

A STUDY ON ISSUES AND CHALLENGES FACED BY GREEN MARKETERS AND STRATEGIES TO POSITION IN THE POTENTIAL CONSUMER SEGMENT

¹Bushra Hameed, ²Jyoti Chaturvedi, ³Shehnaaz Khan

¹Assistant Professor, ² Assistant Professor, ³ Assistant Professor

¹Department of Business Administration,

¹Allenhouse Business School, Kanpur, India

Abstract : The research evaluates the certainty and consequences of Green Marketing with its issues and challenges consociate with the period of integrated global economy. Nowadays Green marketing performs as a vital element of the universal marketing. Green marketing possess items and services displaying leading green products on groundwork of cognizant and surroundings. Customers these days prefer or rely more on items or services manufactured by way of environment friendly techniques avoiding global warming essence which in turn functions as a tenacious power of organizations for adopting green process. Organizations transport items which can satisfy consumers simultaneously fulfilling social responsibility. This process is quite helpful in providing influencing results to avoid Retrenchment & waste which in turn out builds trust of consumers and society. Honesty towards specific brand is improved by fulfilling every aspect of social liability for society centric consumers. Green marketing has much possibility to develop as it has been just initiated and working on it will lead us to its viability aspect i.e., how much feasible it can become. It is pretty complicated and time consuming task to motivate customers to adopt green marketing products as organizations needs to satiate customers demand, advertizing eco friendly symbols on products and by avoiding anti-social activities. A fraction of consumers still have a strong sense of belief that green products are merely selling strategies for esteemed organizations and having such mental state they are quite reluctant to invest extra penny on products or services. Therefore this research will prove to be a crucial platform for awakening consumer's mindset in developing and enhancing their environment friendly demand.

IndexTerms- *Green Marketing, Globalization, Issues, Challenges, Environment-friendly, Social Responsibility, Environment*

I. INTRODUCTION

Green marketing is an important process which includes the eco-friendly goods or eco-wrapping techniques claims by American Marketing Association. It promotes to nurture and protects the eco-friendly atmosphere. Adopting green methodologies for product and services is a very frequent practice for influential selling strategies and renowned branding ways. Some green transforming approach for organizations and customers are less energy consumption, varying atmosphere, destroying wild-life, extinct-species and mass media next to wild-life acts as strong driving force for turning green. Innovative trends and techniques of social aspect tend to modify and develop consequences for meeting market environmental friendly challenge. Consumers as well as marketers have developed the sense of awareness to go green in terms of product or services. Presently marketing is a customer centric system which says exhibits the dominance of consumers and the manufacturers have to manufacture the customized products meeting customers overall demand. Customer requirements are based on their individual wants and the capability to pay for it. For sake of meeting these requirements, manufacturers ignore eco-friendly methodologies and keeps on targeting customer's demands merely. Similar issue held's at customer's part as well. Customer desires for their own requirements instead of focusing environment favoring technologies. Hence this research gives input in shifting our direction of thoughts towards green marketing policies.

II. LITERATURE REVIEW

Honion and Kinnear(1976) have defined green consumers as those who are environmentally conscious. According to Antil(1984), when consumers display specific type of socially conscious behavior with the intention of protecting the environment, it is called green consumerism. Weiner and Doescher(1991), have described green consumerism as pro-social consumer behavior.

As defined by Michael Polonsky (1994), green marketing consists of all the activities that intend to satisfy human needs and wants with minimum detrimental impact on the natural environment. Various research studies have suggested that consumers prefer environmentally safe products and have shown strong willingness to purchase these products. However, how much action has been taken by the consumers in this direction is still debatable (Mendleson N, Polonsky MJ, 1995). In a research conducted by Mintel (1995), significant gap is found between consumers concern and actual purchasing. Green marketing has also been perceived as an opportunity for achieving organizational objectives(Kellar1987). Daves (1992), Freeman and Liedtka (1991),Keller(1987) and Shearer(1990) suggested that the organizations have moral obligations of serving the society by being more environment-friendly.

Davidson et al (1985) believed that the consumer's attitude towards products is a direct outcome of personal experiences. However, when it comes to green consumerism, consumer's attitude and behavior were not found to be very consistent. Maineri et al(1997) discovered very low correlation between consumer's attitude and green behavior. As per Juwaheer (2005), although

consumers are aware about green products, application of green marketing practices in business operations is a difficult task. There are several challenges faced by green marketers. High price of green products is one of the major reasons why customers are not willing to purchase green products. Many times, customers are not willing to pay premium price for green products. In such cases companies have to extensively communicate the benefits of green marketing to consumers through various tools of integrated marketing communication.

Lack of set standards and common consensus among the masses as to what actually constitutes “green” is another challenge faced by marketers (Shafaat and Sultan, 2012). Despite all these challenges, green marketing is gaining popularity. Companies are willing to take initiative in producing environmentally friendly products.

III. Evolution of green marketing

According to a research done by Paul Stoneman, if we want to improve and grow the market for green products, financial incentives are a prerequisite. Another study done by Mintel suggests that 66% of consumers in United States do not buy green products because of high cost whereas 34% claim non-availability of green products. This shows that there is a huge potential for untapped market and customer requirement which the companies can exploit for capturing market share and gaining advantage over their competitors in the global scenario. Many global companies have taken initiatives like recycling and using alternative fuels, greenhouse gas reduction, using renewable sources of energy to increase their accountability towards the environment.

IV. Green Marketing: Global Scenario

Paul Stoneman researched on the developmental aspect of green commodities by introducing financial incentive techniques in order to increase their movement in market. On the other hand, ‘Mintel’ gave facts based on non acknowledgment of green products by 66% customers in United States due to their expensive prices while 34% customers expressed the problem of absence of green products among other prevailing products in the market. Thus accordingly one can realize the vast ratio of un-explored market untouched by customer’s knowledge and access which can still be explored and accessed by customers to attain preferred positions among competitors and covering huge market share. For fulfilling social responsibility, many international firms have introduced environment friendly technologies like increasing production of recyclable goods through optional fuels and greenhouse and global warming gas abatement.

V. Green Marketing: Indian Scenario

Emergent Ventures India analyzed after latest research in New Delhi, India that customers know the idea of buying green goods but they do not implement it. Green marketing concept is in progressive stage in India. Green Marketing has a wider probability to grow in Indian market specifically in FMCG sector.

VI. Reasons to be Green

(a) **Social Responsibility:** Several organizations are aware of the fact of green techniques for their business and they must have the sensibility of social responsibility for protecting environment with their essential aim of overall profiteering. Duty full expression towards environment was presented by Walt Disney World in their way of working strategies. Around 35000 hectares of the barren lands and dry areas were nourished and watered by ITC’s watershed Development Initiative.

(b) **Opportunity:** Indian scenario gave the brief details of overall customer’s tastes and interests about nature of consuming products out of which 25% prioritized the green products and around 28% were health conscious. Some other illustrations said about usage of CNG in most transport mechanism to get rid of air pollution and HCL eco-safe Company exhibited HCL environment management policy.

(c) **Governmental Pressure:** Government had also set up several policies and norms for protecting environment by way of prohibiting plastic bags, ban of smoking in public places to decrease the manufacturing of anti-environmental products and there raw materials.

(d) **Competitive-pressure:** Nowadays organizations are willing to get an extra edge over their competitors and to build it up they are taking several steps to gain advantage in prevailing market as Niche companies like Body Shop, Organic India & Green & black have initiated to follow the policies of green marketing in comparison of their competitors.

VII. Challenges of Green Marketing

(a) **New Concept:** For Indian consumers, green marketing is an innovative term. However, Consumers belongs to urban areas are slowly ascertaining about positives of Green products. Although customers have still high probability to know more about damages made to us by using non-green products but this process is quite time-consuming and effort-taking.

(b) **Huge investment on R&D:** For evolving the concept of green marketing, organizations have to increase their investment on its research and development part. We could say by this that it could be a task for supporters of green marketing as organizations are not interested in investing all caliber, finances and time on R&D of it.

(c) **Risk for the companies:** For developing green products and strategies, tremendous amount of uncertainty is involved as there is no guarantee for wider growth and profit maximization under it.

(d) Long term Process: Those organizations who want to come up with an idea of green marketing must have great patience for sustainment as this concept is quite time taking and risky due to ignorance and incognizance of this terminology among consumers.

VIII. Strategies to be executed for Green Marketing

(a) Value positioning of customer: Companies must manufacture customized products and services and fulfill all the requirements of customers focusing on eco-friendly products so that important part of customer's population should be covered.

(b) Quantification of environmental benefits: Customers of India can way better realize the advantages of green marketing if it is of profiteering. Star rating program can illustrate in effective way. Earlier the products were presented with energy saving labels but it was not taken seriously by customers as they considered it as norms of government. After that the regulations like "Jago Grahak Jago" were initiated to make them realize about their savings on product consumption in relation to the star ratings, consumers were highly motivated and satisfied.

(c) Cost Effective products: With the growing concern towards environment, another strategy to be implemented by marketers is to provide environment friendly products at a lower cost. Indian consumers are price conscious and hence they prefer high quality products at reasonable price. Manufacturers should produce green products with the most cost efficient resources. This reduction in cost can then be passed on to the consumers in the form of reduced price. With the implementation of this strategy, green consumers can get good quality products at lower rates and the companies also get profit due to escalating demand of eco-friendly products at a cheaper price.

(d) Improving Environment Adherence Standards: There are several international standards on environment and environment management systems. The most reliable and reputed international standard is the ISO 14000. ISO 14000 scrutinizes the process of manufacturing the product along with the production of goods in an eco-friendly manner. Various standards, eco-mark labeling etc have been developed by the "Bureau of Indian Standards" to ensure the manufacturing of environment-friendly goods. Although it has been noticed that the compliance of these standards exists only on paper but the implementation hardly takes place. Companies must adhere to these standards making their processes more transparent and reliable in order to win the customers's trust and loyalty.

X. Green Marketing Mix

The green marketing mix includes product development and implementation of strategies pertaining to pricing, promotion and distribution in order to promote environmental awareness. When companies make new innovations such as eco-friendly products, they get an opportunity to enter into new market, thereby, increasing their profit. Companies need to implement green policies in order to produce a product, set its price, display an advertisement and place a product in the market. Here are the 4ps of green marketing-

(a) Green Product- A green product can be defined as an item that is produced in an environmentally conscious way, has least negative impact on the environment, is made from recycled material and preserves natural resources. According to a research done by Compher(2013), consumers want greener products. Consumers want green products as they believe them to be healthy, organic and help in preserving the environment. Manget, Roche and Munich (2009), found that consumers prefer green products because of the benefits associated with them such as more freshness, promise of safety and health and saving on cost.

(b) Green Price- Price is the amount an individual pays to obtain an item. Price is one of the crucial elements of green marketing mix. According to Bukhari(2011), price is the main reason consumers do not buy green products as they consider them to be expensive. In his study, Boztepe (2012), found a remarkable shift in the relationship between price and consumer buying behavior, as the young consumers were willing to pay a higher price. Consumers will pay a higher price for green products only when they find the product loaded with extra benefits such as visually more appealing, better functions, improved performance etc.

(c) Green promotion- Product's packaging is one of the major factors that attracts consumers when they do not have prior knowledge about the product. Agyeman(2014) accredited that a consumer's choice is highly influenced by the packaging. Dairs(2014) asserted that women consumers are more influenced by the product's packaging than their male counter-parts. Women examine the labeling more closely to check if the product was manufactured with recycled materials. In another study made by Ahern (2013), it was established that emotional advertising plays a significant role in determining consumers' preference and decision making.

Ansar(2013) consorts that advertisements contribute significantly in enhancing consumer's knowledge about the green products and helps them to make rational decisions and know their impact on the environment. Hence, green environments will attract more consumers and might also influence their purchasing decisions.

(d) Green place- Product placing is another important element of the green marketing mix. Kotic(2010) presumes that the location and accessibility of goods and services affect a consumer's choice of buying the product, as the consumers are not willing to travel far to buy a green product and would rather choose a closer substitute, therefore, green products should be positioned broadly in the market place. When green products are easily accessible, their sale increases.

XI. Conclusion

As said earlier, Green Marketing still persists in its initial stage in India. After several researches been conducted, results are exhibiting that customers are developing the sense for environmental awareness. Green marketing must be included in mandatory rule list of every organization rather than keeping it as option by developing sense of consciousness towards global warming, ozone depletion etc. It is an innovative and crucial change which should be included in performing corporate functioning by understanding genuineness of environment. Increasing the fraction of hard core consumers and improving brand's performance, entrepreneurs must take this as challenge to realize the objectives of green marketing and search the findings related to it.

XII. References

- [1] Jacquelyn A. Ottman, Edwin R. Stafford, and Cathy L. Hartman, Green marketing, myopia, Environment. Volume 48, Number 5, pages 22—36.
- [2] Somayajulu Garimella, Uday Bhaskar, Sustainable Marketing in the Emerging Markets with Specific, Reference to Indian Companies.
- [3] Karl E., Henion; Thomas C. Kinnear (January 1976). "Ecological Marketing". Ecological Marketing. American Marketing Association. pp. 168. ISBN 0877570760, ISBN 9780877570769.
- [4] Meenakshi Handa, green marketing: Drivers and Challenges, B-Cognizance IIITA e-Magazine October - December 2006 Vol 2 Issue 11 Charter M., (1992), Greener Marketing: a Responsible Approach to Business, Greenleaf: Sheffield.
- [5] Dobhal, Shailesh, (2005) Business Today, May 8th, p.22.v ? Dalrymple D. J. and. Parsons L. J., Marketing Management: Text and Cases, 7th ed., John Wiley and Sons, 2002, 18-20.
- [6] http://en.wikipedia.org/wiki/Green_marketing
- [7] Marketing and Sustainable Development", 005. www.greenmarketing.net/stratergic.html
- [8] Maheshwari A, Malhotra G. Green marketing: a study of Indian youth, International Journal of Management and Strategy 2011; 2(3).
- [9] Manian K, Nitish AJ. Present green marketing- Brief reference to Indian Scenario. International Journal of Scientific Research and Management 2014; 51-57.
- [10] Welling MN, Chavan AS. Analysing the feasibility of green marketing in small & medium scale manufacturers. APJRB 2010; 1(2): 1-14.
- [11] Verma PK. Green Marketing: Issues and Challenges, 2012.
- [12] Shrikanth R, Surya Narayana Raju D. Contemporary green marketing- brief reference to Indian scenario. International Journal of Social Science & Interdisciplinary Research 2012; 1(1): 26-37.
- [13] Kaur S. Impact of green marketing on consumer's buying behavior. Journal of research in commerce and management 2014; 3(5): 1-8.
- [14] http://www.abhinavjournal.com/images/Management_& Technology/May13/15.pdf
(Cited on 3 may 2015)
- [15] [http://www.academia.edu/9904739/Green_marketing_A_case_study_of_SBI_on_Green_Marketing_\(cited_on_3_may_2015\)](http://www.academia.edu/9904739/Green_marketing_A_case_study_of_SBI_on_Green_Marketing_(cited_on_3_may_2015))
- [16] Dr.V. Mohanasundaram, Green marketing – challenges and opportunities, Zenith International Journal of Multidisciplinary Research Vol.2 Issue 4, April 2012
- [17] Michael Jay Polonsky, Transformative green marketing: Impediments and opportunities, Journal of Business Research 64,2011, 1311–1319)
- [18] Rahul Singal, Anuradha Garg and Dr Sanjay Singla, Green marketing: Challenges and opportunities, International Journal of Innovations in Engineering and Technology (IJIET) Vol. 2 Issue 1,2013
- [19] Bharat K. Jotva, Green Marketing Opportunity and Challenge, Midas Touch International Journal of Commerce, Management and Technology, Jun-14
- [20] R. Shrikanth, D.Surya Narayana Raju, Contemporary green marketing-Brief reference to Indian scenario, International journal of social sciences and interdisciplinary research Vol.1 No. 1, January 2012
- [21] Pavan Mishra & Payal Sharma, Green marketing in India: Emerging opportunities and challenges, Journal of Engineering, Science and Management Education, Vol. 3, 2010,9-14
- [22] Prof. Govind Teju Rathod, Green Marketing in India : Emerging Opportunities and Challenge, Asian Journal of Management Sciences 02 (03 (Special Issue)), 2014
- [23] Bharat K. Jotva, Green Marketing Opportunity and Challenge, Midas Touch International Journal of Commerce, Management and Technology, Jun-14
- [24] <http://www.iso.org/iso/home/standards/managementstandards/iso14000.htm>

[25] Jain S.K. and Kaur Gurmeet, 2004, Green Marketing: An Indian Perspective, Decision, Vol.31 (2), pp.168-209

[26] "Green Marketing: Challenges & Opportunities for the New Marketing Age". http://www.amazon.com/Green-Marketing-Challenges-Opportunitiesew/dp/0844232505/ref=sr_1_4?s=books&ie=UTF8&qid=1291736620&sr=1-4.

