

## CONCEPT OF GREEN MARKETING IN INDIA

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### ABSTRACT

*Green Marketing refers to the holistic marketing concept wherein the production, marketing, utilization and dumping of products and services happen in a manner that is less damaging to the environment. Green marketing is gaining popularity day by day. It is the new buzzword in the marketing. The world is going Green and so are the companies. Now going green has become the new success mantra in marketing to differentiate the products and services from their competition. It has also become a platform for innovation. Now, more and more organisations are trying to follow the green path either directly or indirectly. Green marketing is a phenomenon which has developed particular important in the modern market, it involves developing and promoting products and services that satisfy customer's want and need for quality, performance, affordable pricing and convenience without having a deter mental input on the environment. The development of green marketing has opened the doors of opportunity for companies to co-brand their products into separate line. This paper deals with the concept of green marketing and its importance for the companies. It highlights the Challenges for green marketing in India. The paper also examines the present trends of green marketing in India and describes about Top Indian Companies adopting green marketing practices.*

### KEYWORDS

Green Marketing, Holistic Marketing, Sustainable Marketing, Business Strategy, Green Strategy.

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## INTRODUCTION

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. Yet defining green marketing is not a simple task where several meanings intersect and contradict each other, an example of this will be the existence of varying social, environmental and retail definitions attached to the this term. Other similar term used is environmental marketing and ecological marketing. Thus “green marketing” refers to holistic marketing concept where in the production, marketing consumption an disposal of products and services happen in the manner that is less detrimental to the environment with growing awareness about the implication of global warming, non-biodegradable solid waste harmful impacts of pollutants etc. both marketers and consumers are becoming increasingly sensitive to the need for the switch in green products and services. While the shift to “green” may appear to be expensive in the short term, it will defiantly prove to be indispensable and advantageous cost wise to, in the long run.

Pride and Ferrell [1993]: green marketing, also alternatively know as environmental marketing and sustainable marketing, refers to an organizations efforts at designing, promoting, pricing and distributing products that will not harm the environment.

Polonsky [1994]: defines green marketing as all activities design to generate and facilitate any exchanges intended to satisfy human needs or wants, such that the satisfaction of these needs and wants occurs, with minimal detrimental impact on the natural environment.

Elkington[1994]: defines green consumer as one who avoids products that are likely to endanger the health of the consumers or others, cause significant damage to the environment during manufacture, use or disposal, consume a disproportionate amount of energy, cause unnecessary waste, use materials derived from threatened species or environments, involve unnecessary use of, or cruelty to animals, adversely affects other countries.

## LITERATURE REVIEW

Green marketing is also known as environmental marketing (Coddington, 1993), ecological marketing (Fisk, 1974; Henion and Kinnear, 1976), green marketing (Peattie, 1995; Ottman, 1992), sustainable marketing (Fuller, 1999) and greener marketing (Charter and Polonsky, 1999). Many times, a majority of people believe that green marketing refers solely to the promotion or advertising of products with environmental characteristics. Consumers often associate green marketing with terms like phosphate free, recyclable, refillable, ozone friendly, and environmentally friendly. While these terms are green marketing claims, in general green marketing is a much broader concept, which is applied to goods as well as services. Thus green marketing incorporates a broad range of activities, including product design, product modification, changes to the production process, packaging changes, as well as modifying advertising and promotions.

Although green marketing came into prominence in the late 1980s and early 1990s, it was first discussed in the workshop titled "Ecological Marketing" in 1975, undertaken by American Marketing Association (AMA). The proceedings of this workshop resulted in one of the first books on green marketing entitled "Ecological Marketing" [Henion and Kinnear 1976a]. Since that time a number of books have been published on this topic [Charter 1992, Coddington 1993, Ottman 1993].

The AMA workshop attempted to bring together academics, practitioners, and public policy makers to examine marketing's impact on the natural environment. At this workshop ecological marketing was defined as: the study of the positive and negative aspects of marketing activities on pollution, energy depletion and non-energy resource depletion. [Henion and Kinnear 1976b, 1] This early definition has three key components,

- 1) it is a subset of the overall marketing activity;
- 2) it examines both the positive and negative activities; and
- 3) a narrow range of environmental issues are examined.

From time to time, green marketing has been defined by several authors. On the whole it involves designing, promoting, pricing and distributing products and services according to the

customers' want and need, with minimal detrimental impact on the natural environment (Grant, 2008; Jain and Kaur, 2004; Kangis, 1992; Pride and Ferrell, 2008). In the last fifteen years, concern for the environment has been steadily increasing, due to increased media coverage, greater awareness of environmental problems, the impact of major industry disasters and the rise of activist groups on the environment (Kalafatis et al. 1999). As a result, various customers started considering nature protection as a central factor to incorporate in their buying decisions, increasing realization that environmental protection is not just a task to be performed by government institutions or organizations, but is each citizen's responsibility (Fraj and Martinez, 2006). This concern has created a new segment of 'Green Consumers'.

That's why in recent times, there are encouraging signs, which show that the demand for greener products is picking up. According to Natural Marketing Institute reports, more than 200 billion \$ market of Lifestyles, Health and Sustainability (LOHAS) is expected to become double by 2010 and quadruple by the end of 2015 (Widger, 2007). Therefore, understanding consumers' green buying behaviour is of paramount importance for environment friendly businesses; besides being important for academics and practitioners.

In this regard, Theory of Planned Behaviour states that intention is seen as the proximal determinant of behaviour: the more one intends to engage in a particular behaviour, the more likely one is to actually engage in it (Ajzen, 1985; Kalafatis., Pollard., East., and Tsogas, 1999). Several researches have been conducted on green purchasing intentions. Among these, many researchers have identified the determinants of consumers' green purchase behavior, majority of them have been conducted in industrialized countries (Bleda and Valente, 2008; Chatterjee, 2009; Chan, 2004; Davis, 1993), but the findings often contradict each other (Elham, R and Nabsiah, A. Wahid, 2011). For that reason, the findings may only be relevant in certain cultural, demographical and geographical context, and time. Because of complexity in green purchasing behaviour of consumers', generalization is often not meaningful under different cultural, social and demographical contexts. To strengthen this argument, Elham and Nabsiah (2011), Ottman (1992) and Peattie (1992) reported that demand and attitudes for environment friendly products is likely to be uneven across different market segments and cultures. That's why there is need for research on consumers' green purchase intentions in India.

## OBJECTIVES OF THE STUDY

1. To Highlight Challenges and Goals of Green marketing
2. To know Importance of Green marketing for Various Sections of Society

## RESEARCH METHODOLOGY

This study is based on secondary sources of information from Publication of various Institutes, Organisations, published newspapers, journals-online & printed, magazines, web sites, books. The information is collected from libraries and websites. The literature is cross checked and validated to gives the latest information.

## NEED OF GREEN MARKETING

When looking through the writing there are some suggested reasons for firms increased use of Green Marketing. Five possible reasons cited are:

- Organizations recognize environmental marketing to be a chance that can be used to achieve its objectives.
- Organizations think they have a moral compulsion to be more socially accountable.
- Governmental bodies are forcing firms to become more responsible.
- Competitor's environmental behaviour stress firms to change their environmental marketing actions.

- Cost factors related with waste disposal, or reductions in material practice services firms to change their behaviour.

Issues like Global warming and reduction of ozone umbrella are the main for the healthy endurance. Every person rich or poor would be interested in quality life with full of health and energy and so would the business class. Financial gain and economic income is the main aim of any business. But harm to environment cost by maintain business across the globe is realized now though off not on time. This intelligence is building corporate residency in the business class. So green marketing by the business class is unmoving in the egotistical anthological view of long term sustainable business and to please the consumer and obtain the allow by the governing body. Industries in Asian countries are infectious the need of green marketing from the developed countries but still there is a broad gap between their understanding and execution.

## GOLDEN RULES OF GREEN MARKETING

**Giving your customers an chance to contribute:** means personalizing the reimbursement of your environmentally friendly events, normally through hire the customer take part in helpful ecological action.

**Reassure the Buyer:** Consumers must be made to believe that the product performs the job it's theoretical to do-they won't give up product class in the name of the environment.

**Humanizing your customers:** isn't just a matter of letting people know you're doing whatever you're doing to guard the environment, but also a matter of hire them know why it matters. Otherwise, for a significant scrap of your target market, it's a case of "So what?" and your green marketing movement goes nowhere.

**Consider Your Pricing:** If you're charging a best for your product-and many environmentally preferable products cost more due to economy of scale and use of Higher-quality ingredients-make sure those consumers can pay for the best and feel it's value it.

**Know you're Customer:** Make certain that the consumer is aware of and afraid about the issues that your product attempt to address.

5. **Being Genuine & clear:** means that

- a) you are really doing what you claim to be doing in your green marketing movement and
- b) the rest of your business policies are reliable with whatever you are doing that's environmentally friendly. Both these situation have to be met for your business to set up the kind of environmental qualifications that will allow a green marketing group to succeed.

## GREEN PRODUCTS AND ITS CHARACTERISTICS

The products those are manufactured through green technology and that caused no environmental hazards are called green products. Promotion of green technology and green products is necessary for conservation of natural resources and sustainable development. 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, non-toxic chemical,
- Products contents under approved chemical,
- 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.

## CHALLENGES IN GREEN MARKETING

- **Avoiding Green Myopia**

The first rule of green marketing is focusing on customer benefits i.e. the primary reason why consumers buy certain products in the first place. Do this right, and motivate

consumers to switch brands or even pay a premium for the greener alternative. It is not going to help if a product is developed which is absolutely green in various aspects but does not pass the customer satisfaction criteria. This will lead to green myopia. Also if the green products are priced very high then again it will lose its market acceptability.

- **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. There is no standardization to authenticate these claims. There is no standardization currently in place to certify a product as organic. Unless some regulatory bodies are involved in providing the certifications there will not be any verifiable means. A standard quality control board needs to be in place for such labelling and licensing.

- **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. By India's ayurvedic heritage, Indian consumers do appreciate the importance of using natural and herbal beauty products. Indian consumer is exposed to healthy living lifestyles such as yoga and natural food consumption. In those aspects the consumer is already aware and will be inclined to accept the green products.

- **Patience and Perseverance**

The investors and corporate need to view the environment as a major long-term investment opportunity, the marketers need to look at the long-term benefits from this



new green movement. It will require a lot of patience and no immediate results. Since it is a new concept and idea, it will have its own acceptance period.

### Goals of Green Marketing

- Make environmentalism profitable
- Bringing out product modifications
- Changes in production processes
- Packaging changes
- Modifying advertising
- Eliminate the concept of waste
- Reinvent the concept of product
- Make prices reflect actual and environmental costs

### The Green Marketing Mix

A model of a green marketing Mix contains all 4P<sup>s</sup>:

**Product:** A producer should offer ecological products which not only must not contaminate the environment but should protect it and even liquidate existing environmental damages.

**Price:** Prices for such products may be a little higher than conventional alternatives. But target groups like for example LOHAS are willing to pay extra for green products.

**Place:** A distribution logistics is of crucial importance; main focus is on ecological packaging. Marketing local and seasonal products e.g. vegetables from regional farms is more easy to market “green” than products imported.

**Promotion:** A communication with the market should put stress on environmental aspects, for example that the company possesses a CP certificate or is ISO 14000 certified. This may be publicized to improve a firm's image. Furthermore, the fact that a company spends expenditures on environmental protection should be advertised. Third, sponsoring the natural environment is also very important. And last but not least, ecological products will probably require special sales promotions

## PRESENT TRENDS IN GREEN-MARKETING IN INDIA

Organizations are Perceive Environmental marketing as an Opportunity to achieve its objectives. Firms have realized that consumers prefer products that do not harm the natural environment as also the human health. Firms marketing such green products are preferred over the not doing so and thus develop a competitive advantage, simultaneously meeting their business objectives. Organizations believe they have a moral obligation to be more socially responsible. This is in keep in 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 government forces the firm to adopt policy which protects the interests of the consumers. It does so in following ways: -

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

Competitors' Environmental Activities Pressure Firms to change their Environmental Marketing Activities. In order to get even with competitors claim to being environmentally friendly, firms change over to green marketing. Result is green marketing percolates entire industry.

Cost Factors Associated With Waste Disposal or Reductions in Material Usage Forces Firms to Modify their Behaviour. With cost cutting becoming part of the strategy of the firms it adopts green marketing in relation to these activities. It may pursue these as follows:-

- A Firm develops a technology for reducing was tend sells it to other firms.

### **Indian Companies Adopting Green Marketing**

#### **TAMIL NADU NEWS PRINT AND PAPER LIMITD(TNPL):**

Adjudged the best performer in the 2009-2010 Green Business Survey, TNPL was awarded the Green Business Leadership Award in the Pulp and Paper Sector. The initiatives undertaken by this top green firm in India includes two Clean Development Mechanism projects and a wind farm project that helped generate 2,30,323 Carbon Emission Reductions earning Rs. 17.40 Crore.

#### **WIPRO TECHNOLOGIES:**

The list of top green Indian companies is never complete without Wipro which climbed to the top five brand league in Greenpeace's 'Guide to Greener Electronics' ranking. Despite the global financial crisis, Wipro held fast to its commitment towards energy efficiency and was lauded for launching energy star compliant products in the market.

#### **ITC LIMITED:**

ITC strengthened their commitment to green technologies by introducing „ozone-treated elemental chlorine free“ bleaching technology for the first time in India. The result is an entire

new range of top green products and solutions: the environmentally friendly multi-purpose paper that is less polluting than its traditional counterpart.

#### **TATA METALIKS LIMITED (TML):**

Every day is Environment Day at TML, one of the top green firms in India. A practical example that made everyone sit up and take notice is the company's policy to discourage working on Saturdays at the corporate office. Lights are also switched off during the day with the entire office depending on sunlight.

#### **HCLT TECNOLOGIES:**

This IT major may be considered as the icon of Indian green initiatives, thanks to the "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.

#### **OIL AND NATURAL GAS COMPNY (ONGC):**

India's largest oil producer, ONGC, is all set to lead the list of top green Indian companies with energy-efficient, green crematoriums that will soon replace the traditional wooden pyre across the country. ONGC's Mokshada Green Cremation initiative will save 60 to 70% of wood and a fourth of the burning time per cremation.

#### **INDUSIND BANK:**

Green banking has been catching up as among the top Indian green initiatives ever since IndusInd opened the country's first solar-powered ATM and pioneered an eco-savvy change in the Indian banking sector. The bank is planning for more such initiatives in addressing the challenges of climate change.

**IDIA CELLULAR:**

One of the best Indian companies, IDEA, paints India green with its national „Use Mobile, Save Paper“ campaign. The company had organized Green Pledge campaigns at Indian cities where thousands came forward and pledged to save paper and trees. IDEA has also set up bus shelters with potted plants and tendril climbers to convey the green message.

**HERO HONDA MOTERS:**

Hero Honda is one of the largest two-wheeler manufacturers in India and an equally responsible top green firm in India. The company's philosophy of continuous innovation in green products and solutions has played a key role in striking the right balance between business, mankind and nature.

**CONCLUSION**

Green marketing should not neglect the economic aspect of marketing. Marketers need to understand the implications of green marketing. . Green marketing should not be measured as just one more approach to marketing, but has to be pursued with much better energy, as it has an environmental and social measurement to it. With the danger of global warming looming large, it is very important that green marketing becomes the norm rather than an exemption or just a fashion. Recycling of paper, metals, plastics, etc., in a safe and environmentally harmless way should become much more systematized and total. It has to become the general norm to use energy-efficient lamps and other electrical goods. Marketers also have the responsibility to make the consumers understand the need for and remuneration of green products as compared to non-green ones. In green marketing, consumers are ready to pay more to maintain a cleaner and greener environment. Companies must find an opportunity to enhance their product's performance and strengthen their customer's loyalty and command a higher price. Green marketing assumes even more importance and significance in developing countries like India. It is also true that Green marketing is still in its infancy and a lot of research is to be done on green marketing to fully explore its potential.

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