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Green marketing: A review

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Abstract

Health care and climate change have become global issues hence green marketing attempt to attract those customers who care environment. Today world is concerned for environment and keeping in view environmental sensitivity 5th June is celebrated as World Environment Day. With growing awareness about harmful effects of global warming, pollution and degraded products among the customers and marketers the need for green marketing has emerged. Green marketing is also known as ecological marketing. It involves developing such products and packaging that are either not or less harmful to the environment. Green marketing focuses on sustainable marketing rather than developmental marketing. This paper is an attempt to understand the concept of green marketing and its relevance in present scenario. Further it highlights that what are the different methods of green marketing and how companies can develop green marketing mix.

Keywords: marketing, green marketing, environment, sustainable development

Introduction

According to the American Marketing Association, green marketing is the marketing of products that are presumed to be environmentally safe. The term green marketing refers to the process of developing and distributing products and services that are environment friendly. Such products and services are manufactured in such a way that they cause no hazard to environment. The term green is indicative of purity and environment friendly marketing practices. Green marketing is a marketing philosophy involving numerous activities which encourages the use of safe technology, production of pure and non-toxic products, maximum use of renewable resources and minimum use of non-renewable resources and preservation of environment for sustainable development. Green marketing is against to all such production, marketing and disposal practices which are in any way harmful to the customers, society and environment. In this way green marketing has great concern for customers, society and environment.

Need of the Study

Due to vast size of business activities and cut throat competition among different business entities marketing has become essence for the survival and growth of all businesses. The reason of existence of any business is to serve the people or fulfill the need of the society and this can be well accomplished by marketing function. Since marketing is the means by which marketer reach to the customer with desire product, price, information and distribution channel. Due to over emphasis on customer satisfaction modern marketing has created numerous problems. Marketers are using unhealthy marketing practices to grow and obtain competitive edge in the market. All this is against customers' interest and causing degradation of the environment. Thus, it is realized that marketers should focus on sustainable marketing rather than

developmental marketing. Green marketing is one step in this direction. As it believe on production and promotion of pure products, fair dealing of customers and society and protection of environment. Keeping in view above facts present study has been taken to understand different aspects of green marketing.

Objectives of the Study

The main objective of the present study is to understand the concept of green marketing. Besides, endeavors have been made to examine the need, benefits and methods of green marketing. Finally this paper aims to suggest feasible green marketing mix for the marketers.

Methodology

The present study is explorative in nature as it attempt to explore different aspects of green marketing. Secondary data has been collected from different published sources and personal observation method has been used to describe different aspects of green marketing.

Need of the Green Marketing

Today entire world is sensitive about environment and our concern is shifting toward sustainable development. For this we need to focus on long term future rather than short term profits. If environment has not been saved today, then it would have serious consequences tomorrow. In India Infosys, WIPRO, TATA Metaliks Ltd., Maruti, Delhi CNG and Suzlon Energy etc. are examples of some companies which have been successful in reducing cost of production and improve their profits by following green marketing practices. Despite it, there are companies like ITC, HLL (Surf excel) who are heavily promoting them as an environmentally concerned firms. Like this there are many companies in queue which are

working in this direction.

Keeping in view these points in mind green marketing is needed due to following reasons

1. Business is a social unit so it is social responsibility of business to produce such products and services and adopt such marketing practices which contribute to long term welfare of the society. Green marketing can be seen as adoption of corporate social responsibility.
2. Green marketing is a good opportunity for those business units that want to expand their capacity and market share. Business units can expand their business operations by adopting green marketing practices to great extent. Since customers' attitude is also changing and they are preferring ecofriendly products and services. It will create good image of the company in the market.
3. The govt. of any country plays vital role in the economy of the country. Govt. influences business activities through various rules and regulations, so it is important for businesses to adopt green marketing to escape it from govt. intervention.
4. Many aware marketers are adopting green marketing practices voluntary because they assume environment protection their moral responsibility.
5. Since many marketers have adopted green marketing practices so it forces other marketers to adopt green marketing to remain in competition.

Benefits of Green Marketing

Today consumers are becoming health and environment conscious. Therefore, more companies are responding to consumers' aspirations for environment friendly products and services or natural products. Some of the advantages of green marketing are listed below:

1. Despite initial high cost green marketing can save money in long run.
2. It is helpful to minimize govt. and competitors pressure.
3. It ensures sustainable long term growth along with reasonable profitability.
4. It helps to create goodwill in the market.
5. It paves the way to enter in new markets and enjoying competitive advantage.
6. It helps to maintain higher morale of the employees in the organization as most of the employees feel proud and responsible to be working for a company which is environment friendly.

Challenges of Green Marketing

It is true that most of the customers and marketers are aware about the need of green marketing. Some of the companies have been adopting green marketing practices. In India green marketing is at its introductory stage. Green marketing practices require the use of eco-friendly material and adapted technology which is practically a difficult task. It involves huge investment and may increase the cost of production. However, some customers are willing to pay premium price for green products and services but still majority of customers are not ready for it. In India majority of population belongs to middle or below middle income class. So the success of green marketing depends on how this class perceives it and how green marketing programs are to be implemented.

Green Marketing Mix

Green marketing is generally followed by the companies which are committed towards sustainable development and corporate social responsibility. Companies that want to involve in green marketing need to make decisions relating to marketing mix such as product processing, packaging, product promotion and product distribution. All these practices are designed in such a way that they are environment friendly. As health care and climate change have become global issues, green marketing attempt to attract those customers who care environment.

Marketing of products and services consists of following activities which are comprised under elements of marketing mix. It is a combination of 4P's viz. Product, Price, Promotion and Place. A brief description of green marketing mix is given as below:

Product

Green products are customers and environment friendly. Such products should avoid the use of raw material which is harmful for customers and environment. Green products are manufactured by green technology which causes no damage to customers and environment. A green technology encourages conservation of natural resources and promotes sustainable development. Green products may be energy saving and use recycled material. These products are recyclable, reusable and biodegradable and involved natural ingredients. Green products use non-toxic material that doesn't harm customers and environment. For this necessary adaption in technology and production processes is required.

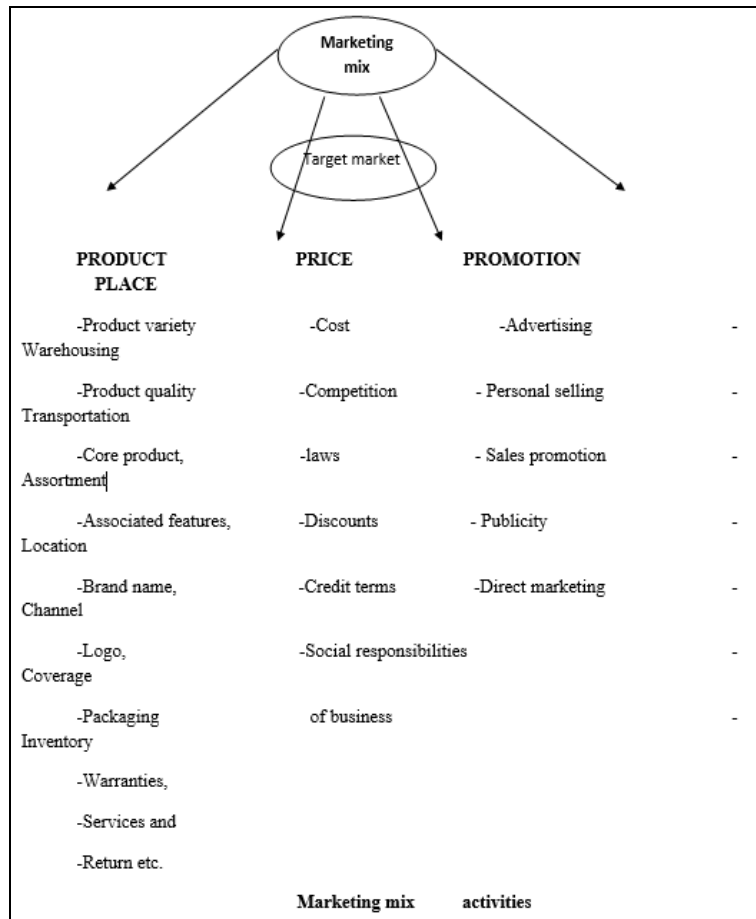


Fig 1

Price

However, green products are costlier as green marketing product and practices involves provision for environment preservation. Green prices considered the interest of customers, company, society and environment. The cost of absorbing environmental concerns is relatively high compared to conventional ones. Thus, it is argued that green marketing pricing should be affordable to a common customer. However, study reveals that environment friendly customers are agree to pay extra prices for green products.

Promotion

Green promotion should encourage environment friendly promotional material for use. For examples recyclable bags rather than plastic (which are detrimental to the environment) can be used. Similarly online advertising can reduce a great offline clutter. On line advertising can reduce pollution which is caused by traditional advertising. Moreover, it can reduce the wastage of natural resources. Green promotional message and content should be ethically and morally acceptable. It will promote healthy marketing practices. Further it would help to minimize the adverse effect of advertising on children in specific and customers in general.

Place

In green marketing logistics system is managed in such a manner that it minimizes overall distribution cost. It attempts to minimize the overall transportation cost so that pollution

caused by excessive transportation could be controlled. For this it make provision to produce product or services at customers’ consumption place. Like this it emphasis to manufacture goods on franchise or license system at consumption place than importing goods from other countries. It will reduce overall import cost and it will be helpful for environment.

Methods of Green Marketing

Green marketing is a process of preventing environment from unethical marketing practices which are against customers and environment interest. In this way green marketing involves various tasks. Despite eco-friendly products there are many activities which can be adopted under the umbrella of green marketing. The following methods can be included in green marketing:

1. To perform various marketing activities marketer can use such raw material which is either eco-friendly or less detrimental for environment.
2. Material used for promotion of products and services cause pollution therefore, e-marketing may be an alternate to escape from it.
3. Marketers can develop recycle packaging of goods. It can control environment pollution to great extent.
4. Such techniques of production of goods and services may be developed which use renewable sources of energy.
5. In order to avoid hazard to environment the method of

right disposal of goods and packaging should be mentioned on product packaging in clear and understandable manner.

6. Marketer can use environment friendly technology.
7. For packaging marketer can use biodegradable material which doesn't cause pollution.

Conclusion

Keeping in view health issues and environmental concern, it is the need of the time to adopt green marketing. It is prerequisite of sustainable development. However, it requires technological changes in production and distribution processes which may further increase the cost of product or service. It has also been observed that so far green marketing practices have not been successful due to poor implementation and consumer behavior. But for long term betterment of the society and sustainable development it is important to adopt green marketing. By following ethical marketing practices, increased cost of product can be offset to some extent. In this regard awareness should be created among the customers and marketers. Thus, green marketing should be treated as opportunity to protect the environment for future generations.

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