

## GREEN MARKETING – CHALLENGES AND OPPORTUNITIES

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**Abstract.** *The article offers an overview on Green Marketing influence on the behavior of consumers in buying and choosing eco-products and efforts of businesses in designing and distributing products that will not harm the environment. Therefore, the main objective of eco-marketing is to promote its benefits and conveniences for the future generations and to improve awareness about green products and their effectiveness. Also, the following research reveals some issues and problems regarding the concept of environmental marketing in the view of the society and in terms of available resources.*

**Keywords:** *eco-marketing, green products, consumers, eco-friendly, environment, awareness*

### Introduction

Green Marketing, also known as sustainable or environmental marketing, came into prominence in the late 1980s and early 1990s and it refers to organizations attempt in developing, pricing, advertising and selling products with eco concern. Green products are those which are manufactured by using green technology, that are grown originally, that are recyclable and reusable, that are using eco-friendly packaging and that do not have any negative impact on the environment [1].

However, „Green Marketing” is a contradictory term and during the time many researchers came with different definitions. For instance, Chung-Hui Tseng (2006) and Abdul Wahid (2011) have quarreled that „sustainable marketing integrates ecological concerns in all the processes of marketing” [2]. Meanwhile, in one of his thesis, Hing Kai Chan (2004) stated that “green marketing identifies the needs of environmentally concerned consumers and influences their buying behavior through the provision of green products” [2].

Nowadays this concept is becoming more popular as more people became concerned with environmental issues and as more businesses are discovering that demonstrating a high level of social responsibility can increase brand loyalty among consumers. That being said, Green Marketing concerns the following three aspects:

- Promotion of production and consummation of quality and eco products;
- Protection of ecological environment;
- Implementing the new concept into society.

### *Evolution of Green Marketing*

The environmental marketing has evolved in a certain period of time. According to Donald C. Peattie (2001), the evolution of green marketing has three steps. First step was called as "ecological" eco-marketing, and during this period all marketing activities were troubled to help environment issues and provide countermeasures for environmental problems. Second step named as "environmental" green marketing and the target changed on clean technology that involved producing of innovative new products that meant to take care of pollution issues. The final step was "sustainable" green marketing which refers to selling products or services by highlighting their environmental benefits [3].

### *Green Marketing Strategies*

Sustainability has become a priority for consumers who are searching and looking for products that are high-quality, affordable and environmentally-friendly at the same time. This suggests that it is paramount for businesses to develop and adopt effective marketing strategies

that can eliminate the phenomenon of green washing (a form of marketing spin in which green marketing are deceptively used to persuade the public that an organization's products, aims and policies are environmentally friendly). Such approaching and strategies may consist of:

*Green Positioning* – a company should principally promote its sustainability performance and those of its products and services, as a key component of its business activities. Everything a company does should reflect its sustainability values.

*Green Logistics* – in addition to a product or service being green, its packaging must also be green considering packaging is the first thing that consumers see and it should leave a deep impact.

*Green Disposal* - an effective green marketing strategy takes into consideration every aspect of a product's life cycle, from production to disposal, everything must be sustainable [4].

### **Opportunities and Benefits of Green Marketing**

Today, businesses recognize that the climate change is a big problem and some of them are making attempts to solve this problem resulting in a wave of sustainability and climate change. Green Marketing is usually practiced by companies that are committed to sustainable development and corporate social responsibility. They recognize they can make their products more attractive to consumers, while also reducing expenses in packaging, energy and water usage.

Businesses choose to go green due to economic and noneconomic pressures from their consumers, business partners, citizen groups and other stakeholders and also due the fact that this action brings them a lot of opportunities.

*First*, marketers get access to new markets and gain an advantage over competitors.

*Second*, it ensures sustained long-term growth along with profitability. Products with sustainable attributes have been steadily taking more shares of store sales, from 19.7% in 2014 to 22.3% in 2017, to an anticipated 25% in 2021.

*Third*, it helps companies market their products/services and keeping the environment aspects in mind.

*Fourth*, customer demand drives innovation. Around 73 percent of millennial claim they'd pay more for green goods. Though the economy proves challenging, people's desire for leaving the planet a healthier place for future generations exceeds financial worries.

*Fifth*, going Green offers tax and legal benefits. Federal and state government offer businesses significant tax incentives to go green. For example, you can claim a 30% credit for investing in solar or wind.

*Finally*, green companies attract talent. According to one study, 64% of millennial consider a business's social and environmental commitments when deciding where to work [5], [6].

#### *The Green Marketing Concept Implementation*

As time has passed many organizations understood how important it is to choose to green their systems, policies and products in order to raise their profit, to strengthen the relationship with the shareholders and to attract more consumers that are concerned about the environment. That being said, here are some examples of such companies:

- McDonalds replaced clamshell packaging with waxed paper. Because of polystyrene production and ozone layer depletion;
- Xerox introduced a "high quality" recycled photocopier paper in an attempt to satisfy the demands of firms for less environmentally harmful products;
- Coca-Cola modified their packaging to minimize its environmental impact;
- Much of Patagonia Company raw materials are recycled or grown organically. They aim to be completely carbon neutral by 2025;
- IKEA launched a line of products labeled as "more sustainable", which includes water management products and healthy food [7].

Green marketing offers businesses bottom line incentives and top line growth possibilities. From an investor point-of-view, these kinds of green marketing initiatives can prove essential in building and maintaining a brand trust.

#### *Green Marketing in the Context of Covid-19*

”Going green benefits businesses and it should be central to their coronavirus recovery strategy”, writes Jagannadha Pawan Tamvada from the University of Southampton and Mili Shrivastava from Bournemouth University [9].

One example of a potential immediate measure is remote working, which enables business continuity while reducing the corporate energy footprint and emissions from commuting. Businesses can also shorten their supply chains by working with local suppliers, which can reduce emissions from transport and stimulate local economies.

Another example is that governments can consider providing subsidies for these enterprises to adopt green technologies in order to minimize pollution, waste, water and energy use. For example, as part of its COVID-19 recovery package, the Republic of Korea is allocating around 1.7 trillion won to finance 100 small and medium-sized firms to transition to green business models [10].

### **Challenges in Green Marketing**

Although a large number of firms are using eco-marketing, there are some of potential problems and issues which need to be mentioned: green products require recyclable materials which are costly; the technology which requires huge investment in research & development; production may be reduced if no support is provided; such products may cause a deception of cheating and customers may lose their trust in some companies etc.

Speaking about Green Marketing there should be mentioned three most common challenges.

*Need for standardization.* Because it is very difficult to certify or to be sure that some products are 100% eco and organic only after what is written on the label, there need to be created some regulatory bodies to investigate these products in a special laboratory and to certify a prove.

*New concept.* Green Marketing is a concept that came in the early 1990s and till today there are still a lot of people that do not know what this term means for sure or it is misleading them. Another aspect is that some consumers keep away from products labeled Green because they see such labeling as a marketing gimmick. That’s why consumers need to be educated and made aware of the environment concepts. The new green movement needs to reach masses and that will take a lot of time and effort.

*Patience and perseverance.* The investors need to view the environment as a major long term investment opportunity and the marketers need to look at the long-term benefits from this new green movement for the future generations [11].

#### *Criticism of Green Marketing*

Consumers are often skeptical when hearing about organic products and about firms that are producing eco-products. Green Marketing is like a two-edged sword because it can raise the profitability of one company but, on the other hand, companies can seriously damage their brands and sales if a green claim is discovered to be false.

### **Conclusion**

Green Marketing is an instrument in keeping the environment safe for the future generations and that opens a new chance of growth for the society, for its consumers and for the producers. Green product development is not just manufacturing environmentally friendly products but its also implementing a new mentality that could change the whole economic and commercial system.

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