

Green marketing: Concepts and implications for Indian Markets

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Abstract

The growing depletion of natural resources and environmental destruction has made the people worry about their health and their future generation's health. Environmentalists have been blaming industrial sectors as major contributor for depleting natural resources and environmental destruction. All this has led to emergence of concept of pollution free activity in almost all sectors. Thus came the concept of green marketing in picture. 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 marketing. This paper highlights the concept and origin of green marketing, strategies for green marketing, and green marketing implementation in India. This paper further explores the advantages and disadvantages of green marketing in India.

Keywords: green marketing, strategies, product modification, eco-friendly, environment friendly, environmental destruction.

Introduction

With changing time there has been shift in society's concern. With the passage of time consumers have become more aware about environmental concern due to its direct effects on their value of life by polluting air and water. As a result of which, businesses have begun the process of modifying their behaviour. In developed countries, consumers became ecologically conscious and started demanding environmental friendly products during 2013. Seeing the demands made by consumers in developed countries, producers had to turn green and had to start practising green marketing strategies. But in countries like India, there was no such concern in minds of consumers during those days but there was pressure being put by government and environmental lobbies which led to green activities by producers in India. Gradually, with passage of time, people in India too have become environmentally conscious and have started demanding eco-friendly products. As a result of which producers have started modifying their behaviour to have an edge over the market.

Origin and Concept of green marketing

The term "green" is indicative of purity. Green refers to purity in quality and fair or just in dealing. The term "GREEN MARKETING" describes an organizations effort at designing, promoting, pricing and distributing products that will not harm the environment.

According to 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 marketing.

The term "Green Marketing" became noticeable during late 1980s and early 1990s. The evolution of green marketing can be categorised into various phases-

1. Ecological phase – late 1980s marked the beginning of this phase. During this phase, the term 'green marketing' was newly introduced and discussed in the industry. The

concern here was to help solve environmental problems.

2. Environmental phase – early 1990s marked the beginning of this phase. During this phase, the focus was on introducing clean technology and recycling activities thereby leading to less wastage and less negative impact on environment.
3. Sustainable phase – late 1990s marked the beginning of this phase whereby companies claimed that they have switched to a more friendly approaches by bringing about changes in production process and sustainable marketing. Companies like McDonalds were praised for their environmental efforts during this phase.
4. Eco-friendliness or going green phase – marked during 2000, going green concept gained momentum between organisations and consumers and the reason stated in some of research papers for this is government regulation and closer scrutiny from environmental groups. Companies like McDonalds were praised for their environmental efforts during this phase.

Green Marketing is sometimes described as an activity which attempts to reduce the negative impact of existing products and production systems on environment. With the passage of time there have been up gradations in the meaning of this term. During 2010, green marketing was defined as the one dealing with a wide range of activities related to manufacturing process, product design, packaging, service delivery process and other areas.

Review of Literature

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Many firms have started realising that they are the members of the wider community i.e. society and therefore must behave in an environmentally responsible manner which has resulted into environmental issues being integrated into firm's corporate culture. Organizations like The Body Shop heavily promote the fact that they are environmentally responsible and sell products that are eco-friendly with minimal impact on environment.

"Green Products" can be defined as the "products which are non-toxic, made from recycled materials, minimally packaged and that has less of environmental impacts". These products can be also termed as ecological or environment friendly products. John Elkington, Julia Hailes and John Makeover in the book "The Green Consumers" wrote that green products should not:

- Threaten health of people or animals
- Harm environment at any phase of its life- manufacture, use or disposal
- Cause needless waste
- Include useless use of or cruelty to the animals
- Use materials obtained from endangered species or environment.

Polonsky, Green marketing is a very broad concept which just not includes the claims made by the firms. Firms need to take more responsibility of environment but this is not just the responsibility of firms but also that of consumers and industrial buyers. All the three need to integrate and ensure minimal impact on environment.

Proposed that with introduction of concept of green marketing, marketing specialists and consumers have faced several challenges due to various issues such as – lack of proper definition of the term green marketing, lack of clear relationship between cause and effect relationships in the matters affecting the environment.

Yazanifard, if the companies have to survive in the market then they need to go green in all aspects of their business as consumers now a days consumers wants to identify themselves with companies that are green and moreover, consumers are ready to pay premium for a greener lifestyle. Green marketing is no more just a environmental protection tool but also a marketing strategy.

A conceptual link among green marketing, environmental justice and industrial ecology was highlighted. It argues for greater awareness of environmental justice in the practice for green marketing. Further the research tried to identify how far consumers are ready to pay the cost associated with green marketing.

Study revealed that it is ultimately the consumers who are responsible for environmental problems. So, corporate should focus on creating awareness among consumers about the benefits of green products as compared to non-green products. Sweta Gupta, Deepak Singh, study revealed that promoting green products among consumers without making them aware about their benefits is the biggest challenge in front of them.

Strategies for green marketing

There are basically two types of strategies for green marketing- reactive and proactive strategies.

Under reactive strategy, firms respond to changes taking place in the environment i.e. firms respond when they are pushed to comply with changes taking place in the environment. This

strategy is also called compliance strategy and defensive strategy.

Under pro-active strategy, firms act before they are forced to respond to changes in external environment thereby creating new innovative opportunities in the environment. This strategy is also called aggressive strategy.

Some of the green strategies undertaken by various companies are as follows-

Green Packaging

Packaging that is non-biodegradable take up enormous amount of space in the landfills. Switching to biodegradable packaging provides an insight to customers of the company's commitment to "go green".

E-Newsletters

Many business houses have started offering monthly e-newsletters to their customers instead of newsletters. This had led to reduction in paper waste and printing cost thereby impacting the environment in positive sense.

Implementation of green marketing in India

As per, report approximately 2 million people die of air pollution globally. As per WHO's data from nearly 1,100 cities across 91 countries, elevated level of fine particle pollution, which could cause heart diseases, lung cancer, asthma and acute lower reparatory infections, are common across many urban areas, with some cities registering pollution levels 15 times as much as the WHO's guidelines. At present India is one of the most vibrant and largest economies in the world and is expected to continue to be so for the next two decades. The Indian economy has been growing between 7 to 8% a year and is likely to grow at same pace for the next two decades. India is likely to have a GDP of \$4 trillion and a population of 1.5 billion by 2030. This trend of growth is a good sign for the developing country like ours (India). However, India will be facing challenges with this trend of growth. Some of those challenges are raising demand and consumption of energy, rising greenhouse gas emissions, and curtailment of critical natural resources such as water and oil etc. Mounting economic and population growth globally has threatened the health of the planet with regard to ozone depletion, climate change, depletion of forest cover etc. All this has led to increasing awareness among consumers thereby leading to increasing demand for eco-friendly and organic products.

Green Marketing Companies in India

Some of the companies which have undertaken the responsibility of being green are-

Electronics sector

The consumer electronics sector does provide room for using green marketing to attract new customers and retain old ones. One such example is Hewlett-Packard promise to cut its global energy use by 20 percent. To fulfil its promise the Company announced plans to deliver energy-efficient products and services.

Use of CNG in Delhi

The level of pollution in the capital of India i.e. New Delhi was increasing at a very fast pace leading to ill-effects on health of citizens. To overcome this, Supreme Court of India announced

and made it stricter to change to alternative fuels in Delhi. As a result of which CNG was adopted in all public transport systems.

ITC

ITC has also made various efforts to protect the environment. Some of the efforts are-

- It has been able to completely recycle solid waste
- It had been able to create rainwater harvesting potential three times more than its net consumption.
- Its e-choupal is one of the world's largest rural digital infrastructure which has been providing benefit to over 4 million farming families.
- It has undertaken Sustainable Community Development initiatives like women empowerment, supplementary education.

Dvantages of Green Marketing

There are various advantages being offered by green marketing, some of them are listed below-

1. With green marketing practices, company is ensured of sustained long-run growth along with profitability.
2. Although initially the cost of green marketing is more but in long run it saves money.
3. Green marketing practices help company to explore new market and enjoy competitive edge.
4. Company following green marketing practices usually enjoy high goodwill and employees now a day's want to be part of such organisations.
5. Less of negative impact on environment and helps to keep the environment clean.
6. Going green lets the company enjoy the benefits of tax incentives and rebates.

Disadvantages of Green Marketing

Like two sides of a coin, there come both advantages and disadvantages to everything. Green marketing concept is also not free of disadvantages. Some of the disadvantages of green marketing are listed below-

1. It requires use of high-ended technology and to develop such technology huge investment needs to be made in research and development.
2. Green products require renewable and recyclable material which is usually costly.
3. Even if companies turn to green practices and offer green products, the majority of consumers are not willing to buy them due to the high premium involved.
4. People in most of rural areas are not aware about green products and their benefits.

Conclusion

The growing concern of protecting the environment for coming generations, people have stated demanding products that are less harmful. This concern has led to manufacturing of eco-friendly and environment friendly products as well as services. But going green is not an easy concept as the firms have to carry out research to find its suitability. This concept might seem to be unsuccessful in short run but in long run it is going to benefit the organisations pursuing it. If the companies want to have an edge over competitors, it should start thinking green. Although many companies have already been on path of being green yet there are some who haven't even thought of it. Companies

going green can get first mover advantage in their respective industries. From the above paper, we could conclude that people are increasingly becoming aware about green products and have started demanding them. This has been due to the various benefits of going green, the major being environment protection. But going green is not free of obstacles as there lay challenges in the path of success.

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