



CHALLENGES AND OPPORTUNITIES BEFORE GREEN MARKETING IN INDIA

Dr.Anil Vitthalrao Sawant

G.B. Khare Commerce -P.G. Dhare Arts -M.J. Bhosale Science College, Guhagar
Dist- Ratnagiri

Key Words

Green Marketing, Eco Friendly, Environmental Marketing, Green Product, Environmentally Safe, Global Warming, Sustainable Development.

Introduction

“Green Marketing” and “Environment Marketing” are the buzzword in today’s business world. Environmental issues influence all human activities. Some academic disciplines have integrated green issues in to their literature-as society becomes more concerned with the environment business have begun to modify their behavior in an attempt to address society’s new concerns. Now a days some of the business organizations have been quick to accept new concept like environmental management and waste minimization. They have also integrated environmental issues in to all organizational activities.

Green Marketing incorporates a broad range of activities like product modification, changes into the production process, changes in packaging and modification in advertising.

Normally green marketing offers business bottom line incentives and top line growth possibilities. While modification of production process of any type of business organisation may involve start up costs and it will save money in the long term.

Green Marketing is a Phenomenon which has developed particular importance in the modern business world. In the era of Liberalisation Privatisation & Globalisation it has become a challenge to keep the customers as well as consumers in fold and even keep our natural environment safe and that is the biggest need of the time. Consumers are also aware of the environmental issues like, global warming and the impact of environmental pollution. Green marketing is a phenomenon which has developed particular important in the modern market and has emerged as an important concept in India as in other parts of the developing and developed world, and is seen as an important strategy of facilitating sustainable development.

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. Green marketing should not be considered as just one more approach to marketing, but has to be pursued with much greater vigor, as it has an environmental and social dimension to it. With the threat of global warming looming large, it is extremely important that green marketing becomes the norm rather than an exception or just a fad. Recycling pf paper, metals, plastics etc. in a safe and environmentally harmless manner should become much more systematized

and universal. It has to become the general norm to use energy-efficient lamps and other electrical goods.

Green marketing enabled for the remarketing and packaging of existing products which already adhere to such guidelines. Additionally, the development of green marketing has opened the door of opportunity for companies to co-brand their products into separate line, lauding the green friendliness of some while ignoring that of others. Such marketing techniques will be explained as a direct result of movement in the minds of the consumer market. As a result of this businesses have increased their rate of targeting consumers who are concerned about the environment. These same consumers through their concern are interested in integrating environmental issues into their purchasing decisions through their incorporation into the process.

Conceptual Background

The term “Green Marketing” refers to the planning, development and promotion of products of services that satisfy the needs of consumers for quality, output, accessible prices and services, without however a negative effect on the environment, with regard to the use of raw material, the consumption of energy etc (Davis, 1991; Kangis, 1992; Meffet and Kirchgeorg, 1994; Jand and Kaur, 2004; Peattie and Grane, 2005; Grant, 2008; Pride and Ferrell, 2008).

According to Kangis (1992), Green marketing must be more than either a green way of marketing, or the marketing of so-called green products. Green has to refer both to the method and to the product. This is why the very idea of green marketing needs considerable development and analysis, with rules and integrity in economic, scientific, academic and ethical terms.

According to Pettie (2001), evolution of green marketing has three phases.

- First phase was termed as ‘Ecological’; green marketing, and during this period all marketing activities were concerned to help environment problems and provide remedies for environmental problems.
- Second 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.
- Third phase was “Sustainable”; green marketing. It come into prominence in the late 1990s and early 2000.

The American Marketing Association defines green marketing as efforts by businesses and organizations to produce, promote, package and reclaim products in a manner that is sensitive or responsive to ecological concerns Green marketing is quickly making the shift from trendy marketing tactic to cultural movement as more and more consumers demand environmentally friendly products, made in a sustainable way.

Pride and Ferrell (1993) Green marketing also alternatively known as environmental marketing and sustainable marketing, refers to an organizations efforts at designing, promoting, pricing and distributing products that will not harm the environment.

Polonsky (1994) defines green marketing as 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.

Elkington (1994) defines green consumer as one who avoids products that are likely to endanger the health of the consumer or others; cause significant damage of the environment during manufacture, use or disposal; consume a disproportionate amount of energy; cause unnecessary waste; use materials derived from threatened species or environments; involve unnecessary use of, or cruelty to animals; adversely affect other countries.

Research Methodology

The present research study uses the most recent available published secondary data. To achieve the above stated objectives, the secondary data was used and Desk Research Method was basically adopted. The secondary data that are mainly used are published in annual reports of various banks and survey reports of leading business magazines. The secondary data was also used from various reference books related to Non-performing Assets, Marketing, Banking, Finance, Commerce, Management and Economics.

For the said research study the data pertaining to the above objectives was collected and reviewed the literature on the topic concerned. The literature was thus collected by visiting various libraries. The Secondary data is also collected from various websites.

Objectives Of The Research Study

The present research study is carried out with the following objectives in view-

1. To Provide an Overview of the Fundamentals about Green Marketing in India.
2. To study the Opportunities & Challenges of Green Marketing in India.
3. To study the Benefits of Green Marketing
4. To give the suggestions for Improvement of Green Marketing in India.

The Indian Context

The Indian government has developed a number of legislations to reduce the production and marketing of harmful goods and by products. Such legislations put restrictions on the production of environment threatening goods. Many provisions dealing with the environment are scattered in pieces and are found in different enactments of the country. The general enactments which provide for the Prevention and Control of Pollution are : The Factories Act, 1948; the Motor Vehicle Act, 1988; Environment Act, 1986; Air Prevention and Control of Pollution Act, 1987; The Water Act, 1974.

Environmental Standards: International standards called ISO 14001 and European Union Eco-Management and Audit System and earlier British Standard for environment and being adopted. The ISO took up the responsibility for drawing up a new environmental standard series. ISO 14000, with the help of Bureau of Indian Standards has developed environmental standards for India. In India, more than 600 companies have certified for ISO 14001. The ISO 14000 Series comprises of standards or EMS. The organizations who want to improve their EMS use the ISO 14000 guidelines. Other standards in the 14001 series that are concerned with specific areas of environmental audit are :

- ISO 14000-General guidelines on principles of EMS.
- ISO 14001-Specifications and Guidance for EMS.
- ISO 14010-Guidelines for Environmental Auditing.

- ISO 14012-Guidelines for Environmental Auditing-Qualifications for Auditors.
- ISO 14015-Environmental site assessment.
- ISO 14020-Environmental Labeling (Eco-Labeling)
- ISO 14021-Environmental Labels and declarations.
- ISO 14040-Life Cycle Assessment.

Eco-Labeling: It is an environmental claim that appears on the packaging of product. It is awarded to a manufacturer by an appropriate authority. ISO 14020 is a guide to the award of eco-labeling works like an instructor for the firms who indulge in the production of goods and services that cause damage both to the health of humans and the environment. The Government of India launched an eco-mark scheme in 1991 to increase consumer awareness with respect to environment friendly products. The products that require eco-marketing are textiles, toilet soaps, detergent cakes, paints, packages, pesticides and insecticides, cosmetics, batteries and pharmaceutical products. The eco labeled goods naturally spur the demand for green products and in turn, aim to increase green consumerism.

Eco-mark Scheme : The Government of India launched an eco-mark scheme in 1991 in increase consumer awareness towards environmental friendly products. Another aim of the eco-mark scheme is to stimulate the consumers to go for pro-environmental products. The eco-mark is needed for products like cosmetics, leather goods, paints, lubricant oil, plastic products, batteries etc.

Benefits of Green Marketing

Due to increase in consumerism across the globe, the sensitivity in accepting pollution free, harmless and green products is also increasing tremendously, the manufactures are being pressurized for manufacturing such goods, As discussed in the earlier sections, both the manufacturers as well as the consumers are equal partners in bringing eco-friendly goods to the society. Hence, the manufacturers and the consumers can benefit out of green marketing in the following ways:

Benefits Available for Firms and Industries :

1. Helps to access new markets.
2. Can help to achieve competitive advantage over other competitors.
3. Protects the company in the long run.
4. Aids in long term growth.
5. Improves the quality of the environment.
6. Environmentally responsible company will hold a unique status in the society.

Benefits for the Consumers :

1. Health benefits.
2. The network of green users expands.
3. Less threat to the eco-system by the consumers.
4. The Earth will be protected from hazardous goods.

The Seven PS of Green Marketing

Like conventional marketers, green marketers must address the four PS in innovative ways.

1. Product : Entrepreneurs wanting to exploit emerging green markets either:

- identify customers environmental needs and develop products to address these needs; or
- develop environmentally responsible products to have less impact than competitors.

The increasingly wide variety of products on the markets that support sustainable development and are good for the triple bottom line include:

- Products made from recycled goods, such as Quick Tuff housing materials made from recycled broccoli boxes.
- Products that can recycled to reused.
- Efficient products, which save water, energy or gasoline, save money and reduce environmental impact. Queensland's only waterless printer, print point, reduces operating costs by using less water than conventional printers and is able to pass the savings on to customers.
- Products with environmentally responsible packaging. McDonalds, for example, changed their packaging from polystyrene clamshells to paper.
- Products with green labels, as long as they offer substantiation.
- Organic products many consumers prepared to pay a premium for organic products, which offer promise of quality. Organic butchers, for example, promote the added qualities such as taste and tenderness.

2. Price : Pricing is a critical element of the marketing mix. Most customers are prepared to pay a premium if there is a perception of additional product value. This value appeal or taste. Environmental benefits are usually an added bonus but will often be the deciding factor between products of equal value and quality.

Environmentally responsible products, however, are often less expensive when product life cycle costs are taken into consideration. For example fuel-efficient vehicles, water-efficient printing and non hazardous products.

3. Place : The choice of where and when to make a product available has a significant impact on the customers being attracted. Very few customers go out of their way to buy green products merely for the sake of it. Marketers looking to successfully introduce new green products should, in most cases, position them broadly in the market place so they are not just appealing to a small green niche market.

The location must also be consistent with the image which a company wants to project. The location must differentiate a company from its competitors. This can be achieved by in store promotions and visually appealing displays or using recycled materials to emphasize the environmental and other benefits.

4. Promotion : Promoting products and services to target markets includes paid advertising, public relations, sales promotions, direct marketing and on-site promotions. Smart green marketers will be able to reinforce environmental credibility by using sustainable marketing and communications tools and practices. For example many companies in the financial industry are providing electronic statements by email, e-marketing is rapidly replacing more traditional marketing methods, and printed materials can be produced using recycled materials and efficient processes, such as waterless printing.

Challenges of Green Marketing

Implementing Green Marketing is not going to be an easy job. The firm has to face many problems while trading the way of green marketing, Challenges which have to be faced are given as under:

1. Green marketing encourages green products, green technology, green power, a lot of money has to be spent on R&D programmes. Thus practicing green marketing initially will be a costly affair.
2. Initially the profits will be very low since renewable and recyclable products and green technologies are more expensive. Green marketing will be successful only in long run.
3. Many customers may not be willing to pay a higher price for green products which may effect the sales of the company.
4. The firm may give up on green marketing concept or be forced to practice unfair to cut cost to sustain in the competition and thus the entire idea of going green will be a farce.
5. The firms practicing green marketing have to strive hard n convincing the stockholders and many a times there may be some who simply may not believe and co-operate.

Golden Rules of Green Marketing

1. Know You're Customer: Make sure that the consumer is aware of and concerned about the issues that your product attempts to address.

2. Educating Your Customers: isn't just a matter of letting people know you're doing whatever your doing to protect the environment, but also a matter of letting them know why it matters. Otherwise, for a significant portion of your target market, it's a case of "So what?" and your green marketing campaign goes nowhere.

3. Being Genuine & Transparent: Means that a) you are actually doing what you claim to be doing in your green marketing campaign and b) the rest of your business policies are consistent with whatever you are doing that's environmentally friendly. Both these conditions have to be met of your business to establish the king of environmental credentials that will allow a green marketing campaign to succeed.

4. Reassure the Buyer: Consumers must be made to believe that the product performs the job its supposed to do-they won't product quality in the name of the environment.

5. Consider your Pricing: If you're charging a premium for your product-and many environmentally preferable products cost more due to economies of scale and use of higher quality ingredients make sure those consumers can afford the premium and feels its worth it.

6. Giving your Customers an Opportunity to Participate: Means personalizing the benefits of your environmentally friendly actions, normally through letting the customer take part in positive environmental action.

Need of Adoption of Green Marketing

Green marketing has been widely adopted by the firms worldwide and the following are the possible reasons cited for this wide adoption:

1. Opportunities: As demand changes, many firms see these changes as an opportunity to exploit and have a competitive advantage over firms marketing no environmentally responsible alternatives. Some examples of firms who have strived to become more environmentally responsible, in a attempt to better satisfy their consumer needs are:

- McDonald's replaced its clam shell packaging with waxed paper because of increased consumer concern relating to polystyrene production and Ozone depletion.

- Thua manufacturers modified their fishing techniques because of the increased concern over driftnet fishing and the resulting death of dolphins.
- Xerox introduced a “high quality” recycled photocopier paper in an attempt to satisfy the demands of firms for less environmentally harmful products.

2. Government Pressure: As with marketing related activities, governments want to “protect” consumer and society; this protection has significant green marketing implications. Government regulations relating to environmental marketing are designed to protect consumers in several ways

1. Reduce production of harmful goods or by products. Modify consumer and industries use and consumption of harmful goods.
2. Ensure that all types of consumers have the ability to evaluate the environmental composition of goods. Government establishes regulations designed to control the amount of hazardous wastes produced by firms.

3. Competitive Pressure: Another major force in the environmental marketing area has been firms desire to maintain their competitive position. In many cases firms observe competitors promoting their environmental behavior and attempt to emulate this behavior. In some instances this competitive pressure has caused an entire industry to modify and thus reduce its detrimental environmental behavior. For example when one tuna manufacture stopped using driftnets the others followed suit.

4. Social Responsibility: Many firms are beginning to realize that they are members of the wider community and therefore must behave in an environmentally responsible fashion. This translates into firms that believe they must achieve environmental objectives as well as profit related objectives. This results in environmental issues being integrated into the firms corporate culture. there are examples of firms adopting strategies.

5. Cost of Profit Issues: Firms may also use green marketing in an attempt to address cost or profit related issues. Disposing of environmentally harmful byproducts, such as polychlorinated biphenyl contaminated oil are becoming increasingly costly and in some cases difficult. Therefore firms that can reduce harmful wastes may incur substantial cost savings. When attempting to minimize waste, firms are often forced to re-examine their production processes.

Suggestions

In order to achieve environmental and profit related objectives, the business organizations can consider following suggestions :

1. Zero paper consumption.
2. A firm can aim to achieve carbon neutrality.
3. Adopt mechanisms to evaluate the level of damage a product can cause to the environment.
4. Bring about transparency in the ethical environment.
5. Use resources judiciously.
6. The industry should not mislead the consumers in the name of green marketing.
7. Instead of making plans to reprocess the waste, make strategies to reduce the wastes in the production stage itself.
8. Consumers are to be well educated about green marketing and the importance of protecting the planet from polluted goods and services should be emphasized.

9. All educational institutions should introduce a subject on “Environmental Studies” in the academic curriculum.

Conclusion

Green marketing covers more than firms marketing claims. While firms must bear much of the responsibility for environmental degradation, ultimately it is consumers who demand goods, and thus create environmental problems.

In the present era, a firm without green concepts cannot survive in the market. But the central theme is that the “Consumer” needs to be educated in this regard. A lack of information or keeping the consumers in the dark about the utility of green products is another way of cheating the consumers. A proper legislation in Consumer Protection Act is the need of the hour. The role of the media & the stakeholders should be to play an informative role in educating the consumers. Now days, the consumers are getting quite aware about the importance of the protection of the earth, protecting the ozone layer, pollution of air, water & environment from print and non print media. Therefore, in order to survive in the present era of cut-throat competition, firms need to go greener than their competitors.

References

1. Pavan Mishra & Payal Sharma, “Green Marketing India : Emerging Opportunities and Challenges”, 2010.
2. H. Ramakrishna, “Green Marketing in India : Some Eco-Issues”, Indian Journal of Marketing, Nov. 2012.
3. Tushar K. Savale, Anil Sharma & P. U. Patil, “Green Marketing : Opportunities and Challenges”.
4. Anirban Sarkar, “Green Marketing and Sustainable Development : Challenges & Opportunities”.
5. Dr. Pranam Dhar & Soumyajit Das, “Green Marketing : Challenges of Opportunities for Innovation & Sustainable Development”, International Journal of Marketing, Financial Services & Management Research, Vol-1, No-5.
6. Azagaiah R. and Ilangoan A. (2006), “Green Marketing environmental Production”, Indian Journal of Marketing, Vol-XXXVI, No-1.
7. Chee Y. E. (2004), “An Ecological Perspective on the Valuation of Ecosystem Services”, Biol. Conserv, Vol-120.
8. Leishman Paul (2008), “Green Marketing : A Primer”, Torque, Feb. 2008.
9. Murugesan J. (2008), :Green Trust and Distrust”, Indian Journal of Marketing, Vol-XXXVIII, No.9.
10. Allaby M. (1990), “Green Facts : the Greenhouse Effects & other Key Issues”, London : Reed International Books Ltd., International Energy Agency, 2006.
11. Polosky M. J., Ottman J. (1998), “Stakeholders contribution to the green new product development process”, Journal of Marketing Management 14 (6).
12. Banerjee B. (1985), “Shades of Green : A Multidimensional analysis of environmental advertising”, Journal of Advertising, 24 (2).

13. Alsmadi S. (2007), "Green Marketing and the Concern over the Environment : Measuring Environmental Consciousness of Jordanian Consumers", Journal of Promotion Management, Vol-13, 2007.
14. Karna J. (2003), Social Responsibility in Environmental Marketing Planning. European Journal of Marketing, 37(5/6).
15. www.icaai.org.
16. www.google.com
17. www.greenmarketing.net.
18. www.cohnwolfe.com
19. www.emeraldinsight.com
20. www.businesswireindia.com
21. www.greenpeace.org.