

Exploring the Recent Trends and Challenges in Green Marketing

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Abstract – Green marketing is the marketing of the product in such a way that our precious environment is preserved which can incorporate a wide range of activities for a sustainable future. Today increasing number of consumers are willing to favor Green Marketing as they are environmentally conscious. One of the most basic challenges faced is the balancing business profits and environmental goals. It helps the company to market its product keeping in mind all the environmental aspects accessing the new market and enjoying the competitive advantage. Environmentalists support green marketing to encourage people to use environmentally preferable alternatives, and to offer incentives to manufacturers that develop more environmentally beneficial products. Today's consumers are becoming more and more conscious about the environment and are also becoming socially responsible. This paper identifies the particular segments of green consumers and explores the challenges and opportunities businesses have with green marketing.

Key Words- Green Marketing, adaptations, Present Trends, Challenges.

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INTRODUCTION

Since time immemorial environmental issues had been influencing human activities. With passage of time the society became more concerned with environmental issues. In order to address this new concern not only the society but also the business community have shown courage to come forward and began to modify their ways to preserve the environment. As marketing is one of the most influential and inconspicuous aspect of business, it did not remain untouched by this very concept of environment and the term green Marketing came into existence. It consists of all the activities that can facilitate human exchanges to satisfy their needs with minimum impact on the environment. Green marketing is the marketing of the product in such a way that our precious environment is preserved which can incorporate a wide range of activities for a sustainable future. The term "Green marketing" refers to the planning, development and promotion of products or services that satisfy the needs of consumers for quality, output accessible prices and service, without however a negative effect on the environment, with regard to the use of raw material, the consumption of energy etc. Thus "Green Marketing" refers to holistic marketing concept wherein the production, marketing consumption and disposal of products and services happen in a manner that is less detrimental to the environment with growing awareness about the implications of global warming, non- biodegradable solid waste, harmful impact of pollutants etc., both marketers and consumers are becoming increasingly sensitive to the need for switch

in to green products and services. While the shift to "green" may appear to be expensive in the short term, it will definitely prove to be indispensable and advantageous, cost-wise too, in the long run.

WHY GREEN MARKETING?

It is a well known fact that the resources present on the earth's surface are scarce and is bound to be exhausted if not utilized judiciously. Since the resources are limited a need arises to find alternative ways to satisfy the unlimited needs of the people. Green marketing becomes inevitable and has a significant role to play in order to foster growth in the midst of recession and gloom. There is growing interest among the consumers all over the world regarding protection of environment. As a result, green marketing saw its emergence, which speaks volumes for the fast growing market for sustainable and socially responsible products and services.

Unfortunately, it is believed that Green marketing encompasses and restricts itself to the promotion or advertising of products that have environmental characteristics. Term like Phosphate Are, Recyclable, Refillable, Ozone Friendly, and Environmentally Friendly are mistakenly associated with Green Marketing. In general, green marketing is a much broader concept, that can be applied to consumer goods, industrial goods and even services. Thus, green marketing incorporate a broad range of activities and offer a lot of growth possibilities in the suns that the companies can

involve and develop new and improved products and services with environmental impacts in mind. This would essentially lead them to access new markets which will increase their profit margins and enjoy competitive advantage over those companies which are not environ friendly, thus opening up new vistas and avenues to growth possibilities.

AWARENESS REGARDING GREEN MARKETING:

It is very pertinent to note that the customers are to be treated as the top priority; hence it is of utmost significance to educate the customers on green Marketing. It is not just a matter of letting people to know whatever they are doing to protect the environment, but also letting them know why it matters. Otherwise the green credential Marketing Campaign will not succeed, as the customers are no well informed on the issue.

The customers should initiate to participate in the positive environmental actions that the company has undertaken and provide them an opportunity to personalize them with its benefits. Though, it is time consuming but, finally the company will definitely reap the benefits.

The company should be conscious to identify such data of customers who are environmentally active and would be happy to initiate to make the world a greener place. This environmental action will be popular with potential customers and will provide a good opportunity to do some green marketing. Today increasing number of consumers are willing to favor Green Marketing as they are environmentally conscious. If Green Marketing is followed with the right strategy the distant dream will turn into reality.

MARKETING ECOFRIENDLY PRODUCTS- A STEP TOWARDS GREEN MARKETING:

Cultures around the world possess their own unique way, and have their own deeply rooted beliefs and traditions to boast. We should always have a suns of gratitude and respect towards our resources which are limited. It is always advisable to use products that are ecofriendly and using packaging materials that are recyclable or bio gradable. Using ecofriendly methods, using sustainable and organic agriculture is the best way to initiate and promote by paying a premium price to encourage the farmer to adapt more ecofriendly practice taking into consideration water conservation, food packaging etc

Using recyclable materials in production and using green energy such as wind and geo thermal will go a long way in maintaining the green environment. The transportation energy can be minimized by buying and selling the produce locally. Products should be made which are reusable and can be recycled.

Methods to create environment friendly household products such as nontoxic cleaners and reusable household products.

Stores should be designed in such a way that it consumes less energy. We can promote and initiate environment responsibility amongst the stores where the product is sold keeping all the aspects of green marketing with regards to the employees and the consumers.

Examples- Ice cream companies that promote natural ingredients and business practices that promote not only the health of human being but also that of the earth.

Tiffin system in India which can be reused and promotes environment friendly business. Neem twigs are natural to start the day which saves gallons of water and is best for tooth care.

GREEN MARKETING – ADAPTATIONS BY THE FIRMS

Green marketing is extensively used by eminent firms worldwide which have proved them beneficial in this competitive world for the following reasons:

Opportunities – With the changing demands and needs, many firms initiated changed action plans to exploit and have a competitive advantage over firms which marketed non environmentally friendly products or services.

Some firms, mentioned below succeeded to set examples and strived to become more environmentally responsible, in an attempt to satisfy their consumer needs:

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

Tuna manufacturers modified their fishing techniques because of the increased concern over driftnet fishing, and the resulting death of dolphins.

Xerox introduced a "high quality" recycled photocopier paper in an attempt to satisfy the demands of firms for less environmentally harmful products.

Social Responsibility - Many firms are beginning to realize that they are members of the wider community and therefore must behave in an environmentally responsible fashion. This translates into firms that believe they must achieve environmental objectives as well as profit related objectives. This results in environmental issues being integrated into the firm's corporate culture.

Cost of Profit Issues - Firms may also use green marketing in an attempt to address cost or profit related issues.

Disposing of environmentally harmful by products, such as polychlorinated biphenyl (PCB) contaminated oil are becoming increasingly costly and in some cases difficult.

Therefore, firms that can reduce harmful wastes may incur substantial cost savings. When attempting to minimize waste, firms are often forced to re-examine their production processes.

PRESENT TRENDS IN GREEN MARKETING IN INDIA

Organizations Perceive Environmental marketing as an Opportunity to achieve its objectives. Firms have realized that consumers prefer products that do not harm the natural environment as also the human health.

Firms marketing such green products are preferred over the others not doing so and thus develop a competitive advantage, simultaneously meeting their business objectives. Organizations believe they have a moral obligation to be more socially responsible. This is in keeping with the philosophy of CSR which has been successfully adopted by many business houses to improve their corporate image.

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. It does so in following ways:

- Reduce 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.

Competitors' Environmental Activities Pressure Firms to change their Environmental Marketing Activities. In order to get even with competitors claim to being environmentally friendly, firms change over to green marketing.

Cost Factors Associated with Waste Disposal or Reductions in Material Usage Forces Firms to Modify their Behaviour –

With cost cutting becoming part of the strategy of the firms it adopts green marketing in relation to these activities. It may pursue these as follows:

- A Firm develops a technology for reducing waste and sells it to other firms.
- A waste recycling or removal industry develops.

CASES INVOLVING GREEN MARKETING:

Interestingly, green marketing continues to be an issue of global interest and some examples are cited below:

EXAMPLE 1 : Best Green IT Project: State Bank of India: Green IT@SBI

By using eco and power friendly equipment in its 10,000 new ATMs, the banking giant has not only saved power costs and earned carbon credits, but also set the right example for others to follow.

SBI has also entered into green service known as "Green Channel Counter". SBI is providing many services like; paper less banking, no deposit slip, no withdrawal form, no checks, no money transactions form. All these transaction are done through SBI shopping & ATM cards. State Bank of India turns to wind energy to reduce emissions: The State Bank of India became the first Indian bank to harness wind energy through a 15-megawatt wind farm developed by Suzlon Energy. The wind farm located in Coimbatore uses 10 Suzlon wind turbines, each with a capacity of 1.5 MW. The wind farm is spread across three states – Tamil Nadu, with 4.5 MW of wind capacity; Maharashtra, with 9 MW; and Gujarat, with 1.5 MW. The wind project is the first step in the State Bank of India's green banking program dedicated to the reduction of its carbon footprint and promotion of energy efficient processes, especially among the bank's clients.

EXAMPLE 2 : Lead Free Paints from Kansai Nerolac

Kansai Nerolac Paints Ltd. has always been committed to the welfare of society and environment and as a responsible corporate has always taken initiatives in the areas of health, education, community development and environment preservation. Kansai Nerolac has worked on removing hazardous heavy metals from their paints. The hazardous heavy metals like lead, mercury, chromium, arsenic and antimony can have adverse effects on humans. Lead in paints especially poses danger to human health where it can cause damage to Central Nervous System, kidney and reproductive system. Children are more prone to lead poisoning leading to lower intelligence levels and memory loss.

EXAMPLE 3: Indian Oil's Green Agenda Green Initiatives

- Indian Oil is fully geared to meet the target of reaching EURO-III compliant fuels to all

parts of the country by the year 2010; major cities will upgrade to Euro-IV compliant fuels by that time.

- Indian Oil has invested about Rs. 7,000 crores so far in green fuel projects at its refineries; ongoing projects account for a further Rs. 5,000 crores.
- Motor Spirit Quality Improvement Unit commissioned at Mathura Refinery; similar units are coming up at three more refineries.
- Diesel quality improvement facilities in place at all seven Indian Oil refineries, several more green fuel projects are under implementation or on the anvil.
- The R&D Centre of Indian Oil is engaged in the formulations of eco-friendly biodegradable lube formulations.
- The Centre has been certified under ISO-14000:1996 for environment management systems.

EXAMPLE 4 : India's 1st Green Stadium

The Thyagaraja Stadium stands tall in the quiet residential colony behind the Capital's famous INA Market. It was jointly dedicated by former Union Sports Minister MS Gill and former Chief Minister Sheela Dikshit.

Sheela Dikshit said in her address that the stadium is going to be the first green stadium in India, which has taken a series of steps to ensure energy conservation and this stadium has been constructed as per the green building concept with eco-friendly materials.

EXAMPLE 5: Eco-friendly Rickshaws

Former Chief minister Sheela Dikshit launched a battery- operated rickshaw, "E-rickshaw", sponsored by a cellular services provider, to promote eco-friendly transportation in the city ahead of the Common Wealth Games.

EXAMPLE 6 : Wipro's Green Machines (In India Only)

Wipro Infotech was India's first company to launch environment friendly computer peripherals. For the Indian market, Wipro has launched a new range of desktops and laptops called Wipro Green ware. These products are RoHS (Restriction of Hazardous Substances) compliant thus reducing e-waste in the environment.

EXAMPLE 7: Agartala to be India's first Green City

Tripura Sunday announced plans to make all public and private vehicles in Agartala run on compressed natural gas (CNG) by 2013, thus making the capital "India's first green city".

Tripura Natural Gas Co Ltd (TNGCL), a joint venture of the Gas Authority of India Ltd (GAIL) and the Tripura and Assam governments, has undertaken a project to supply CNG to all private and government vehicles. CNG will also be available to those now using electricity, petrol and diesel to run various machineries. TNGCL chairman Pabitra Kar said: "The company will soon provide PNG connections to 10,000 new domestic consumers in the city and outskirts. Agartala will be the first city in India within the next three years to become a green city.

EXAMPLE 8 : Going Green: Tata's new mantra

Tata Motors is setting up an eco-friendly showroom using natural building material for its flooring and energy efficient lights. Tata Motors said the project is at a preliminary stage. Indian Hotels Company, which runs the Taj chain, is in the process of creating eco rooms which will have energy efficient mini bars, organic bed linen and napkins made from recycled paper. But there won't be any carpets since chemicals are used to clean those.

And when it comes to illumination, the rooms will have CFLs or LEDs. About 5% of the total rooms at a Taj hotel would sport a chic eco-room design.

One of the most interesting innovations has come in the form of a biogas-based power plant at Taj Green Cove in Kovalam, which uses the waste generated at the hotel to meet its cooking requirements. Another eco-friendly consumer product that is in the works is Indica EV, an electric car that will run on polymer lithium ion batteries. Tata Motors plans to introduce the Indica EV in select European markets this year.

GREEN MARKETING-CHALLENGES

One of the most basic challenges faced is the balancing business profits and environmental goals. Only few customers care about green products which include a class of health conscious, educated and affluent people. The rest also cares about green marketing but are more conscious towards the cost of the product. This entitles that a certain class involves and values Green Marketing and are ready to pay more in comparison to the those who are more price sensitive. For such customers their money is the immediate concern. Green marketing under such circumstances faces a grave challenge particularly at times of economic slowdown, as price becomes a major factor which affects a consumer's decision.

The other challenge that Green marketing incorporates is the establishing credibility through a comprehensive plan. No company can remain credible if it does not comply the environmental needs that it is advertising the green products but entirely ignoring the other facets of environmental concerns.

If a product is developed which is absolutely green in various aspects but does not pass the customer satisfaction criteria it will not help company to go a long way. This will lead to green myopia. Also if the green products are priced very high then again it will lose its market acceptability. Marketers must make sure that the environment benefits do not compromise the product value. When sun chips offered such a bag that composted easily, but produced more offend able noise, the product was rejected by the consumers. They could not compromise with the noise which hindered viewing the television.

Green marketing encourages green products/services, green technology, green power/energy; a lot of money has to be spent on R&D programs. Thus practicing green marketing initially will be a costly affair. 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 stakeholders and many a times there may be some who simply may not believe and co-operate.

To conclude, it can be said that Green marketing is the need of the hour as it sustains long term growth along with profitability. It helps the company to market its product keeping in mind all the environmental aspects accessing the new market and enjoying the competitive advantage.

Today's consumers are becoming more and more conscious about the environment and are also becoming socially responsible. The employees too, in their turn enjoy and feel responsible to be working for an environmentally responsible company. Green marketing has gone a long way, yet, much has to be achieved in years to come, for a cleaners and greener environment.

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