

Green Marketing In India: A Review Of Literature

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Abstract

Have you ever heard of the three R's of environment viz. Reduce, Reuse, and Recycle which are important to supports green marketing. Green marketing is used for environment friendly products that are considered to be green like low power consuming electrical appliances, organic foods, lead free paints, recyclable paper, and phosphate free detergents. Companies are finding that consumers are willing to pay more for a green product. Green marketing in a broader sense is corporate social responsibility because it helps business to become a socially responsible as well. In different research conducted in India High level of awareness about green marketing practices was found among the Indian consumers. However, this is not widespread and is still evolving. In this review based paper, main emphasis has been made of concept, need and importance of green marketing. Data has collected from secondary sources. It considers the main issues in adoption of green marketing practices. The paper explains the context of Indian market and explores the challenges with green marketing.

Keywords: Green Marketing, Environmentally Friendly Products, Green Product Awareness, Csr

Introduction & Definition

Green marketing (also known as Environmental Marketing and Ecological Marketing) is a holistic marketing concept. The term green-marketing is defined as “the development and marketing of products designed in a manner that is sensitive or responsive to ecological concern” (American Marketing Association, 2007).

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. In this marketing concept the product, marketing, consumption or disposal of products and services is done in a manner which cause least damage to the environment because of increasing cognizance of non-biodegradable sturdy waste, greenhouse effect, harmful impact of pollutants etc., both marketers and consumers are becoming increasingly sensitive to the need for switch into green products and services. Many people believe that green marketing refers solely to the promotion and advertising of products with environmental characteristics. Generally terms like phosphate free, recyclable, refillable, ozone friendly and environment friendly are most of the things consumers often associated with green marketing. As per Mr. J. Polonsky, green marketing can be defined as, "All activities designed to generate and facilitate any exchange intended to satisfy human needs or wants such that satisfying of their needs and wants occur with minimal detrimental input on the national environment." Many governments around the world have become so concerned about green marketing activities that they have attempted to regulate them (Polonsky 1994a). For example, in the United States (US) the Federal Trade Commission and the National Association of Attorneys-General have developed extensive documents examining

green marketing issues [FTC 1991, NAAG 1990]. Worldwide it has been proven that people are concerned about the environment and changing their attitude.

For most people, Green Marketing is not only about using Marketing Mix with a smaller impact on the environment. Green marketing is also about following corporate social responsibility practices. In different research conducted in India High level of awareness about green marketing practices was found among the Indian consumers. However, this is not widespread and is still evolving.

Evolution Of Green Marketing

The green marketing has evolved over a period of time. According to Peattie (2001), the evolution of green marketing has three phases.

First phase was termed as “**Ecological**” green marketing, and during this period all marketing activities were concerned to help environment problems and provide remedies for environmental problems. The main focus of the first phase was on those industries and product that have direct impact on the environment. (Oil, chemical industry and mining etc)

Second phase was “**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. The focus shifted on product generally used in homes. (Carpets, papers and cleaning goods etc.)

Third phase was “**Sustainable**” green marketing. It came into prominence in the late 1990s and early 2000, concerned with developing good quality products which can meet consumers need by focusing on the quality, performance, pricing and convenience in an environment friendly way.

Eco Friendly Products And Their Idiosyncrasy

The products those are manufactured through green technology and that caused no environmental vandalism are called green/eco friendly products. Promotion of green technology and green products is necessary for conservation of natural resources and sustainable development. We can define green products by following measures:

- Products those are originally grown
- Products those are recyclable, reusable and biodegradable,
- Products that have eco-friendly packaging i.e. reusable, refillable containers etc.
- Products containing recycled contents, non-toxic chemical,
- Products contents under approved chemical,
- Products that do not harm or pollute the environment,
- Products that will not be tested on animals,
- Products with natural ingredients,

Objectives Of The Study

Green marketing in India: a review of literature titled paper is designed to study the concept of green marketing along with characteristics of eco friendly products. This review based paper also stress upon importance and challenges in green marketing.

Research Methodology

The research is exploratory in nature; it focuses on Literature review, News Papers, Journals, websites and the other reliable sources.

Reasons For Using Green Marketing

As firms' faces scarcity of natural resources, it's their need to develop new or alternative ways of satisfying the unlimited wants. Ultimately green marketing gives the solution regarding how marketing activities utilize these limited resources, while satisfying consumers wants, as well as achieving the selling organization's objectives. When looking through the literature there are several suggested reasons for firms increased use of Green Marketing. Five possible reasons cited are:

1. Organizations perceive environmental marketing to be an opportunity that can be used to achieve its objectives [Keller 1987, Shearer 1990];
2. Organizations believe they have a moral obligation to be more socially responsible [Davis 1992, Freeman and Liedtka 1991, Keller 1987, McIntosh 1990, Shearer 1990];
3. Governmental bodies are forcing firms to become more responsible [NAAG 1990];
4. Competitors' environmental activities pressure firms to change their environmental marketing activities [NAAG 1990]; and
5. Cost factors associated with waste disposal, or reductions in material usage forces firms to modify their behavior [Azzone and Manzini 1994].

Competitive Advantage It is found through different research studies that consumers, both individual and industrial are becoming more cautious and aware about the natural habitat. A study of 16 countries conducted in 1992 shows that more than 50% of consumers in each country, other than Singapore, were highly concerned about the environment [Ottman 1993]. Another study in Australia showed that 84.6% of the sample believed all individuals had a responsibility to care for the environment. A further 80% of this sample indicated that they had modified their behaviour, including their purchasing behaviour, due to environmental reasons [EPA-NSW 1994]. As demands change, many firms take these changes as a competitive advantage to be exploited.

Corporate Social Responsibility The organizations make uses of the resources of the society for its functions; it's the organization duties and responsibility that it should work for the welfare of the society & take care of its scarce resources. Meon & Jorgensen (2010), talks of how environmental (green) factors affect international business and competition. There results suggest that CSR/green performance must be expected to be improved in most industries, but firms that perform weak in these criteria will weaken their competitiveness. "Every company has a special continuing responsibility towards the people of the areas in which it is located. The company should spare its engineers, doctors, managers to advise the people of the villages and supervise new developments by co-operative efforts between them and the company" (Tata J.R.D)

Governmental Pressure Governments of different countries has established various rules & regulations to limit the amount of solid & hazardous wastes produced by firms The Indian government too has imposed a framework of legislations to reduce the production of harmful goods and by-products. For example, the issuing of various environmental licenses, voluntary curb-side recycling programs the ban of plastic bags, prohibition of smoking in public areas, etc.

The regulations include the Australian Trade Practices Commission's (TPC) "Environmental Claims in Marketing - A Guideline [TPC 1992], the US Federal Trade Commission's (FTC) "Guides for the Use of Environmental Marketing Claims" [FTC 1991 and 1992] and the regulations suggested by the National Association of Attorneys-General [NAAG 1990].

Competitive Pressure Another major factor in promoting the green marketing concept is firms' desire to maintain their competitive position. In some instances this competitive pressure has caused an entire industry to modify and thus reduce its detrimental environmental behaviour.

Cost or Profit Issues Firms may also use green marketing in an attempt to reduce cost or profit related issues. Disposing of environmentally harmful by-products is becoming increasingly costly. Therefore reduction of harmful wastes may be a substantial cost savings affair. In these cases they often implement 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 try to find markets or uses for their waste materials, where one firm's waste becomes another firm's input of production.

Challenges In Green Marketing

- Currently there is **no standardization** working to certify a product as eco friendly. 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 & licensing.
- Marketer need to be patient to achieve the long-term benefits from go green movement. It will require a lot of patience and **no immediate results**. Since it is a new concept and idea, it will take its time to be accepted.
- Green products require renewable and recyclable material, which is **costly affair**. This new concept also requires a technology, which needs huge investment in R & D.
- No customer will pay a **premium price** for green products. The purport of green marketing is to focus on customer benefit. Thus, if the price of green product is very high, then again it will lose its market acceptability.

Green Marketing Practices In India

Tata Steel

Tata Steel commits to install technology to minimize the adverse impact of its processes on the environment by conserving the natural resources & energy by reducing the consumption and wastage & recycling of materials. Developed and rehabilitate waste dumps through a forestation and landscaping. Maintaining and operating the facilities with applicable Environmental laws, statutes and other regulations.

Indian Railways

Recently IRCTC has allowed its customers to carry PNR no. of their E-Tickets on their laptop and mobiles. Customers do not need to carry the printed version of their tickets.

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.

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.

Forest and Environment Ministry of India

Has ordered to some retail outlets like Big Bazaar, More, Central, D-Mart that they should provide polythene carry bags to those customers only that are ready to pay a price for it.

Conclusion

The green marketing has become a buzzword of today's marketing practices throughout the world. Its importance now increased in the human being's life. Now the marketers as well as the customers both are showing their concern for green products and eco – friendly environment. So if marketer wants to sustain in this competitive environment they have to move towards the eco – friendly concept. Green marketing has become necessary for the society, so that we can save our environment, fully utilize our natural resources and make earth a healthy planet to live in. Green marketing should not neglect the economic aspect of marketing. Marketers need to understand the implications of green marketing. It's not only responsibility of marketers for environmental protection, green marketing requires that if consumers want a healthy environment they should ready to pay premium price for it unless this occurs it will be difficult for firms alone to lead the green marketing revolution. Green marketing assumes even of more significance countries like India.

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