

GREEN MARKETING IN INDIA IN 21st CENTURY-ROLE AND OPPORTUNITIES

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ABSTRACT

Technological advances have created a series of major problems associated with environmental pollution especially during the timings of industrial revolution in the eighteenth and nineteenth centuries. Over the last few years to compensate this damage and to reduce its negative impact on environment there has been increasing interest in Green marketing around the globe. According to the American Marketing Association, green marketing is the marketing of products that are presumed to be environmentally safe and this is also known as: Environmental Marketing (EM), Ecological Marketing, and Eco- Marketing. Green Marketing is above than the widely spread terms like recyclable, refillable, environment friendly product, ozone friendly items etc. The purpose of the paper is to study and review the history of "green marketing" and to provide a critique of both theory and practice in order to understand how the marketing' discipline can contribute to progress towards greater sustainability. It also emphasizes the impact of environment on business, the opportunities to capitalize on the demand for green products, As the more innovative companies will reap benefits, and those who are re-thinking' products and processes will be the leaders of the future. It also highlights why progress towards a more sustainable environment has proved so, difficult, and outlines some of the more radical changes in thought and practice that marketing' will need to adopt before it can make a substantive contribution towards greater sustainability.

INTRODUCTION

Economies across the globe are experiencing a new high with changes in the technological, legal and cultural environment. Countries like India are seeing new hopes with multinational companies coming into India, thereby improving the economic stature of a middle class Indian. The Economic growth has bought with it several other challenges like sustaining this economic growth amidst the serious consequences these technologies are having on the environment. Sustainable economy would be a long term reality for the coming generations if every organization adopted the concept of sustainable development in their agendas. Sustainability means satisfying the needs of the present without compromising the ability of future generations to meet their own needs. Sustainable development focuses on improving the quality of life for all of the Earth's citizens through conservative usage of natural resources. So companies are integrating sustainability with economic development, environment protection and corporate social responsibility (CSR). Concepts like green technologies, green CSR and green marketing are gaining importance in today's business environment.

According to Peattie (2001), there are three phases in evolution of green marketing.

- I. Ecological Green Marketing: This is the phase where companies were concerned to help environmental problems and provide remedial measures for environmental problem.
- II. (Environmental Green Marketing: In this phase focus shifted on clean technology, which helped in designing innovative products and take care of waste disposal and pollution.

- III. Sustainable Green Marketing: Green marketing is not for short term objective. But it needs to be sustainable. This concept came up in late 1990s and early 2000.

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Jacquelyn A. Ottman has described green marketing at three different levels (i) Marketing development of new technology, new process and new product and communicate the same to the customer, Innovation is an integral part of it.

(ii) Holistic Nature- All the stakeholders need to be part of this initiative - marketer, supplier, retailer, educator, and members of community, regulators, NGO - all of them.

(iii) Environmental Issues: Needs to be balanced with primary customer needs. There are many ways wherein along with the making profits marketers can take care of environmental issues as well.

SIGNIFICANCE OF GREEN MARKETING

Marketing people generally take strategic decision for business development responsibility and business growth responsibility but green marketing mainly exercise on environmental concerns and follows the concept of social marketing where the main motive to aware and promote social goals of an individual as well society. There are several factors which prompt us to use “eco-and earth-friendly products”. Green consumers prefer products made from recycled material or products whose use entails reduced environmental impact but the concept of pricing make it more crucial because of premium pricing policy. In spite of several “if “And “but” acceptability and adaptability for such product is increasing day by day

- Health friendly for human beings and animals.
- People using green products are more confident because they are reducing the chances to harm themselves.
- People are not spending money on green products rather they are investing on health and these expensive products will pay them in long-run.
- Using green products in household also educates the society, family members and other about the issues related to health.
- People can keep them away from the hazards of chemicals and toxins.
- Green products are basically based on the concept “reuse, reduce and recycle”.
- Helps in reducing pollution, decreasing the destruction of forest and helps in nurturing the eco –system in a desired way.
- It saves money in long run, though initially the cost is more.

CHALLENGES OF GREEN MARKETING

- To recycle to renew and to reuse the product, highly expensive technology is required and also huge investment is indulge in research and development.
- Awareness level about green marketing product is very low and those who are aware about the concept either they are having little knowledge or misled knowledge about it.
- Indians are very price sensitive as most of the population is involved in agriculture or allied occupation, so their disposable income and financial capacity do not allow them to pay premium for green products.
- People are confused about green product claims because they think that the product is beyond this concept and it is just a marketing gimmick to promote its brand.
- People distrust regarding the credibility of green products and to remove this confusion transparent and crystal clear information need to be provided to consumers.
- Green –marketers must induce the concept that these product are beneficial for consumer and as well as for the environment because the expensive nature of the product compel the consumer to think in a different direction that by selling these products the profit margins will be raised –up and “being environment friendly” is just a mere concept to divert the attention of the consumer and to fascinate them.

THE IMPACT OF ENVIRONMENT IN BUSINESS

All the issues on the green agenda can produce opportunities and threats for different types of businesses. There are five key ways in which the environment can have an impact on a business.

- Direct impacts. Changes to the physical or human environment may alter a company's costs and the resources at its disposal.
- Consumer demand changes. Environmental changes may alter the. customer's requirements for products and information.

COMPETITIVE ENVIRONMENT CHANGES

The green agenda may present threats and opportunities, which alter the balance of power within a market. Suppliers and distribution channels may also be affected by green issues in ways which have an impact on a company's competitive strategy.

- I. Legislative change. Concern over green issues can lead to new environmental and social legislation governing business activity.
- II. Indirect impacts. Green issues may spark concern among the media, staff, the general public and shareholders, which puts pressure on companies to change some aspect of their operations.

According to Jacquelyn A. Ottman, (author of Green Marketing: Opportunity for Innovation) from an organization M standpoint, environmental considerations 'Should be integrated into all aspects of marketing — new product development and communications and all points in between. The holistic nature of green also suggests that besides suppliers and retailers new stakeholders 'be enlisted, including educators, members of the community, regulators,' and NGOs. Environmental issues should be balanced with primary customer needs.

Considerable progress toward reducing the environmental impacts of products has been made by environmental managers and product designers in the past. Motivated by regulations, new

technologies and consumer pressure, designers have focused on particular eco-aspects of products such as reducing in-use consumption of energy; increasing the amounts of recycled or recyclable materials; reducing material intensity of products; and the impact of product take-back schemes. However, there are only a few strategic tools for marketers of green products, and even these have evolved in an ad hoc manner. Furthermore, Green designs, and more sustainable designs, will only survive if there is a market for the products that leading edge companies have developed. While strategies for successful marketing of greener products do exist, they are not widely known. Therefore, companies that have made strides in greener product design, should approach Green Marketing by concentrating on the factors like –

CNG in Delhi: In the year-2002, Supreme Court of India passed a verdict to completely adopt CNG for all public transportation systems to curb pollution. This was a great step and appreciated by all as Delhi was being polluted at a very fast pace. However, there was lot of strikes and objections by the transporters but later on it proved successful and all appreciated the court order.

Hewlett-Packard: HP promise to cut its global energy uses 20% by the year 2010. To accomplish this reduction HP announced plans to deliver energy -efficient productions and services.

Philips: Philip's decision to launch 'super long life' bulb which can save up 20% energy is a great success in the market.

Badarpur Thermal Power station, New Delhi: Trying to find out ways to utilize the coal-ash which pollutes air and water.

Xerox Corporation: It introduced a high quality recycled photocopier paper to satisfy the demand of the firms for less environmentally harmful products.

Coca-Cola: Invested huge amount to minimize its environmental impact. Coke is regarded as highly environmentally friendly firm.

Walt Disney World (WDW): It has an extensive waste management programme and infrastructure in place.

Problem Areas

There are number of problems associated with the understanding and application of green marketing practices. Some of the problems are as follows:

- Firms practicing green marketing must ensure that their activities are not misleading the customers and not violating any rules and regulations pertaining to environmental protection.
- **Firms must be able to state clearly the benefits of green marketing. If customers come to know the benefits of green marketing then definitely they will appreciate it.**

PROMOTIONAL STRATEGIES FOR GREEN PRODUCTS

- “Eco Labeling” can assure the customer about the genuineness of the green product and can make it popular.
- Create consumer awareness about the big companies who have adopted the concept of green marketing or green product e.g.

- Nike is the first company in shoe making which is promoting and marketing its brand air Jordan shoes as environment-friendly, as they have reduced the usages of harmful glue and adhesive.
- “Go green with Dell”, dell is using eco-friendly packaging with a system recycling kit with the IT product.
- SBI has also emerged into the concept of green services which is known as “Green Channel Counter”. In this they are trying to focus on paper less banking, no slip for deposition of money, no withdrawal forms, no checks etc.
- Agartala to be India’s first Green City. All the public and private vehicles in Agartala run on compressed natural gas (CNG) by 2013.
- Tata is also planning to set-up an eco friendly show room using natural building material for its flooring and energy efficient lights.
- **Eco Sponsoring:** One of the most popular ways of promoting product is sponsoring which draws the attention very quickly and also cast a very strong impression in the mind of the consumer and somewhat it is also related with the reputation of the sponsor. Companies must engage themselves with the projects related with environmental or ecological issues. There are many other ideas also like involvement of the company into recycling program, reuse program, community services program etc.

MAIN REASONS FOR ADOPTING THE CONCEPT OF GREEN MARKETING BY INDIAN FIRMS

GOVERNMENTAL PRESSURE: Overall governments want to "protect" consumers and marketers both. For the same, Governmental regulations relating to environmental marketing are designed to protect overall environment in several ways-

- 1) Reduction in the production of harmful goods or by-products.
- 2) Modification in consumer and industry's use and/or consumption of harmful goods.
- 3) Ensuring that all types of consumers have the ability to evaluate the environmental composition of goods.

Many by-products of production are controlled through the issuing of various environmental licenses. In some cases governments try to "induce" final consumers to become more responsible. For example, some governments have introduced voluntary curb-side recycling programs, making it easier for consumers to act responsibly. In other cases governments tax individuals who act in an irresponsible fashion. For example in Australia there is a higher gas tax associated with leaded petrol.

CORPORATE SOCIAL RESPONSIBILITY AND GREEN MARKETING:

CSR is a highly popularized agenda in today’s competitive scenario. Not only big companies like Tata, Birla, Reliance are associated for the social good in their operations rather every well-established company is trying their best for the development of society and for the betterment of social set up, CSR is “doing social good” concept based.CSR always ensures the safety of the consumer which has a similar motive of using green product.CSR always take precautionary step to all the environmental changes and also promote socio-economic rights of the consumers.

Implementation and enforcement of adopting the green concept is speeding up day by day and also the Indian government is installing economic stimulation to adopt environmental friendly measures.

CONCLUSION

The concept of Green Marketing has existed ever since the 1970's but of late everybody is talking about it; it could be a consumer, a marketer or an environmentalist. Green marketing focuses on satisfying the needs of the customer through products that have a less detrimental impact on the environment. The trend towards Green Marketing seems to be very promising for the development of economies across the globe because it works on lines that define sustainable development. Less diversified and smaller companies are still stuck up with concepts like recyclable or recycled but economically richer companies who believe in research and development are definitely making a difference by coming up with newer and better green concepts, products, slogans and promotional strategies. The economic gains for companies who are restructuring their processes to conform to their green policies would not acquire commendable economic gains in the short run but cost benefit analysis states that the economic future of companies who nourish creativity and innovation in their product concepts would be very promising. Green marketing is still in its infancy. A lot of research is to be done to explore various opportunities and other possibilities. Profit is important for any firm to sustain. Adoption of green marketing in short run sometimes may not be profitable but definitely firms will have competitive edge over others in the long run. Companies need to create awareness of green marketing and its benefits. Industry-body, private boy and consumer forum need to put pressure on the companies to practice green marketing, Government has also come out with various policy changes to make the firms more environmentally friendly. The time has come that firm must find out opportunity to enhance the products/services in terms of quality, performance, value in socially responsible and environmentally friendly way. Firms should look for environmentally friendly products and sustainable developments. In US and other developed nations already there is high awareness for green marketing but in other parts it is not the same. Fresh efforts need to be made to make all the people aware all over the world about the green marketing and its benefits. As green issues become important within markets, green marketing and the management of eco-performance need to transcend functional boundaries to become pan-organizational management concerns, this mirrors the way that quality slipped its functional bonds to become Total Quality Management (TQM). Indeed, for many companies the most practical way of addressing environmental issues has been through TQM. As social and environmental pressures on business grow, so marketers need to have an appreciation of, and input into, all aspects of a business, its products and its production system - 'Going Green' is the only "Answer".

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