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Challenges Of Green Marketing In India

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Abstract:

In this paper the author analyses the evolution of Green marketing by focusing on the major events that led to environmental awareness and also caught the attention of the consumers. The meaning of Green Marketing, Green Consumer and the concept of green washing is discussed. Author compares the current state of Green Products in US and India. The paper further studies the challenges in Green Marketing existing in India and also discusses the ways and means to tackle these issues.

Key words: Green Marketing, Current State, Challenges, Strategies to Over Come

1.Introduction

The evolution of concept of Green Marketing dates back to 1980s-1990s. Though the concept was formalized in mid 1990s but its present form is more elaborate and structured. 1990s is called the “decade of environment” as major developments and revolutions took place in the concept of green marketing. Many environmental disasters took place in this period including the Minamata disease, mercury poisoning in Japan; Bhopal Disaster of India, leak of methyl isocyanate; Dust Bowl in Canada and US; Release of CFCs resulting in ozone depletion etc. (Wikipedia, List of environmental disasters).

This caught the attention of the consumers worldwide. It led to a turn of events and consumers became more sensitive to the environmental needs and felt the desire to integrate the environmental concerns into their buying habits. The realization to protect the environment necessitates the use of products that are environment friendly and do not cause any harm to the environment in its production, usage/ consumption or in its decomposition.

2.What Does GREEN MARKETING Mean?

According to Peattie (1992) Green Marketing is “The holistic management process responsible for identifying and satisfying the requirements of customers and society, in a profitable and sustainable way.” (Jain S.K. and Kaur Gurmeet, 2004) The process of using the resources judiciously and producing such products that are environment friendly i.e. the products that do not cause serious destruction and damage to the environment is called Green Marketing.

It encourages producers and manufacturers to come up with products which protects the environment, satisfies the needs of the consumers and is also gainful for the maker. Formulating such business models helps to solve a dual purpose of environmental protection and profit making by satisfying the consumers needs in a cost effective manner.

3.Green Consumer

A consumer who buys products that are environment friendly is termed as a green consumer. A green consumer does not buy any product that has a direct or an indirect adverse effect on the environment.

4.Current State

The current of state of Green Marketing and its impact is different in different parts of the world. We find that in developed countries the tilt towards buying green products is much more than in less developed or developing countries. Here are few statistical evidences. According to a survey conducted by Cone Communications Green Trend Tracker in USA, 71% of Americans consider the environment, while buying products. Nine out of ten surveyed believe that it is their responsibility to buy such products that do not cause negative impact on the environment either by its use or its disposal. Around 41% of the surveyed, perform additional research to find out more about green products, their most efficient use and the best possible ways to dispose of the consumed product. This survey also highlighted that the consumers are more vigilant to inquire about the ways and means adopted to produce a particular product so as to satisfy that no environmental hazard took place in the process of its production. (71% of consumers think green when purchasing, 03.04.2013).

A recent Green Consumer Survey was also conducted in Delhi NCR region of Delhi by Emergent Ventures India. The survey found that though consumers in India are now more aware of the need to buy green products but the practical transformation of this ideology in their buying behaviour is still missing. Consumer understand the importance of buying green and eco-friendly products but the market for such products is still in the developing stage. There is a burgeoning market area for green products but it requires changes to bring in the same level as in the developed economies. The potential for green marketing is definitely there in Indian markets with growing demand for environment- friendly products especially in the FMCG sector. Indian consumers are willing to buy organic products and they do check the list of ingredients used to find out the environmental friendliness of the product. (Chowdhary Sudhir, 27.02.2012)

5.Challenges

Though we find the awareness about the need to buy green and environment friendly products growing in India yet there are various challenges facing the country to actually realize and apply the green marketing concept successfully.

The biggest challenge and obstacle faced in India is that not many people are willing to spend an additional amount to buy green products. Indian consumers are price sensitive. They are not willing to spend more for products that are good for the environment. A segment of consumers sees no personal gain in buying eco-friendly products and hence are not willing to shell out extra amounts for something which is not for their immediate personal benefit.

Another factor for less growth of green products is that many consumers in India believe that there are no products such as “green products” rather these are merely selling tactics adopted by the companies to augment their sales and revenue.

Also, the past experiences of the consumers in India have been rough in respect of green products, for the reason that the producers and manufacturers made use of the growing awareness of the concept of green marketing in selling their same old product with same ingredients/features etc. by merely employing new strategies of promoting by naming it a “green product”

It is imperative here to explain the concept of Green washing. Green washing is the term used when producers, manufacturers or marketers make false environment friendly claims for their product and deliberately mislead their consumers by incorrectly endorsing and promoting its environmental benefits.

This again makes consumer averse of buying green products as they are not able to differentiate between the real and the fake claims made by the producers in respects of the products marketed as environment friendly.

6.Methods To Overcome The Challenges

We find various challenges being faced in the Indian markets for the adoption of Green Products. In accordance to the Indian buying habits and requirements there is a need to develop such strategies which promote green products and help to protect the environment. In this part the author tries to find out ways to overcome the challenges faced in the area of Green Marketing.

6.1.Cost Effective Products

One of the major characteristics that can be attributed to the Indian consumers is that they are price responsive. Indian consumers always intend to buy good quality product at a reasonable price. They are not willing to pay extra amount for a product having no evidence or differentiable worth. Resultantly, the manufacturers should produce green products by using best possible resources, keeping in mind the cost effectiveness of the product. The reduced costs can thus be passed on to the consumers. This strategy would encourage consumers to go green in their buying and the environmental needs are also met, simultaneously. This business model can be a win-win situation for all the stakeholders. Consumers get good quality products at cheaper prices, the environment gets protected and the manufacturers also earn more profit due to surge in demand of eco-friendly goods at a lower price.

6.2.Improving Environment Standard Adherence

There are various international standards on the environment and environmental management systems. One of the most reputed and trustworthy standards in the area of environment management is ISO 14000. ISO 14001 examines the process of producing the product and is not restricted only to the analysis of the final product produced. It helps organisations to produce goods in an environment friendly way. Another standard ISO 14004 further provides specific aspects of environment management. The products in the US, Australia and Europe use these standards as part of Eco management and audit schemes. Adherence of global standards and certifications helps ensure genuineness of the claims made by the producers/ manufacturers. (ISO 14000, Environment Management)

However, in India there is no rigid or strict adoption of environment standards and controls. Bureau of Indian Standards is the National Standards Body of India that has developed various standards, product certifications, eco mark labeling, quality management certification, lab testing etc to ensure production of environment friendly goods. Another statutory body, the Central Pollution Control Board (Ministry of Environment & Forests) Government of India, also develops environment standards like National Ambient Air Quality Standard, Industry Specific Standard, Noise Standard, Vehicular exhausts etc. Though standards on environment exist in India but its observance in the right manner is a big question. Sham certification is prevalent when it appears only on papers and actual implementation of the standards never takes place. This suggests, more transparency and reliability is required to win the consumer's confidence. It can be best achieved if the organisations themselves voluntarily decide to comply with the environmental standards, so as to build consumer's trust and create customer loyalty or if the stringent laws and regulations are enforced against the deceivers. Controlling the misleading labeling practices and improving the actual adherence of the environment standard can help convince the consumers regarding the authenticity of the green products. (Bureau of Indian Standards) (Central Pollution Control Board)

6.3. Quantification Of Environmental Benefits

Another characteristic or behavioural aspect of Indian consumers is that they better understand the environmental benefits when it is quantified in monetary terms. Conversion of environmental benefits in terms of savings and monetary gains help supplement the purchase of green products.

Here it is relevant to quote the example of Star Rating Program. 'Bureau of Energy Efficiency' was established under the Energy Conservation Act, 2001. It was formed to develop projects that encourage energy efficient appliances that contribute towards energy conservation. It also developed energy standards and labeling systems. (Bureau of Energy Efficiency)

Initially when Manufacturers started promoting their products with the energy efficient labels, the consumers considered it to be a mere façade, only to fulfil government's requirement rather than a better quality product with more savings. It was then taken up by the Jago Grahak Jago and other voluntary consumer organisations to compute the amount of savings proportionate to the star ratings. Accurate calculations of star ratings in terms of energy savings were made and this concept was promoted to convince the consumer about the actual amount of conservation of energy and the corresponding savings in the electricity bills. This entire exercise of quantifying the benefits attached to energy conservation led to an increase in the demand of the star rated appliances.

This case study of the star ratings enhances our belief as to how the Indian consumers are more willing to accept green products with detailed analysis of their pecuniary benefits.

7. Conclusion

From the foregoing, it may conclude that Green Marketing is on its developmental stage in India. The market is growing as the consumers are getting more and more aware and sensitive to the needs of the environment protection. Certain challenges exist in Indian markets with respect to green products but the producers are coming up with new strategies and ways to overcome these challenges. Further, it can be said that great potential exists for green products in Indian markets, provided the producer understands the buying behaviour and attributes of the Indian consumers.

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