GREEN MARKETING IN EMERGING ECONOMIES: STRATEGY TOOL TO GAIN COMPETITIVE ADVANTAGE

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Abstract:*This paper aims to explore the potential role of green marketing in increasing the export competitiveness of the emerging economies. It is clear that with increasing number of cases of the products found during exports causing adverse effects on health has degraded the credibility of nation as whole which is currently happening with China. This paper seeks to explore that how this damage to China can be cashed as an opportunity by Indian firms who aims to increase their exports. The paper argues that firms which are exporting the products to different countries can gain competitive advantage by adopting green marketing strategies to promote their products.*

Keywords: Green Marketing, Counterfeiting, Green Identity, Competitiveness

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Introduction

With the advent of the issues of environment protection across the globe, the concept of green is getting more popular day by day. Consumers are getting more aware and cautious about hazardous impact of the products on the environment and prefer the products which have no negative effect on them and the environment. The international dialogue on the environment protection like Montreal Convention, Kyoto Protocol, Waste Electronics and Equipment (WEEE), Restriction of use of certain hazardous substances and recent Copenhagen summit had converge to the point of protecting the environment and has change the competition dynamics of the firms worldwide (Chen, 2011). Companies are left with no choice just with to follow the international standards and take environmental protection measures. (Berry & Rondinelli, 1998)

Leaving the notion of negativity between environment and performance, firms today are learning to improve their efficiency to lower the negative impact on the environment which also amplifies the business performance (Olson, 2009).

Green marketing is not a new concept for the world. It is widely known in the developed countries like US and European Union which had witnessed a positive change of the consumer towards environment friendly products since 1970's (Alwitt & Pitts, 1996). But it has become a buzz word for the emerging economies like India and China. Green marketing is the marketing of the eco-friendly products, process and the whole organization altogether. The recent past has witnessed the firms in the emerging economies are using green marketing as a strategy tool to capture the market by targeting the sentiments on the consumers on environment conservation.

Pollution represents the inefficiencies within the organization, and companies that excel in environmental management first will get the "first mover advantage" and help them to build the green products which eventually help in improving their green image and gain green competitive advantage. (Porter and van der Linde, 1995).

The methodology involved the investigations of counterfeiting against China from different countries especially from Europe & USA and its potential effects on China. Both of these destinations form the primary destination of Indian exports. The consumer preferences and motives for buying greener products are established from the literature review and bibliography analysis. Case study methodology is used to explore the green marketing

practices in India and how it is used by the firms to gain the green competitive advantage. The selection of the companies has been done which represents the implementation of green marketing strategies in India and China.

The paper presents the current state of green marketing in India & China by assessing how companies choose their green marketing strategies and use them to gain the green competitive advantage over their competitors. In the end, the paper recommends various strategies that Indian firms should adopt to build their green organizational identity worldwide and increase their market share in export markets against Chinese firms.

Literature Review

Green marketing is also defined as "actions which intended to replace needs and wants with minimal harmful effect on the environment" (Stantan and Futrel, 1987). Green marketing is developed in the three stages. First stage was during 1980's when it was newly introduced in the industry. Second stage is during the 1990's when consumers started having positive attitude towards green marketing or greener products. Third stage comes out in 2000's, which witness the implementation of tighter environmental norms and companies started using green marketing as a strategy tool (Lee 2008; Peattie and Crane 2005; Schrum 1995).

Many scholars argue that environmental management is the integral part of the company's operation and identity (Sharma 1999, Lee 2009). It is found from the literature that researchers have focused a lot on consumer preferences and behavior on green marketing of products. They have emphasized on the different motives and reasons responsible for success of the green marketed products. The eco-literacy, interpersonal influence and value orientation are directly influence of the consumers to buy eco-friendly products (Cheah & Phua, 2011). The attitude and demand of green products is uneven and varies from market segment and cultures. (Ottman 1992).

However, there is no evident study found which explores the effects of green marketing in the international markets. Green marketing is gaining much momentum in international markets while exporting or importing the goods especially between the emerging and developed economies. It is also evident from the literature that there are different consumer attraction and motives to buy the green products in different countries. Majority of the studies on green

marketing has been done in the developed nations but the findings contradict each other (Rahbar and Wahid, 2008).

There are increasing number of counterfeiting cases against China from the US and other economies. The Chinese products which are imported by US are found to have serious ill effects on the health of the people as per the report of US Agencies. The CRS report for Congress quoted "*Reports of unsafe seafood, pet food, toys, tires, and other products imported from China*
over the past year have raised concern in the United States over the health, safety, and quality of imported Chinese products." . Not only USA, but India and other countries too are the victim of the Chinese imports due to the related health problem after using the products (The Indian, 2009 & IBNLive 2009) .This is alarming and raises the serious issue of safety of products while importing from countries like China hence the concept of green and green marketing is extremely relevant here especially from the emerging economies like India and China.

China has emerged as the manufacturing giant in the past 20 years through its low cost strategy and producing goods in bulk quantity which has adversely affect both the export competitiveness and domestic Indian manufacturing Industry. It can be easily seen in the increasing number of anti-dumping cases against China not only in India but across the globe as has faced 677 cases from the period of 1995-2008. China has been continuously ranked number one in facing the anti dumping cases across the world as per Global Trade Protection Report, 2009.

There is no single marketing tool which can be used by all the firms, rather it varied from different markets and people's concern over environment (Ginsberg and Bloom, 2004).

Examples of Green Marketing- Indian Context

1. Going Green: Tata's new mantra

Tata Motors is setting up an eco-friendly showroom using natural building material for its flooring and energy-efficient lights. Tata Power has said that of the total power it would generate in the next 10 years, 25% would be from renewable energy sources. India's oldest

industrial house is stepping up efforts to reduce its carbon footprint across the value chain — from manufacturing processes to distribution networks to eco-friendly consumer products. Tata Motors is collecting environmental and energy data across its dealer and supply chain to compute their carbon footprint and identity opportunities for cutting down on carbon dioxide emission.
This initiative will enable sharing and deployment of ideas throughout the value chain.

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.

2. Green IT @ SBI

State Bank of India (SBI) will introduce “green-channel banking” at more of its branches to promote paperless work and to facilitate faster transactions for customers. All major transactions, including withdrawals, deposits and remittances up to Rs 40,000, will be made through green-channel banking, which was introduced at 26 out of 680 branches of the bank in the first phase. “Since there is no paperwork in this initiative, it is called green-channel banking,” The customers need not fill up any pay-in slip or cheque for depositing or withdrawing money from their account. Instead they could access the services of ATMs.

“In this way, there will be no requirement of paperwork and the process of money transaction will be fast,”

Around 28 per cent of the bank’s total transactions, mostly deposits are made through alternative channels, including mobiles, the internet, ATMs and green-channel banking, in 2010-11.

3. Lead free Paint from Kansai Nerolac

Kansai Nerolac is a responsible organization and understands its responsibilities - both internal and external, and is committed to making a difference to the society it operates

within. They invest in neighboring communities to improve the quality of life and sense of well being of the people who live there. They have always been committed to the welfare of society and environment and as a responsible corporate has always taken n 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.

4. Wipro's Green Machine

Wipro InfoTech was India's first company to launch environment friendly computer peripherals on 14 June 2007. 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

The government estimates that about 146,000 tons of e-waste are produced annually in the country. But Greenpeace's Kumar said the figure is actually twice as high because the government estimate covers only e-waste generated in big cities. Moreover, about 150,000 tons of used PCs, printers and other IT devices enter India illegally each year, according to Kumar. Some of the equipment is intended as donations to local charities but is sold before reaching Indians too poor to afford a PC, he said. Indian government regulations on handling e-waste are notoriously lax and do not measure up to the RoHS directive. Wipro's entire PC line division, which targets primarily corporate customers, sold about 170,000 PCs last year, and expects sales of 250,000 units in the company's fiscal year ending March next year.

Green Channel Counters (GCCs) is a low cost solution to reduce costs and improve efficiency. These self-service kiosks have a screen, keypad, passbook printers etc. through which a customer of the bank can perform most of the functions. This would reduce the need for staffing and also lead to saving of paper. Normally it requires a ton of forms to perform various functions like depositing, withdrawing money. However with these kiosks most of it can be done online which would greatly reduce paper usage saving trees as a result.

Present Trends in Green Marketing in India

Organizations perceive Environmental marketing as an opportunity to achieve its objectives. Firms have realized that consumers prefer products that do not harm the natural environment and also the human health. Firms are focusing on marketing such green products are preferred over the others not doing so and thus develop a competitive advantage, simultaneously meeting their business objectives and contributing to societal growth.

Organizations believe they have a moral obligation to be more socially responsible. This is in keeping with the philosophy of CSR which has been successfully adopted by many business houses to improve their corporate image. Firms in this situation can take two approaches:

- Use the fact that they are environmentally responsible as a marketing tool.
- Become responsible without prompting this fact.

Governmental Bodies are forcing firms to become more responsible. In most cases the governmental forces the firms to adopt policy which protects the interests of the consumers. It does so in the following ways:

- Reduce production of harmful goods or by products.
- Modify consumer and industry's use and/or consumption of harmful goods
- Ensure that all types of consumers have the ability to evaluate the environmental composition of goods.

Conclusion

Green marketing involves focusing on promoting the consumption of green products. Therefore it becomes the responsibility of the companies to adopt creativity and insight, and to be committed to the development of environment-friendly products. This will help the society in the long run. Companies which embark on green marketing should adopt the following principles in their path towards "greenness".

- Adopt new technology/process or modify existing technology/process so as to reduce environmental impact.
- Establish a management and control system that will lead to the adherence of stringent environmental safety norms.

- Using more environment-friendly raw materials at the production stage itself.
- Explore possibilities of recycling of the used products so that it can be used to similar or other benefits with less wastage.

Marketing Strategies for green marketing includes:

- Marketing Audit (including internal and external situation analysis)
- Develop a marketing plan outlining strategies with regard to 4 P's
- Implement Marketing strategies
- Plan results evaluation

Green Marketing is still a buzzword for the companies in India. The companies are experimenting with various green marketing strategies to capture the sentiments of the Indian consumers and have become partial successful in the same. Green Marketing has also helped the companies to improve their performance and productivity which helped them to gain competitive edge over the competition.

However, it is too early to comment on the role and success of green marketing in India. But the future of green marketing in India looks very lucrative and promising.

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