

# STUDY ON “CONCEPT OF GREEN MARKETING IN INDIA”

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## **ABSTRACT:**

Increasing awareness on the various environmental problems has led a shift in the way consumers go about their life. There has been a change in consumer attitudes 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 have seen this change in consumer attitudes and are trying to gain an edge in the competitive market by exploiting the potential in the green market industry. In the modern era of globalization, it has become a challenge to keep the consumers in fold and even keep our natural environment safe and that is the biggest need of the time. Green marketing is a phenomenon which has developed particular importance in the modern market and has emerged as an important concept in India as in other parts of the developing and developed world, and is seen as an important strategy of facilitating sustainable development. In this research paper, main emphasis has been made of concept, need and importance of green marketing. Data has collected from multiple sources of evidence, in addition to books, journals, websites and newspapers. It explores the main issues in adoption of green marketing practices. The paper describes the current Scenario of Indian market and explores the challenges have with green marketing.

**Keywords:** Green Marketing, Environment, Traditional Marketing, Consumer, Marketer.

## **INTRODUCTION**

First of all, environment and environmental problems, one of the reason why the green marketing emerged. According to the American Marketing Association, green marketing is the marketing of products that are presumed to be environmentally safe. Thus green marketing incorporates a broad range of activities, including product modification, changes to the production process, packaging changes, as well as modifying advertising. Green marketing refers to holistic marketing concept wherein the product, marketing consumption on 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 into green products and services. Many people believe that green marketing refers solely to the promotion and advertising of products with environmental characteristics. Generally terms like phosphate free, recyclable, refillable, ozone friendly and environment friendly are most of the things consumers often associated with green marketing.

Yes, green marketing is a golden goose. As per Mr. J. Polonsky, green marketing can be defined as, "All activities designed to generate and facilitate any exchange intended to satisfy human needs or wants such that satisfying of their needs and wants occur with minimal detrimental input on the national environment." Green marketing is also called environmental marketing/ecological marketing. As resources 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 the protection of the 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 the growing market for sustainable and socially responsible products and services. Now this has become new mantra for marketers to satisfy the needs of consumers and earn better profits.

**Aim: To study “Concept of Green marketing in India”**

**Objectives of the Study:**

1. To know the concept of green marketing.
2. To identify the importance and need of green marketing.
3. To study the challenges and prospects of green marketing.

**Limitations:**

Lack of literature & Time

**REVIEW OF LITERATURE**

**EVOLUTION OF GREEN MARKETING**

Green marketing term was first discussed in a seminar on —Ecological Marketing organized by American Marketing Association (AMA) in 1975 and took its place in the literature.

The term green marketing came into prominence in the late 1980s and early 1990s. The first wave of green marketing occurred in the 1980s. The tangible milestone for the first wave of green marketing came in the form of published books, both of which were called Green Marketing. They were by Ken Pattie (1992) in the United Kingdom and by Jacquelyn Ottman (1993) in the United States of America.

First phase was termed as "Ecological" green marketing, and during this period all marketing activities were concerned to help environmental 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 2000s concerned with developing good quality products which can meet consumers need by focusing on the quality, performance, pricing and convenience in an environment friendly way.

### **Characteristics of Green Products**

We can define green products by following measures:

- Products those are originally grown.
- Products those are recyclable, reusable and biodegradable.
- Products with natural ingredients.
- Products containing recycled contents and non toxic chemical.
- Products contents under approved chemicals.
- Products that do not harm or pollute the environment.
- Products that will not be tested on animals.
- Products that have eco-friendly packaging i.e. reusable, refillable containers etc.

Kilbourne, W.E. (1998) discussed the failure of green marketing to move beyond the limitations of the prevailing paradigm. The author identified areas that must be examined for their effect in the marketing/environment relationship, namely economic, political and technological dimensions of the cultural frame of reference.

Prothero, A. (1998) introduced several papers discussed in the July 1998 issue of 'Journal of Marketing Management' focusing on green marketing. This included a citation of the need to review existing literature on green marketing, an empirical study of United States and Australian marketing managers, a description of what a green alliance look like in practice in Great Britain, ecotourism and definitions of green marketing.

Prothero, A. & Fitchett, J.A. (2000) argued that greater ecological enlightenment can be secured through capitalism by using the characteristics of commodity culture to further progress environmental goals. Marketing not only has the potential to contribute to the establishment of more sustainable forms of society but, as a principle agent in the operation and proliferation of commodity discourse, also has a considerable responsibility to do so.

Oyewole, P. (2001) in his paper presented a conceptual link among green marketing, environmental justice, and industrial ecology. It argues for greater awareness of environmental justice in the practice for green marketing. A research agenda is finally suggested to determine consumer's awareness of environmental justice, and their willingness to bear the costs associated with it.

Karna, J., Hansen, E. & Juslin, H. (2003) interpreted that proactive marketers are the most genuine group in implementing environmental marketing voluntarily and seeking competitive advantage through environmental friendliness. The results also give evidence that green values, environmental marketing strategies, structures and functions are logically connected to each other as hypothesized according to the model of environmental marketing used to guide this study

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Sanjay K. Jain & Gurmeet Kaur (2004) in their study of environmentalism which had fast emerged as a worldwide phenomenon discussed business firms too have risen to the occasion and have started responding to environmental challenges by practicing green marketing strategies. Green consumerism has played a catalytic role in ushering corporate environmentalism and making business firms green marketing oriented. Based on the data collected through a field survey, the paper made an assessment of the extent of environmental awareness, attitudes and behavior prevalent among consumers in India.

Donaldson (2005) in his study realized in the Great Britain that in general the ecological attitude of consumers changed positively. This study reported the strong faith of consumers in the known commercial brands and in the feeble behavior referring to the "green" claims, which was the main cause behind the consuming failure to interpret their concerns beyond the environment in their behavior.

Alsmadi (2007) while investigating the environmental behaviour of Jordanian consumers reveals a high level of environmental conscience. Unfortunately however this positive tendency and preference in the "green" products did not appear to have any effect on the final decision, obviously because these consumers had a stronger faith in the traditional products and a small confidence in the green statements. The above obstacles were further strengthened by the lack of environmental conscience by a lot of enterprises and the existence of a large scale of prices for the same product, many of which included an impetuous estimate of environmental responsibility. The same phenomenon has been presented in other researches too (Ottman, 2004; Donaldson, 2005; Cleveland et al, 2005).

Brahma, M. & Dande, R. (2008), The Economic Times, Mumbai, had an article which stated that, Green Ventures India is a subsidiary of New York based asset management firm Green Ventures International. The latter recently announced a \$300 million India focused fund aimed at renewable energy products and supporting trading in carbon credits.

### **Why are firms using green marketing?**

While 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 objectives [Keller, 1987; Shearer, 1990].
2. Organizations believe that they have a moral obligation to be more socially responsible [Davis,1992; Freeman and Liedtka,1991; Keller,1987; McIntosh, 1990; Shearer, 1990;]
3. Governmental bodies are forcing firms to become more responsible [NAAG, 1990;]
4. Competitors environmental activities pressurize firms to change their environmental marketing activities [NAAG,1990;] and
5. Cost factors associated with waste disposal or reductions in material usage forces firms to modify their behavior [Azzone and Manzini,1994;].

### **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.

## **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.

## **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.

## **Golden Rules of Green Marketing**

1. **Know your Customer:** Make sure that the consumer is aware of and concerned about the issues that your product attempts to address.
2. **Educating your customers:** It is not just a matter of letting people know, whatever you're doing is to protect the environment, but also a matter of letting them know why it matters.
3. **Being Genuine & Transparent:** means that a) You are actually doing what you claim to be doing in your green marketing campaign and b) The rest of your business policies are consistent with whatever you are doing that's environment friendly.
4. **Reassure the Buyer:** Consumers must be made to believe that the product performs the job, in this firm should not forget product quality in the name of the environment.

- 5.
6. **Consider Your Pricing:** If you are charging a premium for your product and many environmentally preferable products cost more due to economies of scale and use of higher-quality ingredients make sure those consumers can afford the premium and feel it's worth it.

### Countries ranked according to their response level

**Table No.1 Countries ranked according to their response level on Green Marketing**

Rank	Countries
1	India
2	UK
3	US
4	Thailand
5	Australia
6	Canada
7	China

**Source – Namex International Journal of Management Research**

### The Four Ps of Green Marketing

#### 1. Product

Entrepreneurs wanting to exploit emerging green market either by identifying customer's environmental needs or by developing environmentally responsible products to have less impact than competitors.

The increasingly development of:

1. Products that can be recycled or reused. Efficient products, which save water, energy or gasoline, save money and reduce environmental impact.
2. Products with environmentally responsible packaging. McDonalds, for example, changed their packaging from polystyrene clamshells to paper.
3. Products with green labels, as long as they offer substantiation.
4. Organic products — many consumers are prepared to pay a premium for organic products, which offer promise of quality. Organic butchers, for example, promote the added qualities such as taste and tenderness.
5. A service that rents or loans products –such as toy libraries.
6. Certified products, which meet or exceed environmentally responsible criteria.

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Whatever the product or service, it is vital to ensure that products meet or exceed the quality expectations of customers and is thoroughly tested.

## **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.

Environmentally responsible products, however, are often less expensive when product life cycle costs are taken into consideration, for example fuel-efficient vehicles, water-efficient printing and non-hazardous products.

## **3. PLACE**

The choice of where and when to make a product available has a significant impact on the customers being attracted. Very 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. The location must also be consistent with the image which a company wants to project. The location must differentiate a company from its competitors. This can be achieved by in-store promotions and visually appealing displays or using recycled materials to emphasize the environmental and other benefits.

## **4. PROMOTION**

Promoting products and services to target markets includes paid advertising, public relations, sales promotions, direct marketing and on-site promotions. Smart green marketers will be able to reinforce environmental credibility by using sustainable marketing and communications tools and practices. For example, many companies in the financial industry are providing electronic statements by email, e-marketing is rapidly replacing more traditional marketing methods, and printed materials can be produced using recycled materials and efficient processes, such as waterless printing. Retailers, for example, are recognizing the value of alliances with other companies, environmental groups and research

organizations when promoting their environmental commitment. To reduce the use of plastic bags and promote their green commitment, some retailers sell shopping bags, under the banner of the Go Green Environment Fund. The key to successful green marketing is credibility. Never overstate environmental claims or establish unrealistic expectations, and communicate simply and through sources that people trust. Promote your green credentials and achievements. Publicize stories of the company's environmental awards programs to profile environmental credentials to customers and stakeholders.

### Traditional Vs Green Marketing

<b>Traditional marketing</b>	<b>Green marketing</b>
<b>Goals</b> 1. Customer satisfaction 2. Organizational goals	<b>Goals</b> 1. Customer satisfaction 2. Organizational goals 3. Ecosystem compatibility
<b>Decision making Frame of Reference</b> 1. Fragmented thinking 2. Non-boundary spanning 3. Short term orientation	<b>Decision making Frame of Reference</b> 1. Integrated thinking 2. Boundary spanning 3. Long term orientation
<b>Philosophical basis</b> 1. Anthropocentric 2. Ecosystem an open sink	<b>Philosophical basis</b> 1. Biocentric 2. Ecosystem a physical limiting factor, eco cost must be paid
<b>Ecological Accountability/Responsibility</b> 1. Limited product risk 2. Local/Regional/National 3. No/underpaid ecological costs	<b>Ecological Accountability/Responsibility</b> 1. Product risk 2. Global/International 3. Full accounting of ecological costs
<b>General tools/approaches</b> 1. Use planning to minimize cost of local waste disposal 2. Reactive approach to waste management 3. Focus on industrial functions 4. Total quality management	<b>General tools/approaches</b> 1. Use life cycle assessment and environmental audits to minimize and redirect waste management 2. Proactive approach to waste management 3. Focus on industrial processes 4. Total quality environmental management

**Source: Donald A. Fuller, Sustainable Marketing: Managerial-Ecological**

## **Eco-Labeling**

Eco-labeling schemes offer environmentally less harmful label program. It was initiated by Germany in 1978. Eco label is an environmental claim that appears on the packaging of product. It is awarded to a manufacturer by an appropriate authority. The government of India launched an Eco mark scheme in 1991 to increase consumer awareness in respect of environment friendly product. The aim of the scheme is to encourage the customers to purchase those products which have less harmful environmental impact. ISO 14020 is a guide to the awards of eco- labels.

## **Green Washing**

"Consumers do not really understand a lot about these issues on Green marketing, and there's a lot of confusion out there in the minds of the customer about what actually green marketing is all about," says Jacquelyn Ottman (Author of "Green Marketing: Opportunity for Innovation.") Marketers sometimes take advantage of this confusion, and purposely make false or exaggerated "green" claims.

Critics refer to this practice as "green washing" which means trying to sell the customers those products which are not environment friendly but the company claims them to be environment friendly.

## **Green Products In India**

Wipro Info tech (Green It) was India's first company to launch environment friendly computer peripherals. Samsung, was the first to launch eco friendly mobile handsets (made of renewable materials) – W510 and F268- in India.

Oil and Natural Gas Corporation Ltd. (ONGC), India's largest oil company, has introduced energy-efficient Mokshada Green Crematorium, which saves 60% to 70% of wood and a fourth of the burning time per cremation.

Reva, India's very-own Bangalore based company was the first in the world to commercially release an electric car.

Honda India introduced its Civic Hybrid car.

ITC has introduced Paper Kraft, a premium range of eco-friendly business paper.

Indusind Bank installed the country's first solar-powered ATM and thus brought about an eco-savvy change in the Indian banking sector.

Suzlon Energy manufactures and markets wind turbines, which provide an alternative source of energy based on wind power. This green initiative taken by the company is extremely important for reducing the carbon footprint.

### **10 Ways to Go Green**

1. Unplug when not in use.
2. Use less water, every drop counts.
3. Switch to compact fluorescent light bulbs.
4. Choose products with less packaging.
5. Buy organic and local food.
6. Drive less that saves fuel.
7. Walk more.
8. Recycle more.
9. Switch to green power, use non conventional energy like solar power etc.
10. Spread the word about green, live green, stay green.

### **Green Marketing- Challenges**

Although a large number of firms are practicing green marketing, it is not an easy job as there are a number of problems which need to be addressed while implementing Green marketing. The major challenges which Green marketing have to be faced are:

1. **New Concept**-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.

2. **Cost Factor-** Green marketing involves marketing of green products/services, green technology, green power/energy for which a lot of money has to be spent on R&D programmes for their development and subsequent promotional programs which ultimately may lead to increased costs.
3. **Convincing customers-**The customers may not believe in the firm's strategy of Green marketing, the firm therefore should ensure that they undertake all possible measures to convince the customer about their green product, the best possible option is by implementing Eco-labeling schemes. Sometimes the customers may also not be willing to pay the extra price for the products.
4. **Sustainability-** Initially the profits are very low since renewable and recyclable products and green technologies are more expensive. Green marketing will be successful only in long run. Hence the business needs to plan for long term rather than short term strategy and prepare for the same, at the same time it should avoid falling into lure of unethical practices to make profits in short term.
5. **Non Cooperation-** The firms practicing 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.
6. **Avoiding Green Myopia-** Green marketing must satisfy two objectives: improved environmental quality and customer satisfaction. Misjudging either or overemphasizing the former at the expense of the latter can be termed green marketing myopia.

### **Research Methodology**

The research is exploratory in nature; it focuses on Literature review, News Papers, Journals, websites and the other reliable sources.

### **Data collection**

**Primary data:** The primary data was collected from different pod of the agents of India.

**Secondary data:** Secondary data was collected by different websites.

## **Data analysis**

The researcher took the primary data after looking about the presentations of different environmental agents. It was found that all the agents and operator found the potential in vertical farming and would like to suggest the development and concept of vertical farming in other cities of India. The research operates same responses from all the presentations and operators; hence the data was not tabulated.

## **CONCLUSION**

Green marketing is a tool for protecting the environment for future generation. It is not going to be an easy concept. The firm has to plan and then carry out research to find out how feasible it is going to be. Green marketing has to evolve since it is still at its infancy stage. Adoption of Green marketing may not be easy in the short run, but in the long run it will definitely have a positive impact on the firm. Green Marketing is still in the stage of childhood in the Indian companies. Lots of opportunities are available. 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 rules because green marketing is essential to save world from pollution. From the business point of view because a clever marketer is one who not only convinces the consumer, but also involves the consumer in marketing his product. Green marketing should not be considered as just one more approach to marketing, but has to be pursued with much greater vigor, as it has an environmental and social dimension to it. With the threat of global warming looming large, it is extremely important that green marketing becomes the norm rather than an exception or just a fad. Recycling of paper, metals, plastics, etc., in a safe and environmentally harmless manner should become much more systematized and universal. It has to become the general norm to use energy efficient lamps and other electrical goods.

## **SUGGESTIONS**

Green marketing is still in its infancy and a lot of research is to be done on green marketing to fully explore its potential. There are some suggestion that an organizations should implement for catering challenges of green marketing and successful exploitation of green marketing.

Consumer needs to be made more aware about the merits of Green products. The consumer needs to be educated and made aware of the environmental threats. It should be made sure that the consumer is aware of and concerned about the issues that your product attempts to address. Green Marketing campaign and green advertising is good step toward

it. Consumers must be motivated to switch brands or even pay a premium for the greener alternative.

Make sure that consumers feel that they can make a difference. This is called —empowerment and due to this main reason consumers will buy greener products. Further steps should be taken to control false promises and claims by the marketer to maintain legitimacy and trustworthiness of green products. For effective and efficient implementation of this concept of Green Marketing the factor that plays a major role is the Government. Unless the government creates specific and stringent laws and utilizes its authority to implement them, the concept cannot be conceptualized. If the Consumer, the Organization and the Government work in unison towards the common goal of minimizing the detrimental environmental impact of their activities, then they can surely save this environment and make this world a better place to live in. It is not enough for a company to green its products, consumers expect the products at their purchase to be pocket friendly and also to help reduce the environmental impact in their own lives too. Green marketing is very low on the agenda of most businesses and therefore it's still an under-leveraged USP (Unique Selling Proposition). Therefore, effective green marketing targeted at the right audience will make a difference.

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