

Make In India Campaign And Its Impact On Green Marketing Product Consumers.

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Abstract

The present Indian government has been active in promoting green products by developing various plans like Swachh Bharat Abhiyan and distributing about on Crore LED lamps to Indian consumers. They have also started other programmes like as usage paper bags, ban on usage of leather goods and has discouraged the cutting of trees, encouraged planting of trees and emphasis on green buildings. There was also a heavy fine levied by Pune Municipal Corporation (PMC) on the use of thin plastic bags. A majority of the consumers were aware that there were definite advantages of using these green products However, these consumers were reluctant to use products like LED lamps and solar heaters due to their high initial costs. A market survey was carried out to study Make in campaign and its impact on Green Marketing products. The consumers were willing to shift to green products even at 15 to 20% higher prices than other non-green products. This is subject to quality of these products was not compromised.

Key Words

Make in India, Green Marketing Products, Light Emitting Diodes (LED) lamps and Solar Products, Consumer demand.

Introduction

In 2014, the Make in India programme was launched by the Mr. Narendra Modi, Prime Minister of India. There are challenges and opportunities for foreign players in setting up manufacturing units in India. If the Indian government and state government allow a free and competitive environment, foreign players will be attracted to start their operations due to availability of lower cost manpower and economics of scale. The products will make life of consumers comfortable. "Make in India" campaign can boost foreign direct investment and also create employment to the Indian work force. The cost of these products should substantially come down due economics of scale and boost in consumption. . A market survey was carried out on the topic. The results are highlighted in this paper

Literature review

Make in India

- A. Indian Prime Minister, Mr. Narendra Modi attempted to Make India a manufacturing power by declaring "Make in India campaign open to foreign investors .However there are challenges such as 1. India lacks funds in building factories .Banks are unable to give loan due to non-performing assets going up and banks have failed to recover.2. With automation used by many new ventures, there will requirement of a few skilled man power and this will lead to strong labor unrest .3. You cannot forget the unions.

They will resolve to strikes as existing manpower may be removed .4. Report from Ernst& Young said in 2012, India lags far behind other nations in imparting skill training to its workers 5. The research and development spending is very less **(Madhavan H ,Times Feb 2016)**

- B. We need to admit that India, from technology point of view is lagging the western world as far as aspect is concerned. Experts say that we are still a decade behind advanced countries when it comes to usage of technology and modern manufacturing techniques. Usage of low cost technology often poses problems in terms of product quality, reliability, consistency and performance **(Raj, A 2016www.makeinindia.com)**

Green Marketing

- a. Faced with growing evidence that their life style choices are closely connected with environment consequences, many consumers are “going green” and they are willing to pay to do so. These environmentally friendly consumers enjoy above average income and strong brand loyalty, but their choices are limited when it comes to green products and services in the telecom sector.⁶
- b. Green marketing begins with “green design”. Product design constitutes an active interface between demand (consumers) and supply (manufacturers).An example by Ottman and Terry: super concentrated laundry detergents are associated with energy saving, reduced packaging, space and money. The product itself has to be made in such a way that it satisfies consumer’s and manufacturer’s needs.
- c. For ecologically sustainable products to be successful, green branding attributes are to be efficiently communicated. Most buyers decisions are influenced by labeling (green labeling), which lists all the requirements of complying with the norms of making a product “green”. The prices of green products have to be affordable to encourage the customer to purchase them.¹

Government efforts in creating consumer awareness on Green Marketing products.

1. Banned use of thin plastic bags. Heavy fines were imposed on traders who used thin plastic bags.
2. Heavy fines were for consumers who cut trees.
3. In 2012, Pune Municipal Corporation (PMC) and the Sakal newspaper group appealed to consumers to travel by bus only and not to use two/ four wheelers. This received a mixed response. Consumers who did travel by bus said that public transport needs to be made efficient like BEST in Mumbai for them to switch over.
4. The PMC has provided wet and dry dust bins to every household in Pune

Personal interview of entrepreneurs who have participated in Make India campaign and promoting Green Marketing products

The following questions were asked to the above respondents

- a. What are the challenges faced by entrepreneurs who have participated in Make India campaign.in promoting green products?
- b. Government efforts in creating awareness on Green Marketing Strategies: Are these steps adequate or do you think that some additional steps are required?

- c. Are the startup and standup incentives adequate? Or do you think that some additional steps are required?
- d. What are the Opportunities in promoting green products?

The results are given below

a. Challenges faced by in promoting green product entrepreneurs who have participated in Make India campaign were as follows

1. **Ease of doing business.** A number of permissions were required for starting a new business; this causes unnecessary delay. It also required permission from central, state and local authorities. Due to corruption at different stages, files did not move and finally projects were either delayed or became economically unviable due to the delay. The present move of demonetization and implementing GST will overcome this problem.
 2. **Land acquisition and bill.** Due to opposition from other parties, the central government had to postpone the land bill.
 3. **Higher interest rates.** Interest rates charged by banks are much higher than the developed economy.
 4. **Standardization.** Presently only five percent of marketing messages were authentic claims and there was no standardization. It, therefore, needed a regulatory body to keep guard on providing certification and to verify on the organic content of products.
 5. **New concept.** Green marketing and use of products and services was a new concept and a lot of time needed to be spent in educating consumers about their uses and benefits.
 6. **Patience and perseverance.** The consumers were unable to see immediate benefits by using green marketing products as the results were not immediate but they could lead to a better environment.⁹
- b. Government efforts have created awareness on Green Marketing. Are these steps adequate or do you think that some additional steps are required?**

A. The entrepreneurs who have participated in Make India campaign felt that the public transport was very poor. This was forcing many respondents to use their own vehicles.

B Consumers were reluctant to use LED lamps and solar heaters due to their high initial costs. The government should run special schemes to ensure that the cost of production goes down for entrepreneurs who had participated in Make India campaign

c. The startup and stand up incentives are adequate or do you think that some additional steps are required? **(Particularly applicable to SMEs entrepreneurs who have participated in Make India campaign)**

- i. We found it extremely difficult to compete and create demand due high initial costs. The present consumers were not willing to shift to our products and it is very difficult to change their behavior. The present consumer's wanted to buy only from established reputed brands and it was very difficult to build a brand. Whatever profits we earned were plowed back in in expanding our current business and banks did not lend money to us.
- ii. The cost of raw materials was very high and there were very thin margins. We found it very difficult to compete with Chinese and South Korean products. These two foreign

companies' products were available in the market at very low prices and it was not very difficult to compete and match those prices.

iii. It was hard to retain our skilled work force. We spent a lot of money in training them. They used this experience as a stepping stone and leave our company to join bigger companies. We had to start this recruitment process again.

iv. We were unable to establish distributor's as most of these good distributors were already dealing with the present companies and not willing to join any new unknown companies as they had also legal obligations to be met.

1. v. Many suppliers supply raw materials only to present Original Equipment Manufacturers (OEMs). They were assured of large monthly of take from OEMs. These suppliers did not want to deal with small players like us. Even if they supply raw materials after a lot of persuasion and using personal contacts, their first priority was given to large OEMs and whatever was left over was supplied to at much higher prices. This made our prices uncompetitive.

d. Opportunities in promoting Green Products

2. India is an attractive market among the developing economies.
3. India has the advantage of demographic dividend. It is expected that by 2030 India will have about 65 percent population below 25 to 30 years. This will boost the economy as the domestic consumption will go up.
4. The domestic market is large India being next to China in terms of population. With a population close to 125 crores, it is a very large market.
5. Higher productivity and low wages India has high productivity and low wage structure.

Research Methodology

Objectives

1. To study Make India campaign and its impact on green marketing products
2. To study of impact of Green Marketing products on consumer behavior.
3. To get consumers' suggestions on how to increase awareness and usage of Green marketing products

Research Design Descriptive type.

Scope of the study Respondents in Pune city

Duration of the study June 2107 to September 2017.

Type of Universe Approximately 50 Lacs.

Sample Design- A purposive sampling design was chosen.

Sample Size-The sample size chosen was 200 respondents. (170 consumers and 30 entrepreneurs who have participated in Make in India campaign)

Research Instrument A questionnaire and personal interviews were carried out.

Method of Data Collection Both primary and secondary data was collected.

Hypotheses

The following 3 hypotheses were framed and hypothesis testing was done

Null hypothesis1

H₀: Consumers' are not willing to pay 15% to 20% higher prices for green products like energy efficient LED lamps, solar heaters and solar cookers.

Alternate hypothesis 1

H₁: Consumers' are willing to pay higher prices 15% to 20% for green products like energy efficient LED lamps, solar heaters and solar cookers

Hypothesis 2

Null hypothesis 2

H₀: Willingness to shift to Green marketing products is less with males than females.

Alternate hypothesis 2

H₂: Willingness to shift to Green marketing products is more with males than females.

As observed from Table 1, 84% of male respondents are aware and 74% female respondents are aware about green marketing. We can therefore conclude that awareness of green marketing products is more with male consumers.

Hypothesis 3

Null hypothesis 3

H₀: Young consumers are not willing to shift immediately to green marketing products

Alternate hypothesis 3

H₃: Young consumers are willing to shift immediately to green marketing products

Demographic Profile

Family Size 2 to 5 members.

Gender 85 male and 85 female consumers.

Age- from 18 years to 72 years.

Market survey results

Table 1 show the consumer response to awareness of green marketing products

Count of Gender	Column Labels		%	%
Row Labels	Female	Male	Female	Male
Cannot Say	10	02	11	1
No	13	13	15	15
Yes	62	70	74	84
Grand Total	85	85	50	50

Table 1: Consumer response to awareness of green marketing products

Referring to Table 1 key findings are

1. Majority of respondents were aware of green marketing products.
2. More male respondents were aware of green marketing products was than female respondents

The respondents comments on the following statements is shown in Table 2

Statement	Response		
	Yes	No	Cannot Say
1. I am not using thin plastic material bags.	135	15	20
2. I am using health & beauty products made from nature.	145	19	06
3. I use energy efficient LED Lamps even though they cost much more.	40	12 5	05
4. I use Solar Heater & Solar cooker even though they cost much more.	55	85	30
5. I use public transport as far as possible.	45	115	10
6. I am using eco-friendly packing material.	100	35	35
7. I use products and brands of companies which are star rated and green conscious.	85	55	30
8. My major communications are through Electronic media to save paper usage.	105	55	10
9 I use organic fruits and vegetables even though they cost more.	55	115	0
10. I do not smoke and burn trees	85	55	30
11. Our housing society members are willing to dispose of all waste in the society by segregating dry and wet waste and then composting	86	54	30
12. I am responsible for keeping the premises around my society clean.	76	64	20
13. I want to teach next generation youngsters on the advantage of going green.	110	40	29
14. Swatch Bharat will help in going green	125	25	20
15. Smart cities will expedite green marketing concept,	135	26	19
16. Are you willing to shift to public transport system after smart city implemented? (Even though they own two/four wheelers).	155	10	05

Table 2: Respondents comments on statements to their usage of green marketing products. Referring to Table 2, key findings were

1. Majority of respondents have stopped usage of thin plastic bags, started using ecofriendly and star rated appliances and natural soaps.

2. There is a resistance to use LED lamps, solar products, organic fruits and vegetables due to affordability/
3. The public transport was inefficient and compelling respondents to use automobiles. Bi cycle usage is also restricted as there was heavy traffic and respondents have to daily commute quite a long distance. With smart cities concept is on the cards, it will reduce pollution as many people will use public transport instead of using their own cars and two wheelers.
4. The local municipal corporations in Mumbai were now asking many societies to dispose of all collected garbage in their premises and the corporation will not collect any garbage from October.2017. There were instructions notified to all co-operative societies in Mumbai to collect and dispose of all waste in their premises only. While new society consumers well come this move, the old society consumers have opposed this move due to lack of space and training.
5. When respondents were asked about their shifting to public transport system after smart city implemented, they stated that they are willing do so if smart cities are developed fully (even though they own two/four wheelers).

Table 3: shows consumers’ willingness to pay 15% to 20 % higher prices for green products like efficient LED lamps, solar heaters and solar cookers.

	Consumers’ willingness to pay 15% to 20% higher prices for green products like energy efficient LED lamps, solar heaters and solar cookers.	Response
1.	Consumers’ willingness to pay 15% to 20% higher prices for green products like energy efficient LED Lamps, solar heaters and solar cookers.	105Nos.
2.	Not willing to pay higher price for green products like energy efficient LED Lamps, solar heaters and solar cookers.	65 Nos.

Table 3: Willingness to pay 15% to 20 % higher prices for green products like efficient LED lamps, solar heaters and solar cookers

Findings

1. 105 domestic respondents **were** willing to pay 15% to 20% higher prices for green products like energy efficient LED lamps, solar heaters and solar cookers
 2. 65 domestic customers **were** not willing to pay 15% to 20% higher price for green products like energy efficient LED lamps, solar heaters and solar cookers
- When asked as to why these customers who **were** not willing to pay higher prices they have made these specific remarks
- i. The present LED and solar systems were not reliable and quality of products was not known.
 - ii. We expect utility companies to offer incentives for using these products.

Hypothesis testing

3 Hypotheses were framed and tested.

To test consumers’ were willing to pay 15% to 20% higher prices for energy efficient LED Lamps, solar heaters and solar cookers ‘Z’ test was used for testing the difference between two means, after verification of normality of assumption. If calculated value of ‘Z’> 1.64, accept the hypothesis and accept H₁, otherwise reject. The remaining two hypothesis were tested by comparing figures from cross tables.

Null hypothesis1

H₀: Consumers’ are not willing to pay 15% to 20% higher prices for green products like energy efficient LED lamps, solar heaters and solar cookers.

Alternate hypothesis1

H₁: Consumers’ are willing to pay higher prices 15% to 20% for green products like energy efficient LED lamps, solar heaters and solar cookers

Sample size n= 170

Difference

Z’ = -----

Standard error.

Table value of ‘Z’ for one tail test at 5% level of significance is 1.64.

Hypothesis testing 1.

Hypothesis testing1 results are shown in Table 4

Attribute	Mean	S.D	C.V.	‘Z’ Value
To test consumers’ are willing to pay15% to 20% higher prices for energy efficient LED Lamps, solar heaters and solar cookers	4.96	0.18	3.67	29.17

Table 4: Hypothesis testing 1.

Where S.D. is Standard Deviation and C.V. is Coefficient of Variance.

It can be observed that

‘Z’ value for this criterion was more than the table value. We, therefore, accept null hypothesis and reject alternate hypothesis.

Hence, it can be concluded that consumers “willing to pay higher prices for energy efficient LED lamps, solar heaters and solar cookers subject to conditions that these products are at available at affordable prices and tested for quality”.

Table 5 shows age wise consumer’s willingness to shift to green marketing products

Age(Years)	Willingness to shift to green marketing products
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	Within 1 year		Within 6 months		Immediately		Never shift	
	Number	%	Number	%	Number	%	Number	%
19-25	25	70	19	50	25	38	08	26
26-35	06	16	07	18	23	35	08	26
36-45	04	11	11	29	15	23	07	22
46-72	01	03	01	03	02	04	08	26
Total	36	100	38	100	65	100	31	100

Table 5 Age wise consumer's response to willingness to shift to green marketing products.

Hypotheses Testing

(From the cross tabulation table)

Hypothesis 2

Null hypothesis 2

H₀: Willingness to shift to Green marketing products is less with males than females.

Alternate hypothesis 2

H₂: Willingness to shift to Green marketing products is more with males than females.

As observed from Table 1, 84% of male respondents are aware and 74% female respondents are aware about green marketing. We can therefore conclude that awareness of green marketing products is more with male consumers.

Hypothesis 3

Null hypothesis 3

H₀: Young consumers are not willing to shift immediately to green marketing products

Alternate hypothesis 3

H₃: Young consumers are willing to shift immediately to green marketing products

From Table 3 it can be observed that young consumers are willing to shift immediately to green marketing products

Research Gaps

The researchers have gone through existing literature but could not find any research work done earlier. The research gaps can be found out by considering this research paper a base later.

Managerial Implications

1. The prices of these green products like LED Lamps, solar heaters and cookers, paper bags etc. need to be less than the existing Chinese and south Korean products available in the market.
2. The research need to be carried out in have to reduce the cost of raw materials and whether any substitute products can be used which will improve product performance without compromising the product quality
3. Aggressive sales promotion need to be carried out by the Indian government, social activists and consumers in creating awareness and making life more comfortable.
4. The schools can run special campaigns to create awareness and promoting usage of green products. Today's children are future consumers and citizens.
5. Special incentives to be given to those consumers who are willing to shift to green products.
6. More trees need to be planted on regular basis.
7. I smart cities are to be expedited, If smart cities are developed then it will definitely help in reducing pollution as many consumers will opt to use public transport and there help in creating green environment.
8. Swachh Bharat Abhiyan to be implemented on war footing and to ensure that the overall atmosphere remain clean and will help in green marketing strategies.
9. More concentrated efforts are required by the Government in creating awareness o of solar energy products to the Indian consumers.
10. Young female consumers need to be motivated to use green products.

What are consumers' suggestions to increase awareness and usage of Green marketing products?

Some notable suggestions were

1. Recycling of paper bags.
2. Plant more trees and penalize consumers for cutting trees.
3. Use organic fruits and vegetables.
4. Focus on planned strategies for urban development.
5. Commercialize the concept of compressed car to reduce pollution.
6. Improve public transport system so that consumers can effectively switch from personal transport system.
7. Government to subsidize Green Marketing Products.
8. Make conscious effort to reduce carbon foot print.
9. More usage of Electric/hybrid Cars.
10. Avoid excessive usage of harmful products like deodorant and use eco- friendly products.
11. Make environment a sustainable priority.

Limitations of the study

A larger sample size could not be chosen due to paucity of funds and time constraints. Industrial consumers did not respond in Pune city did not proper information due to confidentiality.

Scope for further study

A detailed study on this research topic can be carried out in Maharashtra and all India bases to ensure comfortable living of Indian populations with the reduction in carbon footprints.

Conclusion

SMEs entrepreneurs who have participated in Make India campaign need to grab the opportunity of starting their own business through various incentive offered by Indian Government. Collective efforts are required by government, social activists and consumers in creating awareness and extensive usage of green marketing products to conserve energy, protection of nature. The biggest challenge is to change the present mind set of the consumers and how the prices can be made affordable for mass usage. If the green marketing products are made affordable like mobile phones, then one can ensure that sustainable growth can be achieved and can reduce carbon footprints.

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