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Emerging Strategies of Green Marketing in India

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Abstract

Green marketing is environment friendly, sustainable and socially responsible. Green marketing covers the overall brand of marketing activities undertaken by companies in a manner that they promote manufacture of products which have a positive impact on environment or alternatively reduce negative impact on the environment. Today green marketing is a vital component of marketing research which began due to increasing media exposure and pressure on firms to present eco-friendly behaviour. The growth in green marketing over the years has been promoted by adoption of product packaging and presenting to the public these improvements. This paper examines the present trends of green marketing in India, describes the reason why companies are adopting it, future of green marketing and concludes that green marketing is something that will continuously grow in both practice and demand.

Keywords: Green Marketing, Green Products, Environment, Social Goals, Consumer Attitude.

Introduction

Green marketing refers to holistic marketing concept wherein the product, marketing consumption on 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 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.

Evolution of Green Marketing

The origins of the environmental movement can be traced back to different parts of the world throughout history. The environmentalist movement, at least in Europe, grew out of the reaction to the industrialization, growth of cities and poor air and water quality.

Green marketing was given dominance after the proceedings of the first workshop on Ecological marketing held in Austin, Texas (US), in 1975. The workshop released the first book on green marketing entitled "Ecological Marketing". Several books on green marketing began to be published thereafter.

Green marketing term was first discussed in a seminar on "Ecological Marketing" organized by American Marketing Association (AMA) in 1975 and took its place in the literature.

The term green marketing came into prominence in the late 1980s and early 1990s. The first wave of green marketing occurred in the 1980s. The tangible milestone for the first wave of green marketing came in the form of published books, both of which were called Green Marketing. They were by Ken Pattie (1992) in the United Kingdom and by Jacquelyn Ottman (1993) in the United States of America.

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 environmental problems and provide remedies for environmental problems.

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.

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Third phase was "Sustainable" green marketing. It came into prominence in the late 1990s and early 2000s 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.

Objectives

- a) To analyze the evolution of green marketing across the globe and with reference to India.
- b) To know the reasons why green marketing important in today business world.
- c) To analyze the benefits of having green marketing strategies of both company and consumers.
- d) To understand how the green marketing strategies are developed by different companies.

Reasons for Green Marketing

- Opportunities available and competitive advantage.
- Corporate social responsibility on the part of companies.
- Government regulations.
- Competition with other responsible companies.
- Goodwill of the company.
- Environment conscious consumers.
- For conserving scarce natural resources.

Advantages of Green Marketing

Companies that develop new and improved products and services with environment inputs in mind give themselves access to new markets, increase their profit sustainability and enjoy a competitive advantage over the companies that are not concerned for the environment.

- It ensures sustained long-term growth along with profitability.
- It saves money in the long run, although initial cost is more.
- It helps the companies to market their products and services keeping the environment aspects in mind. It helps in accessing the new markets and enjoying competitive advantage.
- Most of the employees also feel proud and responsible to be working for an environmentally responsible company.
- It promotes corporate social responsibility.

Challenges of Green Marketing

- ❖ Green products require renewable and recyclable material, which is costly.
- ❖ Problems of deceptive advertising and false claims.
- ❖ Requires a technology, which requires huge investments in research and development.
- ❖ 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.
- ❖ Educating customers about the advantages of green marketing.

Marketing strategies for green marketing

- ❖ Marketing audit (including internal and external situation analysis).
- ❖ Develop a marketing plan outlining strategies with regard to the four P's of marketing.
- ❖ Implementation of the marketing strategies.
- ❖ Proper review of results.

Concept of Marketing Mix in Green product

Product

- ✓ Eco friendly.
- ✓ Waste is minimized.
- ✓ Use of recycled and bio-degradable ingredients.
- ✓ Effective use of non-renewable energy sources.

Price

- ✓ Fixed on purchase power parity mode.
- ✓ Environmental conscious.

Promotion

- ✓ Commitment and responsibility towards society and environment are considered parts of promotional strategies.

Place

- ✓ Availability of products nearer to the consumers.
- ✓ Avoid shipping of the product from far away.
- ✓ Managing logistics to cut down on transportation emissions.
- ✓ Decentralization of producing units.

Characteristics of Green Companies

Firms contributing to conservation of environment through Biodiversity, producing environment friendly products, conservation of energy, water and natural resources, climate protection, maintenance of schools, roads, parks, providing assistance for upliftment of the rural sector and the underprivileged, and so on so forth.

- ✓ Use natural gas for boiler fuel.
- ✓ Recycle biodegradable waste.
- ✓ Minimum use of plastic material; use recyclable packaging materials.
- ✓ Use biomass and solar radiation as sources of renewable energy.
- ✓ Generate electricity from hydroelectric plants.
- ✓ Reduce toxic emissions, etc.

As per study about 25% of the Indian consumers in India consider environment friendly products to be safe for nature, 28% are concerned with safety to human health and happiness and protective to nature. With above figures, it can be assumed that firms which are marketing or thinking to market goods with environmental characteristics will have a competitive advantage over firms which are marketing non-environmentally responsible alternatives.

Companies Initiatives in Greenmarketing

Companies that develop new and improved products and services with environment inputs in mind give themselves access to new markets, increase their profit sustainability, and enjoy a competitive advantage over the companies which are not concerned for the environment. Many companies are adopting green for capturing market opportunity of green marketing some cases.

Agartala to be India's first Green City Tripura Sunday announced plans to make all public and private vehicles in Agartala run on compressed natural gas (CNG) by 2013, thus making the capital "India's first green city".

Amway claims that its products are environmentally friendly.

Apple has adopted the philosophy that going green streams. It recycles e-waste and also generates revenues.

Badarpur Thermal Power station of NTPC in Delhi is

devising ways to utilize coal-ash that has been a major source of air and water pollution.

Coca-Cola pumped syrup directly from tank instead of plastic which saved 68 million pound/year.

HCL Technologies is moving towards phasing out hazardous vinyl plastic and brominated flame retardants from its products. HCL's Environment Management Policy under HCL eco-Safe.

Hero Honda Motor's philosophy of continuous innovation in green products and solutions has enabled it to strike a balance between business, consumers and nature.

Honda India introduced its civic Hybrid car. However, initially it was unable to sell the same due to the high price. The price was reduced by 8 lakh, and within a day, 98 civic Hybrids were sold, which was more than what Honda had been able to sell during the previous five months since its launch.

IBM is selling green solutions to corporate data centers where energy constraints and costs are limiting their ability to grow, with the promise that the energy costs would be reduced by half.

Idea Cellular implemented its national campaign 'Use Mobile Save Paper'. The company organized Green Pledge campaigns to save paper and trees. Idea decorated bus shelters with potted plants and tendril climbers to communicate the green message.

Indian Oil's is engaged in the formulations of eco-friendly biodegradable lube formulations. The Centre has been certified under ISO-14000:1996 for environment management systems.

Indian railways have allowed its customers to carry PNR no. of their e-tickets on their laptop and cells, no need to carry printed version of tickets anymore.

IndusInd Bank installed the country's first solar-powered ATM and thus brought about an eco-savvy change in the Indian Banking sector.

Intel India taken up plantation and cultivation activities of socially responsible firms contributing to preservation of environment.

ITC has introduced paperkraft, a premium range of eco-friendly business paper. The company's social and farm forestry initiative has greened over 80000 hectares of arid land.

ITC conform to the best international standards of Environment, Health and Safety Management Systems in India.

Kirloskar Copeland Limited (KLC) claims to have recently introduced the eco-friendly R404A gas compressor.

Maruti and Hyundai have come up with LPG and CNG based variants for WagonR and Santro respectively.

Mahindra Group had launched project Mahindra Hariyali in which 1 million trees would be planted nation-wide by Mahindra employees and other stakeholders including customers, vendors and dealers.

New Surf Exel that produces lesser froth but is as effective as before, thus reducing water consumption.

Nokia's has taken the initiative to take back, recover useful materials and dispose of waste in a manner that causes least harm to the environment.

Oil and Natural Gas Corporation Ltd (ONGC) India's largest oil company has introduced energy-efficient Mokshada Green Crematorium, which saves 60 to 70% of wood and fourth of the burning time per cremation.

Philips Light's offer CFL.

Proctor and Gamble has introduced refills for its cleaners and detergents in Europe that comes in throwaway packs.

Reva India's very-own Bangalore-based company was the first in the world to commercially release an electric car. Reva is being sold in countries like UK, Ireland, Belgium, Spain, Cyprus, Greece and Norway.

Rickshaws A battery operated rickshaw, "E-rick", sponsored by a cellular services provider, promote eco-friendly transportation in the Delhi city.

Samsung offers a host of eco-friendly products. It was the first to launch eco-friendly mobile handsets (made of renewable materials) - W510 and F268- in India.

State Bank of India SBI is entered into green service known as "Green Channel Counter". 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.

Suzlon Energy manufactures and markets wind turbines, which provide an alternative source of energy based on wind power. This green initiative taken by the company is extremely important for reducing the carbon footprint.

Tamil Nadu Newsprint and Papers Limited (TNPL) recognition of two clean development mechanism projects implemented by the company generating biogas from biogases wash water, and using the same as a substitute for furnace oil.

Tata Metalikes Ltd (TML) has initiated the use of only sunlight during in its offices.

Tata Motors is setting up an eco-friendly showroom using natural building material for its flooring and energy efficient lights.

Taj Hotel Company Which runs the Taj chain, is in the process of creating eco rooms which will have energy efficient mini bars, organic bed linen and napkins made from recycled paper. But there won't be any carpets since chemicals are used to clean those.

Thyagaraja Stadium stands tall in the quiet residential colony behind the Capital's famous INA Market. This stadium has been constructed as per the green building concept with eco-friendly materials.

WiproInfoTech 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.

For better living in society and sustained economy, many other firms are contributing to conservation of environment directly and indirectly.

Conclusion

Green consumerism includes mainly "3R" like Reduce, Re-use and Recycle. Green marketing is a tool for protecting the environment for the future generation. It has a positive impact on environmental safety. Because of the growing concern of environmental protection, there is an emergence of a new market which is the green market. Now this is the right time to select "Green Marketing" globally. It will come with drastic change in the world of business if all nations will make strict roles because green marketing is essential to save world from pollution. With the threat of global warming looming large, it is extremely important that green marketing becomes the norm rather than an exception or just a fad. Finally, consumers, industrial buyers and suppliers need to pressurize effects on minimize the negative effects on the

environment-friendly. Green marketing assumes even more importance and relevance in developing countries like India.

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