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# The Impact of Green Marketing on Environmental Safety and Customer Satisfaction

Pooja Pandey\*

## Abstract

*Green marketing is growing rapidly and consumers are willing to pay a lot for green product. Green marketing affects all areas of our economy. Green revolutions, going green, environmental protection, sustainable life style, sustainable development, protecting our Planet and many more have become a natural phenomenon in our everyday life. Green marketing is a tool used by many Organizations in various industries to follow this trend. As society becomes more concerned with the natural environment, businesses have begun to modify their process in an attempt to address society's new issues. Some businesses have been quick to accept the newer challenges or changes like environmental management, minimization of the waste aligning with organizational activities. For a company to be successful in implementing green marketing strategy, it should not forget attitude of consumers towards green marketing and the awareness towards Environment Protection.*

*There has been a lot of literature review on green marketing over the years, this paper analysis the impact of green marketing strategies on environmental safety and customer satisfaction. As a result, this paper can be used by researchers who need to find out the impact of green marketing on environmental safety and customer satisfaction.*

**Keywords:** Green Marketing, Green Revolution, Consumer Satisfaction, Sustainable Life Style, Environmental Safety, Eco-Friendly Products, Green Marketing Strategies, Green Brands, Green Products.

**Introduction:** Green marketing has been an important academic research topic for at least three decades and has been defined in many different ways. In the last decade, consumers have become more enlightened on environmental issues. Green marketing refers to selling product or rendering services based on environmental benefit. It came into existence in late 1980s and early 1990s. Green marketing is growing rapidly and consumers are willing to pay a lot for green product. There have been little analysis of the impact of this new market on the consumers and the environment so far. Green marketing affects all areas of our economy, it does not just lead to environmental protection but it also creates new market and job opportunities. Companies that are environmental stewards stand a chance of gaining many satisfied and loyal customers. As society becomes more concerned with the natural environment, businesses have begun to modify their behavior in an attempt to address "new" concerns. Some businesses have been quick to accept concepts like environmental management systems and waste minimization, and have integrated environmental issues into all organizational activities.

**Green Marketing:** The American Marketing Association (AMA) held the first workshop on ecological marketing in 1975. And 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 environment all safe or beneficial products.

### Thus we can say that Green Marketing involves:

- Manufacturing and providing products to the consumers which are of good quality and at the same time not harmful to them even in long run.
- Use the resources for development in such a manner which will enable the future generations to avail the resources to meet their needs leading to Sustainable Development.
- Framing and implementing policies which will not have any detrimental effect on the environment i.e. at present as well in future.

Thus "Green Marketing" refers to holistic marketing concept wherein the production, marketing consumption an 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

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\*Assistant Professor, Vindhya Institute of Management Research, Satna

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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. The first wave of Green Marketing occurred in the 1980s. Two tangible milestones for wave 1 of green marketing came in the form of published books, both of which were called Green Marketing. They were by Ken Pattie (1992) in the United Kingdom and by Jacquelyn Ottoman.

**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, and ecologically safe products are all part of green marketing which also leads to sustainable development.

**Objectives of the Study:**

- To discuss the need for Green marketing in India from different perspectives.
- To understand the strategy needed for successful Green marketing.
- To study the present scenario and potential of Green marketing in India.
- To study the challenges faced by Green marketers in India.

**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) [1]. An example by Ottoman and Terry [11]; 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 branding attributes have to be efficiently communicated [23]. 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 [19]. Companies that do green advertisement that tend to portray an image of environmental friendliness, influences their customer purchase decisions. Consumers love to associate themselves with companies that are environmental stewards. 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 States [11].

**The Four Ps of Green Marketing:** Like conventional marketers, green marketers must address the Four Ps' in new perspective in view of changed scenario:

**Product:** Marketers wanting to exploit emerging green market either:

- Identify customer's environmental needs and develop products to address these needs; or develop environmentally responsible products to have less impact than competitors.
- The increasingly wide variety of products on the market that support sustainable development and are good for the triple bottom line include:
  - Products made from recycled goods.
- Products that can be recycled or reused.
- Efficient products, which save water, energy or gasoline, save money and reduce Environmental impact.
- Products with environmentally responsible packaging.
- Products with green labels, as long as they offer substantiation.
- Organic products-many consumers are prepared to pay a premium for organic products, which offer promise of quality.
- A service that rents or loans products – such as toy libraries.
- Certified products, which meet or exceed environmentally responsible criteria.

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**Price:**

- Pricing is a critical element of the marketing mix. Most customers are prepared to pay a premium if there is a perception of additional product value.
- This value may be improved performance, function, design, visual appeal or taste. Environmental benefits are usually an added bonus but will often be the deciding factor between products of equal value and quality.
- Environmentally responsible products, however, are often less expensive when product life cycle costs are taken into consideration.

**Place:**

- The choice of where and when to make a product available has a significant impact on the customers being attracted.
- Very few customers go out of their way to buy green products merely for the sake of it. Marketers looking to successfully introduce new green products should, in most cases, position them broadly in the market place so they are not just appealing to a small green niche market.
- The location must also be consistent with the image which a company wants to project. The location must differentiate a company from its competitors. This can be achieved by in-store promotions and visually appealing displays or using recycled materials to emphasize the environmental and other benefits.

**Promotion:**

- Promoting products and services to target markets includes paid advertising, public relations, sales promotions, direct marketing and on-site promotions.
- Smart green marketers will be able to reinforce environmental credibility by using sustainable marketing and communications tools and practices. For example, many companies in the financial industry are providing electronic statements by email, e-marketing is rapidly replacing more traditional marketing methods, and printed materials can be produced using recycled materials and efficient processes, such as waterless printing.
- Retailers, for example, are recognizing the value of alliances with other companies, environmental groups and research organizations when promoting their environmental commitment. To reduce the use of plastic bags and promote their green commitment, some retailers sell shopping bags, under the banner of the Go Green Environment

**Fund.**

- The key to successful green marketing is credibility. Never overstate environmental claims or establish unrealistic expectations, and communicate simply and through sources that people trust.
- Promote your green credentials and achievements. Publicize stories of the company's And employees' green initiatives. Enter environmental awards programs to profile Environmental credentials to customers and stakeholders.

**Stakeholders in Green Marketing Strategy:** Based on marketing literature, stakeholders play one of the most influencing roles in any organization and market [20], [27], [18], [17]. 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 [12] 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 [25]. As an outcome, satisfying the end state resulting from the consumption experience [6]. 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. [29]

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. [21], [15], [18], and [17].Satisfaction is an outcome that occurs without comparing expectations [15]. Customer satisfaction could also be defined as an evaluative response to perceived outcome of a particular consumption experience. [3], [2], [9]. It is an overall judgment on satisfaction, based on the assumption that satisfaction is the outcome of service quality [5], [26].Many Authors believe that customers have a high level of involvement regarding environmental issues as a consequence of growing environmental consciousness. [14], [4], [10], [25]. Studies have shown the significant influence of

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environmental knowledge and consciousness on consumer environmental attitude [9],[24]. 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.

**Current Scenario in India:** Many analysts are predicting that 2011 will be a make-or-break-it year for many green businesses as increasing competition in the green sector drives some businesses to new heights of innovation and service while other businesses lag behind. Trends may come and go and of course, it is impossible for any green business to stay on top of all of them nor is it worthwhile to try. However, keeping track of green business trends is a great way to ensure that your business stays fresh, flexible, and creative in the face of new challenges and opportunities, the surest way to green business success in 2011 and beyond.

• **Consumers:** As per research, India is the only country to choose deforestation and air pollution as the most important green issue. India is the only country in which more consumers say it should be developing countries that should focus on green innovation versus developed countries. The results of the recently released 2011 edition of the Global Image Power green Brands Survey show that concern about the environment by the consumers, is translating into a willingness to pay for a premium for green products. 64% of Indian consumers indicate that they plan to spend more on green products next year. Furthermore consistent with emerging countries, Indians are willing to pay a green premium price, with 48% of Indians willing to spend 10% more on a product simply because it is green. Consumers in India are trusting of green advertising compared to other countries, with 86% of Indian consumers reporting that advertising about green products help them in making choices. In India 28% of consumers intend to purchase auto in the next year as compared to purchase of 16% in last year. Producers – AMUL has been rated as the Top Indian Green Brand by Global Green Brands survey. The International Dairy federation has also awarded AMUL Green movement as the best Environment Initiative in the -Sustainability Category in 2010. It also has been awarded Srishti's good green Governance award for four consecutive years since 2011. The 2011, top 10 Green Brands in India are:

1. AMUL
2. Dabur India ltd.
3. Infosys
4. Taj Hotels

5. Britannia Industries ltd.
6. Suzlon India
7. Hindustan Unilever Ltd.
8. Wipro technologies ltd.
9. Maruti Udyog ltd.
10. Godrej Consumer Products

The findings emphasize that today situation being both green and consumer friendly is the only mantra for long term success.

• **Government:** The Indian government has also done its mite in promoting green marketing and eco friendliness by way of banning plastic bags from daily use, helping its automotive industry to develop greener vehicles by supporting hybrid and electric vehicles (EVs), by investing in greener cars the Government of India is capitalizing on an underutilized segment and building an infrastructure that will generate economic growth and reduce emissions. The government took the initiative of promoting green buildings construction, usage of alternate sources of energy by companies. 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 by reducing 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.

• **Opportunities:** It appears that all types of consumers, both individual and industrial are becoming more concerned and aware about the natural environment. Nowadays, firms marketing goods with environmental characteristics have realized a competitive advantage over firms marketing non-environmentally responsible alternatives. There are numerous examples of firms who have strived to become more environmentally responsible, in an attempt to better satisfy their consumer needs.

- McDonald's replaced its clam shell packaging with waxed paper because of increased consumer concern relating to polystyrene production and Ozone depletion.

- Tuna manufacturers modified their fishing techniques because of the increased concern over driftnet fishing, and the resulting death of dolphins.

- Xerox introduced a "high quality" recycled photocopier paper in an attempt to satisfy the demands of firms for less environmentally harmful products.

This does not mean that all firms who have undertaken environmental marketing activities actually improve



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their behavior. In some cases, firms have misled consumers in an attempt to gain market share. In many other cases firms have jumped on the green bandwagon without considering the accuracy of their behavior, their claims, or the effectiveness of their products. This lack of consideration of the true "greenness" of activities may result in firms making false or misleading green marketing claims.

- **Social Responsibility:** Many firms are beginning to realize that they are members of the wider community and therefore must behave in an environmentally responsible fashion. This translates into firms that believe they must achieve environmental objectives as well as profit related objectives. This results in environmental issues being integrated into the firm's corporate culture. Firms in this situation can take two perspectives: 1) they can use the fact that they are environmentally responsible as a marketing tool; or 2) they can become responsible without promoting this fact.

There are examples of firms adopting both strategies. Organizations like the Body Shop heavily promote the fact that they are environmentally responsible. While this behavior is a competitive advantage, the firm was established specifically to offer consumers environmentally responsible alternatives to conventional cosmetic products. This philosophy directly ties itself to the overall corporate culture, rather than simply being a competitive tool.

An example of a firm that does not promote its environmental initiatives is Coca-Cola. They have invested large sums of money in various recycling activities, as well as having modified their packaging to minimize its environmental impact. While being concerned about the environment, Coke has not used this concern as a marketing tool. Thus many consumers may not realize that Coke is a very environmentally committed organization. Another firm who is very environmentally responsible but does not promote this fact, at least outside the organization, is Walt Disney World (WDW). WDW has an extensive waste management program and infrastructure in place, yet these facilities are not highlighted in their general tourist promotional activities.

**Environmental Safety:** Environment is simply our surrounding. The increased 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 (Cooperate 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.

**Discussion:** There is now a real sense that environmental protection is highly necessary. Everyone believes a green life is a better and healthier life for present and future generation. Most consumers' spending pattern shows that they have a desire for brands that 'go green'. Consumers not only want to buy their products but are willing to pay more for it. Based on research, 70 percent of some 2000 people in US, UK, Germany, the Netherlands, Australia and Japan are willing to pay a premium for energy alternatives such as, wind and solar power. Consumers are motivated to buy from companies that are eco-friendly in the production. When a company display's the green logo on their product, it shows that their product or services stands out from the crowd and this gives them a competitive edge. Consequently, most customer buying decisions are influenced by green product label like the US energy star logo, Green label in Thailand, Korea Eco label and much more.

**Conclusion:** In a nutshell:

- Green product development is more than just creating products that are environmentally friendly,

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it is about systemic change in society that includes consumers, producers and the general commercial structure within which they negotiate

- By widening & deepening the meaning of green, relevant actors will have an economic incentive to pursue green product development.
- Harnessing the market forces that favor green product development will lead to mainstream green.

Green marketing is a tool for protecting the environment for the future generation. It has a positive impact on environmental safety. Because of the growing concern of environmental protection, there is an emergence of a new market which is the green market. For companies to survive in this market, they need to go green in all aspect of their business. Consumers want to identify themselves with companies that are green compliant and are willing to pay a premium for a greener life style. As such, green marketing is not just an environmental protection tool but also, a marketing strategy.

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