

The Theoretical Study of Green Marketing in India: Emerging Opportunities and Challenges

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ABSTRACT

Green marketing is a phenomenon which has developed particular important in the modern market. Increasing awareness on the various environmental problems has led a shift in the way consumers go about their life. There has been a change in consumer attitudes towards a green lifestyle. Increasing mindfulness on the different ecological issues has driven a movement in the way customers approach their life. Individuals are effectively attempting to decrease their effect on nature. However, this is not widespread and is still evolving. As a result of this businesses have increased their rate of targeting consumers who are concerned about the environment. Environmental problem is the biggest problem and have to solve to survive in this world because of which it is important to implement the green marketing concept. India is one of those countries who have started to explore more about this concept. So, this paper also describes the challenges of adopting green marketing concept.

Keywords: Green Marketing, Environment, Green Products. Consumer; Marketer

I. INRODUCTION

Global warming, carbon credits, ozone depletion, environmental hazards, environment impact assessment have all become common terminology in the 21st century and it is an indication of environmentally conscious society. Society becomes more concerned about natural environment when ill effects of environmental degradation are experienced by the society. One of the reasons for this degradation is problems that arise out of mass production, mass consumption and mass marketing of environmentally irresponsible products. As a result business houses have begun to modify their behavior in an attempt to address these kinds of 'new' concerns of the society. Conventional marketing

involves selling products and services that satisfy consumer needs at affordable prices but green marketing has the additional challenge of defining 'what is green' and developing and selling products that the consumer will like.

II. OBJECTIVES OF THE STUDY

- To know the concept of green marketing.
- To know about the evolution of green marketing concept.
- To identify the importance and need of green marketing.
- To study the challenges and opportunities of green marketing.
- To know about green products introduced in India

Research Methodology

The research is theoretical in nature entirely depend on secondary data; it focuses on Literature review, News Papers, Journals, websites and the other reliable sources.

Review of Literature

Prothero, A. & Fitchett, J.A. (2000) argued that greater ecological enlightenment can be secured through capitalism by using the characteristics of commodity culture to further progress environmental goals. Marketing not only has the potential to contribute to the establishment of more sustainable forms of society but, as a principle agent in the operation and proliferation of commodity discourse, also has a considerable responsibility to do so.

Oyewole, P. (2001) in his paper presented a conceptual link among green marketing, environmental justice, and industrial ecology. It argues for greater awareness of environmental justice in the practice for green marketing. A research agenda is finally suggested to determine consumer's awareness of environmental justice, and their willingness to bear the costs associated with it.

Rowlands et al. (2002) emphasised on three things namely cost, public perception of environmental impact and environmental certification which should be considered by developers of green power product. A significant difference was found in this study regarding the willingness to pay a large premium for green power.

Karna, J., Hansen, E. & Juslin, H. (2003) interpreted that proactive marketers are the most genuine group in implementing environmental marketing voluntarily and seeking competitive advantage through environmental friendliness. The results also give evidence that green values, environmental marketing strategies, structures and functions are logically connected to each other as hypothesized according to the model of environmental marketing used to guide this study.

Sanjay K. Jain & Gurmeet Kaur (2004) in their study of environmentalism which had fast emerged as a worldwide phenomenon discussed business firms too have risen to the occasion and have started responding to environmental challenges by practicing green marketing strategies. Green consumerism has played a catalytic role in ushering corporate environmentalism and making business firms green marketing oriented. Based on the data collected through a field survey, the paper made an assessment of the extent of environmental awareness, attitudes and behaviour prevalent among consumers in India.

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Donaldson (2005) in his study realized in the Great Britain that in general the ecological attitude of consumers changed positively. This study reported the strong faith of consumers in the known commercial brands and in the feeble behaviour referring to the "green" claims, which was the main cause behind the consuming failure to interpret their concerns beyond the environment in their behavior.

Eraj & Martizaz (2006) defined that those individuals who have most value about ecological matters, they have a higher environmental knowledge. Those consumers who were aware of environmental problem tried to do something about to solve these problems.

Alsmadi (2007) while investigating the environmental behaviour of Jordanian consumers reveals a high level of environmental conscience. Unfortunately however this positive tendency and preference in the "green" products did not appear to have any effect on the final decision, obviously because these consumers had a stronger faith in the traditional products and a small confidence in the green statements. The above obstacles were further strengthened by the lack of environmental conscience by a lot of enterprises and the existence of a large scale of prices for the same product, many of which included an impetuous estimate of environmental responsibility.

Grant, (2007) Green marketing is a creative opportunity to innovate in ways that make a difference and at the same time achieve business success.

Brahma, M. & Dande, R. (2008), The Economic Times, Mumbai, had an article which stated that, Green Ventures India is a subsidiary of New York based asset management firm Green Ventures International. The latter recently announced a \$300 million India focused fund aimed at renewable energy products and supporting trading in carbon credits.

Gupta & Ogden (2009) stated that purchasing of green products depends on certain individual characteristics as like reference groups, trust in others, and success of green products and cost of cooperation to the individual. Green product success depends on consumer tendency and understanding of green marketers for individual factors to encourage the cooperation.

Kim & Chung (2011) found that Past experiences with organic personal care products also have an impact on purchase intention of such kind of products.

Park & Ha (2012) have found difference in pro environmental behaviour of green product purchaser and green product non-purchaser, and different psychological factors regarding the recycling. Purchasers have the different levels of attitudes, behavioural intention towards recycling & personal norms.

Evolution of Green Marketing

Green Marketing has been an important academic research topic since its inception. The concept of green marketing has been around at least since the first Earth Day in 1970 and later when the American Marketing Association organized workshop on Ecological Marketing in 1975. But the idea did not catch on until the 1980s, when rising public interest in the environment led to a demand for more green products and services. The evolution of green marketing involves 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.

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.

Meaning of Green Marketing

The American Marketing Association (AMA) held the first workshop on ecological marketing in 1975. It was the first time green marketing came into existence in the year 1980. AMA defines green marketing as the marketing of products that are presumed to be environmentally safe; it incorporates several activities such as product modification, changes to production processes, and packaging, advertising strategies and also increases awareness on compliance marketing amongst industries. Business Dictionary defines green marketing as promotional activities aimed at taking advantage of changing consumer attitude towards a brand. These changes are increasingly being influenced by a firm's policies and practices that affect the quality of the environment and reflect the level of its concern for the community. It can also be seen as the promotion of environmentally safe or beneficial products.

Need of Green Marketing

Issues like Global warming and depletion of ozone umbrella are the main for the healthy survival. Every person rich or poor would be interested in quality life with full of health and vigor and so would the corporate class. Financial gain and economic profit is the main aim of any corporate business. However, harm to environment cost by sustain business across the globe is realized now though off late. This sense is building corporate citizenship in the business class. So green marketing by the business class is still in the selfish anthropological perspective of long-term sustainable business and to please the consumer and obtain the license by the Governing body Industries in Asian countries are catching the need of green marketing from the developed countries but still there is a wide gap between their understanding and implementation.

- It helps in reducing the environmental damage.
- Improves the company image and sales of the product.
- Creates customer awareness about ecological problems.
- Makes customer enjoy the benefits of a product or service thereby also contributing to environmental benefits.
- Company's become more accountable for producing and marketing products without any bad effects on the environment.

Challenges in Green Marketing

In spite of the fact that an extensive number of firms are honing green promoting, it is not a simple employment as there are various issues which should be tended to while executing Green showcasing. The real difficulties which Green showcasing must be confronted are:

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➤ 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. 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 labeling and licensing.

➤ New Concept

Indian literate and urban consumer is getting more aware about the merits of Green products. However, it is still a new concept for the masses. The consumer needs to be educated and made aware of the environmental threats. The new green movements need to reach the masses and that will take a lot of time and effort. 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. It will require a lot of patience and no immediate results. 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 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 green in various aspects but does not pass the customer satisfaction criteria. This will lead to green myopia. In addition, if the green products are priced very high then again it will lose its market acceptability.

➤ Non Cooperation

The organizations honing Green showcasing need to endeavor hard in persuading the partners and numerous a times it might neglect to persuade them about the long haul advantages of Green advertising when contrasted with fleeting costs.

➤ Sustainability

Initially the benefits are low since renewable and recyclable items and green advances are more costly. Green showcasing will be fruitful just in long run. Consequently the business needs to anticipate long haul instead of transient methodology and plan for the same, in the meantime it ought to abstain from falling into bait of deceptive practices to make benefits in short term.

➤ Convincing Clients

The clients may not put stock in the association's system of Green promoting, the firm accordingly ought to guarantee that they embrace every single conceivable measure to persuade the client about their green item, the most ideal choice is by executing Eco-marking plans. Once in a while the clients may likewise not will to pay the additional cost for the items.

➤ **Cost Factor**

Green showcasing includes advertising of green for which a ton of cash must be spent on R&D programs for their advancement and resulting special projects which at last may prompt expanded expenses.

➤ **Unaware Customers**

Customers are unaware about products “Green Marketed” product and how they help in reducing the bad environmental effect.

➤ **Unwillingness of customers to pay a premium price**

Sometimes customer need to pay a little extra for a “Green Marketed” product and because of the price customers ignore it. Ex- The cost of a polythene bag is Re.1, and the cost of a biodegradable poly bag is Re.2.

Opportunity for Green Marketing in India

In India, around 25% of the consumers prefer environment friendly products, and around 28% may be considered health conscious. Therefore, green marketers have diversified to fairly sizeable segment of consumers to cater to.

➤ **Social Responsibility**

Many companies have started realizing that they must behave in an environment friendly fashion. They believe both in achieving environmental objectives as well as profit related objectives respecting the principle of Extended Producer Responsibility (EPR).

➤ **Governmental Pressure**

Various regulations are framed by the government to protect consumers and the society at large. 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 consumer's consumption of harmful goods, including those detrimental to the environment; for example, the ban of plastic bags, prohibition of smoking in public areas, etc.

➤ **Competitive Pressure**

Another major force in the environmental marketing area has been firms' desire to maintain their competitive position. In many cases firms observe competitors promoting their environmental behaviors and attempt to emulate this behavior. In some instances this competitive pressure has caused an entire industry to modify and thus reduce its detrimental environmental behavior.

➤ **Cost Reduction**

Reduction of harmful waste may lead to substantial cost savings. Sometimes, many firms develop a symbiotic relationship whereby the waste generated by one company is used by another as a cost-effective raw material.

Green Products in India

- Wipro Info tech (Green It) was India's first organization to dispatch environment benevolent PC peripherals.
- Samsung, was the first to dispatch eco benevolent versatile handsets (made of renewable materials) – W510 and F268-in India.
- Oil and Natural Gas Corporation Ltd. (ONGC), India's biggest oil organization, has presented vitality proficient Mokshada Green Crematorium, which spares 60% to 70% of wood and a fourth of the blazing time per incineration.

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- Reva, India's own special Bangalore based organization was the first on the planet to financially discharge an electric auto.
- Honda India presented its Civic Hybrid auto. ITC has presented Paper Kraft, a premium scope of eco-accommodating business paper.
- Indusland Bank introduced the nation's first sun based fueled ATM and in this manner realized an eco-savvy change in the Indian saving money segment.
- Suzlon Energy produces and markets wind turbines, which give an option wellspring of vitality in light of wind force. This green activity taken by the organization is critical for decreasing the carbon impression.

III. CONCLUSION

Green Marketing is still in the stage of childhood in the Indian companies. Lots of opportunities are available. 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 rules because green marketing is essential to save world from pollution. From the business point of view because a clever marketer is one who not only convinces the consumer, but also involves the consumer in marketing his product. Green marketing should not be considered as just one more approach to marketing, but has to be pursued with much greater vigor, as it has an environmental and social dimension to it.

With the threat of global warming, it is extremely important that green marketing becomes the norm rather than an exception or just a fad. Recycling of paper, metals, plastics, etc., in a safe and environmentally harmless manner should become much more systematized and universal. It has to become the general norm to use energy efficient lamps and other electrical goods. Indian market Customers too are ready to pay premium price for green products. One thing that is being reiterated is that the current consumption levels are too high and are unsustainable. Therefore there is a need for green marketing and a need for a shift in the consumer's behavior and attitude towards more environment friendly life styles.

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