

Green Marketing: A New Strategy of Product Positioning



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Abstract

Product positioning is a process to create a place of a specific product in the mind of prospects so that it stands apart from competing brands. Green marketing is a concept, which adopted in early 1980s, when specific products identified as hazardous to the earth. The American Marketing Association defines green marketing as the marketing of products that are presumed to be environmentally safe; it incorporates several activities such as product modification, changes to production process, packaging, advertising and increase awareness of compliance marketing between industries. Today, many companies have started realizing that they must behave in an environment-friendly approach. They are considering both reaching environmental objective as well as profit related objective after satisfying consumers.

Developing and implementing green marketing strategy requires a fundamental, holistic and integrated approach across all functional areas, including marketing mix, targeting, pricing, design and positioning etc. The firm that are truly committed to environmental concerns and willing to translate those concern into action through marketing decisions can develop viable green marketing strategy. At global level, many manufacturers in diverse businesses are now moving towards green marketing practices. Companies are coming forward with innovations like eco-friendly products to access new market and finding a way to protect the environment and be socially responsible to the stakeholders. This research paper is an attempt to study whether green marketing concept is useful for product positioning or not? This paper also highlights the benefits of green product in present era and why it is being essential?

Keywords: Product Positioning, Eco-Friendly, Green Marketing, Consumers, Marketing Strategy, Green Product Etc

Introduction

At present, the whole world is facing a very crucial phase that is environment pollution. To solve this issue many researchers, scientists and academicians have contributed their suggestions. American Marketing Association (AMA) in Texas, USA organised first ever workshop on ecological marketing in 1975. The proceeding of workshop entitled 'Ecological marketing' gave a dimension to think about green marketing. As per the statement of Polonsky (1994), the green marketing consists of all activities designed to generate and facilitate any exchange intended to satisfy human needs and wants such that satisfaction of those needs and wants occurs with minimal determinantal impact on the environment.

Eco-marketing or Green marketing is a modern phenomenon to produce such products which are not harmful for environment. Due to safe and biodegradable features eco-friendly products are considered as green. Many companies are coming forward to participate in this initiative to tackle this issue for a safe and healthy environment. Awareness of environmental issues have motivated to produce eco-friendly products. Consumers are also getting concerned about the environmental disorder and various issues related to it at the global level. In certain countries, people are willing to pay more for products which are not harmful for their health as well as it is safe for environment also. The best example of our country is, most of the people of our country was of the opinion to consume HUL, Dabur etc product which is now getting replaced by Patanjali products, the reason behind it is the Patanjali products hammer to save environment which are eco-friendly in nature.

Review of Literature

D Moravcikova & et.al, (2017) in their article "Green Marketing as the Source of the Competitive Advantage of the Business" aims to prove the relationship between the implementation of green marketing principles

Remarking An Analisation

and sustainable competitive company position on the market. In order to prove the relationship, researchers have used a multiple regression method to reveal the relationship, despite many variables. Present paper concludes on the basis of marketing survey, research responses and the study of available sources that there is no comprehensive green marketing implementation model linking environmental consumer behaviour with a link to the company's marketing strategy.

P. Kumar & B M Ghodeswar (2015) in their research paper entitled "Factors affecting consumers' green product decisions" provides valuable insights into green consumer behaviour in Indian context by examining the factors that influence their purchase decisions towards green products. The result witnessed that realization of environmental responsibility, willingness to support environmental protection and environmental friendliness of companies and social appeal are identified as important factors affecting green product purchase decisions.

Eriksson C. (2014) has focused in his research paper titled "Can Green Consumerism Replace Environmental Regulation?" that consumers are willing to pay an extra premium for a good if it has a low adverse impact on the environment. This paper examined if a little idealistic behaviour has a significant impact on the market equilibrium then at what extent it can replace the environmental regulation? The analysis is based on a model with product differentiation, where consumers differ in their preference for product quality. Consumers' willingness to pay the environmental premium may be uniformly or non-uniformly distributed. Green consumerism will only be modestly influential in both cases, despite of the fact that product differentiation leads to hassle-free competition and enlarged profits, and thereby creates leverage.

Ginsberg. J.M. & Bloom (2004) in their research paper "Choosing the Right Green Marketing strategy" discussed that how should companies handle the dilemmas associated with green marketing? They must always keep in mind that consumers are dubious to compromise on traditional product features such as convenience, accessibility, price, quality and performance. It is even more vital to realise, however, there is no single strategy that is accurate for every company.

Tanner, C & Wolfing Kast, S. (2003) in their article "Promoting Sustainable Consumption: Determinants of Green Purchases by Swiss Consumers" discussed that overconsumption in industrial countries is the main basis of environmental deprivation, a shift towards more justifiable consumption pattern is required. Allegations for policymakers and for companies and marketers engaged in the promotion and commercialization of green products are deliberated.

Objective of the Study

On the basis of above literature review, following points have been considered as objective of the study-

1. To discuss the conceptual framework of green marketing.
2. To check out various challenges and opportunities of green marketing.
3. To examine the initiatives taken by Indian Companies for green marketing.
4. To ascertain whether the green product is beneficial for product positioning or not?

Research Methodology

The study is based on secondary sources of data/ information, various books, journals, newspapers and relevant websites have been consulted in order to make the study an effective one. In addition to this, my personal observation has also significant to strengthen this study. The study attempts to examine the Green Marketing: A new strategy for Product Positioning.

Evolution of Green Marketing Concept

The green marketing concept has developed steadily over a period. In 1987, the document of World Commission on Environment and Development was the footstep towards universal thinking on environment and sustainability in commonplace activity. The UN Report (2005) carried out scientific, environmental urgings to the public in an accessible understanding mode. There are three phases responsible for green marketing named as Ecological phase, Environmental phase and Sustainable phase. In ecological phase, all the marketing activities were carried out to assist the ever-increasing environmental problems and offer explanation for these problems. In second phase called environmental, the entire focus was shifted to the implementation of cleaner technology. The last phase termed as sustainable phase of green marketing which is still prevalent. At global level, green marketing is almost predictable as the market for socially responsible products is increasing significantly.

Why green marketing is needed?

According to Sally Fox, "A person who cares about the earth will resonate with its purity." The need of green marketing can be understood with the help of following points-

1. The concept of green marketing helps in reducing the environmental damages.
2. It is beneficial for improving the image of company and sale of product.
3. Creates the awareness among consumers about ecological problems.
4. Makes consumers adore the benefits of a product or service thereby also causative to environmental benefits.
5. Companies become more liable for producing and marketing products without any bad effects on the environment.
6. Builds customer loyalty and brand recognition.
7. Use of solar energy and recycled constituents.
8. Innovation in products and procedures.

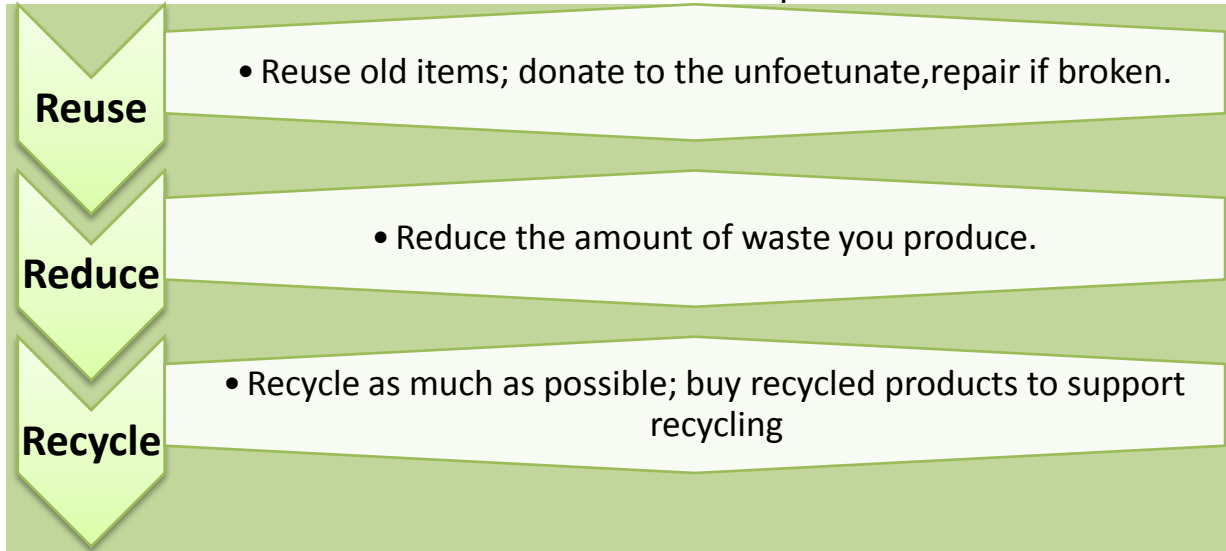
According to the World Economic Forum (WEF) Report on Global Risks 2018 as in their 2017 Report, environmental risks such as extreme weather events, natural and man-made environmental disasters, failure of climate change mitigation and adaption, biodiversity loss and ecosystem collapse,

and water crises retain prominence in the global risks landscape. Climate change acts as a risk multiplier as it tends to aggravate the existing environmental and ecosystem challenges of constrained availability,

steady depletion of natural resources and decline biodiversity.

In order to mitigate these challenges, green marketing is based on three R's playing an important role depicted in following chart-

Chart 1. The Three R's of the Green politics



Green Marketing as a Strategy of Product Positioning

A well-executed green positioning strategy can lead to a more favourable perception of the brand, giving sustenance to the green marketing

approach in general. To create a position in consumersmind, a marketer needs to follow the pre-requisites of positioning that is market segmentation and targeting the market. In short, the STP model is described in the following chart-

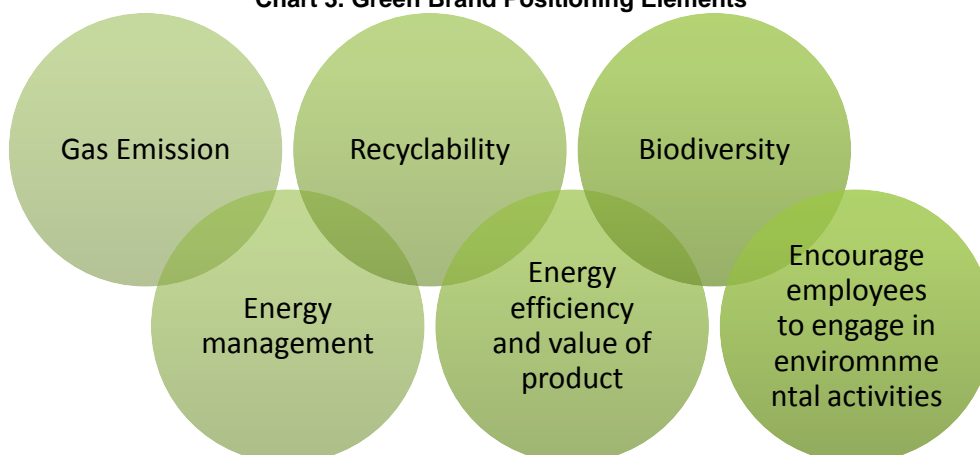
Chart 2. STP MODEL



As per the findings of Patrick Hartmann research on the topic Green branding effects on attitude: functional versus emotional positioning strategies, stated that for a successful brand positioning, functional brand attitude and emotional

benefit both are required. Thus, brand manager should deliver emotional benefits over the brand and at the equivalent time making certain that target groups perceive real environmental benefits.

Chart 3. Green Brand Positioning Elements



Product Positioning through Advertisement

Today, many companies are making effort to attract potential consumers by green advertising of products as it presents a true picture of environment. Green advertisement is a specific type of advertising that is centred on the promotion of factors having to do with the environment. Green advertisement

provides an opportunity to the companies to appeal to mainstream consumers and empower them to make their purchase decision. The message delivering to the mass should pronounce the company's social responsibility and commitment. Some examples of advertising messages helpful for generating place in the mind of potential customers are as follows-

Chart 4. Marketing messages helpful for positioning Green Products with desired consumer value

Serial No.	Value & Messages	Business/Products
1	Efficiency and cost- effectiveness "The only thing our washer will shrink in your water bill"	ASKO
2	"Did you know that between 80 and 85 percent of the energy used to wash clothes comes from heating the water? Tide cold water-The Coolest way to clean"	Tide Coldwater Laundry Detergent
3	20 years of refusing to farm with toxic pesticides, Stubborn, perhaps. Health, most definitely."	Earthbound Farm Organic
4	"Safe for you and the Environment"	Seventh Generation Household Cleaners
5	"Environmentally friendly strain removal. It's as simple as H2O	Mohawk Ever Set Fibbers Carpet
6	"Fuelled by light so it runs forever. It's unstoppable Just like the people who wear it."	Citizen Eco-Drive Sports Watch
7	"Think is the chair with a brain and a conscience"	Steelcase's Think Chair
8	"Make up your mind, not just your face"	The Body Shop
9	"Long life for hard-to-reach places."	General Electronics' CFL Flood Lights
10	"Performance and luxury fuelled by Innovative technology	Lexus Rh Hybrid Sports Utility Vehicle







Source: Compiled by J.A. Ottman, E.R., Stafford, and Hartman

Inspired by the thoughts of producing eco-friendly product and services to serve the nation and protect the environment, many companies are emphasising towards green marketing. Newsweek

has raked the top 100 world's largest companies on corporate sustainability and environmental impact. Out of them top 10 companies have been shown in the following table-

Chart 5. Top 10 Green Ranking of Global Brands 2017

Serial No.	Logo	Name	Green Score %
1		L'Oréal	89.90
2		Centrica	88.70

3		Enbridge	86.00
4		Siemens	85.30
5		Cisco	83.70
6		Henkel	82.60
7		Accenture	82.50
8		Bt Group Plc	82.50
9		Adidas	79.60
10		Philips	77.90

Source: www.rankingthebrands.com

Green Marketing in India

The developed world is often supposed as having a more positive insolvency towards green products and being more eager to pay a premium price, whereas the developing portion of the world is the larger contributor to global warming. On account of green revolution in India, people are consuming large quality of industrial and urban manufactured products. As per the Global Image Power Green Brands Survey (2011), India is the only country to choose deforestation and air pollution as the most important issue. The survey shows that anxieties about the environment by the consumers is translating into a willingness to pay the premium for green products. Consumers in India are trusting green advertising compared to other countries about green products. India's heritage stimulates Indian consumers to escalate the importance of using natural and herbal beauty products. Indian consumers are exposed to healthy living lifestyles such as yoga and natural food consumptions.

Various Initiatives to promote Green Marketing by Indian Companies

Wipro and Infosys

Wipro is going green by launched desktops and laptops known as Wipro Green Wares. It is the first Indian company to develop eco-sustainability in the form of energy, water efficiency and waste management. To achieve ecological sustainability, Wipro is offering green products on continuous basis. Wipro and Infosys, both the companies have reduced

their per capita consumption of electricity and procured renewable energy.

Maruti Udyog Ltd

This company has been encouraging 3R since its commencement. As a result, the company is not only able to recycle 100% of traded waste water but also reduced fresh water consumption. This company has been applied rain water harvesting to recharge the aquifers and also promoting recyclable packing for bought out components. It has lowered its groundwater consumption by more than 60 percent to 13,945 million cubic meters between FY15 and FY17, according to company's sustainability report 2017.

Hindustan Unilever Limited (HUL)

It is India's largest FMCG company with a heritage of over 80 years and touches the lives of two third Indians. Its purpose is to make sustainable strategy for sustainable growth. Its vision is to double the size of business while reducing environmental footprint and increasing positive social impact and build a sustainable business for the long term. HUL has implemented innovative ways to reduce the resources used for packaging and also working in partnership with industry, government and NGOs to increase recycling and recovery rates in packaging. As per its report, HUL has constituted nearly 28% renewable energy and has dropped 30% energy consumption in five years.

Patanjali

The products offer by Patanjali hammer to save environment which are eco-friendly in nature. Patanjali offers wide range of health care products to

take care of consumers health which is prepared from naturally grown organic fruits and vegetables. Its food products are produced hygienically maintaining the quality and nutrition of food products. Besides it, company also manufacture Ayurvedic Medicine and Herbal Home Care products which are safe for consumer and environment.

Service Sector Companies

To make environment safe the service sector companies are also taking green initiatives. Union Bank has switched its 245 branches and their ATMs to solar power while, Telecom tower companies nearly 8 percent of diesel consumption are turning green. In this regard, State Bank of India has given facility to its customers of Green Pins to generate their PINS through channels such as ATM, SMS, INB, IVR and the SBI Quick mobile application. Due to this initiative bank has significantly reduced its paper consumption. As per its sustainability report, more than 5015 crore PINs were generated through this channel during FY 2017-18. "Green Practices" for

optimum utilization of resources & "Green Audit" of all functional units has been introduced by Punjab national bank to sensitize the staff towards sustainable practices. In past two years, diesel consumption of Bharti Infratel dropped by 25 percent, while 43 percent of sites operated by Indus Towers and Bharti Infratel are now diesel free.

Imperial Tobacco Company (ITC)

The company's sustainability strategy aims at creating significant value for the nation through superior Triple Bottom Line performance that builds and enriches the country's economic, environmental and social capital. Through adopting green marketing concept, ITC has established 25 mother brands, many of which are market leaders in their segments.

The above facts can exhibit from the following table which are concerned waste raw material usage; water consumption; air emission & greenhouse gas (CHG) emission. The detailed analysis on these issues are as follows-

Table 1. Waste Used as Raw Material

	2013-14	2014-15	2015-16	2016-17	2017-18
Total Waste Generated (tonnes)	7,11,887	7,91,227	7,45,149	7,11,411	7,25,095
Waste Recycled (tonnes)	7,11,033	7,89,720	7,42,635	7,09,817	7,23,274
% Recycled	99.9	99.8	99.7	99.8	99.7
External Wastes Used as Raw Material (tonnes)	1,09,998	1,14,563	1,13,213	1,15,074	1,12,519
Waste Recycled Footprint (%)	115	114	115	116	115
Waste Recycled Footprint (%) = (Waste recycled + External waste used as Raw Material) *100/Total Waste Generated in ITC					

Source: ITC Environmental Sustainability Report 2018

Before Green Marketing concept, it was in practice that the total waste of raw material was to be considered as a total waste. But after this concept and directive of the government to save environment, the ITC started to utilize the total waste as a by-product for further production process. The table speaks that in the year of 2013-14 the total waste was 7,11,887 tonnes out of which 7,11,033 tonnes were recycled and used as a raw material for further production process which is around 99.9 %. It shows that the

waste is utilized not only as a further raw material but also save the environmental pollution which is the call of the time. Similarly, in the year 2014-15 the % of recycled waste was 99.8 % than there was a slight decrease in year 2015-16 and waste recycled percentage was 99.7. Again, in the year 2016-17 it was 99.8% and currently it is 99.7 %. Although the major portion of the waste are utilized for further production and save the environment to a great extent on an average 99% which is appreciable.

Table 2. Water Consumption

	2013-14	2014-15	2015-16	2016-17	2017-18
Water Intake (Million Kilo Litre)	33.73	34.48	33.8	31.29	33.21
Traded Effluent Discharge (Million Kilo Litre)	23.90	24.24	24.45	22.12	23.57
Total Rainwater Harvesting Potential (Million Kilo Litre)	23.27	25.63	28.18	30.80	33.07

Source: ITC Environmental Sustainability Report 2018

In the above table, the total water consumption has been depicted from the year 2013-14 to 2017-18. The level of fresh water intake in the year 2013-14 was 33.73 million kilo litre which was increased in next financial year and reached 34.48 million kilo litres. After that in further two years it shows continuously decrease in water intake but in

the year 2017-18 it was increased up to 33.21 million kilo litres. Traded effluent discharge also shows the fluctuation in different years but total rainwater harvesting potential shows an increasing record every year which provides the independent water supply during regional water restrictions as water scarcity become an area of serious concern.

Table 3. Air Emission

	2013-14	2014-15	2015-16	2016-17	2017-18
SO2 (Tonnes)	883	1033	1239	1087	989
NOX (Tonnes)	776	843	920	834	808
Particular Matters (Tonnes)	781	592	639	651	609

Source: ITC Environmental Sustainability Report 2018

At present, air pollution is also on a critical position as it adversely effects on humans and the ecosystem. Sulphur Oxides produced by volcanoes and in various industrial processes and Nitrogen Oxides released from factories are also affecting the environment adversely. As per the report presented by ITC, these two air pollutants are being controlled by the company. Till 2015-16 these fuels as power source increased continuously but afterwards it shows

a decreasing trend. Particular matters also known as fine particles are tiny particles of solid or liquid suspended in a gas. Increased level of fine particles in the atmosphere are linked to health hazards such as heart disease, lung cancer etc. Report depicts the level of particular matters discharge by company is in fluctuation manner. In comparison to 2016-17, the level of particular matters decreased by 42 tonnes.

Table 4. Energy and Greenhouse Gas (GHG) Emissions

	2013-14	2014-15	2015-16	2016-17	2017-18
Total energy Consumption (Terra Joules)	21,433	21,777	21,946	21,600	22,199
Renewable Energy Consumption (Percentage)	38.1%	43.1%	47.3%	48.2%	43.2%
Total GHG Emissions (excluding biogenic emission) kilo tonnes	1613	1519	1476	1450	1599
GHG Removals (Kilo tonnes CO ₂)	4529	4896	5122	5417	5458

Source: ITC Environmental Sustainability Report 2018

ITC has improved its Disclosure Score in the Climate Leadership Index 2014 published under the aegis of the carbon disclosure project from 85 % in 2013-14 to 94% in 2014-15, placing it amongst the top 10 Indian organisations who have been so evaluated. On continuous basis from 2013-14 to 2016-17, the consumption of renewable energy increased while in the year of 2017-18 it reduced to 43.2%. This table reflects the proper management of greenhouse gas by the company.

Challenges Associated with Green Marketing

Green marketing is in the limelight and has transformed a global issue. Though green marketing concept is being adopted by many companies but there are many hurdles in the idea of greening the world. The major issues related to green marketing is as follows-

1. The concept of green marketing is new hence the consumers need to be educated and it requires considerable time and effort.
2. Green marketing process involves marketing of green products/ services, green technology, green power/ energy for which a lot of money is required for research and development which results ultimately increased cost of product.
3. Patience and perseverance is required among investors as it is a new concept, it will take its own acceptance period, so the investors need to wait for more profit up to that period.
4. Green product producers cannot compromise with green technology because it a matter of policy although it is an expensive and low profit generator. Firms accepting green marketing must confirm that their activities are not misleading to consumer or industry.

Conclusion

At global level, green marketing is a call for the time to save our earth from environmental pollution. As per modern concept of marketing, marketing includes all those activities, by which customers get satisfaction after consuming the product or services. Companies engaged in manufacturing or production process should adopt the concept of green marketing. They should try to educate the people about the benefits of green product for their health as well as for the safety and

sustainable growth of environment. People are also concerned about the environmental issues and they are also showing their interest in buying green products. The concept of green marketing is influencing their buying decisions, as result they are willing to pay a premium amount to maintain greener and clean surroundings. Consumers are also getting aware about the initiatives taken by companies to cope up with environmental issues that's why they are demanding more for green products. Thus, green marketing is a new concept to create a good image of a product in customer's mind so it is helpful for product positioning.

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