

ORIGINAL ARTICLE



**GREEN MARKETING : OPPORTUNITIES AND CHALLENGES**



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**ABSTRACT**

*Environmental concerns have grown steadily in recent years. An environment can be defined as everything which surrounds and impinges on a system. Systems of many kinds have environments with which they interact. Marketing can be seen as a system which must respond to environmental change. Just as the human body may have problems, it fails to adjust to environmental change. Similarly, businesses may fail if they do not adapt to the changing environment. Society today has become more concerned with natural environment, people are now more conscious about eco friendly products and about their own safety & welfare which lead to emergence of Green business practices popularly known as Green Marketing. This practice involves developing products and packages that are less harmful to the environment. Corporations that excel in green marketing will benefit from better relation with customers, regulators, suppliers and other firms. This paper will attempt to introduce the concept of green marketing & green marketing mix, briefly discuss why green marketing is important and mention some of the problems with green marketing. The paper also gives some leading examples of various Indian companies which are using green business practices, future of green marketing and concludes that green marketing is something that will continuously grow in every business practice.*

**INTRODUCTION**

The term Green Marketing came into prominence in the late 1980s and early 1990s. Other similar terms used are Environmental Marketing and Ecological Marketing. The American Marketing Association (AMA) held the first workshop on "Ecological Marketing" in 1975. The proceedings of this workshop resulted in one of the first books on green marketing entitled "Ecological Marketing". 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.

Thus "Green Marketing" concept is realistic concept. It involves activities which help in implementing & adopting such policies, programmes & activities which are helpful in safeguarding the environment. It also 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

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becoming increasingly aware 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 advantageous & economical in the long run.

## GREEN MARKETING MIX

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A model of a green marketing-mix should, of course, contain all 4P's:

- **Product:** The ecological objectives in planning products are to reduce resource consumption and pollution and to increase conservation of scarce resources.
- **Price:** Prices for such products may be a little higher than other products because of higher quality of ingredients.
- **Place:** The choice of where and when to make a product available will have significant impact on the customers. Very few customers will go out of their way to buy green products.
- **Promotion:** There are three types of green advertising: -
  - i. Ads that address a relationship between a product / service and the biophysical environment
  - ii. Those that promote a green lifestyle by highlighting a product or service
  - iii. Ads that present a corporate image of environmental responsibility

Additional Green Marketing "Ps" that are used in this process are as followed:

- **Publics:** Public is multiple groups of people, both external & internal comes in its preview. External publics include the target audience, secondary audiences, policymakers, and gatekeepers, while the internal publics are those who are involved in some way with either approval or implementation of the green marketing program.
- **Partnership:** For one person taking "green" initiatives is too complex to handle. Associating with other groups and teams strengthens the chance of efficacy.
- **Policy:** Social marketing programs can do well in motivating individual behavior change, but that is difficult to sustain unless the change has been made for the long run. Often, policy change is needed, and media advocacy programs can be an effective complement to a green marketing program.
- **Purse Strings:** How much will this strategic effort cost? Who is funding the effort?

The level of greening-strategic, quasi-strategic, or tactical dictates exactly what activities should be under-taken by a company. Strategic greening in one area may or may not be leveraged effectively in others.

These are various green marketing mix which helps a lot to organization focus on green business practices & its proper implementation.

## WHY GREEN 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 very important. Worldwide evidence shows people are concerned about the environment and are changing their behavior which results in emergence of green marketing which leads to growing market for sustainable and socially responsible products and services. Now we see that most of the consumers, both individual and industrial, are becoming more concerned about environment friendly products.

Importance of Green Marketing to Firm:

- Organizations perceive ecological marketing as an opportunity for fulfilling its goals.
- Governmental bodies are forcing firms to be more concern about safety of environment.
- Competitors focus on environmental activities pressure firms to change their own strategies regarding environmental marketing activities.
- Organizations now believe that they have a moral responsibility to be more socially responsible.
- Cost factors related to waste disposal or reductions in material usage forces firms to change their behavior.

### PROBLEMS WITH GREEN MARKETING

- i. Green marketing is still a new concept for the mass of people in India
- ii. Green products require renewable and recyclable material, which is costly
- iii. Requires a technology, which requires huge investment in R & D
- iv. Requires a lot of patience from part of investors to wait for proper results
- v. There is no standardization to certify a product as organic. So, there is requirement of some regulatory bodies to be involved in providing the certifications which helps in verification of green campaigns
- vi. Majority of the people are not aware of green products and their uses
- vii. Majority of the consumers are not willing to pay a premium price for green products

### GOLDEN RULES OF GREEN MARKETING

1) **Being genuine and transparent** means that a) that you are actually doing what you claim to be doing in your green marketing campaign and b) that 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.

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) **Giving your customers an opportunity to** environmental action *participate* means personalizing the benefits of your environmentally friendly actions, normally through letting the customer take part in positive.

4) **Reassuring the buyer** means focus must be made to make consumers believe that the product performs its job efficiently, and product quality won't be foregone in the name of the environment.

### LEADING EXAMPLES OF GREEN MARKETING IN INDIA

#### EXAMPLE 1: TATA GROUP OF COMPANIES:

- Tata motors ltd. is setting up an eco-friendly showroom using natural material for its flooring and energy efficient lights.
- Launched a low cost water purifier made up of natural ingredients.
- Developing indica EV, an electric car that would run on polymer lithium ion batteries.

#### EXAMPLE 2: Introduction of CNG in Delhi.

**EXAMPLE 3: Battery operated L.G. TV.**

**EXAMPLE 4: Recently launched Samsung solar mobile guru.**

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### **CONCLUSION**

Green marketing should not neglect the economic aspect of marketing. Marketers need to understand the implications of green marketing. If you think customers are not concerned about environmental issues or will not pay a premium for products that are more eco-responsible, think again. Consumers are willing to pay more to maintain a cleaner and greener environment. You must find an opportunity to enhance your product's performance and strengthen your customer's loyalty and command a higher price. Marketers also have the responsibility to make the consumers aware about the need and benefits of green products as compared to non-green ones. Green marketing is still in its infancy and a lot of research is to be done on green marketing to fully explore its potential.

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