

AN EXPLORATORY STUDY ON GREEN MARKETING REMAINS NASCENT IN INDIA

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Abstract

Green marketing is a major breakthrough in the vast field of marketing. It has become one of the growing areas and is inviting a lot of attention. In India Green Revolution started as a new revolution in late 1990s. Consumer preferences and their buying behaviour are changing. Green lifestyle has become a new way and has been accepted as a trending attitude of the consumers. Most of the national and multinational organizations are concerned about their roles in improving the quality of the environment and surroundings. The traditional marketing system has evolved over the time to a more sustainable way of marketing that is ecological in nature. This change in the marketing system and the change in the preferences of the consumers are rightly observed by the organizations that are changing themselves radically in order to cater to the demands of the dynamic market. Each player in the market is trying their best to create a niche for themselves and to stand out in the crowd and in order to sustain and make profits in the long-term without negatively impacting the environment. The aim of this paper is to understand the concept of green marketing and studying its application by corporate houses in India.

Key words: Green marketing, environmental sustainability, ecological marketing, green products, etc.

1. Introduction

Green lifestyle has become a new way and has been accepted as a trending attitude of the consumers. Most of the national and multinational organizations are concerned about their roles in improving the quality of the environment. In the race of earning profit, firms are producing goods and services using non- recyclable packaging, usage of toxic materials in production and disposal of many products affects environment. Modern marketing has created a lot of problems such as environmental degradation and green marketing is the solution for those problems. Green marketing is the marketing of environmentally friendly products and services. It incorporates a broad range of activities, including product modification, changes to the production process, sustainable packaging, as well as modifying advertising. Green marketing involves making an effort, whether in designing products, offering services, or building a corporate culture that has a significant impact on the environment. It is becoming more popular as more people become concerned with environmental issues and decide that they want to spend their money in a way that is kinder to the planet.

2. Golden rules of green marketing

Know your customer: Make sure that the customer is aware of and concerned about the issues that your products attempts to address.

Educating your customer: It is the duty of marketer to educate the customer regarding green products that it protects environment how and in what ways. If it is the case of so what then green marketing campaign goes nowhere.

Being genuine and transparent: Being genuine means marketers are actually doing what they claimed to doing in their green marketing campaign.

Eco-innovate: Inventing new products, materials and technologies rather than changes in existing ones.

Promote responsible consumption: Protection, preservation and conservation of natural resources are the motto.

Reassure the buyer: Customer must be made assure that product performs the job with respect to environment.

3. Research methodology

This research is exploratory in nature. It focuses on review of various researchers' literature, books, journals, websites and other sources.

4. Objectives of the study

This paper is aimed to cover the following objectives.

1. To understand the concept of green marketing.
2. To study the application of green marketing by corporate houses in India.
3. To draft a SWOT analysis for green marketing in India.
4. To find out the challenges faced in green marketing.

5. Application of green marketing by corporate houses in India

The following Indian and multi-national companies are manufacturing green products and are positively impacting the Indian green marketing sector.

Fab India: Fab India is an Indian fashion brand with its stores all across the nation. This brand is popular for promoting handloom and handmade products. This brand is into fashion clothing, cosmetics and furniture. The company is manufacturing the products in a complete eco friendly manner and they claim of using the ingredients without any harmful chemicals.

Patanjali: Patanjali is promoted by a person who is face of natural and healthy practices. Swami Baba Ramdev who started Patanjali proudly claims of producing eco friendly and safe products.

TATA group of companies: Tata group is another trendsetter in promoting green marketing in the Indian markets. The group under their flagship produces products which are eco friendly and adopts green ways of marketing its image. Tata Group companies such as Tata Steel, Tata Motors, Tata Chemicals and Tata Consultancy Services contribute positive results to the environment.

LG India: LG India is one of the initial propagators of green products in India. They have a number of electronic gadgets those are eco friendly in nature. They rarely use halogens or mercury and lead in the manufacturing process. The products do harm the environment and also uses 40 per cent less electricity.

HCL: HCL is adopting the green strategy. It has recently launched HCL ME Notebooks which are eco friendly in nature. These notebooks do not use any polyvinyl chloride or any other harmful chemicals in manufacturing. It has got a five star rating from the Bureau of Energy Efficiency.

Haier: Haier in its new green initiative has been focusing on eco branding It has launched eco life series. Its products are also energy efficient and safe to the environment.

Samsung India: It is taking a lot of considerable efforts in the path of promoting and practicing green marketing in India. Its eco friendly products like LED TV and air conditioner does not use any harmful chemicals like mercury and lead. Its products claim to consume 40 per cent less electricity.

SAIL: SAIL is one of largest producer of steel in India. SAIL is engaged in green activities. SAIL in various cities Rourkela and Bhillai has established green crematoriums that serve as a replacement for funeral pyres that emits so much smoke and uses oxygen.

IndusInd Bank: IndusInd Bank is one of the first banks to introduce green practices. They discouraged the use of papers in the branches and their ATMs and started sending electronic messages and mails. These practices has helped in saving the environment and reduced deforestation.

ITC Limited: Indian Tobacco Company uses a technology of bleaching that is ozone treated and free from chlorine. This has impacted the environment positively. They have adopted a low carbon growth path and a cleaner environment approach for creating a better environment.

Wipro: Wipro, the IT giant has produced a number of electronic gadgets under its green initiatives and have undertaken a lot of measures.

MRF Tyres: MRF has launched the ZSLK series and this is all about creating eco friendly tubeless tyres made from unique silica based rubber and also offers extra fuel efficiency to those who drive their vehicles

Oil and Natural Gas Corporation Limited: India's largest oil company has introduced energy efficient Mokshada Green Crematorium, which saves 60 per cent to 70 per cent of wood and a fourth of the burning time per cremation.

Reva: India's very-own Bangalore based company was the first in the world to commercially release an electric car.

Honda: India introduced its Civic Hybrid car.

ITC: ITC has introduced paper kraft, a premium range of eco friendly business paper.

Suzlon: Energy manufactures and markets wind turbines, which provide an alternative source of energy based on wind power. This green initiative taken by the company is extremely important for reducing the carbon footprint.

6. Strengths of green marketing

Self sustainable: Green marketing is a breakthrough strategy in the current era where the focus is on adopting practices those are safe on the environment. This helps in creating a more sustainable and healthy surrounding around us.

Cost saving: Green marketing saves a lot of cost with respect to its manufacturing, packaging and promotion. As they use eco friendly products and also practices 3R's i.e. reduce, reuse and recycle these practices cuts down on a lot of expenditure that otherwise could have taken place.

Innovative: The ecological way of marketing is sustainable and creative and thus it attracts a lot of consumers towards it. As it comes with a message of go green it is more worthy in the perception of the consumers.

Helps in sustainable long term growth: Green marketing is here to stay. As it is based on an eco friendly process it is sustainable and ensures long-term growth and profit to the organization.

A part of CSR activities: Green marketing is a part of CSR activities which is practiced by most of the corporate houses. It is a mandatory activity which strengthens the image of the corporate in society.

7. Opportunities of green marketing in India

Consumer demand: Indian consumers are emotional buyers. Many Indian consumers are more green product oriented it gives a great scope for the green market to expand. Indian organizations have indentified the need of the consumers, they are realizing the need for adoption of an ecological marketing as they are aware that consumers are demanding products that are not only safe for them to consume but should also be same to the environment. Conscious and green customers prefer the organizations that provide environmentally safe products. Companies nowadays have taken green marketing as a competitive advantage.

Corporate social responsibility: Organizations have been doing green marketing as a duty towards environment and society. They have been engaging in various activities to promote the green activities. This is also falling in line with the company's corporate social responsibility, where the companies are discharging their duties towards the environment in which they are operating.

Competition: One more scope of growth for green marketing comes in disguise of competition from the organizations that are practicing green marketing. Other companies who have not adopted the green marketing strategy are pressurized to adopt the strategy to compete in the industry.

Government initiations: Government today is taking a lot of initiatives to promote the activities that are safe for the environment. They have laid various policies and guidelines for the companies to adopt environment safe activities.

Cost effectiveness: Green marketing has a wider scope in the current scenario because of its cost effectiveness. In green marketing activities, the focus is on recycle and reuse of materials. The firms use technologies for reduction of waste materials and for reutilization of materials. These activities are environment safe and good for the society and are a need of the hour.

8. Weaknesses of green marketing

Lack of appropriate knowledge: Green marketing being a new concept, many people is not fully aware of it. Many consumers are not educated enough about green produces. This lack of knowledge is acting as a weakness for the promotion of green marketing.

Highly priced: As sometimes the manufacturing of the green products are expensive it automatically demands a high selling price that is higher than other contemporary substitutive products this may sometimes discourage the consumers to go for green products until they are green customers.

Beliefs of consumers: Many consumers are of the belief that the green products are not as efficient as the other competitive products and they have a perception that the green products are much highly priced.

Lack of research and development and technology: Another barrier in the way of green marketing is the lack of proper technology to bring about green products in use and also lack of adequate research and development in this field.

9. Threats of green marketing

Steps should be taken to control false promise and claim by the marketer to maintain legitimacy and trustworthiness of green products. For effective and efficient implementation of this concept of green marketing, the factor that plays a major role is the government. Unless the government creates specific and stringent laws and utilizes its authority to implement them, the concept cannot be conceptualized. If the consumer, the organization and the government work towards the common goal of minimizing the detrimental environmental impact of their activities, then they can surely save this environment and make this world a better place to live in. It is not enough for a company to green its products, consumers expect the products at they purchase pocket friendly and also to help reduce the environmental impact in their own lives too. The following are some of the threats in green marketing.

Balance between company's profitability and responsibility: Various companies in today's time are finding it very difficult to strike a balance between the profitability and social responsibility. In today's time, both profitability and social responsibility is important to sustain in the market.

Expensive raw materials: Green products are made up of materials which are natural and safe and can be recycled and reused. These materials attract a lot of costs, and as the manufacturing is costly this also acts as a threat in the way of green marketing.

Threat from competitors: Many competitors come up with cheaper products as compared to green products and thus they act as a threat because most customers prefer to buy cheaper products.

Green washing: Various companies have identified the need of green marketing for sustainability. As not every company is capable of producing green product they pretend to produce green products and try to mislead the consumers. This is known as green washing.

10. Challenges faced in green marketing

Every coin has two faces so do green marketing. With all due respect green marketing brings several opportunities to a firm, hands down; however it has some drawbacks which firms should prioritize before formulating or altering its marketing tactics. Following are the challenges which make it hard for some firms to adopt it:

Huge initial investments: Changing ones marketing tactics takes time and the development of a new strategy, which typically translates into increased costs. While company's sustainable efforts and practices are designed to save money, when a company puts effort into changing their brand to be more environmentally friendly, those changes can have expensive upfront costs which restricts small enterprises from adopting it.

Maintenance cost: A firm's duty doesn't end after making investment once. To maintain the brand's ecological claim, firms have to acquire renewable and recyclable material, which is costly. Firms have to incur heavy cost in order to maintain it which takes a large portion of their profits.

Lack of awareness of green products and their benefits: If consumers are not educated about green products and their benefits then it may turn into a disaster for a firm. Before launching an eco friendly brand, firms have to organize a campaign to increase the awareness of green products within public. This whole procedure is time consuming and costly which binds many firms to adopt it.

Unwillingness of consumers to pay premium price: After adopting green marketing, hike in brand's price is obvious since firm had to incur huge costs to produce it. A firm has to cover the cost for its survival to serve the society without any disruption. Despite of this fact, majority of consumers don't buy that brand since they have to pay premium price. On the other hand, some consumers are least concerned about environmental issues.

Complex procedure of certification: To market the products as "green" firm may need to go through an expensive and lengthy process of getting environmental certifications. These certifications, which governments, industry associations, trade associations and consumer

advocacy groups all distribute, require products to meet certain standards for energy use, efficiency or recyclability. Meeting these standards may be difficult, especially while keeping prices low. However, without an official certification, customers have no way of gauging the truth behind your "green" claims.

11. Suggestions

1. Corporate world should associate with government and also organize awareness campaigns to promote green products among masses. Lack of awareness is the biggest roadblock in the scope of green marketing in India.
2. Green marketing should not be considered as just another approach to marketing. It has to be pursued with much greater enthusiasm as it has environmental and social impact. With various environmental concerns arises, it is important that green marketing becomes the norm rather an exception.
3. A company that doesn't sell eco friendly products can start recycling and implement a waste management system. It can participate in local sustainable initiatives to increase the awareness. Even by start carpooling to work will allow a company to stand out as a responsible company.
4. A regulatory body must be established to prevent the false or misleading use of terms such as "recyclable," "degradable," and "environmentally friendly" in environmental advertising. It will play a significant role in eliminating element of confusion from the minds of consumers. Government should provide basic subsidies to the firms to encourage them.
5. Green marketing is very low on the agenda of most businesses and therefore it is still an under-leveraged unique selling proposition. Therefore, effective green marketing targeted at the right audience will make a difference.

12. Conclusion

Green marketing is a tool for protecting the environment for future generation. The firm has to plan and then carry out research to find out how feasible it is going to be. Adoption of green marketing may not be easy in the short run, but in the long run it will definitely have a positive impact on the firm. Green marketing is still in the stage of childhood in the Indian companies. Lots of opportunities are available. Now this is the right time to select green marketing globally. 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. Therefore, there is a need for green marketing and a need for a shift in the consumers' behaviour and attitude towards more environment friendly life styles. 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.

13. Reference

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