". As resources are limited and human wants are unlimited, it is important for the marketers to utilize the resources efficiently without waste as well as to achieve the organization's objective. So green marketing is inevitable. There is growing interest among the consumers all over the world regarding protection of environment. Worldwide evidence indicates people are concerned about the environment and are changing their behavior. As a result of this, green marketing has emerged which speaks for growing market for sustainable and socially responsible products and services.

Key Words: - Green Product, Recyclable, Environmentally safe, Eco Friendly, Re-marketing and Packaging.

*When we heal the earth, we heal ourselves. ~ David Orr*

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## INTRODUCTION

Environmentally-responsible or "green" marketing is a business practice that takes into account consumer concerns about promoting preservation and conservation of the natural environment. Green marketing campaigns highlight the superior environmental protection characteristics of a company's products and services. The sorts of characteristics usually highlighted include such things as reduced waste in packaging, increased energy efficiency of the product in use, reduced use of chemicals in farming, or decreased release of toxic emissions and other pollutants in production. Marketers have responded to growing consumer demand for environment-friendly products in several ways, each of which is a component of green marketing. These include:

- Promoting the environmental attributes of products;
- Introducing new products specifically for those concerned with energy efficiency, waste reduction, sustainability, and climate control, and
- Redesigning existing products with an eye towards these same consumers.

Marketing campaigns touting the environmental ethics of companies and the environmental advantages of their products are on the rise.

## REACTIONS TO "GREEN CONSUMERISM"

A number of factors have caused business firms in some industries to incorporate an environmental ethic into their operations. The principal factor, of course, is the growing public awareness of the environmental degradation that has resulted as a consequence of the growth in population and natural resource consumption throughout the world during the last 50 years. The issue is particularly relevant in America, which accounts for fully one quarter of world consumption despite having only a small fraction of the world's population. This growing public awareness of environmental issues has brought with it a corresponding change in the buying decisions of a significant segment of American consumers. Many consumers, and not just the most environmentally conscious, have begun in recent years to incorporate environmental concerns in their personal buying decisions through the purchase and use of products and

services perceived to be more environmentally friendly. In some cases, changes in commodity availability have been the motivation behind such shifts in purchasing patterns. Businesses took heed of this growth in "green consumerism," and new marketing campaigns were devised to reflect this new strain of thought among consumers. Companies with product lines that were created in an environmentally friendly fashion (i.e., with recycled products, comparatively low pollutant emissions, and so on) quickly learned to shape their marketing message to highlight such efforts and to reach those customers most likely to appreciate those efforts (an advertisement highlighting a company's recycling efforts, for instance, is more likely to appear in an outdoor/nature magazine than a general interest periodical).

Ironically, the most environmentally aware consumers are also the ones most likely to view green claims of companies with skepticism. The attempt to portray oneself as "green" may fall flat if they are perceived to be false advertising, particularly among those most educated about environmental issues. Corporate reputation, then, has emerged as a tremendously important factor in reaching and keeping these consumers.

## **GREEN PRODUCTS**

In their book *The Green Consumer*, John Elkington, Julia Hailes, and John Makower discussed several characteristics that a product must have to be regarded as a "green" product. They contended that a green product should not:

- Endanger the health of people or animals
- Damage the environment at any stage of its life, including manufacture, use, and disposal
- Consume a disproportionate amount of energy and other resources during manufacture, use, or disposal
- Cause unnecessary waste, either as a result of excessive packaging or a short useful life
- Involve the unnecessary use of or cruelty to animals
- Use materials derived from threatened species or environments

## **LIFE CYCLE ANALYSIS**

Most analysts agree that the "life" of the product and its parts is one of the most important components in determining whether a product is "green" or not. Most people think only of the process of creating a product when gauging whether a product is green, but in reality, products impact on the environment at several additional stages of their useful lives. Life cycle analysis (LCA) and/or product line analysis (PLA) studies measure the cumulative environmental impact of products over their entire life cycle—from extraction of the resources used to create the product to all aspects of production (refining, manufacturing, and transportation) to its use and ultimate disposal. These studies are sometimes referred to as "cradle to grave" studies. Since such studies track resource use, energy requirements, and waste generation in order to provide comparative benchmarks, both manufacturers and consumers can select products that have the least impact upon the natural environment. Some detractors of LCA studies, though—while granting that they do provide useful information—contend that they are subjective in setting analysis boundaries and claim that it is difficult to compare the environmental impact of disparate products.

## GREEN PROMOTION

Perhaps no area of green marketing has received as much attention as promotion. In fact, green advertising claims grew so rapidly during the late 1980s that the Federal Trade Commission (FTC) issued guidelines to help reduce consumer confusion and prevent the false or misleading use of terms such as "recyclable," "degradable," and "environmentally friendly" in environmental advertising. Since that time, the FTC has continued to offer general guidelines for companies wishing to make environmental claims as part of their promotional efforts:

- Qualifications and disclosures should be sufficiently clear and prominent to prevent deception.
- Environmental claims should make clear whether they apply to the product, the package, or a component of either. Claims need to be qualified with regard to minor, incidental components of the product or package.
- Environmental claims should not overstate the environmental attribute or benefit. Marketers should avoid implying a significant environmental benefit where the benefit is, in fact, negligible.

- A claim comparing the environmental attributes of one product with those of another product should make the basis for the comparison sufficiently clear and should be substantiated.

## **ECO-SPONSORING**

One avenue commonly used by companies to promote their specific ecological concerns (or polish their overall reputations as good corporate citizens) is to affiliate themselves with groups or projects engaged in environmental improvements. In the simplest form, firms engaged in eco-sponsoring activities contribute funds directly to an environmental organization to further the organization's objectives. Another approach is to "adopt" a particular environmental cause (community recycling programs are popular), thus demonstrating the company's interest in supporting environmental protection efforts.

## **ECO-LABELING**

Another vehicle that has been used with increasing frequency in recent years to convey environmental information to consumers is "eco-labeling." Eco-labeling programs are typically voluntary, third-party expert assessments of the environmental impacts of products. Two firms that are involved in such third party label verification work are Green Seal and Energy Star.

## **CONCLUSION**

The popularity of green products created a need to regulate and standardize claims about the environmental characteristics of products. Many regulatory guidelines were issued (and remain in force) to accomplish this job. They are designed not only to curb businesses engaged in misleading advertising practices, but also to clarify the regulatory environment for companies and make it easier for the consumer to differentiate between products that are truly "green" and those that are not.

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