

## A study on importance and need of green marketing

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### Abstract

Increasing awareness on the various environmental problems has led a shift in the way consumers go about their life. There has been a change in consumer attitudes towards a green lifestyle. People are actively trying to reduce their impact on the environment. However, this is not widespread and is still evolving. Organizations and business however have seen this change in consumer attitudes and are trying to gain an edge in the competitive market by exploiting the potential in the green market industry. In the modern era of globalization, it has become a challenge to keep the consumers in fold and even keep our natural environment safe and that is the biggest need of the time.

Green marketing is a phenomenon which has developed particular importance 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 collected from multiple sources of evidence, in addition to books, journals, websites and news papers. It explores the main issues in adoption of green marketing practices. The paper describes the current Scenario of Indian market and explores the challenges have with green marketing.

**Keywords:** green marketing, environment, traditional marketing, consumer, marketer

### Introduction

First of all, environment and environmental problems, one of the reason why the green marketing emerged. 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.

Green marketing refers to holistic marketing concept wherein the product, marketing consumption on 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 into green products and services.

Many people believe that green marketing refers solely to the promotion and advertising of products with environmental characteristics. Generally terms like phosphate free, recyclable, refillable, ozone friendly and environment friendly are most of the things consumers often associated with green marketing.

Yes, green marketing is a golden goose. As per Mr. J. Polonsky, green marketing can be defined as, "All activities designed to generate and facilitate any exchange intended to satisfy human needs or wants such that satisfying of their needs and wants occur with minimal detrimental input on the national environment." Green marketing is also called environmental marketing/ecological marketing. As resources are limited and human wants are unlimited, it is important for the

marketers to utilize the resources efficiently without waste as well as to achieve the organization's objective. So green marketing is inevitable. There is growing interest among the consumers all over the world regarding the protection of the environment. Worldwide evidence indicates people are concerned about the environment and are changing their behavior. As a result of this, green marketing has emerged which speaks for the growing market for sustainable and socially responsible products and services. Now this has become new mantra for marketers to satisfy the needs of consumers and earn better profits.

### Evolution of Green Marketing

Green marketing term was first discussed in a seminar on —Ecological Marketing| organized by American Marketing Association (AMA) in 1975 and took its place in the literature. The term green marketing came into prominence in the late 1980s and early 1990s. The first wave of green marketing occurred in the 1980s.

The tangible milestone for the first wave of green marketing came in the form of published books, both of which were called Green Marketing. They were by Ken Pattie (1992) in the United Kingdom and by Jacquelyn Ottman (1993) in the United States of America. 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 environmental 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 2000s concerned with developing good quality products which can meet consumers need by focusing on the quality, performance, pricing and convenience in an environment friendly way.

### Objectives of the study

This paper is aimed to cover the following objectives:

1. To know the concept of green marketing.
2. To identify the importance and need of green marketing.
3. To study the challenges and prospects of green marketing.

### Research Methodology

The research is exploratory in nature; it focuses on Literature review, News Papers, Journals, websites and the other reliable sources.

### Review of Literature

Kilbourne, W.E. (1998) discussed the failure of green marketing to move beyond the limitations of the prevailing paradigm. The author identified 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.

Prothero, A. (1998) introduced several papers discussed in the July 1998 issue of 'Journal of Marketing Management' focusing on green marketing. This included 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.

Prothero, A. & Fitchett, J.A. (2000) argued 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.

Oyewole, P. (2001) in his paper presented a conceptual link among green marketing, environmental justice, and industrial ecology. It argues for greater awareness of environmental justice in the practice for green marketing. A research agenda is finally suggested to determine consumer's awareness of environmental justice, and their willingness to bear the costs associated with it.

Karna, J., Hansen, E. & Juslin, H. (2003) interpreted 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.

Sanjay K. Jain & Gurmeet Kaur (2004) in their study of environmentalism which had fast emerged as a worldwide phenomenon discussed 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. Based on the data collected through a field survey, the paper made an assessment of the extent of environmental awareness, attitudes and behaviour prevalent among consumers in India.

Donaldson (2005) in his study realized in the Great Britain 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 behavior.

Alsmadi (2007) while investigating the environmental behaviour of Jordanian consumers reveals a high level of environmental conscience. Unfortunately however this positive tendency and preference in the "green" products did not appear to have any effect on the final decision, obviously because these consumers had a stronger faith in the traditional products and a small confidence in the green statements. The above obstacles were further strengthened by the lack of environmental conscience by a lot of enterprises and the existence of a large scale of prices for the same product, many of which included an impetuous estimate of environmental responsibility. The same phenomenon has been presented in other researches too (Ottman, 2004; Donaldson, 2005; Cleveland *et al*, 2005).

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 recently announced a \$300 million India focused fund aimed at renewable energy products and supporting trading in carbon credits.

### Why Are Firms Using Green Marketing?

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

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

### Opportunity

In India, around 25% of the consumers prefer

environment friendly products, and around 28% may be considered health conscious. Therefore, green marketers have diversified to fairly sizeable segment of consumers to cater to.

**Social Responsibility**

Many companies have started realizing that they must behave in an environment friendly fashion. They believe both in achieving environmental objectives as well as profit related objectives respecting the principle of Extended Producer Responsibility (EPR).

**Governmental Pressure**

Various regulations are framed by the government to protect consumers and the society at large. The Indian government too has developed a framework of legislations to reduce the production of harmful goods and by-products. These reduce the industry's production and consumer's consumption of harmful goods, including those detrimental to the environment; for example, the ban of plastic bags, prohibition of smoking in public areas, etc.

**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.

**Cost Reduction**

Reduction of harmful waste may lead to substantial cost savings. Sometimes, many firms develop a symbiotic relationship whereby the waste generated by one company is used by another as a cost-effective raw material.

**Table 1:** Countries ranked according to their response level on Green Marketing

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

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 environmental awards programs to profile environmental credentials to customers and stakeholders.

**Green Products in India**

Wipro Info tech (Green It) was India's first company to launch environment friendly computer peripherals. Samsung, was the first to launch eco friendly mobile handsets (made of renewable materials) – W510 and F268- in India. Oil and Natural Gas Corporation Ltd. (ONGC), India's largest oil company, has introduced energyefficient Mokshada Green Crematorium, which saves 60% to 70% of wood and a fourth of the burning time per cremation.

Reva, India's very-own Bangalore based company was the first in the world to commercially release an electric car. Honda India introduced its Civic Hybrid car. ITC has introduced Paper Kraft, a premium range of eco-friendly business paper.

Indusland Bank installed the country's first solar-powered ATM and thus brought about an eco-savvy change in the Indian banking sector. Suzlon Energy manufactures and markets wind turbines, which provide an alternative source of energy based on wind power. This green initiative taken by the company is extremely important for reducing the carbon footprint.

**Green Marketing- Challenges**

Although a large number of firms are practicing green marketing, it is not an easy job as there are a number of problems which need to be addressed while implementing Green marketing. The major challenges which Green marketing have to be faced are:

1. 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.
2. Cost Factor- Green marketing involves marketing of green products/services, green technology, green power/energy for which a lot of money has to be spent on R&D programmes for their development and subsequent promotional programs which ultimately may lead to increased costs.

3. Convincing customers-The customers may not believe in the firm's strategy of Green marketing, the firm therefore should ensure that they undertake all possible measures to convince the customer about their green product, the best possible option is by implementing Eco-labeling schemes. Sometimes the customers may also not be willing to pay the extra price for the products.
4. Sustainability- Initially the profits are very low since renewable and recyclable products and green technologies are more expensive. Green marketing will be successful only in long run. Hence the business needs to plan for long term rather than short term strategy and prepare for the same, at the same time it should avoid falling into lure of unethical practices to make profits in short term.
5. Non Cooperation- The firms practicing Green marketing have to strive hard in convincing the stakeholders and many a times it may fail to convince them about the long term benefits of Green marketing as compared to short term expenses.
6. Avoiding Green Myopia- Green marketing must satisfy two objectives: improved environmental quality and customer satisfaction. Misjudging either or overemphasizing the former at the expense of the latter can be termed green marketing myopia.

### Suggestions

Green marketing is still in its infancy and a lot of research is to be done on green marketing to fully explore its potential. There are some suggestion that an organizations should implement for catering challenges of green marketing and successful exploitation of green marketing. Consumer needs to be made more aware about the merits of Green products.

The consumer needs to be educated and made aware of the environmental threats. It should be made sure that the consumer is aware of and concerned about the issues that your product attempts to address. Green Marketing campaign and green advertising is good step toward it. Consumers must be motivated to switch brands or even pay a premium for the greener alternative.

Make sure that consumer feel that they can make a difference. This is called —empowerment and due to this main reason consumers will buy greener products. Further steps should be taken to control false promise and claim by the marketer to maintain legitimacy and trustworthiness of green products. For effective and efficient implementation of this concept of Green Marketing the factor that plays a major role is the Government. Unless the government creates specific and stringent laws and utilizes its authority to implement them, the concept cannot be conceptualized.

If the Consumer, the Organization and the Government work in unison towards the common goal of minimizing the detrimental environmental impact of their activities, then they can surely save this environment and make this world a better place to live in. It is not enough for a company to green its products, consumers expect the products at they purchase pocket friendly and also to help reduce the environmental impact in their own lives too. Green marketing is very low on the agenda of most

businesses and therefore it's still an under-leveraged USP (Unique Selling Proposition). Therefore, effective green marketing targeted at the right audience will make a difference.

### Conclusion

Green marketing is a tool for protecting the environment for future generation. It is not going to be an easy concept. The firm has to plan and then carry out research to find out how feasible it is going to be. Green marketing has to evolve since it is still at its infancy stage. Adoption of Green marketing may not be easy in the short run, but in the long run it will definitely have a positive impact on the firm. Green Marketing is still in the stage of childhood in the Indian companies. Lots of opportunities are available.

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 rules 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.

Indian market Customers too are ready to pay premium price for green products. One thing that is being reiterated is that the current consumption levels are too high and are unsustainable. Therefore there is a need for green marketing and a need for a shift in the consumer's behavior and attitude towards more environment friendly life styles. Ultimately green marketing requires that consumers want a cleaner environment and are willing to pay for it, possibly through higher priced goods, modified individual lifestyles, or even governmental intervention. Until this occurs it will be difficult for firms alone to lead the green marketing revolution. 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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