THE INITIATIVE OF GREEN MARKETING IN INDIA

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ABSTRACT

In the modern era of globalization, it has become a challenge to keep the customers as well as consumers in fold and even keep our natural environment safe and that is the biggest need of the time. Environmental pollution is a buzz word in today’s business environment. Consumers are also aware of the environmental issues like; global warming and the impact of environmental pollution. Green marketing is a phenomenon which has developed particular important in the modern market and has emerged as an important concept in India as in other parts of the developing and developed world, and is seen as an important strategy of facilitating sustainable development. In this research paper, main emphasis has been made of concept, need and importance of green marketing. Data has to be collected from multiple sources of evidence to understand the importance of green and sustainability management, in addition to books, journals, websites, and news papers. The Paper aims at finding out what actually Green Marketing is all about and how can a business firm be more competitive by using green marketing strategies to gain a competitive edge over others. It explores the main issues in adoption of green marketing practices. The paper describes the current Scenario of Indian market and explores the challenges and opportunities businesses have with green marketing. Why companies are adopting it and future of green marketing and concludes that green marketing is something that will continuously grow in both practice and demand

Key Words: green marketing, environmental pollution, global warming.
INTRODUCTION

Environmental issues have gained significance in business as well as in public life all over the world. Consumer Awareness towards Green Marketing 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 the world is concerned about this common threat of global warming. So in this climate of global concern, business 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 needs an understanding of public policy process. So we can say green marketing covers a broad range of activities.

3.1 What is Green Marketing?

Generally, a majority of people believe that green marketing refers solely to the promotion or advertising of products with features. Terms like Phosphate Free, Recyclable, Refillable, Ozone Friendly, and Environmentally Friendly are some of the things consumers most often relate with green marketing. 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. So, in other words Green marketing refers to the process of selling products and/or services which are based on their environmental benefits. Such a product or service may be environmentally friendly in it or produced and / or packaged in a way which is an environmentally friendly.

Other similar terms used are Environmental Marketing and Ecological Marketing. Thus "Green Marketing" refers to holistic marketing concept wherein the production, marketing consumption an disposal of products and services happen in a manner that is less detrimental to the environment with growing awareness about the implications of global warming, non-biodegradable solid waste, harmful impact of pollutants etc., both marketers and consumers are becoming increasingly sensitive to the need for switch in to green products and services. While the shift to "green" may appear to be expensive in the short term, it will definitely prove to be indispensable and advantageous, cost-wise too, in the long run.

Why Green Marketing?

There is growing interest among the consumers all over the world regarding the protection of the environment. Worldwide evidence indicates people are concerned about the environmental issues like rising pollution levels, soil degradation, quality of air and water etc. Consequently, green marketing has emerged which lauds for the growing market for sustainable and socially responsible products and services. Thus, the growing concern among the consumers all over the world regarding protection of the
Environment in which they live, they do want to bequeath a clean earth to their offspring. Thus, a green marketing is the need of an hour. Hence, we see that most of the consumers are becoming more conscious about environment-friendly products.

GREEN PRODUCTS AND ITS CHARACTERISTICS

The products those are manufactured through environmentally friendly or 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 to achieve sustainable development. We can define green products by following measures:

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

WHY ARE FIRMS USING GREEN MARKETING?

When looking through the literature there are several suggested reasons for firms increased use of Green Marketing. Five possible reasons cited are:

1. Organizations realize that environmental marketing to be an opportunity which can be used to achieve their objectives [Keller 1987, Shearer 1990];
2. Organizations now think 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 towards the environment [NAAG 1990];
4. Competitors' environmental activities pressure firms to change their environmental marketing Activities [NAAG 1990]; and
5. Cost factors related with waste disposal, or reductions in material usage forces firms to change their behaviour [Azzone and Manzini]

KEY ELEMENTS OF GREEN MARKETING

For green marketing to be effective, you have to do three things; be genuine, educate your customers, and give them the opportunity to participate.
1) **Being genuine** means that a) that you are actually doing what you claim to be doing in your green marketing campaign and b) that 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.

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) **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.

**The Four Ps of Green Marketing**

Like conventional marketers, green marketing also consists of four Ps but now these are addressed in innovative way.

**Product** - Marketers wanting to exploit emerging green market either:

1. Identify customers' environmental needs and develop products to address these needs; or Develop environmentally responsible products to have less impact than competitors.
2. The increasingly wide variety of products on the market that support sustainable development and are good for the triple bottom line include:
   3. Products made from recycled goods
   4. Products that can be recycled or reused.
   5. Efficient products, which can save water, energy or gasoline, save money and reduce Environmental impact.
   6. Products with environmental friendly packaging. McDonalds, for example, changed their packaging from polystyrene clamshells to paper.
   7. Products with green labels, as long as they offer substantiation.
   8. Organic products — many consumers are prepared to pay a premium for organic products, which offer promise of quality.
   9. A service that rents or loans products – such as toy libraries.
   10. Certified products, which meet or exceed environmentally responsible criteria.

**Price**

Pricing is an important element of the marketing mix. Most customers are prepared to pay a higher price if there is a perception of additional product value.
This additional value may be improved performance, function, design, visual appeal or taste of the product. Environmental benefits are usually an added bonus but will often be the deciding factor between products of equal value and quality.

Environmentally responsible products, however, are often less expensive when product life cycle costs are taken into consideration.

Place

The choice of where and when to make a product available has a significant impact on the customers being attracted. Very few customers go out of their way to buy green products merely for the sake of it. Marketers looking to successfully introduce new green products should, in most cases, position them broadly in the market place so they are not just appealing to a small green niche market.

The location must also be consistent with the image which a company wants to project. The location must differentiate a company from its competitors. This can be achieved by In-store promotions and visually appealing displays or using recycled materials to emphasize the environmental and other benefits.

Promotion

Promotion involves configuring the tools of promotion, such as advertising, marketing materials, signage, white papers, web sites, videos.

Smart green marketers will be able to reinforce environmental credibility by using sustainable marketing and communications tools and practices. For example, many companies in the financial industry are providing electronic statements by email, e-marketing is rapidly replacing more traditional marketing methods, and printed materials can be produced using recycled materials and efficient processes, such as waterless printing.

Retailers, for example, are recognizing the value of alliances with other companies, environmental groups and research organizations when promoting their environmental commitment. To reduce the use of plastic bags and promote their green commitment, some retailers sell shopping bags, under the banner of the Go Green Environment Fund.

The key to successful green marketing is credibility. Never overstate environmental claims or establish unrealistic expectations, and communicate simply and through sources that people trust.

To promote company’s green credentials and achievements. Let the customers to know about the green initiatives have taken by the company and its employees.

Enter environmental awards programs to profile Environmental credentials to customers and stakeholders.
GREEN MARKETING STRATEGIES TO EARN CONSUMER TRUST

The following five strategies give businesses steps to win their stakeholders' trust.

1. Walk your talk

- A visibly committed CEO. Only a chief executive with a clear vision can make environmental soundness a corporate priority and forge an emotional link between a company and its customers.
- Empower employees. Bring employees up to speed about climate change, clean technology and green consumer behaviour. Identify ways to get involved.
- Be proactive. It projects leadership and sends a message to investors that risks are minimized. Regulators are less likely to impose restrictions on companies whose actions transcend minimum standards. Proactive companies can help define those standards, and discover opportunities for cost-effective eco-solutions.

In 2005, HSBC became the first major bank to address climate change by becoming carbon neutral. By instigating an industry-leading carbon-management plan, HSBC gained the credibility to launch its Effie Award-winning "There's No Small Change" U.S. retail marketing program in spring 2007.

2. Be Transparent

Provide access to the details of products and corporate practices and actively report on progress.

- Get radical. Sustainability pathfinders such as Patagonia with its "Footprint Chronicles" are reporting with "radical Get a jump on competitors and regulators — and score points with consumers — by disclosing as much as possible.
- Don't hide bad news. Consumers get angry when they suspect that companies have hidden information.

3. Enlist the support of third parties

- Environmental product declarations. EPDs provide detailed, third-party-verified explanations of a product’s life-cycle impacts.
- Cause marketing and beyond. Best known as promotional efforts in which a business donates a portion of product revenue to a relevant non-profit, cause-related marketing can distinguish brands in a cluttered marketplace.

4. Promote responsible consumption throughout the life cycle

It’s one thing to design greener products, but minimizing their life-cycle impact requires responsible use and disposal.
Nearly all consumers (90 percent) agree that it's their responsibility to properly use and dispose of products, and 85 percent acknowledge the corporate role in providing such information.

Some companies attempt to design responsible consumption into their products, such as the dashboard device in Toyota's Prius that gives real-time information on fuel efficiency, and Tide Coldwater laundry detergent.

5. Focus on primary benefits

Eco-aware or not, consumers want to know how products can benefit them personally. Focusing on primary benefits in a story that incorporates environmental responsibility as a desirable extra is preferred. Does your product save consumers money? Ads for Sears' Kenmore HE5t Steam washer, which uses 77 percent less water and 81 percent less energy than older models, grabs readers with a promise: "You pay for the washer. It pays for the dryer."

ADOPTION BY FIRMS

Green Consumers has been widely adopted by the firms worldwide and the following are the possible reasons cited for this wide adoption:

OPPORTUNITIES:- As demands change, many firms see these changes as an opportunity to be exploited and have a competitive advantage over firms marketing non-environmentally responsible alternatives. Some examples of firms who have strived to become more environmentally responsible, in an attempt to better satisfy their consumer needs are:

- McDonald's replaced its clam shell packaging with waxed paper because of increased consumer concern relating to polystyrene production and Ozone depletion.
- Tuna manufacturers modified their fishing techniques because of the increased concern over driftnet fishing, and the resulting death of dolphins.
- Xerox introduced a "high quality" recycled photocopier paper in an attempt to satisfy the demands of firms for less environmentally harmful products.

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 thus resulting in environmental issues being integrated into the firm's corporate culture.

An example of a firm that does not promote its environmental initiatives is Coca-Cola which invested large sums of money in various recycling activities, as well as having modified their packaging to minimize its environmental impact. Another firm who is very environmentally responsible but does not promote this fact, at least outside the organization, is Walt Disney World (WDW) with an extensive waste management program and infrastructure.
GOVERNMENTAL PRESSURE - Governmental regulations relating to environmental marketing are designed to protect consumers through regulations designed to control the amount of hazardous wastes produced by firms by issuing of various environmental licenses, thus modifying organizational behavior. In some cases governments try to "induce" final consumers to become more responsible by taxing individuals who act in an irresponsible fashion. For example in Australia there is a higher gas tax associated with leaded petrol.

COMPETITIVE PRESSURE - Firms' desire to maintain their competitive position also forces them in the area of environmental marketing. In many cases firms observe competitors promoting their environmental behaviors and attempt to emulate this behavior. In some instances this 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 manufacture stopped using driftnets the others followed suit.

COST OR PROFIT ISSUES - Disposing of environmentally harmful by-products, such as polychlorinated biphenyl (PCB) contaminated oil are becoming increasingly costly and in some cases difficult. In minimizing wastes firms often develop more effective production processes that reduce the need for some raw materials thus serving as a double cost savings. In other cases firms attempt to find end-of-pipe solutions, instead of minimizing waste by trying to find markets or uses for their waste materials, where one firm's waste becomes another firm's input of production.

INITIATIVES TAKEN IN INDIA

✓ Introduction of CNG in Delhi-
New Delhi, capital of India, was being polluted at a very fast pace until Supreme Court of India forced a change to alternative fuels. In 2002, a directive was issued to completely adopt CNG in all public transport systems to curb pollution.

✓ ITC
ITC has been 'Carbon Positive' three years in a row (sequestering/storing twice the amount of CO2 than the Company emits). 'Water Positive' six years in a row (creating three times more Rainwater Harvesting potential than ITC's net consumption). Close to 100% solid waste recycling.

ITC’s Social and Farm Forestry initiative has greened over 80,000 hectares creating an estimated 35 million person days of employment among the disadvantaged. ITC's Watershed Development Initiative brings precious water to nearly 35,000 hectares of dry lands and moisture-stressed areas.
POLYTHENE FREE HIMACHAL: HIMACHAL GOVERNMENT

The ban on production, storage, use, sale and distribution of all types of polythene bags made of non-biodegradable materials was imposed on October 2, 2009. The government mobilised citizens, tourists and traders to switch over to jute, paper and cotton bags. It really worked fast as a series of public campaigns kept the pressure on polythene users to discard those carry bags.” Many states have followed the footsteps of Himachal Pradesh. It’s an example, perhaps in South Asia, when the state showed practical results of the ban. Collection of waste polythene, recycling and it send-use in the development schemes, especially road construction, to save the environment from its ill-effects. The time has come when the Centre should take the call and ban polythene. Himachal Pradesh polythene ban has finally won the coveted Prime Minister’s Award for Excellence in Public Administration, for the year 2009-10. The collection, recycling and end-use of waste polythene in road construction is going a long way in saving the environment of the hill state.

SUZLON ENERGY

The world’s fourth largest wind-turbine maker is among the greenest and best Indian companies in India. Tulsi Tanti, the visionary behind Suzlon, convinced the world that wind is the energy of the future and built his factory in Pondicherry to run entirely on wind power. Suzlon’s corporate building is the most energy-efficient building ever built in India.

Tamil Nadu Newsprint and Papers Limited (TNPL)

Adjudged the best performer in the 2009-2010 Green Business Survey, TNPL was awarded the Green Business Leadership Award in the Pulp and Paper Sector. The initiatives undertaken by this top green firm in India includes two Clean Development Mechanism projects and a wind farm project that helped generate 230323 Carbon Emission Reductions earning Rs.17.40 Crores.

Oil and Natural Gas Company (ONGC)

India’s largest oil producer, ONGC, is all set to lead the list of top green Indian companies with energy-efficient, green crematoriums that will soon replace the traditional wooden pyre across the country. ONGC’s Mokshada Green Cremation initiative will save 60 to 70% of wood and a fourth of the burning time per cremation.

IDEA Cellular

One of the best Indian companies, IDEA, paints India green with its national ‘Use Mobile, Save Paper’ campaign. The company had organized Green Pledge campaigns at Indian cities where thousands came forward and pledged to save paper and trees. IDEA has also set up bus shelters with potted plants and tendril climbers to convey the green message.
Challenges Ahead

- Green products require renewable and recyclable material, which is costly
- Requires a technology, which requires huge investment in R & D
- Water treatment technology, which is too costly
- Majority of the people are not aware of green products and their uses
- Majority of the consumers are not willing to pay a premium for green products

CONCLUSION

In a nutshell:
Green product development is more than just creating products that are environmentally Friendly, it is about systemic change in society that includes consumers, producers and the General commercial structure within which they negotiate by widening & deepening the meaning of green, relevant actors will have an economic incentive to pursue green product development. Harnessing the market forces that favour green product development will lead to mainstream green.

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