

GREEN MARKETING STRATEGIES: BENEFITS AND BARRIERS

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Abstract: The natural resources are affected by the human activities resulting in decrease in different quality of living organisms. There is a growing concern about the greenhouse gases in the environment, about the depletion of ozone layer and global warming. Environmentalists in India and abroad are raising their concern and are campaigning against pollution causing industries. Rapid industrialization and changing consumption patterns has raised the concern for environment and resources. This paper tries to explore the benefits by implementing green marketing practices in selected organizations. This further explores the various barriers which obstruct effective execution of these strategies. This will provide a new insight which may help indigenous manufacturers to widen their environmental understanding and responsibility. The study was conducted using the survey method. A well-structured questionnaire has been designed and data has been collected from a sample of 100 respondents. The sample comprises of five major industrial sectors of Udaipur district in Rajasthan. The findings reveal that companies identified various benefits and barriers in implementing green marketing strategies in their organizations.

Keywords: Competitive advantage, Ecological marketing, Global warming, Green marketing, Strategic environment risk management, Sustainable marketing.

I. INTRODUCTION

Drastic climatic changes and global warming at alarming levels are the important issues faced by mankind in today's world. The knowledge of green marketing is helpful for business organizations, consumers and government in addressing the above-mentioned problems. In the late 1980s, the term "green marketing" evolved just an extension of American Marketing Association's term "ecological marketing" which was surfaced in 1975. In 1994 Polonsky stated: "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."

According to the American Marketing Association, ecological marketing is the study of the positive and negative aspects of marketing activities on pollution, energy depletion and non-energy resource depletion. These definitions clearly indicates that the green marketing concept incorporates a broad range of activities, including product modification, changes to the production process, packaging, modifying advertising, waste treatment, pollution control, utilization of resources, environment training and publicity about environment contribution.

In other words, Green marketing highlights environmental protection characteristics of any company and these characteristics includes reduced waste in packaging, increased energy efficiency of the product in use, reduced use of chemicals in farming, or decreased release of toxic emissions and other pollutants in production.

Alma T. Mintu and Hector R. Lozada define green marketing as "the application of marketing tools to facilitate exchanges that satisfy organizational and individual goals in such a way that the preservation, protection and conservation of the physical environment are upheld."

Few also draw attention towards the strategic dimensions for defining green marketing. Martin Charter defines "a holistic and responsible strategic management process that identifies, anticipates, satisfies and fulfils stakeholder needs for a reasonable reward that does not adversely affect human or natural environmental well-being." All of these definitions enlarge the traditional objective of business to maximize profits by including some notion of maintaining the integrity of the natural environment. Green marketing seeks to satisfy the needs and wants of individual consumers while simultaneously seeking to improve environmental quality of life for society as a whole.

Implications for business:

Industry is often considered a main contributor to environment pollution as there are several crucial process included from sourcing raw material to fully finished product. Hence environmental issues must be integrated with companies' corporate and marketing strategies. Marketing serves as a bridge between an organization and its stakeholders. Marketing needs to be concerned about the resources it uses to satisfy consumer needs and wants and also be concerned about the effects of this consumption on human life and biosphere. A strategic environment risk management can generate the sustainable and competitive advantages in the long run.

II. LITERATURE REVIEW

Ottman (2011) stated that 'Green' has gone main stream because more people are worried about sustainability- related issues than ever before. As a result of awareness that has been steadily building over the past 20 years, the public is beginning to understand the impact these issues will have on their lives now and in coming years and is starting to act.

Kinoti (2011) described that marketing contributes into environmental issues and specifically green marketing strategies which faces the problems with positive results and generate the improved organizational performance & better physical environment. He further gives a framework in which green marketing strategies result in improved profitability, competitive advantage, increased market share, healthier life, reduced pollution and energy use, conservation of resources.

Miles and Covin (2000) explored the interrelationships between environmental marketing performance, reputation, competitive advantage, and financial performance. Environmental performance, for the purposes of the this study, consists of the corporation's overall net environmental impact including how environmental criteria are integrated into the marketing decisions such as product design, distribution, consumption, and ultimate product disposition.

It is concluded that environmental marketing performance was a significant component of a firm's reputation in the 1990's. In conclusion, there was strong support that a good environmental steward helps to create a reputational advantage that leads to enhanced marketing and financial performance.

Welling and Chavan (2010) identified government as major contributor in enhancing the green practices. Government support, financial assistance, easy loan facility, tax rebates and social advertising are the key factors to enhance the green marketing practices in any industry.

Kumar (2014) described various internal and external factors which are driving green strategy in businesses. These factors lead to formulation and implementation of green strategy which results in sustainable performance. The main internal factors are ethical practices, differentiating product & strategic opportunity and the external are government regulations, stakeholders' concern for environment & scarcity of resources.

III. RESEARCH METHODOLOGY

• Objectives of the study

- 1) To identify the benefits by implementing green marketing strategies in a business entity.
- 2) To identify the barriers in implementation of green marketing strategies in a business entity.

• Sample size

The sample of 100 respondents has been taken for this study which consists of executives, managers and directors of the companies.

The sample comes from different manufacturing industries like electrical & electronics, chemical, plastic, mineral and marble processing industry.

- **Methods of Data Collection**

Primary data

Survey through structured questionnaire and interview methods has been used with demographic variables to collect the data.

Secondary data

- Literature from Text Books
- Literature from the articles published in journals pertaining to Green Marketing, environmental marketing, sustainable marketing.

- **Statistical test**

Percentage and Rank techniques have been applied with graphical and table presentation for the analysis of quantitative data.

IV. DATA ANALYSIS AND FINDINGS

- **Type of organization**

Table 1: Type of organization

Type of organization	N	Percentage
Electronics and Electricals Industry	23	23%
Plastics industry	17	17%
Chemicals industry	19	19%
Marble processing industry	20	20%
Minerals industry	21	21%
Total	100	100%

Source: Field Survey

It can be observed that 23% respondents are belong to Electronics and Electrical industry, 19% respondents belong to chemical industry, 20% respondents from Marble processing industry, 21% from Minerals industry and 17% belongs to plastic manufacturing industry.

Table 2: Benefits to improve environmental performance

Parameters	Electronics and Electricals Industry (N)	Plastics industry (N)	Chemicals industry (N)	Marble processing industry (N)	Minerals industry (N)	Total	Percent of Responses	Rank
Waste minimisation	13	12	11	14	13	63	16%	3
Increased efficiencies	17	8	13	12	16	66	17%	2
Cost reductions to company	2	5	8	9	7	31	8%	7
Safer working environment	21	13	10	16	14	74	19%	1
Reduced emissions	11	11	10	9	12	53	13%	4
Helps company to sell products	8	6	9	6	8	37	9%	6
Better brand image among customers	10	7	9	10	9	45	11%	5
Reduction in the cost of waste disposal	10	6	6	4	5	31	8%	7
Total	92	68	76	80	84	400	100%	

Source: Field survey

The above table shows responses for the statement “What do you believe to be the four most significant benefits to your company in improving environmental performance,” safer working environment, increased efficiencies, waste minimization and reduced emissions are the four main benefits that can be drawn by companies through improving environmental performance. Reduction in the cost of waste disposal and cost reductions to company scored last (7th) rank and hence considered least important benefits to companies.

Table 3: Barriers to improve environmental performance

Parameters	Electronics and Electricals Industry (N)	Plastics industry (N)	Chemicals industry (N)	Marble processing industry (N)	Minerals industry (N)	Total	Percent of Responses	Rank
Organization Culture	13	17	14	16	13	73	23%	1
Amount of time required	15	10	8	10	13	56	18%	5
Lack of information on environment protection techniques	14	13	12	15	11	65	21%	2
Amount of manpower required	14	12	13	10	12	61	19%	4
Financial expenditure involved	13	16	10	9	14	62	20%	3
Total	69	68	57	60	63	317	100%	

Source: Field survey

The above table shows multiple responses analysis for statement “The major barriers preventing more action to improve environmental performance,” Out of total 317 responses, with 23% responses organization culture is the biggest barrier preventing more actions to improve environmental performance followed by Lack of information on environment protection techniques (21% responses). The amount of time required is the least important barrier in improving environmental performance.

V. CONCLUSION

This research conclude that safer working environment, increased efficiencies, waste minimization and reduced emissions are four major benefits of implementing green marketing practices in companies. The companies under research recognise the benefits of green marketing but organization culture and lack of information on environment protection techniques are two major barriers in implementation of green marketing practices in companies. Hence it is suggested that companies should be more aware and informed about new green practices being adopted at industry and national level. Also they should more focus on imparting training to executives about advantages and practices of green marketing.

Limitation & Scope of the Study

Various researches has been made in the field of green marketing at global, national level but still the concept of green marketing is new to Udaipur level. Simultaneously, the study is confined to the marble, mineral, electronics and electrical, chemical, plastics industries located at Udaipur district of Rajasthan. Hence generalization of findings may not be applicable at country level. The data solely based on level of information provided by executives and managers. Lots of benefits of green strategies are still to be unveiling and this creates further scope of research.

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