

# Green Marketing: A Tool for Sustainable Development



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## Abstract

Environmental problems have become a major social issue all around the world. It is imperative to solve these environmental issues for the prosperity and well-being of future generations. Nevertheless, application of the solutions to these prevalent problems will need the full participation of the citizens of the world. Gladly, as a sign to this participation, many consumers are showing a growing interest in sustainable products all around the world. These environmentally conscious consumers are concerned about a variety of sustainability issues, such as climate change, deforestation, energy use, toxic waste, and water and air pollution, and believe that purchasing green products could help solve and ease the problem to a great extent. As society has become more apprehensive regarding the natural environment, businesses have begun to modify their behavior in an attempt to address society's new concerns. Green marketing is one of the strategies which marketers are using these days as a key strategy for sustainable development. This paper throws light on the concept of Green Marketing as a tool for sustainable development, reasons for adoption by firms and various challenges associated with it.

**Keywords:** Challenges, Consumer, Green Marketing, Green Products, Sustainability.

## Introduction

Sustainable development is the type of development that aims at sustainable consumption and sustainable economic growth and tries to shield the environment. The area of sustainable development can be conceptually divided into three essential parts: environmental sustainability, economic sustainability and socio-political sustainability. Realizing the significance of people's anxiety for a healthy environment to live and preferring environmental friendly products and services to consume, marketers of late are trying to capitalize on the same to guarantee sustainable growth and are using these concepts in formulating their strategies. Green marketing is a strategy which marketers are using now days as a key strategy for sustainable development. Application of sustainability to the marketing discipline captures the spirit of sustainable marketing or green marketing. Green marketing refers to the way of marketing which incorporates requirements of the customer, the organisation and the society in general over a long period of time. It is concerned with designing and marketing products that can be used unanimously by all the consumers across the world over extended periods, without causing harm to either the consumers or the environment. All three dimensions have to be included when planning a marketing strategy. Traditional marketing practices must be reconsidered and the following aspects are to be noted:

1. Marketing is a demand focused concept. But in order to achieve sustainability, marketing must be willing to manage the customer's demand downward. This includes the demand for low costs, high availability and convenience of products and services. Marketing's expanding task is therefore to promote real product costs as well as impacts of consumption and production on the environment.
2. Product prices must be based on the true costs of production, use and disposal. Thus, product price is replaced by product costs. Competition is then based on product costs such as costs of ownership and use. In achievement of sustainability, marketing must make sure that customers are aware of the true product costs.
3. The "product concept" has to be redefined. Marketing to be sustainable cannot only focus on the product. The concept must be broadened by looking at how a product is made, distributed, and sold.

4. This new focus reinforces the promotion of products that are made and consumed in a sustainable manner.
5. Marketing has to reflect sustainable behavior and responsibility towards all stakeholder groups (customers, investors, employees, government, suppliers, and society). Company activities must be increasingly more transparent to educate and inform all stakeholder groups.
6. Marketing communication must focus on information of products and services rather than mere endorsement.
7. Marketing must promote the benefits for customers to use a product rather than to own a product. This leads to sustainable consumption as maintenance and service of a product is preferred over re-buy of a product from a sustainable viewpoint.
8. Marketing must be willing to change the market and adapt to new forms of markets for example the circular flow of products. It will require new types of market in which material flows become more circular through product take-back and recycling; where services are increasingly substituted for goods and alternative forms of production and consumption are created and rediscovered.

#### **Review of Literature**

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

Kilbourne, W.E. (1998) threw light on the failure of green marketing to move beyond the limitations of the prevailing paradigm. The author identifies 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. & Fitchett, J.A. (2000) opined that greater ecological enlightenment can be achieved through capitalism by using the characteristics of commodity culture to further progress environmental goals. Marketing not only has the potential to contribute to the organization 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) concluded a conceptual link among green marketing, environmental justice, and industrial ecology. He argued for greater awareness of environmental justice in the practice for green marketing.

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.

Donaldson (2005) in his study in the Great Britain initially concluded 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.

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.

Sharma, Y.(2011) has emphasized on the changing consumer behaviour towards the use of green products. It was suggested that companies desiring to embed sustainability have to reframe their strategies and must work on other aspects such as brand, R&D etc.

Shrikanth & Raju, (2012) opined that government regulations globally seem to be very strict about the issue of global warming, climate change and the safety of the environment; therefore companies are propelled to adopt green marketing strategies.

Yeng & Yazdanifard, (2015) focused on the benefits of green marketing by highlighting that adopting the green marketing strategy would be beneficial for the company, consumers and most importantly the environment.

Solaima et al.(2015) concluded that unlike conventional marketing, green marketing promoters have a key problem with conveying a clear message with environmental terms used in promotion of the products because they use terms such as recyclable, biodegradable and environmentally friendly. In many cases it leads to companies avoiding to promote green products because of the complexity in defining and documenting them, therefore, rather than investing more resources in promoting, they simply discontinue promoting green products

#### **Objectives of the Study**

The basic objectives of the study are:

1. To create awareness about Green Marketing.
2. To highlight the reasons for adoption of Green Marketing by firms.
3. To identify the challenges in Green Marketing.
4. To find out the ways of successful implementation of the concept of green marketing.

#### **Research Methodology**

The present study is based on secondary data which has been collected from a large number of sources like published books, articles, research papers published in different journals, periodicals, conference papers, magazines, newspaper etc.

#### **Proposed Hypotheses**

Based on the review of literature and above stated objectives of the study following hypotheses were proposed:

**H1**

In the future more and more consumers will prefer green products.

**H2**

Companies that sell green products will be able to sustain for a longer period of time in the market as compared to the non green product selling companies.

**H3**

Sustainable development will be possible only if all companies start marketing green products.

**Green Marketing: Meaning and Definition**

Green Marketing is the process of selling products and/or services on the basis of their environmental benefits. Such kind of a product or service may be environmentally friendly or produced and/or packaged in an environmentally friendly way.

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

Green Marketing involves creating and promoting products and services that satisfy customers want and need for Quality, Affordable Pricing, Performance and Convenience without having a unfavorable impact on the environment.

As per Pride and Ferrell (1993) Green marketing, also alternatively known as environmental marketing and sustainable marketing, refers to an organization's efforts at designing, promoting, pricing and distributing products that will not harm the environment.

**Benefits of Green Marketing**

1. It provides sustained long term growth along with profitability.
2. It saves money in the long run, though initially the cost is more.
3. It helps the companies in marketing their products and services keeping the environment aspects in view.
4. It helps in accessing the new markets and enjoying the competitive advantage.
5. Most of the employees also feel proud and responsible to be working for an environmentally responsible company.
6. Companies that develop new and improved products and services with environment inputs in mind give themselves access to new markets,
7. It also increase their profit sustainability, and
8. Enjoy competitive advantage over the companies which are not concerned for the environment.

**Green Marketing- Reasons for Adoption by the Firms**

There are basically four reasons for which firms are going for the adoption of green marketing. They are:

1. Corporate social responsibility (CSR)
2. Government pressure
3. Competitive pressure
4. Cost reduction

**Corporate Social Responsibility**

Several firms have started realizing that they are members of the wider community and therefore must behave in an environmentally responsible fashion. This leads to firms that believe they must achieve environmental objectives as well as profit related objectives which results in environmental issues being integrated into the firm's corporate culture. Firms in this position can take two perspectives:

1. They can use the fact that they are environmentally responsible as a marketing tool; or
2. They can become responsible without promoting this fact.

**Governmental Pressure**

Governmental regulations related to environmental marketing are designed to protect consumers in a number of ways:

1. Reduction of production of harmful goods or by-products;
2. Modification of consumer and industry's use and/or consumption of harmful goods; or
3. Ensuring that all types of consumers have the ability to appraise the environmental composition of goods.

These governmental regulations are intended to control the amount of hazardous wastes produced by firms. Many by-products of production are controlled through the issuing of various environmental licenses, therefore modifying organizational behavior. In some cases governments try to "persuade" final consumers to become more responsible.

**Competitive Pressure**

Another key force in the environmental marketing vicinity has been a firm's desire to maintain its competitive position. In many cases, firms observe competitors promoting their environmental behaviors and try to emulate this behavior. It is only in some cases that this competitive pressure causes an entire industry to modify and thus reduce its unfavorable environmental behavior.

**Cost Reduction**

Reduction of harmful waste may lead to considerable cost savings. Sometimes, many firms develop symbiotic relationship whereby the waste generated by one company is used by another as a cost-effective raw material. For example, the fly ash generated by thermal power plants, would otherwise contribute to an enormous quantum.

**Challenges in Green Marketing****Need for Standardization**

It is found that very less percentage 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 at present in place to certify a product as organic. Unless any regulatory body is 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**

The literate and urban consumer is getting more conscious 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 them asses and that will take a lot of time and effort.

**Patience and Perseverance**

The investors and corporate sector 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 instantaneous 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 main reason why consumers buy certain products in the first place. Motivating consumers to switch brands or even pay a premium for the greener alternative is essential. 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. Furthermore if the green products are priced very high then again it will lose its market acceptability.

**Some Other Challenges Ahead In Green Marketing Are**

1. Green products require renewable and recyclable material, which is costly
2. Requires a technology, which requires huge investment in R & D
3. Water treatment technology, which is too costly
4. Most of the people are not aware of green products and their benefits.
5. Majority of the consumers are not willing to pay a premium for green products.

**Suggestions**

There are some suggestions that an organizations should implement for catering challenges of green marketing and successful exploitation of green marketing. Those are:

1. Consumer needs to be made more conscious about the merits of Green products. It is yet a new concept for the masses. 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.
2. Consumers must be motivated to switch brands or even pay a premium for the greener option. Make sure that consumer feel that they can make a difference.
3. Further steps should be undertaken to control false promise and claim by the marketer to maintain legitimacy and trustworthiness of green products. 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.

4. For effective and resourceful implementation of this concept of Green Marketing the factor that plays a chief role is the Government. Unless the government creates explicit 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 universal 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. Thus leading brands should recognize that consumer expectations have changed.
5. 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. Today's consumers are becoming more and more conscious about the environment and are also becoming socially responsible. Therefore, more companies should become responsible to consumers' aspirations. Many companies want to have an early mover advantage as they have to ultimately move towards becoming green. Effective green marketing targeted at the right audience will make a difference.

**Conclusion**

The Environmental problems are growing rapidly. Industrial pollution, deforestation, soil erosion, rapid industrialization, land degradation and urbanization are all aggravating problems. Environmental pollution is one of the main problems facing humanity and other life forms on earth today. So it's the right time to implement Green Marketing. Green Marketing will make a radical change in the business and will save the world from pollution. Corporate sector should create the awareness among the consumers, regarding the benefits of green as compared to the non green ones. In green marketing, consumers are ready to pay more to maintain a cleaner and greener environment. Green marketers must find an opportunity to enhance the product's performance as well as strengthen the customer's loyalty.

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