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## CHALLENGES AND OPPORTUNITIES OF GREEN MARKETING IN INDIA

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### Abstract:

*Green marketing is not going to be an easy concept. The increasing economic development, rapid growth of population and growth of industries in India is putting a strain on the environment, infrastructure and the countries natural resources. Industrial pollution, soil erosion, deforestation, rapid industrialization, urbanization, and land degradation are all worsening problems. Environmental pollution is one of the most serious problems facing humanity and other life forms on our planet today. So it's the right time to implement the Green Marketing in India. Green Marketing makes drastic change in the business not even in India but save the world from pollution.*

### KEY WORDS:

Challenges, Opportunities, Green Marketing,.

### INTRODUCTION

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. Yet defining green marketing is not a simple task where several meanings intersect and contradict each other. Other similar terms used are Environmental Marketing and Ecological Marketing.

The promotion of environmentally safe or beneficial products, green marketing began in Europe in the early 1980s when specific products were identified as being harmful to the earth's atmosphere. As a result, new "green" products were introduced that were less damaging to the environment. The concept caught on in the United States and has been gaining steadily ever since. Divergent aspects of green marketing include ecologically safer products, recyclable and biodegradable packaging, energy-efficient operations, and better pollution controls. Advances produced from green marketing include packaging made from recycled paper, phosphate-free detergents, refillable containers for cleaning products, and bottles using less plastic. Pride and Ferrell (1993) Green marketing, also alternatively known as environmental marketing and sustainable marketing, refers to an organization's efforts at designing, promoting, pricing and distributing products that will not harm the environment.

### CONCEPT OF GREEN MARKETING

The concept of green marketing was developed in the late 1980s and early 1990s. Yet defining green marketing is not a simple task. Indeed the terminology used in this area has varied, it includes: Green Marketing, Environmental Marketing and Ecological Marketing. 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.

### **BENEFITS OF GREEN MARKETING**

Companies that develop new and improved products and services with environment inputs in mind give themselves access to new markets, increase their profit sustainability, and enjoy a competitive advantage over the companies which are not concerned for the environment.

Opportunities: McDonald's replaced its clam shell packaging with waxed paper because of increased consumer concern relating to polystyrene production and Ozone depletion.

Social Responsibility

Differentiating Products: Hero Honda's Splendour bike- eco friendly

Effective Utilization of Resources

### **GREEN MARKETING MIX**

Green Product - Green products are the ones that incorporate recycled content, are energy efficient and saving, durable, and have low maintenance requirements.

Green Price - Consumers are often ready to pay a premium price if they perceive the value in a product. The products that prove to be less detrimental to the environment are often less costly when product life cycle costs are considered.

Green Place - Green place involves efficient management of logistics and the entire supply chain to reduce its impact on the environment. This would involve mass-transportation, containerization, unit trains and other goods-handling technologies. Reverse channel systems have been developed for recycling of products whereby the empty bottles at the retailers end are brought back to the factories so that they can be reused.

Green Promotion - Green Promotion involves creating awareness for the green products in the marketplace. Green promotion also involves the use of promotional tools that save energy like internet. Many companies have now started the paperless office concept by using blogs, e-mails and social networking sites to promote their products, as these acts are cost and energy saving initiatives.

### **GREEN MARKETING IN INDIA**

1. Indian consumers are concerned about deforestation, toxics and water management Consumers see deforestation as the most important environmental issue Indian consumers say it is important for companies to reduce toxics (85 per cent) and manage water (79 per cent)

2. Indians plan to purchase more green products, but finding them is a challenge 81 per cent plan to spend more on green products in the coming year 72 per cent of consumers say limited selection a challenge to buying green—higher than in any other country

3. Consumers are receptive to advertising 86 per cent say ads help consumers make informed purchasing decisions and understand the benefits of green products

### **CURRENT SCENARIO OF INDIAN GREEN MARKETING**

Many analysts are predicting that 2011 will be a make-or-break-it year for many green businesses as increasing competition in the green sector drives some businesses to new heights of innovation and service while other businesses lag behind. Trends may come and go, and of course, it is impossible for any green business to stay on top of all of them, nor is it worthwhile to try. However, keeping track of green business trends is a great way to ensure that your business stays fresh, flexible, and creative in the face of new challenges and opportunities, the surest way to green business success in 2011 and beyond.

### **CONSUMERS -**

As per research, India is the only country to choose deforestation and air pollution as the most important green issue. India is the only country in which more consumers say it should be developing countries that should focus on green innovation versus developed countries. The results of the recently released 2011 edition of the Global Image Power green Brands Survey show that concern about the environment by the consumers, is translating into a willingness to pay for a premium for green products. 64 per cent of Indian consumers indicate that they plan to spend more on green products next year. Furthermore consistent with emerging countries, Indians are willing to pay a green premium price, with 48 per cent of Indians willing to spend 10 per cent more on a product simply because it is green. Consumers in

## CHALLENGES AND OPPORTUNITIES OF GREEN MARKETING IN INDIA



India are trusting of green advertising compared to other countries, with 86 per cent of Indian consumers reporting that advertising about green products help them in making choices. In India 28 per cent of consumers intend to purchase auto in the next year as compared to purchase of 16 per cent in last year.

Producers – AMUL has been rated as the Top Indian Green Brand by Global Green Brands survey. The International Dairy federation has also awarded AMUL Green movement as the best Environment Initiative in the —Sustainability Category in 2010. The 2011, top 10 Green Brands in India are:

AMUL  
Dabur India ltd.  
Infosys  
Taj Hotels  
Britannia Industries ltd.  
Suzlon India  
Hindustan Unilever Ltd.  
Wipro technologies ltd.  
Maruti Udyog ltd.  
Godrej Consumer Products

The findings emphasize that today situation being both green and consumer friendly is the only mantra for long term success.

**Government-** The Indian government has also done its mite in promoting green marketing and eco friendliness by way of banning plastic bags from daily use, helping its automotive industry to develop greener vehicles by supporting hybrid and electric vehicles (EVs), by investing in greener cars the Government of India is capitalizing on an underutilized segment and building an infrastructure that will generate economic growth and reduce emissions. The government took the initiative of promoting green buildings construction, usage of alternate sources of energy by companies. Governmental Bodies are forcing Firms to Become More Responsible. In most cases the government forces the firm to adopt policy which protects the interests of the consumers by reducing production of harmful goods or by products, Modify consumer and industry's use and or consumption of harmful goods; or, Ensure that all types of consumers have the ability to evaluate the environmental composition of goods.

## PERFORMANCE OF GREEN MARKETING IN INDIA

Nike is the first among the shoe companies to market itself as green. It is marketing its Air Jordan shoes as environment-friendly, as it has significantly reduced the usage of harmful glue adhesives. Kansai Nerolac Paints has been at the forefront of paint manufacturing for more than 88 years pioneering a wide spectrum of quality paints. Kansai Nerolac has worked on removing hazardous heavy metals from their paints – among this lead being the most prominent metal. Kansai Nerolac does not add any lead or other such heavy metals in its manufacturing process. Dell has been one of the vendors who focus on producing green IT products. They have a strategy called "Go green with Dell" to sell these products in the market. It also comes in an eco-friendly packaging with a system recycling kit bundled along. Talking about the green commitments of the company, Sameer Garde, Country GM, Dell India, says, "Dell is also actively pursuing green innovations that will be of value in 2009 from data-center efficiency to the use of eco-friendly materials for everything from chassis design to product packaging. Eco Hotels (Ecotels) is a certification system promoted by Hospitality Valuation Services (HVS) International. This system is based on five main criteria: environmental commitment, solid waste management, energy efficiency, water conservation, and employee education/community involvement. In India we have Eco-hotels like Orchid, Rodas, Raintree etc. believing and practicing green marketing. According to Harish Tiwari of Infinity Infomatic Pvt Ltd, a well known distributor, who says, "We don't find any difficulty in selling green products because the knowledge for these products has increased in us as well in customer. They are ready to pay higher for these products once they convinced." In May 2007, IBM launched Project Big Green to help clients around the world improve the efficiency of IT and better optimize their data center resources. IBM has software and services technologies to help businesses reduce data center energy consumption and cut energy costs by more than 40 per cent.

All types of consumers, both individual and industrial are becoming more concerned and aware about the natural environment. In a 1992 study of 16 countries, more than 50 per cent of consumers in each country, other than Singapore, indicated they were concerned about the environment. A 1994 study in

Australia found that 84.6 per cent of the sample believed all individuals had a responsibility to care for the environment. A further 80 per cent of this sample indicated that they had modified their behavior, including their purchasing behavior, due to environmental reasons. As demands change, many firms see these changes as an opportunity to be exploited. It can be assumed that firms marketing goods with environmental characteristics will have a competitive advantage over firms marketing non-environmentally responsible alternatives. There are numerous examples of firms who have strived to become more environmentally responsible, in an attempt to better satisfy their consumer need. McDonald's replaced its clam shell packaging with waxed paper because of increased consumer concern relating to polystyrene production and Ozone depletion. Xerox introduced a "high quality" recycled photocopier paper in an attempt to satisfy the demands of firms for less environmentally harmful products.

This is not to imply that all firms who have undertaken environmental marketing activities actually improve their behavior. In some cases firms have misled consumers in an attempt to gain market share. In other cases firms have jumped on the green bandwagon without considering the accuracy of their behavior, their claims, or the effectiveness of their products. This lack of consideration of the true "greenness" of activities may result in firms making false or misleading green marketing claims.

#### CHALLENGES OF GREEN MARKETING

**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 need to reach the masses and that will take a lot of time and effort.

**Non Cooperation** - The firms practicing Green marketing have to strive hard in convincing the stakeholders and many a times it may fail to convince them about the long term benefits of Green marketing as compared to short term expenses.

- Green marketing encourages green products / services, green technology, green power / energy; a lot of money has to be spent on R & D programmes. Thus practicing green marketing initially will be a costly affair.
- The customers may not believe in the firm's strategy of Green marketing, the firm therefore should ensure that they convince the customer about their green product, this can be done by implementing Eco-labeling schemes. Eco - labeling schemes offer its "approval" to "environmentally less harmless" products have been very popular in Japan and Europe. In fact the first eco-label programme was initiated by Germany in 1978.
- Initially the profits will be very low since renewable and recyclable products and green technologies are more expensive. Green marketing will be successful only in long run.
- Many customers may not be willing to pay a higher price for green products which may affect the sales of the company.
- The firm may give up on Green marketing concept or be forced to practice unfair means to cut cost to sustain in the competition and thus the entire idea of going green will be a farce.
- The firms practicing Green marketing have to strive hard in convincing the stake holders and many a times there may be some who simply may not believe and co-operate.

#### CONCLUSION

Green marketing is not going to be an easy concept. The increasing economic development, rapid growth of population and growth of industries in India is putting a strain on the environment, infrastructure and the countries natural resources. Industrial pollution, soil erosion, deforestation, rapid industrialization, urbanization, and land degradation are all worsening problems. Environmental pollution is one of the most serious problems facing humanity and other life forms on our planet today. So it's the right time to implement the Green Marketing in India. Green Marketing makes drastic change in the business not even in India but save the world from pollution. The Environmental problems in India are growing rapidly. The increasing economic development, rapid growth of population and growth of industries in India is putting a strain on the environment, infrastructure and the countries natural resources. Industrial pollution, soil erosion, deforestation, rapid industrialization, urbanization, and land degradation are all worsening problems. Environmental pollution is one of the most serious problems facing humanity and other life forms on our planet today. So it's the right time to implement the Green Marketing in India. Green Marketing makes drastic change in the business not even in India but save the world from pollution.

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