

“Green Marketing: A Challenging Task”

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Introduction

The key challenge for companies and customers today is to preserve and protect the earth's natural environment and finite resources. Production and consumption of goods all over the world has led to the emergence of a large number of environmental problems. As a result, companies are focusing on green marketing and are producing eco-friendly or green products that have less harmful effects on the environment, than the conventional products. Moreover, consumers are becoming more and more aware of the environmental problems and are actively trying to reduce their impact on the environment by purchasing green products and moving towards a greener lifestyle. The term green has become the major element driving millions of consumers throughout the world, to find out how they live a more environmentally friendly life. The needs of the consumers are evolving and brand loyalty is being continuously redefined. Companies nowadays have to integrate appropriate green strategies into their operational activities, product development processes, and marketing activities to achieve a competitive advantage in the saturated markets. Thus, we see that both the marketers and the consumers are nowadays focusing on green products and services. Although in the short run, a company may find it expensive to shift towards the "green" approach, in the long run, it will definitely prove to be advantageous for the company, in terms of cost also. Green marketing undertaken by companies nowadays refers to the process of selling products and/or services on the basis of their environmental and ecological benefits. Such a product or service may itself be an environmentally friendly product or service, or it may be produced and/or packaged in a manner which is considered to be environmentally friendly. We can assume that consumers will view the "greenness" of a product or service's as a benefit and so their buying decisions will be based on this aspect. However, the consumers may not be willing to pay more for green products as compared to the less „green“ alternative products. The consumers are generally skeptical of the „green“ claims of the companies. If the „green“ claims are proved to be false or if the companies make over exaggerated claims, the image and brand name of the companies are at stake. Thus, a case of „green washing“ arises when a company claims its product or service to be green, and then the claim is proved to be false.

Need of the Study

As resources are limited and human wants are unlimited, it is important for the marketers to utilize the resources efficiently without waste as well as to achieve the organization's objective. So green marketing is inevitable. 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 behavior. As a result of this, green marketing has emerged which speaks for growing market for sustainable and socially responsible products and services.

Objectives of the Study

The paper titled — “Green marketing : A Challenging task” is aimed to cover the following objectives:

1. To know the concept of green marketing.
2. To identify the need of green marketing.
3. To study the challenges and Methods to overcome from challenges.

Data Collection & Methodology

The study focuses on wide range of secondary data collected from various books, National & international Journals, published government reports, publications from various websites and journals which focused on various aspects on Green Marketing.

Review of Literature

Brahma, M. & Dande, R. (2008), The Economic Times, Mumbai, had an article which stated that, Green Ventures India is a subsidiary of New York based asset management firm Green Ventures International. The latter recently announced a \$300 million India focused fund aimed at renewable energy products and supporting trading in carbon credits. Sanjay K. Jain & Gurmeet Kaur (2004) in their study environmentalism have fast emerged as a worldwide phenomenon. Business firms too have risen to the occasion and have started responding to environmental challenges by practicing green marketing strategies. Green consumerism has played a catalytic role in ushering corporate environmentalism and making business firms green marketing oriented. Based on the data collected through a field survey, the paper makes an assessment of the extent of environmental awareness, attitudes and behavior prevalent among consumers in India.

Alsmadi (2007) investigating the environmental behavior of Jordanian consumers reveals a high level of environmental conscience. Unfortunately however this positive tendency and preference in the "green"Products does not appear to have any effect on the final decision, obviously because these consumers have a stronger faith in the traditional products and a small confidence in the green statements. The above obstacles are further strengthened by the lack of environmental conscience by a lot of enterprises and the existence of a large scale of prices for the same product, many of which included an impetuous estimate of environmental responsibility. The same phenomenon has been presented in other researches too (Ottman, 2004; Donaldson, 2005; Cleveland et al, 2005).

Donaldson (2005) in his study realized in the Great Britain initially concluded that in general the ecological attitude of consumers changed positively. This study reported 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 consuming failure to interpret their concerns beyond the environment in their behavior.

Oyewole, P. (2001). In his paper 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.

Prothero, A. & Fitchett, J.A. (2000) argue that greater ecological enlightenment can be secured through capitalism by using the characteristics of commodity culture to further progress environmental goals. Marketing not only has the potential to contribute to the establishment of more sustainable forms of society but, as a principle agent in the operation and proliferation of commodity discourse, also has a considerable responsibility to do so.

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.

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.

Concept of Green Marketing

According to the 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 advertising.

Today's consumers are increasingly aware of their impact - and their favorite brands' impact - on the environment and society as a whole. That's where green marketing comes into play.

The concept of green marketing is about highlighting a product or service's environmental benefits and illustrating how brands are changing their processes and practices to be more environmentally aware. For consumers, it means you might hear terms like "eco-friendly," "sustainable," "organic," "recyclable," or

reducing a "carbon footprint," among others. A carbon footprint is the environmental impact of an individual or a business.

More and more brands are getting on board the green marketing train, shining the spotlight on their safe and mindful products and services, or changing up a brand's entire image from revenue-driven to environmentally-friendly.

Concept of green marketing concerns with protection of ecological environment. Modern marketing has created a lot of problems. Growth in marketing activities resulted into rapid economic growth, mass production with the use of advanced technology, comfortable and luxurious life, style, severe competition, use of unhealthy marketing tactics and techniques to attract customers, exaggeration in advertising, liberalization and globalization, creation of multinational companies, retailing and distribution by giant MNCs, etc., created many problems.

Departmental stores, specialty stores, and shopping malls are flooded with useful as well as useless products. These all factors have threatened welfare of people and ecological balance as well. Particularly, giant factories have become the source of different pollutions. Production, consumption and disposal of many products affect environment adversely.

Excessive pollution has provoked the Nature and the Nature starts behaving in unnatural ways (in form of global warming v/s global cooling, heavy rains v/s draught, and other natural calamities like frequent earthquakes and tsunami, cyclones, epidemics, and so forth). Economic growth via production and consumption threatens peaceful life of human being on the earth. Green marketing is an attempt to protect consumer welfare and environment (the nature) through production, consumption, and disposal of eco-friendly products.

Need of Green Marketing

1. Now, people are insisting pure products – edible items, fruits, and vegetables based on organic farming. The number of people seeking vegetarian food is on rise.
2. Reducing use of plastics and plastic-based products.
3. Increased consumption of herbal products instead of processed products.
4. Recommending use of leaves instead of plastic pieces; jute and cloth bags instead of plastic carrying bags.
5. Increasing use of bio-fertilizers (made of agro-wastes and wormy-composed) instead of chemical fertilizers (i.e. organic farming), and minimum use of pesticides.

6. Worldwide efforts to recycle wastes of consumer and industrial products.
7. Increased use of herbal medicines, natural therapy, and Yoga.
8. Strict provisions to protect forests, flora and fauna, protection of the rivers, lakes and seas from pollutions.
9. Global restrictions on production and use of harmful weapons, atomic tests, etc. Various organizations of several countries have formulated provisions for protecting ecological balance.
10. More emphasis on social and environmental accountability of producers.
11. Imposing strict norms for pollution control. Consideration of pollution control efforts and eco-Technology in awarding IS, ISO 9000, or ISO 14000 certificates and other awards.
12. Declaration of 5th June as the World Environment Day.
13. Strict legal provisions for restricting duplication or adulteration.
14. Establishing several national and international agencies to monitor efforts and activities of business firms in relation pollution control and production of eco-friendly products.

Challenges against Green Marketing

Though we find the awareness about the need to buy green and environment friendly products growing in India yet there are various challenges facing the country to actually realize and apply the green marketing concept successfully. The biggest challenge and obstacle faced in India is that not many people are willing to spend an additional amount to buy green products. Indian consumers are price sensitive. They are not willing to spend more for products that are good for the environment. A segment of consumers sees no personal gain in buying eco-friendly products and hence are not willing to shell out extra amounts for something which is not for their immediate personal benefit. Another factor for less growth of green products is that many consumers in India believe that there are no products such as “green products” rather these are merely selling tactics adopted by the companies to augment their sales and revenue. Also, the past experiences of the consumers in India have been rough in respect of green products, for the reason that the producers and manufacturers made use of the growing awareness of the concept of green marketing in selling their same old product with same ingredients/features etc. by merely employing new strategies of promoting by naming it a “green product” It is imperative here to explain the concept of Green washing.

Green washing is the term used when producers, manufacturers or marketers make false environment

friendly claims for their product and deliberately mislead their consumers by incorrectly endorsing and promoting its environmental benefits. This again makes consumer averse of buying green products as they are not able to differentiate between the real and the fake claims made by the producers in respects of the products marketed as environment friendly.

Methods To Overcome The Challenges

We find various challenges being faced in the Indian markets for the adoption of Green Products. In accordance to the Indian buying habits and requirements there is a need to develop such strategies which promote green products and help to protect the environment. In this part the author tries to find out ways to overcome the challenges faced in the area of Green Marketing.

Cost Effective Products

One of the major characteristics that can be attributed to the Indian consumers is that they are price responsive. Indian consumers always intend to buy good quality product at a reasonable price. They are not willing to pay extra amount for a product having no evidence or differentiable worth. Resultantly, the manufacturers should produce green products by using best possible resources, keeping in mind the cost effectiveness of the product. The reduced costs can thus be passed on to the consumers. This strategy would encourage consumers to go green in their buying and the environmental needs are also met, Simultaneously. This business model can be a win-win situation for all the stakeholders. Consumers get good quality products at cheaper prices, the environment gets protected and the manufacturers also earn more profit due to surge in demand of eco-friendly goods at a lower price.

Improving Environment Standard Adherence

There are various international standards on the environment and environmental management systems. One of the most reputed and trustworthy standards in the area of environment management are ISO 14000. ISO 14001 examines the process of producing the product and is not restricted only to the analysis of the final product produced. It helps organizations to produce goods in an environment friendly way. Another standard ISO 14004 further provides specific aspects of environment management. The products in the US, Australia and Europe use these standards as part of Eco management and audit schemes. Adherence of global standards and certifications helps ensure genuinely of the claims made by the producers/manufacturers. (ISO 14000, Environment Management) However, in India there is no rigid or strict adoption of environment standards and controls. Bureau of Indian Standards is the National Standards Body of India that has developed various standards, product certifications, eco mark labeling, quality management certification, lab testing etc to ensure production of environment friendly goods. Another statutory body, the

Central Pollution Control Board (Ministry of Environment & Forests) Government of India, also develops environment standards like National Ambient Air Quality Standard, Industry Specific Standard, Noise Standard, Vehicular exhausts etc. Though standards on environment exist in India but its observance in the right manner is a big question. Sham certification is prevalent when it appears only on papers and actual implementation of the standards never takes place. This suggests, more transparency and reliability is required to win the consumer's confidence. It can be best achieved if the organizations themselves voluntarily decide to comply with the environmental standards, so as to build consumer's trust and create customer loyalty or if the stringent laws and regulations are enforced against the deceivers. Controlling the misleading labeling practices and improving the actual adherence of the environment standard can help convince the consumers regarding the authenticity of the green products. (Bureau of Indian Standards) (Central Pollution Control Board)

Quantification Of Environmental Benefits

Another characteristic or behavioral aspect of Indian consumers is that they better understand the environmental benefits when it is quantified in monetary terms. Conversion of environmental benefits in terms of savings and monetary gains help supplement the purchase of green products. Here it is relevant to quote the example of Star Rating Program. „Bureau of Energy Efficiency“ was established under the Energy Conservation Act, 2001. It was formed to develop projects that encourage energy efficient appliances that contribute towards energy conservation. It also developed energy standards and labeling systems. (Bureau of Energy Efficiency) Initially when Manufacturers started promoting their products with the energy efficient labels, the consumers considered it to be a mere façade, only to fulfil government's requirement rather than a better quality product with more savings. It was then taken up by the Jago Grahak Jago and other voluntary consumer organizations to compute the amount of savings proportionate to the star ratings. Accurate calculations of star ratings in terms of energy savings were made and this concept was promoted to convince the consumer about the actual amount of conservation of energy and the corresponding savings in the electricity bills. This entire exercise of quantifying the benefits attached to energy conservation led to an increase in the demand of the star rated appliances. This case study of the star ratings enhances our belief as to how the Indian consumers are more willing to accept green products with detailed analysis of their pecuniary benefits.

Conclusion

From the foregoing, it may conclude that Green Marketing is on its developmental stage in India. The market is growing as the consumers are getting more and more aware and sensitive to the needs of the environment protection. Certain challenges exist in Indian markets with respect to green products but the producers are coming up with new strategies and ways to overcome these challenges. Further, it can be said

that great potential exists for green products in Indian markets, provided the producer understands the buying behavior and attributes of the Indian consumers.

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