

# ENVIRONMENTAL MARKETING AND NATURAL RESOURCES

SUNIL GARG

RAJA BALWANT SINGH, ENGINEERING AND TECHNICAL CAMPUS

**ADD:** C-136, Kamla Kunj, New Adarsh Nagar, Balkeshwar, Agra (U.P)

## ABSTRACT

*It is a common saying in marketing that “customer is the king”. Gone were the days when whatever organizations are manufacturing, customers are purchasing. Nowadays if the companies have to survive in this cut throat competitive world, they have to manufacture according to the taste, preference and need of customers. In the modern era of globalization, it has become a challenge to keep the customers as well as consumers in fold and even keep our natural environment safe and that is the biggest need of the time. Environmental pollution is a buzz word in today’s business environment. Consumers are also aware of the environmental issues like; global warming and the impact of environmental pollution. Green marketing is a phenomenon which has developed particular importance in the modern market and has emerged as an important concept in India. In this research paper, main emphasis has been made over the concept, need and importance of green marketing. Data has to be collected from books, journals, websites, and news paper to understand the importance of green and sustainability management. The paper aims at finding out what actually Green Marketing is all about and how can a business firm be more competitive by using green marketing strategies to gain a competitive edge over others. The paper describes the current Scenario of Indian market and explores the challenges and opportunities businesses have with green marketing. Why companies are adopting it and future of green marketing and concludes that green marketing is something that will continuously grow in both practice and demand.*

**KEYWORDS:** Green Marketing, Globalization, Sustainability, Natural resources

## INTRODUCTION

The negative impact of human activities over environment is a matter of concern today. Government all over the world making efforts to minimise human impact on environment. Today our society is more concerned with the natural environment. Understanding the society's new concerns businesses have begun to modify their behaviour and have integrated environmental issues into organisational activities. Academic disciplines have integrated green issues in their literature. This is true with marketing subject too, and the terms like "Green Marketing" and "Environmental Marketing" are included in syllabus. Governments all over the world have become so concerned about green marketing that they have attempted to regulate them. **Green marketing** refers to the process of selling products and/or services based on their environmental benefits. Such a product or service may be environmentally friendly in itself or produced and/or packaged in an environmentally friendly way.

The obvious assumption of green marketing is that potential consumers will view a product or service's "greenness" as a benefit and base their buying decision accordingly. The not-so-obvious assumption of green marketing is that consumers will be willing to pay more for green products than they would for a less-green comparable alternative product - an assumption that, in my opinion, has not been proven conclusively.

## DEFINITION AND MEANING OF GREEN MARKETING

Green marketing has been an important academic research topic for at least three decades and has been defined in many different ways. According to The American Marketing Association, —Green or Environmental Marketing consists of 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. Thus we can say that Green Marketing involves: - Manufacturing and providing products to the consumers which are of good quality and at the same time not harmful to them even in long run. - Use the resources for development in such a manner which will enable the future generations to avail the resources to meet their needs leading to Sustainable Development. - Framing and implementing policies which will not have any detrimental effect on the environment i.e. at present as well in future. Thus "Green Marketing" refers to holistic marketing concept wherein the production, marketing consumption and disposal of products and services happen in a manner that is less detrimental to the environment with growing awareness about the implications of global warming, non-biodegradable solid waste, harmful impact of pollutants etc. Both marketers and consumers are becoming

increasingly sensitive to the need for switch in to green products and services. While the shift to "green" may appear to be expensive in the short term, it will definitely prove to be indispensable and advantageous, cost-wise too, in the long run. The first wave of Green Marketing occurred in the 1980s.

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

According to **Polonsky 1994 b, 2** - "*Green or Environmental Marketing consists of 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 incorporates broad range of activities including product modification, changes to the production process, packaging changes, and modifying advertising. Green marketing focuses on satisfaction of customer needs and wants with no or minimum harm to the natural environment.

## LITERATURE

**According to Peattie** , the evolution of green marketing has three phases. First phase was termed as "Ecological" green marketing, and during this period all marketing activities were concerned to help environment problems and provide remedies for environmental problems. Second phase was "Environmental" green marketing and the focus shifted on clean technology that involved designing of innovative new products, which take care of pollution and waste issues. Third phase was "Sustainable" green marketing. It came into prominence in the late 1990s and early 2000s. **Dutta, B. (2019, January)** in his article on Green Marketing titled *Sustainable Green Marketing The New Imperative* published in Marketing Mastermind states that Green Marketing involves developing good quality products which can meet consumer needs and wants by focusing on the quality, performance, pricing and convenience in an environment-friendly way. Barkar is of the view that, Companies need to believe first that Green Marketing „can work“ and make diligent efforts to make necessary product improvements, which deliver performance, and are marketable and profitable. **Unruh, G. And Ettenson, R. (2020)** in their research article titled, *Growing Green: Three smart paths to developing sustainable products*. Published in Harvard Business Review, is for executives who believe that developing green products make sense for their organization and need to determine the best path forward. The authors have introduced and described three broad strategies that companies can use to align their green goals with their capabilities: **Accentuate**: Strategy involves playing up existing or latent green attributes in your current portfolio. **Acquire**: Strategy involves buying

someone else's green brand. **Architect:** Strategy involves architecting green offerings – building them from scratch. Green marketing mainly focuses on four issues. These issues are: first, importance of green marketing; second, impact of green marketing on firms' competitiveness and performance; third, improving effectiveness of green marketing. **Prothero, A. (1998)** introduces several papers discussed in the July 1998 issue of 'Journal of Marketing Management' focusing on green marketing. This includes; a citation of the need to review existing literature on green marketing, an empirical study of United States and Australian marketing managers, a description of what a green alliance look like in practice in Great Britain, ecotourism and definitions of green marketing. **Oyewole, P. (2001)**. In his paper presents a conceptual link among green marketing, environmental justice, and industrial ecology. It argues for greater awareness of environmental justice in the practice for green marketing. A research agenda is finally suggested to determine consumers' awareness of environmental justice, and their willingness to bear the costs associated with it. **Prothero, A. & Fitchett, J.A. (2022)** argue that greater ecological enlightenment can be secured through capitalism by using the characteristics of commodity culture to further progress environmental goals. Marketing not only has the potential to contribute to the establishment of more sustainable forms of society but, as a principle agent in the operation and proliferation of commodity discourse, also has a considerable responsibility to do so. **Kilbourne, W.E. (1998)** discusses the failure of green marketing to move beyond the limitations of the prevailing paradigm. The author identifies areas that must be examined for their effect in the marketing/environment relationship, namely economic, political and technological dimensions of the cultural frame of reference. **Karna, J., Hansen, E. & Juslin, H. (2014)** interpret that proactive marketers are the most genuine group in implementing environmental marketing voluntarily and seeking competitive advantage through environmental friendliness. The results also give evidence that green values, environmental marketing strategies, structures and functions are logically connected to each other as hypothesized according to the model of environmental marketing used to guide this study. **Donaldson (2015)** in his study realized in the Great Britain initially concluded that in general the ecological attitude of consumers changed positively. This study reported the strong faith of consumers in the known commercial brands and in the feeble behaviour referring to the "green" claims, which was the main cause behind the consuming failure to interpret their concerns beyond the environment in their behavior. **Alsmadi (2017)** investigating the environmental behaviour of Jordanian consumers reveals a high level of environmental conscience. Unfortunately however this positive tendency and preference in the "green" products does not appear to have any effect on the final decision, obviously because these consumers have a stronger faith in the traditional products and a small confidence in the green statements. The above obstacles are further

strengthened by the lack of environmental conscience by a lot of enterprises and the existence of a large scale of prices for the same product, many of which included an impetuous estimate of environmental responsibility. The same phenomenon has been presented in other researches too (**Ottman,2014; Donaldson, 2015; Cleveland et al, 2015**). **Brahma, M. & Dande, R. (2008)**, The Economic Times, Mumbai, had an article which stated that, Green Ventures India is a subsidiary of New York based asset management firm Green Ventures International. The latter recently announced a \$300 million India focused fund aimed at renewable energy products and supporting trading in carbon credits. **Sanjay K. Jain & Gurmeet Kaur (2014)** in their study environmentalism have fast emerged as a worldwide phenomenon. Business firms too have risen to the occasion and have started responding to environmental challenges by practicing green marketing strategies. Green consumerism has played a catalytic role in ushering corporate environmentalism and making business firms green marketing oriented. Based on the data collected through a field survey, the paper makes an assessment of the extent of environmental awareness, attitudes and behaviour prevalent among consumers in India.

## **IMPORTANCE OF GREEN MARKETING**

It is well known that increasing production and business activities are polluting the natural environment. Damages to people, crops, and wildlife is reported in different parts of the world. As resources are limited and human wants are unlimited, it is necessary for marketers to use resources efficiently, so that organisational objectives are achieved without waste of resources. So green marketing is inevitable. There is growing interest among people around the world regarding protection of natural environment. People are getting more concerned for environment and changing their behaviour for the protection of environment. As a result of this, the term "Green Marketing" has emerged. Hence, marketers are feeling their responsibility towards environment and giving importance to green marketing.

Not only marketers but consumers are also concerned about the environment, and consumers are also changing their behaviour pattern. Now, individual as well as industrial consumers are becoming more concerned about environment-friendly products.

In the present scenario, challenge is to keep the customers as well as consumers in fold and even keep our natural environment safe – which is the biggest need of the time. Companies may loose many loyal and profitable customers and consumers due to absence of green management. In today’s innovative business

world of high technology due to growing community and consumer interests in green and socially responsible products, increased community pressure on companies to internalize externalities, such as health issues, neighborhood amenity, climate change; environmental and governmental legalizations and initiatives; innovative technologies and approaches of dealing with pollution, improved resource and energy efficiency, and to retain old (loyal and profitable) customers and consumers, it is very much urgent to implement green marketing. Further green management produces new environment friendly customers which lead to increase in sales and profits of an organization that leads to growth and development of business; it also leads to good public image of the organization. In the present times when the government regulations around the globe are very strict and the whole world is talking about global warming ,climate change and environment protection the companies would be left with no option but to adopt green marketing otherwise it might be too late to survive in the greener world. The consumer's world over in general and India in particular are increasingly buying energy efficient products. In a nutshell most of the companies are venturing into green marketing because of the following reasons:

- In India, around 25% of the consumers prefer environmental-friendly products, and around 28% may be considered healthy conscious. Therefore, green marketers have diverse and fairly sizeable segments to cater to.
- Many companies have started realizing that they must behave in an environment-friendly fashion and believe both in achieving environmental objectives as well as profit related objectives.
- Various regulations recently framed by the government to protect consumers and the society at large led to the adoption of Green marketing as a compulsion rather than a choice. For example, the ban of plastic bags in many parts of the country, and prohibition of smoking in public areas, etc.
- Many companies take up green marketing to maintain their competitive edge.

## **THE GREEN MARKETING MIX**

**The Four Ps of Green Marketing** Like conventional marketers, green marketers must address the Four Ps' in new perspective in view of changed scenario:

- **Product:** A producer should offer ecological products which not only must not contaminate the environment but should protect it and even liquidate existing environmental damages.

- **Price:** Prices for such products may be a little higher than conventional alternatives. But target groups like for example LOHAS are willing to pay extra for green products.
- **Place:** A distribution logistics is of crucial importance; main focus is on ecological packaging. Marketing local and seasonal products e.g. vegetables from regional farms is easier to be marketed “green” than products imported.
- **Promotion:** A communication with the market should put stress on environmental aspects, for example that the company possesses a CP certificate or is ISO 14000 certified. This may be publicized to improve a firm’s image. Furthermore, the fact that a company spends expenditures on environmental protection should be advertised. Third, sponsoring the natural environment is also very important. And last but not least, ecological products will probably require special sales promotions.

## **GREEN MARKETING- CHALLENGES**

Although a large number of firms are practicing green marketing, it is not an easy job as there are a number of problems which need to be addressed while Implementing Green marketing. The major challenges to Green marketing which have to be faced are:

**New Concept-**Indian literate and urban consumer is getting more aware about the merits of Green products. But it is still a new concept for the masses. The consumer needs to be educated and made aware of the environmental threats. The new green movements need to reach the masses and that will take a lot of time and effort

**Cost Factor-** Green marketing involves marketing of green products/services, green technology, green power/energy for which a lot of money has to be spent on R&D programmes for their development and subsequent promotional programs which ultimately may lead to increased costs.

**Convincing customers-**The customers may not believe in the firm’s strategy of Green marketing, the firm therefore should ensure that they undertake all possible measures to convince the customer about their green product, the best possible option is by implementing Eco-labeling schemes. Eco-labeling schemes offer its —approval to —environmentally less harmless products. In fact the first eco-label program was initiated by Germany in 1978. Sometimes the customers may also not be willing to pay the extra price for the products.

**Sustainability-** Initially the profits are very low since renewable and recyclable products and green technologies are more expensive. Green marketing will be successful only in long run. Hence the business needs to plan for long term rather than short term strategy and prepare for the same, at the same time it should avoid falling into lure of unethical practices to make profits in short term.

**Non Cooperation-** The firms practicing Green marketing have to strive hard in convincing the stakeholders and many a times it may fail to convince them about the long term benefits of Green marketing as compared to short term expenses.

In other words it means firms using green marketing must ensure that their activities are not misleading to the consumers or the industry, and do not breach any of the regulations or laws dealing with environmental marketing.

**Producers** – AMUL has been rated as the Top Indian Green Brand by Global Green Brands survey. The International Dairy federation has also awarded AMUL Green movement as the best Environment Initiative in the —Sustainability Category in 2020. It also has been awarded Srishti's good green Governance award for four consecutive years since 2011. The 2014, top 10 Green Brands in India are:

1. AMUL
2. Dabur India ltd.
3. Infosys
4. Taj Hotels
5. Britannia Industries ltd.
6. Suzlon India
7. Hindustan Unilever Ltd.
8. Wipro technologies ltd.
9. Maruti Udyog ltd.
10. Godrej Consumer Products

The findings emphasize that today situation being both green and consumer friendly is the only mantra for long term success.



## **STATEMENT OF THE PROBLEM**

In India green Marketing is a relatively new topic introduced by few multinational companies operating in India like Philips India limited. One of the biggest problems with the green marketing area is that there has been little attempt to academically examine environmental or green marketing. While some literature does exist, it comes from divergent perspectives. This paper attempts to throw light on the conceptual issues associated with green marketing. The present study is exploratory in nature to provide a clear guidance for empirical research. It is also descriptive where the focus is on fact finding investigation with adequate interpretation. For this purpose secondary data were collected. The secondary data were collected through newspapers, magazines, books, journals, conference proceedings, Government reports and websites.

## **CONCLUSION & SUGGESTIONS**

The rapid increase for the environment concern in last two decades is stressing companies to prove the change to ensure the sustainable growth of the society. Now this is the right time to select —Green Marketing globally. It will come with drastic change in the world of business if all nations will make strict roles because green marketing is essential to save world from pollution. From the business point of view because a clever marketer is one who not only convinces the consumer, but also involves the consumer in marketing his product. With the threat of global warming looming large, it is extremely important that green marketing becomes the norm rather than an exception or just a fad. Recycling of paper, metals, plastics, etc., in a safe and environmentally harmless manner should become much more systematized and universal. It has to become the general norm to use energy-efficient lamps and other electrical goods. Green marketing helps in the effective outcomes like cost cutting, employee satisfaction, waste minimization, society welfare for the companies as well for society also. Only thing required is the determination and commitment from the all the stakeholders of the companies. Marketers also have the responsibility to make the consumers understand the need for and benefits of green products as compared to non-green ones and the benefits they can reap in the future. The green marketers can expect full support of the Government, and the consumers also will not mind paying more for a cleaner and greener environment. Finally, consumers, industrial buyers and suppliers need to promote the positive effects of Green marketing on the environment. Finally, consumers, industrial buyers and suppliers need to pressurize to minimize the negative effects on the environment-friendly. Green marketing assumes even more importance and relevance in developing countries like India.

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