

# AN ANALYSIS OF IMPACT OF GREEN MARKETING ON ENVIRONMENT

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## ABSTRACT

The market for green products is generally considered to be both established and expanding. One example in the food sector is that the world market for ecological food products has an annual increase in sales of 20%. This may seem impressive, indicating great interest on the parts of industry and consumers in products that will do less harm to the environment. The present era of industrialization and globalization has not only added a lot of comfort and luxury to human life but has also led to an alarming situation of huge environmental degradation owing to all the involved activities. Today, the entire world is witnessing the environmental problems and its impacts in their day to day businesses. Not only the business firms have realized the importance of the environment but more than that an immense awareness is seen among the consumers and general public for the same. Due to all these reasons, the business organizations have started modifying their activities and strategies to ensure protection to our natural resources and environment. This paper focuses on the concept of green marketing. The paper tries to explain why green marketing is needed in today's scenario and what are the challenges that must be met by the organizations undertaking green marketing. The present paper points out how green marketing has impacted on our environment. It also highlights the problems and challenges in green marketing.

**Keywords:** *Green marketing, Green products, Challenges and impact of Green Marketing.*

## 1. INTRODUCTION

Business houses have turned into huge conglomerates being managed by professional managers who may or may not be controller of capital. This resulted into change in the focus of the entrepreneur and the managers and the objective became more profit oriented and organizations saw a complete denouncement to the philanthropic practices of running the business organizations.

Carbon emissions have become a huge issue and environment friendly ways to deal with non-bio-degradable waste has become an issue of major social concern. Conserving the environment has become an issue of concern to environmentalists as we need to leave a cleaner and better land for the generations to live. UN initiative created "The Kyoto Protocol which is an international treaty which extends the 1992 United Nations Framework Convention on Climate Change (UNFCCC) that commits State Parties to reduce greenhouse gas emissions, based on the premise that (a) global warming exists and (b) human-made CO<sub>2</sub> emissions have caused it.

Efficient handling of the non-bio-degradable waste has become the necessity of the day and is only possible to be achieved through "Reduce, Reuse and Recycle". Over the period business manager realized that this is not only social friendly but also yields economic benefit to the shareholders as the cost of use of virgin material is way higher and is a huge tax on the society.

The world's economy is developing rapidly and as a result of that the global environment is being heavily impacted. Environmental degradation and deterioration are both alarming situations in today's era. Protecting environment, creating a safe living environment has become one of the most important concerns. The aim of Green marketing is to promote environmentally friendly products and create a safe environment. Thus, green marketing has become a phenomenon throughout the world as increasing concerns towards the environment and sustainability have begun to rise in the past few decades. There is a large increase in number of people trying to shift to greener brands and environmentally friendly and safe products.

Arising concerns have therefore lead the marketers to rethink about their companies' strategical paths. These days the customers have become more vigilant and aware about the environmental issues. Therefore, in order to please the customers and to be socially responsible companies have now shifted their focus on sustainability. The book "the green marketing manifesto" by John Grant also supports the study conducted by the scientist that if adequate measures are not taken to protect the environment that it may result in some ugly scenarios and would make the survival even more difficult.

The most suitable business objective is to accomplish the economic activity in socially acceptable, legal sustainable and ethically verifiable way.

## 2. NEED FOR GREEN MARKETING

The biggest challenge for the companies now a day is to retain its customers along with acting in accordance with the socially desirable techniques and methods. The absence of green marketing techniques may cost heavily not only on the market share but would also hamper the company's reputation in the society.

According to Ken Peattie and Martin Charter (the marketing book) green marketing can be summarized as "A holistic and responsible strategic management process that identifies, anticipates, satisfies and fulfils stakeholder needs, for a reasonable reward, that does not adversely affect human or natural environmental well-being". In the present scenario where technology has taken a new shape it has become utmost important for businesses to urgently implement green marketing. The development of new techniques and approaches of dealing with pollution, improved resources and energy efficiency, growing consumer and community interests in green products and governmental interventions have made green marketing implementation important.

Green marketing helps in expanding the market share by targeting environment friendly consumers. This helps in increasing the sales and profitability of the company by enhancing its public image. It has been observed that growing government regulations and interventions globally has made it very difficult for non-green products to survive in the market. Therefore the companies should act in advance before it might become too late to for survival.

In present times, the consumers have become more vigilant and informed about their choices. The consumers now understand the merits and impact of green products that it has on them the society and the environment as a whole. In India near about 25 percent of the consumers prefer greener products and around 28 percent consumers are health conscious. It may be noted that this percentage is growing many folds day by day. Therefore the marketers have quite a substantial market to cater to.

### 3. CHALLENGES IN GREEN MARKETING

The concept of going green may sound intriguing however there are a lot of problems and challenges a firm has to face before adopting green marketing. The firms using the concept if green marketing must ensure that none of the activity that they are involved in should mislead the consumers or industry in any kind. It must ensure that the government regulations are followed without any breach. The companies must clearly state the environmental benefits, characteristics and negative factors taken into consideration.

Some of the challenges of green marketing are discussed below-

#### 3.1 Standardization:

It has been observed that only 5% of the marketing messages from “Green” campaigns are true and therefore there is a lack of standardization to completely authenticate these claims. There is a need for some regulatory body which can provide a standard for quality control, authentication, licensing and labelling of these products.

#### 3.2 New Concept:

Even though it has been observed that the consumers are slowly shifting towards the concept of green products, it is still a new concept for the majority of people. Thus it has become important on the part of the marketers to educate the consumers about the environmental issues and problems and how important it has become globally that green products should be adapted. The companies and investors must ensure that if they want to sell a greener product they must know their customers. They should make adequate efforts to educate the customers about what environmental issues are being targeted and how the greener product overcomes those issues substantially.

#### 3.3 Patience and Perseverance:

For any shift in the strategic path, the companies and investors must realize that the concept of green marketing is not a short term investment. It is rather a long term opportunity and therefore lot of time and efforts are required to make the shift. Initially the profits are very low since renewable and recyclable products and green technologies are very expensive. Therefore the planning should be done for long term rather than short term. The business should avoid getting involved in unethical practices to make profits in the short run.

#### 3.4 Consider Your Pricing:

The pricing of the product is of utmost importance since the customers must be able to feel the worth of the product and can afford it. It must be ensured that the target audience and product specifications are designed in such a way that it can cater to a larger segment.

#### 3.5 Cost:

One of the major challenges of adopting green marketing is that it involves lot of investment in terms of green technology, green power energy and therefore a lot of money has to be spent on research and development. This hugely affects the cost structure of the company.

#### 3.6 Avoiding Green Myopia:

Green myopia is again a very major challenge in green marketing. The very first rule of green marketing is to maintain its focus on customer benefits. It is important to understand the primary reasons behind the buying intentions and behavior of the customers. Green marketing myopia occurs when green products are unable to provide substantive

environmental benefits. The biggest reason why consumers don't want to buy green products is that they feel that using green products requires a lot of sacrifices and causes inconvenience. Also green products have higher cost and low performance without having any significant advantage to the environment.

The companies should empower the consumers, that is it should be able to make consumers feel and believe that their product choices and preferences could actually make a difference. The customers and consumers should be made to believe that adopting green products will not reduce the amount of satisfaction that they derive from the product. Also, in the name of environment friendly products the quality of the product will not be sacrificed.

#### 4. IMPACT OF GREEN MARKETING

Green marketing offers business bottom line incentives and top line growth. While modification in the business processes and strategies may lead to higher startup cost, it will however yield greater returns in the long run. The companies that are involved in developing new and improved products and services keeping in mind their environmental impact give themselves an opportunity to access larger market, improve profits substantially and competitive advantage.

The impact of green marketing can be summarized as:

- It has been observed that there is a shift in the consumption pattern of the customers. People are insisting more towards pure products produced through organic farming techniques.
- There is a substantial fall in the usage of plastics and plastic-based products.
- Increased consumption of herbal products instead of processed products.
- Customers have become more aware and have narrowed down the usage of plastic and polythene bags.
- Increasing use of bio-fertilizers instead of chemical fertilizers and minimum use of pesticides.
- Aggressive efforts are being made to recycle industrial and consumer wastes.
- Strict laws and regulations have been formulated to protect forests, flora and fauna, protection of the sea, lakes and rivers from pollutions.
- Restrictions on production and usage of weapons, atomic tests and many other that are harmful to the environment. Provisions have been formulated by several countries for the protection and maintenance of ecological balance.
- More emphasis has been laid on environmental and social accountability of producers.
- Strict norms have been imposed for pollution control. Consideration of pollution control efforts and eco-technology in awarding IS, ISO 9000, or ISO 14000 certificates and other awards.
- 5<sup>th</sup> June has been declared as the World Environment Day.
- Establishing several national and international agencies to monitor efforts and activities of business firms in relation to pollution control and production of eco-friendly products.

## 5. GREEN MARKETING – SUGGESTIONS FOR MAKING IT A GREATER SUCCESS

To make the concept of green marketing a greater success following measures should be undertaken –

- Top management must ensure its full support to the philosophy and concept of green marketing since it requires lot of time and efforts to gain long term benefits.
- The Organization must ensure that it motivates its employees to stay committed to the concept and think as environmentalist. The employees must be educated about the benefits of green product and how their contribution can make a difference. A separate think tank can be developed for working towards the development and generation of ideas for greener products.
- The companies involved in green washing should be punished. Greenwashing has manifested itself on a greater scale. This arising phenomenon occurs when companies make misleading or inaccurate statements about their products. Companies claim that their products are environmentally friendly and or ethically conscious when the fact is that it is not true. They enhance the value of their product while misleading consumers (Lane 2013).
- The concept of zero waste should be brought into light. The manufacturers should try to develop policies under which they should buyback the used products for recycling and reusability.
- A large amount of waste is generated due to the packaging Of goods. Over packaging or harmful packaging should be avoided and proper channels should be developed to collect such waste.

## 6. CONCLUSION

Environmental issues are a great concern globally. The rapid growth of population, increasing economic development and growth of industries has put a lot of pressure on the environment and natural resources globally. Negligence on the part of the manufacturers', customers and consumers have led to serious issues such as soil erosion, land degradation, industrial pollution, ozone layer depletion etc. At the same time it is important for marketers to understand the growing need of environmentally safe products.

It can be said that the right time has come for the implementation of the concept of "green marketing" globally. Implementation of green marketing will definitely be a greater challenge for all the marketers since it is fairly a new concept and educating the consumers requires lot of time and patience. The marketers also need to emphasize on the cost and pricing of the products. The products should be priced in such a way that the customers can afford them. The marketers must take effective measures to ensure that the products are able to deliver the benefits to the consumer as that is the top most purpose for which customers buys them. It must be ensured that customers' satisfaction is in no way sacrificed.

Global implementation would require a lot of intervention by governmental bodies through strict laws and regulations in order to save the world from pollution and hazardous activities. With the threat of global warming looming large, it has become extremely important that green marketing is not treated as an exception rather as a norm. Recycling of paper, plastics, metals etc., in a safe and environmentally harmless manner should become more systematized and universal. Environmental friendly, energy efficient and safe goods should become the composition of the market.

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