

THE INFLUENCE OF DIGITALIZATION ON GREEN MARKETING

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Abstract

The emergence of E-commerce worldwide along with internet penetration is increasing significantly. At the same time green marketing is a phenomenon which has developed particular important in the modern market. Such marketing techniques will be explained as a direct result of movement in the minds of the consumer market. Such a product or service should be eco-friendly in itself or produced in an eco-friendly way. In today's environmentally conscious world the word "Green" has become a buzz word. This paper tries to find the influence of digitalization on green purchase behaviour for marketing strategy formulation. Based on young consumers view and green marketing literature review marketing approaches are proposed.

This paper discusses how digitalization has increased their rate of targeting green consumers, those who are concerned about the environment and allow it to affect their purchasing decisions. The contribution of the paper to academics and practitioners is increased understanding of how green marketing can be applied with increasing digitalization or internet of things.

Keywords: Green Product-Green Marketing- Digitalization, e-commerce, ICT

INTRODUCTION

Digitalization means turning any piece of information from the analog form, into digital form. Probably the most popular example is making an electronic version of a book (e-book) from the paper form. The reason why digitization plays such an important role in the business world is the fact that it makes work much faster, smoother, and efficient. This phenomenon happens in all companies nowadays, even though some may not realize it.

Digitization is so important in our work and in the business world because it contributes to its constant change and development. Work doesn't look as it used to 20 or 50 years ago. It became more elastic and is being constantly modified.

The term Green Marketing came into prominence in the late 1980s and early 1990s. The American Marketing Association (AMA) held the first workshop on "Ecological Marketing" in 1975. The proceedings of this workshop resulted in one of the first books on green marketing entitled "Ecological Marketing". Green marketing involves developing and promoting products and services that satisfy customers want and need for Quality, Performance, Affordable Pricing and Convenience without having a detrimental input on the environment. 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.

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

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the natural environment.. The paper examines the present trends of green marketing in India along with the growing digitized economy and describes the trends companies are adopting and future of green marketing and concludes that green marketing is something that will continuously grow in both practice and demand.

OBJECTIVES

1. To find out the impact of digitalization on green purchase behavior and customer satisfaction
2. To identifies the green values of the consumers, their level of awareness about environmental issues, green products and practices.
3. The current scope of digitalization in creating awareness about green marketing practices and products among the consumers.
4. To find the challenges promoting green products due to high green value among the consumers.
5. To find out approaches of green marketing in digital way to overcome the challenges found.

REVIEW OF LITERATURE

The purpose of this literature review is twofold: first, to examine existing research and identify the various factors affecting green marketing purchase intention and behaviour, and second, find out on digitalization effect behind the observed attitude-behaviour regarding green product purchase but very little work found.

Elkington (1999), 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 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

Hoyer and MacInnis (2004), state that consumers' values and beliefs need to be considered when examining the influences that affect purchasing decisions. Values are enduring beliefs that a given behavior is desirable or good and include valuing the environment. Environmental values play a primary role in pro-environmental behavior: values affect people's beliefs, which then have influences on personal norms that lead to consumers' pro-environmental behaviors

Joel makeover (2000), 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. Third phase was "Sustainable" green marketing.

Peattie (2001), according to him 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.

Henri Simula, Tuula Lehtimäki, Jari Salo, (2009)– Customers' green values should be well understood when marketing plans for technology products are developed and implemented. Green marketing arguments should be communicated to customers in a coherent and truthful way, to avoid customer scepticism or disbelief.

Carmen Nadia CIOCOIU(2011), Digital economy and green economy are the most recent initiatives ,both are paradigms that have become prominent in the separate worlds of ITC policy and sustainable development.

METHODOLOGY

The Data taken from the literature, annual reports and manuals, journals, internet, newspapers, articles, magazines published at national and international level are also referred for the purpose. The opinion of graduation level students taken by discussion used by the researcher is in accordance with the study requirements.

DIGITALIZATION AND ITS EFFECTS ON BUSINESS

Digitalization is defined as the integration of digital technology into everyday life. As business and working is a major part of everyday life for most people, it is probably the main thing to change. Being able to automate processes, measure aspects of business that were previously immeasurable and even cross reference and apply information from a wide variety of sources to provide insight into decision making and digitalization is spreading fast.

1. Changing Operating Environment

Digitalization can increase company's productivity and efficiency as it is more cost effective. The money saved can be funnelled into more useful things like promoting green marketing and influencing towards green behaviour, more innovations.

2. Superior Customer Experience

Development of new technologies and shift in consumer behaviour has moved the focus towards improving customer service and personalising customer experiences. Hence digitalization can help to be closer to the customer. By analysing customer data we can increase our understanding of customer desire and need which help to create better ever services and experiences.

3. New Business opportunities

Digitalization makes it possible to do things in completely new ways. New business models not only possible but are also born with successful global implementations. Highly successful examples are several oyo rooms, Uber etc.

NEED OF GREEN MARKETING

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 vigour 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.

Toyota, for instance, has implemented an eco-driving service that supports the driver in optimizing route choice and driving behaviour to reduce vehicle emissions, generating significant benefits in fuel saving and improved air quality. Green services may also serve as a mechanism through which to achieve sustainability recognition, provide a differentiated (sustainability-oriented) corporate image and satisfy increased customer awareness of environmental issues. Such services may enable companies to gain competitive advantages derived from sustainable management

CHARACTERISTICS OF GREEN PRODUCTS

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.

FRAMEWORK OF GREEN MARKETING

Ecological Marketing

Ecological marketing was based on the idea that environmental protection and resource conservation can be better advanced through less regulation by the public sector and more enterprise in the private sector. This idea, in turn, is based on the premise that the ecologically concerned consumer is a legitimate but largely unused market segment-one that is identifiable, accessible and measurable. A majority of people believe that ecological (green) marketing refers solely to the promotion or advertising of products with environmental characteristics. Terms like Phosphate Free, Recyclable, Refillable, Ozone Friendly, and Environmentally Friendly are some of the things consumers most often associate with green marketing.

Greenhouse gas reduction market

The emerging greenhouse gas reduction market can potentially catalyze projects with important local environmental, economic, and quality-of-life benefits. The Kyoto Protocol's Clean Development Mechanism (CDM), for example, enables trading between industrial and developing nations, providing a framework that can result in capital flows to environmentally beneficial development activities. To facilitate participation and broaden the benefits, several barriers must be overcome, including: a lack of market awareness among stakeholders and prospective participants; specialized, somewhat complicated participation rules; and the need for simplified participation mechanisms for small projects, without which transaction costs can overwhelm the financial benefits of participation.

Green washing

The term "green washing" refers to all industries that adopt outwardly green acts with an underlying purpose to increase profits. The primary objective of green washing is to provide consumers with the feeling that the organization is taking the necessary steps to responsibly manage its ecological footprint. In reality, the company may be doing very little that is environmentally beneficial. The term green washing was first used by environmentalist Jay Westerveld when objecting to hotelier's practice of placing notices in hotel rooms which asked their guests to reuse towels to "save the environment".

Target market

An important challenge facing marketers is to identify which consumers are willing to pay more for environmentally friendly products. It is apparent that an enhanced knowledge of the profile of this segment of consumers would be extremely useful. Efforts to identify environmentally friendly consumers can be traced back to the early 1970s. As well as Anderson and Cunningham, were pioneers in studying the profile of socially

responsible consumers. Overall, their combined results portray a highly socially conscious person as female, pre-middle aged, with a high level of education (finished high school) and above average socioeconomic status.

4P'S AND 4C'S MODLE OF GREEN MARKETING IN DIGITAL ERA

4P'S

Product: A producer should offer ecological products which not only must not contaminate the environment but should protect it and even liquidate existing environmental damages.

Price: Prices for such products may be a little higher than conventional alternatives. But target groups like for example LOHAS are willing to pay extra for green products.

Place: A distribution logistics is of crucial importance; main focus is on ecological packaging. Marketing local and seasonal products e.g. vegetables from regional farms is easier to be market "green" than products imported.

Promotion: A communication with the market should put stress on environmental aspects, for example that the company possesses a CP certificate or is ISO 14000 certified. This may be publicized to improve a firm's image. Furthermore, the fact that a company spends expenditures on environmental protection should be advertised. Third, sponsoring the natural environment is also very important. And last but not least, ecological products will probably require special sales promotions.

4C'S

Customer solutions: These solutions go beyond selling physical products and present solutions to customer's problems. They imply knowing customers and their needs well and offering products and services that satisfy customer needs and that take into account social as well as environmental aspects through internet.

Customer Cost: Customer Cost does not only include the financial price a buyer has to pay for a product or a service, it also considers the psychological, social and environmental costs of obtaining, using and disposing of a product. Digitalization has great help and effects towards cost cutting to the customer.

Communication: "Green" communication goes beyond promotion, which is a form of persuasion and a one-way communication from seller to buyer. Communication is a process of interactive dialogue within which it is essential to build trust and credibility.

Convenience: Means those customers want to use products and services that meet their needs and that are easy and convenient to access and use though net.

The level of greening-strategic, quasi-strategic, or tactical dictates exactly what activities should be undertaken by a company. Strategic greening in one area may or may not be leveraged effectively in others. A firm could make substantial changes in production processes but opt not to leverage them by positioning itself as an environmental leader. So although strategic greening is not necessarily strategically integrated into all marketing activities, it is nevertheless strategic in the product area.

SCOPE OF GREEN MARKETING BY DIGITALIZATION

1. Being transparent means that you are actually doing what you claim to be doing in your green marketing campaign and that the rest of your business policies are consistent with whatever you are doing that's environmentally friendly. Both these conditions have to be met through ICT for your business to establish the kind of environmental credentials that will allow a green marketing campaign to succeed.

2. Educating your customers through ICT isn't just a matter of letting people know you're doing whatever you're doing to protect the environment, but also a matter of letting them know why it matters for a significant portion of your target market.

3. Digitally giving your customers an opportunity to participate means personalizing the benefits of your environmentally friendly actions, normally through letting the customer take part in positive environmental action directly with company through company websites and emails.

GREEN MARKETING: CHALLENGES IN DIGITAL ERA

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 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 labelling and licensing.

Still 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 Ayurveda 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 world needs to view the environment as major long-term investment opportunity. The marketers need to look at the long-term benefits of 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.

Challenges Ahead

Green products require renewable and recyclable material, which is costly

Requires a technology, which requires huge investment in R & D

Water treatment technology, which is too costly

Majority of the people are not aware of green products and their uses

Majority of the consumers are not willing to pay a premium for green products

Environmental Effects of Digitalization

Digitalization of products (music, news, e-mails etc.) does not automatically lead to dematerialization but often rather entails subsequent effects. So, for instance, digitalized music files downloaded from the Web (e.g. via Napster) are often burned onto CDs, received e-mails are printed out on paper etc. These are re-materialization effects. Side-effects of digitalized media, like packaging of CDs, or printed user manuals, do considerably influence the eco-balance.

APPROACHES OF GREEN MARKETING IN DIGITAL WAY

1. Considering the Pricing

If you're 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 in a comparative way on digital platform.

2. Use of internet to Educating customers

Isn't just a matter of letting people know you're doing whatever you're doing to protect the environment, but also a matter of letting them know why it matters? Otherwise, for a significant portion of your target market, it's a case of "So what?" and your green marketing campaign goes nowhere.

3. Being Genuine & Transparent:

a) You are actually doing what you claim to be doing in your green marketing campaign

b) The rest of your business policies are consistent with whatever you are doing that's environmentally friendly. Both these conditions have to be met for your business to establish the kind of environmental credentials that will allow a green marketing campaign to succeed.

4. Giving your customers an opportunity to participate

Means personalizing the benefits of your environmentally friendly actions, normally through letting the customer take part in positive environmental action. Xerox introduced a "high quality" recycled photocopier paper in an attempt to satisfy the demands of firms for less environmentally harmful products. Digital initiatives in the industries could deliver an estimated 26 billion tonnes of net avoided CO₂ emissions from 2016 to 2025. This is almost equivalent to the CO₂ emitted by all of Europe across that time period. Ensuring this potential value can be realized and scaled means overcoming hurdles relating to the acceptance of new, circular business models, customer adoption and the environmental impact of digital technology itself.

DISCUSSION

The study found from the literature review that no significant research done on the effect of digitalization on green marketing as well as green purchase behaviour. Though other factors like knowledge, environmental values, ethical values, health concern, price, environment concern etc have effects on green purchase behaviour and digitalization have effects on other factors like this also. Consumers must be made to believe that the product performs supposed to do-they won't forego product quality in the name of the environment. It is not enough for accompany to green its products; consumers expect the products that they purchase pocket friendly and also to help reduce the environmental impact in their own lives too. 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 may also use digital marketing in an attempt to address cost or profit related issues.

SUGGESTIONS

1. Digitalization should Promote and deliver the consumer desired value of environmental products and target relevant consumer market segments.
2. There must be Broaden mainstream appeal in digital marketing by bundling consumer desired value into environmental products.
3. Internet should used to educate consumers with marketing messages that connect environmental attributes with desired consumer value.

4. Create engaging and educational internet sites about environmental products desired consumer value.
5. Encourage consumer evangelism via consumers social and internet communication network with compelling, interesting and entertaining information about environmental products.

CONCLUSION

This paper has analyzed the effect of digitalization on Green marketing should not neglect the economic aspect of marketing. Marketers need to understand the implications of green marketing. If you think customers are not concerned about environmental issues or will not pay a premium for products that are more eco-responsible, think again. You must find an opportunity through E-business to enhance you product's performance and strengthen your customer's loyalty and command a higher price. Green marketing is still in its infancy and a lot of research is to be done on green marketing to fully explore its potential. 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 digitalization, 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.

Internet use and "new economy" do not automatically solve the sustainability problems of the "old economy", neither in an ecological perspective (traffic amount, energy consumption etc.) nor in a social view (poverty, hunger, human rights etc.). There is no general answer to the question whether e-business and Internet use entail increased or decreased environmental impacts. Up to now, there are examples of both environment-friendly and environment-damaging effects. Differentiated considerations, research efforts and answers are required. While a number of data and insights on the environmental effects of e-business and Internet use at the micro-level are available, only few statements about environmental effects at the level of macro-economy or entire society (macro-level) exist so far. As scarcity of literature found on existing concept this studies provides theoretical contribution as well as having managerial implications towards use of digitalization on green marketing approaches.

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