

# Issues and Challenges in Green Marketing Practices: Strategies to Position in the Potential Consumer Segment

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**Abstract**—“The paper examines the conviction of ‘Green marketing’ and the issues and challenges which are associated with the modern era of globalization. Green marketing is a consequential constituent of the comprehensive marketing concept today. It consists of marketing goods and services based on environmental factors or awareness. Green marketing is a supreme greening product. There is a substantial adhesive strength of organizations which would like to turn green, as the maximum consumers want to get utility and services with eco and environment-friendly products like it should be manufactured in a sustainable and enduring manner without containing ozone-depleting substances. Green marketing is carried out by companies which aims at marketing sustainable and socially responsible products and services. It helps in the effective outcomes like cost cutting, employee satisfaction, waste minimization, society welfare for the companies as well as for society also. Businesses are increasingly discovering that manifest high level of social responsibility and which helps in increasing brand loyalty among socially conscious consumers. Green marketing has to evolve as it is still at an infancy stage. The firm has to plan and then carry out research to find out how attainable it is going to be. The major challenges to green marketing is as follows that it takes an enormous time and effort which cannot be easily reached to widespread of consumer, need for convincing customers by Eco Labeling schemes, to avoid unethical activities and accentuation on customer satisfaction will avoid the green marketing myopia. A segment of consumers find no cogent gain in buying eco-friendly goods that are good for the environment and are not willing to lay out extra amount for these type of benefits. Some of the consumers believe that there is no product such as ‘green products’ they are just a selling tactics which is adopted by the company for the sales motive. It creates the new hopes and challenges in current scenario. They have tried to establish cause-effect relationships and conclude that evolvement and expansion will lead to create both practice and demand.

**Keywords:** Green Marketing, Globalization, Issues, Challenges, Environment-friendly, Social Responsibility, Environment

## 1. INTRODUCTION

According to the American Marketing Association, green marketing is a business practice that takes into chronicle and is the marketing products that are presumed to be

environmentally friendly or packed in environmentally friendly manner. It concerns about promoting preservation and conservation of the natural environment. As the meaning of green marketing can be little mystifying, it refers to anything from greening product as these days going green is common phrase among companies and consumers for doing the actual advertising campaign and for doing sustainable marketing. Climate Change, minimization of energy dependency and costs, excess consumption, burning forests, threatened species and the media attention around them has been an important driver for both consumers and companies to go green. It is a complex combination which includes various activities that businesses have begun to upgrade their pattern in an attempt to address society’s “new” concerns and trends. Both marketers and consumers are becoming increasingly sensitive to the need for transition into green products and services. Marketing is a consumer oriented process where consumer is the king. The producers have to manufacture the products which the consumer demanded. The consumer demand is mostly depends upon their desire and the potential for shelling out the amount for the products. But in the this process, they abandon the environment in which they are living and the effect of their demand on the environment. Same concept lies on the producers’ side. They start manufacturing the products having the high demand from the customers. Mostly the producers also neglect the effect of their manufacturing on the environment to cater more consumers at their reasonable and acceptable price. This paper presents the issues and challenges related to green marketing and strategies that will be materialized and implemented.”

## 2. EVOLUTION OF GREEN MARKETING

The concept of green marketing came into existence in the late 1980s and 1990s. The first workshop on ‘Ecological Marketing’ was held in 1975 by The American Marketing Association. Ecological marketing advocated that the environmental protection and resource conservation can only

be achieved when there is less regulation by public sector and more by private sector. Green marketing actually began in 1980s when the concept of corporate social responsibility came into existence. The consumers were able to assess which companies were wasteful and which were following sustainable measures. There were basically three phases in the evolution of green marketing: the Ecological phase, the Environmental phase and the Sustainable phase. The Ecological phase included all the activities that were carried out to assist the ever increasing environmental problems and provide solutions. The Environmental phase focused on the implementation of cleaner technologies. The third phase i.e the Sustainable phase which is still prevalent came into existence in late 1990s.

### 3. GREEN MARKETING: GLOBAL SCENARIO

According to a research done by Paul Stoneman, if we want to improve and grow the market for green products, financial incentives are a prerequisite. Another study done by Mintel suggests that 66% of consumers in United States do not buy green products because of high cost whereas 34% claim non-availability of green products. This shows that there is a huge potential for untapped market and customer requirement which the companies can exploit for capturing market share and gaining advantage over their competitors in the global scenario. Many global companies have taken initiatives like recycling and using alternative fuels, greenhouse gas reduction, using renewable sources of energy to increase their accountability towards the environment.

### 4. GREEN MARKETING: INDIAN SCENARIO

A recent green consumer survey in Delhi done by Emergent Ventures India found out that though consumers are aware of the need to buy green products but practical transformation of this idea into reality is still missing. The market for green products in India is still in its developing stage. There is a great potential for green marketing in Indian markets as the demand for environment-friendly products is increasing especially in the FMCG sector.

## 5. REASONS TO BE GREEN

### 5.1 Social Responsibility

Many companies have realized that they must follow environment-friendly practices in their businesses. They need to realize both environmental objectives as well as profit related objectives. Walt Disney World, have instituted environmentally responsible behavior in their processes and systems. ITC's Watershed Development Initiative brings precious water to nearly 35,000 hectares of drylands and moisture-stressed areas.

### 5.2 Opportunity

In India, 25% of the population prefers using environment-friendly products and 28% are found to be health conscious. Introduction of CNG in all public transport systems to curb air pollution in Delhi, HCL's environment management policy under HCL eco-safe are a few examples.

### 5.3 Governmental-pressure

The Government of India has developed a framework of legislations to bring down the production of harmful goods and their by-products. These reduce the industry's production and consumers' consumption of harmful goods, including those detrimental to the environment; for example, the ban of plastic bags, prohibition of smoking in public areas, etc.

### 5.4 Competitive-pressure

Many companies have started taking up green marketing to maintain their competitive edge. The green marketing initiatives by niche companies such as Body Shop, Organic India and Green & Black have prompted many mainline competitors to follow suit.

## 6. CHALLENGES OF GREEN MARKETING

### 6.1 New Concept

Green marketing is a relatively new concept to the India consumers. Though the urban consumers are gradually becoming aware of the benefits and advantages of green products but still consumers need to be made aware of the environmental threats and issues which will take a lot of time and effort.

### 6.2 Huge Investment on R&D

Since green marketing is a relatively new concept, companies will have to spend a lot of money on research and development. This is the biggest challenge to green marketing as companies are not willing to spend their time, effort and money on research and development activities.

### 6.3 Risk for the companies

A lot of risk is involved in promoting and carrying out green marketing activities. There is no assurance that the green product will cover the huge market and will be able to generate any profit for the company.

### 6.4 Long Term Process

Due to lack of awareness among the consumers, the concept of green marketing will take time to make its place in the market. Thus it is not a short term process, rather the companies will have to spend considerable amount of time if they want to be in the market with green marketing concept.

## 7. STRATEGIES TO BE EXECUTED FOR GREEN MARKETING

### 7.1 Value Positioning of Consumer

The organizations should design products that will meet the expectations of the customers. The customer's desired value of environmental products should be met and the relevant customer segment should be targeted.

### 7.2 Quantification of Environmental Benefits

Indian customers better understand the environmental benefits when they are presented in terms of monetary gains. This can be explained with the help of the example of Star Rating Program. Initially when consumers were introduced to products having energy efficient labels, people considered it as a mere pretence to fulfill government's requirement. Later on, when it was taken up by Jaago Grahak Jaago and other voluntary bodies calculated the amount of savings proportionate to the star ratings. The customers were convinced on the basis of actual savings that they would make corresponding to the star ratings of the product.

### 7.3 Cost Effective Products

Another method that can lead to the adoption of green products is to make the green products available at a lower price. Since Indian consumers are price responsive, they go for high quality products at a reasonable price. Manufacturing companies should produce green products with the most cost efficient resources. The reduced cost of the green product can then be passed on to the consumers. With this strategy, consumers can get good quality products at cheaper prices and the companies also get profit due to surge in demand of environment-friendly products at a lower price.

### 7.4 Improving Environment Adherence Standards

There are several international standards on environment and environment management systems. Out of these, ISO 14000 is the most reputed and trustworthy. ISO 14001 not only examines the process of manufacturing the product but also helps the organizations to produce goods in eco-friendly manner. Another standard ISO 14004 further provides specific aspects of environment management. The National Standards Body of India "Bureau of Indian Standards" has developed various standards, eco mark labeling etc to ensure manufacturing of eco-friendly goods. Though Standards on environment exist in India but their compliance is a big question. Most of the companies adhere to these standards only on paper but implementation of these standards never takes place. To win the consumer's trust and confidence, companies need to be more transparent and reliable which can be achieved when the organizations voluntarily decide to adhere to the environment standards.

## 8. CONCLUSION

From the aforementioned, it can be concluded that green marketing is in its infancy stage in India. Most of the studies show that the consumer's environmental concern is increasing. With the threat of global warming, ozone depletion etc, green marketing has to become a norm rather than just a fad. Green marketing is a fundamental change in how commerce is conducted considering the new climate realities. Marketers have the task of understanding the implications of green marketing and find opportunities to enhance the product's performance and build loyal customer segment.

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