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Green Marketing- Challenges and Opportunities

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Abstract:

In current Scenario, protecting the environment became the biggest need of the time. Customers are also become aware about the environmental issues, which are influencing their lives. Hence, there has been a change in customers' attitudes towards a green lifestyle, or environment friendly life. Organization and business however have been this change in consumers' attitude and they are trying their best to gain verge in the competitive market by enhancing potential green market industry. Green marketing is a phenomenon which has developed particular important in the modern concept in India as in other parts of the developing and developed world, and is seen as an important strategy of attaining sustainable development. This research study, main focus has been given on concept, need and importance of Green marketing. Data has collected from multiple sources- books, journals, websites and news papers. This paper describes the current challenges and opportunities businesses have with green marketing aspects. It also explores the main issue in adoption of green marketing practices. This study concludes that, the importance of green marketing is continuously growing in India.

Introduction:

According to the American Marketing Association, Green Marketing is the marketing of the 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. Hence, environmental problems and environment is one of the reasons why the green marketing emerged. Green marketing refers to holistic marketing concept wherein the product, marketing activities, consumption and disposal of product and services happens in a manner that is less injurious to the environment with growing awareness about the environmental issues like- Global warming, harmful impact of pollutants etc. As per 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 their needs and wants occur with minimal detrimental input on the national environment". Green marketing is also called environmental marketing or ecological marketing. As resources are limited and human wants are unlimited. Therefore, it is important for marketers to utilize the available resources in proper manner with proper knowledge of environmental aspects.

Evolution of Green marketing:

Green marketing term was first discussed in a seminar on "Ecological Marketing" organized by American Marketing Association (AMA) in 1975 and took its place in the literature. The term green marketing came into prominence in the late 1980s and early 1990s. According to Peattie (2001), the evolution of green marketing has three phases.

- a) **Ecological** green marketing, and during this period all marketing activities were concerned to help environmental problems and provide remedies for environmental problems.
- b) **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.
- c) **Sustainable** green marketing. It came into prominence in the late 1990s and early 2000 concerned with developing good quality products which can meet consumers need by focusing on the quality, performance, pricing and convenience in an environment friendly way.

Objective of the study:

This research paper entitled “Green Marketing- Challenges and opportunities” is having following objectives-

- 1. To know the concept of Green marketing.
- 2. To know the importance and need of green marketing.
- 3. To study the challenges and opportunities of green marketing.

Research Methodology:

This research is exploratory in nature; it focuses on literature review, news papers, Journals, websites and other reliable sources.

What is Green Marketing?

“The marketing or promotion of a product based on its environmental performance or an improvement thereof”. (Charter & Polonsky 1999)

“The holistic management process responsible for identifying, anticipating and satisfying the requirements of customers and society, in a profitable and sustainable way” (Peattie, 1995)

Golden Rules of Green Marketing:

- 1. Know your customer
- 2. Educating your customer
- 3. Being Genuine and transparent
- 4. Reassure the buyer
- 5. Consider your pricing

Four Ps of Green Marketing:

- 1. Product
- 2. Price
- 3. Place
- 4. Promotion

Countries ranked according to their response level on Green marketing

Rank	Countries
1	India
2	UK
3	US
4	Thailand
5	Australia
6	Canada
7	China

Source: Namex International Journal of Management Research

Importance of Green Marketing:

Green marketing offers business a wide range of growth possibilities. Green marketing also saves money and production cost with modified production processes. E.g. the cost of installing solar energy is an investment in future energy cost savings.

Basically, Green marketing concern with three aspects-

- a) Promotion of production and consumption of pure quality products
- b) Fair and just dealing with customers and societies
- c) Protection of ecological environment

Impact of Green marketing:

Green marketing affects positively on the health of the peoples and ecological environment. We can witness following impacts of green marketing-

1. Reducing plastic and plastic based products
2. Increased consumption of herbal products instead of processed products
3. Increased use of herbal medicine, natural therapy and yoga.
4. Increased use of organic farming
5. Worldwide efforts to recycle waste of consumer and industrial products
6. Healthy social life.

Why firms adopting Green marketing?

Green marketing has been widely adopted by firms worldwide and the following are the possible reasons cited for this adoption-

1. **Opportunities**- As demand is always changing for the product and consumers' preferences are ever changing. So it is important for the firm to grab this opportunities as early as possible before the rivals firm. Many firms are attempting green marketing strategies to better satisfaction of their customers. In India, peoples are becoming aware about the natural product and their attitude has been changed for adoption of green product which is positive sign for green India. E.g. Patanjali products are widely accepted in India. In India, around 25% of the consumers prefer environment friendly products, and around 28% may be considered health conscious. Therefore, green marketer has diversified to fairly sizeable segment of consumers to cater services.
2. **Social responsibility**- Many firms are beginning to realize that they are members of the society therefore they must behave in an environmentally responsible sense. This inculcate into firm to believe in environmental objectives and succeed accordingly.
3. **Government pressure**- various regulations are framed by the government to protect consumers and the society. Indian government has also developed a framework of legislations to reduce the production of harmful goods and by-products. E.g. ban on plastic bags, prohibition of smoking in public areas etc.
4. **Competitive pressure**- Another major force in the environmental marketing area has been firm's desire to maintain their competitive position. In many cases firms observe competitors promoting their environmental behaviors and adopt strategies which enhance their competitive strength.
5. **Cost reduction**: Reduction of harmful waste *may* lead to substantial cost savings.

Challenges for Green marketing:

Although a large number of firms are practicing on green marketing, but it hard task to implementing green marketing. The green marketing facing following challenges-

1. **New concept**- Now days, consumers became more aware about green and natural product. But still it is new concept for the society. Therefore, consumers should be educated and encouraged to be aware for environmental issues.
2. **Sustainability**- the profit margin associated with natural or green products are low in nature. But green marketing will be successful in long range future. Hence, business firms' needs to plan for long term rather than short term strategy and prepare for the same, at the same time it should avoid unethical practices.
3. **Motivation to customer**- firm should adopt such strategies which motivates the customers to use green products. And their view should be enlarged for adopting natural products. So it is the responsibility of business firm to adopt such strategies which can encourage people for green products.
4. **Encouraging stakeholders**- firm should encourage stakeholders by adopting appropriate strategies which raise their interest in environmental friendly product.
5. **Cost factor**- Green marketing involves marketing of green products or services, green technology, green energy for which lot of money has to be spent on R & D programmes for their development and for promotional programs which ultimately lead to high cost.

Suggestions:

Green marketing is still in its primitive and a lot of research is to be done on green marketing to explore its potential. There are some suggestions that an organizations should implement for successful green marketing-

1. Consumers are expected to be aware about the benefits of green marketing
2. Green marketing campaign and green marketing advertising should be adopted for public awareness.
3. Green marketing awareness programmes should be conducted by government for public welfare.
4. Marketer should not aim at only profiteering but he should contribute to meet out his social obligations also.
5. Every Organization and individuals should prefer eco-friendly products.

Conclusion:

Green marketing is a tool for protecting the environment for future generation. Green marketing is hard task; hence business should plan and carry out research to find out how feasible it is going to be. Green marketing will accept globally. Green marketing is essential to save world from pollution, if all nations will make strict roles for protecting environment. Green marketing approach has an environmental and social dimension to it. With the threat of global warming looming large, it is extremely important to focus on green marketing which will help in long run to protect environment and offering safe life to human beings.

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