

## CONCEPTUAL DEVELOPMENT OF GREEN MARKETING IN INDIA

\* *Dr. Sarwade W.K., Former Head and Director, Department of Commerce and Management Science, Dr. B.A.M. University, Aurangabad*

\*\* *Dr. Milind Deshpande, Director, Sumanjali Nursing Hospital Aurangabad.*

### INTRODUCTION

According to the American Marketing Association, green marketing is the marketing of products that are presumed to be environmentally safe. In other word, Green Marketing is nothing but it is marketing of Eco-friendly product in the sense it is marketing of pollution free products.

Yes, green marketing is a golden goose. As per Mr. J. Polonsky, green marketing can be defined as, "All activities designed to generate and facilitate any exchange intended to satisfy human needs or wants such that satisfying of these needs and wants occur with minimal detrimental input on the national environment."

Green marketing also called environmental marketing/ecological marketing consists of all activities designed to generate and facilitate any exchanges intended to satisfy human needs and want such that the satisfaction of these needs and want occurs, with minimal detrimental impact on the natural environment. Green marketing involves developing and promoting products and services that satisfy customers want and need for Quality, Performance, Affordable Pricing and Convenience without having a detrimental input on the environment.

### EVOLUTION OF GREEN MARKETING

- ❖ The green marketing has evolved over a period of time.
- ❖ 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 environment 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.

### CHARACTERISTICS OF GREEN MARKETING

- ❖ Products those are originally grown.
- ❖ Products those are recyclable, reusable and biodegradable.
- ❖ Products with natural ingredients, Products containing recycled contents, non-toxic Chemical.
- ❖ Products contents under approved chemical.
- ❖ Products that do not harm or pollute the environment

### WHY 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 which are not concerned for the environment. There are basically five reasons for which a marketer should go for the adoption of green marketing.

They are:

- a) Opportunities or competitive advantage
- b) Corporate social responsibilities (CSR)
- c) Government pressure
- d) Competitive pressure
- e) Cost or profit issues

### **ECOMARK**

To increase consumer awareness, the Government of India launched the eco-labeling scheme known as 'Ecomark' in 1991 for easy identification of environment-friendly products.

Any product which is made, used or disposed of in a way that significantly reduces the harm it would otherwise cause the environment could be considered as Environment-Friendly Product

### **CERTIFICATION**

Besides 'Ecomark' label which certifies products as environmental friendly companies can also go for ISO 14000 Certification i.e. to reflect their environment management system.

**ISO 14000** consists of worldwide standards for environmental quality and green marketing practices developed by the International Standards Organization (ISO)

### **OBJECTIVES OF THE STUDY**

- ❖ To understand the role of MNCs towards caring the green environment and measures taken for Green Products & Services.
- ❖ To understand the Green strategies opted by MNCs for betterment of environment.
- ❖ To analyse the role of Government policies & organisations towards the Green environment.
- ❖ To examine the need and significance of green marketing.

### **RESEARCH METHODOLOGY**

The research is exploratory in nature; it focuses on Literature review, News Papers, Journals and the other reliable sources.

### **REVIEW OF LITERATURE**

- ❖ Organizations perceive environmental marketing to be an opportunity that can be used to achieve its objectives [Keller 1987, Shearer 1990];
- ❖ Organizations believe they have a moral obligation to be more socially responsible [Davis 1992, Freeman and Liedtka 1991, Keller 1987, McIntosh 1990, Shearer 1990];
- ❖ Governmental bodies are forcing firms to become more responsible [NAAG 1990];
- ❖ Competitors' environmental activities pressure firms to change their environmental marketing activities [NAAG 1990]; and
- ❖ Cost factors associated with waste disposal, or reductions in material usage forces firms to modify. Their behavior [Azzone and Manzini 1994].

\* Consumers are increasingly putting plastic shopping bags and non-green wrapping items on their naughty list, according to Deloitte's 2008 Annual Holiday Survey. Nearly half of the 13,000 consumers polled said they'd be willing to pay more for green gifts. This was up from 17 percent last year.

\* Consumers perceive themselves as being environmentally responsible. Successful green marketing requires matching a company's brand attributes with its customers' identity as "green." An article suggested examining green marketing from the perspective of the 4 P's of marketing -- product, price, placement and promotion -- plus a 5th P, "prove it."

\* Americans are quick to identify polluting companies as "socially irresponsible" and make their purchasing decisions accordingly, says a new survey. The poll also found that American consumers between the ages of 18-29 are more likely to spend more on organic, environmentally preferable or fair trade products than other age groups.

\* The survey, by the research firm Global Market Insite, quizzed more than 15,000 online consumers in the U.S. and 16 other countries about their socially conscious business practices.

\* Americans placed the highest value on corporate community involvement; when asked what factor was the most important in determining if a business is socially responsible, "contributing to the community" (e.g. sponsorship, grants, employee volunteer programs) came in highest with 47%. On the other hand, all of the other countries surveyed (India, Canada, Australia, Germany, China, and Japan) selected environmentally preferable practices (recycling, using biodegradable products) as the top factor.

\* "In the high-tech era where employees are expected to work 24/7, it's significant that Americans rate giving back to the community as their top priority in recognizing socially responsible companies," said Marjorie Thompson, co-author of Brand Spirit: How Cause Related Marketing Builds Brands. "It shows that people want to feel connected to each other and that they are willing to reward businesses who tap into this sense of mutual support and belonging. Companies will need to start thinking of their community programs as core to their businesses and brands, and central to how they market themselves."

### **ADVANTAGES OF GREEN MARKETING**

- ❖ It ensures sustained long term growth along with profitability.
- ❖ It saves money in the long run, though initially the cost is more.
- ❖ It helps the companies market their products and services keeping the environment aspects in mind.
- ❖ Most of the employees also feel proud and responsible to be working for an environmentally responsible company.

### **GO GREEN PROBLEMS**

- ❖ Cost of Going Green is high.
- ❖ Environmental Regulations
- ❖ What about the Problems of MethylIsocyanide
- ❖ Problems of Corporate – Green Belt
- ❖ Industry VS Government
- ❖ Industrial Growth or Green Growth

- ❖ Environmental clearance Vs Industry
- ❖ We need transparent, consistent and nodal points to resolve the cases pertaining to it.

### GREEN PRACTICES

- ❖ The ITC Green Centre in Gurgaon, the headquarters of ITC's Hotels Business is the physical expression of this **commitment to sustainability - Ecological, Social and Economic**. This building is one of the world's largest green buildings with space of over 170,000 square feet and the first non-commercial complex in the country to be awarded the United States Green Building Council-Leadership in Energy and Environmental Design's (USGBC-LEED) platinum rating - the highest in the order.
- ❖ Philips has also developed low-cost water-purification technology and a smokeless wood-burning stove that could reduce the 1.6 million deaths annually worldwide from pulmonary diseases linked to cooking smoke.
- ❖ Automobile Companies –Maruti –Recycling Water
- ❖ Automobile Companies –Focus on Green Car energy Efficient etc (The Toyota Prius, the gas-electric hybrid vehicle that achieves about 44 miles per gallon of gasoline.
- ❖ Xerox introduced a "high quality" recycled photocopier.
- ❖ FMCG Companies like P& G , HUL
- ❖ Eco-Tourism –Awareness, use of bicycles, CFL etc
- ❖ Carbon footprints -TESCO
- ❖ Delhi Metro plays a vital role
- ❖ Role of Govt in compulsory CNG for Public transport

### BENEFITS OF GREEN MARKETING

- Invention of new products & services.
- Increase their profit sustainability, and
- Enjoy a competitive advantage over the companies which are not concerned for the environment.

### CHALLENGES BEFORE GREEN MARKETING

- New Concept
- Patience and Perseverance
- green products are priced very high then again it will lose its market acceptability
- Need to make customer awareness.
- 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.

### 10 WAYS TO GO GREEN

1. UNPLUG WHEN NOT IN USE
2. USE LESS WATER-EVERY DROP COUNTS

3. SWITCH TO COMPACT FLOUROSCENT LIGHT BULBS
4. CHOOSE PRODUCTS WITH LESS PACKAGING
5. BUY ORGANIC AND LOCAL FOOD
6. DRIVE LESS ,THAT SAVE FUEL
7. WALK MORE
8. RECYCLE MORE-REDUCE RECYCLE REUSE
9. SWITCH TO GREEN POWER –USE NON CONVENTIONAL ENERGY LIKE SOLAR POWER ETC.
10. SPREAD THE WORD ABOUT GREEN—LIVE GREEN, STAY GREEN

### LEGISLATION IN INDIA

The product manufacturer must produce the consent clearance as per the provisions of

- Water (Prevention and Control of Pollution) Act 1974
- Air (Prevention and Control of Pollution) Act 1981
- Water (Prevention and Control of Pollution) Cess Act, 1977
- Environment (Protection) Act, 1986
- Noise Pollution(Regulation and Control)Rules,2000
- The rules made there-under to BIS while applying for Ecomark. The Bureau of Indian Standards to assess and certify the products

### GREEN MARKETING INITIATIVES IN INDIA

- ❖ In 1991, Govt. of India started a voluntary scheme to label products as “Environmental Friendly”.
- ❖ However by 1999, Govt. of India created Ministry of Environment & Forests and established Central Pollution Control Board to look in for environmental friendly products by setting Ecomark technical committee.

### DOES GREEN MARKETING PAY??

NO!!!!

- ❖ 41% of consumers say they don't buy green products because they fear the products won't work as well
- ❖ Only 29% of shoppers have recently bought a product because it was “green” *As an example:*
  1. 70% of baby food buyers prefer the convenience of plastic to glass jars
  2. while recycling rates of plastic soda bottles are about 1/3 of 1995 rates
  3. and the number of single serve bottles on shelves has more then doubled to 18 billion in 2000

### CONCLUSIONs

- *Many consumers are in favor of eco-friendly products .This has created some impact on marketing.*

- Green marketing refers to the process of selling products or services based on their environmental benefits. Such a product or service may be environmentally friendly in it or produced or packaged in an environmentally friendly way.
- Many manufacturers have recognized environmental concerns as a source of competitive advantage and have developed products with a green image
- Macdonald's have stopped packaging their hamburgers etc in polystyrene containers and now use cardboards which come from a renewable resource and is biodegradable or recyclable.

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 vitality, as it has an environmental and social dimension to it. With the threat of global warming alarming large, it is extremely important that green marketing becomes the norm rather than an exception or just a fad. Marketers also have the responsibility to make the consumers understand the need for and benefits of green products as compared to non-green ones. In green marketing, consumers are willing to pay more to maintain a cleaner and greener environment. Finally, consumers, industrial buyers and suppliers need to pressurize effects on minimize the negative effects on the environment-friendly.

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