

Changing paradigms of green marketing and innovation

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Abstract

Today due to complex and volatile business environment it became imperative for the business organisations to adopt Green innovation and Green business as a key strategy in order to sustain in this competitive world. The consumers want something new which not only fulfil the needs and wants of the people but it also helps in promoting and protecting the environment. Green marketing is embraced with ethical marketing practices with environmental considerations at its core. The multinational companies and domestic companies are now focussing on adding value to consumers by associating their market offering with environmental issues found to be valued by target market popularly called as Green marketing. This study is aimed to explore the various green innovations adopted by the marketers and also green business strategy adopted by the marketers to capture the major portion of market segment. The study is based on secondary data collected from various reports, websites, journals, published and unpublished data. As society is advancing towards civilization, concerns towards environment protection are gaining importance. These concerns are visible in consumption behaviour as well. Hence Green marketing provides opportunity to the companies to increase their market-share by introducing eco-friendly products and involving environmental concerns in their value proposition. No doubt, remarkable competition is going on among the consumer, industrial and service products.

Keywords: Green Innovation, Green Business, Green strategy, Green consumer, Green marketing

Introduction

Green marketing is the marketing of products that are presumed to be environmentally preferable to others. Thus green marketing incorporates a broad range of activities, including product modification, changes to the production process, sustainable packaging, as well as modifying advertising. Yet defining green marketing is not a simple task where several meanings intersect and contradict each other; an example of this will be the existence of varying social, environmental and retail definitions attached to this term. Other similar terms used are environmental marketing and ecological marketing. Green, environmental and eco-marketing are part of the new marketing approaches which do not just refocus, adjust or enhance existing marketing thinking and practice, but seek to challenge those approaches and provide a substantially different perspective. In more detail green, environmental and eco-marketing belong to the group of approaches which seek to address the lack of fit between marketing as it is currently practiced and the ecological and social realities of the wider marketing environment.

Green Innovation

Innovative companies are using Green as a platform for creating value around new product concepts, service strategies, and business models that represent disruptive change in the marketplace. For some companies where innovation once seemed illusive and ambiguous, environmental responsibility has become a goal around which new ideas are brought to life. It's called "Green Hat" thinking—the type of idea generation and innovation that comes out of a singular focus on reducing one's environmental impact as much as possible. We're beginning to see a new sort of industrial revolution today

wherein many organizations are spending tremendous resources on trying to reinvent the processes, systems, products, and businesses. We've grown comfortable with over the past century. Some of the selected definitions in chronological order are:

1. 'New products and processes which provide customer and business value but significantly decrease environmental impacts' (Fussler and James, 1996).
2. 'Hardware or software innovation that is related to green products or processes, including the innovation in technologies that are involved in energy-saving, pollution-prevention, waste recycling, green product designs, or corporate environmental management' (Chen *et al.*, 2006).
3. 'The production, assimilation or exploitation of a product, production process, service or management or business method that is novel to the organisation (developing or adopting it) and which results, throughout its life cycle, in a reduction of environmental risk, pollution and other negative impacts of resources use (including energy use) compared to relevant alternatives' (Kemp and Pearson, 2007).
4. 'The creation of novel and competitively priced goods, processes, systems, services, and procedures that can satisfy human needs and bring quality of life to all people with a life-cycle-wide minimal use of natural resources (material including energy carriers, and surface area) per unit output, and a minimal release of toxic substances' (Reid and Miedzinski, 2008).
5. 'As innovations that consist of new or modified processes, practices, systems and products which benefit the

environment and so contribute to environmental sustainability' (Oltra and Saint Jean, 2009).

- The creation or implementation of new, or significantly improved, products (goods and services), processes, marketing methods, organizational structures and institutional arrangements which – with or without intent – lead to environmental improvements compared to relevant alternatives' (OECD, 2009).

Green Business

Green business is a relatively new and not well defined by various academicians and organisations, it can be interpreted in different ways by different people and organizations. What is considered as green by people/organization is differ to others. Furthermore, the definition of green business is becoming undermined by a proliferation of green labeling and standards. These standards are leading some consumers to consider “green labels” to simplify a marketing tool with little significance behind it. The basic concept of a green business lies in business sustainability. This can be well understood by both consumers and organizations. But, there is a difference in its implementation to what extent it can be applied in practice. In particular, the business decisions should adopt green are based on good business sense. Green business opportunities provide consumers with ecologically sound products and services. These environmental friendly businesses also provide a competitive niche. This industry is one of the youngest and as such competition may not be as stiff compared with other small business opportunities. Companies are also becoming more environmentally responsible as part of an overall commitment to Total Quality Management or sustainable development. Sustainable development involves meeting the needs of the present without compromising the ability of future generations to meet their own needs. In addition to protect and preserve the environment, “going green” is the only way to grow the business by reducing the eliminate waste. Green business opportunities exist today for both residential and business customers.

Green strategy & tactics

The “Green movement” opens the door to a customer engagement strategy that is deeply connected to their values and identities. Organizations have an opportunity, through Green, to build strong, lasting relationships with their audiences. The green strategy and tactics should be simultaneously implemented by the customers & the marketers. In reacting to environmental constraints required by green marketing, managers should apply the Precautionary Principle. Environmental issues are fraught with scientific and social uncertainties. In designing new products and services, marketers should choose a strategy providing benefits even if the environmental issue proves inconsequential. For example, improving energy efficiency reduces carbon dioxide emissions, a primary factor in global warming. It also reduces energy use and saves money, making it a "no regrets" decision, even if global warming is not as severe a problem as some environmentalists suggest. Governments are increasingly adopting the "polluter pays" principle, establishing environmental liability for manufacturers and businesses engaged in polluting activities. Neither environmental legislation nor waste cleanup costs are likely to decrease in the coming decades, suggesting that a proactive strategy aimed at

reducing waste and pollution at the source will yield both financial and environmental benefits. The European Union's Eco-Audit program, also administered on a voluntary basis, shows promise in creating greater opportunities for communication and cooperation between industry, communities, and governments. Numerous product success stories are associated with the implementation of these strategies. Low-phosphate detergents, CFC-free refrigerators, high-efficiency light bulbs, low-emissions gasoline, lighter-weight packaging, powder paint sprays, and high-quality clothing made from recycled soda bottles are among many examples which might be mentioned.

Model representing Marketing Strategies



Reasons adopting Green Strategies by the marketers

- Marketing Audit (including internal and external situation analysis)
- Develop a marketing plan outlining strategies with regard to 4 P's
- Implement marketing strategies
- Plan results evaluation
- Easy accessibility of goods & services to the customers.
- Manufacturing of good qualities of goods & services to their customers.
- To retain their market shares & customers.
- To earned profit for business expansion.
- To sustain green development in the country & in the world.
- To optimize waste material.
- To gain competitive edge in the market

Green consumer

Research has shown that green consumers:

- Are sincere in their intentions, with a growing commitment to greener lifestyles;
- Almost always judge their environmental practices as inadequate;
- Do not expect companies to be perfect in order to be considered 'green'. Rather, they look for companies that are taking substantive steps and have made a commitment to improve.

However, they also:

- Tend to overstate their green behaviour, including the number of green products they actually use;
- Want environmental protection to be easy, and not to entail major sacrifices;
- Tend to distrust companies' environmental claims, unless they have been independently verified;
- Lack knowledge about environmental issues, and tend not to trust themselves to evaluate scientific information about environmental impacts. However, at the same time they are eager to learn, and this means that consumer education is one of the most effective strategies that entrepreneurs can use.

A green consumer is also defined by a peattie (2001,p.187-191) as someone who voluntarily engages in consumer practices that are regarded as environmentally friendly by marketing academics and practitioners. Green consumers are the unique segment of the market and play a key role in the life. Green consumerism is based on public awareness of pressing environmental issues. Green marketers hope to capitalize on this by developing strategies that allow consumers to integrate green products into their lifestyles. Many such efforts by green marketers have met with considerable success. The "organic" industry, for example, which specializes in the sale of organically based foods, health and nutritional products, and other green lifestyle items, saw its sales boom in the 1990s, from \$1 billion in 1991 to \$3.3 billion in 1996. So by this data we can conclude that how fastly the green business is growing in India.

Green marketing

In simpler terms Green marketing consists of marketing products & services based on environmental factors. Companies involved in green marketing make decisions relating to the entire process of the company's products, such as methods of processing, packaging & distribution. Green marketing companies seek to go above and beyond traditional marketing by promoting environmental core values in the hope that consumers will associate these values with their company or brand. Engaging in these sustainable activities can lead to creating a product line that caters to a new target market. Also known as sustainable marketing, environmental marketing or ecological marketing.

Tools and techniques used in Green Marketing

- Providing electronic statements or billing by e-mail.
- Offering downloadable publications to reduce print quantities and paper usage.
- Printing on recycled materials using processes such as waterless printing;
- Eliminating unnecessary packaging;
- Offering Webcasting as an alternative to live events to reduce representative's travel.

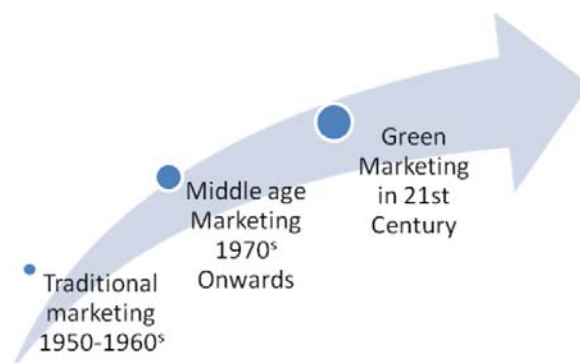
Methodology and Objectives

It is an exploratory paper based on secondary data. The objective of this paper is:

- To highlight the green innovation.
- To find out reasons of adopting Green strategy by the marketers.

- To explain the tools and techniques used in Green Marketing

Time Frame Model of Green Marketing



Source: Western European Time frame (www.wikipedia.org).

Conclusion

It is no doubt to say that marketing in the 21st century has changed phenomenal from its traditional marketing. Now both the marketers and the consumers are looking for innovative things which not only fulfil their requirements but sustain their environment also. Green marketing is based on the premise that businesses have a responsibility to satisfy human needs and desires while preserving the integrity of the natural environment. That this latter concern has been ignored throughout most of recorded human history does not mean it will be unimportant in the future. Indeed, there are significant indications that environmental issues will grow in importance over the coming years and will require imaginative and innovative redesign and reengineering of existing marketing efforts on the part of many businesses. Solutions to environmental problems can be characterized into roughly three categories: ethical, legal, and business (economic and technological). Long-term sustainability of the planet is likely to require some rather distinct changes in the ethical behavior of its human population. Barring a crisis, these changes will probably be a long time coming. Legislation is a useful tool for effecting social change; it has a tremendous advantage over moral persuasion in terms of speed and efficacy of implementation, although its results are not always as intended.

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