

## PROBLEMS & PROSPECTS OF GREEN MARKETING

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### *Abstract*

*Green marketing is used for environment friendly products that are green like low power consuming electrical appliances, organic foods, lead free paints, recyclable paper, and phosphate free detergents. Companies are finding that consumers are willing to pay more for a green product. Green marketing in a broader sense is corporate social responsibility because it helps business to become a socially responsible as well. Such a product or service may be environmentally friendly in itself or produced and/or packaged in an environmentally friendly way. It is the concept of marketing products and services based on environmental factors or awareness. Companies involved in green marketing make decisions relating to the entire process of the company's products, such as methods of processing, packaging and distribution. This paper throws light on review of green marketing practices and principles. 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.*

**Keywords:** *Problems of Green Marketing, Prospects of Green Marketing, Green Marketing, Green Sales Channels*

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### **Introduction**

American Marketing Association (2007) defined green marketing concept as the development and marketing of products designed in a manner that is sensitive or responsive to ecological concern. Although environmental issues influence all human activities, few academic disciplines have integrated green issues into their literature. As society becomes more concerned with the natural environment, businesses have begun to modify their behaviour in an attempt to address society's "new" concerns. Some businesses have been quick to accept concepts like environmental management systems and waste minimization, and have integrated

environmental issues into all organizational activities. One business area where environmental issues have received a great deal of discussion in the popular and professional press is marketing. Terms like "Green Marketing" and "Environmental Marketing" appear frequently in the popular press. Many governments around the world have become so concerned about green marketing activities that they have attempted to regulate them.

Green marketing is the marketing of products that are presumed to be environmentally preferable to others. Thus, green marketing incorporates a broad range of activities, including product modification, changes to the production

process, sustainable packaging, as well as modifying advertising. Green marketing refers to the process of selling products and/or services based on their environmental benefits.

Green marketing is used for environment friendly products that are green like low power consuming electrical appliances, organic foods, lead free paints, recyclable paper, and phosphate free detergents. Companies are finding that consumers are willing to pay more for a green product. Green marketing in a broader sense is corporate social responsibility because it helps business to become a socially responsible as well. Today's consumers become more aware about to make their surroundings safer and healthier to live in. So, they become more conscious about their purchasing in respect with all the products that they are use in their day to day life. That is why they prefer that type of products that are eco-friendly and not harmful for global environment any way. There are many industries who are now become more conscious about to be environmentally safe and eco-friendly with respect to their products and products utility (in case of technically sound products) and the reason for going to be green of the industries are, by doing this they are helping to make the world more Greener and safer for future and up to some extent they are delivering their CSR (Corporate Social Responsibility) by producing Green products for welfare of the environment and the for the customers as a whole. 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. The term Green Marketing came into prominence in the late 1980s and early 1990s.

## Definitions

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. The concept of green marketing is the business practice that considers consumers concerns with regards to preservation and conservation of the natural environment (Coddington, 1993). Green marketing that has been previously and primarily focused on the ecological context has been shifted to more sustainability issues in the marketing efforts and focus now is in socio-economic and environmental context. Whereas, green market is identified as a part of market segments based on the greenness of the consumer (Charter et al., 2002; Simintiras et al., 1994). Therefore, green marketing is now dealing with fair trade of socio-economic benefits as well as environmental responsibilities through the green business. According to the American Marketing Association, green marketing is the marketing of products that are presumed to be environmentally safe.

## Characteristics of Green Marketing

For most people, Green Marketing is not only about using Marketing Mix with a smaller impact on the environment. Green marketing is also about following corporate social responsibility practices. In different research conducted in India High level of awareness about green marketing practices was found among the Indian consumers. However, this is not widespread and is still evolving. The products those are manufactured through green technology and that caused no environmental hazards are called green products. Promotion of green technology and green products is necessary for conservation of natural

resources and sustainable development. We can define green products by following measures:

- Products those are originally grown
- Products those are recyclable, reusable and biodegradable
- Products with natural ingredients
- Products containing recycled contents, non-toxic chemical
- Products contents under approved chemical
- Products that do not harm or pollute the environment
- Products that will not be tested on animals
- Products that have eco-friendly packaging i.e. reusable, refillable containers etc.

### Significance of Green Marketing

Governments of different countries has established various rules & regulations to limit the amount of solid & hazardous wastes produced by firms. The Indian government too has imposed a framework of legislations to reduce the production of harmful goods and by-products. For example, the issuing of various environmental licenses, voluntary curb-side recycling programs, the ban of plastic bags, prohibition of smoking in public areas, etc. Green marketing offers business bottom line incentives and top line growth possibilities. While modification of business or production processes may involve start-up costs, it will save money in the long term. For example, the cost of installing solar energy is an investment in future energy cost savings. Companies that develop new and improved products and services with environmental impacts in mind give themselves access to new markets, substantially increase profits and enjoy competitive advantages over those marketing non-environmentally responsible alternatives. Issues like Global warming and depletion of ozone umbrella are the main for the healthy survival. Every

person rich or poor would be interested in quality life with full of health and vigor and so would the corporate class. Financial gain and economic profit is the main aim of any corporate business. But harm to environment cost by sustain business across the globe is realized now though off late. This sense is building corporate citizenship in the business class. So green marketing by the business class is still in the selfish anthropological perspective of long term sustainable business and to please the consumer and obtain the license by the governing body. Industries in Asian countries are catching the need of green marketing from the developed countries but still there is a wide gap between their understanding and implementation. Organizations use Green Marketing for the following reasons.

- Organizations perceive environmental marketing to be an opportunity that can be used to achieve its objectives
- Organizations believe they have a moral obligation to be more socially responsible
- Governmental bodies are forcing firms to become more responsible
- Competitors' environmental activities pressure firms to change their environmental marketing activities
- Cost factors associated with waste disposal, or reductions in material usage forces firms to modify their behaviour.

### Problems with Green Marketing

Green products require renewable and recyclable material, which is costly affair. This new concept also requires a technology, which needs huge investment in R & D. No customer will pay a premium price for green products. The purport of green marketing is to focus on customer benefit. Thus, if the price of green product is very high, then again it will lose its

market acceptability. Currently there is no standardization working to certify a product as eco-friendly. Unless some regulatory bodies are involved in providing the certifications there will not be any verifiable means. A standard quality control board needs to be in place for such labelling & licensing. Marketer need to be patient to achieve the long-term benefits from go green movement. It will require a lot of patience and no immediate results. Since it is a new concept and idea, it will take its time to be accepted. Although a large number of firms are using green marketing, there are a number of potential problems which need to be addressed. One of the main problem is that firms using green marketing must ensure that their activities are not misleading to the consumers or the industry, and do not breach any of the regulations or laws dealing with environmental marketing. In short, green marketing claims of a firm must:

- Clearly state environmental benefits;
- Explain environmental characteristics;
- Explain how benefits are achieved;
- Ensure comparative differences are justified;
- Ensure negative factors are taken into consideration; and
- Only use meaningful terms and pictures.

### **Present Trends in Green Marketing in India**

As firms' faces scarcity of natural resources, it's their need to develop new or alternative ways of satisfying the unlimited wants. Ultimately green marketing gives the solution regarding how marketing activities utilize these limited resources, while satisfying consumers wants, as well as achieving the selling organization's objectives. When looking through the literature there are several suggested

reasons for firms increased use of Green Marketing. Organizations are Perceive Environmental marketing as an Opportunity to achieve its objectives. Firms have realized that consumers prefer products that do not harm the natural environment as also the human health. Firms marketing such green products are preferred over the others not doing so and thus develop a competitive advantage, simultaneously meeting their business objectives. Organizations believe they have a moral obligation to be more socially responsible. This is in keeping with the philosophy of CSR which has been successfully adopted by many business houses to improve their corporate image. Firms in this situation can take two approaches:

- Use the fact that they are environmentally responsible as a marketing tool.
- Become responsible without prompting this fact. Governmental Bodies are forcing Firms to Become More Responsible. In most cases the government forces the firm to adopt policy which protects the interests of the consumers. It does so in following ways:
  - Reduce production of harmful goods or by products
  - Modify consumer and industry's use and /or consumption of harmful goods; or
  - Ensure that all types of consumers can evaluate the environmental composition of goods. Competitors' Environmental Activities Pressure Firms to change their Environmental Marketing Activities. In order to get even with competitors, claim to be environmentally friendly, firms change over to green marketing. Result is green marketing percolates entire industry.

Eco-mark Scheme introduced by Government of India in 1981 was a major step towards the promotion of green marketing in the country. Eco-labels provide information regarding the environmental performance of products. The basic objective of eco-labelling is to provide authentication to genuine claims regarding the environmental impact of products and processes by manufacturers. The Eco-mark Scheme of India has the following stated objectives:

- To provide incentives to manufacturers and importers to reduce adverse environmental impact of products.
- To assist consumers to become environmentally responsible in their daily lives by providing them information to take account of environmental factors in their daily lives.
- To encourage citizens to purchase products which have less environmental impact.
- To reward genuine initiatives by companies to reduce adverse environmental impact of products.
- Ultimately to improve the quality of the environment and to encourage the sustainable management of resources.

### 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 aspect 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. As such, green marketing is not just an

environmental protection tool but also, a marketing strategy.

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