

Green Marketing and Sustainable Development

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Abstract:

Globalisation has been a boon to businesses and consumers across the globe. It has helped the firms to specialise and intensify their R & D. It has made it a lot easier for new firms to compete with old incumbents in the market. Many goods which were earlier affordable by few are now common in all households. Globalisation has opened the floodgates of economic growth for developing countries. But along with this economic growth comes externalities. One of the most important challenge in the era of globalisation is to keep the environment clean as well as satisfy and retain the consumers. Green marketing is the new buzz word. It is a strategy typically followed by companies that are committed to sustainable development and corporate social responsibility(CSR). The present day consumer is much more conscious and weighs the environmental impact of their purchases. Thus, green marketing has become the new strategic imperative for the businesses. The paper attempts to study the impact of green marketing on consumer satisfaction and environmental safety. The paper also analysis the various opportunities and challenges while using it as a strategy.

Keywords: Green marketing, CSR, Globalisation, Externalities, SDGs.

INTRODUCTION

Green marketing is a niche step towards the achievement of sustainable development goals in the light of environmental changes that we face today. It's catching up everywhere since consumers as well as businesses are realising its importance in the light of environmental challenges that we encounter due to unsustainable ways of consumption and production. The externalities of present ways of consumption and production are mammoth. Fortunately, people are waking up to them and figuring out sustainable ways of doing business. One such imperative for businesses today is Green Marketing. Green Marketing is nothing but, "the marketing of environmentally friendly product and services". The strategy is gaining traction as consumers are becoming aware about environmental impact of their purchases.

OBJECTIVES:

1. To do a comparative analysis of conventional marketing and green marketing.
2. To study the impact of green marketing on consumer satisfaction and environmental safety;
3. To know about the opportunities and challenges encountered in the implementation of this strategy.

RESEARCH METHODOLOGY:

- This research paper is based prominently on primary data collected through questionnaire with supplementary secondary data.
- Secondary data is collected through numerous sources like text books, journals, articles and internet.
- The source of primary data collected are the customers who are visiting the malls and supermarket. Sample size is 62 respondents.
- The respondents were chosen on the basis of convenience sampling technique.

Comparison of Conventional Marketing with Green Marketing:

<u>CONVENTIONAL MARKETING</u>	<u>GREEN MARKETING</u>
Marketing is concerned with identification and satisfaction of consumer wants and needs in the most profitable manner.	Green marketing on the other hand, is holistic in approach which aims to satisfy the needs and wants of consumers in an ecologically sustainable manner.
The focus of conventional marketing is purely on the economic desires of the company.	Whereas, Green Marketing integrates the social and environmental requirements with the economic desires.
It mainly focuses on the direct benefits of the product.	Green marketing is concerned with the long term environmental benefits.
Conventional marketing doesn't concern itself with the environmental impact of the products and services.	On the contrary, green marketing encourages the production and promotion of environmentally friendly products and services.

Thus, we can witness the stark differences which exist between conventional marketing and green marketing. The differences explained makes it easier for us to assimilate and appreciate the concept of green marketing in the light of environmental concerns that we face today.

IMPACT OF GREEN MARKETING ON CONSUMER SATISFACTION:

Customer satisfaction is a term frequently used in marketing. It is a measure of how products and services supplied by a company meet or surpass customer expectation. It has been defined in two ways (1) as either an outcome; (2) as a process. As an outcome, satisfying the end state resulting from the consumption experience. As a process, it is the perceptual evaluative and psychological process that contributes to satisfaction. Marketing literature available clearly highlights that there is a strong relationship between consumer satisfaction and loyalty. When consumers are satisfied with their purchase they'll develop brand loyalty. Many Authors have established that nowadays consumers due to increased awareness about environmental issues weigh their purchase decisions and are opting for eco-friendly products.

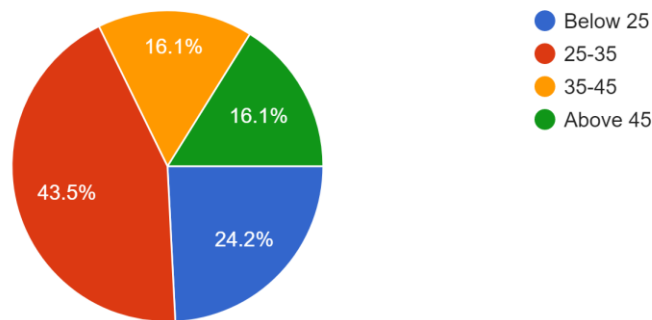
TOOLS OF ANALYSIS: The analysis and interpretation is made with the help of standard tools like percentages. Pre-existing data questions have also been used for the analysis.

ANALYSIS AND INTERPRETATION:

A survey was conducted with the help of a questionnaire to gauge the level of awareness of customers and their willingness to opt for green products. The target of the primary data were the customers visiting malls and supermarket. The size of the sample for study is 62 respondents.

Analysis on the Basis of Age:**Age Group**

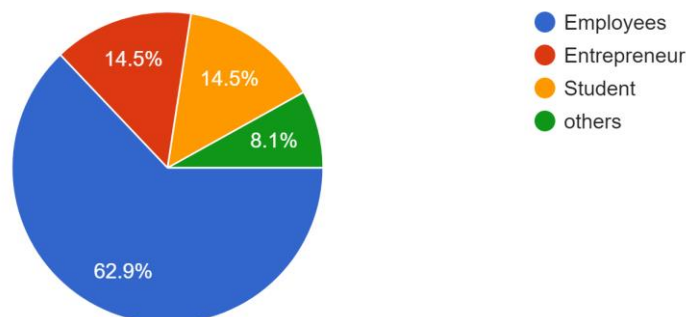
62 responses



The above chart shows analysis on the basis of age. Out of the 62 respondents who took the survey 43.5% are in the age group of 25-35 years, followed by 24.2% people in the age group of below 25 years.

Analysis on the basis of Occupation**Occupation Status**

62 responses

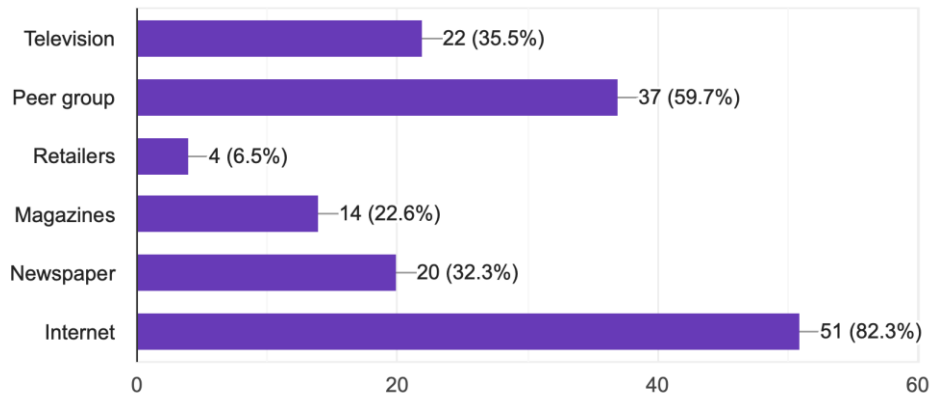


The above chart depicts the occupational status of the respondents. Out of the 62 respondents a maximum of 62.9% are employees, followed by entrepreneur and students both constituting respectively 14.5% of the sample size.

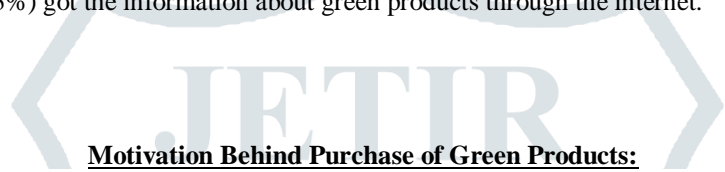
Sources of Awareness:

Sources of Awareness

62 responses



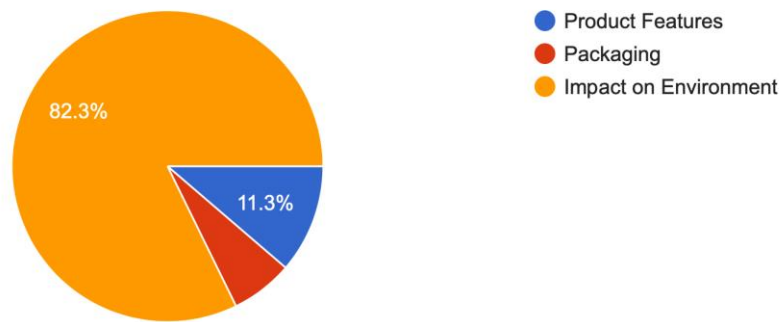
As per the survey most people(82.3%) got the information about green products through the internet.



Motivation Behind Purchase of Green Products:

What motivates you to buy Green Products

62 responses

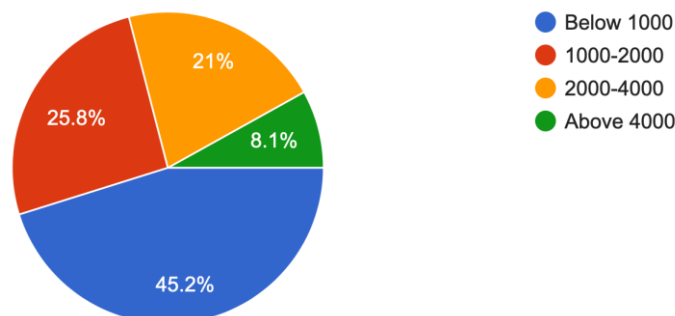


A majority of 82.3% of the people who took the survey said that they choose to buy green products considering the environmental impact of the product.

Monthly Expenditure on Green Products:

What is your monthly expenditure on green products?

62 responses

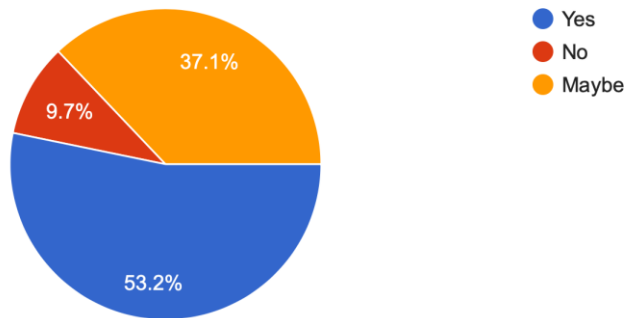


The above chart shows analysis of monthly expenditure on green products. 45% of respondents spend less than 1000 rupees on green products. 25.8% spend 1000-2000 on green products purchase every month. 21% of the respondents spend between 2000-4000 while only 8% spend more than 4000 on purchase of green products per month.

Consumers Willingness to Pay More for Green Products:

Are you willing to pay more for Green Products?

62 responses

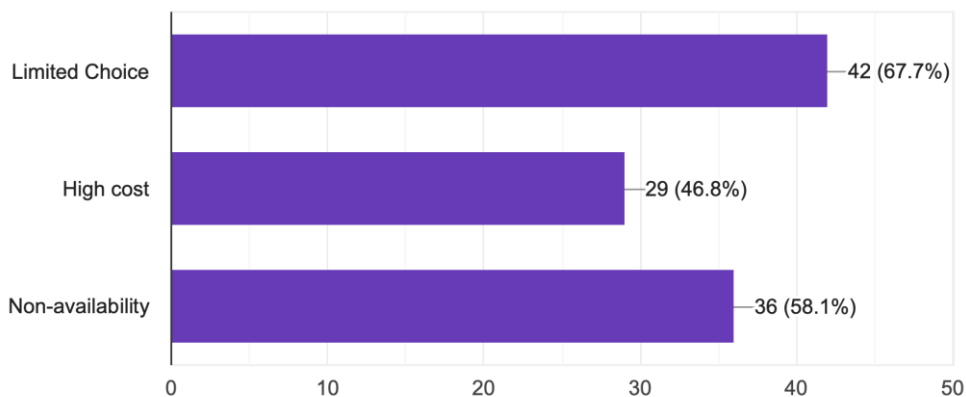


53.2% respondents said that they are willing to pay more for green products.

Constraint Influencing Purchase Decisions of Consumers:

Constraints for purchase of Green Products

62 responses

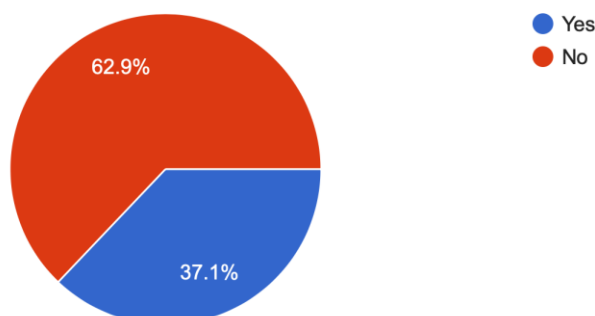


One of the major constraints for purchase of green products which people face is limited choice said 67.7% of the respondents.

Awareness Regarding Eco-labelling efforts of the Government:

Are you aware of the Eco-Labelling initiatives of the government?

62 responses

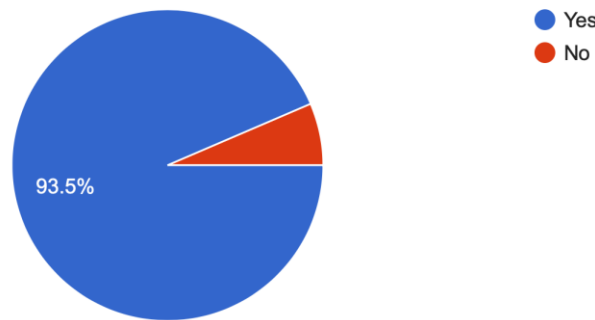


62.9% of the respondents are not aware about the eco-labelling initiatives of the government.

Environmental consideration While Making Purchase Decisions:

Do you consider the environmental impact of the products you buy?

62 responses



A whopping majority of 93.5% of the respondents said that they do consider the environmental impact of the products they buy.

MAJOR FINDINGS:

- Most of the respondents who took the survey are between the age group of 25-35.
- Out of the 62 respondents who took the survey 39(63%) of them are employees.
- As far as awareness is concerned 82% got the information about green products from the internet. Peer group being the second most important information provider.
- Majority of respondents i.e. 82% consider impact of their purchases on environment as the most important motivating factor for choosing green products.
- The biggest hurdle which people face in purchase of green products is limited choice followed by lack of availability.
- 63% of the respondents are not aware of the eco labelling initiatives taken by the government.
- 93.5% of respondents do consider the impact of their purchases on the environment.

SUGGESTIONS:

- To design green products that perform at par with alternatives.
- To educate consumers about the eco-labelling efforts of the government. It empowers people to discriminate between products that are harmful to the environment and those more compatible with environmental objectives.
- To tap into every form of medium of information dissemination in order to spread awareness about green products.
- Educate consumers with marketing messages that makes the consumer aware of and concerned about the issues that marketer’s product profess to address and also to make the consumer feel and realise that they will make a difference by using the green products.
- A lot of people still feel uneasy when asked to pay more for green products. So if the marketer is charging a premium, the consumer has to feel that it’s worth it.

IMPACT OF GREEN MARKETING ON ENVIRONMENTAL SAFETY:

Companies today are now accepting more responsibility than ever before for doing no harm to environment. More and more companies are adopting policies of environmental sustainability. Companies have shifted their efforts from protesting to prevention and from regulation to responsibility. Few companies have done something in this direction to avert the regulations or to keep environmentalists quiet. But responsible companies are embracing ‘green marketing’ not because of pressure from government and competitors but because it is the right thing to do.

The Environmental Sustainability Portfolio: Source- Stuart I. Hart, “Innovation, Creative Destruction and Sustainability”, *Research Technology Management*(2005)

Today Greening:		Tomorrow Beyond Greening:
INTERNAL	Pollution Prevention: Eliminating or reducing wastage before it is created	New Clean Technology: Developing new sets of environmental skills and capabilities.
EXTERNAL	Product stewardship: Minimizing environmental impact throughout the entire product life cycle	Sustainability Vision: Creating a strategic Framework for future sustainability.

Environmental sustainability is related to marketing sustainability since environmental sustainability involves preserving the natural environment whereas marketing sustainability includes both natural and social environment hence is a broader concept. Companies that are

focusing on ‘pollution prevention’ have adopted internal “green marketing” programs-which endeavours to design and develop ecologically safer products that are wrapped in recyclable and biodegradable packaging, are able to do better in controlling pollution and on top of it are also more energy efficient in operations.

Examples:

- **Nike** produces PVC-free shoes, recycles old sneakers and educate young people about conservation, reuse and recycling.
- **Sun Microsystems** created an Open Work Program that gives employees the option to work from home that in turn helps in preventing
 1. Nearly 29,000 tons of carbon emissions;
 2. Saving \$67.8 million in real-estate costs and increasing work productivity by 34%.

In order to take the efforts towards to the next level, companies can opt for *product stewardship*- something which just not aims at minimising the pollution at production and product design stage but all the environmental impacts throughout the life cycle of the product. For the same, many companies are adopting *design to environment(DFE) and cradle-to-cradle practices*.

The Beyond Greening activities that the environmental sustainability portfolio talks about looks to the future. Internally, companies can focus on developing new clean technology. For example, Coca-cola is investing heavily in research addressing many sustainability issues. It is planning to make all bottles using their recyclable Plantbottle material by 2020. If we see from the sustainability point of view aluminium cans are better than plastic bottles, since aluminium can be recycled indefinitely. Plastic bottles wind up in landfills or worse on roadside trash and like aluminium cannot be recycled indefinitely because the plastic discolors. On order to tackle this problem Coca Cola will invest \$44 million to build the world’s largest state-of-the-art plastic-bottle-to-bottle recycling plant. Striving for more permanent solutions to tackle the plastic menace, the company is researching new ideas like bottles made from corn or bioplastics.

Lastly developing a sustainability vision is very important. Companies today largely focus on the upper left quadrant of the grid that is they mostly focus on preventing pollution which might put the company in a good position today but makes it highly vulnerable if we consider the future. Very few companies are striving to practice “product stewardship” and are working on developing new environmental technologies. A sustainable future requires holistic sustainable practices on the part of the company which is only possible if the companies start working on all four dimensions of sustainability portfolio.

GREEN OPPORTUNITIES:

- Nowadays, consumers be it individual or industrial are becoming more aware and concerned about environmental issue.
- Firms marketing green goods have realised a competitive advantage over firms offering non-environmentally responsible alternatives.
- Another major force in green marketing is Corporate Social Responsibility which is an effective tool in the hands of firms to strengthen their position in the market.
- Reduction of harmful waste may lead to substantial cost savings.
- Government legislation and subsidies offered by the government.

CHALLENGES:

- Green marketing is still a very new concept for the consumers in India.
- Green products need a technology which requires heavy investment in R&D.
- Green products require renewable energy and recyclable material which is costly.
- Many consumers are still not ready to pay a premium price for green products.

CONCLUSION:

Green Marketing is not only a growing trend but also an imperative in the light of environmental challenges that the world face today. The five rules of green marketing given by Ottman have to be followed by the marketers if they want the consumers to believe them and perceive the benefits of green purchase. Efforts should be made to avoid the “Green Marketing Myopia” which believes that green marketing must satisfy two objectives: improved environmental quality and customer satisfaction . Misjudging either or overemphasizing the former at the expense of the latter can be disastrous for the companies. Such myopia can also occur when products fail to provide credible environmental benefits.

This concept has even more importance in developing countries. The onus to protect the environment is a shared one between the firms and the consumers. Green marketing should not be pursued as just another marketing approach but as a tool to combat and tackle the problems related to the environment and one that will pave the way to sustainable development.

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