

STATUS OF GREEN MARKETING & ITS RELEVANCE INDIA: A DESCRIPTIVE STUDY

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Abstract: *The environment cannot be improved in conditions of poverty, unless we are in a position to provide employment and purchasing power for the daily necessities of the tribal people and those who live in around our jungles, we cannot prevent them from combing the forests for food and livelihood; from poaching and from despoiling the vegetation. How can we speak to those who live in villages and slums about keeping the oceans, the rivers and the air clean when their own lives are contaminated at the source?* **Indira Gandhi, Stockholm Conference, 1972**

Green marketing has commanded tremendous attention in the context of global warming and climate change and as a result has forced both the customers on one side and the companies on the other to incorporate the principles of green marketing. Recently, it has drawn the attention of government too in this regard and paved the way for introducing many environment friendly policies. The divergence between limited resources and unlimited wants of human resource is to be used economically and in an environmental friendly way. Companies should adopt innovative methods sustainable development in the competitive environment to enable the use of green marketing products. Using a green product safeguards the interests of its users, society and the environment. Setting up a responsive policy in this regard will maximize the health of the earth. Green Marketing, other similar terms used are Environmental Marketing and Ecological Marketing, is not all about manufacturing green products and services but encompassing all those marketing activities that are needed to develop and sustain consumer's eco-friendly attitudes and behaviors in a way that helps in creating minimum detrimental impact on the environment³. This paper clearly evaluate Ethics in Green Marketing , Characteristics Of Green Products : Green Marketing Mix, Green Products & Its Characteristics , Why Green Marketing , Challenges Ahead in general and Suggestion in particular.

Key Words: *Green Marketing, Eco-Friendly Product, CSR, Ecological Marketing etc.,*

1. INTRODUCTION:

In India the concept of CSR(Corporate Social Responsibility) was progressively picking up and had changed the role of marketing at large: In the social marketing concept, the long-term interests of the consumer and social welfare had taken a mainstream while profit making was expressed as a long-term objective. One of such CSR steps adopted by the corporate to show their green footprint was green marketing. There was a wide contradiction among marketing experts about the gap between attitude and behavior of the consumers regarding green consumption; the other group of experts was of opinion that while consumers were increasingly demanding environmental protection, their behavior did not really reflected this attitude: they were not aware of the damage being done to the environment out of their activities. Moreover people were not knowledgeable of green alternatives (and even if they were knowledgeable, they did not consider these green alternatives available and feasible); Many people thought that environmental protection was not their responsibility rather they fancy action should be taken not by them but by other institutional actors, mainly the state government and corporate. Therefore, the purpose of the dissertation was set to examine the possibilities for environment friendly marketing *within* the current economic system through a better understanding of environment friendly consumer behavior.

As the world's economy is rapidly developing, the global environment is increasingly deteriorating. Protecting environment, creating a safe living environment has become one of the most important concerns of consumers. Green marketing generally aims to promote environmentally friendly products and a safe environment where people could stay. According to the American Marketing Association green marketing is the marketing of products that are presumed to be environmentally safe. At present green marketing is widely becoming a phenomenon throughout the world as concerns towards environment have begun in the past few decades. Every year the populations of people who are turning towards green brands or environmental friendly products are increasing thus magnifying the phenomenon. The need for sustainable business practices by corporations around the world is identified to be a result of overall increase in the consumer awareness of lack of environmental protection and social inequities. Thus, businesses in almost every industry nowadays are flaunting the "green" features of their products and services in every chance they get. The success of any green marketing strategy is heavily dependable on its target consumers. Green marketing dates back to 1980 when the concept of green marketing emerged as a result of the shift in the consumer's attention towards

green products during those times green marketing research concentrated on the shift in consumer's consumption of green products. There was a great deal of empirical research carried out to identify interest among consumers in using and purchasing green products (Mintel 1991). Due to increase in the level of awareness among the consumers a positive change towards environmental products has been seen in the behavior of consumers. Such changes contribute towards green revolution that aims to reduce the further harm on the environment by the products. The growth of green revolution and green consumers is perceived as the biggest opportunity for business enterprises and invention to the industrial world (Cairncross 1992: 177). A green consumer can be identified to be one who avoids any product which may harm damage to any living organism, cause deterioration of the environment during process of manufacturing or during process of usage, consume a large amount of nonrenewable energy, involves unethical testing on animals or human subjects (Elkington, 1994). Green company is based on its corporate vision that includes environmental concerns as the company's functioning. This simply means that the company realizes the needs of the ecosystem with which it interacts.

For example, any company wants "to be a good company, having concern for the community and the environment". Green marketing might be a result of policy referring to the changes of preferences of the customers and /or to follow the mainstream development of the industry. However, there are companies, which are really centered on green values and try to realize their ecological worldview in their business activities (e.g. the Body Shop, Ben and Jerry's, Tom's of Main, Interface). Growing need is felt to shift over to the green products and services both by the companies and consumers. Even though the shift towards green marketing will be expensive to both the company and consumers it will benefit both in the long run. There are a number of literatures that focus on various aspects related to green marketing and also write into the various inter relationships between the customers attitudes and environmental strategies in relation to the organizations use of marketing. Environmental issues are addressed in green marketing efforts. The core idea of green marketing is to create awareness among people on the environmental issues and how consumers would be helping the environment if they switch over to green products. Thus green marketing aims to provide more information to people and also gives those more choices to switch over to green lifestyle. Driven by the green consumption enterprises begin to take customer as the guide of the green marketing strategy. In the marketing process, they pay attention to the balance and coordination between enterprise and the consumer social and environmental, as well as the sustainable development of the enterprises. In order to green the value-addition, the organization may start by redesigning them and eliminating some of them and this may require modifying the current technology or inducting new technology, all of these aiming at reducing the environmental impact aggregated for all stages, such as the hybrid cars that reduce the fuel consumption and environment polluting (Lopez, 2009). Thus corporations are becoming more aware of their responsibilities towards the environment. This has forced the law makers, environment groups, consumers, financial institution insurers and the organization's own employees to become more aware of environmental aspects and this in turn has led to an increase in the number of policies and schemes and regulations at both the national and international levels.

2. EVOLUTION OF GREEN MARKETING:

Green marketing term was first discussed in a seminar on —Ecological Marketing organized by American Marketing Association (AMA) in 1975 and took its place in the literature. The term green marketing came into prominence in the late 1980s and early 1990s. The first wave of green marketing occurred in the 1980s. The tangible milestone for the first wave of green marketing came in the form of published books, both of which were called Green Marketing. They were by Ken Peattie (1992) in the United Kingdom and by Jacquelyn Ottman (1993) in the United States of America. According to Peattie (2001), the evolution of green marketing has three phases.

First phase was termed as "**Ecological**" green marketing, and during this period all marketing activities were concerned to help environmental problems and provide remedies for environmental problems. Second phase was "**Environmental**" green marketing and the focus shifted on clean technology that involved designing of innovative new products, which take care of pollution and waste issues. Third phase was "**Sustainable**" green marketing. It came into prominence in the late 1990s and early 2000 concerned with developing good quality products which can meet consumers need by focusing on the quality, performance, pricing and convenience in an environment friendly way.

3. REVIEW OF LITERATURE:

Lubna (2007) in Economic Times has written that Eco-friendly measures seem attractive on paper, but they do entail a higher cost, at least initially. No wonder then that 46% of companies surveyed have declared they will only invest in low-carbon equipment if the running cost is the same or lower than those of conventional equipments. A mere 40% have invested in low-carbon equipments and only 38% have a company policy to do so. It is because of the same reason that in approx two decades of its existence, only 12 companies have secured Eco-Mark license from the Bureau of Indian Standards (BIS), the scheme's implementing agency. It can be called as catastrophe only that till date only seventeen licenses have been issued under product categories of paper, wood substitutes and finished leather products.

Some scholars claim that green policies/products are profitable: green policies can reduce costs; green firms can shape future regulations and reap first-mover advantages. (Porter and van126 1995; (see Rugman and Verbeke134, 2000)). However, this does not seem to be the norm within and across most industries. Many believe that green policies are expensive; especially after the initial gains – the ‘low hanging fruit’ – in reducing end-of-the-pipe pollution have been harvested (Walley and Whitehead154, 1994). As a result, firms often need to charge premium prices for green products. Of course, if green products were cheaper than other products, their premium pricing would be less of an issue for consumers. The above discussion raises two issues regarding consumers’ benefit–cost calculus: first, whether consumers regard greenness of products/firms as ‘hygiene’ or ‘motivating’ factors, and second, to what extent green products create social benefits but impose private costs. **Extending Maslow’s (1943) theory, Herzberg (1966)** developed a theory of work motivation that focused on two work-related factors: those that motivated employees (motivators) and those that prevented dissatisfaction among them (hygiene).

As discussed in **A Prakash (2000)**, a key challenge for marketers is to understand whether consumers view firm/product greening as motivating factors (their presence induces consumers to purchase given product; preference for a product is an increasing function of the greening level) or hygiene factors (their absence may bother consumers but, after a low threshold of greening, the preference for a product is not an increasing function of the greening level). If consumers favor firms with green policies (for example, the one with ISO 14001 certification) notable exceptions exist. For example, the looming trade war between the US and the EU is partly due to the resistance of the European consumers to purchasing cheaper but genetically altered food items from the US.

Prakash (1997) opines that consumers preferred green products (the one with a higher percentage of recycled inputs is favored), green policies/products are motivating factors. Managers, therefore, have economic justification to ensure that their firms/products are greener than their competitors’. However, consumers do not care much about who is greener, but they do penalize firms that violate environmental laws or emit high levels of toxins, greenness is a hygiene variable – 33% of adults claimed to have avoided buying products, at least occasionally, from companies with poor environmental records (Ottman116, 1996). If so, then the managerial task is to obey environmental laws, to stay out of trouble with the regulators and to avoid bad press by undertaking minimal beyond-compliance initiatives. Greening firms/products often creates societal benefits (especially, over products’ life cycles) but imposes private costs on firms. If firms do not/cannot pass on such costs to consumers, they hurt their shareholders. However, most consumers are perhaps not ready to bear increased direct costs (as opposed to indirect costs imposed by environmental regulations or more stringent product standards) either for societal well being or due to their skepticism about firms’ environmental claims (Davis33, 1993). Consequently, many mass marketers continue to focus on the conventional product attributes such as price, quality and product features (Hansen57, 1997; Phillips112, 1999)

Sardianou (2007) developed an empirical model to investigate the main determinants of household energy conservation patterns in Greece employing cross-section data. In the empirical analysis, household energy-conserving choices models were employed, using a discrete and a latent trait variable respectively as a dependent variable. The results showed that socio-economic variables such as consumers’ income and family size were suitable to explain differences towards energy conservation preferences. In addition, the results suggested that electricity expenditures and age of the respondent were negatively associated with the number of energy-conserving actions that a consumer was willing to adopt. Finally, other variables such as environmental information feedback and consciousness of energy problems were characteristics of the energy-saver consumer. By evaluating consumer's decision-making process with regards to energy conservation measures, they were able to formulate and propose an effective energy conservation framework for Greece. An energy policy framework was among the main prerequisites not only to achieve sustainable development but also to maintain consumers’ quality of life.

Arun Kumar and N. Meenakshi(2011) believed that Sustainable innovation and marketing is the key to future profitability and companies need to adopt the following practices :

- Companies that comply with the most stringent standards do not have to manage separate processes for different markets. norms of each country in which its manufacturing facilities are located.

- Smart companies reduce the consumption of nonrenewable resources such as coal, petroleum and natural gas as well as renewable resources such as water and wood.

- To design eco-friendly products, companies examine product life cycles and understand consumer concerns. Preserving the environment is vital through the eco-friendly products and which is vital for our own preservation.

Sherlekar(2007) has identified that using a titled earthen pitcher as its symbol, the Ecomark label is intended to enable consumers to choose products which are environmental friendly. The products demanding immediate Ecomarking are textiles, toilet soaps, detergents, paper, paints, packages, pesticides, drugs etc.

Kupuswamy & Venkatrama Raju (2011) examined that the initiatives undertaken by the companies to improve Energy Efficiency, devising ways and means for re-use of energy, oils and materials to promote Resource

Conservation. It highlights the development of sustainability at three levels, namely, Strategic Level, Relationship and Co-ordination Level and Operating Level.

In their study by **Muthamizh Vendan Murugavel (2010)** found that, the impact of global warming is likely to hit developing countries hardest. Global warming threatens availability of fresh water, food security and productivity of natural resources.

Philip Kotler (2011) recognized that the Companies need to make drastic changes in their research-and-development, production, financial, and marketing practices if sustainability has to be achieved. The several environmental challenges to be considered in the sustainability are change in the composition of the atmosphere, depletion of the ozone layer, soil degradation & increased desertification, increased air and water pollution.

4. CHARACTERISTICS OF GREEN PRODUCTS:

1. Products those are originally grown.
2. Products those are recyclable, reusable and biodegradable.
3. Products with natural ingredients.
4. Products containing recycled contents and non toxic chemical.
5. Products contents under approved chemicals.
6. Products that do not harm or pollute the environment.
7. Products that will not be tested on animals.
8. Products that have eco-friendly packaging i.e. reusable, refillable containers etc.

5. ETHICS IN GREEN MARKETING:

Friedman says that business has no social responsibility beyond that of increasing profits so long as it stays within the rules of the game, that is, engage in open and free competition without deception or fraud. In other words, business has no business to consider question of good or evil, stillness of social justice or environmental sustainability. This raises the question of whether there is a distinction to be drawn between ethical action and good business sense. Green marketing may be viewed as a strategy for the future or for profitability. Decision-making in business has become complex as environmental questions have been raised about all aspects of corporate activity. Since business is in the community and works within a physical and ethical framework, it has to consider the environment as an ethical issue. The rate of environmental degradation has intensified. The nineteenth century witnessed the firms large scale pollution as companies geared themselves to produce goods as fast as possible, with virtual disregard to human or environmental well-being. Nations battled for industrial supremacy using raw materials and creating pollution at a staggering rate. As countries became economically stronger, competition also grew. More efficient production methods were employed, and very few companies, gave a thought to the impact they were having on their surroundings. With increase in water pollution from chemical works, and air pollution from the iron and steel industry, towns and cities began to pay the price for high industrial productivity.

The three Rs of environmentalism are:

1. Reduce
2. Reuse and
3. Recycle

Green marketing takes into account the wider relationship of the organization and its products to the surroundings. It is about a more aware, open, targeted and sensitive approach that integrates the strategic link between the company, the environment and marketing, rather than being primarily concerned with tactical communication opportunities. The prime emphasis is on, developing relationships and satisfying separate stakeholder needs in an environmentally and socially responsible manner. The key stakeholders are customers, investors, the parent company, directors, employees, the community, legislators, pressure groups, supplier, and the media.

Green marketing differs from its societal and ecological predecessors by intertwining of ecological and social concerns, in the breadth of the ecological agenda that it tackles, and in its potential application across all types and sectors of business.

Green marketing goes beyond societal marketing in four key ways:

- It is an open-ended rather than a long-term perspective
- It focuses more strongly on natural environment
- It treats the empowerment as something which has an intrinsic value over and above its usefulness to society
- It focuses on global concerns rather than those of particular societies

6. GREEN MARKETING MIX:

The combination of 4 Green P's or Green factors(Eco-friendly) is known as Green Marketing Mix namely; Green Product, Green Promotion, Green Place

- **Green Product:** While manufacturing green products the firms should incorporate environmentally friendly resources or materials in the product. The characteristics of the resources or materials used in the product and its packaging should influence environmental elements.
- **Green Promotion:** The firms should focus more on “Green Advertising” in order to communicate to its green customers (who uses eco-friendly products) and as well as traditional customers (who are not green users) about the concept of environmental protection. Apart from this, the firms should also launch promotional tools such as schemes, coupons, offers and premium etc; in order to attract consumers to buy eco-friendly products.
- **Green Place:** Green products and services which are to be delivered from the point of producers to the point of ultimate green consumers. In this context, the firm should choose a proper channel considering product characteristics, consumer characteristics and market characteristics. □
- **Green Price:** It is often perceived by the consumers that the prices of green products are relatively higher compared to the traditional products. If production and operating costs are lowered, it would give green products more competent force on the market. □

7. GREEN PRODUCTS & ITS CHARACTERISTICS:

The products those are manufactured through green technology and that caused no environmental hazards are called green products. Promotion of green technology and green products is necessary for conservation of natural resources and sustainable development. we can define green products by following measures:-

- Products those are originally grown,
- Products those are recyclable, reusable and biodegradable.
- Products with natural ingredients.
- Products containing recycled contents, on-toxic chemical.
- Products contents under approved chemical.
- Products that do not harm or pollute the environment.
- Products that will not be tested on animals.
- Products that have eco-friendly packaging, i.e, reusable, refillable containers etc.

8. Why Green Marketing?

It is really scary to read these pieces of information as reported in the times recently. “Air pollution damage to people, crops and wildlife in us. Total tens of billion dollars Each year” more than 12 other studies in the us Brazil, Europe, Mexico, south-Korea and Taiwan have established links between air pollutants and low birth weight premature birth still birth and infant death “As resources are limited and human wants unlimited, it is important for the marketers to utilize the resources efficiently without waste as well as to achieve the organization’s objectives. So, Green marketing is inevitable. There is growing interest among the consumers all over the world regarding protection of environment. AS a result of this green-marketing has emerged which speaks for growing market for sustainable and socially responsible products & services. Thus, the growing awareness among the consumers all over the world regarding protection of the environment in which they live ,people do want to bequeath a clean Earth to their marketing by the business class is still in the selfish anthological perspective of long term sustainable business and to please the consumer and obtain the license by the governing body.

Table No:1 : Showing Countries ranked according to their response level on Green Marketing:

Rank	Countries
1	India
2	UK
3	US
4	Thailand
5	Australia
6	Canada
7	China

• Challenges Ahead

- Green products require renewable and recyclable material, which is costly.
- Requires a technology, which requires huge investment in R & D.
- Water treatment technology, which is too costly.
- Majority of the people are not aware of green products and their uses.
- Majority of the consumers are not willing to pay a premium for green products.

9. SUGGESTIONS:

- The consumer must take a lead and make others understand the benefits of organic food and must teach them the ways to identify what food products are organic
- There exists a great untapped market for health care products which can be targeted by health care products manufacturers as most of the Pune population was found to be concerned about their own health
- The study advises the use of a wide range of media in combination, to communicate eco friendly approach as relying, only on single media like TV may not be fruitful
- It is everyone's liability to save the planet and the creatures, apart from adopting a street dog, minimizing use of mobile phones (which kill birds). This can be fruitful
- Minimize use of scarce natural resources and recycle the recyclable waste material
- Social networking has created powerful new ways to communicate and share information. Through social networking sites wide range of influencing factors on sustainable consumer behavior can be addressed, Moreover Green should be made an important thing
- NGO should come forward to clean up the water bodies and immersions in such water bodies should be strictly prohibited.

10. CONCLUSION:

Enormous economic growth, advent of scientific and technological innovations, intense competition in money making strategies coupled with population growth have exploited the natural resources to its maximum level. This has resulted in the degradation of our natural environment. Its repercussions have threatened the health of the planet which includes rising greenhouse gases, land degradation, acid rain, global warming, hole in ozone layer, depletion of forest cover, extensive loss of bio-diversity and natural habitat etc. These alarming issues have caught the attention of everybody around the world and discussions have started in various forums globally. Collective cry all over the world to protect the „planet earth“ has become louder and louder and have invited green movements all over the world. Moreover, Consumers have become environment conscious and have started demanding green products. The green and sustainable trend has emerged due to pressure on companies from various corners, which includes consumers, shareholders, employees, partners, governments (regulations) and media exposure, to embrace more sustainable and green practices. Concern for environment has considerably grown in India in recent years too. Companies and Business houses are now waking up to modify their behaviour in order to address some of the environmental concerns faced by today's consumers. As a result, manufacturing firms started producing products favourable to environmental concerns. They have come a long way from simply being a “business friendly” to “consumer friendly” and „environmental friendly“.

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