

Green Marketing: Sustainability And Challenges

Neha Garg

*Institute of Business Studies,
Choudhary Charan Singh University, Campus, Meerut
Email: nehapratap.mba@gmail.com*

Abstract

Green Marketing is a newly emerged phenomena which has developed in global market and has become a significant concept worldwide during recent times consumers preferences are shifted more towards environmental friendly products over conventional products and their opinions has been changed toward the green products Green Marketing means environmental friendly production system and distribution of products and services to protect the environment this research work focuses to explain the concept of Green Marketing evaluation is strategies of Green Marketing and challenges faced by the organizations in applying Green Marketing and also explains the influence and benefits of Green Marketing.

Keywords

Green marketing, Sustainability, Environmental challenges.

Introduction

Green marketing refers specifically to environmental initiatives; these efforts are gradually being presented alongside social and government policies. Sustainability has made headlines in the corporate world over the last two decades. The key challenge for companies and customers today is to protect the mother natural and limited resources. Production and consumption of goods all over the world has led to the occurrence of a large number of environmental problems. A number of studies proved that our planet is in danger of Global Warming. As a result, companies are focusing on green marketing and are producing eco-friendly (green) products that have fewer harmful effects on the environment, than the conventional products. Companies nowadays are adopting green strategies into their marketing actions to achieve a

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competitive advantage in the saturated markets. Successful marketing has always been about identifying trends and positioning products and services in a manner that supports buyer intentions. Today, “Green” marketing has moved from a trend to a way of performing business and businesses that sell should be aware of (a) the value of going green and (b) incorporating this message into their marketing policy and communicating the green concept used by company to their consumers. Green is gradually and steadily becoming the symbolic color of eco-consciousness in India as well. Thus, we see that both the marketers and the consumers are nowadays attracted by green products and services. Although in the short run, a company has to expend cost to shift towards the “green” approach, in the long run, it will definitely prove to be profitable for the company. We can assume that consumers will view the “greenness” of a product or services as a advantage and so their buying decisions will be based on this aspect. “Green marketing is the marketing of products that are presumed to be environmentally preferable to others. Thus green marketing incorporates a wide range of activities, including product modification, changes to the production process (energy efficiency, less water wastage, biodegradable raw material), sustainable packaging, as well as modifying advertising”.

Research Objective

The main objective of the study is to get insight about Green Marketing and its impact on sustainability in the environment and companies. Besides, this paper also pay attention on the different strategies of Green Marketing and challenges of green marketing practices and explores the different themes and dimensions of green marketing.

Research Methodology

The present study is based on secondary data and using bibliometric analysis, Literature from various journals such as Emerald, SAGE, EBSCO, Google Scholar, Research Gate, which also collected different websites, magazines, newspapers and textbook etc.

Review Of Literature

According to Sanjay K. Jain and Gurmeet Kaur (2004), environmentalism has quickly become a global movement, with businesses increasingly responding to environmental challenges by adopting green marketing strategies. The rise of green consumerism has significantly contributed to the growth of corporate environmentalism, encouraging companies to adopt environmentally conscious marketing practices. Based on data from a field survey, their study evaluates the level of environmental awareness, attitudes, and behaviors among consumers in India. Previous research has shown that green marketing is gaining widespread acceptance among customers, and businesses are recognizing the importance of shifting towards environmentally friendly products.

Shrum, McCarty, and Lowrey (1995) published a study on the purchasing characteristics of green consumers and their implications for advertising techniques.

The study found that environmental concerns have been leveraged in advertising through the use of environmental claims. Their research aimed to build on previous studies of pro-environmental consumers' psychographic profiles, offering a comprehensive literature analysis. The study highlighted a gap in understanding the green consumers' purchasing process, which had not been thoroughly explored. The main objective was to determine whether consumer attitudes and beliefs were linked to the purchase of environmentally safe products.

Kaplan et al. (1996) pointed out that traditional financial measures, such as return on investment and earnings per share, may provide misleading signals about continuous improvement and innovation.

Schlegelmilch, Bohlen, and Diamantopoulos (1996) identified various factors influencing consumers' green purchasing decisions. Their analysis was based on data from two groups: marketing students in the United Kingdom and the general public in the United Kingdom. Although the student sample may not be entirely valid in some cases, the study concluded that U.S. research using student samples to gauge environmental concerns was consistent with general public opinions.

Larashati et al. (2012) suggest that organizations must foster a green mindset and be skilled at applying this thinking in everyday operations. In contrast, "green people" refer to employees who are educated and actively engaged in environmental issues or the company's green culture. The green processes of a company, along with the commitment of its senior management to sustainability, should be given top priority. A moderate or extreme green strategy is effective in an organizational environment that authentically differentiates a brand in a credible and lasting way (Solvalier, 2010). Examples of green processes include eco-labeling stores, certifying warehouses with ISO 14000, launching the "I Love Eco" brand in alignment with eco-labeling principles, and integrating sustainability throughout the service lifecycle—from raw materials and production to logistics, transportation, warehouses, stores, and offices (Solvalier, 2010). She states that since price is a significant factor for consumers, marketers must provide added value to enhance various product aspects, including performance, functionality, design, and visual appeal. Consumers are willing to pay a premium for products when they perceive additional value, such as green benefits, as desirable. Furthermore, the cost of environmentally responsible products often decreases when considering the entire product life cycle.

Delafrooz, Taleghani, and Nouri (2013) focused their research on the factors influencing consumer purchasing behavior in relation to green marketing. The authors divided the purchasing process into five key stages: (a) recognizing the need for solutions, (b) evaluating potential solutions, (c) making the purchase decision, (d) post-purchase behavior. Through a comprehensive review of various sources, they found that raising

environmental awareness can lead to increased environmental knowledge, which in turn encourages green purchasing behavior among consumers. The authors outline the evolution of the green marketing movement through three phases: (a) the ecological green marketing era of the late 1960s to early 1970s, which focused on industries responsible for pollution, (b) the late 1980s, which introduced concepts like clean technology, sustainability, and consumer benefits, and (c) the current era of sustainable green marketing. The three primary green marketing tools identified by the authors are (a) eco-labels, (b) eco-brands, and (c) environmental advertisements.

Arseculeratne and Yazdanifard (2014) argue that a lack of information leads to most customers being unaware of the importance of green products. To address this, businesses can use various green marketing strategies to fill this knowledge gap. Customers, in particular, need clear and specific information about how green products can solve or prevent environmental problems.

Sara and Madumitha (2014) explored the concept of green marketing and its impact on Indian consumers. They categorized green consumers into five distinct groups: (a) True blue-green, (b) Blue greens, (c) Sprouts, (d) Grouzers, and (e) Basic browns. The authors also highlighted several Indian companies, such as ITC, Tata Meta Links, SBI, and Suzlon Energy, that have employed a range of green marketing strategies. The paper outlines the actions taken by these companies to enhance their green marketing efforts, focusing on reshaping consumer attitudes and increasing awareness of environmental issues. It also offers recommendations for businesses to improve and succeed in a competitive market.

Leonidou, Leonidou, and Kvasova (2010) highlighted that environmental issues have gained significant attention since the 1990s. The paper identifies a research gap in understanding the antecedents and outcomes related to consumers and the environment. It is structured around three main objectives: (a) to explore the key motivators stemming from cultural, political, and ethical factors in the development of both internal and external environmental influences, (b) to examine the connection between internal and external environmental concerns, and (c) to analyze how product satisfaction and purchasing behavior, as well as life satisfaction and general environmental behavior, relate to consumer actions.

Matthews (2011) also suggests that companies should collaborate with their channel partners to establish systems for product reuse or disposal and ensure that customers can return recyclable materials. For instance, Hewlett-Packard has partnered with Staples to create an “authorized recycling location” program for printer ink cartridges.

Definition of Green Marketing

Green marketing definitions can be a little unclear, as green marketing can refer to anything from greening product development to the advertising campaign

itself. Going by alternative names such as sustainable marketing, environmental marketing, green advertising, eco marketing, organic marketing, all of which focus to similar concepts though perhaps in a more specific fashion, green marketing is essentially a manner to brand your marketing message in order to capture more of the market by appealing to prospect customer's desire to choose products and services that are better for the environment.

American Marketing Association, "Green Marketing is marketing of products and services that are environmentally safe"

Michael jay Polonsky, "Green Marketing consists of all activities designed to generate and facilities any exchanges intended to satisfy human needs or wants such that the satisfaction of these needs and wants occur with minimal degradation impact on the natural environment"

Evolution of Green Marketing

The concept of Green Marketing came into fame in the late 1980s and early 1990s.

The green marketing has evolved gradually over this period of time. The evolution of green marketing had three phases.

- 1st phase was termed as "Ecological" Green Marketing, and during this period all marketing activities were focused to help environment problems and provide remedies to the problems facing by environment.
- 2nd 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.
- 3rd phase was "Sustainable" Green Marketing. It came into status in the late 1990s and early 2000. This was the result of the term sustainable development which is defined as "meeting the needs of the present without compromising the ability of future generations to meet their own needs."

Green Marketing Strategies

Green strategy helps to take decisions and transform business strategies into green strategies to improve the quality of the environment. Green strategy helps to define the goals, mission and vision of a company according to the environment and their top priorities is to provide green goods and services in the global market place. There are different green strategies which are explain below-

Green Design- To start with green marketing strategies is to design their product and services into green from the beginning. Companies need to transform their production processes into eco-friendly practices and shift their advertising strategies to green advertising. Green design involves creating products that are environmentally friendly, consume less energy, are flexible, have a longer lifespan, and meet the principles of reuse, reduction, and recycling.

Green Positioning- Green positioning enhances brand positioning by offering clear information about the products. Eco-friendly products will not succeed if they are not effectively communicated to customers. Green positioning is of two types i.e. functional positioning and emotional positioning which are related to customer preferences of a product.

Green Pricing- Green pricing is a significant strategy in green marketing, as it influences both production costs and product demand. The price of green products should be set in a way that makes them accessible to customers while also encouraging their involvement in supporting environmental sustainability.

Green Packaging- Green packaging attracts the prospect customers to purchase the products. Green packaging is done by using bio-degradable raw materials for packaging of product that create less soil pollution and manufacturing methods that are eco-friendly in nature and has low impact on the energy consumption and on the environment. For example- use paper bags for packaging in place of plastic bags. Companies should go for recycle the scrape of packaging material and provides customers with a symbol of the company claiming that companies are adopting green strategy.

With green marketing, companies have an excellent opportunity to change our planet for the better and support people who are aware of the situation to help the environment. By creating sustainable products, companies want to reduce the negative impact of waste products on our nature. Going green enables you to win the trust and loyalty of your customers.

Benefits of Green Marketing: Green marketing involves promoting products or services based on their environmental advantages, emphasizing sustainability, eco-friendly practices, and resource conservation. In recent years, its significance has grown due to increasing environmental concerns, heightened consumer awareness, and the pressure on businesses to embrace sustainable practices. The advantages of green marketing are evident in several key areas:

1. Enhanced Brand Image and Reputation

- **Positive Perception:** Companies that dynamically market their eco-friendly initiatives and sustainable products are often viewed more positively by consumers. The focus on sustainability helps position a brand as moral responsible, and environmentally conscious.
- **Competitive Advantage:** Green marketing can differentiate a business from competitors. It shows that the company is not just focused on profits but also cares about the planet, which can attract more customers.

2. Increased Consumer Loyalty

- **Attracting Ethical Consumers:** Consumers are increasingly making purchasing decisions

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based on environmental impact. When a company's values align with their own, customers are more likely to remain loyal and return for repeat purchases.

- **Trust Building:** By promoting eco-friendly initiatives transparently, companies can foster trust among consumers. Transparent green marketing strategies, such as sharing sustainability goals and progress, help build long-term relationships.
3. Access to a Growing Market
- **Expanding Green Market:** The demand for sustainable and eco-friendly products is growing rapidly. By incorporating green marketing, companies tap into a segment that values sustainability, including younger consumers who are highly environmentally conscious.
 - **Global Reach:** Eco-consciousness is not limited to one region or country. Green marketing appeals to international markets, allowing businesses to expand globally while promoting sustainable practices.
4. Cost Savings and Efficiency
- **Operational Efficiency:** Many green initiatives involve improving energy efficiency, reducing waste, and using renewable resources. This can lead to cost savings in production, energy consumption, and waste disposal.
 - **Reduced Resource Consumption:** By utilizing sustainable materials and reducing resource consumption, companies can lower costs and become more resource-efficient in the long run.
5. Regulatory Compliance and Risk Mitigation
- **Adherence to Environmental Regulations:** With increasing environmental regulations, especially around carbon emissions, waste management, and product sustainability, green marketing can help companies stay ahead of the curve by complying with these laws.
 - **Risk Reduction:** Environmental risks, such as resource scarcity and negative public perception, can harm a company's reputation. Green marketing reduces such risks by aligning business operations with sustainability goals and reducing environmental impact.
6. Market Differentiation and Innovation
- **Product Differentiation:** Green marketing encourages businesses to innovate and create unique products that stand out in the marketplace. This could include using organic materials, designing products with low environmental footprints, or offering energy-efficient alternatives.
 - **Inspiring Innovation:** Green marketing often leads companies to find new solutions and technologies, pushing them to develop products that are more sustainable and eco-friendly, which benefits both the business and society.
7. Attracting Investment
- **Appeal to Investors:** Many investors today are focusing on sustainable and socially responsible investments (SRI) funds. Companies with strong green marketing initiatives

environmental, social, and governance (ESG) factors.

- Support from Green Funds: Sustainable businesses often gain access to specialized financial support such as green bonds, grants, and loans for eco-friendly projects.

8. Employee Satisfaction and Attraction

- Employee Pride: Employees, particularly millennials and Gen Z, are increasingly motivated by the values of the companies they work for. Businesses that prioritize sustainability and environmental responsibility tend to attract and retain top talent who align with these values.
- Corporate Culture: Companies that incorporate sustainability into their core values often experience stronger employee engagement and satisfaction, leading to increased productivity and lower turnover.

9. Long-term Sustainability

- Preserving Resources: By promoting the responsible use of resources and reducing waste, companies are contributing to the preservation of the planet's natural resources, ensuring their long-term sustainability.
- Building a Circular Economy: Green marketing supports the development of a circular economy, where products are designed for reuse, repair, or recycling, reducing the need for new raw materials and minimizing environmental harm.

10. Improved Public Relations and Community Support

- Social Responsibility: Through green marketing, companies can demonstrate their commitment to social responsibility by engaging in environmentally friendly practices. This not only improves their public relations but also builds community support.
- Engaging with Stakeholders: Companies that promote green values often engage with local communities, NGOs, and other stakeholders to drive positive environmental change, leading to a stronger brand presence and more goodwill.

11. Contribution to Environmental Goals

- Environmental Impact: Green marketing is not just about promoting products; it's about creating a positive environmental impact. By adopting sustainable practices and promoting eco-friendly products, businesses play a crucial role in reducing their carbon footprint, conserving resources, and protecting the environment for future generations.
- Supporting Global Sustainability Goals: By adopting green marketing strategies, companies contribute to global sustainability efforts, including reducing greenhouse gas emissions and meeting the United Nations Sustainable Development Goals (SDGs).

Challenges Of Green Marketing : Green marketing involves promoting products or services based on their environmental benefits. Although it has gained popularity, several challenges accompany its implementation:

- Consumer Skepticism: Many consumers are doubtful about the green claims made by companies, often due to "greenwashing," where businesses exaggerate or

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falsely promote their products as eco-friendly. Overcoming this skepticism requires transparency and trustworthy certifications.

- **Higher Costs:** The production of green products can be more expensive due to the use of sustainable materials and processes. This often results in higher retail prices, making it difficult to compete with cheaper, non-eco-friendly alternatives. Companies must find a way to balance sustainability with affordability.
- **Limited Awareness:** Not all consumers understand the benefits of green products, which can hinder the growth of green marketing. Companies need to invest in educational and awareness campaigns to help consumers recognize the importance of sustainability.
- **Regulatory Challenges:** Environmental claims are subject to varying regulations across countries, and navigating these can be complex, requiring additional resources. Companies must ensure compliance to avoid legal problems.
- **Supply Chain Issues:** Sourcing sustainable materials can be challenging, particularly if suppliers do not share the same commitment to eco-friendly practices. Building strong relationships with suppliers and ensuring alignment with green values is crucial.
- **Complicated Process:** Green marketing practices involve lengthy and complicated process as it needs high-tech tools and techniques of production and distribution which can be a huge task for the organization.
- **Market Competition:** As more companies adopt green marketing strategies, competition intensifies. To stand out in a crowded market, businesses must develop innovative approaches and unique selling propositions that resonate with environmentally conscious consumers.
- **Measuring Impact:** Evaluating the real environmental impact of green marketing efforts can be difficult. Companies need reliable metrics to assess the effectiveness of their initiatives and make data-driven decisions.
- **Consumer Behavior:** Shifting consumer behavior towards more sustainable choices can be challenging. Many consumers prioritize convenience and may not consider environmental benefits when making purchasing decisions. Companies must provide strong incentives for consumers to choose greener alternatives.
- **Customer Perspective:** Organization face problem in ensuring that their actions are not misleading customers or does not violate any regulations. Organization faces problem in clearly stating environment benefits on the other side it is difficult to establish policies which will deal with all environmental issues for the customers.
- **Innovation and Development:** Creating new green products often demands substantial investment in research and development. Companies may face challenges in innovating while keeping costs manageable and meeting consumer demands for sustainability.

- **Brand Loyalty:** Building brand loyalty in green marketing can be challenging. While consumers may be drawn to sustainability, they can easily switch to competitors if they offer better prices or more attractive products. Companies need to cultivate strong relationships and trust with their customers.
- **Limited Market Segmentation:** The market for green products can be niche, which limits the potential customer base. Companies must effectively identify and target specific segments, while also working to expand awareness of green products to a wider audience.
- **Global Differences:** Environmental concerns and priorities can differ greatly across regions and cultures. What appeals to one market may not resonate in another, so companies need to tailor their green marketing strategies to fit the unique preferences and needs of each region.
- **Short-term vs. Long-term Goals:** Many businesses focus on short-term profits, which can conflict with the long-term investments required for sustainable practices. Balancing immediate financial gains with long-term sustainability objectives presents a significant challenge.
- **Technological Barriers:** Some companies may lack access to the latest technologies that enable sustainable practices. This can impede their ability to produce green products or implement eco-friendly processes efficiently.

Conclusion

Green marketing has become a tool used by many companies to enhance their competitive advantage, as people are increasingly concerned about environmental issues. When implementing green marketing, businesses must cater to the needs and preferences of consumers. It is not only an environmental protection tool but also a marketing strategy. Many companies have recognized the advantages of green marketing and understand how adopting a more sustainable approach can add value to their brand. Beyond that, it serves as a way to ensure that future generations can enjoy the planet as we do today. To make your workplace more environmentally friendly, businesses should assess their current environmental impact and implement strategies that promote sustainability, such as using eco-friendly office supplies, cleaning products, reducing electricity consumption, making sustainable food choices, minimizing waste, reusing and recycling materials, encouraging casual dress codes, supporting local businesses, and organizing monthly green challenges. Future research could explore consumer pro-environmental behavior, identify the barriers and drivers to adopting green products, and focus on environmental companies striving for a more sustainable world.

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