A STUDY OF INCREASING AWAENESS AMONG ORGANIZATIONS AND CONSUMERS TO WARDS- GREEN MARKETING

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ABSTRACT

Increasing awareness on the various environmental problems has led a shift in the way consumer go about their life. There has been a change in consumer attitude towards a green lifestyle. People are actively trying to reduce their impact on the environment. However, this is not widespread and is still evolving. Organizations and business however has seen this change in consumer attitude and are trying to gain an edge in the competitive market by exploiting the potential in the green market industry. The current study introduces the concept of green marketing and looks into various ways in which the different consumers and corporate attributes are related to the concept of green marketing.

KEYWORDS: Green marketing, green marketing-mix, consumer awareness, corporate awareness.

INTRODUCTION

The word is currently facing the environmental sustainability problems and environmental issues influencing and change the patterns of human life and activities on this planet. 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 U.S. Total tons of billions of dollars each year”. “More than 12 other studies in the U.S., 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 recourses 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 behavior. 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 consumer all over the world regarding protection of the environment in which they live, people do want to bequeath a clean earth to their off spring. With the rapid change in the consumer behavior resulting from the green movement towards the sustainability of the environment, the green products will replace the traditional products
considering the environment benefits, if this phenomenon continues to rise, and the consumer are willing to pay for green products, then it will create a new market for renewable products. Since environment concerns are arising, it may help to emerge green marketing as a successful tool in the market.

WHAT IS GREEN MARKETING?

Unfortunately, a majority 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.

“Green Marketing” refers to holistic marketing concept wherein the production, marketing consumption an 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 increasing 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.

Definitions: "Green Marketing" refers to holistic marketing concept wherein the production, marketing consumption an 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.

Pride and Ferrell (1993) Green marketing, also alternatively 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.

Polonsky (1994) 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.

Elkington (1994: 93) defines green consumer as one 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.
GREEN MARKETING MIX:
Like conventional marketers, green marketers must address the 4 P’s in innovative ways.

1. **Product:** Entrepreneurs wanting to exploit emerging green market either:
   - Identify customers’ environmental needs and develop products to address these needs; or
   - Develop environmentally responsible products to have less impact than competitors.

2. **Price:** Pricing is a critical element of the marketing mix. Most customers are prepared to pay a premium if there is a perception of additional product value. This value may be improved performance, function, design, visual appeal or taste. Environmental benefits are usually an added bonus but will often be the deciding factor between products of equal value and quality.

3. **Place:** The choice of where and when to make a product available has a significant impact on the customers being attracted. Vary few customers go out of their way to buy green products merely for the sake of it. Marketers looking to successfully introduce new green products should, in most cases, position them broadly in the market place so they are not just appealing to a small green niche market.

4. **Promotion:** Promoting products and services to target markets includes paid advertising, public relations, sale promotions, direct marketing and on-site promotions. Smart green marketers will be able to reinforce environmental credibility by using sustainable marketing and communication tools and practices. For example, many companies in the financial industry are providing electronic statement by email.

5. **People:** ‘People’ is one of the very important elements of service marketing mix. Here people refer to those who are involved in providing the green services. The most important criteria for the provider of the green services is that the people must be ‘green’ in their mindsets and in their activities otherwise the performance of green services will be at stake.

6. **Process:** process is another very important element of service marketing mix. Here process refers to the pedagogy and methodology with the help of which the green services will be provided. It is also very important that the process should be executed such a way so that the main objective of green marketing can be taken care of.

7. **Physical evidence:** As services are basically intangible in nature so for increasing the credibility and reliability of the service we need to give some tangible touches to the intangible and that can best be done by giving some physical evidence. In case of green marketing the physical evidences must be given from a very much holistic point of vies so that the purpose of keeping the greenness of the entire system safely protected.

CORPORATE/ORGANIZATION’S AWARENESS TOWARDS GREEN MARKETING:
When looking through the literature, there are several suggested reasons for firms increased use of green marketing. Five possible reasons cited are:
1. Organizations perceive environmental marketing to be an opportunity that can be used to achieve its objective.
2. Organizations believe they have a moral obligation to be more socially responsible.
3. Governmental bodies are forcing firms to become more responsible.
4. Competitor’s environmental activities pressure firms to change their environmental marketing activities.
5. Cost factors associated with waste disposal or reductions in material usage forces firms to modify their behavior.

**a. Opportunity**

In India, around 25% of the consumers prefer environmental-friendly products, and around 28% may be considered healthy conscious. Therefore, green marketers have diversified and fairly sizeable segments to cater to. The Surf Excel detergent which saves water and the energy-saving LG consumers durable are examples of green marketing

**b. Social Responsibility**

Many companies have started realizing that they must behave in an environment-friendly fashion. They believe both in achieving environmental objectives as well as profit related objectives. Respecting the principle of extended producer responsibility (EPR), the Sony Company will continue to promote the development and efficient operation of low-environmental-impact recycling systems suited to the needs of local communities. With the aim of reducing resource use, the Sony Company has planned to step up efforts to design products that are easy to recycle, as well as to promote the establishment of legislation that enshrines the concept of individual producer responsibility (IPR) and the building of an infrastructure for recycling Sony products.

**c. Governmental Pressure**

Various regulations are framed by the government to protect consumers and the society at large. The Indian government too has developed a framework of legislations to reduce the production of harmful goods and by-products. These reduce the industry's production and consumers' consumption of harmful goods, including those detrimental to the environment; for example, the ban of plastic bags, prohibition of smoking in public areas, etc.

**d. Competitive Pressure**

Another major force in the environmental marketing area has been a firm's desire to maintain its competitive position. It is only in some instances that this competitive pressure causes an entire industry to modify and thus reduce its detrimental environmental behavior. For example, it could be argued that Xerox's "Revive 100% Recycled paper" was introduced a few years ago in an attempt to address the introduction of recycled photocopier paper by other manufacturers.
e. Cost Reduction

Reduction of harmful waste may lead to substantial cost savings. Sometimes, many firms develop a symbiotic relationship whereby the waste generated by one company is used by another as a cost-effective raw material. For example, the fly ash generated by thermal power plants, which would otherwise contribute to a gigantic quantum of solid waste, is used to manufacture fly ash bricks for construction purposes.

INITIATIVE TAKEN BY BUSINESS ORGANIZATION TOWARDS GREEN MARKETING:

Interestingly, green marketing continues to be an issue of global interest. In fact, Google Trends reports that, on a relative basis, more searches for “green marketing” originated from India than from any other country.

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Many companies are adopting green for capturing market opportunity of green marketing some cases

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 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.

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 crore so far in green fuel projects at its refineries; ongoing projects account for a further Rs. 5,000 crore.
• 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.

GREEN FUEL ALTERNATIVES

In the country's pursuit of alternative sources of energy, Indian Oil is focusing on CNG (compressed natural gas), Auto gas (LPG), ethanol blended petrol, bio-diesel, and Hydrogen energy.

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 Union Sports Minister MS Gill and Chief Minister Sheila Dikshit on Friday. Dikshit said 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 before CWG

Chief minister Shiela Dikshit launched on Tuesday a battery operated rickshaw, “E-rick”, sponsored by a cellular services provider, to promote eco-friendly transportation in the city ahead of the Commonwealth Games.

EXAMPLE 6: Wipro Green It.

Wipro can do for you in your quest for a sustainable tomorrow - reduce costs, reduce your carbon footprints and become more efficient - all while saving the environment.

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 Greenware. 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 told reporters. He 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

The ideal global benchmark though is 1.5. 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. The 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.
CONSUMERS AWARENESS TOWARDS GREEN MARKETING

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. Green marketing depends on the consumer’s attitude towards the environment. If there is no strong demand for such a shift in consumer attitude, businesses will not put in the extra efforts to move towards introducing green products and services.

The so-called "green consumer" movements in the U.S. and other countries have struggled to reach critical mass and to remain in the forefront of shoppers' minds (Dodds, John, 2006). One of green marketing's challenges is the lack of standards or public consensus about what constitutes "green," according to Joel Makower, a writer on green marketing. In essence, there is no definition of "how good is good enough" when it comes to a product or company making green marketing claims. This lack of consensus—by consumers, marketers, activists, regulators, and influential people—has slowed the growth of green products, says Makower, because companies are often reluctant to promote their green attributes, and consumers are often skeptical about claims. Despite these challenges, green marketing has continued to gain adherents, particularly in light of growing global concern about climate change (Mendleson, Polonsky, 1995). This concern has led more companies to advertise their commitment to reduce their climate impacts, and the effect this is having on their products and services (McDaniel, Rylander, 1993). Although no consumer product has a zero impact on the environment, in business, the terms —green product|| and —environmental product|| are used commonly to describe those that strive to protect or enhance the natural environment by conserving energy and/or resources and reducing or eliminating use of toxic agents, pollution, and waste (J. Ottman,1997). A study by Jacqueline A. Ottman found that green offerings accounted for 13.4 percent of all products in 1991 and 20 to 40 percent of all new products in certain categories, including health and beauty aids, pet care, and household and laundry products. The Economist magazine has gone so far as to claim that "For far-sighted companies, the environment may turn out to be the biggest opportunity for enterprise and invention the industrial world has ever seen." Indian literate and urban consumer is getting more aware about the merits of Green products. But it is still a new concept for the masses. The consumer needs to be educated and made aware of the environmental threats. The new green movements need to reach the masses and that will take a lot of time and effort. By India’s ayurvedic heritage, Indian consumers do appreciate the importance of using natural and herbal beauty products. Indian consumer is exposed to healthy living lifestyles such as yoga and natural food consumption. In those aspects the consumer is already aware and will be inclined to accept the green products. India is already one of the largest economies in the world, and will continue its rapid urbanization and economic development over the next few decades. This is a cause for celebration, but one tempered by the recognition of challenges this growth presents: rising consumption and demand for energy, increasing green house emissions, and constraints on critical natural resources such as land, water and oil. Like all other countries, India needs to find a way to ensure energy and environment sustainability without compromising its economic and social development. Despite India’s strong policy framework and some successes, environmental degradation has not been arrested on a large scale. In order to make this dream of a Green
Prosperous India’ come true, country will have to rely on its most valuable asset, its youth. Global issues are not solved within the four walls of a scientist’s laboratory. They need to be brought to the knowledge of an average individual. And informing youth is the best way to begin. Many of the best ideas come from young minds; the Indian youth is, and must be, the builder of a new society. In the period between 1996-2016, population in the age group 15-59 will increase from 519 to 800 million (National Commission on population, 2011).

**CONCLUSION**

One thing that is being reiterated is that the current consumption levels are too high and are unsustainable. Therefore there is a need for green marketing and a need for a shift in the consumer’s behavior and attitude towards more environmental friendly life style. People are beginning to realize their role and responsibilities towards the environment. Although this change is not happening quickly, it is happening. Businesses are looking towards gaining an edge in the green market industry by trying to re-package their products into a more environmental friendly product.

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