

Green Marketing in India: Importance and Challenges

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ABSTRACT

Green Marketing has gained momentum in the context of global warming and climate change and this, in turn, has forced many companies to incorporate the principals of Green Marketing. Recently, Green Marketing has drawn the attention of government and this has forced them to introduce environment-friendly policies. As resources are limited and human needs and wants are unlimited, resources have to be utilized economically and in an environment friendly way. Green Marketing will play an important role in sustainable development. Every firm needs to adopt innovative methods to sustain itself in the competitive environment, thus Green marketing becomes an important aspect which every firm will have to implement in near future, so why not start practicing it immediately. The Government in near future is going to adopt stringent policies to enable sustainable development. The marketers should realize this and head on towards Green Marketing. The paper focuses on the present trends of green marketing in India and describes the reason why companies are adopting it and future of green marketing and also explain the various challenges of Green marketing in India.

Keywords: Green Marketing, Environmental Marketing etc.

1. INTRODUCTION

Today, it seems that every company has a “green” story. And no wonder. Not only does the development and offering of “green” products and services positively impact consumer and investor perceptions of a company, it can also improve the bottom line. So it’s only natural that businesses in almost every industry are touting the “green” aspects of their products and services every chance they get. But embarking on an uninformed and poorly prepared “green” advertising initiative can severely backfire, exposing a company to investigations and penalties by federal and state agencies, false advertising lawsuits by competitors, and perhaps worst of all, charges of “green washing” from the media and the blogosphere. Any one of these consequences can harm corporate identity and brand value, effectively eliminating any benefits that a green marketing campaign may have conveyed.

According to the American Marketing Association, Green marketing is the marketing of products that are presumed to be environmentally safe. Green marketing incorporates a broad range of activities, including product modification, changes to the production process, packaging changes, as well as modifying advertising. Yet defining green marketing is not a simple task where several meanings intersect and contradict each other. Other similar terms used are Environmental Marketing and Ecological Marketing. Indian Government has already introduced Environment Protection Act in 1986 and Environment Audit in 1992, the marketers have to realize that with increasing amount of environmental harm caused due to industrialization and economic development, the Government is going to apply stringent policies to save environment and is going to be even more strict with regards to the development which will cause a severe threat to the environment. The environmental harm which is mainly due to green house gas emissions has caused a severe threat to the climatic conditions and the result of which can be seen in the form of droughts, scarcity of drinking water, floods ruining the agricultural produce etc.

2. OBJECTIVES OF THE STUDY

- 1.** To study of Green Marketing in India
- 2.** To study the present status and trends of Green Marketing in India
- 3.** To study the various challenges of Green Marketing in India.

3. METHODOLOGY OF THE STUDY

The study is based on secondary source of data collected through various books, articles and research papers published in various national, international journals, websites.

4. PRESENT TRENDS IN GREEN MARKETING IN INDIA:

Organizations are Perceive Environmental marketing as an Opportunity to achieve its objectives. Firms have realized that consumers prefer products that do not harm the natural environment as also the human health. Firms marketing such green products are preferred over the others not doing so and thus develop a competitive advantage, simultaneously meeting their business objectives. Organizations believe they have a moral obligation to be more socially responsible. This is in keeping with the philosophy of CSR which has been successfully adopted by many business houses to improve their corporate image. Firms in this situation can take two approaches namely use the fact that they are environmentally responsible as a marketing tool and Become responsible without prompting this fact. Governmental Bodies are forcing Firms to Become More Responsible. In most cases the government forces the firm to adopt policy which protects the interests of the consumers. It does so in following ways:

- Reduce production of harmful goods or by products
- Modify consumer and industry's use and /or consumption of harmful goods; or □ensure that all types of consumers have the ability to evaluate the environmental composition of goods.
- Competitors' Environmental Activities Pressure Firms to change their Environmental Marketing Activities. In order to get even with competitors claim to being environmentally friendly, firms change over to green marketing. Result is green marketing percolates entire industry. Cost Factors Associated With Waste Disposal or Reductions in Material Usage Forces Firms to Modify their Behavior. With cost cutting becoming part of the strategy of the firms it adopts green marketing in relation to these activities. It may pursue these as follows:
- A Firm develops a technology for reducing waste and sells it to other firms.

5. GREEN MARKETING PRACTICES IN INDIA

Nike is the first among the shoe companies to market itself as green. It is marketing its Air Jordan shoes as environment-friendly, as it has significantly reduced the usage of harmful glue adhesives. Kansai Nerolac Paints has been at the forefront of paint manufacturing for more than 88 years pioneering a wide spectrum of quality paints. Kansai Nerolac has worked on removing hazardous heavy metals from their paints – among this lead being the most prominent metal. Kansai Nerolac does not add any lead or other such heavy metals in its manufacturing process. Dell has been one of the vendors who focus on producing green IT products. They have a strategy called "Go green with Dell" to sell these products in the market. It also comes in an eco-friendly packaging with a system recycling kit bundled along. Talking about the green commitments of the company, Sameer Garde, Country GM, Dell India, says, "Dell is also actively pursuing green innovations that will be of value in 2009 from data-center efficiency to the use of eco-friendly materials for everything from chassis design to product packaging. Eco Hotels (Ecotels) is a certification system promoted by Hospitality Valuation Services (HVS) International. This system is based on 5 main criteria: environmental commitment, solid waste management, energy efficiency, water conservation, and employee education/community involvement. In India we have Eco-hotels like Orchid, Rodas, Raintree etc. believing and practicing *green marketing*. According to Harish Tiwari of Infinity Infomatic Pvt Ltd, a well-known distributor, who says, "We don't find any difficulty in selling green products because the knowledge for these products has increased in us as well in customer. They are ready to pay higher for these products once they convinced." In May 2007, IBM launched Project Big Green to help clients around the world improve the efficiency of IT and better optimize their data center resources. IBM has software and services technologies to help businesses reduce data center energy consumption and cut energy costs by more than 40 percent. Introduction of CNG in Delhi New Delhi, the Capital of India, was being polluted at a very fast pace until Supreme Court of India forced a change to alternative fuels. In 2002, a directive was issued to completely adopt CNG in all public transport systems to curb pollution. Gas Tech Electronic Products (Pvt) Ltd. has invented LPG Kit for motorcycles/scooters (4 stroke and 2 stroke).Can be fitted in 50 cc to 375 cc air cooled

, single cylinder 2 stroke as well 4 stroke vehicles with per cent fuel efficiency, with clean exhaust and zero pollution. The following figure shows the amount of pollution caused by different types of vehicles in Delhi, of which maximum pollution is caused by two wheelers. 38 per cent of particulate matter and 61 per cent of hydrocarbons are released by two wheelers alone. Thus the use of LPG kit for motorcycles/scooters will reduce pollution to a great extent.

6. CHALLENGES OF GREEN MARKETING

Although environmental issues influence all human activities, few academic disciplines have integrated green issues into their literature. This is especially true in marketing. As society becomes more concerned with the natural environment, businesses have begun to modify their behavior in an attempt to address society's "new" concerns. Some businesses have been quick to accept concepts like environmental management systems and waste minimization, and have integrated environmental issues into all organizational activities. Smart business houses have accepted green marketing as a part of their strategy. Though our understanding about green marketing still in the stage of infancy, in this paper the author is trying to identify key ideas in relation to promote green product that may be most relevant to both scholars and the practitioners of green marketing. This paper will attempt to introduce – the terms and concept of green-marketing; about the importance of green marketing; examine some reasons that make the organizations interested to adopt green marketing philosophy; it highlights the positive and negative aspects; social responsibilities and opportunities of green marketing. Finally it concludes with some problems that organization may face to implement green marketing.

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

- Green marketing encourages green products/services, green technology, green power/energy; a lot of money has to be spent on R&D programmes. Thus practicing green marketing initially will be a costly affair.
- The customers may not believe in the firm's strategy of Green marketing, the firm therefore should ensure that they convince the customer about their green product, this can be done by implementing Eco-labeling schemes. Eco-labeling schemes offer its "approval" to "environmentally less harmless" products have been very popular in Japan and Europe. In fact the first eco-label programme was initiated by Germany in 1978.
- 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.
- Many customers may not be willing to pay a higher price for green products which may affect the sales of the company.
- The firm may give up on Green marketing concept or be forced to practice unfair means to cut cost to sustain in the competition and thus the entire idea of going green will be a farce.
- The firms practicing Green marketing have to strive hard in convincing the stakeholders and many a times there may be some who simply may not believe and co-operate.
- It is found that only 5 per cent of the marketing messages from "Green" campaigns are entirely true and there is a lack of standardization to authenticate these claims. There is no standardization to authenticate these claims. There is no standardization currently in place to certify a product as organic. Unless some regulatory bodies are involved in providing the certifications there will not be any verifiable means. A standard quality control board needs to be in place for such labeling and licensing.
- Indian literate and urban consumer is getting more aware about the merits of Green products. But it is still a new concept for the masses. The consumer needs to be educated and made aware of the environmental threats. The new green movements need to reach the masses and that will take a lot of time and effort. By India's ayurvedic heritage, Indian consumers do appreciate the importance of using natural and herbal beauty products. Indian consumer is exposed to healthy living lifestyles such as yoga

and natural food consumption. In those aspects the consumer is already aware and will be inclined to accept the green products.

- The investors and corporate need to view the environment as a major long-term investment opportunity, the marketers need to look at the long-term benefits from this new green movement. It will require a lot of patience and no immediate results. Since it is a new concept and idea, it will have its own acceptance period.
- The first rule of green marketing is focusing on customer benefits i.e. the primary reason why consumers buy certain products in the first place. Do this right, and motivate consumers to switch brands or even pay a premium for the greener alternative. It is not going to help if a product is developed which is absolutely green in various aspects but does not pass the customer satisfaction criteria. This will lead to green myopia. Also if the green products are priced very high then again it will lose its market acceptability.

7. CONCLUSION

- Now this is the right time to select “Green Marketing globally. It will come with drastic change in the world of business if all nations will make strict roles because green marketing is essential to save world from pollution. 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 of 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. Marketers also have the responsibility to make the consumers understand the need for and benefits of green products as compared to non-green ones. In green marketing, consumers are willing to pay more to maintain a cleaner and greener environment. Finally, consumers, industrial buyers and suppliers need to pressurize effects on minimize the negative effects on the environment-friendly. Green marketing assumes even more importance and relevance in developing countries like India
- Green marketing covers more than a firm's marketing claims. While firms must bear much of the responsibility for environmental degradation, the responsibility should not be theirs alone.
- Ultimately green marketing requires that consumers want a cleaner environment and are willing to "pay" for it, possibly through higher priced goods, modified individual lifestyles, or even governmental intervention. Until this occurs it will be difficult for firms alone to lead the green marketing revolution.
- The industrial buyer also has the ability to pressure suppliers to modify their activities. Thus an environmental committed organization may not only produce goods that have reduced their detrimental impact on the environment, they may also be able to pressure their suppliers to behave in a more environmentally "responsible" fashion. Final consumers and industrial buyers also have the ability to pressure organizations to integrate the environment into their corporate culture and thus ensure all organizations minimize the detrimental environmental impact of their activities. Thus green marketing should look at minimizing environmental harm, not necessarily eliminating it.
- The world is increasingly concerned about environmental issues, and global consumers, in general, are becoming active in seeking out green products and in “greening” their behaviors. Growing support for green products in the marketplace does not negate the simple truth that the way to your customers hearts and wallets, is through careful attention to their wants and needs (the benefits they are seeking) and providing the products and services that meet those wants and needs specifically and well. Green markets are growing as awareness and interest is growing to the possibilities of Green products and services being available. Better channels of distribution are developing and better communication tools

are in place. Green is quickly becoming the standard by which products are measured, and success in Green Marketing will be the measure of success for many organizations.

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