Green Marketing – Issues Concerning Indian Organisations

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Abstract

The paper seeks to bring about awareness in Indian organisations about the importance of Green Marketing and its ramifications.

Green Marketing, otherwise known as Environmental Marketing fulfils the requirements of humans while causing, when compared with other means of marketing, relatively as little negative or harmful effect on the natural environs as possible. Environmental Marketing, though mostly associated with consumer and industrial goods, is a serious concern for the services sector also. The role of the manufacturing sector in this regard is certainly and immeasurably more far reaching. Yet, regardless of whether it is the manufacturing sector or the services sector, both are guilty of causing environmental harm and disparity through indiscriminate harvesting of natural resources and discharge of pollutants.

“How to manufacture and sell merchandise in such a way that it causes as little menace to the environment as possible?” is an enormous and looming question in front of every industrial house. One of their major and immediate concerns is the cost element in green marketing. As such it requires additional investments from practitioners.

Organizations are gradually reacting to the critical requirements of green marketing in a positive and proactive way. Yet the pace has to pick up and more have to fall in line join the green marketing movement. It is necessary that all parties concerned from manufactures to consumers, take cognizance of the issue of participating in Green marketing and understand its advantages as also the consequences of nonparticipation. Business houses may realize that there are distinct advantages in adopting green marketing. Living in an age of globalization, where ethical, legal and social mandates for compliance have almost become universal requirements in most countries, and when ecological compliance of merchandise is a necessity for survival and avoidance of ecological demise, such compliance will make organizations more competitive than others.
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FOREWORD

The world we live in is our natural environment and is the source of everything we are, everything we have and everything we do. Our food, water and living requirements are supplied by the natural environment and the ecosystem. Our livelihoods and all economic activity depend on the environment and the natural resources it provides. Therefore, it is in our interests and the interests of our children, to care of and guard our natural environment. Failure to safeguard it will ultimately lead to an untimely and tragic demise of the world as we know it.

Looking around we can see a burgeoning population and the results of its activities. Human activity consumes one form of resource or other; resources that are either renewable or non-renewable. Our resources are not inexhaustible; they are finite. They should be protected and their utilisation should be carefully administered. Neglect would be costly as it would affect the ecosystem and effect severe environmental backlash - causing future generations to face crises of climatic vagaries, scarcity of basic life support resources such as water, food and breathable air, besides living and lifestyle resources.
People have started waking up to the facts.

GREEN MARKETING: DEFINITION AND MEANING

The American Marketing Association definition: green marketing is the marketing of products that are presumed to be environmentally safe. It refers to eco-friendly processes of production, packaging, sales or services.

A workshop on "Ecological Marketing" was held in 1975 by the American Marketing Association (AMA), the proceedings resulted in one of the first books on green marketing in the same name. Alternative terms used are Environmental Marketing and Ecological Marketing.

"GREEN" INDIA

Indian mythology, scriptures and historic literature point out that Indian society had always had great respect and value for the environment and been close to nature. Present Indian society in general is perhaps not as close – A result of cross cultural bridging and modern values? Nevertheless, the concept is not new to us – just shelved away from the collective Indian consciousness.

As a developing country, India has to balance industrial growth and its “green” values in tune with the needs of global customers. Many governments across the globe have legislations in place such that organisations have to comply with stringent environmental norms as a prerequisite to enter their markets. Indian companies in order to compete with have to ensure their processes, products, packaging, services, etc., are eco-friendly and have minimal impact on the environment.

THE CONCEPT OF "GREEN SERVICES"

The services sector is not as exposed to Green issues as the manufacturing sector is. As such it too needs to adhere to and maintain the "Green" concept in marketing of their products as compared to the manufacturing sector. For example, health services, hospitality, waste disposal and management, eco-tourism, is a big issue before the medical sector, etc.

STATEMENT OF THE PROBLEM

The limited natural resources of the earth have to be used judiciously to satisfy the human needs causing minimal environmental damage. Otherwise, mankind will face consequences of environmental degradation. Mass production is inevitable to satisfy Earth’s enormous expanding population. Conservation efforts to remedy the situation will not succeed unless these efforts include the participation of all concerned - the general public and the government, individuals and groups, consumers and producers, young and old. Businesses will incur additional costs in pursuing eco-friendly green processes that will however be economical in time. Green marketing efforts are therefore appropriate for businesses in developing countries like India.

OBJECTIVES OF THE STUDY

To analyse the limitations of green marketing.

To create greater awareness of green marketing.
To analyse green marketing concerns of Indian businesses.
To analyze legislation for green marketing in India and across the globe
To suggest measures to increase the practice of green marketing.

METHODOLOGY
The study depends mostly on secondary data through literature review and analysis. The literature referred includes books, marketing journals, paper presentations of research scholars and other research material that are available in digital and hardcopy formats, in personal collections, libraries and on the internet. Popular marketing concepts are analysed for relevant application of Green Marketing.

LITERATURE REVIEW
Molly Scott Cato (2009) in “Green Economics” discusses the need for a new global economic order. Climatic changes, financial crises and uncontrolled globalization all have roots in present the economic system. The global marketplace is the predominant force undermining the importance of humanity and the environment. Green Economics argues that society should be embedded within the ecosystem, and markets and economies should give social and environmental priority. The text introduces green economics with perspective on taxation, welfare, money, economic development and employment through the work of Schumacher and Robertson. It also explores views critical of neo-classical economics, views from the global South and of indigenous peoples. It gives examples of effective green policies being implemented across the world, and gives policy suggestions for climate change, localization, citizens' income, eco-taxes and trade. Cato (2011) in “Environment and Economy” says that of ecological and financial crisis we need a clear view how the two are linked, and what we can do to save ourselves and our planet. The book enables lecturers to deepen their students' understanding of the ecological crisis and shows how more enlightened economists are reacting positively. As environmental issues move to the centre of the political debate, more attention is being focused on the role our economy has played in creating the ecological crisis, and what a sustainable economy might look like. In spite of the success of the environmental movement in drawing attention to the crisis facing us, there has been comparatively little attention focused on the way the operation of the global economy contributes to this crisis.

Environment and Economy gives a stimulating introduction into the history of thinking that has linked the economy and the environment. Readers are introduced to the pioneers of the field - Fritz Schumacher and Paul Ehrlich, who drew attention to the consequences for our environment due to ever-expanding economy. Part II of the book describes the responses to the need to resolve the tension between economy and environment: environmental economics, ecological economics, green economics and anti-capitalist economics. Part III talks about taxes and regulation; pollution and resource depletion; growth; globalization vs. localization; and climate change. Each key issue is approached from different angles, and effective policies are presented in detail.

Peter Berck and Gloria Helfand in Economics of the Environment (2011) discuss economic and environmental issues and explain how market successes and failures affect the environment. Readers are shown how the value of environmental goods is measured, and use of measurements in weighing environmental costs against the economic activity benefits, and policy implementations to correct market failures. Main aspects of the book
are a) Environmental economics is treated using graphic tools, b) Real life cases and c) Examples of classic and contemporary environmental issues are given.

In Environmental Management, G.N.Pandey (2010) discusses pollution as a world-wide phenomenon and critical concern for its control. Science and technology have accelerated industrialization. The process of industrialization will raise the standard and quality of life of people but pollution will result adversely affect the environment; people will face various health hazards. There is growing awareness of the implications, yet industrialisation cannot be abandoned. Only possibility is pollution control and management. The governments and international organizations are enjoined to take immediate and effective steps to curb pollution. Economics of Environment by Subhashini Muthukrishnan (2010) gives a complete and clear discussion of environmental economics. An overview of the interdependence of economics and the environment is given. It focuses on theories and concepts economics and describes how they are applied to environmental issues. The book discusses market failure, externality and welfare with regard to the environment. It studies population dynamics and its environment relationship. Natural resources economics, its nature and scarcity is discussed. The book also gives national and international environmental issues and legislations.

Murugesan (2008) shows that “green’ concept covers a wide spectrum of activities like product adaptation, production process, packaging, advertising strategies and promotion indicating that the concept is far reaching.

Thakur et al. (2009) studied customer awareness in relation to green marketing of automobiles in a study at Indore. The study showed that green marketing of automobiles is positive especially for car owners, and that Indians are quite aware about green products and services. They seem to be prefer green products to traditional ones.

The Green Pioneers is a DVD by TV Choice Productions about the science of sustainability. It is a profile of two companies that have proved it's possible to be green and make a profit. GREEN PEOPLE make skin care products using organic ingredients. ECOVER make cleaning and washing products. Both companies avoid man-made chemicals that are damaging to our health and the environment. They also claim these chemicals are damaging our natural world. This DVD also contains a wealth of extras for further research.

CONSIDERATIONS AN ORGANISATION HAS TO ADDRESS

a. GLOBAL LEGAL PERSPECTIVE

Most governments institute legislations to protect consumers and society. Like the Indian government have a number of laws controlling the production of hazardous goods. This controls production and consumption of goods harmful to the environment; for example, plastic bags are banned in Mumbai, prohibition of smoking in public areas, etc.

More stringent national and international legislations guarding the environment and managing natural resources are needed. Ozone depletion, global warming, melt-down of polar icecaps and rising sea levels are concerns of all countries. Across the world have governments are already have new regulations in place that are essential to the protection of the environment.

THE KYOTO PROTOCOL:
The Kyoto Protocol is under the aegis of the United Nations Framework Convention on Climate Change (UNFCC) and targets global warming. It is an international environmental treaty aiming to curtail Greenhouse Gases (GHG) so that it does not play havoc with climate conditions.

India insisted to the global community to make equal progress on negotiations to extend the Kyoto protocol emission reduction commitment by the US and large developing nations such as India and China as well. At the UN Summit in Cancun, December 2010 it was decided that a Green Climate Fund (GCF) to be instituted to help sustainable development by giving backing to developing countries to limit/reduce their greenhouse gas emissions and to adjust to the effects of climate change, considering the needs of the developing countries specially those likely to be adverse effected by climate change.

In July 2001, the EU, Japan, Canada, Russia, Australia and other nations agreed to proceed with the Treaty. The UN took steps to monitor global warming and to promote the importance of green marketing across the globe. Some of its important initiatives are:

1) 1972, UN's Conference on Human Environment to safeguard the environment and promote economic development.

2) Formation of the Food and Agriculture Organization and World Health Organization, for matters related to relationship between environment and food, and between environment and human health.

6) 1980, World Commission on Environment and Development addressed the serious problems of global warming, deforestation, loss of bio-diversity, increasing pollution and hazardous wastes.

7) 1992, Earth Summit, to guide governments on population strategy, management of hazardous wastes, recycling, energy conservation, renewable energy and the role of women.

8) 1997, Earth Summit, to assess progress after 5 years since the Earth Summit, 1992 addressing commitment on sustainable development from international community.

9) 2002, Earth Summit, to focus on the protection of the environment and fight poverty.

b. THE INDIAN LEGAL SCENARIO

The Indian government has put in place a number of legislations to cut the manufacture and marketing of hazardous goods. Some of the legislations are as follows:

The Water (Prevention and Control of Pollution) Act of 1974 was enacted to prevent and control of water pollution, and to maintain / restore water wholesomeness.

In 1986, The Environment (Protection) Act was enacted to provide protection and improvement of the environment. It gives power to the Central Government to create authorities [under section 3(3)] who can prevent environmental pollution in all forms and to block particular environmental problems specific to diverse areas of the country.

The Air (Prevention and Control of Pollution) Act of 1981 and amended in 1987 to provide prevention, control and reduction of air pollution in India.

In 1995 the Central Government established the National Environment Tribunal [through the National Environment Tribunal Act 1995] to provide for strict liability for damages due to accidents caused by handling of dangerous materials.

The Biological Diversity Act 2002 rose out of India's effort to realise the objects in the
UN Convention on Biological Diversity (CBD) 1992 that recognizes the self-governing rights of countries to use their own Biological Resources. The Act purpose is to conserve biological resources and related information, and enables access to them in a sustainable way by a just process. For implementing the objects of the Act it established the National Biodiversity Authority in Chennai.

The Forest Conservation Act 1980 was enacted to save the country's forests. It strictly limits and controls the de-reservation of forests or use of forest areas for non-forest purposes without the previous sanction of the Central Government. The Act lays down the pre-requisites for the usage of forest areas for non-forest purposes. (http://www.envfor.nic.in/modules/rules-and-regulations/environment-protection/)

c. Quality and Environmental Management System Standards

ISO (International Organisation for Standardisation) has brought out numerous standards related to Quality and Environmental Management Systems. These standards are embraced globally. Certifications to these Standards are compulsory and binding and form the basic requirements in numerous nations. These documentations are necessary for organisations which intend to have commercial ties in the related country and to have a competitive edge in the international market.

BIS (Bureau of Indian Standards) have embraced these ISO Standards and have reproduced them as IS Standards with an identical numerating pattern. The main standards for environmental management are itemised as follows:

With reference to ISO 14001 standard, till December 2007 end, a minimum of 154,572 certificates were issued in 148 countries and economies. China position is first with 30,489 certificates followed by Japan, Spain, Italy, U.K., Korea, U.S.A., Germany, Sweden and France with 3,476 certificates. India had 2,640 Certificates

ISO 14001:2004 Environmental Management Systems - Requirements with guidance for use

This International Standard stipulates the need for an environmental management system to let a business to grow and effect policy and objects that regard lawful provisions and other provisions to which the organization accepts, and information regarding noteworthy environmental concerns. It relates to those environmental concerns which the organization classifies as those that the organisation is able to regulate as well as those on which it can affect. It does not specify any environmental performance standards.


This International Standard offers direction on the formation, application, maintenance and enhancement of an environmental administration system and its coordination with other management systems. The advices are relevant to any organization, irrespective of dimension, sort, locality or level of maturity.

d. BENEFITS OF GREEN MARKETING

Nowadays consumers are very conscious about the environment. So organisations have to be careful in respect of responding to consumers' needs for eco-friendly products.
Some organisations use waste generated by one company as a raw material. For example, the fly ash from thermal power plants is used to make fly ash bricks for construction.

Some of the advantages of green marketing are:

The environment is safer.

- Less health hazards for the future generations.
- Reducing harmful wastage means costs are cut.
- There is sustained long-term growth along with profitability.
- Though start-up costs may be more, money can be save in the long run.
- Green processes are a prerequisite as an entry requirement to many new markets.
- Green marketing provides competitive advantage over others who are less green.
- Pioneering companies who are green first have an advantage over who become green later.
- Employees of Green organisations may feel more contented working in such an organisation.
- Companies can market their products and services better if they project themselves as being green.

**SUGGESTIONS**

The following eco-friendly measures that can be considered for a Greener society:

- Books can be digitised to reduce paper consumption
- Self-sufficiency in generation of renewable sources of energy
- Public awareness campaigns and forums about eco-friendly practices
- Environment related activities at the school level on lines of NCC, Scouts and Guides, and as a subject at college level
- Latest technology/ Process
- Management control systems and conformance to environmental legislations
- Recycling wastes and planning wastage reduction.
- Using eco-friendly raw materials in the production stage

**INDUSTRY CASES**

HCL Technologies’ “go green” steps taken in solving the problem of toxics and e-waste in the electronics industry. HCL is committed to phasing out the hazardous vinyl plastic and Brominated Flame Retardants from its products and has called for a Restriction on Hazardous Substances (RoHS) legislation in India.

IDEA Cellular’s national campaign ‘Use Mobile, Save Paper’ where company organized Green Pledge campaigns at Indian cities where thousands pledged to save paper and trees. IDEA also set up bus shelters with potted plants and tendril climbers to convey the green message.
Oil and Natural Gas Company (ONGC), is coming up with energy-efficient, green crematoriums that will replace wooden pyres across the country. ONGC’s Mokshada Green Cremation scheme will save up to 70% of wood and quarter the cremation times.

Suzlon Energy is the fourth largest wind-turbine maker in the world. Its factory in Pondicherry runs entirely on wind power. Suzlon’s corporate building is the most energy-efficient building in India.

Tamil Nadu Newsprint and Papers Limited (TNPL) was adjudged the best performer in the 2009-2010 Green Business Survey, and awarded the Green Business Leadership Award in the Pulp and Paper Sector. TNPL undertook Clean Development Mechanism projects and a wind farm project that helped generate 230,323 Carbon Emission Reductions earning Rs. 17.40 Crore.

CONCLUSION

“Green” is the order of the day. Growing consumer consciousness and conscience, Government legislation, ethical issues and social responsibility, the international economic community and global trade, etc., demand that the organisations are “Green” as a prerequisite. Still, much needs to be done by way of education of the public; soul-searching and ethical change on the part of consumer and Indian industries in terms of consumption and production/service. The Indian Government needs to introduce and administer stringent legislation for compliance to eco-friendly processes. In an era of scarcity of natural resources, rampant pollution, global warming and rising ocean levels, climatic changes, market competition, etc., organisations need to be green or else risk market survival.

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