



SWOT ANALYSIS OF GREEN MARKETING IN INDIA

ABSTRACT

Although environmental issues influence all human activities, few academic disciplines have integrated green issues into their literature. This is especially true in marketing. As society becomes more concerned with the natural environment, businesses have begun to modify their behavior in an attempt to address society's "new" concerns. Some businesses have been quick to accept concepts like environmental management systems and waste minimization, and have integrated environmental issues into all organizational activities. Smart business houses have accepted green marketing as a part of their strategy. In the emerging world, the concept of pollution free activity is given more importance in all the sectors and in all stages. The environmentalists are targeting the industrial sectors as the major contributors for depleting natural resources and environmental destruction. Hence, both production and marketing divisions of industries are stressed more to take utmost care in these areas along with fulfilling the market demands. To overcome these difficulties, a new concept has born in the present globalized world where production, consumption and marketing of the products can be carried effectively ensuring environmental safety. This concept is named as 'Green Marketing'. This paper attempts to examine, the concept of green marketing, SWOT analysis as well as explores the challenges and remedial measures for green marketing.

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INTRODUCTION

As society becomes more concerned with the natural environment, businesses have begun to modify their behaviors in an attempt to address society's new concerns. Some businesses have been quick to accept concepts like environmental management systems and waste minimization and have integrated environmental issues into all organizational activities. In this way became an important strategy in organizations. Therefore in the phrase Green Marketing green denotes earth and marketing means eco-friendly innovation. Thus green marketing plays an important role to promote and reinforce the idea of environmental protection and

sustainable development in the minds of the firms and customer. Many global players in diverse business are now successfully implementing green marketing practices. Green marketing incorporates a broad range of activities, including product modification, packaging changes, changes to production process and modifying advertising. In short Green marketing is a phenomenon which has developed particularly important in the modern market. It has emerged as an important concept in India as in other parts of the developing and developed world. So, smart business houses have accepted eco-friendly consumption called as green marketing. Green Marketing is nothing but the process of developing products and

services and promoting them to satisfy the customers who prefer products of good quality, performance and convenience at suitable cost.

OBJECTIVES OF THE STUDY

The paper titled –SWOT Analysis of Green marketing in India is aimed to cover the following objectives:

1. To know the concept of Green Marketing.
2. To analyses the SWOT of a Green Marketing .
3. To suggest the remedies for improving Green Marketing Challenges

GREEN MARKETING CONCEPT

According to American Marketing Association, “Green Marketing is the marketing of products that are presumed to be environmentally safe, involves developing and promoting products and services that satisfy customer’s want and need for Quality, Performance, Affordable Pricing and Convenience without having a detrimental input on the environment”. Green Marketing is also ties closely with issues of industrial ecology and environmental sustainability i.e. life cycle analysis, material use, extended producers liability, resource flows and eco-efficiency.

The green marketing is holistic marketing concepts incorporates with a broad range of activities i.e. production, marketing, consumption and disposal of products and services happen in a manner that is less detrimental to the environment. The environmental list movement, at least in Europe, grew out of the reaction to the industrialization, growth of cities and poor air and water quality. According to Pride and Ferrel (1993), green marketing which is also known as environmental marketing or sustainable marketing/ refers to the 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 that has minimal detrimental impact on the natural environment.

According to Peattie (2001), 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.

REASONS FOR GOING GREEN

While looking through the literature there are several suggested reasons for firms increased use of Green Marketing. Five possible reasons cited are:

Opportunity: In India, around 25% of the consumers prefer environment friendly products, and around 28% may be considered health conscious. Therefore, green marketers have diversified to fairly sizeable segment of consumers to cater to.

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)

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 consumer’s consumption of harmful goods, including those detrimental to the environment; for example, the ban of plastic bags, prohibition of smoking in public areas, etc.

Cost of Profit Issues -Firms may also use green marketing in an attempt to address cost or profit related issues. Disposing of environmentally harmful by- products, such as polychlorinated biphenyl (PCB) contaminated oil are becoming increasingly costly and in some cases difficult. Therefore firms that can reduce harmful wastes may incur substantial cost savings. When attempting to minimize waste, firms are often forced to re-examine their production processes. In these cases they often develop more effective production processes that not only reduce waste, but reduce the need for some raw materials. This serves as a double cost savings, since both waste and raw material are reduced.

Competitive Pressure -Another major force in the environmental marketing area has been firms’ desire to maintain their competitive position. In many cases firms observe competitors promoting their environmental behaviors and attempt to emulate this behavior. In some instances this competitive pressure has caused an entire industry to modify and thus reduce its detrimental environmental behavior.

Keys for achievement of Green goal:-

- ◆ Awareness and recognition of green brand / any product
- ◆ Comprehension of the characteristics of green products

- ♦ Development of the image of green products (product image)
- ♦ Interest in green product
- ♦ Attitude, preference with a desire to purchase
- ♦ Action, Test and Repurchase, Adoption of the product
- ♦ Increase consumption of green products

SWOT ANALYSIS OF GREEN MARKETING

Strengths: -

- ❖ Green Marketing builds brand equity and wins brand loyalty among customers.
- ❖ Marketers can charge a premium on products that are seen as more eco-responsible.
- ❖ Marketers get access to new markets and gain an advantage over competitors that are not focusing on greenness.
- ❖ . Organizations that adopt green marketing are perceived to be more socially responsible.
- ❖ It promotes corporate social responsibility.
- ❖ It saves money in the long run, although initial cost is more. E.g. research and development capabilities for clean processes and green products and human resources committed to environmental protection.

Weakness: -

- ❖ Over emphasizing greenness rather than customer needs can prove devastating for a product.
- ❖ Many customers keep away from product labeled "Green" because they see such labeling as a marketing gimmick.
- ❖ Most customers choose to satisfy their personal needs before caring for environment.
- ❖ It will take a lot of time and effort for reaching green movement among consumers.

E.g. products cannot be recycled, and hazardous wastes of a company.

Opportunities: -

- ❖ Organizations perceive Green Marketing to be a competitive advantage, relative to the competitors.
- ❖ Marketing to segment which are becoming more environmentally aware and concerned. These consumers are demanding products that conform to these new attitudes.
- ❖ Organizations perceive green marketing to be a competitive advantage, relative to the competitors. Firms, therefore, strive to improve upon their societal awareness. This complements

the increase in consumers' socially conscious behavior and will therefore give them an advantage over competitors who do not address these issues. E.g. offering an environmental friendly product and saving resources, and relating them

Threats: -

- ❖ Uncertainty as to which Green Marketing activities are acceptable from a government perspective.
- ❖ Uncertainty as to the environment impact of present activities including that is perceived to be less environmentally harmful.
- ❖ Green marketing have to strive hard in convincing the stakeholders and many a times it may fail to convince them about the long term benefits of Green marketing as compared to short term expenses.
- ❖ 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.
- ❖ To the facing of Marketing myopia. E.g. competitors gain market shares with green products and increased environmental regulations.

Challenges of Green Marketing:-

While adopting the Green Marketing policies, firms many encounter many challenges. These challenges are as follows:

Need for standardization: It is found that only 5% of the marketing messages from "Green" campaigns are entirely true and there is a lack of standardization to authenticate these claims. A standard quality control board needs to be in place for such labeling and licensing.

Avoiding Green Myopia: The first rule of Green Marketing is focusing on customer benefits. It is not going to help if a products is developed which is absolutely green in various aspects but does not pass the customer satisfaction criteria. So it will lead to Green Myopia.

New Concept: Indian literature and urban consumer is getting more aware about the merits of Green products. But it is still a new concept for the masses

Patience and Perseverance: The investors and corporate need to view the environment as a major long term investment opportunity. The marketers need a look at the long term benefits from this new green movement.

Information Disclosures: The potential challenge in front of the firms/products is firstly, all information regarding greenness must be a adequate and reliable and secondly these should not be false

unsubstantiated claims. Now it has become the duty of central and state government to see what claims are permissible.

Some Other Challenges Ahead In Green Marketing Are:

- ☞ Green products require renewable and recyclable material, which is costly
- ☞ Requires a technology, which requires huge investment in R & D
- ☞ Water treatment technology, which is too costly
- ☞ Majority of the people are not aware of green products and their uses
- ☞ Majority of the consumers are not willing to pay a premium for green products.

Remedies for Green Marketing Challenges:-

- ✧ Green Marketing campaign and green advertising is good step towards for educating and make aware of the environmental threats to consumers.
- ✧ Make sure that consumer feel that they can make a difference. This is called “empowerment” and due to this main reason consumers will buy greener products.
- ✧ Reduce production of harmful goods or by products.
- ✧ Modify consumer and industry’s use and/or consumption of harmful goods
- ✧ An enterprise getting into a Green Marketing portfolio must be totally aware of what is been expected by its customers as well as the society
- ✧ Green Marketing strategy should commit everyone in the enterprise management.
- ✧ The principles of a Green Marketing Strategy should be strictly defined and controlled periodically
- ✧ The green marketing principles must be communicated to all stakeholders and to the public

CONCLUSION

Considering the above information, it is concluded that, now this is the right time to select “Green Marketing” globally. It will come with drastic change in the world of business if all nations will make strict roles because green marketing is essential to save world from pollution. 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. The greening of business is not fad it’s a fundamental change in how commerce is conducted given the new energy and climate realities. Lastly, consumers, industrial buyers and suppliers need to pressurize effects on minimizing the negative effects on the environment. In this way it is concluded that Green Marketing assumes even more importance and relevance in developing countries like India for the success of Green Mantra and creating the awareness regarding it, publicity is also essential.

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