

EVOLUTION OF GREEN MARKETING IN INDIA: A CRITICAL STUDY WITH SPECIAL REFERENCE TO GREEN PATENTING

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ABSTRACT

The global business industry is marching towards environment friendly products and services. Proprietors have an instrumental role to play in realizing the climatic goals of the world community. Many global players in diverse businesses are now successfully implementing green marketing practices. Various studies by environmentalists indicate that people are concerned about the environment and are changing their behavioural pattern.

The prime focus is on green marketing and its expanding horizons in the India. It is pertinent to note that 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.

This paper attempts to analyze the contemporary trends in the Indian commercial sector pertaining to green products and green technology. The researcher has also tried to examine the interface between green marketing trends and patent regime focusing on India.

Keywords: *Green Marketing, Green Technology, Eco-patents, Green Consumerism, Green Products, Sustainable Development, Technology Transfer*

1. INTRODUCTION

The global business industry is marching towards environment friendly products and services. Proprietors have an instrumental role to play in realizing the climatic goals of the world community. Many global players in diverse businesses are now successfully implementing green marketing practices. Various studies by environmentalists indicate that people are concerned about the environment and are changing their behavioural pattern.

There have been several attempts on global level to come down to the actual meaning of the term “green marketing” but it was found that it has an extremely wide connotation from both environmental and commercial perspective. However, businesses, according to their own interpretation, have adopted green marketing as a strategy to do business which is environmentally sound and efficient.

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. The American Marketing Association defines green marketing as the marketing of products which are presumed to be environmentally safe.

"Green Marketing" refers to holistic marketing concept wherein the production, marketing consumption and disposal of products and services happen in a manner that is less detrimental to the environment with growing awareness about the implications of global warming, non-biodegradable solid waste, harmful impact of pollutants etc., both marketers and consumers are becoming increasingly sensitive to the need for switch in to green products and services.

To add to the strategic dimension to the term “green marketing”, Charter of 1992 defines it in the following words: “...greener marketing is a holistic and responsible strategic management process that identifies, anticipates, satisfies and fulfils stakeholder needs, for reasonable reward, that does not adversely affect human or natural environmental well being.”

According to Polonski, 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.

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2. GENESIS OF GREEN MARKETING

The concept of green marketing came into existence way back in 1980's in United States and European country and the development goes on. Green marketing concept is gaining its popularity across the world as environment is an international issue now days. It came into being due to the consistently depleting environmental quality owing to the rapidly increasing industrialization across the world. Industrial outfits throughout the world have taken steps to contribute to the global objective of environmental sustainability.

Green marketing helps in reducing the impact of environmental consequences with the help of fulfilling the demand of the consumer's green need and also creates the demand for the green product. It is also one of

the facts that changing consumer's perception towards green products leads to the genesis of green market. [1]

Green marketing concept not only fulfils the needs of the consumer but it also participates in the sustainable development in long run. Due to the increasing growth and development of the green market, there are various opportunities are also coming for entrepreneurs around the world. Innovations and new product development are among the important ingredients of the entrepreneurship and can be seen in the green marketing concept.

Green marketing was given dominance after the proceedings of the first workshop on Ecological marketing held in Austin, Texas (US), in 1975. The workshop released the first book on green marketing entitled "Ecological Marketing".

Academicians and scholars across the globe became active in the field of sustainable development and green marketing. An array of quality publications in the area emerged. Books were published by many authors like Ken Peattie (1992) in the United Kingdom, Jacquelyn Ottman (1993) in the United States of America. The similar terms used in connection with green marketing are ecological marketing (Fisk, 1974; Henion and Kinnear, 1976), environmental marketing (Coddington, 1993), green marketing (Peattie, 1995; Ottman, 1992), sustainable marketing (Fuller, 1999) and greener marketing (Charter and Polonsky, 1999).

2.1. Phases of Green Marketing

According to Peattie (2001), the evolution of green marketing has three phases:

- (a) First phase "Ecological" green marketing in which, all marketing activities were concerned to help environment problems and provide remedies for environmental problems.
- (b) Second phase "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.
- (c) Third phase was "Sustainable" green marketing. It came into prominence in the late 1990s and early 2000.

2.2. Origin of Green Companies and Green Business

With the proactive approach of governments of various countries, national and international companies have taken many initiatives in the same direction.

The most common measures taken by green companies are as follows:

- (a) Producing environmental friendly products
- (b) Conservation of energy, water and natural resources
- (c) Climate protection
- (d) Providing assistance for the development of underprivileged

2.2.1. *Salient features of Green Companies*

1. Electricity generation from hydroelectric plants
2. Use of natural gas for boiler fuel
3. Reduce toxic effluents and emissions
4. Use of renewable sources of energy
5. Recycling of biodegradable waste

2.2.2. *Reasons behind increased Green Activities*

There are several reasons in the increased activity in commercial industry in the area of green marketing. They can be summed up as follows:

- (1) Perception of companies that green marketing can help achieve their objectives;
- (2) Companies find themselves morally obligated and socially responsible;
- (3) Government is encouraging business industry to become more accountable;
- (4) Environmental activities among competitor ensures green competition in the market; and
- (5) Cost factors involved in waste management forces companies to modify their strategies.

2.2.3. *Green Entrepreneurs*

Green or environmental entrepreneurs are the those who are engaged in start-ups which contribute to the betterment of environment and are in line with the global goal of sustainable development. The term 'green entrepreneur' was coined by Terry Clark from Goizueta Business School, Emory University. [2]

Sustainable entrepreneurs aim to introduce environmentally and socially friendly innovations to a large group of stakeholders. Sustainable entrepreneurship gained force in recent years as a global movement that aims to promote business to pay close consideration to their social and environment.

The concept of green entrepreneurs starts from the environmental concerns such as pollutions, global warming, climate change, scarcity of natural resources and other havoc caused by disturbance in the ecosystem. Due to increasing awareness may be with the help of environmental knowledge and education people are becoming more responsive towards the environment. These factors are also responsible for the changing consumer behaviour towards green product or eco-friendly product.

The evolution of green entrepreneurs has been a boon for the society as they work on innovation in a manner which is socially beneficial, sustainable and inspiring.

2.2.4. Green Products

A product is green when it is climate and energy efficient and capable of being marketed in a green market. [3] These products are manufactured in a way so that they leave minimum impact on the environment and still remaining with recyclable content after they have been put to use by the consumers.

There are certain characteristics which we can attribute to green products:

1. Energy efficient, durable and often have low maintenance requirements.
2. Free of Ozone depleting chemicals, toxic compounds and don't produce toxic by-products.
3. Often made of recycled materials or content or from renewable and sustainable sources.
4. Obtained from local manufacturers or resources.
5. Biodegradable or easily reused either in part or as a whole.

For a loyal green consumer, locating an authentic green product is quite a difficult task due to excessive piracy in the market. There are several renowned and trustworthy international certification agencies that assure the green nature of a product through their certification. Some of these agencies are Energy Star, Green Seal, Forest Stewardship Council, Leadership in Energy and Environmental Design (LEED), United States Department of Agriculture (USDA) Product, etc.

Green products are now mainstream, whether you are looking for a new home, automobile or even just some vegetables for a salad, there is a green product alternative available. It is up to us to weigh our options and identify what attributes of a green product is important to us. One should make sure to be fully informed and aware prior to making the purchase.

3. GREEN MARKETING: CURRENT TRENDS IN INDIA

India, in recent times, has become a prominent market for the rapid development of green business and green marketing. The progressive evolution of the relationship between government and corporate houses has made it possible for the Indian market to compete in the leagues of global sustainable development paradigm.

The Bureau of Energy Efficiency in India has identified the retail industry as an energy-intensive industry. The central government has stricter plans to curb the demand for energy by enforcing stricter laws on the Corporate making the self dependent on future requirements. [4]

According to Shubhadra Saini, In India, the dominant unorganized retailers don't prioritize environment sustainability factors, even though it is possible to reduce the cost by 20-25% by adapting green practices at their stores.

There are some lucrative and eco-friendly business ideas that have attracted the attention of Indian business proprietors:

- a. *Organic Food Products:* The budding start-ups can help connect the farmers with the customers and recycle the lifecycle. Bridging the gap of customer and farmers has been exploited enough by the middlemen, FDI and Make in India has brought on the business revolution in the country.
- b. *Green Waste Management:* Through green waste management, the wastes can be formulated to make manure, fertilizer and plastics can be reused through different products.
- c. *Organic Fashion and Style:* The budding fashion designers are using the recycled products in making costumes, which earlier used to be thrown away after one use. The easily degradable organic wastes are further used in making different types of fashion accessories, without losing the organic value of the product.
- d. *Handmade Organic Products:* Many small scale businesses can get started with minimum investment on labour, raw material and equipments if the process is thought out well. There is huge demand of organic products, making organic soaps, cosmetics, toiletries and other household products, thus investing in labour and raw material a bit will later bear juicy and profitable fruits for all.

Marketers have the responsibility to make the consumers understand the need for and benefits of green products 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. [5]

3.1.Steps taken by Indian Companies in the field of Green Marketing

In a rapidly developing economy where industrialization is happening at a quick pace, various Indian companies and multi-national companies operating from India have taken environmentally responsible initiatives which are innovative and praiseworthy.

In the contemporary scenario of green marketing and green competition in India, companies are coming up with new products to contribute their part in the international goal of sustainable development.

These measures not only are beneficial for the continuously depleting environmental condition but also generate employment and help in uplifting the rural and underprivileged sections of the country.

Some notable initiatives are listed below:

- (i) New Surf Excel that produces lesser froth but is as effective as before, thus reducing water consumption.
- (ii) Badarpur Thermal Power station of NTPC in Delhi is devising ways to utilize coal-ash that has been a major source of air and water pollution.
- (iii) The refrigerator industry has shifted from chlorofluorocarbon (CFC) gases to environmental friendly gases.
- (iv) 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.
- (v) Tata Steel, HLL, Jindal Vijaynagar Steel, Essar Power and Gujarat Flurochemicals Ltd. etc have got clearance to undertake specifically designed projects in order to gain benefits from carbon trading (Kyoto Protocol).
- (vi) The Hewlett-Packard Company announced plans to deliver energy-efficient products and services and institute energy-efficient operating practices in its facilities worldwide.
- (vii) Atlas Copco in India claims to use safer compressor condensate disposal practices including a step that removes oil from the water that is discharged into rivers.
- (viii) E-commerce business and office supply company Shoplet which offers a web tool that allows you to replace similar items in your shopping cart with greener products.

3.1.1. *Indian Tobacco Company (ITC): The Pioneer of Green Development in India*

The measures taken by ITC in various areas of the business industry are laudable. They have emerged as a major proponent of green marketing in India while exhibiting global standards in their activities. Some of these efforts are as follows:

- (i) ITC's Social and Farm Forestry initiative has greened over 80,000 hectares creating an estimated 35 million person days of employment among the disadvantaged.
- (ii) ITC's Watershed Development Initiative brings precious water to nearly 35,000 hectares of drylands and moisture-stressed areas.
- (iii) ITC's Sustainable Community Development initiatives include women empowerment, supplementary education, integrated animal husbandry programmes.
- (iv) ITC's Bhadrachalam paper unit has invested in a Rs. 500 crore on technology that makes the unit chlorine free.
- (v) All Environment, Health and Safety Management Systems in ITC conform to the best international standards.

4. PATENT LAW, TECHNOLOGY TRANSFER AND GREEN MARKETING

Technology lies at the centre of the climate change debate and plays a pivotal role in addressing the global challenge of climate change and sustainable development in today's economy. The role of the patent system became the subject of increased attention in climate change discussions on technology transfer. The core technology that should be disseminated with the patent is not easily accessible in practice or has little technical value. New mechanisms for collaborative innovation have been introduced to the green technology sector. Access and timely diffusion of green technologies required for adaptation and mitigation constitute one of the major challenges faced by the international community. [6]

With innovations coming to the fore rapidly, patent law has a major role to play as green entrepreneurs are equally diligent about their business monopoly.

Opening the market for green technology and green innovation is a giant step that Indian government has taken. Many big companies have entered the competition of rendering environment friendly technologies which has given a considerable boost to the green economy.

Green technology innovation and its transfer are a key component of the fight against climate change and adaptation to and mitigation of its harmful effects. Since the United Nations Framework Convention on Climate Change (UNFCCC) Bali meeting in 2007, the role of the patent system has been the subject of increased attention in climate change discussions on technology transfer. In particular, how the patent system can foster green innovation and promote dissemination of clean technologies on both national and international stage. The patent system is essentially based on preserving the balance between the public welfare and private incentives.

4.1. Indian Patent Regime and Green Marketing

India's strict patent regime gives rise to the argument that it acts as a barrier in the way of mobilization of green marketing and green technology. In India, obtaining a patent for an invention is a very lengthy process which subsequently makes the proprietors use the monopoly granted to them in a limited manner at high cost. Therefore, the companies entering India with their environmentally sound technologies (ESTs) are reluctant to relinquish their monopoly over their innovation.

On the other hand, it is also considered that a sane and strong IPR protection of technology boosts innovation and works as a powerful incentive.

The task of reconciling these two viewpoints depends on the demand of the economy and when we are talking about green technology it very much depends on the climatic needs of a nation.

Agenda 21 has chalked out a very efficient plan for the transfer and diffusion of green technology for developing countries like India.

4.2.India and Technology Transfer

The creation or absorption of new technology has become a vital component for companies to improve or maintain their competitive position in the market place.

Foreign companies are also showing an avid interest in India for trade in technologies and services as a result of which intellectual property rights issues have gained significant importance. The ongoing integration of domestic and international markets through continuing deregulation and liberalization of markets has enhanced competitive pressure for all firms, and especially increased the technological needs of small enterprises worldwide while also improving their access to new technologies and capital goods.

While investing in technology creation may be expensive and risky, as there are many uncertainties linked to the innovation process, it has the advantage of preventing technological dependence on other companies and enables the company to enhance its technological capability and to innovate according to its own specific needs. Companies have to decide whether to develop technology in-house or to obtain it from others.

Striking a balance between the intellectual property rights of green entrepreneurs and environmental sustainability is quite a challenge. Green marketers across the globe spend a considerable amount on research and development. It is fair that they receive a commensurate reward for creating environment friendly technology. On the other hand, it is also important that developing and least developed countries moving towards greener markets get economically feasible access to such technologies.

The correlation between technology transfer and Indian patent regime can be summarized as follows:

- (1) Under the Patents Act, the creation of any interest in a patent, including an assignment or license is not valid unless it is reduced to writing in a document embodying all the terms and conditions governing the rights and obligations between the parties and an application for registration of such document is filed with the Controller of the Patents.
- (2) Stronger patent enforcement encourages patenting in general, although it is not clear that the increase in patenting reflects increased underlying innovation or the increased use of patents as a strategic tool. IPR protection may also redirect research to applied and patentable research with potential negative effects for the generation of fundamental drastic innovation. [7]
- (3) Stronger patent enforcement encourages imports and FDI but has little effect on technology transfer in low income countries.

Cross-border licensing and marketing of green technology still has to find way in India pertaining to its strong patent enforcement regime. However, given the current economic development of India and its resolute dedication towards green development, diffusion of clean technology doesn't seem to be an extremely difficult task.

4.3. Patenting and Green Market Strategy in India

It is to be understood that green marketers are mobilizing their trade at a rapid pace and green competition in the Indian market is increasing consistently. At the same time, innovators of green technology and green products, especially in an atmosphere of intense competition, are vying for patents in order to exercise monopoly in the market.

Companies with green technology at this stage are typically focused on their patent filing strategy, building a strong patent portfolio, and using their patent position to reserve access to technology aimed at serving a particular market. Since many aspects of the technology are still new and relatively unproven, there is a substantially higher degree of risk, including financial, political, and regulatory risks, involved than with investments in mature technologies. [8]

Indeed, substantial innovation in green technologies takes place in young, start-up companies, which are often characterized by large intangible assets, negative cash flow, technological uncertainty, and low liquidation value.

While the Indian government can play an important role in encouraging green technology growth, the flow of non-government capital into green technology is critical to the success of the industry. In addition to providing subsidies, tax credits, and legislation that encourage investment in green-tech, the government can encourage the growth of and public access to green technology through the patent system. Robust patent protection for green-tech will lead to increased private investment, the creation of green jobs, and the ongoing progress of green technology.

5. CONCLUSION

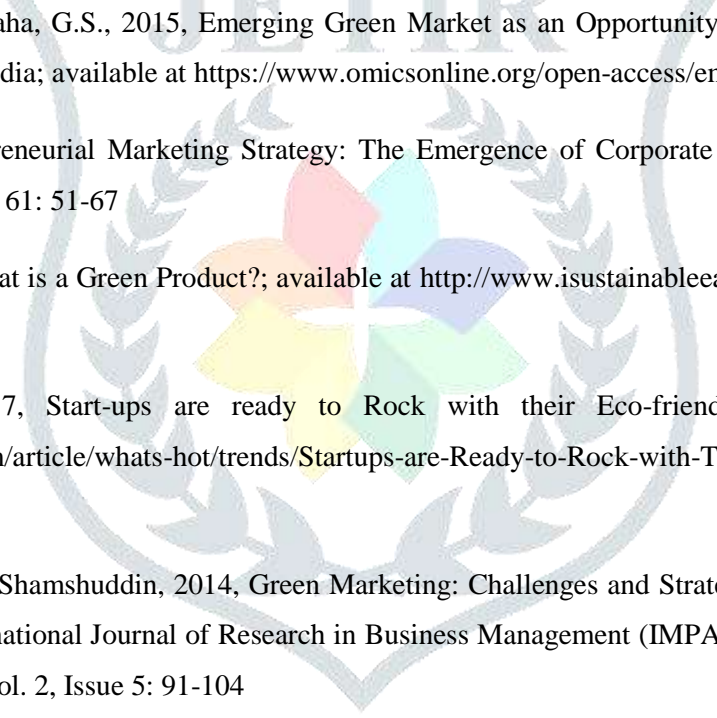
It is evident that there are numerous ways in which green marketing and green growth can be promoted. The core issue is the dedication of stakeholders towards environmental protection and sustainability. The new turn in commercial activities that are focused on mitigating the environmental impact has indeed brought in a wave of innovation among the market players. Hence, green patenting has also come to the forefront in current times.

Increasing competition among the firms to produce green products in response to green consumerism has accelerated the “green-shift”, which in the short-run, appears expensive, but, in the long-run, is definitely anticipated to have considerably beneficial implications on both climate and economy.

It is worth mentioning that India’s commitment towards green growth has motivated Indian companies to invest more capital in green development. At the same time, it is important for us to fine tune our patent regime to facilitate diffusion and transfer of green technology.

The concept of green marketing is at a very infant stage in India. A well-conceived partnership between the policy-makers and green marketers is essential to serve the consumers in an efficient manner and contribute to the global goal of sustainable development.

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