

Impact of Green Marketing in India

V. Sai Prasanth ¹, Prof. M. Jyothsna ², Dr.N.Aruna Kumari ³

¹Assistant Professor, Sun International Institute of Tourism & Management, Research Scholar,
GITAM (Deemed to be) University, Vishakhapatnam, AP

²Head of marketing, GIATM Institute of Management, GITAM (Deemed to be) University,
Vishakhapatnam, AP

³Associate .Prof., Engineering Chemistry, Dept of HBS, GIET(A), Rajahmundry

ABSTRACT

In the present age of globalisation, it is a challenge to maintain the consumers as well as customers in a fold and to maintain our natural environment protected, which is the biggest need of the time. Consumers are concerned about environmental factors like, the impact of the environmental pollution and global warming. Green marketing is a phenomenon has become important in the current market and has come out as a vital concept in India. In this article, main importance has been made of green marketing in India. Data has been collected from secondary sources like journals, books, newspapers and websites. It explains the key topics in implementation of different practices of green marketing. The article explains the present situation of Indian market and explores the opportunities and challenges businesses include with green marketing that is why companies are implementing it and potentiality of green marketing. To conclude green marketing will constantly develop in both demand and practice.

Keywords: Customer; Green Marketing; Green Marketing Orientation.

I. INTRODUCTION

Environmental issues have gained importance in business as well as in public life throughout the world. It is not like that a few leaders of different countries or few big renowned business houses are concerned about the day to day deterioration of oxygen level in our atmosphere but every common citizen of our country and the world is concerned about this common threat of global warming. So in this scenario of global concern, corporate houses has taken green-marketing as a part of their strategy to promote products by employing environmental claims either about their attributes or about the systems, policies and processes of the firms that manufacture or sell them. Clearly green marketing is part and parcel of overall corporate strategy; along with manipulating the traditional marketing mix (product, price, promotion and place), it require an understanding of public policy process. So we can say green marketing covers a broad range of activities.

II. OBJECTIVE OF THE STUDY

The objective of this article is to examine the need, importance and growth of green marketing and also to evaluate the initiatives taken by the Indian companies for green marketing in their core business values.

III. RESEARCH METHODOLOGY

The presents study is exploratory in nature to provide a clear guidance for empirical research. It is also descriptive where the focus is on fact-finding investigation with adequate interpretation. For this purpose secondary data were collected through newspapers, magazines, books, journals, conference preceding government reports and websites.

IV. LITERATURE REVIEW

According to the authors like Ottaman, (1993) and Ken Peattie, (1993) conventional marketing is out and Green Marketing is in. A green company is based on its corporate vision that includes environmental concerns as the company" s functioning. This simply means that the company realizes the needs of the ecosystem with which it interacts. According to Hawken (Ecology of Commerce, 1995) business has three issues to face. These are what it takes, what it makes and what it wastes. Green Marketing might be a result of pragmatic policy, referring to the changes of preferences of the customers and to follow the mainstream development of the industry. However, there are companies, which are really centered on green values and try to realize their ecological worldview in their business activities (e.g. the Body Shop, Ben and Jerry" s, Tom" s of Main, Interface). An average green company can be described by using the models and experiences reported by John Elkington, Peter Knight and Julia Hailes in their book-"The Green Business Guide" (Elkington et al., 1992).

Cost factors associated with waste disposal, or reductions in material usage forces firms to modify their behaviour in favour of green marketing (Azzone & Mazini, 1994).

Designed for disassembly and reuse (Gonzalez et al., 2008; Pun, 2006; Rao, 2004)

To promote the use of recycled materials, natural and biodegradable materials (Nunes & Bennett, 2010; Mandaraka & Kormentza, 2000).

According to Kotler (2011) has raised several important issues to be explored in green marketing such as factors leading companies to compete on the basis of sustainability, changes required in marketing practices and opportunities offered by the concept of sustainability.

A business philosophy aimed to satisfy needs of environmentally-conscious consumers and to meet companies' economic objectives with minimal environmental damage (Ko et al., 2013; Fraj-Andres et al., 2009).

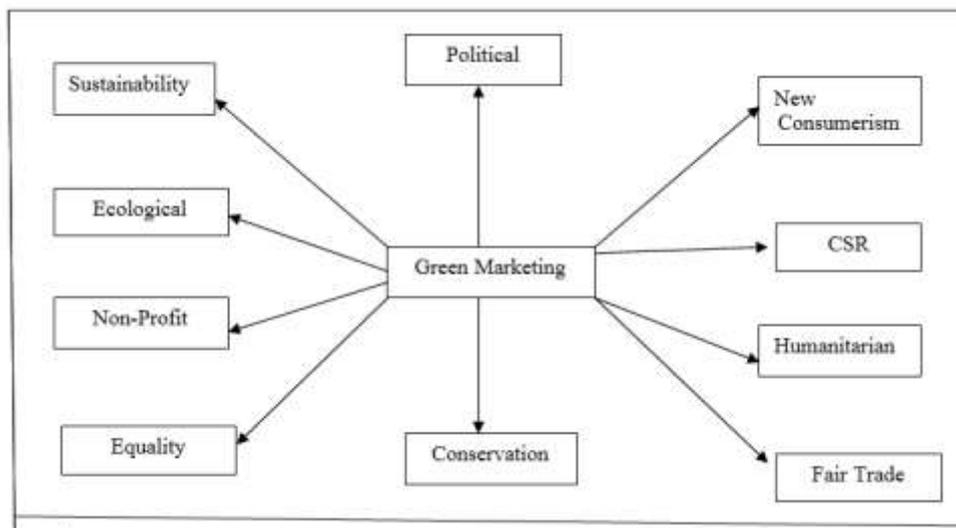
V. GREEN MARKETING

"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".

According to the 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 the production process, packaging changes, as well as modifying advertising. Other similar terms used are Environmental Marketing and Ecological Marketing.

Firms use green marketing in an attempt to address cost or profit related issues. In implementing green marketing, consumers, corporate and the government play a very important role. But there are few constraints in implementing it like lack of consumer awareness, financial constraints, limited scientific knowledge, lack of stringent rules and competitive pressures. Green marketing involves developing and promoting products and Services that satisfy your customer wants and needs for quality, performance, affordable pricing and convenience without having a detrimental impact on the environment.

Green Marketing



Green Marketing in Firms

Firms may choose to green their systems, policies and products due to economic and noneconomic pressures from their consumers, business partners, regulators, citizen groups and other stakeholders(non market environment).Some other reasons may includes:

1. Some researcher claim that Green policies/products are profitable: Green policies can reduce costs; green firms can shape future regulations and reap first mover advantage.
2. Now a day's firms are becoming more concerned about their social responsibilities (S.R). They have taken S.R as a good strategic move to build up an image in the heart of consumers. Even the socially responsible firms are getting leverage, whenever they intend to enter into foreign countries. There are example of firms like ITC, HLL (Surf excel) who are heavily promoting them as an environmentally concerned firms, where as there is example of firms who are working in this direction in a silence manner like Coca-Cola, who have

invested crores of money in various recycling activities, as well as having modified their packaging to minimize its environmental impact. While being concerned about the environment coke has not used their concern as a marketing tool. So we can see that firms in this situation have taken two perspectives:

- They are using green marketing as marketing tool.
 - They are working in this field without promoting the fact.
3. Change in customers attitude: With increasing concern about environment, consumers attitude towards firms having green policies or green products are becoming motivating factor.
 4. Governmental pressure: In all most all civilized countries Govt. has the law to protect the consumers and the environment from the harmful goods or by products and ensure through law that all types of consumers have the ability to evaluate the environmental composition of goods. Govt. established several regulations to control the hazardous waste produced by firms and many by-products of production are controlled through the issuing of various environmental licenses, thus shaping the behaviour of organization towards more socially responsible one.
 5. Competitive pressure: Competition is the integral part of business; and you cannot over look any competitive action taken by your competitor. So to be in the market you have to have a vigil over your competitors move for marketing its products. Some firms have taken green-marketing as a strategy to build up its image rather than inculcate it as a part of the policy and work silence. In some instances this competitive pressure has caused an entire industry to modify and thus reduce its detrimental environmental behaviour.
 6. Cost or profit issue: Firms may also use green marketing in an attempt to address cost or profit related issues. Disposing of environmentally harmful by products, such as polychlorinated biphenyl (PCB) contaminated oil are becoming increasingly costly and in some cases difficult. Therefore firms that can reduce harmful wastes may incur substantial cost savings. When attempting to minimize waste, firms are often forced to re-examine their production processes. In these cases they often develop more effective production processes that not only reduce waste, but reduce the need for some raw materials. This serves as a double cost savings, since both waste and raw material are reduced. In other cases firms attempt to find end - of - pipe solutions, instead of minimizing waste. In these situations firms try to find markets or uses for their waste materials, where one firm's waste becomes another firm's input of production.

VI. GOLDEN RULES OF GREEN MARKETING

- a. **Know you're Customer:** Make sure that the consumer is aware of and concerned about the issues that your product attempts to address, (Whirlpool learned the hard way that consumers wouldn't pay a premium for a CFC-free refrigerator because consumers dint know what CFCs were.).
- b. **Educating your customers:** Isn't just a matter of letting people know you're doing whatever you're doing to protect the environment, but also a matter of letting them know why it matters. Otherwise, for a

significant portion of your target market, it's a case of "So what?" and your green marketing campaign goes nowhere.

c. **Being Genuine & Transparent:** Means that

a) You are actually doing what you claim to be doing in your green marketing campaign and

b) The rest of your business policies are consistent with whatever you are doing that's environmentally friendly.

Both these conditions have to be met for your business to establish the kind of environmental credentials that will allow a green marketing campaign to succeed

d. **Reassure the Buyer:** Consumers must be made to believe that the product performs the job it's supposed to do-they won't forego product quality in the name of the environment.

e. **Consider Your Pricing:** If you're charging a premium for your product-and many environmentally preferable products cost more due to economies of scale and use of higher-quality ingredients-make sure those consumers can afford the premium and feel it's worth it.

f. **Giving your customers an opportunity to participate:** Means personalizing the benefits of your environmentally friendly actions, normally through letting the customer take part in positive environmental action

g. **Thus leading brands should recognize that consumer expectations have changed:** It is not enough for accompany to green its products; consumers expect the products that they purchase pocket friendly and also to help reduce the environmental impact in their own lives too.

Major Green Companies in India

➤ **Tata Consultancy Services:** TCS has a globally recognized Sustainability practice and has already topped the Newsweek's top World's Greenest Company title. It also has a global green score of 80.4% and this has mainly happened due their initiative of creating technology for agricultural and community benefits.

➤ **Oil and Natural Gas Company:** ONGC, India's largest oil producer is all set to change the way with the invention of green crematoriums that would serve as a perfect replacement for the funeral pyres that emit so much smoke and uses up excess oxygen.

➤ **State Bank of India:** SBI is providing many services like; paper less banking, no deposit slip, no withdrawal form, no checks, no money transactions form all these transaction are done through SBI shopping & ATM cards. State Bank of India turns to wind energy to reduce emissions. The wind project is the first step in the State Bank of India's green banking program dedicated to the reduction of its carbon footprint and promotion of energy efficient processes, especially among the bank's clients.

➤ **IndusInd Bank:** One of the first banks in India to discourage the use of paper for the counterfoils in ATMs, and sending electronic messages, it has contributed a lot towards saving paper and reducing deforestation.

- **ITC:** ITC has adopted a Low Carbon Growth Path and a Cleaner Environment Approach and has already introduced ozone treated elemental chlorine free bleaching technology that has improved the lives of millions worldwide.
- **Wipro:** Wipro, has not only helped in the creation of technology that helps in saving energy and preventing wastes, but its corporate headquarters in Pune is the most eco friendly building in this sector all over India.
- **Wipro's Green Machines:** Wipro Infotech was India's first company to launch 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) compliant thus reducing e-waste in the environment.
- **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.
- **Samsung:** Samsung India has always had a roaring range of LED TV screens and now they have come up with eco- friendly LED backlight. They use 40% less electricity have also no harmful chemicals like mercury and lead.
- **HCL:** HCL is another brand that is trying to introduce eco- friendly products in the market and it has recently launched the HCL ME 40 notebooks. These notebooks do not use any polyvinyl chloride (PVC) material or other harmful chemicals and the Bureau of Energy Efficiency already given it a five star rating.
- **LG:** LG India has been a pioneer is making electronic gadgets that are eco-friendly. Recently, it has launched a LED E60 and E90 series monitor for the Indian market. Its USP is that it consumes 40% less energy than conventional LED monitors. Also, they hardly used halogen or mercury, trying to keep down the use of hazardous materials in their products.

VII. SWOT ANALYSIS

Strength	Weakness	Opportunity	Threats
Get access to new markets.	Customers give more preference to their personal needs than environment.	Increase in the demand for eco-friendly products.	Uncertainty as to the environmental impact of present activities.
Gain an advantage over competitor and builds brand equity and wins brand loyalty.	Green labelling as becoming a marketing gimmick.	Companies can improve their social awareness.	Uncertainty which green marketing activities are acceptable from a government perspective.
Can charge a premium on more eco responsible Products.	Overemphasizing greenness rather than customer needs can prove devastating for a product.	Others are forced to move on eco-friendly products.	Possibility of a backlash from consumers or government based on existing green marketing.

Present Trends in Green Marketing in India

- ❖ Best Green IT Project: State Bank of India: Green IT@SBI
- ❖ Indian Oil's Green Agenda Green Initiatives

- ❖ The Thyagaraja Stadium: India's 1st Green Stadium
- ❖ Introduction of CNG in Delhi
- ❖ Eco-friendly Rickshaws before CWG
- ❖ Wipro Green It - Wipro's Green Machines (In India Only)
- ❖ Agartala to be India's first Green City

Challenges in Green Marketing

- ❖ **Need for Standardization:** There is no standardization currently in place to certify a product as organic. Unless some regulatory bodies are involved in providing the certifications there will not be any verifiable means. A standard quality control board needs to be in place for such labelling 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 needs to be educated and made aware of the environmental threats.
- ❖ **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 this new green movement. Since it is a new concept and idea, it will have its own acceptance period.
- ❖ **Avoiding Green Myopia:** The first rule of green marketing is focusing on customer benefits. It is not going to help if a product is developed which is absolutely green in various aspects but does not pass the customer satisfaction criteria. This will lead to green myopia.

VIII. CONCLUSION

Green marketing is a tool for protecting the environment for future generation. 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. Therefore, there is a need for green marketing and a need for a shift in the consumer 's behaviour and attitude towards more environment friendly life styles. The companies must keep in mind that the consumers are very much concerned about the environmental issues cropping up in the country and they are very much willing to pay a premium price for the „green“ products, if these eco-friendly products provide an extra value to the consumers.

REFERENCES

- [1]. Fernandez RD, Bhandarkar SM (2004) Green Marketing: An Indian Perspective.
- [2]. Mathur LK, Mathur I (2000) An Analysis of the wealth effect of green marketing
- [3]. strategies. Journal of Business Research 50: 193-200.
- [4]. Kilbourne WE (1998) Green Marketing A Theoretical Perspective. Journal of
- [5]. marketing Management 14: 641-655.
- [6]. Zimmer MR, Stafford TF, Stafford MR (1994) Green Issues dimensions of
- [7]. environmental concern. Journal of Business research 30: 63-74.

- [8]. Kotler P (2000) Marketing Management-The Millennium Edition Prentice Hall of
- [9]. India Private Limited, New Delhi.
- [10]. Ginsberg JM, Bloom PN (2004) Choosing the right Green Marketing Strategy.
- [11]. MIT Sloan Management Journal.
- [12]. Welling, Anupam CS (2010) Analyzing the Feasibility of Green Marketing in
- [13]. SME? Asia-Pacific Journal of Research in Business Management.
- [14]. Thakur G, Joshi NM, Chitale AK (2009) An Investigation Of Customers
- [15]. Awareness With Reference To Green Marketing Of Automobiles. Indian
- [16]. Journal of Marketing.
- [17]. www.economicstimes.indiatimes.com
- [18]. Narendra KP (2013) Successful Adoption of CNG and Emerging CNG-H2
- [19]. Program in India.
- [20]. www.greenpeace.org
- [21]. www.greenmarketing.com
- [22]. (2010) Green Marketing. Business Practices.
- [23]. Lakshmi CS (2007) Turning Over a New Leaf. Indian Management.