



ORIGINAL RESEARCH PAPER

Management

A LITERATURE REVIEW ON GREEN MARKETING OPPORTUNITIES & CHALLENGES WITH SPECIFIC REFERENCE TO INDIAN SCENARIO

KEY WORDS:

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ABSTRACT

Green marketing is a phenomenon which has developed particular important in the modern market. In the emerging world the concept of pollution free activity is given more importance in all the sectors and in all stages. The environmentalists are targeting the industrial sectors as the major contributors for depleting natural resources and environmental destruction. Hence, both production and marketing divisions of industries are stressed more to take utmost care in these areas along with fulfilling the market demands. To overcome these difficulties a new concept has born in the present globalized world where production, consumption and also marketing of the products can be carried effectively ensuring environmental safety. This concept is named as 'Green Marketing'. But the question still remains "how safe can it be in the Indian scenario?" since India is one of the fastest developing nations and utilization of resources has to be carried continuously in order to maintain trade balance, both internal and external. Hence this paper highlights the concepts related to Green Marketing, why Green is important, why companies launch Green Products, who are concerned about the environment can be convinced and support their purchasing decisions. The paper explores the challenges and opportunities businesses have with green marketing. The paper also describe the reason why companies are adopting it and concludes that green marketing is something that will continuously grow in both practice and demand

INTRODUCTION (GREEN MARKETING)

Development and conservation professionals are increasingly incorporating conservation products into their portfolio of activities to contribute to biodiversity conservation and poverty alleviation for the communities that live in high biodiversity areas. Tremendous progress has been made in involving communities in good conservation practices, developing enterprises that are sustainable and generating income that also promotes biodiversity conservation. Yet, these groundbreaking enterprises and products still struggle to understand the markets for their products and how to access these markets. Green marketing is the marketing of products that are presumed to be environmentally safe. Green marketing refers to holistic marketing concept wherein the product, marketing consumption on 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., both marketers and consumers are becoming increasingly sensitive to the need for switch into green products and services.

With the acceptance of the idea to conduct business with the motive "to increase profits through service", a new marketing concept known as green marketing has emerged. The term green marketing came first into foray in the late 1980s and early 1990s due to increasing environmental concerns. The concept of Green marketing is of recent origin. It is one of the widely discussed issues in the field of management. The term Green marketing has become popular in the last decades and came into 1980s and 1990s. Green marketing includes various activities product modification, innovations in production process, modification in packaging process as well as advertising the product. Green marketing is holistic concept of marketing. American marketing association conducted the workshop in 1975 regarding ecological marketing and after this the first time green marketing came in 1980. Green marketing is promotional tool which influence the consumer attitude towards changing the brand. Green marketing is marketing or selling product/services based on environmental benefits. Green marketing also known as "Environmental Marketing" and "Ecological Marketing" Green marketing is process to promote and advertising a specific product based on environmental safe. Green marketing is marketing which aware about consumption and

disposal of product and services in that manner which don't influenced the environment and implied awareness about global warming, biodegradable products and harmful effects of pollutants to marketers as well as consumers and enforces them to switch in green products and services.

REVIEW OF LITERATURE

A. ACCORDING TO THE AMERICAN MARKETING ASSOCIATION:

it has been interpreted or defined in three ways 1. Retailing: the marketing of products that are presumed to be environmentally safe. 2. Socially marketing: the development and marketing of products designed to minimize negative effects on the physical environment or to improve its quality. 3. Environment: the effort by organization to produce, promote, package and reclaim products in a manner that is sensitive or responsive to ecological concerns.

B. PRIDE AND FERRELL (1993):

green marketing, also alternatively known as environmental marketing and sustainable marketing, refers to an organisation's efforts at designing, promoting, pricing and distributing products that will not harm the environment.

C. POLONSKY (1994):

defines green marketing as all activities designed to generate and facilitate any exchanges intended to satisfy human needs or wants, such that the satisfaction of these needs and wants occurs, with minimal detrimental impact on the natural environment.

D. ELKINGTON (1994):

defines green consumer as one who avoids products that are likely to endanger the health of the consumer or others; cause significant damage to the environment during manufacture, use of disposal; consume a disproportionate amount of energy; cause unnecessary waste; use materials derived from threatened species or environments; involve unnecessary use of or cruelty to animals; adversely affect other countries.

E. OYEWOLE, P. (2001):

he defines a conceptual link among green marketing, environmental justice, and industrial ecology. He argues for greater awareness of environmental justice in the practice for green marketing. In his paper he identified another type of costs, termed 'costs with positive results,' that may be

associated with the presence of environmental justice in green marketing. A research agenda is finally suggested to determine consumers' awareness of environmental justice, and their willingness to bear the costs associated with it.

F. KILBOURNE, W.E. (1998)

discusses the failure of green marketing to move beyond the limitations of the prevailing paradigm. The author identifies areas that must be examined for their effect in the marketing/environment relationship, namely economic, political and technological dimensions of the cultural frame of reference.

G. PROTHERO, A. (1998)

introduces several papers discussed in the July 1998 issue of 'Journal of Marketing Management' focusing on green marketing. This includes; a citation of the need to review existing literature on green marketing, an empirical study of United States and Australian marketing managers, a description of what a green alliance look like in practice in Great Britain, ecotourism and definitions of green marketing.

H. OYEWOLE, P. (2001)

presents 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 consumers' awareness of environmental justice, and their willingness to bear the costs associated with it.

I. CHARLESW LAMB ET AL (2004)

explained that —Green Marketing has also become an important way for companies to build awareness and loyalty by promoting a popular issue. By positioning their brands as ecologically sound, marketers can convey concern for the environment and society as a whole.

Green marketing has been an important academic research topic for at least three decades and has been defined in many different ways. According to The American Marketing Association, —Green or Environmental Marketing consists of all activities designed to generate and facilitate any exchanges intended to satisfy human needs or wants, such that the satisfaction of these needs and wants occurs with minimal detrimental impact on the natural environment. Thus we can say that Green Marketing involves:- Manufacturing and providing products to the consumers which are of good quality and at the same time not harmful to them even in long run.

OBJECTIVES OF THE STUDY

1. To study the need and current scenario of green marketing in India
2. To study the challenges and opportunities available to green marketers in India

NEED AND IMPORTANCE OF GREEN MARKETING

1. Issues like global warming and depletion of Ozone umbrella are main for the healthy survival.
2. 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 harm to environment cost by sustain business across the globe is realized now
3. Though off late 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
4. It ensures sustained long-term growth along with profitability
5. It saves money in the long run, although initial cost is more
6. It helps the companies to market their products and services keeping the Environment aspects in mind. It

helps in accessing the new markets and enjoying competitive advantage

7. Most of the employees also feel proud and responsible to be working for an environmentally responsible company
8. It promotes corporate social responsibility
9. 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.
10. Various regulations recently framed by the government to protect consumers and the society at large led to the adoption of Green marketing as a compulsion rather than a choice. For example, the ban of plastic bags in many parts of the country, and prohibition of smoking in public areas etc.

CURRENT SCENARIO OF GREEN MARKETING IN INDIA

In India, major steps are taken for accepting green marketing. Indian people believe in "Pollution Prevention Pays." Preventive measures have been adopted to avoid pollution. Over 70% of the pollution in the country is estimated to be caused by the vehicles. Some examples of green marketing in India are:- No Polythene carry bags for free: Forest and environmental Ministry of India had ordered to retail outlets like Big Bazaar, D-Mart that they could provide paper carry bags to customers only if customers are ready to pay for it. Digital Tickets by Indian Railway: Recently IRCTC has allowed its customers to carry PNR No of their E-tickets on their laptop and mobiles. Customers do not need the printed version of their ticket anymore. Wipro Green Machines: Wipro InfoTech was India's first company to launch environment friendly computers peripherals for the Indian market. Wipro has launched a new range of desktop and laptops called Wipro green ware. These products are called ROHS. (Restricted of Hazardous Substances) Use of ATM by Banks: By using Eco and power friendly equipment in ATM, the banking giant has not only saved power cost and earned carbon credit but also set the right example for others to follow. Many banks are providing services like paper less banking, no deposit slip, no withdrawal form, no money transaction form. Introduction of CNG in Delhi: Capital of India, New Delhi was being polluted at a very fast pace. To decrease pollution, a directive was issued to completely adopt CNG in all public transport systems to curb pollution. Lead free paints from Nerolac: Nerolac has worked on removing hazardous heavy metals from their paints. The hazardous heavy metals like lead, mercury, chromium and antimony can have adverse effects on human.

GREEN MARKETING MIX

The marketing mix contains 4 Ps namely-product, price, place and promotion. Green marketing impacts them in a big way. The green product there are several characteristics that a product must possess in order to be labeled as a "green product". Some of them are as follows:

1. The product must not harm any animal or person in any manner.
2. The product must not harm environment in any manner during its life cycle.
3. The product must not consume a disproportionate amount of resources.
4. The product must not cause unnecessary waste.

The green price the businesses often price the green products a bit higher than their non-green equivalents. This increased price is justified by citing a cost intensive production process.

The consumers, More often than not, are ready to pay the increased price and show their support for the initiatives taken for a greener environment. For example, organic fruits

and vegetables are generally priced higher than normal grocery items.

THE GREEN PLACE

1. The choice of where and when to make a product available has a significant impact on the customers being attracted.
2. Very few customers go out of their way to buy green products merely for the sake of it. Marketers looking to successfully introduce new green products should, in most cases, position them broadly in the market place so they are not just appealing to a small green niche market.
3. The location must also be consistent with the image which a company wants to project. The location must differentiate a company from its competitors. This can be achieved by in-store promotions and visually appealing displays or using recycled materials to emphasize the environmental and other benefits.

THE GREEN PROMOTION

Green marketing is often thought of only as promotion of the green products. Although promotion is an important part of green marketing, it is not the only one. With the advent of green marketing and it gaining huge popularity, it became a common sight to see a plethora of products being promoted as green products. The green promotion became such a wide phenomenon that the authorities had to intervene and set some ground rules for the products to be advertised as green. Many regulatory guidelines were reinforced to standardize claims about the product being environmental and to end consumer confusion and distrust.

CHALLENGES IN GREEN MARKETING

1) 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 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) NEW CONCEPT:

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 needs 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.

3) 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.

GOLDEN RULES OF GREEN MARKETING

1) KNOW YOUR CUSTOMER:

If you want to sell a greener product to consumers, you first need to make sure that the consumer is aware of and concerned about the issues that your product attempts to address.

2) EMPOWER CONSUMERS:

Make sure that consumers feel, by themselves or in connect

with all the other users of your product, that they can make a difference. This is called "empowerment" and it's the main reason why consumers buy greener products.

3) BETRANSSPARENT:

Consumers must believe in the legitimacy of your product and the specific claims you are making. The rest of your business policies are consistent with whatever you are doing that's environmentally friendly.

4) REASSURE THE BUYER:

Consumers must be made to believe that the product performs the job it's supposed to do-they won't forego product quality in the name of the environment.

5) CONSIDER YOUR PRICING:

If you are charging a premium for your product and many environmentally preferable products cost more due to economies of scale and use of higher-quality ingredients-make sure that consumer can afford the premium and feel it's worth it. Many consumers, of course, can't afford premiums for any type of product these days, much less greener ones, so keep this in mind as you develop your target audience and product specifications.

REASON FOR USE OF GREEN MARKETING IN ORGANIZATION

Man has limited resources on the earth, with which she/he must attempt to provide for the worlds' unlimited wants. Hence there is "freedom of choice", that individuals and organizations have the right to attempt to have their wants satisfied. As firms face limited natural resources, they must develop new or alternative ways of satisfying these unlimited wants. When looking through the literature there are several suggested reasons for firms increased use of Green Marketing. Five possible reasons are as follows:

1. Organizations perceive environmental marketing to be an opportunity that can be used to achieve its objectives.
2. Organizations believe they have a moral obligation to be more socially responsible. Governmental bodies are forcing firms to become more responsible.
3. Competitors' environmental activities pressure firms to change their environmental marketing activities.
4. Governmental bodies are forcing firms to become more responsible.
5. Cost factors associated with waste disposal, or reductions in material usage forces firms to modify their behavior.

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