

GREEN MARKETING OPPORTUNITIES**Mr Rajpal,**Assistant Professor in Commerce
S.U.S. Government College Matak Majri- Indri.**ABSTRACT**

Unfortunately, a majority of people believe that green marketing refers solely to the promotion or advertising of products with environmental characteristics. Terms like Phosphate Free, Recyclable, Refillable, Ozone Friendly, and Environmentally Friendly are some of the things consumers most often associate with green marketing. While these terms are green marketing claims, in general green marketing is a much broader concept, one that can be applied to consumer goods, industrial goods and even services. For example, around the world there are resorts that are beginning to promote themselves as "ecotourist" facilities, i.e., facilities that "specialize" in experiencing nature or operating in a fashion that minimizes their environmental impact. Thus green marketing incorporates a broad range of activities, including product modification, changes to the production process, packaging changes, as well as modifying advertising. Yet defining green marketing is not a simple task. Indeed the terminology used in this area has varied, it includes: Green Marketing, Environmental Marketing and Ecological Marketing. Equipped with a better grasp of ecological issues, enlightened businesspeople voluntarily adopt environmentally responsible business practices. A growing number of CEOs now appreciate the link between environmental responsibility and more efficient - and profitable - business practices. And more and more business communicators know how to use green marketing strategies to take advantage of opportunities to boost their corporate environmental images.

INTRODUCTION

Unfortunately, a majority of people believe that green marketing refers solely to the promotion or advertising of products with environmental characteristics. Terms like Phosphate Free, Recyclable, Refillable, Ozone Friendly, and Environmentally Friendly are some of the things consumers most often associate with green marketing. While these terms are green marketing claims, in general green marketing is a much broader concept, one that can be applied to consumer goods, industrial goods and even services. For example, around the world there are resorts that are beginning to promote themselves as "ecotourist" facilities, i.e., facilities that "specialize" in experiencing nature or operating in a fashion that minimizes their environmental impact. Thus green marketing incorporates a broad range of activities, including product modification, changes to the production process, packaging changes, as well as modifying advertising. Yet defining green marketing is not a simple task. Indeed the terminology used in this area has varied, it includes: Green Marketing, Environmental Marketing and Ecological Marketing.

Equipped with a better grasp of ecological issues, enlightened businesspeople voluntarily adopt environmentally responsible business practices. A growing number of CEOs now appreciate the link between environmental responsibility and more efficient - and profitable - business practices. And more and more business communicators know how to use green marketing strategies to take advantage of opportunities to boost their corporate environmental images. Many companies, and especially those in such highly polluting industries as chemicals, oil, and electrical power generation, now have management systems in place to make sure corporate environmental profiles and products exceed consumers' expectations. Today, major U.S. corporations conduct environmental audits and recycle their waste. Countless others upgrade their facilities with energy-efficient technologies. Such steps reduce operating costs and liability while boosting profits.

Producing eco-efficient products creates less waste, uses fewer raw materials and saves energy, too. Thanks to innovative manufacturing processes suggested by highly motivated and

environmentally trained employees, Interface, the world's largest producer of commercial carpeting, projects a savings of more than \$35 million by the end of 1997.

The changes required for making and marketing environmentally sensitive products enhances employee morale and productivity with a payoff in improved customer relations and overall returns on investment. Enhanced corporate imagery ensues, and this can help attract investors and top talent.

COMPETITIVE ADVANTAGE –

Many marketers now know that being the first to the shelf with an environmental innovation brings competitive advantage. Since 1993, Rayovac introduced Renewal brand reusable alkaline batteries and redefined the market for re-chargeable. With 50 percent of the production capacity for phosphate detergents, German-based Henkel pioneered the market for zeolites and claimed market leadership when their consumers shifted to phosphate-free detergents. Philips Lighting, inventors of compact fluorescent lighting technology, stood ready when businesses and electric power utilities came calling for replacements for energy-guzzling incandescent. Wellman, Inc., has expanded its business definition from plastics recycler to pioneers in the market for branded polyester fiber made from used Coke bottles.

Many of these leaders have been showered with any number of eco-accolades now offered by industry, media, government or environmental groups. One example is the Special Edison Award for Environmental Achievement bestowed by the American Marketing Association. It has been won by Fortune 1000 firms including 3M and Procter and Gamble as well as by a raft of up-and-coming firms with a deep-green orientation like Natural Cotton Colours, Patagonia, and Tom's of Maine.

Young, aggressive competitors adept at capturing the imaginations and winning the hearts of highly desirable environmentally and socially conscious customers are introducing some of the most exciting green products. The success of Patagonia outerwear, Stonyfield Farm Yogurt, and Tom's of Maine toothpaste suggest that consumers now have higher expectations for

the products they buy and that quality is an image that no longer stands apart from environmental impact.

Looking to cash in on the potential for future green-oriented sales, well-established mass marketers now shop for green companies with promising green brands; recent acquisitions include Earth's Best Baby Foods (by Heinz), Murphy's Oil Soap (Colgate- Palmolive), EarthRite Cleaning Products (Reckitt & Colman). After nearly two decades of compromising on quality – and languishing on once-dusty health food store shelves as a result–today's crop of green products finally embody all that consumers demand: an opportunity to clean up the mess without having to give up price or quality. With the deepened consumer confidence in green products that results, the market becomes legitimized.

INCREASED MARKET SHARE –

Times are tough for marketers of branded products. Brand loyalty is near all time lows, and the percentage of Americans who feel that some brands are worth paying more for is declining. In this tough, competitive climate, environmental compatibility breaks ties at the shelf. Pragmatic consumers skew purchases to those products and packages that must be recycled or otherwise safely disposed of in their communities. All else being equal, many consumers look to do their bit by happily switching brands, or "boycotting" those companies and products deemed environmentally sound and boycotting the brands of companies with disappointing environmental track records.

These growth opportunities have not been lost on such market leaders as Procter & Gamble, McDonald's, and Compaq. They offer the greenest of mainstream products and take pains to project environmentally appropriate corporate images. Pick up a bottle of Tide laundry detergent and learn how it is "phosphate-free," contains "biodegradable cleaning agents," and is packaged in a "recycled-content" bottle. Check out the basic brown paper carry-out bags and speckled (recycled) napkins at McDonald's (they are now testing "Earth Shell" compostable food wraps), and buy a Compaq PC emblazoned with the Energy Star energy-saving designation.

Many executives would be shocked to discover just how many consumers are aware of - and act upon - their knowledge of corporations' track records for environmental, and also social, responsibility. In one poll conducted by the Porter Novelli public relations firm, for example, consumers were five times more apt to believe that a company's record on the environment was an "important" factor in their purchasing decisions than corporate executives believed.

BETTER PRODUCTS –

While much brand switching is conducted in the name of altruism, what attracts many consumers to greener products is quite simply the prospect of higher quality: water-saving showerheads slash energy bills, concentrated laundry detergents are easier to carry and store, and nontoxic garden products are safer for children. Except these enhanced primary benefits—of performance, convenience, price, and safety, for example—that accompany environmental improvements to continue to propel the market for environmentally preferable products in the years and decades ahead.

PERSONAL REWARDS –

Green marketing offers a rare opportunity to integrate one's values into the workplace. Creating products that are more in sync with nature allows one to personally contribute to environmental cleanup and help ensure a more secure future for our children.

A mind once expanded never goes back to where it was. No longer content to promise consumers that their clothes will become "whiter than white" or breath that is "fresher than fresh", green marketers—like their bosses who manage for a double bottom line—cultivate higher levels of satisfaction and reward. They offer their consumers the prospect of healthier, more fulfilled lives, and the power to make the world a better place.

Efficiency and Cost Effectiveness

The common inherent benefit of many green products is their potential energy and resource efficiency. Given sky-rocketing energy prices and tax incentives for fuel-efficient cars

and energy saving home improvements and appliances, long-term savings have convinced cost-conscious consumers to buy green.

Recently, the home appliance industry made great strides in developing energy efficient products to achieve EPA's Energy Star rating. For example, Energy Star refrigerators use at least 15 percent less energy and dishwashers use at least percent less energy than do traditional models. Consequently, an Energy Star product often commands a price premium. Whirlpool's popular Duet frontloading washer and dryer, for example, cost more than \$2,000, about double the price of conventional units; however, the washers can save up to 12,000 gallons of water and \$110 on electricity annually compared to standard models (Energy Star does not rate dryers).

Laundry detergents are also touting energy savings. Procter & Gamble's (P&G) newest market entry, Tide Coldwater, is designed to clean clothes effectively in cold water. About 80 to 85 percent of the energy used to wash clothes comes from heating water. Working with utility companies, P&G found that consumers could save an average of \$63 per year by using cold rather than warm water. Adopting Tide Coldwater gives added confidence to consumers already washing in cold water. As energy and resource prices continue to soar, opportunities for products offering efficiency and savings are destined for market growth.

Health and Safety

Concerns over exposure to toxic chemicals, hormones, or drugs in everyday products have made health and safety important choice considerations, especially among vulnerable consumers, such as pregnant women, children, and the elderly. Because most environmental products are grown or designed to minimize or eliminate the use of toxic agents and adulterating processes, market positioning on consumer safety and health can achieve broad appeal among health-conscious consumers. Sales of organic foods, for example, have grown considerably in the wake of public fear over "mad cow" disease; antibiotic-laced meats, mercury in fish, and genetically modified foods. Mainstream appeal of organics is not derived from marketers promoting the advantages of

free-range animal ranching and pesticide free soil. Rather, market positioning of organics as flavorful, healthy alternatives to factory-farm foods has convinced consumers to pay a premium for them.

A study conducted by the Alliance for Environmental Innovation and household products-maker S.C. Johnson found that consumers are most likely to act on green messages that strongly connect to their personal environments. Specifically, findings suggest that the majority of consumers prefer such environmental household product benefits as “safe to use around children,” “no toxic ingredients,” “no chemical residues,” and “no strong fumes” over such benefits as “packaging can be recycled” or “not tested on animals.” **Seventh Generation, a brand of non-toxic and environmentally- safe household products, derived its name from the Iroquois belief that, “In our every deliberation, we must consider the impact of our decisions on the next seven generations.”** Accordingly, its products promote the family-oriented value of making the world a safer place for the next seven generations.

Indoor air quality is also a growing concern. Fumes from paints, carpets, furniture, and other décor in poorly ventilated “sick buildings” have been linked to headaches, eye, nose, and throat irritation, dizziness, and fatigue among occupants. Consequently, many manufacturers have launched green products to reduce indoor air pollution. Sherwin Williams, for example, offers “Harmony,” a line of interior paints that is low-odor, zero- VOC, and silica-free. Aside from energy efficiency, health and safety have been key motivators driving the green building movement.

Performance

The **conventional wisdom is that green products don’t work as well as “non-green” ones.** This is a legacy from the first generation of environmentally sensitive products that clearly were inferior. Consumer perception of green cleaning agents introduced in health food stores in the 1960s and 1970s, for example, was that “they cost twice as much to remove half the grime.”

Today, however, many green products are designed to perform *better* than conventional ones and can command a price premium. For example, in addition to energy efficiency, front-loading washers clean better and are gentler on clothes compared to conventional top-loading machines because they spin clothes in a motion similar to clothes driers and use centrifugal force to pull dirt and water away from clothes. By contrast, most top-loading washers use agitators to pull clothes through tanks of water, reducing cleaning and increasing wear on clothes. Consequently, the efficiency and high performance benefits of top-loading washers justify their premium prices.

Homeowners commonly build decks with cedar, redwood, or pressure-treated pine (which historically was treated with toxic agents such as arsenic). Wood requires stain or paint and periodic applications of chemical preservatives for maintenance. Increasingly, however, composite deck material made from recycled milk jugs and wood fiber, such as Weyerhaeuser's ChoiceDek, is marketed as the smarter alternative. Composites are attractive, durable, and low maintenance. They do not contain toxic chemicals and never need staining or chemical preservatives. Accordingly, they command a price premium — as much as two to three times the cost of pressure-treated pine and 15 percent more than cedar or redwood.

In sum, “high performance” positioning can broaden green product appeal.

Symbolism and Status

As mentioned earlier, the Prius, Toyota's gas-electric hybrid, has come to epitomize “green chic.” According to many automobile analysts, the cool-kid cachet that comes with being an early adopter of the quirky-looking hybrid vehicle trend continues to partly motivate sales. Establishing a green chic appeal, however, isn't easy. According to popular culture experts, **green marketing must appear grass-roots driven and humorous without sounding preachy. To appeal to young people, conservation and green consumption need the unsolicited endorsement of high-profile celebrities and connection to cool technology.** Prius has capitalized on its evangelical following and high-tech image with some satirical ads, including a

television commercial comparing the hybrid with Neil Armstrong's moon landing ("That's one small step on the accelerator, one giant leap for mankind") and product placements in popular Hollywood films and sitcoms (such as *Curb Your Enthusiasm*). More automobile analysts, the cool-kid cachet that comes with being an early adopter of the quirky-looking hybrid vehicle trend continues to partly motivate sales.



THE GREEN CHIC SYMBOL

In business, where office furniture symbolizes the cachet of corporate image and status, the ergonomically designed "Think" chair is marketed as the chair "with a brain and a conscience." Produced by Steelcase, the world's largest office furniture manufacturer, the Think chair embodies the latest in "cradle to cradle" (C2C) design and manufacturing. C2C, which describes products that can be ultimately returned to technical or biological nutrients, encourages industrial designers to create products free of harmful agents and processes that can be recycled easily into new products (such as metals and plastics) or safely returned to the earth (such as plant-based materials). Made without any known carcinogens, the Think chair is 99 percent recyclable; it disassembles with basic hand tools in about five minutes, and parts are stamped with icons showing recycling options. Leveraging its award-winning design and sleek comfort, the Think chair is positioned as symbolizing the smart, socially responsible office. **In sum, green products can be positioned as status symbols.**

Convenience

Many energy-efficient products offer inherent convenience benefits that can be showcased for competitive advantage. CFL bulbs, for example, need infrequent replacement and gas-electric hybrid cars require fewer refueling stops—benefits that are highlighted in their marketing communications. Another efficient alternative to incandescent bulbs are light emitting diodes (LEDs): They are even more efficient and longer-lasting than CFL bulbs; emit a clearer, brighter light; and are virtually unbreakable even in cold and hot weather. LEDs are used in traffic lights due to their high-performance convenience.

To encourage hybrid vehicle adoption, some states and cities are granting their drivers the convenience of free parking and solo-occupant access to HOV lanes. A Toyota spokesperson recently told the *Los Angeles Times*, “Many customers are telling us the carpool lane is the main reason for buying now.” Toyota highlights the carpool benefit on its Prius Web site, and convenience has become an incentive to drive efficient hybrid cars in traffic-congested states like California and Virginia. Critics have charged, however, that such incentives clog carpool lanes and reinforce a “one car, one person” lifestyle over alternative transportation. In response, the Virginia legislature has more recently enacted curbs on hybrid drivers use of HOV lanes during peak hours, requiring three or more people per vehicle, except for those that have been grandfathered in.

Solar power was once used only for supplying electricity in remote areas (for example, while camping in the wilderness or boating or in homes situated off the power grid). That convenience, however, is being exploited for other applications. In landscaping, for example, self-contained solar-powered outdoor evening lights that recharge automatically during the day eliminate the need for electrical hookups and offer flexibility for reconfiguration. With society’s increasing mobility and reliance on electronics, solar power’s convenience is also manifest in solar-powered calculators, wrist watches, and other gadgets, eliminating worries over dying batteries.

Bundling

Some green products do not offer any of the inherent five consumer desired benefits noted above. This was the case when energy-efficient and CFC-free refrigerators were introduced in China in the 1990s. While Chinese consumers preferred and were willing to pay about 15 percent more for refrigerators that were “energy efficient,” they did not connect the environmental advantage of “CFC-free” with either energy efficiency or savings. Consequently, the “CFC-free” feature had little impact on purchase decisions. To encourage demand, the CFC-free feature was bundled with attributes desired by Chinese consumers, which included energy efficiency, savings, brand/quality, and outstanding after-sales service. Given consumer demand for convenience, incorporating time-saving or ease-of-use features into green products can further expand their mainstream acceptance. Ford’s hybrid Escape SUV comes with an optional 110-volt AC power outlet suitable for work, tailgating, or camping. Convenience has also enhanced the appeal of Interface’s recyclable FLOR carpeting, which is marketed as “practical, goof-proof, and versatile.” FLOR comes in modular square tiles with four peel-and-stick dots on the back for easy installation (and pull up for altering, recycling, or washing with water in the sink). Modularity offers versatility to assemble tiles for a custom look. Interface promotes the idea that its carpet tiles can be changed and reconfigured in minutes to dress up a room for any occasion. The tiles come in pizza-style boxes for storage, and ease of use is FLOR’s primary consumer appeal.

Austin (Texas) Energy’s “Green Choice” program has led the US in renewable energy sales for the past three years. In 2006, demand for wind energy outpaced supply so that the utility resorted to selecting new “Green Choice” subscribers by lottery. While most utilities find it challenging to sell green electricity at a premium price on its environmental merit, **Austin Energy’s success comes from bundling three benefits that appeal to commercial power users: First**, Green Choice customers are recognized in broadcast media for their corporate responsibility; **second**, the green power is marketed as “home grown,” appealing to Texan

loyalties; and **third**, the program offers a fixed price that is locked in for 10 years. Because wind power's cost is derived primarily from the construction of wind farms and is not subject to volatile fossil fuel costs, Austin Energy passes its inherent price stability onto its Green Choice customers. Thus, companies participating in Green Choice enjoy the predictability of their future energy costs in an otherwise volatile energy market. The analysis suggests that successful green marketing programs have broadened the consumer appeal of green products by convincing consumers of their "non-green" consumer value. The **lesson for crafting effective green marketing strategies is that planners need to identify the inherent consumer value of green product attributes** (for example, energy efficiency's inherent long-term money savings) **or bundle desired consumer value into green products** (such as fixed pricing of wind power) **and to draw marketing attention to this consumer value.**

Calibration of Consumer Knowledge

Many of the successful green products in the analysis described here **employ compelling, educational marketing messages and slogans that connect green product attributes with desired consumer value.** That is, the marketing programs successfully calibrated consumer knowledge to recognize the green product's consumer benefits. In many instances, the environmental benefit was positioned as secondary, if mentioned at all. Changes made in EPA's Energy Star logo provide an example, illustrating the program's improved message calibration over the years. One of Energy Star's early marketing messages, "EPA Pollution Preventer," was not only ambiguous but myopically focused on pollution rather than a more mainstream consumer benefit. A later promotional message, "Saving The Earth. Saving Your Money." better associated energy efficiency with consumer value, and one of its more recent slogans, "Money Isn't All You're Saving," touts economic savings as the chief benefit. This newest slogan also encourages consumers to think implicitly about what else they are "saving"—the logo's illustration of the Earth suggests the answer, educating consumers that "saving the Earth" can also meet consumer self-interest.

The connection between environmental benefit and consumer value is evident in Earthbound Farm Organic's slogan, "Delicious produce is our business, but health is our bottom line," which communicates that pesticide-free produce is flavorful and healthy. Likewise, Tide Coldwater's "Deep Clean. Save Green." slogan not only assures consumers of the detergent's cleaning performance, but the term "green" offers a double meaning, connecting Tide's cost saving with its environmental benefit. Citizen's solar-powered Eco-Drive watch's slogan, "Unstoppable Caliber," communicates the product's convenience and performance (that is, the battery will not die) as well as prestige.

Some compelling marketing communications educate consumers to recognize green products as "solutions" for their personal needs *and* the environment. When introducing its Renewal brand, Rayovac positioned the reusable alkaline batteries as a solution for heavy battery users and the environment with concurrent ads touting "How to save \$150 on a CD player that costs \$100" and "How to save 147 batteries from going to landfills." Complementing the money savings and landfill angles, another ad in the campaign featured sports star Michael Jordan proclaiming, "More Power. More Music. And More Game Time." to connect Renewal batteries' performance to convenience. In practice, the analysis conducted here suggests that advertising that draws attention to how the environmental product benefit can deliver desired personal value can broaden consumer acceptance of green products.

BIBLIOGRAPHY

- Advertising Age. 1991. "Spurts and Starts: Corporate Role in '90s Environmentalism Hardly Consistent." Advertising Age 62 (46): GR14-GR16.
- Azzone, Giovanni and Raffaella Manzini. 1994. "Measuring Strategic Environmental Performance." Business Strategy and the Environment 3 (1): 1-14.
- Carlson, Les, Stephen Grove, and Norman Kangun. 1993. "A Content Analysis of Environmental Advertising." Journal of Advertising 22 (3): 27-38.
- Charter, Martin (ed). 1992. Greener Marketing. Sheffield, England: Greenleaf Publishing.

- Coddington, Walter. 1993. Environmental Marketing: Positive Strategies for Reaching the Green Consumer. New York: McGraw-Hill Inc.
- Davis, Joel J. 1992. "Ethics and Green Marketing." Journal of Business Ethics 11 (2): 81-87.
- Davis, Joel J. 1993. "Strategies for Environmental Advertising." Journal of Consumer Marketing 10 (2): 19-36.
- Debets, Felix M. H. 1989. "Health and Environmental Safety Aspects of DME as an Aerosol Propellant." Aerosol Age 34 (12): 39-42.
- Federal Trade Commission (FTC). 1991. Hearings on Environmental Marketing Issues, (July 17-18), Washington, D.C.: FTC.
- Federal Trade Commission(FTC). 1992. Guides for the Use of Environmental Marketing Claims: The Application of Section 5 of the Federal Trade Commission Act to Environmental Advertising and Marketing Practices. Washington, D.C.: FTC.
- EPA-NSW. 1994. Who Cares about the Environment. Sydney, Australia: Environmental Protection Authority.
- Freeman, R. E. and J. Liedtka. 1991. "Corporate Social Responsibility: A Critical Approach." Business Horizons 34 (4): 92-98.
- Gifford B. 1991. "The Greening of the Golden Arches-McDonald's Teams With Environmental Group to Cut Waste." The San Diego Union, August 19: C1,C4.
- Gore, Al. 1993. Earth in the Balance: Ecology and Human Spirit. New York: Plume.
- Henion, Karl E., and Thomas C. Kinnear. 1976a. Ecological Marketing. Columbus, Ohio: American Marketing Association.
- Henion, Karl E., and Thomas C. Kinnear. 1976b. "A Guide to Ecological Marketing." in Karl E. Henion and Thomas C. Kinnear (Eds). Ecological Marketing. Columbus, Ohio: American Marketing Association.
- Hume, Scott. 1991. "McDonald's: Case Study." Advertising Age 62 (5): 32.
- Ingram, C. Denise and Patrick B. Durst. 1989. "Nature-Oriented Tour Operators: Travel to Developing Countries." Journal of Travel Research 28 (2): 11-18.