

## **Importance of Green Marketing**

Dr. Meghna Aggarwal  
Assistant Professor  
ASSM College, Mukandpur

### **Abstract:**

*Concerns have been expressed by manufacturers and customers about the environmental impact of products during recent decades. There has been a change in consumer attitudes towards a green lifestyle. People are actively trying to reduce their impact on the environment. Green marketing is a phenomenon which has developed particularly important in the modern market and has emerged as an important concept in India. The present study discussed the concept of green marketing, the actual need and importance of green marketing. The paper also describes the current scenario of Indian market and explores the challenges and opportunities businesses have with green marketing, why companies are adopting it and future of green marketing and concludes that green marketing is something that will continuously grow in both practice and demand.*

**Keywords:** Green Marketing, Environment, Green Products, Marketing Practices

### **Introduction**

The green movement has been expanding rapidly in the world. With regards to this consumers are taking responsibility and doing the right things. According to the American marketing, green marketing is the marketing of products that are presumed to be environmentally safe. Green marketing incorporates a broad range of activities, including product, modification, changes to the production process, packaging changes as well as modifying advertising. Thus, today "Green" marketing has moved from a trend to a way of doing business and businesses that sell should recognise (a) the value of going green and (b) incorporating this message into their marketing program and communicating the green concept to their consumer.

Pride and Ferrell (1993). "Green marketing also alternatively known as environmental marketing and sustainable marketing, refers to an organizations effort 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, such that satisfaction of these needs and wants occurs, with minimal detrimental impact on the natural environment.

### **Evolution of Green Marketing**

Green advertising term was initially talked about in a class on - Ecological Marketing sorted out by American Marketing Association (AMA) in 1975 and had its spot in the writing. The term green promoting became a force to be reckoned with in the late 1980s and mid-1990s. The principal wave of green promoting happened in the 1980s. The unmistakable development for the primary flood of green showcasing came as distributed books, both of which were called Green Marketing. They were by Ken Peattie in the United Kingdom and by Jacquelyn Ottman in the United States of America.

As indicated by Peattie, the development of green advertising has three stages.

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.

### **Review of Literature**

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.

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 behaviour 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 behaviour 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.

### **Research Methodology**

The examination is exploratory in nature; it concentrates on Literature audit, **News Papers**, Journals, sites and the other dependable sources.

### **Objectives of the Study**

The paper titled Green marketing- Present Scenario in India is aimed to cover the following objectives:

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

### **Characteristics of Green Products**

Actually there is no consensus on what exactly is green. There is no accepted definition of green product. However based on different definitions of green marketing, some common characteristics of products generally accepted as green, including the products are:

1. Products those are originally grown.
2. Products those are recyclable, reusable and biodegradable.
3. Products with natural ingredients.
4. Products containing recycled contents and non toxic chemical.
5. Products contents under approved chemicals.
6. Products that do not harm or pollute the environment.

7. Products that will not be tested on animals.
8. Products that have eco-friendly packaging i.e. reusable, refillable containers etc.
9. Products that are energy efficient (both in use and in production).
10. Products that are water efficient (both in use and in production).
11. Products that are low emitting (low on hazardous emissions).
12. Products that are Safe and/or healthy products.
13. Products that are durable (long-lasting).
14. Products that are locally produced.

### **Need and Importance of Green Marketing**

It is really scary to read these pieces of information as reported in the times recently. "Air pollution damage to people, crops and wildlife in us. Total tens of billion dollars Each year" more than 12 other studies in the us Brazil, Europe, Mexico, south-Korea and Taiwan have established links between air pollutants and low birth weight premature birth still birth and infant death "As resources are limited and human wants unlimited, it is important for the marketers to utilize the resources efficiently without waste as well as to achieve the organization's objectives. So, Green marketing is inevitable. There is growing interest among the consumers all over the world regarding protection of environment. AS a result of this green-marketing has emerged which speaks for growing market for sustainable and socially responsible products & services. Thus, the growing awareness among the consumers all over the world regarding protection of the environment in which they live ,people do want to bequeath a clean Earth to their marketing by the business class is still in the selfish anthological perspective of long term sustainable business and to please the consumer and obtain the license by the governing body.

Green Marketing offers business bottom line incentives and top line growth possibilities. While modifying of business or production processes may involve start-up costs. It will save money in the long-term .When looking through the literature there are several suggested for firms increased use of Green-marketing. Possible reasons are as follows:-

1. Organization's perceives environmental marketing to be an opportunity that can be used to achieve its objectives.
2. Organization believes they have a moral obligation to be more socially responsible.
3. Governmental bodies forcing firms to become more responsible.
4. Competitor's environmental activities pressure firms to change their environmental marketing Activities.

### **Opportunities for Green Marketing in India**

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.

### **Green Products and Marketing Practices**

Many consumer durable companies are now marketing their products with Energy Star Label stating that their use will reduce the energy consumption and consumers can save a lot of money on electricity consumption over a period of time.

For example,

- **Samsung**, was the first to dispatch eco benevolent versatile handsets (made of renewable materials) – W510 and F268-in India.
- Wipro Info tech (Green It) was India's first organization to dispatch environment benevolent PC peripherals.
- **Oil and Natural Gas Corporation Ltd. (ONGC)**, India's biggest oil organization, has presented vitality proficient Mokshada Green Crematorium, which spares 60% to 70% of wood and a fourth of the blazing time per incineration.
- Reva, India's own special Bangalore based organization was the first on the planet to financially discharge an electric auto. Honda India presented its Civic Hybrid auto.
- ITC has presented Paper Kraft, a premium scope of eco-accommodating business paper. Indusland Bank introduced the nation's first sun based fueled ATM and in this manner realized an eco-savvy change in the Indian saving money segment.
- Suzlon Energy produces and markets wind turbines, which give an option wellspring of vitality in light of wind force. This green activity taken by the organization is critical for decreasing the carbon impression.
- Godrej Consumer Products is marketing its product through green marketing and gives additional incentive to buyers to exchange their old products with latest green



and environmental friendly products. The advertisements try to persuade the buyers to adopt a green lifestyle and contribute in development of a greener planet.

- NDTV a major media group promotes green values through its campaign Greenathon. NDTV Greenathon as they call it organizes various philanthropic and social activities to raise awareness regarding environmental issues at the same time contribute to the social causes like electrification of rural areas etc.
- Philips is marketing its Compact Fluorescent Light (CFL) as “Marathon”, highlighting its new “super long life” and energy efficiency.
- Many companies are now offering more eco-friendly alternatives for their customers; re-cycled products are one of the most popular alternatives that benefit the environment. Companies are now focusing on not to use plastic bags, instead they use carry bag made up of recycled paper (for example, Titan, Tanishq have made a corporate policy that the goods will be delivered or given to customers only in the carry bags made out of recycled paper).
- Idea Cellular Limited also launched an advertisement stating saving trees towards their corporate social responsibility.
- Kansai Nerolac Paints is marketing themselves as green as they have removed hazardous heavy metals from their paints and are marketing their lead free paints in India.
- Dell focuses on producing green IT products under their strategy called “Go Green with Dell”. Dell products are also coming in eco-friendly packaging with a system recycling kit bundled along. They are also focusing on green innovations from data-center efficiency to the use of eco-friendly materials for everything from chassis design to product packaging.
- Major electronic goods manufacturing organizations are selling their products with star energy ratings that help to consume less energy. More is the star rating (maximum rating is 5 star) of the electrical/electronic appliance, less is the energy consumed.
- Nokia has come up with the concept of recycling of phones to save the natural resources.
- In 2007, IBM launched Project Big Green to help clients around the world improve the efficiency of IT and better optimized their data center resources. IBM has software and services technologies to help businesses reduce data center energy consumption and cut energy costs by more than 40 percent.

**Countries Ranked according To Their Response Level**

**Table No.1 Countries Ranked according to their Response Level on Green Marketing**

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

*Source – Namex International Journal of Management Research*

## **Green Marketing-Challenges**

In spite of the fact that an extensive number of firms are honing green promoting, it is not a simple employment as there are various issues which should be tended to while executing Green showcasing. The real difficulties which Green showcasing must be confronted are:

1. **New Concept**-Indian educated and urban shopper is getting more mindful about the benefits of Green items. Be that as it may, it is still another idea for the masses. The buyer should be instructed and made mindful of the natural dangers. The new green developments need to achieve the masses and that will take a great deal of time and exertion.
2. **Cost Factor**-Green showcasing includes advertising of green items/administrations, green innovation, green influence/vitality for which a ton of cash must be spent on R&D programs for their advancement and resulting special projects which at last may prompt expanded expenses.
3. **Convincing clients**-The clients may not put stock in the association's system of Green promoting, the firm accordingly ought to guarantee that they embrace every single conceivable measure to persuade the client about their green item, the most ideal choice is by executing Eco-marking plans. Once in a while the clients may likewise not will to pay the additional cost for the items.
4. **Sustainability**- Initially the benefits are low since renewable and recyclable items and green advances are more costly. Green showcasing will be fruitful just in long run. Consequently the business needs to anticipate long haul instead of transient methodology and plan for the same, in the meantime it ought to abstain from falling into bait of deceptive practices to make benefits in short term.
5. **Non Cooperation**-The organizations honing Green showcasing need to endeavor hard in persuading the partners and numerous a times it might neglect to persuade them about the long haul advantages of Green advertising when contrasted with fleeting costs.
6. **Avoiding Green Myopia**-Green showcasing must fulfill two goals: enhanced ecological quality and consumer loyalty. Misinterpreting either or overemphasizing the previous to the detriment of the last can be named green showcasing nearsightedness.

## **Suggestions**

Green showcasing is still in its outset and a great deal of exploration is to be done on green advertising to completely investigate it's 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 consumer 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 promise and claim 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 they purchase 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.

### **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.

Indian market Customers too are ready to pay premium price for green products. One thing that is being reiterated is that the current consumption levels are too high and are unsustainable. Therefore there is a need for green marketing and a need for a shift in the consumer's behavior and attitude towards more environment friendly life styles. Ultimately green marketing requires that consumers want a cleaner environment and are willing to pay for it, possibly through higher priced goods, modified individual lifestyles, or even governmental intervention. Until this occurs it will be difficult for firms alone to lead the green marketing revolution. An environmental committed organization may not only produce goods that have reduced their detrimental impact on the environment, they may also be able to pressure their suppliers to behave in a more environmentally responsible fashion. Final consumers and industrial buyers also have the ability to pressure organizations to integrate the environment into their corporate culture and thus ensure all organizations minimize the detrimental environmental impact of their activities.



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