

Green Marketing: As Tool for Sustainable Development

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Abstract: *Human activities are affecting the environment in which we all are living. At the same time environmental activities are also influencing human life. Environment pollution, deforestation, global warming, etc... are results of human activities. Society becomes more concerned for the protection or natural environment, businesses have shown concern for the same as part of its social responsibility. Terms like "Green Marketing" and "Environment Marketing" has given new directions to the business of tomorrow and became lifeblood for the businesses. Go Green, Environment Friendly, Environment protection, Protecting our Earth, save Energy' and many more have become buzz phenomenon in today's business environment. In modern era of Globalization, it has become important and challenging also to keep our natural environment safe. Green Marketing has emerged itself as conceptual and sustainable tool for industries to balance their business activities with mindset of protection of our natural environment. It's a fact that no company can ignore the importance of natural environment' Even more than that many of companies have used Green Marketing strategies as Competitive Advantage over their competitors by offering recyclable, renewable, and. reusable differentiated products to their customers. This paper aims to find out how green marketing strategies have become sustainable tool for business of tomorrow especially in Indian context. It explores how.-business firms are developing competitive advantage over their competitors by using green strategies. The paper describes the current scenario of Indian market and explores the opportunities and challenge businesses have with green marketing.*

Keywords: *Competitive Advantage, Green Marketing, Green Strategies, opportunities and Challenges, sustainable development*

I. Introduction

According to the scientists' the world is moving towards a environmental turmoil. The only way to save our planet is to go green on a full swing as quick as possible. For this cause economists have also been doing their parts. 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.

II. Review Of Literature

Green marketing covers more then a firm's marketing claims. While firms must bear much of the responsibility for environment degradation, ultimately it is consumers who demand goods, and thus create environment problems. One example of this is where McDonald's is often blames for polluting the environment because much of their packaging finishes up as roadside waste. It must be remembered that it is the uncaring consumer who chooses to disposes of their waste in an inappropriate fashion. Ultimately green marketing requires the consumers want a cleaner environment and are willing to "pay" for it, possibly through higher priced goods, modified individual lifestyles, or even governmental intervention.

Jain and Kaur (2006), studies depicts that all consumers are not always fervent and factual supporters of the protection of environment and certainly are not particularly influenced by the "green" marketing. However, they constitute a target group which can prove to be particularly profitable for the enterprises which will be activated in the sectors of production and disposal of friendly to the environment products.

Mishra (2010), Green marketing is a phenomenon which has developed particular important in the modern market. This concept has enabled for the remarketing and packaging of existing products which already adhere to such guidelines. Additionally, the development of green marketing has opened the door of opportunity for companies to co-brand their products into separate line, lauding the green- friendliness of some while ignoring that of others.

Manju (2012), Green Marketing refers to a holistic marketing concept wherein the production, marketing, consumption and disposal of product and services happen In a manner that is less detrimental to the environment. There are three reasons why we must rethink the idea of green Marketing. (1) After-life of these green products is always not very environmental -friendly. (2) The impact of the products on environment, and (3) The hardest of all, is the question whether they are really green or not.

III. Objectives Of The Study

Following are the objectives of the study:

- To analyze the how green marketing can be as sustainable development tool.
- To analyze various green marketing strategies adopted by businesses.
- To evaluate challenges, opportunities posed by green marketing.

IV. Research Methodology

This study uses descriptive research design and uses secondary sources of data. It is based on secondary sources of information from various research publications, published newspapers, journals-online & printed, magazines, web sites, books. The information is collected from libraries and websites.

Green Marketing

According to American Marketing Association-Green Marketing refers to the marketing of products that are presumed to be environmentally safe. Thus green marketing includes many activities like product modification, changes to the production process, packaging changes, and many more. Yet defining the term Green Marketing is not simpler task because several meanings intersect. An example of this will be existence of varying social, environmental, and retail definitions. Thus "Green Marketing" refers to holistic marketing concept where in procurement, production, Marketing, Distribution, Consumption, and disposal of products and services happens in a way that is less harmful to environment.

Polonsky (1994) defines green marketing as all activities designed to generate and facilitate any exchanges intended to satisfy human needs or wants, such that the satisfaction of these needs and wants occurs, with minimal detrimental impact on the neural environment.

Sustainable Development

Sustainable development is a fashionable word in environmental conservation circles. It received its most popular exposition in the highly influential Brundtland report, in 1987 (World Commission on Environment and Development, 1987 as quoted by Pearce et al., 7994). Though the subject of sustainable development is of recent years many scholars, practitioners and academicians have defined this concept as evidenced by Pearce et al. (7994) who has listed twenty-four definitions of different authors. Therefore, there is no universally accepted definition of sustainable development. To overcome this limitation this paper uses the definition given by World Commission on Environment and Development (1987) - "Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs.

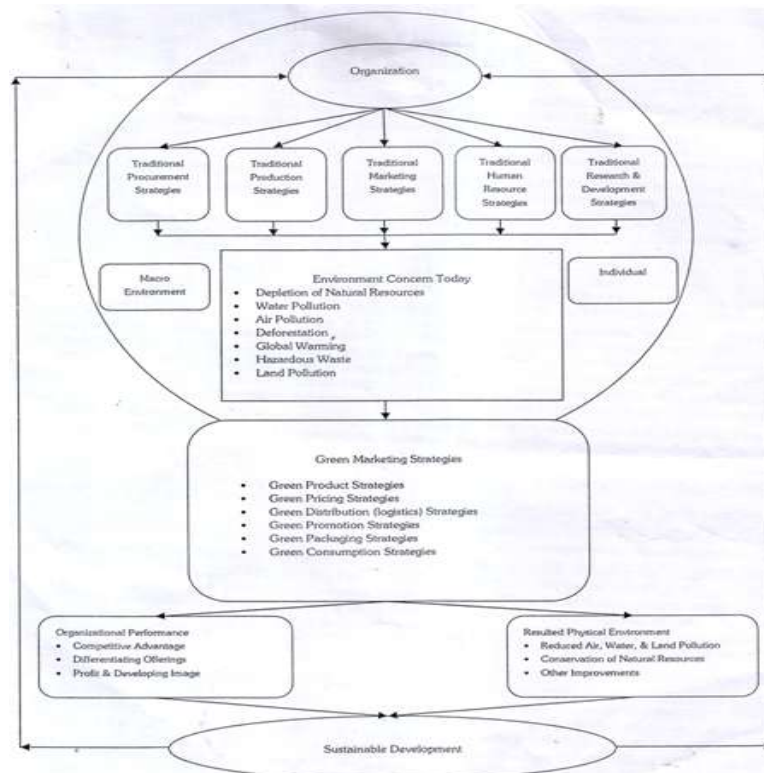


Fig. 1: Conceptual Framework of Green Marketing and Sustainable Development

Components of Sustainable Development

The components of sustainable development are two-folds according to Pearce et al, (1994) namely – the natural constant capital stock and man-made built in constant capital stock. Natural capital stock is the stock of all environmental and natural resource assets, from oil in the ground to the quality of social and ground water, and from the stock of fish in the oceans to the capacity of the globe to recycle and absorb carbon. On the other hand man-made built in capital stock comprises the stock of man-made capital machines and infrastructure such as housing and roads together with the stock of knowledge and skills, or human capital. The term constant is construed to mean constant or increasing (Pearce et al., 1994).

Green Marketing and Sustainable Development

Majority of people believe that green marketing refers solely to the promotion or advertising of products with environmental characteristics. In general green marketing is a broader concept, one that can be applied to consumer goods and industrial goods and services (Polonsky, 1994).

Sustainable development requires "sustainable marketing" that is marketing efforts that are not only competitively sustainable but are also ecologically sustainable (Polonsky et al., 1997). Indeed, marketing's role in the development process is well recognized (Kinsey, 1982; Riley et al., 1983; Dholakia, 1984; Carter 1986; Kotler, 1986). However, marketing's critical role in development will only be appreciated when, through sustainable marketing, it meets the needs of the present without compromising the ability of future generations to meet their own needs (Polonsky et al., 1997).

Green marketing focuses on undertaking all marketing activities while protecting the environment. On the other hand sustainable development demand that the future generations inherit the natural environment in the same state or better as inherited by the previous generations. This calls for the protection and improvement of the environment. Therefore, sustainable development is a dependent variable of green marketing and other factors as independent factors (See Fig. 1 conceptual framework of green marketing and sustainable development which illustrates this relationship.)

According to the framework organization through traditional procurement strategies production processes and technology, general management practices; marketing; human resources management, research and Development contribute to environmental concerns facing the world today. These marketing mix strategies are not limited to marketing discipline but may be used by other functional area of organization.

Green Based Product Strategies

Green products are typically durable, non-toxic, made from recycled materials, or minimally packaged (Ottman, 1997). Green based product strategies comprise any or a combination of recycling, reduction of packaging materials, dematerializing the products; using sustainable source of raw materials, making more durable products; designing products that are repairable, making products that are safe for disposal, making products and packaging's that are compostable, and making products that are safer or more pleasant to use (Bhat, 1993; Ashley, 1993; Polonsky et al., 1997; Ottman, 1998 and Charter et al., 1999).

Green Pricing Strategies

Many consumers assume that green products are often priced higher than conventional products (Peattie, 1999; Polonsky, 2001). While their assumption may be true Peattie (1999) argues that these products are not unusually expensive, but the conventional products are unrealistically cheap because they exclude socio-environmental costs of production, product use and disposal. He suggests that one way to deal with the high price controversy is to ask the consumer "whether they want to continue buying inexpensive products that damage the environment?" The implication of the above is that consumers need more information on benefits of green products in order to judge their value more objectively.

Challenges of Green Marketing

- **New Concept:** Indian consumer is getting more aware about the advantages of using green products. But it is still new for masses in India. The consumers need to be educated and made aware about environmental threats and how green marketing activities can help in saving our environment.
- **Lack of Standardization:** It is found that very few marketing campaigns are green in true sense whereas others are merely commitment to society. Hence, there is lack of standardization to authentication of these claims. A standard quality control need to be implemented for such labeling and incensing.
- **Long Term Investment:** The investors as well as corporate need to view this initiative as long term investment which surely will become source of return in future but it will take time.
- **Avoiding Green Myopia:** All activities which company will plan under green marketing must be customer centric. Ultimately result of green marketing must be turned into benefit for the customer, why customer

should buy product. Do this and motivate them, switch over them from other brands to our brands. This is surely going to happen but for that consumer must perceive their benefits more against their cost of opting for our alternative.

Opportunities Of Green Marketing

- **Eco-friendly Behaviour:** In India consumers have started preferring environment friendly products in their daily life. They have accepted herbal care products, recyclable products, eco-friendly packaging in products, energy saving products, non-toxic products, etc... even though they are costly in nature. This resulted in an opportunity for companies to offer products which are environment friendly and become popular brands for their stakeholders.
- **Social Responsibility:** Many successful organizations have realized that it is important in today's era to become socially responsible organizations by fulfilling their social responsibility. Financial performance is important in evaluating a company's performance along with that social performance is also added into the scorecard of the organization. This results in environmental issues being integrated into the firm's corporate culture.
- **Competitive Advantage:** It is important for a company to maintain its competitive position in this dynamic competitive world. Innovative products, competitive prices, research and development, differentiated distribution strategy, packaging, procurement, promotion strategies have become conventional ways to develop a competitive strategy. Among these green marketing has given lifeblood for many organizations as it has turned into a competitive advantage.
- **Cost Reduction:** Reduction of harmful waste, reuse of water in industrial manufacturing, reusable packaging, recyclable products, etc... has resulted in substantial cost saving for a company. Certain firms use green marketing to address cost/profit related issues.

V. Conclusion

This study concludes that environment in today's era is a burning issue for government, academia, society, and business at large. Everyone is addressing the challenges posed by the environment differently. Businesses have also responded to environmental problems in many ways whereas the concept of green marketing emerged as a solution for many firms. This study also concludes that green marketing and specifically green marketing strategies are addressing the challenge with positive outcomes of improved organizational performance, a better physical environment which will lead to sustainable development.

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