

“A CONCEPTUAL FRAMEWORK OF GREEN MARKETING- CHALLENGES AND OPPORTUNITIES”

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Abstract:

The research is focused on highlighting the concept of Green Marketing and challenges and opportunities ahead. Green marketing is not a new concept but has gained rapid attention now a days with the fact that customers and corporates have developed sense and awareness about environment and its sustainability. Customers are favoring the products and promotion that is ethical and environment friendly, hence they are moving towards organic concept. The review indicates that individuals and organizations can benefit from green marketing strategies and at the same time protect the environment to achieve sustainable development. The weaknesses and the future of green marketing as a discipline and future directions for researchers are also reviewed.

Key Words: *Green Marketing, Ecological Marketing, Environmental Marketing, Sustainable Marketing and Sustainable Development.*

INTRODUCTION

Green marketing is the marketing practice of products and activities that are environmental and ecologically friendly and contribute to their sustainability. Environment refers to the surroundings in which organisms' inhabitant while ecology refers to the interaction between various organic and inorganic component of system and subsystem. Marketing is a holistic approach to provide and meet the needs of society. But with the advent of technology and varied need this environment got polluted. Even air, water soil and morality also not remain untouched with this pollution. Sustainability refers to the responsibility to interact with the environment to avoid depletion and degradation of natural resources and allow for long term environmental sustainability is the capacity to endure how biological system remains diverse and productive indefinitely. The task of marketing is to identify the changes in the consumer behavior and respond to accordingly. Now a day's consumers are more aware about concern for environment and hence the role of marketing is to be more inclined towards offering such products which are environment friendly and should be ethically advertised. Recent example can be seen in Indian consumer that they have shown less interest towards such firework during Deepawali festival that causes environment hazards. Consumers are more inclined towards organic farming and reducing farm that uses fertilizers causing harm to environment. Public Private Partnership (PPP)

are also showing concern for green marketing, Global warming, water contamination, Rain water harvesting and many more.

Common characteristics of product generally treated as green are as follows

- Renewable
- Biodegradable
- Energy Efficient
- Water Efficient
- Recyclable
- Low Emitted
- Third Party Certified

Many consumer electronic producing companies are selling by projecting star rating for the energy usages. Products are being advertised that uses less water for their production. Phillips is marketing its compact florescent light as “Marathon” highlighting its super long life and energy saving.

Many regulatory bodies and acts are set to ensure environmental safety and protection, some of which include, CERCLA (Comprehensive environmental Respond Compensation liability Act), FIFRA (Federal Insecticide, Fungicide and Rodenticide Act), Clean Water Act, GHS (Globally Harmonized System of Classification and labeling of Chemicals). FFDCA (Federal food, Drug and Cosmetic Act, OSHA (Occupational Safety and health Act), TSCA (Toxic Substance Control Act), HMTA (the Hazardous Material Transportation Act), Clean Air Act,

One of the most prominent social concerns is the determination of the level of a firm’s ecological sensitivity. Ecological issues such as environmental pollution, global warming, toxic waste disposal, resource depletion, and landfill management are items of public as well as legislative concern which have prompted organizations to incorporate values into their system of corporate heuristics. These issues are of increasing importance to the global community

LITERATURE REVIEW:

The first book titled Ecological Marketing was the outcome of first workshop on “Ecological Marketing”, held by American Marketing Association in 1975. Henion and Kinnear (1976) defined green consumers as environmentally conscious consumers while Antil (1984) described green consumerism as a specific type of conscious consumers that are environmentally aware. Environment marketing can be an opportunity to meet the organizational objective (Keller 1987, Shearer 1990). Consumers behavior is associated with the experiences and past knowledge they possess (Davidson et.al 1985). Green Gauge study of Roper Organization classified the American consumers onto True-Blue Greens, Greenback Greens, Sprouts, Grouchers and Basic Browns (Crispell, 2001). According to M. J. Polonsky and P. J. Rosenberger (2011),

environmental marketing, more popularly known as green marketing or sustainable marketing is an effort by a company to design, promote, price and distribute products in a manner which promotes environmental protection. Vernekar and Wadhwa (2011) define the green consumer as a person “who adopts environmentally-friendly behaviors, and/or who purchases green products over the standard alternatives”

RATIONALE OF THE STUDY

With the awareness and concern for the environment and ecology consumers are more inclined towards environment friendly products such as organic farms. So marketers felt need to offer green products.

OBJECTIVES

The objective of the study is to explore the following

1. To find out the need of green marketing
2. Challenges in green marketing
3. Opportunities in green marketing

RESEARCH METHODOLOGY:

The research is exploratory in nature. Data is collected through secondary sources by referring various research papers, articles, bulletins, daily and weekly magazines.

DISCUSSION:

Need and challenges of green marketing is a manifold issue. Some of them are as

- a) **Environmental issue:** Human beings and others living organism derive their basic needs from natural sources such as air, water, soil. The uncontrolled exploitation of these resources including minerals, fossil fuels, machinery led to the pollution of the environment. The excavation of mines led to soil erosion, deforestation causes soil depletion, factory effluent causing water pollution and air pollution. Most of natural disaster are the outcome of these uncontrolled activities.
- b) **Social issues:** People living in the Asian nations were found to be more concerned with problems when compared to their counterparts from other Western nations. One reason for this is that the Asian community tends to perceive their local communities in a negative manner than their Western or European counterparts. In India Prime Minister started the mission of “Clean India Green India”. In a recent study by Moser and Uzzell (2003) revealed the way the mass media interprets the pollution levels affect the audiences. A study by (Bord and O’Connor, 1997) revealed that women were more perceptible to the risks involved in global warming and other related hazardous wastes when compared to the males.
- c) **Economical issues:** A key issues for marketers is to understand whether consumers view firm/product greening as motivating factors (their presence induces consumers to

purchase a given product; preference for a product is an increasing function of the greening level). A study by Ottman, (1996) revealed that 33% of adults claimed to have avoided buying products, at least occasionally, from companies with poor environmental records. In order to win the trust of external institutions, firms could have a compelling rationale to green their products/policies and to provide adequate and verifiable information to consumers on these subjects

CHALLENGES IN GREEN MARKETING

- i. Green marketing strategies are expensive and difficult to implement in the short run
- ii. The benefits are very intangible and may not be quantified or felt by the consumers
- iii. The promotional strategies may subjected to manipulation and data can be mutilated For example some marketers use false environmental claims in order to gain competitive advantage.
- iv. The aggregation of general public, employees, retailers, government, environmental groups, and suppliers is needed but any group can derail the exercise.
- v. The costs benefited through recycling are debatable. The companies have to adopt new technology and invest a lot of money on R&D activities as they have to integrate appropriate green strategies into their product development processes. Water treatment establishment incurs heavy cost that have to bear by the company thus increases cost to the companies.

The companies have to use renewable and recyclable materials to produce their „green“ products. These recycled materials sometime does not fit into quality process and require cost for up gradation. Adoption of new technology requires meeting the time, geography, culture, political and social issues as well. Many people may not be aware of such products and their uses. So the companies must undertake appropriate promotional strategies and must also ensure that their products are available in the markets. The consumers may not willing to pay a premium price for these products. So the companies must try to offer products with added value to the consumers, in order to satisfy them.

OPPORTUNITIES IN GREEN MARKETING:

- i. Product modification: There is a wide approach of doing experimentation with product to be environment friendly for e.g, more fuel efficient vehicle or use renewable energy sources like solar energy or wind energy
- ii. Marketing channel modification: Companies may use direct image building through online marketing by projecting the USP of green and environmental friendly products.
- iii. Branding: Corporate image plays an important role in developing goodwill and good customer relationship by imbibing the concern for environment. This branding of ensuring a safe future for the coming generations create a strong branding for the corporates.

- iv. *Cost to company:* Although it may appear that green marketing incurs advertisement budget and increased cost but in long term the companies will be benefitted with enhanced subsidies by government and increased demand from customers

CONCLUSION

Green marketing is a tool for protecting the environment for the future generation. It has a positive impact on environmental safety. Because of the growing concern of environmental protection, there is an emergence of a new market which is the green market. For companies to survive in this market, they need to go green in all aspects of their business. Consumers want to identify themselves with companies that are green compliant and are willing to pay a premium for a greener life style.

Green marketing offers a lot of benefits as follows

- i. *Profitability:* Green based products create less waste, use fewer raw materials, and save energy.
- ii. *Competitive advantage:* Companies that are first to put their environmental innovation on the shelf enjoy competitive advantage.
- iii. *Increased market share:* Although market share may be low initially but with the enhanced customer education there is immense possibility of increasing market share.
- iv. *Better products:* Green based products are higher in quality in terms of energy saving, performance, convenience, safety, etc.

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