



Green Marketing in Global Environment: An Indian Perspective

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Abstract

We cannot deny the present day situation of our global environment that now we are under the threat of global warming, depletion of ozone umbrella, green house effect etc. Every person either rich or poor would be interested in quality of life with full of health. Traditional marketing fails to fulfill to the target because it focuses less attention to the environmental pollution. Financial gain and economy profit are the main aim of any corporate business house but it is not possible to have sustainable development by polluting global environment. So we want to have a push from traditional marketing to green marketing. Green Marketing (GM) refers to the process of selling products and services based on their environmental benefits. Such a product or service may be environmentally friendly in itself or produced and packaged in an environment friendly way. In this article emphasis has been given to the concept of green marketing, the rules of green marketing and the reasons of using green marketing by the firm. This article also explain the steps taken by corporate houses towards green marketing and focuses the challenges of green marketing and also concludes that green marketing is some one that will continuously grow in both practice and demand.

Key words: Global environment, Green Marketing, Sustainable Development, Marketing -Mix.

Introduction

Ecological imbalance is a major issue facing the world today. This is due to two basic reasons: firstly, the depleting natural resources and Secondly, rapid increase in the use of products that are environmentally harmful. Ecology is also getting imbalanced because of the increasing generation of waste in one or other form. The damage done to the environment has already crossed threshold and reached alarming limits. Non-replaceable natural resources are getting depleted at a rapid pace. Generation of waste, including non-biodegradable waste is increasing enormously; all these negative developments have forced mankind to think more seriously about conserving the environment. Green marketing (GM) is one such initiative towards environment protection.

The term GM came into prominence in the late 1980's and early 1990's the American Marketing Association held the first workshop on "Ecological Marketing" in 1975. The proceedings of this workshop resulted in one of the first book of green marketing entitled "Ecological Marketing." Green marketing is a broad term covering all aspects of marketing decision making that keep the ecology and environment in focus. There are basically two major issues in GM. The first one is to check the misuse of natural resources and the second is to control wastage. The material used in packing can cause damage to the environment. Even today plastic is being used as a raw material in the manufacture of packaging materials and carry bags.

Green marketing refers to the process of selling products and / or services based on their environmental benefits. Such a product or service is to be environmentally friendly in it or produced and / or packages in an environmentally friendly way. GM also implies that potential consumers will view a product of services greenness as a benefit and base their buying decision accordingly. It is also known as environmental marketing, ecological marketing and eco-marketing.

According to American Marketing Association, green marketing is the marketing of products that are presumed to be environmentally safe. Thus green marketing incorporates a broad range of activities including product modification, changes to production process packaging changes, as well as modifying advertising. It also 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 implication of global warming, non-biodegradable solid waste, harmful impacts of pollutants etc., both marketers and consumers are becoming increasingly sensitive to the need for switch in to green products and services.

Objectives of the Study:

The following are the objectives of the study

- To understand the concept of Green Marketing (GM) and to create awareness among the mass about the needs of GM.
- To highlight the recent trends of GM in India.
- To point out the challenges and to find out the ways to overcome the challenges.

Methodology of the study:-

This paper is based on secondary data. A descriptive and analytical research methodology has been used for this research paper. I have collected all the data relating to Green Marketing and global environment mainly from different books, journals and newspapers. In order to enrich the study, the related websites and articles have been searched. Editing, classification and tabulation of the data has been done as per requirement of the study.

Why Green Marketing?

The growing awareness among the consumers all over the world regarding protection of the environment in which they live is remarkable. People do want to bequeath a clean earth to their offspring. Various studies by the environmentalist indicate that people are concerned about the environment and are changing their behavior pattern so as to be less hostile towards it. Now we see that most of the consumers, both individuals and industrial are becoming more concerned about environment friendly products. Most of them feel that environment friendly products are safe to use. As a result green marketing has emerged, which aims at marketing sustainable and socially responsible products and services. This has become the new mantra for marketers to satisfy the needs of consumers and earn better profits.

As resources are limited and human wants are unlimited, it is important for the marketers to utilize the resources efficiently without waste as well as to achieve the organizations objective. So GM is inevitable. There is growing interest among the consumers all over the world regarding protection of environment. Worldwide evidence indicates people are concerned about the environment and are changing their behavior. As a result of this, GM has emerged which speaks for growing market for sustainable and socially responsible products and services.

Now the question why do firm go for Green Marketing?

There are several reasons for the firms increased use of green marketing. Five among them are:

- Organization perceives GM to be an opportunity that can be used to achieve its objectives.
- Organizations believe they have moral obligations to be more socially responsible.
- Government bodies are forcing firms to become more responsible.
- Competitors' environmental activities pressure firms to change their environmental marketing activities.
- Cost factor associated with waste disposal or reduction in materials usage forces firm to modify their behavior.

Green Product

One common term used in GM is green product. The products those are manufactured through green technology and that caused no environmental hazards are called green products. We can define green products by following measures.

- Product that do not harm or pollute the environment.
- Products that have eco-friendly packaging i.e., reusable, refillable containers etc.
- Products those are recyclable, reusable and biodegradables.
- Products those are originally grown & Product with natural ingredients.

Conventional Marketing vs. Green Marketing –

- ❖ The conventional marketing process is not specifically concerned or bothered about environmental safety. The green marketing concept on the other band, analyzes ecological compatibility of the product, its raw materials, packaging materials etc., environment is the centre point of decision making. It emphasizes on formulation marketing strategies in conformation with environmental protection.
- ❖ Conventional marketing (CM) focus little attention to the pollution caused to the environment from the unused or expired products, the raw material used in manufacturing or from the packaging materials used. It has myopic vision, while GM has long term orientation.
- ❖ CM Concentrated on the conveyance of human beings, while GM maintains the environment at the centre of marketing decisions.
- ❖ Conventional marketing has self centered approach while GM has a social cost benefit approach, towards environmental conservation.

Rules of Green Marketing

The first rule of green marketing is the first rule of the marketing- focus on customers benefits i.e. the primary reasons consumer buy certain products in the first place. The other rules of green marketing are:-

- **Know your customer-** You first need to make sure that the customer is aware of and concerned about the issues that your product attempts to address when you want to sell a greener product to consumers.
- **Educating your customers-** It means make aware the people the reasons as to whatever you are doing is not only to protect the environment, but also letting them know why it matters.
- **Genuineness and Transparency to your Customers-** It means that you are actually doing what you are expected to be doing in your green marketing campaign and your business policies are consistent with whatever you are doing that's environmental friendly.
- **Consider your pricing-** You must make sure that consumers can afford the premium and feel it's worth it.
- **Build better products-** Companies should produce better green products than the existing conventional alternatives.
- **Giving your customers an opportunity to participate-** It means personalizing the benefits of your environmentally friendly actions, normally through letting the customer take part in positive environmental action and at the same time keep in view the changed expectations of the customers.

Marketing Mix of Green Marketing:

So far marketing mix is concerned; every company has its own favorite market mix. Some have 4 Ps- product, price, place and promotion of marketing mix and some have 7 Ps- i.e., 3 additional Ps namely people, planet and profit. Someone argued that the pillar of GM is 4s:-a) Satisfaction-of the customers need b)Safety-of the product and processes c) Social acceptability-of the company and d) Sustainability-of its activities. We have 4 Ps in green marketing too but in an innovative manner.

Product-The product has to be developed according to the needs of the customers who prefer environment friendly products. The ecological objectives in planning products are to produce resource consumption and pollution and to increase conservation of scarce resources. Green chemistry forms the growing focus of product development. For example Nike is the first among the shoe companies to market itself as green.

Price-Price is a critical factor of green marketing mix. Most of the customers are ready to pay additional price if there is a perception of extra product value. Green pricing takes into consider the people, planet and profit in a way that takes care of the health of employees and consumers, and efficient productivity.

Place -The choice of where and when to make a product available, has a significant impact on the customers. Very few customers go out of their way to buy green products merely for the sake of it. Marketers looking for successfully introduce new green product in the market.

Promotion-Green promotion involves configuring the tools of promotion such as advertisement marketing materials, white papers websites, video and presentation by keeping people involved in it. Smart green marketers will be able to reinforce environmental credibility by using sustainable marketing and communication 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.

Present Trends of Green Marketing in India

GM activities include the use of appropriate raw materials in the manufacture of products. Companies can change the raw materials form chemicals to natural materials. Taking the example of bath soaps, washing soaps tooth paste, edible salt etc. we observe that manufacturers claim that their products contain natural materials like neem, tulsi , clove oil, sea salt, water from Ganges, milk cream, nature flowers for fragrances, etc. instead of harmful chemicals. Some segments' of the cosmetic industry avoids chemicals and use herbs and other natural ingredients. For example, Vicco uses turmeric in its face cream; the plastic bottles used for packaging of soft drinks are reused for packaging of Phenyl, acid or other products. The incandescent electric bulbs are being replaced by compact fluorescent lamps (CFLs), which are superior in performance, produce less heat, consume less electricity and have longer life.

Companies practicing GM include Hewlett Packard (HP), Toyota, Ben& Jerry's, Philips, Aveda, Long Hog, Canon, Unilever, Coca Cola, McDonald and Marks and Spencer. HP's green initiatives include recycling huge amount of electronic waste and eco-marketing for energy efficiency and sustainability. The napkins and bags used in McDonald's restaurant are made of recycled paper. Coca Cola's initiative to pump syrup directly from the tank instead of plastic is an environment-friendly move. Toyota, one of the leading auto manufacturers of the world, has engaged in green marketing-manufacturing of eco-friendly hybrid vehicles. Ben &Jerry's one of the premium ice-cream makers of the world, is actively engaged in promoting environmentally –conscious business practices.

Some Specific Examples-Green Marketing Initiatives in Indian Companies-

Companies name	Green Marketing Initiatives
ITC	Environment friendly multipurpose paper –introduction of ‘ozone –treated elemental chlorine free’ bleaching technology for the first time in India.
HCL	‘Go green’ steps in solving the problem of toxics and e-waste in the electronics industry.
Wipro	India’s first company to lunch environment friendly computer peripherals. For the Indian market, Wipro has launched a new range of desktops and laptops called Wipro Green ware. These products are ROHS (Restriction of Hazardous Substances) complaint thus reducing e-waste in the environment.
Suzlon Energy	Focus on wind power as source of energy.
SBI	Use of eco and power friendly equipment in its new ATMs leading to substantial savings in power cost and earning of carbon credits.
Indus Ind bank	Opened the country’s first solar-powered ATM and pioneered an eco-savvy change in the banking sector of India.
Tata Metaliks	Adopted the practice of switching off lights during the day time with the entire office depending on sunlight.
Hero Honda	Emphasis on continuous innovation in green products and solutions.
Idea Cellular	Green initiative with its national ‘Use Mobile, Save Paper’ campaign.
Kansai Nerolac	Lead-free Paints-removing hazardous heavy metals (like lead, mercury, chromium, arsenic and antimony) from paints. Lead in paints is dangerous to human health.
Hindustan Unilever	‘Save Water’ campaign–The Surf Excel detergent which saves water(advertised with the message –‘do bucket panni roz bachana’)
LG India	Energy-saving LG consumers durable products.

Other GM initiatives in India are:-

- Eco-friendly Rickshaws (battery operated rickshaws) in New Delhi. Now in West Bengal, eco-friendly TOTOs (battery operated) are available in all rural and urban areas.
- Tripura’s Agartala to become India’s first “Green City” be making all public and private vehicles Compressed Natural Gas (CNG) compliant by 2013.
- NTPC’s Badarpur Thermal Power Station in Delhi to utilize coal-ash which is responsible for causing air and water pollution.
- Steps taken by IOC’s Barauni Refinery for restricting pollution (air and water).
- Introduction of “eco-tourism” facilities in many parts of the country.

Challenges in Green Marketing

Effective GM requires principal to make green products desirable for customers. Although a good number of firm particularly big houses are practicing green marketing but it is not an easy task to overcome the challenges associated with GM.

- **Need for standardization** – It is found that only 5% of the marketing messages from “Green” Campaigns are entirely true and there is a lack of standardization to authenticate these claims. 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.
- **New Concept** – 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 need 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.
- **Patience and Perseverance** – 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 these new green movements. It will require a lot of patience and perseverance.
- **Avoiding Green Myopia** – The first rule of GM 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 consumer 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.
- **Huge Investment**-Green products require renewable and recyclable production input, which may expensive initially huge investment in research and development may be required since green products require new and sophisticated technology.

To overcome the solution the following steps may be undertaken:-

- To encourage and support of green products, government should provide more facilities like-subsidy for the project, interest free loan, provide land, power with minimum charges to the manufacturers of green products.
- To help the small and medium scale enterprises, tax incentives or tax holidays should be provide.

- A large scale advertisement should be carried out through various medias to encourage environment friendly practices and to promote consumption of green products.
- Strong laws and regulations should be required to protect environment from dishonest business firm.
- To create awareness about the importance of green products among the consumers, eco-mark or eco-leveling has been done.
- To motivate the manufactures' of green products, awards and recognition should be given.

However successful implementation of GM strategies requires three things-being genuine, educating customers and giving customers the opportunity to practice in the process. Being genuine means that there should be no difference between what the companies are claiming and what they are practicing. Educating customers in the broad sense means awareness the customers of the benefits of green products. Opportunity to practice means welcoming customers to take part spontaneously in the process of GM.

Conclusion

Green marketing refers to marketing where ecological issues are the focal point of marketing decision making. It ranges from change in raw materials to change in packaging materials. It also encompasses disposal of waste generated during production and distribution, the disposal of surplus or expired products and even the disposal of packaging after the use of the product. There is ample scope for green marketing at both the manufacturers end and marketers' end. Although various initiatives have been taken by the Indian corporate sectors to protect environment and to provide environment friendly products to their customers but still now GM is its infancy stage in India. It needs lot of research to develop an eco friendly environment for its expansion. Awareness is being created about the use of such material which is helpful for conserving the environment and eco friendly. Government and the concerned companies have to take the initiative to make aware the mass, the need for and the benefit of green products over non green products. When a firm sifts to "green", initially the profits may be very low in short run because renewable and recyclable raw materials and green technologies are more expensive but it will definitely prove to be indispensable and advantageous in long run. So the complete awareness programs, the cooperation from the corporate, the strict rule and regulation frame by the government will make green marketing successful.

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