



Green Marketing and Sustainable Development Challenges and Opportunities

KEYWORDS

Environmental Pollution, Green Marketing, Sustainable Development, Green Consumers

Prof. Jatin K. Modi

Assistant Professor, Shayona Institute of Business Management, Ahmedabad

ABSTRACT *In the modern era of globalization, it has become a challenge to keep the customers as well as consumers in fold and even keep our natural environment safe and that is the biggest need of the time. As Society is becoming more aware of the environmental issues like; global warming and the impact of environmental pollution, businesses have begun to modify their behavior in an attempt to address society's "new" concerns. Green Marketing is one such phenomenon which has grabbed particular attention in the modern day market by corporate houses and government and is seen as an important strategy of facilitating sustainable development in all over India as well as globe. The development of green marketing has opened the door of opportunity for companies to co-brand their products into separate line, lauding the green-friendliness of some while ignoring that of others. There has been a lot of literature review on green marketing over the years, the paper identifies the segments of green consumers and explores the challenges and opportunities businesses have with green marketing. The paper describes the reason why companies are adopting it and future of green marketing and concludes that green marketing is something that will continuously grow in both Practice and demand.*

INTRODUCTION

Since the advent of the industrialization man has been severely damaging his natural environment. The urge to save the sinking ecology is not merely a passing fad, but has indeed become the need of the hour. Environment protection must be practiced with urgency. The melting of Himalayan glaciers and the tsunami threat and other natural calamities is pointing towards the increasing alert of global warming. Today many companies are moving much ahead than the marketing concept to the customer concept. As the marketing concept was gaining wide acceptance in business organizations, it was noticed that firms were ignoring their social responsibility while satisfying the needs and wants of the consumers and achieving their organizational goals. A firm may totally satisfy its customers, can also achieve handsome profits but in the process of doing so, they might also be polluting the air and water in the environment or damaging the cultural environment. As companies came to realize their social responsibility, this factor became one of its primary objectives. It was seen that for a company to prosper in the long-run, it needed to satisfy social needs as well as the economic needs of customers.

Green, environmental and eco-marketing are part of the new marketing approaches which do not just alter, adjust or enhance existing marketing thinking and practice, but seek to challenge traditional approaches to provide a significantly different perspective. It seeks to address the lack of fit between marketing as it is currently practiced and the ecological and social realities of the wider marketing environment.

EVOLUTION OF GREEN MARKETING

The term Green Marketing came into prominence 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". With the well-publicized Earth Day activities in the United States in April 1990, the "green marketing" movement came into existence. An explosion of "environmentally friendly" products and marketing programs appeared as firm after firm tried to capitalize on consumers' perceived increased sensitivity to environmental issues

Green marketing has evolved over a period of time. According to Peattie (2001), the evolution of green marketing has

three phases. First phase was termed as "Ecological" green marketing. Thereby focusing on the environment and environmental problems, during this period all marketing activities were concerned to help environment 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 2000.

MEANING OF GREEN MARKETING

According to the American Marketing Association, Green marketing is the marketing of products that are presumed to be environmentally safe. It comprises of a broad range of activities, including product alteration, changes to the production procedure, changes in the style of packaging, as well as transforming advertisements. The subject of green marketing is vast, having important implications for business strategy and public policy. However, defining green marketing is not a simple task as several meanings intersect and contradict with each other. There are other similar terms used for Green Marketing as Environmental Marketing and Ecological Marketing.

There is growing concern and interest among the consumers all over the world regarding Protection of environment indicates that people worldwide are concerned about the environment and are changing their behavior. As a result of this, green marketing has come into view which speaks for growing market for sustainable and socially responsible products and services. Green marketing is part and parcel of the overall corporate strategy (Menon and Menon, 1997).

Sustainable Development

According to the World Commission on Environmental Development (1978), Sustainable Development is "meeting the needs of the present without compromising the ability of the future generations to meet their own needs". The common theme throughout this strategy of sustainable development is the need to integrate economic and ecological considerations in decision making by making policies that conserve the quality of agricultural development and environmental protection. This is what the end product of green marketing is, environmental protection for the present and the future generation. The development of energy-efficient operations,

better pollution controls, recyclable and biodegradable packaging, ecologically safe products are all part of green marketing which also leads to sustainable development.

Challenges in Green Marketing Need For Standardization:

It is found that only 5% of the marketing messages from — Green|| campaigns are entirely true and there is a lack of standardization to authenticate these claims. There is no standardization to authenticate these claims. There is no standardization currently in place to certify a product as organic. Unless some regulatory bodies are involved in providing the certifications there will not be any verifiable means. A standard quality control board needs to be in place for such labeling and licensing.

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. 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 lifestyles such as yoga and natural food consumption. In those aspects the consumer is already aware and will be inclined to accept the green products.

Patience and Perseverance:

The investors and corporate need to view the environment as a major long-term investment opportunity, the marketers need to look at the long-term benefits from this new green movement. It will require a lot of patience and no immediate results. Since it is a new concept and idea, it will have its own acceptance period.

Avoiding Green 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 brands or even pay a premium for the greener alternative. It is not going to help if a product is developed which is absolutely green in various aspects but does not pass the customer satisfaction criteria. This will lead to green myopia. Also if the green products are priced very high then again it will lose its market acceptability.

Businesses are born with a Product, But Die without Customers:

The modern marketing is a holistic marketing concept which relies on creation of superior customer value and delivering high levels of customer's satisfaction. The environmental claims appeals the customers, there is change in consumer lifestyle and preferences, and they are willing to pay higher prices for the green products. Consumers prefer brands that they identify as being more environmentally safe, to cash that firms are turning themselves to prove their association with the green' concept. The popularity of such marketing approach is making many firms to turn green which results in customer witnessing confusion regarding the products and its credibility. To ensure consumer confidence, marketers of green products need to be much more transparent. In an attempt to undertake Green marketing practices the organizations faces several problems.

Green washing:

The environmental activist have derived a pejorative term called Green washing from the commonly used term 'white-washing' to describe the efforts made by corporations in order to mask environmental wrongdoings, by portraying themselves as environmentally responsible. It is something misleading which attempts to deceive the customers. Originally the organizations in an attempt to portray themselves as environmentally virtuous used the environmental advertising

but as the corporations have been diversified and proliferated so have charges of green washing. The term now includes wider ranges of corporate activities, including certain instances of environmental reporting, event sponsorship, the distribution of educational materials. The main objective of green washing is to give consumers and policy makers an impression that the company is taking the necessary steps to manage its ecological footprints.

Green Opportunities in Indian Market

Today the consumer wants to see green and thus emphasis on caring for the planet. Marketers as per the demand are sticking the green label on their products because they know their consumers want to see that. They perceive environmental marketing to be an opportunity that can be used to achieve its objectives and generate profit by serving the customers better than competitors and also differentiate their brand to access to larger market share. Thus, companies world over including India are putting their best foot forward to come across as responsible entities.

1. Increase in environment friendly products:

Since consumers now a day's prefer environment-friendly products and have become health conscious, the opportunities for green marketing has increased tremendously. Firms cash on these opportunities to have competitive edge over non-environmental friendly firms. The Surf Excel water-saving detergent (with the message do bucket Paani Roz Bachaana) and LG's consumer durables are highlighting the opportunities available for green marketing in India. These attractive messages of the firms integrated profit and environmental objectives together resulting into higher market share and incremental profits.

2. Government pressure:

Protection of the society and the consumers is the major concern of the government. Various regulations are framed by the government to protect consumers and the society at large. It is the responsibility of the government to protect consumers from false and misleading claims made by the firms. The Indian government too has been active in taking steps and formulating laws to reduce the production of harmful goods and by products, this has been made possible by the introduction of various environmental licenses. The result of such practices reduces the industry's production and consumers' consumption of harmful goods, encourage the consumers to become more responsible, also try to educate the consumers so that they can evaluate the firms' claims.

3. Corporate social responsibility

The importance of CSR has been rising in Indian market. Corporate social responsibility means that the firms behave ethically in conducting the business activities while contributing to the economic development and also improving the quality of life society as a result the firms are emphasizing on the profit related objectives with environmental objectives. Coca-Cola is a common example which has invested in various recycling activities as a corporate social responsibility Being the responsible member of the society, social community expects the business firms to act as responsible members of the social community as well as to provide goods and services efficiently. The organizations are also striving to maximize its positive impact and minimize its negative impact on society by finding the new ways to dispose of garbage, recycle and reuse of packaging.

Corporate Initiatives for Green Marketing as Social Responsibilities:

- ✓ NDTV, in partnership with car maker Toyota Kirloskar Motor Pvt. Ltd launched Greenathon a 24-hour live television event to create responsiveness about environmental issues.
- ✓ Panasonic Corp. is spreading awareness about global warming with its interactive campaign a go-to-schools
- ✓ Nokia India Pvt. Ltd has encouraged consumers to dump

old mobile phones and accessories, by their recycle electronic waste campaign.

4. Competitors pressure

Many companies take up green marketing with the desire to enhance competitive position and create a competitive advantage. The green marketing initiatives by niche companies prompted many mainline competitors to follow the trend. Many market leaders have also started introducing green marketing programs to create significant competitive advantage, which would not only consolidate their leadership position but also enhance their market share in long run. The prominent example could be of Xerox's Revive 100% Recycled paper was introduced a few years ago to address the introduction of recycled photocopier paper.

5. Cost Issue

The corporation going green solely on the basis of ethics is a bit like asking a shark to stop eating because the other fish are getting upset, shark eat fish; corporations make money. Firm's uses green marketing to address the profit related issues. Organizations feel that green marketing leads to higher profit and at same time lower cost. Consumers are willing to pay higher price for a green product, organic produces. Since the consumer feel that environmental degradation is not solely the responsibility of the firm's consumers also wants a cleaner environment and is willing to pay higher price for it. To minimize the waste caused by firms, the organizations examine and reexamine their production process which leads to development of the superior production process which reduces the production of harmful by-products at the same time reduced the need for several raw materials in some cases the waste material also become another organization's input for production. An example of it is a company that produces acidic waste water which it sells to another organization who then uses it to neutralize base water

Golden Rules of Green Marketing

- 1. Know you're Customer:** Make sure that the consumer is aware of and concerned about the issues that your product attempts to address, (Whirlpool learned the hard way that consumers wouldn't pay a premium for a CFC-free refrigerator because consumers didn't know what CFCs were.)
- 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. Being Genuine & Transparent:** means that a) you are actually doing what you claim to be doing in your green marketing campaign and b) 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.
- 4. 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.
- 5. Consider Your Pricing:** If you're charging a premium for your product-and many environmentally preferable products cost more due to economies of scale and use of higher quality ingredients-make sure those consumers can afford the premium and feel it's worth it.
- 6. Giving Your Customers an Opportunity to participate:** means personalizing the benefits of your environmentally friendly actions, normally through letting the customer take part in positive environmental action.
- 7. Thus Leading Brands Should Recognize That Consumer Expectations Have Changed:** It is not enough for a company to green its products; consumers expect the products that they purchase pocket friendly and also to

help reduce the environmental impact in their own lives too.

How is the Indian Corporate Responding?

- ✓ Bharti Airtel has decided to reduce the use of diesel and grid based electricity. More over the company Announcement of time-bound carbon emission reduction target and renewable energy target for 2020 by end of the financial year 2012. Appointment of senior management functionary at Airtel to continue the dialogue with Greenpeace. Airtel and Greenpeace to lobby and advocate for 20 % renewable energy generation target by 2020.
- ✓ Century Metal Recycling Pvt Ltd (CMR) situated in Haryana, and it is the largest manufacturer of liquid aluminum alloys and ingots India is an organization with a large heart and is continuously looking for ways to cut down on energy consumption and carbon emissions to protect the environment
- ✓ HCL has launched its range of eco-friendly notebooks, HCL ME 40. HCL claims that this was India's first PVC free and eco-friendly notebook. This notebook is completely free from polyvinyl chloride (PVC) material and other harmful chemicals. Further, Bureau of Energy Efficiency has given HCL eco-friendly products a five-star rating, and they also meet REACH (REACH is the European Community Regulation on chemicals and their safe use) standards and are 100 per cent recyclable and toxin free.
- ✓ Voltas initiated the 'Green' range of air-conditioners, following which the government made it mandatory for home appliances to have energy star ratings. Energy Star is an international standard for energy efficient consumer products that originated in the US. Thus, devices carrying the star logo, such as computer products and peripherals, kitchen appliances and other products, use about 20-✓ The other company to launch wide range of eco-friendly desktops is Wipro. Introduced under the Wipro Green Ware initiative, these products aim to cut down e-waste in environment. Here, the systems launched are toxin free and operate under a total recycling policy. With the removal of the toxins, recycling of the electronic products would be safer, say company executives. Wipro has 17 e-waste collection centers in India where products are collected and recycled. Also, 12 Wipro campuses in the country have been certified as green buildings.
- ✓ **Going green: TATA's new mantra**
India's oldest industrial house, TATA is stepping up efforts to reduce its carbon footprint across the value chain — from manufacturing processes to distribution networks to eco-friendly consumer products. Tata Steel aims to reduce carbon dioxide emissions at its Jamshedpur plant from the current 1.8 tonne to 1.7 tonne per tonne of liquid steel made by 2012. Tata Motors is setting up an eco-friendly showroom using natural building material for its flooring and energy-efficient lights. The Taj chain, is in the process of creating eco rooms which will have energy-efficient mini bars, organic bed linen and napkins made from recycled paper. But there won't be any carpets since chemicals are used to clean those. And when it comes to illumination, the rooms will have CFLs or LEDs. About 5% of the total rooms at a Taj hotel would sport a chic eco-room design. Taj Green Cove in Kovalam, which uses the waste generated at the hotel to meet its cooking requirements. Another eco-friendly consumer product that is in the works is Indica EV, an electric car that will run on polymer lithium ion batteries. Tata Motors plans to introduce the Indica EV in select European markets this year.

Conclusion

In conclusion, it can be said that India grapples with scores of environmental problems, which can said to be critical in their own right. It will come with drastic change in the world of business if all nations will make strict roles 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. . Right from software to chemicals, from clothing to hospitality, it seems that the Indian industries are ready to actively save their ecology as India moves towards development. This can said be a green marketing phenomenon that the Indian business community seems to have enthusiastically inculcated in their businesses. This positive step is the much needed action as the nation prepares to become a sustainable and environmentally positive economy.

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