

GREEN MARKETING: EMERGING OPPORTUNITIES AND CHALLENGES

Dr. Reeta Arora,

Assistant Professor in Commerce
Govt. P.G. College For Women, Karnal Haryana

ABSTRACT

In today's business world, environmental issues influence all marketing activities therefore few academic disciplines have integrated green issues into their literature. Some businesses have been quick to accept concepts like environmental management systems and waste minimization and have integrated environmental issues into all organizational activities. Awareness about the destruction of natural resources has raised the issue of environmental protection which in turn has created eco-friendly consumption called green consumerism. Smart business houses have accepted green marketing as a part of their strategy. Though our understanding about green marketing still in the stage of infancy, in this paper the author is trying to identify key ideas in relation to promote green product. This paper will attempt to introduce the concept of green-marketing; examine some reasons that make the organizations interested to adopt green marketing philosophy; explaining challenges that organization may face to implement green marketing. This is a descriptive paper which provides theoretical information and overview of green marketing. Finally it suggests measure to increase the practices of green marketing. The increasing economic development, rapid growth of population and growth of industries in India are putting a strain on the environment, infrastructure and the countries natural resources. Industrial pollution, soil erosion, deforestation, rapid industrialization, urbanization, and land degradation are all worsening problems. So it's the right time to implement the Green Marketing in India.

Keywords: Green Marketing, Marketing Myopia, Green products, Consumer, Production.

Introduction

Green marketing is turning over a new leaf which has developed particular importance in the modern market. It 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. As a result of this, businesses have increased their rate of targeting consumers who are concerned about the environment. Both marketers and consumers are becoming increasingly sensitive to the need for switch in to green products and services. Worldwide evidences indicate, 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. But doing the right thing is not so easy, because there are lots of different challenges in performing green marketing.

The term Green Marketing got attention and importance in late 1980's and early 1990's when specific products were identified as being harmful to earth's atmosphere. Defining green marketing is not a simple task where several meanings intersect and contradict each other. "Green Marketing" involves developing and promoting products and services that satisfies customers' needs and wants for quality, performance, affordable pricing and convenience with minimum environmental harm not necessarily eliminating it. Companies that excel in green marketing will benefit from better relations with customers, regulators, suppliers and other firms in their industry.

According to Peattie (2001), The green marketing has evolved over a period of time. **First phase** was termed as "Ecological" green marketing, **Second phase** was "Environmental" green marketing and **Third phase** was "Sustainable" green marketing.

Objectives of this study

The following are the objectives of the present study:

1. To suggest measure to increase the practice of green marketing.

2. To analyze the concept of green marketing across the globe in general and with special reference to India.
3. To know the reasons why green marketing important in today business world.
4. To know the 4P's of green marketing mix.
5. To know the challenges in green marketing.
6. To examine the feasibility of implementation of green issues and green concepts in the marketing mix components.

Research methodology

The study is primarily based on secondary data literature review. Based on the available literature and research material, the present paper makes an assessment of the importance of green marketing, challenges and future of green marketing. Through this paper, the researcher also intended to draw the attention of traditional customer and marketers towards green marketing.

Green product's characteristics

The products those are manufactured through green technology and that caused no environmental hazards are called green products. Green products are those which are originally grown, recyclable, reusable and biodegradable, contains recycled contents, non-toxic chemical, natural ingredients, do not harm or pollute the environment, are not tested on animals, have eco-friendly packaging i.e. reusable, refillable containers etc.

Why is green marketing important

The question of why green marketing has increased in importance is quite simple and relies on the basic definition of Economics: "Economics is the study of how people use their limited resources to try to satisfy unlimited wants." Thus mankind has limited resources on the earth, with which she/he must attempt to provide for the world's unlimited wants. In market societies where there is "freedom of choice", it has generally been accepted that individuals and organizations have the right to attempt to have their wants satisfied. As organizations face limited natural resources, they must develop new or alternative ways of satisfying these

unlimited wants. Ultimately green marketing looks for marketers to utilize these limited resources while satisfying consumers wants, both of individuals and industry, as well as achieving the selling organizations' objectives.

Researchers have identified many reasons for which a marketer should go for adoption of green marketing:

1. Marketers must see green marketing as an opportunity to achieve its objectives because all types of consumers both individual and industrial are becoming more concerned and aware about the natural environment and have modified their purchasing behavior accordingly. It is believed that the marketing of green goods will have a competitive advantage over the other goods simultaneously meeting their business objectives.
2. Many organizations have started to realize that 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.
3. 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:
 - By banning production of harmful goods or by products
 - By banning consumption of harmful goods; or
 - Evaluating the system by which a consumer can evaluate sub standard products easily.
4. Competitors' environmental activities may be a pressure for the other firms to change their environmental marketing activities. In order to get pace with competitors claim to being environmentally friendly, firms must change over to green marketing. It is believed that green marketing will percolate the entire industry. As society has become more concerned with the natural environment, some firms have begun to modify their behavior in an attempt to address society new concerns.

5. Cost factors associated with waste disposal or reductions in material usage may restrict 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. Firms may pursue these in the following ways:

- A Firm must develop a technology for reducing waste and sells it to other firms.
- Through waste recycling.

Marketing mix of green marketing

When companies come up with new innovations like eco friendly products, they can access new markets, enhance their market shares, and increase profits. Just as we have 4P's product, price, place and promotion in marketing, we have 4P's in green marketing too, but challenge before marketers is to use 4P's in an innovative manner. They are buttressed by three additional P's, namely people, planet and profits.

A. Green product: The products have to be developed depending on the needs of the customers who prefer environment friendly products. Products can be made from recycled materials or from used goods. Efficient products not only save water, energy and money, but also reduce harmful effects on the environment. Green chemistry forms the growing focus of product development. The marketer's role in product management includes providing product designers with market-driven trends and customer requests for green product attributes such as energy saving, organic, green chemicals, local sourcing, etc., For example, Nike is the first among the shoe companies to market itself as green.

B. Green price: Green pricing takes into consideration the people, planet and profit in a way that takes care of the health of employees and communities and ensures efficient productivity. Value can be added to it by changing its appearance, functionality and through customization etc. Wall Mart unveiled its first recyclable cloth shopping bag.

C. Green place: Green place is about managing logistics to cut down on transportation emissions, thereby in effect aiming at reducing the carbon footprint. For example, instead of marketing an imported mango juice in India it can be licensed for local production. This avoids shipping of the product from far away, thus reducing shipping cost and more importantly, the consequent carbon emission by the ships and other modes of transport.

D. Green promotion: Green promotion involves configuring the tools of promotion, such as advertising, marketing materials, signage, white papers, web sites, videos and presentations by keeping people, planet and profits in mind. British petroleum (BP) displays gas station which its sunflower motif and boasts of putting money into solar power. Indian Tobacco Company has introduced environmental-friendly papers and boards which are free of elemental chlorine.

Analysis of Traditional Marketing Mix and Green Marketing Mix

The traditional sub mixes of the marketing mix like 4P's i.e. Product, Price, Promotion and Place need to be analyzed with environmental contents:

Concept of Marketing Mix			
Sr. No.	4P's	Traditional Marketing Concept	Green Marketing Concept
1.	Product	<ul style="list-style-type: none"> Raw material from natural resources is procured to produce product. Waste is disposed off. No concern about natural non-renewable energy sources. 	<ul style="list-style-type: none"> Eco friendly Waste is minimized. Use of recycled and bio-degradable ingredients. Effective use of non-renewable energy sources.
2.	Price	<ul style="list-style-type: none"> Determine the price on the basis of cost +profit. Not concern about the cost to environment. 	<ul style="list-style-type: none"> Fixed on purchase power parity mode. Environmental conscious.

3.	Promotion	<ul style="list-style-type: none"> • Products are promoted through various means advertising, personal selling, sales promotion schemes never bothering about loss to environment. 	<ul style="list-style-type: none"> • Commitment and responsibility towards society and environment are considered parts of promotional strategies.
4.	Place	<ul style="list-style-type: none"> • No concern about production places. • Unnecessary concentration of producing plants. 	<ul style="list-style-type: none"> • Availability of products nearer to the consumers. • Avoid shipping of the product from far away. • Managing logistics to cut down on transportation emissions. • Decentralization of producing units.

Green marketing and india

Interestingly, green marketing continues to be an issue of global interest in India. In fact, Google Trends reports that, on a relative basis, more searches for “green marketing” originated from India than from any other country.

Rank	Country
1.	India
2.	UK
3.	US
4.	Thailand
5.	Australia
6.	Canada
7.	China

Many companies are adopting green for capturing market opportunity of green marketing. Some cases:

Example 1: Best Green IT Project: State Bank of India: *By using eco and power friendly equipment in its 10,000 new ATMs..* SBI is providing many services like; paperless banking, no deposit slip, no withdrawal form, no cheques no money transactions form all these transaction are done through SBI shopping & ATM cards.

Example 2: Lead Free Paints from Kansai Nerolac: Kansai Nerolac Paints Ltd. Has moving hazardous heavy metals from their paints. The hazardous heavy metals like lead, mercury, chromium, arsenic and antimony can have adverse effects on humans.

Example 3: Indian Oil's Green Agenda: Indian Oil is fully geared to meet the target of reaching EURO-III compliant fuels to all parts of the country and major cities will upgrade to Euro-IV compliant fuels by that time.

Example 4: India's 1st Green Stadium: Thyagaraja Stadium stands tall in the quiet residential colony behind the Capital's famous INA Market. This stadium has been constructed as per the green building concept with eco-friendly materials.

Example 5: Eco-friendly Rickshaws: A battery operated rickshaw, "E-rick", sponsored by a cellular services provider, promote eco-friendly transportation in the Delhi city.

Example 6: Wipro Green It: Wipro Infotech was India's first company to launch environment friendly computer peripherals. For the Indian market, Wipro has launched a new range of desktops and laptops called Wipro Greenware.

Example 7: Agartala to be India's first Green City: Tripura Sunday announced plans to make all public and private vehicles in Agartala run on compressed natural gas (CNG) by 2013, thus making the capital "India's first green city".

Example 8 : Going Green: Tata's new mantra: Tata Motors is setting up an eco-friendly showroom using natural building material for its flooring and energy efficient lights.

Example 9: The Indian hotels Company: Which runs the Taj chain, is in the process of creating eco rooms which will have energy efficient mini bars, organic bed linen and napkins made from recycled paper. But there won't be any carpets since chemicals are used to clean those.

Example 10: E-tickets by Indian Railways: Indian railways has allowed its customers to carry PNR no. Of their e-tickets on their laptop and cells, no need to carry printed version of tickets anymore.

Challenges in green marketing

In adopting green marketing policies, firms may encounter many challenges. Key green marketing challenges are as follows:

1. **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.
2. **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.

3. **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 as there will not be immediate results. Since it is a new concept and idea, it will have its own acceptance period.
4. **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.
5. **Consumer Attitude vs. Behavior:** Worldwide consumers have become environment conscious. Some scholars believe that consumers are ready to pay premium for green products because they often prefer attributes over traditional product attributes such as price and quality. Nearly half of the Americans claim to look for environmental labels and to switch brands based on environmental friendliness. The concern for the natural environment, mass consumer markets for green products in most categories have yet to develop.
6. **Social Auditing of Green claims:** The claims of the market and non-market forces of going green must be done through proper auditing procedure but there is no legal authority to verify or evaluate such claims. Even we see some political parties are not interested to implement environment protective measures. For example, some state governments tried and issued notification banning use of polythene bags, but in practice, it could not be controlled and the polythene bags are used openly in the market. Thus we see that social auditing of the green claim are not properly adopted.

7. **Information Disclosures:** The potential challenge in front of the firms/products is firstly, all information regarding greenness must be adequate and reliable, and secondly these should not be false unsubstantiated claims. Now, it has become the duty of central and state government to see what claims are permissible. Further, government should establish eco-labels and fix price mechanism which can serve as useful measures for green marketing.

Suggestions and measures

Following are some suggestions and measures to be taken by organizations/marketers to increase the practices of green marketing:

1. Minimize the excessive use of pesticide and chemical fertilizers in crops potentially pollute soil, water and atmosphere and also pose a potential threat to health and humans and wild life.
2. Forests are the valuable assets of every country gifted by nature, it is essential for every government to protect this natural gift which is very potential factor to protect the natural climate of its region.
3. Use sustainable source of raw material because the prospect of rapidly depleting stock of natural resources and resulting reality of price increases create opportunities for alternative technology and new efficiency with product design.
4. Reduce packaging as less packaging also means less energy required for manufacturing and transportation and less pollution from the production of packaging itself.
5. Use innovative technologies to conserve the natural resources e.g. less water consuming techniques for agriculture, washing etc.
6. Use recycled content in manufacturing as recycling cuts pollution and conserves natural resource, conserves energy, cost-competitive and creates jobs and reduces cost in manufacturing section that are an important part of our economy.
7. Make products energy efficient as better balanced use of energy is equally essential.
8. Make products more durable as long product life will increasingly become a source of added value and an indicator for quality and convenience in many other industries as well.
9. Make products and packaging reusable or refilling as the throwaway convenience culture is making way for reuse and refilling as alternatives to land filling, incineration and even recycling.

10. Make products safe for disposal as non bio-degradable ingredients cause algal balloons, robbing the water oxygen, blocking sunlight and ultimately killing fish and other marine life.
11. Make products and packaging compostable as waste for one organism becomes food for another and that can also be effectively use to enrich gardens and agriculture soils.
12. Create a blog to educate and persuade customers and to know your customers about your capabilities and progress.
13. Build a website to provide more information about firm and products rather than on a piece of paper, to avoid wasting of paper.
14. Sending an occasional marketing email gives a green strategy for staying in front of customers.
15. Rather than wasting paper to send updates, use Facebook, Twitter and other online social media tools to keep people informed about changes in your business.

Following are some suggestions and measures to be taken by consumers to increase the green practices :

- Less use of polythene.
- Less use of mobile phone.
- Crush plastic bottles after use.
- Use disposable items.
- Love nature.
- Save water
- Save fuel
- Grow green
- Avoid smoking
- Use of pooling or public transportation
- Use social media

- And many more.....

Future of Green Marketing

Green marketing has not grown up to the hopes and dreams of many marketers and business organizations. Marketing managers who understand green marketing strategies and the underlying reasons behind them will be better prepared to help their companies to get benefit from an environmentally friendly approach to 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”. Now many business organizations and marketers are offering more eco-friendly alternatives for their customers. Recycled products and biodegradable packaging are the most popular alternatives that can benefit the environment.

Conclusion

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. 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. The Environmental problems in India are growing rapidly. . For the success of ‘Green Mantra’ and creating the awareness regarding it, publicity is also essential

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