

CHAPTER 6

Green Marketing Strategies: Environmental Safety and Customer Satisfaction

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ABSTRACT

Green revolutions, going green, environmental protection, sustainable life style, sustainable development, protecting our earth and many more have become a natural phenomenon in our everyday life. Green marketing is a tool used by many companies in various industries to follow this trend. There have been a lot of literature reviews on green marketing over the years, this paper analysis the impact of green marketing strategies on customer satisfaction using comprehensive literature review. As a result, this paper can be used by researchers who need to find out the impact of green marketing strategies on customer satisfaction.

Keywords: *Green Marketing, Environmental Awareness and Customer Satisfaction.*

INTRODUCTION

While globalization process continues in its full speed across the world, this process has also brought some problems with it. Leading one of these problems is environmental problems that affect all living beings negatively. These aforementioned environmental problems have started to come to the agenda more and more in the recent years and people have started to talk these negativities. Consumers now have worries about the future of the world and as results of this mostly prefer environment friendly products. In return to these attitudes of the consumers, companies have started to form their marketing strategies so as to appeal increasing awareness of this environment-friendliness. These marketing strategies, named as green marketing, have caused companies to adopt green policies in their pricing, promotion, product features and distribution activities. Taking into consideration that companies are socio-economic entities, it can't be expected that they remain unresponsive to the "Environmental Awareness" that may direct consumer behaviors. Particularly marketing managers encounter with consumers sensible to

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environmental issues. The old perception on how businesses are establishments with no other objective but to profit leaves its place rapidly to a new perception which defines companies as establishments that are sensible to social problems.

Apart from producing environment friendly products and selecting environment friendly markets, essentially understanding of ‘Environmentally Friendly’ is required to be integrated into the corporate culture. Consumers encounter with terms such as ozone-friendly, environment-friendly and recyclable products in green marketing. However, green marketing isn’t limited to these terms but is a much wider concept of marketing activity which can be applied to consumer goods, industrial goods and even to services.

GREEN MARKETING

The American Marketing Association (AMA) held the first workshop on ecological marketing in 1975. 1980 was the first time green marketing came into existence. AMA 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 processes, and packaging, advertising strategies and also increases awareness on compliance marketing amongst industries. Business Dictionary defines green marketing as promotional activities aimed at taking advantage of changing consumer attitude towards a brand. These changes are increasingly being influenced by a firm’s policies and practices that affect the quality of the environment and reflect the level of its concern for the community. It can also be seen as the promotion of environmentally safe or beneficial products.

Green marketing serves two purposes: In order to develop goods that can appeal to the consumer, reasonably affordable prices and environment-friendly products causing minimal damage are required. In order to reflect an image of high quality, environmental sensitivity and hence production of products compatible with environment are required.

NEED OF GREEN MARKETING

AN ANTHROPOLOGICAL VIEW

Issues like Global warming and depletion of ozone umbrella are the main for the healthy survival. Every person rich or poor would be interested in quality life with full of health and vigor and so would the corporate class. Financial gain and economic profit is the main aim of any corporate business. But harm to environment cost by sustain business across the globe is realized now though off late. This sense is building corporate citizenship in the business class. So green marketing by the business class is still in the selfish anthropological perspective of long term sustainable business and to please the consumer and obtain the license by the governing body. Industries in Asian countries are catching the need of green marketing from the developed countries but still there is a wide gap between their understanding and implementation.

CHALLENGES IN GREEN MARKETING

Need for Standardization:

It is found that only 5% of the marketing messages from “Green” campaigns are entirely true and there is a lack of standardization to authenticate these claims. There is no standardization to authenticate these claims. There is no standardization currently in place to certify a product as organic. Unless some regulatory bodies are involved in providing the certifications there will not be any verifiable means. A standard quality control board needs to be in place for such labeling and licensing.

New Concept:

Indian literate and urban consumer is getting more aware about the merits of Green products. But it is still a new concept for the masses. The consumer needs to be educated and made aware of the environmental threats. The new green movements need to reach the masses and that will take a lot of time and effort. By India's ayurvedic heritage, Indian consumers do appreciate the importance of using natural and herbal beauty products. Indian consumer is exposed to healthy living lifestyles such as yoga and natural food consumption. In those aspects the consumer is already aware and will be inclined to accept the green products.

Patience and Perseverance:

The investors and corporate need to view the environment as a major long-term investment opportunity, the marketers need to look at the long-term benefits from this new green movement. It will require a lot of patience and no immediate results. Since it is a new concept and idea, it will have its own acceptance period.

Avoiding Green Myopia:

The first rule of green marketing is focusing on customer benefits i.e. the primary reason why consumers buy certain products in the first place. Do this right, and motivate consumers to switch brands or even pay a premium for the greener alternative. It is not going to help if a product is developed which is absolutely green in various aspects but does not pass the customer satisfaction criteria. This will lead to green myopia. Also if the green products are priced very high then again it will lose its market acceptability.

STRATEGIES TO BE EXECUTED FOR GREEN MARKETING

In order to expand the market of green products it requires some of strategies which can be conducive to boost up the market of the green products. Those strategies can be implemented as follows:

1. Product Differentiation: it is a paramount need to make continuous efforts which can be helpful to differentiate then products and services using green marketing practices. There is a wide range of markets which includes retailing etc. the manufactures have used eco-performance to differentiate and to compete. It has been observed that the product with poor eco-performance can become target for new substitution, as a result of this many organization are products from the competitors.

2. Value Positioning of Consumer: the organization can design environmental products to perform as promoting and delivering the customer's desired value of environmental products and target relevant customer market segment can be proved conducive to organization to differentiate.

3. Designing of Bio-Degrading Prone Packaging: it has been observed that promotion of green products have been strongly influenced by the design making of the customers. Thus it indicates that bio-degradable packing will affect in a strong and moderate on their decision making. It is therefore, an imperative to the personnel's associated with green marketing should modify the product packaging by making use of recycle as well as handmade paper in packaging rather than using more mechanized material. The manufacturers, who are using plastic for packaging, should meet some of requisite standard.

4. Product Strategy for Green Marketing: in order to promote marketing for green marketing it is an urgent need to identify customer's environmental necessities and develop the products accordingly. It

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includes more environmentally responsible packages which ensure that products meet or exceed the quality expectation of the consumers; so that the marketers may charge higher price with highlighting the eco-logical viability of the products.

Distribution Strategy of Green Marketing: in this strategy of green marketing, it is very essential to take customer support. In this case, the location must be differentiated from the competitors. It can be achieved by promoting the in-store activities like recycling of materials to focusing the environmental and other related benefits.

Life Cycle Analysis of Green Marketing: Product brand is a vital aspect, which can help to formulate plans for green marketing. It is a best tool for performing life cycle analysis complex assessment which can make available the vital statistics on social, environmental and economic impact of products through the supply chain production process and after the purchase. Life cycle analysis can inform a brand requirement to go before it claims to be sustainable. The consumers do not expect perfection when it shapes to sustainability but they would like to see that brands make out the levels of probe, formulate a plan and in the executing process. In addition, different commercialization programmes and incentives could be proved conducive to acquire new technologies introduced of citing the examples included fleet programme to cultivate strategic niche markets and by rendering services for financial services e.g. advanced vehicle tax credit proposal in case of vehicle purchase.

GOLDEN RULES OF GREEN MARKETING

- 1. Know your Customer:** Make sure that the consumer is aware of and concerned about the issues that your product attempts to address.
- 2. Educating your customers:** It is not just a matter of letting people know, whatever you're doing is to protect the environment, but also a matter of letting them know why it matters.
- 3. Being Genuine & Transparent:** means that a) You are actually doing what you claim to be doing in your green marketing campaign and b) The rest of your business policies are consistent with whatever you are doing that's environment friendly.
- 4. Reassure the Buyer:** Consumers must be made to believe that the product performs the job, in this firm should not forgot product quality in the name of the environment.
- 5. Consider Your Pricing:** If you are charging a premium for your product and many environmentally preferable products cost more due to economies of scale and use of higher-quality ingredients make sure those consumers can afford the premium and feel it's worth it.

BUSINESSES AND GREEN MARKETING

There are serious changes for awakening in the business world regarding the responsibility towards the environment and the society. Strategies targeting not only making a profit for the day but also for long-term profitability and environmentally friendly sustainability have started to become agendas of the companies. Corporate ethical code of the 21st century is being green. The ideology of “always me, always me” of profit-making companies has no longer any effect. Of course, the primary objective of companies is profitability but it is too hard for companies with the sole objective of making profit to obtain sustainability. Companies should be aware of their responsibilities towards the environment and the society in the same way as towards clients, shareholders and employees. Climate change, environmental issues and social problems will challenge the leaders of future generation for taking efficient and comprehensive decisions. In the process of taking these decisions, the priority of business people should

be based on the principal of protecting the environment rather than profitability of the business. The opinion of Rakesh Khurana and Nitin Nohria, professors of business administration at Harvard, is such that priority should take its place in the professional literature with an oath similar to the Hippocratic Oath. The concept of creative capitalism defined by Bill Gates underlines that the leaders of future generations are responsible not only for obtaining desired results but also for the impacts of their decisions on elements other than their own companies and markets.

GREEN CONSUMER

The green consumer is generally defined as one who adopts environmentally friendly behaviors and/or who purchases green products over the standard alternatives. Green consumers are more internally-controlled as they believe that an individual consumer can be effective in environmental protection. Thus, they feel that the job of environmental protection should not be left to the government, business, environmentalists and scientists only; they as consumers can also play a part. They are also less dogmatic and more open-minded or tolerant toward new products and ideas. Their open-mindedness helps them to accept green products and behaviors, more readily. According to the consumption report of the EU (Consumers in Europe), it is found that ten percent of the consumers recognize the ecological product labels or green energy labels on the products sold in the supermarkets. Although the companies in our country progress with significant speed in terms of the environment, it is not possible yet for us to say that they have reached the same level regarding consumer sensitivity. In Western implementations, environmental awareness and the “green policy” in business organizations are reflected in the business as result of the environmental awareness of the consumers. The most recent and classical example regarding this subject is airline transportation industry. In airline transportation, large amount of carbon emission released by the planes into the environment is a matter in question. British Airway offers the following “relieving” solution to people who have to travel by plane but feel disturbed due to the carbon emission: to give financial support to a fund providing researches intended to reduce carbon emission. The carbon emission, released during the distance covered is calculated and a contribution of 12.08 Euro per ton can be paid per person. Carbon dioxide emission per one passenger during an Istanbul-London flight reaches 29 kilograms, and with this fund, which was established on a voluntary basis, environmentally conscious passengers can donate 3.25 Euro and feel relaxed. On the other hand, Turkish Airlines has stated “we achieved fuel savings and this saving reduced carbon emission” in a statement they made in October, demonstrating that the firm has a more low profile “temporary” approach.

GREEN MARKETING AND SUSTAINABLE DEVELOPMENT

According to the World Commission on Environmental Development (1978), Sustainable Development is “meeting the needs of the present without compromising the ability of the future generations to meet their own needs”. The common theme throughout this strategy of sustainable development is the need to integrate economic and ecological considerations in decision making by making policies that conserve the quality of agricultural development and environmental protection. This is what the end product of green marketing is, environmental protection for the present and the future generation. The development of energy- efficient operations, better pollution controls, recyclable and biodegradable packaging, ecologically safe products are all part of green marketing which also leads to sustainable development.

GREEN MARKETING IN TERMS OF PRICE, PRODUCT, PLACE AND PROMOTION

Green Marketing begins with ‘green design’. Product design constitutes an active interface between demand (consumers) and supply (manufactures). An example by Ottman and Terry; super concentrated laundry detergents are associated with energy saving, reduced packaging, space and money. The product itself has to be made in such a way that it satisfies consumer and manufacture’s needs. For ecologically sustainable products to be successful, green

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branding attributes have to be efficiently communicated. Most buyer decisions are influenced by the labeling, (green labeling) that states all that makes the product green compliant. The price of green product has to be affordable for the customer to encourage purchase. Industrial differentiation works only when products reduce client's cost. Most buyers are influenced by advertisement that reflects a company's commitment to environment. Companies that do green advertisement that tend to portray an image of environmental friendliness, influences their customer purchase decisions. When a company communicates this through their advertisements, promotions, publicity and corporate social responsibilities, they are sure to get many loyal customers. Green distribution is a very delicate operation. Customers must be guaranteed of the 'Ecological nature' of the product. The green environment is a constantly regulated environment and as such high level of compliance is necessary when carrying out distribution of green products. This is a common procedure in the united state.

STAKEHOLDERS IN GREEN MARKETING STRATEGY

Based on marketing literature, stakeholders play one of the most influencing roles in any organization and market. They influence all aspect of green strategy also in areas such as purchase of green product, nature of the product, the packaging, advertisement, promotion and also Green awareness programs. When a particular company wants to 'go green', the stakeholders are at the fore front of their green marketing strategy. Jaime Rivera-Camino said that stakeholders in green marketing include the plant, various animals, plant species and the future generations.

CUSTOMER SATISFACTION AND GREEN MARKETING

Customer satisfaction has been defined in two basic ways: as either an outcome or as a process. As an outcome, satisfying the end state resulting from the consumption experience. As a process, it is the perceptual evaluative and psychological process that contributes to satisfaction. The definition is varied with regards to their level of simplicity which includes;

- Product satisfaction
- Satisfaction with the purchase decision experience.
- Satisfaction with the performance attributes
- Satisfaction with the store or institution
- Satisfaction with pre-purchase experience.

Marketing literature suggests that there is a relationship between customer satisfaction and loyalty. Satisfaction leads to attitudinal loyalty. It could be seen as the intension to purchase, and satisfaction is an outcome that occurs without comparing expectations. Customer satisfaction could also be defined as an evaluative response to perceived outcome of a particular consumption experience. It is an overall judgment on satisfaction, based on the assumption that satisfaction is the outcome of service quality.

Many Authors believe that customers have a high level of involvement regarding environmental issues as a consequence of growing environmental consciousness. Studies have shown the significant influence of environmental knowledge and consciousness on consumer environmental attitude. Consequently, companies that communicate their 'green product' in their packaging, advertisement or manufacturing process, gain satisfied customers. Because of the green trend, companies that fail to 'go green' are not failing to fail in their industry. Customers want to associate themselves with companies and products that are eco-friendly.

ENVIRONMENTAL SAFETY

Environment is simply our surrounding. The increase awareness on environmental issues is as a result of increased publicity on the media on issues such as, the warring off of the ozone layer and increased pollution of the environment by industries. Customers have become concern about their everyday habit and the impact it has on their environment. Managing environmental safety issue is highly challenging, time consuming and expensive. There are many laws on environmental safety that have made companies liable to any wrongdoings. These laws cover areas such as, harmful pollution, managing of hazardous materials and soon. As a result, several hazard controls, pollution control and prevention programs are held in different parts of the world on emergency procedures, contingency planning and employee training. Similarly, many regulatory bodies and acts are set to ensure environmental safety and protection, some of which include, OSHA (Occupational Safety and health Act), CERCLA (Comprehensive environmental Respond Compensation liability Act), TSCA (Toxic Substance Control Act), HMTA (the Hazardous Material Transportation Act), FIFRA (Federal Insecticide, Fungicide and Rodenticide Act), FFDCA (Federal food, Drug and Cosmetic Act, Clean Air Act, Clean Water Act, GHS (Globally Harmonized System of Classification and labeling of Chemicals). Environmental Safety is not an easy task to implement. Implementing the GHS standardization policies of a single frame work of the classification and labeling of chemicals so hazards are consistently defined across different national jurisdiction is beneficial but highly challenging, especially in countries like U.S, Japan and Korea that have multiple regulatory authorities. EH&S (Environmental Health and Safety) regulatory compliance and CSR (Corporate Social Responsibility) initiative throughout the supply chain can help promote and sustain ongoing improvement within an organization. These improvements will help the company achieve regulatory compliance and position itself as a socially responsible company.

PRESENT TRENDS IN GREEN MARKETING IN INDIA

Organizations are Perceive Environmental marketing as an Opportunity to achieve its objectives. Firms have realized that consumers prefer products that do not harm the natural environment as also the human health. Firms marketing such green products are preferred over the others not doing so and thus develop a competitive advantage, simultaneously meeting their business objectives.

Organizations believe they have a moral obligation to be more socially responsible. This is in keeping with the philosophy of CSR which has been successfully adopted by many business houses to improve their corporate image. Firms in this situation can take two approaches:

- Use the fact that they are environmentally responsible as a marketing tool.
- Become responsible without prompting this fact.

Governmental Bodies are forcing Firms to Become More Responsible. In most cases the government forces the firm to adopt policy which protects the interests of the consumers. It does so in following ways:

- Reduce production of harmful goods or by products
 - Modify consumer and industry's use and /or consumption of harmful goods; or
 - Ensure that all types of consumers have the ability to evaluate the environmental composition of goods.
- Competitors' Environmental Activities Pressure Firms to change their Environmental Marketing

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Activities. In order to get even with competitors claim to being environmentally friendly, firms change over to green marketing. Result is green marketing percolates entire industry.

Cost Factors Associated With Waste Disposal or Reductions in Material Usage Forces Firms to Modify their Behavior. With cost cutting becoming part of the strategy of the firms it adopts green marketing in relation to these activities. It may pursue these as follows:

- A Firm develops a technology for reducing waste and sells it to other firms.
- A waste recycling or removal industry develops.

THE FUTURE OF GREEN MARKETING

There are many lessons to be learned to avoid green marketing myopia, the short version of all this is that effective green marketing requires applying good marketing principles to make green products desirable for consumers. The question that remains, however, is, what is green marketing's future? Business scholars have viewed it as a “fringe” topic, given that environmentalism's acceptance of limits and conservation does not mesh well with marketing's traditional axioms of “give customer what they want” and “sell as much as you can”. Evidence indicates that successful green products have avoided green marketing myopia by following three important principles:

CONCLUSION

Now this is the right time to select “Green Marketing” globally. It will come with drastic change in the world of business if all nations will make strict roles because green marketing is essential to save world from pollution. From the business point of view because a clever marketer is one who not only convinces the consumer, but also involves the consumer in marketing his product. Green marketing should not be considered as just one more approach to marketing, but has to be pursued with much greater vigor, as it has an environmental and social dimension to it. With the threat of global warming looming large, it is extremely important that green marketing becomes the norm rather than an exception or just a fad. Recycling of paper, metals, plastics, etc., in a safe and environmentally harmless manner should become much more systematized and universal. It has to become the general norm to use energy-efficient lamps and other electrical goods.

Marketers also have the responsibility to make the consumers understand the need for and benefits of green products as compared to non-green ones. In green marketing, consumers are willing to pay more to maintain a cleaner and greener environment. Finally, consumers, industrial buyers and suppliers need to pressurize effects on minimize the negative effects on the environment-friendly. Green marketing assumes even more importance and relevance in developing countries like India.

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