

Green Marketing- Challenges and Opportunities: An Indian Scenario

Dr. Dikshit Gupta*

* Associate Professor, Department of Tourism & Hospitality Management, PCJ School of Management, Maharaja Agrasen University, Baddi, H.P.

ABSTRACT: Green revolutions, going green, environmental protection, sustainable life style, sustainable development, protecting our earth and many more have become a natural phenomenon in our everyday life. Green marketing is a tool used by many companies in various industries to follow this trend. The development of green marketing has opened the door of opportunity for companies to co brand their products into separate line, lauding the green-friendliness of some while ignoring that of others. This paper mainly focuses on the concept, need, importance & strategy of green marketing in India. As society becomes more concerned with the natural environment, businesses have begun to modify their behavior in an attempt to address society's "new" concerns. Some businesses have been quick to accept concepts like environmental management systems and waste minimization, and have integrated environmental issues into all organizational activities. One business area where environmental issues have received a great deal of discussion in the popular and professional press is marketing. Terms like "Green Marketing" and "Environmental Marketing" appear frequently in the popular press. Many governments around the world have become so concerned about green marketing activities that they have attempted to regulate them.

KEYWORDS: Green marketing, Sustainability, Environmentally Safe, Recyclable, eco-friendly products.

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I. INTRODUCTION:

The term green marketing is often used freely and in the wrong context. The terms like phosphate free, recyclable, refillable, ozone friendly and environmentally friendly are some of the things consumers most often associate with green marketing. But green marketing incorporates a broad range of actions such as the product modification, changes to the production process, packaging changes, as well as modifying advertising which can be applied to consumer goods, industrial goods and even services (Welling and Chavan 2010). According to a recent research, at a world level, the positive fame of a company about its environmental responsibility is determined by the 53% of consumers (about 1 billion) as an important reason that makes them buy and use its products (Spanos 2008, Papadopoulos et al. 2012). Unfortunately, a majority of people believe that green marketing refers only to the endorsement or advertising of products with environmental characteristics. Terms like Phosphate free, Recyclable, Ozone friendly, and environment friendly are some of the things consumers most often associated with green marketing. In general green marketing is a much broader concept that can be useful to consumer goods, industrial goods and even services. Thus green marketing incorporates a broad range of activities, including product modification, changes to the production process, packaging changes, as well as modifying advertising.

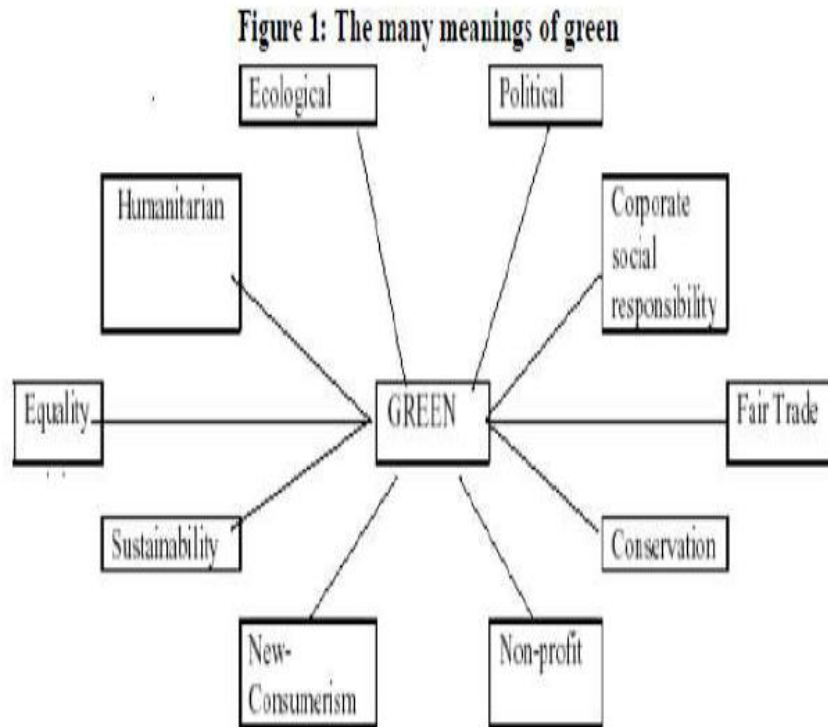
What is Green Marketing?

—The marketing or promotion of a product based on its environmental performance or an improvement thereof (Charter & Polonsky 1999).

—A holistic and responsible strategic management process that identifies, anticipates, satisfies and fulfills stakeholder needs, for a reasonable reward, that does not adversely affect human or natural environmental well-being (Charter (1992), p. 394)

Green 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. A greater part of people believe that green marketing refers solely to the promotion or advertising of products with environmental characteristics. Terms like Phosphate Free, Recyclable, Refillable, Ozone Friendly, and Environmentally Friendly are some of the things consumers most often associate with green marketing. While these terms are green marketing claims, in general green marketing is a much broader concept, one that can be applied to consumer goods, industrial goods and even services. For example, around the world there are resorts that are beginning to promote themselves as

"ecotourist" facilities. Thus greenmarketing incorporates a broad range of activities, including product modification, changes to the production process, packaging changes, as well as modifying advertising. Yet defining green marketing is not a simple task. Indeed the terminology used in this area has varied, it includes: Green Marketing, Environmental Marketing and Ecological Marketing. This early definition has three key components, such as it is a subset of the overall marketing activity; it examines both the positive and negative activities; and narrow ranges of environmental issues are examined.



Source: (Peattie, K (1995), Environmental Marketing Management, p.26)

The Green Consumer:

The green consumers are the driving forces behind the green marketing process. It is they who drive consumer demand, which in turn encourages improvements in the environmental performance of many products and companies. Thus, for a marketer it is important to identify the types of green consumers. Many organizations have found that two out of every three consumer is green in developed country but country like Bangladesh and its organization has found that one out of every six consumer is green, but their environmental commitments vary because of their different standards, expectation from producers, demand and buying power.

It is thus not efficient to say that the green consumer is one who engages in green consumption, specifically, consumes in a more sustainable and socially responsible way. A consumer acquires a bundle of wants and needs and this is also true for the green consumer. To satisfy those needs businesses have to break down the market into different groups of consumers that differ in their responses to the firm's marketing mix program.

Green Product

Green product stresses the straight and tangible benefits provided by greener design, such as energy efficiency or recycled content, rather than stressing the environmental attributes. Reducing the environmental impact of a product improves the product's overall performance and quality in ways that are important, not just the most dedicated and loyal green consumer, but to all consumers. Therefore green product means any product, which is not hazardous for environment and customer as well, and it also works as a future remedy of negative impact of a product.

CHARACTERISTICS OF GREEN PRODUCTS: The products those are manufactured through green technology and that caused no environmental hazards are called green 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:

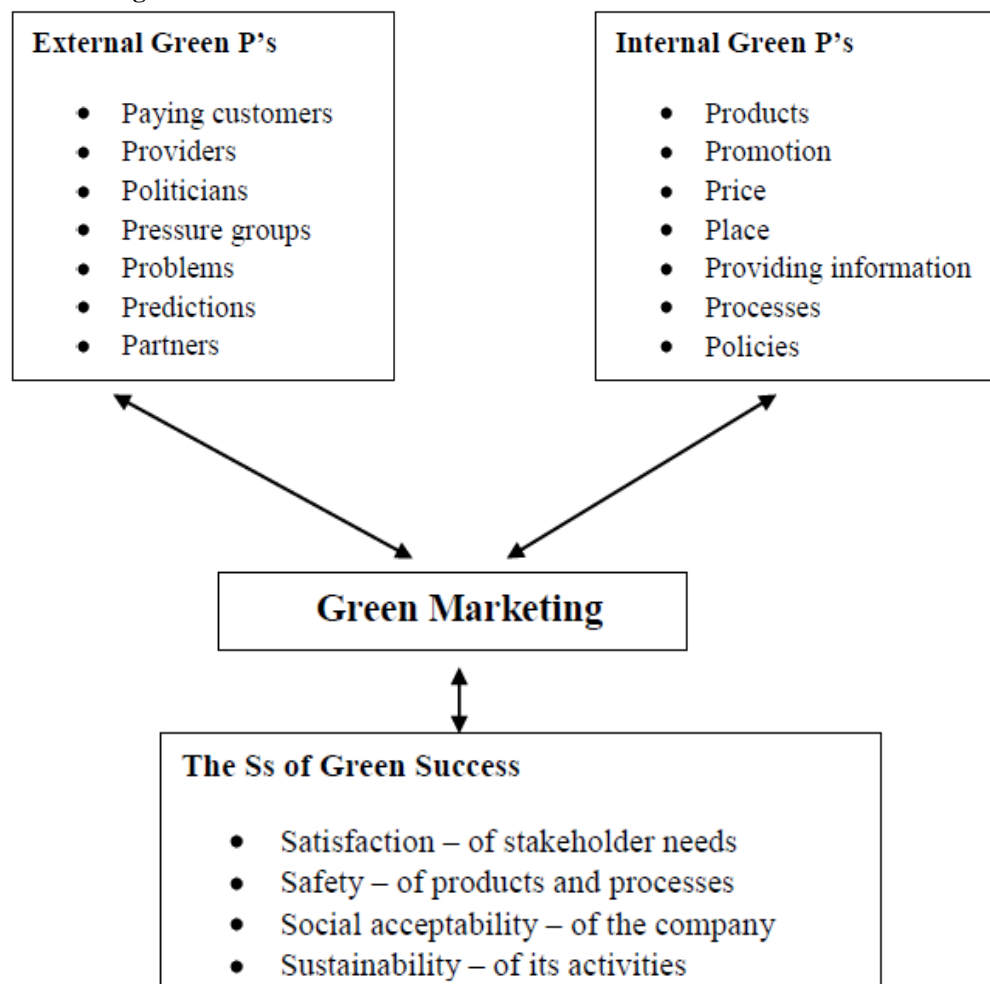
- 1) Products those are originally grown,
- 2) Products those are recyclable, reusable and biodegradable,
- 3) Products with natural ingredients,

- 4) Products containing recycled contents, non-toxic chemical,
- 5) Products contents under approved chemical,
- 6) Products that do not harm or pollute the environment,
- 7) Products that will not be tested on animals,
- 8) Products that have eco-friendly packaging i.e. reusable, refillable containers etc.

Green Marketing Process

Green marketing process comprises with external and internal Ps. After integrating external and internal Ps, green success will automatically come through four Ss. Here external 7 Ps consists of Paying customers, Providers, Politicians, Pressure groups, Problems, Predictions and Partners; internal 7Ps consists of Products, Promotion, Price, Place, Providing information, Processes and Policies. After integrating external and internal 7Ps, we can find out the green successes through 4 Ss such as Satisfaction – of stakeholder needs, Safety – of products and processes, Social acceptability – of the company and Sustainability – of its activities.

The Green Marketing Process



Importance of Green Marketing

- 1) Organizations perceive environmental marketing to be an opportunity that can be used to achieve its objectives.
- 2) Organizations believe they have a moral obligation to be more socially responsible.
- 3) Governmental bodies are forcing firms to become more responsible.
- 4) Competitors' environmental activities pressure firms to change their environmental marketing activities.
- 5) Cost factors associated with waste disposal, or reductions in material usage force firms to modify their behavior.

WHY FIRMS EMPHASIZING ON GREEN MARKETING?

Several suggested reasons for firms increased use of Green Marketing are:

- 1) Organizations perceive environmental marketing to be an opportunity that can be used to achieve its objectives
- 2) Organizations believe they have a moral obligation to be more socially responsible
- 3) Governmental bodies are forcing firms to become more responsible
- 4) Competitors' environmental activities pressure firms to change their environmental marketing activities
- 5) Cost factors associated with waste disposal, or reductions in material usage forces firms to modify their behavior.

CURRENT SCENARIO-INDIA

Eco-mark Scheme introduced by Government of India in 1981 was a major step towards the promotion of green marketing in the country. Eco-labels provide information regarding the environmental performance of products. The basic objective of eco-labeling is to provide authentication to genuine claims regarding the environmental impact of products and processes by manufacturers.

The Eco-mark Scheme of India has the following stated objectives:

- 1).To provide incentives to manufacturers and importers to reduce adverse environmental impact of products.
- 2) To assist consumers to become environmentally responsible in their daily lives by providing them information to take account of environmental factors in their daily lives.
- 3) To encourage citizens to purchase products which have less environmental impact.
- 4) To reward genuine initiatives by companies to reduce adverse environmental impact of products.
- 5) Ultimately to improve the quality of the environment and to encourage the sustainable management of resources.

Opportunities For Green MarketingIn India

In India, around 25 percent of the consumers prefer environmentalfriendly products and appears that all types of consumers, both individual and industrial are becoming more concerned and aware about the natural environment. Nowadays, firms marketing goods with environmental characteristics have realized a competitive advantage over firms marketing non-environmentally responsible alternatives. There are numerous example of firms who have strived to become more environmentally responsible, in an attempt to better satisfy their consumer needs. For Example the Surf Excel detergent whichsaves water (advertised with the message—"do bucket paani roz bachana") and the energysaving LG consumers durables are examples of green marketing.

SOCIAL RESPONSIBILITY Many firms are beginning to realize that they are members of the wider community and therefore must behave in an environmentally responsible fashion. This translates into firms that believe they must achieve environmental objectives as well as profit related objectives. This results in environmental issues being integrated into the firm's corporate culture.

Firms in this situation can take two perspectives:

- 1) They can use the fact that they are environmentally responsible as a marketing tool; or
- 2) They can become responsible without promoting this fact. The HSBC became the world's first bank to go carbon-neutral last year. Other examples include Coca-Cola, which has invested in various recycling activities. Walt Disney World in Florida, US, has an extensive waste management program and infrastructure in place.

GOVERNMENTAL PRESSURE Governmental regulations relating to environmental marketing are designed to protect consumers in several ways:

- 1) Reduce production of harmful goods or by-products;
- 2) Modify consumer and industry's use and/or consumption of harmful goods; or
- 3) Ensure that all types of consumers have the ability to evaluate the environmental composition of goods.

These governmental regulations are designed to control the amount of hazardous wastes produced by firms. Many by-products of production are controlled through the issuing of various environmental licenses, thus modifying organizational behavior. In some cases governments try to "induce" final consumers to become more responsible. For example, some governments have introduced voluntary curb-side recycling programs, making it easier for consumers to act responsibly. In other cases governments tax individuals who act in an irresponsible fashion. The Indian government too has developed a framework of legislations to reduce the production of harmful goods and by products. These reduce the industry's production and consumers' consumption of harmful goods, including those detrimental to the environment; for example, the ban of plastic bags in Mumbai, prohibition of smoking in public areas, etc.

COMPETITIVE PRESSURE Another major force in the environmental marketing area has been a firm's desire to maintain its competitive position. In many cases, firms observe competitors promoting their environmental behaviors and attempt to emulate this behavior. It is only in some instances that this competitive pressure causes an entire industry to modify and thus reduce its detrimental environmental behavior. For example, it could be argued that Xerox's "Revive 100% Recycled paper" was introduced a few years ago in an attempt to address the introduction of recycled photocopier paper by other manufacturers. In another example when one tuna manufacturer stopped using driftnets, the others followed suit. Many companies take up green marketing to maintain their competitive edge. The green marketing initiatives by niche companies such as Body Shop and Green & Black have prompted many mainline competitors to follow suit.

COST REDUCTION: Reduction of harmful waste may lead to substantial cost savings. Sometimes, many firms develop symbiotic relationship whereby the waste generated by one company is used by another as a cost-effective raw material. For example, the fly ash generated by thermal power plants, which would otherwise contribute to a gigantic quantum of solid waste, is used to manufacture fly ash bricks for construction purposes. Certain firms use green marketing to address cost/profit related issues.

PROBLEMS WITH GREEN MARKETING

- 1) The firms using green marketing must ensure that their activities are not misleading to consumers or industry, and do not breach any of the regulations or laws dealing with environmental marketing.
- 2) It is found that only 5% of the marketing messages from —Greenl campaigns are entirely true and there is a lack of standardization to authenticate these claims. There is no standardization to authenticate these claims.
- 3) 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.
- 4) The investors and corporate companies 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. It will require a lot of patience and no immediate results. The corporate should not expect huge benefit for implementing Green Marketing immediately.
- 5) Green marketing is focusing on customer benefits i.e. the primary reason why consumers buy certain products in the first place. If the green products are priced very high then again it will lose its market acceptability.(Marketing Myopia)

CHALLENGES IN GREEN MARKETING

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. There is no standardization to authenticate these claims. There is no standardization currently in place to certify a product as organic. 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 needs to be educated and made aware of the environmental threats. By India's ayurvedic heritage, Indian consumers do appreciate the importance of using natural and herbal beauty products. Indian consumer is exposed to healthy living lifestyles such as yoga and natural food consumption. In those aspects the consumer is already aware and will be inclined to accept the green products.

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.

Avoiding Green Myopia

The first rule of green marketing 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 customer satisfaction criteria. This will lead to green myopia.

II. GOLDEN RULES OF GREEN MARKETING

- 1) 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 didn't know what CFCs
- 2) 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.
- 3) 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.
- 4) 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.
- 5) 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.
- 6) 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.
- 7) THUS LEADING BRANDS SHOULD RECOGNIZE THAT CONSUMER EXPECTATIONS HAVE CHANGED:** It is not enough for a company 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

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