

# GREEN MARKETING: A CONCEPTUAL STUDY AND CURRENT SCENARIO CHALLENGE

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**Abstract:** Most people today care about the world's present and future because they mainly prefer environmentally friendly products. In exchange for these customer attitudes and behaviors, companies began to shape their marketing strategies to attract a growing awareness of this respect for the environment. This marketing approach is commonly known as "green marketing," which has led businesses to adopt green strategies in their product features, pricing, promotion, and distribution activities. The old perception of how businesses are establishments with no purpose other than profit is now quickly giving way to a new perception that explains businesses as socially sensitive establishments. People are familiar with terms such as "ozone-friendly," "environmentally friendly," and "recyclable products" in green marketing. People across the world are becoming more worried about environmental problems, and as it becomes more important to them, they are becoming greener consumers.

It explains the theoretical aspect of green marketing, the need, green marketing challenges, and the difference between green marketing and traditional marketing. Data has to be gathered from various sources such as books, websites, journals, and newspapers. This research paper aims to explain what "green marketing" is and how a company can be more competitive by using "green marketing" campaigns to get an edge over other companies.

**Keywords:** Green marketing, Generation, Traditional marketing, 4Ps of the green marketing mix, Consumers, Environment.

## 1. INTRODUCTION:

"Green marketing" marks all areas of the economic world. It protects the environment and provides a new market and job prospects. As globalization continues rapidly around the globe, environmental issues are also increasing. Going green is a phenomenon that has gained importance in the modern marketing industry. Through green marketing, advertisers focus on eco-friendly benefits to sell products such as paper bags, energy-efficient light bulbs, biodegradable diapers, reusable water bottles, cloth napkins, organic foods, and environmental protection detergents.

Businesses have begun to change their behavior in response to society's rising concerns about the natural environment. The natural environment is essential for human life. The natural environment provides food, water, clean air, and shelter. To protect our environment, we must take tremendous care. If we do not manage the ecosystem, future generations will suffer significant imbalances in the climate, food, water, clean air, and so on.

The previous several decades have seen large-scale industrialization and development activities that have given all comfort and luxury to humans, but all this has been done at the cost of the environment. As a result of the overexploitation of natural resources, the environment has deteriorated. As a result of environmental degradation, pollution, global warming, desertification, acid rain, and other issues have arisen. According to Grunert's (1993) report, 40 percent of the environmental degradation has been brought about by the consumption activities of all private households. Given the importance of the environment, consumers all around the world have begun to show concern for environmental protection and avoid environmentally hazardous items.

## GREEN MARKETING IN CONTEXT-

**social definition-** green marketing is a modern concept that advocates promoting and using nature-friendly products and technologies.

**Environmental definition-** The development and marketing of products designed and created to improve their quality or to minimize negative effects on the physical environment.

**Retail Definition-** The efforts of organizations to produce, promote, package, and reclaim products in a way that is sensitive to environmental concerns.

**Widely accepted definition-** The marketing of products that are presumed to be environmentally safe.

"Green marketing" is the marketing of products that are presumed to be environmentally safe. -*American Marketing Association*

Green marketing involves all activities designed to generate and facilitate any exchange intended to satisfy human needs and wants such that the satisfaction of these needs and wants occurs with minimal detrimental impact on the natural environment. -Polonsky (1994).

## 2. LITERATURE REVIEW:

Peattie (1995), "green marketing" is "the holistic management process responsible for identifying and satisfying the requirements of customers and society profitably and sustainably."

Murugesan (2008) In his study "Green-Trust and Distrust," found that "Green Marketing" is a combination of the "Social Marketing Concept" and the "Ecological Marketing Concept." The term "green" can refer to a variety of activities, including product modification, changes in the manufacturing process, packaging modifications, advertising techniques, and promotional approaches.

Polonsky (1994) Green marketing can be defined 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 natural environment."

Green marketing research has evolved since the 1980s when the concept of green marketing first emerged. According to early research, a shift in consumer attention to green products is

A precursor to green marketing. A significant amount of empirical research was conducted to determine consumer interest in using and purchasing green products (Mintel 1991).

Hart (1997) Various companies have accepted their responsibility towards environmental protection. As a result, products and production processes are becoming cleaner, and more companies are "becoming green," realizing that they can cut pollution while increasing profitability

Elkington (1994) "Green" consumer avoids any product that may harm or damage any living organism, degrades the environment during manufacturing or use, consumes a huge quantity of nonrenewable energy, or involves unethical testing on animals or human subjects

Gladwin (1992), emphasized, "If goals of sustainability are to be achieved, firms must be reformed, redesigned, and restructured to minimize their negative ecological impacts."

"Green marketing and green consumers have created the greatest opportunities for enterprise and invention in industrial history" (Cairncross, 1992: 177).

From an Indian viewpoint, Goyal (2015) highlighted the changes and difficulties in green marketing. The purpose of this work was to examine the opportunities and challenges, as well as the government's measures in this regard. The study indicates that if it is strictly implemented, there will be radical transformations in trade and commerce worldwide. Green marketing assumes that end consumers "Think Green, Think Eco-friendly," i.e., they want a cleaner environment and are willing to "Pay" for it, possibly through more expensive merchandise, altered individual lifestyles, or even government intervention.

Balaji (2014) investigated the enhancement of the global environment through green marketing, considering both opportunities and challenges. In a few case studies on green marketing, the concepts of consumer ignorance, eco-labels, and lack of standardization have been examined. He concludes that the view of the consumer is significant to understanding the concept and that there is no illusion that consumers are conscious and sensitive toward green products.

## 3. OBJECTIVES OF THIS STUDY:

1. To identify the phases of green marketing, the green marketing mix, also known as the 4Ps of green marketing, and issues related to green marketing.
2. To identify the importance and need for green marketing.
3. To study the challenges and strategies for green marketing success.

#### 4. RESEARCH METHODOLOGY:

The aim of this study focuses on secondary data and various literature reviews with the help of newspapers, journals, websites, and other reliable sources. The purpose of this paper is to grasp the concept, importance, and value of green marketing. The concept of green marketing through the 4Ps has been discussed using examples.

#### 5. TRADITIONAL VS GREEN MARKETING:

**Table 1: The difference between green marketing and traditional marketing can be seen in various aspects.**

Traditional Marketing	Green Marketing
<b>Main Goals-</b> <ul style="list-style-type: none"> <li>➤ Organizational goals</li> <li>➤ Customer satisfaction</li> </ul>	<b>Main Goals</b> <ul style="list-style-type: none"> <li>➤ Customer satisfaction</li> <li>➤ Ecosystem Compatibility</li> <li>➤ Organizational goals</li> </ul>
<b>Decision-making Frame of Reference</b> <ul style="list-style-type: none"> <li>➤ Fragmented thinking</li> <li>➤ Short-term orientation</li> <li>➤ non-boundary spanning</li> </ul>	<b>Decision-making Frame of Reference</b> <ul style="list-style-type: none"> <li>➤ Integrated thinking</li> <li>➤ Long-term orientation</li> <li>➤ Boundary spanning</li> </ul>
<b>Philosophical basis</b> <ul style="list-style-type: none"> <li>➤ Ecosystem an open sink</li> <li>➤ Anthropocentric</li> </ul>	<b>Philosophical basis</b> <ul style="list-style-type: none"> <li>➤ The ecosystem is a physical limiting factor, eco costs must be paid</li> <li>➤ Biocentric</li> </ul>
<b>Ecological Accountability/Responsibility</b> <ul style="list-style-type: none"> <li>➤ Local/Regional/National</li> <li>➤ Limited product risk</li> <li>➤ No/underpaid ecological costs</li> </ul>	<b>Ecological Accountability/Responsibility</b> <ul style="list-style-type: none"> <li>➤ Global/International</li> <li>➤ Product risk</li> <li>➤ A full accounting of ecological costs</li> </ul>
<b>General tools/approaches</b> <ul style="list-style-type: none"> <li>➤ A reactive approach to waste management</li> <li>➤ Use planning to minimize the cost of local waste disposal</li> <li>➤ Total quality management</li> <li>➤ Focus on industrial functions</li> </ul>	<b>General tools/approaches</b> <ol style="list-style-type: none"> <li>1. A proactive approach to waste management</li> <li>2. Use life cycle assessment and environmental audits to minimize and redirect waste management</li> <li>3. Total quality environmental management</li> <li>4. Focus on industrial processes</li> </ol>
<b>Traditional marketing</b> includes soliciting new customers through television, print, direct mail, and telemarketing. This is referred to as outbound marketing, and the emphasis is on push strategies.	<b>Green marketing</b> expands on the fundamental functions of traditional marketing. Green marketing expands on the fundamental functions of traditional marketing. Green marketing not only focuses on the direct benefit of a product but also on long-term environmental benefits. Green marketing by contrast uses inbound marketing where the focus is a pull strategy.

Source: Donald A. Fuller, *Sustainable Marketing: Managerial-Ecological*

#### 6. GREEN MARKETING AND GENERATIONS:

Another important feature of green marketing is its generational impact. This impact highlights three trends moving green forward and gives insight into how the general perception of our interaction with the environment changes. From a functional standpoint, the Green Generations show how purchasing power works in a family environment that includes Baby Boomers, Generation X, Generation Y, and Generation Z.

##### Baby boomers-

The baby boomers are considered the generation first. People born between **1946 and 1964** (ages 52 to 68) experienced a time of anti-Vietnam War protests, resentment toward large companies, and the beginnings of various environmental activities in the 1960s and 1970s. As a result, green marketing is having a significant impact on this generation. The survey says that up to 54 percent of

these people are socially aware. This means that up to 40 million baby boomers prefer organic products and goods that don't harm the environment.

### Generation X-

People born between **1964 and 1977** are presently between the ages of 35 and 48.

Because of the emergence of CNN, Generation X was raised to be aware of global problems. They have witnessed industrial accidents all around the world, including the union carbide gas leak in India, the Chernobyl disaster, and the Exxon Valdez spill. They look at environmental issues through the lens of social education and political issues. They brought us the Live Aid concert, which raised awareness about the need to reduce hunger in Ethiopia. This generation is referred to as "**the world's eyes.**" They see environmental and social issues as educational, social, and political issues.

### Generation Y (Millennials)-

Millennials are most likely the modern green movement's new leaders. People born in the early **1980s and early 1990s** were educated with computers and the internet. They can take advantage of social media and blogs. They have a significant impact on digital media. They believe climate change is caused by humans and are almost twice as likely to buy green products as those who believe climate change is a natural occurrence. They carry reusable water bottles and coffee cups. They are concerned with the quality of life and are less likely to sacrifice everything to pursue the almighty dollar. Generation Y wants a balance between a good quality of life, good material value, and a company's social responsibility.

### Generation Z: The Green Generation

**Green is here to stay with Generation Z**, the world's youth, and it's the youngest group. Reduce, reuse, recycling, and repair are as common as reading, writing, and "arithmetic". Generation Z is solving green items such as plastics in the ocean. They are engaged in green culture and will carry it forward.

The aforementioned generational distinctions showed that the baby boomers were the first generation to be motivated by environmental issues. Still, people of Generations X and Y were the most enthusiastic supporters. Generation Z views the environment as a natural part of daily life. If we look at how the world works now, we can assume that Generation Z and the generation after it will be even stricter on environmental problems.

As a result, there is a desire to know which generation (s) of consumers belong. Is there a need to differentiate between generations?

## 7. GREEN MARKETING MIX:

The traditional marketing mix concept, also known as the four Ps of marketing, is re-envisioned with new environmental concerns and other dimensions included in its ingredients. The green marketing mix is a strategic combination of four green Ps or green factors, including eco-friendliness; green products, green price, green promotion, and green place.

**Product:** The products should be developed and designed in such a manner that they use fewer resources and are pollution-free. They should also not contain any toxic substances that can be harmful.

**Price:** A key component of the green marketing mix is price; most consumers will only pay more if they believe the premium product is worth it. This value may be better-quality performance, function, design, visual appeal, taste, or anything else. Green marketing should consider all these truths while charging an extra price. It is often perceived by consumers that the prices of green products are comparatively higher compared to traditional products. If operating and production costs were lowered, green products would have a more competitive force in the market.

**Place:** Place explains the availability of the products, and so the marketers should choose a perfect way to make such products available as it will have a great influence on the customers. Very few customers will go out of their way to buy eco-friendly products. Green products and services are to be delivered from the point of production to the final green customers. In this context, the firm should select the proper channel by considering the characteristics of the product, consumers, and market characteristics.

**Promotion:** The firms should put more focus on "green advertising" to communicate with their green customers (who use green products) and traditional customers (who do not use green products) about the environmental protection concept. Apart from this, the firms should also introduce promotional tools such as schemes, coupons, offers, premiums, etc., to attract consumers to buy green products.

## 8. CHARACTERISTICS AND REQUIREMENTS FOR GREEN PRODUCTS:

"Green products" can be described as "products with minimal environmental impact." Green products can be characterized by the following measures:

1. Goods made with natural ingredients.
2. Environmentally friendly goods.
3. Organic products
4. Products that are recyclable, reusable, and biodegradable.
5. Not tested on animals
6. Approved chemicals content only

## 9. ECO-FRIENDLY PRODUCTS:

1. Cloth Napkins	10. Eco-Friendly Kettle
2. Reusable Water Bottles	11. Recycled Cutting Board
3. Cloth or Cotton Shopping Bags	12. Bamboo Desktop Dry-Erase To-do Board
4. Recycled Fabric Clothes	13. Moss Carpet
5. Rechargeable Batteries	14. Eco-friendly Umbrella
6. Solar Powered Outdoor Speakers	15. Green Finger Rings
7. House Cleaners	16. Biodegradable Pots
8. Solar Phone Charger	17. Organic foods.
9. Water-Powered Clock	

## 10. CHALLENGES IN GREEN MARKETING:

In the current scenario, green marketing challenges benefit both consumers and society. It also helps in the formation of a green environment by adopting environmentally friendly marketing practices. Even though green marketing is providing more benefits, there are still many challenges to its development.

**Improves Standardization:** Only 5% of green campaign marketing messages are genuine, and there is a lack of standardization to evaluate these claims. Unless certain regulatory bodies are involved in providing the certifications, there will not be any demonstrable means. A standard quality control board must be established for this type of labeling and approval.

**New Concept and idea:** Consumers do not respond quickly to new concepts and ideas. They require more time to reach customers. When consumers understand a new concept and its importance, they will readily accept it. However, the new concept will face a vast challenge. The consumer needs to be educated and aware of environmental threats.

**Patience and perseverance are required:** Investors and corporations need to view the environment as an important long-term investment opportunity. Marketers need to look at the long-term benefits of this new green movement. It will need a lot of patience and will not yield immediate results. It will have an acceptance period as long as it is a new concept.

**Avoiding Green Myopia:** The first green marketing principle focuses on customer benefits, i.e., the primary reason consumers purchase particular products in the first place. Do this well, encouraging consumers to switch products or even pay more for the greener alternative. It will not help if a product is developed that is environmentally friendly in many ways but fails to fulfill customer satisfaction. This will result in green myopia. Green products may also lose market acceptance if they are priced at an excessively high cost.

## 11. BENEFITS OF GREEN MARKETING:

Consumers are becoming increasingly environmentally sensitive. They have changed their purchasing habits. As a result, organizations have started to adopt environmentally friendly practices. They want to gain a first-mover advantage over their competitors. The following are some of the benefits of green marketing:

- There is long-term, sustainable growth as well as high profit.
- It helps to gain new markets.
- Employees feel proud and responsible to be working in an environmentally responsible organization.
- Organizations can charge a high price for environmentally friendly products.
- It helps to build goodwill and gain customer loyalty.
- It helps to gain product or service value.

## How Do the Organizations find out the effectiveness of Their Green Marketing Campaign and Its Contribution to Building Their Brand Image? (Agarwal, N., A, Agarwal,2014)

The organization needs to continuously assess its green marketing campaign to judge its efficiency. The following needs to be taken care of while judging the effectiveness of the campaign:

- By ensuring that consumers are aware of the organization's campaign.
- By knowing that consumers are concerned and aware of the issues that marketers profess to address,
- Consumers feel that using the marketer's product will make a change for themselves and society.
- The product receiver/user should have faith in the marketer's campaign.
- A person should be concerned about the environment.
- The product must fulfill the claims made.
- If the marketer wants the customer to pay more, the customer needs to know that it is worth it and reasonable.

### 12. FUTURE SCOPE:

The future goals of green marketing are as follows: (Kasliwal, N; Khan, I, 2016)

1. Futures markets are expected to be closely related to the development, transfer, and implementation of environmentally friendly technologies known as Environmental Technologies (ET). There are several types of ETs available.
2. To develop products that can attract customers, reasonably affordable prices and environmentally friendly products that cause minimal damage are required. environmental sensitivity is required to reflect a high-quality image, and therefore the production of environmentally friendly products.
3. Companies must be aware of their tasks and responsibilities to the environment and society just as they are to their customers, stakeholders, and employees. Climate change and environmental issues will challenge the leaders of current and future generations to make effective global decisions. In the process of making these decisions, the priority of businesspeople should be based on the principle of environmental protection rather than the company's profitability.

### 13. THE SOCIAL BENEFITS OF GOING GREEN:

- **Generate More employment opportunities**-According to an IRENA (International Renewable Energy Agency) study, the renewable energy industry added approximately 5 lakh new jobs in 2017, a 5.3 percent increase over 2016. If the demand for green products continues to rise, the number is expected to reach 16 million by 2030. As a result, the growth of green products improves not only the environment but also the economic condition.
- **Prevents overuse of resources**- green items help in reduce the risk of overusing resources and fossil fuels and encourage the production of energy using natural resources.
- **Protects the environment**- Green products are made from organic and biodegradable materials and are designed to use a few amounts of toxic chemicals and non-renewable resources in the energy production process. This cuts down on the production of greenhouse gases like CFCs, ozone, methane, etc., which stops pollution and climate change.

### 14. SUGGESTIONS:

- Plastic bag use should be prohibited by the government permanently. These kinds of actions help in protecting the environment. Furthermore, the government should implement frequent market inspections for the use of plastic bags.
- The government must take action against retailers, manufacturers, and anyone who uses the banned plastic bags.
- The government may provide manufacturers and retailers with some economic help or a subsidy if they carry green technology. This would encourage them to market green products more, and it could also help foreign green manufacturers team up with our local firms to use green practices.
- The government should go beyond the stringent regulations for biodegradable and non-biodegradable waste management.

### Suggestions For Consumers-

- Every consumer has a responsibility to protect the environment. As a result, customers must modify their environmental safety; they must purchase green products even if the price is somewhat more than normal product prices for the benefit of environmental protection.

- Consumers must recommend that their friends, relatives, and neighbors use green products. Both individual circles and the environment will gain from it.
- Consumers should use resources wisely by turning off electronic appliances when they are not in use; reducing, recycling, and reusing e-waste; buying liquid products in refillable containers; and eating or using products that don't go to waste, such as food, medicines, vegetables, fruits, cosmetics, and other items.
- Consumers buy eco-labeled green products like star-labeled home electronics and green icon-marked papers, clothes, and other items for everyday use.

**15. CONCLUSION-** Now, this is the time to choose "green marketing" globally. If all nations implement strict guidelines, there will be a significant change in the business sector because green marketing is crucial to protecting the environment from pollution. From a business point of view, a clever marketer is one who not only delights the consumer but also involves them in the promotion of his product.

Because it involves an environmental and social component, green marketing shouldn't be viewed as just another marketing strategy. Instead, it should be explored with much greater strength. With the threat of global warming looming large, it is very important that green marketing becomes the norm rather than an exception or just a fad. Recycling paper, metals, plastics, and other materials should become much more systematic and broader, and it should be done safely and healthily.

Customers must be informed about the value of green products and their benefits over non-green alternatives by marketers. Consumers are willing to spend more for a cleaner, greener environment, according to green marketing. Finally, efforts from consumers, industry buyers, and suppliers are necessary to reduce harmful environmental effects. In developing countries such as India, green marketing has even greater importance and relevance. Green marketing is becoming increasingly important and relevant in emerging nations such as India. Green marketing has a direct impact on consumer purchasing decisions in general. Green marketing is a way that, in the long term, will not only work to reduce costs but also improve the company's goodwill.

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