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## **A STUDY ON GREEN MARKETING MIX AND ITS CHALLENGES: INDIAN BUSINESS PERSPECTIVE**

\* Dr. Sridevi Maganti, Asst Professor, Dept of Commerce and Management Studies, Adikavi Nannaya University MSN Campus, Kakinada, A.P.

\*\* Dr. Epi Apparao, Asst Professor, Dept of Commerce and Management Studies, Adikavi Nannaya University MSN Campus, Kakinada, A.P.

### **ABSTRACT**

Environmental concerns are becoming increasingly relevant in the economic world. In today's environmentally conscious world the word "Green" has become a buzz word. Green marketing is a phenomenon that has evolved in such a manner that it has come into contact with our modern culture. Because the modern market has caused several issues, the notion of green marketing is concerned with environmental conservation. Furthermore, the process of green marketing has grown to the point where customers are willing to spend in the concerned process with the primary goal of waste reduction. Green marketing inspires people with clean products and pure ways of manufacturing and disposing of items, resulting in purity in both production and consumption. The most critical component in implementing green marketing in today's business is raising customer awareness and preference for eco-credencial products.

The article discusses three areas of green marketing viz., the potential problems that today's company and environment face with green marketing, benefits of green marketing and the study describes the four P's of marketing. The outcome of this paper may trigger the minds of marketer to give a thought for adopting the suitable strategies which will give them a way to overcome major problems associated with regular marketing techniques and make a shift to green marketing. This paper is an attempt to explore the concept of green marketing.

***Key words: Competitive Edge, Influencer Marketing, Recycling, Green Product, Marketing Mix.***

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## INTRODUCTION

Green marketing is a phenomenon that has grown importance in today's industry. In the developing world, the notion of pollution-free activities is becoming increasingly important in all areas and stages. Environmentalists point to the industrial sectors as key contributors to the depletion of natural resources and the devastation of the environment. As a result, both the manufacturing and marketing divisions of companies are under increased pressure to take the utmost care in these areas while still meeting market needs. To tackle these challenges, a new approach has emerged in today's globalised world in which product manufacturing, consumption, and marketing may be carried out successfully while assuring environmental safety. This concept is named as "Green Marketing".

Green marketing is the promotion of items that are seen to be ecologically friendly. Thus, green marketing encompasses a wide variety of operations, such as product modification, improvements to the manufacturing process, packaging upgrades, and advertising modifications. However, defining green marketing is a challenging task since numerous meanings cross and contradict one another; one example is the existence of diverse social, environmental, and retail concepts associated with this phrase. Environmental marketing and ecological marketing are two more phrases that are used interchangeably. So, in this scenario of global concern, corporate houses have made green

marketing a visible component of their strategic planning to promote products by making environmental claims about their features or the firm's systems, policies, and procedures that create or sell them. Clearly, green marketing is an integral component of total company strategy; in addition to changing the traditional marketing mix (4 Ps), it necessitates an awareness of the public policy process. As a result, green marketing encompasses a wide variety of operations.

### DEFINITION:

Simply stated, green marketing is the creation and promotion of environmentally responsible products. This improves the brand's image and helps the firm to attract new consumers while also contributing to the health of the environment. Offering ecologically sustainable items may help a firm stand out from the crowd. This is especially true when more individuals become aware of the environmental consequences.

Green Marketing has been defined by AMA as "The study of the positive and negative aspects of marketing activities on pollution, energy depletion and non-energy resource depletion".

The practice of using and promoting ecologically friendly products and services is known as green marketing. It also refers to a broad spectrum of sustainable techniques and activities like:

1. Create ecologically sustainable goods.
2. Create environmentally friendly packaging, utilizing recycled materials.

3. Reducing greenhouse gas emissions while the items are being made.

4. Implementing environmentally friendly corporate practices.

According to a 2020 survey, over 77% of worldwide customers consider a company's sustainability and environmental responsibility when purchasing their favorite products.

Green marketing is often more expensive than traditional marketing, although this does not exclude turning a profit. Particularly in light of the rising need for such techniques and market developments. The goal of green marketing is to include environmentally sensitive activities while also improving brand image via the development and promotion of eco-friendly products.

- Other acronyms of Green Marketing are eco-marketing and environmental marketing.

Table 1. Definitions of Green Marketing

Author(s)	Definition
A. Mahamuni, M. Tambe (2014)	Marketing efforts for the production, promotion and application of environmentally sensitive products
P. Mishra, P. Sharma (2014)	Holistic marketing concept where marketing, consumption, production, disposal of products happens in a way that is less harmful to environment with increased awareness

	about the impact upon global warming, harmful effect of pollutants, non-biodegradable solid waste
S. Thapa, S. Verma (2014)	The process of selling products based upon their environmental benefits
C. D'Souza et al. (2015)	Green marketing is a company's strategic effort that intends to supply customers with green products
P. Singh et al. (2016)	Marketing of environmentally safe products
M. Ahmadzadeh et al. (2017)	Strategic effort to present organization's eco-friendly products to customers
M. Ahmadzadeh et al. (2017)	The complex of economic methods and production means applied in organization in order to ensure the achievement of organization's objectives without pollution and avoidance of any component that does harm to environment
K. K. Papadas et al. (2017, p. 240)	Organization's engagement in strategic, tactical and internal activities and processes that have a holistic aim to create, communicate and deliver products with the minimal environmental impact
R. K. Ranjan, R. K. Kushwaha (2017)	All marketing activities that are taken by companies in a way that has a positive effect upon environment

I. D. Parkman, A. J. Krause (2018)	Marketing products as energy efficient, environmentally friendly or organic
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**Objectives of the Study:**

The Study focuses on following objectives:

1. To study the genesis of Green Marketing.
2. To discuss the Green Marketing Mix and understand the brand strategies for implementing Green Marketing.
3. To Understand the Advantages and Challenges of Green Marketing.

**RESEARCH METHODOLOGY:**

The present study is a descriptive approach. The data is collected from secondary sources like journals, magazines, previous studies etc.,

**CAUSES FOR THE GENESIS OF GREEN MARKETING**

- **Use of Dangerous Material**

The main motivation for the development of the green marketing idea was the usage of hazardous materials in products such as fertilizer, insecticides, detergent, and so on. The materials utilized in these items pose harm to the environment. These hazardous materials have harmed not just the environment but also humans.

- **Not Easy to Dispose**

Boxes, containers, and other product packaging are difficult to damage because they are comprised of several layers, such as

milk bags and other food packaging. If these are destroyed, a lot of pollution is produced. As a result, the notion of green marketing has been established.

- **Opposition**

Green marketing originated as a result of environmental opposition. Marketers employ throwaway packaging such as disposable cups, glasses, plates, and so on. These are named disposable yet cannot be destroyed. These are hazardous to the environment, thus they were opposed, and the notion of green marketing evolved.

- **Environment Protection Act**

The new environmental protection act has also given rise to green marketing.

- **Awareness**

Consumers are becoming more alert. They have just begun to use environmentally friendly items. As a result, consumer concern for the environment has boosted green marketing and this has been a significant victory for environmental preservation.

**Why Green Marketing?**

Because resources are finite and human desires are limitless, it is critical for marketers to use resources efficiently and effectively in order to fulfill the organization's goals. As a result, green marketing is inevitable. Consumers all across the world are becoming more concerned about environmental conservation. Evidence from throughout the world demonstrates that people are worried about the environment and are altering their behavior. As a result, green marketing has

evolved to represent the rising market for environmentally friendly and socially responsible products and services.

As a result of increased consumer awareness throughout the world about environmental protection, people wish to leave a clean earth to their descendants. Various environmentalist researches show that individuals are worried about the environment. One can observe that most people are getting more interested about environmentally friendly items.

### **Is Green Marketing Worth It?**

When executed properly, green marketing may be a very effective marketing technique. Consider the following:

- 48% of US consumers declared that they would definitely or probably modify their consumption patterns to decrease their environmental effect.
- 90% of millennials are prepared to pay extra for items containing sustainable or environmentally friendly components.

A previous Nielsen investigation examined retail purchase statistics, and according to sales data, brands that advertised sustainability on their packaging increased sales by 2% year over year from 2011 to 2014, compared to 1% for those who did not. Brands who highlighted acting sustainability in their marketing reported a 5% rise in sales.

### **Green Marketing Strategy:**

Beyond making an environmentally friendly product, business owners can

implement other tactics to create a business strategy that capitalizes on the benefits of green marketing. The following can be a part of a green marketing strategy:

- Using eco-friendly paper and inks for print marketing materials.
- Skipping printed materials altogether in favor of electronic marketing.
- Adopting responsible waste disposal practices.
- Using eco-friendly or recycled materials for product packaging.
- Seeking official certifications for sustainability.
- Using efficient packing and shipping methods.
- Using renewable energy and sustainable agricultural practices.
- Taking steps to offset carbon emissions via investment.
- Green companies take a long view of their businesses, prioritizing the well-being of the planet and future generations over short-term profits

### **Marketing Mix of Green Marketing:**

Including the four P's of marketing in green marketing:

**1. Green Product:** The first P in the marketing mix stands for product. These days, a lot of businesses are quite concerned about how their products are made. While assessing the environmental effect of production, several improved processes and systems are in place. The true challenge awaits enterprises attempting to reduce production costs by combining plastics and

other fiber materials to reduce the weight and cost of the created tangible product. Polymers are being suggested as excellent metal alternatives in this case. It would be difficult for enterprises to defend their green product stance if they used such low-cost non-biodegradable materials in their operations.

**2. Green Price:** The amount paid by the buyer to purchase a product is referred to as the price. Several variables impact a product's pricing, including material costs, product differentiation, competition, market share, and the customer's perceived worth of a product. The subject of how organizations achieve green marketing while pricing their products emerges when it comes to pricing. It would be pretty compelling in this discussion that green items are significantly more expensive than non-green products. When compared to traditional ones, the expense of absorbing environmental concerns is rather significant. It might be argued that green marketing prices should be accessible to the average client. The price is the amount paid by the customer to purchase a product. Material costs, product differentiation, competition, market share, and the customer's perceived worth of a product all have an influence on a product's pricing. When it comes to price, the topic of how organizations accomplish green marketing while pricing their products arises. It would be quite convincing in this debate if green things were much more expensive than non-green products. In comparison to traditional ones, the cost of absorbing environmental concerns is rather high. Green marketing rates, it may be

claimed, should be affordable to the ordinary customer.

**3. Green Place:** The distribution channel or distribution network is another term for place. The location might be any actual or virtual retailer. Physical distribution refers to the process of delivering things from the manufacturer to the consumer. In that sense, a green location is anything that reduces the effort required by buyers and manufacturers to acquire and sell a product. Many businesses are increasingly offering their items online. This significantly reduces the expense to the buyer of physically visiting a market, selecting a retailer, and then purchasing the merchandise. Firms have created their own websites that display the item, and clients must place their orders online to get the stuff within a few days. The internet may really be described as a green space. A seat provides unrivalled comfort to the user while simultaneously saving the manufacturer money in the form of commissions or cuts offered to various middlemen. The issue in marketing a product in a green environment would be perceiving and experiencing the qualities of the product. The green environment should be adequate to persuade the astute buyer about the benefits of the product. Green space will undoubtedly affect the spectrum of distribution partners while also benefiting the end user by making the product more affordable. The green challenge will be in the case of highly technical items that require previous testing and visit to the manufacturer's location by the end user. As a result, B2B selling may not adapt to green spaces in some circumstances.

**4. Green Promotion:** Firms engage in promotional initiatives to raise awareness of their products/services. Top management has always expected firms to have an optimal promotional expenditure that raises awareness and inspires target audiences to make more purchases. Meeting this ideal level would then be talking about green promotion. The optimal level must be pursued not just in terms of promotional costs, but also in terms of the various ways in which promotion is affected.

#### **Examples of brands utilizing Green Marketing:**

Here are some socially conscious businesses that use green marketing to help promote a sustainable production system:

**1. Starbucks:** This global corporation is one of the few that has long fought for environmentally friendly production practices. This firm gets 100% of its electricity from solar panels. Furthermore, they have begun to use environmentally friendly products in their stores. Everyone across the world adored and valued this example of green marketing.

Their next green marketing strategy will be to create recyclable cups in order to reduce rubbish generation. Starbucks is currently seeking to deploy a comparable system outside of the United States. By 2025, they want to have converted 10,000 shops. They also run campaigns on various social media channels to promote tree planting. Starbucks' eco-friendly campaigns and activities are the epitome of excellent green marketing.

**2. Unilever:** Unilever is another corporation that employs green marketing and has introduced various eco-friendly initiatives. Unilever makes use of recycled resources. Almost 75% of industrial waste is sent to recycling facilities. They intend to eliminate all garbage from the planet by 2039. Furthermore, they have expressed an interest in lowering GHG emissions.

Unilever is not only improving its brand image but also raising environmental awareness throughout the world by employing such eco-friendly marketing strategies. Adopting green marketing methods might help you attract new clients and grow your revenue.

**3. H&M:** In order to develop a "Conscious collection," H&M has made several modifications to its environmental policies and practices. This established them as one of the most ecologically conscious corporations in the world. They are well-known for using eco-friendly fabrics in over half of their textile lines. H&M recently launched a recycling programme that allows customers to return unwanted clothing. Some H&M clothing is made from recycled polyester and organic cotton.

#### **Advantages of Green Marketing:**

- Enterprises who develop new and better goods and services with environmental considerations in mind gain access to new markets, boost profit sustainability, and gain a competitive advantage over companies that are unconcerned about the environment.

- It assures long-term growth as well as profitability.

- It saves money in the long term, despite the higher initial cost.
- It enables businesses to sell their products and services while keeping the environment in mind. It aids in entering new markets and gaining a competitive advantage. Most workers are also pleased and responsible to work for an ecologically conscious organization.
- It encourages social responsibility in business.
- Increase profits from green marketing through a competitive edge.
- Raise awareness of critical environmental or social concerns.
- New prospects for the corporation to launch the product in a new market emerge. Because of green products, a corporation may easily conquer the market.
- One advantage of expanding green marketing is that consumers may grow more comfortable and tolerant of paying higher premium prices to purchase environmentally friendly items or to support enterprises active in green activities.
- One issue that early environmental activists encountered was a scarcity of environmentally acceptable food and non-food goods. Due to the scarcity of organic farmers and suppliers, companies that originally supplied organic foods faced high costs.
- It also encourages customers to learn about green marketing. It also helped to promote education.

- The company's green marketing effort enables it to become an influencer marketer. This organization has the capacity to spark fresh ideas that persuade customers to recognize the value of environmental sustainability and wellness.
- Green marketing allows customers to participate in the generation of fresh ideas about green marketing through campaigns.
- It improves the company's image in the market.

### **CHALLENGES OF GREEN MARKETING:**

Green marketing is a new concept and there are certain challenges in the realm of green marketing.

- **Large Investment**

Green marketing requires significant investment in research and development, product creation, and the use of new technologies. Material for manufacture is expensive. Renewal and recycling are difficult tasks. It requires advanced technology, which is expensive, and it is difficult for a typical corporation to make such a large investment.

- **Price Sensitive Consumers**

Green products, without a question, are expensive. India is a developing country with very low per capita income. As a result, it is impossible for individuals to pay high prices, and they also do not wish to pay high prices since they are price sensitive.

### **CONCLUSION:**

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. Recycling of paper, metals, plastics, etc., in a safe and environmentally harmless manner should become much more systematized and universal. The usage of energy-efficient lighting and other electrical items must become the standard.

Marketers must also educate customers on the importance of green products and their advantages over non-green alternatives. Consumers are prepared to invest extra in green marketing to preserve a cleaner and greener environment. Green marketing should not be viewed as a promotional strategy by businesses, but rather as a kind of corporate social responsibility. As humanity progresses, several concerns and challenges on the environmental and socioeconomic fronts will emerge. On the social level, these difficulties would mostly take the shape of violations of ethics and moral values. As a result, including green marketing ideas into the marketing mix might result in a comprehensive approach to green marketing. Green marketing is becoming increasingly important and relevant in developing countries.

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