

# Green Marketing Mix- An Overview

**Mukund Chandra Mehta**

Assistant Professor, Department of Commerce and Management, Ranchi University

**Payal Mehandiratta**

Research Scholar, Department of Commerce and Management, Ranchi University

## Abstract

This is a descriptive paper that studies about the green marketing strategy. The paper aims at presenting the reviews of the literature on the green marketing strategy and analyses the critical four P's of green marketing and how it influences the overall performance of the firms. As green marketing strategy is becoming an important tool for firms adhering to a triple-bottom line performance evaluation, this present paper attempts to better understand the role of "green marketing mix" as a marketing strategy.

## Keywords

Green marketing strategy; Firm performance; Green marketing mix

## Introduction

Today businesses have started to realize the benefits that can be achieved by adopting green marketing practices. Even the government has come up with stricter norms regarding environment sustainability. Acknowledging the inclination of the stakeholders towards this and sensitivity of the issue even the corporate professionals are now driven to consider "green issues" in all their decisions. Researchers and academic communities have been studying about ecological issues since the early 1970s, during which environmental concerns have emerged for the first time in history. The grave consequences of these issues have prompted several groups, such as customers, regulators, and the public, to continuously pressurize firms to adopt sustainable practices.

## Literature Review

A variety of literature discusses green marketing and pays attention to the environmental strategies in relation to the company's use of marketing. Green marketing is marketing that includes environmental issues in the marketing efforts. The main idea is that customers are provided with information of the environmental effect of the products and they can and will take this information into account when deciding which product to purchase. Those aspects will in turn make companies more inclined to produce products that are better from an environmental point of view (Rex & Baumann, 2007).

The product is the significant ingredient of the marketing mix. An opinion poll conducted in 1991 showed that 85 per cent of the citizens of the industrialized world believe that the environment is the number one public issue (Carson and Moulden, 1991) As a result of the public

realization that its consumption activities lead to environmental problems (Kangun, et al. 1991), many consumers are translating their environmental concerns into actively purchasing green and environment friendly products ( Martin , 1995)

Thompson & Coe (1997) by emphasizing the role of pricing of products stresses how important it is to meet the customer's needs in terms of quality, value and price in order to become successful in the long term, while simultaneously be profitable and secure a superior position. Pricing should be used in a dynamic way to meet the demands of the targeted customers.

Green distribution channels is clearly an issue of strategic importance according to Ken Peattie (1993). To be successful any new green product has to gain access to potential customers through a suitable distribution channel. Richard Welford (2000) identified a checklist to see if the green company makes a sustainable development within the marketing mix concept, which contains 10 priorities which need to be addressed. The list of priorities suggests that the preference should be given to transportation systems which have reduced environmental costs in terms of energy consumption and pollution.

### **Objectives of the Study**

The objective of the study is to investigate how companies add green touch to its marketing activities.

The paper also studies and observes as to how overall efficiency and profitability of firms increase by adopting green marketing activities.

### **Research Methodology**

1. It is a descriptive paper studying about crucial P's of marketing which go into selling a eco-friendly product.
2. The data collected here is secondary one.
3. Published articles, newspapers ,books and various websites have been referred .

### **Green Marketing Strategy**

Green marketing strategy, refers to a set of marketing tools and elements which allows a firm to serve the target market and attain organizational goals without harming the environment around. It also facilitates product sales. Customers who care for environmental protection purchase green products, which leads to overall sustainable development.

Broadly speaking, green marketing mainly deals with marketing practices and policies that take into account the natural environment concerns. The concept of green marketing mix pertains to the elements that are designed to achieve the strategic and financial goals of a firm, particularly in terms of reducing their negative (or increasing their positive) effects on the natural environment. Thus the elements of the marketing mix is created and implemented in a manner that decreases the detrimental effects on the ecology.

### **Green Marketing Mix**

The term "green marketing mix" emerged in 1989. The Environmental Protection Agency of the Queensland government explained the concept of green marketing in a manner that is similar to how the "classic" marketing is defined, that is, by specifying the factors comprising the 4Ps. Thus, the agency developed the 4Ps within the

green context . The marketing mix model was viewed in a different light as various branches of marketing emerged (i.e., services marketing, business-to-business marketing, relational marketing, and macro marketing). An extended marketing mix comprising seven Ps (i.e., product, price, promotion, place, process, physical evidence, and people) was put forward . The 7Ps framework was highly accepted as a generic marketing mix by the respondents and is believed to have a huge impact on the financial as well as non financial performance of any organization. But in this paper only the basic P's of marketing (product,price,place promotion) have been studied in detail.

### **Green product**

A product can be called "green" if its production process is eco-friendly and less detrimental to the environment. The raw materials comprising a product must be obtained in such a manner that natural resources are preserved. Businesses must develop an ecofriendly design ,labeling , packaging and waste management techniques that reduce pollution and hazards. Sustainability is a complementary factor in the development of green products. Sustainability, which denotes the conscious minimization of the impact on the environment and increased usage of recycled materials, conveys the 6R concept of recover, reuse, recycle, redesign, reduce, and remanufacture .

"Eco-labeling" is an effective approach for informing the customers about how green the company products are. These labels present the environmental properties of a product in a textual or graphical form, and they

are found on the product itself, on the packaging, or in the manual. Green Seal, Energy Star, and WEEE (Waste Electrical and Electronic Equipment Directive) are some examples of eco-labels .

Green products have become increasingly significant as overall public concern for the environment has increased. The heightened ecological awareness of consumers is evident in their purchase of environmentally friendly cars, particularly electric hybrid vehicles. Not only vehicles customers are increasingly preferring eco friendly homes, eco friendly clothing as well as eco friendly waste disposal techniques.

### **Green price**

The process of manufacturing green products is quite expensive as it requires installation of new technology and equipment and training people. These costs are then integrated into the final price of a product. Therefore, green price becomes a premium price, which further increases with the addition of the cost of promotion.

The practices of green pricing consider both the economic and environmental costs of production and marketing, while simultaneously providing value for customers and a fair profit for businesses. Firms may undertake actions such as eliminating the packaging material which can decrease the prices of green products, providing rebates for returning recyclable packaging and charging higher prices for environmentally unfriendly products.. Considering the importance that people give to price, marketers must offer additional value to enhance the various aspects of the products, such as performance, function, design,

and visual appeal. Consumers tend to pay the premium price when they perceive the extra value of products (e.g., green benefits) to be desirable.

The existence of a segment of customers who are willing to pay premium prices for green products allows the prevalence of green marketing approaches. The potential gains from this customer segment provide companies with the motivation and rationale for developing green products and engaging in green operations and marketing practices, such as recycling, reusing materials, and forming alliances with green supply chains .

### **Green distribution**

Green distribution refers to the selection of channels in a way that reduces environmental damage. Organisations have come up with many ways to make green distribution possible. To enable customers to return recyclable materials companies are working with channel partners to develop product reuse and disposal arrangements .

Firms also develop policies for suppliers and distributors to comply with environmental standards as part of their respective marketing roles. Firms may also establish "ecoalliances" with channel partners to enhance the environmental effects of their joint activities, such as restructuring logistical procedures to increase their environmental efficiency .

For example, many big global consumer goods firms in the world, such as Pepsi, Nestlé, and L'Oreal, have collaborated with Tesco, one of their largest retail partners, to develop a supply chain coalition; this collaboration advances strategies for

minimizing the carbon footprint of their supply to consumer distribution activities .

Green distribution is therefore a two-way distribution system which focuses on the recycling of the remnants of materials used (i.e., empty containers, plastic bags) to their places of production, or point of sale. Many countries adopt this system in distinct ways. For instance/ specialized organizations have a contractual relationship with trademark-owning organizations to whom they send the pre-sorted empty containers in exchange for a certain amount of money .

Promotion is a significant element of the green marketing mix; it refers to the communication process that aims to build a relationship with customers by informing and persuading them to purchase green products. Moreover, promotion seeks to connect the firm with its customers and transfer its orientations and environmental image to them via product- or service-related marketing messages. Promotion consists of a group of integrated elements called promotional mix elements (i.e., advertising environmental claims, environmental advertisements and poster, publicizing environmental efforts, and integrating environmental claims into product packaging ), which facilitate the success of the promotional process.

According to Joel J.Davis (1994), there are three elements of corporate environmental advertising activities. First, the advertisement presents a general statement of organisational concern for the environment. Second, the advertisement describes how the organisation has initiated a number of activities which demonstrate its

concern and commitment to environmental improvement. Third, the advertisement provides a description of specific environmentally-related activities in which the organisation is engaged and/or outcomes for which the organisation takes credit (J. Davis, 1994).

## Conclusion

This paper reviews the literature in the field of green marketing strategy and highlights that firms that adopt green marketing strategy (green product, green price, green distribution, green promotion) are more profitable and efficient than those firms that do not adopt such strategies. The marketing literature emphasises the various benefits of pursuing green initiatives, such as larger financial gains and market share, high levels of employee commitment, increased firm performance, and enhanced capabilities. Environmentally responsible actions also enhance customer satisfaction and firm value and reduce threats to the company. At the same time, cost savings may be obtained from green practices.

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