

Green Marketing in Context of Indian Companies

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ABSTRACT

In modern era of globalisation, trade environment degradation has become a big concern for producers. Customers attitude has changed towards the environment, customers demand for environment friendly products is increasing day by day. This is leading towards a trend of green marketing used by producers to protect environment and gain profits. Green marketing also helps a business to perform its responsibility towards the society hence it is a CSR as well. Green marketing is not solely functioning of companies, it needs its stakeholder's contribution as well. Many Indian companies are following green marketing practices to get competitive advantage also to give their contribution towards the sustainable development. The initiative of companies towards sustainable development is growing with the help of green marketing. It is not limited to companies, it is reforming people's mentality towards products they are using on routine basis. Many researchers have shown customers are willing and able to pay premium prices for the green products. This study shows the sensitiveness of customers towards green products, opportunity available in green marketing, challenges which a company face while implementing green marketing. Suggestions are also given to company as well as to government to promote eco friendly products.

1. Introduction

Now a day's customers are aware of environmental degradation is also due to problematic activities of producers, they are well aware of its impact on present and future generations. Today the concept of environmentalism is almost ubiquitous in corporate strategy, researches, consumer buying behaviour, student's education. Consumer who knows how to satisfy his or her demand in day to day routine by little or no harm to environment is called green consumer [1]. Customers are ready to pay higher prices for environment friendly products. Green marketing has evolved over a period of time. According to Peattie green marketing has three phases of its evolution. First phase of green marketing is "ecological" in this marketing activities are concerned to provide remedies of various environment problems. Second phase is "environmental" it focuses on keeping the environment clean by using clean technology and new innovative products which reduce pollution and waste. Third phase is "sustainable" it focuses on meeting today's need without compromising with future generation needs [2]. Journals like "business strategy and the environment" and "greener management international" are evidence that businesses are adopting new trend of business environment behaviour [3].

The American marketing association defines green marketing as marketing of eco-friendly products, which organises into various activities such as product development improved production process, packaging, advertising strategies as well as increase awareness on complains marketing among industries. Business dictionary defined green marketing as a promotional exercise for taking benefits of shaping consumer behaviour towards a brand. These adjustments are being affected by a company's policy that influence the environment positively and shows concern towards the society.

2. Literature Review

Nicola Mendelson, M J Polonsky in 1995 discussed nature and scope of various green products on the belief that green marketing used as a strategic tool for the various companies. The problem at that time was that customers were not well aware about the environment problems hence they framed environment awareness was the solution to promote green marketing [4]. In 2001 Oyewole, P. Presented link between environmental justice, green marketing, and industrial ecology in his paper. Where he argues for greater environmental justice and presented a research agenda to determine customer's awareness of environmental justice and also their willingness to bear the cost associated with it [5]. According to Eriksson increase in the concern towards environmental protection was noted in 2002 [6]. In 2003 environmental marketing is implemented by proactive marketers in order to seek competitive advantage through environmental friendliness [7]. A study of Indian market in 2004 talk reviles the changes in producer's strategies by study of environmentalism. Green consumerism has played catalytic role in evolution of green marketing [8]. Donaldson interpreted that in Britain consumers purchase behaviour changed positively towards ecological environment. This study reported loyalty of customers in known commercial brands and feeble behaviour to false green claim [9]. According to research held in Bangalore (2008) consumers believed that companies were hesitant towards implementing green practices because cost of implementing of such practices were high [10]. A study of Indian consumers examined behaviour of customers towards green brands. The study tried to find out the impact of intervening variables for eg. gender, age, education level, income, and socio- demographic position of customer on green marketing [11]. Only companies attitude towards environment is not enough for bringing healthy environment practices. Government, customers, and supplier to industries should also be committed for improvement of the

environment [12]. Consumers of India are ready to pay higher prices for the green products. Attitude towards green marketing is changed because current consumption is too high and unsustainable. Main reasons of consumers do not show loyalty towards green products due to high cost, not much difference then the traditional products [13]. Sandeep also favoured the fact that Indian customers are becoming more concerned about environment and ready to pay higher prices for eco friendly products. The companies who are implementing green practices will also get competitive advantage in the market. His study shows intervening variables which impact the attitude of customers are age, education level, and gender [14]. According to Kavita Kumara implementing environment friendly products is not a luxury rather it is a necessity in order to save our environment, full utilisation of natural resources and make earth healthy place to live in [15].

According to the literature customers are being more and more sensitive towards environment and its impact can be seen in change in their purchase behaviour pattern. Customers preferring green products have increased in previous years. Hence its impact on companies' policies and governments' regulations can be seen. India is becoming a capitalist economy so it is necessary to involve companies to give their contribution towards a sustainable growth. Green marketing is the effort by companies to involve as many customers as possible to save our environment.

3. Opportunity and Challenges in Green Marketing:

Customers who prefer eco friendly products are increasing day by day due to adverse effects of environmental degradation. In order to satisfy needs of customers; companies need to follow eco friendly practices. Some examples of such companies are:

- Tata Chemical: Focus of Tata limited company is on promotion and development of native handicrafts, enhance overall quality of life, aspire education and vocational skill development, investment in bio diversity, climate change management and natural resource management, and health care solutions etc.
- Ambuja Cement: Ambuja cement is committed to providing quality life to the unprivileged, and emphasizes on community initiatives.
- Infosys: By developing IT skills and proficiency in their programs Infosys provides education to citizens of India. They are also working on effective and efficient utilisation of natural resources.
- Mahindra & Mahindra (M&M): Supports in enhancing standard of living, education and health. M&M affirms their commitment to quality of life.
- ITC: It promotes sustainable development through crafting its CSR strategies, and also gives efforts in agriculture sector.
- Tata Motors: It works on environmental and societal consciousness. They give initiatives centered on primary education, health, women empowerment, and skill training.
- Reliance industries ltd: It is working to promote biodiversity. Over 7 million saplings were planted during financial year 2017-18 and it is conducting such green marketing activities to promote sustainable development.

4. Competitive Advantage:

In different studies it is found that customers whether individual or industrial are becoming more sensitive about the natural resources and environment. According to a study conducted in 1992 of 16 countries display more than 50% of consumers except Singapore, were highly sensitive about environment [16].

- Green products display a positive image of brand and company as a whole to the public. Being eco friendly may increase customer attraction and gain popularity. As customers are more sensitive towards environment it will help in enhancing customer satisfaction.
- Benefits of green marketing include reduction in cost of production. Green products result in less wastage, maximum utilisation of natural resources and saving of cost of energy. Reduction of cost can play a significant role in increase in profits. If we take a long term perspective green marketing resultantly is very cost effective as it reduces environment pollution resulting reduction in health hazards.
- Producing green products would result in healthy business environment. It is a holistic approach aligning with employees would result in better relationship with them; as their participation would increase. With increase of employee participation understanding with stakeholders will also increase [17].
- Green marketing is a win-win approach to company and its stakeholders; as the process of green marketing pool together each other's capabilities, skills, and resources which are transferred.

5. Government Pressure:

Indian government have formed rules and regulations to control the hazardous waste disposal process and also there has imposed a legislation framework to decrease manufacture of harmful goods and their by-products. Acts related to harmful management of hazardous waste are:

- Factories Act, 1948 and its amendment in 1987: It includes working conditions of workers in factories; by ensuring the health and safety of workers. The act contains a list of 29 types of industries which include a hazardous process and special care is required for the raw material, work in progress, finished products, by-products, waste etc used therein.
- Public Liability Insurance Act, 1991: This Act provide insurance coverage to cases where death injury results from an accident; in such cases the owner will be held liable to provide relief fund according to the provisions of the Act.
- National Environment Tribunal Act, 1995: The act provides strict liability for damages occurring while handling hazardous substance. In case of any death, injury to any person or damage to environment or property; the owner would be held liable if such case is covered under provisions of the Act.
- Recycling and E waste Rules, 2011: The E-waste rules create liability of producers to reduce the wastage and reuse of resources. The producers need to provide complete information of the product about

its handling and dos, don'ts, and hazardous components.

6. Responsibility towards the society:

It is the responsibility of companies for their impacts on the environment; as companies use natural resources of society it became the duty of the company to take care of the scarce resources. Companies can make policies and processes such that they help in sustainable development of our resources and it can be possible through green marketing policies and practices. Organisation also gets advantage of such policy in international market as almost every country is in favour of sustainable development.

7. International market:

Green product benefits are not limited to a country itself it also give preference in international market also. Almost all the countries are well aware of sustainable development and prefer green products in international market. Developed countries are highly sensitive about the environment and ready to pay higher prices for green products which give opportunity to companies providing green products.

In order to survive in long run it is going to be necessity for businesses. The business which does not change according to the needs of customers will surely face problems in survival of business. To get various business advantages in national and international market it has become necessary to follow green marketing practices in the business.

8. Challenges in green marketing:

Here are the challenges a company faces while implementing green marketing:

- Lack of standardisation: there is no specified body to authenticate the claims of companies who are claiming to be working for wellness of environment. No authority is present to certify whether their claims are valid or void; hence it is hard for customers to believe in the claims. To make it authentic it is necessary for government to regulate the area through licensing and labelling.
- Delayed results: Going green doesn't give us immediate results hence companies need to be patience to achieve long term benefits. Green marketing is a new concept market need acceptance of the change. It will give competitive advantage in future.
- Higher prices: All customers are not able to pay premium prices for the sake of green products. Customers get attracted to the products with lower prices hence company don't need to follow the green marketing blindly but also consider cost while making such decisions.
- Lack of creative ideas and Technology: Companies need creative ideas and technology to implement green practices. As there can be multiple solutions to a process to make it environment friendly but it should also fit according to the budget and need of the company.
- Need of research and development: Companies need to develop advance process of manufacturing

according to requirements for this it is necessary to research and developments in the current products to make them environment friendly. They can change packaging, raw material (which harm environment), better waste disposal process to make products more eco friendly.

- Transparency in policies of government: Government needs to form policies which are free from corruption. The process of registration and certification should be on one platform so the businessman cannot be harassed. Transparency should be maintained at every step by avoiding corruption at every level resultantly the production will be cost effective and harassment of businessman can be avoided.

Companies need to make their green marketing policy by keeping challenges in mind so the policy get minimum or no adverse effect of challenges. For effective formation and implementation of green marketing policy above factors should be kept in mind.

9. Suggestion/ Ideas:

Here are some measures that can be followed in India in promoting green marketing practices:

- Proper certification and labelling on green products: To make identification of green products easily labelling under governments regulation should be done. Proper certification of eco friendly products should be done in order to help customers identify the claims of companies about green products.
- Reduction in tax: Government can reduce taxes of companies according to their contribution in investment made in green marketing. Government can impose tax slab according to investment in green products done by an individual and can also give tax rebate by making specific conditions.
- Subsidy from government: government can provide subsidy for a specific time period in purchase of assets (fixed assets & current assets) to the companies following green marketing practices in routine. It will promote companies to follow green marketing practices.
- Public awareness campaign: Government should take steps to aware customers about the green products to help companies in marketing green products. Green marketing concept should be promoted by the public and government to make a sustainable development of resources.
- Regulation of companies not producing green products: Government can regulate the companies not following green marketing by imposing penalty on them or can also increase the rate of taxes. Which will increase in cost of production resultantly the prices of the products will also increase. In this way, these companies will lose the advantage of lower cost hence tendency of purchase of green products will enhance.
- Strict policies by WTO: World Trade Organisation needs to make strict policies for the international trading companies to make products of international market eco friendly. WTO should also help developing

and under developed countries to follow green marketing practices.

Conclusion: We need to understand green marketing is not a luxury but a necessity of life. If the environment is not sustained future generations will suffer from serious health hazards like cancer etc. Without taking serious steps towards environment sustainably (green marketing), the survival of life on earth would be difficult. In order to sustain natural resources to our future generations it is necessary to make optimum utilisation of the resources available to us. Only companies' focus on green marketing is not enough to make a change; support of government, administration, customers, suppliers,

policy makers everyone's contribution is important in production of green products. Green marketing is a win-win approach for companies and its stakeholders. Efforts of government need to be maximised by reducing taxes, labelling green products, providing subsidy to companies making green products etc. Implementation of green marketing practices in every company is not impossible if we (the people of world) start giving contribution towards promoting green products; also by preferring products of companies implementing eco friendly practices and rejection of products of companies causing environment and health hazards. It all can be possible through green marketing at a broad level.

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