



## THE EVALUATION OF GREEN MARKETING MYOPIA IN INDIAN SCENARIO

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### INTRODUCTION:

Marketing is defined as the process by which companies create value for customers and build strong customer relationships in order to capture value from customers in return (Kotler et al, 2010). Societal Marketing concept holds that marketing strategy should deliver value to customers in a way that maintains or improves both the consumer's and society's well being. An extension of the societal marketing concept is Green Marketing. According to the American Marketing Association, green marketing is the marketing of products that are presumed to be environmentally safe.

Green marketing refers to the process of selling products and/or services based on their environmental benefits. Such a product or service may be environmentally friendly in itself or produced and/or packaged in an environmentally friendly way.

Intense competition, changing consumer perceptions, in times such as these it is very easy for organizations to lose focus. Short sighted and inward looking approach to marketing that focuses on the needs of the firm instead of defining the firm and its products in terms of the customers' needs and wants are the bane of organizations today.. Such self-centered firms fail to see and adjust to the rapid changes in their markets and, despite their previous eminence, falter, fall, and disappear. This concept was discussed first by Theodore C. Levitt (1925), who suggests that firms get trapped in this bind because they omit to ask the vital question, what business are we in? Companies today are once again facing the same challenge when it comes to green marketing. This paper explores the concept and scope of Green Marketing Myopia.

2011

SKYLINE

THE CORE

ARMAGEDDON

THE DAY THE EARTH STOOD STILL



All the above listed are names of movies based on the destruction of earth and the end of mankind. Movies such these listed above generate a lot of public interest. What one gleans from these movies is; unless we as citizens of the earth take up drastic measures to prevent pollution and safeguard earth, we will not have a safer planet for future generations.

Contents of movies have changed along with consumers attitudes, gone are the days of irresponsible buying, earlier one bought products and were not really bothered about the effects the product has on the environment and society. Today, the cudgel of responsibility to preserve our planet lies with the consumers.

The past decades are witness to the rapid economic growth through increasing consumers' consumption worldwide. This in turn causes environmental deterioration through over-consumption and utilization of natural resources. The consequences of environmental degradation are global warming, depletion of stratospheric ozone layer, pollution of sea and rivers, noise and light pollution, acid rain and desertification (Ramlogan, 1997). Grunert (1993) reported that about 40% of environmental degradation has been brought about by the consumption activities of private households. As the environment continues to worsen, it has become a persistent public concern. Furthermore it has also awakens countries to the green movement for preservation of the environment.

### **Evolution of the Green Movement**

Green marketing is the latest buzz word to hit marketing lingo, the concept of green marketing can be traced way back to 1960s, and the green movement which has its origin in the 1960s has gone through various hues.

During the first decade of the green movement between 1960s-1970s, the roots of green revolution germinated as responses to many environmental events, during this period many of the initiatives undertaken were purely government initiated. The 1980s saw the involvement of industry in the movement, Volkswagen tested its first solar powered vehicles trying to reduce consumption of fuel and reduce air pollution. Though the movement was just in its nascent stage, nevertheless it was the stepping stone for further initiatives.

The 1990s ushered in a new phase; many companies joined the bandwagon of going green. Apple phased lead out of its batteries, but it was Nike that first realized going green could be used to gain competitive advantage; it launched its reuse-a-shoe program that helped build sports grounds for underprivileged children. The last half of the 1990s saw the shift in consumer attitudes; the green movement finally caught the fancy of the industry. The movement changed its hue from the early initiatives which were steeped in policy to production of green products that were sustainable.

The beginning of the decade 2000 brought along with it interest in sustainability, a huge interest was generated towards products that were organic. Demand for green products increased and it became a valuable marketing tool. In 2004-2006, 'Green' became consumer



marketing push strategy. 2009 saw the retail giant Wal-Mart announce a plan to launch sustainability index on all products sold in its stores. The saga continues of going green continues.

### **Green Marketing Strategy**

Creating customer satisfaction and building long-term profitable customer relationship are some of the primary objectives firms try to achieve to sustain their businesses in the competitive business world. With increased social and political pressures, many firms embraced green marketing strategies.

Today there exists a niche consumer segment that is predisposed towards green products, selling to them is easier but the untapped segments at large still think on the lines, "If I use 'green' products, what's in it for me?"

Organizations are facing their greatest challenge today, without losing focus on the traditional competitive differentiation variables of price, quality, and service organizations have to concentrate on the secondary dimension of greenness of the product. A strategy that is competitive on both the dimensions both traditional and eco-friendly would be most fitting.

Green marketing if at all has to sustain there should be mass adoption of the green revolution and the industry consortium should agree to change the product. When consumers are convinced of the desirable "non-green" benefits of environmental products, they are more inclined to adopt them.

### **Green Marketing Myopia**

In the present intense competitive scenario, developing core competencies that cannot be imitated by competition is a difficult task. Organization on a continuous scout for factors and resources that will help them gain competitive advantage. Green Marketing became one such strategy that could add value to the product.

Research indicates that many green products have failed. Whirlpools 'Energy Wise Refrigerators', General Motors Electric Car failed to take off. Whirlpool could not hedge the inflated price of the product General Motors Electric car failed as it was inconvenient for drivers to find recharging facilities which was often required.

Marketers of the above products failed to realize that consumers were not willing to sacrifice, performance and lower price to gain significant environmental benefits. Organizations were so wrapped up in their thinking that consumers understood the importance of the responsibility thrust upon them to go green, and that they were more than willing to accept green products. Companies that jumped the green marketing bandwagon realized early on that consumers were not willing to accept green products as easily as they expected, only those products that were able to hedge price inflations and other inconveniences were successful.



Companies began exploiting the concept of green marketing, many of them were indulging in what could be termed as 'green washing' i.e., corporations trying to promote themselves to be more environmentally friendly than they really were. Skepticism among consumers grew, organizations lost sight of the fact that consumers would buy a green product only if it had mass adoption appeal.

In 1960, Harvard business professor Theodore Levitt introduced the concept of "marketing myopia" in a now-famous and influential article in the *Harvard Business Review*. In it, he characterized the common pitfall of companies' tunnel vision, which focused on "managing products" (that is, product features, functions, and efficient production) instead of "meeting customers' needs" (that is, adapting to consumer expectations and anticipation of future desires). Levitt warned that a corporate preoccupation on products rather than consumer needs was doomed to failure because consumers select products and new innovations that offer benefits they desire.

Green Marketing should satisfy two objectives: improved environmental quality and customer satisfaction. Misjudging either or overemphasizing the former at the expense of the latter can be termed "green marketing myopia."

How does one avoid this pitfall of green marketing myopia, Ottman, Stafford and Hartman (2006) have suggested three important principles, 'The Three C's'

- Consumer value positioning,
- Calibration of consumer knowledge, and
- Credibility of product claims

### **Consumer Value Positioning**

Market positioning strategy that incorporates the following benefits- efficiency and cost effectiveness; health and safety; performance; symbolism and status; and convenience will achieve a greater appeal among consumers. Many have adopted products that are green not necessarily for environmental reasons but because of the perceived benefits such as those stated above.

### **Calibration of consumer knowledge**

Marketing programs should communicate the benefits of going green along with the traditional benefits the product offers, green benefits has to be calibrated with the consumers' previous knowledge. Communications strategy should be such, that they educate the consumers that green products not only are solutions to their personal needs but also a solution to environmental needs.

### **Credibility of product claims**

Credibility is the foundation of effective green marketing (Dell, 2005). Consumers buying green products do not really have the ability to judge whether the products they intend to buy



are really green as they do not possess the required knowledge, shopping for green products is similar to shopping for black box services such as giving a car for servicing, going to a doctor for diagnosis regarding what the patient is ailing. In such circumstances the green claims made by organizations should be specific and meaningful. Third Party Endorsements and Eco-Certifications would go a long way in building trust and loyalty for the brand.

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