



ROLE OF GREEN MARKETING: A REVIEW

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Abstract: In this era, when the demands for the green products is growing, owing to the increasing awareness among the general public about the environment and eco-friendly products, the need for green marketing is subsequently increasing to make people aware about the types of green technologies that are available for use. This paper aims to present a review of some of the works that have been conducted in this direction, focusing on the role of green marketing in current era.

Keywords - Green operations, sustainable development, green marketing strategy, green marketing, green-washing.

I. INTRODUCTION

Green branding and sustainability have attracted much attention from both the practitioners and academics from different business disciplines, such as marketing, supply chain management, and information management. Despite the increasing salience for being greener and more sustainable (due to, for example, climate change and environmental legislation), no holistic framework exists on how to build green industrial brands and industrial corporate brands. Building strong green industrial brands requires not only green marketing, but also green operations and green supply chain management. In addition, globalization and international sourcing exert extra pressure and challenges on designing and implementing a truly green and sustainable supply chain from the global perspective.

1.1 Importance of Green Marketing

According to a report by the Organization for Economic Co-operation and Development (OECD), the World Bank and the United States, prepared for the G20 Summits (Mexico, 2012), without any new policy action, it has been projected that there will be about 50% increase in greenhouse gas emissions and a significant worsening of urban air pollution by 2050 (OECD, 2012). Condition of the environment is expected to worsen in the years and decades ahead. Despite conflicting reports and opinions, most scientists still predict that the average temperature will rise between 1.8 and 4.0 degrees Celsius during the 21st century solely due to the burning of fossil fuels. By 2030, climate-change-induced calamities alone are projected to account for 500,000 deaths and \$340 billion in damages, up from 315,000 and about \$125 billion today. Global water demand is projected to increase by 55% by 2050, with competition for water intensifying. As a result, it is projected that almost 40% of the world's population would be living in areas categorized as suffering from severe water stress by 2050. Over the past 25 years 60% of the world's major ecosystems have been degraded or used unsustainably, including through declining soil quality, land degradation and deforestation. By 2050, global terrestrial biodiversity is projected to decline by a further 10% (OECD, 2012). In agriculture, productivity increases have helped to limit natural ecosystem loss in many countries, but poorly managed intensification has also exacerbated agro-chemical and water pollution, soil exhaustion and salinity (World Bank, 2012). The costs and consequences of inaction on these environmental challenges are enormous, both in economic and human terms, and could jeopardize further progress in economic prosperity and poverty reduction (OECD, 2008).

Future generations could find themselves significantly disadvantaged and their overall welfare compromised. The fundamental reason for these critical problems relies on the basic definition of Economics. Economics is the study of how people use their limited resources to try to satisfy unlimited wants (McTaggart, Findlay and Parkin, 1992). Thus mankind has limited resources on the earth, with which one must attempt to provide for the worlds' unlimited wants (Polonsky, 1994). In societies where there is "freedom of choice", it has been generally accepted that individuals and organizations have the right to attempt to have their wants satisfied. As firms face inadequate natural resources, they must develop new or alternative ways of satisfying these indefinite wants. Realizing this importance, these days one of the key business strategies ensuring solutions to these resource related issues (sustainable development) has taken the shape of Green Marketing. Ultimately green marketing looks at how marketing activities utilize these inadequate resources, while satisfying consumers wants, both of individuals and industry, as well as achieving organization's objectives.



Fig. 1: Principles of Green Marketing

1.2 Green Marketing Programs

Although corporate environmental ethics reduces firms' pollution cost and broadens firms' innovation area, it is at the mind-set level and cannot serve as a substitute for practical behaviors (Leonidou et al. 2013). Green marketing programs are recognized as a bridge that links corporate environmental ethics with firm performance. They refer to marketing practices that minimize negative impacts on environment in pursuing the goals of a company as the precedent of green practices, corporate environmental ethics enlightens and promotes green marketing programs. Specifically, corporates, with high environmental ethics, initiatively develop green products to protect natural environment. Corporate environmental ethics push managers to incorporate environmental factors into price decisions and make price discrimination between environmentally friendly and unfriendly products. With top managers' commitment to environment, firms are inclined to develop and maintain green channels to cooperate with partners or customers. Additionally, firms with more corporate social responsibility, including higher corporate environmental ethics, receive more favorable media coverage and enhance the green image of the firms towards customers, which benefits their green products and service promotion. At the same time, with green product programs, firms incline to not only design product and packages in a green way but also adopt green manufacturing processes. By adopting green price programs, firms concern pricing practices about environment cost inducing by product and devote to cover cost related to green products by pricing systems. With the help of green distribution programs, firms can be in alliance with suppliers and distributors to efficiently fulfil their environmentally friendly prospect. By taking green promotion programs, firms actively communicate environment benefits of firms' products and services to consumers. In this way, firms' green behaviors can be more widely acknowledged and supported by consumers.

1.2 Fundamental Challenges in Green Marketing

There are many challenges associated with green marketing. The fundamental challenges in green marketing are how to avoid green marketing myopia and green washing. 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 termed "green marketing myopia". Many green products have failed because of marketers' myopic focus on their products "greenness" over the broader expectation of consumers or other market players.

Another challenge which is affecting green marketing is "green washing". Corporations are increasingly recognizing the benefits of green marketing, although there is often a thin line difference between doing so for its own benefit only and for social responsibility reasons. The term "green washing" refers to all industries that adopt outwardly green acts with an underlying purpose to increase profits. The primary objective of green washing is to provide consumers with the feeling that the organization is taking the necessary steps to responsibly manage its ecological footprint. In reality, the company may be doing very little that is environmentally beneficial.



II. LITERATURE REVIEW

(D'Souza et al. 2015) The purpose of this study is to investigate the cross-influences of green marketing strategy and the key internal green functional areas in a firm. We use the antecedents of marketing strategy and identify relationships between green marketing strategy and key supporting internal environmental operations of firms with respect to (1) green suppliers, (2) environmental resource management, (3) green research and development, and (4) environmental manufacturing processes and procedures. The statistical techniques of parallel analysis, factor analysis and multiple regressions are used to analyze data collected from 332 firms. The results identify that among the four functional areas of firms adopting green marketing strategy. Two are more likely to influence green marketing strategy – supplier selection and research and development.

(Wymer and Polonsky 2015) The purpose of this paper is to evaluate the ability of green marketing to provide a solution to environmental problems, which requires an integrated approach. The authors evaluate the potential of green marketing and its limitations in solving society's environmental problems. The streams of research in the green marketing area are reviewed and their assumptions and efficacies are discussed. While green marketing has some positive societal outcomes, on its own it is an insufficient solution to societal environmental problems in general and to humanity's existential threat from climate change in particular. The authors analyze and discuss the roles and responsibilities of business, citizen-consumers, and government in contributing environmental solutions.

(Bhatia and Jain 2014) This research provides a brief review of environmental issues and identifies the green values of the consumers, their level of awareness about environmental issues, green products and practices. This paper highlights the consumers' perception and preferences towards green marketing practices and products with the help of a structured questionnaire. A study was conducted on 106 respondents. High level of awareness about green marketing practices and products was found among the consumers. Green values were also found to be high among the respondents

(Arseculeratne and Yazdanifard 2013) The paper discusses the importance of competitive advantage for a business firms and how green marketing is being relied upon by business firms to realize competitive advantage. The term green marketing and its main characteristics are described in order to understand the import of it in the present business world context. The paper dwells at length on green market strategy implementation so as to provide glimpse as to how various businesses deploy marketing mix in green marketing. The necessary prerequisites for a successful green marketing strategy are identified and the drawbacks encountered by a business firm embarking on green marketing strategy are analyzed while evaluating some strategies in place.

(Cronin et al. 2011) As green marketing strategies become increasingly more important to firms adhering to a triple-bottom line performance evaluation, the present research seeks to better understand the role of "green" as a marketing strategy. Through an integration of the marketing, management, and operations literatures, an investigative framework is generated that identifies the various stakeholders potentially impacted through the environmentally friendly efforts of a firm.

(Kilbourne 1998) The theoretical view of green marketing, derived from within institutional economics, environmental politics, and technological theory, is a multi-disciplinary perspective suggesting that a potential environmental crisis resides not necessarily in specific behaviours but rather within the dominant social paradigm (DSP) of Western industrial societies. Effective policies and strategies then must recognize the crisis as one of paradigms; this paper addresses the failure of contemporary green marketing to move beyond the limitations of the prevailing paradigm. While there are nascent macro developments in marketing thought that might lead to a truly green marketing considering sustainability, holistic thought, and the limitations of the prevailing paradigm, they remain thus far on the periphery of the discipline. They will remain so until a broader, multi-disciplinary approach incorporating the multiple dimensions of the DSP is developed.

III. RECENT TRENDS IN GREEN MARKETING

All the stakeholders who are directly or indirectly get affected by the activities of a business should be kept in mind while setting the objectives and the policies of an organization. This has already helped to increase the recent trend towards the "greening" of the companies. Green Corporate Climate Series (GCCS) expert Sofia Ribeiro, founder and co-owner of Kiwano Marketing, explains green marketing trends. From her research work on an "Expert Green Marketing Study" some of the key findings are as follows: Most Marketers Intend to Spend More on Green Marketing: More than 80% of respondents indicated that they expect to spend more



on green marketing in the future. Among manufacturers, that number is significantly higher. At least half, if not more, of respondents plan to engage in online marketing efforts in the future. Marketers Believe Green Marketing More Effective: Not Less 28% of marketers themselves think green marketing is more effective than other marketing messages, compared to 6% of marketers who think it is less effective. Management is even more optimistic, with 46% of them indicating a belief that green marketing is more efficacious. Just 23% of folks in operations think green marketing is more effective.

Smaller Firms Spend More: Companies with smaller marketing budgets tend to spend more on green marketing. Firms with a marketing budget of under \$250,000 spend just over 26% on green marketing, while those with budgets of more than \$50 million spend 6% on green marketing.

Internet Tops Green Marketing Media: By far the most popular medium for green marketing was the Internet, with 74.2% of respondents having spent money online, followed by print (49.8%), direct (40%), outdoor (7%), radio and TV (7%) and mobile (6%). 29% of marketers with budgets between \$10 million and \$50 million, and 25% of those with budgets of more than \$50 million, used outdoor, compared to 7.3% for all marketers. Mobile was also a popular medium for marketers with the highest budgets: 14% of those in the \$10 million to \$50 million budget category, and 16% in the more than \$50 million budget category have spent money on mobile, compared to 6% for all marketers.

IV. GREEN MARKETING AND SUSTAINABLE DEVELOPMENT

Economy and society are constrained by environmental limits (Labovitz 1971). Our economic and social activities should be framed for optimal utilization of natural resources and keeping the environment safe. All the different cultures of the world have always taught us to love our nature. Now days we are not utilizing our natural resources for fulfilling our needs but for fulfilling our greed. Due to this there are many social, economic and environmental problems have become deterrent for our life. The solution to these existing problems can be rectified if we go for sustainable development. Sustainable development as per the “Report of the World Commission on Environment and Development (United Nations, 1987)” can be viewed as a pattern of resource use that aims to meet human needs while preserving the environment so that these needs can be met not only in the present, but in the indefinite future. Sustainable development is the form of development which aims at sustainable consumption and sustainable economic growth and tries to protect the environment. The field of sustainable development can be conceptually broken into three constituent parts: environmental sustainability, socio-political sustainability and economic sustainability. The two terms sustainable development and sustainable consumption are the two facets of the same coin. Sustainable development refers to maintaining long-term economic, social and environmental capital. While sustainable consumption becomes the way of life. Sustainable consumption is using resources in a way that minimizes harm to the environment while supporting the well-being of people.

V. CONCLUSION

The key to successful green marketing is credibility. Never overstate environmental claims or establish unrealistic expectations, and communicate simply and through sources that people trust. Seeing the recent trends in green marketing and getting its importance worldwide, it can be claimed that if sustainable development is the need of time then green marketing can fulfil this need and can become means for sustainable development as green marketing incorporates people, profit and planet all together.

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