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Green Marketing and Sustainability: Opportunities and Challenges

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Abstract: ***Green Business, Sustainable lifestyle, environmental protection are the buzz words that we hear nowadays. Sustainable development is a development that aims at sustainable consumption of resources and sustainable economic growth while protecting the natural environment. The term sustainable development basically comprises of three main constituents which are: environmental sustainability, economic sustainability, and socio-political sustainability. Owing to the fact that people are getting more and more inclined towards preserving the environment, businesses are busy devising strategies that can satisfy the needs of the society as well as be profitable. Green Marketing is one such strategy that has emerged as a key concept in India and other developing and developed countries as the main element for facilitating sustainable development.***

This research paper, aims at emphasizing the concept, need and importance of green marketing. Data is collected from multiple sources such as books, journals, websites, and news papers. The paper describes the present scenario of Indian market and search for various opportunities and issues businesses face while incorporating green marketing. The paper also explains the reasons why businesses are adopting it on a high scale and its future in the emerging markets. The paper concludes with the insight that green marketing will grow on a continuous basis both in practice as well as demand.

Keywords: Sustainable Development, Green Marketing, Sustainability, Economic Sustainability, Green Business

I. INTRODUCTION

Green marketing is a business practice that takes into consideration the concerns of consumers with regard to protection and conservation of the natural environment (Coddington, 1993). Previously green marketing was mainly focused on the ecological context but now it's being shifted more toward sustainability issues in marketing efforts. Its primary focus now is in socio-economic and environmental context. Therefore, green marketing is now concerned with fair trade of socio-economic benefits and also with the environmental responsibilities that come along with the green business.

American Marketing Association defines green marketing as the marketing of products that are perceived to be safe for the environment. Therefore, green marketing involves a broad range of activities that include product modification, production process changes, changes in packaging, along with modifying the advertising.

Green marketing is a holistic marketing approach where the production, marketing, consumption and disposal of the products and services takes place in a pattern that is less harmful to the environment, and with growing awareness about the consequences of global warming, non-biodegradable waste material, harmful effects of pollutants etc. As a result of such practices both marketers as well as consumers are becoming more and more sensitive toward the need to shift to green products and services. Whereas the switch to 'green' may initially appear to be expensive in the short term, but it will surely prove to be advantageous and indispensable even cost-wise, in the long run.

Pride and Ferrell (1993) defines Green Marketing also known as environmental marketing and sustainable marketing as an organization's effort for designing, promotion, pricing and distribution of products in such as way so as not to harm the environment.

Polonsky (1994) defines Green Marketing as the sum total of all the activities designed to create and facilitate any exchange aimed at satisfying human needs or wants such that these needs or wants are satisfied with minimum detrimental effect on the environment.

Elkington (1993-94) defines green consumer as the person who does not use products that cause environmental damage or are likely to endanger the health of other consumers, which consume high amounts of energy, cause unwanted waste, use materials derived from endangered species or environments, involves cruelty to animals or adversely affect other countries.

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II. REVIEW OF PREVIOUS STUDIES

Prothero, A. & Fitchett, J.A. (2000) argue that greater ecological enlightenment can be secured through capitalism by using the characteristics of commodity culture to further progress environmental goals. Marketing not only has the potential to contribute to the establishment of more sustainable forms of society but, as a principle agent in the operation and proliferation of commodity discourse, also has a considerable responsibility to do so.

Kilbourne, W.E. (1998) discusses the failure of 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/environment relationship, namely economic, political and technological dimensions of the cultural frame of reference.

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.

Donaldson (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 behavior referring to the "green" claims, which was the main cause behind the consuming failure to interpret their concerns beyond the environment in their behavior.

Pride and Ferrell (1993) 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

Polonsky (1994) 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.

Elkington (1994: 93) defines green consumer as one who avoids products that are likely to endanger the health of the consumer or others; cause significant damage to the environment during manufacture, use or disposal; consume a disproportionate amount of energy; cause unnecessary waste; use materials derived from threatened species or environments; involve unnecessary use of, or cruelty to animals; adversely affect other countries.

III. OBJECTIVE AND METHODOLOGY

One of the major problems with green marketing area is that there has been very little effort to academically analyze green marketing. Whereas some literature does exist, it comes from distinctive perspectives. This research paper aims at enlightening the conceptual issues of green marketing. This study is exploratory in nature to provide a clear guidance for empirical research. It is also descriptive as it focuses on the fact finding investigation with adequate interpretation. Secondary data were collected for this purpose through newspapers, books, magazines, conference proceedings and journals, government reports and websites.

A. Characteristics of Green Products

Green products are those products that are manufactured by using green technology and that pose no threat to environment. Promotion of green technology and green products is essential for the conservation of natural resources and sustainable development. Green Products have the following characteristics:

1) Products those are originally grown,
2) Products those are recyclable, reusable and biodegradable,
3) Products with natural ingredients,
4) Products containing recycled contents, non-toxic chemical,
5) Products that do not harm or pollute the environment,
6) Products that will not be tested on animals,
7) Products that have eco-friendly packaging i.e. reusable, refillable containers etc.

B. Why Green Marketing

1) Opportunity: In India approximately 25% of the consumers prefer eco-friendly products and its evident that all consumers, whether individual or industrial are becoming more and more concerned and aware about the natural environment. Currently, businesses that market goods consisting of environmental characteristics have realized that they gain a competitive advantage over the firms that market non-environment friendly alternatives. There are many firms that have become more responsible environmentally, such as Surf Excel detergent which claims to save water and the energy saving LG consumer durables.

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2) *Social Responsibility:* A number of firms have come to realize that they belong to a wider social environment and thus they must behave in a responsible manner towards it. Such firms believe that in addition to achieving the profit objectives they must achieve environmental objectives as well. This aims at integrating the environmental issues into the company's corporate culture. In such a situation, firms can either use the fact of being environmentally responsible as a marketing tool or they can become socially responsible by not promoting at all. For example, HSBC become the world's first bank to be carbon-neutral few years ago. Another example is of Coca-Cola, which has its investment in various recycling activities.
3) Governmental Pressure: Governmental regulations regarding green marketing are made to protect consumers in many ways, such as decreasing the production of harmful products or by-products; modifying industry or individual use of harmful products; or making sure that every type of consumer has the ability to evaluate the environmental composition of products. In certain cases government induces the final consumer to become more environmentally responsible, e.g. in India ban on plastic bags, restriction of smoking in public places etc.
4) *Competitive Pressure:* Another important force in green marketing is the firms desire to maintain its competitive position. In majority of the cases, firms keenly observe the promotional efforts of their competitor's and attempt to do the same. For Example, Xerox introduced "Revive 100% Recycled paper" a few years ago with the aim of using recycled photocopier paper by the manufacturers. Another example is that of a tuna manufacturer stopped using driftnets, and others were forced to follow.
5) *Cost Reduction:* Reducing the harmful waste can result in substantial cost savings. At times many businesses develop such a mechanism whereby the waste generated by one company is used as a cost-effective raw material e.g. the fly ash generated by the thermal power plants, which would pile up as a huge solid waste is used in manufacturing fly ash bricks used for construction.

C. *Challenges of Green Marketing*

a) *Need for Standardization:* It is observed that just 5% of the "green marketing" messages are genuinely true and a standardization to authenticate these claims is missing. Currently there is no standardization procedure in place to certify the organic nature of a product. Such claims cannot be verified unless there are some regulatory bodies in place to provide certifications to mark products as genuine.
b) *New Concept:* Even though Indian literate consumer is becoming more aware of the benefits of Green marketing, but for the masses it is still a new concept. The average consumer needs to be educated and made aware of today's environmental concerns. The new green revolution needs to be spread to the masses which is going to take plenty of time and effort. Because of the Indian Ayurvedic heritage, Indian consumer is already aware of the importance of using natural herbal and beauty products. Therefore, consumers would already be inclined towards accepting green products.
c) *Patience and Perseverance:* In order for the green marketing efforts to show results, a lot of patience would be required on part of investors and corporate. They must see the environment as a major long-term investment and look at long-term benefits of 'going green'.
d) *Avoiding Green Marketing Myopia:* The most important rule of green marketing is to focus on consumer benefits i.e. the main reason why consumers want to buy a certain product in the first place. If this is done right and consumers are motivated to switch brands properly, consumers would even be willing to pay a premium price for the green products. If the product is developed such that it fulfils all the green aspects but does not qualify the consumer satisfaction test, then it is not going to be of much help. This will result in Green myopia. Also, if the green products are priced high, even then it will lose its market acceptability.

IV. CONCLUSION

In India, environmental problems are growing day by day. The progressing economic development, rapid population growth and industrial growth in India is putting a lot of strain on the environment, infrastructure and the natural resources of the country. Industrial pollution, deforestation, soil erosion, land degradation rapid industrialization and urbanization are making the problem even worse. Environmental pollution today is one of the major problems facing the human race and all other forms of life on earth. Green Marketing brings drastic changes in the business not only in India but the whole world. It is the responsibility of the corporate to create awareness in the consumers about the benefits of green products as compared to the conventional products. Consumers who are concerned about the environment are willing to pay more for a safer and greener environment. Consumers, Industrial buyers as well suppliers need to emphasize the efforts for minimizing the harmful effects on the environment. In a developing country such as India, green marketing assumes a greater role and relevance.

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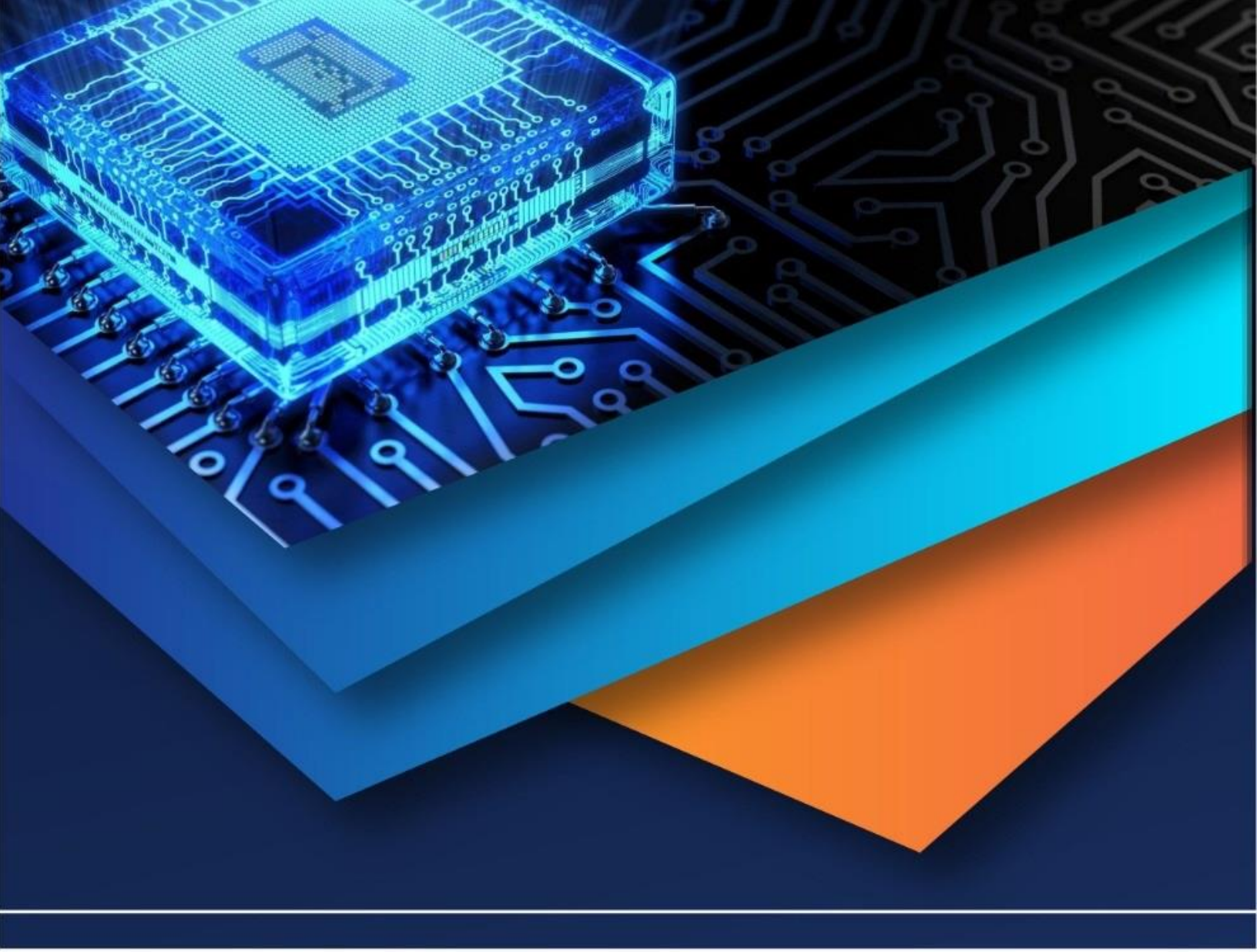

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