

# Eco-effective product design: the contribution of Green Marketing in designing sustainable products

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In research, as in practice, there is often a weak link between environmental management and product marketing. To solve this problem, environmental aspects should be integrated into the earliest product design phases. Eco-effective product design aims to systematically establish and implement goals in product design with the aim of improving environmental performance. These goals should be based on significant environmental aspects of the products and take into account environmental requirements leading to a concept of Green Marketing.

Green marketing is a phenomenon which has developed particular importance in the modern market. This concept has enabled for the re-marketing and packaging of existing products which already adhere to such guidelines. Additionally, the development of green marketing has opened the door of opportunity for companies to co-brand their products into separate line, lauding the green-friendliness of some while ignoring that of others. Such marketing techniques will be explained as a direct result of movement in the minds of the consumer market. As a result of this businesses have increased their rate of targeting consumers who are concerned about the environment. These same consumers through their concern are interested in integrating environmental issues into their purchasing decisions through their incorporation into the process and content of the marketing strategy for whatever product may be required.

This paper discusses how businesses have increased their rate of targeting green consumers, those who are concerned about the environment and allow it to affect their purchasing decisions. The paper identifies the three particular segments of green consumers and explores the challenges and opportunities businesses have with green marketing. The paper also examines the present trends of green marketing in India and describes the reason why companies are adopting it and future of green marketing and concludes that green marketing is something that will continuously grow in both practice and demand.

**Key Words:** - Green Product, Recyclable, Environmentally safe, Sustainable Products, Eco Friendly

## INTRODUCTION

According to the American Marketing Association, green marketing is the marketing of products that are presumed to be environmentally safe. Thus green marketing incorporates a broad range of activities, including product modification, changes to the production process, packaging changes, 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. Thus "Green Marketing" refers to holistic marketing concept wherein the production, marketing consumption and disposal of products and services happen in a manner that is less detrimental to the environment with growing awareness about the implications of global warming, non-biodegradable solid waste, harmful impact of pollutants etc., both marketers and consumers are becoming increasingly sensitive to the need for switch in to green products and services. While the shift to "green" may appear to be expensive in the short term, it will definitely prove to be indispensable and advantageous, cost-wise too, in the long run.

Elkington (1994: 93) defines green consumer as one who avoids products that are likely to endanger the health of the consumer or others; cause significant damage to the environment during manufacture, use or disposal; consume a disproportionate amount of energy; cause unnecessary waste; use materials derived from threatened species or environments; involve unnecessary use of, or cruelty to animals; adversely affect other countries.

Pride and Ferrell (1993) Green marketing, also alternatively known as environmental marketing and sustainable marketing, refers to an organization's efforts at designing, promoting, pricing and distributing products that will not harm the environment. Polonsky (1994) defines green marketing as all activities designed to generate and facilitate any exchanges intended to satisfy human needs or wants, such that the satisfaction of these needs and wants occurs, with minimal detrimental impact on the natural environment.

#### **WHY GREEN MARKETING?**

It is really scary to read these pieces of information as reported in the Times recently: "Air pollution damage to people, crops and wildlife in US. Total tens of billions of dollars each year". "More than 12 other studies in the US, Brazil Europe, Mexico, South Korea and Taiwan have established links between air pollutants and low birth weight premature birth still birth and infant death". As resources are limited and human wants are unlimited, it is important for the marketers to utilize the resources efficiently without waste as well as to achieve the organization's objective. So green marketing is inevitable. There is growing interest among the consumers all over the world regarding protection of environment. Worldwide evidence indicates people are concerned about the environment and are changing their behavior. As a result of this, green marketing has emerged which speaks for growing market for sustainable and socially responsible products and services. Thus the growing awareness among the consumers all over the world regarding protection of the environment in which they live, People do want to bequeath a clean earth to their offspring. Various studies by environmentalists indicate that people are concerned about the environment and are changing their behavior pattern so as to be less hostile towards it. Now we see that most of the consumers, both individual and industrial, are becoming more concerned about environment friendly products.

Green marketing was given prominence in the late 1980s and 1990s after the proceedings of the first workshop on Ecological marketing held in Austin, Texas (US), in 1975. Several books on green marketing began to be published thereafter. According to the Joel makeover (a writer, speaker and strategist on clean technology and green marketing), green marketing faces a lot of challenges because of lack of standards and public consensus to what constitutes "Green". The green marketing has evolved over a period of time.

According to Peattie (2001), the evolution of green marketing has three phases. First phase was termed as "Ecological" green marketing, and during this period all marketing activities were concerned to help environment problems and provide remedies for environmental problems. Second phase was "Environmental" green marketing and the focus shifted on clean technology that involved designing of innovative new products, which take care of pollution and waste issues. Third phase was "Sustainable" green marketing. It came into prominence in the late 1990s and early 2000.

#### **GREEN PRODUCTS AND ITS CHARACTERISTICS**

The products those are manufactured through green technology and that caused no environmental hazards are called green products. Promotion of green technology and green products is necessary for conservation of natural resources and sustainable development. We can define green products by following measures:

- ✓ Products those are originally grown,
- ✓ Products those are recyclable, reusable and biodegradable,
- ✓ Products with natural ingredients,
- ✓ Products containing recycled contents, non-toxic chemical,
- ✓ Products contents under approved chemical,
- ✓ Products that do not harm or pollute the environment,
- ✓ Products that will not be tested on animals,
- ✓ Products that have eco-friendly packaging i.e. reusable, refillable containers etc.

#### **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.

## CURRENT 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 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.

2016 began with a flurry of activity in India's supply chain space (Ramachandran, 2016). This can be attributed to rising government focus on green infrastructure development, the imminent implementation of GST, benign oil prices, emerging digital channels backed by affordable technologies and corporate perception of the country as a growth engine driven by consumer demand. The following are some of the emerging and potentially eventful trends:

***New transportation modes:*** Transportation has been engaging the attention of the government. The locomotive factory in Bihar, new highways, the bullet train, reusable satellite launching rockets, electric vehicles, drones and ship building are among the items the government has on the anvil. Inland waterways along rivers with a vessel tracking system will become a cost effective mode of material movement for items like coal. It can disrupt the existing networks and present a viable option for supply planning.

***Logistics as a core competency:*** Perfect order fulfilment is imperative today. It could be the all-important competitive differentiator. E-commerce customers seek same day delivery. Delivery should be made at a time convenient to the customer and at a venue indicated by the customer. Enterprises have been put in place their own logistic infrastructure -- from IT systems and platforms to analytics and strategic partners for hyper local services. Snapdeal, for instance, recently invested in GoJavas, a logistic service provider. Technologies such as Internet of Things will ensure real-time visibility not just to location but critical shipment parameters and their control door-to-door as well.

**Warehouse-as-a-service:** Warehouses have so far remained fragmented, unorganized and manual with no IT to support them at the backend. But the rising demand is leading even realty players to invest in multi-tenant large format modern warehouses. The emphasis on perfect order fulfilment and cycle time reduction will lead to automation in owned or rented warehouses. The activities can range from storage and retrieval to Augmented Reality for packaging, cross-docking and postponement strategies.

**Digital channels beyond retail:** Digital channels such as e-commerce and m-commerce have been popular in retail and consumer goods segments. They are becoming a growing source of revenue generation. They are providing an opportunity for customer engagement with stickiness. Traditional companies have been launching multiple channels.

Maintaining separate inventories for each channel could turn out sub-optimal. As a result, companies will mull optimized inventories across traditional brick and mortar and digital channels hoping that technology will help them in the overall management. This will warrant seamless flow of information across systems. It will also warrant diverse channels working in tandem. Reverse logistics will also become imperative given that high value goods are bought online and requests from dissatisfied customers who want to return a product have to be accommodated.

**Technology for the masses:** – The digital trend will embrace base-of-the pyramid or BoP industries like textiles and agriculture too, which missed the digitisation bus earlier on. It will not remain confined to high value products alone. The BoP industries will superior benefits through integration with digital channels, keeping out the middlemen all the way. The internet and mobility will minimise information asymmetry leading to fairer pricing and superior risk mitigation from systemic and non-systemic risks such as natural hazards and global commodity price swings. E-payment gateways will add to the comfort factor through faster cash realization cycles.

#### **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.

Following three important principles:

#### **CONSUMER VALUE POSITIONING**

- Design environmental products to perform as well as (or better than) alternatives.
- Promote and deliver the consumer desired value of environmental products and target relevant consumer market segments.
- Broaden mainstream appeal by bundling consumer desired value into environmental products.

## CALIBRATION OF CONSUMER KNOWLEDGE

- Educate consumers with marketing messages that connect environmental attributes with desired consumer value.
- Frame environmental product attributes as “solutions” for consumer needs.
- Create engaging and educational internet sites about environmental products desired consumer value.

## CREDIBILITY OF PRODUCT CLAIM

- Employ environmental product and consumer benefit claims that are specific and meaningful.
- Procure product endorsements or eco-certifications from trustworthy third parties and educate consumers about the meaning behind those endorsements and eco-certifications.
- Encourage consumer evangelism via consumers social and internet communication network with compelling, interesting and entertaining information about environmental products.

## 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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