



“A STUDY ON EMERGING TRENDS IN GREEN MARKETING AND SUSTAINABLE DEVELOPMENT – CHALLENGES AND OPPORTUNITIES”

Ms. Nandini. N

LECTURER, NEW HORIZON COLLEGE KASTURINAGAR, BANGALORE.

ABSTRACT

Green marketing is a business practice that considers the consumer concerns about promoting preservation, and conservation of natural resources. In the modern era of globalization, privatization and liberalization, it has become a challenge to keep the customers as well as consumers in hold and even keep our natural environment safe and that is the biggest need of the time. Green marketing is a phenomenon which has been developed and particularly important in the modern market and has emerged as an important concept in India as in other parts of the developing and developed world, and is seen as an important strategy of facilitating sustainable development. Green marketing provides lot of opportunities like accessibility of international market, competitive advantage etc. In this paper, main emphasis has been made on concept, need and importance of green marketing. Data has been collected from multiple sources of evidence, in addition to books, journals, websites and newspapers. The paper describes the current scenario of Indian market and explores the challenges and opportunities business has with Green marketing. The paper examines the notion of ‘green marketing’ and the challenges which are associated with different aspects of green marketing in the present scenario. It also includes the strategies which are to be employed, so that the green marketing can be expedited and pave the way to make the ‘green products’ more ‘ecological viable’ as well as economical viable for the consumers belong to different hierarchy. 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.

KEYWORDS: Competitive Advantage, Green Marketing, Global Warming, Sustainable Development

INTRODUCTION

The term Green Marketing came in the late 1980s and early 1990s, began in Europe in the early 1980s when certain products were found to be harmful to the environment and society as a whole consequently new types of products were created, called “Green product” that would cause less damage to the environment. Green marketing or environmental marketing consist of all activities designed to generate and facilities any exchange intended to satisfy human needs or wants, such that the satisfaction of these needs and wants occurs, with minimum detrimental impact on the natural environment. No consumer product has zero impact on the environment. In business, the term green marketing product are commonly used to describe those that protect the natural environment by conserving energy or resources and reducing or eliminating use of toxics agents, pollution and waste.



According to the American Marketing Association, green marketing is that marketing of products that are presumed to be environmentally safe. Thus green marketing incorporates a

broad range of activates, including product modification, change to the production process, packaging changes as well as modifying advertising. Yet defining green marketing is not a simple task where several meaning intersect and contradict each other. Other similar terms used are environmental marketing and ecological marketing. Thus “Green Marketing” refers to marketing concept wherein the production, marketing, consumption, and disposal of products and services happen in a manner that is less damageable to the environment with growing awareness about the implications of global warming, non-biodegradable solid waste, and harmful impact of pollutants. Both marketers and consumers are becoming increasing sensitive to the need for switch 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. 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. Green marketing can also be defined as activities a 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 damage on the natural environment.

OBJECTIVES OF THE STUDY

- To understand the concept of green marketing and its benefits
- To know the opportunities and challenges face by the organization in context of green marketing.

LITERATURE REVIEW

- According to Professor A. Prothero, in the year 1998, He introduces several papers discussed I the July 1998 issue of ‘journal of marketing management’ the paper focusing on green marketing. This includes; a citation of the need to review existing literature on green marketing, an empirical study of united states of America and Australian marketing managers, a description of what a green alliance look like in practices in great Britain, ecotourism and definition of green marketing.
- According to Professor P. Oyewole in the year 2001, paper presents a conceptual link among green marketing, environmental justice, and industrial ecology. It argues agenda is finally suggested to determine consumers’ awareness of environmental justice, and their willingness to bear the costs associated with it.

- According to Professor W.E Kilbourne, in the year 1998, discusses the failure of the green marketing to move beyond the limitations of the prevailing paradigm. The author identifies areas that must be examined for their effect in the marketing or environment relationship, namely economic, political and technological dimensions of the cultural frame of reference.
- According to Professor Donaldson, in the year 2005, in his study realized in the Great Britain initially concluded that in general the ecological attitude of consumers changed positively. This study reported the strong faith of consumers in the known commercial brands and in the feeble behaviour referring to the “green” claims, which was the main cause behind the consuming failure to interpret their concerns beyond the environment in their behaviour.
- According to Professor Kotler in the year 1999, Green marketing is an attempt to characterize a product as being environmental friendly. It holds the view that marketing which is a part of business not only has to satisfy customers in particular, but also has to take into account the interests of society in general. That is, all those who are affected by the activities of a business should be kept in mind when setting the objectives and the policies of an organization.
- According to Professor Gurau and Ranchhod in the year 2005, Firms that embraced green marketing encountered numerous challenges such as the variability of demand, unfavourable consumer perception and high cost of production involved.
- According to Professor Rosenburger in the year 2001 proposed that corporate greening could occur across eight activities market targeting, green design, green positioning, green pricing, green logistics, marketing waste, green promotions and green alliances.

RESEARCH METHODOLOGY

Research methodology is a way to systematically solve the research problem. It may be understood as a science of studying how research is done scientifically. Research methodology used in this study is descriptive in nature. For this study data and information has been collected with the help of Books, Magazines, Newspapers, Research articles and E-journal.

DATA COLLECTION

One of the biggest problems with the green marketing area is that there has been little attempt to academically examine environmental or green marketing. While some literature does exist, it comes from divergent perspectives. This paper attempts to throw light on the conceptual issues associated with green marketing. The present study is exploratory in nature to provide a clear guidance for empirical research. It is also descriptive where the focus is on fact finding investigation with adequate interpretations.

The data was collected from secondary sources. The research methodology adopted is secondary in nature. My research methodology requires gathering relevant data through journals, newspapers, books, magazines, conference proceedings and internet, government reports and websites. Also self interpretation is made with the help of collected material. Since the objectives were focused on secondary data, the Study relied more on the secondary data.



The Three R's of Environmentalism

REUSE
REDUCE
RECYCLE

- **Reduce** the amount of waste you produce.
- **Reuse** old items; donate to the unfortunate, repair if broken.
- **Recycle** as much as possible; buy recycled products to support recycling.

GOLDEN RULES OF GREEN MARKETING

- **Know you're Customers** – Make sure that the consumer is aware of and concerned about the issues that your product attempts to address. (Whirlpool learned the hard way that consumers wouldn't pay a premium for a CFC-free refrigerator because consumers didn't know that CFCs were.)
- **Reassure the Buyer - Consumer** must be made to believe that the product performs the job it's supposed to do - they won't forego product quality in the name of the environment.
- **Consider You're Pricing** - If you're charging a premium for your product and many environmentally preferable products cost more due to economics of scale and use of higher – quality ingredients – make sure those consumers can afford the premium and feel it's worth it.
- **Educating you're 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.
- **Giving your customers an opportunity to participate** – Means personalizing the benefits of your environmentally friendly actions, normally though letting the customer take part in positive environmental actions.
- **Being Genuine and Transparent** – Being Genuine and Transparent means that
 - You are actually doing what you claim to be doing in your green marketing campaign.
 - 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 environment credentials that will allow a green marketing campaign to succeed.
- **Thus leading brands should recognize that consumer expectations have changed** -It is not enough for a company to green its products; consumers expect the products that they purchase to be pocket friendly and also to help reduce the environmental impact in their own lives too. GREEN MARKETING – ADOPTS BY THE FAR

PRESENT TRENDS IN GREEN MARKETING IN INDIA

Organizations 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 moral obligations to be more socially responsible. This is in keeping with the philosophy of corporate social responsibility which has been successfully adopted by many business houses to improve their corporate image.



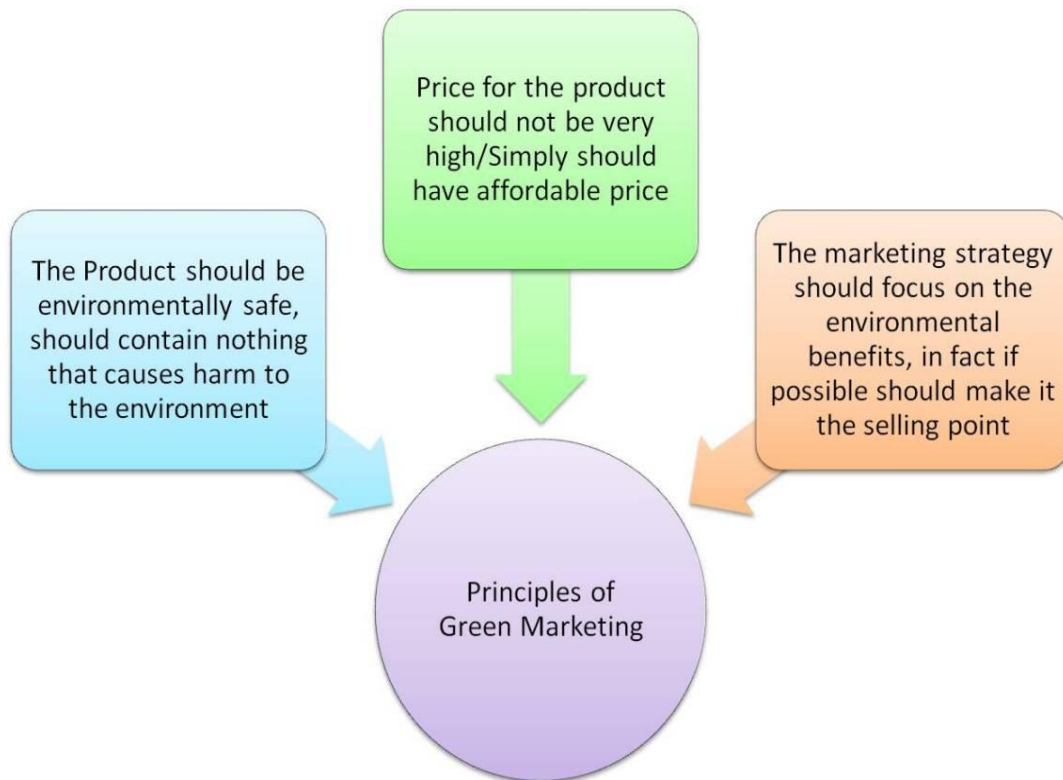
Firms in this situation can take two approaches:

- 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 interest 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 entries 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.

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 desirable for consumers. The question that remains, however, is, what is green marketing's future? Business scholars have viewed it as a "fringe" topic, given that environmentalism's acceptance of limits and conservation does not mesh well with marketing's traditional axioms of "give customer what they want" and "sell as much as you can". Evidence indicates that successful green products have avoided green marketing myopia by following three important principles:



1) 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.

2) Calibration of Consumer Knowledge

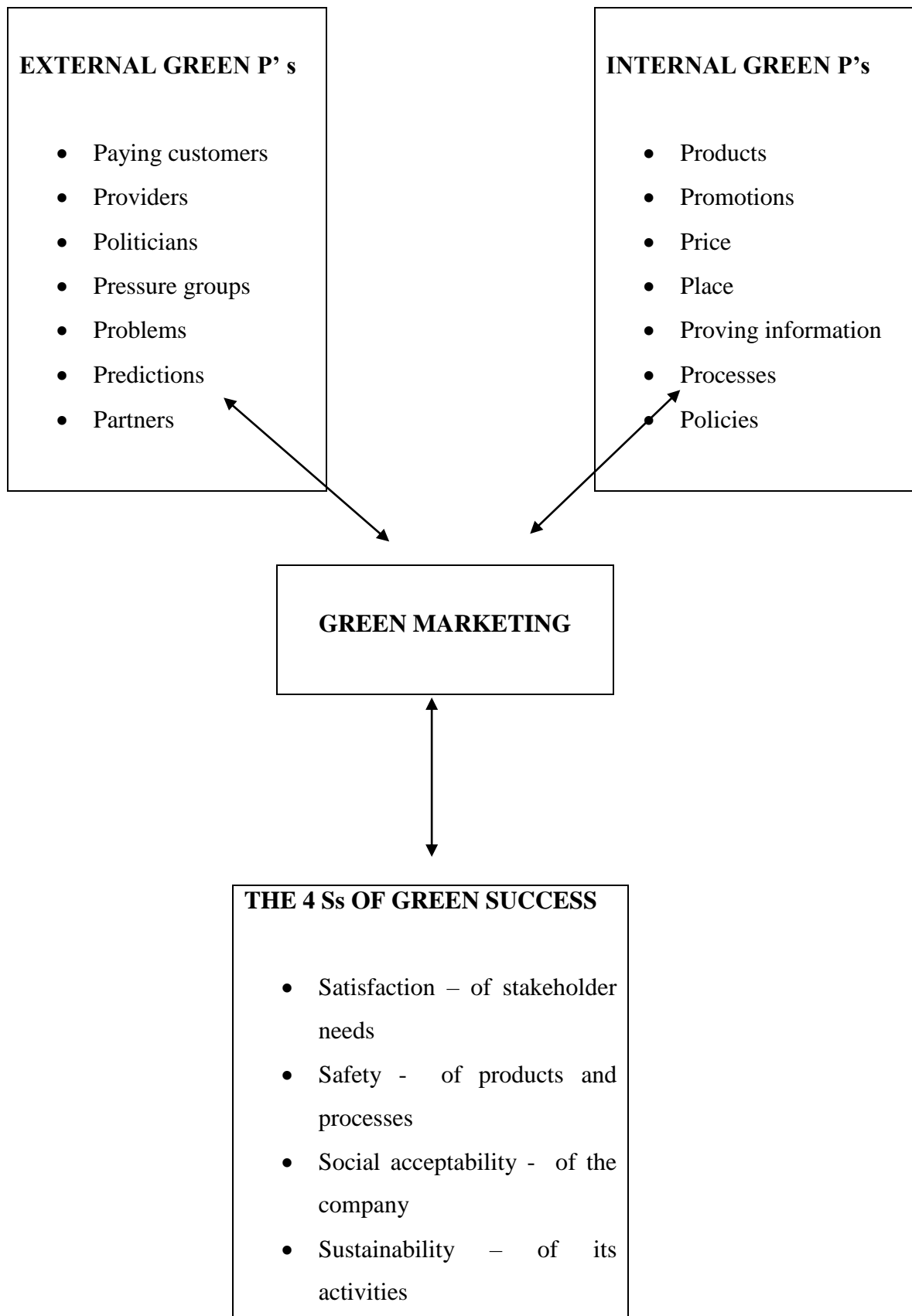
- Educate consumer with marketing message that connect environmental attributes with desired consumer value.
- Frame environmental product attributes as “solutions” for consumer needs.
- Create engaging and educational internet sites about environmental products desired consumer value.

3) Credibility of Product Claim

- Employ environmental product and consumer benefit claims that are specific and meaningful.
- Procure product endorsement 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.

GREEN MARKETING PROCESS

Green Marketing process comprises with external and internal Ps. After integrating external and internal Ps, green success will automatically come through four Ss. Here external 7 Ps consists of paying customers, Providers, Politicians, Pressure groups, Problems, Predictions and Partners; internal 7 Ps consists of Products, Promotion, Price, Place, Providing information, Processes and Policies. After integrating external and internal 7 Ps, we can find out the green successes through 4 Ss such as Satisfaction – of stakeholder needs, Safety – of products and processes, Social acceptability – of the company and Sustainability – of its activities.



IMPORTANCE OF GREEN MARKETING

Green marketing offers business bottom line incentives and top line growth possibilities. While modification of business or production process many involve start-up costs, it will save money in the long term. For example the cost of installing solar energy is an investment in future energy cost savings. Companies that develop new and improved products and services with environmental impacts in mind give themselves access to new markets, substantially increase profits and enjoy competitive advantages over those marketing non-environmentally alternatives.

When looking through the literature there are several suggested reasons for firm's increased use of green marketing. Five possible reasons are as follows:

- Organizations perceive environmental marketing to be an opportunity that can be used to achieve its objectives.
- Organizations believe they have moral obligations to be more socially responsible.
- Government bodies are forcing firms to become more responsible.
- Competitors' environmental activities pressure firms to change their environmental marketing activities.
- Cost factors associated with waste disposal, or reductions in materials usage forces firms to modify their behavior.

THE FOUR Ps OF GREEN MARKETING

Like conventional marketers, green marketers must address the four P in innovative ways.



CHALLENGES IN GREEN MARKETING

There is sizable numerical strength of organizations which would like to turn green, as an increasing number of consumers' want to associate themselves with environment-friendly products. There is wide spread confusion among the consumers regarding products. In particular, where one often finds erosion of creditability of green product. Therefore, to ensure consumer confidence, marketers of green products need to be much more transparent and refrain from breaching a law or standards relating to products or business practices.

There is large number of challenges in the field of green marketing which may be sum up as follows.

- **Need for standardization of the products** – It has been observed that very loss proportionate of the marketing message from “Green” campaigns is true to requisite standard and reflect the authenticity which they claim. There is no ‘yard stick’ currently, from where we could certify that the product as organic.
- **New notion** – The consumers of different rural and urban hierarchy are gradually becoming aware of the merits of green products. But it is still new notion or concept for the masses. It is therefore, become imperative to educate the people about growing menace of deteriorating environment.
- **Long gestation period require patience presence** - It has been observed that the inventers and corporate need to view the environment as a long-term investment opportunity. It is because of the projects related to ‘Green Marketing’ have a long-gestation period. It requires a lot of patience to get the desired results.
- **Avoiding green myopia** – The first principle of green – marketing is focusing the customer benefits. I.e. that is why consumers buy particular goods and services in their first priority, is it a right approach and motivate the customers to buy particular brands or even pay a premium for a ‘greener’. If green product not economical viable, as a result, it will reduce the market acceptability. Other challenges, associated with ‘Green Marketing’ are green products which require renewable and recyclable material at the cost effective. It require a modern technology which again huge cost in research and development.

	Tactical greening	Quasi-strategic greening	Strategic greening
Targeting	Ads mentioning green features are run in green-focused media.	A firm develops a green brand in addition to its other brands.	A firm launches a new Strategic Business Unit (SBU) aimed at the green market.
Green design	A firm switches from one raw material supplier to another with more eco-friendly processes.	Life-cycle analysis is incorporated into the eco-design process to minimize eco-harm.	E.g. FUJI XEROX develops its Green Wrap paper to be more eco-friendly from the ground up.
Green positioning	E.g. a mining company runs a Public Relations (PR) campaign to highlight its green aspects and practices.	E.g. British Petroleum (BP) redesigns its logo to a sun-based emblem to reflect its view to a hydrogen/solar-based future of the energy industry.	E.g. the BODY SHOP pursues environmental and social change improvements and encourages its consumers to do so as well.
Green pricing	Cost-savings due to existing energy-efficiency features are highlighted for a product.	E.g. a water company switches its pricing policy from a flat monthly rate to a per-unit-of-water-used basis.	A company rents its products rather than selling; consumers now pay only for use of the product.
Green logistics	A firm changes to a more concentrated detergent, which.	Packaging minimization is incorporated as a part of a firm's manufacturing review process.	A reverse logistics system is put into place by FUJI XEROX to reprocess and remanufacture copiers.
Marketing waste	A firm improves the efficiency of its manufacturing process, which lowers its waste output.	E.g. TELSTRA (a phone company) has internal processes so that old telephone directories (waste) are collected and turned into cat litter products by other companies.	E.g. a Queensland sugar-cane facility is rebuilt to be cogeneration based, using sugar-cane waste to power the operation.
Green promotion	An oil company runs a PR campaign to highlight its green practices in order to counter an oil spill getting bad press coverage.	A company sets a policy that realistic product eco-benefits should always be mentioned in promotional materials.	As a part of its philosophy the BODY SHOP co-promotes one or more social/eco campaigns each year with in-shop and promotional materials.
Green alliance	A company funds a competition (one-off basis) run by an environmental group to heighten community awareness on storm water quality issues.	E.g. SOUTHCORP (a wine producer forms a long-term alliance with the Australian Conservation Foundation to help combat land-salinity issues.	A company invites a representative of an environmental group to join its board of directors.

STRATEGIES TO BE EXECUTED FOR GREEN MARKETING

- **Product Differentiation** – It is paramount need to make continuous efforts which can be helpful to differentiate then products and services using green marketing practices. There is wide range of markets which includes retailing etc. the manufactures have used eco-performance to differentiate and to compete.
- **Value positioning of consumer** – The organization can design environmental products to perform as promoting and delivering the customer's desired value of environmental products and target relevant customer market segment can be proved conducive to organization to differentiate.
- **Designing of bio-degrading prone packaging** – It has been observed that promotion of green products have been strongly influenced by the design making of the customers. Thus it indicates that bio-degradable packing will affect in a strong and moderate on their decision making.

- **Product strategy for green marketing** – In order to promote marketing for green marketing is an urgent need to identify customer’s environmental necessities and develop the products accordingly. It includes more environmentally responsible packages which ensure that products meet or exceed the quality expectation of the consumers; so that the marketers may charge higher price with highlighting the ecological viability of the products.
- **Distribution strategy of green marketing** - In this strategy of green marketing, it is very essential to take customer support. In this case, the location must be differentiated from the competitors. It can be achieved by promoting the in-store activities like recycling of materials to focusing the environmental and other related benefits.
- **Life cycle analysis of green marketing** – Product brand is a vital aspect, which can help to formulate plans for green marketing. It is a best tool for performing life cycle analysis complex assessment which can make available the vital statistics on social, environmental and economic impact of products through the supply chain production process and after the purchase. Life cycle analysis can inform a brand requirement to go before it claims to be sustainable.

PROGRAMMES RELATED TO SUSTAINABLE DEVELOPMENT

Programmes related to sustainable development refers to India’s development plans are crafted with a balanced emphasis on economic development and environment. The planning process, while targeting an accelerated economic growth, is guided by the principles of sustainable development with a commitment to a cleaner and greener environment. Planning in India seeks to increase wealth and human welfare, while simultaneously conserving the environment. It emphasizes promotion of people’s participatory institutions and social mobilization, particularly through empowerment of women, for ensuring environmental sustainability of the development process.

On 30th June 2008, India announced and launched its National Action Plan on Climate Change (NAPCC). The NAPCC, guided by the principles of sustainable development (SD), aligns the environmental and economic objectives. Broadly, the NAPCC is based on the following principles: - Protecting the poor and vulnerable sections of society through SD strategies that are sensitive to climate change,

- Achieving national growth targets by means that enhance ecological sustainability,

- Devising an efficient and cost-effective strategy for demand-side management,

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 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, 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. This an environmental committed organisation may not only produce goods that have reduced their detrimental impact on the environment, they may also be pressure their suppliers to behave in a more environmentally, they may also be pressure their suppliers to behave in more environmentally “responsible” fashion. In green marketing, consumers are willing to pay more to maintain a cleaner and greener environment. Finally consumer, 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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