

India Being Green

Srishti Ranga
University Business School
Panjab University, Chandigarh

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Abstract

The last decade has witnessed a dramatic increase in environmental consciousness worldwide. A recent survey found that 72 per cent of Asia rated the environment as an immediate and urgent problem, while another study established that 69 per cent of the general public believes that pollution and other environmental damage are impacting on their everyday life. The increase in environmental consciousness has had a profound effect on consumer behaviour, with the green product market expanding at a remarkable rate. Companies all over the world are striving to reduce the impact of products and services on the climate and other environmental parameters. Marketers are taking the cue and are going green. Green marketing refers to the process of selling products and/or services based on their environmental benefits. Such a product or service may be environmentally friendly in it or produced and/ or packaged in an environmentally friendly way. The obvious assumption of green marketing is that potential consumers will view a product or service's "greenness" as a benefit and base their buying decision accordingly. This article will attempt to introduce – the term and concept of green marketing; about the importance of green marketing; examine some reasons that make the organization interested to adopt green marketing philosophy; it also highlight the problems that Organization may face while implementing green marketing. The paper is a conceptual paper on green marketing, which is an emerging area of interest.

Introduction

In the modern era of globalization, it has become a challenge to keep the customers as well as consumers in fold and even keep our natural environment safe and which is the biggest need of the time. Consumers are also aware of the environmental issues like; global warming and the impact of environmental pollution. Green marketing is a phenomenon which has developed particular important in the modern market and has emerged as an important concept in India as in other parts

of the developing and developed world, and is seen as an important strategy of facilitating sustainable development.

According to the American Marketing Association, green marketing is the marketing of products that are presumed to be environmentally safe. Thus 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; an example of this will be the existence of varying social, environmental and retail definitions attached to this term. Other similar terms used are Environmental Marketing and Ecological Marketing. 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. Green marketing, also 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 defines green marketing as .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. One more important concept related to green marketing is green consumer who avoids products that are likely to endanger the health of the consumer or others; cause significant damage to the environment during manufacture, use or disposal; consume a disproportionate amount of energy; cause unnecessary waste; use materials derived from threatened species or environments; involve unnecessary use of, or cruelty to animals; adversely affect other countries.

Marketing products and services based on environmental factors or awareness are called green products. It refers to the process of selling products and/or services based on their environmental benefits. Such a product or service may be environmentally friendly or produced and/or packaged in an environmentally friendly way. Companies involved in green marketing make decisions relating to the entire process of the company's products, such as methods of processing, packaging and distribution. Green marketing companies seek to go above and beyond traditional marketing by promoting environmental core values in the hope that consumers will associate these values with

their company or brand. Engaging in these sustainable activities can lead to creating a new product line that caters to a new target market.

While green marketing is growing greatly as increasing numbers of consumers are willing to back their environmental consciousnesses with their dollars. The public tends to be sceptical of green claims to begin with and companies can seriously damage their brands and their sales if a green claim is discovered to be false or contradicted by a company's other products or practices. Presenting a product or service as green when it's not is called green washing. Green marketing can be a very powerful marketing strategy though when it's done right.

"Brands will not be able to opt out of (being green). Companies which do not live by a green protocol will be financially damaged because consumers will punish them. In the longer term, I do not think they will survive."

Green Marketing is a full service marketing strategy and brand development firm offering a complete array of services including marketing plan development, sustainability auditing and planning, branding/creative strategies, graphic design/copyrighting, PR, and integrated marketing communications development, among a host of others. Green Marketing is growing greatly as increasing numbers of consumers are willing to back their environmental consciousnesses with their dollars, it can be dangerous. The public tends to be sceptical of green claims to begin with and companies can seriously damage their brands and their sales.

The obvious assumption of green marketing is that potential consumers will view a product or service's "greenness" as a benefit and base their buying decision accordingly. The not-so-obvious assumption of green marketing is that consumers will be willing to pay more for green products than they would for a less-green comparable alternative product – an assumption that, in my opinion, has not been proven conclusively. In order to position green product offerings, companies must first segment the market according to levels of pro-environmental purchase behaviour and then target the “greener” consumer segments. However, socio-demographic and personality indicators have had only limited success in profiling consumers according to their pro environmental purchasing behaviour. The demand for green products has been shown to be uneven across different market segments. Thus, for organizations to position green products, or communicate their environmental efforts, to members of the population who are likely to be concerned about environmental issues, green consumer segments need to be identified.

Why Green Marketing?

Issues like Global warming and depletion of ozone umbrella are the main for the healthy survival. Every person rich or poor would be interested in quality life with full of health and vigour and so would the corporate class. Financial gain and economic profit is the main aim of any corporate business. But harm to environment cost by sustain business across the globe is realized now though off late. This sense is building corporate citizenship in the business class. So green marketing by the business class is still in the selfish anthropological perspective of long term sustainable business and to please the consumer and obtain the license by the governing body. Industries in Asian countries are catching the need of green marketing from the developed countries but still there is a wide gap between their understanding and implementation.

As resources are limited and human wants are unlimited, it is important for the marketers to utilize the resources efficiently without waste as well as to achieve the organization's objective. So green marketing is inevitable. There is growing interest among the consumers all over the world regarding protection of environment. Worldwide evidence indicates people are concerned about the environment and are changing their behaviour. As a result of this, green marketing has emerged which speaks for growing market for sustainable and socially responsible products and 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 offspring. Various studies by environmentalists indicate that people are concerned about the environment and are changing their behaviour pattern so as to be less hostile towards it. Now we see that most of the consumers, both individual and industrial, are becoming more concerned about environment-friendly products. Green marketing was given prominence in the late 1980s and 1990s after the proceedings of the first workshop on Ecological marketing held in Austin, Texas (US), in 1975. Several books on green marketing began to be published thereafter. According to the Joel makeover (a writer, speaker and strategist on clean technology and green marketing), green marketing faces a lot of challenges because of lack of standards and public consensus to what constitutes "Green". The green marketing has evolved over a period of time. 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 environment 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.

Sustainable development at the global level

Sustainable development is the core of environmental technologies. When applying sustainable development as a solution for environmental issues, the solutions need to be socially equitable, economically viable, and environmentally sound. Almost all the nations have realised the urgency that the globe needs to operate proficiently and use of the sources judiciously. Legion efforts have been made to control the current problems and the forthcoming environmental issues.

The first United Nations Conference on the Human Environment (UNCHE) was held in Stockholm, Sweden from June 5 to June 16, 1972. Representatives from 113 countries were present, as well as representatives from many international non-governmental organizations, intergovernmental organizations, and many other specialized agencies. This was the first United Nations conference on the environment as well as the first major international gathering focused on human activities in relationship to the environment, and it laid the foundation for environmental action at an international level. The conference acknowledged that the goal of reducing human impact on the environment would require extensive international cooperation, as many of the problems affecting the environment are global in nature. Following this conference, the United Nations Environmental Programme (UNEP) was launched in order to encourage United Nations agencies to integrate environmental measures into their programs. The mission of UNEP is "to provide leadership and encourage partnership in caring for the environment by inspiring, informing, and enabling nations and peoples to improve their quality of life without compromising that of future generations." UNEP is the voice for the environment within the United Nations system and works toward this mission by:

- Monitoring the status of the global environment and interpreting environmental data collected
- Creating environmental awareness in governments, society, and the private sector
- Coordinating UN activities pertaining to the environment
- Developing regional programs for sustainability

- Helping environmental authorities, especially those in developing countries, form and implement policy

- Helping to develop international environmental law

The United Nations Framework Convention on Climate Change

The United Nations Framework Convention on Climate Change (UNFCCC or FCCC) is an international environmental treaty produced at the United Nations Conference on Environment and Development (UNCED), informally known as the Earth Summit, held in Rio de Janeiro June 1992. The objective of the treaty was to stabilize greenhouse gas concentrations in the atmosphere at a level that would prevent dangerous anthropogenic interference in the climate system. The Secretariat, of UNFCCC has augmented through the parallel efforts of the Intergovernmental Panel on Climate Change (IPCC), aims to gain consensus through meetings and the discussion of various strategies. The parties to the convention have met annually from 1995 in Conferences of the Parties (COP) to assess progress in dealing with climate change. Out of all the COPs held, *Kyoto Protocol* Japan and *Montreal*, Canada is the most important COP. In 1997, the *Kyoto Protocol* was concluded and established legally binding obligations for developed countries to reduce their greenhouse gas emissions. The *Montreal* Action Plan is an agreement hammered out at the end of the conference to "extend the life of the *Kyoto Protocol* beyond its 2012 expiration date and negotiate deeper cuts in greenhouse-gas emissions. It was therefore one of the largest intergovernmental conferences on climate change ever.

The global efforts made by the nations have given a new concept of marketing and have made a conscious effort to change operations of the nations especially, the market. The concept of green marketing seems to take its foundations into the concept of traditional marketing itself, the relationship between the marketing discipline, the public policy process and the natural environment is important. This relationship is described by many terms: environmental marketing ecological marketing green marketing. The concept of Green Marketing basically includes various technologies to be adopted by the marketers, which are:

- *Recycling*

- *Water Purification*

- *Sewage Treatment*

- *Environmental remediation*

- *Solid Waste Management*

- *Renewable Energy*

The Essentials for marketers

Green 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. It is a myth, a greater part of people believe that green marketing refers solely to the promotion or advertising of products with environmental characteristics. Terms like Phosphate Free, Recyclable, Refillable, Ozone Friendly, and Environmentally Friendly are some of the things consumers most often associate with green marketing. While these terms are green marketing claims, in general green marketing is a much broader concept, one that can be applied to consumer goods, industrial goods and even services. Thus green marketing incorporates a broad range of activities, including product modification, changes to the production process, packaging changes, as well as modifying advertising. It is a subset of the overall marketing activity; it examines both the positive and negative activities; and narrow ranges of environmental issues are examined. The green consumers are the driving forces behind the green marketing process. It is they who drive consumer demand, which in turn encourages improvements in the environmental performance of many products and companies. Thus, for a marketer it is important to identify the types of green consumers. Many organizations have found that two out of every three consumer is green in developed country. A consumer acquires bundle of wants and needs and this is also true for the green consumer. To satisfy those needs businesses have to break down the market into different groups of consumers that differ in their responses to the firm's marketing mix program. A great deal of market research has been concerned with identifying the green consumer. A clear picture has not yet been established and it differs a lot between markets. But some generalizations about the green consumer can be made on the basis of the

research done so far, which can be tapped for the marketing of the green products. The most important characteristic is that these consumers are inconsistent and confused with the product it depends on their environment and their own commitment to go for the product. The other important factors are, the adults and the women are likely to be more concerned about the environment and also the people who are sophisticated in wants and needs.

- **Know you're customer:** Make sure that the consumer is aware of and concerned about the issues that your product attempts to address, (refrigerator companies have learned the hard way that consumers wouldn't pay a premium for a CFC-free refrigerator because consumers don't know what CFCs are).
- **Educating your customers:** isn't just a matter of letting people know you're doing whatever you're doing to protect the environment, but also a matter of letting them know why it matters. Otherwise, for a significant portion of your target market, it's a case of "So what?" and your green marketing campaign goes nowhere.
- **Being genuine & transparent:** means that you are actually doing what you claim to be doing in your green marketing campaign and the rest of your business policies are consistent with whatever you are doing that's environmentally friendly. Both these conditions have to be met for your business to establish the kind of environmental credentials that will allow a green marketing campaign to succeed.
- **Reassure the buyer:** Consumers must be made to believe that the product performs the job it's supposed to do-they won't forego product quality in the name of the environment.
- **Consider pricing:** If you're charging a premium for your product-and many environmentally preferable products cost more due to economies of scale and use of higher quality ingredients-make sure those consumers can afford the premium and feel it's worth it.
- **Giving your customers an opportunity to participate:** means personalizing the benefits of your environmentally friendly actions, normally through letting the customer take part in positive environmental action.
- **Leading brands should recognize that consumer expectations have changed:** It is not enough for a company to green its products; consumers expect the products that they purchase pocket friendly and also to help reduce the environmental impact in their own lives too.

However, Green marketing should not neglect the economic aspect of marketing. Marketers need to understand the implications of green marketing. Marketers also have the responsibility

to make the consumers understand the need for and benefits of green products as compared to non-green ones. In green marketing, consumers are willing to pay more to maintain a cleaner and greener environment. Finally, consumers, industrial buyers and suppliers need to pressurize effects on minimize the negative effects on the environment-friendly.

India in sync with the Green

As the world's centre of gravity shifts decisively in favour of emerging markets, competitive challenges and opportunities are being continually and dramatically transformed. And, no emerging market offers as much long-term opportunity for multinationals as India does. India has 1.15 billion population, the world's largest population "Under 25" years age group, is also the second fastest growing economy, and the 4th largest economy PPP (purchasing power parity), in the world. It has a well diversified industrial base in all core manufacturing and service industries. It is because of all these reasons that multinationals today are eyeing India and introducing their products in the Indian market. Many Green products have been launched here and the performance of these products is good among Indian consumers.

India is largely populated country and the natural resources are under tremendous pressure and therefore there it is an urgent need to pay attention for a right balance between consumption with conservation of natural resources. India is currently facing the challenge of degraded environment and is paying heavy health and economic price for it.

India is a Party to the United Nations Framework Convention on Climate Change (UNFCCC) and the objective of the Convention is to achieve stabilization of greenhouse gas concentrations in the atmosphere at a level that would prevent dangerous anthropogenic interference with the climate system. To strengthen the developed country commitments under the Convention, the Parties adopted Kyoto Protocol in 1997, which commits developed country Parties to return their emissions of greenhouse gases to an average of approximately 5.2% below 1990 levels over the period 2008-12. After Copenhagen, Indian market is swamped with claiming commodities to be green. State has declared subsidies on the production of green products and for complying with the CDM norms to reduce carbon prints¹. Corporate world has also geared up to encash the profits coming from claiming green from state as well as consumers. Market is trying to pull the consumers who are

exercising their “vote” with everything they purchase by putting a lot of emphasis on choosing products that they believe in on an ethical level.

Despite all efforts put forth by companies to sell the products with green labels, the uptake of the green products in Indian market is still near to the ground. Consumer perception for GREEN is still unclear. Studies from the developed countries reported 90 percent of consumer’s familiarity with terms like ‘recycling’, ‘energy efficiency’, ‘organic’ and ‘global warming’ and consumers purchase environmentally friendly products, even if that means paying a higher price, but is not the case in developing countries like India. The demand for green products has been shown to be uneven across different market segments. Thus, “For organizations to position green products, or communicate their environmental efforts, to members of the population who are likely to be concerned about environmental issues, green consumer segments need to be identified. There is an ‘attitude-behaviour gap’ where 30% of consumers report that they are very concerned about environmental issues but they are struggling to translate this into purchases. This gap is even larger in emerging economies. Though a plethora of literature is coming on Green Marketing still there is a lack of proper perceptiveness on consumer behaviour towards their response to Green products. Asian-based green marketing studies are relatively scant when compared to the Western works. There are only few to name, exploring the potential consumers in Asian market. This raises the inquisitiveness of understanding the customers in growing economies like India and various factors that affect consumer Green purchase behaviour. There have been numerous examples of green marketing and the efforts made by the Indian and state governments and also by private firms to popularise and make the environment greener.

CNG transport in New Delhi: New Delhi, capital of India, was being polluted at a very fast pace until Supreme Court of India forced a change to alternative fuels. In 2002, a directive was issued to completely adopt CNG in all public transport systems to curb pollution.

State Bank of India: Green IT@SBI: SBI is 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. 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.

Kansai Nerolac: 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.

GOING GREEN, TATA'S new mantra: Tata group of companies in India has taken considerable Steps to Cut Carbon Emission across Companies, Value Chain.

NTPC: Badarpur Thermal Power station of NTPC in Delhi is devising ways to utilize coal-ash that has been a major source of air and water pollution. Barauni refinery of IOC is taken steps for restricting air and water pollutants.

Wipro's Green Machines, India: 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.

Conclusion

The environmental issues importunity has left no alternative but to adopt the Green drive, this is the right time to select “Green Marketing” globally. It will come with drastic changes in the world of business if all nations become stringent because green marketing is an essential step to save the world from the effect of degrading environment. From the business point of view, a clever marketer is one who not only convinces the consumer, but also involves the consumer in marketing his product. Green marketing should not be considered as just one more approach to marketing, but has to be pursued with much greater vigour, as it has an environmental and social dimension to it. With the threat of global warming looming large, it is extremely important that green marketing becomes the norm rather than an exception or just a rage.

Notes

1. **A carbon footprint is "the total set of greenhouse gases (GHG) emissions caused by an organization, event or product". For simplicity of reporting, it is often expressed in terms of the amount of carbon dioxide, or its equivalent of other GHGs, emitted.**

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