CHAPTER III

CONCEPTUAL FRAMEWORK

This chapter presents brief introduction, definitions and need for the concepts of marketing and green marketing. The operational definitions of various heading under consideration in this study have also been discussed. Further, classification of green marketing mix strategies (GMMS) and influence of the same on marketing performance is also presented. Few of the parameters identified through literature which influencing companies to take up green marketing have been highlighted. Various models depicting the eco-friendly manufacturing process, green marketing strategy matrix and incorporation of green marketing strategies into regular marketing framework has also been discussed. Lastly the international scenario is incorporated to give the insight about global understanding on green marketing.

3.1 CONCEPT OF GREEN MARKETING

The word green marketing refers to the strategies used to endorse products by employing environmental claims both about their characteristics or about the methods, policies, plans and procedures of the companies that manufacture or sells them (Prakash 2002). Ecological marketing is the integral part of complete corporate strategy (Menon & Menon 1997). Along with controlling the traditional marketing mix (product, price, place and promotion), it entails an understanding of public policy processes. Green marketing also ties strictly with issues of industrial ecology (study of material and energy flows through industrial systems) and environmental sustainability such as extended producers responsibility, life-cycle analysis, material use and resource flows, and eco-efficiency (Prakash 2002). Thus, the theme of green marketing is huge, having vital insinuations for business strategy and public policy. According to Ottman, 1998 from a managerial or organisational viewpoint, ecological considerations must be combined into all facets of marketing; from new product development to usage and disposal and all processes in between.
The theory of green marketing is the corporate practice that studies consumers concerns with respects to protection and preservation of the natural environment (Coddington, 1993). Green marketing that has been mainly focused on the ecological perspective has now moved to more sustainability aspect in marketing efforts and its process. Prime focus now is in socio-economic and ecological perspective. Whereas, green market is identified as a portion of market segments founded on the greenness of the consumer (Simintiras, et al., 1994). Therefore, green marketing is now dealing with fair trade of socio-economic assistances as well as environmental tasks over the green business.

Although no consumer product has a nil impact on the ecology, in business, the term green product and eco-friendly product are used usually to describe those that attempt to defend or improve the natural environment by protecting energy and resources, reducing or eliminating use of toxic agents and waste (Ottman, 1998). Learning by Jacqueline A. Ottman revealed that green product and service offerings accounted for 13.4 percent in 1991 and 20 to 40 percent of all innovative products in few categories, like health and beauty aids, pet care, household and laundry. The claim of Economist magazine has gone so far to say that for far-sighted companies, the environment might turn out to be the largest break point to venture and invent the products and processes that the industrial world has ever seen.

3.2 CONCEPT OF MARKETING
Marketing management is a trade which is paying importance on the realistic function of marketing methods and the management of a firm's marketing resources and activities. Quickly budding forces of globalization have led businesses to market beyond the borders of respective home countries, making international marketing highly important and an essential part of a firm's marketing strategy (Rakesh, 2005). To create an able, cost-efficient marketing management plan, organisations must possess a complete, objective understanding of their own company and the marketplace in which they operate (Kevin & Peter, 2000). In analyzing these issues, the disciplines of marketing management often lie on top with the related stream of strategic planning.
Marketing management uses variety of tools and practice from economics and competitive strategy to examine the business context and condition in which the company unit operates. These consist of Porter's five forces, investigation of strategic business units (SBU) of competitors, careful value chain analysis and others (Michael, 1998). Depending on the sort of industry, the regulatory situation may also be important to inspect in detail.

In competitor analysis, detailed profiles of the opponents in the market are constructed before hand, depending on the comparative business strengths and weaknesses by means of SWOT analysis. Marketers will learn each opponent’s cost model, ways of profits, accessible resources and capabilities, product differentiation and competitive placing/positioning, past responses to industry growth, amount of vertical integration and other factors too. Marketers may frame and supervise different environmental checking and competitive intelligence processes to help recognize effectiveness of opponents and inform the company's marketing analysis division.

To achieve the required aims, a marketer in general identifies one or more target customer fragment which they (marketer) have it in mind to pursue. Specific customer sections are often targets because they score high on two dimensions:

1) The segment is attractive to serve because it is huge, on the rise, makes repeated purchases and not price sensitive (i.e. is willing to pay increased prices), or any further factors; and

2) The corporation has the assets and abilities to compete for the segment's business, can meet their needs better than the competitor, and can do it profitably (Michael 1998).

In fact, a commonly quoted meaning of marketing is just "meeting needs beneficially" (Kotler & Keller, 2006). The insinuation of choosing target segments is that the business will consequently assign more resources to obtain and maintain customers in the target segment(s) than other non-targeted consumers/ customers. In some cases, the firm may sometime turn away customers who do not belong to target segment.
In combination with targeting decisions, marketers have to identify the desired positioning they want the company’s, product, or brand to take in the target consumers/customer's mind. This positioning often consists of important advantage the company's product or service enjoys, as the offerings are differentiated and the benefits presented by competitive products are analysed in detail (Ries, 2000). Ideally, a firm's positioning can be sustained over an extended period of time because the company can develop, some form of sustainable competitive benefit (Michael 1998). The positioning should also be adequately relevant to the target segment so that it will compel the purchasing behavior of target consumers/customers (Ries, 2000).

To sum up, marketing deals with the selling and reputation of its products and services among people and its customers. The vital and eventual goal of a firm is customer satisfaction and the revenue gain.

### 3.3 DEFINITION OF MARKETING

A widely accepted idea in marketing literature is that identifying, anticipating and satisfying human needs and wants, it is the crucial starting point in the building of successful marketing strategies (Kotler 1988) and that consumer/customer orientation is the answer to excellent business performance (Kohli & Jaworski, 1990).

Marketing management is usually viewed as the method of planning and executing the conception, pricing, promotion and distribution of ideas, goods and services to create exchanges that satisfy both individual and organisational objectives (Kotler, 1988).

Marketing can best be described as a “social process by which individuals and groups obtain what they need and want through creating, offering, and exchanging products and value with others” (Kotler, 1988).

Marketing is an omni present societal activity that goes considerably beyond the selling of toothpaste, soap and steel. The question considered is whether traditional marketing principles are transferable to the marketing of organisations, person and ideas. Under certain circumstances few of the traditional marketing activities can be formulated and
successfully implemented for marketing of organisations, persons and ideas on pre-defined positioning. According to Carl, Zeithaml & Valarie (1984), despite the controversy prevalent in their theoretical works, two generally accepted conclusions emerge from a review of the literature are as follows:

- Marketing involves assisting the barter relationship that exists between an organisation and its external environment; and
- Marketing principles and processes are applicable to exchanges beyond those involving the products and services of profit-oriented businesses.

As emphasised by Wind and Robertson (1983), "the strategy perspective holds the promise of enriching, intensifying, expanding, and increasing the relevance of the marketing field". Marketing is important force which the organisation can call upon to create change and extend its influence over the environment. The environmental management perspective is an initial step in this direction, one that may encourage marketers to assume a more integral role in corporate strategy.

In marketing, Alderson (1957) highlighted the need to observe and conceptualize marketing agencies and their relationships as components of a system. Building on the work of Alderson, Nicosia (1962) addressed the merits of viewing marketing as a system of structural and dynamic relationships. In his view, systems conceptualizations of phenomena constitute attempts to identify the properties stemming from the modes by which entities mutually relate, making them preferable to conceptualisations that deal only with individual entities. Nicosia provides an extensive treatise on Alderson's conceptualisation of marketing as a complex ecological system engaged in economic operations.

Ruekert et al., (1985) propose a contingency framework of marketing task structure and performance, in which the performance result of marketing actions is viewed as dependent on the characteristic/nature of the task, the way in which the task is organized and the nature of its environment.
3.4 EVOLUTION OF GREEN MARKETING

Over a period of time green marketing has evolved into an important concept. In 2005, Peattie opined that green marketing has passed through three phases. Initially phase was known as ‘ecological’ green marketing, during this phase, the environmental problems were identified and solutions were provided for these problems. After that second phased started termed ‘environmental’ green marketing, during this phase focus was shifted to clean and green technology. Importance was laid on production of innovative products with minimum waste and pollution. Currently, industries are in third phase of green marketing termed as ‘sustainable green marketing’; this phase has gained its importance from early 2000.

Rachel Carson’s in 1962 said that environmental era has arrived in his book ‘Silent Spring’ a book on global problems of herbicides and pesticides. During 1960’s, environmental economics was developed as a separate branch of economics. During 1960’s, it was believed that growth, progress, development and conservation of environment cannot be carried out simultaneously. So, majority of the theories developed during that time were against the growth coupled with environment, Pearce et al. 1990. UNEP (United Nations Environment Program) was established in 1972 during completion of first earth summit. During 1970s, there was a difference among the scholars regarding resource utilization. On one hand, environmental economist felt that natural resources will never be depleted completely (Pearce et al., 1990), but changes in type of raw material used or process or technology might change (like recycling), with an intention of conserving resources. On other hand, Meadows et al. 1979 concluded that even under most positive supposition, it cannot be confirmed that resources will be available throughout as the rate of population growth is drastic. During the same period, there were companies which regarding environmental management as burden and viewed it indifferently. Few of the companies were hostile to environment management (Greeno et al., 1992).

During 1980’s, a radical change was generally noticed among various sectors and specifically in manufacturing sector. The concept of ‘Zero Growth’ was replaced by sustainable development. Sustainable development has resulted in development of products/ services which meets the needs of present demand without affecting the
facility of future generation to meet their requirements (Bruntland Report, 1991). With this, it can be inferred that income is generated while maintaining the capital base (Beaumont et al. 1993). Pearce et al., (1989) in their study titled ‘Blueprint for a Green Economy’ showcased that sustainable development can be accomplished through regulations and market forces. This was the first study which exhibited that environmental protection and economic growth can be achieved at the same time. This was the period when more of the environmentally concerned organisations developed (like Green Peace and Friends of the Earth).

Second Earth Summit (1992) was conducted at Rio de Janeiro, for government and companies; this period was of strategic importance for corporate level planning. Shrivastava et al., 1992, opined that upcoming companies are regarding environmentally management as tool to employ against competition and develop competitive advantage. Most of the governments from western countries have developed stringent rules and regulations that effects business with more emphasis on the concept of ‘polluter pays’ (OECD - Organisation for Economic Co-operation and Development and EC - European Community, countries). In United kingdom and Ireland various concepts (BATNEEC - Best Available Techniques Not Entailing Excessive Costs and BPEO - Best Practicable Environmental Option) have been developed which emphasises the parallel growth of business and environment protection. According to Hill et al. 1994 said that in countries like UK and Ireland, the governments has also taken proactive step and developed comprehensive policies and even made necessary modifications in British Standards for Environmental Management Systems (EMS) and formulation of Strategic Environmental Assessment (SEA).

The anti-growth theories (Zero Growth) which were developed during 1960-70 were replaced by the concept of sustainable development. Large organisations have recently incorporated sustainability into actions. This concept of sustainability is now slowly percolating to small and medium sized organisations also.
3.5 GREEN MARKETING

Environmental concern as the combination of marketing management discipline has appeared recently and inconsistently. The nucleus and essential element of green marketing is sustainability, Charter (1992). Pierre and Prothero (1997) opined that green approach towards consumption and production includes getting pleasure from today’s standard of living without harming the standard of living that is to be enjoyed by future generations to come. Environmental problems are social challenges which are now converted in marketing problems. Sustainability is social goal, when achieved will nearly change everyone’s behaviour (Dam & Apeldoorn, 1996).

Globalization and international trade have continued to increase over the last decade as a result of the number of multinational enterprises. Due to this, competition has amplified. 1970’s was an unstable period in the history of the global marketplace. Major shifts in the social, economic and political climate had significant impact on marketing professionals.

Severe questions were raised on marketing practices adopted during this period and specific questions were raised against the marketing practices affecting the natural ecosystem. During this period, it was believed that ‘ecological concern’ would pose threat to persisting marketing practices and more of regulation regarding environment may come up. However, marketers proposed that the threat of environment on marketing can be converted to opportunity through green/ ecological marketing. Henion (1976) said that initially green marketing can be executed to the segment of consumers who buy eco-friendly products and respond positively to ecological appeal.

From consumers view point, it is consistently learned that they desire to purchase green products which is more environmentally friendly compared to non eco-friendly products, when other things are constant. However, during practical buying situation, other things are never constant and hence indifferent behaviour is noticed.

Many companies have accepted their responsibility not to harm the environment. So, products and production processes become cleaner and more companies “go green”, because they realize that they can reduce pollution and increase profits at the same time.
Green marketing is a creative opportunity to innovate in ways that make a
difference and at the same time achieve business success (Grant, 2007). As business
activities caused many of the environmental problems in the past and currently too,
companies, particularly multinationals, play a vital role in the world economy, and they
have also the resources, capacity and capability to put ecological solutions into practice
(Tjarnemo, 2001). Companies have responsibility to drive the development towards
greater sustainability and becoming greener, so that a company's intention is to create
markets which can readily accept more environmentally friendly products and services
and educate and influence customers to change (Hart, 1997). Two motives for
companies to change to more environmentally appropriate strategies and practices are
cost saving and the market opportunity potential. Companies can save money by
reducing the amount of raw material and energy used in production. Becoming more
eco-oriented and offering environmentally friendlier products might result in increased
market shares as well as an improved company image. Thus, companies are gaining
first-mover advantages in greening the society (Tjarnemo, 2001). This first-mover
advantage however is not sufficient anymore, as more companies orient themselves
ecologically and customers can choose from a variety of eco-labelled products.

Green marketing has been an important academic research topic since it came about
(Coddington, 1993; Fuller, 1999; Ottman, 1998). Attention was drawn to the subject of
eco-marketing in the late 1970’s when the American Marketing Association organised
the first ever workshop on ‘Ecological Marketing’ in 1975 which resulted in the first
The first definition of ‘green marketing’ was according to Henion (1976); “the
implementation of marketing programs directed at the environmentally conscious
market segment” (Banerjee, 1999).

However, this optimistic start towards green marketing was initiated in 1990’s which
was not sustained (Peattie & Crane, 2005). A report conducted by Mintel in 1995,
discovered only a small increase in green consumers since 1990, and demonstrated a
significant gap between concern and actual purchasing activity. This signifies that
consumers do not want to compromise on major factors like price, quality or
convenience while making green purchase (D’Souza et al., 2006). The frequency and
prominence of green claims was also found to be in decline (Peatie & Crane, 2005). So
instead of the ‘green revolution’ in the marketing forecasted for 1990’s companies became more cautious about launching environmentally-based communications campaigns for fear of being accused of ‘green washing’. This is when a company/businesses hides the true effect of its products or actions on the environment, it showcases as though the company is worried about the natural environment.

According to Peattie, 1992; Pierre and Prothero, 1997; Ottman, 1998, Green marketing has been also termed as: environmental marketing (Coddington, 1993; Peattie, 1992 & 1995); greener marketing (Charter & Polonsky, 1999); and sustainable marketing (Fuller, 1999). Even though green marketing revolution did not occur as predicted, the interest in the topic has not died down. Grant (2007) claims that green marketing is at a tipping point and that what we do next will decide if the topic continues to develop and gain momentum.

Soonthonsmai (2007) defined green marketing as the activities taken by firms that concern about the environment or green problems by delivering the environmentally sound goods or services to create consumers and society’s satisfaction. Other definitions of green marketing as proposed by marketing scholars include social marketing, ecological marketing or environmental marketing.

In United States and other western countries the concept of green consumers’ movement has not reached the critical sizes of the mass (John 2006). According to Joel Makower (2008), the major drawback of green marketing is that there are no public consensus and standards regarding the definition of green. There is no specific definition which defines that what type of product or company claims of being green is good. Joel Makower (2008) opines that, due to lack of consensus among the consumers, activists, marketers, regulators and high ranked individual has slowed down the process adoption of green products. Consumers are not sure about the green claims done by the companies and similarly, companies are not promoting their green activities. Polonsky (1995) said that besides the limitations, green marketing has gained support and growing continuously. Green concern among the consumers has made the companies to advertise more about the green claims (Rylander, 1993).
3.5.1 DEFINITION OF GREEN MARKETING

The role and responsibilities of marketing has turned out to be a matter of discussion/dialogue as lifestyles and consumption patterns in the industrialized world are a prominent originator of environmental degradation. On the one hand, marketing has been criticized for contributing to the environmental degradation by emphasizing on consumption, consequently causal to a throwaway society and stressing on satisfying short-term consumer wants. Simultaneously, marketing is observed as a significant tool in order to sell new lifestyles and change overall consumption pattern, not only to ecologically alert consumers but for the entire range of consumers. Thus, marketing must provide more sustainable form of culture among consumers. Marketing has broadened and widened its scope with respect to environmental issues from focusing on the manufacturing process, transaction and exchange. Green marketing has no one definition (Tjarnemo, 2001).

When ecological benefits are focused while selling products/service refers to as green marketing. The product itself can be eco-friendly or the production process would be sustainable or the product would have been packed in eco-friendly manner. In 1975, AMA (American Marketing Association) conducted a workshop on ‘Ecological Marketing’. On the completion of this workshop one of the initial books on green marketing titled "Ecological Marketing" was published. Green marketing is defined as "Green or Environmental Marketing consists of all activities designed to generate and facilitate any exchanges planned to satisfy human needs or wants, such that the contentment of these needs and wants occurs, with less harmful impact on the natural environment”. The definition highlights the importance of marketing orientation in the process of environmental marketing. The definition suggests that green marketing could range from modifying a product’s packaging to changing advertising methods. It is important to understand that green marketing goes hand-in-hand with a commitment to operating an eco-friendly business.

Green marketing incorporates a broad range of actions, which includes product alteration/modification, alteration to the production process, packaging modification, as well as modifying external communication like advertising etc. Defining green marketing is very difficult, because it is a broad concept. Green marketing is just above promotion and advertising; green marketing is a way of operating business in an
environmental friendly way. Modifying a firm’s product, production or process might be the first step in this direction of creating a green business.

According to Ottman (1998), in her book Green Marketing, marketing to today’s consumers is entirely unlike than it was 20 years back. It is believed that traditional/conventional marketing simply won’t work today. It is crucial for businesses to market themselves and their products/services as environment-friendly to have chance at sales success. This is basically because conserving environment is on the top of modern consumers’ minds today. In order to tap these consumers, marketing efforts must be targeted towards them. So, green marketing should be implemented by all businesses. Green marketing is also considered the most important and contemporary way to position the product in the minds of the customers.

According to Ken (1995) environmental marketing is defined as ‘the holistic management activity responsible for identifying, anticipating, and satisfying the necessities of the consumers in specific and society at large, in a profitable and eco-friendly way’. The definition suggests environmental marketing to be a holistic management process that satisfies customers in a sustainable fashion. However, the majority of the currently available text gives a fragmented approach to the practice of green marketing (concentrating on few aspects such as green promotion, environmental claims, green consumers etc.) with little holistic perspective.

Coddington (1993) defines green marketing as “marketing activities that distinguish environmental stewardship as a business progress responsibility and business growth chance.

According to Armstrong and Kotler (2007) environmental sustainability is defined as a management approach that is engaged in developing strategies that sustain the environment and produce profits for the company. It is a critical but difficult social target and many companies are taking at least some actions according to the capacity of the company to protect and conserve the environment.

Further Charter (1992) adds a strategic dimension to the concept of green marketing. Charter states that ‘greener marketing is a holistic and responsible strategic
management process that identifies, anticipates, satisfies and fulfils stakeholder needs, for a reasonable reward, that does not adversely affect human or natural environmental well-being’. This definition stresses the importance of a long-term viewpoint and the vital role played by stakeholders other than regular consumers for the victory of environmental marketing.

The term “Green marketing” refers to planning, development and promotion of products or services that satisfy the needs of consumers for quality output, accessible prices and service, without any detrimental effect on the atmosphere, with respect to the utilization of raw material, consumption of energy etc (Davis 1993).

According to Kangis (1992) green marketing must be more than either a green way of marketing, or the marketing of ostensible green products. Green has to refer both to the method of production and to the product itself. This is why, the very idea of green marketing needs considerable development and analysis to ascertain in-depth knowledge about green phenomenon, with rules and integrity in economic, scientific, academic and ethical terms.

To out beat competition “green marketing” is considered an important entrepreneurial occasion to innovate even more and take advantage in competitive market scenario (Ottman, 1992; Kaufman, 1999; Laroche et al., 2001; Vaccaro, 2009).

Pride and Ferrell (2008) found that the objectives of green marketing should be

- To eliminate waste, which should focus on the production of products without waste instead of getting rid of waste;
- To re-invent the concept of product in order to become consistent with the environmental commitment;
- To price the products portraying the real cost, which means high value for the consumer’s money; and
- To create profitability through the creation of operational occasions that derives from the environmental conscience in the market.
Nair and Menon (2007) define environmental marketing as a 360 degree sustainable management process intended at optimising consumer and other stakeholder value without compromising on any aspect of human and environmental safety. The authors opine that consumer and other stakeholder value optimisation with smallest amount of impact on the natural environment must be the central theme of green marketing.

It is also the idea that environmental objectives are not incompatible with ongoing economic success as it is a step nearer to marketing (Grant, 2007). Eco labels are used as basic tool in green marketing. Eco labels are defined as labels which identify overall environmental preference of a product / service within a specific product/service range. So, an eco-labelled product is at liberty to bear a logo that comes with a claim that the product has been produced in agreement with certain environmental standards. An eco label, in contrast to green symbols or statements, has to consist of three components, namely, the certification standard, an independent accreditation body and independent certification bodies. Eco-labelling schemes demand independent third-party certifications that the product concerned meets the predefined standards, ensuring strict and continuous compliance with the standard by producers. Consequently, managing label guarantees the correctness of the claim of the eco label (European Commission Homepage).

Peattie and Crane (2005) claims that despite the early improvement, it was only in the late 1980’s that the thought of green marketing really made an manifestation, because of the consumers’ rising interest in green products, increased awareness and willingness to pay for green features. One of the latter definitions of green marketing is the process of planning, implementing, and controlling the advancement, pricing, promotion, and distribution of products in a manner that satisfies the following three criteria: (1) customer requirement, (2) both long term and short term goals of the organisation are met, and (3) the process involved in the organisation should be compatible with ecosystems (Fuller 1999).

According to Geetika (2013), Green marketing refers to the process of selling products and/or services based on their environmental benefits. Such a product or service may be environment friendly in itself or produced and/or packaged in an environment-friendly way.
The definition has been refined and segmented into three main categories:

**Definition of Retailing:** The marketing of products/services that are recognised to be environmentally safe by the consumers.

**Definition of Social Marketing:** The development and marketing of products/services is designed to reduce the harmful effects on the physical environment or to improve the quality of environment.

**Definition of Environmental marketing:** The efforts by organisations to manufacture, endorse, package and reclaim products in a manner that is receptive or responsive to ecologically concerned consumers/customers. All the three definitions speak the fact that green marketing involves enlightening consumers about initiatives started by the organisation that will promote the environment, with the overall goal of improving sales or reducing costs.

### 3.5.2 NEED FOR GREEN MARKETING

As human wants are unlimited and resources on earth are limited, it becomes more important for companies to utilise the resources efficiently without wasting it and simultaneously achieving organisational goals. To succeed in present scenario, it is important to indulge in green marketing. Consumers all over the globe are concerned about environment and the concern is growing day by day. Studies indicate that concern towards environment is growing and consumers are slowly shifting their non-green behaviour to green behaviour. As a result of this, green marketing has emerged which talks about socially responsible and sustainable products and services.

There is increase in the level of awareness among the consumers all over the globe with respect to protection of environment in which consumer live, people do not want to spoil the clean natural environment in which their offspring are going to dwell in future. It has been noticed that individual consumers and industries have shifted their non green behaviour to sustainable behaviour. No specific studies have been conducted in this regards. These types of studies will surely develop theories and come up with innovative ideas.
3.6 OPERATIONAL DEFINITIONS

**Consumers:** An individual who buys products or services for personal use and not for manufacture or resale. A consumer is someone who can make the decision whether or not to purchase an item at the store, and someone who can be influenced by marketing and advertisements.

**Dealers:** A person or firm in the business who bridges the gap between the manufacturer and the ultimate consumers.

**Green dealers:** The marketing/supply chain intermediaries dealing with eco-friendly products/service and delivering the same by self practice and communicating and convincing the customers/consumers to purchase the same.

**Marketing professional:** A professional whose primary task is to manage the marketing resources of a product or business. A marketing professional can be in charge of a single product or brand. He/she is the individual who manages the routine activities of the marketing the product in market, he/she can be the assistant of marketing managers, sales personnel etc.

**Durable goods:** Durable goods are a category of consumer products that do not need to be purchased frequently because they are made to last for a long time (usually lasting for three years or more). They are also called consumer durables or durables.

**Marketing Strategies:** To achieve organisational goals like increase in sales and achieving competitive advantage, the companies should follow certain processes which make use of the resources on optimal opportunities by minimizing waste. The basic and long term activities in the area of marketing are covered under marketing strategies. Formulation, analysis, development, selection of specific strategies oriented towards specific markets is part of marketing strategies. The development of these strategies will help the organisations to achieve its goals and marketing objectives.

**Green Marketing Strategies (GMS):** Green marketing strategy is a long-term plan to achieve certain pre specified green marketing objectives. These strategies are further divided into product, price, place and promotion related GMS. (Extended three P’s; people, process and physical evidence)

**Green Washing:** Green washing (a compound word modeled on "whitewash"), or "green sheen," is a form of spin in which green public relation or green marketing is deceptively used to promote the perception that an organisation's products, aims and/or policies are environmentally friendly.
**Attitude:** The term attitude can be defined as the way an individual think and feel about someone or something. Attitude is a trend to respond negatively or positively against a certain object, idea, person, or situation. Individual choice of action is dependent on attitude.

Four major components of attitude are

(1) Affective: emotions or feelings.

(2) Cognitive: belief or opinions held consciously.

(3) Conative: Leaning for action.

(4) Evaluative: response pattern (positive or negative).

**Perception:** The technique by which public interpret sensory impersonation into a logical and united view of the world around them. Though inevitably based on deficient and unproven (or unreliable) information, perception is associated with realism for many practical purposes and directs human behaviour in general.

**Green consumer:** Green consumer is a customer/consumer who wants to buy things that have been produced in a way that protects the natural environment.

**Green consumerism:** the situation in which consumers want to buy things that have been produced in a way that protects the natural environment.

**Green company:** A company functioning with very minimum negative impact on economy, the community and local or global environment.

**Green washing:** when organisations project themselves to be environmental friendly and operate in the way that harms environment is termed as green washing.

**Green jobs:** A green job, also called a green-collar job is, according to the United Nations Environment Program, "work in agricultural, manufacturing, research and development (R&D), administrative, and service activities that contribute(s) substantially to preserving or restoring environmental quality."
3.7 GREEN MARKETING MIX STRATEGIES

CLASSIFICATION

3.7.1 PRODUCT RELATED GMMS

Product strategies identify market needs and wants that may be satisfied by diverse product offerings. It is a firm’s product strategies, duly connected to overall marketing strategies that finally control both firm’s overall strategy and the strength of the firm. Product related strategies deals with various aspects of products, in terms of variety, product scope, innovation and designing. Implementation of product related GMMS requires cooperation from various functional departments like finance, research and development, marketing team etc. This level of co-operation between various departments in an organisation makes product strategies difficult to develop and implement. To achieve proper coordination the green marketing strategies are formulated at corporate levels.

Planning the product portion of a market (planning product according to market) offering calls for coordinated decisions in all the areas like product mix, product lines, branding, and packaging and labeling. A product mix is the set of all products and items offered for sale by the marketer.

Many physical products have to be packaged and labeled. Well-designed packages create convenience value for customers and promotional value for producers. Packages and labels should be compatible with public policy and environmental concerns. Physical products also require labeling for identification and possible grading, description, and product promotion. The research have attempted to find out the perception of marketing managers of selected companies, dealers and consumers regarding packaging by presenting statements with respect to space consumed by packages, helpfulness in transportation and nature of material used so that recycling or reuse will be possible.

Branding is a major product-strategy issue. High brand equity translates into high brand-name recognition, high perceived brand quality, strong mental associations, and other important assets. In creating brand strategy, firms must decide whether to produce manufacturer brands, or distributor or private brands; which brand name to use, and
whether to use line extensions, brand extensions, multi-brands, new brands, or co-
brands. The best brand names suggest something about the product’s benefits; suggest
product qualities; are easy to pronounce, recognize, and remember and are distinctive.
Few statements like regarding ‘company’s initiation with respect to green branding
strategies’, ‘involvement in green branding strategies’ and brand emphasize eco-
friendly nature of the product were examined from the perspective of marketing
professionals of their respective companies. From the dealers view point their
perception on green branding strategies was verified. The attitude of consumers towards
green branding was also analysed.

The term positioning refers to placing a brand in that part of the market where it will
receive a favorable reception compared to competing products. Because the market is
heterogeneous, one brand cannot make an impact on entire market. As a matter of
strategy therefore, a product should be matched with that segment of the market in
which it is most likely to succeed. Positioning is achieved by using marketing mix
variables, especially design and communication. The researcher have tried to find out
the positioning strategies used by the eco-friendly product manufacturing companies,
dealers and green product users on the basis of quality, design, warranty period, features
and characteristics of the products and services.

Product variety also plays an important role in GMS. One product cannot suit the
requirement of entire market and vice versa. Companies are manufacturing green
products but the variety of green products is also required, which plays the major role in
deciding the GMS. If not, product variety shall become the limitation for the company.

3.7.2 PRICE RELATED GMMS

Pricing has traditionally been considered a vital dimension in formulating market
related strategies. During 1960’s stable economic condition existed because of low rank
given to pricing variable. The basic idea behind pricing is to get sufficient amount of
return on investment. Hence, traditionally the simple type of method used in calculating
price for product/ service is ‘cost plus pricing’. However over a period of time, the
variety of events gave a new twist to the task of making pricing decisions. Double-digit
inflation, material shortage, the high cost of money, consumerism, awareness about
environment and post-price controls behaviour (controlling the price of the product once it is fixed) all made pricing as an important decision for the companies viewpoint. Hence, pricing decision has been considered as an important factor while formulating firm’s overall marketing strategy.

The pricing decision of the companies are based on various parameters like pricing objectives, cost, competition, some pricing decision which are not in the interest of the firms are also employed to maintain the balance among all activities. Micro and small business have their pricing done for generating revenues and maximizing profits. For few of the occasions, inappropriate pricing strategy may lead a company to lose profits and become uncompetitive in the selected market segment. Hence, careful planning is required before formulating pricing strategy.

The potential green pricing objectives might be to maximize long-run profits; avoid government investigation and control; maintain loyalty of middlemen and get their sales support; enhance image of firm and its offering, to be regarded as fair by customers, create interest and excitement, to be considered as trustworthy and reliable by rivals or to build traffic. Before, formulating green pricing the few details of consumers are necessary like consumers value analysis of the product (performance, quality, utility and profit-rendering potential), market acceptance level, existing industry customs and market intelligence about the stake holders, government, labour, employee, community relations etc. There are few of the important pricing strategies like pricing for new product (skimming and penetration), pricing for established products, price-flexibility, product line pricing, leasing strategy, bundling, price leadership and price strategy to build market share that a company/ corporate may adopt. Green concept involved in pricing will play a major role as differentiator to take up competition. Green pricing strategies play very important role in development of the selected market. The following are the few of the broadly identified green pricing strategies.

- Premium Green Pricing, surveys around the globe has shown that a niche consumer segment is willing to pay higher for green products.
- Larger Quantity Pricing, big size packaging is generally efficient both cost wise and for environment.
• Complementary Product Pricing - Any part of the product which can be recycled or remanufactured can adopted this pricing strategy.
• Disposable versus re-usable System Pricing.
• Take-back pricing, cost of product disposal is involved in pricing. It assumes future costs will be incurred for taking back a product. Sometimes a manufacturer asks the customer to share the price and ship the product at customer’s expense.
• Leasing: the consumers do not actually buy the product rather they lease it for a specific period of time.

Today the challenges faced by marketers are about smart pricing and overcoming traditional pricing strategies. Large numbers of firms are developing innovative type of pricing strategies which includes the concept of sustainability.

3.7.3 PROMOTION RELATED GMMS
Promotional strategies are concerned with the planning, implementation, and control of persuasive communication with customers. These strategies may be designed around advertising, personal selling, sales promotion, or any combination of these. Clear-cut objectives and a sharp focus on target customers are necessary for an effective promotional program. In other words, merely undertaking advertising campaign or hiring a few salespeople to call on customers may not suffice. Rather, an integrated communication plan consisting of various promotion methods should be designed to ensure that customers in a product/ market cluster get the right message and maintain a long-term cordial relationship with the company.

According to Polonsky et al., (1997) promoting products that do not have any detrimental effect on natural environment is green promotion. It should comply with at least one of the following criteria (Banerjee et al., 1995)

• The promotional message should explicitly or implicitly addresses the relationship between a product/service and the natural environment.
• The message should emphasize sustainable life style with or without focusing products/ services.
• Promotion should present corporate image as environmentally responsible.

According to Polonsky (1997) green promotion assist customers/ consumers to surmount the “greatest environmental peril”, that is, the lack of environmental
knowledge. Ottman (1998); Zint and Frederick (2001) opine that firms should not pre-
determine that consumers are aware and have considerable knowledge about eco-
friendly activities they indulge in. To narrow down the gap with environmental
activities of the company and consumers Ottman (1998) has come up with few
suggestions on promotion related GMMS.

- Educate consumers about green products that can solve environmental
  problems.
- Empower consumers with explanations by representing to consumers how
  environmentally safe products/services can aid consumers protect health,
  conserve the natural environment for upcoming generations.
- Provide performance reassurance of green-based products, as many consumers
  perceive them to be inferior to conventional products.
- Consider a suitable mix of media. For instance consumers who are aware of
  environmental issues are more receptive to messages conveyed through direct
  marketing, community programs, public relations, and packaging.
- Appeal to consumer self-interest by bringing out the benefits of green products
  to both actual consumers and potential consumers.

The major statements in the questionnaire for selected companies and dealers tries to
bring out the actual green promotion strategies employed both from the point of view of
marketing professionals and dealers.

3.7.4 PLACE RELATED GMMS

Distribution strategies are concerned with the channels a firm may employ to make its
goods and services available to customers. Channels are organized structures of buyers
and sellers that bridge the gap of time and space between the manufacturer and the
customers. Traditionally physical distribution of the goods has been done via various
strategies like channel-structure strategy, distribution-scope strategy, multiple-channel
strategy, channel modification strategy, channel-control strategy and channel conflict
management.

Reverse channels are most green logistics available till date. This channel deal with the
recycling of products after the consumers has used it. Recycling means extraction of
recyclable materials found in the waste. Traditionally product disposal can be termed as indiscriminately dumping the product. Fuller et al., 1997 states that recycling is achieving the cyclical flow of materials into the system. Reverse channel has the few of the unique characteristics as follows

- The consumers become the seller and manufacturers become the buyer.
- Manufacturers indulge in functions like sorting and accumulation.
- The recycled materials flows into one of the three industrial markets; original equipment manufacturer, raw material producing industries or other industry which is using recycled material as virgin material in their production.
- The consumers do not have to play a proactive role in selling the used product unlike traditional channels.

Other workings of green logistics strategies include lowering distribution cost by reduction of packaging material, use of integrated transportation systems and the internet. Conversely, reverse flow channels are given more emphasis (Willums, 1998; Polonsky, 2001).
3.8 NEW EVALUATION INDICATORS FOR THE MANUFACTURING PROCESS

Fig 3.01: New evaluation indicator for manufacturing processes

Source: www.fujitsu.com

New added value is produced by adding the environmental burden reduction, a new evaluation item, to the previously existing principal evaluation items for the manufacturing process, including cost reduction, quality improvement and punctual delivery. Each factory performs quarterly target establishment and evaluation of achievements for each production line and promotes green process activities continuously. This process is very important as to which many governments agencies insist on.

Green physical evidence

In green marketing, “Physical evidence” is a more implicit factor. The characteristics and abilities of the environment in which green products or services are produced is an important factor. It comprises all tangible goods and known experiences of customers which facilitate production and offering of green products and services.
3.9 THE GREEN MARKETING STRATEGY MATRIX

Ginsberg and Bloom (2004) have found that no single green marketing strategy fits in for all the corporations. The authors have developed four green marketing strategies based on extent of greenness of the company and sustainability of green market segment. The strategies are extreme green, shaded green, lean green and defensive green.

Fig 3.02: Green marketing matrix.


Ginsberg and Bloom (2004) say that these green marketing strategies are derivative of green market size of that industry and the company’s ability to differentiate their products based on greenness.

Lean Green

If decided to use elements from the Lean Green strategy one should not focus on publicizing or marketing green initiatives. Instead, one should try to reduce costs and improve efficiencies through environmentally friendly acts, hence assisting in competitive advantage with lower cost. The companies are afraid of not being able to live up to its claims or differentiate themselves from competitors. Lean Green enterprises do not want to promote their environmental efforts directly to the overall brand, because of the risk that all products of the company then may be categorised as
green. Therefore it is safer for Lean Green companies to tie their environmental friendliness to only one brand

**Defensive Green**

When defensive green strategy is used as a marketing strategy, it is used as a precautionary measure, or as a response to a crisis or to competitors’ actions. Therefore, the enterprise uses defensive green strategy in order to enhance brand image and ease the damage. On the other hand, by using this strategy companies cannot differentiate themselves from competitors on the basis of greenness. Aggressive promotion of greenness would not be suitable since it would create high expectations that cannot be met. Companies involved in defensive approach engage in activities like sponsoring and organising environment friendly events. Those actions protect their environmental advertising claims from the potential difficulties created by activists, regulators or competitors.

**Shaded Green**

Shaded Green companies focus on having long-term, system wide, environmental friendly processes that require both significant financial and non-financial commitment. Shaded Green companies see green activities as an opportunity to create innovative needs-satisfying products and technologies. These companies usually have the power and capability to differentiate themselves on greenness, but instead they choose to profit from highlighting other attributes. These attributes are usually the direct, tangible benefits provided to the customers. Shaded Green companies usually sell their products through mainstream channels, where the environmental benefits are promoted only as a secondary factor. The primary benefits would be saving recurring cost bared by consumers.

**Extreme Green**

Companies using extreme green as a marketing strategy are embodied with holistic philosophies and values. In these companies, environmental issues and responsibility are fully incorporated into the business and product life-cycle processes. The companies adopting extreme green marketing strategies cater to niche markets through specialised channels.
3.10 ISO 14000 AND SUSTAINABLE DEVELOPMENT

Sustainable development is the simultaneous development of the environment, wellbeing of public and economy. However, sustainable development cannot be achieved by a single business. So, ISO 14000 has been developed in order to contribute to sustainable development and assist companies by attempting to focus on environmental activities in mainstream of the company decision making (Zhang et al., 2000). In order to stimulate better environmental management practices by businesses, ISO 14000 standards stand for a shift towards integrating sustainable development principles into business practices. ISO 14001 promotes self-organising and self-regulating, representing the basis for continuous improvement of environmental performance. It also tries to foster an alternative and more effective environmental ethic to product and process design, material selection and transportation logistics throughout a product’s life cycle, which may reduce its impact on the environment. The protection of non-renewable natural resources and the development of reverse distribution systems, reclaiming recyclable parts at the end of a product’s life cycle, are encouraged by the ISO 14001 Environmental Management System (Zhang et al., 2000). So, ISO 14001 offers a framework for designing environmentally friendly products and processes for companies and offers an integrated approach for improving regulatory compliance and supporting environmental protection. Competitive advantages can be gained through better environmental performance, such as in the field of waste minimization and pollution prevention. The ISO 14000 family standards may thus, considerably improve the environmental performance of business activities as well as the consistency of these activities with principles of sustainable development (Zhang et al. 2000). It is interesting to see whether companies only aim at fulfilling standards or go a step ahead in the future as well.

ISO 14000 series has been formulated to meet needs of enterprises to achieve environmental management systems. Since 1991, International Organisation for Standardization (ISO) has been developing these standards. These documents are related to goal setting, assignment of responsibilities, measuring and reporting and verifications of external claims.

ISO 14000 is being developed to meet the demand for an environmental management system that will be consistent for many sorts of organisations. The ISO 14000 series
defines the core activities of environmental management systems and auditing procedures. Further, standards also describe tools for implementing environmental management systems; environmental labeling, environmental performance evaluation and life cycle assessment. ISO 14000 standards do not, however, define the specific environmental performance goals that an organisation should attain. These are left to the organisation itself.

Table 3.01: ISO 14000 Series Documents

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>ISO Series</th>
<th>Document name</th>
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<tbody>
<tr>
<td>1</td>
<td>ISO 14001</td>
<td>Environmental Management Systems - Specification With Guidance for Use</td>
</tr>
<tr>
<td>3</td>
<td>ISO 14010</td>
<td>Guidelines for Environmental Auditing - General Principles of Environmental Auditing</td>
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<tr>
<td>4</td>
<td>ISO 14011</td>
<td>Guidelines for Environmental Auditing - Audit procedures Part 1: Auditing of Environmental Management System</td>
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<tr>
<td>5</td>
<td>ISO 14012</td>
<td>Guidelines for Environmental Auditing - Qualification Criteria for Environmental Auditors</td>
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<tr>
<td>6</td>
<td>ISO 14020</td>
<td>Environmental Labeling — General Principles</td>
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<tr>
<td>7</td>
<td>ISO 14021</td>
<td>Environmental Labeling - Self-declaration Claims — Terms and Definitions</td>
</tr>
<tr>
<td>8</td>
<td>ISO 14022</td>
<td>Environmental Labeling - Self-Declaration Claims — Symbols</td>
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<tr>
<td>9</td>
<td>ISO 14023</td>
<td>Environmental Labeling - Testing and Verification Methodologies</td>
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<tr>
<td>10</td>
<td>ISO 14024</td>
<td>Environmental Labeling – Practitioner Programs — Guiding Principles, Practices and Certification Procedures of Multiple Criteria (Type I) Programs</td>
</tr>
<tr>
<td>11</td>
<td>ISO 14025</td>
<td>Environmental Labels and Declarations - Environmental Information Profiles — Type III Guiding Principles and Procedures</td>
</tr>
<tr>
<td>12</td>
<td>ISO 14031</td>
<td>Evaluation of the Environmental, Performance of the Management System and its Relationship to the Environment</td>
</tr>
<tr>
<td>13</td>
<td>ISO 14040</td>
<td>Life Cycle Assessment - Principles and Framework</td>
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<tr>
<td>14</td>
<td>ISO 14041</td>
<td>Life Cycle Assessment — Inventory Analysis</td>
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<td>15</td>
<td>ISO 14042</td>
<td>Life Cycle Assessment — Impact Assessment</td>
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<td>ISO 14043</td>
<td>Life Cycle Assessment — Interpretation</td>
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<td>17</td>
<td>ISO 14050</td>
<td>Terms and Definitions</td>
</tr>
<tr>
<td>18</td>
<td>ISO Guide 64</td>
<td>Guide for the Inclusion of Environmental Aspects in Product Standards</td>
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Source: www.iso.org
3.11 APPROACHES TO GREEN MARKETING

There are two basic approaches to green marketing. The first is a defensive or reactionary approach. The second is an assertive, aggressive approach.

Defensive approach: Most companies tend to take defensive approach to green marketing. They do the minimum in order to avoid negative consequences. For example, a company may comply with minimum government environmental regulations to avoid tax or penalties. Such corporate maneuvers have been called ‘mostly smoke and mirror’ aimed at avoiding regulation (Smith et al., 1990). A similar reactionary move is to meet minimum standards in order to avoid a consumer boycott. A third type of defensive strategy is to react against competitors’ environmental moves but do no more than is needed to keep pace. All these defensive approaches are designed to avoid negative consequences.

However, a company which takes such an approach to green marketing will probably encounter no significant increase in market acceptance. Its images will not be improved relative to competitors and most customers will recognize that the effort is minimal. In general, if a company lags behind in meeting environmental standards, it will never gain a competitive advantage in this dimension and will be more susceptible to consumer or government backlash. Marc Gobe, creative director at Cato Gobe (clothing sector), predicts that companies not addressing the environment issues will face declining market share (Miller, 1990).

Assertive approach: The alternative to defensive approach is an assertive approach. This strategy provides the best opportunity for a sustainable competitive advantage. The assertive approach involves being a ‘first mover’ and also doing more than is required by government or expected by consumers. Doing this means responding to market incentives instead of to regulations. A green marketing approach which responds to the demands of the market is consumer-oriented and profit driven (Wells, 1990).

First mover advantage is especially critical in green marketing. The key to profiting from green marketing is the image created of the firm. The companies which follow will be seen as imitators, merely jumping on the bandwagon. Consumers may even be skeptical about this late comers’ true intent. On the other hand, the environmental first mover, with good strategic marketing, will be able to maintain its image as a sincere
environmental activist, and this image may provide the basis for a sustainable competitive advantage.

Wal-Mart is a good example of this first-mover approach. Its in-store environmental campaigns and general leadership position in environmental consciousness have paid tremendous rewards. Marketplace observers have noted that although competitors can imitate Wal-Mart programs, they will never surpass its superior image as the environmental leader (Fisher & Graham, 1989).

An assertive leadership position has other benefits as well. Apart from increased profitability, a firm may avoid scrutiny and regulation by doing more than is required. Government agencies are less likely to investigate or impose controls on a firm that is taking environmental action beyond the minimum standards. Additionally, such a company will be forcing itself into a long-term planning mode. Many companies have a myopic view of the future, but an assertive company engaging in long-term environmental planning will focus more on critical long-run concerns.

With the multiple benefits of an assertive strategy, this approach is clearly desirable for strategic green marketing. But it should be noted that this argument has omitted altruism as a motivation for green marketing. While some would consider an altruistic concern for the long-term survival of our planet reason enough to invoke an environmental action program, it is important for a business perspective to realise that this strategy is desirable on the basis of profitability alone. The consumer carries the strongest vote with rupees, and that vote is increasingly being spent to send a message to marketers that concern for the environment is not merely a passing fad. Therefore, to get those rupees votes, a company must take an assertive strategic position on the environment.
3.12 INCORPORATING GREEN MARKETING INTO MARKETING STRATEGY DEVELOPMENT

Incorporating green marketing into the strategic planning process has been a problem for many companies. Because environmental policies have been treated as sideline plans and not fully integrated into the overall planning process. It is essential to design a strategic marketing process with green marketing as an integral part (Depicted in the following figure)

The following ten points plan designed to facilitate the process:

**Step 1**: Develop an environmental corporate policy – this policy should state the company’s mission and objectives with regard to the environment and should allow for environmental considerations to be integrated into all company decisions.

**Step 2**: Build environmental leadership at the top level of the organisation – Doing this should communicate a long-term commitment to environmental action.

**Step 3**: Hire or develop environmental advocates: These people can concentrate on environmental concerns and provide a consistent environmental voice for the organisation. Some companies may even create an entirely new department dedicated to environmental planning.

**Step 4**: Educate and train all employees on environmental awareness – From the boardroom to mailroom, environmental consciousness must pervade the organisation.

**Step 5**: Maintain active dialog with outside environmental groups and government agencies – It is essential to stay abreast of outside needs and concerns.

**Step 6**: Develop an assertive environmental action program – This program should be integrated into all parts of the strategic planning process.

**Step 7**: Integrate all departments to facilitate flexibility in responding to environmental needs – Doing this may require building bridge between competing interests in the organisation.
**Step 8:** Allocate adequate resources to show commitment – Environmental commitment should be demonstrated by provision of money and personnel to implement the environmental action program effectively.

**Step 9:** Through effective advertising and publicity, communicate to customers what company is doing – this communication will not only build customer loyalty towards your organisation, but also encourage customers’ co-operation in environmental efforts.

**Step 10:** Monitor consumer response with an active marketing research program: The dynamic nature of environmental needs and demands requires constant monitoring along with flexibility to adapt.

Fig 3.03: Flow Chart depicting Green Marketing Strategies implementation in Marketing Strategy Development

Source: Sustainable Marketing: Managerial - Ecological Issues by Donald A. Fuller
Implementing this ten-point plan requires extensive education and communication, both internally and externally. External communication, through advertising and publicity, is most critical. Consumer marketers must be careful to follow certain guidelines to communicate correctly with their markets. Several recommendations for external communication efforts in this regard have been identified (Well 1990). The following guidelines are critical in successfully implementing this approach.

- Attempt to reflect a sincere commitment to the environment. It should be visible from the top level of the organisation to bottom level. This sincerity would be one of the most difficult messages to convey.
- Be prepared to withstand careful scrutiny. Environmental claims and action must be meaningful and valid. The increasing environmentally concerned public will accept nothing less than committed.
- Focus on positive actions while remaining cautious of any appearance of deception. It is best to avoid direct comparisons with competitors and focus instead on what your company is doing.
- Keep claims simple and understanding. Avoid general and exaggerated environmental claims. It is safer to understate then overstate, given the increasingly knowledgeable and skeptical public.

3.13 BUSINESSESS CONCERN TOWARDS GREEN MANAGEMENT

Broadly, environmental/ green management can fulfill two requirements of a company; internal and external. Internal requirement need if properly served will address all the commercial, legal and related challenges. External (outside company) requirement if served properly then it will be assured that stated environmental policies will be met.

3.13.1 INTERNAL BENEFITS

Reduce incidents and liability: A methodical approach with proper guidance can reduce incidents and liabilities related to environment.
**Efficiency**: Leads to opportunities for resource (energy, reduce waste) conservation and improvement in process.

**Performance**: Leading to cost control and improvised environmental performance.

**Improved corporate culture**: Improved environmental management system within the organisation which includes, clear definitions of goals, accountability, responsibilities and other related activities. If the said activities are performed then automatically, corporate culture will improve.

### 3.13.2 EXTERNAL BENEFITS

**Third party assurance and recognition**: Recognition by international standards such as ISO 9000, 14000 series will provide strong conformity to its consumers about the assurance related to environment. Even the individual companies will not have to inspect their individual vendors by their auditors.

**Market access**: Incorporation of green management has become the pre-requisite in many sectors. Over a period of time, there would be consumers demanding for green products only.

**Regulatory relief**: If a company has complied with ISO 14000 series then some sort of regulatory relief can be expected, like less number of inspections, easier permitting etc.

**Public image and community relations**: By employment of EMS, it becomes easy to communicate to stakeholders about green management.

**Financial markets**: If internationally recognized EMS is employed then investors will have higher confidence to invest in the company.
3.14 GREEN CONSUMERS

The use of alternative natural resources and avoiding dwindling resources has become a major component of product differentiation. Opinion polls indicate that US consumers believe that saving the environment is a high priority. Consumers who support a concern for the environment, often called a “green orientation”, are growing in number (Donaton & Fitzgerald, 1992). Consumers buy “green” to help the environment but more so as a means to improve their lives in general (Lambert, 1996).

Green consumers some time are generalised as they are inconsistent, confused, women are more greener than men, green consumers are educated, consumer with higher income group, younger consumers are greener and so on. This type of definition of consumers would be appropriate as the consumer is individual he/she might act in different way in different situation.

The first indication of consumer interest in green products came through Vandermerwe and Oliff (1990) survey. This stated that more than 92% of European multinationals employees claimed to have changed their products in response to green concerns and 85% claimed to have changed their product systems (Peattie & Crane, 2005). Green product introductions increased by more than double to 11.4% of all new household products in the USA between 1989 and 1990, and continued to rise to 13.4% in 1991.

According to one survey, as many as eight out of ten US consumers currently claim that they are environmentalists (Gutfield, 1991). In another survey by the newsletter ‘Green Market Alert’, 12.6 percent of all new product introductions in 1991 made “green” claims and for new household products, 41 percent made “green” claims (Green Market Alert, 1993). However, consumers are highly fragmented in their levels of environmental awareness and willingness to choose higher-priced environmentally oriented products (Irland, 1993). In general, one reason for which consumers are willing to pay such a premium is to ensure product quality (Rao & Bergen 1992). Product quality has been examined along two measures in the literature: objective quality and perceived quality (Dodds & Monroe, 1985; Zeithaml, 1988). Objective quality is defined as those measurable and quantifiable attributes of a product for which a
comparison to a standard can be made. Perceived quality is defined as the consumer's judgment about the superiority or excellence of a product (Zeithaml, 1988).

One broad based sector under environmental pressure that is directly influenced by consumer behaviour is the wood products industry. In an effort to mitigate negative public sentiment regarding timber harvesting and management, the wood products industry has begun to differentiate products through the process of environmental certification. Certified wood is harvested from forests that are managed in a sustainable and environmentally sound manner. For most consumers the quality of wood products is difficult to assess at the time of purchase. The opportunity exists for the wood industry to offer credible third-party verification of environmental marketing claims (Irland, 1993). These environmental claims may serve as cues of extrinsic product quality. Consequently, consumers often look for extrinsic cues that create perceptions of what might constitute quality in a wood product. Therefore, we believe at this point in time that objective quality plays a secondary role to perceived quality in this context.

When examining consumers’ relations to the environment, marketing research so far, has primarily focused on examining “green consumers” or consumers those who choose to purchase environmentally friendly products. As such, the effects of culture (Anderson & Cunningham, 1972; Mostafa, 2007; Webster, 1975), personality, motivation, socio-demographic characteristics (Kinnear et al., 1974; Shrum et al., 1995) on consumer behavior and attitude towards environmentally friendly products usage have been investigated. The researcher opine that individual perception about eco-friendly consumption behaviour can make a difference to overall environment is an important criteria for green consumption (Kinnear et al., 1974; Roberts, 1996; Webster, 1975). Social norms are the motivating factors in environmental conservation in hotel industry (Goldstein et al., 2008).

However, according to available marketing literature, there are barriers yet to be examined that are faced by the consumers while making green purchase decisions. The lack of trust with respect to green claims and negative effect of green washing are major obstacles for green consumption (Kangum et al., 1991). Along with lack of green credibility, consumer pessimism and confusion are major hindrance in successful adopting and implementation of green marketing strategies (Carlson et al., 1993; Davis,
1993). Many times consumers are confused that which companies are green and which are not. Therefore, green marketing strategies formulated for confused and reluctant consumers will have major impact on green marketing advancement (Zin khan & Carlson, 1995).

3.15 GREEN DEALERS
Green dealers that follow sustainability have less negative effect on the ecology. Green dealers are bound by green regulations which lead to positive impact in the community, society and economy. Dealers who want sustainability will often adopt successive policies that are formulated to recycle, reuse and reduce at workplace. Simultaneously adopting cost reduction and methods to improve environmental safety.

Dealers make decisions every day from, ‘products to promotion’ and ‘materials to use in servicing’ customers. Many dealers use online mode of communication with their respective customers, hence reducing paper waste. The dealer may also adopt green practices to overcome competition. The dealers and service providers can reduce their impact on environment by not using harmful chemicals and materials.

US based companies assist their respective dealers of durable goods to go green. It provides help to dealers in their efforts to incorporate environmental friendly practices into their business model. Therefore dealers will get benefitted from the company in designing and implementing programs that add efficiency, customer satisfaction and customer retention along with a commitment to green initiative and environmental stewardship to their business model.

In India the concept of green dealers is still in nascent stage. Where companies like Toyota has green dealers in US, established by securing LEED (Leadership in Energy & Environmental Design by US building council) certification, has no such dealers in India. LEED certification is based on meeting stringent evaluations in such areas as sustainable site development, water savings, energy efficiency, materials selection and indoor environmental quality. The durables good manufacturing companies in many parts of the world (developed countries) are designing their own green dealership prototype store design, which includes lubrication of machines by vegetable oil and
treatment of used water and proper light and ventilation. So that minimum energy is used and results in cost reduction.

3.16 GREEN COMPANIES

The firms which adopt eco-friendly business transaction in all spheres of business shall be termed as green companies. It varies from green supply chain management to effective disposal of used product. Competing on green issues require selecting the right green marketing strategies (Ginsberg and Bloom, 2004). The studies suggest the companies should consider potential green market and differentiate the products from the competitors. Once the said socially responsible message is deployed, corporate hypocrisy will have detrimental impact on overall functioning of the organisation (Warner et al., 2006). Studies also indicate that organisations trying to protect the environment through green practices are challenges by the consumers. Many consumers doubt about the green claims (Mohr et al., 1998). In order to make consumers assure about the green business activities, the companies should more focus on sustainable business activities and transparency in operations (Marshall & Brown, 2003).

High fluctuation of fuel prices and harder local and international rules and regulations from the governments are the two important factors that are pushing business houses for environmentally friendly behaviour. Environmentally friendly, suitability, green business etc, are some of the terminology used by business firms to describe about their respective business activities. Assisting companies to go green is the best way to save money in long run, reduce carbon footprint and increase reputation of the company.

3.17 INTERNATIONAL SCENARIO OF GREEN MARKETING

In May 2005, GE announced the launch of a program called “Ecomagination”. Ecomagination was GE’s new investment strategy. It reduced water consumption, improved the level of water reuse, reduced greenhouse gas emissions and improved energy efficiency by green technology of GE, while it increased earnings of company. The project involves the areas of solar energy, hybrid locomotives, fuel cells, lower emission aircraft engine, lighter and stronger durable materials, efficient lighting and water purification technology. In 2005, GE planned to increase investment for the program from $7 billion to $15 billion in 2010. In 2007, GE raised the investment for
the program from $19 billion to $25 billion in 2010. As on October 2008, the scheme had resulted in 70 green products being brought to market. As clean energy is a global demand, GE’s renewable energy business expanded fast in the U.S. and global market. Since 2002, GE has invested a total of $850 million to develop renewable energy technologies (GE, 2008). There are many well known international companies attach importance to Green marketing. The Green marketing as a sustainable development strategy for them prevents loss of competitiveness. This strategy helps them improve their social prestige and economic benefits. However, Chinese companies lack a lot in this regard. Green marketing strategy of most companies is only a slogan, but is not adequately implemented in the actual operation of business. Actually both the companies and consumers can get benefit from Green activities. During the process, enterprise explores the green demand of consumers and work towards meeting those green needs of consumers. In turn consumers get environmentally friendly and healthy products, and companies obtain ecological benefits, social benefits and business benefits.

According to Joe, Roche and Munnich (2009) of Boston Consulting Group (BCG), the term green has been recognized worldwide as shorthand for environmental consciousness. But yet when the consumers were precisely asked how they define green, their answer varied depending on place of residence and the kind of article they use. For Italians, not involving animals is considered as green, whereas the same factor matters much less to Japanese consumers. Few consumers opine that locally or hand made products are green in nature. The importance of recyclable material also varies greatly across markets; for example, they are highly relevant in the United States but carry much less weight in Germany.

Many countries are trying to define green product and services clearly as there is no common definition and clear understanding of the same. It is important for the companies to understand what is green for the specific market and product category.
3.18 CHAPTER SUMMARY

With the help of various studies conducted, the researcher has made an attempt to understand the green marketing strategies (GMS) of durable goods manufacturing companies. The model developed by various experts in the field of sustainable development/management has been considered to get the greater insight about the concept and process of green marketing. This chapter has given the insight on importance of understanding the relative strength of each green marketing mix strategies for overall performance of green marketing. Various ISO 14000 series have also been presented.