

Green Marketing Practices and Challenges to Indian Companies

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Abstract

In this emerging world, the concept of sustainable development is gaining more importance as achieving growth at the cost of overexploitation of natural resources is no more favored. The environmentalists are targeting the industrial sector as the primary contributor to depleting natural resources. Hence, the industrial sectors are stressed more to take utmost care in these areas and fulfill the market demands. To overcome these difficulties, a new concept, named green marketing, has emerged in the present globalized world where the production, consumption, and marketing of the products can be carried out effectively to ensure environmental safety. This paper highlights the concepts and needs of green marketing. It explores the practices and challenges businesses have with green marketing. This paper also describes why enterprises adopt this concept and concludes that green marketing will continuously grow in the present market.

Key Words: Sustainability, Green Products, Environment, Green Initiatives.

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1. Introduction

'Green marketing' is a phenomenon that has developed great importance in the modern market era. The term 'green marketing' came into prominence in the late 1980s and early 1990s. The American Marketing Association held the first workshop on 'Ecological Marketing' in the year 1975. The proceedings of this workshop were published in one of the first books on 'green marketing' entitled 'Ecological Marketing.' Thus, 'green marketing incorporates a broad range of activities, including changes to the production process, product modification, packaging changes, and modifying advertising. It refers to selling goods and services based on their ecological and environmental benefits. It is a relatively prevalent concept today, which involves promoting products and safe services for the environment. It consists of developing, manufacturing, promotion, distribution, consumption, and disposal of the products and services sustainably so that minor damage is caused to Nature. Nowadays, sustainability has become a priority for everybody, including consumers. They are increasingly on the lookout for high-quality products, affordable and primarily environmentally friendly.

Green marketing: A need of today

Encashing Lot of Business Opportunity

Approximately 25% to 30% of India's population wants to buy eco-friendly products. Progressive companies and organizations see this as an opportunity to encash and have the upper hand over those companies and organizations that have not taken up green marketing. For instance, the waxed paper company replaced the Clamshell packaging company due to McDonald's many customer concerns with polystyrene production and Ozone.

Taking Corporate Social Responsibility

Open-minded and progressive Visionary Organizations have started realizing that they are also members of society. Thus, they need to act in such a manner to protect the environment and work responsibly. However, many are seeing this as an opportunity to cash in more customers without taking corporate responsibility. Organizations in this situation have the following two options-

- (i) Thinking that they are environmentally responsible for taking corporate social responsibility, or
- (ii) Becoming responsible but without promoting these facts for the betterment of the ecological environment and society. For example, Body Shop was set up to sell consumers environmentally responsible alternative products over traditional cosmetic products. This idea is directly attached to the overall corporate culture rather than simply being a competitive mechanism.

Companies Cost and Profit Issues

Corporate units/and organizations can adopt green marketing as a tool for monitoring cost and profit-related issues. Those companies/ organizations/ firms that can reduce their harmful wastes/scraps can save a substantial amount of money, reduce costs, and increase their profits.

Pressure from Government's Side

Governments expect companies to favour the customers/society with all marketing activities. Regulations made by the Government relating to green marketing are aimed to save customers/community to a great extent.

Competitive Pressure on Companies

Another important thing in the green marketing area is the companies/firms/organizations' requirement to maintain their competitive spirit. At every moment, Companies keep a close vigil on their competitors and focus on their environmental/ecological behaviour and practices and their efforts. This full pressure of competitors has caused the corporate sector to make appropriate changes to lessen its adverse environmental effects. For example, Revive 100% Recycled paper was introduced some years ago to present recycled photocopier paper by Xerox, which made other competitors follow the same.

2. Objectives of the Study

- To understand the concept and need of green marketing.
- To explore the green practices adopted by Indian companies.
- To study the challenges faced by Indian companies in applying green marketing practices.
- To study the present trends of green marketing and its future in India.

3. Literature Review

Aggarwal, Nidhi (2016) stated that Eco marketing, otherwise known as green marketing or sustainable marketing, improves the ecology and economy of marketing by sustainable marketing and green business practices and forming partnerships with environmentally responsible, eco-conscious vendors. Chen and Chai (2010) hold that the world increased enormously in the last decade, shrinking resources. Since consumers now understand the impact of their buying habits and behavior on the environment, they've begun adopting various green practices like Recycling, saving paper and electricity, avoiding the use of aerosols, and encouraging biodegradable products, use of organic and vegan food, etc. This kind of responsible behavior is needed as unplanned buying can severely damage the environment. Sarkar, Anirban (2012) explained that Green marketing is a phenomenon that has developed particularly necessary in the present market and has emerged as an essential concept in our country as in other parts of the developing and developed world, and is seen as a necessary strategy of facilitating sustainable development. Mani, Ambica Prakash (2019) stated that to protect the environment from degradation, businesses must start green marketing and encourage people to adopt a green lifestyle through purchasing eco-friendly products/goods. Through increasing awareness for global warming and climate change, every company must look for solutions to maintain ecology.

4. Research Methodology

The present study is exploratory and is based on secondary data. Several research papers published in various journals are studied thoroughly to build a conceptual basis of the green marketing concept. The valuable information regarding the green marketing practices has been collected from the companies website. The secondary data source includes newspapers, magazines, books, journals, conference proceedings, government reports.

5. Green Marketing Mix

Like traditional marketing, firms use a green marketing mix to use the marketing variables to get the intended response from the target customers and audiences. The 4 P's of the green marketing mix are as follows:

The Product: The products should be designed and developed in such a manner so that they can use fewer resources and pollution-free working style, and they do not contain any toxic substance whose use can be harmful and dangerous. Thus, the product must increase the conservation of scarce resources.

The Price: In green marketing, cost plays a prominent role, as the customers will pay the additional fee for getting the premium quality products in terms of design, performance, appeal, taste, or anything else.

The Promotion: Green advertising can be done in three ways, i.e., there can be ads that display the connection between the product and the environment, or ads that promote a green and organic way of life, or ads that showcase a corporate image of environmental responsibility.

The Place: Place defines the availability of the products. The marketers should opt for an idea or way to make such products available to impact the customers significantly. It is a well-known fact that any production consumes energy, resources and produces goods and waste too. Hence, green marketing could be a great marketing initiative taken by the firm.

6. Challenges in the Adoption of Green Practices

Green marketing is a modern concept and has been developed to achieve sustainable growth, but there are a lot of hurdles coming along the way of green marketing. In India, green marketing is in the developing stage. The size of the green consumers is increasing, but only a few organizations are out there to cater to this considerable demand. But these organizations have to face many problems and challenges in expanding their production base.

- Initial costs will be very high, and it also requires a considerable investment in research and development programs.
- Companies will not be able to earn profits initially as there is a long way to attain economies of scale in the production process of green products.
- The pace of production of green products is slow compared to synthesize products; as a result, the producers have to face higher production costs resulting in low margins.
- The firm may give up on Green Marketing Concept or be forced to practice unfair means to cut the costs to sustain the competition, and thus the entire idea of going green will be a farce.

Many customers may not be willing to pay a higher price for green products, affecting the companies' sales, thus discouraging the overall production of green goods for the companies in the long run.

7. Indian Corporate Sector: Green Initiatives Taken

Hindustan Computer Limited (H.C.L.): 'H.C.L.' has made a plan known as 'H.C.L. Eco safe' to develop, identify, and sustain the maintenance of an eco-friendly environmental management

system at the company level. H.C.L. has the key objective on which H.C.L. Eco-Safe based to carrying out product lifecycle management successfully to ensure that the products/services, from production, buying by customers, recovered at their end-of-life and recycled after useful life be done responsibly. Thus, H.C.L. may be treated as the icon/pioneer of India's green initiatives.

Kansai Nerolac's Impressions Eco Clean

Kansai Nerolac paints have carried out activities to remove hazardous heavy metals from their products. All dangerous heavy metals are harmful to humans' life. Few examples of these heavy metals are lead, arsenic, mercury, chromium, antimony, etc.

Oil and Natural Gas's Green Initiative (O.N.G.C.)

O.N.G.C., the largest oil producer in our country, is an excellent example amongst ten of the best Indian organizations that have taken up the responsibility to establish energy-efficient 'green crematoriums' that will soon save the conventional wooden fire across the country.

Indian Tobacco Company Ltd.'s Initiatives (I.T.C.)

One of India's most giant conglomerates, I.T.C., has been strengthening its commitment to green technologies through introducing 'ozone-treated elemental chlorine-free bleaching technologies' for the first time in our country.

Indian information technology service corporation Wipro's initiatives

Wipro is the first Indian company who has launched eco/environment-friendly devices. The company has launched a long-range of laptops/desktops called Wipro green ware, which restricts hazardous substances (R.O.H.S.) and reduces e-waste to make the environment eco-friendly.

Its main green company initiatives are achieved by fulfilling its objectives of becoming water positive, carbon-neutral, and energy-saving.

Godrej Green Center

Godrej set up a 'Godrej green center,' which claims to be energy, water, and construction material-efficient, improving human health and the environment through better design, operation, construction, maintenance, and proper waste disposal. Godrej green buildings have created the momentum for the change in the Indian construction industry.

State Bank of India: Green IT@SBI

SBI is also entered into a green service known as Green Channel Counter. S.B.I. provides many services like; paperless banking, no deposit slip, no withdrawal form, no checks, no money transactions form. All these transactions are done through S.B.I. shopping & A.T.M. cards. State Bank of India turns to wind energy to reduce emissions.

Tata's new mantra: going green

The ideal global benchmark is 1.5. Tata Motors is establishing 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.

H.P.'s Initiative

H.P.'s inkjet recycling was introduced in the year 2005, and it achieved resource reduction by Recycling. Between 2005 to 2010, Recycling decreased the carbon footprint of the inkjet cartridges by 22 %, cut fossil fuel use in half, and reduced water use by 69 %. It has launched various energy-efficiency programs like the Closed Loop recycling program, recycled content in

hardware, H.P. Managed Print Services, innovative packaging, and designs. Seagate Technology, an H.P. supplier, used 11 percent less energy in 2013 to produce hard drives than its 2008 baseline. By 2020, the company aims to reduce its first-tier manufacturing and product transportation-related GHG emissions intensity by 20 percent.

Pepsi Co. initiative

Pepsi was awarded 'Stockholm Industry Water Award' in 2012 for its efforts to reduce energy and water usage across its business operations. Its sustainability efforts also include working with farmers to monitor water usage and carbon emissions and maximize crop yields. In the year 2011, it launched a petroleum-free bottle that was 100% recyclable. It was made from bio-based raw materials, including switch grass, pine bark, and corn husks. As part of its 2025 Performance with Purpose plan, it has pledged to reduce food waste by 50 % in its direct operations by 2025.

8. Present Trends in Green Marketing in India

Green marketing is known as an opportunity for organizations to achieve their objectives. They have realized that the consumers prefer those products that are safe from an environmental point of view. Firms marketing those products get a competitive advantage over the others and simultaneously achieve their business objectives. The philosophy of C.S.R. has been adopted by many business houses to improve their corporate image. Government bodies are forcing industries to become more responsible towards the environment, and Competitors' Environmental activities also create pressure on the firms to change their environmental activities.

9. The Future of Green Marketing

There are many aspects to be learned to avoid green marketing myopia; the short version is that effective green marketing requires applying sound marketing principles to make green products desirable for consumers. The question that remains, however, is, what is green marketing's future? 'Green marketing' involves focusing on promoting the consumption of green products. Thus, it becomes the responsibility of the companies to adopt creativity and insight and be committed to the development of environment-friendly products, which will help society in the long run.

10. Conclusion

Green marketing is to evolve as it is still in its infancy stage. It is the right time to promote Green Marketing globally. This concept will change business if all nations take strict roles to promote green marketing. Green marketing should not be considered just one marketing approach but must be understood with a much broader vision since it has ecological, environmental, and social dimensions. Adopting green marketing may not be accessible for businesses in the short run, but it will positively impact business undertakings in the long run. Green marketing is the need of the hour because of environmental issues worldwide, but there is a long way to go due to the lack of wide acceptability.

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