



## THE CHALLENGES AND STRATEGIES OF GREEN MARKETING

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### **Abstract**

*The impact of various environmental factors are influencing the business organization from multiple ways. In order to anticipate the uncertainties the organizations are preparing the suitable strategies for success. Many countries are concerned about the environmental problems and the Governments are also focusing to solve the environmental issues and interested to provide the non polluted products to the people. In the recent times business environmentally sustainable development has become an important challenge to the Manufacturers and Governments. Thus Green marketing is one of the best strategies that a firm can adopt to achieve this goal. Green Marketing refers to the process of selling products and services based on their environmental and ecological benefits. The products and services should be eco-friendly itself and should be produced in an eco-friendly way. In the present environmental world the word Green has become a buzz word globally. The present paper focuses to know the overview, significance, challenges of green marketing.*

**Key Words: Green Marketing, Eco Friendly, Potential Consumers.**

### **Introduction**

Green marketing is known as to the method of selling products and services based up on the benefits of their environmental influences. Such any product or service may be environmentally friendly in it or produced or packaged in an environmentally friendly way. The assumption of green marketing is that potential consumers will view a product or service's "greenness" as a benefit and base their buying decision accordingly. The assumption of green marketing is that some consumers are willing to pay more for green products. While green marketing is growing rapidly as increasing number of consumers are willing to back their environmental consciousnesses with their own interest. Green marketing has evolved as the new trend for marketers to persuade the needs of target audiences and thereby produce lucrative useful products of green nature. While the shift to "green" may emerge to be expensive in the near future but it will unquestionably prove to be crucial and advantageous, cost-wise too, in the upcoming years. A majority of business organizations, around the world, are making an attempt to reduce the harmful chemical impact of production processes on the climate and other environmental conditions. They have comprehensively utilized the word green in marketing campaigns in the form of green marketing, green supply chains. Hence the businesses and the marketers are taking the indication and are going green for the betterment of the entire society. The public tends to be incredulous approach of consumers and companies can seriously damage their brands and their sales if a green claim is discovered to be false or contradicted by a company's other products or practices. Presenting a product or service as green when it's not is called green washing. Simply put, green cleaning is about using products that are safe and healthy for everybody and the environment. The eco-friendly cleaning practices like reducing water usage. It's also about using products from conscientious companies with sustainable business practices. **Green marketing** is an umbrella term that refers to products and practices that are organic, sustainable or otherwise environmentally friendly.

### **Evolution of Green Marketing**

The term Green Marketing came into existence in the late 1980s and early 1990s. 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". The Corporate Social Responsibility (CSR) Reports started with the ice cream seller Ben & Jerry's where the financial report was supplemented by a greater view on the company's environmental impact. In 1987 a document prepared by the World Commission on Environment and Development defined sustainable development as meeting "the needs of the present without compromising the ability of future generations to meet their own need of consumers. The holistic nature of green also suggests that besides suppliers and retailers new stakeholders should be enlisted,



including educators, members of the community, regulators, and NGOs. Environmental issues should be balanced with primary customer needs. While public opinion polls taken since the late 1980s have shown consistently and clearly that a significant percentage of consumers in the U.S. and other countries profess a strong willingness to favor environmentally conscious products and companies, consumers' efforts to do so in real life have remained best. One of green marketing's challenges is the lack of standards or public consensus about what constitutes "green" according to Joel Makower, a writer on green marketing. Despite of many challenges, green marketing has continued to gain interest of consumers all around the world, particularly in the light of growing global concerns about climatic changes. This concern has led more companies to advertise their commitment to reduce their climate environmental influences, and effects.

### **Review of Literature**

1. A study by Elham Rahbar (et al, 2011) proposes to determine the effect of green marketing tools on consumer's actual purchase behaviour in case of Penang (Malaysia).
2. A survey was carried out on 250 Chinese, Malay, Indian and other races that represent the Penang population. Factor analysis, Cronbach alpha and multiple regressions were used to identify factors impact on Penang consumers actual purchase behavior. The result revealed that customer's trust in eco-label and eco-brand and their perception of eco-brand show positive and significant impact on their actual purchase behavior
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4. The study conducted by Sourabh Bhattacharya (2011) states that the green marketers in India should carry out heavy promotional campaigns, because majority of the Indian consumers are price-sensitive and are not sure about the quality of green products.

### **Objectives of the Study**

1. To study the significance and overview of green marketing
2. To know the challenges and benefits of green marketing

### **Research Methodology**

The paper is based on secondary data. The data has been collected from internet, articles newspapers, Magzines etc.

### **Green Marketing Concept**

The natural Environmental sustainability is not simply a matter of problem or risk management. Businesses are increasingly recognizing the many competitive advantages and opportunities to be gained from eco-sustainability. At present technological society the World wide evidence indicates that people are concerned about the environment and are changing their behavior accordingly. As a result, there is a growing market for sustainable and socially responsible products and services. The types of businesses that are emerging, what they manufacture, and their approach to marketing are changing. Green marketing is the marketing of products that are presumed to be environmentally preferable to others. Thus green marketing related with a broad range of activities, including product modification, development and also it includes the changes to the production process, sustainable packaging, as well as modifying advertising. Yet defining green marketing is not a simple task where several meanings intersect and contradict each other. Other similar terms used are environmental marketing and ecological marketing. Green, environmental and eco-marketing are part of the modern marketing approaches which do not just refocus, adjust or enhance existing marketing thinking and practice, but seek to challenge those approaches and provide a substantially different perspectives. In more detail green, environmental and eco-marketing belong to the group of approaches which seek to address the lack of fit between marketing as it is currently practiced and the ecological and social realities of the wider marketing environment. Green marketing



involves developing and promoting products and services that satisfy customers' wants and needs for quality, performance, reasonable pricing and convenience – all without a detrimental impact on the environment. People generally want to do the right thing, so the challenge and opportunity for the green marketer is to make it easy for people to do so. When all features like quality, price, performance and availability is equal, an environmental benefit will most likely tip the balance in favor of products. The marketing industry can 'walk and talk' and become the new corporate champions of the environment. Successful green marketers will reap the rewards of healthy profits and improved shareholder value, as well as help to make the world a better place in to market the products for the future generations. Environmentalists evaluate products to determine their impact on environment and marketers' commitment to the environment. Environmentally safe products are approved and companies receiving the green signal and use it in advertising and on packaging. The aim of green marketing is to sustain the environment in the following ways

- Prices Reflect The Cost
- Making the Environmentalism Profitable
- Eliminate the Concept of Waste
- Reinvesting the Concept of a Product



### Significance of Eco-Friendly Marketing

Since resources are limited and human wants unlimited, it is important for the marketers to utilize the resources efficiently without waste while achieving the organization's objective. Today's consumers are becoming more and more rational about the environment and are also becoming socially responsible. Therefore all companies are attentive towards the consumers' aspirations for environmentally less damaging or neutral products. Many companies want to have an early mover advantage as eventually they have to move towards becoming green.



There is a growing awareness among consumers worldwide regarding protection of the environment in which they live. People do want to bestow a clean earth to their descendants. Various studies by environmentalists indicate that people are concerned about the environment and are changing their behavior pattern so as to be less hostile towards it. 45 Most of the consumers, both individual and industrial, are becoming more concerned about environment friendly products. Most of them feel that environment friendly products are safe to use. As a result, green marketing has emerged, which aims at marketing sustainable and socially responsible products and services. It is the era of producing recyclable non toxic and environment friendly goods. This has become the new mantra for marketers to satisfy the needs of consumers and earn better profits. Green marketing is becoming increasingly important due to the following reasons.

- Social Responsibility
- Opportunities
- Government Pressure
- Competitive Advantage
- Cost Factor

### **Principles of Green Marketing**

- Innovative Marketing
- Consumer Oriented Marketing
- Customer Value Marketing
- Sense of Mission Marketing
- Societal Marketing

### **The Challenges and Goals of Green Marketing**

The challenges before producers and marketers of green products are many: Green Marketing strategies provide more benefits to consumers as well the society. It also helps to create green environment by adopting eco – friendly marketing practices. Even though getting more benefits from green marketing, there is lot of challenges or hurdles also available for its development.

- Lack of awareness of green products
- Reinvestment of products
- Changing processes
- Creating eco – friendly environment
- Renewable and recyclable material,
- Costly to purchase
- Requires a technology,
- Huge investment in R & D
- Water treatment technology,

The four Ps of green marketing like conventional marketers, green marketers must address the ‘four Ps’ in innovative ways.

### **Product**

A product is a good or service that a business owner provides for sale to his target market. When it comes to developing a product, the design, quality, packaging, features, after-sales service, and customer service should be considered. Green Marketing begins with ‘green design’. The product itself has to be made in such a way that it satisfies consumer and manufacture’s needs. Most buyer decisions are influenced by the labeling, (green labeling) that states all that makes the product green compliant. Entrepreneurs wanting to exploit emerging green markets will either. Identify customers’ environmental needs and develop products to fulfill the needs of the customers. The increasing wide varieties of products on the market that support sustainable development and are good for the triple bottom line includes Products made from recycled goods, · Products that can be recycled or reused. Efficient products, which save water, energy or gasoline, save money and reduce environmental impact. 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.

### **Price**

The price is the amount of money that customers have to pay to purchase products or avail of services. There are several factors that you have to consider when it comes to price. These include discounting, price setting, credit collection, and cash and credit purchases. Pricing is an important element of the marketing mix. Most customers will only be prepared to pay a premium if there is a perception of satisfaction and additional product value. This value may be improved performance, function, design, visual appeal or taste. Environmental benefits are usually an added advantage but will often be the deciding factor between products of equal value and quality. Environmentally responsible products, however, are often less expensive when product life cycle costs are taken into consideration. The price of green product has to be affordable for the customer to encourage purchase. Industrial differentiation works only when products reduce retail price.

### **Place**

This is with regard to location, distribution, and ways of delivering the product to the customer. The place may include the location of your business, distributors, shop front, possible use of the Internet, and logistics. It is important for you to have a good understanding of the strategy behind the positioning or place. You have to make it work for you, even if it means seeing through the mist of marketers who plan to fog up the minds of customers. Take note that positioning is all about painting a beautiful picture of how you want your customers to view your product. You need to have a catchphrase that is simple, witty, and easy to remember. It should also satisfy your audience but not encourage them to look too closely and scrutinize your business. The choice of where and when to make a product available will have significant impact on the customers to satisfy and persuade the customer. A very few customers will go out of their way to buy green products merely for the sake of it. Marketers looking to successfully introduce new green products. The products should be positioned in wide market with suitable plan. The location must also be consistent with the image you want to project The location must differentiate to compete with the competitors. This can be achieved by in-store promotions and visually appealing displays or using recycled materials to emphasis the environmental and other benefits. Green distribution is a very delicate operation. Customers must be guaranteed of the 'Ecological nature' of the product. The green environment is a constantly regulated environment and as such high level of compliance is necessary when carrying out distribution of green products. This is a common procedure all over the world for the successful placing the products.

### **Promotion**

Promotion is all about the act of communicating the values and benefits of your products to your customers. It involves the use of different methods, such as direct marketing, sales promotion, advertising, and personal selling to persuade customers to your business. If you want to save money, you should consider self-promotion. Also, when it comes to creating a promotion for your business, you should motivate your target market. Put yourself in their shoes so you can find out how they view your business. Keep in mind that advertising, publicity, and public relations will keep your service or product out front and ahead of your competition. All these factors are integral parts of promotion. Promoting the products and services to target markets includes paid advertising, public relations, sales promotions, direct marketing, on-site promotions, online promotion. Smart green marketers will be able to reinforce environmental credibility by using sustainable marketing and communication tools and practices. To reduce the use of plastic bags and promote their green commitment, The key to successful green marketing is credibility to the organization. Enter environmental awards programs to profile environmental credentials to customers and stakeholders. Most buyers are influenced by advertisement that reflects a company's commitment to ecological environment. Companies that do green advertisement that tend to portray an image of environmental friendliness, influences their customer purchase decisions. Consumers interested to associate themselves with companies that are environmental stewards. When a company communicates this through their advertisements, promotions, publicity and corporate social responsibilities, they are sure to get many loyal customers.



These 4 Ps of Marketing are very helpful when it comes to starting a business. You need to have the necessary knowledge and skills in order to be successful in a certain venture. By learning about the 4 Ps of Marketing, you can avoid typical marketing pitfalls and have a successful business.

### **Green Marketing Strategies**

Following are the important strategies of green marketing which are helping to achieve the objectives sustainability.

- Environmental Scanning and Marketing review.
- Develop the marketing plan outlining strategies with regard to 4 P's (i.e. green product, green price, green promotion, green physical distribution).
- Apply marketing strategies.
- Set up a performance evaluation schemes.

### **Green Consumer**

Green consumer behavior is a form of pro-environmental behavior, which can be defined as a form of consumption that harms the environment as little as possible, or even benefits the environment. Consumers are the main assets of business organization. They are the vocal advocators, insider of the company, guest, partner and so on. Every business depends upon the consumers. In traditional marketing, consumers are worried about the quality, quantity, price of the products. But in the present days, the stakeholders are responsible to safe guard the environment while doing business. So, important contribution goes to producer and consumer. Those consumers, who follow green marketing practices while purchasing products, are called as green consumers. Green consumer is an eco-friendly consumer, who is buying only eco-friendly products and using only green services. Products with little or no packaging, products made from natural ingredients and products that are made without causing pollution are all examples of eco-friendly products.

### **Characteristics of Green Consumer**

- Commitment to green lifestyles
- Critical of their own environmental practices and looking for companies that incorporate green practices and impact.
- Over state their green behavior
- Environmental protection to be easy
- Tend to distrust companies' environmental claims
- Lack of knowledge about environmental issues, but they are eager to learn about them.

### **Types of Green Consumers**

- Behavioral Green Consumers
- Think Green Consumers
- Potential Green Consumers
- True Brown Consumers

### **Conclusions**

Green marketing is the marketing of products that are presumed to be environmentally safe. It incorporates a broad range of activities, including product modification, changes to the production process, sustainable packaging, as well as modifying advertising. In the green marketing the ecological issues are the focal point of marketing decision- making. It ranges from change in raw materials to change in packaging materials. It includes change in product design or even substitution of one product by another. It is also encompasses disposal of waste generated during production and distribution, the disposal of surplus or expired products and even the disposal of packaging after the use of the product. There is ample scope for green marketing at both the manufacturers' end and marketers' end. Green Marketing is catching on in a big way. Marketers as well as consumers are slowly but strongly recognizing it. Awareness is being created about the use of such materials, which are helpful in



conserving the environment and are eco-friendly. Though the green products can be costlier in comparison to their non-green products in the market, they are beneficial from the view point of environment conservation, which will definitely prove advantageous in the long run. Green marketing is gaining increasing prominence across the world and in India.

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