



Promising Opportunities and Challenges in Green Marketing – A Study on Indian Scenario

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KEYWORDS

Introduction

Even though ecological issues persuade all individual activities, few academic disciplines have integrated green issues into their literature. As society becomes more concerned with the natural environment, businesses have begun to modify their behavior in an attempt to address society's "new" concerns. Both marketers and consumers are becoming increasingly sensitive to the need for switch in to green products and services. While the shift to "green" may appear to be expensive in the short term, it will definitely prove to be indispensable and advantageous, cost-wise too, in the long run. One of the biggest problems with the green marketing area is that there has been little attempt to academically examine environmental or green marketing. This paper presents the Opportunities and Challenges in Green Marketing. It also discusses concept of green marketing and need of going green.

GREEN MARKETING

According to the American Marketing Association, green marketing is the marketing of products that are presumed to be environmentally safe. Green marketing incorporates a broad range of activities, including product modification, changes to the production process, packaging changes, as well as modifying advertising. Other similar terms used are Environmental Marketing and Ecological Marketing. Thus "Green Marketing" refers to holistic marketing concept wherein the production, marketing consumption and 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.,

NEED FOR GREEN MARKETING

There is growing interest among the consumers all over the world regarding protection of environment. Worldwide evidence indicates people are concerned about the environment and are changing their behaviour. As a result of this, green marketing has emerged which speaks for growing market for sustainable and socially responsible products and services.

Various studies by environmentalists indicate that people are concerned about the environment and are changing their behaviour pattern so as to be less hostile towards it. Now we see that most of the consumers, both individual and industrial, are becoming more concerned about environment-friendly products. Most of them feel that environment-friendly products are safe to use. As a result, green marketing has emerged, which aims at marketing sustainable and socially-responsible products and services. Now is the era of recyclable, non-toxic and environment-friendly goods. This has become the new mantra for marketers to satisfy the needs of consumers and earn better profits.

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 pro-

vide 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. Many global players in diverse businesses are now successfully implementing green marketing practices.

OPPORTUNITIES OF GREEN MARKETING

Most of the companies are venturing into green marketing because of the following:

1. Opportunity

In India, around 25% of the consumers prefer environmental-friendly products, and around 28% may be considered healthy conscious. Therefore, green marketers have diverse and fairly sizeable segments to cater to.

2. 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. The HSBC became the world's first bank to go carbon-neutral last year.

3. Governmental force

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 consumers' consumption of harmful goods, including those detrimental to the environment; for example, the ban of plastic bags in Mumbai, prohibition of smoking in public areas, etc.

4. Competitive heaviness

Many companies take up green marketing to maintain their competitive edge. The green marketing initiatives by niche companies such as Body Shop and Green & Black have prompted many mainline competitors to follow suit.

5. Cost Reduction

Reduction of harmful waste may lead to substantial cost savings. Sometimes, many firms develop symbiotic relationship whereby the waste generated by one company is used by another as a cost-effective raw material. For example, the fly ash generated by thermal power plants, which would otherwise contribute to a gigantic quantum of solid waste, is used to manufacture fly ash bricks for construction purposes.

CHALLENGES OF GREEN MARKETING

Many organizations want to turn green, as an increasing number of consumers' want to associate themselves with environmental-friendly products. Alongside, one also witnesses confusion among the consumers regarding the products. In particular, one often finds distrust regarding the credibility of green products. Therefore, to ensure consumer confidence,

marketers of green products need to be much more transparent, and refrain from breaching any law or standards relating to products or business practices. There are numerous challenges in the field of green marketing. Some of the major hurdles are as following:

1. Necessitate for homogeny

It is found that very less percentage 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.

2. Innovative impression

Indian literate and urban consumer is getting more aware about the merits of Green products. But 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 them asses and that will take a lot of time and effort. In those aspects the consumer is already aware and will be inclined to accept the green products.

3. Fortitude and determination

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.

4. Avoiding over emphasis on Green Marketing

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 absolutely green in various aspects but does not pass the customer satisfaction criteria. This will lead to green myopia. Also if the green products are priced very high then again it will lose its market acceptability.

5. Green Labels

In spite of its growing popularity, the green marketing movement faced serious setbacks in the late 1980s because many industries made false claims about their products and services without environmental labeling standards, consumers could not tell which products and services were truly beneficial. Consumers ended up paying extra for misrepresented products.

6. Challenges in Green Marketing other than the above

mentioned

Green products require renewable and recyclable material, which is costly .It 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 and are not willing to pay a premium for green products.

SUGESSTIONS FOR COMPANIES FOLLOWING GREEN MARKETING

Green marketing involves focusing on promoting the consumption of green products. Therefore, it becomes the responsibility of the companies to adopt creativity and insight, and be committed to the development of environment-friendly products. This will help the society in the long run. Companies which embark on green marketing should adopt the following principles in their path towards "greenness."

1. Adopt new technology /process so as to reduce environmental impact.
2. Establish a management and control system that will lead to the adherence of stringent environmental safety norms.
3. Using more environment-friendly raw materials at the production stage itself.
4. Explore possibilities of recycling of the used products so that it can be used to offer similar or other benefits with less wastage.
5. Marketing Audit (including internal and external situation analysis)
6. Develop a marketing plan outlining strategies with regard to Product, Price, Place, and Promotion.
7. Implement green marketing strategies

CONCLUSIONS

Green marketing is not going to be an easy concept. The firm has to plan and then carry out research to find out how feasible it is going to be. Green marketing has to evolve since it is still at its infancy stage. Adoption of Green marketing may not be easy in the short run, but in the long run it will definitely have a positive impact on the firm. Green Marketing is still in the stage of childhood in the Indian companies. The lots of opportunities are available in Indian market. The rapid increase for the environment concern in last two decades is stressing companies to prove the change to ensure the sustainable growth of the society. Green marketing should not be considered as just one more approach to marketing, instead should be pursued with greater vigor as it has societal and environmental dimensions. 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. Green marketing covers more than a firm's marketing claims. 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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