

Green Marketing: Challenges and Ways to Green Your Business

Manjeet Sharma

Sonipat, India
manjeetsharma210@gmail.com

Manender Singh

Research Scholar, Gurgaon, India
manindersingh10190@gmail.com

Abstract: *Green marketing is a phenomenon which has developed particular important in the modern market. It is a vital constituent of the holistic marketing concept today. It is particularly applicable to those businesses that are directly dependent on the physical environment. Changes in the physical environment may pose a threat to all the concerned industries. Consequently new types of products were created, called "green" products, which would cause less damage to the environment. Thus green marketing plays an important role to promote the idea of environmental protection and sustainable development both in the minds of the customer and the marketers.*

Today People around the world are becoming more aware of the environmental stresses. Social movements, media are also nowadays enhancing consumer's attention towards the environmental effects a product may have. To cope with these changes in the society, marketers have adopted green marketing concept in order to sustain in the market. This paper will attempt to introduce the concept of green marketing; examine some reasons that make the organizations interested to adopt green marketing philosophy. This paper also makes an assessment of the strategies of green marketing and challenges of green marketing. Through this paper, the researcher also intended to draw the attention of modern customer and marketers towards Green Products.

Keywords: *Green Marketing, Challenges, strategy etc.*

1. INTRODUCTION

The term Green Marketing also known as environmental marketing and ecological marketing was came into force in the late 1980s and early 1990s. It was begun from Europe in the early 1980 when some products were identified to be harmful for environment. As a result, new "green" products were introduced that were less damaging to the environment. In 1975, the first workshop on "Ecological Marketing" was held by the American Marketing Association (AMA). As a result the first book on green marketing entitled "Ecological Marketing" was introduced. In India green marketing was started in late 1990s. Government, manufacturer are became aware to adopt the green marketing. Government is adopted the policy to save the earth and manufacturer adopted the policy to take sustainable competitive advantage from the green marketing.

The government of India launched an Eco-mark Scheme in 1991 to increase consumer awareness in respect of environment friendly products. The aim of the scheme is to encourage the customers to purchase those products which have less harmful environmental impact. According to Peattie (2001), the evolution of green marketing has three phases. First phase was termed as "Ecological" green marketing. During this period all marketing activities were concerned to help environment problems and provide remedies for environmental problems. Second phase was "Environmental" green marketing. During this phase 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.

Green marketing refers to the process of selling products and services based on their environmental benefits. Such a product or service may be environmentally friendly in it or produced and packaged in an environmentally friendly way. Green marketing includes a broad range of activities like product modification, changing the production process, modified advertising, change in packaging, etc., aimed at reducing the detrimental impact of products and their consumption and disposal on the environment. Companies all over the world are striving to reduce the impact of products and services on the climate and other environmental parameters. Marketers are taking the cue and are going green.

According to the American Marketing Association (AMA), "Green marketing is the marketing of products that are presumed to be environmentally safe, involves developing and promoting products

and services that satisfy customers want and need for Quality, Performance, Affordable Pricing and Convenience without having a detrimental input on the environment" Green marketing also ties closely with issues of industrial ecology and environmental sustainability such as extended producers liability, life-cycle analysis, material use and resource flows, and eco-efficiency.

According to 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 these needs and wants occur with minimal detrimental input on the national environment."

According to Elkington (1994), 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.

Thus, green marketing involves developing and promoting all those products and services which satisfy the customers want and need for Quality, Performance, Affordable Pricing and Convenience without having a detrimental input on the environment.

2. REVIEW OF LITERATURE

Karthik and Ramya (2012) observed that the environmental problems in India are growing rapidly. The increasing economic development, rapid growth of population and growth of industries in India is putting a strain on the environment, infrastructure and the countries natural resources. So it's the right time to implement the Green Marketing in India. Green Marketing makes drastic change in the business not even in India but save the world from pollution.

Singh G. (2013) concluded that the green marketing has the potential to not only provide huge business opportunities across the globe, but countries can also utilize such marketing activity to engender peace, friendship and inclusive growth. However, there should be global consensus on the implementation of green initiatives and environmental standards and norms so that the developed/industrialized nations do not seriously undermine the development agenda of the faster growing developing countries/emerging market economies. In the absence of such sensitivity to the development concerns of the industrializing countries, there could be a backlash and a setback to the entire concept of green marketing.

Sanjay K. Jain & Gurmeet Kaur (2004) in his study observed that the environmentalism has emerged as a worldwide development. Companies have started responding to environmental situation by exercising green marketing strategies. Consumer has played a indispensable role in making business organizations green marketing oriented.

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

3. OBJECTIVES OF STUDY

- To know the concept of green marketing.
- To describe the challenges of green marketing.
- To define the ways to green your business.

4. REASONS TO BE GREEN

Most of the companies are venturing into green marketing because of the following reasons:

- **Opportunity:** Organizations perceive environmental marketing to be an opportunity that can be used to achieve its objectives. 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 the needs.
- **Social-Responsibility:** Organizations believe that they have a moral obligation to be more socially responsible.

- **Governmental-Pressure:** Governmental bodies are forcing firms to become or more responsible for the purpose of protecting consumer and society. The Indian government has developed a framework of legislations and policies to reduce the production of goods having harmful impact on the environment and the consumers.
- **Competitive-Pressure:** Competitors' environmental activities pressure firms to change their environmental marketing activities.
- **Cost-Reduction:** Cost factors associated with waste disposal or reductions in material usage forces firms to modify their behaviour.

5. RESEARCH METHODOLOGY

The study is primarily based on secondary data. It focuses on Literature review, News Papers, Journals, websites and the other reliable sources.

6. CHALLENGES IN GREEN MARKETING

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

- **New Concept:** Green marketing is still a new concept in India. People living in rural areas still a lack of awareness regarding the benefits of green marketing. The consumer needs to be educated and made aware of the environmental threats. The new green movement needs 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 lifestyle such as yoga and natural food consumption. In those aspects the consumer is already and will be inclined to accept the green products.
- **Need for Equivalence:** It is found that very less percentage of the marketing messages from Green campaigns and there is a lack of equivalence to validate these claims. There is no homogeneity to verify these claims. In recently, there is no consistency putted to officially present a product as organic. Unless some regulatory bodies are involved in providing the certifications there are not be any verifiable means. Thus, a standard quality control board needs to be established for such labelling and licensing.
- **Cost Factor:** Green products require renewable and recyclable material, which is costly. Further it Green marketing involves marketing of green products/services, green technology, green power/energy for which requires a huge investment in R&D programmes for their development and subsequent promotional programs which ultimately may lead to increased costs.
- **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 fixed price mechanism which can serve as useful measure for green marketing.
- **Endurance and Perseverance:** The investors and corporate required viewing the environment as a chief long-term speculation opportunity; the marketers need to gaze at the long-term benefits from this new green movement. It will need a lot of persistence and it has no instantaneous results. Since it is a new concept and idea, it will have its own acceptance period.
- **Convincing customers:** Another major challenge for a firm is convincing the customers for selling their green product because the customers may not believe easily in the firm's strategy of Green marketing, therefore the firm should ensure that they undertake all possible measures to convince the customer about their green product, the best possible option is by implementing Eco-labelling schemes to win the believe of customers.
- **Avoiding Green Myopia:** Another one, major challenge of green marketing is green myopia. Misjudging either or overemphasizing the former at the expense of the latter can be termed —green marketing 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 brand or even pay a premium for the greener alternatives. It is not pass the customer satisfaction criteria. This will lead to green myopia. For avoiding green

marketing myopia, marketers must fulfil consumer needs and interests beyond environmental requirements.

- **Social Auditing of Green claims:** Another problem of green marketing is lack of properly adaptation of social auditing of the green claim. We know that the claims of the market and non-market forces of going green must be done only through proper auditing procedure but the reality is that 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.
- **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.
- **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.
- **Unwilling to pay premium:** If green products are produced more, then the cost of production also raises due to raise of raw material cost and further after rises of production cost and low sales, the price of the green product is also raise. In that condition consumers are not ready to pay a premium amount for green products.

7. WAYS TO GREEN YOUR BUSINESS & SAVE MONEY

With so many products and services to choose from, it has never been more important to differentiate yourself from the competition. Going green is a great way to stand out, but even if your actions don't land you on Newsweek's Greenest Companies list, going green can help your bottom line. The following are some simple steps you and your company can take today to save money and decrease its impact on the planet.

- **Switch to post-consumer waste (PCW)** - Whenever possible, skip paper entirely, but if you have to print, make sure you are using eco-friendly paper. Well-intentioned businesses may look for a recycling symbol on a box of paper, but this is an unregulated designation. Only PCW paper is made entirely from the paper we place in our recycling bins each day. Making PCW recycled paper uses 45% less energy and creates half the waste of the traditional papermaking process. Purchasing products labelled as 100% PCW ensures you are using papers with the least impact. If 100% is not available, look for options with as much PCW content as possible, and don't forget to recycle all your paper scraps instead of sending them to the landfill.
- **Use biodegradable cleaners:** Using natural, biodegradable cleaning products reduces your exposure to harsh toxins and other chemicals, and reduces the introduction of these substances into the environment.
- **Green Your Beauty Routine:** The Environmental Working Group's Skin Deep Database is an amazing resource for finding non-toxic options for every part of your personal routine. Most green products cost the same or less than their toxic counterparts and are better for your health and the environment.
- **Use compact products:** Though CFL and LED lights both have a higher purchase price than standard incandescent bulbs, they last significantly longer and use much less energy. CFL and LED bulbs can replace standard bulbs in most fixtures and can save you up to \$200 per bulb over time. This calculator is a great way to see how quickly simply changing out your bulbs can add up!
- **Replace outdated appliances with their greener counterparts:** Energy Star appliances have labels helping you assess their energy (and cash) requirements over time. Look for the yellow tags when you buy your next appliance, and splurge up front for the long term economic and environmental savings.
- **Get an energy audit and make simple changes around your office and house:** According to the department of energy, sealing leaks and cracks in your home can cut up to 20% off the costs of

your heating and cooling bills. Many states will perform free energy audits, and will pay for some or all of the repairs.

- **Power your office with alternative energy:** In many areas of the country you can sign up to purchase “green power” from your current utility provider. Green power is generated from renewable energy sources, such as wind and solar power, geothermal, hydropower and plant matter. Purchasing green power increases your electric bill by a small percentage, which is used to purchase clean energy that is fed into the electrical grid.
- **Use public transportation, drive an alternative fuel or hybrid vehicles, or bike:** Any of these three methods of transportation will reduce the carbon footprint of your business and highlight your environmental commitment. All will save you money over time.
- **Recycle outside the box:** In addition to recycling everything that can be recycled, think green when buying or replacing items. Consider purchasing used or vintage office furniture instead of brand new pieces. You can find great deals on barely used office furniture on eBay and Craigslist.
- **Utilize green web hosting:** Green web hosts are companies that take part in a variety of activities, such as using renewable energy, planting trees, or buying carbon offsets and renewable energy certificates to reduce or mitigate the environmental cost of running their servers and infrastructure. Most green companies cost the same or less than companies running servers using fossil fuels.

8. GOLDEN SET OF LAWS OF GREEN MARKETING

- **Knowing and aware the Customer:** The law tells that a firm/marketer makes sure that the consumer is aware of and concerned about the issues that your product attempts to address.
- **Educating your customers:** This law focus on the customer educating activities. It tells that a firm or marketer should not only letting populace to know whatever you are doing to safeguard the environment, but also letting them to be acquainted with why it matters.
- **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.
- **Should be genuine and transparent:** This law says that the marketers should avoid the false claims regarding their product and services. They should be genuine and transparent about the specific environment friendly/ green claims they make about their products and services.
- **Consider Your Pricing:** If firm/marketers are charging a premium amount for your product due to high cost of production and use of higher-quality ingredients. Make sure those consumers can afford the premium and feel it's worth it.
- **Customer participation:** Marketers should be personalizing the benefits of your environmentally friendly actions, normally through getting customer participation at the time of taking decision regarding these actions.

9. CONCLUSION

Green marketing is considered as an instrument to bring about environmental change. This research concluded that green marketing is an opportunity whose benefit marketer can take by providing green products and creating awareness about these products by using different tools. Through green marketing companies produce those products which are environment friendly and save the planet. Green marketing improves the brand image and sales of the various companies. To have sustainable polluted free environment it is paramount to implement the concept of green marketing by all companies.

In India Green marketing is still in its infancy stage. There are sufficient opportunities for green marketing but it may also face lot of challenges like existence of Non Cooperation, Unwilling to pay premium, lack of Sustainability, lack of properly adaptation of social auditing of the green claim, Green Myopia etc. Most of the companies are venturing into green marketing because of opportunity, social responsibility, Govt. Pressure, competitive edge and cost reduction. Now this is the right time to select “Green Marketing” globally, it will create a future opportunity for the business. 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.

SUGGESTION

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.

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