

## GREEN MARKETING: A COMPETITIVE ADVANTAGE TO BUSINESS

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### ABSTRACT

Looking at today's scenario, businesses don't just seek for increasing profits or sales but also aimed at reducing the carbon footprint. Thus, Green Marketing has developed as a breakthrough in the marketing field and grabbed a lot of attention to it. This postulation of green marketing has enabled packaging and re-marketing of existing products that adhere to such guidelines. Consequently, new products are created, named "green" products which cause less environmental damage. The green lifestyle has become a new trend among consumers as they are becoming more concerned about improving environmental quality and surroundings. Therefore, Marketers, today are trying to cope with these changes and build a niche for themselves so that they can stand out and make profits in the long run without negatively impacting the environment. To target this, the study reviews stock of knowledge through a systematic literature review on this topic. Specifically, this paper analyses 1) the concept of green marketing 2) reasons for going green 3) challenges faced by marketers in producing green products, and lastly the future of green marketing.

**Keywords:** green marketing, environment, green products, eco-friendly

### INTRODUCTION

In recent years, companies have doubled their interest in the field of environment and its protection by integrating and adopting "green concept" and "environmental concept" in all their operations from input to output delivery. In line with this, green marketing has expanded and emerged as an inevitable necessity rather than just a mere addition. It also gives a competitive advantage and reflects the stakeholders' image (Saoud & abbes, 2020).

According to (Polonsky, 1994), marketing has gained more importance through concepts like Environmental marketing and Green marketing as governments globally started taking initiatives to regulate this concept as a whole. In addition to this (Nadaf & Nadaf, 2014), claimed that worldwide people are becoming more concerned about nature/ environment and their behavior is also changing towards the environment.

**American Marketing Association** defined green marketing as the marketing of products that are expected to be environmentally safe. Therefore, green marketing includes a wide range of activities, like production modification, modifying advertising, and packaging changes. Yet defining green marketing is a complex task as various meanings contradict and intersect each other. Other terms used for green marketing are ecological marketing, environmental marketing, and sustainable marketing. Thus, green marketing is defined as a holistic concept in which the marketing consumption, production, and services are carried out in such a manner that it causes less damage to the environment (Manurkar & Deshpande, 2018).

### EVOLUTION OF GREEN MARKETING

According to (Peattie, 2001), Green marketing has three phases:

**First Phase-** "Ecological" green marketing – All activities of marketing were concerned to lend a helping hand to environmental problems and also to provide for remedies.

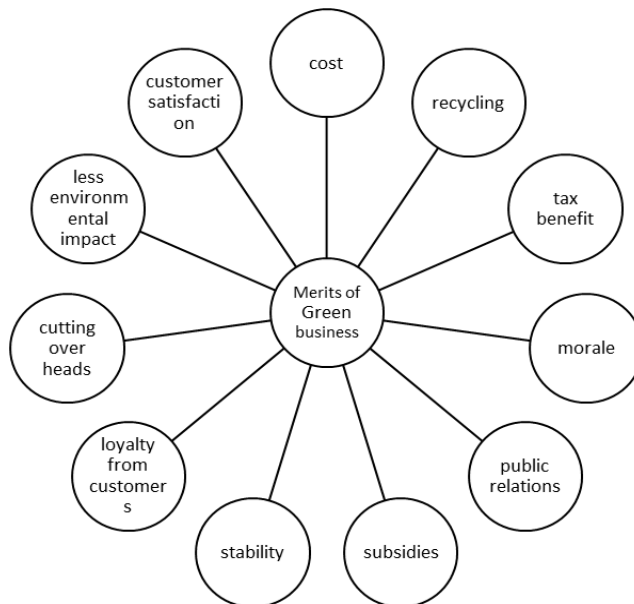
**Second Phase-** "Environmental" green marketing- There was a shift in focus from environmental problems to clean technology and it involved the development of innovative products that cater to the needs of waste and pollution issues.

**Third Phase-** "Sustainable" green marketing- It came into existence in the late 1990s and the main focus lies in the development of good quality products targeting mainly on the pricing, performance, convenience, and quality in a nature-friendly way.

#### *Characteristics of green products*

- 1) Products that are reusable, recyclable, and biodegradable.
- 2) Products that are made up of natural ingredients.

- 3) Products that contain non-toxic chemicals and recycled contents.
- 4) Products that do not pollute or harm the environment.
- 5) Products that are not animal tested.
- 6) Products that are packed in an eco-friendly manner.



*Source: Going Green in Business-A Study on the Ecofriendly Initiatives towards Sustainable Development in India (D & Kuckian, 2017)*

**Reasons for using Green Marketing**

- 1) Environmental marketing is perceived as an opportunity by various organizations to achieve their goals or objectives.
- 2) Organizations consider social responsibility as their moral obligation.
- 3) Pressure has been exerted on firms or organizations by government bodies to become more socially responsible.
- 4) Competition faced by other marketers using environmental activities also poses a threat to organizations to change their marketing activities.
- 5) According to (Tiwari), recycling or using manufacturing wastes (like water used in production) to produce other products can help businesses to lower their cost and increase their revenue.
- 6) Many consumers are becoming conscious of the environment and health, and hence prefer eco-friendly products over other products (Sinha, 2017).

**Upcoming Green Initiatives by Companies in 2020**

Company	Green Initiatives
McDonald's	Use of energy-efficient appliances, green parking lots for hybrid vehicles
Target	Designing of eco- clothing line
HP (Hewlett Packard)	Opening of e-waste recycling plants and 100% recyclable branded materials
Toyota	Introduction of hybrid vehicles
Starbucks	Bean-to-cup approach and the making of coffee tables with recycled coffee grounds
Coco-cola	Sustainable packaging, climate, and energy protection and water preservation
S.C. Johnson	Use of natural gas instead of coal to generate power
Honda	Finding ways to produce vehicles with hydrogen fuel
Google	Installation of solar panels and windmills and energy-efficient data centers
Dell	Efficient and effective recycling program
Bank of America	32% cut in the paper requirement, internal recycling program, and offer rewards in monetary terms to workers who shift to hybrid cars.

Tesla Motors	Manufacturing of eco- friendly cars
Wal- Mart	Cut off suppliers using high carbon emission and 100% utilization of renewable energy sources
United (continental airlines before the merger)	Replacement of airplanes with more fuel-efficient, reduction of nitrogen oxide emissions and employment of environmentalist staff
Tesco	The energy powering stores with wind power and biodiesel trucks for deliveries
Brooks	Biodegradable running shoe
Pratt- Whitney	Cutting down of ingots to 90% in manufacturing of jet engine blades

*Source: 17 Top Companies That are Going Green in 2020 (Rinkesh, 2019)*

#### **Why progress is difficult?**

- 1) **Need for certification and standardization-** Based on various studies such as (Manurkar & Deshpande, 2018) and (Raj, 2017), it was found that the claims made by marketing campaigns are false, and only 5% truth is being conveyed. Also, there is a lack of proper standard quality control association or board which can certify the products as organic.
- 2) **A new concept-** According to (Qureshi, 2019), there exists a large percentage of consumers, who are unaware of green products and don't know what aspects to consider while purchasing green products.
- 3) **Patience and Perseverance-** The environment must be viewed as long- term investment opportunity by corporates and investors. They have to target long- term benefits which requires lots of patience (Raj, 2017).
- 4) **Green Myopia-** As per the Harvard Business Review, marketing myopia has led to the failure of around 75% to 95% businesses. Focusing on customer benefits is the first rule of green marketing but many marketers develop an green product without meeting the customer satisfaction criteria. This situation is called green myopia.
- 5) **Cost Factor-** To manufacture green products/services, a huge amount is required to be disbursed on R & D programs such as green technology, green energy/power. Thus, the increase in costs for development and promotional programs pose a challenge for marketers.
- 6) **Information Disclosures-** (Sharma & Singh, 2015) claimed that one of the potential challenges that came across firms is that they must provide reliable and adequate information relating to the greenness of products and should not make any false substantiated claims.
- 7) Though several laws and regulations have been formulated by the government to make consumers better decision-makers and more environmentally responsible, but still covering all environmental issues has always been difficult (Ghoshal, 2011).
- 8) Sometimes, while attempting to be socially responsible, many firms take risks that pose harmful in the future.

#### **Golden rules of Green Marketing:**

**Know your Customer-** Increasing awareness among customers about the issues which you want to undertake through your product.

**Educating your Customers-** Letting customers know why you are initiating such a thing. Otherwise, the majority of the target market will ignore it.

**Be Transparent-**It means you will do, what you are claiming in your product.

**Reassure the Buyer-**You have to make customers believe that your product will perform the job that it is supposed to perform.

**Consider your Pricing-**As high-quality ingredients are used to make environmentally friendly products, you will charge for your products, a premium price. But make sure that the price is affordable by the consumers.

#### **The future of Green Marketing**

The increasing population led to the destruction of resources at a much larger pace, resulting in the need for Green Marketing. With the help of green products, scarce resources can be saved for forthcoming generations. According to (Amund, 2018) , if we look 20 years back, the majority of companies do not care about eco- friendly practices but now if we look at some giant businesses like Coca-cola, Apple, and Disney, all are competing to be considered green.

### THE FUTURE IS GREEN:

- 1) More firms will produce and sell green products
- 2) An increase in social media influencers promoting green products has been seen.
- 3) Consumers now are keen to gain knowledge regarding services and products that are environmentally friendly and don't harm the environment.
- 4) When the demand for green products grows, they become cheaper and cheaper. This is often referred to as "economies of scale".

### Review of Literature: Overview

(**Sharma A. P., 2021**) with the help of systematic review of 232 studies found that lack of environmental knowledge, organizational image, price, trust, willingness to pay more and perceived associated risks acts as barriers, forming a gap between actual purchase behavior and attitude of consumers towards green products.

(**Shabbir, Sulaiman, Al-Kumaim, Mahmood, & Abbas, 2020**) conducted a research to identify the different approaches of green marketing and their effect on consumer behavior towards environment. The results revealed that consumer beliefs towards the environment is significantly and positively influenced by eco-labeling, environmental concerns and beliefs and green products, premium and pricing.

(**Chandra, 2019**) defines green marketing as the combination of green brand image, green satisfaction, green brand experience, and green trust. He also highlighted that Generation X and Y are more reactive concerning their family as well as a greener environment.

(**Manurkar & Deshpande, 2018**) explored the initiatives taken by corporates for green marketing. It was discovered that concern regarding product performance as expected is a major barrier while purchasing green products. Moreover, products that do not exaggerate their green claims, gain the trust of consumers, and could sell successfully.

(**Dangelico & Vocalelli, 2017**) confirms that green marketing is a rapidly growing issue and is on its peak since 2012. The study also brings to light that consumers are happy to spend a premium price based on products' functional attributes and their responsibility concerning the greener environment.

(**Maniatis, 2015**) Green consumers prefer green products based on their consciousness about economic benefits, environmental benefits, the green appearance of products, and green reliability. Also, a high degree of correlation was found between consumers' consciousness about economic benefits and the environment of green products.

(**Geetha & Jenifer, 2014**) conducted a study in Coimbatore to gain insight into consumer's attitudes towards eco-friendly products. Through the survey, it was found that people are aware of green products and environmental problems. Further, quality and reliability, health benefit, environment and ambiance, variety and quantity, etc. are the various factors that influence their purchase decisions.

(**Zhao, Gao, Wu, Wang, & Zhu, 2013**) The researchers conducted a study to examine factors affecting green consumer behavior. Through the survey, the major predictor of green purchasing behavior was found to be the attitudes toward green consumption. Moreover, recycling behavior is determined by using behavior, and this using behavior is further influenced by age, perceived consumer effectiveness, and income.

(**Ghoshal, 2011**) suggested that to succeed in marketing green products, marketers must satisfy two objectives: customer satisfaction and improved environmental quality. After conducting research, the main reason behind the failure of green products came out to be the green marketing myopia.

(**Mishra & Sharma, 2010**) stated that due to global warming, it became extremely vital to make green marketing a norm, rather than just a fad or exception and proper system for recycling metals, paper, and plastics, etc. must be implemented for a greener environment.

(**Peattie & Crane, 2005**) The purpose of this study is to identify the elements of green marketing along with 'false marketing' that hindered the progress of greater sustainability. After going through the literature review, five misconceived green marketing were identified which include green selling, green harvesting, green spinning, compliance marketing, and environmental marketing.

(**Shamsuddoha, 2005**) claimed that marketing is one such area where issues regarding the environment have gained so much importance. The author also recommended that green regulations or environmental laws must be followed by firms and government and they should also find new ways to recycle products from the trash.

## RESEARCH METHODOLOGY

This paper is descriptive in nature. Secondary sources and other information have been scrutinized to prepare this paper extensively. The secondary data have been taken from various sources such as books, journals, periodicals, websites and blogs.

## CONCLUSIONS

The purpose of this paper was to explore the challenges faced in marketing green products and to discover the potential of green business in the future. To attain this, an extensive literature review has been done and the following conclusions are drawn from them.

“Green Marketing” will generate future opportunities if all nations around the world make strict norms regarding green marketing (**Mishra & Sharma**). It acts as a tool to protect the environment for our future generations and it may not have any impact in the short run, but it will surely give benefit in the long run (**Tiwari**) Today in modern businesses, consumers are considered as kings and fulfilling their needs is the major task (**Deekshitha, Udaya Kumar, & Pradeep, 2017**). Moreover, with the increase in education and social media awareness, customers have shifted their preference towards green products to save the environment (**Geetha & Jenifer, 2014**). (**Peattie, 1995**) in his research also stated that marketing activities (such as marketing campaigns) are the only way to respond towards the increasing eco-concern. Further, in this consumer-driven market, if the marketers want to flourish, then they have to construct their strategies based on consumer benefits (**Pradeep & Kuckian, 2016**) and not only manufacture products having less impact on the environment. The marketers must also exert pressure on suppliers to commence their operations in a more eco-friendly way (**kaur, 2015**) Finally, as stated by (**Kabiraj, Topkar, & Walke, 2010**) is a business want to position itself as a leader in the lucrative niche then they have to confirm the growth and long-term viability of their business.

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