



Viability and Sustainability of Green Marketing in India

Dr. Rajrupa Mitra

Assistant Professor, Department of Economics
Raja Peary Mohan College
Uttarpara, West Bengal

Abstract

Green marketing is a sustainable marketing concept in which production, marketing, consumption and disposal of products are undertaken keeping the environmental concern in mind. Firms adopting it modify production patterns to incorporate environmental issues and resort to environmental management systems and waste minimization practices. Precisely, green marketing is a strategy which satisfies consumers' wants and accomplishes business goals simultaneously. However, it cannot be stated unequivocally that all firms resorting to environment friendly practices have actually modified their behaviour. Sometimes, in the lure of higher profits, firms adopt unfair practices and mislead the consumers regarding 'greenness' of the product. This definitely thwarts attainment of the desired environmental goals. This paper attempts to study the opportunities inherent in this strategy as also the various challenges posed by it. It discusses the various green marketing initiatives in the Indian context and it is quite apparent that firms adopting it have definitely been able to enjoy a competitive edge over others.

Key words: *Green, Environment, Sustainability, Marketing, Eco-friendly.*

Introduction

Green is a colour widely used to represent the environment – as also growth. In keeping with this resemblance green marketing may be referred to as a sustainable marketing concept wherein the various processes are undertaken keeping the environmental concern in mind. The American Marketing Association has used the term 'Green Marketing' to refer to marketing of those products which are environmentally safe. The process includes -- product modification, changes in the production processes and packaging as well as modifications and advertising of the product.

The connotation green marketing is a broad one and is applicable for both consumer and industrial goods and also services (like ecotourism). With growing concern for the environment, business firms across the globe have begun modifying production patterns to incorporate environmental issues and resorted to environmental management systems and waste minimization practices. Since firms are constrained by limited natural resources, new strategies ought to be devised to satisfy unlimited wants of consumers. In this context, green marketing is a viable, alternative strategy which can successfully satisfy consumers' wants and simultaneously can accomplish goals of the firm. To be precise, green marketing centres around two prime objectives---improved environmental quality and customer satisfaction.

The concept of green marketing first gained prominence during late 1980s and early 1990s and swept the world post 2000. However, its first appearance dates back to 1975 at a workshop on 'Ecological Marketing' held by American Marketing Association (AMA). The proceedings of the workshop were published in the form of a book entitled 'Ecological Marketing' which is one of the first literatures on green marketing. The AMA workshop defined ecological marketing as "the study of positive and negative aspects of marketing activities on pollution, energy depletion and non-energy resource depletion." This indeed was a simple definition not entirely highlighting the scope of the strategy.

Review of Literature

M. J. Polonsky (1994) defined it as "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". This definition provided a comprehensive and realistic view of the concept by harping on protection of nature through minimization of detrimental impact of all exchange related activities on the environment.

Peattie (2001) has identified three phases in the evolution of green marketing:

- ✚ Ecological green marketing
- ✚ Environmental green marketing
- ✚ Sustainable green marketing

The first phase was ecological green marketing wherein all marketing activities were geared to solve environmental problems. The second phase was environmental green marketing which involved use of clean technology for designing new products (to minimize pollution) and planning waste issues. The third phase viz. sustainable green marketing gathered momentum in the late 1990s and mid 2000 and dealt with customers' issues by focusing on quality, execution, evaluation and comfort.

Dutta (2009) opined that green marketing involves development of quality products which can cater to consumers' needs and focuses on quality, performance, pricing and convenience in an environment friendly manner.

Rakesh Kumar (2013) has elaborately explained the concept and importance of green marketing and explores how business firms can be more competitive by using green marketing strategies.

Manjunath (2013) has pointed the green marketing initiatives in the Indian context as well as the challenges that the initiators of this strategy have to confront.

Rathod (2014) has designated three types of 'green' consumers and has tried to ascertain the challenges and opportunities linked with green marketing.

Sharma, Pandey and Sajid (2015) have identified the four P s of green marketing (viz. product, price, place and promotion) to be decisive factors behind successful implementation of the strategy and stress on the necessity of generating awareness about green environment.

Sharma (2015) has outlined the golden rules for successful implementation of green marketing and cited examples of Indian firms reaping benefits through this strategy in terms of increased profits and customer satisfaction.

Narula and Sabharwal (2016) have highlighted the importance of green marketing as also the difficulties associated with it in the Indian context.

Objective and Methodology

The objective of this paper is to explain the concept and evolution of green marketing and why it may be considered to be a sustainable marketing strategy. It looks into the various opportunities and challenges that this strategy involves. It also attempts to study the various green marketing initiatives in the Indian context and their possible beneficial impact on the environment. The nature of study is mainly exploratory. For the purpose of the study data have been collected from secondary sources.

Environmental Sustainability and Green Marketing

Environmental sustainability in management implies devising strategies which sustain the environment and at the same time produce profits for the company. Although green developments take some time to accrue, once they come in, the benefits are diverse and sustained. There are 4 Ps of green marketing which ought to be used innovatively to reap maximum environmentally sustainable benefits.

- ✓ Product--- Products are to be such which can be reused. They must minimize usage of resources and have minimal effect on the environment.
- ✓ Price--- Pricing of products is very important because consumers' willingness to pay increases with additional values attached to the product. Additional values or attributes of the product may accrue due to reasons like improved product performance, function, design, visual appeal and taste. Clients are willing to pay high price if they view the product in high esteem i.e., products which have natural advantages.
- ✓ Place--- Accessibility of products (i.e., where and when the products are available) also wields influence on the clients. Green advertisers should keep these products in commercial centres and highlight the natural advantages of these products. Availability of products is important because consumers are unlikely to take extra effort to buy 'green products, even though they care enough for the environment.
- ✓ Promotion--- There should be appropriate promotion of the product i.e., publicizing and advertising its special features and benefits. Fruitfulness of green marketing lies in convincing the customers about the product and their believability. Thus, it is extremely important for the producers to make the consumers aware of the 'green qualification' of the product.

Firms ought to appeal through emotional sentiment of the consumers for green products and their concerns for the environment as also ensure satisfaction of consumers. Consumers are now keen to buy 'green' products. They are referred to as green consumers i.e., they voluntarily engage in environmentally friendly consumer practices (Peattie, 2001). Consequently, firms perceive the increasing demand for green products to be an opportunity yet to be exploited.

The attributes of green products may be outlined as:

- Products those are originally grown
- Products those are recyclable, reusable and biodegradable
- Products with natural ingredients
- Products containing reused and non-toxic substances
- Products using approved chemicals
- Products that do not hurt or contaminate nature
- Products that are not tried on creatures
- Products that have eco-friendly packaging i.e., reusable, refillable containers etc.

It is necessary on the part of the firms to undertake continuous R & D for improving eco-friendliness and greenness of the products. They must also modify their strategies to keep pace with the consumers' 'green' way of life. Goods produced by the firms adopting green marketing must contain eco-labels which identify overall environmental

preference for a product or service and contain certification by appropriate authority that the product conforms to pre-defined standards.

Green marketing should, however, incorporate economic aspects as well. Customers must be willing to pay more for green products and ought to be convinced in this regard. This is more so because being environmentally safe and qualitatively better, green products are high priced. Green products involve a 'green' supply chain ---- being produced through green materials and ecofriendly production and distribution processes which are also commercially viable.

In a nut-shell, the rules of sustainable green marketing are:

- ❖ Know your customer
- ❖ Educating clients
- ❖ Being genuine and transparent
- ❖ Reassurance to buyers
- ❖ Considering pricing

Therefore, in formulating sustainable marketing strategies, firms must consider three core issues ---- people, profit and planet and this is where the actual success of the strategy lies. Supporting social campaigns connected to environmental protection plays an important role in propagation of 'green mission'. However, this necessitates co-operation and commitment of all stakeholders.

Reasons behind Viability of Green Marketing

Following Polonsky (1994), we can cite five reasons behind the viability of green marketing as an effective business strategy and increased preference for it by firms.

✚ Opportunities:

Firms prefer green marketing since they perceive inherent opportunities in it. These opportunities are in the form of: i) sustained long term growth and profitability, ii) cost minimization iii) competitive advantage and access to markets iv) money saving in the long run v) reduction of wastes vi) promotion of corporate social responsibility vii) increased support by 'green' consumers and viii) protection of environmental quality. Besides, green marketing is intricately related to issues of industrial ecology and environmental sustainability like extended producers' liability, life-cycle analysis, material use and resource flows and eco-efficiency. It thus holds great promise for the future because it has growth potential in terms of both practice and demand.

✚ Cost Considerations:

Green marketing has inherent in it cost and profit related issues which often induce firms to adopt it. In pursuit of environment friendly production processes, when firms develop waste minimizing practices which also cut down raw material consumption, it is a double cost saving boon for them. Sometimes firms market their waste products for being used as inputs in other firms. This is termed end of pipe solution (e.g., an Australian firm sells its acidic waste water to a firm which neutralizes base materials). Reduction of hazardous waste materials may also curtail costs of production. Fly ash generated by thermal power plants is used to produce fly ash bricks (used in construction industry), which otherwise would have accumulated in huge amount of solid waste. Through environmental marketing activities, technology for reducing wastes may be developed, which may be sold to other firms and a waste recycling industry may be developed e.g., cleaning of oil from condensers removes the need for replacing the oil and also the need to dispose waste oil. This has dual benefits ---reduction in operating costs for condenser owners and increase in revenue for firms cleaning oil.

Social Responsibility:

When firms realize it is their social responsibility to impart least possible damage to the environment, they integrate environmental issues into their behavioural pattern. Sometimes firms portray their concern for the environment as their marketing tool e.g., Body Shop produces environmentally safe cosmetics; in their marketing strategy they specifically focus on the fact that they are environmentally responsible. Some other firms undertake environment friendly practices but do not use it as a marketing strategy e.g., Coca Cola undertakes huge expenses for minimizing harm on the environment; but does not use it for promoting its products. Another example may be Walt Disney World which in spite of having a waste management programme does not highlight it in its tourist promotional activities.

Competitors' Environmental Activities:

Sometimes firms emulate the behaviour of their competitors who adopt environment friendly practices. This has yielded fruitful results by substantially reducing damages done to the environment. For example, Xerox introduced "Revive 100% Recycled Paper" as an aftermath of introduction of recycled photocopier papers by other manufacturers. However, in certain cases they commit mistakes. Mobil Corporation introduced biodegradable plastic garbage bags following its competitor. However, the condition under which they were disposed prevented biodegradation and consequently the firm was sued and penalized for false advertising claims.

Governmental pressure:

The role of the government, in the context of green marketing is quite significant. Government seeks to protect the consumers by a) restricting production of harmful products and by-products b) checking consumption of harmful goods and c) ensuring that consumers can evaluate environmental composition of goods. Several legislations have been enacted by the Indian government to reduce and control the production of hazardous goods and wastes and their indiscriminate disposal by firms. Active cooperation of the government is involved in green marketing procedure. Until and unless stringent laws are enacted and executed such that authenticity and dependability of green items may be validated, the process cannot gather its desired momentum.

Challenges posed by Green Marketing

The challenges confronting this new strategy are varied and diverse. It cannot be stated unequivocally that all firms resorting to green marketing have actually modified their behaviour. Sometimes, in the lure of higher profits, firms adopt unfair practices and mislead the consumers regarding 'greenness' of the product. This definitely thwarts attainment of the desired environmental goals.

With continuous R & D and rapid technological changes, implication of environmentally safe actions may change over time. An action which is designated as safe in the present day may turn out unsafe in the future. Thus, in today's world of continuous change in scientific knowledge, firms cannot be fully sure as to whether their action is completely eco-friendly. Aerosol industry changed to HFC (hydro fluorocarbons) from CFC (chlorofluorocarbons) but later learnt that HFC is a greenhouse gas as well. Besides, some firms use DME (dimethyl ether) as aerosol propellant which is also responsible for ozone depletion.

Consumers' perceptions about the environment are sometimes incorrect---and this may lead to adoption of environmentally unsafe practices. Although McDonald replaced its clam shells with plastic coated paper in response to consumer demand, as per scientific evidence the former is less harmful than the latter.

Another problem associated with green marketing is green washing. Sometimes marketers make false statements regarding green products and thus exploit the confusion of the consumers with regard to these green products. They offer non-environment friendly products to customers claiming them to be eco-friendly. This practice has been referred to as green washing by experts.

No government regulation can simultaneously address diverse environmental issues. Needless to say, regulations are intended to benefit the consumers and / or motivate them to be environmentally responsible. But government guidelines address only issues pertaining to validity of environmental marketing claims. For adhering to issues pertaining to consumer behavior different regulations need to be chalked out.

There are certain important aspects regarding 'green developments' which ought to be taken into consideration.

- Standardization – There is no uniform standardization procedure to authenticate the claims of the companies regarding green marketing. As for example, there is no standardization to certify a product as organic. There ought to be a central board entrusted with the labeling and licensing of products.
- New Concept --Since green marketing is a relatively new concept, its reach is quite limited. It must be popularized among all consumers, which is indeed a difficult and tedious task. Moreover, consumers need to be convinced about the quality as also the potential dangers of the products, if any.
- Cost factor—R & D on green products, their innovation and their promotional programmes are quite expensive. Consequently, many firms with small investments are unable to cope with this huge cost burden.
- Non-cooperation—Sometimes firms face non-cooperation from the stakeholders due to time lag involved in the process; i.e., regarding the long-term benefits of green marketing vis a vis the short-term expenses involved in it.
- Sustainability— In the initial stages of green marketing, profits are very low. This is mainly because renewable and recyclable goods and green technologies are very costly. It yields desired fruits only in the long run. Hence business plans ought to be for long term rather than short term. It is important, too, on the part of the companies to abstain from unethical practices in the hope of reaping short-term gains.
- Avoiding Green Myopia—Green marketing involves two inherent objectives---- improved environmental quality and customer satisfaction. Both are important and ignoring one or overemphasizing the former at the expense of the latter is termed green myopia.

Therefore, with a view to overcome the inherent challenges, green marketing firms must abide by certain criteria. To put in briefly, they must:

- State clearly the environmental benefits
- Explain environmental characteristics
- Explain how benefits are achieved
- Ensure comparative differences are justified
- Ensure negative factors are taken into consideration and
- Use only meaningful terms and pictures.

Green Marketing Initiatives in India

Green marketing assumes more importance in developing countries where various developmental activities often impinge harm on the environment. It promises great opportunities to the business firms because surveys have revealed that around 25% of Indian consumers depict preferences for environment-friendly products while around 28% are health conscious. Several instances of adoption of green marketing can be cited in the Indian context.

Delhi government has launched CNG (Compressed Natural Gas) operated auto-rickshaw and eco-friendly rickshaws as means of eco-friendly transportation in the city. Moreover, Delhi Transport Corporation operates the world's largest fleet of CNG powered buses. These attempts are in keeping with the government's aim of switching over to alternative sources of energy.

In the banking arena, SBI has introduced eco and power friendly equipment in 10000 new ATMs and consequently has saved power costs and earned carbon credits. It has also started green service called 'Green channel counter' and promoted paper less banking. It also makes use of wind energy to reduce emissions and reduction of carbon

foot prints and also promotion of energy - efficient processes, especially among the bank's clients. Indus Ind Bank has set up India's first ATM fueled by solar power.

Indian green building council aims to promote green building concepts. Confederation of Indian Industry—Green Business Centre is one of the green buildings in India. The unique features of green buildings include sustainable site development, water savings, energy efficiency, material selection and superior indoor environmental quality. The Thyagaraja Stadium in New Delhi is India's first green stadium which is a green building constructed with eco-friendly materials and rigidly follows energy conservation norms. Suzlon Energy Limited (which is world's fourth largest) is among the greenest companies in India. Its factory in Pondicherry is entirely run with wind power. Its corporate building is the most energy efficient building ever built in India.

Kansai Nerolac Limited has undertaken innovations to remove hazardous substances like lead, mercury, arsenic, chromium from paints. These heavy metals have adverse effects on both environment and human health. ACC has launched concrete + which is a new innovation using fly ash (a hazardous industrial waste). This move helps in the conservation of natural resources because dumping of fly ash is extremely hazardous for the environment.

In order to serve dual purpose of cutting down pollution and cost saving, Mahindra & Mahindra Limited has brought out its first electric car Reva. Tata Motors has set up eco-friendly show-rooms (natural building material for floors) and installing energy efficient lights.

Wipro has been the first Indian company to launch environment friendly computer peripherals which are ROHS (Restriction of Hazardous Substances) compliant--- thereby reducing generation of e-waste. Moreover, it has launched a new range of desktops and laptops (100% recyclable and toxin free) called Wipro Green ware which conforms to the principle of eco-sustainability. Wipro also undertakes efficient energy usage and waste management and has successfully recycled plastic. Infosys Technologies Limited has undertaken 'green 'move through creation of green infrastructures, conservation and harvesting of water etc. Both Wipro and Infosys have been able to reduce per capita electricity consumption and procure renewable energy. These companies have also installed solar panels to tap solar energy and cut down usage of conventional energy. HCL's eco-safe programme aims at application of environment management procedures into business processes.

Apart from usage of eco-friendly bags, paper bags and recyclable paper bags, international brands like Adidas, Reebok, Lotto and Nike are replacing synthetic tags with cotton tags. Taj chain of hotels has initiated eco-rooms with energy-efficient mini-bars, CFL / LED as lighting, organic bed linen and napkins made from recycled paper. Indian Railway Catering and Tourism Corporation (IRCTC) have joined the paperless campaign by allowing passengers to carry PNR no of e-tickets in laptops and mobiles.

PHILIPS India has innovated energy saving lights Compact Fluorescent Light (CFL) bulbs, medical equipment and household appliances which are eco-friendly. Panasonic is also a player in this green movement and manufactures eco-friendly refrigerators, air conditioners, washing machines, Plasma TV, LCD, quick iron, batteries and bulbs. Samsung, on the other hand, has been the first in India to produce eco-friendly mobile handsets made of renewable materials. Hewlett-Packard (HP) IS aiming to produce energy efficient products and services as well as operating practices. It is now mandatory for all electronic manufacturers to have energy star rating on their products. This was done after Voltas introduced the green range of air conditioners in 2007. (Energy star which originated in USA is a standard for energy efficient consumer products).

Maruti Udyog Limited seeks to develop environment friendly products with minimal usage of natural resources and promote conservation of energy and water. It successfully recycles 100% of treated waste water. It undertakes rainwater harvesting. Besides these innovative practices, the company provides training to its suppliers on Environment Management System (EMS). Regular audits of environmental performance of suppliers are undertaken. Consequently, green coefficient is quite high for the company.

The Indian firms adopting green marketing have been able to reap 'green dividends' and earn consumers' applause by conforming to green standards and norms. This, apart from increasing their profits, has also widened their markets due to strong consumer preferences for green products.

Conclusion

The basic thrust of the strategy is on environment which should remain the prime concern of the firm at all stages from production to marketing. With rising popularity of green marketing as a sustainable and viable strategy across the globe, more and more Indian firms are adopting it. This has definitely yielded positive impact on the environment and benefitted all stakeholders involved in it.

The growing awareness of the consumers across the globe, for 'green' products justifies the emergence of green marketing for promotion of sustainable and socially responsible products and services. According to a survey on attitude of the consumers regarding 'green' products and processes, developing countries like India, Brazil and China have the highest number of consumers with green attitude. Besides, India, Russia and USA are the top scorers in respect of consumers showing the largest increase in environmentally sustainable behavior. Thus, in the context of India, green marketing is quite a lucrative option for business firms which promises great opportunities. Since global warming and other environmental disasters are posing grave challenges to the environment, green marketing has now become a compulsion rather than choice. It also necessitates that green marketing be viewed in a broader spectrum (i.e., in a socio-economic perspective) rather than simply a marketing strategy and should be encouraged for its social and ecological impact. This is especially true in a country like India where socio-economic and environmental considerations impede attainment of sustainable development goals.

As with any other new initiative, green marketing, too, has several constraints. Protection of the natural environment is as much a responsibility for the consumers as the firms. Customers who are conscious of the environment are ready to pay higher price for green items ---but not all customers think 'green'. Hence buyers ought to be motivated towards purchase of green items. It is important that all stakeholders must ensure that minimum harm is impinged on the environment through their activities. Unfortunately, even today many organizations attach little importance to green marketing and in these grounds, it may be termed an underutilized USP (Unique Selling Proposition). Marketeers and producers of green products must also abide by rules and laws pertaining to such products and be transparent and categorical in their approach. This is necessary to make green products popular among larger and larger number of consumers as also to gain confidence and support of the customers.

Indeed, green marketing may be viewed as a mechanism to protect and preserve the sanctity of the environment. Accordingly, the most vital message of green marketing is 'live green and stay green' which is of utmost importance in today's world and must be well articulated among all segments of the society. This is the necessary and most crucial condition for fruitful implementation of the strategy.

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