

GREEN MARKETING: STRATEGIES AND CHALLENGES WITH REFERENCE TO INDIAN MARKET

SM Zulaikha Fatima* & Dr. Charu Bisaria**

*Research scholar, Amity University, Lucknow.

**Assistant professor, Amity University, Lucknow.

ABSTRACT

The concern about natural environment has forced the businesses to modify their processes in order to address the new issues of the society. Increased attention of customers towards natural environment has changed their behavioral pattern. Green marketing plays a significant role in promoting and reinforcing the objective of building sustainable development and environment protection both for the customers as well as the companies. Awareness about various environmental problems has changed the attitude of customers towards green lifestyle. This has given the organizations an opportunity to exploit their potential in green marketing industry for gaining an edge in the competitive market. Green marketing is a phenomenon of producing those goods and services that satisfies the customer's needs and do not have the detrimental impact on the environment. The concept of green marketing has become very important in the modern market as it is seen as an inevitable tool in building sustainable development. Various literatures have been reviewed from various sources like books, websites, journals and newspaper in order to understand the significance of green marketing. This paper attempts to examine the present scenario and potential of green marketing in India and evaluates the strategies and challenges faced by the companies. Solutions to handle various social and environmental problems in India and reasons for companies to venture into green marketing have also been discussed in this paper.

Keywords: environmental issues, green marketing, green products, sustainable development.

INTRODUCTION

Green marketing is an attempt to provide environmentally safe products to the customers. Businesses started focusing on green marketing in early 1980s in Europe when they found that certain products are harmful for our environment. Industrialization, development of cities, air pollution and poor quality of water resulted in the environmentalist movement in Europe. In 1975, a workshop on Ecological Marketing held in Austin gave impetus to green marketing. In India, since people have become more concerned about their natural environment there has been an attempt to address the environmental issues by the businesses. They have incorporated various concepts like waste minimization, environmental management systems in their organizational activities. Now-a-days, consumers as well as marketers are becoming more conscious about meeting the strict environmental standards which can be traced by the increased demand for green goods and services. This has resulted into the emergence of green marketing. According to American Marketing Association "Green marketing is the marketing of products presumed to be environmentally safe, 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". It implies

- Producing and offering those goods to the customers that are not harmful to them as well as to the environment.

- Providing goods and services to the customers that satisfies their needs and wants and at the same time does not degrade the environment.
- Development and implementation of policies that do not have any detrimental effect in present as well as in future on the environment

During past decade companies have realized the need to sell environment friendly products and services to the customers. According to a study 25% customers in India prefer environment friendly products which have given the green marketers an opportunity to target this segment as well. Therefore, companies not only believe in achieving the goal of earning maximum profit objectives but also the environmental objectives. Green marketing mainly focuses on the significance, impact, competitiveness & performance and improved effectiveness of green marketing in the firms. Government of India has also framed regulations regarding the production of harmful products and by-products which had a positive effect on the consumer as well as the environment. This is evident by the ban of plastic bags and prohibition of smoking at public places.

LITERATURE REVIEW

Kilbourne, W.E. (1998) identified economic, political and technological areas must be studied in order to know their effect in marketing/environment relationship. He also discussed about the failure of green marketing in moving beyond the current paradigm.

Karna, J, Hansen, E, Juslin, H (2003) illustrated that proactive marketers are the real group of people who implements the environmental marketing strategies and tries to achieve the competitive advantage. They concluded that green values, structures and functions and environmental marketing strategies are interconnected.

Sanjay K. Jain and Gurmeet kaur (2004) discussed that companies have started to practice the green marketing strategies in order to face the environmental challenge. Green consumerism gave impetus to corporate environmentalism and building firms that are green marketing oriented. The assessment has been done on the extent of environmental awareness, attitudes and behavior among customers in India in their paper.

Donaldson (2005) explained the strong faith of consumers in the known commercial brands and in the feeble behavior referring to the "green" claims, which was the main cause behind the failure of consumption for interpreting their concerns in their behavior beyond the environment.

Unruh, G. And Ettenson, R. (2010) have introduced three strategies namely accentuate (including existing or latent green attributes in the current portfolio), acquire (buy green brand of someone else) and architect (producing green products themselves) which can be used by the companies for aligning their green goals with their capabilities.

OBJECTIVES

This paper aimed to achieve the following objectives:

1. To study the present scenario and potential of green marketing in India
2. To understand the strategy required for the successful green marketing in India.
3. To study the challenges of green marketing faced by the companies in India.

RESEARCH METHODOLOGY

In order to achieve the above mentioned objectives exploratory research is used and various literatures have been reviewed from various sources like books, websites, journals and newspapers and other reliable sources for the purpose.

SIGNIFICANCE OF GREEN MARKETING

Green marketing plays an important for firms as well as for consumers. It offers businesses not only the bottom line incentives but also the top line growth possibilities. Though high costs are involved in modification of production processes but the companies in long run will save money. For example, cost incurred in installing the solar energy systems in the company is high but it is an investment by the company for saving energy cost in future. Companies get easy access to new markets with increased profits when they produce new and improved green products as compared to those companies that do not produce these products. The challenge in front of the companies is to produce goods and services that not only satisfies the customers but also keeps the environment safe. Customers are becoming more aware and conscious about the environment degradation therefore the demand for green products has increased drastically in India. There is a great possibility of losing the loyal/profitable customers because of absence green management. It is important to implement the green marketing for building good public image and overall growth and development of the business. Global warming, environment protection etc are the burning issues on which many regulations have been made by the government which has made the companies to adopt the green marketing before it gets too late to survive in the greener world.

CURRENT INDIAN SCENERIO It has been analyzed by many analyst that green sector in 2011 has proved to be successful for many businesses in innovation and service but some have left behind due to the increasing competition in this sector. It is important for the businesses to keep track of the challenges and opportunities for getting success. For understanding the current Indian scenario for greenmarketing it is important to see it from different perspective. (Producers, Consumers and Government According to Greenpeace guide to greener electronics, Wipro has been rated at number 1 position for increasing its use of renewable energy and reducing greenhouse gas emissions in India. Top 10 ecofriendly companies are Wipro, Suzlon energy, ITC, HCL technologies, TCS, Oil and Natural Gas Company, Idea Cellular, IndusInd Bank, Tamil Nadu Newsprint And Papers Ltd., Tata Metaliks Ltd. (TML). For long term success companies has to be greener and consumer friendly. Indian consumers have the belief that developing countries should focus on green innovations compared to developed countries. Among the green issues deforestation and air pollution are the most important issues that India focused. According to a study increasing concern about the environment by the customers has translated into their willingness to pay more for green products. Also customers in India as compared to other countries has more trust in green advertising which have helped them in selecting green products for themselves.

Government of India has taken a step towards promoting green marketing by banning plastic bags, helping in development of electric vehicles, promoting green buildings, alternative use of energy by the companies etc. The main focus of the government is to adopt those policies that protect the consumer interest by reducing the manufacturing of goods that are harmful to consumers as well as to the environment and society at large.

STRATEGIES FOR GREEN MARKETING

It is important for the organizations (government, businesses and nonprofit organizations) to understand the needs of its target market for delivering satisfaction desired by the customers that as a whole enhances the wellbeing of the society. Companies are expected to develop the environment friendly

products. Green marketing involves the promotion of green products that will help the society in long run. Four P's can be used as the basic strategy for green marketing. Companies should adopt this strategy for getting successful in adopting a path towards greenness. Four P's are discussed below in new perspective of changed scenario.

PRODUCT

Emerging green market can be exploited by the companies by identifying the environmental needs of the customers or by manufacturing ecofriendly products in order to give stiff competition to their competitors. It is very important for the companies to understand the product, service and quality expectation of the customers. Points that should be kept in mind while manufacturing are product recycling, environment friendly packaging, green labels on products, products that are certified environment friendly. This will help in achieving the environmental objectives as well as profit objectives of the firm.

PRICE

Pricing is one of the most important elements of marketing mix. Customers are willing to pay more for a product if they get additional product value like better performance, design, visual appeal, nature and taste. Companies should focus on environmentally responsible products as they have the added environmental benefits which are the deciding factor between the product of equal value and quality.

PLACE

For attracting the attention of the customers towards green products it is very important to decide when and where the product should be sold because just for the sake of buying the green products customers will not go out of his way. Therefore, it is important for the marketers to introduce their green products in such a market where customers have the broad access to varieties of products and it should not appeal to a small green niche market. The location chosen should be such which differentiate the marketers from its competitors so that companies become successful in creating the image that company wants to portray. For achieving this, companies should do promotions for green products inside and outside the store in such a manner that appeal the customers and at the same time educate them about eco- friendly products and emphasize its environmental and other benefits.

PROMOTION

Advertising, sales promotion, Public relation, Direct marketing and On-site promotions are the methods by which a marketers usually promote their products. Sustainable marketing and communications tools can be used by the green marketers in order to reinforce environmental credibility. For example, for promoting the environmental commitment many retailers are recognizing the value of alliances with environmental groups, research organizations. Retailers have started to sell shopping bags for promoting their green commitment. It is very important for companies to promote their green credentials (like environmental award programs) and commitments to become successful.

CHALLENGES

It is not easy for firms to practice green marketing as they find many problems in its implementation. Following are the challenges faced by green marketers:

NEW IDEA

The idea of green marketing is still new to most of the people. Consumer in the urban areas and educated people has become more conscious about the green products. But customers in the rural areas still not at par when it comes to green products. This customer segment also needs to be educated about environmental threats. Lot of time and efforts are required to make this green movement successful.

R&D PROGRAMMES

Marketing of green products, technologies, energy etc. requires lot of expenditure that has to be done on R&D programmes. There are two alternatives available i.e. either the technology will be imported or it has to be made in the country for successful production of green products. If it has to be imported lot of cost will be involved and if it has to be made, lot of money has to be spent on R&D programmes. Therefore, company faces cost as well as R&D challenge in the development and promotional programs of green marketing.

LACK OF STANDARDIZATION

There is lack of standardization in certifying the product as green. Since there is no verifiable means to this therefore, there is a need for involving regulatory authorities in providing certifications. Standard quality control boards need to be in place for such licensing and labeling.

TIME INVOLVED

Green marketing is a long term investment opportunity therefore the marketers, investors and corporate has to be patient as it will not give them immediate results. The idea of green marketing will take time for acceptance.

ACCEPTABILITY

‘Customer is the King’ is the first rule of any business. There is no use of manufacturing the products if it does not satisfy the customer. Companies should motivate its customers to buy green products. There is a challenge in front of marketers of offering green products at cheap prices thus lowering their profit margins. Hence, market acceptability for green products will not be there if they are priced high.

CONCLUSION

Green marketing will have a positive impact in long run but it is very difficult to adopt in short run. Green marketing is still at its initial stage in India. Indian market has lots of opportunities that will help in the success of green movement in India. Customers have become more aware and conscious about green products and they are ready to pay extra for buying these products. This points out at the change in consumer behavior which has forced the businesses to think about the harmful impact that their companies are creating on the natural environment. The fact that organizations cannot survive without the adopting green marketing into their core strategies has made them conscious too about the natural environment.

REFERENCES

- Kilbourne, W.E. (1998). Green Marketing: A Theoretical Perspective. *Journal of Marketing Management*, 14(6), July, pp. 641-656
- Karna, J., Hansen, E. & Juslin, H. (2003). Social Responsibility in Environmental Marketing Planning. *European Journal of Marketing*, 37(5/6), pp. 848-873.
- Sanjay K. Jain & Gurmeet kaur (2004), Green Marketing: An Attitudinal and Behavioural Analysis of Indian Consumers, *Global Business Review*, Vol.5 no. 2 187-205
- Unruh, G. And Ettenson, R. (2010, June). Growing Green; Three smart paths to developing sustainable products. *Harvard Business Review*. Vol. 5(6). Boston.
- Donaldson, R. H. (2005), —Green brands, *NZ Marketing Magazine*, 24(8), 14–17
- Jacquelyn A. Ottman, Edwin R. Stafford, and Cathy L. Hartman, Green marketing, myopia, *Environment*. Volume 48, Number 5, pages 22—36.
- <http://timesofindia.indiatimes.com/home/environment/global-warming/5-Indian-companies-in-global-A-list-of-green-firms/articleshow/44831606.cms>
- <http://www.businessworld.in>