



*Journal of Advances and
Scholarly Researches in
Allied Education*

*Vol. V, Issue No. X, April-
2013, ISSN 2230-7540*

**GREEN MARKETING AND SUSTAINABLE
DEVELOPMENT CHALLENGES AND
OPPORTUNITIES**

AN
INTERNATIONALLY
INDEXED PEER
REVIEWED &
REFEREED JOURNAL

Green Marketing and Sustainable Development Challenges and Opportunities

Sangeeta Devi

Asst. Professor in Commerce, University College Kuk

Abstract – In the modern era of globalization, it has become a challenge to keep the customers as well as consumers in fold and even keep our natural environment safe and that is the biggest need of the time. Consumers are also aware of the environmental issues like; global warming and the impact of environmental pollution. Green marketing is a phenomenon which has developed particular 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. 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, Green Marketing, Globalization, Global Warming, Sustainable Development.

-----X-----

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.

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 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.

WHAT IS GREEN MARKETING

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, 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 "Eco tourist" facilities, i.e., facilities that "specialize" in experiencing nature or operating in a fashion that minimizes their environmental impact. 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. Indeed the terminology used in this area has varied, it includes: Green Marketing, Environmental Marketing and Ecological Marketing. This early definition has three key components, such as it is a subset of the overall marketing activity; it examines both the positive and negative activities; and narrow ranges of environmental issues are examined.

Another definition is —Green or Environmental Marketing consists of all activities designed to generate and facilitates 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. 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.

THE 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. 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. The segments arrived at should preferably have the following features: 1) Measurable 2) Sizeable 3) Accessible 4) Actionable 5) Competitive intensity 6) Growth potential.

A great deal of market research has been concerned with identifying the green consumer. A clear picture has not yet been established and it differs a lot

between markets. But some generalizations about the green consumer can be made on the basis of the research done so far. The green consumer:

- Is inconsistent
- Is confused
- Is generally a woman
- Is adults who are likely to be more concerned about the environment
- Is sophisticated in wants and needs

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 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 7Ps consists of Products, Promotion, Price, Place, Providing information, Processes and Policies. After integrating external and internal 7Ps, 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 processes may 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 no environmentally responsible alternatives. When looking through the literature there are several suggested reasons for firms increased use of Green Marketing. Five possible reasons are as follows:

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

THE FOUR PS OF GREEN MARKETING

Like conventional marketers, green marketers must address the _four Ps' in innovative ways.

1. 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.

2. 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 lifecycle costs are taken into consideration. For example fuel-efficient vehicles, water-efficient printing and non-hazardous products.

3. 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 accompany 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.

4. 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. To reduce the use of plastic bags and promote their green commitment, some retailers sell shopping bags, under the banner of the Go Green Environment Fund. The key to successful green marketing is credibility. Never overstate environmental claims or establish unrealistic expectations, and communicate simply and through sources that people trust. Promote your green credentials and achievements. Publicize stories of the company's and employees' green initiatives. Enter environmental awards programs to profile environmental credentials to customer's and stakeholders.

CHALLENGES IN GREEN MARKETING NEED FOR STANDARDIZATION

It is found that only 5% of the marketing messages from —Greenll campaigns are entirely true and there is a lack of standardization to authenticate these claims. There is no standardizations authenticate these claims. There is no standardization currently in place to certify a products 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 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 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 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.

GOLDEN RULES OF GREEN MARKETING

1. KNOW YOU ARE CUSTOMER: 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 consumer didn't know what CFCs were.).

2. EDUCATING YOUR 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: means that a) you are actually doing what you claim to be doing in your green marketing campaign and 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. REASSURE THE BUYER: Consumers 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.

5. CONSIDER YOUR 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.

6. 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.

7. 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 pocket friendly and also to help reduce the environmental impact in their own lives too.

GREEN MARKETING – ADOPTS BY THE FARMS

Green marketing has been widely adopted by the firms worldwide and the following are the possible reasons cited for this wide adoption:

1. OPPORTUNITIES - As demand changes, many firms see these changes as an opportunity to exploit and have a competitive advantage over firms marketing no environmentally responsible alternatives. Some examples of firms who have strived to become more environmentally responsible, in an attempt to better satisfy their consumer needs are:

- McDonald's replaced its clam shell packaging with waxed paper because of increased consumer concern relating to polystyrene production and Ozone depletion.
- Tuna manufacturers modified their fishing techniques because of the increased concern over driftnet fishing and the resulting death of dolphins.
- Xerox introduced a "high quality" recycled photocopier paper in an attempt to satisfy the demands of firms for less environmentally harmful products.

2. GOVERNMENT PRESSURE - As with all marketing related activities, governments want to "protect" consumer and society; this protection has significant green marketing implications. Government regulations relating to environmental marketing are designed to protect consumers in several ways,

1. Reduce production of harmful goods or by-products. Modify consumer and industry's use and/or consumption of harmful goods
2. Ensure that all types of consumers have the ability to evaluate the environmental composition of goods. Government establishes regulations designed to control the amount of hazardous wastes produced by firms.

3. COMPETITIVE PRESSURE - Another major force in the environmental marketing area has been firms' desire to maintain their competitive position. In many cases firms observe competitors promoting their environmental behaviors and attempt to emulate this behavior. In some instances this competitive pressure has caused an entire industry to modify and thus reduce its detrimental environmental behavior. For example when one tuna manufacture stopped using driftnets the others followed suit.

4. SOCIAL RESPONSIBILITY - 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. There are examples of firms adopting both strategies. An example of a firm that does not promote its environmental initiative is Coca-Cola. They have invested large sums of money in various recycling activities, as well as having modified their packaging to minimize its environmental impact. While being concerned about the environment, Coke has not used this concern as a marketing tool. Thus many consumers may not realize that Coke is a very environmentally committed organization. Another firm who is very environmentally responsible but does not promote this fact, at least outside the organization, is Walt Disney World (WDW). WDW has an extensive waste management program and infrastructure in place, yet these facilities are not highlighted in their general tourist promotional activities.

5. COST OF PROFIT ISSUES - Firms may also use green marketing in an attempt to address cost or profit related issues. Disposing of environmentally harmful byproducts, such as polychlorinated biphenyl (PCB) contaminated oil are becoming increasingly costly and in some cases difficult. Therefore firms that can reduce harmful wastes may incur substantial cost savings. When attempting to minimize waste, firms are often forced to re-examine their production processes. In these cases they often develop more effective production processes that not only reduces waste, but reduces the need for some raw materials. This serves as double cost savings, since both waste and raw material are reduced. In other cases firms attempt to find end - of - pipe solutions, instead of minimizing waste. In these situations firms try to find markets or uses for their waste materials, where one firm's waste becomes another firm's input of production. One Australian example of this is a firm who produces acidic waste water as a by-product of production and sells it to a firm involved in neutralizing base materials.

SOME PROBLEMS WITH GOING GREEN

Although a large number of firms are using green marketing, there are a number of potential problems which need to be addressed. 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:

Clearly state environmental benefits;

Explain environmental characteristics;

Explain how benefits are achieved;

Ensure comparative differences are justified;

Ensure negative factors are taken into consideration; and Only use meaningful terms and pictures. Furthermore, as many firms have tried to modify their products due to increased consumer concern, are misled with the fact that consumers' perceptions are always correct. Take for example the McDonald's case where it replaced its clam shells with plastic coated paper. There is ongoing scientific debate which is more environmentally friendly. Some scientific evidence suggests that when taking a cradle-to-grave approach, polystyrene is less environmentally harmful. If this is the case, McDonald's bow to consumer pressure, has chosen the more environmentally harmful option. When firms attempt to become socially responsible, they face the risk that the environmentally responsible action of today will be found to be harmful in the future. Take for example the aerosol industry which has switched from CFCs (chlorofluorocarbons) to HFCs (hydro-fluoro-carbons) only to be told HFCs are also a greenhouse gas. Some firms now use DME (dimethyl ether) as an aerosol propellant, which may also harm the ozone layer. Given the limited scientific knowledge at any point in time, it may be impossible for affirm to be certain they have made the correct environmental decision. This explains why some firms, like Coca-Cola and Walt Disney World, are becoming socially responsible without publicizing the point. They may be protecting themselves from potential future negative back lash; if it is determined they made the wrong decision in the past. While governmental regulation is designed to give consumers the opportunity to make better decisions or to motivate them to be more environmentally responsible, there is difficulty in establishing policies that will address all environmental issues. For example, guidelines developed to control environmental marketing address only a very narrow set of issues, i.e., the truthfulness of environmental marketing claims. If governments want to modify consumer behavior they need to establish a different set of regulations. Thus governmental attempts to protect the environment may result in a proliferation of regulations and guidelines, with no one central controlling body.

Reacting to competitive pressures can cause all "followers" to make the same mistake as the "leader." A costly example of this was the Mobil Corporation who followed the competition and introduced "biodegradable" plastic garbage bags. While technically these bags were biodegradable, the conditions under which they were disposed did not allow biodegradation to occur. Mobil was sued by several US states for using misleading advertising claims. Thus, blindly following the competition can have costly ramifications. The push to reduce costs or increase profits may not force firms to address the important issue of environmental degradation. End-of-

pipe solutions may not actually reduce the waste but rather shift it around. While this may be beneficial, it does not necessarily address the larger environmental problem, though it may minimize its short term affects. Ultimately most waste produced will enter the waste stream, therefore to be environmentally responsible organizations should attempt to minimize their waste, rather than find "appropriate" uses for it.

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 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.

IN A NUTSHELL

- Green product development is more than just creating products that are environmentally friendly, it is about systemic change in society that includes consumers, producers and the general commercial structure within which they negotiate
- By widening & deepening the meaning of green, relevant actors will have an economic incentive to pursue green product development.
- Harnessing the market forces that favor green product development will lead to mainstream green.

REFERENCES

- Donaldson, R. H. —Green brands, NZ Marketing Magazine. "Avoiding Green Marketing Myopia", Environment, Vol-48, June-2006
- Karna, J., Hansen, E. & Juslin, H. Social Responsibility in Environmental Marketing Planning. European Journal of Marketing, 37(5/6), pp. 848-873.
- Kilbourne, W.E. (1998). Green Marketing: A Theoretical Perspective. Journal of Marketing
- Kotler, Philip. Marketing Management – The Millennium Edition Prentice Hall of India Private Limited, New Delhi.
- Mathur, L.K., Mathur, I. (2000). An Analysis of the wealth effect of green marketing strategies, Journal of Business Research, 50(2), 193-200.
- Oyewole, P. (2001). Social Costs of Environmental Justice Associated with the Practice of Green Marketing. Journal of Business Ethics, 29(3), Feb, pp. 239-252.
- Ottoman, Jacquelyn. 1993. Green Marketing: Challenges and Opportunities for the New Marketing Age. Lincolnwood, Illinois: NTC Business Books.
- Prothero, A. (1998). Green Marketing: The 'Fad' That Won't Slip Slide Away. Journal of Marketing Management, 14(6), July, pp. 507-513.
- Prothero, A. & Fitchett, J.A. (2000). Greening Capitalism: Opportunities for Green Community. Journal of Macro marketing, 20(1), pp. 46-56.
- Sanjay K. Jain & Gurmeet kaur (2004), Green Marketing: An Attitudinal and Behavioral Analysis of Indian Consumers, Global Business Review, Vol.5 no. 2 187-205.
- www.indianresearchjournals.com
- www.google.com
- www.greenmarketing.net/stratergic.html
- www.cohnwolfe.com/en/ideas-insight/white-papers/green-brands-survey-2011
- http://en.wikipedia.org/wiki/Green_marketing
- www.emeraldinsight.com/0263-4503.html
- [www. Businesswireindia.com](http://www.businesswireindia.com).
- www.greenpeace.org/international