

GREEN MARKETING: OPPORTUNITIES AND ISSUES

Dr.T.RAGUNATHAN, Principal
Sri Balamurugan College of Arts and Science
Sathappadi, Mettur, Tamil Nadu

R. SIVAKUMAR
Assistant Professor of Commerce
PMP College of Arts and Science
Dharmapuri, Tamil Nadu

Abstract

Green marketing plays a vital role in the marketing activities. This paper focuses on the benefits and opportunities of green marketing. This paper also focuses some of the issues relating to green marketing and its requirements. In today's business world, environmental issues of green marketing play an important role in marketing environment. Government has taken regulatory measures to have control over the risks involved in the green marketing. This study is an attempt to academically examine the issues relating to environment or green marketing.

Key words: Green marketing, green washing, green products, environmental sustainability, etc.

1. Introduction

Green marketing subsumes greening products as well as greening firms. Majority of people believe that green marketing refers solely to the promotion or advertising of products with environmental characteristics. Terms like phosphate free, recyclable, refillable, ozone friendly and environmentally are some of the things consumers most often associate with green marketing. While these terms are green marketing claims, in general green marketing is a much broader concept that can be applied to consumer goods, industrial goods and even services. Green marketing is also called environmental marketing or ecological marketing. As resources are limited and human wants are unlimited, it is important for the marketers to utilize the resources efficiently without waste as well as to achieve the organization's objective. So green marketing is inevitable. There is growing interest among the consumers all over the world regarding the protection of the environment. Worldwide evidence indicates people are concerned about the environment and are changing their behaviour. As a result of this, green marketing has emerged which speaks for the growing market for sustainable and socially responsible products and services. Now this has become new mantra for marketers to satisfy the needs of consumers and earn better profits.

2. Benefits of green marketing

Today's consumers are becoming more and more conscious about the environment and are also becoming socially responsible. Therefore, more companies are responsible to consumers' aspirations for environmentally less damaging or neutral products. Many companies want to have an early-mover advantage as they have to eventually move towards becoming green. Some of the advantages of green marketing are: It ensures sustained long-term growth along with profitability; it saves money in the long run, though initially the cost is more; it helps companies market their products and services keeping the environment aspects in mind; and it helps in accessing the new markets and enjoying competitive advantage.

3. Opportunities of green marketing

As demands change, many firms see these changes as an opportunity to be exploited and have a competitive advantage over firms marketing non-environmentally responsible alternatives. Some examples of firms who have strived to become more environmentally responsible, in an attempt to better satisfy their consumer needs are:

Social Responsibility: Many firms are beginning to realize that they are members of the wider community and therefore must behave in an environmentally responsible fashion thus resulting in environmental issues being integrated into the firm's corporate culture.

Governmental Pressure: Governmental rules relating to environmental marketing are designed to protect consumers through regulations designed to control the amount of hazardous wastes produced by firms by issuing of various environmental licenses, thus modifying organizational behaviour.

Competitive pressure: Another major force in the environmental marketing area has been firms' desire to maintain their competitive position. In many cases, firms observe competitors promoting their environmental behaviour and attempt to emulate this behaviour. In some instances, this competitive pressure has caused an entire industry to modify and thus reduce its detrimental environmental behaviour.

Cost or profit issues: Disposing of environmentally harmful by-products, such as polychlorinated biphenyl contaminated oil are becoming increasingly costly and in some cases difficult. In minimizing wastes, firms often develop more effective production processes that reduce the need for some raw materials thus serving as a double cost savings.

Green code: Consumer behaviour will not necessarily be consistent across different product types, and particular market segments may respond to certain issues on the green agenda but not others.

4. Green marketing strategy

Green marketing has not lived up to the hopes and dreams of many managers and activists. Although public opinion polls consistently show that consumers would prefer to choose a green product over one that is less friendly to the environment when all other things are equal, those other things are rarely equal in the minds of consumers. And hopes for green products also have been hurt by the perception that such products are lower quality or don't really deliver on their environmental promises.

5. Issues in green marketing

The firms using green marketing must ensure that their activities are not misleading to consumers or industry, and do not breach any of the regulations or laws dealing with environmental marketing. It is found that only 5 per cent of the marketing messages from green campaigns are entirely true and there is a lack of standardization to authenticate these claims. There is no standardization to authenticate these claims. Indian literate and urban consumer is getting more aware about the merits of green products. But it is still a new concept for the masses. The consumer needs to be educated and made aware of the environmental threats. The investors and corporate companies need to view the environment as a major long-term investment opportunity. The marketers need to look at the long-term benefits from this new green movement. It will require a lot of patience and no immediate results. The corporate should not expect huge benefit for implementing green marketing immediately. Green marketing is focusing on customer benefits i.e. the primary reason why consumers buy certain products in the first place.

6. Current scenario of green marketing

In India, major steps are taken for accepting green marketing. Indian people believe in "Pollution Prevention Pays." Preventive measures have been adopted to avoid pollution. Over 70 per cent of the pollution in the country is estimated to be caused by the vehicles. Some examples of green marketing in India are:

No polythene bags for free: Forest and environmental Ministry of India had ordered to retail outlets like Big Bazaar and D-Mart that they could provide paper carry bags to customers only if customers are ready to pay for it.

Digital tickets by Indian Railway: Recently IRCTC has allowed its customers to carry PNR number of their e-tickets on their laptop and mobiles. Customers do not need the printed version of their ticket anymore.

Wipro green machines: Wipro InfoTech was India's first company to launch environment friendly computers peripherals for the Indian market. Wipro has launched a new range of desktop and laptops called Wipro green ware. These products are called restricted of hazardous substances.

Use of ATM by banks: By using eco and power friendly equipment in ATM, the banking giant has not only saved power cost and earned carbon credit but also set the right example for others to follow. Many banks are providing services like paper less banking, no deposit slip, no withdrawal form, and no money transaction form.

Introduction of CNG in Delhi: New Delhi was being polluted at a very fast pace. To decrease pollution, a directive was issued to completely adopt CNG in all public transport systems to curb pollution.

Lead free paints from Nerolac: Nerolac has worked on removing hazardous heavy metals from their paints. The hazardous heavy metals like lead, mercury, chromium and antimony can have adverse effects on human. Lead in paints especially poses danger to human health where it can damage the central nervous systems, kidney and reproductive system. Children are more prone to lead poisoning leading to lower intelligence levels and memory loss.

Use of tank instead of plastic: Coca Cola pumped syrup directly from tank instead of plastic which save money.

Use of super long life bulb: Philips has launched the 'super long life' bulbs which save up 20 per cent energy.

Use of recycled paper bags: Mc Donald's has started to use napkins, bags which are made from recycled paper.

7. Conclusion

Green marketing should not neglect the economic aspect of marketing. Marketers need to understand the implications of green marketing. Marketers must find an opportunity to enhance the product performance and strengthen customers' loyalty and command a higher price. Green marketing is still in its infancy and a lot of research is to be done on green marketing to fully explore its potential. Marketers have the responsibility to make the consumers understand the need for and benefits of green products as compared to non-green ones. In green marketing, consumers are willing to pay more to maintain a cleaner and greener environment. Consumers, industrial buyers and suppliers need to pressurize on the effects on minimizing the negative effects on the environment friendly. Green marketing assumes even more importance and relevance in developing countries.

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