

# GREEN MARKETING AND SUSTAINABLE DEVELOPMENT

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## **Abstract**

In the modern era of globalization, it has become a challenge to keep the customers as well as the consumers in fold thereby keeping our natural environment safe which is the biggest need of the hour. Growing demand among consumers for green products, desire for healthy living, concern for animals and environment and anxiety about the health of their future generations has forced the companies to cater to this different category of consumers for which they would have to adopt green and social marketing strategies. Due to this shift from traditional marketing to green marketing, companies these days are facing major challenges. Green Marketing is an emerging branch of marketing which focuses on environmental protection along with customer satisfaction. It also focuses on the strategies that making the environment eco-friendly. The companies who are using green practices in their functioning will achieve the sustainable success.

Yet, there are many companies who need to work upon the same. This paper intends to substantiate how green marketing can help in sustainable development. It begins with the subjects of sustainable development and sustainable marketing as they are discussed in literature. It will come out with conclusions which can be applied in current market scenario.

**Keywords:** Green Marketing, Environment, Sustainable Development, Consumers

## **Introduction**

According to the American Marketing Association, Green Marketing is the marketing of products that are presumed to be environmentally safe. Green marketing includes a variety of activities, like product modification, changes to the production process, packaging, as well as modifying the way the product is advertised. The term Green Marketing also has its alternative names such as sustainable marketing, environmental marketing, green advertising, eco marketing, organic marketing. The concept being similar, green marketing spreads a message to capture market and services that are better for the environment. Green marketing appeals to a variety of issues through items that can save water, reduce greenhouse gas emissions, cut toxic pollution, clean indoor air, and be easily recyclable.

Sustainability is a vital concern of the world today as the consumers are now aware of preserving the resources for the present and for future generation. Our Common Future (1987), was the first ever sustainability report published by World Commission on Economic Development (WCED). The report was also known as Brutland Report. This gave a boost to further research on sustainability.

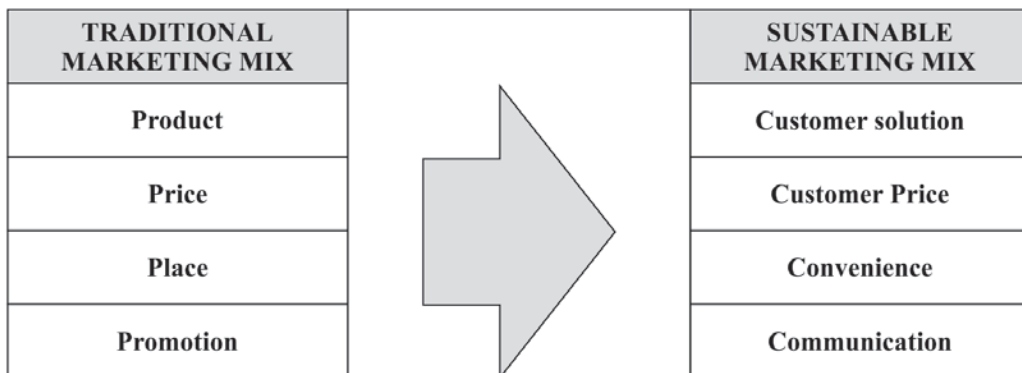
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UN Global Compact-Accenture (2014), reported view of 1,000 CEOs on sustainable business practices. According to this report, despite increasing commitment to environmental and sustainability issues, the global economy is lagging behind in actions needed to set society on a more sustainable pathway. It also stated that most of the CEO's believe that Sustainability is the way for future success but also termed it as a 'frustrated ambition' because rewards are less as compared to efforts.

Companies are now choosing to develop products using innovative techniques to produce green products to reduce the environmental impact. They are also adopting Green packaging in their marketing efforts because of the negative impact of discarded packaging on the environment. Some businesses are also trying to gain competitive advantage by repackaging their products into environmentally safe packages, reducing their waste materials, and using eco-labels, all of which are considered to be effective methods to green marketing. Another concept, Green promotion is one of the most controversial areas, and is more often criticized for presenting oversimplified solutions to complex environmental issues, however, it has played a vital role in bringing the market information about environmental sustainability.

Studies also show the different ways in which marketers have responded to the green marketing agenda. At the beginning, companies adopted a reactive approach towards customers with increased awareness of sustainability issues, while, more recently, studies have shown a proactive role of companies in approaching sustainability. Businesses have to be aware that sustainability is no longer an option, rather it has become a requirement, and protecting the environment must not only be a compliance with increasing environmental pressures but it should be seen as a market opportunity to help sustainable development. Emphasis should be given on sustainability, environmental responsibility, and corporate social responsibility, proving marketing's commitment to social change as a powerful tool for changing consumers' attitudes with the aim of reducing harmful environmental impacts.

According to an article by Zakes (2017) published in Huffington Post, consumers think that green and sustainable products or services are 'more expensive and less effective'. This can be justified as many sustainable marketing strategists only focus on sustainability thereby neglecting cost, efficacy and quality. Because of this change in consumer behavior, traditional 4P's (Product, Price, Place, Promotion) of marketing mix are essentially replaced with '4Cs' of sustainability marketing mix; Customer solutions, Customer cost, Convenience and Communication (Belz and Peattie, 2009).



Source : Belz and Peattie (2009)

*Figure 1. Traditional and Sustainable Marketing Mix*

### Objectives of the Study

Following are the objectives of the study:

- To analyze how green marketing can help in sustainable development.
- To analyze various green marketing strategies adopted by businesses.
- To Find out the challenges and opportunities posed by green marketing.

### Research Methodology

This study uses descriptive research design and uses secondary sources of data. It is based on secondary sources of information from various research publications, newspapers, journals, magazines, websites and books.

### Green Companies

Companies contributing to conservation of environment, producing environment friendly products, focusing on conservation of energy, water and natural resources, climate protection, giving its valuable contribution in maintenance of schools, roads, parks, and also providing assistance for the growth of the rural sector and the underprivileged are termed as Green Companies.

Companies have become more responsible in saving the environment because they have realized that they can reduce pollution and increase profits at the same time (Hart, 1997).

### Green Marketing from the Perspectives of Marketing Professionals

Green marketing is a way to brand a marketing communication in order to create consumers desire to choose products and services that are better for the environment thereby occupying a large market or itself too. This can be done by relating its business to the environment through its functions/operations. Green marketing includes a variety of activities like reducing its everyday energy and water consumption, minimizing pollution and properly managing waste etc. It may also take forms such as

- **Green Products:** creating products that are less toxic and more eco-friendly.
  - **Green Pricing:** Initial price of the product may be high but the operating cost throughout its life is low.
  - **Green Advertisement:** Positioning the company's products as eco-friendly in marketing communications.
  - **Green Distribution:** Logistics and supply chain should be used in an optimized way so that there is minimum wastage of fuel, time, energy and money.
  - **Sustainable Marketing:** Green marketing system should focus on procurement, production, supply chain management and effective disposal after the product's " life span.
  - **Eco-Friendly Behavior** of the companies itself is also a part of sustainable marketing.
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## Sustainable Development

United Nations General Assembly (1987) defined sustainable development as “development that meets the needs of the present without compromising the ability of future generations to meet their own needs.” The goal of sustainable development (SD) is the long-term stability of the economy and environment; which can be achieved only by integrating and acknowledging economic, environmental, and social concerns throughout the decision making process.

## Green Marketing and Sustainable Development

People believe that green marketing refers only to the promotion or advertisement of the products with environmental characteristics. In broader terms, green marketing can be applied to consumer goods and industrial goods and services (Polonsky, 1994).

Sustainable development requires "sustainable marketing" that is marketing efforts that are not only competitively sustainable but are also ecologically sustainable (Polonsky et al., 1997).

Indeed, marketing's role in the development process is well recognized (Kinsey, 1982; Riley et al., 1983; Dholakia, 1984; Carter 1986; Kotler, 1986). However, marketing's critical role in development will only be appreciated when, through sustainable marketing, it meets the needs of the present without compromising the ability of future generations to meet their own needs (Polonsky et al., 1997).

Green marketing undertakes all marketing activities that protect the environment. On the other hand sustainable development demands that the future generations inherit the natural environment in the same state or better as inherited by the previous generations. This calls for the protection and improvement of the environment. Therefore, sustainable development is a dependent variable of green marketing and other factors as independent.

## Challenges of Green Marketing

- **New Concept:** Indian consumers are becoming more aware of the advantages of using green products. But the concept is still new for masses. The consumers need to be educated about the environmental threats and also about how green marketing can be of help in saving the environment.
  - **Lack of Standardization:** It is observed that only a few marketing campaigns are green in the true sense whereas others are mere commitments to society. There is a lack of standardization to authenticate these claims. Therefore, a standard quality control needs to be implemented.
  - **Long Term Investment:** Green Marketing should be considered as a long term investment which will become a source of return in future. It will take time to create this mindset in the companies and investors, it will take time.
  - **Avoiding Green Myopia:** All the activities under Green marketing should be customer centric. Customers should be made aware of the benefits of buying green products. They should be motivated to switch over to our brand from other brands. But this would happen only when the consumer's perceived benefits are more against their cost of opting for the alternative.
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### Opportunities of Green Marketing

- **Eco-friendly Behavior:** In India consumers have started using eco-friendly products in their routine lives. They have given acceptance to herbal products, recyclable products, eco-friendly packaging in products, lead free products, etc. even if they are costly. This is an opportunity for companies to offer products which are environment friendly.
- **Social Responsibility:** Organizations have realized that it is important to not only be financially strong at performance but also be socially responsible which now counts in the scorecard of the organizations. This has resulted in environmental issues being integrated into the firm's corporate culture.
- **Competitive Advantage:** Innovative products, competitive prices, differentiated distribution strategy, packaging, promotion strategies have become conventional ways to gain competitive advantage over the competitors. Green marketing has proven to play an important factor in helping the companies gain competitive advantage.
- **Cost Reduction:** Companies adopting green marketing strategies like reduction in harmful wastes, reuse of water in industrial manufacturing, reusable packaging, recyclable products, etc. have resulted into substantial cost saving through green marketing.

### Conclusion

This study concludes that environment in today's era is a burning issue for government, academics, society, and businesses at large. Everyone is addressing challenges posed by the environment in different ways. Businesses have also responded to environment problems in many ways and the concept of green marketing has emerged as solutions for many of them. This study also concludes that green marketing and specifically green marketing strategies are helping the companies improve on their organizational performance and also gain competitive advantage over other companies who are still to adopt the green practices. It can also be said that better physical environment will lead to sustainable development.

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