



## **GREEN MARKETING: OPPORTUNITIES AND ISSUES**

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### **Abstract:**

*The paper focuses the definition and concepts of green marketing, briefly discuss marketing mix and opportunities of green marketing. It also focuses some of the issues with green marketing. In today's business world environmental issues plays an important role in marketing. All most all the governments around the world have concerned about green marketing activities that they have attempted to regulate them. There has been little attempt to academically examine environmental or green marketing.*

**Key Words:** Green Market, Eco-Friendly, Environmentally Safe & Sustainable.

**"Progress is Possible, No one can stop it, but Obstacle is there, we have to face it."**

**- Amartya Sen**

### **1. Introduction:**

Green marketing subsumes greening products as well as greening firms. In addition to manipulating the 4Ps (product, price, place and promotion) of the traditional marketing mix, it requires a careful understanding of public policy processes. A majority of people believe that green marketing refers solely to the promotion or advertising of products with environmental characteristics. Terms like Phosphate Free, Recyclable, Refillable, Ozone Friendly, and Environmentally Friendly are some of the things consumers most often associate with green marketing. While these terms are green marketing claims, in general green marketing is a much broader concept, one that can be applied to consumer goods, industrial goods and even services. For example, around the world there are resorts that are beginning to promote themselves as "ecotourist" facilities, i.e., facilities that "specialize" in experiencing nature or operating in a fashion that minimizes their environmental impact May (1991), Ingram and Durst (1989), Troumbis (1991).

### **Definition-A:**

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. Other similar terms used are **Environmental Marketing** and **Ecological Marketing**.

In view of growing importance of green marketing, an attempt is made in this paper to understand the concept of green marketing its importance and strategies required for its promotion. Keeping in view obstacles in its way.

### **2. Objectives of the Study:**

To introduce the definition and concepts of green marketing.

To discuss the need for green marketing in India from different perspectives.

To understand the strategy needed for successful green marketing.

To study the present scenario and opportunities of green marketing and

To study the issues faced by green marketers.

### **Marketing Mix-B:**

The first concept of 4Ps (product, price, place and promotion) was presented by Rasmussen, A. later further enhanced by McCarthy, J.E., finalized by Kotler, P. Marketing Mix concept was based on the some defined set of models, after 1960s when new 4Ps concept was introduced; it converted into a research field and established a theoretical ground Hakansson & Waluszewsk, (2005).

### **Product:**

A product must hold distinguished position in buying and selling process. The attributes of a product some time carrying opportunities, restriction and tension, product will always exposed and suggest some benefits for the consumer. Hakansson et al, (2005).

### **Price:**

Pricing is a critical element of the marketing mix. Most customers are prepared to pay a premium if there is a perception of additional product value. This value may be improved performance, function, design, visual appeal or taste. Environmental benefits are usually an added bonus 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 Lal B. Suresh, (2011a).

### **Place:**

Place is not a cost generator factor, it has many features that can create revenue and certain outcome. This element of the marketing mix is dealt how-to-handle-distance Hakansson, (2005).

### **Promotion:**

According to Hakansson et al., (2005) this element of marketing mix creates interaction with the consumers and makes the product position distinguished in the market.

### **Green Marketing Important-C:**

The question of why green marketing has increased in importance is quite simple and relies on the basic definition of Economics:

Economics is the study of how people try to use their limited resources to satisfy unlimited wants. McTaggart, Findlay and Parkin, (1992). Thus mankind has limited resources on the earth, with which it must attempt to provide for the worlds' unlimited wants Gore (1993).

### **3. Review of Literature:**

There are academic and non-academic studies on green marketing issues and green marketing has been an important academic research topic since it came. Prothero, A, (1998) introduces several 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.

Oyewole, P, (2001). In his paper presents a conceptual link among green marketing, environmental justice, and industrial ecology. It argues for greater awareness of environmental justice in the practice for green marketing. A research agenda is finally suggested to determine consumers' awareness of environmental justice, and their willingness to bear the costs associated with it.

Prothero, A & Fitchett, J.A, (2000) argue that greater ecological enlightenment can be secured through capitalism by using the characteristics of commodity culture to further progress environmental goals. Marketing not only has the potential to contribute to the establishment of more sustainable forms of society but, as a principal agent in the operation and proliferation of commodity discourse, also has a considerable responsibility to do so.

Kilbourne, W.E, (1998) discusses 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.

Karna, J., Hansen, E. & Juslin, H, (2003) interpret 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 hypothesised according to the model of environmental marketing used to guide this study.

Ottman, (1996) 80 percent people believe that protecting the environment will require major changes in current life-styles and Osterhus, (1997) 75 percent people consider themselves to be environmentalists. Phillips, (1999) not surprisingly then, some scholars believe that consumers are willing to pay premiums for green products because consumers often prioritize green attributes over traditional product attributes such as price and quality: 50 percent of Americans claim to look for environmental labels and to switch brands based on environment-friendliness.

Fuller, (1999) has suggested that consumer's purchase decisions help the marketers to design the marketing mix to achieve the target of sustainability and provide the criteria that the product system must be "compatible with ecosystems". And further stated that "Customers must learn to base their purchase decision not only on how well products satisfy individual needs but also on how these products affect the natural environment".

#### **4. Opportunities of Green Marketing:**

As demands change, many firms see these changes as an opportunity to be exploited and have a competitive advantage over firms marketing non-environmentally responsible alternatives. Some examples of firms who have strived to become more environmentally responsible, in an attempt to better satisfy their consumer needs are:

- **Social Responsibility:** Many firms are beginning to realize that they are members of the wider community and therefore must behave in an environmentally responsible fashion thus resulting in environmental issues being integrated into the firm's corporate culture. An example of a firm that does not promote its environmental initiatives is Coca-Cola which invested large sums of money in various recycling activities, as well as having modified their packaging to minimize its environmental impact.
- **Governmental Pressure:** Governmental rules relating to environmental marketing are designed to protect consumers through regulations designed to control the amount of hazardous wastes produced by firms by issuing of various environmental licenses, thus modifying organizational behavior.
- **Competitive Pressure:** Another major force in the environmental marketing area has been firms' desire to maintain their competitive position. In many cases firms observe competitors promoting their environmental behaviors and attempt to

emulate this behavior. In some instances this competitive pressure has caused an entire industry to modify and thus reduce its detrimental environmental behavior.

- **Cost or Profit Issues:** Disposing of environmentally harmful by-products, such as polychlorinated biphenyl (PCB) contaminated oil are becoming increasingly costly and in some cases difficult. In minimizing wastes, firms often develop more effective production processes that reduce the need for some raw materials thus serving as a double cost savings.
- **Green Code:** Generalize with care. Consumer behavior will not necessarily be consistent across different product types, and particular market segments may respond to certain issues on the green agenda but not others.
  1. Remember, the validity of a piece of market research is not related to the degree to which it supports your preferred option.
  2. Explore the context from which market research data originates. Be clear on the nature of the sample used, the questions asked, the way in which responses were recorded and the time and place from which the responses come.
  3. Ensure that where market research is crossing international borderlines, that the terminology and interpretation remains consistent. Terms like 'environment', 'green' and 'conservation' do not always translate precisely between languages Polonsky (1995).

#### **Opting the Right Green Marketing Strategy:**

Green marketing has not lived up to the hopes and dreams of many managers and activists. Although public opinion polls consistently show that consumers would prefer to choose a green product over one that is less friendly to the environment when all other things are equal, those "other things" are rarely equal in the minds of consumers. And hopes for green products also have been hurt by the perception that such products are of lower quality or don't really deliver on their environmental promises. Yet the news isn't all bad, as the growing number of people willing to pay a premium for green products from organic foods to energy-efficient appliances attests.

How, then, should companies handle the dilemmas associated with green marketing. They must always keep in mind that consumers are unlikely to compromise on traditional product attributes, such as convenience, availability, price, quality and performance. Since there is no single green-marketing strategy that is right for every company experts suggest that companies should follow one of four strategies, depending on market and competitive conditions, from the relatively passive and silent "lean green" approach to the more aggressive and visible "extreme green" approach with "defensive green" and "shaded green" in between. Managers who understand these strategies and the underlying reasoning behind them will be better prepared to help their companies benefit from an environmentally friendly approach to marketing Lal B. Suresh, (2013).

#### **5. Issues of Green Marketing:**

1. The firms using green marketing must ensure that their activities are not misleading to consumers or industry, and do not breach any of the regulations or laws dealing with environmental marketing.
2. 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.
3. 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.

4. The investors and corporate companies 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. The corporate should not expect huge benefit for implementing Green Marketing immediately.
5. Green marketing is focusing on customer benefits i.e. the primary reason why consumers buy certain products in the first place. If the green products are priced very high then again it will lose its market acceptability Lal B. Suresh, (2010).

#### **6. Conclusions:**

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. You must find an opportunity to enhance your product's performance and strengthen your customer's loyalty and command a higher price. Green marketing is still in its infancy and a lot of research is to be done on green marketing to fully explore its potential. Final consumers and industrial buyers also have the ability to pressure organizations to integrate the environment into their corporate culture and thus ensure all organizations minimize the detrimental environmental impact of their activities. Thus green marketing should look at minimizing environmental harm, not necessarily eliminating it.

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