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A Study on the Problems and Prospects of Green Marketing in India

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Abstract: ***Environmentalism has fast emerged as a worldwide phenomenon. Economic forces practicing green marketing strategies to respond the problems and issues of environmental challenges. Many consumers now display concern about environmental deterioration. Increasingly often they ask how much impact a product will have on the environment during its lifespan or during its disposal. This is the major impetus for green products and green marketing. Based on the data collected through a various literatures and studies, the paper makes an assessment of the extent of the problems and prospects of green marketing in India and lists implications of the study findings for the government and non-governmental organizations engaged in marketing of green ideas and products in the country. In the concluding section, suggestions provided for undertaking more thorough investigations in the area.***

Keywords: Green Marketing, Environment, Philosophy Reduce, Reuse and Recycle etc,

I. INTRODUCTION

The raising awareness of environmental stresses is to be highlighted through various studies, researches, articles, programs through newspapers, magazines, television, and other media. Featuring the nature of environmental problems whether they are depleted fisheries, air pollution or ozone depletion, climate change to be addressed immediately. Green Marketing is an attempt to characterize a product as being environmentally friendly. In general green products are made from recycled content and/or designed for reuse, recycling, or remanufacturing. They are usually non-toxic, energy efficient, and durable. However, green is a relative term and depends on the individual situation.

A. Objectives of the study

1) To know concept of green marketing
2) To know the importance in India
3) To identify the problems associated with Green Marketing
4) To give some suggestions to improve the green marketing level in future in India

B. Data Collection

The data has collected for the study through secondary method by using books and internet.

II. GREEN MARKETING

Green Marketing designed to generate and facilitate human needs or wants, such that the satisfaction with minimal detrimental impact on the natural environment. Conventional marketing involves selling products that satisfy consumer needs at affordable prices. Green marketing must also satisfy customer needs at affordable prices, but green marketing has the additional challenge of defining what is green and developing and selling products that consumer will like. Green products balance environmental compatibility with performance, affordability, and convenience. They are typically durable, non-toxic, recyclable, and are often made from recycled materials. Green products have minimal packaging, and should carry low environmental impact.

Green product is a descriptive idiom to distinguish a product that has been designed to have minimal impact on the environment. Green marketing not only focuses on advertisements and promotion of products with environmental characteristics, but it pervades all the activities of designing, production, packaging and promoting greener products. Green marketing thrives on the underlying philosophy Reduce, Reuse and Recycle. Unlike the conventional marketing green marketing not only ensures the interests of the manufacturers and consumers but it also ensures environmental friendliness by including the activities related with the protection of natural environment. Thus green marketing should look at minimizing environmental harm, not necessarily eliminating it.

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III. PURPOSE OF GREEN MARKETING IN INDIA

Indians needs / wants are unlimited but sources are limited. Recyclable or renewable goods are needed to fulfill the unlimited needs of a costumer. As industries are having limited resources, they have to search for new and alternative ways to satisfy the consumer needs (wants). Thus green marketing is important for the firms to utilise the limited resources satisfying the consumer needs as well as achieving the organisations selling objectives. Few reasons why firms are adopting Green Marketing Social Responsibility - Organisations believe that to keep the environment clean is there moral as well as social responsibility.

1) Laws - Laws imposed by various authorities.
2) Competition - Competitors environmental activities pressure firms to go for green marketing.
3) Cost Reduction - Reduction in cost due to recycling and material
4) Usage forces firms to look for green marketing.

IV. GREEN MARKETING OPPORTUNITIES IN INDIA

The demand for greener products in India undoubtedly exists. The opportunities to be capitalized by every individual on that demand. Much of the demand will continue to be driven by regulations as producer responsibility; product take-back and recycling schemes evolve. As recent history has shown, the more innovative companies will reap benefits, and those, which are radical re-thinking products, and processes will be the leaders of the future.

The environmental marketplace represents a fertile area for entrepreneurs and existing businessmen alike. The Economist magazine has gone so far as to claim "For far- sighted companies, the environment may turn out to be the biggest opportunity for enterprise and invention the industrial world has ever seen." Indeed, the scope of possible new environment-related enterprise is virtually limitless. Environmental issues affect everybody's lives everywhere, encompass such basic needs as food, clothing, shelter, energy and transportation, and need to be addressed on the international, regional and local levels.

Marketing green goods will be successful only if there is a demand for green products. Establishing how many environmentally conscious consumers exist in the marketplace is important, but a much greater target is the mass of passive green consumers. If passive green consumers can be motivated by cost-effective and easy-to-execute solutions, big environmental gains are possible. Hence as long as the people, world over ‘Think Green, Think clean, Think Eco-friendly’ green marketing concept has oceans to make across.

V. PROBLEMS ASSOCIATED WITH GREEN MARKETING

A. *Credibility*

No matter why a firm uses green marketing there are a number of potential problems that they must overcome. One of the main problems is that firms using green marketing must ensure that their activities are not misleading to consumers or industry, and do not breach any of the regulations or laws dealing with environmental marketing. For example marketers in the India must ensure their green marketing claims can meet the following set of criteria, in order to comply with the FTC's guidelines.

B. *Green marketing claims must*

1) Clearly state environmental benefits and Explain environmental characteristics
2) Explain how benefits are achieved
3) Ensure comparative differences are justified
4) Ensure negative factors are taken into consideration.
5) Only use meaningful terms and pictures.

C. *Don’t Follow Consumer’s Perception Blindly*

Another problem firm’s face is that those who modify their products due to increased consumer concern must contend with the fact that consumers' perceptions are sometimes not correct. Take for example the McDonald's case where it has replaced its clamshells with plastic coated paper. There is ongoing scientific debate, which is more environmentally friendly. Some scientific evidence suggests that when taking a cradle-to-grave approach, polystyrene is less environmentally harmful. If this is the case McDonald's bowed to consumer pressure, yet has chosen the more environmentally harmful option.

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D. Back Up Your Marketing with Good Technical Assistance

When firms attempt to become socially responsible, they may face the risk that the environmentally responsible action of today will be found to be harmful in the future. Take for example the aerosol industry, which has switched from CFCs (Chlorofluorocarbons) to HFCs (hydro fluorocarbons) only to be told HFCs are also a greenhouse gas. Some firms now use DME (dimethylether) as an aerosol propellant, which may also harm the ozone layer. Given the limited scientific knowledge at any point in time, it may be impossible for a firm to be certain they have made the correct environmental decision.

E. Lack of Policies

While governmental regulation is designed to give consumers the opportunity to make better decisions or to motivate them to be more environmentally responsible, there is difficulty in establishing policies that will address all environmental issues.

F. Don't Follow the Competition Blindly

Reacting to competitive pressures can cause all "followers" to make the same mistake as the "leader." A costly example of this was the Mobil Corporation who followed the competition and introduced "biodegradable" plastic garbage bags. While technically these bags were biodegradable, the conditions under which they were disposed did not allow biodegradation to occur. Mobil was sued by several US states for using misleading advertising claims. Thus blindly following the competition can have costly ramifications.

G. Try To Minimise The Waste, Rather Than Find Appropriate Uses For It

The push to reduce costs or increase profits may not force firms to address the important issue of environmental degradation. End-of-pipe solutions may not actually reduce the waste but rather shift it around. While this may be beneficial, it does not necessarily address the larger environmental problem, though it may minimise its short-term affects. Ultimately most waste produced will enter the waste stream, therefore to be environmentally responsible organisations should attempt to minimise their waste, rather than find "appropriate" uses for it.

VI. SUGGESTIONS

Introduction of a new green product without the support of a positive track record of corporate credibility will adversely affects the product's image. That's the message being sent back to the companies from skeptical consumers. Consumers typically cannot experience environmentally oriented product benefits--they can't see the air pollution spared from the environment when they use a less polluting gasoline; they can't see the energy saved when they recycle aluminium cans. Often, environmental marketing claims are confusing. So, consumers must rely on their impressions of the corporations behind the greener products and ads to feel that claims can be trusted, that products marketed as such are truly less harmful to the environment. Companies that market products as green without the credentials to back it up also risk retaliation from consumers, environmentalists and the media who may feel a company is exploiting the environment. The green bottom line: it is not enough to talk green. Companies must be green or at least be perceived as making a concerted effort in the right direction.

VII. STRATEGIES IN THE ARSENALS OF COMPANIES WHO DO RIGHT BY THEIR CONSUMERS AND THE ENVIRONMENT INCLUDE

1) Benchmarking - Establish a benchmark upon which to measure the progress of company in term of eco aspects. Self certify the company's progress and the efforts made by company.
2) External Audit - Conduct a thorough environmental audit to assess current performance. To build credibility, have your audit certified by an independent third party and voluntarily report results to the Environmental Protection Agency, and to the public via a corporate Environmental Progress Report.
3) Back Up From Top level - It's not enough to have the top-level support for a corporation's environmental program. That commitment must be projected to the consumer as personal and direct. In doing so, an emotional link is forged between the company and its customers.
4) Employee Awareness Program - It is only when employees are aware of the issues and given the authority to make changes that greener products will be developed and environmentally sound corporate practices be put into place. Conduct innovative and thought-provoking educational programs to heighten awareness for the issues and empower employees to act positively on ecological issues. Invite outside speakers to talk about trends in population, technology, the economy and the environment. Constantly Refine The Product - Consumers intuitively understand that no product or company is truly "green".

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What they want from companies is reasonable progress. Constantly integrate, learn, and refine products and processes. Develop a plan, set measurable goals, and work towards them.

5) Effective Communication –Effectively communicates with the consumers; always look for feedback from consumers as well as from environmental organisations. Be publicly accountable, regularly issue reports on environmental performance, advertise them & use them as a tool to improve public relations. Clearly state the benefits, clearly tell the consumers what are the cost savings and how the product is eco friendly.

VIII. GREEN MARKETING IN ASIA

While green marketing has taken the US and Europe by storm, marketers and consumers in Asia show few signs of jumping on the bandwagon yet. Fad mad Japan is the main exception, where eco-friendly slogans are emblazoned on goods ranging from designer clothes and beer cans to gift-wrapping in department stores. Just how deep this commitment goes is anyone's guess. Elsewhere in Asia, environmental problems receive scant attention as both consumers and producers concentrate their energies on attaining the goals of economic development. Tropical rain forests continue to be cut down, waterways and air are befouled and concern for the environment is often dismissed as a luxury for rich countries only.

The ways of the West have spread to Asia, changing age-old, environmentally sound traditions. The supermarket is replacing wet markets; the convenience of canned and bottled products is weaning housewives away from fresh foods bought daily; plastic, glass, tin and polystyrene are wrapped around purchases with blithe disregard for their future as garbage or litter, and plastic bags are supplanting the housewife's basket in which all purchases once traveled home from the market. The concepts of convenience and disposability — the very qualities that appeal to evolving consumer markets — have dangerous implications for the environment and its resources.

This cannot go on forever — themselves will not solve the problems facing the future of the Earth. At the very least, as wealth grows in this part of the world, consumers will demand better surroundings in which to enjoy their rising standards of living. Then the pressure will be on marketers to provide buyers with goods produced and presented in a more ecologically friendly way. This trend is already apparent in South Korea and Taiwan where consumer pressure groups are fighting for a cleaner environment.

Marketers may not feel motivated to change until more Asians demand greenness with their purchasing power but those who wish to capture some of the North American, European or Australian markets had better be prepared to make their products meet the standards now being demanded by consumers there.

IX. GREEN MARKETING IN INDIA

It's far from a groundswell yet, but slowly corporates across India are hitching themselves to the green bandwagon. A survey is conducted by BT (Business Today) & Tata Energy Research Institute (TERI) to identify top ten green companies of India. In March 2000, BT and the Tata Energy Research Institute (TERI) decided to conduct the first-ever study of environmental practices in corporate India.

The survey had two aims.

The first was to analyse key trends and dominant environmental practices as observed in Indian companies. The second was to identify the 10 'greenest' companies in terms of the maturity of their environmental systems and practices. A total of 11 parameters were identified for analysing and evaluating the corporate.

A. *Ten greenest companies are:*

1) ABB
2) Bayer (India)
3) Clariant (India)
4) Coromandel Fertilisers
5) Gujarat Ambuja Cements
6) ICI India
7) Indian Aluminium Co
8) Orchid chemicals and pharma.
9) Philips India
10) Tata Iron & Steel Co

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X. SUCCESS OF ABB

The Maneja plant of ABB Ltd near Vadodara had planted 2,500 trees in its 100-acre premises as part of a green campaign. But the disposal of twigs, dry leaves, and wooden waste proved to be a nightmare. So they used vermiculture to solve this problem. The investment was to the tune of Rs 10,000 towards buying the first lot of earthworms and finding them a place in the plant's premises. The dry leaves became the fodder for the earthworms; they proliferated rapidly and converted the deadwood into organic manure. Today, the plant generates 5,000 tonnes of organic manure per month; 80 per cent of it is used in the company's own gardening efforts, pre-empting the need to buy synthetic manure at Rs 5 per kilo-a straight saving. The rest is sold at a national rate of Rs 1.50 a kg-a straight profit. There are 39 operational performance indicators that ABB regularly tracks: the reduction of waste; the identification of environmental hazards; and the optimisation of resources, among others.

A. Companies Using Green Marketing

There are two types of firms one who claims that their products are green i.e. the product itself is eco friendly. Others are those companies, which may promote itself as environmentally friendly, but the product being sold may not be - such as when a telemarketer donates a portion of its revenues to progressive causes, even though it makes no claim or effort to assure that the product being sold is environmentally friendly.

B. Future View Of Green Marketing

Companies are likely, either due to regulation or voluntary action; to provide their customers with more and more information about their product's environmental impact so that they will be able to decide for themselves if a product suits their needs. Environmental marketing presents important opportunities for industry. Taking advantage of them requires creativity, foresight and environmental commitment. It means redefining the roles of business and products and working cooperatively with governments, consumer groups and NGO's. It may also mean a more visible role of CEOs. Products can certainly increase the 'quality of life', but their environmentally destructive impacts must be amended if we are to move towards sustainability.

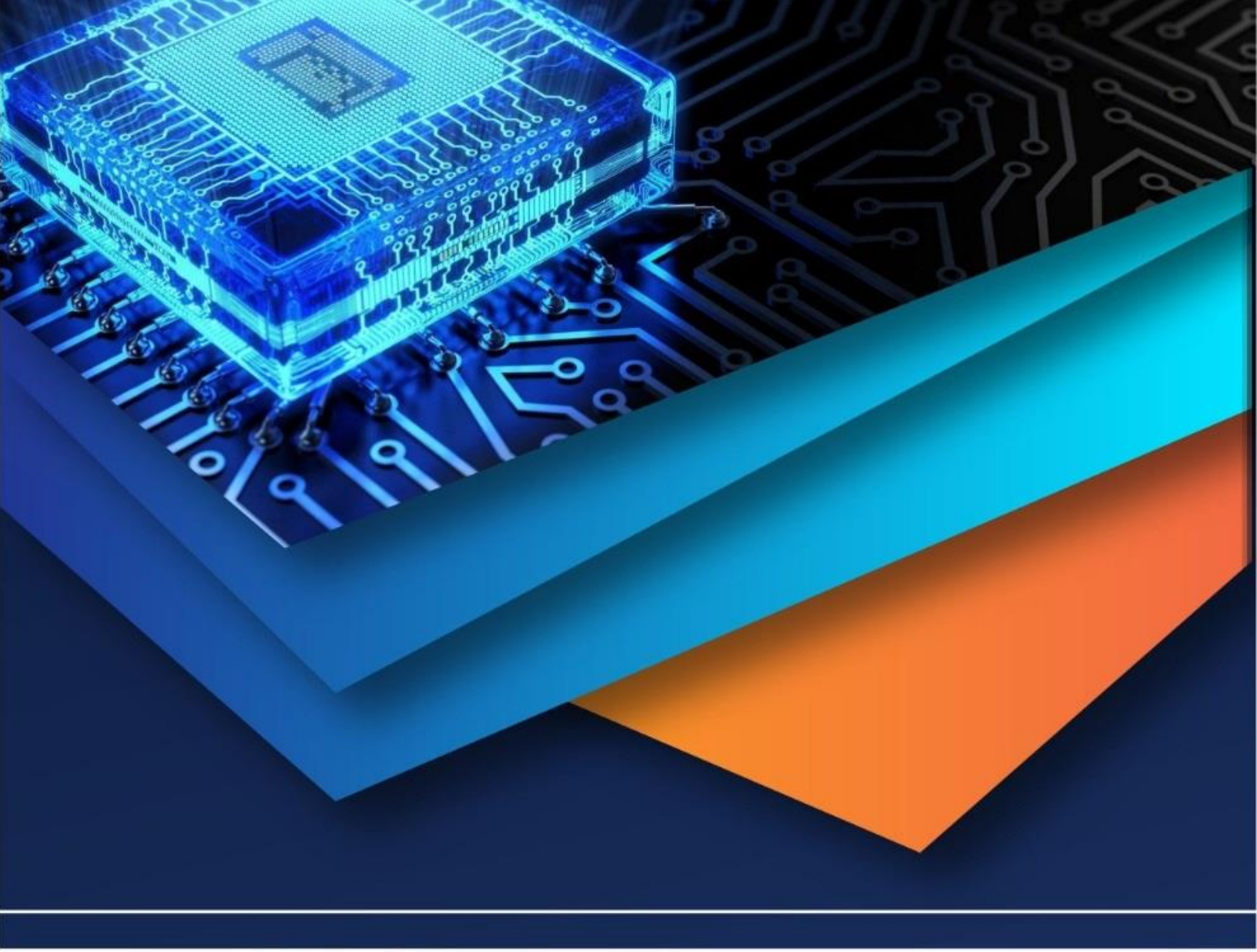
XI. CONCLUSION

As the demand for green products undoubtedly exists, Green Marketing provides an opportunity to the companies to increase their market share by introducing eco friendly products. Stricter environmental regulations across the world, growing consumer preference for eco-friendly companies, and the inherent cost advantages in lowering toxic waste, are encouraging industries big and small to clean up. Result of a survey conducted showed that, consumers are not overly committed to improving their environment and may be looking to lay too much responsibility on industry and government. Though it’s the responsibility of the firm to produce products, which are having minimum impact on the environment, but ultimately it’s the consumer who is having responsibility to use eco friendly products. Consumers are not too much concerned about the environment but as they have become more sophisticated, they require clear information about how choosing one product over another will benefit the environment. Consumer education results in their empowerment. Empowered consumers choose environmentally preferable products when all else is equal.

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