



GREEN MARKETING - CHALLENGES AND OPPORTUNITIES

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ABSTRACT

Green Marketing is a phenomenon which has developed particular important in the modern market. In the emerging world the concept of pollution free activity is given more importance in all the sectors and in all stages. Consumers are also aware of the environmental issues like; global warming and the impact of environmental pollution. In this research paper, main emphasis has been made of concept, need and importance of green marketing. Data has to be collected from multiple sources of evidence, in addition to books, journals, websites, and newspapers. It explores the main issues in adoption of green marketing practices. The paper describes the current scenario of Indian market and explores the challenges and opportunities businesses have with green marketing. 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: Environmental pollution, Eco-friendly, Green consumer, Green product, Global Warming

INTRODUCTION

According to the American Marketing Association, Green Marketing is the marketing of products that are presumed to be environmentally safe. Thus green marketing incorporates a broad range of activities, including product modification, changes to the production process, packaging changes, as well as modifying advertising. Yet defining green marketing is not a simple task where several meanings intersect and contradict each other; an example of this will be the existence of varying social, environmental and retail definitions attached to this term. Other similar terms used are Environmental Marketing and Ecological Marketing. Thus "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. 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.

Pride and Ferrell (1993) "Green Marketing in India: Emerging Opportunities and Challenges" 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.

Polonsky (1994) "An Introduction To Green Marketing" defines 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 the natural environment.

OBJECTIVE AND METHODOLOGY

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 interpretation. For this purpose secondary data were collected. The secondary data were collected through newspapers, magazines, books, journals, conference proceedings, Government reports and websites.

REVIEW OF PREVIOUS STUDIES

Sanjay K. Jain & Gurmeet Kaur (2004) "Green Marketing: An Indian Perspective" highlights environmentalism have fast emerged as a worldwide phenomenon. Business firms too have risen to the occasion and have started responding to environmental challenges by practicing green marketing strategies. Green consumerism has played a catalytic role in ushering corporate environmentalism and making business firms green marketing oriented.

Prothero, A. (1998) introduces several papers discussed in the July 1998 issue of 'Journal of Marketing Management' focusing on green marketing. This includes; a citation of the

need to review existing literature on green marketing, an empirical study of United States and Australian marketing managers, a description of what a green alliance look like in practice in Great Britain, ecotourism and definitions of green marketing.

Brahma, M. & Dande, R. (2008), The Economic Times, Mumbai, had an article which stated that, Green Ventures India is a subsidiary of New York based asset management firm Green Ventures International. The latter announced a \$300 million India focused fund aimed at renewable energy products and supporting trading in carbon credits.

Karna, J., Hansen, E. & Juslin, H. (2003) interpret that proactive marketers are the most genuine group in implementing environmental marketing voluntarily and seeking competitive advantage through environmental friendliness. The results also give evidence that green values, environmental marketing strategies, structures and functions are logically connected to each other as hypothesized according to the model of environmental marketing used to guide this study.

Based on the data collected through a field survey, the paper makes an assessment of the extent of environmental awareness, attitudes and behavior prevalent among consumers in India.

EVOLUTION OF GREEN MARKETING

The green marketing has evolved over a period of time. According to Peattie (2001), 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. Third phase was "Sustainable" green marketing. It came into prominence in the late 1990s and early 2000.

WHAT IS GREEN MARKETING

"The holistic management process responsible for identifying, anticipating and satisfying the requirements of customers and society, in a profitable and sustainable way (Peattie, 1995)".

Green marketing consists of 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 the natural environment. It is sorry to say, a greater part of people believe that 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. While these terms are green marketing claims, in general green marketing is a much broader concept, one that can be applied to consumer goods, industrial goods and even services. For example, around the

world there are resorts that are beginning to promote themselves as "ecotourist" facilities, i.e., facilities that "specialize" in experiencing nature or operating in a fashion that minimizes their environmental impact (May 1991, Ingram and Durst 1989, Troumbis 1991). Thus green marketing incorporates a broad range of activities, including product modification, changes to the production process, packaging changes, as well as modifying advertising.

Therefore it ensures that the interests of the organization and all its consumers are protected, as voluntary exchange will not take place unless both the buyer and seller mutually benefit. There are two slogans like "less environmentally harmful" and "Environmentally friendly". Thus green marketing should look at minimizing environmental harm, not necessarily eliminating it.

GREEN PRODUCT

Green product stresses the straight and tangible benefits provided by greener design, such as energy efficiency or recycled content, rather than stressing the environmental attributes them. Reducing the environmental impact of a product improves the product's overall performance and quality in ways that are important, not just the most dedicated and loyal green consumer but to all consumers. For example, CNG (Converted Natural Gas) use in the vehicles, super-concentrated laundry detergents not only save energy and packaging, they save end space, money and effort. Organically grown food not only better preserves soil and reduces the amount of toxins in the water supply; they have superior taste and health benefits compared to their counterparts. Therefore green product means any product, which is not hazardous for environment and customer as well, and it also work as a future remedy of negative impact of a product.

GREEN CONSUMER

The green consumers are the driving forces behind the green marketing process. It is they who drive consumer demand, which in turn encourages improvements in the environmental performance of many products and companies. Thus, for a marketer it is important to identify the types of green consumers. Many organizations have found that two out of every three consumer is green in developed country but country like Bangladesh and its organization has found that one out of every six consumer is green, but their environmental commitments vary because of their different standards, expectation from producers, demand and buying power. It is thus not efficient to say that the green consumer is one who engages in green consumption, specifically, consumes in a more sustainable and socially responsible way. A consumer acquires bundle of wants and needs and this is also true for the green consumer. To satisfy those needs businesses have to break down the market into different groups of consumers that differ in their responses to the firm's marketing mix program.

IMPORTANCE OF GREEN MARKETING

When looking through the literature there are several suggested reasons for firms increased use of Green Marketing. Five possible reasons are as follows:

1. Governmental bodies are forcing firms to become more responsible.
2. Organizations perceive environmental marketing to be an opportunity that can be used to achieve its objectives.
3. Cost factors associated with waste disposal, or reductions in material usage forces firms to modify their behavior.
4. Organizations believe they have a moral obligation to be more socially responsible.
5. Competitors' environmental activities pressure firms to change their environmental marketing activities.

THE FOUR Ps OF GREEN MARKETING

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

Product

Entrepreneurs wanting to exploit emerging green market either:

- identify customers environmental needs and develop products to address these needs; or
- develop environmentally responsible products to have less impact than competitors.

The increasingly wide varieties of products on the market that support sustainable development and are good for the triple bottom line include:

- Products made from recycled goods, such as Quik N Tuff housing materials made from recycled broccoli boxes.
- Products that can be recycled or reused.
- Efficient products, which save water, energy or gasoline, save money and reduce environmental impact. Queensland's only waterless printer, Print point, reduces operating costs by using less water than conventional printers and is able to pass the savings on to customers.
- Products with environmentally responsible packaging. McDonalds, for example, changed their packaging from polystyrene clamshells to paper.
- 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. Organic butchers, for example, promote the added qualities such as taste and tenderness.
- A service that rents or loans products – such as toy libraries.
- Certified products, which meet or exceed environmentally responsible criteria.

Whatever the product or service, it is vital to ensure that products meet or exceed the quality expectations of customers and is thoroughly tested.

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. For example fuel-efficient vehicles, water-efficient printing and non-hazardous products.

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.

CHALLENGES IN GREEN MARKETING

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.

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.

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 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.

SOME PROBLEMS WITH GOING GREEN

One of the main problem is that firms using green marketing must ensure that their activities are not misleading to the consumers or the industry, and do not breach any of the regulations or laws dealing with environmental marketing. In short, green marketing claims of a firm must:

1. Clearly state environmental benefits.
2. Explain environmental characteristics.
3. Explain how benefits are achieved.
4. Ensure comparative differences are justified.
5. Ensure negative factors are taken into consideration.
6. Only use meaningful terms and pictures.

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 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 much greater vigor, 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 to minimize the negative effects on the environment-friendly. Green marketing assumes even more importance and relevance in developing countries like India.

Thus an environmental committed organization may not only produce goods that have reduced their detrimental impact on the environment, they may also be able to pressure their suppliers to behave in a more environmentally "responsible" fashion. Final consumers and industrial buyers also have the ability to pressure organizations to integrate the environment into their corporate culture and thus ensure all organizations minimize the detrimental environmental impact of their activities.

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